

Amendment No. (for drafter's use only)

CHAMBER ACTION

Senate

House

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1 Representative(s) Goodlette offered the following:

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3 **Amendment (with title amendments)**

4 Remove line(s) 528-543 and insert:

5 Section 2. Subsection (1) of section 607.1302, Florida
6 Statutes, is amended to read:

7 607.1302 Right of shareholders to appraisal.--

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

12 (a) Consummation of a conversion of such corporation
13 pursuant to s. 607.1112 if shareholder approval is required for
14 the conversion and the shareholder is entitled to vote on the
15 conversion under ss. 607.1103 and 607.1112(6), or the

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HOUSE AMENDMENT

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16 consummation of a merger to which such ~~the~~ corporation is a
17 party if shareholder approval is required for the merger under
18 ~~by~~ s. 607.1103 and the shareholder is entitled to vote on the
19 merger or if such ~~the~~ corporation is a subsidiary and the merger
20 is governed by s. 607.1104;

21 (b) Consummation of a share exchange to which the
22 corporation is a party as the corporation whose shares will be
23 acquired if the shareholder is entitled to vote on the exchange,
24 except that appraisal rights shall not be available to any
25 shareholder of the corporation with respect to any class or
26 series of shares of the corporation that is not exchanged;

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

34 (d) An amendment of the articles of incorporation with
35 respect to the class or series of shares which reduces the
36 number of shares of a class or series owned by the shareholder
37 to a fraction of a share if the corporation has the obligation
38 or right to repurchase the fractional share so created;

39 (e)-(d) Any other amendment to the articles of
40 incorporation, merger, share exchange, or disposition of assets
41 to the extent provided by the articles of incorporation, bylaws,
42 or a resolution of the board of directors, except that no bylaw

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43 or board resolution providing for appraisal rights may be
44 amended or otherwise altered except by shareholder approval; or
45 ~~(f)(e)~~ With regard to a class of shares prescribed in the
46 articles of incorporation prior to October 1, 2003, including
47 any shares within that class subsequently authorized by
48 amendment, any amendment of the articles of incorporation if the
49 shareholder is entitled to vote on the amendment and if such
50 amendment would adversely affect such shareholder by:

51 1. Altering or abolishing any preemptive rights attached
52 to any of his or her shares;

53 2. Altering or abolishing the voting rights pertaining to
54 any of his or her shares, except as such rights may be affected
55 by the voting rights of new shares then being authorized of any
56 existing or new class or series of shares;

57 3. Effecting an exchange, cancellation, or
58 reclassification of any of his or her shares, when such
59 exchange, cancellation, or reclassification would alter or
60 abolish the shareholder's voting rights or alter his or her
61 percentage of equity in the corporation, or effecting a
62 reduction or cancellation of accrued dividends or other
63 arrearages in respect to such shares;

64 4. Reducing the stated redemption price of any of the
65 shareholder's redeemable shares, altering or abolishing any
66 provision relating to any sinking fund for the redemption or
67 purchase of any of his or her shares, or making any of his or
68 her shares subject to redemption when they are not otherwise
69 redeemable;

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

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

75 7. Reducing any stated preferential amount payable on any
76 of the shareholder's preferred shares upon voluntary or
77 involuntary liquidation.

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79 ===== T I T L E A M E N D M E N T =====

80 Remove line(s) 13 and 14 and insert:
81 business entity into a domestic corporation; amending s.
82 607.1302, F.S.; revising grounds for exercise of appraisal
83 rights; amending as. 608.407 and 608.4225, F.S., to
84 conform;