

By the Committee on Commerce, Economic Opportunities, and Consumer Services; and Senators Klein and Lynn

310-2228-03

1 A bill to be entitled
2 An act relating to the Florida Business
3 Corporations Act; amending s. 607.0120, F.S.;
4 clarifying a document execution provision
5 relating to filing requirement; amending s.
6 607.0122, F.S.; clarifying an agent statement
7 of resignation fee provision; amending s.
8 607.0123, F.S.; clarifying an effective time
9 and date of document provision; amending s.
10 607.0124, F.S.; clarifying a filed document
11 correction provision; amending s. 607.0141,
12 F.S.; revising certain required notice
13 provisions; providing for nonapplication to
14 certain provisions; amending s. 607.0401, F.S.;
15 clarifying a corporate name provision;
16 providing construction relating to a corporate
17 name; amending s. 607.0505, F.S.; providing for
18 agent designation withdrawals by alien business
19 organizations; amending s. 607.0630, F.S.;
20 clarifying shareholder's preemptive rights
21 provisions relating to certain securities;
22 amending s. 607.0701, F.S.; providing for
23 remote communications at annual shareholder
24 meetings; providing requirements; amending s.
25 607.0702, F.S.; providing for remote
26 communications at special shareholder meetings;
27 providing requirements; amending s. 607.07401,
28 F.S.; revising a complaint verification and
29 allegation requirement under a shareholder
30 derivative action provision; amending s.
31 607.0902, F.S.; revising a notice of

1 shareholder meeting requirement; providing
2 construction of control shares voting rights;
3 deleting a rights of dissenting shareholders
4 provision; amending s. 607.10025, F.S.;
5 clarifying certain articles of incorporation
6 provisions; amending s. 607.1004, F.S.;
7 clarifying certain voting group amendment
8 voting provisions; amending s. 607.1006, F.S.;
9 clarifying certain execution of articles of
10 amendment provisions; amending s. 607.1103,
11 F.S.; clarifying a notification of certain plan
12 actions provision; amending s. 607.1104, F.S.;
13 clarifying a merger of subsidiary corporation
14 plan of merger information requirement;
15 amending s. 607.1108, F.S.; correcting a
16 cross-reference; amending s. 607.11101, F.S.;
17 clarifying certain effect of merger provisions;
18 amending s. 607.1202, F.S.; clarifying a notice
19 requirement relating to certain sales of
20 assets; amending s. 607.1301, F.S.; providing
21 definitions relating to appraisal rights;
22 amending s. 607.1302, F.S.; providing for
23 shareholders' rights to appraisals under
24 certain circumstances; providing limitations;
25 providing for limiting or eliminating appraisal
26 rights under certain circumstances; prohibiting
27 certain corporate action challenges under
28 certain circumstances; creating s. 607.1303,
29 F.S.; providing procedures, requirements, and
30 limitations for assertion of rights by nominees
31 and beneficial owners; amending s. 607.1320,

1 F.S.; providing requirements for notice of
2 appraisal rights; creating s. 607.1321, F.S.;
3 providing requirements for notice of intent to
4 demand payment; creating s. 607.1322, F.S.;
5 providing appraisal notice and form
6 requirements; creating s. 607.1323, F.S.;
7 providing procedures, requirements, and
8 limitations for perfection of appraisal rights;
9 providing for right to withdraw under certain
10 circumstances; creating s. 607.1324, F.S.;
11 providing procedures and requirements for
12 shareholders' acceptance of certain offers;
13 creating s. 607.1326, F.S.; providing
14 procedures for shareholder dissatisfaction with
15 certain offers; providing for waiver of certain
16 rights; creating s. 607.1330, F.S.; providing
17 requirements, procedures, and limitations on
18 court actions; providing for entitlement to
19 certain judgments; requiring corporate payments
20 under certain circumstances; creating s.
21 607.1331, F.S.; providing for assessment and
22 award of court costs and attorney fees under
23 certain circumstances; creating s. 607.1332,
24 F.S.; providing for disposition of certain
25 acquired shares; creating s. 607.1333, F.S.;
26 providing limitations on corporate payouts;
27 providing certain shareholder notice
28 requirements; amending s. 607.1403, F.S.;
29 providing for execution of articles of
30 dissolution; clarifying requirements; amending
31 s. 607.1406, F.S.; clarifying provisions

1 relating to claims against dissolved
2 corporations; creating s. 607.1407, F.S.;
3 providing procedures and requirements for
4 administration of unknown claims against
5 dissolved corporations; amending s. 607.1422,
6 F.S.; revising procedural requirements for
7 reinstatement after administrative dissolution;
8 amending s. 607.1430, F.S.; providing for
9 restricting certain grounds for judicial
10 dissolution; providing application; amending s.
11 607.1503, F.S.; clarifying certain foreign
12 corporation name requirements; amending s.
13 607.1504, F.S.; revising certain execution
14 procedures and requirements for amended
15 certificates of authority; amending s.
16 607.1506, F.S.; clarifying name requirements
17 for foreign corporations; creating s. 607.1605,
18 F.S.; providing requirements, procedures, and
19 limitations on inspection of corporate records
20 by directors; amending s. 607.1622, F.S.;
21 deleting an annual report information
22 requirement relating to corporate liability for
23 certain taxes; amending s. 607.1907, F.S.;
24 clarifying an effect of repeal of prior acts
25 provision; repealing s. 607.0903, F.S.,
26 relating to application of certain provisions
27 to foreign corporations; providing effective
28 dates.

29
30 Be It Enacted by the Legislature of the State of Florida:
31

1 Section 1. Subsection (6) of section 607.0120, Florida
2 Statutes, is amended to read:

3 607.0120 Filing requirements.--

4 (6) The document must be executed:

5 (a) By a director ~~the chair or any vice chair of the~~
6 ~~board of directors~~ of a domestic or foreign corporation, or by
7 its president or by another of its officers;

8 (b) If directors or officers have not been selected or
9 the corporation has not been formed, by an incorporator; or

10 (c) If the corporation is in the hands of a receiver,
11 trustee, or other court-appointed fiduciary, by that
12 fiduciary.

13 Section 2. Subsection (7) of section 607.0122, Florida
14 Statutes, is amended to read:

15 607.0122 Fees for filing documents and issuing
16 certificates.--The Department of State shall collect the
17 following fees when the documents described in this section
18 are delivered to the department for filing:

19 (7) Agent's statement of resignation from an inactive
20 ~~administratively dissolved~~ corporation: \$35.

21 Section 3. Subsections (1) and (2) of section
22 607.0123, Florida Statutes, are amended to read:

23 607.0123 Effective time and date of document.--

24 (1) Except as provided in subsections ~~subsection~~ (2)
25 and (4) and in s. 607.0124(3), a document accepted for filing
26 is effective on+

27 ~~(a) At the date and at the time of filing, as~~
28 evidenced by such means as the Department of State may use for
29 the purpose of recording the date and time of filing ~~or~~

30 ~~(b) At the date specified in the document as its~~
31 ~~effective date.~~

1 (2) A document may specify a delayed effective date
2 and, if desired, a time on that date, and if it does the
3 document shall become effective on the date and at the time,
4 if any, specified. If a delayed effective date is specified
5 without specifying a time on that date, the document shall
6 become effective at the start of business on that date. Unless
7 otherwise permitted by this act, a delayed effective date for
8 a document may not be later than the 90th day after the date
9 on which it is filed.

10 Section 4. Subsections (1) and (2) of section
11 607.0124, Florida Statutes, are amended to read:

12 607.0124 Correcting filed document.--

13 (1) A domestic or foreign corporation may correct a
14 document filed by the Department of State within 30 ~~10~~
15 ~~business~~ days after ~~of~~ filing if the document:

16 (a) Contains an inaccuracy;

17 (b) Was defectively executed, attested, sealed,
18 verified, or acknowledged; or

19 (c) The electronic transmission was defective.

20 (2) A document is corrected:

21 (a) By preparing articles of correction that:

22 1. Describe the document (including its filing date)
23 ~~or attach a copy of it to the articles;~~

24 2. Specify the inaccuracy or defect to be corrected;
25 and

26 3. Correct the inaccuracy or defect; and

27 (b) By delivering the ~~executed~~ articles of correction
28 to the Department of State for filing, executed in accordance
29 with s. 607.0120.

30 Section 5. Subsection (3) of section 607.0141, Florida
31 Statutes, is amended to read:

1 607.0141 Notice.--

2 (3)(a) Written notice by a domestic or foreign
3 corporation authorized to transact business in this state to
4 its shareholder, if in a comprehensible form, is effective:

5 1.(a) Upon deposit into the United States mail, if
6 mailed postpaid and correctly addressed to the shareholder's
7 address shown in the corporation's current record of
8 shareholders; or

9 2.(b) When electronically transmitted to the
10 shareholder in a manner authorized by the shareholder.

11 (b) Unless otherwise provided in the articles of
12 incorporation or bylaws, and without limiting the manner by
13 which notice otherwise may be given effectively to
14 shareholders, any notice to shareholders given by the
15 corporation under any provision of this chapter, the articles
16 of incorporation, or the bylaws, shall be effective if given
17 by a single written notice to shareholders who share an
18 address if consented to by the shareholders at that address to
19 whom such notice is given. Any such consent shall be revocable
20 by a shareholder by written notice to the corporation.

21 (c) Any shareholder who fails to object in writing to
22 the corporation, within 60 days after having been given
23 written notice by the corporation of its intention to send the
24 single notice permitted under paragraph (b), shall be deemed
25 to have consented to receiving such single written notice.

26 (d) This subsection shall not apply to s. 607.0620, s.
27 607.1402, or s. 607.1404.

28 Section 6. Subsection (1) of section 607.0401, Florida
29 Statutes, is amended, and subsection (5) is added to that
30 section, to read:

31 607.0401 Corporate name.--A corporate name:

1 (1) Must contain the word "corporation," "company," or
2 "incorporated" or the abbreviation "Corp.," "Inc.," or "Co.,"
3 ~~or words or abbreviations of like import in language,~~or the
4 designation "Corp," "Inc," or "Co,"as will clearly indicate
5 that it is a corporation instead of a natural person, ~~or~~
6 partnership, or other business entity;

7 (5) The name of the corporation as filed with the
8 Department of State shall be for public notice only and shall
9 not alone create any presumption of ownership beyond that
10 which is created under the common law.

11 Section 7. Subsection (12) is added to section
12 607.0505, Florida Statutes, to read:

13 607.0505 Registered agent; duties.--

14 (12) Any alien business organization may withdraw its
15 registered agent designation by delivering an application for
16 certificate of withdrawal to the Department of State for
17 filing. Such application shall set forth:

18 (a) The name of the alien business organization and
19 the jurisdiction under the law of which it is incorporated or
20 organized.

21 (b) That it is no longer required to maintain a
22 registered agent in this state.

23 Section 8. Subsection (1) and paragraphs (a), (c),
24 (d), and (e) of subsection (2) of section 607.0630, Florida
25 Statutes, are amended to read:

26 607.0630 Shareholders' preemptive rights.--

27 (1) The shareholders of a corporation do not have a
28 preemptive right to acquire the corporation's unissued shares
29 or the corporation's treasury shares, except in each case to
30 the extent the articles of incorporation so provide.

31

1 (2) A statement included in the articles of
2 incorporation that "the corporation elects to have preemptive
3 rights" (or words of similar import) means that the following
4 principles apply except to the extent the articles of
5 incorporation expressly provide otherwise:

6 (a) The shareholders of the corporation have a
7 preemptive right, granted on uniform terms and conditions
8 prescribed by the board of directors to provide a fair and
9 reasonable opportunity to exercise the right, to acquire
10 proportional amounts of the corporation's unissued shares and
11 treasury shares upon the decision of the board of directors to
12 issue them.

13 (c) There is no preemptive right with respect to:

14 1. Shares issued as compensation to directors,
15 officers, agents, or employees of the corporation or its
16 subsidiaries or affiliates;

17 2. Shares issued to satisfy conversion or option
18 rights created to provide compensation to directors, officers,
19 agents, or employees of the corporation or its subsidiaries or
20 affiliates;

21 3. Shares authorized in articles of incorporation that
22 are issued within 6 months from the effective date of
23 incorporation;

24 4. Shares issued pursuant to a plan of reorganization
25 approved by a court of competent jurisdiction pursuant to a
26 law of this state or of the United States; or

27 ~~5.4. Shares issued for consideration other sold~~
28 ~~otherwise than for money.~~

29 (d) Holders of shares of any class or series without
30 general voting rights but with preferential rights to
31

1 distributions or net assets upon dissolution and liquidation
2 have no preemptive rights with respect to shares of any class.

3 (e) Holders of shares of any class or series with
4 general voting rights but without preferential rights to
5 distributions or net assets upon dissolution or liquidation
6 have no preemptive rights with respect to shares of any class
7 with preferential rights to distributions or assets unless the
8 shares with preferential rights are convertible into or carry
9 a right to subscribe for or acquire shares without
10 preferential rights.

11 Section 9. Subsection (4) is added to section
12 607.0701, Florida Statutes, to read:

13 607.0701 Annual meeting.--

14 (4) If authorized by the board of directors, and
15 subject to such guidelines and procedures as the board of
16 directors may adopt, shareholders and proxyholders not
17 physically present at an annual meeting of shareholders may,
18 by means of remote communication:

19 (a) Participate in an annual meeting of shareholders.

20 (b) Be deemed present in person and vote at an annual
21 meeting of shareholders, whether such meeting is to be held at
22 a designated place or solely by means of remote communication,
23 provided that:

24 1. The corporation shall implement reasonable measures
25 to verify that each person deemed present and permitted to
26 vote at the annual meeting by means of remote communication is
27 a shareholder or proxyholder;

28 2. The corporation shall implement reasonable measures
29 to provide such shareholders or proxyholders a reasonable
30 opportunity to participate in the annual meeting and to vote
31 on matters submitted to the shareholders, including, without

1 limitation, an opportunity to communicate and to read or hear
2 the proceedings of the annual meeting substantially
3 concurrently with such proceedings; and

4 3. If any shareholder or proxyholder votes or takes
5 other action at the annual meeting by means of remote
6 communication, a record of such vote or other action shall be
7 maintained by the corporation.

8 Section 10. Subsection (4) is added to section
9 607.0702, Florida Statutes, to read:

10 607.0702 Special meeting.--

11 (4) If authorized by the board of directors, and
12 subject to such guidelines and procedures as the board of
13 directors may adopt, shareholders and proxyholders not
14 physically present at a special meeting of shareholders may,
15 by means of remote communication:

16 (a) Participate in a special meeting of shareholders.

17 (b) Be deemed present in person and vote at a special
18 meeting of shareholders, whether such meeting is to be held at
19 a designated place or solely by means of remote communication,
20 provided that:

21 1. The corporation shall implement reasonable measures
22 to verify that each person deemed present and permitted to
23 vote at the special meeting by means of remote communication
24 is a shareholder or proxyholder;

25 2. The corporation shall implement reasonable measures
26 to provide such shareholders or proxyholders a reasonable
27 opportunity to participate in the special meeting and to vote
28 on matters submitted to the shareholders, including, without
29 limitation, an opportunity to communicate and to read or hear
30 the proceedings of the special meeting substantially
31 concurrently with such proceedings; and

1 3. If any shareholder or proxyholder votes or takes
2 other action at the special meeting by means of remote
3 communication, a record of such vote or other action shall be
4 maintained by the corporation.

5 Section 11. Subsection (2) of section 607.07401,
6 Florida Statutes, is amended to read:

7 607.07401 Shareholders' derivative actions.--

8 (2) A complaint in a proceeding brought in the right
9 of a corporation must be verified and allege with
10 particularity the demand made to obtain action by the board of
11 directors and that the demand was refused or ignored by the
12 board of directors for a period of at least 90 days from the
13 first demand unless, prior to the expiration of the 90 days,
14 the person was notified in writing that the corporation
15 rejected the demand or unless irreparable injury to the
16 corporation would result by waiting for the expiration of the
17 90-day period. If the corporation commences an investigation
18 of the charges made in the demand, or complaint, the court may
19 stay any proceeding until the investigation is completed.

20 Section 12. Subsections (8), (9), and (11) of section
21 607.0902, Florida Statutes, are amended to read:

22 607.0902 Control-share acquisitions.--

23 (8) NOTICE OF SHAREHOLDER MEETING.--

24 (a) If a special meeting is requested, notice of the
25 special meeting of shareholders shall be given as promptly as
26 reasonably practicable by the issuing public corporation to
27 all shareholders of record as of the record date set for the
28 meeting, whether or not entitled to vote at the meeting.

29 (b) Notice of the special or annual shareholder
30 meeting at which the voting rights are to be considered must
31 include or be accompanied by each of the following:

1 1. A copy of the acquiring person statement delivered
2 to the issuing public corporation pursuant to this section.

3 2. A statement by the board of directors of the
4 corporation, authorized by its directors, of its position or
5 recommendation, or that it is taking no position or making no
6 recommendation, with respect to the proposed control-share
7 acquisition.

8 ~~3. A statement that shareholders are or may be~~
9 ~~entitled to assert dissenters' rights, to be accompanied by a~~
10 ~~copy of ss. 607.1301, 607.1302, and 607.1320.~~

11 (9) RESOLUTION GRANTING CONTROL-SHARE VOTING RIGHTS.--

12 (a) Control shares acquired in a control-share
13 acquisition have the same voting rights as were accorded the
14 shares before the control-share acquisition only to the extent
15 granted by resolution approved by the shareholders of the
16 issuing public corporation.

17 (b) To be approved under this subsection, the
18 resolution must be approved by:

19 1. Each class or series entitled to vote separately on
20 the proposal by a majority of all the votes entitled to be
21 cast by the class or series, with the holders of the
22 outstanding shares of a class or series being entitled to vote
23 as a separate class if the proposed control-share acquisition
24 would, if fully carried out, result in any of the changes
25 described in s. 607.1004; and

26 2. Each class or series entitled to vote separately on
27 the proposal by a majority of all the votes entitled to be
28 cast by that group, excluding all interested shares.

29 (c) Any control shares that do not have voting rights
30 because such rights were not accorded to such shares by
31 approval of a resolution by the shareholders pursuant to

1 paragraph (b) shall regain voting rights and shall no longer
2 be deemed control shares upon a transfer to a person other
3 than the acquiring person or associate or affiliate, as
4 defined in s. 607.0901, of the acquiring person unless the
5 acquisition of the shares by the other person constitutes a
6 control-share acquisition, in which case the voting rights of
7 the shares remain subject to the provisions of this section.

8 ~~(11) RIGHTS OF DISSENTING SHAREHOLDERS.--~~

9 ~~(a) Unless otherwise provided in a corporation's~~
10 ~~articles of incorporation or bylaws before a control-share~~
11 ~~acquisition has occurred, in the event control shares acquired~~
12 ~~in a control-share acquisition are accorded full voting rights~~
13 ~~and the acquiring person has acquired control shares with a~~
14 ~~majority or more of all voting power, all shareholders of the~~
15 ~~issuing public corporation shall have dissenters' rights to~~
16 ~~receive the fair value of their shares as provided in ss.~~
17 ~~607.1301, 607.1302, and 607.1320 as provided in this section.~~

18 ~~(b) As used in this subsection, "fair value" means a~~
19 ~~value not less than the highest price paid per share by the~~
20 ~~acquiring person in the control-share acquisition.~~

21 Section 13. Subsections (4) and (6) of section
22 607.10025, Florida Statutes, are amended to read:

23 607.10025 Shares; combination or division.--

24 (4) If a division or combination is effected by a
25 board action without shareholder approval and includes an
26 amendment to the articles of incorporation, there shall be
27 executed in accordance with s. 607.0120 on behalf of the
28 corporation and filed in the office of the Department of State
29 articles a certificate of amendment which shall set setting
30 forth:

31 (a) The name of the corporation.

1 (b) The date of adoption by the board of directors of
2 the resolution approving the division or combination.

3 (c) That the amendment to the articles of
4 incorporation does not adversely affect the rights or
5 preferences of the holders of outstanding shares of any class
6 or series and does not result in the percentage of authorized
7 shares that remain unissued after the division or combination
8 exceeding the percentage of authorized shares that were
9 unissued before the division or combination.

10 (d) The class or series and number of shares subject
11 to the division or combination and the number of shares into
12 which the shares are to be divided or combined.

13 (e) The amendment of the articles of incorporation
14 made in connection with the division or combination.

15 (f) If the division or combination is to become
16 effective at a time subsequent to the time of filing, the
17 date, which may not exceed 90 days after the date of filing,
18 when the division or combination becomes effective.

19 (6) If a division or combination is effected by action
20 of the board and of the shareholders, there shall be executed
21 on behalf of the corporation and filed with the Department of
22 State articles ~~a certificate~~ of amendment as provided in s.
23 607.1003, which articles ~~certificate~~ shall set forth, in
24 addition to the information required by s. 607.1003, the
25 information required in subsection (4).

26 Section 14. Subsections (1) and (3) of section
27 607.1004, Florida Statutes, are amended to read:

28 607.1004 Voting on amendments by voting groups.--

29 (1) The holders of the outstanding shares of a class
30 are entitled to vote as a class (if shareholder voting is
31

1 otherwise required by this act) upon a proposed amendment, if
2 the amendment would:

3 ~~(a) Increase or decrease the aggregate number of~~
4 ~~authorized shares of the class.~~

5 (a)~~(b)~~ Effect an exchange or reclassification of all
6 or part of the shares of the class into shares of another
7 class.

8 (b)~~(c)~~ Effect an exchange or reclassification, or
9 create a right of exchange, of all or part of the shares of
10 another class into the shares of the class.

11 (c)~~(d)~~ Change the designation, rights, preferences, or
12 limitations of all or part of the shares of the class.

13 (d)~~(e)~~ Change the shares of all or part of the class
14 into a different number of shares of the same class.

15 (e)~~(f)~~ Create a new class of shares having rights or
16 preferences with respect to distributions or to dissolution
17 that are prior or~~, superior, or substantially equal~~ to the
18 shares of the class.

19 (f)~~(g)~~ Increase the rights, preferences, or number of
20 authorized shares of any class that, after giving effect to
21 the amendment, have rights or preferences with respect to
22 distributions or to dissolution that are prior or~~, superior,~~
23 ~~or substantially equal~~ to the shares of the class.

24 (g)~~(h)~~ Limit or deny an existing preemptive right of
25 all or part of the shares of the class.

26 (h)~~(i)~~ Cancel or otherwise affect rights to
27 distributions or dividends that have accumulated but not yet
28 been declared on all or part of the shares of the class.

29 (3) If a proposed amendment that entitles the holders
30 of two or more classes or series of shares to vote as separate
31 voting groups ~~classes~~ under this section would affect those

1 two or more classes or series in the same or substantially
2 similar way, the holders of the shares of all the classes or
3 series so affected must vote together as a single voting group
4 ~~class~~ on the proposed amendment, unless otherwise provided in
5 the articles of incorporation.

6 Section 15. Subsection (1) of section 607.1006,
7 Florida Statutes, is amended to read:

8 607.1006 Articles of amendment.--

9 (1) A corporation amending its articles of
10 incorporation shall deliver to the Department of State for
11 filing articles of amendment which shall be executed in
12 accordance with s. 607.0120 and which shall set ~~setting~~ forth:

13 (a) The name of the corporation;

14 (b) The text of each amendment adopted;

15 (c) If an amendment provides for an exchange,
16 reclassification, or cancellation of issued shares, provisions
17 for implementing the amendment if not contained in the
18 amendment itself;

19 (d) The date of each amendment's adoption;

20 (e) If an amendment was adopted by the incorporators
21 or board of directors without shareholder action, a statement
22 to that effect and that shareholder action was not required;

23 (f) If an amendment was approved by the shareholders,
24 a statement that the number of votes cast for the amendment by
25 the shareholders was sufficient for approval and if more than
26 one voting group was entitled to vote on the amendment, a
27 statement designating each voting group entitled to vote
28 separately on the amendment, and a statement that the number
29 of votes cast for the amendment by the shareholders in each
30 voting group was sufficient for approval by that voting group.

31

1 Section 16. Subsection (4) of section 607.1103,
2 Florida Statutes, is amended to read:

3 607.1103 Action on plan.--

4 (4) The corporation the shareholders of which are
5 entitled to vote on the matter shall notify each shareholder,
6 whether or not entitled to vote, of the proposed shareholders'
7 meeting in accordance with s. 607.0705. The notice shall also
8 state that the purpose, or one of the purposes, of the meeting
9 is to consider the plan of merger or share exchange,
10 regardless of whether or not the meeting is an annual or a
11 special meeting, and contain or be accompanied by a copy or
12 summary of the plan. Furthermore, the notice shall contain a
13 clear and concise statement that, if the plan of merger or
14 share exchange is effected, shareholders dissenting therefrom
15 may be entitled, if they comply with the provisions of this
16 act regarding appraisal ~~the rights of dissenting shareholders,~~
17 to be paid the fair value of their shares, and shall be
18 accompanied by a copy of ss. 607.1301-607.1333, ~~607.1302,~~ and
19 ~~607.1320~~.

20 Section 17. Paragraph (b) of subsection (1) of section
21 607.1104, Florida Statutes, is amended to read:

22 607.1104 Merger of subsidiary corporation.--

23 (1)

24 (b) The board of directors of the parent shall adopt a
25 plan of merger that sets forth:

26 1. The names of the parent and subsidiary
27 corporations;

28 2. The manner and basis of converting the shares of
29 the subsidiary or parent into shares, obligations, or other
30 securities of the parent or any other corporation or, in whole
31 or in part, into cash or other property, and the manner and

1 basis of converting rights to acquire shares of each
2 corporation into rights to acquire shares, obligations, and
3 other securities of the surviving or any other corporation or,
4 in whole or in part, into cash or other property;

5 3. If the merger is between the parent and a
6 subsidiary corporation and the parent is not the surviving
7 corporation, a provision for the pro rata issuance of shares
8 of the subsidiary to the holders of the shares of the parent
9 corporation upon surrender of any certificates therefor; and

10 4. A clear and concise statement that shareholders of
11 the subsidiary who, except for the applicability of this
12 section, would be entitled to vote and who dissent from the
13 merger pursuant to s. 607.1321 ~~s. 607.1320~~, may be entitled,
14 if they comply with the provisions of this act regarding
15 appraisal ~~the rights of dissenting shareholders~~, to be paid
16 the fair value of their shares.

17 Section 18. Subsection (6) of section 607.1108,
18 Florida Statutes, is amended to read:

19 607.1108 Merger of domestic corporation and other
20 business entity.--

21 (6) Sections 607.1103 and 607.1301-607.1333 ~~607.1320~~
22 shall, insofar as they are applicable, apply to mergers of one
23 or more domestic corporations with or into one or more other
24 business entities.

25 Section 19. Subsections (3) and (7) of section
26 607.11101, Florida Statutes, are amended to read:

27 607.11101 Effect of merger of domestic corporation and
28 other business entity.--When a merger becomes effective:

29 (3) The surviving entity shall thereafter be
30 responsible and liable for all the liabilities and obligations
31 of each domestic corporation and other business entity that is

1 a party to the merger, including liabilities arising out of
2 appraisal ~~the rights of dissenters~~ with respect to such merger
3 under applicable law.

4 (7) The shares, partnership interests, interests,
5 obligations, or other securities, and the rights to acquire
6 shares, partnership interests, interests, obligations, or
7 other securities, of each domestic corporation and other
8 business entity that is a party to the merger shall be
9 converted into shares, partnership interests, interests,
10 obligations, or other securities, or rights to such
11 securities, of the surviving entity or any other domestic
12 corporation or other business entity or, in whole or in part,
13 into cash or other property as provided in the plan of merger,
14 and the former holders of shares, partnership interests,
15 interests, obligations, or other securities, or rights to such
16 securities, shall be entitled only to the rights provided in
17 the plan of merger and to their appraisal rights ~~as~~
18 ~~dissenters~~, if any, under ss. 607.1301-607.1333
19 ~~607.1301-607.1320~~, s. 608.4384, s. 620.205, or other
20 applicable law.

21 Section 20. Subsection (4) of section 607.1202,
22 Florida Statutes, is amended to read:

23 607.1202 Sale of assets other than in regular course
24 of business.--

25 (4) The corporation shall notify each shareholder of
26 record, whether or not entitled to vote, of the proposed
27 shareholders' meeting in accordance with s. 607.0705. The
28 notice shall also state that the purpose, or one of the
29 purposes, of the meeting is to consider the sale, lease,
30 exchange, or other disposition of all, or substantially all,
31 the property of the corporation, regardless of whether or not

1 the meeting is an annual or a special meeting, and shall
2 contain or be accompanied by a description of the transaction.
3 Furthermore, the notice shall contain a clear and concise
4 statement that, if the transaction is effected, shareholders
5 dissenting therefrom are or may be entitled, if they comply
6 with the provisions of this act regarding appraisal ~~the rights~~
7 ~~of dissenting shareholders~~, to be paid the fair value of their
8 shares and such notice shall be accompanied by a copy of ss.
9 607.1301-607.1333 ~~607.1301, 607.1302, and 607.1320.~~

10 Section 21. Section 607.1301, Florida Statutes, is
11 amended to read:

12 (Substantial rewording of section. See s.

13 607.1301, Florida Statutes, for present text.)

14 607.1301 Appraisal rights; definitions.--The following
15 definitions apply to ss. 607.1302-607.1333:

16 (1) "Affiliate" means a person that directly or
17 indirectly through one or more intermediaries controls, is
18 controlled by, or is under common control with another person
19 or is a senior executive thereof. For purposes of s.
20 607.1302(2)(d), a person is deemed to be an affiliate of its
21 senior executives.

22 (2) "Beneficial shareholder" means a person who is the
23 beneficial owner of shares held in a voting trust or by a
24 nominee on the beneficial owner's behalf.

25 (3) "Corporation" means the issuer of the shares held
26 by a shareholder demanding appraisal and, for matters covered
27 in ss. 607.1322-607.1333, includes the surviving entity in a
28 merger.

29 (4) "Fair value" means the value of the corporation's
30 shares determined:

31

1 (a) Immediately before the effectuation of the
2 corporate action to which the shareholder objects.

3 (b) Using customary and current valuation concepts and
4 techniques generally employed for similar businesses in the
5 context of the transaction requiring appraisal, excluding any
6 appreciation or depreciation in anticipation of the corporate
7 action unless exclusion would be inequitable to the
8 corporation and its remaining shareholders.

9 (c) Without discounting for lack of marketability or
10 minority status except, if appropriate, for amendments to the
11 articles of incorporation pursuant to s. 607.1302(1)(e) or
12 circumstances in which not discounting for marketability would
13 be inequitable to the corporation and its remaining
14 shareholders.

15 (5) "Interest" means interest from the effective date
16 of the corporate action until the date of payment, at the rate
17 of interest on judgments in this state on the effective date
18 of the corporate action.

19 (6) "Preferred shares" means a class or series of
20 shares the holders of which have preference over any other
21 class or series with respect to distributions.

22 (7) "Record shareholder" means the person in whose
23 name shares are registered in the records of the corporation
24 or the beneficial owner of shares to the extent of the rights
25 granted by a nominee certificate on file with the corporation.

26 (8) "Senior executive" means the chief executive
27 officer, chief operating officer, chief financial officer, or
28 anyone in charge of a principal business unit or function.

29 (9) "Shareholder" means both a record shareholder and
30 a beneficial shareholder.

31

1 Section 22. Section 607.1302, Florida Statutes, is
2 amended to read:

3 (Substantial rewording of section. See s.
4 607.1302, Florida Statutes, for present text.)
5 607.1302 Right of shareholders to appraisal.--

6 (1) A shareholder is entitled to appraisal rights, and
7 to obtain payment of the fair value of that shareholder's
8 shares, in the event of any of the following corporate
9 actions:

10 (a) Consummation of a merger to which the corporation
11 is a party if shareholder approval is required for the merger
12 by s. 607.1103 and the shareholder is entitled to vote on the
13 merger or if the corporation is a subsidiary and the merger is
14 governed by s. 607.1104;

15 (b) Consummation of a share exchange to which the
16 corporation is a party as the corporation whose shares will be
17 acquired if the shareholder is entitled to vote on the
18 exchange, except that appraisal rights shall not be available
19 to any shareholder of the corporation with respect to any
20 class or series of shares of the corporation that is not
21 exchanged;

22 (c) Consummation of a disposition of assets pursuant
23 to s. 607.1202 if the shareholder is entitled to vote on the
24 disposition, including a sale in dissolution but not including
25 a sale pursuant to court order or a sale for cash pursuant to
26 a plan by which all or substantially all of the net proceeds
27 of the sale will be distributed to the shareholders within 1
28 year after the date of sale;

29 (d) An amendment of the articles of incorporation with
30 respect to a class or series of shares that reduces the number
31 of shares of a class or series owned by the shareholder to a

1 fraction of a share if the corporation has the obligation or
2 right to repurchase the fractional share so created;

3 (e) Any other amendment to the articles of
4 incorporation, merger, share exchange, or disposition of
5 assets to the extent provided by the articles of
6 incorporation, bylaws, or a resolution of the board of
7 directors, except that no bylaw or board resolution providing
8 for appraisal rights may be amended or otherwise altered
9 except by shareholder approval; or

10 (f) With regard to shares issued prior to October 1,
11 2003, any amendment of the articles of incorporation if the
12 shareholder is entitled to vote on the amendment and if such
13 amendment would adversely affect such shareholder by:

14 1. Altering or abolishing any preemptive rights
15 attached to any of his or her shares;

16 2. Altering or abolishing the voting rights pertaining
17 to any of his or her shares, except as such rights may be
18 affected by the voting rights of new shares then being
19 authorized of any existing or new class or series of shares;

20 3. Effecting an exchange, cancellation, or
21 reclassification of any of his or her shares, when such
22 exchange, cancellation, or reclassification would alter or
23 abolish the shareholder's voting rights or alter his or her
24 percentage of equity in the corporation, or effecting a
25 reduction or cancellation of accrued dividends or other
26 arrearages in respect to such shares;

27 4. Reducing the stated redemption price of any of the
28 shareholder's redeemable shares, altering or abolishing any
29 provision relating to any sinking fund for the redemption or
30 purchase of any of his or her shares, or making any of his or
31

1 her shares subject to redemption when they are not otherwise
2 redeemable;

3 5. Making noncumulative, in whole or in part,
4 dividends of any of the shareholder's preferred shares which
5 had theretofore been cumulative;

6 6. Reducing the stated dividend preference of any of
7 the shareholder's preferred shares; or

8 7. Reducing any stated preferential amount payable on
9 any of the shareholder's preferred shares upon voluntary or
10 involuntary liquidation.

11 (2) Notwithstanding subsection (1), the availability
12 of appraisal rights under paragraphs (1)(a), (b), (c), and (d)
13 shall be limited in accordance with the following provisions:

14 (a) Appraisal rights shall not be available for the
15 holders of shares of any class or series of shares which is:

16 1. Listed on the New York Stock Exchange or the
17 American Stock Exchange or designated as a national market
18 system security on an interdealer quotation system by the
19 National Association of Securities Dealers, Inc.; or

20 2. Not so listed or designated, but has at least 2,000
21 shareholders and the outstanding shares of such class or
22 series has a market value of at least \$10 million, exclusive
23 of the value of such shares held by its subsidiaries, senior
24 executives, directors, and beneficial shareholders owning more
25 than 10 percent of such shares.

26 (b) The applicability of paragraph (a) shall be
27 determined as of:

28 1. The record date fixed to determine the shareholders
29 entitled to receive notice of, and to vote at, the meeting of
30 shareholders to act upon the corporate action requiring
31 appraisal rights; or

1 2. If there will be no meeting of shareholders, the
2 close of business on the day on which the board of directors
3 adopts the resolution recommending such corporate action.

4 (c) Paragraph (a) shall not be applicable and
5 appraisal rights shall be available pursuant to subsection (1)
6 for the holders of any class or series of shares who are
7 required by the terms of the corporate action requiring
8 appraisal rights to accept for such shares anything other than
9 cash or shares of any class or any series of shares of any
10 corporation, or any other proprietary interest of any other
11 entity, that satisfies the standards set forth in paragraph
12 (a) at the time the corporate action becomes effective.

13 (d) Paragraph (a) shall not be applicable and
14 appraisal rights shall be available pursuant to subsection (1)
15 for the holders of any class or series of shares if:

16 1. Any of the shares or assets of the corporation are
17 being acquired or converted, whether by merger, share
18 exchange, or otherwise, pursuant to the corporate action by a
19 person, or by an affiliate of a person, who:

20 a. Is, or at any time in the 1-year period immediately
21 preceding approval by the board of directors of the corporate
22 action requiring appraisal rights was, the beneficial owner of
23 20 percent or more of the voting power of the corporation,
24 excluding any shares acquired pursuant to an offer for all
25 shares having voting power if such offer was made within 1
26 year prior to the corporate action requiring appraisal rights
27 for consideration of the same kind and of a value equal to or
28 less than that paid in connection with the corporate action;
29 or

30 b. Directly or indirectly has, or at any time in the
31 1-year period immediately preceding approval by the board of

1 directors of the corporation of the corporate action requiring
2 appraisal rights had, the power, contractually or otherwise,
3 to cause the appointment or election of 25 percent or more of
4 the directors to the board of directors of the corporation; or
5 2. Any of the shares or assets of the corporation are
6 being acquired or converted, whether by merger, share
7 exchange, or otherwise, pursuant to such corporate action by a
8 person, or by an affiliate of a person, who is, or at any time
9 in the 1-year period immediately preceding approval by the
10 board of directors of the corporate action requiring appraisal
11 rights was, a senior executive or director of the corporation
12 or a senior executive of any affiliate thereof, and that
13 senior executive or director will receive, as a result of the
14 corporate action, a financial benefit not generally available
15 to other shareholders as such, other than:
16 a. Employment, consulting, retirement, or similar
17 benefits established separately and not as part of or in
18 contemplation of the corporate action;
19 b. Employment, consulting, retirement, or similar
20 benefits established in contemplation of, or as part of, the
21 corporate action that are not more favorable than those
22 existing before the corporate action or, if more favorable,
23 that have been approved on behalf of the corporation in the
24 same manner as is provided in s. 607.0832; or
25 c. In the case of a director of the corporation who
26 will, in the corporate action, become a director of the
27 acquiring entity in the corporate action or one of its
28 affiliates, rights and benefits as a director that are
29 provided on the same basis as those afforded by the acquiring
30 entity generally to other directors of such entity or such
31 affiliate.

1 (e) For the purposes of paragraph (d) only, the term
2 "beneficial owner" means any person who, directly or
3 indirectly, through any contract, arrangement, or
4 understanding, other than a revocable proxy, has or shares the
5 power to vote, or to direct the voting of, shares, provided
6 that a member of a national securities exchange shall not be
7 deemed to be a beneficial owner of securities held directly or
8 indirectly by it on behalf of another person solely because
9 such member is the record holder of such securities if the
10 member is precluded by the rules of such exchange from voting
11 without instruction on contested matters or matters that may
12 affect substantially the rights or privileges of the holders
13 of the securities to be voted. When two or more persons agree
14 to act together for the purpose of voting their shares of the
15 corporation, each member of the group formed thereby shall be
16 deemed to have acquired beneficial ownership, as of the date
17 of such agreement, of all voting shares of the corporation
18 beneficially owned by any member of the group.

19 (3) Notwithstanding any other provision of this
20 section, the articles of incorporation as originally filed or
21 any amendment thereto may limit or eliminate appraisal rights
22 for any class or series of preferred shares, but any such
23 limitation or elimination contained in an amendment to the
24 articles of incorporation that limits or eliminates appraisal
25 rights for any of such shares that are outstanding immediately
26 prior to the effective date of such amendment or that the
27 corporation is or may be required to issue or sell thereafter
28 pursuant to any conversion, exchange, or other right existing
29 immediately before the effective date of such amendment shall
30 not apply to any corporate action that becomes effective

31

1 within 1 year of that date if such action would otherwise
2 afford appraisal rights.

3 (4) A shareholder entitled to appraisal rights under
4 this chapter may not challenge a completed corporate action
5 for which appraisal rights are available unless such corporate
6 action:

7 (a) Was not effectuated in accordance with the
8 applicable provisions of this section or the corporation's
9 articles of incorporation, bylaws, or board of directors'
10 resolution authorizing the corporate action; or

11 (b) Was procured as a result of fraud or material
12 misrepresentation.

13 Section 23. Section 607.1303, Florida Statutes, is
14 created to read:

15 607.1303 Assertion of rights by nominees and
16 beneficial owners.--

17 (1) A record shareholder may assert appraisal rights
18 as to fewer than all the shares registered in the record
19 shareholder's name but owned by a beneficial shareholder only
20 if the record shareholder objects with respect to all shares
21 of the class or series owned by the beneficial shareholder and
22 notifies the corporation in writing of the name and address of
23 each beneficial shareholder on whose behalf appraisal rights
24 are being asserted. The rights of a record shareholder who
25 asserts appraisal rights for only part of the shares held of
26 record in the record shareholder's name under this subsection
27 shall be determined as if the shares as to which the record
28 shareholder objects and the record shareholder's other shares
29 were registered in the names of different record shareholders.

30
31

1 (2) A beneficial shareholder may assert appraisal
2 rights as to shares of any class or series held on behalf of
3 the shareholder only if such shareholder:

4 (a) Submits to the corporation the record
5 shareholder's written consent to the assertion of such rights
6 no later than the date referred to in s. 607.1322(2)(b)2.

7 (b) Does so with respect to all shares of the class or
8 series that are beneficially owned by the beneficial
9 shareholder.

10 Section 24. Section 607.1320, Florida Statutes, is
11 amended to read:

12 (Substantial rewording of section. See s.
13 607.1320, Florida Statutes, for present text.)
14 607.1320 Notice of appraisal rights.--

15 (1) If proposed corporate action described in s.
16 607.1302(1) is to be submitted to a vote at a shareholders'
17 meeting, the meeting notice must state that the corporation
18 has concluded that shareholders are, are not, or may be
19 entitled to assert appraisal rights under this chapter. If the
20 corporation concludes that appraisal rights are or may be
21 available, a copy of ss. 607.1301-607.1333 must accompany the
22 meeting notice sent to those record shareholders entitled to
23 exercise appraisal rights.

24 (2) In a merger pursuant to s. 607.1104, the parent
25 corporation must notify in writing all record shareholders of
26 the subsidiary who are entitled to assert appraisal rights
27 that the corporate action became effective. Such notice must
28 be sent within 10 days after the corporate action became
29 effective and include the materials described in s. 607.1322.

30 (3) If the proposed corporate action described in s.
31 607.1302(1) is to be approved other than by a shareholders

1 meeting, the notice referred to in s. 607.1320(1) must be sent
2 to all shareholders at the time that consents are first
3 solicited pursuant to s. 607.0704, whether or not consents are
4 solicited from all shareholders, and include the materials
5 described in s. 607.1322.

6 Section 25. Section 607.1321, Florida Statutes, is
7 created to read:

8 607.1321 Notice of intent to demand payment.--

9 (1) If proposed corporate action requiring appraisal
10 rights under s. 607.1302 is submitted to a vote at a
11 shareholders' meeting, or is submitted to a shareholder
12 pursuant to a consent vote under s. 607.0704, a shareholder
13 who wishes to assert appraisal rights with respect to any
14 class or series of shares:

15 (a) Must deliver to the corporation before the vote is
16 taken, or within 20 days after receiving the notice pursuant
17 to s. 607.1320(3) if action is to be taken without a
18 shareholder meeting, written notice of the shareholder's
19 intent to demand payment if the proposed action is
20 effectuated.

21 (b) Must not vote, or cause or permit to be voted, any
22 shares of such class or series in favor of the proposed
23 action.

24 (2) A shareholder who does not satisfy the requirements
25 of subsection (1) is not entitled to payment under this
26 chapter.

27 Section 26. Section 607.1322, Florida Statutes, is
28 created to read:

29 607.1322 Appraisal notice and form.--

30 (1) If proposed corporate action requiring appraisal
31 rights under s. 607.1302(1) becomes effective, the corporation

1 must deliver a written appraisal notice and form required by
2 paragraph (2)(a) to all shareholders who satisfied the
3 requirements of s. 607.1321. In the case of a merger under s.
4 607.1104, the parent must deliver a written appraisal notice
5 and form to all record shareholders who may be entitled to
6 assert appraisal rights.

7 (2) The appraisal notice must be sent no earlier than
8 the date the corporate action became effective and no later
9 than 10 days after such date and must:

10 (a) Supply a form that specifies the date that the
11 corporate action became effective and that provides for the
12 shareholder to state:

13 1. The shareholder's name and address.

14 2. The number, classes, and series of shares as to
15 which the shareholder asserts appraisal rights.

16 3. That the shareholder did not vote for the
17 transaction.

18 4. Whether the shareholder accepts the corporation's
19 offer as stated in subparagraph (2)(b)4.

20 5. If the offer is not accepted, the shareholder's
21 estimated fair value of the shares and a demand for payment of
22 the shareholder's estimated value plus interest.

23 (b) State:

24 1. Where the form must be sent and where certificates
25 for certificated shares must be deposited and the date by
26 which those certificates must be deposited, which date may not
27 be earlier than the date for receiving the required form under
28 subparagraph (2)(b)2.

29 2. A date by which the corporation must receive the
30 form, which date may not be fewer than 40 nor more than 60
31 days after the date the subsection (1) appraisal notice and

1 form are sent, and state that the shareholder shall have
2 waived the right to demand appraisal with respect to the
3 shares unless the form is received by the corporation by such
4 specified date.

5 3. The corporation's estimate of the fair value of the
6 shares.

7 4. An offer to each shareholder who is entitled to
8 appraisal rights to pay the corporation's estimate of fair
9 value set forth in subparagraph (2)(b)3.

10 5. That, if requested in writing, the corporation will
11 provide to the shareholder so requesting, within 10 days after
12 the date specified in subparagraph (2)(b)2., the number of
13 shareholders who return the forms by the specified date and
14 the total number of shares owned by them.

15 6. The date by which the notice to withdraw under s.
16 607.1323 must be received, which date must be within 20 days
17 after the date specified in subparagraph (2)(b)2.

18 (c) Be accompanied by:

19 1. Financial statements of the corporation that issued
20 the shares to be appraised, consisting of a balance sheet as
21 of the end of the fiscal year ending not more than 15 months
22 prior to the date of the corporation's appraisal notice, an
23 income statement for that year, a cash flow statement for that
24 year, and the latest available interim financial statements,
25 if any.

26 2. A copy of ss. 607.1301-607.1333.

27 Section 27. Section 607.1323, Florida Statutes, is
28 created to read:

29 607.1323 Perfection of rights; right to withdraw.--

30 (1) A shareholder who wishes to exercise appraisal
31 rights must execute and return the form received pursuant to

1 s. 607.1322(1) and, in the case of certificated shares,
2 deposit the shareholder's certificates in accordance with the
3 terms of the notice by the date referred to in the notice
4 pursuant to s. 607.1322(2)(b)2. Once a shareholder deposits
5 that shareholder's certificates or, in the case of
6 uncertificated shares, returns the executed forms, that
7 shareholder loses all rights as a shareholder, unless the
8 shareholder withdraws pursuant to subsection (2).

9 (2) A shareholder who has complied with subsection (1)
10 may nevertheless decline to exercise appraisal rights and
11 withdraw from the appraisal process by so notifying the
12 corporation in writing by the date set forth in the appraisal
13 notice pursuant to s. 607.1322(2)(b)6. A shareholder who fails
14 to so withdraw from the appraisal process may not thereafter
15 withdraw without the corporation's written consent.

16 (3) A shareholder who does not execute and return the
17 form and, in the case of certificated shares, deposit that
18 shareholder's share certificates if required, each by the date
19 set forth in the notice described in subsection (2), shall not
20 be entitled to payment under this chapter.

21 Section 28. Section 607.1324, Florida Statutes, is
22 created to read:

23 607.1324 Shareholder's acceptance of corporation's
24 offer.--

25 (1) If the shareholder states on the form provided in
26 s. 607.1322(1) that the shareholder accepts the offer of the
27 corporation to pay the corporation's estimated fair value for
28 the shares, the corporation shall make such payment to the
29 shareholder within 90 days after the corporation's receipt of
30 the form from the shareholder.

31

1 (2) Upon payment of the agreed value, the shareholder
2 shall cease to have any interest in the shares.

3 Section 29. Section 607.1326, Florida Statutes, is
4 created to read:

5 607.1326 Procedure if shareholder is dissatisfied with
6 offer.--

7 (1) A shareholder who is dissatisfied with the
8 corporation's offer as set forth pursuant to s.
9 607.1322(2)(b)4. must notify the corporation on the form
10 provided pursuant to s. 607.1322(1) of that shareholder's
11 estimate of the fair value of the shares and demand payment of
12 that estimate plus interest.

13 (2) A shareholder who fails to notify the corporation
14 in writing of that shareholder's demand to be paid the
15 shareholder's stated estimate of the fair value plus interest
16 under subsection (1) within the timeframe set forth in s.
17 607.1322(2)(b)2. waives the right to demand payment under this
18 section and shall be entitled only to the payment offered by
19 the corporation pursuant to s. 607.1322(2)(b)4.

20 Section 30. Section 607.1330, Florida Statutes, is
21 created to read:

22 607.1330 Court action.--

23 (1) If a shareholder makes demand for payment under s.
24 607.1326 which remains unsettled, the corporation shall
25 commence a proceeding within 60 days after receiving the
26 payment demand and petition the court to determine the fair
27 value of the shares and accrued interest. If the corporation
28 does not commence the proceeding within the 60-day period, it
29 shall pay in cash to each shareholder the amount the
30 shareholder demanded pursuant to s. 607.1326 plus interest.

31

1 (2) The corporation shall commence the proceeding in
2 the appropriate court of the county in which the corporation's
3 principal office, or, if none, its registered office, in this
4 state is located. If the corporation is a foreign corporation
5 without a registered office in this state, it shall commence
6 the proceeding in the county in this state in which the
7 principal office or registered office of the domestic
8 corporation merged with the foreign corporation was located at
9 the time of the transaction.

10 (3) The corporation shall make all shareholders,
11 whether or not residents of this state, whose demands remain
12 unsettled parties to the proceeding as in an action against
13 their shares, and all parties must be served with a copy of
14 the petition. Nonresidents may be served by registered or
15 certified mail or by publication as provided by law.

16 (4) The jurisdiction of the court in which the
17 proceeding is commenced under subsection (2) is plenary and
18 exclusive. The court may appoint one or more persons as
19 appraisers to receive evidence and recommend a decision on the
20 question of fair value. The appraisers shall have the powers
21 described in the order appointing them, or in any amendment to
22 the order. The shareholders demanding appraisal rights are
23 entitled to the same discovery rights as parties in other
24 civil proceedings. There shall be no right to a jury trial.

25 (5) Each shareholder made a party to the proceeding is
26 entitled to judgment for the amount of the fair value of such
27 shareholder's shares, plus interest, as found by the court.

28 (6) The corporation shall pay each such shareholder
29 the amount found to be due within 10 days after final
30 determination of the proceedings. Upon payment of the
31

1 judgment, the shareholder shall cease to have any interest in
2 the shares.

3 Section 31. Section 607.1331, Florida Statutes, is
4 created to read:

5 607.1331 Court costs and counsel fees.--

6 (1) The court in an appraisal proceeding commenced
7 under s. 607.1330 shall determine all costs of the proceeding,
8 including the reasonable compensation and expenses of
9 appraisers appointed by the court. The court shall assess the
10 costs against the corporation, except that the court may
11 assess costs against all or some of the shareholders demanding
12 appraisal, in amounts the court finds equitable, to the extent
13 the court finds such shareholders acted arbitrarily,
14 vexatiously, or not in good faith with respect to the rights
15 provided by this chapter.

16 (2) The court in an appraisal proceeding may also
17 assess the fees and expenses of counsel and experts for the
18 respective parties, in amounts the court finds equitable:

19 (a) Against the corporation and in favor of any or all
20 shareholders demanding appraisal if the court finds the
21 corporation did not substantially comply with ss. 607.1320 and
22 607.1322; or

23 (b) Against either the corporation or a shareholder
24 demanding appraisal, in favor of any other party, if the court
25 finds that the party against whom the fees and expenses are
26 assessed acted arbitrarily, vexatiously, or not in good faith
27 with respect to the rights provided by this chapter.

28 (3) If the court in an appraisal proceeding finds that
29 the services of counsel for any shareholder were of
30 substantial benefit to other shareholders similarly situated,
31 and that the fees for those services should not be assessed

1 against the corporation, the court may award to such counsel
2 reasonable fees to be paid out of the amounts awarded the
3 shareholders who were benefited.

4 (4) To the extent the corporation fails to make a
5 required payment pursuant to s. 607.1324, the shareholder may
6 sue directly for the amount owed and, to the extent
7 successful, shall be entitled to recover from the corporation
8 all costs and expenses of the suit, including counsel fees.

9 Section 32. Section 607.1332, Florida Statutes, is
10 created to read:

11 607.1332 Disposition of acquired shares.--Shares
12 acquired by a corporation pursuant to payment of the agreed
13 value thereof or pursuant to payment of the judgment entered
14 therefor, as provided in this chapter, may be held and
15 disposed of by such corporation as authorized but unissued
16 shares of the corporation, except that, in the case of a
17 merger or share exchange, they may be held and disposed of as
18 the plan of merger or share exchange otherwise provides. The
19 shares of the surviving corporation into which the shares of
20 such shareholders demanding appraisal rights would have been
21 converted had they assented to the merger shall have the
22 status of authorized but unissued shares of the surviving
23 corporation.

24 Section 33. Section 607.1333, Florida Statutes, is
25 created to read:

26 607.1333 Limitation on corporate payment.--

27 (1) No payment shall be made to a shareholder seeking
28 appraisal rights if, at the time of payment, the corporation
29 is unable to meet the distribution standards of s. 607.06401.
30 In such event, the shareholder shall, at the shareholder's
31 option:

1 (a) Withdraw his or her notice of intent to assert
2 appraisal rights, which shall in such event be deemed
3 withdrawn with the consent of the corporation; or

4 (b) Retain his or her status as a claimant against the
5 corporation and, if it is liquidated, be subordinated to the
6 rights of creditors of the corporation, but have rights
7 superior to the shareholders not asserting appraisal rights,
8 and if it is not liquidated, retain his or her right to be
9 paid for the shares, which right the corporation shall be
10 obliged to satisfy when the restrictions of this section do
11 not apply.

12 (2) The shareholder shall exercise the option under
13 paragraph (1)(a) or (b) by written notice filed with the
14 corporation within 30 days after the corporation has given
15 written notice that the payment for shares cannot be made
16 because of the restrictions of this section. If the
17 shareholder fails to exercise the option, the shareholder
18 shall be deemed to have withdrawn his or her notice of intent
19 to assert appraisal rights.

20 Section 34. Subsection (1) of section 607.1403,
21 Florida Statutes, is amended to read:

22 607.1403 Articles of dissolution.--

23 (1) At any time after dissolution is authorized, the
24 corporation may dissolve by delivering to the Department of
25 State for filing articles of dissolution which shall be
26 executed in accordance with s. 607.0120 and which shall set
27 setting forth:

28 (a) The name of the corporation;

29 (b) The date dissolution was authorized;

30
31

1 (c) If dissolution was approved by the shareholders, a
2 statement that the number cast for dissolution by the
3 shareholders was sufficient for approval.

4 (d) If dissolution was approved by the shareholders
5 and if voting by voting groups was required, a statement that
6 the number cast for dissolution by the shareholders was
7 sufficient for approval must be separately provided for each
8 voting group entitled to vote separately on the plan to
9 dissolve.

10 Section 35. Section 607.1406, Florida Statutes, is
11 amended to read:

12 607.1406 Known claims against dissolved corporation.--

13 (1) A dissolved corporation or successor entity, as
14 defined in subsection ~~(14)~~(15), may dispose of the known
15 claims against it by following the procedures described in
16 subsections (2), (3), and (4).

17 (2) The dissolved corporation or successor entity
18 shall deliver to each of its known claimants written notice of
19 the dissolution at any time after its effective date. The
20 written notice shall:

21 (a) Provide a reasonable description of the claim that
22 the claimant may be entitled to assert;

23 (b) State whether the claim is admitted or not
24 admitted, in whole or in part, and, if admitted:

25 1. The amount that is admitted, which may be as of a
26 given date; and

27 2. Any interest obligation if fixed by an instrument
28 of indebtedness;

29 (c) Provide a mailing address where a claim may be
30 sent;

31

1 (d) State the deadline, which may not be fewer than
2 120 days after the effective date of the written notice, by
3 which confirmation of the claim must be delivered to the
4 dissolved corporation or successor entity; and

5 (e) State that the corporation or successor entity may
6 make distributions thereafter to other claimants and the
7 corporation's shareholders or persons interested as having
8 been such without further notice.

9 (3) A dissolved corporation or successor entity may
10 reject, in whole or in part, any claim made by a claimant
11 pursuant to this subsection by mailing notice of such
12 rejection to the claimant within 90 days after receipt of such
13 claim and, in all events, at least 150 days before expiration
14 of 3 years following the effective date of dissolution. A
15 notice sent by the dissolved corporation or successor entity
16 pursuant to this subsection shall be accompanied by a copy of
17 this section.

18 (4) A dissolved corporation or successor entity
19 electing to follow the procedures described in subsections (2)
20 and (3) shall also give notice of the dissolution of the
21 corporation to persons with known claims, that are contingent
22 upon the occurrence or nonoccurrence of future events or
23 otherwise conditional or unmatured, and request that such
24 persons present such claims in accordance with the terms of
25 such notice. Such notice shall be in substantially the form,
26 and sent in the same manner, as described in subsection (2).

27 (5) A dissolved corporation or successor entity shall
28 offer any claimant whose known claim is contingent,
29 conditional, or unmatured such security as the corporation or
30 such entity determines is sufficient to provide compensation
31 to the claimant if the claim matures. The dissolved

1 corporation or successor entity shall deliver such offer to
2 the claimant within 90 days after receipt of such claim and,
3 in all events, at least 150 days before expiration of 3 years
4 following the effective date of dissolution. If the claimant
5 offered such security does not deliver in writing to the
6 dissolved corporation or successor entity a notice rejecting
7 the offer within 120 days after receipt of such offer for
8 security, the claimant is deemed to have accepted such
9 security as the sole source from which to satisfy his or her
10 claim against the corporation.

11 (6) A dissolved corporation or successor entity which
12 has given notice in accordance with subsections (2) and (4)
13 shall petition the circuit court in the county where the
14 corporation's principal office is located or was located at
15 the effective date of dissolution to determine the amount and
16 form of security that will be sufficient to provide
17 compensation to any claimant who has rejected the offer for
18 security made pursuant to subsection (5).

19 (7) A dissolved corporation or successor entity which
20 has given notice in accordance with subsection (2) shall
21 petition the circuit court in the county where the
22 corporation's principal office is located or was located at
23 the effective date of dissolution to determine the amount and
24 form of security which will be sufficient to provide
25 compensation to claimants whose claims are known to the
26 corporation or successor entity but whose identities are
27 unknown. The court shall appoint a guardian ad litem to
28 represent all claimants whose identities are unknown in any
29 proceeding brought under this subsection. The reasonable fees
30 and expenses of such guardian, including all reasonable expert
31

1 witness fees, shall be paid by the petitioner in such
2 proceeding.

3 (8) The giving of any notice or making of any offer
4 pursuant to the provisions of this section shall not revive
5 any claim then barred or constitute acknowledgment by the
6 dissolved corporation or successor entity that any person to
7 whom such notice is sent is a proper claimant and shall not
8 operate as a waiver of any defense or counterclaim in respect
9 of any claim asserted by any person to whom such notice is
10 sent.

11 (9) A dissolved corporation or successor entity which
12 has followed the procedures described in subsections (2)-(7):

13 (a) Shall pay the claims admitted or made and not
14 rejected in accordance with subsection (3);

15 (b) Shall post the security offered and not rejected
16 pursuant to subsection (5);

17 (c) Shall post any security ordered by the circuit
18 court in any proceeding under subsections (6) and (7); and

19 (d) Shall pay or make provision for all other known
20 obligations of the corporation or such successor entity.

21
22 Such claims or obligations shall be paid in full, and any such
23 provision for payments shall be made in full if there are
24 sufficient funds. If there are insufficient funds, such claims
25 and obligations shall be paid or provided for according to
26 their priority and, among claims of equal priority, ratably to
27 the extent of funds legally available therefor. Any remaining
28 funds shall be distributed to the shareholders of the
29 dissolved corporation; however, such distribution may not be
30 made before the expiration of 150 days from the date of the
31 last notice of rejections given pursuant to subsection (3). In

1 the absence of actual fraud, the judgment of the directors of
2 the dissolved corporation or the governing persons of such
3 successor entity as to the provisions made for the payment of
4 all obligations under paragraph (d) is conclusive.

5 (10) A dissolved corporation or successor entity which
6 has not followed the procedures described in subsections (2)
7 and (3) shall pay or make reasonable provision to pay all
8 known claims and obligations, including all contingent,
9 conditional, or unmatured claims known to the corporation or
10 such successor entity and all claims which are known to the
11 dissolved corporation or such successor entity but for which
12 the identity of the claimant is unknown. Such claims shall be
13 paid in full, and any such provision for payment made shall be
14 made in full if there are sufficient funds. If there are
15 insufficient funds, such claims and obligations shall be paid
16 or provided for according to their priority and, among claims
17 of equal priority, ratably to the extent of funds legally
18 available therefor. Any remaining funds shall be distributed
19 to the shareholders of the dissolved corporation.

20 (11) Directors of a dissolved corporation or governing
21 persons of a successor entity which has complied with
22 subsection (9) or subsection (10) are not personally liable to
23 the claimants of the dissolved corporation.

24 (12) A shareholder of a dissolved corporation the
25 assets of which were distributed pursuant to subsection (9) or
26 subsection (10) is not liable for any claim against the
27 corporation in an amount in excess of such shareholder's pro
28 rata share of the claim or the amount distributed to the
29 shareholder, whichever is less.

30 (13) A shareholder of a dissolved corporation, the
31 assets of which were distributed pursuant to subsection (9),

1 is not liable for any claim against the corporation, which
2 claim is known to the corporation or successor entity, on
3 which a proceeding is not begun prior to the expiration of 3
4 years following the effective date of dissolution.

5 (14) The aggregate liability of any shareholder of a
6 dissolved corporation for claims against the dissolved
7 corporation arising under this section, s. 607.1407, or
8 otherwise, may not exceed the amount distributed to the
9 shareholder in dissolution.

10 (15) As used in this section or s. 607.1407, the term
11 "successor entity" includes any trust, receivership, or other
12 legal entity governed by the laws of this state to which the
13 remaining assets and liabilities of a dissolved corporation
14 are transferred and which exists solely for the purposes of
15 prosecuting and defending suits by or against the dissolved
16 corporation, enabling the dissolved corporation to settle and
17 close the business of the dissolved corporation, to dispose of
18 and convey the property of the dissolved corporation, to
19 discharge the liabilities of the dissolved corporation, and to
20 distribute to the dissolved corporation's shareholders any
21 remaining assets, but not for the purpose of continuing the
22 business for which the dissolved corporation was organized.

23 Section 36. Section 607.1407, Florida Statutes, is
24 created to read:

25 607.1407 Unknown claims against dissolved
26 corporation.--

27 (1) A dissolved corporation or successor entity, as
28 defined in s. 607.1406(15), may also file notice of its
29 dissolution with the Department of State on the form
30 prescribed by the Department of State and request that persons
31 with claims against the corporation which are not known to the

1 corporation or successor entity present them in accordance
2 with the notice.

3 (2) The notice must:

4 (a) describe the information that must be included in
5 a claim and provide a mailing address to which the claim may
6 be sent; and

7 (b) State that a claim against the corporation will be
8 barred unless a proceeding to enforce the claim is commenced
9 within 4 years after the filing of the notice.

10 (3) If the dissolved corporation or successor entity
11 files the notice in accordance with subsections (1) and (2),
12 the claim of each of the following claimants is barred unless
13 the claimant commences a proceeding to enforce the claim
14 against the dissolved corporation within 4 years after the
15 filing date:

16 (a) A claimant who did not receive written notice
17 under s. 607.1406(9), or whose claim was not provided for
18 under s. 607.1406(10), whether such claim is based on an event
19 occurring before or after the effective date of dissolution.

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

22 (4) A claim may be enforced under this section:

23 (a) Against the dissolved corporation, to the extent
24 of its undistributed assets; or

25 (b) If the assets have been distributed in
26 liquidation, against a shareholder of the dissolved
27 corporation to the extent of such shareholder's pro rata share
28 of the claim or the corporate assets distributed to such
29 shareholder in liquidation, whichever is less, provided that
30 the aggregate liability of any shareholder of a dissolved
31 corporation for claims against the dissolved corporation

1 arising under this section, s. 607.1406, or otherwise, may not
2 exceed the amount distributed to the shareholder in
3 dissolution.

4 Section 37. Subsections (1) and (2) of section
5 607.1422, Florida Statutes, are amended to read:

6 607.1422 Reinstatement following administrative
7 dissolution.--

8 (1)~~(a)~~ A corporation administratively dissolved under
9 s. 607.1421 may apply to the Department of State for
10 reinstatement at any time after the effective date of
11 dissolution. The corporation application must submit a
12 reinstatement form prescribed and furnished by the Department
13 of State or a current uniform business report signed by the
14 registered agent and an officer or director and all fees then
15 owed by the corporation, computed at the rate provided by law
16 at the time the corporation applies for reinstatement.

17 1. ~~Recite the name of the corporation and the~~
18 ~~effective date of its administrative dissolution;~~

19 2. ~~State that the ground or grounds for dissolution~~
20 ~~either did not exist or have been eliminated and that no~~
21 ~~further grounds currently exist for dissolution;~~

22 3. ~~State that the corporation's name satisfies the~~
23 ~~requirements of s. 607.0401; and~~

24 4. ~~State that all fees owed by the corporation and~~
25 ~~computed at the rate provided by law at the time the~~
26 ~~corporation applies for reinstatement have been paid; or~~

27 ~~(b) As an alternative, the corporation may submit a~~
28 ~~current annual report, signed by the registered agent and an~~
29 ~~officer or director, which substantially complies with the~~
30 ~~requirements of paragraph (a).~~

31

1 (2) If the Department of State determines that the
2 application contains the information required by subsection
3 (1) and that the information is correct, it shall reinstate
4 the corporation ~~cancel the certificate of dissolution and~~
5 ~~prepare a certificate of reinstatement that recites its~~
6 ~~determination and the effective date of reinstatement, file~~
7 ~~the original of the certificate, and serve a copy on the~~
8 ~~corporation under s. 607.0504(2).~~

9 Section 38. Paragraph (b) of subsection (3) of section
10 607.1430, Florida Statutes, is amended, and subsections (6)
11 and (7) are added to that section, to read:

12 607.1430 Grounds for judicial dissolution.--A circuit
13 court may dissolve a corporation or order such other remedy as
14 provided in s. 607.1434:

15 (3) In a proceeding by a shareholder or group of
16 shareholders in a corporation having 35 or fewer shareholders
17 if it is established that:

18 (b) The directors or those in control of the
19 corporation have acted, are acting, or are reasonably expected
20 to act in a manner that is illegal, oppressive, or fraudulent;

21 (6) In connection with paragraph (3)(b), the
22 incorporators or shareholders of the corporation may omit
23 oppressive conduct as a ground for judicial dissolution with
24 respect to such corporation if set forth in:

25 (a) The articles of incorporation or bylaws and
26 approved by all incorporators, or, if the corporation has
27 issued shares, by all persons who are shareholders at the time
28 of the approval; or

29 (b) A written agreement that is signed by all persons
30 who are shareholders at the time of the agreement and such
31 written agreement is made known to the corporation.

1 (7) The addition of oppressive conduct as a ground for
2 judicial dissolution shall apply to all corporations organized
3 after October 1, 2003. All corporations organized prior to
4 October 1, 2003, shall be subject to such addition on and
5 after October 1, 2004, provided that such addition shall also
6 apply to corporations organized prior to October 1, 2003, to
7 the extent such corporations expressly elect in their articles
8 of incorporation or bylaws to become subject to such addition
9 prior to October 1, 2003.

10 Section 39. Paragraph (a) of subsection (1) of section
11 607.1503, Florida Statutes, is amended to read:

12 607.1503 Application for certificate of authority.--

13 (1) A foreign corporation may apply for a certificate
14 of authority to transact business in this state by delivering
15 an application to the Department of State for filing. Such
16 application shall be made on forms prescribed and furnished by
17 the Department of State and shall set forth:

18 (a) The name of the foreign corporation as long as its
19 name satisfies the requirements of s. 607.0401, but if its
20 name does not satisfy such requirements or, if its name is
21 unavailable for use in this state, a corporate name that
22 otherwise satisfies the requirements of s. 607.1506;

23 Section 40. Subsection (2) of section 607.1504,
24 Florida Statutes, is amended to read:

25 607.1504 Amended certificate of authority.--

26 (2) Such application shall be made within 90 ~~30~~ days
27 after the occurrence of any change mentioned in subsection
28 (1), shall be made on forms prescribed by the Department of
29 State and, shall be executed in accordance with s. 607.0120.
30 The foreign corporation shall deliver with the completed
31 application, a certificate, or a document of similar import,

1 authenticated as of a date not more than 90 days prior to
2 delivery of the application to the Department of State by the
3 Secretary of State or other official having custody of
4 corporate records in the jurisdiction under the laws of which
5 it is incorporated, evidencing the amendment. A translation of
6 the certificate, under oath or affirmation of the translator,
7 must be attached to a certificate that is in a language other
8 than English. The application ~~and filed in the same manner as~~
9 ~~an original application for authority, and shall set forth:~~

10 (a) The name of the foreign corporation as it appears
11 on the records of the Department of State.

12 (b) The jurisdiction of its incorporation.

13 (c) The date it was authorized to do business in this
14 state.

15 (d) If the name of the foreign corporation has been
16 changed, the name relinquished, the new name, a statement that
17 the change of name has been effected under the laws of the
18 jurisdiction of its incorporation, and the date the change was
19 effected.

20 (e) If the amendment changes its period of duration, a
21 statement of such change.

22 (f) If the amendment changes the jurisdiction of
23 incorporation, a statement of such change.

24 Section 41. Subsection (1) of section 607.1506,
25 Florida Statutes, is amended to read:

26 607.1506 Corporate name of foreign corporation.--

27 (1) A foreign corporation is not entitled to file an
28 application for a certificate of authority unless the
29 corporate name of such corporation satisfies the requirements
30 of s. 607.0401. If the corporate name of a foreign corporation
31 does not satisfy the requirements of s. 607.0401, the foreign

1 corporation, to obtain or maintain a certificate of authority
2 to transact business in this state:

3 (a) May add the word "corporation," "company," or
4 "incorporated" or the abbreviation "Corp.," "Inc.," "Co.," or
5 the designation "Corp," "Inc," or "Co,"~~or words or~~
6 ~~abbreviations of like import in language,~~as will clearly
7 indicate that it is a corporation instead of a natural person,
8 or partnership, or other business entity to its corporate name
9 for use in this state; or

10 (b) May use an alternate name to transact business in
11 this state if its real name is unavailable ~~and it delivers to~~
12 ~~the Department of State for filing a copy of the resolution of~~
13 ~~its board of directors, executed as required by s. 607.0120,~~
14 ~~adopting an alternate name.~~ Any such alternate corporate name,
15 adopted for use in this state, shall be cross-referenced to
16 the real corporate name in the records of the Division of
17 Corporations. If the corporation's real corporate name becomes
18 available in this state or the corporation chooses to change
19 its alternate name, a copy of the resolution of its board of
20 directors changing or withdrawing the alternate name, executed
21 as required by s. 607.0120, shall be delivered for filing.

22 Section 42. Section 607.1605, Florida Statutes, is
23 created to read:

24 607.1605 Inspection of records by directors.--

25 (1) A director of a corporation is entitled to inspect
26 and copy the books, records, and documents of the corporation
27 at any reasonable time to the extent reasonably related to the
28 performance of the director's duties as a director, including
29 duties as a member of a committee, but not for any other
30 purpose or in any manner that would violate any duty to the
31 corporation.

1 (2) The circuit court of the county in which the
2 corporation's principal office or, if none in this state, its
3 registered office is located may order inspection and copying
4 of the books, records, and documents at the corporation's
5 expense, upon application of a director who has been refused
6 such inspection rights, unless the corporation establishes
7 that the director is not entitled to such inspection rights.
8 The court shall dispose of an application under this
9 subsection on an expedited basis.

10 (3) If an order is issued, the court may include
11 provisions protecting the corporation from undue burden or
12 expense and prohibiting the director from using information
13 obtained upon exercise of the inspection rights in a manner
14 that would violate a duty to the corporation, and may also
15 order the corporation to reimburse the director for the
16 director's costs, including reasonable counsel fees, incurred
17 in connection with the application.

18 Section 43. Paragraphs (g), (h), and (i) of subsection
19 (1) of section 607.1622, Florida Statutes, are amended to
20 read:

21 607.1622 Annual report for Department of State.--

22 (1) Each domestic corporation and each foreign
23 corporation authorized to transact business in this state
24 shall deliver to the Department of State for filing a sworn
25 annual report on such forms as the Department of State
26 prescribes that sets forth:

27 ~~(g) Whether the corporation has liability for~~
28 ~~intangible taxes under s. 199.032. The Department of State~~
29 ~~shall annually prepare a list of those corporations that have~~
30 ~~indicated no intangible tax liability, and provide such list~~
31 ~~to the Department of Revenue.~~

1 (g)~~(h)~~ Language permitting a voluntary contribution of
2 \$5 per taxpayer, which contribution shall be transferred into
3 the Election Campaign Financing Trust Fund. A statement
4 providing an explanation of the purpose of the trust fund
5 shall also be included; and

6 (h)~~(i)~~ Such additional information as may be necessary
7 or appropriate to enable the Department of State to carry out
8 the provisions of this act.

9 Section 44. Subsection (1) of section 607.1907,
10 Florida Statutes, is amended to read:

11 607.1907 Effect of repeal of prior acts.--

12 (1) Except as provided in subsection (2), the repeal
13 of a statute by this act does not affect:

14 (a) The operation of the statute or any action taken
15 under it before its repeal, including, without limiting the
16 generality of the foregoing, the continuing validity of any
17 provision of the articles of incorporation or bylaws of a
18 corporation authorized by the statute at the time of its
19 adoption;

20 (b) Any ratification, right, remedy, privilege,
21 obligation, or liability acquired, accrued, or incurred under
22 the statute before its repeal;

23 (c) Any violation of the statute, or any penalty,
24 forfeiture, or punishment incurred because of the violation,
25 before its repeal;

26 (d) Any proceeding, merger, consolidation, sale of
27 assets, reorganization, or dissolution commenced under the
28 statute before its repeal, and the proceeding, merger,
29 consolidation, sale of assets, reorganization, or dissolution
30 may be completed in accordance with the statute as if it had
31 not been repealed.

1 Section 45. Section 607.0903, Florida Statutes, is
2 repealed.

3 Section 46. This act shall take effect October 1,
4 2003.

5
6 STATEMENT OF SUBSTANTIAL CHANGES CONTAINED IN
7 COMMITTEE SUBSTITUTE FOR
8 Senate Bill 2362

9 The committee substitute makes grammatical, punctuation, and
10 other technical changes to the bill.

11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30
31