

1                   A bill to be entitled  
2           An act relating to business organizations; amending s.  
3           607.0101, F.S.; providing applicability; amending s.  
4           607.0102, F.S.; making technical changes; amending s.  
5           607.0120, F.S.; making technical changes; providing  
6           requirements, authorizations, and prohibitions  
7           relating to when the terms of a plan or a filed  
8           document may be dependent on facts objectively  
9           ascertainable outside of the plan or filed document;  
10          defining the terms "filed document" and "plan";  
11          amending s. 607.0121, F.S.; making technical changes;  
12          conforming provisions to changes made by the act;  
13          amending s. 607.0122, F.S.; conforming provisions to  
14          changes made by the act; amending s. 607.0123, F.S.;  
15          revising provisions, requirements, and authorizations  
16          relating to the effective time and date of a document;  
17          amending s. 607.0124, F.S.; revising the process  
18          authorizing a domestic or foreign corporation to  
19          correct a document filed by the Department of State;  
20          authorizing a filing to be withdrawn before it takes  
21          effect if certain requirements are met; amending s.  
22          607.0125, F.S.; revising the filing duties of the  
23          department; amending s. 607.0126, F.S.; revising the  
24          appeals process relating to the department's refusal  
25          to file a document; amending s. 607.0127, F.S.;

26 requiring certain certificates to be taken by certain  
27 entities as prima facie evidence of the facts stated;  
28 revising when a certificate and a copy of a document  
29 are conclusive evidence that the original document is  
30 on file with the department; amending s. 607.0128,  
31 F.S.; revising provisions relating to department-  
32 issued certificates of status; amending s. 607.0130,  
33 F.S.; deleting provisions relating to the powers of  
34 the department; amending s. 607.01401, F.S.; defining  
35 and redefining terms; amending s. 607.0141, F.S.;  
36 revising provisions relating to written and oral  
37 notice under ch. 607, F.S.; providing construction;  
38 creating s. 607.0143, F.S.; defining the terms  
39 "qualified director," "material relationship," and  
40 "material interest"; providing for circumstances under  
41 which a director is not automatically prevented from  
42 being a qualified director; amending s. 607.0201,  
43 F.S.; conforming provisions to changes made by the  
44 act; amending s. 607.0202, F.S.; revising requirements  
45 and authorizations for the contents of articles of  
46 incorporation; authorizing provisions of the articles  
47 of incorporation to be made dependent upon facts  
48 objectively ascertainable outside of the articles of  
49 incorporation; prohibiting the articles of  
50 incorporation from containing certain provisions;

51 amending s. 607.0203, F.S.; conforming provisions to  
52 changes made by the act; amending s. 607.0204, F.S.;  
53 deleting an exemption from liability related to  
54 persons who have actual knowledge that there is no  
55 incorporation when purporting to act as or on behalf  
56 of a corporation; making a technical change; amending  
57 s. 607.0205, F.S.; making technical changes; requiring  
58 directors or incorporators calling an organizational  
59 meeting to give at least 2, rather than 3, days'  
60 notice; amending s. 607.0206, F.S.; revising  
61 provisions relating to the contents of the bylaws of a  
62 corporation; amending s. 607.0207, F.S.; making  
63 technical changes; creating s. 607.0208, F.S.;  
64 authorizing provisions of the articles of  
65 incorporation or the bylaws to create exclusive  
66 jurisdiction for certain claims; providing  
67 applicability for such provisions; prohibiting the  
68 articles or bylaws from prohibiting certain actions;  
69 defining the term "internal corporate claim"; amending  
70 s. 607.0301, F.S.; revising purposes and  
71 applicability; amending s. 607.0302, F.S.; making  
72 technical changes; amending s. 607.0303, F.S.;  
73 revising the requirements relating to the liability of  
74 certain persons acting in accordance with emergency  
75 bylaws; making technical changes; amending s.

76 | 607.0304, F.S.; revising when a corporation's power to  
77 | act may be challenged; amending s. 607.0401, F.S.;  
78 | authorizing a corporation to register under a name  
79 | that is not otherwise distinguishable on the records  
80 | of the department under certain circumstances;  
81 | providing applicability; creating s. 607.04021, F.S.;  
82 | authorizing a person to reserve the exclusive use of a  
83 | corporate name and to transfer the reservation;  
84 | authorizing the department to revoke a reservation  
85 | under certain circumstances; amending s. 607.0403,  
86 | F.S.; making technical changes; conforming a cross-  
87 | reference; amending s. 607.0501, F.S.; revising  
88 | requirements for registered offices and registered  
89 | agents; providing for the duties of a registered  
90 | agent; authorizing a court to stay a proceeding until  
91 | a corporation is compliant with requirements relating  
92 | to registered agents and registered offices; making  
93 | technical changes; amending s. 607.0502, F.S.;  
94 | revising the procedures relating to a corporation  
95 | changing its registered agent or its registered  
96 | office; creating s. 607.0503, F.S.; revising  
97 | procedures and requirements relating to the  
98 | resignation of a registered agent; creating s.  
99 | 607.05031, F.S.; revising procedures and requirements  
100 | relating to the change of name or address by a

101 registered agent; creating s. 607.05032, F.S.;

102 providing for the delivery of notice or other

103 communication; amending s. 607.0504, F.S.; revising

104 the procedures for service of process, notice, or

105 demand on a corporation; amending s. 607.0505, F.S.;

106 conforming provisions to changes made by the act;

107 amending s. 607.0601, F.S.; revising provisions

108 relating to shares authorized by articles of

109 incorporation; amending s. 607.0602, F.S.; revising

110 provisions relating to the determination of the board

111 of directors to classify or reclassify certain shares;

112 amending s. 607.0604, F.S.; deleting a provision

113 relating to the good faith judgment of the board of

114 directors as to the fair value of fractions of a

115 share; making technical changes; amending s. 607.0620,

116 F.S.; revising provisions relating to subscriptions

117 for shares; amending s. 607.0621, F.S.; expanding the

118 circumstances in which shares that are escrowed or

119 restricted and distributions that are credited may be

120 canceled; amending s. 607.0622, F.S.; making a

121 technical change; amending s. 607.0623, F.S.;

122 authorizing the board to fix a record date for

123 determining shareholders entitled to a share dividend;

124 amending s. 607.0624, F.S.; revising provisions

125 relating to rights, options, warrants, and awards for

126 the purchase of shares of the corporation; defining  
127 the term "shares"; amending ss. 607.0625, 607.0626,  
128 and 607.0627, F.S.; making technical changes; amending  
129 s. 607.0630, F.S.; revising provisions relating to  
130 shareholders' preemptive rights; amending s. 607.0631,  
131 F.S.; revising provisions relating to a corporation's  
132 acquisition of its own shares; amending s. 607.06401,  
133 F.S.; revising provisions relating to distributions to  
134 shareholders; providing applicability; making  
135 technical changes; amending s. 607.0701, F.S.;  
136 revising provisions relating to a corporation's annual  
137 meeting; amending s. 607.0702, F.S.; revising  
138 provisions relating to a corporation's special meeting  
139 of the shareholders; amending s. 607.0703, F.S.;  
140 revising provisions relating to court-ordered  
141 meetings; amending s. 607.0704, F.S.; revising  
142 provisions relating to actions by shareholders without  
143 a meeting; making technical changes; amending s.  
144 607.0705, F.S.; revising provisions relating to  
145 notices of meetings; amending s. 607.0706, F.S.;  
146 relocating and revising requirements for a shareholder  
147 to waive certain required notice; amending s.  
148 607.0707, F.S.; revising provisions relating to record  
149 dates; creating s. 607.0709, F.S.; relocating and  
150 revising provisions relating to remote participation

151 in the annual and special meetings of shareholders;  
152 amending s. 607.0720, F.S.; revising provisions  
153 relating to shareholders' lists for meetings; amending  
154 s. 607.0721, F.S.; revising provisions relating to  
155 when certain shares are entitled to vote; defining the  
156 term "voting power"; amending s. 607.0722, F.S.;  
157 revising provisions relating to the appointment of a  
158 proxy; amending s. 607.0723, F.S.; revising provisions  
159 relating to shares held by intermediaries and nominees  
160 being treated as the record shareholder; amending s.  
161 607.0724, F.S.; revising provisions relating to the  
162 acceptance of votes and other instruments; requiring  
163 that ballots and shareholder demands be accepted under  
164 certain circumstances; amending s. 607.0725, F.S.;  
165 making technical changes; providing applicability for  
166 provisions that provide for voting of classes or  
167 series as separate voting groups; amending s.  
168 607.0726, F.S.; making clarifying changes; amending s.  
169 607.0728, F.S.; requiring that certain corporations  
170 have shares registered pursuant to s. 12 of the  
171 Securities Exchange Act of 1934 rather than pursuant  
172 to a list on a national securities exchange, for the  
173 purposes of certain voting requirements; creating s.  
174 607.0729, F.S.; requiring certain corporations to  
175 appoint one or more inspectors to determine voting

176 results; authorizing the inspectors to appoint or  
177 retain certain persons for specific reasons; providing  
178 requirements for inspectors; authorizing the  
179 inspectors to take certain actions; providing for  
180 review of determinations of law by the inspectors;  
181 providing for the closing of polls for elections;  
182 amending s. 607.0730, F.S.; making technical changes;  
183 amending s. 607.0731, F.S.; making clarifying changes;  
184 expanding the circumstances under which a transferee  
185 is deemed to have notice of a voting agreement;  
186 amending s. 607.0732, F.S.; revising provisions  
187 relating to shareholder agreements; providing  
188 construction; repealing s. 607.07401, F.S., relating  
189 to Shareholders' derivative actions; creating s.  
190 607.0741, F.S.; providing standing requirements for a  
191 shareholder commencing a derivative proceeding;  
192 defining the term "shareholder"; creating s. 607.0742,  
193 F.S.; relocating and revising provisions relating to a  
194 complaint brought in a proceeding in the right of a  
195 corporation; creating s. 607.0743, F.S.; authorizing a  
196 court to stay a derivative proceeding under certain  
197 circumstances; creating s. 607.0744, F.S.; relocating  
198 and revising provisions relating to the dismissal of a  
199 derivative proceeding; creating s. 607.0745, F.S.;  
200 relocating a provision relating to the discontinuance



201 or settlement of a derivative action; creating s.  
202 607.0746, F.S.; relocating and revising provisions  
203 relating to proceeds and expenses after the  
204 termination of a derivative proceeding; creating s.  
205 607.0747, F.S.; providing applicability relating to  
206 foreign corporations; creating s. 607.0748, F.S.;  
207 authorizing a circuit court to appoint one or more  
208 persons to be custodians or receivers of and for a  
209 corporation for certain proceedings; providing  
210 guidance to the court for appointing such custodians  
211 and receivers; creating s. 607.0749, F.S.; authorizing  
212 a provisional director to be appointed at the  
213 discretion of the court in a proceeding by a  
214 shareholder and under certain circumstances; providing  
215 requirements for the provisional director; requiring  
216 the court to allow reasonable compensation paid by the  
217 corporation to the provisional director for certain  
218 services; amending s. 607.0801, F.S.; making technical  
219 changes; amending s. 607.0802, F.S.; revising  
220 provisions relating to the qualifications of  
221 directors; amending s. 607.0803, F.S.; making  
222 clarifying changes; amending s. 607.0804, F.S.;  
223 providing applicability; amending s. 607.0805, F.S.;  
224 revising provisions relating to terms of directors;  
225 amending s. 607.0806, F.S.; revising provisions

226 relating to staggered terms for directors; amending s.  
227 607.0807, F.S.; revising provisions relating to the  
228 resignation of directors; amending s. 607.0808, F.S.;  
229 revising provisions relating to the removal of  
230 directors by shareholders; creating s. 607.08081,  
231 F.S.; authorizing circuit courts to remove a director  
232 from office and order certain relief under certain  
233 circumstances; amending s. 607.0809, F.S.; revising  
234 provisions relating to vacancies on a board of  
235 directors; amending s. 607.0820, F.S.; making  
236 technical changes; amending s. 607.0821, F.S.;  
237 revising provisions relating to action by directors  
238 without a meeting; amending s. 607.0823, F.S.;  
239 revising provisions relating to the waiver of notice  
240 of a meeting of a board of directors; amending s.  
241 607.0824, F.S.; revising provisions relating to what  
242 constitutes a quorum of the board of directors;  
243 amending s. 607.0825, F.S.; revising provisions  
244 relating to the establishment and the powers of  
245 executive and board committees; creating s. 607.0826,  
246 F.S.; authorizing a corporation to agree to submit a  
247 matter that the board of directors determines it no  
248 longer recommends to a vote of the corporation's  
249 shareholders; amending s. 607.0830, F.S.; revising the  
250 general standards for directors; amending s. 607.0831,

251 F.S.; revising provisions relating to the liability of  
252 directors; amending s. 607.0832, F.S.; defining terms;  
253 revising provisions relating to directors' conflicts  
254 of interest; amending s. 607.0833, F.S.; making a  
255 technical change; amending s. 607.0834, F.S.; revising  
256 provisions relating to liability for unlawful  
257 distributions; amending s. 607.08401, F.S.;  
258 authorizing the board of directors to appoint one or  
259 more individuals to act as officers of the  
260 corporation; specifying which records must be  
261 authenticated by an officer; creating s. 607.08411,  
262 F.S.; providing general standards for officers of the  
263 corporation; amending s. 607.0842, F.S.; revising  
264 provisions relating to the resignation and removal of  
265 officers; amending s. 607.0850, F.S.; defining terms;  
266 deleting provisions relating to the indemnification of  
267 officers, directors, employees, and agents; creating  
268 s. 607.0851, F.S.; relocating and revising provisions  
269 relating to the permissible indemnification of certain  
270 persons by a corporation; creating s. 607.0852, F.S.;  
271 relocating and revising provisions relating to the  
272 mandatory indemnification of certain persons by a  
273 corporation; creating s. 607.0853, F.S.; authorizing a  
274 corporation to advance funds to pay for or reimburse  
275 certain expenses; providing requirements for the

276 authorization of advanced funds; creating s. 607.0854,  
277 F.S.; relocating and revising provisions related to  
278 court-ordered indemnification and advance for  
279 expenses; creating s. 607.0855, F.S.; relocating and  
280 revising provisions relating to the determination and  
281 authorization of indemnification; creating s.  
282 607.0857, F.S.; relocating and revising provisions  
283 relating to a corporation purchasing and maintaining  
284 certain insurance; creating s. 607.0858, F.S.;  
285 relocating and revising provisions relating to  
286 indemnification by a corporation which is not  
287 specifically provided for by law; providing  
288 applicability; creating s. 607.0859, F.S.; relocating  
289 and revising provisions relating to overriding  
290 restrictions on indemnification; amending s. 607.0901,  
291 F.S.; revising defined terms; revising provisions  
292 related to affiliated transactions; revising  
293 applicability; amending s. 607.0902, F.S.; conforming  
294 a cross-reference; amending s. 607.1001, F.S.; making  
295 a technical change; amending s. 607.1002, F.S.;  
296 expanding the list of types of amendments a  
297 corporation's board of directors may adopt without  
298 shareholder approval; making technical changes;  
299 amending s. 607.10025, F.S.; making technical changes;  
300 conforming a cross-reference; deleting a provision

301 exempting corporations with less than a specified  
302 number of shareholders of record from applicability;  
303 amending s. 607.1003, F.S.; revising provisions  
304 relating to amendments to the articles of  
305 incorporation; amending s. 607.1004, F.S.; revising  
306 provisions relating to voting on amendments by voting  
307 groups; amending s. 607.1005, F.S.; requiring that a  
308 corporation have no board of directors for a majority  
309 of its incorporators to be authorized to adopt  
310 amendments to the corporation's articles of  
311 incorporation; amending s. 607.1006, F.S.; revising  
312 provisions relating to articles of amendment; amending  
313 s. 607.1007, F.S.; revising provisions relating to  
314 restated articles of incorporation; amending s.  
315 607.1008, F.S.; revising provisions relating to an  
316 amendment pursuant to reorganization; amending s.  
317 607.1009, F.S.; specifying when new interest holder  
318 liability as a result of an amendment takes effect;  
319 amending s. 607.1020, F.S.; revising provisions  
320 relating to amendments of the bylaws by boards of  
321 directors or shareholders; amending s. 607.1021, F.S.;  
322 making a technical change; amending s. 607.1022, F.S.;  
323 revising provisions relating to bylaws that increase a  
324 quorum or voting requirement for directors; creating  
325 s. 607.1023, F.S.; authorizing a corporation to elect

326 in its bylaws to be governed in the election of  
327 directors under certain circumstances; providing  
328 applicability; authorizing certain bylaws to be  
329 repealed by the board of directors or shareholders  
330 under certain circumstances; amending s. 607.1101,  
331 F.S.; revising provisions relating to the merger of  
332 certain corporations and eligible entities; amending  
333 s. 607.1102, F.S.; revising provisions relating to  
334 plans of share exchange; amending s. 607.1103, F.S.;  
335 revising provisions relating to actions on a plan of  
336 merger or a plan of share exchange; creating s.  
337 607.11035, F.S.; specifying when shareholder approval  
338 of a plan of merger or a plan of share exchange is not  
339 required; defining terms; amending s. 607.1104, F.S.;  
340 revising provisions relating to the mergers involving  
341 subsidiary corporations; amending s. 607.11045, F.S.;  
342 revising applicability; amending s. 607.1105, F.S.;  
343 revising provisions relating to articles of merger or  
344 share exchange; amending s. 607.1106, F.S.; revising  
345 provisions relating to the effectiveness of a merger  
346 or share exchange; amending s. 607.1107, F.S.;  
347 revising provisions relating to the abandonment of a  
348 merger or share exchange; deleting provisions relating  
349 to mergers or share exchanges with foreign  
350 corporations; repealing s. 607.1108, F.S., relating to

351 merger of domestic corporation and other business  
352 entity; repealing s. 607.1109, F.S., relating to  
353 articles of merger; repealing s. 607.11101, F.S.,  
354 relating to the effect of a merger of domestic  
355 corporation and other business entity; repealing s.  
356 607.1112, F.S., relating to the conversion of a  
357 domestic corporation into another business entity;  
358 repealing s. 607.1113, F.S., relating to certificates  
359 of conversion; repealing s. 607.1114, F.S., relating  
360 to the effect of the conversion of a domestic  
361 corporation into another business entity; repealing s.  
362 607.1115, F.S., relating to the conversion of another  
363 business entity into a domestic corporation; creating  
364 s. 607.11920, F.S.; authorizing a foreign corporation  
365 to become a domestic corporation under certain  
366 circumstances; authorizing a domestic corporation to  
367 become a foreign corporation under certain  
368 circumstances; requiring that a plan of domestication  
369 include certain information; authorizing a  
370 domestication to include certain provisions;  
371 authorizing a plan of domestication to be made  
372 dependent upon facts objectively ascertainable outside  
373 of the plan; providing applicability; creating s.  
374 607.11921, F.S.; requiring a plan of domestication to  
375 be adopted in a certain manner; creating s. 607.11922,

376 F.S.; requiring a domesticating corporation to sign  
377 articles of domestication under certain circumstances;  
378 requiring that the articles of domestication contain  
379 certain information; providing procedures and  
380 requirements relating to the filing of the articles of  
381 domestication and the effectiveness of the  
382 domestication; providing that certain domesticating  
383 corporations' certificates of authority are  
384 automatically canceled upon the domestication becoming  
385 effective; providing that a copy of the articles of  
386 domestication may be filed in certain official  
387 records; creating s. 607.11923, F.S.; providing for  
388 the amendment of a plan of domestication; providing  
389 for the abandonment of a plan of domestication;  
390 creating s. 607.11924, F.S.; specifying the effects of  
391 a domestication; specifying that a domestication does  
392 not constitute or cause the dissolution of the  
393 domesticating corporation; prohibiting certain  
394 property from being diverted as a result of a  
395 domestication unless certain requirements are met;  
396 providing applicability; creating ss. 607.11930 and  
397 607.11931, F.S.; relocating and revising provisions  
398 relating to the conversion of corporations; creating  
399 s. 607.11932, F.S.; relocating and revising provisions  
400 relating to actions on plans of conversion; providing



401 applicability; creating s. 607.11933, F.S.; relocating  
402 and revising provisions relating to articles of  
403 conversion and the effectiveness of such articles;  
404 creating s. 607.11934, F.S.; relocating and revising  
405 provisions relating to amendments to plans of  
406 conversion; creating s. 607.11935, F.S.; relocating  
407 and revising provisions relating to the effectiveness  
408 of a conversion; amending s. 607.1201, F.S.; revising  
409 provisions relating to the disposition of assets not  
410 requiring shareholder approval; amending s. 607.1202,  
411 F.S.; revising provisions relating to shareholder  
412 approval of certain dispositions; amending s.  
413 607.1301, F.S.; defining, deleting, and revising  
414 terms; amending s. 607.1302, F.S.; revising provisions  
415 relating to appraisal rights of shareholders; amending  
416 s. 607.1303, F.S.; making technical changes; amending  
417 s. 607.1320, F.S.; revising provisions relating to  
418 notice of appraisal rights; amending s. 607.1321,  
419 F.S.; revising provisions relating to notice of intent  
420 to demand payment; amending s. 607.1322, F.S.;  
421 revising provisions relating to appraisal notice and  
422 form; amending s. 607.1323, F.S.; making technical  
423 changes; amending s. 607.1324, F.S.; specifying that a  
424 shareholder ceases to have certain rights upon payment  
425 of an agreed value; amending s. 607.1326, F.S.; making

426 technical changes; amending s. 607.1330, F.S.;

427 revising provisions relating to court action to

428 determine the fair value of shares and accrued

429 interest; amending ss. 607.1331, 607.1332, and

430 607.1333, F.S.; making technical changes; creating s.

431 607.1340, F.S.; relocating provisions relating to

432 certain shareholders challenging certain actions;

433 making technical changes; amending s. 607.1401, F.S.;

434 revising provisions relating to incorporators or

435 directors dissolving a corporation; amending s.

436 607.1402, F.S.; revising provisions relating to the

437 dissolution of a corporation by the board of directors

438 and the shareholders; amending s. 607.1403, F.S.;

439 revising provisions relating to articles of

440 dissolution; defining the terms "dissolved

441 corporation" and "successor entity"; amending s.

442 607.1404, F.S.; revising provisions relating to

443 revocation of dissolution; amending s. 607.1405, F.S.;

444 revising provisions relating to the effect of

445 dissolution; amending s. 607.1406, F.S.; revising

446 provisions relating to known claims against a

447 dissolved corporation; defining the term "known

448 claims"; deleting the term "successor entity";

449 amending s. 607.1407, F.S.; revising provisions

450 relating to unknown claims against a dissolved

451 corporation; creating s. 607.1408, F.S.; relocating  
452 provisions relating to claims against dissolved  
453 corporations; creating s. 607.1409, F.S.; authorizing  
454 certain dissolved corporations to file an application  
455 with the circuit court for a certain determination;  
456 providing guidelines for the proceedings; creating s.  
457 607.1410, F.S.; providing duties for directors of  
458 dissolved corporations; amending s. 607.1420, F.S.;  
459 revising provisions relating to the administrative  
460 dissolution of a corporation; repealing s. 607.1421,  
461 F.S., relating to the procedure for and effect of  
462 administrative dissolution; amending s. 607.1422,  
463 F.S.; revising provisions relating to reinstatement  
464 following administrative dissolution; amending s.  
465 607.1423, F.S.; revising provisions relating to  
466 judicial review of denials of reinstatement; amending  
467 s. 607.1430, F.S.; revising provisions relating to  
468 grounds for judicial dissolution; defining the term  
469 "shareholder"; amending s. 607.1431, F.S.; revising  
470 provisions relating to procedures for judicial  
471 dissolution; amending s. 607.1432, F.S.; revising  
472 provisions relating to receivership and custodianship;  
473 amending s. 607.1433, F.S.; revising provisions  
474 relating to judgment of dissolution; amending s.  
475 607.1434, F.S.; revising provisions relating to

476 alternative remedies to judicial dissolution; amending  
477 s. 607.1435, F.S.; revising provisions relating to  
478 court-appointed provisional directors; amending s.  
479 607.1436, F.S.; revising provisions relating to  
480 elections to purchase instead of dissolution; amending  
481 s. 607.14401, F.S.; revising provisions relating to  
482 deposits associated with a dissolved corporation;  
483 amending s. 607.1501, F.S.; revising provisions  
484 relating to the authority of a foreign corporation to  
485 transact business in this state; creating s.  
486 607.15015, F.S.; providing for applicability of  
487 certain laws for a foreign corporation; providing that  
488 a foreign corporation may not be denied a certificate  
489 of authority for certain reasons; specifying that a  
490 certificate of authority does not authorize a foreign  
491 corporation to take certain actions; amending s.  
492 607.1502, F.S.; revising provisions relating to  
493 transacting business in this state without a  
494 certificate of authority; providing applicability;  
495 amending s. 607.1503, F.S.; revising provisions  
496 relating to applications for a certificate of  
497 authority; amending s. 607.1504, F.S.; revising  
498 provisions relating to amendments to certificates of  
499 authority; amending s. 607.1505, F.S.; revising  
500 provisions relating to the effect of a certificate of

501 authority; amending s. 607.1506, F.S.; revising  
502 provisions relating to the corporate name of a foreign  
503 corporation; amending s. 607.1507, F.S.; revising  
504 provisions relating to the registered offices and  
505 registered agents of foreign corporations; providing a  
506 civil penalty; amending s. 607.1508, F.S.; revising  
507 provisions relating to changing the names of  
508 registered offices and registered agents of foreign  
509 corporations; amending s. 607.1509, F.S.; revising  
510 provisions relating to resignations of registered  
511 agents of foreign corporations; creating s. 607.15091,  
512 F.S.; revising provisions relating to name and address  
513 changes for registered agents of foreign corporations;  
514 creating s. 607.15092, F.S.; providing requirements  
515 for delivery of notice or other communication;  
516 amending s. 607.15101, F.S.; revising provisions  
517 relating to service of process, notice, or demand on a  
518 foreign corporation; amending s. 607.1520, F.S.;  
519 revising provisions relating to the withdrawal of a  
520 certificate of authority for a foreign corporation;  
521 requiring a foreign corporation to take certain  
522 actions to cancel its certificate of authority;  
523 creating s. 607.1521, F.S.; specifying that certain  
524 foreign corporations are deemed to have withdrawn  
525 their certificate of authority under certain

526 | circumstances; creating s. 607.1522, F.S.; requiring a  
527 | foreign corporation to deliver a notice of withdrawal  
528 | of a certificate of authority under certain  
529 | circumstances; providing for effective service of  
530 | process on such foreign corporations; creating s.  
531 | 607.1523, F.S.; authorizing the Department of Legal  
532 | Affairs to maintain certain actions and to enjoin a  
533 | foreign corporation under certain circumstances;  
534 | amending s. 607.1530, F.S.; revising provisions  
535 | relating to revocation of a foreign corporation's  
536 | certificate of authority; repealing s. 607.1531, F.S.,  
537 | relating to the procedure for and effect of  
538 | revocation; amending s. 607.15315, F.S.; revising  
539 | provisions relating to reinstatement of a foreign  
540 | corporation's certificate of authority; amending s.  
541 | 607.1532, F.S.; revising provisions relating to  
542 | judicial review of a denial of reinstatement; amending  
543 | s. 607.1601, F.S.; revising provisions relating to the  
544 | maintenance of corporate records; amending s.  
545 | 607.1602, F.S.; revising provisions relating to  
546 | inspection of records by shareholders; revising the  
547 | definition of the term "shareholder"; amending s.  
548 | 607.1603, F.S.; revising provisions relating to the  
549 | scope of shareholders' inspection rights; amending s.  
550 | 607.1604, F.S.; revising provisions relating to court-

551 ordered inspections; amending s. 607.1605, F.S.;

552 revising provisions relating to directors' inspection

553 rights; amending s. 607.1620, F.S.; revising

554 provisions relating to financial statements for

555 shareholders; repealing s. 607.1621, F.S., relating to

556 other reports to shareholders; amending s. 607.1622,

557 F.S.; revising provisions relating to annual reports

558 that are required to be filed with the Department of

559 State; amending s. 607.1701, F.S.; making a technical

560 change; revising applicability; amending s. 607.1702,

561 F.S.; revising applicability; amending s. 607.1711,

562 F.S.; making a technical change; repealing s.

563 607.1801, F.S., relating to domestication of foreign

564 corporations; amending s. 607.1907, F.S.; revising

565 provisions relating to savings provisions; creating s.

566 607.1908, F.S.; providing for severability; amending

567 s. 607.504, F.S.; revising provisions relating to an

568 election of social purpose corporation status;

569 amending s. 607.604, F.S.; revising provisions

570 relating to an election of benefit corporation status;

571 conforming a cross-reference; amending s. 605.0102,

572 F.S.; conforming a cross-reference; revising the

573 definitions of the terms "private organic rules" and

574 "public organic record"; amending s. 605.0105, F.S.;

575 revising provisions relating to operating agreements;

576 | amending s. 605.0112, F.S.; revising provisions  
577 | relating to names of limited liability companies;  
578 | creating s. 605.01125, F.S.; authorizing a person to  
579 | reserve the exclusive use of the name of a limited  
580 | liability company; providing requirements for  
581 | reserving the name; authorizing the department to  
582 | revoke reservations under certain circumstances;  
583 | amending s. 605.0113, F.S.; revising provisions  
584 | relating to registered agents of limited liability  
585 | companies; defining the term "authorized entity";  
586 | amending s. 605.0114, F.S.; revising provisions  
587 | relating to changes of a registered agent or  
588 | registered office; amending s. 605.0115, F.S.;  
589 | requiring a registered agent to promptly mail a copy  
590 | of a statement of resignation to a limited liability  
591 | company's or foreign limited liability company's  
592 | current mailing address; amending s. 605.0116, F.S.;  
593 | making clarifying changes; amending s. 605.0117, F.S.;  
594 | revising provisions relating to service of process,  
595 | notice, and demand on limited liability companies and  
596 | registered foreign limited liability companies;  
597 | amending s. 605.0118, F.S.; conforming a provision to  
598 | changes made by the act; amending s. 605.0207, F.S.;  
599 | revising provisions relating to effective dates and  
600 | times for records filed with the Department of State;



601 amending s. 605.0209, F.S.; revising what a statement  
602 of correction must contain; amending s. 605.0210,  
603 F.S.; revising provisions relating to the department's  
604 refusal to file a record; amending s. 605.0211, F.S.;  
605 revising provisions relating to certificates of status  
606 for foreign limited liability companies; amending s.  
607 605.0215, F.S.; specifying that a copy of a document  
608 filed by the department must bear the signature of the  
609 Secretary of State and the seal of this state in order  
610 to be conclusive evidence that the original document  
611 is on file with the department; amending s. 605.04092,  
612 F.S.; defining terms; revising provisions relating to  
613 conflict of interest transactions; amending s.  
614 605.0410, F.S.; conforming a cross-reference; amending  
615 s. 605.0702, F.S.; revising provisions relating to  
616 grounds for judicial dissolution of a limited  
617 liability company; amending s. 605.0706, F.S.;  
618 revising provisions relating to an election to  
619 purchase the entire interest of a petitioner instead  
620 of dissolving the limited liability company; amending  
621 s. 605.0715, F.S.; conforming a provision to changes  
622 made by the act; requiring a dissolved limited  
623 liability company to amend its articles of  
624 incorporation to change its name under certain  
625 circumstances; amending s. 605.0716, F.S.; revising

626 provisions relating to judicial review of denial of  
627 reinstatement; amending ss. 605.0803 and 605.0903,  
628 F.S.; making clarifying changes; amending s. 605.0904,  
629 F.S.; revising provisions relating to a foreign  
630 limited liability company's failure to have a  
631 certificate of authority; amending s. 605.0906, F.S.;  
632 requiring, rather than authorizing, certain foreign  
633 limited liability companies to use an alternate name  
634 to transact business in this state; amending s.  
635 605.0907, F.S.; revising provisions relating to  
636 foreign limited liability companies' amendments to  
637 certificates of authority; amending s. 605.0908, F.S.;  
638 making technical changes; creating s. 605.09091, F.S.;  
639 providing requirements relating to the judicial review  
640 of denial of reinstatement for foreign limited  
641 liability companies; amending ss. 605.0910 and  
642 605.0911, F.S.; revising provisions relating to the  
643 withdrawal or cancellation of a foreign limited  
644 liability company's certificate of authority; amending  
645 s. 605.0912, F.S.; revising provisions relating to a  
646 foreign limited liability company's withdrawal on the  
647 dissolution, merger, or conversion to a nonfiling  
648 entity; amending ss. 605.1025 and 605.1035, F.S.;  
649 conforming cross-references; amending s. 605.1061,  
650 F.S.; making a technical change; amending s. 605.1063,

651 F.S.; providing requirements for when an appraisal  
652 event is required to be approved by written consent of  
653 members; amending s. 605.1072, F.S.; revising  
654 provisions relating to other remedies for a member to  
655 challenge certain completed appraisal events;  
656 providing construction; amending s. 617.0302, F.S.;  
657 conforming provisions to changes made by the act;  
658 conforming a cross-reference; amending s. 617.0501,  
659 F.S.; revising provisions relating to registered  
660 offices and registered agents of corporations not for  
661 profit; defining the term "authorized entity";  
662 creating s. 617.05015, F.S.; authorizing a person to  
663 reserve the exclusive use of the name of a corporation  
664 not for profit; providing requirements for such  
665 reservation; amending s. 617.0831, F.S.; conforming  
666 cross-references; amending ss. 617.1102 and 617.1108,  
667 F.S.; conforming provisions to changes made by the  
668 act; conforming cross-references; amending s.  
669 617.1507, F.S.; revising provisions relating to  
670 registered offices and registered agents of foreign  
671 corporations not for profit; defining the term  
672 "authorized entity"; amending s. 620.1108, F.S.;  
673 revising provisions relating to the names of certain  
674 limited partnerships; creating s. 620.11085, F.S.;  
675 authorizing a person to reserve the exclusive use of

676 the name of a limited partnership; providing  
 677 requirements for such reservation; amending ss.  
 678 620.2104, 620.2108, and 620.8918, F.S.; conforming  
 679 cross-references; amending s. 621.12, F.S.; revising  
 680 provisions relating to the names of certain  
 681 corporations and limited liability companies; amending  
 682 s. 865.09, F.S.; prohibiting certain fictitious names  
 683 from containing "PA"; amending s. 662.150, F.S.;  
 684 conforming a provision to changes made by the act;  
 685 conforming cross-references; amending ss. 331.355,  
 686 339.12, 628.530, 631.0515, 658.44, 663.03, 663.403,  
 687 and 694.16, F.S.; conforming cross-references;  
 688 providing an effective date.

690 Be It Enacted by the Legislature of the State of Florida:

691  
 692 Section 1. Section 607.0101, Florida Statutes, is amended  
 693 to read:

694 607.0101 Short title; applicability.—

695 (1) This chapter may be cited as the "Florida Business  
 696 Corporation Act."

697 (2) Part I of this chapter contains provisions of general  
 698 applicability to corporations.

699 (3) Part II of this chapter applies to social purpose  
 700 corporations.

701           (4) Part III of this chapter applies to benefit  
 702 corporations.

703           Section 2. Section 607.0102, Florida Statutes, is amended  
 704 to read:

705           607.0102 Reservation of power to amend or repeal.—The  
 706 Legislature has power to amend or repeal all or part of this  
 707 chapter ~~act~~ at any time, and all domestic and foreign  
 708 corporations subject to this chapter ~~act~~ shall be governed by  
 709 the amendment or repeal.

710           Section 3. Subsections (1), (2), (3), (6), (8), (9), and  
 711 (10) of section 607.0120, Florida Statutes, are amended, and  
 712 subsection (11) is added to that section, to read:

713           607.0120 Filing requirements.—

714           (1) A document must satisfy the requirements of this  
 715 section and of any other section that adds to or varies these  
 716 requirements to be entitled to filing by the department ~~of~~  
 717 State.

718           (2) This chapter ~~act~~ must require or permit filing the  
 719 document in the office of the department ~~of State~~.

720           (3) The document must contain the information required by  
 721 this chapter and ~~act~~. ~~It~~ may contain other information as well.

722           (6) The document must be signed ~~executed~~:

723           (a) By a director of a domestic or foreign corporation, or  
 724 by its president or by another of its officers;

725           (b) If directors or officers have not been selected or the

726 corporation has not been formed, by an incorporator; or  
 727 (c) If the corporation is in the hands of a receiver,  
 728 trustee, or other court-appointed fiduciary, by that fiduciary.  
 729 (8) If the department ~~of State~~ has prescribed a mandatory  
 730 form for the document under s. 607.0121, the document must be in  
 731 or on the prescribed form.  
 732 (9) The document must be delivered to the office of the  
 733 department ~~of State~~ for filing. Delivery may be made by  
 734 electronic transmission if and to the extent permitted by the  
 735 department ~~of State~~. If it is filed in typewritten or printed  
 736 form and not transmitted electronically, the department ~~of State~~  
 737 may require one exact or conformed copy, to be delivered with  
 738 the document, ~~(except as provided in s. 607.1509)~~.  
 739 (10) When the document is delivered to the department ~~of~~  
 740 ~~State~~ for filing, the correct filing fee, and any other tax,  
 741 license fee, or penalty required to be paid by this act or other  
 742 law shall be paid or provision for payment made in a manner  
 743 permitted by the department ~~of State~~.  
 744 (11) Whenever this chapter allows any of the terms of a  
 745 plan or a filed document to be dependent on facts objectively  
 746 ascertainable outside the plan or filed document, the following  
 747 provisions apply:  
 748 (a) The plan or filed document must set forth the manner  
 749 in which the facts will operate upon the terms of the plan or  
 750 filed document.

751        (b) The facts may include, but are not limited to:  
 752        1. Any of the following that are available in a nationally  
 753 recognized news or information medium either in print or  
 754 electronically:  
 755        a. Statistical or market indices;  
 756        b. Market prices of any security or group of securities;  
 757        c. Interest rates;  
 758        d. Currency exchange rates; and  
 759        e. Similar economic or financial data;  
 760        2. A determination or action by any person or body,  
 761 including the corporation or any other party to a plan or filed  
 762 document; or  
 763        3. The terms of, or actions taken under, an agreement to  
 764 which the corporation is a party, or any other agreement or  
 765 document.  
 766        (c) The following provisions of a plan or filed document  
 767 may not be made dependent on facts outside the plan or filed  
 768 document:  
 769        1. The name and address of any person required in a filed  
 770 document;  
 771        2. The registered office of any entity required in a filed  
 772 document;  
 773        3. The registered agent of any entity required in a filed  
 774 document;  
 775        4. The number of authorized shares and designation of each

776 class or series of shares;

777 5. The effective date of a filed document; and

778 6. Any required statement in a filed document of the date  
779 on which the underlying transaction was approved or the manner  
780 in which that approval was given.

781 (d) If a provision of a filed document is made dependent  
782 on a fact ascertainable outside of the filed document, and that  
783 fact is not ascertainable by reference to a source described in  
784 subparagraph (b)1. or a document that is a matter of public  
785 record, and the affected shareholders have not received notice  
786 of the fact from the corporation, then the corporation must file  
787 with the department articles of amendment to the filed document  
788 setting forth the fact promptly after the time when the fact  
789 referred to is first ascertainable or thereafter changes.

790 Articles of amendment under this paragraph are deemed to be  
791 authorized by the authorization of the original filed document  
792 to which they relate and may be filed by the corporation without  
793 further action by the board of directors or the shareholders.

794 (e) As used in this subsection, the term "filed document"  
795 means a document filed with the department pursuant to this  
796 chapter, except for a document filed pursuant to ss. 607.1501-  
797 607.1532; and the term "plan" means a plan of merger, a plan of  
798 share exchange, a plan of conversion, or a plan of share  
799 domestication.

800 Section 4. Section 607.0121, Florida Statutes, is amended



801 to read:

802 607.0121 Forms.—

803 (1) The department ~~of State~~ may prescribe and furnish on  
804 request forms for:

805 (a) An application for certificate of status,

806 (b) A foreign corporation's application for certificate of  
807 authority to transact business in the state,

808 (c) A foreign corporation's notice of withdrawal of  
809 certificate of authority application for certificate of  
810 withdrawal, and

811 (d) The annual report, for which the department may  
812 prescribe the use of the uniform business report, pursuant to s.  
813 606.06.

814 (2) If the department ~~of State~~ so requires, the use of  
815 these forms shall be mandatory.

816 (3) ~~(2)~~ The department ~~of State~~ may prescribe and furnish  
817 on request forms for other documents required or permitted to be  
818 filed by this chapter act, but their use is not ~~shall not be~~  
819 mandatory.

820 Section 5. Section 607.0122, Florida Statutes, is amended  
821 to read:

822 607.0122 Fees for filing documents and issuing  
823 certificates.—The department ~~of State~~ shall collect the  
824 following fees when the documents described in this section are  
825 delivered to the department for filing:

- 826 (1) Articles of incorporation: \$35.
- 827 (2) Application for registered name: \$87.50.
- 828 (3) Application for renewal of registered name: \$87.50.
- 829 (4) Corporation's statement of change of registered agent
- 830 or registered office or both if not included on the annual
- 831 report: \$35.
- 832 (5) Designation of and acceptance by registered agent:
- 833 \$35.
- 834 (6) Agent's statement of resignation from active
- 835 corporation: \$87.50.
- 836 (7) Agent's statement of resignation from an inactive
- 837 corporation: \$35.
- 838 (8) Amendment of articles of incorporation: \$35.
- 839 (9) Restatement of articles of incorporation with
- 840 amendment of articles: \$35.
- 841 (10) Articles of merger or share exchange for each party
- 842 thereto: \$35.
- 843 (11) Articles of dissolution: \$35.
- 844 (12) Articles of revocation of dissolution: \$35.
- 845 (13) Application for reinstatement following
- 846 administrative dissolution: \$600.
- 847 (14) Application for certificate of authority to transact
- 848 business in this state by a foreign corporation: \$35.
- 849 (15) Application for amended certificate of authority:
- 850 \$35.

851 (16) Application for certificate of withdrawal by a  
 852 foreign corporation: \$35.

853 (17) Annual report: \$61.25.

854 (18) Articles of correction: \$35.

855 (19) Application for certificate of status: \$8.75.

856 (20) Certificate of domestication of a foreign  
 857 corporation: \$50.

858 (21) Certified copy of document: \$52.50.

859 (22) Serving as agent for substitute service of process:  
 860 \$87.50.

861 (23) Supplemental corporate fee: \$88.75.

862 (24) Any other document required or permitted to be filed  
 863 by this chapter ~~act~~: \$35.

864 Section 6. Section 607.0123, Florida Statutes, is amended  
 865 to read:

866 607.0123 Effective time and date of document.—Except as  
 867 otherwise provided in s. 607.0124(5), and subject to s.  
 868 607.0124(4), any document delivered to the department for filing  
 869 under this chapter may specify an effective time and a delayed  
 870 effective date. In the case of initial articles of  
 871 incorporation, a prior effective date may be specified in the  
 872 articles of incorporation if such date is within 5 business days  
 873 before the date of filing.

874 (1) Subject to s. 607.0124, a document accepted for filing  
 875 is effective:

876 (a) If the filing does not specify an effective time and  
 877 does not specify a prior or a delayed effective date, on the  
 878 date and at the time the filing is accepted, as evidenced by the  
 879 department's endorsement of the date and time on the filing;

880 (b) If the filing specifies an effective time, but not a  
 881 prior or delayed effective date, on the date the filing is filed  
 882 at the time specified in the filing;

883 (c) If the filing specifies a delayed effective date, but  
 884 not an effective time, at 12:01 a.m. on the earlier of:

- 885 1. The specified date; or
- 886 2. The 90th day after the date of the filing.

887 (d) If the filing specifies a delayed effective date and  
 888 an effective time, at the specified time on the earlier of:

- 889 1. The specified date; or
- 890 2. The 90th day after the date of the filing.

891 (e) If the filing is of initial articles of incorporation  
 892 and specifies an effective date before the date of the filing,  
 893 but no effective time, at 12:01 a.m. on the later of:

- 894 1. The specified date; or
- 895 2. The 5th business day before the date of the filing.

896 (f) If the filing is of initial articles of incorporation  
 897 and specifies an effective time and an effective date before the  
 898 date of the filing, at the specified time on the later of:

- 899 1. The specified date; or
- 900 2. The 5th business day before the date of the filing.

901        (2) If a filed document does not specify the time zone or  
902 place at which the date or time, or both, is to be determined,  
903 the date or time, or both, at which it becomes effective shall  
904 be those prevailing at the place of filing in this state.

905        ~~(1) Except as provided in subsections (2) and (4) and in~~  
906 ~~s. 607.0124(3), a document accepted for filing is effective on~~  
907 ~~the date and at the time of filing, as evidenced by such means~~  
908 ~~as the Department of State may use for the purpose of recording~~  
909 ~~the date and time of filing.~~

910        ~~(2) A document may specify a delayed effective date and,~~  
911 ~~if desired, a time on that date, and if it does the document~~  
912 ~~shall become effective on the date and at the time, if any,~~  
913 ~~specified. If a delayed effective date is specified without~~  
914 ~~specifying a time on that date, the document shall become~~  
915 ~~effective at the start of business on that date. Unless~~  
916 ~~otherwise permitted by this act, a delayed effective date for a~~  
917 ~~document may not be later than the 90th day after the date on~~  
918 ~~which it is filed.~~

919        (3) If a document is determined by the department of State  
920 to be incomplete and inappropriate for filing, the department of  
921 State may return the document to the person or corporation  
922 filing it, together with a brief written explanation of the  
923 reason for the refusal to file, in accordance with s.  
924 607.0125(3). If the applicant returns the document with  
925 corrections in accordance with the rules of the department

926 within 60 days after it was mailed to the applicant by the  
 927 department and if at the time of return the applicant so  
 928 requests in writing, the filing date of the document will be the  
 929 filing date that would have been applied had the original  
 930 document not been deficient, except as to persons who relied on  
 931 the record before correction and were adversely affected  
 932 thereby.

933 ~~(4) Corporate existence may predate the filing date,~~  
 934 ~~pursuant to s. 607.0203(1).~~

935 Section 7. Section 607.0124, Florida Statutes, is amended  
 936 to read:

937 607.0124 Correcting filed document; withdrawal of filed  
 938 record before effectiveness.-

939 (1) A domestic or foreign corporation may correct a  
 940 document filed by the department ~~of State within 30 days after~~  
 941 ~~filing~~ if:

942 (a) The document contains an inaccuracy;

943 (b) The document contains false, misleading, or fraudulent  
 944 information;

945 (c) The document was defectively signed ~~executed~~,  
 946 attested, sealed, verified, or acknowledged; or

947 (d) The electronic transmission of the document to the  
 948 department was defective.

949 (2) A document is corrected:

950 (a) By preparing articles of correction that:

951 1. Describe the document (including its filing date) or  
952 attach a copy of the document to the articles of correction;

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

954 3. Correct the inaccuracy or defect; and

955 (b) By delivering the articles of correction to the  
956 department ~~of State~~ for filing, signed ~~executed~~ in accordance  
957 with s. 607.0120.

958 (3) Articles of correction are effective on the effective  
959 date of the document they correct except as to persons relying  
960 on the uncorrected document and adversely affected by the  
961 correction. As to those persons, articles of correction are  
962 effective when filed.

963 (4) Articles of correction may not contain a delayed  
964 effective date for the correction.

965 (5) Unless otherwise provided for in s. 607.1107(2), s.  
966 607.11923(3), or s. 607.11934(3), a filing delivered to the  
967 department may be withdrawn before it takes effect by delivering  
968 a withdrawal statement to the department for filing.

969 (a) A withdrawal statement must:

970 1. Be signed by each person who signed the filing being  
971 withdrawn, except as otherwise agreed to by such persons;

972 2. Identify the filing to be withdrawn; and

973 3. If not signed by all persons who signed the filing  
974 being withdrawn, state that the filing is withdrawn in  
975 accordance with the agreement of all persons who signed the

976 filing.

977 (b) On the filing by the department of a withdrawal  
978 statement, the action or transaction evidenced by the original  
979 filing does not take effect.

980 (6)(4) Articles of correction that are filed to correct  
981 false, misleading, or fraudulent information are not subject to  
982 a fee of the department ~~of State~~ if the articles of correction  
983 are delivered to the department ~~of State~~ within 15 days after  
984 the notification of filing sent pursuant to s. 607.0125(2).

985 Section 8. Section 607.0125, Florida Statutes, is amended  
986 to read:

987 607.0125 Filing duties of the department ~~of State~~.—

988 (1) If a document delivered to the department ~~of State~~ for  
989 filing satisfies the requirements of s. 607.0120, the department  
990 ~~of State~~ shall file it.

991 (2) The department ~~of State~~ files a document by stamping  
992 or otherwise endorsing the document as filed, together with the  
993 department's official title and recording it as filed on the  
994 date and time of receipt. After filing a document, the  
995 department ~~of State~~ shall send a notice of the filing or a copy  
996 of the filing to the electronic mail address on file for the  
997 domestic or foreign corporation or its authorized representative  
998 or a copy of the filed document to the mailing address of such  
999 corporation or its authorized representative. If the record  
1000 changes the electronic mail address of the corporation, the



1001 department ~~of State~~ must send such notice to the new electronic  
 1002 mail address and to the most recent prior electronic mail  
 1003 address. If the record changes the mailing address of the  
 1004 corporation, the department ~~of State~~ must send such notice to  
 1005 the new mailing address and to the most recent prior mailing  
 1006 address.

1007 (3) If the department ~~of State~~ refuses to file a document,  
 1008 the department ~~it~~ shall return the document ~~it~~ to the domestic  
 1009 or foreign corporation or its representative within 15 days  
 1010 after the document was received for filing, together with a  
 1011 brief, written explanation of the reason for refusal.

1012 (4) The department's ~~Department of State's~~ duty to file  
 1013 documents under this section is ministerial. The filing or  
 1014 refusing to file a document does not:

1015 (a) Affect the validity or invalidity of the document in  
 1016 whole or part;

1017 (b) Relate to the correctness or incorrectness of  
 1018 information contained in the document;

1019 (c) Create a presumption that the document does or does  
 1020 not conform to the requirements of this chapter or that the ~~is~~  
 1021 ~~valid or invalid or that~~ information contained in the document  
 1022 is correct or incorrect.

1023 (5) If not otherwise provided by law and the provisions of  
 1024 this chapter ~~act~~, the department ~~of State~~ shall determine, by  
 1025 rule, the appropriate format for, number of copies of, manner of

1026 execution of, method of electronic transmission of, and amount  
 1027 of and method of payment of fees for, any document placed under  
 1028 its jurisdiction.

1029 Section 9. Section 607.0126, Florida Statutes, is amended  
 1030 to read:

1031 607.0126 Appeal from department's ~~Department of State's~~  
 1032 refusal to file document.—If the department ~~of State~~ refuses to  
 1033 file a document delivered to its office for filing, the person  
 1034 who submitted the document for filing may petition the Circuit  
 1035 Court of Leon County to compel filing of the document. The  
 1036 document and the explanation from the department of the refusal  
 1037 to file must be attached to the petition. The court may decide  
 1038 the matter in a summary proceeding and ~~within 30 days after~~  
 1039 ~~return of the document by the department by mail, as evidenced~~  
 1040 ~~by the postmark, the domestic or foreign corporation may:~~

- 1041 ~~(1) Appeal the refusal pursuant to s. 120.68; or~~
- 1042 ~~(2) Appeal the refusal to the circuit court of the county~~  
 1043 ~~where the corporation's principal office (or, if none in this~~  
 1044 ~~state, its registered office) is or will be located. The appeal~~  
 1045 ~~is commenced by petitioning the court to compel filing the~~  
 1046 ~~document and by attaching to the petition the document and the~~  
 1047 ~~Department of State's explanation of its refusal to file. The~~  
 1048 ~~matter shall promptly be tried de novo by the court without a~~  
 1049 ~~jury. the court may summarily order the department of State to~~  
 1050 file the document or take other action the court considers

1051 appropriate. The court's final decision may be appealed as in  
1052 other civil proceedings.

1053 Section 10. Section 607.0127, Florida Statutes, is amended  
1054 to read:

1055 607.0127 Certificates to be received in evidence;  
1056 evidentiary effect of certified copy of filed document.—~~All~~  
1057 certificates issued by the department pursuant to this chapter  
1058 must be taken and received in all courts, public offices, and  
1059 official bodies as prima facie evidence of the facts stated. A  
1060 certificate ~~the department~~ ~~from the Department of State~~  
1061 delivered with a copy of a document filed by the ~~department,~~  
1062 bearing the signature of the secretary of state, which may be in  
1063 facsimile, and the seal of the state, ~~Department of State~~ is  
1064 conclusive evidence that the original document is on file with  
1065 the department.

1066 Section 11. Section 607.0128, Florida Statutes, is amended  
1067 to read:

1068 607.0128 Certificate of status.—

1069 (1) The department, upon request and payment of the  
1070 requisite fee, shall issue a certificate of status for a  
1071 corporation if the records filed in the department show that the  
1072 department has accepted and filed the corporation's articles of  
1073 incorporation. A certificate of status must state the following:

1074 (a) The corporation's name.

1075 (b) That the corporation was organized under the laws of

1076 this state and the date of organization.

1077 (c) Whether all fees due to the department under this  
1078 chapter have been paid.

1079 (d) Whether the corporation's most recent annual report  
1080 required under s. 607.1622 has been filed by the department.

1081 (e) Whether the department has administratively dissolved  
1082 the corporation or received a record notifying the department  
1083 that the corporation has been dissolved by judicial action  
1084 pursuant to s. 607.1433.

1085 (f) Whether the department has filed articles of  
1086 dissolution for the corporation.

1087 (2) The department, upon request and payment of the  
1088 requisite fee, shall furnish a certificate of status for a  
1089 foreign corporation if the records filed show that the  
1090 department has filed a certificate of authority. A certificate  
1091 of status for a foreign corporation must state the following:

1092 (a) The foreign corporation's name and any current  
1093 alternate name adopted pursuant to s. 607.1506 for use in this  
1094 state.

1095 (b) That the foreign corporation is authorized to transact  
1096 business in this state.

1097 (c) Whether all fees and penalties due to the department  
1098 under this chapter or other law have been paid.

1099 (d) Whether the foreign corporation's most recent annual  
1100 report required under s. 607.1622 has been filed by the

1101 department.

1102 (e) Whether the department has:

1103 1. Revoked the foreign corporation's certificate of

1104 authority; or

1105 2. Filed a notice of withdrawal of certificate of

1106 authority

1107 ~~(1) Anyone may apply to the Department of State to furnish~~

1108 ~~a certificate of status for a domestic corporation or a~~

1109 ~~certificate of authorization for a foreign corporation.~~

1110 ~~(2) A certificate of status or authorization sets forth:~~

1111 ~~(a) The domestic corporation's corporate name or the~~

1112 ~~foreign corporation's corporate name used in this state;~~

1113 ~~(b)1. That the domestic corporation is duly incorporated~~

1114 ~~under the law of this state and the date of its incorporation,~~

1115 ~~or~~

1116 ~~2. That the foreign corporation is authorized to transact~~

1117 ~~business in this state;~~

1118 ~~(c) That all fees and penalties owed to the department~~

1119 ~~have been paid, if:~~

1120 ~~1. Payment is reflected in the records of the department,~~

1121 ~~and~~

1122 ~~2. Nonpayment affects the existence or authorization of~~

1123 ~~the domestic or foreign corporation;~~

1124 ~~(d) That its most recent annual report required by s.~~

1125 ~~607.1622 has been delivered to the department; and~~

1126 ~~(c) That articles of dissolution have not been filed.~~

1127 (3) Subject to any qualification stated in the  
1128 certificate, a certificate of status ~~or authorization~~ issued by  
1129 the department is ~~may be relied upon as~~ conclusive evidence that  
1130 the domestic ~~or foreign~~ corporation is in existence and is of  
1131 active status in this state or that the foreign corporation is  
1132 authorized to transact business in this state and is of active  
1133 status in this state.

1134 Section 12. Section 607.0130, Florida Statutes, is amended  
1135 to read:

1136 607.0130 Powers of department ~~of State.~~

1137 ~~(1) The Department of State may propound to any~~  
1138 ~~corporation subject to the provisions of this act, and to any~~  
1139 ~~officer or director thereof, such interrogatories as may be~~  
1140 ~~reasonably necessary and proper to enable it to ascertain~~  
1141 ~~whether the corporation has complied with all applicable~~  
1142 ~~provisions of this act. Such interrogatories must be answered~~  
1143 ~~within 30 days after mailing or within such additional time as~~  
1144 ~~fixed by the department. Answers to interrogatories must be full~~  
1145 ~~and complete, in writing, and under oath. Interrogatories~~  
1146 ~~directed to an individual must be answered by the individual,~~  
1147 ~~and interrogatories directed to a corporation must be answered~~  
1148 ~~by the president, vice president, secretary, or assistant~~  
1149 ~~secretary.~~

1150 ~~(2) The Department of State is not required to file any~~

1151 document:

1152 ~~(a) To which interrogatories, as propounded pursuant to~~  
1153 ~~subsection (1), relate, until the interrogatories are answered~~  
1154 ~~in full;~~

1155 ~~(b) When interrogatories or other relevant evidence~~  
1156 ~~discloses that such document is not in conformity with the~~  
1157 ~~provisions of this act; or~~

1158 ~~(c) When the department has determined that the parties to~~  
1159 ~~such document have not paid all fees, taxes, and penalties due~~  
1160 ~~and owing this state.~~

1161 ~~(3) The Department of State may, based upon its findings~~  
1162 ~~hereunder or as provided in s. 213.053(15), bring an action in~~  
1163 ~~circuit court to collect any penalties, fees, or taxes~~  
1164 ~~determined to be due and owing the state and to compel any~~  
1165 ~~filing, qualification, or registration required by law. In~~  
1166 ~~connection with such proceeding the department may, without~~  
1167 ~~prior approval by the court, file a lis pendens against any~~  
1168 ~~property owned by the corporation and may further certify any~~  
1169 ~~findings to the Department of Legal Affairs for the initiation~~  
1170 ~~of any action permitted pursuant to s. 607.0505 which the~~  
1171 ~~Department of Legal Affairs may deem appropriate.~~

1172 ~~(4) The department of State shall have the power and~~  
1173 ~~authority reasonably necessary to enable it to administer this~~  
1174 ~~act efficiently, to perform the duties herein imposed upon it,~~  
1175 ~~and to promulgate reasonable rules necessary to carry out its~~

1176 duties and functions under this chapter act.

1177 Section 13. Section 607.01401, Florida Statutes, is  
1178 amended to read:

1179 607.01401 Definitions.—As used in this chapter act, unless  
1180 the context otherwise requires, the term:

1181 (1) "Acquired eligible entity" means a domestic or foreign  
1182 eligible entity that will have all of one or more classes or  
1183 series of its shares or eligible interests acquired in a share  
1184 exchange.

1185 (2) "Acquiring eligible entity" means a domestic or  
1186 foreign eligible entity that will acquire all of one or more  
1187 classes or series of shares or eligible interests of the  
1188 acquired eligible entity in a share exchange.

1189 (3) "Applicable county" means: the county in this state in  
1190 which a corporation's principal office is located or was located  
1191 when an action is or was commenced; if the corporation has, and  
1192 at the time of such action had, no principal office in this  
1193 state, then in the county in which the corporation has, or at  
1194 the time of such action had, an office in this state; or if the  
1195 corporation does not have an office in this state, then in the  
1196 county in which the corporation's registered office is or was  
1197 last located.

1198 (4) "Articles of incorporation" includes original,  
1199 amended, and restated articles of incorporation, articles of  
1200 share exchange, and articles of merger, and all amendments



1201 thereto. When used with respect to a foreign corporation, the  
 1202 term means the document of the foreign corporation that is  
 1203 equivalent to the articles of incorporation of a domestic  
 1204 corporation.

1205 (5) "Authorized entity" means:

1206 (a) A corporation for profit;

1207 (b) A limited liability company;

1208 (c) A limited liability partnership; or

1209 (d) A limited partnership, including a limited liability  
 1210 limited partnership.

1211 (6)-(2) "Authorized shares" means the shares of all classes  
 1212 a domestic or foreign corporation is authorized to issue.

1213 (7) "Beneficial shareholder" means a person who owns the  
 1214 beneficial interest in shares. Such person may be a record  
 1215 shareholder or a person on whose behalf shares are registered in  
 1216 the name of an intermediary or nominee.

1217 (8)-(3) "Business day" means Monday through Friday,  
 1218 excluding any day a national banking association is not open for  
 1219 normal business transactions.

1220 (9)-(4) "Conspicuous" means so written, displayed, or  
 1221 presented that a reasonable person against whom the writing is  
 1222 to operate should have noticed it. For example, text printing in  
 1223 italics, boldface, ~~or~~ a contrasting color, or typing in  
 1224 capitals, or underlined text, is conspicuous.

1225 (10) "Conversion" means a transaction pursuant to ss.

1226 | 607.11930-607.11935.

1227 |       (11) "Converted eligible entity" means the converting  
 1228 | eligible entity as it continues in existence after a conversion.

1229 |       (12) "Converting eligible entity" means the domestic  
 1230 | corporation that approves a plan of conversion pursuant to s.  
 1231 | 607.11932, or a foreign eligible entity that approves a  
 1232 | conversion pursuant to the organic law of the foreign eligible  
 1233 | entity.

1234 |       (13)~~(5)~~ "Corporation" or "domestic corporation" means a  
 1235 | corporation for profit, which is not a foreign corporation,  
 1236 | incorporated under this chapter ~~or subject to the provisions of~~  
 1237 | ~~this act.~~

1238 |       (14)~~(6)~~ "Day" means a calendar day.

1239 |       (15)~~(7)~~ "Deliver" or "delivery" means any method of  
 1240 | delivery used in conventional commercial practice, including  
 1241 | delivery by hand, mail, commercial delivery, and, if authorized  
 1242 | under s. 607.0141, electronic transmission.

1243 |       (16) "Department" means the Florida Department of State.

1244 |       (17) "Derivative proceeding" means a civil suit in the  
 1245 | right of a domestic corporation or, to the extent provided in s.  
 1246 | 607.0747, in the right of a foreign corporation.

1247 |       (18)~~(8)~~ "Distribution" means a direct or indirect transfer  
 1248 | of money or other property (except its own shares) or incurrence  
 1249 | of indebtedness by a corporation to or for the benefit of its  
 1250 | shareholders in respect of any of its shares. A distribution may

1251 be in the form of: a declaration or payment of a dividend; a  
1252 purchase, redemption, or other acquisition of shares; a  
1253 distribution of indebtedness; a distribution in liquidation; or  
1254 otherwise.

1255 (19) "Document" means:

1256 (a) Any tangible medium on which information is inscribed,  
1257 and includes any writing or written instrument; or

1258 (b) An electronic record.

1259 (20) "Domestic" means, with respect to an entity, an  
1260 entity governed as to its internal affairs by the laws of this  
1261 state.

1262 (21) "Domesticated corporation" means the domesticating  
1263 corporation as it continues in existence after a domestication.

1264 (22) "Domesticating corporation" means a domestic  
1265 corporation that approves a plan of domestication pursuant to s.  
1266 607.11921, or a foreign corporation that approves a  
1267 domestication pursuant to the organic law of the foreign  
1268 corporation.

1269 (23) "Domestication" means a transaction pursuant to ss.  
1270 607.11920-607.11924.

1271 (24) "Effective date" means, when referring to a document  
1272 accepted for filing by the department, the date and time  
1273 determined in accordance with s. 607.0123.

1274 (25) "Electronic" means relating to technology having  
1275 electrical, digital, magnetic, wireless, optical,

1276 electromagnetic, or similar capabilities.

1277 (26) "Electronic record" means information that is stored  
 1278 in an electronic or other medium and is retrievable in paper  
 1279 form through an automated process used in conventional  
 1280 commercial practice, unless otherwise authorized under s.  
 1281 607.0141.

1282 (27)~~(9)~~ "Electronic transmission" or "electronically  
 1283 transmitted" means any form or process of communication not  
 1284 directly involving the physical transfer of paper or another  
 1285 tangible medium, which:

1286 (a) ~~that~~ Is suitable for the retention, retrieval, and  
 1287 reproduction of information by the recipient; and

1288 (b) Is retrievable in paper form by the recipient through  
 1289 an automated process used in conventional commercial practice,  
 1290 unless otherwise authorized under s. 607.0141.

1291  
 1292 For purposes of proxy voting in accordance with ss. 607.0721,  
 1293 607.0722, and 607.0724, the term includes, but is not limited  
 1294 to, telegrams, cablegrams, telephone transmissions, and  
 1295 transmissions through the Internet.

1296 (28) (a) "Eligible entity" means:

- 1297 1. A domestic corporation;
- 1298 2. A foreign corporation;
- 1299 3. A non-profit corporation;
- 1300 4. A general partnership, including a limited liability

1301 partnership;  
 1302 5. A limited partnership, including a limited liability  
 1303 limited partnership;  
 1304 6. A limited liability company;  
 1305 7. A real estate investment trust; or  
 1306 8. Any other foreign or domestic entity that is organized  
 1307 under an organic law.  
 1308 (b) The term does not include:  
 1309 1. An individual;  
 1310 2. A trust with a predominantly donative purpose or a  
 1311 charitable trust;  
 1312 3. An association or relationship that is not a  
 1313 partnership solely by reason of s. 620.8202(2) or a similar  
 1314 provision of the law of another jurisdiction;  
 1315 4. A decedent's estate; or  
 1316 5. A government or a governmental subdivision, agency or  
 1317 instrumentality.  
 1318 (29) "Eligible interests" means interests or memberships.  
 1319 (30)-(40) "Employee" includes an officer but not a  
 1320 director. A director may accept duties that make him or her also  
 1321 an employee.  
 1322 (31)-(41) "Entity" includes corporation and foreign  
 1323 corporation; unincorporated association; business trust, estate,  
 1324 limited liability company, partnership, trust, and two or more  
 1325 persons having a joint or common economic interest; and state,

1326 United States, and foreign governments.

1327 (32) "Expenses" means reasonable expenses of any kind that  
 1328 are incurred in connection with a matter.

1329 (33) The phrase "facts objectively ascertainable outside  
 1330 the plan or filed document" shall be interpreted as set forth in  
 1331 s. 607.0120(11).

1332 (34) "Filing entity" means an entity, other than a limited  
 1333 liability partnership, that is of a type that is created by  
 1334 filing a public organic record or is required to file a public  
 1335 organic record that evidences its creation.

1336 (35) "Foreign" means, with respect to an entity, an entity  
 1337 governed as to its internal affairs by the organic law of a  
 1338 jurisdiction other than this state.

1339 (36)~~(12)~~ "Foreign corporation" means an entity  
 1340 incorporated or organized under laws other than the laws of this  
 1341 state which would be a corporation for profit if incorporated  
 1342 under ~~laws other than~~ the laws of this state.

1343 (37) "Foreign nonprofit corporation" means an entity  
 1344 incorporated or organized under laws other than the laws of this  
 1345 state which would be a nonprofit corporation if incorporated  
 1346 under the laws of this state.

1347 (38)~~(13)~~ "Governmental subdivision" includes authority,  
 1348 county, district, and municipality.

1349 (39) "Governor" means:

1350 (a) A director of a corporation for profit;

- 1351        (b) A director or trustee of a nonprofit corporation;  
 1352        (c) A general partner of a general partnership;  
 1353        (d) A general partner of a limited partnership;  
 1354        (e) A manager of a manager-managed limited liability  
 1355 company;  
 1356        (f) A member of a member-managed limited liability  
 1357 company;  
 1358        (g) A director or a trustee of a real estate investment  
 1359 trust; or  
 1360        (h) Any other person under whose authority the powers of  
 1361 an entity are exercised and under whose direction the activities  
 1362 and affairs of the entity are managed pursuant to the organic  
 1363 law and organic rules of the entity.  
 1364        (40)-(14) "Includes" "or including" denotes a partial  
 1365 definition or a non-exclusive list.  
 1366        (41)-(15) "Individual" includes the estate of an  
 1367 incompetent or deceased individual.  
 1368        (42)-(16) "Insolvent" means either:  
 1369        (a) The inability of a corporation to pay its debts as  
 1370 they become due in the usual course of its business; or  
 1371        (b) The value of the corporation's total assets are less  
 1372 than the sum of its total liabilities, at fair valuation.  
 1373        (43) "Interest" means:  
 1374        (a) A share in a corporation for profit;  
 1375        (b) A membership in a nonprofit corporation;

- 1376        (c) A partnership interest in a general partnership,  
 1377 including a limited liability partnership;
- 1378        (d) A partnership interest in a limited partnership,  
 1379 including a limited liability limited partnership;
- 1380        (e) A membership interest in a limited liability company;
- 1381        (f) A share or beneficial interest in a real estate  
 1382 investment trust;
- 1383        (g) A member's interest in a limited cooperative  
 1384 association;
- 1385        (h) A beneficial interest in a statutory trust, business  
 1386 trust, or common law business trust; or
- 1387        (i) A governance interest or distributional interest in  
 1388 another entity.
- 1389        (44) "Interest holder" means:
- 1390        (a) A shareholder of a corporation for profit;
- 1391        (b) A member of a nonprofit corporation;
- 1392        (c) A general partner of a general partnership;
- 1393        (d) A general partner of a limited partnership;
- 1394        (e) A limited partner of a limited partnership;
- 1395        (f) A member of a limited liability company;
- 1396        (g) A shareholder or beneficial owner of a real estate  
 1397 investment trust;
- 1398        (h) A beneficiary or beneficial owner of a statutory  
 1399 trust, business trust, or common law business trust; or
- 1400        (i) Another direct holder of an interest.



1401           (45) "Interest holder liability" means:  
 1402           (a) Personal liability for a liability of an entity which  
 1403 is imposed on a person:  
 1404           1. Solely by reason of the status of the person as an  
 1405 interest holder; or  
 1406           2. By the organic rules of the entity which make one or  
 1407 more specified interest holders or categories of interest  
 1408 holders liable in their capacity as interest holders for all or  
 1409 specified liabilities of the entity.  
 1410           (b) An obligation of an interest holder under the organic  
 1411 rules of an entity to contribute to the entity.  
 1412  
 1413 For purposes of this subsection, except as otherwise provided in  
 1414 the articles of incorporation of a domestic corporation or the  
 1415 organic law or organic rules of an entity, interest holder  
 1416 liability arises under paragraph (a) when the corporation or  
 1417 entity, as applicable, incurs the liability.  
 1418           (46) "Jurisdiction of formation" means, with respect to an  
 1419 entity:  
 1420           (a) The jurisdiction under whose organic law the entity is  
 1421 formed, incorporated, or created or otherwise comes into being;  
 1422 however, for these purposes, if an entity exists under the law  
 1423 of a jurisdiction different from the jurisdiction under which  
 1424 the entity originally was formed, incorporated, or created or  
 1425 otherwise came into being, then the jurisdiction under which the

1426 entity then exists is treated as the jurisdiction of formation;  
1427 or

1428 (b) In the case of a limited liability partnership or  
1429 foreign limited liability partnership, the jurisdiction in which  
1430 the partnership's statement of qualification or equivalent  
1431 document is filed.

1432 (47)-(17) "Mail" means the United States mail, facsimile  
1433 transmissions, and private mail carriers handling nationwide  
1434 mail services.

1435 (48)-(18) "Means" denotes an exhaustive definition.

1436 (49) "Membership" means the rights of a member in a  
1437 domestic or foreign nonprofit corporation.

1438 (50) "Merger" means a transaction pursuant to s. 607.1101.

1439 (51) "New interest holder liability," in the context of a  
1440 merger or share exchange, means interest holder liability of a  
1441 person resulting from a merger or share exchange that is:

1442 (a) In respect of an eligible entity which is different  
1443 from the eligible entity and not the same eligible entity in  
1444 which the person held shares or eligible interests, immediately  
1445 before the merger or share exchange became effective; or

1446 (b) In respect of the same eligible entity as the one in  
1447 which the person held shares or eligible interests, immediately  
1448 before the merger or share exchange became effective if:

1449 1. The person did not have interest holder liability  
1450 immediately before the merger or share exchange became

1451 effective; or

1452 2. The person had interest holder liability immediately  
 1453 before the merger or share exchange became effective, the terms  
 1454 and conditions of which were changed when the merger or share  
 1455 exchange became effective.

1456 (52) "Nonprofit corporation" or "domestic nonprofit  
 1457 corporation" means a corporation incorporated under the laws of  
 1458 this state and subject to the provisions of chapter 617.

1459 (53) "Organic law" means the laws of the jurisdiction in  
 1460 which the entity was formed.

1461 (54) "Organic rules" means the public organic record and  
 1462 private organic rules of an entity.

1463 (55) "Party to a merger" means any domestic or foreign  
 1464 entity that will merge under a plan of merger. The term does not  
 1465 include a survivor created by the merger.

1466 (56) ~~(19)~~ "Person" includes an individual and an entity.

1467 (57) ~~(20)~~ "Principal office" means the office (in or out of  
 1468 this state) where the principal executive offices of a domestic  
 1469 or foreign corporation are located as designated in the articles  
 1470 of incorporation or other initial filing until an annual report  
 1471 has been filed, and thereafter as designated in the annual  
 1472 report.

1473 (58) "Private organic rules" means the rules, whether or  
 1474 not in a record, which govern the internal affairs of an entity,  
 1475 are binding on all its interest holders, and are not part of its

1476 public organic record, if any. If the private organic rules are  
 1477 amended or restated, the term means the private organic rules as  
 1478 last amended or restated. The term includes:

- 1479 (a) The bylaws of a corporation for profit;
- 1480 (b) The bylaws of a nonprofit corporation;
- 1481 (c) The partnership agreement of a general partnership;
- 1482 (d) The partnership agreement of a limited partnership;
- 1483 (e) The operating agreement, limited liability company  
 1484 agreement, or similar agreement of a limited liability company;
- 1485 (f) The bylaws, trust instrument, or similar rules of a  
 1486 real estate investment trust; and
- 1487 (g) The trust instrument of a statutory trust or similar  
 1488 rules of a business trust or common law business trust.

1489 (59)-(21) "Proceeding" includes a civil suit, a criminal  
 1490 action, an administrative action, and an ~~and criminal,~~  
 1491 ~~administrative, and~~ investigatory action.

1492 (60) "Protected agreement" means:

- 1493 (a) A record evidencing indebtedness and any related  
 1494 agreement in effect on January 1, 2020;
- 1495 (b) An agreement that is binding on an entity on January  
 1496 1, 2020;
- 1497 (c) The organic rules of an entity in effect on January 1,  
 1498 2020; or
- 1499 (d) An agreement that is binding on any of the governors  
 1500 or interest holders of an entity on January 1, 2020.

1501        (61) "Public organic record" means a record, the filing of  
1502 which by a governmental body is required to form an entity, or  
1503 an amendment to or restatement of such record. Where a public  
1504 organic record has been amended or restated, the term means the  
1505 public organic record as last amended or restated. The term  
1506 includes the following:

1507        (a) The articles of incorporation of a corporation for  
1508 profit;

1509        (b) The articles of incorporation of a nonprofit  
1510 corporation;

1511        (c) The certificate of limited partnership of a limited  
1512 partnership;

1513        (d) The articles of organization, certificate of  
1514 organization, or certificate of formation of a limited liability  
1515 company;

1516        (e) The articles of incorporation of a general cooperative  
1517 association or a limited cooperative association;

1518        (f) The certificate of trust of a statutory trust or  
1519 similar record of a business trust; or

1520        (g) The articles of incorporation of a real estate  
1521 investment trust.

1522        (62) "Record," if used as a noun, means information that  
1523 is inscribed on a tangible medium or that is stored in an  
1524 electronic or other medium and is retrievable in perceivable  
1525 form.

1526 (63)~~(22)~~ "Record date" means the date fixed for  
 1527 determining on which a corporation determines the identity of  
 1528 the corporation's ~~its~~ shareholders and their share holdings for  
 1529 purposes of this chapter. Unless another time is specified when  
 1530 the record date is fixed, ~~act.~~ the determination shall be made  
 1531 as of the close of the business at the principal office of the  
 1532 corporation on the date so ~~on the record date unless another~~  
 1533 ~~time is~~ fixed.

1534 (64) "Record shareholder" means:

1535 (a) The person in whose name shares are registered in the  
 1536 records of the corporation; or

1537 (b) The person identified as a beneficial owner of shares  
 1538 in the beneficial ownership certificate under s. 607.0723 on  
 1539 file with the corporation to the extent of the rights granted by  
 1540 such certificate.

1541 (65)~~(23)~~ "Secretary" means the corporate officer to whom  
 1542 the board of directors has delegated responsibility under s.  
 1543 607.08401 to maintain ~~for custody~~ of the minutes of the meetings  
 1544 of the board of directors and of the shareholders and for  
 1545 authenticating records of the corporation.

1546 (66) "Secretary of state" means the Secretary of State of  
 1547 the State of Florida.

1548 (67)~~(24)~~ "Shareholder" ~~or "stockholder"~~ means a record  
 1549 shareholder ~~one who is a holder of record of shares in a~~  
 1550 ~~corporation or the beneficial owner of shares to the extent of~~

1551 ~~the rights granted by a nominee certificate on file with a~~  
1552 ~~corporation.~~

1553 (68)~~(25)~~ "Shares" means the units into which the  
1554 proprietary interests in a corporation are divided.

1555 (69) "Share exchange" means a transaction pursuant to s.  
1556 607.1102.

1557 (70)~~(26)~~ "Sign" or "signature" means, with present intent  
1558 to authenticate or adopt a document:

1559 (a) To execute or adopt a tangible symbol on a document,  
1560 which includes any manual facsimile or conformed signature; or

1561 (b) To attach or to logically associate with an electronic  
1562 transmission an electronic sound, symbol, or process, which  
1563 includes an electronic signature in an electronic transmission  
1564 ~~any symbol, manual, facsimile, conformed, or electronic~~  
1565 ~~signature adopted by a person with the intent to authenticate a~~  
1566 ~~document.~~

1567 (71)~~(27)~~ "State," when referring to a part of the United  
1568 States, includes a state and commonwealth (and their agencies  
1569 and governmental subdivisions) and a territory and insular  
1570 possession (and their agencies and governmental subdivisions) of  
1571 the United States.

1572 (72)~~(28)~~ "Subscriber" means a person who subscribes for  
1573 shares in a corporation, whether before or after incorporation.

1574 (73) "Survivor," in a merger, means the domestic or  
1575 foreign eligible entity into which one or more other eligible

1576 entities are merged.

1577 (74)~~(29)~~ "Treasury shares" means shares of a corporation  
1578 that belong to the issuing corporation, which shares are  
1579 authorized and issued shares that are not outstanding, are not  
1580 canceled, and have not been restored to the status of authorized  
1581 but unissued shares.

1582 (75) "Type of entity" means a generic form of entity  
1583 either:

1584 (a) Recognized at common law; or

1585 (b) Formed under an organic law, regardless of whether  
1586 some entities formed under that organic law are subject to  
1587 provisions of that law that create different categories of the  
1588 form of entity.

1589 (76)~~(30)~~ "United States" includes district, authority,  
1590 bureau, commission, department, and any other agency of the  
1591 United States.

1592 (77) "Unrestricted voting trust beneficial owner" means,  
1593 with respect to any shareholder rights, a voting trust  
1594 beneficial owner whose entitlement to exercise the shareholder  
1595 right in question is not inconsistent with the voting trust  
1596 agreement.

1597 (78)~~(31)~~ "Voting group" means all shares of one or more  
1598 classes or series that under the articles of incorporation or  
1599 this chapter ~~act~~ are entitled to vote and be counted together  
1600 collectively on a matter at a ~~the~~ meeting of shareholders. All



1601 shares entitled by the articles of incorporation or this chapter  
 1602 ~~act~~ to vote generally on the matter are for that purpose a  
 1603 single voting group.

1604 (79) "Voting trust beneficial owner" means an owner of a  
 1605 beneficial interest in shares of the corporation held in a  
 1606 voting trust established pursuant to s. 607.0730(1).

1607 (80) "Writing" means printing, typewriting, electronic  
 1608 communication, or other communication that is reducible to a  
 1609 tangible form. The term "written" has the corresponding meaning.

1610 Section 14. Section 607.0141, Florida Statutes, is amended  
 1611 to read:

1612 607.0141 Notice.—

1613 (1) (a) Notice under this chapter ~~act~~ must be in writing,  
 1614 unless oral notice is:

1615 1.(a) Expressly authorized by the articles of  
 1616 incorporation or the bylaws; ~~and~~

1617 2.(b) Reasonable under the circumstances.

1618 (b) Unless otherwise agreed upon between the sender and  
 1619 the recipient, words in a notice or other communication under  
 1620 this chapter must be in English.

1621 (c) Notice by electronic transmission is written notice.

1622 (2) A notice or other communication may be given by any  
 1623 method of delivery, including voice mail where oral notice is  
 1624 allowed, except that electronic transmissions must be in  
 1625 accordance with this section ~~Notice may be communicated in~~

1626 ~~person; by telephone, voice mail (where oral notice is~~  
1627 ~~permitted), or other electronic means; or by mail or other~~  
1628 ~~method of delivery.~~

1629 (3) (a) Written notice by a domestic or foreign corporation  
1630 authorized to transact business in this state to its  
1631 shareholder, if in a comprehensible form, is effective:

1632 1. Upon deposit into the United States mail, if mailed  
1633 postpaid and correctly addressed to the shareholder's address  
1634 shown in the corporation's current record of shareholders; or

1635 2. When electronically transmitted to the shareholder in a  
1636 manner authorized by the shareholder.

1637 (b) Unless otherwise provided in the articles of  
1638 incorporation or bylaws, and without limiting the manner by  
1639 which notice otherwise may be given effectively to shareholders,  
1640 any notice to shareholders given by the corporation under any  
1641 provision of this chapter, the articles of incorporation, or the  
1642 bylaws shall be effective if given by a single written notice to  
1643 shareholders who share an address if consented to by the  
1644 shareholders at that address to whom such notice is given. Any  
1645 such consent shall be revocable by a shareholder by written  
1646 notice to the corporation, and if a written notice of revocation  
1647 is delivered to the corporation, the corporation must begin  
1648 providing individual notices, reports, and other statements to  
1649 the revoking shareholder no later than 30 days after delivery of  
1650 the written notice of revocation.

1651 (c) Any shareholder who fails to object in writing to the  
 1652 corporation, within 60 days after having been given written  
 1653 notice by the corporation of its intention to send the single  
 1654 notice permitted under paragraph (b), shall be deemed to have  
 1655 consented to receiving such single written notice.

1656 ~~(d) This subsection shall not apply to s. 607.0620, s.~~  
 1657 ~~607.1402, or s. 607.1404.~~

1658 (4) Written notice to a domestic corporation or to a  
 1659 foreign corporation authorized to transact business in this  
 1660 state may be addressed:

1661 (a) To its registered agent at the corporation's ~~its~~  
 1662 registered office; or

1663 (b) To the corporation or the corporation's ~~its~~ secretary  
 1664 at the corporation's ~~its~~ principal office or electronic mail  
 1665 address as authorized and shown in its most recent annual report  
 1666 or, in the case of a corporation that has not yet delivered an  
 1667 annual report, in a domestic corporation's articles of  
 1668 incorporation or in a foreign corporation's application for  
 1669 certificate of authority.

1670 (5) (a) Except as provided in subsection (3) or elsewhere  
 1671 in this chapter ~~act~~, written notice, if in a comprehensible  
 1672 form, is effective at the earliest date of the following:

1673 1. ~~(a)~~ When received;

1674 2. ~~(b)~~ Five days after its deposit in the United States  
 1675 mail, if mailed postpaid and correctly addressed; ~~or~~

1676 3.~~(e)~~ On the date shown on the return receipt, if sent by  
1677 registered or certified mail, return receipt requested, and the  
1678 receipt is signed by or on behalf of the addressee; or

1679 4. When it enters an information processing system that  
1680 the recipient has designated or uses for the purposes of  
1681 receiving electronic transmissions or information of the type  
1682 sent, and from which the recipient is able to retrieve the  
1683 electronic transmission, and it is in a form capable of being  
1684 processed by that system.

1685 (b) Except as provided elsewhere in this chapter, oral  
1686 notice is effective when communicated directly to the person to  
1687 be notified in a comprehensible manner.

1688 (6) Except with respect to notice to directors by the  
1689 corporation, notice or other communications may be delivered by  
1690 electronic transmission if consented to by the recipient or if  
1691 authorized by subsection (7). Notice or other communication to  
1692 directors by the corporation may be delivered by electronic  
1693 transmission if consented to by the recipient director; however,  
1694 if the articles or bylaws require or authorize electronic  
1695 transmission of notice or other communication to a director by  
1696 the corporation, then no consent by the director recipient is  
1697 required for the corporation to deliver notice or other  
1698 communications to the director by electronic transmission.

1699 (7) A notice or other communication may be in the form of  
1700 an electronic transmission that cannot be directly reproduced in

1701 paper form by the recipient through an automated process used in  
1702 conventional commercial practice only if:

1703 (a) The electronic transmission is otherwise retrievable  
1704 in perceivable form; and

1705 (b) The sender and the recipient have consented in writing  
1706 to the use of such form of electronic transmission.

1707 (8) Any consent under subsection (7) may be revoked by the  
1708 person who consented by written or electronic notice to the  
1709 person to whom the consent was delivered. Any such consent shall  
1710 be deemed revoked if:

1711 (a) The corporation is unable to deliver two consecutive  
1712 electronic transmissions given by the corporation in accordance  
1713 with such consent; and

1714 (b) Such inability becomes known to the secretary or  
1715 assistant secretary of the corporation or to the transfer agent,  
1716 or other person responsible for the giving of notice or other  
1717 communications; provided, however, that the inadvertent failure  
1718 to treat such inability as a revocation does not invalidate any  
1719 meeting or other action.

1720 (9) Receipt of an electronic acknowledgment from an  
1721 information processing system described in paragraph (5) (d)  
1722 establishes that an electronic transmission was received, but,  
1723 by itself, does not establish that the content sent corresponds  
1724 to the content received.

1725 (10) An electronic transmission is received under this

1726 section even if no person is aware of its receipt ~~Oral notice is~~  
 1727 ~~effective when communicated if communicated directly to the~~  
 1728 ~~person to be notified in a comprehensible manner.~~

1729 (11) ~~(7)~~ If this act prescribes ~~notice~~ requirements for  
 1730 notices or other communications in particular circumstances,  
 1731 those requirements govern. If articles of incorporation or  
 1732 bylaws prescribe ~~notice~~ requirements for notices or other  
 1733 communications not less stringent than the requirements of this  
 1734 section or other provisions of this act, those requirements  
 1735 govern. The articles of incorporation or bylaws may authorize or  
 1736 require delivery of notices of meetings of directors by  
 1737 electronic transmission.

1738 (12) In the event that any provisions of this chapter are  
 1739 deemed to modify, limit, or supersede the federal Electronic  
 1740 Signatures in Global and National Commerce Act, 15 U.S.C. s.  
 1741 7001 et seq., the provisions of this chapter shall control to  
 1742 the maximum extent permitted by section 102(a)(2) of that  
 1743 federal act.

1744 Section 15. Section 607.0143, Florida Statutes, is created  
 1745 to read:

1746 607.0143 Qualified director.—

1747 (1) A "qualified director" is a director who, at the time  
 1748 action is to be taken under:

1749 (a) Section 607.0744, does not have a material interest in  
 1750 the outcome of the proceeding or a material relationship with a

1751 person who has such an interest;

1752 (b) Section 607.0832, is not a director as to whom the  
1753 transaction is a director's conflict of interest transaction, or  
1754 who has a material relationship with another director as to whom  
1755 the transaction is a director's conflict of interest  
1756 transaction; or

1757 (c) Section 607.0853 or s. 607.0855:

1758 1. Is not a party to the proceeding;

1759 2. Is not a director as to whom a transaction is a  
1760 director's conflict of interest transaction, which transaction  
1761 is challenged in the proceeding; and

1762 3. Does not have a material relationship with a director  
1763 who is disqualified by virtue of not meeting the requirements of  
1764 subparagraph 1. or subparagraph 2.

1765 (2) For purposes of this section:

1766 (a) "Material relationship" means a familial, financial,  
1767 professional, employment, or other relationship that would  
1768 reasonably be expected to impair the objectivity of the  
1769 director's judgment when participating in the action to be  
1770 taken.

1771 (b) "Material interest" means an actual or potential  
1772 benefit or detriment, other than one which would devolve on the  
1773 corporation or the shareholders generally, that would reasonably  
1774 be expected to impair the objectivity of the director's judgment  
1775 when participating in the action to be taken.

1776           (3) The presence of one or more of the following  
 1777 circumstances does not automatically prevent a director from  
 1778 being a qualified director:

1779           (a) Nomination or election of the director to the current  
 1780 board by any director who is not a qualified director with  
 1781 respect to the matter, or by any person that has a material  
 1782 relationship with that director, acting alone or participating  
 1783 with others;

1784           (b) Service as a director of another corporation of which  
 1785 a director who is not a qualified director with respect to the  
 1786 matter, or any individual who has a material relationship with  
 1787 that director, is or was also a director; or

1788           (c) With respect to action pursuant to s. 607.0744, status  
 1789 as a named defendant, as a director against whom action is  
 1790 demand, or as a director who approved the conduct being  
 1791 challenged.

1792           Section 16. Section 607.0201, Florida Statutes, is amended  
 1793 to read:

1794           607.0201 Incorporators.—One or more persons may act as the  
 1795 incorporator or incorporators of a corporation by delivering  
 1796 articles of incorporation to the department ~~of State~~ for filing.

1797           Section 17. Section 607.0202, Florida Statutes, is amended  
 1798 to read:

1799           607.0202 Articles of incorporation; content.—

1800           (1) The articles of incorporation must set forth:



- 1801 (a) A corporate name for the corporation that satisfies  
 1802 the requirements of s. 607.0401;
- 1803 (b) The street address of the initial principal office  
 1804 and, if different, the mailing address of the corporation;
- 1805 (c) The number of shares the corporation is authorized to  
 1806 issue;
- 1807 ~~(d) If any preemptive rights are to be granted to~~  
 1808 ~~shareholders, the provision therefor;~~
- 1809 (d)~~(e)~~ The street address of the corporation's initial  
 1810 registered office and the name of its initial registered agent  
 1811 at that office together with a written acceptance as required in  
 1812 s. 607.0501(3); and
- 1813 (e)~~(f)~~ The name and address of each incorporator.
- 1814 (2) The articles of incorporation may set forth:
- 1815 (a) The names and addresses of the individuals who are to  
 1816 serve as the initial directors;
- 1817 (b) Provisions not inconsistent with law regarding:
- 1818 1. The purpose or purposes for which the corporation is  
 1819 organized;
- 1820 2. Managing the business and regulating the affairs of the  
 1821 corporation;
- 1822 3. Defining, limiting, and regulating the powers of the  
 1823 corporation and its board of directors and shareholders;
- 1824 4. A par value for authorized shares or classes of shares;
- 1825 5. The imposition of personal liability on shareholders

1826 | for the debts of the corporation to a specified extent and upon  
 1827 | specified conditions; and

1828 | 6. Exclusive forum provisions to the extent allowed by s.  
 1829 | 607.0208;

1830 | (c) Provisions for granting any preemptive rights to  
 1831 | shareholders; and

1832 | (d) Any provision that under this chapter ~~act~~ is required  
 1833 | or permitted to be set forth in the bylaws.

1834 | (3) The articles of incorporation need not set forth any  
 1835 | of the corporate powers enumerated in this chapter ~~act~~.

1836 | (4) Provisions of the articles of incorporation may be  
 1837 | made dependent upon facts objectively ascertainable outside the  
 1838 | articles of incorporation in accordance with s. 607.0120(11).

1839 | (5) The articles of incorporation may not contain any  
 1840 | provision that would impose liability on a shareholder for the  
 1841 | attorney fees or expenses of the corporation or any other party  
 1842 | in connection with an internal corporate claim, as defined in s.  
 1843 | 607.0208.

1844 | Section 18. Subsection (2) of section 607.0203, Florida  
 1845 | Statutes, is amended to read:

1846 | 607.0203 Incorporation.—

1847 | (2) The department's ~~Department of State's~~ filing of the  
 1848 | articles of incorporation is conclusive proof that the  
 1849 | incorporators satisfied all conditions precedent to  
 1850 | incorporation except in a proceeding by the state to cancel or

1851 revoke the incorporation or administratively ~~involuntarily~~  
1852 dissolve the corporation.

1853 Section 19. Section 607.0204, Florida Statutes, is amended  
1854 to read:

1855 607.0204 Liability for preincorporation transactions.—All  
1856 persons purporting to act as or on behalf of a corporation,  
1857 knowing ~~having actual knowledge~~ that there was no incorporation  
1858 under this chapter, are jointly and severally liable for all  
1859 liabilities created while so acting ~~except for any liability to~~  
1860 ~~any person who also had actual knowledge that there was no~~  
1861 ~~incorporation.~~

1862 Section 20. Subsections (1), (2), and (3) of section  
1863 607.0205, Florida Statutes, are amended to read:

1864 607.0205 Organizational meeting of directors.—

1865 (1) After incorporation:

1866 (a) If initial directors are named in the articles of  
1867 incorporation, the initial directors shall hold an  
1868 organizational meeting, at the call of a majority of the  
1869 directors, to complete the organization of the corporation by  
1870 appointing officers, adopting bylaws, and carrying on any other  
1871 business brought before the meeting;

1872 (b) If initial directors are not named in the articles of  
1873 incorporation, the incorporators shall hold an organizational  
1874 meeting at the call of a majority of the incorporators:

1875 1. To elect directors and complete the organization of the

1876 corporation; or

1877         2. To elect a board of directors who shall complete the  
1878 organization of the corporation.

1879         (2) Action required or permitted by this chapter ~~act~~ to be  
1880 taken by incorporators or directors at an organizational meeting  
1881 may be taken without a meeting if the action taken is evidenced  
1882 by one or more written consents describing the action taken and  
1883 signed by each incorporator or director.

1884         (3) The directors or incorporators calling the  
1885 organizational meeting shall give at least 2 ~~3~~ days' notice  
1886 thereof to each director or incorporator so named, stating the  
1887 time and place of the meeting.

1888         Section 21. Subsection (2) of section 607.0206, Florida  
1889 Statutes, is amended, and subsections (3) through (6) are added  
1890 to that section, to read:

1891         607.0206 Bylaws.—

1892         (2) The bylaws of a corporation may contain any provision  
1893 that is not inconsistent with law or the articles of  
1894 incorporation, including the provisions described in subsections  
1895 (3) and (4) for managing the business and regulating the affairs  
1896 ~~of the corporation that is not inconsistent with law or the~~  
1897 ~~articles of incorporation.~~

1898         (3) The bylaws of a corporation may contain one or both of  
1899 the following provisions:

1900         (a) A requirement that if the corporation solicits proxies

1901 or consents with respect to an election of directors, the  
1902 corporation include in its proxy statement and any form of its  
1903 proxy or consent, to the extent and subject to such procedures  
1904 or conditions as are provided in the bylaws, one or more  
1905 individuals nominated by a shareholder in addition to  
1906 individuals nominated by the board of directors.

1907 (b) A requirement that the corporation reimburse the  
1908 expenses incurred by a shareholder in soliciting proxies or  
1909 consents in connection with an election of directors, to the  
1910 extent and subject to such procedures and conditions as are  
1911 provided in the bylaws, provided that no bylaw so adopted shall  
1912 apply to elections for which any record date precedes its  
1913 adoption.

1914 (4) The bylaws of a corporation may contain exclusive  
1915 forum provisions to the extent allowed by s. 607.0208.

1916 (5) Notwithstanding s. 607.1020(1)(b), the shareholders in  
1917 amending, repealing, or adopting a bylaw described in subsection  
1918 (3) may not limit the authority of the board of directors to  
1919 amend or repeal any condition or procedure set forth in, or to  
1920 add any procedure or condition to, such a bylaw to provide for a  
1921 reasonable, practical, and orderly process.

1922 (6) The bylaws may not contain any provision that would  
1923 impose liability on a shareholder for the attorney fees or  
1924 expenses of the corporation or any other party in connection  
1925 with an internal corporate claim, as defined in s. 607.0208.

1926 Section 22. Subsections (1), (3), (4), and (5) of section  
 1927 607.0207, Florida Statutes, are amended to read:

1928 607.0207 Emergency bylaws.—

1929 (1) Unless the articles of incorporation provide  
 1930 otherwise, the board of directors ~~of a corporation~~ may adopt  
 1931 bylaws to be effective only in an emergency defined in  
 1932 subsection (5). The emergency bylaws, which are subject to  
 1933 amendment or repeal by the shareholders, may make all provisions  
 1934 necessary for managing the corporation during an emergency,  
 1935 including:

1936 (a) Procedures for calling a meeting of the board of  
 1937 directors;

1938 (b) Quorum requirements for the meeting; and

1939 (c) Designation of additional or substitute directors.

1940 (3) All provisions of the regular bylaws not inconsistent  
 1941 ~~consistent~~ with the emergency bylaws remain effective during the  
 1942 emergency. The emergency bylaws are not effective after the  
 1943 emergency ends.

1944 (4) Corporate action taken in good faith in accordance  
 1945 with the emergency bylaws:

1946 (a) Binds the corporation; and

1947 (b) May not be used to impose liability on a ~~corporate~~  
 1948 director, officer, employee, or agent of the corporation.

1949 (5) An emergency exists for purposes of this section if a  
 1950 quorum of the board of ~~corporation's~~ directors cannot readily be

1951 assembled because of some catastrophic event.

1952 Section 23. Section 607.0208, Florida Statutes, is created  
 1953 to read:

1954 607.0208 Forum selection.—

1955 (1) The articles of incorporation or the bylaws may  
 1956 require that any or all internal corporate claims be brought  
 1957 exclusively in any specified court or courts of this state and,  
 1958 if so specified, in any additional courts in this state or in  
 1959 any other jurisdictions with which the corporation has a  
 1960 reasonable relationship.

1961 (2) A provision of the articles of incorporation or bylaws  
 1962 adopted under subsection (1) does not have the effect of  
 1963 conferring jurisdiction on any court or over any person or  
 1964 claim, and does not apply if none of the courts specified by  
 1965 such provision has the requisite personal and subject matter  
 1966 jurisdiction. If the court or courts in this state specified in  
 1967 a provision adopted under subsection (1) do not have the  
 1968 requisite personal and subject matter jurisdiction and another  
 1969 court in this state does have such jurisdiction, then the  
 1970 internal corporate claim may be brought in such other court,  
 1971 notwithstanding that such other court is not specified in such  
 1972 provision, or in any other court outside the state specified in  
 1973 such provision that has the requisite jurisdiction.

1974 (3) No provision of the articles of incorporation or the  
 1975 bylaws may prohibit bringing an internal corporate claim in all

1976 | courts in this state or require such claims to be determined by  
 1977 | arbitration.

1978 | (4) For the purposes of this section, "Internal corporate  
 1979 | claim" means:

1980 | (a) Any claim that is based upon a violation of a duty  
 1981 | under the laws of this state by a current or former director,  
 1982 | officer, or shareholder in such capacity;

1983 | (b) Any derivative action or proceeding brought on behalf  
 1984 | of the corporation;

1985 | (c) Any action asserting a claim arising pursuant to this  
 1986 | chapter or the articles of incorporation or bylaws; or

1987 | (d) Any action asserting a claim governed by the internal  
 1988 | affairs doctrine that is not included in paragraphs (a), (b), or  
 1989 | (c).

1990 | Section 24. Section 607.0301, Florida Statutes, is amended  
 1991 | to read:

1992 | 607.0301 Purposes and application.—

1993 | (1) Every corporation incorporated under this chapter has  
 1994 | the purpose of engaging in any lawful business unless a more  
 1995 | limited purpose is set forth in the articles of incorporation.

1996 | (2) A corporation engaging in a business that is subject  
 1997 | to regulation under another statute of this state may  
 1998 | incorporate under this chapter only if permitted by, and subject  
 1999 | to all limitations of, the other statute.

2000 | (3) Corporations may be organized under this act for any



2001 ~~lawful purpose or purposes, and~~ The provisions of this chapter  
 2002 ~~act~~ extend to all corporations, whether chartered by special  
 2003 acts or general laws, except that special statutes for the  
 2004 regulation and control of types of business and corporations  
 2005 shall control when in conflict herewith.

2006 Section 25. Section 607.0302, Florida Statutes, is amended  
 2007 to read:

2008 607.0302 General powers.—Unless its articles of  
 2009 incorporation provide otherwise, every corporation has perpetual  
 2010 duration and succession in its corporate name and has the same  
 2011 powers as an individual to do all things necessary or convenient  
 2012 to carry out its business and affairs, including ~~without~~  
 2013 ~~limitation~~ power:

2014 (1) To sue and be sued, complain, and defend in its  
 2015 corporate name;

2016 (2) To have a corporate seal, which may be altered at will  
 2017 and to use it or a facsimile of it, by impressing or affixing it  
 2018 or in any other manner reproducing it;

2019 (3) To purchase, receive, lease, or otherwise acquire, and  
 2020 own, hold, improve, use, and otherwise deal with real or  
 2021 personal property or any legal or equitable interest in property  
 2022 wherever located;

2023 (4) To sell, convey, mortgage, pledge, create a security  
 2024 interest in, lease, exchange, and otherwise dispose of all or  
 2025 any part of its property;

2026 (5) To lend money to, and use its credit to assist, its  
 2027 officers and employees in accordance with s. 607.0833;

2028 (6) To purchase, receive, subscribe for, or otherwise  
 2029 acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or  
 2030 otherwise dispose of; and deal in and with shares or other  
 2031 interests in, or obligations of, any other entity;

2032 (7) To make contracts and guarantees, incur liabilities,  
 2033 borrow money, issue its notes, bonds, and other securities and  
 2034 obligations (which may be convertible into or include the option  
 2035 to purchase other securities of the corporation), and secure any  
 2036 of its obligations by mortgage or pledge of any of its property,  
 2037 franchises, or ~~and~~ income and make contracts of guaranty and  
 2038 suretyship which are necessary or convenient to the conduct,  
 2039 promotion, or attainment of the business of a corporation the  
 2040 majority of the outstanding shares ~~stock~~ of which is owned,  
 2041 directly or indirectly, by the contracting corporation; a  
 2042 corporation which owns, directly or indirectly, a majority of  
 2043 the outstanding shares ~~stock~~ of the contracting corporation; or  
 2044 a corporation the majority of the outstanding shares ~~stock~~ of  
 2045 which is owned, directly or indirectly, by a corporation which  
 2046 owns, directly or indirectly, the majority of the outstanding  
 2047 shares ~~stock~~ of the contracting corporation, which contracts of  
 2048 guaranty and suretyship shall be deemed to be necessary or  
 2049 convenient to the conduct, promotion, or attainment of the  
 2050 business of the contracting corporation, and make other

2051 | contracts of guaranty and suretyship which are necessary or  
 2052 | convenient to the conduct, promotion, or attainment of the  
 2053 | business of the contracting corporation;

2054 |         (8) To lend money, invest and reinvest its funds, and  
 2055 | receive and hold real and personal property as security for  
 2056 | repayment;

2057 |         (9) To conduct its business, locate offices, and exercise  
 2058 | the powers granted by this chapter ~~act~~ within or without this  
 2059 | state;

2060 |         (10) To elect directors and appoint officers, employees,  
 2061 | and agents of the corporation and define their duties, fix their  
 2062 | compensation, and lend them money and credit;

2063 |         (11) To make and amend bylaws, not inconsistent with its  
 2064 | articles of incorporation or with the laws of this state, for  
 2065 | managing the business and regulating the affairs of the  
 2066 | corporation;

2067 |         (12) To make donations for the public welfare or for  
 2068 | charitable, scientific, or educational purposes;

2069 |         (13) To transact any lawful business that will aid  
 2070 | governmental policy;

2071 |         (14) To make payments or donations or do any other act not  
 2072 | inconsistent with law that furthers the business and affairs of  
 2073 | the corporation;

2074 |         (15) To pay pensions and establish pension plans, pension  
 2075 | trusts, profit-sharing plans, share bonus plans, share option

2076 | plans, and benefit or incentive plans for any or all of its  
 2077 | current or former directors, officers, employees, and agents and  
 2078 | for any or all of the current or former directors, officers,  
 2079 | employees, and agents of its subsidiaries;

2080 |       (16) To provide insurance for its benefit on the life of  
 2081 | any of its directors, officers, or employees, or on the life of  
 2082 | any shareholder for the purpose of acquiring at his or her death  
 2083 | shares of its stock owned by the shareholder or by the spouse or  
 2084 | children of the shareholder; and

2085 |       (17) To be a promoter, incorporator, partner, member,  
 2086 | associate, or manager of any corporation, partnership, joint  
 2087 | venture, trust, or other entity.

2088 |       Section 26. Subsections (3), (4), and (5) of section  
 2089 | 607.0303, Florida Statutes, are amended to read:

2090 |       607.0303 Emergency powers.—

2091 |       (3) Corporate action taken in good faith during an  
 2092 | emergency under this section to further the ordinary business  
 2093 | affairs of the corporation:

2094 |       (a) Binds the corporation; and

2095 |       (b) May not be used to impose liability on a ~~corporate~~  
 2096 | director, officer, employee, or agent of the corporation.

2097 |       (4) No officer, director, or employee acting in accordance  
 2098 | with any emergency bylaws shall be liable except for willful or  
 2099 | intentional misconduct.

2100 |       (5) An emergency exists for purposes of this section if a

2101 quorum of the board of ~~corporation's~~ directors cannot readily be  
 2102 assembled because of some catastrophic event.

2103 Section 27. Section 607.0304, Florida Statutes, is amended  
 2104 to read:

2105 607.0304 Lack of power to act ~~Ultra vires.~~

2106 (1) Except as provided in subsection (2), the validity of  
 2107 corporate action, including, but not limited to, any conveyance,  
 2108 transfer, or encumbrance of real or personal property to or by a  
 2109 corporation, may not be challenged on the ground that the  
 2110 corporation lacks or lacked power to act.

2111 (2) A corporation's power to act may be challenged:

2112 (a) In a proceeding by a shareholder against the  
 2113 corporation to enjoin the act;

2114 (b) In a proceeding by the corporation, directly,  
 2115 derivatively, or through a receiver, trustee, or other legal  
 2116 representative, or through shareholders in a representative  
 2117 suit, against an incumbent or former officer, employee, or agent  
 2118 of the corporation; or

2119 (c) In a proceeding by the Department of Legal Affairs  
 2120 pursuant to s. 607.1403 ~~or Attorney General, as provided in this~~  
 2121 ~~act, to dissolve the corporation or in a proceeding by the~~  
 2122 ~~Attorney General~~ to enjoin the corporation from the transaction  
 2123 of unauthorized business.

2124 (3) In a shareholder's proceeding under paragraph (2) (a)  
 2125 to enjoin an unauthorized corporate act, the court may enjoin or

2126 set aside the act, if equitable and if all affected persons are  
 2127 parties to the proceeding, and may award damages for loss (other  
 2128 than anticipated profits) suffered by the corporation or another  
 2129 party because of enjoining the unauthorized act.

2130 Section 28. Section 607.0401, Florida Statutes, is amended  
 2131 to read:

2132 607.0401 Corporate name.—

2133 (1) A corporate name:

2134 (a)~~(1)~~ Must contain the word "corporation," "company," or  
 2135 "incorporated" or the abbreviation "Corp.," or "Inc.," or "Co.,"  
 2136 or the designation "Corp," or "Inc," or "Co," as will clearly  
 2137 indicate that it is a corporation instead of a natural person,  
 2138 partnership, or other eligible ~~business~~ entity.

2139 (b)~~(2)~~ May not contain language stating or implying that  
 2140 the corporation is organized for a purpose other than that  
 2141 permitted in this chapter ~~act~~ and its articles of incorporation.

2142 (c)~~(3)~~ May not contain language stating or implying that  
 2143 the corporation is connected with a state or federal government  
 2144 agency or a corporation or other entity chartered under the laws  
 2145 of the United States.

2146 (d)~~(4)~~ Must be distinguishable from the names of all other  
 2147 entities or filings that are on file with the department  
 2148 ~~Division of Corporations~~, except fictitious name registrations  
 2149 pursuant to s. 865.09, general partnership registrations  
 2150 pursuant to s. 620.8105, and limited liability partnership

2151 statements pursuant to s. 620.9001 which are organized,  
2152 registered, or reserved under the laws of this state. A name  
2153 that is different from the name of another entity or filing due  
2154 to any of the following is not considered distinguishable:

2155 1.(a) A suffix.

2156 2.(b) A definite or indefinite article.

2157 3.(e) The word "and" and the symbol "&."

2158 4.(d) The singular, plural, or possessive form of a word.

2159 ~~(c) A recognized abbreviation of a root word.~~

2160 5.(f) A punctuation mark or a symbol.

2161 (e) Notwithstanding the foregoing, a corporation may  
2162 register under a name that is not otherwise distinguishable on  
2163 the records of the department with the written consent of the  
2164 other entity if the consent is filed with the department at the  
2165 time of registration of such name and if such name is not  
2166 identical to the name of the other entity.

2167 (2)(5) As filed with the department ~~of State~~, is for  
2168 public notice only and does not alone create any presumption of  
2169 ownership beyond that which is created under the common law.

2170 (3) This chapter does not control the use of fictitious  
2171 names.

2172 Section 29. Section 607.04021, Florida Statutes, is  
2173 created to read:

2174 607.04021 Reserved name.—

2175 (1) A person may reserve the exclusive use of a corporate

2176 name, including an alternate name for a foreign corporation  
2177 whose corporate name is not available, by delivering an  
2178 application to the department for filing. The application must  
2179 set forth the name and address of the applicant and the name  
2180 proposed to be reserved. If the department finds that the  
2181 corporate name applied for is available, it shall reserve the  
2182 name for the exclusive use of the applicant for a nonrenewable  
2183 120-day period.

2184 (2) The owner of a reserved corporate name may transfer  
2185 the reservation to another person by delivering to the  
2186 department a signed notice of the transfer that states the name  
2187 and address of the transferee.

2188 (3) The department may revoke any reservation if, after a  
2189 hearing, it finds that the application therefor or any transfer  
2190 thereof was not made in good faith.

2191 Section 30. Subsections (1), (2), (5), and (6) of section  
2192 607.0403, Florida Statutes, are amended to read:

2193 607.0403 Registered name; application; renewal;  
2194 revocation.—

2195 (1) A foreign corporation may register its corporate name,  
2196 or its corporate name with the any addition of any word or  
2197 abbreviation required by s. 607.1506, if the name is  
2198 distinguishable upon the records of the department ~~of State~~ from  
2199 the corporate names that are not available under s.  
2200 607.0401(1)(d) s. 607.0401(4).



2201 (2) A foreign corporation registers its corporate name, or  
 2202 its corporate name with any addition allowed ~~required~~ by s.  
 2203 607.1506, by delivering to the department ~~of State~~ for filing an  
 2204 application:

2205 (a) Setting forth such name ~~its corporate name, or its~~  
 2206 ~~corporate name with any addition required by s. 607.1506,~~ the  
 2207 state or country and date of its incorporation, and a brief  
 2208 description of the nature of the business that is to be  
 2209 conducted in this state ~~in which it is engaged;~~ and

2210 (b) Accompanied by a certificate of existence, or a  
 2211 certificate setting forth that such corporation is in good  
 2212 standing under the laws of the state or country wherein it is  
 2213 organized (or a document of similar import), from the state or  
 2214 country of incorporation.

2215 (5) A foreign corporation the registration of which is  
 2216 effective may thereafter qualify as a foreign corporation under  
 2217 the registered name or consent in writing to the use of that  
 2218 name by a corporation thereafter incorporated under this chapter  
 2219 ~~act~~ or by another foreign corporation thereafter authorized to  
 2220 transact business in this state. The registration terminates  
 2221 when the domestic corporation is incorporated or the foreign  
 2222 corporation qualifies or consents to the qualification of  
 2223 another foreign corporation under the registered name.

2224 (6) The department ~~of State~~ may revoke any registration  
 2225 if, after a hearing, it finds that the application therefor or

2226 any renewal thereof was not made in good faith.

2227 Section 31. Subsections (1), (3), (4), and (5) of section  
 2228 607.0501, Florida Statutes, are amended, and subsection (7) is  
 2229 added to that section, to read:

2230 607.0501 Registered office and registered agent.—

2231 (1) Each corporation shall designate ~~have~~ and continuously  
 2232 maintain in this state:

2233 (a) A registered office which may be the same as its place  
 2234 of business in this state; and

2235 (b) A registered agent, which must be ~~who may be either~~:

2236 1. An individual who resides in this state whose business  
 2237 address office is identical to the address of the ~~with such~~  
 2238 registered office;

2239 2. Another domestic entity that is an authorized entity  
 2240 and whose business address is identical to the address of the  
 2241 registered office; or

2242 3. A foreign entity authorized to transact business in  
 2243 this state which is an authorized entity and whose business  
 2244 address is identical to the address of the registered office  
 2245 ~~Another corporation or not-for-profit corporation as defined in~~  
 2246 ~~chapter 617, authorized to transact business or conduct its~~  
 2247 ~~affairs in this state, having a business office identical with~~  
 2248 ~~the registered office; or~~

2249 ~~3. A foreign corporation or not-for-profit foreign~~  
 2250 ~~corporation authorized pursuant to this chapter or chapter 617~~

2251 ~~to transact business or conduct its affairs in this state,~~  
2252 ~~having a business office identical with the registered office.~~

2253 (3) Each initial A registered agent, and each appointed  
2254 ~~pursuant to this section or a~~ successor registered agent that is  
2255 appointed, shall pursuant to s. 607.0502 on whom process may be  
2256 ~~served shall each~~ file a statement in writing with the  
2257 department, in the form and manner of State, in such form and  
2258 ~~manner as shall be~~ prescribed by the department, accepting the  
2259 appointment as a registered agent while simultaneously ~~with his~~  
2260 ~~or her~~ being designated as the registered agent. The. Such  
2261 statement of acceptance must provide shall state that the  
2262 registered agent is familiar with, and accepts, the obligations  
2263 of that position.

2264 (4) The duties of a registered agent are:

2265 (a) To forward to the corporation at the address most  
2266 recently supplied to the registered agent by the corporation, a  
2267 process, notice, or demand pertaining to the corporation which  
2268 is served on or received by the registered agent; and

2269 (b) If the registered agent resigns, to provide the notice  
2270 required under s. 607.0503 to the corporation at the address  
2271 most recently supplied to the registered agent by the  
2272 corporation.

2273 (5) The department ~~of State~~ shall maintain an accurate  
2274 record of the registered agents and registered office for  
2275 ~~offices for the~~ service of process and shall promptly furnish

2276 any information disclosed thereby ~~promptly~~ upon request and  
 2277 payment of the required fee.

2278 (6)~~(5)~~ A corporation may not prosecute or maintain an any  
 2279 action in a court in this state until the corporation complies  
 2280 with this section, pays to the department any amounts required  
 2281 under this chapter, and, to the extent ordered by a court of  
 2282 competent jurisdiction, with the provisions of this section or  
 2283 s. 607.1507, as applicable, and pays to the department of State  
 2284 a penalty of \$5 for each day it has failed to so comply or \$500,  
 2285 whichever is less.

2286 (7) A court may stay a proceeding commenced by a  
 2287 corporation until the corporation complies with this section.

2288 Section 32. Section 607.0502, Florida Statutes, is amended  
 2289 to read:

2290 607.0502 Change of registered office or registered agent~~;~~  
 2291 ~~resignation of registered agent.-~~

2292 (1) In order to change its registered agent or registered  
 2293 office address, a corporation may deliver to the department for  
 2294 filing change its registered office or its registered agent upon  
 2295 filing with the Department of State a statement of change  
 2296 containing the following setting forth:

2297 (a) The name of the corporation.~~;~~

2298 (b) The name of its current registered agent. ~~The street~~  
 2299 ~~address of its current registered office;~~

2300 (c) If the current registered agent is to be changed, the

2301 name of the new registered agent. ~~If the current registered~~  
2302 ~~office is to be changed, the street address of the new~~  
2303 ~~registered office;~~

2304 (d) The street address of its current registered office  
2305 for its current registered agent. ~~The name of its current~~  
2306 ~~registered agent;~~

2307 (e) If the street address of the current registered office  
2308 is to be changed, the new street address of the registered  
2309 office in this state ~~If its current registered agent is to be~~  
2310 ~~changed, the name of the new registered agent and the new~~  
2311 ~~agent's written consent (either on the statement or attached to~~  
2312 ~~it) to the appointment;~~

2313 ~~(f) That the street address of its registered office and~~  
2314 ~~the street address of the business office of its registered~~  
2315 ~~agent, as changed, will be identical;~~

2316 ~~(g) That such change was authorized by resolution duly~~  
2317 ~~adopted by its board of directors or by an officer of the~~  
2318 ~~corporation so authorized by the board of directors.~~

2319 (2) If the registered agent is changed, the written  
2320 acceptance of the successor registered agent described in s.  
2321 607.0501(3) must also be included in or attached to the  
2322 statement of change.

2323 (3) A statement of change is effective when filed by the  
2324 department.

2325 (4) The changes described in this section may also be made

2326 on the corporation's annual report, in an application for  
2327 reinstatement filed with the department under s. 607.1622, or in  
2328 an amendment to or restatement of a company's articles of  
2329 incorporation in accordance with s. 607.1006 or s. 607.1007. Any  
2330 ~~registered agent may resign his or her agency appointment by~~  
2331 ~~signing and delivering for filing with the Department of State a~~  
2332 ~~statement of resignation and mailing a copy of such statement to~~  
2333 ~~the corporation at its principal office address shown in its~~  
2334 ~~most recent annual report or, if none, filed in the articles of~~  
2335 ~~incorporation or other most recently filed document. The~~  
2336 ~~statement of resignation shall state that a copy of such~~  
2337 ~~statement has been mailed to the corporation at the address so~~  
2338 ~~stated. The agency is terminated as of the 31st day after the~~  
2339 ~~date on which the statement was filed and unless otherwise~~  
2340 ~~provided in the statement, termination of the agency acts as a~~  
2341 ~~termination of the registered office.~~

2342 ~~(3) If a registered agent changes his or her business name~~  
2343 ~~or business address, he or she may change such name or address~~  
2344 ~~and the address of the registered office of any corporation for~~  
2345 ~~which he or she is the registered agent by:~~

2346 ~~(a) Notifying all such corporations in writing of the~~  
2347 ~~change,~~

2348 ~~(b) Signing (either manually or in facsimile) and~~  
2349 ~~delivering to the Department of State for filing a statement~~  
2350 ~~that substantially complies with the requirements of paragraphs~~

2351 ~~(1) (a) - (f), setting forth the names of all such corporations~~  
 2352 ~~represented by the registered agent, and~~

2353 ~~(c) Reciting that each corporation has been notified of~~  
 2354 ~~the change.~~

2355 ~~(4) Changes of the registered office or registered agent~~  
 2356 ~~may be made by a change on the corporation's annual report form~~  
 2357 ~~filed with the Department of State.~~

2358 ~~(5) The Department of State shall collect a fee pursuant~~  
 2359 ~~to s. 15.09(2) for the filings authorized under this section.~~

2360 Section 33. Section 607.0503, Florida Statutes, is created  
 2361 to read:

2362 607.0503 Resignation of registered agent.-

2363 (1) A registered agent may resign as agent for a  
 2364 corporation by delivering to the department for filing a signed  
 2365 statement of resignation containing the name of the corporation.

2366 (2) After delivering the statement of resignation to the  
 2367 department for filing, the registered agent must promptly mail a  
 2368 copy to the corporation at its current mailing address.

2369 (3) A registered agent is terminated upon the earlier of:

2370 (a) The 31st day after the department files the statement  
 2371 of resignation; or

2372 (b) When a statement of change or other record designating  
 2373 a new registered agent is filed by the department.

2374 (4) When a statement of resignation takes effect, the  
 2375 registered agent ceases to have responsibility for a matter

2376 thereafter tendered to it as agent for the corporation. The  
2377 resignation does not affect contractual rights that the  
2378 corporation has against the agent or that the agent has against  
2379 the corporation.

2380 (5) A registered agent may resign from a corporation  
2381 regardless of whether the corporation has active status.

2382 Section 34. Section 607.05031, Florida Statutes, is  
2383 created to read:

2384 607.05031 Change of name or address by registered agent.-

2385 (1) If a registered agent changes its name or address, the  
2386 agent may deliver to the department for filing a statement of  
2387 change that provides the following:

2388 (a) The name of the corporation represented by the  
2389 registered agent.

2390 (b) The name of the registered agent as currently shown in  
2391 the records of the department for the corporation.

2392 (c) If the name of the registered agent has changed, its  
2393 new name.

2394 (d) If the address of the registered agent has changed,  
2395 the new address.

2396 (e) A statement that the registered agent has given the  
2397 notice required under subsection (2).

2398 (2) A registered agent shall promptly furnish notice of  
2399 the statement of change and the changes made by the statement  
2400 filed with the department to the represented corporation.



2401 Section 35. Section 607.05032, Florida Statutes, is  
 2402 created to read:

2403 607.05032 Delivery of notice or other communication.-

2404 (1) Except as otherwise provided in this chapter,  
 2405 permissible means of delivery of a notice or other communication  
 2406 includes delivery by hand, the United States Postal Service, a  
 2407 commercial delivery service, and electronic transmission, all as  
 2408 more particularly described in s. 607.0141.

2409 (2) Except as provided in subsection (3), delivery to the  
 2410 department is effective only when a notice or other  
 2411 communication is received by the department.

2412 (3) If a check is mailed to the department for payment of  
 2413 an annual report fee or the annual supplemental fee required  
 2414 under s. 607.193 and the check is received by the department,  
 2415 the check shall be deemed to have been received by the  
 2416 department as of the postmark date appearing on the envelope or  
 2417 package transmitting the check.

2418 Section 36. Section 607.0504, Florida Statutes, is amended  
 2419 to read:

2420 607.0504 Service of process, notice, or demand on a  
 2421 corporation.-

2422 (1) A corporation may be served with process required or  
 2423 authorized by law by serving on its registered agent.

2424 (2) If a corporation ceases to have a registered agent or  
 2425 if its registered agent cannot with reasonable diligence be

2426 served, the process required or permitted by law may instead be  
 2427 served on the chair of the board, the president, any vice  
 2428 president, the secretary, or the treasurer of the corporation at  
 2429 the principal office of the corporation in this state.

2430 (3) If the process cannot be served on a corporation  
 2431 pursuant to subsection (1) or subsection (2), the process may be  
 2432 served on the secretary of state as an agent of the corporation.

2433 (4) Service of process on the secretary of state shall be  
 2434 made by delivering to and leaving with the department duplicate  
 2435 copies of the process.

2436 (5) Service is effectuated under subsection (3) on the  
 2437 date shown as received by the department.

2438 (6) The department shall keep a record of each process  
 2439 served on the secretary of state pursuant to this subsection and  
 2440 record the time of and the action taken regarding the service.

2441 (7) Any notice or demand on a corporation under this  
 2442 chapter may be given or made to the chair of the board, the  
 2443 president, any vice president, the secretary, or the treasurer  
 2444 of the corporation; to the registered agent of the corporation  
 2445 at the registered office of the corporation in this state; or to  
 2446 any other address in this state that is in fact the principal  
 2447 office of the corporation in this state.

2448 (8) This section does not affect the right to serve  
 2449 process, give notice, or make a demand in any other manner  
 2450 provided by law ~~Process against any corporation may be served in~~

2451 ~~accordance with chapter 48 or chapter 49.~~

2452 ~~(2) Any notice to or demand on a corporation under this~~  
 2453 ~~act may be made to the chair of the board, the president, any~~  
 2454 ~~vice president, the secretary, or the treasurer; to the~~  
 2455 ~~registered agent of the corporation at the registered office of~~  
 2456 ~~the corporation in this state; or to any other address in this~~  
 2457 ~~state that is in fact the principal office of the corporation in~~  
 2458 ~~this state.~~

2459 ~~(3) This section does not prescribe the only means, or~~  
 2460 ~~necessarily the required means, of serving notice or demand on a~~  
 2461 ~~corporation.~~

2462 Section 37. Paragraph (a) of subsection (1) and  
 2463 subsections (5), (6), (10), and (12) of section 607.0505,  
 2464 Florida Statutes, are amended to read:

2465 607.0505 Registered agent; duties.—

2466 (1) (a) Each corporation, foreign corporation, or alien  
 2467 business organization that owns real property located in this  
 2468 state, that owns a mortgage on real property located in this  
 2469 state, or that transacts business in this state shall have and  
 2470 continuously maintain in this state a registered office and a  
 2471 registered agent and shall file with the department ~~of State~~  
 2472 notice of the registered office and registered agent as provided  
 2473 in ss. 607.0501 and 607.0502. The appointment of a registered  
 2474 agent in compliance with s. 607.0501 or s. 607.1507 is  
 2475 sufficient for purposes of this section provided the registered

2476 agent so appointed files, in such form and manner as prescribed  
2477 by the department ~~of State~~, an acceptance of the obligations  
2478 provided for in this section.

2479 (5) If a corporation, foreign corporation, or alien  
2480 business organization fails without lawful excuse to comply  
2481 timely or fully with a subpoena issued pursuant to subsection  
2482 (2), the Department of Legal Affairs may file an action in the  
2483 circuit court for the judicial circuit in which the corporation,  
2484 foreign corporation, or alien business organization is found or  
2485 transacts business or in which real property belonging to the  
2486 corporation, foreign corporation, or alien business organization  
2487 is located, for an order compelling compliance with the  
2488 subpoena. The failure without a lawful excuse to comply timely  
2489 or fully with an order compelling compliance with the subpoena  
2490 will result in a civil penalty of not more than \$1,000 for each  
2491 day of noncompliance with the order. In connection with such  
2492 proceeding, the Department of Legal Affairs may, without prior  
2493 approval by the court, file a lis pendens against real property  
2494 owned by the corporation, foreign corporation, or alien business  
2495 organization, which lis pendens shall set forth the legal  
2496 description of the real property and shall be filed in the  
2497 public records of the county where the real property is located.  
2498 If the lis pendens is filed in any county other than the county  
2499 in which the action is pending, the lis pendens which is filed  
2500 must be a certified copy of the original lis pendens. A judgment

2501 or an order of payment entered pursuant to this subsection will  
2502 become a judgment lien against any real property owned by the  
2503 corporation, foreign corporation, or alien business organization  
2504 when a certified copy of the judgment or order is recorded as  
2505 required by s. 55.10. The Department of Legal Affairs will be  
2506 able to avail itself of, and is entitled to use, any provision  
2507 of law or of the Florida Rules of Civil Procedure to further the  
2508 collecting or obtaining of payment pursuant to a judgment or  
2509 order of payment. The state, through the Attorney General, may  
2510 bid, at any judicial sale to enforce its judgment lien, an  
2511 amount up to the amount of the judgment or lien obtained  
2512 pursuant to this subsection. All moneys recovered under this  
2513 subsection shall be treated as forfeitures under ss. 895.01-  
2514 895.09 and used or distributed in accordance with the procedure  
2515 set forth in s. 895.09.

2516 (6) Information provided to, and records and  
2517 transcriptions of testimony obtained by, the Department of Legal  
2518 Affairs pursuant to this section are confidential and exempt  
2519 from the provisions of s. 119.07(1) while the investigation is  
2520 active. For purposes of this section, an investigation shall be  
2521 considered "active" while such investigation is being conducted  
2522 with a reasonable, good faith belief that it may lead to the  
2523 filing of an administrative, civil, or criminal proceeding. An  
2524 investigation does not cease to be active so long as the  
2525 Department of Legal Affairs is proceeding with reasonable

2526 | dispatch and there is a good faith belief that action may be  
2527 | initiated by the Department of Legal Affairs or other  
2528 | administrative or law enforcement agency. Except for active  
2529 | criminal intelligence or criminal investigative information, as  
2530 | defined in s. 119.011, and information which, if disclosed,  
2531 | would reveal a trade secret, as defined in s. 688.002, or would  
2532 | jeopardize the safety of an individual, all information,  
2533 | records, and transcriptions become public record when the  
2534 | investigation is completed or ceases to be active. The  
2535 | Department of Legal Affairs shall not disclose confidential  
2536 | information, records, or transcriptions of testimony except  
2537 | pursuant to the authorization by the Attorney General in any of  
2538 | the following circumstances:

2539 |       (a) To a law enforcement agency participating in or  
2540 | conducting a civil investigation under chapter 895, or  
2541 | participating in or conducting a criminal investigation.

2542 |       (b) In the course of filing, participating in, or  
2543 | conducting a judicial proceeding instituted pursuant to this  
2544 | section or chapter 895.

2545 |       (c) In the course of filing, participating in, or  
2546 | conducting a judicial proceeding to enforce an order or judgment  
2547 | entered pursuant to this section or chapter 895.

2548 |       (d) In the course of a criminal or civil proceeding.

2549 |  
2550 | A person or law enforcement agency which receives any

2551 information, record, or transcription of testimony that has been  
2552 made confidential by this subsection shall maintain the  
2553 confidentiality of such material and shall not disclose such  
2554 information, record, or transcription of testimony except as  
2555 provided for herein. Any person who willfully discloses any  
2556 information, record, or transcription of testimony that has been  
2557 made confidential by this subsection, except as provided for  
2558 herein, is guilty of a misdemeanor of the first degree,  
2559 punishable as provided in s. 775.082 or s. 775.083. If any  
2560 information, record, or testimony obtained pursuant to  
2561 subsection (2) is offered in evidence in any judicial  
2562 proceeding, the court may, in its discretion, seal that portion  
2563 of the record to further the policies of confidentiality set  
2564 forth herein.

2565 (10) The designation of a registered agent and a  
2566 registered office as required by subsection (1) for a  
2567 corporation, foreign corporation, or alien business organization  
2568 which owns real property in this state or a mortgage on real  
2569 property in this state is solely for the purposes of this  
2570 chapter ~~act~~; and, notwithstanding s. 48.181, s. 607.1502, s.  
2571 607.1503, or any other relevant section of the Florida Statutes,  
2572 such designation shall not be used in determining whether the  
2573 corporation, foreign corporation, or alien business organization  
2574 is actually doing business in this state.

2575 (12) Any alien business organization may withdraw its

2576 registered agent designation by delivering an application for  
 2577 certificate of withdrawal to the department ~~of State~~ for filing.  
 2578 Such application shall set forth:

2579 (a) The name of the alien business organization and the  
 2580 jurisdiction under the law of which it is incorporated or  
 2581 organized.

2582 (b) That it is no longer required to maintain a registered  
 2583 agent in this state.

2584 Section 38. Section 607.0601, Florida Statutes, is amended  
 2585 to read:

2586 607.0601 Authorized shares.—

2587 (1) The articles of incorporation must set forth any  
 2588 ~~prescribe the~~ classes of shares and series of shares within a  
 2589 class, and the number of shares of each class and series, that  
 2590 the corporation is authorized to issue. If more than one class  
 2591 or series of shares is authorized, the articles of incorporation  
 2592 must prescribe a distinguishing designation for each class or  
 2593 series, and before ~~prior to~~ the issuance of shares of a class or  
 2594 series, describe the terms, including the preferences,  
 2595 limitations, and relative rights of that class or series ~~must be~~  
 2596 ~~described in the articles of incorporation.~~ All shares of a  
 2597 class or series must have terms, including preferences,  
 2598 limitations, and relative rights, identical with those of other  
 2599 shares of the same class or series, except to the extent  
 2600 otherwise permitted by this section, s. 607.0602, or s.



2601 | 607.0624.

2602 |       (2) The articles of incorporation must authorize:

2603 |       (a) One or more classes or series of shares that together

2604 | have unlimited voting rights, and

2605 |       (b) One or more classes or series of shares (which may be

2606 | the same class or classes or series as those with voting rights)

2607 | that together are entitled to receive the net assets of the

2608 | corporation upon dissolution.

2609 |       (3) The articles of incorporation may authorize one or

2610 | more classes or series of shares that:

2611 |       (a) Have special, conditional, or limited voting rights,

2612 | or no right to vote, except to the extent otherwise provided

2613 | ~~prohibited~~ by this chapter act;

2614 |       (b) Are redeemable or convertible as specified in the

2615 | articles of incorporation:

2616 |       1. At the option of the corporation, the shareholder, or

2617 | another person or upon the occurrence of a specified ~~designated~~

2618 | event;

2619 |       2. For cash, indebtedness, securities, or other property;

2620 | or

2621 |       3. At prices and in an amount specified, or determined, in

2622 | accordance with a formula ~~In a designated amount or in an amount~~

2623 | ~~determined in accordance with a designated formula or by~~

2624 | ~~reference to extrinsic data or events;~~

2625 |       (c) Entitle the holders to distributions calculated in any

2626 manner, including dividends that may be cumulative,  
 2627 noncumulative, or partially cumulative;

2628 (d) Have preference over any other class or series of  
 2629 shares with respect to distributions, including ~~dividends and~~  
 2630 distributions upon the dissolution of the corporation.

2631 (4) The description of the designations, preferences,  
 2632 limitations, and relative rights of share classes or series in  
 2633 subsection (3) is not exhaustive.

2634 (5) The terms of shares may be made dependent on facts  
 2635 ascertainable outside the articles of incorporation in  
 2636 accordance with s. 607.0120(11).

2637 (6)~~(5)~~ Shares which are entitled to preference in the  
 2638 distribution of dividends or assets shall not be designated as  
 2639 common shares. Shares which are not entitled to preference in  
 2640 the distribution of dividends or assets shall be common shares  
 2641 and shall not be designated as preferred shares.

2642 Section 39. Section 607.0602, Florida Statutes, is amended  
 2643 to read:

2644 607.0602 Terms of class or series determined by board of  
 2645 directors.—

2646 (1) If the articles of incorporation so provide, the board  
 2647 of directors is authorized, without shareholder approval, to ~~may~~  
 2648 ~~determine, in whole or part, the preferences, limitations, and~~  
 2649 ~~relative rights (within the limits set forth in s. 607.0601) of:~~

2650 (a) Classify any unissued class of shares into one or more

2651 classes or into one or more series within a class; before the  
 2652 issuance of any shares of that class, or  
 2653 (b) Reclassify any unissued shares of any class into one  
 2654 or more classes or into one or more series within one or more  
 2655 classes; or  
 2656 (c) Reclassify any unissued shares of any series of any  
 2657 class into one or more classes or into one or more series within  
 2658 a class before the issuance of any shares of that series.  
 2659 (2) If the board of directors acts pursuant to subsection  
 2660 (1), it shall determine the terms, including the preferences,  
 2661 limitations, and relative rights, to the extent allowed under s.  
 2662 607.0601, of:  
 2663 (a) Any class of shares before the issuance of any shares  
 2664 of that class; or  
 2665 (b) Any series within a class before the issuance of any  
 2666 shares of that series.  
 2667 (3) Each class and each series of a class must be given a  
 2668 distinguishing designation.  
 2669 (4)~~(3)~~ All shares of a series must have preferences,  
 2670 limitations, and relative rights identical with those of other  
 2671 shares of the same series and, except to the extent otherwise  
 2672 provided in the description of the series, of those of other  
 2673 series of the same class.  
 2674 (5)~~(4)~~ Before issuing any shares of a class or series  
 2675 created under this section, the corporation shall ~~must~~ deliver

2676 | to the department ~~of State~~ for filing articles of amendment,  
 2677 | which are effective without shareholder action, that set forth:  
 2678 |       (a) The name of the corporation;  
 2679 |       (b) The text of the amendment determining the terms of the  
 2680 | class or series of shares;  
 2681 |       (c) The date the amendment was adopted; and  
 2682 |       (d) A statement that the amendment was duly adopted by the  
 2683 | board of directors.  
 2684 |       Section 40. Subsections (1), (2), (4), and (5) of section  
 2685 | 607.0604, Florida Statutes, are amended to read:  
 2686 |       607.0604 Fractional shares.—  
 2687 |       (1) A corporation may:  
 2688 |       (a) Issue fractions of a share or, in lieu of doing so,  
 2689 | pay in money the fair value of fractions of a share;  
 2690 |       (b) Make arrangements, or provide reasonable opportunity,  
 2691 | for any person entitled to or holding a fractional interest in a  
 2692 | share to sell such fractional interest or to purchase such  
 2693 | additional fractional interests as may be necessary to acquire a  
 2694 | full share;  
 2695 |       (c) Issue scrip in registered or bearer form, over the  
 2696 | manual or facsimile signature of an officer of the corporation  
 2697 | or its agent, entitling the holder to receive a full share upon  
 2698 | surrendering enough scrip to equal a full share.  
 2699 |       (2) The board of directors may authorize the issuance of  
 2700 | scrip subject to any condition ~~considered desirable~~, including

2701 that:

2702 (a) ~~That~~ The scrip will become void if not exchanged for  
2703 full shares before a specified date; and

2704 (b) ~~That~~ The shares for which the scrip is exchangeable  
2705 may be sold and the proceeds paid to the scripholders.

2706 (4) The holder of a fractional share is entitled to  
2707 exercise the rights of a shareholder, including the rights ~~right~~  
2708 to vote, to receive dividends, and to receive distributions upon  
2709 dissolution ~~participate in the assets of the corporation upon~~  
2710 ~~liquidation~~. The holder of scrip is not entitled to any of these  
2711 rights unless the scrip provides for them.

2712 ~~(5) When a corporation is to pay in money the value of~~  
2713 ~~fractions of a share, the good faith judgment of the board of~~  
2714 ~~directors as to the fair value shall be conclusive.~~

2715 Section 41. Subsections (2) and (5) of section 607.0620,  
2716 Florida Statutes, are amended, and subsection (6) is added to  
2717 that section, to read:

2718 607.0620 Subscriptions for shares.—

2719 (2) A subscription for shares, whether made before or  
2720 after incorporation, is not enforceable against the subscriber  
2721 unless in writing and signed by the subscriber.

2722 (5) If a subscriber defaults in payment of money or  
2723 property under a subscription agreement entered into before  
2724 incorporation, the corporation may collect the amount owed as  
2725 any other debt. Alternatively, unless the subscription agreement

2726 provides otherwise, the corporation may rescind the agreement  
2727 and may sell the shares if the debt remains unpaid more than 20  
2728 days after the corporation delivers ~~sends~~ written demand for  
2729 payment to the subscriber. If the subscription agreement is  
2730 rescinded and the shares sold, then, notwithstanding the  
2731 rescission, ~~If mailed, such written demand shall be deemed to be~~  
2732 ~~made when deposited in the United States mail in a sealed~~  
2733 ~~envelope addressed to the subscriber at his or her last post~~  
2734 ~~office address known to the corporation, with first-class~~  
2735 ~~postage thereon prepaid.~~ the defaulting subscriber or his or her  
2736 legal representative shall be entitled to be paid the excess of  
2737 the sale proceeds over the sum of the amount due and unpaid on  
2738 the subscription and the reasonable expenses incurred in selling  
2739 the shares, but in no event shall the defaulting subscriber or  
2740 his or her legal representative be entitled to be paid an amount  
2741 greater than the amount paid by the subscriber on the  
2742 subscription.

2743 (6) A subscription agreement entered into after  
2744 incorporation is also subject to s. 607.0621.

2745 Section 42. Subsection (5) of section 607.0621, Florida  
2746 Statutes, is amended to read:

2747 607.0621 Issuance of shares.—

2748 (5) The corporation may place in escrow shares issued for  
2749 a contract for future services or benefits or a promissory note,  
2750 or make other arrangements to restrict the transfer of the

2751 shares, and may credit distributions in respect of the shares  
2752 against their purchase price, until the services are performed,  
2753 the note is paid, or the benefits received. If the services are  
2754 not performed, the note is not paid, or the benefits are not  
2755 received, the shares escrowed or restricted and the  
2756 distributions credited may be canceled in whole or part.

2757 Section 43. Subsection (5) of section 607.0622, Florida  
2758 Statutes, is amended to read:

2759 607.0622 Liability for shares issued before payment.—

2760 (5) No liability under this section may be asserted more  
2761 than 5 years after the earlier of:

2762 (a) The issuance of the shares ~~stock~~, or

2763 (b) The date of the subscription upon which the assessment  
2764 is sought.

2765 Section 44. Subsections (1) and (3) of section 607.0623,  
2766 Florida Statutes, are amended to read:

2767 607.0623 Share dividends.—

2768 (1) Unless the articles of incorporation provide  
2769 otherwise, shares may be issued pro rata and without  
2770 consideration to the corporation's shareholders or to the  
2771 shareholders of one or more classes or series or shares. An  
2772 issuance of shares under this subsection is a share dividend.

2773 (3) The board of directors may fix the record date for  
2774 determining shareholders entitled to a share dividend, but the  
2775 date may not be retroactive. If the board of directors does not

2776 fix the record date for determining shareholders entitled to a  
2777 share dividend, the record date ~~is~~ is the date the board of  
2778 directors authorizes the share dividend.

2779 Section 45. Section 607.0624, Florida Statutes, is amended  
2780 to read:

2781 607.0624 Share rights, options, warrants, and awards.—

2782 (1) Unless the articles of incorporation provide  
2783 otherwise, a corporation may issue rights, options, or warrants  
2784 for the purchase of shares of the corporation of any class or  
2785 series, whether authorized but unissued shares of the  
2786 corporation, treasury shares, or shares of the corporation to be  
2787 purchased or acquired by the corporation. The board of directors  
2788 shall determine the terms and conditions upon which the rights,  
2789 options, or warrants are issued, including the consideration for  
2790 which the shares are to be issued. The authorization by the  
2791 board of directors for the corporation to issue such rights,  
2792 options, or warrants constitutes authorization for the issuance  
2793 of the shares for which the rights, options, or warrants are  
2794 exercisable ~~their form and content, and the consideration for~~  
2795 ~~which the shares are to be issued.~~

2796 (2) The terms and conditions of such ~~stock~~ rights, and  
2797 options, or warrants, including those outstanding on January 1,  
2798 2020, may include restrictions or conditions that:

2799 (a) Preclude or limit the exercise, transfer, or receipt  
2800 of such rights, options, or warrants by any person or persons



2801 owning or offering to acquire a specified number or percentage  
2802 of the outstanding shares of the corporation or by any  
2803 transferee or transferees of any such person or persons; or  
2804 (b) which are created and issued by a corporation formed  
2805 under this chapter, or its successor, and which entitle the  
2806 holders thereof to purchase from the corporation shares of any  
2807 class or classes, whether authorized but unissued shares,  
2808 treasury shares, or shares to be purchased or acquired by the  
2809 corporation, may include, without limitation, restrictions, or  
2810 conditions that preclude or limit the exercise, transfer,  
2811 receipt, or holding of such rights or options by any person or  
2812 persons, including any person or persons owning or offering to  
2813 acquire a specified number or percentage of the outstanding  
2814 common shares or other securities of the corporation, or any  
2815 transferee or transferees of any such person or persons, or that  
2816 Invalidate or void such rights, ~~or~~ options, or warrants held by  
2817 any such person or persons or any such transferee or  
2818 transferees.

2819 (3) The board of directors may authorize a board committee  
2820 or the board of directors may authorize one or more officers, or  
2821 a board committee so authorized by the board of directors may  
2822 authorize one or more officers, to:

2823 (a) Designate the recipients of rights, options, warrants,  
2824 or other equity compensation awards that involve the issuance of  
2825 shares; and

2826        (b) Determine, within an amount and subject to any other  
 2827 limitations established by the board of directors, a board  
 2828 committee, and, if applicable, the shareholders, the number of  
 2829 such rights, options, warrants, or other equity compensation  
 2830 awards and the terms and conditions of such rights, options,  
 2831 warrants, or awards to be received by the recipients, provided  
 2832 that an officer may not use such authority to designate himself  
 2833 or herself or any other persons as the board of directors or a  
 2834 committee of the board may specify as a recipient of such  
 2835 rights, options, warrants, or other equity compensation awards.

2836        (4) For purposes of this section, the term "shares"  
 2837 includes a security convertible into or carrying a right to  
 2838 subscribe for or acquire shares.

2839        Section 46. Subsections (1), (2), and (3) of section  
 2840 607.0625, Florida Statutes, are amended to read:

2841        607.0625 Form and content of certificates.—

2842        (1) Shares may but need not be represented by  
 2843 certificates. Unless this chapter act or another statute  
 2844 expressly provides otherwise, the rights and obligations of  
 2845 shareholders are identical, regardless of whether ~~or not~~ their  
 2846 shares are represented by certificates.

2847        (2) At a minimum, each share certificate must state on its  
 2848 face:

2849        (a) The name of the ~~issuing~~ corporation and that the  
 2850 corporation is organized under the laws of this state;

2851 (b) The name of the person to whom issued; and  
 2852 (c) The number and class of shares and the designation of  
 2853 the series, if any, the certificate represents.

2854 (3) If the ~~issuing~~ corporation is authorized to issue  
 2855 different classes of shares or different series of shares within  
 2856 a class, the designations, relative rights, preferences, and  
 2857 limitations applicable to each class and the variations in  
 2858 rights, preferences, and limitations determined for each series  
 2859 (and the authority of the board of directors to determine  
 2860 variations for future series) must be summarized on the front or  
 2861 back of each certificate. Alternatively, each certificate may  
 2862 state conspicuously on its front or back that the corporation  
 2863 will furnish the shareholder a full statement of this  
 2864 information on request and without charge.

2865 Section 47. Section 607.0626, Florida Statutes, is amended  
 2866 to read:

2867 607.0626 Shares without certificates.—

2868 (1) Unless the articles of incorporation or bylaws provide  
 2869 otherwise, the board of directors of a corporation may authorize  
 2870 the issuance ~~issue~~ of some or all of the shares of any or all of  
 2871 its classes or series without certificates. The authorization  
 2872 does not affect shares already represented by certificates until  
 2873 they are surrendered to the corporation.

2874 (2) Within a reasonable time after the issuance ~~issue~~ or  
 2875 transfer of shares without certificates, the corporation shall

2876 | deliver to send the shareholder a written statement of the  
 2877 | information required on certificates by s. 607.0625(2) and (3),  
 2878 | and, if applicable, s. 607.0627.

2879 | Section 48. Subsection (4) of section 607.0627, Florida  
 2880 | Statutes, is amended to read:

2881 | 607.0627 Restriction on transfer of shares and other  
 2882 | securities.—

2883 | (4) A restriction on the transfer or registration of  
 2884 | transfer of shares may:

2885 | (a) Obligate the shareholder first to offer the  
 2886 | corporation or other persons (separately, consecutively, or  
 2887 | simultaneously) an opportunity to acquire the restricted shares;

2888 | (b) Obligate the corporation or other persons (separately,  
 2889 | consecutively, or simultaneously) to acquire the restricted  
 2890 | shares;

2891 | (c) Require the corporation, the holders of any class or  
 2892 | series of its shares, or other persons ~~another person~~ to approve  
 2893 | the transfer of the restricted shares, if the requirement is not  
 2894 | manifestly unreasonable; or

2895 | (d) Prohibit the transfer of the restricted shares to  
 2896 | designated persons or classes of persons, if the prohibition is  
 2897 | not manifestly unreasonable.

2898 | Section 49. Paragraphs (c), (d), and (e) of subsection (2)  
 2899 | of section 607.0630, Florida Statutes, are amended to read:

2900 | 607.0630 Shareholders' preemptive rights.—

2901 (2) A statement included in the articles of incorporation  
 2902 that "the corporation elects to have preemptive rights" (or  
 2903 words of similar import) means that the following principles  
 2904 apply except to the extent the articles of incorporation  
 2905 expressly provide otherwise:

2906 (c) There is no preemptive right with respect to:

2907 1. Shares issued as compensation to directors, officers,  
 2908 agents, or employees of the corporation, or its subsidiaries, or  
 2909 affiliates;

2910 2. Shares issued to satisfy conversion or option rights  
 2911 created to provide compensation to directors, officers, agents,  
 2912 or employees of the corporation, or its subsidiaries, or  
 2913 affiliates;

2914 3. Shares authorized in the articles of incorporation that  
 2915 are issued within 6 months from the effective date of  
 2916 incorporation;

2917 4. Shares issued pursuant to a plan of reorganization  
 2918 approved by a court of competent jurisdiction pursuant to a law  
 2919 of this state or of the United States; or

2920 5. Shares issued for consideration other than money.

2921 (d) Holders of shares of any class or series without  
 2922 general voting rights but with preferential rights to  
 2923 distributions to receive the ~~or~~ net assets upon dissolution ~~and~~  
 2924 ~~liquidation~~ have no preemptive rights with respect to shares of  
 2925 any class or series.

2926 (e) Holders of shares of any class or series with general  
 2927 voting rights but without preferential rights to distributions  
 2928 ~~or net assets~~ upon dissolution ~~or liquidation~~ have no preemptive  
 2929 rights with respect to shares of any class or series with  
 2930 preferential rights to receive the net assets of the corporation  
 2931 upon dissolution ~~distributions or assets~~ unless the shares with  
 2932 preferential rights are convertible into or carry a right to  
 2933 subscribe for or acquire the shares without preferential rights.

2934 Section 50. Subsections (3) and (5) of section 607.0631,  
 2935 Florida Statutes, are amended, and subsection (6) is added to  
 2936 that section, to read:

2937 607.0631 Corporation's acquisition of its own shares.—

2938 (3) Articles of amendment to effectuate a reduction in the  
 2939 authorized shares by the number of shares acquired by the  
 2940 corporation may be adopted by the board of directors without  
 2941 shareholder action, shall be delivered to the department ~~of~~  
 2942 ~~State~~ for filing, and shall set forth:

2943 (a) The name of the corporation;

2944 (b) The reduction in the number of authorized shares,  
 2945 itemized by class and series; and

2946 (c) The total number of authorized shares, itemized by  
 2947 class and series, remaining after reduction of the shares.

2948 (5) A corporation that has shares of any class or series  
 2949 which are ~~either~~ registered on a national securities exchange ~~or~~  
 2950 ~~designated as a national market system security on an~~

2951 ~~interdealer quotation system by the National Association of~~  
2952 ~~Securities Dealers, Inc.,~~ may acquire such shares and designate,  
2953 either in the bylaws or in the resolutions of its board, that  
2954 shares so acquired by the corporation shall constitute treasury  
2955 shares.

2956 (6) Shares that a corporation acquires in a fiduciary  
2957 capacity for the benefit of any person other than the  
2958 corporation directly or indirectly through an entity controlled  
2959 by the corporation may not be deemed to have been acquired by  
2960 the corporation for purposes of this section.

2961 Section 51. Subsections (2), (3), (4), (6), (7), and (8)  
2962 of section 607.06401, Florida Statutes, are amended, and  
2963 subsection (9) is added to that section, to read:

2964 607.06401 Distributions to shareholders.—

2965 (2) The board of directors may fix the record date for  
2966 determining shareholders entitled to a distribution, but the  
2967 date may not be retroactive. If the board of directors does not  
2968 fix the record date for determining shareholders entitled to a  
2969 distribution (other than one involving a purchase, redemption,  
2970 or other acquisition of the corporation's shares), the record  
2971 date ~~it~~ is the date the board of directors authorizes the  
2972 distribution.

2973 (3) No distribution may be made if, after giving it  
2974 effect:

2975 (a) The corporation would not be able to pay its debts as

2976 | they become due in the usual course of the corporation's  
 2977 | activities and affairs ~~business~~; or

2978 |       (b) The corporation's total assets would be less than the  
 2979 | sum of its total liabilities plus (unless the articles of  
 2980 | incorporation permit otherwise) the amount that would be needed,  
 2981 | if the corporation were to be dissolved and wound up at the time  
 2982 | of the distribution, to satisfy the preferential rights upon  
 2983 | dissolution and winding up of shareholders whose preferential  
 2984 | rights are superior to those receiving the distribution.

2985 |       (4) The board of directors may base a determination that a  
 2986 | distribution is not prohibited under subsection (3) on:

2987 |       (a) ~~either on~~ Financial statements prepared on the basis  
 2988 | of accounting practices and principles that are reasonable under  
 2989 | ~~in~~ the circumstances; or

2990 |       (b) ~~on~~ A fair valuation or other method that is reasonable  
 2991 | under ~~in~~ the circumstances. In the case of any distribution  
 2992 | based upon such a valuation, each such distribution shall be  
 2993 | identified as a distribution based upon a current valuation of  
 2994 | assets, and the amount per share paid on the basis of such  
 2995 | valuation shall be disclosed to the shareholders concurrent with  
 2996 | their receipt of the distribution.

2997 |       (6) Except as provided in subsection (8), the effect of a  
 2998 | distribution under subsection (3) is measured:

2999 |       (a) In the case of a distribution by purchase, redemption,  
 3000 | or other acquisition of the corporation's shares, as of the



3001 earlier of the date on which:

3002 1. ~~The date~~ Money or other property is transferred or the  
 3003 debt to a shareholder is incurred by the corporation, or

3004 2. ~~The date the~~ shareholder ceases to be a shareholder  
 3005 with respect to the acquired shares;

3006 (b) In the case of a ~~any other~~ distribution of  
 3007 indebtedness, as of the date on which the indebtedness is  
 3008 distributed;

3009 (c) In all other cases, as of the date on which:

3010 1. ~~The date the~~ distribution is authorized if the payment  
 3011 occurs within 120 days after that date; ~~the date of~~  
 3012 ~~authorization,~~ or

3013 2. ~~The date the~~ payment is made if the payment ~~it~~ occurs  
 3014 more than 120 days after the date the distribution is authorized  
 3015 ~~of authorization.~~

3016 (7) A corporation's indebtedness to a shareholder incurred  
 3017 by reason of a distribution made in accordance with this section  
 3018 is at parity with the corporation's indebtedness to its general,  
 3019 unsecured creditors except to the extent provided otherwise  
 3020 ~~subordinated~~ by agreement. The obligation to pay such  
 3021 indebtedness may be secured by a lien on assets of the  
 3022 corporation if not prohibited by a law other than this chapter.

3023 (8) Indebtedness of a corporation, including indebtedness  
 3024 issued as a distribution, is not considered a liability for  
 3025 purposes of determinations under subsection (3) if the terms of

3026 | the indebtedness ~~its terms~~ provide that payment of principal and  
 3027 | interest ~~is~~ are made only if and to the extent that ~~payment of a~~  
 3028 | distribution to shareholders could then be made under this  
 3029 | section. If such ~~the~~ indebtedness is issued as a distribution,  
 3030 | and by its terms provides that the payments ~~each payment~~ of  
 3031 | principal or interest are made only to the extent ~~is treated as~~  
 3032 | a distribution could be made under this section, then each  
 3033 | payment of principal and interest of that indebtedness is  
 3034 | treated as a distribution, the effect of which is measured on  
 3035 | the date the payment is actually made.

3036 |       (9) This section does not apply to distributions in  
 3037 | liquidation under ss. 607.1401-607.14401.

3038 |       Section 52. Section 607.0701, Florida Statutes, is amended  
 3039 | to read:

3040 |             607.0701 Annual meeting.—

3041 |       (1) Unless directors are elected by written consent in  
 3042 | lieu of an annual meeting pursuant to s. 607.0704, a corporation  
 3043 | shall hold a meeting of shareholders annually, for the election  
 3044 | of directors and for the transaction of any proper business, at  
 3045 | a time stated in or fixed in accordance with the bylaws.

3046 |       (2) Annual ~~shareholders'~~ shareholders' meetings of shareholders may be  
 3047 | held in or out of this state at a place stated in or fixed in  
 3048 | accordance with the bylaws or, when not inconsistent with the  
 3049 | bylaws, stated in the notice of the annual meeting. If no place  
 3050 | is stated in or fixed in accordance with the bylaws, or stated

3051 in the notice of the annual meeting, annual meetings shall be  
3052 held at the corporation's principal office.

3053 (3) The failure to hold the annual meeting at the time  
3054 stated in or fixed in accordance with a corporation's bylaws or  
3055 pursuant to this chapter ~~act~~ does not affect the validity of any  
3056 corporate action and shall not work a forfeiture of or  
3057 dissolution of the corporation.

3058 (4) Participation of shareholders and proxy holders at an  
3059 annual meeting of shareholders by remote communication shall be  
3060 governed by and subject to the provisions of s. 607.0709 ~~if~~  
3061 ~~authorized by the board of directors, and subject to such~~  
3062 ~~guidelines and procedures as the board of directors may adopt,~~  
3063 ~~shareholders and proxy holders not physically present at an~~  
3064 ~~annual meeting of shareholders may, by means of remote~~  
3065 ~~communication:~~

3066 ~~(a) Participate in an annual meeting of shareholders.~~

3067 ~~(b) Be deemed present in person and vote at an annual~~  
3068 ~~meeting of shareholders, whether such meeting is to be held at a~~  
3069 ~~designated place or solely by means of remote communication,~~  
3070 ~~provided that:~~

3071 ~~1. The corporation shall implement reasonable measures to~~  
3072 ~~verify that each person deemed present and permitted to vote at~~  
3073 ~~the annual meeting by means of remote communication is a~~  
3074 ~~shareholder or proxy holder;~~

3075 ~~2. The corporation shall implement reasonable measures to~~

3076 ~~provide such shareholders or proxy holders a reasonable~~  
3077 ~~opportunity to participate in the annual meeting and to vote on~~  
3078 ~~matters submitted to the shareholders, including, without~~  
3079 ~~limitation, an opportunity to communicate and to read or hear~~  
3080 ~~the proceedings of the annual meeting substantially concurrently~~  
3081 ~~with such proceedings; and~~

3082 ~~3. If any shareholder or proxy holder votes or takes other~~  
3083 ~~action at the annual meeting by means of remote communication, a~~  
3084 ~~record of such vote or other action shall be maintained by the~~  
3085 ~~corporation.~~

3086 Section 53. Section 607.0702, Florida Statutes, is amended  
3087 to read:

3088 607.0702 Special meeting.—

3089 (1) A corporation shall hold a special meeting of  
3090 shareholders:

3091 (a) On call of its board of directors or the person or  
3092 persons authorized to do so by the articles of incorporation or  
3093 bylaws; or

3094 (b) If shareholders holding ~~the holders of~~ not less than  
3095 10 percent, unless a greater percentage not to exceed 50 percent  
3096 is required by the articles of incorporation, of all the votes  
3097 entitled to be cast on any issue proposed to be considered at  
3098 the proposed special meeting sign, date, and deliver to the  
3099 corporation's secretary one or more written demands for the  
3100 meeting describing the purpose or purposes for which it is to be

3101 held. Unless otherwise provided in the articles of  
3102 incorporation, a written demand for a special meeting may be  
3103 revoked by a writing to that effect received by the corporation  
3104 prior to the receipt by the corporation of demands sufficient in  
3105 number to require the holding of a special meeting.

3106 (2) Special meetings of shareholders ~~meetings~~ may be held  
3107 in or out of the state at a place stated in or fixed in  
3108 accordance with the bylaws or, when not inconsistent with the  
3109 bylaws, in the notice of the special meeting. If no place is  
3110 stated in or fixed in accordance with the bylaws or in the  
3111 notice of the special meeting, special meetings shall be held at  
3112 the corporation's principal office.

3113 (3) Only business within the purpose or purposes described  
3114 in the special meeting notice required by s. 607.0705 may be  
3115 conducted at a special meeting of shareholders ~~meeting~~.

3116 (4) Participation of shareholders and proxy holders at a  
3117 special meeting of shareholders by remote communication shall be  
3118 governed by and subject to the provisions of s. 607.0709 ~~if~~  
3119 ~~authorized by the board of directors, and subject to such~~  
3120 ~~guidelines and procedures as the board of directors may adopt,~~  
3121 ~~shareholders and proxy holders not physically present at a~~  
3122 ~~special meeting of shareholders may, by means of remote~~  
3123 ~~communication:~~

3124 ~~(a) Participate in a special meeting of shareholders.~~

3125 ~~(b) Be deemed present in person and vote at a special~~

3126 ~~meeting of shareholders, whether such meeting is to be held at a~~  
3127 ~~designated place or solely by means of remote communication,~~  
3128 ~~provided that:~~

3129 ~~1. The corporation shall implement reasonable measures to~~  
3130 ~~verify that each person deemed present and permitted to vote at~~  
3131 ~~the special meeting by means of remote communication is a~~  
3132 ~~shareholder or proxy holder;~~

3133 ~~2. The corporation shall implement reasonable measures to~~  
3134 ~~provide such shareholders or proxy holders a reasonable~~  
3135 ~~opportunity to participate in the special meeting and to vote on~~  
3136 ~~matters submitted to the shareholders, including, without~~  
3137 ~~limitation, an opportunity to communicate and to read or hear~~  
3138 ~~the proceedings of the special meeting substantially~~  
3139 ~~concurrently with such proceedings; and~~

3140 ~~3. If any shareholder or proxy holder votes or takes other~~  
3141 ~~action at the special meeting by means of remote communication,~~  
3142 ~~a record of such vote or other action shall be maintained by the~~  
3143 ~~corporation.~~

3144 Section 54. Section 607.0703, Florida Statutes, is amended  
3145 to read:

3146 607.0703 Court-ordered meeting.-

3147 (1) The circuit court in the applicable county may  
3148 summarily ~~of the county where a corporation's principal office~~  
3149 ~~is located, if located in this state, or where a corporation's~~  
3150 ~~registered office is located if its principal office is not~~

3151 ~~located in this state, may, after notice to the corporation,~~  
 3152 order a meeting to be held:

3153 (a) On application of any shareholder ~~of the corporation~~  
 3154 entitled to vote at in an annual meeting if neither an annual  
 3155 meeting has ~~not~~ been held nor an action by written consent in  
 3156 lieu thereof has become effective within any 15-month ~~13-month~~  
 3157 period; or

3158 (b) On application of one or more shareholders a  
 3159 ~~shareholder~~ who signed a demand for a special meeting valid  
 3160 under s. 607.0702, if:

3161 1. Notice of the special meeting was not given within 60  
 3162 days after the first day on which the requisite number of  
 3163 demands have been ~~date the demand was~~ delivered to the  
 3164 corporation's secretary; or

3165 2. The special meeting was not held in accordance with the  
 3166 notice.

3167 (2) The court may fix the time and place of the meeting,  
 3168 determine the shares entitled to participate in the meeting,  
 3169 specify a record date or dates for determining shareholders  
 3170 entitled to notice of and to vote at the meeting, prescribe the  
 3171 form and content of the meeting notice, fix the quorum by voting  
 3172 group required for matters to be considered at the meeting (or  
 3173 direct that the votes of a voting group represented at the  
 3174 meeting constitute a quorum of such voting group for action on  
 3175 those matters), and enter other orders necessary to accomplish

3176 the purpose or purposes of the meeting ~~as may be appropriate.~~

3177 Section 55. Subsections (1), (3), (4), and (5) of section  
3178 607.0704, Florida Statutes, are amended, and subsections (7) and  
3179 (8) are added to that section, to read:

3180 607.0704 Action by shareholders without a meeting.—

3181 (1) Unless otherwise provided in the articles of  
3182 incorporation or in subsection (8), action required or permitted  
3183 by this chapter ~~act~~ to be taken at an annual or special meeting  
3184 of shareholders may be taken without a meeting, without prior  
3185 notice, and without a vote if the action is taken by the holders  
3186 of outstanding shares ~~stock~~ of each voting group entitled to  
3187 vote thereon having not less than the minimum number of votes  
3188 with respect to each voting group that would be necessary to  
3189 authorize or take such action at a meeting at which all voting  
3190 groups and shares entitled to vote thereon were present and  
3191 voted. In order to be effective the action must be evidenced by  
3192 one or more written consents describing the action taken, dated  
3193 and signed by approving shareholders having the requisite number  
3194 of votes of each voting group entitled to vote thereon, and  
3195 delivered to the corporation by delivery to its principal office  
3196 in this state, its principal place of business, the corporate  
3197 secretary, or another officer or agent of the corporation having  
3198 custody of the book in which proceedings of meetings of  
3199 shareholders are recorded. No written consent shall be effective  
3200 to take the corporate action referred to therein unless, within



3201 60 days of the date of the earliest dated consent delivered in  
3202 the manner required by this section, written consents signed by  
3203 shareholders owning a sufficient number of shares ~~the number of~~  
3204 ~~holders~~ required to authorize or take the action have been ~~are~~  
3205 delivered to the corporation by delivery as set forth in this  
3206 section.

3207 (3) Within 10 days after either written consents  
3208 sufficient to authorize or take the action have been delivered  
3209 to the corporation or such later date that tabulation of  
3210 consents is completed pursuant to an authorization under  
3211 subsection (4) ~~obtaining such authorization by written consent,~~  
3212 notice must be given to those shareholders who have not  
3213 consented in writing or who are not entitled to vote on the  
3214 action. The notice shall fairly summarize the material features  
3215 of the authorized action and, if the action be such for which  
3216 appraisal dissenters' rights are provided under this chapter  
3217 ~~act~~, the notice shall contain a clear statement of the right of  
3218 shareholders entitled to assert appraisal rights under this  
3219 chapter with respect to the action ~~dissenting therefrom~~ to be  
3220 paid the fair value of their shares upon compliance with further  
3221 provisions of this chapter ~~act~~ regarding the rights of  
3222 ~~dissenting~~ shareholders entitled to assert appraisal rights  
3223 under this chapter with respect to the action.

3224 (4) A consent signed under this section has the effect of  
3225 a meeting vote and may be described as such in any document.

3226 Unless the articles of incorporation, bylaws, or a resolution of  
3227 the board of directors provides for a reasonable delay to permit  
3228 tabulation of written consents, the action taken by written  
3229 consent shall be effective when written consents signed by  
3230 shareholders owning a sufficient number of shares required to  
3231 authorize or take the action have been delivered to the  
3232 corporation.

3233 (5) In the event that the action to which the shareholders  
3234 consent is such as would have required the filing of a  
3235 certificate under any other section of this chapter ~~act~~ if such  
3236 action had been voted on by shareholders at a meeting thereof,  
3237 the certificate filed under such other section shall state that  
3238 written consent has been given in accordance with the provisions  
3239 of this section.

3240 (7) The notice requirements in subsection (3) do not delay  
3241 the effectiveness of actions taken by written consent, and a  
3242 failure to comply with such notice requirement does not  
3243 invalidate actions taken by written consent. This subsection may  
3244 not be deemed to limit judicial power to fashion any appropriate  
3245 remedy in favor of a shareholder adversely affected by a failure  
3246 to give such notice within the required time period.

3247 (8) If a corporation's articles of incorporation authorize  
3248 shareholders to cumulate their votes when electing directors  
3249 pursuant to s. 607.0728, directors may not be elected by written  
3250 consent of the shareholders unless the consent is unanimous.

3251 Section 56. Section 607.0705, Florida Statutes, is amended  
3252 to read:

3253 607.0705 Notice of meeting.—

3254 (1) A corporation shall notify shareholders of the date,  
3255 time, and place of each annual and special shareholders' meeting  
3256 no fewer than 10 or more than 60 days before the meeting date.  
3257 The notice must include the record date for determining the  
3258 shareholders entitled to vote at the meeting if the record date  
3259 for determining the shareholders entitled to vote at the meeting  
3260 is different than the record date for determining shareholders  
3261 entitled to notice of the meeting. If the board of directors has  
3262 authorized participation by means of remote communication  
3263 pursuant to s. 607.0709 for any class or series of shares, the  
3264 notice to the holders of such class or series must describe the  
3265 means of remote communication to be used. Unless this chapter  
3266 ~~act~~ or the articles of incorporation require otherwise, the  
3267 corporation is required to give notice only to shareholders  
3268 entitled to vote at the meeting as of the record date for  
3269 determining the shareholders entitled to notice of the meeting.  
3270 Notice shall be given in the manner provided in s. 607.0141, by  
3271 or at the direction of the president, the secretary, or the  
3272 officer or persons calling the meeting. If the notice is mailed  
3273 at least 30 days before the date of the meeting, it may be done  
3274 by a class of United States mail other than first class.  
3275 Notwithstanding s. 607.0141, if mailed, such notice shall be

3276 deemed to be delivered when deposited in the United States mail  
3277 addressed to the shareholder at her or his address as it appears  
3278 in the record of shareholders of the corporation, maintained in  
3279 accordance with s. 607.1601(4) ~~on the stock transfer books of~~  
3280 ~~the corporation,~~ with postage thereon prepaid.

3281 (2) Unless this chapter ~~act~~ or the articles of  
3282 incorporation require otherwise, notice of an annual meeting of  
3283 shareholders need not include a description of the purpose or  
3284 purposes for which the meeting is called.

3285 (3) Notice of a special meeting of shareholders must  
3286 include a description of the purpose or purposes for which the  
3287 meeting is called.

3288 (4) Unless the bylaws require otherwise, if an annual or  
3289 special ~~shareholders'~~ meeting of shareholders is adjourned to a  
3290 different date, time, or place, or to add or modify the terms of  
3291 participation by remote communication, notice need not be given  
3292 of the new date, time, ~~or~~ place, or terms of participation by  
3293 remote communication if the new date, time, ~~or~~ terms  
3294 of participation by remote communication is announced at the  
3295 meeting before an adjournment is taken, and any business may be  
3296 transacted at the adjourned meeting that might have been  
3297 transacted on the original date of the meeting. If a new record  
3298 date for the adjourned meeting is or must be fixed under s.  
3299 607.0707, however, notice of the adjourned meeting must be given  
3300 under this section to persons who are shareholders as of the new

3301 record date who are entitled to notice of the meeting.

3302 (5) Notwithstanding the foregoing, whenever notice is  
3303 required to be given to any shareholder under this chapter or  
3304 the articles of incorporation or bylaws of any corporation to  
3305 whom no notice of a shareholders' meeting need be given to a  
3306 shareholder if:

3307 (a) Notice of two consecutive annual meetings, and all  
3308 notices of meetings or the taking of action by written consent  
3309 without a meeting to such person during the period between such  
3310 two consecutive annual meetings; ~~An annual report and proxy~~  
3311 ~~statements for two consecutive annual meetings of shareholders~~  
3312 or

3313 (b) All, and at least two checks in payment of dividends  
3314 or interest on securities during a 12-month period,  
3315  
3316 have been sent by first-class United States mail, addressed to  
3317 the shareholder at such person's ~~her or his~~ address as it  
3318 appears in the record of shareholders ~~on the share transfer~~  
3319 ~~books~~ of the corporation, maintained in accordance with s.  
3320 607.1601(4), and returned undeliverable, then the giving of such  
3321 notice to such person shall not be required. Any action or  
3322 meeting which is taken or held without notice to such person has  
3323 the same force and effect as if such notice has been duly given.  
3324 If any such person delivers to the corporation a written notice  
3325 setting forth such person's then current address, the

3326 requirement that a notice be given to such person with respect  
3327 to future notices shall be reinstated. ~~The obligation of the~~  
3328 ~~corporation to give notice of a shareholders' meeting to any~~  
3329 ~~such shareholder shall be reinstated once the corporation has~~  
3330 ~~received a new address for such shareholder for entry on its~~  
3331 ~~share transfer books.~~

3332 Section 57. Subsection (1) of section 607.0706, Florida  
3333 Statutes, is amended to read:

3334 607.0706 Waiver of notice.—

3335 (1) A shareholder may waive any notice required by this  
3336 chapter ~~act~~, the articles of incorporation, or bylaws before or  
3337 after the date and time stated in the notice. The waiver must be  
3338 in writing, be signed by the shareholder entitled to the notice,  
3339 and be delivered to the corporation for filing by the  
3340 corporation with ~~inclusion in~~ the minutes or ~~filing with the~~  
3341 corporate records. Neither the business to be transacted at nor  
3342 the purpose of any regular or special meeting of the  
3343 shareholders need be specified in any written waiver of notice  
3344 unless so required by the articles of incorporation or the  
3345 bylaws.

3346 Section 58. Subsections (1), (3), (4), (6), and (7) of  
3347 section 607.0707, Florida Statutes, are amended, and subsections  
3348 (8), (9), and (10) are added to that section, to read:

3349 607.0707 Record date.—

3350 (1) The bylaws may fix or provide the manner of fixing the

3351 record date or dates for one or more voting groups ~~in order~~ to  
3352 determine the shareholders entitled to notice of a shareholders'  
3353 meeting, to demand a special meeting, to vote, or to take any  
3354 other action. If the bylaws do not fix or provide for fixing  
3355 such a record date, the board of directors ~~of the corporation~~  
3356 may fix the record date. In no event may a record date fixed by  
3357 the board of directors be a date preceding the date upon which  
3358 the resolution fixing the record date is adopted.

3359 (3) The bylaws may fix or provide the manner of fixing the  
3360 record date for determining shareholders entitled to take action  
3361 by the written consent of shareholders. If not otherwise  
3362 provided by or pursuant to the bylaws, the board of directors of  
3363 the corporation may set a record date for determining  
3364 shareholders entitled to take action by the written consent of  
3365 shareholders. In no event may a record date fixed by the board  
3366 of directors be a date preceding the date upon which the  
3367 resolution fixing the record date is adopted. If the bylaws do  
3368 not fix or provide for the manner of fixing such a record date  
3369 and if no such record date is fixed by the board of directors,  
3370 the record date for determining shareholders entitled to take  
3371 such action shall be the date that the first signed written  
3372 consent is delivered to the corporation pursuant to s. 607.0704  
3373 ~~If not otherwise provided by or pursuant to the bylaws and no~~  
3374 ~~prior action is required by the board of directors pursuant to~~  
3375 ~~this act, the record date for determining shareholders entitled~~

3376 ~~to take action without a meeting is the date the first signed~~  
3377 ~~written consent is delivered to the corporation under s.~~  
3378 ~~607.0704. If not otherwise fixed, and prior action is required~~  
3379 ~~by the board of directors pursuant to this chapter, the record~~  
3380 ~~date for determining shareholders entitled to take action~~  
3381 ~~without a meeting is at the close of business on the day on~~  
3382 ~~which the board of directors adopts the resolution taking such~~  
3383 ~~prior action.~~

3384 (4) If not otherwise provided by or pursuant to the  
3385 bylaws, or by a court order pursuant to s. 607.0703, the record  
3386 date for determining shareholders entitled to notice of and to  
3387 vote at an annual or special shareholders' meeting is the close  
3388 of business on the day before the first notice is delivered to  
3389 shareholders.

3390 (6) A determination of shareholders entitled to notice of  
3391 or to vote at a shareholders' meeting is effective for any  
3392 adjournment of the meeting unless the board of directors fixes a  
3393 new record date or dates, which it must do if the meeting is  
3394 adjourned to a date more than 120 days after the date fixed for  
3395 the original meeting.

3396 (7) If a court orders a meeting adjourned to a date more  
3397 than 120 days after the date fixed for the original meeting, it  
3398 may provide that the original record date or dates continues in  
3399 effect or it may fix a new record date or dates.

3400 (8) The record date for a shareholders' meeting fixed by



3401 or in the manner provided in the bylaws or by the board of  
3402 directors shall be the record date for determining shareholders  
3403 entitled both to notice of and to vote at the shareholders'  
3404 meeting, unless in the case of a record date fixed by the board  
3405 of directors and to the extent not prohibited by the bylaws, the  
3406 board of directors, at the time it fixes the record date for  
3407 shareholders entitled to notice of the meeting, fixes a later  
3408 record date on or before the date of the meeting to determine  
3409 the shareholders entitled to vote at the meeting.

3410 (9) Shares of a corporation's own stock acquired by the  
3411 corporation between the record date for determining shareholders  
3412 entitled to notice of or to vote at a meeting of shareholders  
3413 and the time of the meeting may be voted on at the meeting by  
3414 the holder of record as of the record date and shall be counted  
3415 in determining the total number of outstanding shares entitled  
3416 to be voted at the meeting.

3417 (10) If not otherwise fixed under s. 607.0703, the record  
3418 date for determining shareholders entitled to demand a special  
3419 meeting is the earliest date on which a signed shareholder  
3420 demand is delivered to the corporation. A written demand for a  
3421 special meeting is not effective unless, within 60 days of the  
3422 earliest date on which such a demand delivered to the  
3423 corporation as required by s. 607.0702 was signed, written  
3424 demands signed by shareholders holding at least the percentage  
3425 of votes specified in or fixed in accordance with s.

3426 607.0702(1)(b) have been delivered to the corporation.

3427 Section 59. Section 607.0709, Florida Statutes, is created  
3428 to read:

3429 607.0709 Remote participation in annual and special  
3430 meetings of shareholders.—

3431 (1) Shareholders of any voting group, other persons  
3432 entitled to vote on behalf of shareholders pursuant to s.  
3433 607.0721, attorneys in fact for shareholders, and holders of  
3434 proxies appointed pursuant to s. 607.0722 may participate in any  
3435 annual or special meeting of shareholders by means of remote  
3436 communication to the extent the board of directors authorizes  
3437 such participation for such voting group. Participation by means  
3438 of remote communication is subject to such guidelines and  
3439 procedures as the board of directors adopts, and must be in  
3440 conformity with subsection (2).

3441 (2) Shareholders, other persons entitled to vote on behalf  
3442 of shareholders pursuant to s. 607.0721, attorneys in fact for  
3443 shareholders, and holders of proxies appointed pursuant to s.  
3444 607.0722 participating in a shareholders' meeting by means of  
3445 remote communication authorized under subsection (1) shall be  
3446 deemed present in person and may vote at such a meeting, whether  
3447 such meeting is to be held at a designated place or solely by  
3448 means of remote communication, if the corporation has  
3449 implemented reasonable measures:

3450 (a) To verify that each person participating remotely as a

3451 shareholder is a shareholder, is another person entitled to vote  
3452 on behalf of a shareholder pursuant to s. 607.0721, is an  
3453 attorney in fact for a shareholder, or is a holder of a proxy  
3454 appointed pursuant to s. 607.0722; and

3455 (b) To provide such shareholders, such other persons  
3456 entitled to vote on behalf of shareholders pursuant to s.  
3457 607.0721, such attorneys in fact for shareholders, and such  
3458 holders of proxies appointed pursuant to s. 607.0722, a  
3459 reasonable opportunity to participate in the meeting and to vote  
3460 on matters submitted to the shareholders, including an  
3461 opportunity to communicate, and to read or hear the proceedings  
3462 of the meeting, substantially concurrently with such  
3463 proceedings.

3464 (3) If any shareholder, any other person entitled to vote  
3465 on behalf of a shareholder pursuant to s. 607.0721, any attorney  
3466 in fact for a shareholder, or any holder of a proxy appointed  
3467 pursuant to s. 607.0722, votes or takes action at a  
3468 shareholder's meeting by means of remote communication  
3469 authorized under this section, a record of such vote or other  
3470 action shall be maintained by the corporation.

3471 (4) If the board of directors is authorized to determine  
3472 the place of a shareholders' meeting, the board of directors  
3473 may, in its sole discretion, determine that the meeting shall be  
3474 held solely by means of remote communication.

3475 Section 60. Subsections (1), (2), (3), (5), and (7) of

3476 section 607.0720, Florida Statutes, are amended to read:  
 3477       607.0720 Shareholders' list for meeting.—  
 3478       (1) After fixing a record date for a meeting, a  
 3479 corporation shall prepare an alphabetical list of the names of  
 3480 all its shareholders who are entitled to notice of a  
 3481 shareholders' meeting. If the board of directors fixes a  
 3482 different record date under s. 607.0707(8) to determine the  
 3483 shareholders entitled to vote at the meeting, the corporation  
 3484 must also prepare an alphabetical list of the names of all its  
 3485 shareholders who are entitled to vote at the meeting. Each list  
 3486 must be arranged by voting group, and within each voting group  
 3487 by class or series of shares, and show the address of and number  
 3488 of shares held by each shareholder. This subsection does not  
 3489 require the corporation to include on such list the electronic  
 3490 mail address or other electronic contact information of a  
 3491 shareholder, ~~arranged by voting group with the address of, and~~  
 3492 ~~the number and class and series, if any, of shares held by,~~  
 3493 each.  
 3494       (2) The shareholders' list for notice must be available  
 3495 for inspection by any shareholder for a period of 10 days prior  
 3496 to the meeting or such shorter time as exists between the record  
 3497 date and the meeting and continuing through the meeting at the  
 3498 corporation's principal office, at a place identified in the  
 3499 meeting notice in the city where the meeting will be held, or at  
 3500 the office of the corporation's transfer agent or registrar. Any

3501 separate shareholders' list for voting, if different, must be  
 3502 similarly available for inspection promptly after the record  
 3503 date for voting. A shareholder or the shareholder's agent or  
 3504 attorney is entitled on written demand to inspect and, the list  
 3505 ~~+(subject to the requirements of s. 607.1602(3)+~~, copy a list  
 3506 during regular business hours and at his or her expense, during  
 3507 the period it is available for inspection.

3508 (3) The corporation shall make the ~~shareholders'~~ list of  
 3509 shareholders entitled to vote available at the meeting, and any  
 3510 shareholder or the shareholder's agent or attorney is entitled  
 3511 to inspect the list at any time during the meeting or any  
 3512 adjournment.

3513 (5) If the requirements of this section have not been  
 3514 substantially complied with or if the corporation refuses to  
 3515 allow a shareholder or the shareholder's agent or attorney to  
 3516 inspect a the shareholders' list, or copy a list pursuant to  
 3517 subsection (2), before or at the meeting, the meeting shall be  
 3518 adjourned until such requirements are complied with on the  
 3519 demand of any shareholder in person or by proxy who failed to  
 3520 get such access, or, if not adjourned upon such demand and such  
 3521 requirements are not complied with, the circuit court in the  
 3522 applicable county ~~of the county where a corporation's principal~~  
 3523 ~~office (or, if none in this state, its registered office) is~~  
 3524 ~~located,~~ on application of the shareholder, may summarily order  
 3525 the inspection or copying at the corporation's expense and may

3526 | postpone the meeting for which the list was prepared until the  
 3527 | inspection or copying is complete.

3528 | (7) A shareholder may not sell or otherwise distribute any  
 3529 | information or records inspected under this section, except to  
 3530 | the extent that such use is for a proper purpose as defined in  
 3531 | s. 607.1602(3). ~~Any person who violates this provision shall be~~  
 3532 | ~~subject to a civil penalty of \$5,000.~~

3533 | Section 61. Subsections (1), (2), (3), and (4) of section  
 3534 | 607.0721, Florida Statutes, are amended to read:

3535 | 607.0721 Voting entitlement of shares.—

3536 | (1) Except as provided in subsections (2), (3), and (4) or  
 3537 | unless the articles of incorporation or this chapter act  
 3538 | provides otherwise, each outstanding share, regardless of class  
 3539 | or series, is entitled to one vote on each matter submitted to a  
 3540 | vote at a meeting of shareholders. Only shares are entitled to  
 3541 | vote. If the articles of incorporation provide for more or less  
 3542 | than one vote for any share on any matter, every reference in  
 3543 | this chapter act to a majority or other proportion of shares  
 3544 | shall refer to such a majority or other proportion of votes  
 3545 | entitled to be cast.

3546 | (2) ~~The~~ Shares of a corporation are not entitled to vote  
 3547 | if they are owned by or otherwise belong to the corporation  
 3548 | directly, or indirectly through an entity of which a majority of  
 3549 | the voting power is held directly or indirectly by the  
 3550 | corporation or which is otherwise controlled by the, ~~directly or~~

3551 ~~indirectly, by a second corporation, domestic or foreign, and~~  
3552 ~~the first corporation owns, directly or indirectly, a majority~~  
3553 ~~of the shares entitled to vote for directors of the second~~  
3554 ~~corporation.~~

3555       (3) Shares held by the corporation in a fiduciary capacity  
3556 for the benefit of any person are entitled to vote unless they  
3557 are held for the benefit of, or otherwise belong to, the  
3558 corporation directly, or indirectly through an entity of which a  
3559 majority of the voting power is held directly or indirectly by  
3560 the corporation or which is otherwise controlled by the  
3561 corporation. For the purposes of this subsection, "voting power"  
3562 means the current power to vote in the election of directors of  
3563 a corporation or to elect, select, or appoint those persons who  
3564 will govern another entity ~~Subsection (2) does not limit the~~  
3565 ~~power of a corporation to vote any shares, including its own~~  
3566 ~~shares, held by it in a fiduciary capacity.~~

3567       (4) Redeemable shares are not entitled to vote on any  
3568 matter, and shall not be deemed to be outstanding, after  
3569 delivery of a written notice of redemption is effective mailed  
3570 ~~to the holders thereof~~ and a sum sufficient to redeem such  
3571 shares has been deposited with a bank, trust company, or other  
3572 financial institution upon an irrevocable obligation to pay the  
3573 holders the redemption price upon surrender of the shares.

3574       Section 62. Subsections (3) and (7) of section 607.0722,  
3575 Florida Statutes, are amended, and subsection (5) of that

3576 section is republished, to read:

3577 607.0722 Proxies.—

3578 (3) An appointment of a proxy is effective when a signed  
 3579 appointment form or an electronic transmission of the  
 3580 appointment is received by the inspector of election or by the  
 3581 secretary or other officer or agent authorized to count ~~tabulate~~  
 3582 votes. An appointment is valid for the term ~~up to 11 months~~  
 3583 ~~unless a longer period is expressly~~ provided in the appointment  
 3584 form and, if no term is provided, is valid for 11 months unless  
 3585 the appointment is irrevocable under subsection (5).

3586 (5) An appointment of a proxy is revocable by the  
 3587 shareholder unless the appointment form or electronic  
 3588 transmission conspicuously states that it is irrevocable and the  
 3589 appointment is coupled with an interest. Appointments coupled  
 3590 with an interest include the appointment of:

3591 (a) A pledgee;

3592 (b) A person who purchased or agreed to purchase the  
 3593 shares;

3594 (c) A creditor of the corporation who extended credit to  
 3595 the corporation under terms requiring the appointment;

3596 (d) An employee of the corporation whose employment  
 3597 contract requires the appointment; or

3598 (e) A party to a voting agreement created under s.  
 3599 607.0731.

3600 (7) Unless the appointment otherwise provides, an



3601 appointment made irrevocable under subsection (5) continues in  
3602 effect after a transfer of the shares and a transferee takes  
3603 subject to the appointment, except that a transferee for value  
3604 of shares subject to an irrevocable appointment may revoke the  
3605 appointment if the transferee did not know of its existence when  
3606 the transferee ~~he or she~~ acquired the shares and the existence  
3607 of the irrevocable appointment was not noted conspicuously on  
3608 the certificate representing the shares or on the information  
3609 statement for shares without certificates.

3610 Section 63. Section 607.0723, Florida Statutes, is amended  
3611 to read:

3612 607.0723 Shares held by intermediaries and nominees.—

3613 (1) A corporation's board of directors ~~corporation~~ may  
3614 establish a procedure under ~~by~~ which a person on whose behalf  
3615 ~~the beneficial owner of shares that are registered in the name~~  
3616 of an intermediary or a nominee may elect to be treated ~~is~~  
3617 ~~recognized~~ by the corporation as the record shareholder by  
3618 filing with the corporation a beneficial ownership certificate.  
3619 The terms, conditions, and limitations of such treatment shall  
3620 be specified in the procedure. To the extent such person is  
3621 treated under such procedure as having rights or privileges that  
3622 the record shareholder otherwise would have, the record  
3623 shareholder may not have those rights or privileges. ~~The extent~~  
3624 ~~of this recognition may be determined in the procedure.~~

3625 (2) The procedure must specify ~~may set forth~~:

3626 (a) The types of intermediaries or nominees to which it  
 3627 applies;

3628 (b) The rights or privileges that the corporation  
 3629 recognizes in a person with respect to whom a beneficial  
 3630 ownership certificate is filed ~~beneficial owner~~;

3631 (c) The manner in which the procedure is selected, which  
 3632 shall include that the beneficial ownership certificate be  
 3633 signed or assented to by or on behalf of the record shareholder  
 3634 and the person or persons on whose behalf the shares are held ~~by~~  
 3635 ~~the nominee~~;

3636 (d) The information that must be provided when the  
 3637 procedure is selected;

3638 (e) The period for which selection of the procedure is  
 3639 effective; ~~and~~

3640 (f) Requirements for notice to the corporation with  
 3641 respect to the arrangement; and

3642 (g) The form and contents of the beneficial ownership  
 3643 certificate.

3644 (3) The procedure may specify any other aspects of the  
 3645 rights and duties created by the filing of a beneficial  
 3646 ownership certificate.

3647 Section 64. Section 607.0724, Florida Statutes, is amended  
 3648 to read:

3649 607.0724 ~~Corporation's~~ Acceptance of votes and other  
 3650 instruments.-

3651 (1) If the name signed on a vote, ballot, consent, waiver,  
3652 shareholder demand, or proxy appointment corresponds to the name  
3653 of a shareholder, the corporation if acting in good faith is  
3654 entitled to accept the vote, ballot, consent, waiver,  
3655 shareholder demand, or proxy appointment and give it effect as  
3656 the act of the shareholder.

3657 (2) If the name signed on a vote, ballot, consent, waiver,  
3658 shareholder demand, or proxy appointment does not correspond to  
3659 the name of its shareholder, the corporation if acting in good  
3660 faith is nevertheless entitled to accept the vote, ballot,  
3661 consent, waiver, shareholder demand, or proxy appointment and  
3662 give it effect as the act of the shareholder if:

3663 (a) The shareholder is an entity and the name signed  
3664 purports to be that of an officer or agent of the entity;

3665 (b) The name signed purports to be that of an  
3666 administrator, executor, guardian, personal representative, or  
3667 conservator representing the shareholder and, if the corporation  
3668 requests, evidence of fiduciary status acceptable to the  
3669 corporation has been presented with respect to the vote, ballot,  
3670 consent, waiver, shareholder demand, or proxy appointment;

3671 (c) The name signed purports to be that of a receiver,  
3672 trustee in bankruptcy, or assignee for the benefit of creditors  
3673 of the shareholder and, if the corporation requests, evidence of  
3674 this status acceptable to the corporation has been presented  
3675 with respect to the vote, ballot, consent, waiver, shareholder

3676 demand, or proxy appointment;

3677 (d) The name signed purports to be that of a pledgee,  
3678 beneficial owner, or attorney in fact of the shareholder and, if  
3679 the corporation requests, evidence acceptable to the corporation  
3680 of the signatory's authority to sign for the shareholder has  
3681 been presented with respect to the vote, ballot, consent,  
3682 waiver, shareholder demand, or proxy appointment; or

3683 (e) Two or more persons are the shareholder as cotenants  
3684 or fiduciaries and the name signed purports to be the name of at  
3685 least one of the co\_owners and the person signing appears to be  
3686 acting on behalf of all the co\_owners.

3687 (3) The corporation is entitled to reject a vote, ballot,  
3688 consent, waiver, shareholder demand, or proxy appointment if the  
3689 person authorized to accept or reject such instrument ~~secretary~~  
3690 ~~or other officer or agent authorized to tabulate votes,~~ acting  
3691 in good faith, has reasonable basis for doubt about the validity  
3692 of the signature on it or about the signatory's authority to  
3693 sign for the shareholder.

3694 (4) Neither the corporation or any person authorized by  
3695 it, nor any inspector of election under s. 607.0729, that ~~The~~  
3696 ~~corporation and its officer or agent who~~ accepts or rejects a  
3697 vote, ballot, consent, waiver, shareholder demand, or proxy  
3698 appointment in good faith and in accordance with the standards  
3699 of this section is ~~are not~~ liable in damages to the shareholder  
3700 for the consequences of the acceptance or rejection.

3701 (5) Corporate action based on the acceptance or rejection  
3702 of a vote, ballot, consent, waiver, shareholder demand, or proxy  
3703 appointment under this section is valid unless a court of  
3704 competent jurisdiction determines otherwise.

3705 (6) If an inspector of election has been appointed under  
3706 s. 607.0729, the inspector of election may request information  
3707 and make determinations under subsections (1), (2), and (3). Any  
3708 determination made by the inspector of election under those  
3709 subsections is controlling.

3710 Section 65. Subsections (1), (2), (3), and (5) of section  
3711 607.0725, Florida Statutes, are amended, and subsection (8) is  
3712 added to that section, to read:

3713 607.0725 Quorum and voting requirements for voting  
3714 groups.—

3715 (1) Shares entitled to vote as a separate voting group may  
3716 take action on a matter at a meeting only if a quorum of those  
3717 shares exists with respect to that matter. Unless the articles  
3718 of incorporation or this chapter ~~act~~ provides otherwise, a  
3719 majority of the votes entitled to be cast on the matter by the  
3720 voting group constitutes a quorum of that voting group for  
3721 action on that matter.

3722 (2) Once a share is represented for any purpose at a  
3723 meeting, it is deemed present for quorum purposes for the  
3724 remainder of the meeting and for any adjournment of that meeting  
3725 unless a new record date is or must be fixed ~~set~~ for that

3726 adjourned meeting.

3727 (3) If a quorum exists, action on a matter (other than the  
3728 election of directors) by a voting group is approved if the  
3729 votes cast within the voting group favoring the action exceed  
3730 the votes cast opposing the action, unless the articles of  
3731 incorporation or this chapter ~~act~~ requires a greater number of  
3732 affirmative votes.

3733 (5) The articles of incorporation may provide for a  
3734 greater voting requirement or a greater or lesser quorum  
3735 requirement for shareholders, or voting groups of shareholders,  
3736 than is provided by this chapter ~~act~~, but in no event shall a  
3737 quorum consist of less than one-third of the shares entitled to  
3738 vote.

3739 (8) Whenever a provision of this chapter provides for  
3740 voting of classes or series as separate voting groups, the rules  
3741 provided in s. 607.1004 for amendments of articles of  
3742 incorporation apply to that provision.

3743 Section 66. Section 607.0726, Florida Statutes, is amended  
3744 to read:

3745 607.0726 Action by single and multiple voting groups.—

3746 (1) If the articles of incorporation or this chapter ~~act~~  
3747 provides for voting by a single voting group on a matter, action  
3748 on that matter is taken when voted upon by that voting group as  
3749 provided in s. 607.0725.

3750 (2) If the articles of incorporation or this chapter ~~act~~

3751 provides for voting by two or more voting groups on a matter,  
3752 action on that matter is taken only when voted upon by each of  
3753 those voting groups counted separately as provided in s.  
3754 607.0725. Action may be taken by different voting groups ~~one~~  
3755 ~~voting group~~ on a matter at different times ~~even though no~~  
3756 ~~action is taken by another voting group entitled to vote on the~~  
3757 ~~matter.~~

3758 Section 67. Subsection (1) of section 607.0728, Florida  
3759 Statutes, is amended to read:

3760 607.0728 Voting for directors; cumulative voting.—

3761 (1) Unless otherwise provided in the articles of  
3762 incorporation, or in a bylaw that fixes a greater voting  
3763 requirement for the election of directors and that is adopted by  
3764 the board of directors or shareholders of a corporation having  
3765 shares registered pursuant to s. 12 of the Securities Exchange  
3766 Act of 1934 ~~listed on a national securities exchange~~ at the time  
3767 of adoption, directors are elected by a plurality of the votes  
3768 cast by the shares entitled to vote in the election at a meeting  
3769 at which a quorum is present. A bylaw provision or amendment  
3770 adopted by shareholders which specifies the votes necessary for  
3771 the election of directors may not be further amended or repealed  
3772 by the board of directors.

3773 Section 68. Section 607.0729, Florida Statutes, is created  
3774 to read:

3775 607.0729 Voting procedures; inspectors of election.—

3776       (1) A corporation that has a class of shares registered  
3777 pursuant to s. 12 of the Securities Exchange Act of 1934 shall,  
3778 and any other corporation may, appoint one or more inspectors to  
3779 act at a meeting of shareholders in connection with determining  
3780 voting results. Each inspector will faithfully execute the  
3781 duties of inspector with strict impartiality and according to  
3782 the best of the inspector's ability. An inspector may be an  
3783 officer or employee of the corporation. The inspectors may  
3784 appoint or retain other persons to assist the inspectors in the  
3785 performance of the duties of inspector under subsection (2) and  
3786 may rely on information provided by such persons and other  
3787 persons, including those appointed to count votes, unless the  
3788 inspectors believe reliance is unwarranted.

3789       (2) The inspectors shall:

3790       (a) Ascertain the number of shares outstanding and the  
3791 voting power of each;

3792       (b) Determine the shares represented at a meeting;

3793       (c) Determine the validity of proxy appointments and  
3794 ballots;

3795       (d) Count the votes; and

3796       (e) Make a written report of the results.

3797       (3) In performing their duties, the inspectors may  
3798 examine:

3799       (a) The proxy appointment forms and any other information  
3800 provided in accordance with s. 607.0722(2);



3801 (b) Any envelope or related writing submitted with those  
 3802 appointment forms;

3803 (c) Any ballots;

3804 (d) Any evidence or other information specified in s.  
 3805 607.0724; and

3806 (e) The relevant books and records of the corporation  
 3807 relating to its shareholders and their entitlement to vote,  
 3808 including any securities position list provided by a depository  
 3809 clearing agency.

3810 (4) The inspectors also may consider other information  
 3811 that they believe is relevant and reliable for the purpose of  
 3812 performing any of the duties assigned to them pursuant to  
 3813 subsection (2), including, for the purpose of evaluating  
 3814 inconsistent, incomplete, or erroneous information and  
 3815 reconciling information submitted on behalf of banks, brokers,  
 3816 their nominees, or similar persons that indicates more votes  
 3817 being cast than a proxy is authorized by the record shareholder  
 3818 to cast or more votes being cast than the record shareholder is  
 3819 entitled to cast. If the inspectors consider other information  
 3820 allowed by this subsection, they must, in their report under  
 3821 subsection (2), specify the information considered by them,  
 3822 including the purpose or purposes for which the information was  
 3823 considered, the person or persons from whom they obtained the  
 3824 information, when the information was obtained, the means by  
 3825 which the information was obtained, and the basis for the

3826 inspectors' belief that such information is relevant and  
 3827 reliable.

3828 (5) Determinations of law by the inspectors of election  
 3829 are subject to de novo review by a court in a judicial  
 3830 proceeding challenging the inspector's activities under this  
 3831 section.

3832 (6) The chair of the meeting shall announce at the meeting  
 3833 when the polls close for each matter voted upon. If no  
 3834 announcement is made, the polls shall be deemed to have closed  
 3835 upon the final adjournment of the meeting. After the polls  
 3836 close, no ballots, proxies, or votes, or any revocations or  
 3837 changes thereto, may be accepted.

3838 Section 69. Subsection (1) of section 607.0730, Florida  
 3839 Statutes, is amended to read:

3840 607.0730 Voting trusts.—

3841 (1) One or more shareholders may create a voting trust,  
 3842 conferring on a trustee the right to vote or otherwise act for  
 3843 him or her or for them, by signing an agreement setting out the  
 3844 provisions of the trust (which may include anything consistent  
 3845 with its purpose) and transferring their shares to the trustee.  
 3846 When a voting trust agreement is signed, the trustee shall  
 3847 prepare a list of the names and addresses of all voting trust  
 3848 beneficial owners ~~of beneficial interests in the trust~~, together  
 3849 with the number and class of shares each transferred to the  
 3850 trust, and deliver copies of the list and agreement to the

3851 corporation at its ~~corporation's~~ principal office. After filing  
 3852 a copy of the list and agreement in the corporation's principal  
 3853 office, such copy shall be open to inspection by any shareholder  
 3854 of the corporation (subject to the requirements of s.  
 3855 607.1602(3)) or by any beneficiary of the trust under the  
 3856 agreement during business hours.

3857 Section 70. Section 607.0731, Florida Statutes, is amended  
 3858 to read:

3859 607.0731 Voting Shareholders' agreements.-

3860 (1) Two or more shareholders may provide for the manner in  
 3861 which they will vote their shares by signing an agreement for  
 3862 that purpose. A voting shareholders' agreement created under  
 3863 this section is not subject to the provisions of s. 607.0730.

3864 (2) A voting shareholders' agreement created under this  
 3865 section is specifically enforceable.

3866 (3) A transferee of shares in a corporation the  
 3867 shareholders of which have entered into an agreement authorized  
 3868 by subsection (1) shall be bound by such agreement if the  
 3869 transferee takes shares subject to such agreement with notice  
 3870 thereof. A transferee shall be deemed to have notice of any such  
 3871 agreement or any ~~such~~ renewal thereof if the existence of such  
 3872 agreement ~~thereof~~ is noted on the face or back of the  
 3873 certificate or certificates representing such shares or on the  
 3874 information statement for uncertified shares required by s.  
 3875 607.0626(2).

3876 Section 71. Subsections (1) through (5) of section  
 3877 607.0732, Florida Statutes, are amended, and subsection (8) is  
 3878 added to that section, to read:

3879 607.0732 Shareholder agreements.—

3880 (1) An agreement among the shareholders of a corporation  
 3881 ~~with 100 or fewer shareholders at the time of the agreement,~~  
 3882 that complies with this section, <sup>7</sup> is effective among the  
 3883 shareholders and the corporation, even though it is inconsistent  
 3884 with one or more other provisions of this chapter, if it:

3885 (a) Eliminates the board of directors or limits or  
 3886 restricts the discretion or powers of the board of directors;

3887 (b) Governs the authorization or making of distributions  
 3888 regardless of whether they are ~~or not~~ in proportion to ownership  
 3889 of shares, subject to the limitations in s. 607.06401;

3890 (c) Establishes who shall be directors or officers of the  
 3891 corporation, or their terms of office or manner of selection or  
 3892 removal;

3893 (d) Governs, in general or in regard to specific matters,  
 3894 the exercise or division of voting power by the shareholders and  
 3895 directors or among any of them, including use of weighted voting  
 3896 rights or director proxies;

3897 (e) Establishes the terms and conditions of any agreement  
 3898 for the transfer or use of property or the provision of services  
 3899 between the corporation and any shareholder, director, officer,  
 3900 or employee of the corporation or among any of them;

3901 (f) Transfers to any shareholder or other person any  
 3902 authority to exercise the corporate powers or to manage the  
 3903 business and affairs of the corporation, including the  
 3904 resolution of any issue about which there exists a deadlock  
 3905 among directors or shareholders; ~~or~~

3906 (g) Requires dissolution of the corporation at the request  
 3907 of one or more of the shareholders or upon the occurrence of a  
 3908 specified event or contingency; ~~or~~

3909 (h) Imposes a liability on a shareholder for the attorney  
 3910 fees or expenses of the corporation or any other party in  
 3911 connection with an internal corporate claim, as defined in s.  
 3912 607.0208;

3913 (i) Establishes, including in lieu of a judicial  
 3914 dissolution, a mechanism for breaking a deadlock among the  
 3915 directors or shareholders of the corporation or for addressing  
 3916 the occurrence or existence of a shareholder asserted oppressive  
 3917 action; or

3918 (j) ~~(h)~~ Otherwise governs the exercise of the corporate  
 3919 powers or the management of the business and affairs of the  
 3920 corporation or the relationship between the shareholders, the  
 3921 directors, and ~~or~~ the corporation, or among any of them, and is  
 3922 not contrary to public policy. ~~For purposes of this paragraph,~~  
 3923 ~~agreements contrary to public policy include, but are not~~  
 3924 ~~limited to, agreements that reduce the duties of care and~~  
 3925 ~~loyalty to the corporation as required by ss. 607.0830 and~~

3926 | ~~607.0832, exculpate directors from liability that may be imposed~~  
3927 | ~~under s. 607.0831, adversely affect shareholders' rights to~~  
3928 | ~~bring derivative actions under s. 607.07401, or abrogate~~  
3929 | ~~dissenters' rights under ss. 607.1301-607.1320.~~

3930 | (2) An agreement authorized by this section shall be:

3931 | (a)1. Set forth or referenced in the articles of  
3932 | incorporation or bylaws and approved by all persons who are  
3933 | shareholders at the time the agreement; or

3934 | 2. Set forth in a written agreement that is signed by all  
3935 | persons who are shareholders at the time of the agreement and  
3936 | such written agreement is made known to the corporation; and-

3937 | (b) Subject to termination or amendment only by all  
3938 | persons who are shareholders at the time of the termination or  
3939 | amendment, unless the agreement provides otherwise ~~with respect~~  
3940 | ~~to termination and with respect to amendments that do not change~~  
3941 | ~~the designation, rights, preferences, or limitations of any of~~  
3942 | ~~the shares of a class or series.~~

3943 | (3) The existence of an agreement authorized by this  
3944 | section shall be noted conspicuously on the front or back of  
3945 | each certificate for outstanding shares or on the information  
3946 | statement required with respect to uncertified shares by s.  
3947 | 607.0626(2). If at the time of the agreement the corporation has  
3948 | shares outstanding which are represented by certificates, the  
3949 | corporation shall recall such certificates and issue substitute  
3950 | certificates that comply with this subsection. The failure to

3951 | note the existence of the agreement on the certificate or  
3952 | information statement shall not affect the validity of the  
3953 | agreement or any action taken pursuant to it. Any purchaser of  
3954 | shares who, at the time of purchase, did not have knowledge of  
3955 | the existence of the agreement shall be entitled to rescission  
3956 | of the purchase. A purchaser shall be deemed to have knowledge  
3957 | of the existence of the agreement if its existence is noted on  
3958 | the certificate or information statement for the shares in  
3959 | compliance with this subsection and, if the shares are not  
3960 | represented by a certificate, the information statement is  
3961 | delivered to the purchaser at or before ~~prior to~~ the time of the  
3962 | purchase of the shares. An action to enforce the right of  
3963 | rescission authorized by this subsection must be commenced  
3964 | within the earlier of 90 days after discovery of the existence  
3965 | of the agreement or 2 years after the time of purchase of the  
3966 | shares.

3967 | (4) An agreement authorized by this section shall cease to  
3968 | be effective when shares of the corporation are registered  
3969 | pursuant to s. 12 of the Securities Exchange Act of 1934 ~~listed~~  
3970 | ~~on a national securities exchange or regularly quoted in a~~  
3971 | ~~market maintained by one or more members of a national or~~  
3972 | ~~affiliated securities association.~~ If the agreement ceases to be  
3973 | effective for any reason, the board of directors may, if the  
3974 | agreement is contained or referred to in the corporation's  
3975 | articles of incorporation or bylaws, adopt an amendment to the

3976 articles of incorporation or bylaws, without shareholder action,  
 3977 to delete the agreement and any references to it.

3978 (5) An agreement authorized by this section that limits or  
 3979 restricts the discretion or powers of the board of directors  
 3980 shall relieve the directors of, and impose upon the person or  
 3981 persons in whom such discretion or powers are vested, liability  
 3982 for acts or omissions imposed by law on directors to the extent  
 3983 that the discretion or powers of the directors are limited by  
 3984 the agreement.

3985 (8) This section does not limit or invalidate agreements  
 3986 that are otherwise valid or authorized without regard to this  
 3987 section, including shareholder agreements between or among some  
 3988 or all of the shareholders or agreements between or among the  
 3989 corporation and one or more shareholders.

3990 Section 72. Section 607.07401, Florida Statutes, is  
 3991 repealed.

3992 Section 73. Section 607.0741, Florida Statutes, is created  
 3993 to read:

3994 607.0741 Standing.—

3995 (1) A shareholder may not commence a derivative proceeding  
 3996 unless the shareholder is a shareholder at the time the action  
 3997 is commenced and:

3998 (a) Was a shareholder when the conduct giving rise to the  
 3999 action occurred; or

4000 (b) Whose status as a shareholder devolved on the person



4001 through transfer or by operation of law from one who was a  
4002 shareholder when the conduct giving rise to the action occurred.

4003 (2) In ss. 607.0741-607.0747, the term "shareholder" means  
4004 a record shareholder, a beneficial shareholder, or an  
4005 unrestricted voting trust beneficial owner.

4006 Section 74. Section 607.0742, Florida Statutes, is created  
4007 to read:

4008 607.0742 Complaint; demand and excuse.—A complaint in a  
4009 proceeding brought in the right of a corporation must be  
4010 verified and allege with particularity:

4011 (1) The demand, if any, made to obtain the action desired  
4012 by the shareholder from the board of directors; and

4013 (2) Either:

4014 (a) If such a demand was made, that the demand was  
4015 refused, rejected, or ignored by the board of directors prior to  
4016 the expiration of 90 days from the date the demand was made;

4017 (b) If such a demand was made, why irreparable injury to  
4018 the corporation or misapplication or waste of corporate assets  
4019 causing material injury to the corporation would result by  
4020 waiting for the expiration of a 90-day period from the date the  
4021 demand was made; or

4022 (c) The reason or reasons the shareholder did not make the  
4023 effort to obtain the desired action from the board of directors  
4024 or comparable authority.

4025 Section 75. Section 607.0743, Florida Statutes, is created

4026 to read:

4027 607.0743 Stay of proceedings.—If the corporation commences  
4028 an inquiry into the allegations made in the demand or complaint,  
4029 the court may stay any derivative proceeding for such period as  
4030 the court deems appropriate.

4031 Section 76. Section 607.0744, Florida Statutes, is created  
4032 to read:

4033 607.0744 Dismissal.—

4034 (1) A derivative proceeding may be dismissed, in whole or  
4035 in part, by the court on motion by the corporation if a group  
4036 specified in subsection (2) or subsection (3) has determined in  
4037 good faith, after conducting a reasonable inquiry upon which its  
4038 conclusions are based, that the maintenance of the derivative  
4039 proceeding is not in the best interests of the corporation. In  
4040 all such cases, the corporation has the burden of proof  
4041 regarding the qualifications, good faith, and reasonable inquiry  
4042 of the group making the determination.

4043 (2) Unless a panel is appointed pursuant to subsection  
4044 (3), the determination required in subsection (1) shall be made  
4045 by:

4046 (a) A majority of qualified directors present at a meeting  
4047 of the board of directors if the qualified directors constitute  
4048 a quorum; or

4049 (b) A majority vote of a committee consisting of two or  
4050 more qualified directors appointed by majority vote of qualified

4051 directors present at a meeting of the board of directors,  
4052 regardless of whether such qualified directors constitute a  
4053 quorum.

4054 (3) Upon motion by the corporation, the court may appoint  
4055 a panel consisting of one or more disinterested and independent  
4056 individuals to make a determination required in subsection (1).

4057 (4) This section does not prevent the court from:

4058 (a) Enforcing a person's rights under the corporation's  
4059 articles of incorporation, bylaws or this chapter, including the  
4060 person's rights to information under s. 607.1602; or

4061 (b) Exercising its equitable or other powers, including  
4062 granting extraordinary relief in the form of a temporary  
4063 restraining order or preliminary injunction.

4064 Section 77. Section 607.0745, Florida Statutes, is created  
4065 to read:

4066 607.0745 Discontinuance or settlement; notice.—

4067 (1) A derivative action on behalf of a corporation may not  
4068 be discontinued or settled without the court's approval.

4069 (2) If the court determines that a proposed discontinuance  
4070 or settlement will substantially affect the interest of the  
4071 corporation's shareholders or a class, series, or voting group  
4072 of shareholders, the court shall direct that notice be given to  
4073 the shareholders affected. The court may determine which party  
4074 or parties to the derivative action shall bear the expense of  
4075 giving the notice.

4076 Section 78. Section 607.0746, Florida Statutes, is created  
 4077 to read:

4078 607.0746 Proceeds and expenses.—On termination of the  
 4079 derivative proceeding the court may:

4080 (1) Order the corporation to pay from the amount recovered  
 4081 in the derivative proceeding by the corporation the plaintiff's  
 4082 reasonable expenses, including reasonable attorney fees and  
 4083 costs, incurred in the derivative proceeding if it finds that,  
 4084 in the derivative proceeding, the plaintiff was successful in  
 4085 whole or in part; or

4086 (2) Order the plaintiff to pay any of the defendant's  
 4087 reasonable expenses, including reasonable attorney fees and  
 4088 costs, incurred in defending the proceeding if it finds that the  
 4089 proceeding was commenced or maintained without reasonable cause  
 4090 or for an improper purpose.

4091 Section 79. Section 607.0747, Florida Statutes, is created  
 4092 to read:

4093 607.0747 Applicability to foreign corporations.—In any  
 4094 derivative proceeding in the right of a foreign corporation  
 4095 brought in the courts of this state, the matters covered by ss.  
 4096 607.0741-607.0747 shall be governed by the laws of the  
 4097 jurisdiction of incorporation of the foreign corporation except  
 4098 for ss. 607.0743, 607.0745, and 607.0746.

4099 Section 80. Section 607.0748, Florida Statutes, is created  
 4100 to read:

4101 607.0748 Shareholder action to appoint custodians or  
4102 receivers.—

4103 (1) A circuit court may appoint one or more persons to be  
4104 custodians or receivers of and for a corporation in a proceeding  
4105 by a shareholder where it is established that:

4106 (a) The directors are deadlocked in the management of the  
4107 corporate affairs, the shareholders are unable to break the  
4108 deadlock, and irreparable injury to the corporation is  
4109 threatened or being suffered; or

4110 (b) The directors or those in control of the corporation  
4111 are acting fraudulently and irreparable injury to the  
4112 corporation is threatened or being suffered.

4113 (2) The court:

4114 (a) May issue injunctions, appoint one or more temporary  
4115 custodians or temporary receivers with all the powers and duties  
4116 the court directs, to take other action to preserve the  
4117 corporate assets wherever located, and to carry on the business  
4118 of the corporation until a full hearing is held;

4119 (b) Shall hold a full hearing, after notifying all parties  
4120 to the proceeding and any interested persons designated by the  
4121 court, before appointing a custodian or receiver; and

4122 (c) Has jurisdiction over the corporation and all of its  
4123 property, wherever located.

4124 (3) The court may appoint a natural person, a domestic  
4125 eligible entity, or a foreign eligible entity authorized to

4126 transact business in this state as a custodian or receiver and  
4127 may require the custodian or receiver to post bond, with or  
4128 without sureties, in an amount the court directs.

4129 (4) The court shall describe the powers and duties of the  
4130 custodian or receiver in its appointing order, which may be  
4131 amended. Among other powers:

4132 (a) A custodian may exercise all of the powers of the  
4133 corporation, through or in place of its board of directors, to  
4134 the extent necessary to manage the business and affairs of the  
4135 corporation; and

4136 (b) A receiver may dispose of all or any part of the  
4137 assets of the corporation, wherever located, at a public or  
4138 private sale, if authorized by the court, and may sue and defend  
4139 in the receiver's own name as receiver in all courts of this  
4140 state.

4141 (5) During a custodianship, the court may redesignate the  
4142 custodian a receiver and, during a receivership, the court may  
4143 redesignate the receiver a custodian, in each case if doing so  
4144 is in the best interests of the corporation.

4145 (6) The court from time to time during the custodianship  
4146 or receivership may order compensation paid and expense  
4147 disbursements or reimbursements made to any custodian or  
4148 receiver from the assets of the corporation or proceeds from the  
4149 sale of its assets.

4150 Section 81. Section 607.0749, Florida Statutes, is created

4151 to read:

4152 607.0749 Provisional director.—

4153 (1) In a proceeding by a shareholder, a provisional  
4154 director may be appointed in the discretion of the court if it  
4155 appears that such action by the court will remedy a situation in  
4156 which the directors are deadlocked in the management of the  
4157 corporate affairs and the shareholders are unable to break the  
4158 deadlock. A provisional director may be appointed  
4159 notwithstanding the absence of a vacancy on the board of  
4160 directors, and such director shall have all the rights and  
4161 powers of a duly elected director, including the right to notice  
4162 of and to vote at meetings of directors, until such time as the  
4163 provisional director is removed by order of the court or, unless  
4164 otherwise ordered by a court, removed by a vote of the  
4165 shareholders sufficient either to elect a majority of the board  
4166 of directors or, if greater than majority voting is required by  
4167 the articles of incorporation or the bylaws, to elect the  
4168 requisite number of directors needed to take action. A  
4169 provisional director shall be an impartial person who is neither  
4170 a shareholder nor a creditor of the corporation or of any  
4171 subsidiary or affiliate of the corporation, and whose further  
4172 qualifications, if any, may be determined by the court.

4173 (2) A provisional director shall report from time to time  
4174 to the court concerning the matter complained of, or the status  
4175 of the deadlock, if any, and of the status of the corporation's

4176 business, as the court shall direct. No provisional director  
4177 shall be liable for any action taken or decision made, except as  
4178 directors may be liable under s. 607.0831. In addition, the  
4179 provisional director shall submit to the court, if so directed,  
4180 recommendations as to the appropriate disposition of the action.  
4181 Whenever a provisional director is appointed, any officer or  
4182 director of the corporation may, from time to time, petition the  
4183 court for instructions clarifying the duties and  
4184 responsibilities of such officer or director.

4185 (3) In any proceeding under this section, the court shall  
4186 allow reasonable compensation to the provisional director for  
4187 services rendered and reimbursement or direct payment of  
4188 reasonable costs and expenses, which amounts shall be paid by  
4189 the corporation.

4190 Section 82. Section 607.0801, Florida Statutes, is amended  
4191 to read:

4192 607.0801 Requirement for and duties of board of  
4193 directors.—

4194 (1) Except as may be provided in an agreement authorized  
4195 pursuant to s. 607.0732(1), each corporation must have a board  
4196 of directors.

4197 (2) All corporate powers shall be exercised by or under  
4198 the authority of the board of directors of the corporation, and  
4199 the business and affairs of the corporation shall be managed by  
4200 or under the direction of, and subject to the oversight of, its



4201 board of directors, subject to any limitation set forth in the  
4202 articles of incorporation or in an agreement authorized under s.  
4203 607.0732.

4204 Section 83. Section 607.0802, Florida Statutes, is amended  
4205 to read:

4206 607.0802 Qualifications of directors.—

4207 (1) Directors must be natural persons who are 18 years of  
4208 age or older but need not be residents of this state or  
4209 shareholders of the corporation unless the articles of  
4210 incorporation or bylaws so require. The articles of  
4211 incorporation or bylaws may prescribe additional qualifications  
4212 for directors or nominees for directors.

4213 (2) A qualification for nomination for director prescribed  
4214 before a person's nomination shall apply to such person at the  
4215 time of nomination. A qualification for nomination for director  
4216 prescribed after a person's nomination does not apply to such  
4217 person with respect to such nomination.

4218 (3) A qualification for director prescribed before a  
4219 director has been elected or appointed may apply only at the  
4220 time an individual becomes a director or may apply during a  
4221 director's term. A qualification prescribed after a director has  
4222 been elected or appointed does not apply to that director before  
4223 the end of that director's term.

4224 (4)-(2) In the event that the eligibility to serve as a  
4225 member of the board of directors of a condominium association,

4226 cooperative association, homeowners' association, or mobile home  
 4227 owners' association is restricted to membership in such  
 4228 association and membership is appurtenant to ownership of a  
 4229 unit, parcel, or mobile home, a grantor of a trust described in  
 4230 s. 733.707(3), or a qualified beneficiary as defined in s.  
 4231 736.0103 of a trust which owns a unit, parcel, or mobile home  
 4232 shall be deemed a member of the association and eligible to  
 4233 serve as a director of the condominium association, cooperative  
 4234 association, homeowners' association, or mobile home owners'  
 4235 association, provided that said beneficiary occupies the unit,  
 4236 parcel, or mobile home.

4237 Section 84. Subsection (3) of section 607.0803, Florida  
 4238 Statutes, is amended to read:

4239 607.0803 Number of directors.—

4240 (3) Directors are elected at the first annual  
 4241 shareholders' meeting and at each annual shareholders' meeting  
 4242 thereafter, unless elected by written consent in lieu of an  
 4243 annual shareholders' meeting pursuant to s. 607.0704 or unless  
 4244 their terms are staggered under s. 607.0806.

4245 Section 85. Section 607.0804, Florida Statutes, is amended  
 4246 to read:

4247 607.0804 Election of directors by certain voting groups;  
 4248 special voting rights of certain directors.—The articles of  
 4249 incorporation may confer upon holders of any voting group the  
 4250 right to elect one or more directors who shall serve for such

4251 term and have such voting powers as are stated in the articles  
4252 of incorporation. The terms of office and voting powers of the  
4253 directors elected in the manner provided in the articles of  
4254 incorporation may be greater than or less than those of any  
4255 other director or class of directors. If the articles of  
4256 incorporation provide that directors elected by the holders of a  
4257 voting group shall have more or less than one vote per director  
4258 on any matter, every reference in this chapter ~~act~~ to a majority  
4259 or other proportion of directors shall refer to a majority or  
4260 other proportion of the votes of such directors. If a  
4261 shareholders' agreement meeting the requirements of s. 607.0732,  
4262 or articles of incorporation or bylaws meeting the requirements  
4263 of s. 607.0732, provide that directors shall have more or less  
4264 than one vote per director on any matter, every reference in  
4265 this chapter to a majority or other proportion of directors  
4266 shall refer to a majority or other proportion of the votes of  
4267 such directors.

4268 Section 86. Subsections (2) and (5) of section 607.0805,  
4269 Florida Statutes, are amended to read:

4270 607.0805 Terms of directors generally.—

4271 (2) The terms of all other directors expire at the next  
4272 annual shareholders' meeting following their election, except to  
4273 the extent:

4274 (a) Provided in s. 607.0806;

4275 (b) Provided in s. 607.1023 if a bylaw electing to be

4276 governed by that section is in effect; or

4277 (c) That a shorter term is specified in the articles of  
 4278 incorporation in the event of a director nominee failing to  
 4279 receive a specified vote for election unless their terms are  
 4280 staggered under s. 607.0806.

4281 (5) Except to the extent otherwise provided in the  
 4282 articles of incorporation or under s. 607.1023, if a bylaw  
 4283 electing to be governed by that section is in effect, despite  
 4284 the expiration of a director's term, the director continues to  
 4285 serve until his or her successor is elected and qualifies or  
 4286 until there is a decrease in the number of directors.

4287 Section 87. Section 607.0806, Florida Statutes, is amended  
 4288 to read:

4289 607.0806 Staggered terms for directors.-

4290 (1) ~~The directors of any corporation organized under this~~  
 4291 ~~act may, by the~~ articles of incorporation, the initial bylaws or  
 4292 ~~by an initial bylaw, or by~~ a bylaw adopted by a vote of the  
 4293 shareholders, may provide for staggering the terms of directors  
 4294 by dividing the total number of directors into two or three  
 4295 groups, with each group containing half or one-third of the  
 4296 total, as near as may be practicable. In that event, the terms  
 4297 of the first group expire at the first annual shareholders'  
 4298 meeting after their election, the terms of the second group  
 4299 expire at the second annual shareholders' meeting after their  
 4300 election, and the terms of the third group, if any, expire at

4301 the third annual shareholders' meeting after their election. At  
4302 each annual shareholders' meeting held thereafter, directors  
4303 shall be elected for a term of two years or three years ~~be~~  
4304 ~~divided into one, two, or three classes with the number of~~  
4305 ~~directors in each class being as nearly equal as possible; the~~  
4306 ~~term of office of those of the first class to expire at the~~  
4307 ~~annual meeting next ensuing; of the second class 1 year~~  
4308 ~~thereafter; of the third class 2 years thereafter; and at each~~  
4309 ~~annual election held after such classification and election,~~  
4310 ~~directors shall be chosen for a full term, as the case may be,~~  
4311 to succeed those whose terms expire. If the directors have  
4312 staggered terms, then any increase or decrease in the number of  
4313 directors shall be so apportioned among the classes as to make  
4314 all classes as nearly equal in number as possible.

4315 (2) In the case of any Florida corporation in existence  
4316 prior to July 1, 1990, directors of such corporation divided  
4317 into four classes may continue to serve staggered terms as the  
4318 articles of incorporation or bylaws of such corporation provided  
4319 immediately prior to the effective date of this chapter act,  
4320 unless and until the articles of incorporation or bylaws are  
4321 amended to alter or terminate such classes.

4322 Section 88. Section 607.0807, Florida Statutes, is amended  
4323 to read:

4324 607.0807 Resignation of directors.—

4325 (1) A director may resign at any time by delivering

4326 written notice of resignation to the board of directors or its  
4327 chair or to the secretary of the corporation.

4328 (2) A resignation is effective when the notice of  
4329 resignation is delivered unless the notice of resignation  
4330 specifies a later effective date or an effective date determined  
4331 upon the subsequent happening of an event or events. If a  
4332 resignation is made effective at a later date or upon the  
4333 subsequent happening of an event or events, the board of  
4334 directors may fill the pending vacancy before the effective date  
4335 occurs if the board of directors provides that the successor  
4336 does not take office until the effective date.

4337 (3) A resignation that specifies a later effective date or  
4338 that is conditioned upon the subsequent happening of an event or  
4339 events or upon failing to receive a specified vote for election  
4340 as a director may provide that the resignation is irrevocable.

4341 Section 89. Subsections (3) and (4) of section 607.0808,  
4342 Florida Statutes, are amended to read:

4343 607.0808 Removal of directors by shareholders.—

4344 (3) A director may be removed if the number of votes cast  
4345 to remove the director exceeds the number of votes cast not to  
4346 remove the director, except to the extent the articles of  
4347 incorporation or bylaws require a greater number; provided that  
4348 if cumulative voting is authorized, a director may not be  
4349 removed if, in the case of a meeting, the number of votes  
4350 sufficient to elect the director under cumulative voting is

4351 | voted against his or her removal and, if action is taken by less  
 4352 | than unanimous written consent, voting shareholders entitled to  
 4353 | the number of votes sufficient to elect the director under  
 4354 | cumulative voting do not consent to the removal. ~~If cumulate~~  
 4355 | ~~voting is not authorized, a director may be removed only if the~~  
 4356 | ~~number of votes cast to remove the director exceeds the number~~  
 4357 | ~~of votes cast not to remove him or her.~~

4358 |       (4) A director may be removed by the shareholders only at  
 4359 | a meeting of shareholders called for the purpose of removing the  
 4360 | director and the meeting notice must state that the, ~~provided~~  
 4361 | ~~the notice of the meeting states that the purpose, or one of the~~  
 4362 | ~~purposes, of the meeting is removal of the director~~ is the  
 4363 | purpose of the meeting.

4364 |       Section 90. Section 607.08081, Florida Statutes, is  
 4365 | created to read:

4366 |       607.08081 Removal of directors by judicial proceedings.-

4367 |       (1) The circuit court in the applicable county may remove  
 4368 | a director from office, and may order other relief, including  
 4369 | barring the director from reelection for a period prescribed by  
 4370 | the court, in a proceeding commenced by or in the right of the  
 4371 | corporation if the court finds that:

4372 |       (a) The director engaged in fraudulent conduct with  
 4373 | respect to the corporation or its shareholders, grossly abused  
 4374 | the position of director, or intentionally inflicted harm on the  
 4375 | corporation; and

4376 (b) Considering the director's course of conduct and the  
4377 inadequacy of other available remedies, removal or such other  
4378 relief would be in the best interest of the corporation.

4379 (2) A shareholder proceeding on behalf of the corporation  
4380 under paragraph (1)(a) shall comply with all of the requirements  
4381 of ss. 607.0741-607.0747, except s. 607.0741(1).

4382 Section 91. Section 607.0809, Florida Statutes, is amended  
4383 to read:

4384 607.0809 Vacancy on board.—

4385 (1) Unless the articles of incorporation provide  
4386 otherwise, if ~~Whenever~~ a vacancy occurs on a board of directors,  
4387 including a vacancy resulting from an increase in the number of  
4388 directors; ~~it may be filled by the affirmative vote of a~~  
4389 ~~majority of the remaining directors, though less than a quorum~~  
4390 ~~of the board of directors, or by the shareholders, unless the~~  
4391 ~~articles of incorporation provide otherwise~~

4392 (a) The shareholders may fill the vacancy;

4393 (b) The board of directors may fill the vacancy; or

4394 (c) If the directors remaining in office are less than a  
4395 quorum, the vacancy may be filled by the affirmative vote of a  
4396 majority of all the directors then remaining in office.

4397 (2) If the vacant office was held by a director elected by  
4398 a voting group of shareholders, only the holders of shares of  
4399 that voting group are entitled to vote to fill the vacancy if it  
4400 is filled by the shareholders, and only the remaining directors



4401 elected by that voting group, even if less than a quorum, are  
4402 entitled to fill the vacancy if it is filled by the directors  
4403 ~~Whenever the holders of shares of any voting group are entitled~~  
4404 ~~to elect a class of one or more directors by the provisions of~~  
4405 ~~the articles of incorporation, vacancies in such class may be~~  
4406 ~~filled by holders of shares of that voting group or by a~~  
4407 ~~majority of the directors then in office elected by such voting~~  
4408 ~~group or by a sole remaining director so elected. If no director~~  
4409 ~~elected by such voting group remains in office, unless the~~  
4410 ~~articles of incorporation provide otherwise, directors not~~  
4411 ~~elected by such voting group may fill vacancies as provided in~~  
4412 ~~subsection (1).~~

4413 (3) A vacancy that will ~~may~~ occur at a specified later  
4414 date (~~under s. 607.0807(2)~~ by reason of a resignation effective  
4415 at a later date under s. 607.0807(2) or otherwise ~~or upon the~~  
4416 ~~subsequent happening of an event~~) may be filled before the  
4417 vacancy occurs, but the new director may not take office until  
4418 the vacancy occurs.

4419 Section 92. Subsection (4) of section 607.0820, Florida  
4420 Statutes, is amended to read:

4421 607.0820 Meetings.—

4422 (4) Unless the articles of incorporation or bylaws provide  
4423 otherwise, the board of directors may permit any or all  
4424 directors to participate in any meeting of the board of  
4425 directors ~~a regular or special meeting by, or conduct the~~

4426 ~~meeting~~ through the use of~~7~~ any means of communication by which  
4427 all directors participating may simultaneously hear each other  
4428 during the meeting. A director participating in a meeting by  
4429 this means is deemed to be present in person at the meeting.

4430 Section 93. Subsections (1) and (2) of section 607.0821,  
4431 Florida Statutes, are amended to read:

4432 607.0821 Action by directors without a meeting.—

4433 (1) Unless the articles of incorporation or bylaws provide  
4434 otherwise, action required or permitted by this chapter ~~act~~ to  
4435 be taken at a board of directors' meeting or committee meeting  
4436 may be taken without a meeting if the action is taken by all  
4437 members of the board or of the committee. The action must be  
4438 evidenced by one or more written consents describing the action  
4439 taken and signed by each director or committee member and  
4440 delivered to the corporation.

4441 (2) Action taken under this section is effective when the  
4442 last director signs the consent and delivers the consent to the  
4443 corporation, unless the consent specifies a different effective  
4444 date. A director's consent may be withdrawn by a revocation  
4445 signed by the director and delivered to the corporation prior to  
4446 delivery to the corporation of unrevoked written consents signed  
4447 by all the directors.

4448 Section 94. Section 607.0823, Florida Statutes, is amended  
4449 to read:

4450 607.0823 Waiver of notice.—Notice of a meeting of the

4451 board of directors need not be given to any director who signs a  
4452 waiver of notice either before or after the meeting. Attendance  
4453 of a director at a meeting shall constitute a waiver of notice  
4454 of such meeting and a waiver of any and all objections to the  
4455 date, time, place, or purpose of the meeting, ~~the time of the~~  
4456 ~~meeting,~~ or the manner in which it has been called or convened,  
4457 except when a director states, at the beginning of the meeting  
4458 or promptly upon arrival at the meeting, any objection to  
4459 holding the meeting or to the transaction of business because  
4460 the meeting is not lawfully called or convened and if the  
4461 director, after objection, does not vote for or consent to  
4462 action taken at the meeting.

4463 Section 95. Subsections (1), (2), and (3) of section  
4464 607.0824, Florida Statutes, are amended, present subsection (4)  
4465 of that section is redesignated as subsection (5), and a new  
4466 subsection (4) is added to that section, to read:

4467 607.0824 Quorum and voting.—

4468 (1) Unless the articles of incorporation or bylaws provide  
4469 for a greater or lesser number, or unless otherwise expressly  
4470 provided in this chapter ~~require a different number,~~ a quorum of  
4471 a board of directors consists of a majority of the number of  
4472 directors specified in or fixed in accordance with ~~prescribed by~~  
4473 the articles of incorporation or the bylaws.

4474 (2) The quorum of the board of directors specified in or  
4475 fixed in accordance with the articles of incorporation or bylaws

4476 may not consist of less than ~~may authorize a quorum of a board~~  
4477 ~~of directors to consist of less than a majority but no fewer~~  
4478 ~~than~~ one-third of the specified or fixed ~~prescribed~~ number of  
4479 directors ~~determined under the articles of incorporation or the~~  
4480 ~~bylaws.~~

4481 (3) If a quorum is present when a vote is taken, the  
4482 affirmative vote of a majority of directors present is the act  
4483 of the board of directors unless the articles of incorporation  
4484 or bylaws require the vote of a greater number of directors or  
4485 unless otherwise expressly provided for in this chapter.

4486 (4) If any directors have special voting rights in  
4487 compliance with the provisions of s. 607.0804, the quorum and  
4488 voting requirements of this section shall be determined  
4489 consistent with the provisions of s. 607.0804.

4490 Section 96. Section 607.0825, Florida Statutes, is amended  
4491 to read:

4492 607.0825 Committees.—

4493 (1) Unless this chapter, the articles of incorporation, or  
4494 the bylaws provide otherwise, the board of directors may  
4495 establish ~~provide, the board of directors, by resolution adopted~~  
4496 ~~by a majority of the full board of directors, may designate from~~  
4497 ~~among its members~~ an executive committee and one or more other  
4498 board committees to perform functions of the board of directors.  
4499 Such committees shall be composed exclusively of one or more  
4500 directors ~~committees each of which, to the extent provided in~~

4501 ~~such resolution or in the articles of incorporation or the~~  
4502 ~~bylaws of the corporation, shall have and may exercise all the~~  
4503 ~~authority of the board of directors, except that no such~~  
4504 ~~committee shall have the authority to:~~

4505 ~~(a) Approve or recommend to shareholders actions or~~  
4506 ~~proposals required by this act to be approved by shareholders.~~

4507 ~~(b) Fill vacancies on the board of directors or any~~  
4508 ~~committee thereof.~~

4509 ~~(c) Adopt, amend, or repeal the bylaws.~~

4510 ~~(d) Authorize or approve the reacquisition of shares~~  
4511 ~~unless pursuant to a general formula or method specified by the~~  
4512 ~~board of directors.~~

4513 ~~(e) Authorize or approve the issuance or sale or contract~~  
4514 ~~for the sale of shares, or determine the designation and~~  
4515 ~~relative rights, preferences, and limitations of a voting group~~  
4516 ~~except that the board of directors may authorize a committee (or~~  
4517 ~~a senior executive officer of the corporation) to do so within~~  
4518 ~~limits specifically prescribed by the board of directors.~~

4519 ~~(2) Unless this chapter, the articles of incorporation, or~~  
4520 ~~the bylaws provide otherwise, the establishment of a board~~  
4521 ~~committee, the appointment of members to such committee, the~~  
4522 ~~dissolution of a previously created board committee, and the~~  
4523 ~~removal of members from a previously created board committee~~  
4524 ~~must be approved by a majority of all the directors in office~~  
4525 ~~when the action is taken ~~Unless the articles of incorporation or~~~~

4526 ~~bylaws provide otherwise, ss. 607.0820, 607.0822, 607.0823, and~~  
4527 ~~607.0824 which govern meetings, notice and waiver of notice, and~~  
4528 ~~quorum and voting requirements of the board of directors apply~~  
4529 ~~to committees and their members as well.~~

4530 (3) Sections 607.0820-607.0824, which govern meetings,  
4531 notice and waiver of notice, and quorum and voting requirements  
4532 of the board of directors, apply to board committees and their  
4533 members as well.

4534 (4) A board committee may exercise the powers of the board  
4535 of directors under s. 607.0801, except that a board committee  
4536 may not:

4537 (a) Authorize or approve the reacquisition of shares  
4538 unless pursuant to a formula or method, or within limits,  
4539 prescribed by the board of directors.

4540 (b) Approve, recommend to shareholders, or propose to  
4541 shareholders action that this chapter requires be approved by  
4542 shareholders.

4543 (c) Fill vacancies on the board of directors or on any  
4544 board committee.

4545 (d) Adopt, amend, or repeal bylaws.

4546 (5) The establishment of, delegation of authority to, or  
4547 action by a committee does not alone constitute compliance by a  
4548 director with the standards of conduct described in s. 607.0830.

4549 (6) The board of directors may appoint ~~Each committee must~~  
4550 ~~have two or more members who serve at the pleasure of the board~~

4551 ~~of directors. The board, by resolution adopted in accordance~~  
4552 ~~with subsection (1), may designate one or more directors as~~  
4553 ~~alternate members of any board such committee to fill a vacancy~~  
4554 ~~on the committee or to replace who may act in the place and~~  
4555 ~~stead of any absent or disqualified member of such committee~~  
4556 ~~during the member's absence or disqualification. If the articles~~  
4557 ~~of incorporation, the bylaws, or the resolution creating the~~  
4558 ~~board committee so provide, the member or members present at any~~  
4559 ~~board committee meeting and not disqualified from voting, by~~  
4560 ~~unanimous action, may appoint another director to act in place~~  
4561 ~~of an absent or disqualified member during that member's absence~~  
4562 ~~or disqualification or members at any meeting of such committee.~~

4563 ~~(4) Neither the designation of any such committee, the~~  
4564 ~~delegation thereto of authority, nor action by such committee~~  
4565 ~~pursuant to such authority shall alone constitute compliance by~~  
4566 ~~any member of the board of directors not a member of the~~  
4567 ~~committee in question with his or her responsibility to act in~~  
4568 ~~good faith, in a manner he or she reasonably believes to be in~~  
4569 ~~the best interests of the corporation, and with such care as an~~  
4570 ~~ordinarily prudent person in a like position would use under~~  
4571 ~~similar circumstances.~~

4572 Section 97. Section 607.0826, Florida Statutes, is created  
4573 to read:

4574 607.0826 Submission of matters for a shareholder vote.—A  
4575 corporation may agree to submit a matter to a vote of its

4576 shareholders even if, after approving the matter, the board of  
 4577 directors determines it no longer recommends the matter.

4578 Section 98. Section 607.0830, Florida Statutes, is amended  
 4579 to read:

4580 607.0830 General standards for directors.—

4581 (1) Each member of the board of directors, when  
 4582 discharging the duties of a director, including in discharging  
 4583 his or her duties as a member of a board committee, must act ~~A~~  
 4584 ~~director shall discharge his or her duties as a director,~~  
 4585 ~~including his or her duties as a member of a committee:~~

4586 (a) In good faith; and

4587 (b) ~~With the care an ordinarily prudent person in a like~~  
 4588 ~~position would exercise under similar circumstances; and~~

4589 ~~(c)~~ In a manner he or she reasonably believes to be in the  
 4590 best interests of the corporation.

4591 (2) The members of the board of directors or a board  
 4592 committee, when becoming informed in connection with a  
 4593 decisionmaking function or devoting attention to an oversight  
 4594 function, shall discharge their duties with the care that an  
 4595 ordinary prudent person in a like position would reasonably  
 4596 believe appropriate under similar circumstances ~~In discharging~~  
 4597 ~~his or her duties, a director is entitled to rely on~~  
 4598 ~~information, opinions, reports, or statements, including~~  
 4599 ~~financial statements and other financial data, if prepared or~~  
 4600 ~~presented by:~~



4601 ~~(a) One or more officers or employees of the corporation~~  
4602 ~~whom the director reasonably believes to be reliable and~~  
4603 ~~competent in the matters presented;~~

4604 ~~(b) Legal counsel, public accountants, or other persons as~~  
4605 ~~to matters the director reasonably believes are within the~~  
4606 ~~persons' professional or expert competence; or~~

4607 ~~(c) A committee of the board of directors of which he or~~  
4608 ~~she is not a member if the director reasonably believes the~~  
4609 ~~committee merits confidence.~~

4610 (3) In discharging board or board committee duties, a  
4611 director who does not have knowledge that makes reliance  
4612 unwarranted is entitled to rely on the performance by any of the  
4613 persons specified in paragraph (5) (a) or paragraph (5) (b) to  
4614 whom the board may have delegated, formally or informally by  
4615 course of conduct, the authority or duty to perform one or more  
4616 of the board's functions that are delegable under applicable  
4617 law.

4618 (4) In discharging board or board committee duties, a  
4619 director who does not have knowledge that makes reliance  
4620 unwarranted is entitled to rely on information, opinions,  
4621 reports, or statements, including financial statements and other  
4622 financial data, prepared or presented by any of the persons  
4623 specified in subsection (5).

4624 (5) A director is entitled to rely, in accordance with  
4625 subsection (3) or subsection (4), on:

4626 (a) One or more officers or employees of the corporation  
 4627 whom the director reasonably believes to be reliable and  
 4628 competent in the functions performed or the information,  
 4629 opinions, reports, or statements provided;

4630 (b) Legal counsel, public accountants, or other persons  
 4631 retained by the corporation or by a committee of the board of  
 4632 the corporation as to matters involving skills or expertise the  
 4633 director reasonably believes are matters:

4634 1. Within the particular person's professional or expert  
 4635 competence; or

4636 2. As to which the particular person merits confidence; or

4637 (c) A committee of the board of directors of which the  
 4638 director is not a member if the director reasonably believes the  
 4639 committee merits confidence.

4640 (6)(3) In discharging board or board committee his or her  
 4641 duties, a director may consider such factors as the director  
 4642 deems relevant, including the long-term prospects and interests  
 4643 of the corporation and its shareholders, and the social,  
 4644 economic, legal, or other effects of any action on the  
 4645 employees, suppliers, customers of the corporation or its  
 4646 subsidiaries, the communities and society in which the  
 4647 corporation or its subsidiaries operate, and the economy of the  
 4648 state and the nation.

4649 ~~(4) A director is not acting in good faith if he or she~~  
 4650 ~~has knowledge concerning the matter in question that makes~~

4651 ~~reliance otherwise permitted by subsection (2) unwarranted.~~

4652 ~~(5) A director is not liable for any action taken as a~~  
4653 ~~director, or any failure to take any action, if he or she~~  
4654 ~~performed the duties of his or her office in compliance with~~  
4655 ~~this section.~~

4656 Section 99. Subsections (1) and (3) of section 607.0831,  
4657 Florida Statutes, are amended to read:

4658 607.0831 Liability of directors.—

4659 (1) A director is not personally liable for monetary  
4660 damages to the corporation or any other person for any  
4661 statement, vote, decision to take or not to take action, or any  
4662 failure to take any action, as ~~or failure to act, regarding~~  
4663 ~~corporate management or policy, by a director, unless:~~

4664 (a) The director breached or failed to perform his or her  
4665 duties as a director; and

4666 (b) The director's breach of, or failure to perform, those  
4667 duties constitutes any of the following:

4668 1. A violation of the criminal law, unless the director  
4669 had reasonable cause to believe his or her conduct was lawful or  
4670 had no reasonable cause to believe his or her conduct was  
4671 unlawful. A judgment or other final adjudication against a  
4672 director in any criminal proceeding for a violation of the  
4673 criminal law estops that director from contesting the fact that  
4674 his or her breach, or failure to perform, constitutes a  
4675 violation of the criminal law; but does not estop the director

4676 from establishing that he or she had reasonable cause to believe  
4677 that his or her conduct was lawful or had no reasonable cause to  
4678 believe that his or her conduct was unlawful;

4679 2. A circumstance under which the A transaction at issue  
4680 is one from which the director derived an improper personal  
4681 benefit, either directly or indirectly;

4682 3. A circumstance under which the liability provisions of  
4683 s. 607.0834 are applicable;

4684 4. In a proceeding by or in the right of the corporation  
4685 to procure a judgment in its favor or by or in the right of a  
4686 shareholder, conscious disregard for the best interest of the  
4687 corporation, or willful or intentional misconduct; or

4688 5. In a proceeding by or in the right of someone other  
4689 than the corporation or a shareholder, recklessness or an act or  
4690 omission which was committed in bad faith or with malicious  
4691 purpose or in a manner exhibiting wanton and willful disregard  
4692 of human rights, safety, or property.

4693 (3) A director is deemed not to have derived an improper  
4694 personal benefit from any transaction if the transaction and the  
4695 nature of any personal benefit derived by the director are not  
4696 prohibited by state or federal law or regulation and, without  
4697 further limitation:

4698 (a) In an action other than a derivative suit regarding a  
4699 decision by the director to approve, reject, or otherwise affect  
4700 the outcome of an offer to purchase the shares ~~stock~~ of, or to

4701 effect a merger of, the corporation, the transaction and the  
 4702 nature of any personal benefits derived by a director are  
 4703 disclosed or known to all directors voting on the matter, and  
 4704 the transaction was authorized, approved, or ratified by at  
 4705 least two directors who comprise a majority of the disinterested  
 4706 directors (whether or not such disinterested directors  
 4707 constitute a quorum); or

4708 (b) The transaction is fair to the corporation at the time  
 4709 it is authorized, approved, or ratified as determined in  
 4710 accordance with s. 607.0832 ~~and the nature of any personal~~  
 4711 ~~benefits derived by a director are disclosed or known to the~~  
 4712 ~~shareholders entitled to vote, and the transaction was~~  
 4713 ~~authorized, approved, or ratified by the affirmative vote or~~  
 4714 ~~written consent of such shareholders who hold a majority of the~~  
 4715 ~~shares, the voting of which is not controlled by directors who~~  
 4716 ~~derived a personal benefit from or otherwise had a personal~~  
 4717 ~~interest in the transaction; or~~

4718 ~~(c) The transaction was fair and reasonable to the~~  
 4719 ~~corporation at the time it was authorized by the board, a~~  
 4720 ~~committee, or the shareholders, notwithstanding that a director~~  
 4721 ~~received a personal benefit.~~

4722 Section 100. Section 607.0832, Florida Statutes, is  
 4723 amended to read:

4724 607.0832 Director conflicts of interest.—

4725 (1) As used in this section, the following terms and

4726 definitions apply:

4727 (a) "Director's conflict of interest transaction" means a  
 4728 transaction between a corporation and one or more of its  
 4729 directors, or another entity in which one or more of the  
 4730 corporation's directors is directly or indirectly a party to the  
 4731 transaction, other than being an indirect party as a result of  
 4732 being a shareholder of the corporation, and has a direct or  
 4733 indirect material financial interest or other material interest.

4734 (b) "Fair to the corporation" means that the transaction,  
 4735 as a whole, is beneficial to the corporation and its  
 4736 shareholders, taking into appropriate account whether it is:

4737 1. Fair in terms of the director's dealings with the  
 4738 corporation in connection with that transaction; and

4739 2. Comparable to what might have been obtainable in an  
 4740 arm's length transaction.

4741 (c) "Family member" includes any of the following:

4742 1. The director's spouse.

4743 2. A child, stepchild, parent, stepparent, grandparent,  
 4744 sibling, step sibling, or half sibling of the director or the  
 4745 director's spouse.

4746 (d) A director is "indirectly" a party to a transaction if  
 4747 that director has a material financial interest in or is a  
 4748 director, officer, member, manager, or partner of a person,  
 4749 other than the corporation, who is a party to the transaction.

4750 (e) A director has an "indirect material financial

4751 interest" if a family member has a material financial interest  
4752 in the transaction, other than having an indirect interest as a  
4753 shareholder of the corporation, or if the transaction is with an  
4754 entity, other than the corporation, which has a material  
4755 financial interest in the transaction and controls, or is  
4756 controlled by, the director or another person specified in this  
4757 subsection.

4758 (f) "Material financial interest" or "other material  
4759 interest" means a financial or other interest in the transaction  
4760 that would reasonably be expected to impair the objectivity of  
4761 the director's judgment when participating in the action on the  
4762 authorization of the transaction.

4763 (2) If a director's conflict of interest transaction is  
4764 fair to the corporation at the time it is authorized, approved,  
4765 effectuated, or ratified:

4766 (a) Such transaction is not void or voidable; and

4767 (b) The fact that the transaction is a director's conflict  
4768 of interest transaction is not grounds for any equitable relief,  
4769 an award of damages, or other sanctions,

4770  
4771 because of that relationship or interest, because such director  
4772 or directors are present at the meeting of the board of  
4773 directors or a committee thereof which authorizes, approves, or  
4774 ratifies such transaction, or because his or her or their votes  
4775 are counted for such purpose.

4776 (3) (a) In a proceeding challenging the validity of a  
4777 director's conflict of interest transaction or in a proceeding  
4778 seeking equitable relief, award of damages, or other sanctions  
4779 with respect to a director's conflict of interest transaction,  
4780 the person challenging the validity or seeking equitable relief,  
4781 award of damages, or other sanctions has the burden of proving  
4782 the lack of fairness of the transaction if:

4783 1. The material facts of the transaction and the  
4784 director's interest in the transaction were disclosed or known  
4785 to the board of directors or committee that authorizes,  
4786 approves, or ratifies the transaction and the transaction was  
4787 authorized, approved, or ratified by a vote of a majority of the  
4788 qualified directors even if the qualified directors constitute  
4789 less than a quorum of the board or the committee; however, the  
4790 transaction cannot be authorized, approved, or ratified under  
4791 this subsection solely by a single director; or

4792 2. The material facts of the transaction and the  
4793 director's interest in the transaction were disclosed or known  
4794 to the shareholders who voted upon such transaction and the  
4795 transaction was authorized, approved, or ratified by a majority  
4796 of the votes cast by disinterested shareholders or by the  
4797 written consent of disinterested shareholders representing a  
4798 majority of the votes that could be cast by all disinterested  
4799 shareholders. Shares owned by or voted under the control of a  
4800 director who has a relationship or interest in the director's



4801 conflict of interest transaction may not be considered shares  
4802 owned by a disinterested shareholder and may not be counted in a  
4803 vote of shareholders to determine whether to authorize, approve,  
4804 or ratify a director's conflict of interest transaction under  
4805 this subparagraph. The vote of those shares, however, is counted  
4806 in determining whether the transaction is approved under other  
4807 sections of this chapter. A majority of the shares, whether or  
4808 not present, that are entitled to be counted in a vote on the  
4809 transaction under this subparagraph constitutes a quorum for the  
4810 purpose of taking action under this section.

4811 (b) If neither of the conditions provided in paragraph (a)  
4812 has been satisfied, the person defending or asserting the  
4813 validity of a director's conflict of interest transaction has  
4814 the burden of proving its fairness in a proceeding challenging  
4815 the validity of the transaction.

4816 (4) The presence of or a vote cast by a director with an  
4817 interest in the transaction does not affect the validity of an  
4818 action taken under paragraph (3)(a) if the transaction is  
4819 otherwise authorized, approved, or ratified as provided in  
4820 subsection (3), but the presence or vote of the director may be  
4821 counted for purposes of determining whether the transaction is  
4822 approved under other sections of this chapter.

4823 (5) In addition to other grounds for challenge, a party  
4824 challenging the validity of the transaction is not precluded  
4825 from asserting and proving that a particular director or

4826 shareholder was not disinterested on grounds of financial or  
 4827 other interest for purposes of the vote on, consent to, or  
 4828 approval of the transaction.

4829 (6) If directors' action under this section does not  
 4830 otherwise satisfy a quorum or voting requirement applicable to  
 4831 the authorization of the transaction by directors as required by  
 4832 the articles of incorporation, the bylaws, this chapter, or any  
 4833 other law, an action to satisfy those authorization  
 4834 requirements, whether as part of the same action or by way of  
 4835 another action, must be taken by the board of directors or a  
 4836 committee in order to authorize the transaction. In such action,  
 4837 the vote or consent of directors who are not disinterested may  
 4838 be counted.

4839 (7) Where shareholders' action under this section does not  
 4840 satisfy a quorum or voting requirement applicable to the  
 4841 authorization of the transaction by shareholders as required by  
 4842 the articles of incorporation, the bylaws, this chapter, or any  
 4843 other law, an action to satisfy those authorization  
 4844 requirements, whether as part of the same action or by way of  
 4845 another action, must be taken by the shareholders in order to  
 4846 authorize the transaction. In such action, the vote or consent  
 4847 of shareholders who are not disinterested shareholders may be  
 4848 counted ~~No contract or other transaction between a corporation~~  
 4849 ~~and one or more of its directors or any other corporation, firm,~~  
 4850 ~~association, or entity in which one or more of its directors are~~

4851 ~~directors or officers or are financially interested shall be~~  
4852 ~~either void or voidable because of such relationship or~~  
4853 ~~interest, because such director or directors are present at the~~  
4854 ~~meeting of the board of directors or a committee thereof which~~  
4855 ~~authorizes, approves, or ratifies such contract or transaction,~~  
4856 ~~or because his or her or their votes are counted for such~~  
4857 ~~purpose, if:~~

4858 ~~(a) The fact of such relationship or interest is disclosed~~  
4859 ~~or known to the board of directors or committee which~~  
4860 ~~authorizes, approves, or ratifies the contract or transaction by~~  
4861 ~~a vote or consent sufficient for the purpose without counting~~  
4862 ~~the votes or consents of such interested directors;~~

4863 ~~(b) The fact of such relationship or interest is disclosed~~  
4864 ~~or known to the shareholders entitled to vote and they~~  
4865 ~~authorize, approve, or ratify such contract or transaction by~~  
4866 ~~vote or written consent; or~~

4867 ~~(c) The contract or transaction is fair and reasonable as~~  
4868 ~~to the corporation at the time it is authorized by the board, a~~  
4869 ~~committee, or the shareholders.~~

4870 ~~(2) For purposes of paragraph (1) (a) only, a conflict of~~  
4871 ~~interest transaction is authorized, approved, or ratified if it~~  
4872 ~~receives the affirmative vote of a majority of the directors on~~  
4873 ~~the board of directors, or on the committee, who have no~~  
4874 ~~relationship or interest in the transaction described in~~  
4875 ~~subsection (1), but a transaction may not be authorized,~~

4876 ~~approved, or ratified under this section by a single director.~~  
4877 ~~If a majority of the directors who have no such relationship or~~  
4878 ~~interest in the transaction vote to authorize, approve, or~~  
4879 ~~ratify the transaction, a quorum is present for the purpose of~~  
4880 ~~taking action under this section. The presence of, or a vote~~  
4881 ~~cast by, a director with such relationship or interest in the~~  
4882 ~~transaction does not affect the validity of any action taken~~  
4883 ~~under paragraph (1) (a) if the transaction is otherwise~~  
4884 ~~authorized, approved, or ratified as provided in that~~  
4885 ~~subsection, but such presence or vote of those directors may be~~  
4886 ~~counted for purposes of determining whether the transaction is~~  
4887 ~~approved under other sections of this act.~~

4888 ~~(3) For purposes of paragraph (1) (b), a conflict of~~  
4889 ~~interest transaction is authorized, approved, or ratified if it~~  
4890 ~~receives the vote of a majority of the shares entitled to be~~  
4891 ~~counted under this subsection. Shares owned by or voted under~~  
4892 ~~the control of a director who has a relationship or interest in~~  
4893 ~~the transaction described in subsection (1) may not be counted~~  
4894 ~~in a vote of shareholders to determine whether to authorize,~~  
4895 ~~approve, or ratify a conflict of interest transaction under~~  
4896 ~~paragraph (1) (b). The vote of those shares, however, is counted~~  
4897 ~~in determining whether the transaction is approved under other~~  
4898 ~~sections of this act. A majority of the shares, whether or not~~  
4899 ~~present, that are entitled to be counted in a vote on the~~  
4900 ~~transaction under this subsection constitutes a quorum for the~~

4901 ~~purpose of taking action under this section.~~

4902 Section 101. Section 607.0833, Florida Statutes, is  
 4903 amended to read:

4904 607.0833 Loans to officers, directors, and employees;  
 4905 guaranty of obligations.—Any corporation may lend money to,  
 4906 guarantee any obligation of, or otherwise assist any officer,  
 4907 director, or employee of the corporation or of a subsidiary,  
 4908 whenever, in the judgment of the board of directors, such loan,  
 4909 guaranty, or assistance may reasonably be expected to benefit  
 4910 the corporation. The loan, guaranty, or other assistance may be  
 4911 with or without interest and may be unsecured or secured in such  
 4912 manner as the board of directors shall approve, including~~7~~  
 4913 ~~without limitation,~~ a pledge of shares of stock of the  
 4914 corporation. Nothing in this section shall be deemed to deny,  
 4915 limit, or restrict the powers of guaranty or warranty of any  
 4916 corporation at common law or under any statute. Loans,  
 4917 guarantees, or other types of assistance are subject to s.  
 4918 607.0832.

4919 Section 102. Subsections (1) and (3) of section 607.0834,  
 4920 Florida Statutes, are amended to read:

4921 607.0834 Liability for unlawful distributions.—

4922 (1) A director who votes for or assents to a distribution  
 4923 made in violation of s. 607.06401, s. 607.1410(1), or the  
 4924 articles of incorporation is personally liable to the  
 4925 corporation for the amount of the distribution that exceeds what

4926 | could have been distributed without violating s. 607.06401, s.  
4927 | 607.1410(1), or the articles of incorporation if it is  
4928 | established that the director did not perform his or her duties  
4929 | in compliance with s. 607.0830. In any proceeding commenced  
4930 | under this section, a director has all of the defenses  
4931 | ordinarily available to a director.

4932 |       (3) A proceeding under this section is barred unless it is  
4933 | commenced:

4934 |       (a) Within 2 years after the date on which the effect of  
4935 | the distribution was measured under s. 607.06401(6) or (8);—

4936 |       (b) Within 2 years after the date as of which the  
4937 | violation of s. 607.06401 occurred as the consequence of  
4938 | disregard of a restriction in the articles of incorporation;

4939 |       (c) Within 2 years after the date on which the  
4940 | distribution of assets to shareholders under s. 607.1410(1) was  
4941 | made; or

4942 |       (d) With regard to contribution or recoupment under  
4943 | subsection (2), within 1 year after the liability of the  
4944 | claimant has been finally adjudicated under subsection (1).

4945 |       Section 103. Subsections (2) and (3) of section 607.08401,  
4946 | Florida Statutes, are amended to read:

4947 |       607.08401 Required officers.—

4948 |       (2) The board of directors may appoint one or more  
4949 | individuals to act as the officers of the corporation. A duly  
4950 | appointed officer may appoint one or more officers or assistant

4951 officers if authorized by the bylaws or the board of directors.

4952 (3) The bylaws or the board of directors shall assign  
4953 ~~delegate~~ to one of the officers responsibility for preparing  
4954 minutes of the directors' and shareholders' meetings and for  
4955 authenticating records of the corporation required to be kept  
4956 pursuant to s. 607.1601(1) and (5).

4957 Section 104. Section 607.08411, Florida Statutes, is  
4958 created to read:

4959 607.08411 General standards for officers.-

4960 (1) An officer, when performing in such capacity, shall  
4961 act:

4962 (a) In good faith; and

4963 (b) In a manner the officer reasonably believes to be in  
4964 the best interests of the corporation.

4965 (2) An officer, when becoming informed in connection with  
4966 a decisionmaking function, shall discharge his or her duties  
4967 with the care that an ordinary prudent person in a like position  
4968 would reasonably believe appropriate under similar  
4969 circumstances.

4970 (3) The duty of an officer includes the obligation to:

4971 (a) Inform the superior officer to whom, or the board of  
4972 directors or the committee to which, the officer reports of  
4973 information about the affairs of the corporation known to the  
4974 officer, within the scope of the officer's functions, and known  
4975 or as should be known to the officer to be material to such

4976 superior officer, board, or committee; and

4977 (b) Inform his or her superior officer, or another  
4978 appropriate person within the corporation, or the board of  
4979 directors, or a committee thereof, of any actual or probable  
4980 material violation of law involving the corporation or material  
4981 breach of duty to the corporation by an officer, employee, or  
4982 agent of the corporation the officer believes has occurred or is  
4983 likely to occur.

4984 (4) In discharging his or her duties, an officer who does  
4985 not have knowledge that makes reliance unwarranted is entitled  
4986 to rely on the performance by any of the persons specified in  
4987 subsection (6) to whom the responsibilities were properly  
4988 delegated, formally or informally, by course of conduct.

4989 (5) In discharging his or her duties, an officer who does  
4990 not have knowledge that makes reliance unwarranted is entitled  
4991 to rely on information, opinions, reports, or statements,  
4992 including financial statements and other financial data,  
4993 prepared or presented by any of the persons specified in  
4994 subsection (6).

4995 (6) An officer is entitled to rely, in accordance with  
4996 subsection (4) or subsection (5), on:

4997 (a) One or more other officers of the corporation or one  
4998 or more employees of the corporation whom the officer reasonably  
4999 believes to be reliable and competent in the functions performed  
5000 or the information, opinions, reports, or statements provided;



5001           (b) Legal counsel, public accountants, or other persons  
 5002 retained by the corporation as to matters involving skills or  
 5003 expertise the officer reasonably believes are matters within the  
 5004 particular person's professional or expert competence or as to  
 5005 which the particular person merits confidence.

5006           Section 105. Section 607.0842, Florida Statutes, is  
 5007 amended to read:

5008           607.0842 Resignation and removal of officers.—

5009           (1) An officer may resign at any time by delivering a  
 5010 written notice to the corporation. A resignation is effective as  
 5011 provided in s. 607.0141(5) ~~when the notice is delivered~~ unless  
 5012 the notice provides for a delayed effectiveness, including  
 5013 effectiveness determined upon a future event or events ~~specifies~~  
 5014 ~~a later effective date.~~ If effectiveness of a resignation is  
 5015 stated to be delayed and the board of directors or appointing  
 5016 officer accepts the delay, the ~~made effective at a later date~~  
 5017 ~~and the corporation accepts the future effective date,~~ its board  
 5018 of directors or the appointing officer may fill the pending  
 5019 vacancy before the delayed effectiveness ~~effective date~~ if the  
 5020 board of directors or appointing officer provides that the  
 5021 successor does not take office until the vacancy occurs  
 5022 ~~effective date.~~

5023           (2) An officer may be removed at any time with or without  
 5024 cause by:

5025           (a) The board of directors;

5026 (b) The appointing officer, unless the bylaws or the board  
 5027 of directors provide otherwise; or

5028 (c) Any other officer, if authorized by the bylaws or the  
 5029 board of directors.

5030 (3) For the purposes of this section, the term "appointing  
 5031 officer" means the officer, including any successor to that  
 5032 officer, who appointed the officer resigning or being removed ~~A~~  
 5033 ~~board of directors may remove any officer at any time with or~~  
 5034 ~~without cause. Any officer or assistant officer, if appointed by~~  
 5035 ~~another officer, may likewise be removed by such officer.~~

5036 Section 106. Section 607.0850, Florida Statutes, is  
 5037 amended to read:

5038 607.0850 Definitions ~~Indemnification of officers,~~  
 5039 ~~directors, employees, and agents.~~-In ss. 607.0850-607.0859, the  
 5040 term:

5041 (1) "Agent" includes a volunteer.

5042 (2) "Corporation" includes, in addition to the resulting  
 5043 corporation, any constituent corporation (including any  
 5044 constituent of a constituent) absorbed in a merger, so that any  
 5045 person who is or was a director or officer of a constituent  
 5046 corporation, or is or was serving at the request of a  
 5047 constituent corporation as a director or officer, member,  
 5048 manager, partner, trustee, employee, or agent of another  
 5049 domestic or foreign corporation, limited liability company,  
 5050 partnership, joint venture, trust, employee benefit plan, or

5051 other enterprise or entity, is in the same position under this  
5052 section with respect to the resulting or surviving corporation  
5053 as he or she would have been with respect to such constituent  
5054 corporation if its separate existence had continued.

5055 (3) "Director" or "officer" means an individual who is or  
5056 was a director or officer, respectively, of a corporation or  
5057 who, while a director or officer of the corporation, is or was  
5058 serving at the corporation's request as a director or officer,  
5059 manager, partner, trustee, employee, or agent of another  
5060 domestic or foreign corporation, limited liability company,  
5061 partnership, joint venture, trust, employee benefit plan, or  
5062 another enterprise or entity. A director or officer is  
5063 considered to be serving an employee benefit plan at the  
5064 corporation's request if the individual's duties to the  
5065 corporation or such plan also impose duties on, or otherwise  
5066 involve services by, the individual to the plan or to  
5067 participants in or beneficiaries of the plan. The term includes,  
5068 unless the context otherwise requires, the estate, heirs,  
5069 executors, administrators, and personal representatives of a  
5070 director or officer.

5071 (4) "Expenses" includes reasonable attorney fees,  
5072 including those incurred in connection with any appeal.

5073 (5) "Liability" means the obligation to pay a judgment,  
5074 settlement, penalty, fine (including an excise tax assessed with  
5075 respect to an employee benefit plan), or reasonable expenses

5076 incurred with respect to a proceeding.

5077 (6) "Party" means an individual who was, is, or is  
5078 threatened to be made, a defendant or respondent in a  
5079 proceeding.

5080 (7) "Proceeding" means any threatened, pending, or  
5081 completed action, suit, or proceeding, whether civil, criminal,  
5082 administrative, arbitrative, or investigative and whether formal  
5083 or informal.

5084 (8) "Serving at the corporation's request" includes any  
5085 service as a director, officer, employee, or agent of the  
5086 corporation that imposes duties on such persons, including  
5087 duties relating to an employee benefit plan and its participants  
5088 or beneficiaries.

5089 ~~(1) A corporation shall have power to indemnify any person~~  
5090 ~~who was or is a party to any proceeding (other than an action~~  
5091 ~~by, or in the right of, the corporation), by reason of the fact~~  
5092 ~~that he or she is or was a director, officer, employee, or agent~~  
5093 ~~of the corporation or is or was serving at the request of the~~  
5094 ~~corporation as a director, officer, employee, or agent of~~  
5095 ~~another corporation, partnership, joint venture, trust, or other~~  
5096 ~~enterprise against liability incurred in connection with such~~  
5097 ~~proceeding, including any appeal thereof, if he or she acted in~~  
5098 ~~good faith and in a manner he or she reasonably believed to be~~  
5099 ~~in, or not opposed to, the best interests of the corporation~~  
5100 ~~and, with respect to any criminal action or proceeding, had no~~

5101 ~~reasonable cause to believe his or her conduct was unlawful. The~~  
5102 ~~termination of any proceeding by judgment, order, settlement, or~~  
5103 ~~conviction or upon a plea of nolo contendere or its equivalent~~  
5104 ~~shall not, of itself, create a presumption that the person did~~  
5105 ~~not act in good faith and in a manner which he or she reasonably~~  
5106 ~~believed to be in, or not opposed to, the best interests of the~~  
5107 ~~corporation or, with respect to any criminal action or~~  
5108 ~~proceeding, had reasonable cause to believe that his or her~~  
5109 ~~conduct was unlawful.~~

5110 ~~(2) A corporation shall have power to indemnify any~~  
5111 ~~person, who was or is a party to any proceeding by or in the~~  
5112 ~~right of the corporation to procure a judgment in its favor by~~  
5113 ~~reason of the fact that the person is or was a director,~~  
5114 ~~officer, employee, or agent of the corporation or is or was~~  
5115 ~~serving at the request of the corporation as a director,~~  
5116 ~~officer, employee, or agent of another corporation, partnership,~~  
5117 ~~joint venture, trust, or other enterprise, against expenses and~~  
5118 ~~amounts paid in settlement not exceeding, in the judgment of the~~  
5119 ~~board of directors, the estimated expense of litigating the~~  
5120 ~~proceeding to conclusion, actually and reasonably incurred in~~  
5121 ~~connection with the defense or settlement of such proceeding,~~  
5122 ~~including any appeal thereof. Such indemnification shall be~~  
5123 ~~authorized if such person acted in good faith and in a manner he~~  
5124 ~~or she reasonably believed to be in, or not opposed to, the best~~  
5125 ~~interests of the corporation, except that no indemnification~~

5126 ~~shall be made under this subsection in respect of any claim,~~  
5127 ~~issue, or matter as to which such person shall have been~~  
5128 ~~adjudged to be liable unless, and only to the extent that, the~~  
5129 ~~court in which such proceeding was brought, or any other court~~  
5130 ~~of competent jurisdiction, shall determine upon application~~  
5131 ~~that, despite the adjudication of liability but in view of all~~  
5132 ~~circumstances of the case, such person is fairly and reasonably~~  
5133 ~~entitled to indemnity for such expenses which such court shall~~  
5134 ~~deem proper.~~

5135 ~~(3) To the extent that a director, officer, employee, or~~  
5136 ~~agent of a corporation has been successful on the merits or~~  
5137 ~~otherwise in defense of any proceeding referred to in subsection~~  
5138 ~~(1) or subsection (2), or in defense of any claim, issue, or~~  
5139 ~~matter therein, he or she shall be indemnified against expenses~~  
5140 ~~actually and reasonably incurred by him or her in connection~~  
5141 ~~therewith.~~

5142 ~~(4) Any indemnification under subsection (1) or subsection~~  
5143 ~~(2), unless pursuant to a determination by a court, shall be~~  
5144 ~~made by the corporation only as authorized in the specific case~~  
5145 ~~upon a determination that indemnification of the director,~~  
5146 ~~officer, employee, or agent is proper in the circumstances~~  
5147 ~~because he or she has met the applicable standard of conduct set~~  
5148 ~~forth in subsection (1) or subsection (2). Such determination~~  
5149 ~~shall be made:~~

5150 ~~(a) By the board of directors by a majority vote of a~~

5151 ~~quorum consisting of directors who were not parties to such~~  
5152 ~~proceeding;~~

5153 ~~(b) If such a quorum is not obtainable or, even if~~  
5154 ~~obtainable, by majority vote of a committee duly designated by~~  
5155 ~~the board of directors (in which directors who are parties may~~  
5156 ~~participate) consisting solely of two or more directors not at~~  
5157 ~~the time parties to the proceeding;~~

5158 ~~(c) By independent legal counsel:~~

5159 ~~1. Selected by the board of directors prescribed in~~  
5160 ~~paragraph (a) or the committee prescribed in paragraph (b); or~~

5161 ~~2. If a quorum of the directors cannot be obtained for~~  
5162 ~~paragraph (a) and the committee cannot be designated under~~  
5163 ~~paragraph (b), selected by majority vote of the full board of~~  
5164 ~~directors (in which directors who are parties may participate);~~  
5165 ~~or~~

5166 ~~(d) By the shareholders by a majority vote of a quorum~~  
5167 ~~consisting of shareholders who were not parties to such~~  
5168 ~~proceeding or, if no such quorum is obtainable, by a majority~~  
5169 ~~vote of shareholders who were not parties to such proceeding.~~

5170 ~~(5) Evaluation of the reasonableness of expenses and~~  
5171 ~~authorization of indemnification shall be made in the same~~  
5172 ~~manner as the determination that indemnification is permissible.~~  
5173 ~~However, if the determination of permissibility is made by~~  
5174 ~~independent legal counsel, persons specified by paragraph (4) (c)~~  
5175 ~~shall evaluate the reasonableness of expenses and may authorize~~

5176 ~~indemnification.~~

5177 ~~(6) Expenses incurred by an officer or director in~~  
5178 ~~defending a civil or criminal proceeding may be paid by the~~  
5179 ~~corporation in advance of the final disposition of such~~  
5180 ~~proceeding upon receipt of an undertaking by or on behalf of~~  
5181 ~~such director or officer to repay such amount if he or she is~~  
5182 ~~ultimately found not to be entitled to indemnification by the~~  
5183 ~~corporation pursuant to this section. Expenses incurred by other~~  
5184 ~~employees and agents may be paid in advance upon such terms or~~  
5185 ~~conditions that the board of directors deems appropriate.~~

5186 ~~(7) The indemnification and advancement of expenses~~  
5187 ~~provided pursuant to this section are not exclusive, and a~~  
5188 ~~corporation may make any other or further indemnification or~~  
5189 ~~advancement of expenses of any of its directors, officers,~~  
5190 ~~employees, or agents, under any bylaw, agreement, vote of~~  
5191 ~~shareholders or disinterested directors, or otherwise, both as~~  
5192 ~~to action in his or her official capacity and as to action in~~  
5193 ~~another capacity while holding such office. However,~~  
5194 ~~indemnification or advancement of expenses shall not be made to~~  
5195 ~~or on behalf of any director, officer, employee, or agent if a~~  
5196 ~~judgment or other final adjudication establishes that his or her~~  
5197 ~~actions, or omissions to act, were material to the cause of~~  
5198 ~~action so adjudicated and constitute:~~

5199 ~~(a) A violation of the criminal law, unless the director,~~  
5200 ~~officer, employee, or agent had reasonable cause to believe his~~



5201 ~~or her conduct was lawful or had no reasonable cause to believe~~  
5202 ~~his or her conduct was unlawful;~~

5203 ~~(b) A transaction from which the director, officer,~~  
5204 ~~employee, or agent derived an improper personal benefit;~~

5205 ~~(c) In the case of a director, a circumstance under which~~  
5206 ~~the liability provisions of s. 607.0834 are applicable; or~~

5207 ~~(d) Willful misconduct or a conscious disregard for the~~  
5208 ~~best interests of the corporation in a proceeding by or in the~~  
5209 ~~right of the corporation to procure a judgment in its favor or~~  
5210 ~~in a proceeding by or in the right of a shareholder.~~

5211 ~~(8) Indemnification and advancement of expenses as~~  
5212 ~~provided in this section shall continue as, unless otherwise~~  
5213 ~~provided when authorized or ratified, to a person who has ceased~~  
5214 ~~to be a director, officer, employee, or agent and shall inure to~~  
5215 ~~the benefit of the heirs, executors, and administrators of such~~  
5216 ~~a person, unless otherwise provided when authorized or ratified.~~

5217 ~~(9) Unless the corporation's articles of incorporation~~  
5218 ~~provide otherwise, notwithstanding the failure of a corporation~~  
5219 ~~to provide indemnification, and despite any contrary~~  
5220 ~~determination of the board or of the shareholders in the~~  
5221 ~~specific case, a director, officer, employee, or agent of the~~  
5222 ~~corporation who is or was a party to a proceeding may apply for~~  
5223 ~~indemnification or advancement of expenses, or both, to the~~  
5224 ~~court conducting the proceeding, to the circuit court, or to~~  
5225 ~~another court of competent jurisdiction. On receipt of an~~

5226 ~~application, the court, after giving any notice that it~~  
5227 ~~considers necessary, may order indemnification and advancement~~  
5228 ~~of expenses, including expenses incurred in seeking court-~~  
5229 ~~ordered indemnification or advancement of expenses, if it~~  
5230 ~~determines that:~~

5231 ~~(a) The director, officer, employee, or agent is entitled~~  
5232 ~~to mandatory indemnification under subsection (3), in which case~~  
5233 ~~the court shall also order the corporation to pay the director~~  
5234 ~~reasonable expenses incurred in obtaining court-ordered~~  
5235 ~~indemnification or advancement of expenses;~~

5236 ~~(b) The director, officer, employee, or agent is entitled~~  
5237 ~~to indemnification or advancement of expenses, or both, by~~  
5238 ~~virtue of the exercise by the corporation of its power pursuant~~  
5239 ~~to subsection (7); or~~

5240 ~~(c) The director, officer, employee, or agent is fairly~~  
5241 ~~and reasonably entitled to indemnification or advancement of~~  
5242 ~~expenses, or both, in view of all the relevant circumstances,~~  
5243 ~~regardless of whether such person met the standard of conduct~~  
5244 ~~set forth in subsection (1), subsection (2), or subsection (7).~~

5245 ~~(10) For purposes of this section, the term "corporation"~~  
5246 ~~includes, in addition to the resulting corporation, any~~  
5247 ~~constituent corporation (including any constituent of a~~  
5248 ~~constituent) absorbed in a consolidation or merger, so that any~~  
5249 ~~person who is or was a director, officer, employee, or agent of~~  
5250 ~~a constituent corporation, or is or was serving at the request~~

5251 ~~of a constituent corporation as a director, officer, employee,~~  
5252 ~~or agent of another corporation, partnership, joint venture,~~  
5253 ~~trust, or other enterprise, is in the same position under this~~  
5254 ~~section with respect to the resulting or surviving corporation~~  
5255 ~~as he or she would have with respect to such constituent~~  
5256 ~~corporation if its separate existence had continued.~~

5257 ~~(11) For purposes of this section:~~

5258 ~~(a) The term "other enterprises" includes employee benefit~~  
5259 ~~plans;~~

5260 ~~(b) The term "expenses" includes counsel fees, including~~  
5261 ~~those for appeal;~~

5262 ~~(c) The term "liability" includes obligations to pay a~~  
5263 ~~judgment, settlement, penalty, fine (including an excise tax~~  
5264 ~~assessed with respect to any employee benefit plan), and~~  
5265 ~~expenses actually and reasonably incurred with respect to a~~  
5266 ~~proceeding;~~

5267 ~~(d) The term "proceeding" includes any threatened,~~  
5268 ~~pending, or completed action, suit, or other type of proceeding,~~  
5269 ~~whether civil, criminal, administrative, or investigative and~~  
5270 ~~whether formal or informal;~~

5271 ~~(e) The term "agent" includes a volunteer;~~

5272 ~~(f) The term "serving at the request of the corporation"~~  
5273 ~~includes any service as a director, officer, employee, or agent~~  
5274 ~~of the corporation that imposes duties on such persons,~~  
5275 ~~including duties relating to an employee benefit plan and its~~

5276 ~~participants or beneficiaries; and~~

5277 ~~(g) The term "not opposed to the best interest of the~~  
5278 ~~corporation" describes the actions of a person who acts in good~~  
5279 ~~faith and in a manner he or she reasonably believes to be in the~~  
5280 ~~best interests of the participants and beneficiaries of an~~  
5281 ~~employee benefit plan.~~

5282 ~~(12) A corporation shall have power to purchase and~~  
5283 ~~maintain insurance on behalf of any person who is or was a~~  
5284 ~~director, officer, employee, or agent of the corporation or is~~  
5285 ~~or was serving at the request of the corporation as a director,~~  
5286 ~~officer, employee, or agent of another corporation, partnership,~~  
5287 ~~joint venture, trust, or other enterprise against any liability~~  
5288 ~~asserted against the person and incurred by him or her in any~~  
5289 ~~such capacity or arising out of his or her status as such,~~  
5290 ~~whether or not the corporation would have the power to indemnify~~  
5291 ~~the person against such liability under the provisions of this~~  
5292 ~~section.~~

5293 Section 107. Section 607.0851, Florida Statutes, is  
5294 created to read:

5295 607.0851 Permissible indemnification.-

5296 (1) Except as otherwise provided in this section and in s.  
5297 607.0859, and not in limitation of indemnification allowed under  
5298 s. 607.0858(1), a corporation may indemnify an individual who is  
5299 a party to a proceeding because the individual is or was a  
5300 director or officer against liability incurred in the proceeding

5301 if:

5302 (a) The director or officer acted in good faith;

5303 (b) The director or officer acted in a manner he or she  
5304 reasonably believed to be in, or not opposed to, the best  
5305 interests of the corporation; and

5306 (c) In the case of any criminal proceeding, the director  
5307 or officer had no reasonable cause to believe his or her conduct  
5308 was unlawful.

5309 (2) The conduct of a director or officer with respect to  
5310 an employee benefit plan for a purpose the director or officer  
5311 reasonably believed to be in the best interests of the  
5312 participants in, and the beneficiaries of, the plan is conduct  
5313 that satisfies the requirement of paragraph (1) (b).

5314 (3) The termination of a proceeding by judgment, order,  
5315 settlement, or conviction, or upon a plea of nolo contendere or  
5316 its equivalent, does not, of itself, create a presumption that  
5317 the director or officer did not meet the relevant standard of  
5318 conduct described in this section.

5319 (4) Unless ordered by a court under s. 607.0854(1)(c), a  
5320 corporation may not indemnify a director or an officer in  
5321 connection with a proceeding by or in the right of the  
5322 corporation except for expenses and amounts paid in settlement  
5323 not exceeding, in the judgment of the board of directors, the  
5324 estimated expense of litigating the proceeding to conclusion,  
5325 actually and reasonably incurred in connection with the defense

5326 or settlement of such proceeding, including any appeal thereof,  
5327 where such person acted in good faith and in a manner he or she  
5328 reasonably believed to be in, or not opposed to, the best  
5329 interests of the corporation.

5330 Section 108. Section 607.0852, Florida Statutes, is  
5331 created to read:

5332 607.0852 Mandatory indemnification.—A corporation must  
5333 indemnify an individual who is or was a director or officer who  
5334 was wholly successful, on the merits or otherwise, in the  
5335 defense of any proceeding to which the individual was a party  
5336 because he or she is or was a director or officer of the  
5337 corporation against expenses incurred by the individual in  
5338 connection with the proceeding.

5339 Section 109. Section 607.0853, Florida Statutes, is  
5340 created to read:

5341 607.0853 Advance for expenses.—

5342 (1) A corporation may, before final disposition of a  
5343 proceeding, advance funds to pay for or reimburse expenses  
5344 incurred in connection with the proceeding by an individual who  
5345 is a party to the proceeding because that individual is or was a  
5346 director or an officer if the director or officer delivers to  
5347 the corporation a signed written undertaking of the director or  
5348 officer to repay any funds advanced if:

5349 (a) The director or officer is not entitled to mandatory  
5350 indemnification under s. 607.0852; and

5351 (b) It is ultimately determined under s. 607.0854 or s.  
5352 607.0855 that the director or officer has not met the relevant  
5353 standard of conduct described in s. 607.0851 or the director or  
5354 officer is not entitled to indemnification under s. 607.0859.

5355 (2) The undertaking required by paragraph (1)(b) must be  
5356 an unlimited general obligation of the director or officer but  
5357 need not be secured and may be accepted without reference to the  
5358 financial ability of the director or officer to make repayment.

5359 (3) Authorizations under this section must be made:

5360 (a) By the board of directors:

5361 1. If there are two or more qualified directors, by a  
5362 majority vote of all of the qualified directors (a majority of  
5363 whom shall for such purpose constitute a quorum) or by a  
5364 majority of the members of a committee appointed by such vote  
5365 and comprised of two or more qualified directors; or

5366 2. If there are fewer than two qualified directors, by the  
5367 vote necessary for action by the board of directors under s.  
5368 607.0824(3), in which authorization vote directors who are not  
5369 qualified directors may participate; or

5370 (b) By the shareholders, but shares owned by or voted  
5371 under the control of a director or officer who at the time of  
5372 the authorization is not a qualified director or is an officer  
5373 who is a party to the proceeding may not be counted as a vote in  
5374 favor of the authorization.

5375 Section 110. Section 607.0854, Florida Statutes, is

5376 created to read:

5377 607.0854 Court-ordered indemnification and advance for  
5378 expenses.—

5379 (1) Unless the corporation's articles of incorporation  
5380 provide otherwise, notwithstanding the failure of a corporation  
5381 to provide indemnification, and despite any contrary  
5382 determination of the board of directors or of the shareholders  
5383 in the specific case, a director or officer of the corporation  
5384 who is a party to a proceeding because he or she is or was a  
5385 director or officer may apply for indemnification or an advance  
5386 for expenses, or both, to a court having jurisdiction over the  
5387 corporation which is conducting the proceeding, or to a circuit  
5388 court of competent jurisdiction. After receipt of an application  
5389 and after giving any notice it considers necessary, the court  
5390 may:

5391 (a) Order indemnification if the court determines that the  
5392 director or officer is entitled to mandatory indemnification  
5393 under s. 607.0852;

5394 (b) Order indemnification or advance for expenses if the  
5395 court determines that the director or officer is entitled to  
5396 indemnification or advance for expenses pursuant to a provision  
5397 authorized by s. 607.0858(1); or

5398 (c) Order indemnification or advance for expenses if the  
5399 court determines, in view of all the relevant circumstances,  
5400 that it is fair and reasonable to indemnify the director or



5401 officer or to advance expenses to the director or officer, even  
5402 if he or she has not met the relevant standard of conduct set  
5403 forth in s. 607.0851(1), has failed to comply with s. 607.0853,  
5404 or was adjudged liable in a proceeding referred to in s.  
5405 607.0859. If the director or officer was adjudged liable,  
5406 indemnification shall be limited to expenses incurred in  
5407 connection with the proceeding.

5408 (2) If the court determines that the director or officer  
5409 is entitled to indemnification under paragraph (1) (a) or to  
5410 indemnification or advance for expenses under paragraph (1) (b),  
5411 it shall also order the corporation to pay the director's or  
5412 officer's expenses incurred in connection with obtaining court-  
5413 ordered indemnification or advance for expenses. If the court  
5414 determines that the director or officer is entitled to  
5415 indemnification or advance for expenses under paragraph (1) (c),  
5416 it may also order the corporation to pay the director's or  
5417 officer's expenses to obtain court-ordered indemnification or  
5418 advance for expenses.

5419 Section 111. Section 607.0855, Florida Statutes, is  
5420 created to read:

5421 607.0855 Determination and authorization of  
5422 indemnification.—

5423 (1) Unless ordered by a court under s. 607.0854(1) (c), a  
5424 corporation may not indemnify a director or officer under s.  
5425 607.0851 unless authorized for a specific proceeding after a

5426 determination has been made that indemnification is permissible  
5427 because the director or officer has met the relevant standard of  
5428 conduct set forth in s. 607.0851.

5429 (2) The determination shall be made:

5430 (a) If there are two or more qualified directors, by the  
5431 board of directors by a majority vote of all of the qualified  
5432 directors, a majority of whom shall for such purposes constitute  
5433 a quorum, or by a majority of the members of a committee of two  
5434 or more qualified directors appointed by such a vote; or

5435 (b) By independent special legal counsel:

5436 1. Selected in the manner prescribed by paragraph (a); or  
5437 2. If there are fewer than two qualified directors,  
5438 selected by the board of directors, in which selection directors  
5439 who are not qualified directors may participate; or

5440 (c) By the shareholders, but shares owned by or voted  
5441 under the control of a director or officer who, at the time of  
5442 the determination, is not a qualified director or an officer who  
5443 is a party to the proceeding may not be counted as votes in  
5444 favor of the determination.

5445 (3) Authorization of indemnification shall be made in the  
5446 same manner as the determination that indemnification is  
5447 permissible, except that if the determination of permissibility  
5448 has been made by independent special legal counsel under  
5449 paragraph (2) (b), any authorization of indemnification  
5450 associated with such determination shall be made by either such

5451 independent special legal counsel or by those who otherwise  
5452 would be entitled to select independent special legal counsel  
5453 under paragraph (2) (b).

5454 Section 112. Section 607.0857, Florida Statutes, is  
5455 created to read:

5456 607.0857 Insurance.—A corporation shall have the power to  
5457 purchase and maintain insurance on behalf of and for the benefit  
5458 of an individual who is or was a director or officer of the  
5459 corporation, or who, while a director or officer of the  
5460 corporation, is or was serving at the corporation's request as a  
5461 director, officer, manager, member, partner, trustee, employee,  
5462 or agent of another domestic or foreign corporation, limited  
5463 liability company, partnership, joint venture, trust, employee  
5464 benefit plan, or other enterprise or entity, against liability  
5465 asserted against or incurred by the individual in that capacity  
5466 or arising from his or her status as a director or officer,  
5467 whether or not the corporation would have power to indemnify or  
5468 advance expenses to the individual against the same liability  
5469 under this chapter.

5470 Section 113. Section 607.0858, Florida Statutes, is  
5471 created to read:

5472 607.0858 Variation by corporate action; application of  
5473 subchapter.—

5474 (1) The indemnification provided pursuant to ss. 607.0851  
5475 and 607.0852 and the advancement of expenses provided pursuant

5476 to s. 607.0853 are not exclusive, and a corporation may, by a  
5477 provision in its articles of incorporation, bylaws or any  
5478 agreement, or by vote of shareholders or disinterested  
5479 directors, or otherwise, obligate itself in advance of the act  
5480 or omission giving rise to a proceeding to provide any other or  
5481 further indemnification or advancement of expenses to any of its  
5482 directors or officers. Any such obligatory provision shall be  
5483 deemed to satisfy the requirements for authorization referred to  
5484 in ss. 607.0853(3) and 607.0855(3). Any such provision that  
5485 obligates the corporation to provide indemnification to the  
5486 fullest extent permitted by law shall be deemed to obligate the  
5487 corporation to advance funds to pay for or reimburse expenses in  
5488 accordance with s. 607.0853 to the fullest extent permitted by  
5489 law, unless the provision specifically provides otherwise.

5490 (2) A right of indemnification or to advance for expenses  
5491 created by this chapter or under subsection (1) and in effect at  
5492 the time of an act or omission may not be eliminated or impaired  
5493 with respect to such act or omission by an amendment of the  
5494 articles of incorporation or bylaws or a resolution of the  
5495 directors or shareholders, adopted after the occurrence of such  
5496 act or omission, unless, in the case of a right created under  
5497 subsection (1), the provision creating such right and in effect  
5498 at the time of such act or omission explicitly authorizes such  
5499 elimination or impairment after such act or omission has  
5500 occurred.

5501       (3) Any provision pursuant to subsection (1) shall not  
5502 obligate the corporation to indemnify or advance for expenses to  
5503 a director or officer of a predecessor of the corporation,  
5504 pertaining to conduct with respect to the predecessor, unless  
5505 otherwise specifically provided. Any provision for  
5506 indemnification or advance for expenses in the articles of  
5507 incorporation, bylaws, or a resolution of the board of directors  
5508 or shareholders of a predecessor of the corporation in a merger  
5509 or in a contract to which the predecessor is a party, existing  
5510 at the time the merger takes effect, shall be governed by s.  
5511 607.1106(1) (d).

5512       (4) Subject to subsection (2), a corporation may, by a  
5513 provision in its articles of incorporation, limit any of the  
5514 rights to indemnification or advance for expenses created by or  
5515 pursuant to this chapter.

5516       (5) Sections 607.0850-607.0859 do not limit a  
5517 corporation's power to pay or reimburse expenses incurred by a  
5518 director, an officer, an employee, or an agent in connection  
5519 with appearing as a witness in a proceeding at a time when he or  
5520 she is not a party.

5521       (6) Sections 607.0850-607.0859 do not limit a  
5522 corporation's power to indemnify, advance expenses to, or  
5523 provide or maintain insurance on behalf of or for the benefit of  
5524 an individual who is or was an employee or agent.

5525       Section 114. Section 607.0859, Florida Statutes, is

5526 created to read:

5527 607.0859 Overriding restrictions on indemnification.—

5528 (1) Unless ordered by a court under s. 607.0854(1)(c), a  
5529 corporation may not indemnify a director or officer under s.  
5530 607.0851 or s. 607.0858 or advance expenses to a director or  
5531 officer under s. 607.0853 or s. 607.0858 if a judgment or other  
5532 final adjudication establishes that his or her actions, or  
5533 omissions to act, were material to the cause of action so  
5534 adjudicated and constitute:

5535 (a) Willful or intentional misconduct or a conscious  
5536 disregard for the best interests of the corporation in a  
5537 proceeding by or in the right of the corporation to procure a  
5538 judgment in its favor or in a proceeding by or in the right of a  
5539 shareholder;

5540 (b) A transaction in which a director or officer derived  
5541 an improper personal benefit;

5542 (c) A violation of the criminal law, unless the director  
5543 or officer had reasonable cause to believe his or her conduct  
5544 was lawful or had no reasonable cause to believe his or her  
5545 conduct was unlawful; or

5546 (d) In the case of a director, a circumstance under which  
5547 the liability provisions of s. 607.0834 are applicable.

5548 (2) A corporation may provide indemnification or advance  
5549 expenses to a director or an officer only as allowed by ss.  
5550 607.0850-607.0859.

5551 Section 115. Paragraphs (b), (d), (f), (h), (j), and (k)  
 5552 of subsection (1) and subsections (2), (5), and (6) of section  
 5553 607.0901, Florida Statutes, are amended to read:

5554 607.0901 Affiliated transactions.—

5555 (1) For purposes of this section:

5556 (b) "Affiliated transaction," when used in reference to  
 5557 the corporation and any interested shareholder, means:

5558 1. Any merger or consolidation of the corporation or any  
 5559 subsidiary of the corporation with:

5560 a. The interested shareholder; or

5561 b. Any other corporation, partnership, limited liability  
 5562 company, or other entity, in each case, ~~(whether or not itself~~  
 5563 an interested shareholder,) ~~which is,~~ or after such merger or  
 5564 consolidation would be, an affiliate or associate of the  
 5565 interested shareholder;

5566 2. Any sale, lease, exchange, mortgage, pledge, transfer,  
 5567 or other disposition (in one transaction or a series of  
 5568 transactions), except proportionately as a shareholder of such  
 5569 corporation, to or with the interested shareholder or any  
 5570 affiliate or associate of the interested shareholder, whether as  
 5571 part of a dissolution or otherwise, of assets of the corporation  
 5572 or any subsidiary of the corporation:

5573 a. Having an aggregate fair market value equal to 10 ~~5~~  
 5574 percent or more of the aggregate fair market value of all the  
 5575 assets, determined on a consolidated basis, of the corporation;

5576 b. Having an aggregate fair market value equal to 10 ~~5~~  
5577 percent or more of the aggregate fair market value of all the  
5578 outstanding shares of the corporation; or

5579 c. Representing 10 ~~5~~ percent or more of the earning power  
5580 or net income, determined on a consolidated basis, of the  
5581 corporation;

5582 3. The issuance or transfer by the corporation or any  
5583 subsidiary of the corporation (in one transaction or a series of  
5584 transactions) of any shares of the corporation or any subsidiary  
5585 of the corporation which have an aggregate fair market value  
5586 equal to 10 ~~5~~ percent or more of the aggregate fair market value  
5587 of all the outstanding shares of the corporation to the  
5588 interested shareholder or any affiliate or associate of the  
5589 interested shareholder except:

5590 a. Pursuant to the exercise, exchange, or conversion of  
5591 securities exercisable for, exchangeable for, or convertible  
5592 into shares of the corporation or any subsidiary of the  
5593 corporation which were outstanding prior to the time that the  
5594 interested shareholder became such;

5595 b. Pursuant to a merger under s. 607.11045;

5596 c. Provided that the interested shareholder's  
5597 proportionate share of the shares of any class or series of the  
5598 corporation or of the voting shares of the corporation has not  
5599 increased as a result thereof;

5600 (I) Pursuant to a dividend or distribution paid or made,



5601 or the exercise, exchange, or conversion of securities  
 5602 exercisable for, exchangeable for, or convertible into, shares  
 5603 of the corporation which security is distributed, pro rata to  
 5604 all holders of a class or series of shares of such corporation  
 5605 subsequent to the time the interested shareholder became such;

5606 (II) Pursuant to an exchange offer by the corporation to  
 5607 purchase shares of such corporation made on the same terms to  
 5608 all holders of such shares;

5609 (III) Any issuance or transfer of shares by the  
 5610 corporation; ~~of warrants or rights to purchase stock offered, or~~  
 5611 ~~a dividend or distribution paid or made, pro rata to all~~  
 5612 ~~shareholders of the corporation;~~

5613 4. The adoption of any plan or proposal for the  
 5614 liquidation or dissolution of the corporation proposed by, or  
 5615 pursuant to any agreement, arrangement, or understanding  
 5616 (whether or not in writing) with, the interested shareholder or  
 5617 any affiliate or associate of the interested shareholder;

5618 5. Any reclassification of securities (including, without  
 5619 limitation, any stock split, stock dividend, or other  
 5620 distribution of shares in respect of shares, or any reverse  
 5621 stock split) or recapitalization of the corporation, or any  
 5622 merger or consolidation of the corporation with any subsidiary  
 5623 of the corporation, or any other transaction (whether or not  
 5624 with or into or otherwise involving the interested shareholder),  
 5625 with the interested shareholder or any affiliate or associate of

5626 the interested shareholder, which has the effect, directly or  
5627 indirectly (in one transaction or a series of transactions  
5628 during any 12-month period), of increasing by more than 10 ~~5~~  
5629 percent the percentage of the outstanding voting shares of the  
5630 corporation or any subsidiary of the corporation beneficially  
5631 owned by the interested shareholder; or

5632 6. Any receipt by the interested shareholder or any  
5633 affiliate or associate of the interested shareholder of the  
5634 benefit, directly or indirectly (except proportionately as a  
5635 shareholder of the corporation), of any loans, advances,  
5636 guaranties, pledges, or other financial assistance or any tax  
5637 credits or other tax advantages, other than those expressly  
5638 allowed in subparagraph 3., provided by or through the  
5639 corporation or any subsidiary of the corporation.

5640 (d) "Associate," when used to indicate a relationship with  
5641 any person, means any entity, other than the corporation or any  
5642 of its subsidiaries, of which such person is an officer,  
5643 director, or partner or is, directly or indirectly, the  
5644 beneficial owner of 20 ~~10~~ percent or more of any class of voting  
5645 shares; any trust or other estate in which such person has at  
5646 least 20 percent ~~a substantial~~ beneficial interest or as to  
5647 which such person serves as trustee or in a similar fiduciary  
5648 capacity; and any relative or spouse of such person, or any  
5649 relative of such spouse, who has the same residence ~~home~~ as such  
5650 person or who is an officer or director of the corporation or

5651 any of its affiliates.

5652 (f) "Control," "controlling," "controlled by," and "under  
5653 common control with" means the possession, directly or  
5654 indirectly, through the ownership of voting shares, by contract,  
5655 arrangement, understanding, relationship, or otherwise, of the  
5656 power to direct or cause the direction of the management and  
5657 policies of a person. A person who is the owner of 20 percent or  
5658 more of the outstanding voting shares of any corporation,  
5659 partnership, unincorporated association, or other entity is  
5660 presumed to have control of such entity, in the absence of proof  
5661 by a preponderance of the evidence to the contrary.

5662 Notwithstanding the foregoing, a person shall not be deemed to  
5663 have control of an entity ~~a corporation~~ if such person holds  
5664 voting shares, in good faith and not for the purpose of  
5665 circumventing this section, as an agent, bank, broker, nominee,  
5666 custodian, or trustee for one or more beneficial owners who do  
5667 not individually or as a group have control of such entity  
5668 ~~corporation~~.

5669 (h) Unless otherwise specified in the articles of  
5670 incorporation initially filed with the department ~~of State~~, a  
5671 "disinterested director" means as to any particular interested  
5672 shareholder:

5673 1. Any member of the board of directors of the corporation  
5674 who was a member of the board of directors before the later of  
5675 January 1, 1987, or the determination date; and

5676           2. Any member of the board of directors of the corporation  
 5677 who was recommended for election by, or was elected to fill a  
 5678 vacancy and received the affirmative vote of, a majority of the  
 5679 disinterested directors then on the board.

5680           (j) "Fair market value" means:

5681           1. In the case of shares:7 the highest closing sale price  
 5682 of a share quoted during the 30-day period immediately preceding  
 5683 the date in question on the composite tape for shares listed on  
 5684 the New York Stock Exchange; or, if such shares are not quoted  
 5685 on the composite tape on the New York Stock Exchange, the  
 5686 highest closing sale price quoted during such period on the New  
 5687 York Stock Exchange; or, if such shares are not listed on such  
 5688 exchange, the highest closing sale price quoted during such  
 5689 period on the principal United States securities exchange  
 5690 registered under the Exchange Act on which such shares are  
 5691 listed; or, if such shares are not listed on any such exchange,  
 5692 the highest closing bid quotation with respect to a share during  
 5693 the 30-day period preceding the date in question on the National  
 5694 Association of Securities Dealers, Inc., automated quotations  
 5695 system or any other stock price quotation ~~similar~~ system then in  
 5696 general use; or, if no such quotations are available, the fair  
 5697 market value of a share on the date in question as determined  
 5698 by:

- 5699           a. A majority of disinterested directors; or
- 5700           b. If at such time there are no disinterested directors,

5701 by the board of directors of such corporation in good faith; and  
5702       2. In the case of property other than cash or shares, the  
5703 fair market value of such property on the date in question as  
5704 determined by:  
5705       a. A majority of the disinterested directors; or  
5706       b. If at such time there are no disinterested directors,  
5707 by the board of directors of such corporation in good faith.  
5708       (k) "Interested shareholder" means any person who is the  
5709 beneficial owner of more than 15 ~~40~~ percent of the outstanding  
5710 voting shares of the corporation. However, the term "interested  
5711 shareholder" shall not include:  
5712       1. The corporation or any of its subsidiaries;  
5713       2. Any savings, employee stock ownership, or other  
5714 employee benefit plan of the corporation or any of its  
5715 subsidiaries, ~~+~~ or any fiduciary with respect to any such plan  
5716 when acting in such capacity; or  
5717       3. Any person whose ownership of shares in excess of the  
5718 15 percent limitation is the result of action taken solely by  
5719 the corporation; provided that such person shall be an  
5720 interested shareholder if thereafter such person acquires  
5721 additional shares of voting shares of the corporation, except as  
5722 a result of further corporate action not caused, directly or  
5723 indirectly, by such person. For the purpose of determining  
5724 whether a person is an interested shareholder, the number of  
5725 voting shares deemed to be outstanding shall include shares

5726 deemed owned by the interested shareholder through application  
5727 of subparagraph (e)3. but shall not include any other voting  
5728 shares that may be issuable pursuant to any contract,  
5729 arrangement, or understanding, upon the exercise of conversion  
5730 rights, exchange rights, warrants, or options, or otherwise.

5731 (2) Except to the extent ~~as~~ provided in subsections  
5732 subsection (4) and (5), and with respect to such exceptions, in  
5733 compliance with other applicable provisions of this chapter, a  
5734 corporation may not engage in any affiliated transaction with  
5735 any interested shareholder for a period of 3 years following the  
5736 time that such shareholder became an interested shareholder,  
5737 unless:

5738 (a) Prior to the time that such shareholder became an  
5739 interested shareholder, the board of directors of the  
5740 corporation approved either the affiliated transaction or the  
5741 transaction which resulted in the shareholder becoming an  
5742 interested shareholder; or

5743 (b) Upon consummation of the transaction that resulted in  
5744 the shareholder becoming an interested shareholder, the  
5745 interested shareholder owned at least 85 percent of the voting  
5746 shares of the corporation outstanding at the time the  
5747 transaction commenced, excluding for purposes of determining the  
5748 voting shares outstanding, but not the outstanding voting shares  
5749 owned by the interested shareholder, those shares owned by  
5750 persons who are directors and also officers and by employee

5751 stock plans in which employee participants do not have the right  
5752 to determine confidentially whether shares held subject to the  
5753 plan will be tendered in a tender or exchange offer; or

5754 (c) At or subsequent to the time that such shareholder  
5755 became an interested shareholder, the affiliated transaction is  
5756 approved by the board of directors and authorized at an annual  
5757 or special meeting of shareholders, and not by written consent,  
5758 by the affirmative vote of at least two-thirds of the  
5759 outstanding voting shares which are not owned by the interested  
5760 shareholder, in addition to any affirmative vote required by any  
5761 other section of this act or by the articles of incorporation,  
5762 an affiliated transaction shall be approved by the affirmative  
5763 vote of the holders of two-thirds of the voting shares other  
5764 than the shares beneficially owned by the interested  
5765 shareholder.

5766 (5) The provisions of this section do not apply:

5767 (a) To any corporation the original articles of  
5768 incorporation of which contain a provision expressly electing  
5769 not to be governed by this section;

5770 (b) To any corporation which adopted an amendment to its  
5771 articles of incorporation prior to July 1, 2018 ~~January 1, 1989,~~  
5772 expressly electing not to be governed by this section, provided  
5773 that such amendment does not apply to any affiliated transaction  
5774 of the corporation with an interested shareholder whose  
5775 determination date is on or prior to the effective date of such

5776 amendment;

5777 (c) To any corporation which adopts an amendment to its  
5778 articles of incorporation or bylaws, approved by the affirmative  
5779 vote of the holders, other than interested shareholders and  
5780 their affiliates and associates, of a majority of the  
5781 outstanding voting shares of the corporation, excluding the  
5782 voting shares of interested shareholders and their affiliates  
5783 and associates, expressly electing not to be governed by this  
5784 section, provided that such amendment to the articles of  
5785 incorporation or bylaws shall not be effective until 18 months  
5786 after such vote of the corporation's shareholders and shall not  
5787 apply to any affiliated transaction of the corporation with an  
5788 interested shareholder whose determination date is on or prior  
5789 to the effective date of such amendment; or

5790 (d) To any affiliated transaction of the corporation with  
5791 an interested shareholder of the corporation which became an  
5792 interested shareholder inadvertently, if such interested  
5793 shareholder, as soon as practicable, divests itself of a  
5794 sufficient amount of the voting shares of the corporation so  
5795 that it no longer is the beneficial owner, directly or  
5796 indirectly, of 20 ~~40~~ percent or more of the outstanding voting  
5797 shares of the corporation, and would not at any time within the  
5798 3-year ~~5-year~~ period preceding the announcement date with  
5799 respect to such affiliated transaction have been an interested  
5800 shareholder but for such inadvertent acquisition.



5801 (6) Any corporation that elected not to be governed by  
5802 this section, either through a provision in its original  
5803 articles of incorporation or through an amendment to its  
5804 articles of incorporation or bylaws may elect to be bound by the  
5805 provisions of this section by adopting an amendment to its  
5806 articles of incorporation or bylaws that repeals the original  
5807 article or the amendment. In addition to any requirements of  
5808 this chapter ~~act~~, or the articles of incorporation or bylaws of  
5809 the corporation, any such amendment shall be approved by the  
5810 affirmative vote of the holders of two-thirds of the voting  
5811 shares other than shares beneficially owned by any interested  
5812 shareholder.

5813 Section 116. Paragraph (d) of subsection (2) of section  
5814 607.0902, Florida Statutes, is amended to read:

5815 607.0902 Control-share acquisitions.—

5816 (2) "CONTROL-SHARE ACQUISITION."—

5817 (d) The acquisition of any shares of an issuing public  
5818 corporation does not constitute a control-share acquisition if  
5819 the acquisition is consummated in any of the following  
5820 circumstances:

- 5821 1. Before July 2, 1987.
- 5822 2. Pursuant to a contract existing before July 2, 1987.
- 5823 3. Pursuant to the laws of intestate succession or  
5824 pursuant to a gift or testamentary transfer.
- 5825 4. Pursuant to the satisfaction of a pledge or other

5826 security interest created in good faith and not for the purpose  
 5827 of circumventing this section.

5828 5. Pursuant to a merger or share exchange effected in  
 5829 compliance with s. 607.1101, s. 607.1102, s. 607.1103, s.  
 5830 607.1104, or s. 607.1105 ~~s. 607.1107~~, if the issuing public  
 5831 corporation is a party to the agreement of merger or plan of  
 5832 share exchange.

5833 6. Pursuant to any savings, employee stock ownership, or  
 5834 other employee benefit plan of the issuing public corporation or  
 5835 any of its subsidiaries or any fiduciary with respect to any  
 5836 such plan when acting in such fiduciary capacity.

5837 7. Pursuant to an acquisition of shares of an issuing  
 5838 public corporation if the acquisition has been approved by the  
 5839 board of directors of such issuing public corporation before  
 5840 acquisition.

5841 Section 117. Subsection (1) of section 607.1001, Florida  
 5842 Statutes, is amended to read:

5843 607.1001 Authority to amend the articles of  
 5844 incorporation.—

5845 (1) A corporation may amend its articles of incorporation  
 5846 at any time to add or change a provision that is required or  
 5847 permitted in the articles of incorporation or to delete a  
 5848 provision not required to be contained in the articles of  
 5849 incorporation. Whether a provision is required or permitted in  
 5850 the articles of incorporation is determined as of the effective

5851 date of the amendment.

5852 Section 118. Section 607.1002, Florida Statutes, is  
 5853 amended to read:

5854 607.1002 Amendment by board of directors.—Unless the  
 5855 articles of incorporation provide otherwise, a corporation's  
 5856 board of directors may adopt one or more amendments to the  
 5857 corporation's articles of incorporation without shareholder  
 5858 approval ~~action~~:

5859 (1) To extend the duration of the corporation if it was  
 5860 incorporated at a time when limited duration was required by  
 5861 law;

5862 (2) To delete the names and addresses of the initial  
 5863 directors;

5864 (3) To delete the name and address of the initial  
 5865 registered agent or registered office, if a statement of change  
 5866 is on file with the department ~~of State~~;

5867 (4) To delete any other information contained in the  
 5868 articles of incorporation that is solely of historical interest;

5869 (5) To delete the authorization for a class or series of  
 5870 shares authorized pursuant to s. 607.0602, if no shares of such  
 5871 class or series are issued;

5872 (6) To change the corporate name by substituting the word  
 5873 "corporation," "incorporated," or "company," or the abbreviation  
 5874 "corp.," "Inc.," or "Co.," for a similar word or abbreviation in  
 5875 the name, or by adding, deleting, or changing a geographical

5876 attribution for the name;

5877 (7) To change the par value for a class or series of  
5878 shares;

5879 (8) To provide that if the corporation acquires its own  
5880 shares, such shares belong to the corporation and constitute  
5881 treasury shares until disposed of or canceled by the  
5882 corporation; ~~or~~

5883 (9) To reflect a reduction in authorized shares, as a  
5884 result of the operation of s. 607.0631(2), when the corporation  
5885 has acquired its own shares and the articles of incorporation  
5886 prohibit the reissue of the acquired shares;

5887 (10) To delete a class of shares from the articles of  
5888 incorporation, as a result of the operation of s. 607.0631(2),  
5889 when there are no remaining shares of the class because the  
5890 corporation has acquired all shares of the class and the  
5891 articles of incorporation prohibit the reissue of the acquired  
5892 shares; or

5893 (11)~~(9)~~ To make any other change expressly permitted by  
5894 this act to be made without shareholder approval ~~action~~.

5895 Section 119. Subsections (4), (6), and (8) of section  
5896 607.10025, Florida Statutes, are amended to read:

5897 607.10025 Shares; combination or division.—

5898 (4) If a division or combination is effected by a board  
5899 action without shareholder approval and includes an amendment to  
5900 the articles of incorporation, there shall be signed ~~executed~~ in

5901 accordance with s. 607.0120 on behalf of the corporation and  
5902 filed in the office of the department ~~of State~~ articles of  
5903 amendment which shall set forth:

5904 (a) The name of the corporation.

5905 (b) The date of adoption by the board of directors of the  
5906 resolution approving the division or combination.

5907 (c) That the amendment to the articles of incorporation  
5908 does not adversely affect the rights or preferences of the  
5909 holders of outstanding shares of any class or series and does  
5910 not result in the percentage of authorized shares that remain  
5911 unissued after the division or combination exceeding the  
5912 percentage of authorized shares that were unissued before the  
5913 division or combination.

5914 (d) The class or series and number of shares subject to  
5915 the division or combination and the number of shares into which  
5916 the shares are to be divided or combined.

5917 (e) The amendment of the articles of incorporation made in  
5918 connection with the division or combination.

5919 (f) If the division or combination is to become effective  
5920 at a time subsequent to the time of filing, the date, which may  
5921 not exceed 90 days after the date of filing, when the division  
5922 or combination becomes effective.

5923 (6) If a division or combination is effected by action of  
5924 the board and of the shareholders, there shall be signed  
5925 ~~executed~~ on behalf of the corporation and filed with the

5926 department ~~of State~~ articles of amendment as provided in s.  
5927 607.1006 ~~s. 607.1003~~, which articles shall set forth, in  
5928 addition to the information required by s. 607.1006 ~~s. 607.1003~~,  
5929 the information required in subsection (4).

5930 ~~(8) This section applies only to corporations with more~~  
5931 ~~than 35 shareholders of record.~~

5932 Section 120. Section 607.1003, Florida Statutes, is  
5933 amended to read:

5934 607.1003 Amendment by board of directors and  
5935 shareholders.—If a corporation has issued shares, an amendment  
5936 to the articles of incorporation shall be adopted in the  
5937 following manner:

5938 (1) The proposed amendment shall first be adopted by the  
5939 board of directors. A corporation's board of directors may  
5940 propose one or more amendments to the articles of incorporation  
5941 for submission to the shareholders.

5942 (2) (a) Except as provided in ss. 607.1002, 607.10025, and  
5943 607.1008, and, with respect to restatements that do not require  
5944 shareholder approval, s. 607.1007, the amendment shall then be  
5945 approved by the shareholders.

5946 (b) In submitting the proposed amendment to the  
5947 shareholders for approval, the board of directors shall  
5948 recommend that the shareholders approve the amendment unless:

5949 1. The board of directors makes a determination that  
5950 because of a conflict of interest or other special circumstances

5951 it should not make such a recommendation; or

5952 2. Section 607.0826 applies.

5953 (c) If either subparagraph (b)1. or subparagraph (b)2.  
5954 applies, the board must inform the shareholders of the basis for  
5955 its so proceeding without such recommendation ~~For the amendment~~  
5956 ~~to be adopted:~~

5957 ~~(a) The board of directors must recommend the amendment to~~  
5958 ~~the shareholders, unless the board of directors determines that~~  
5959 ~~because of conflict of interest or other special circumstances~~  
5960 ~~it should make no recommendation and communicates the basis for~~  
5961 ~~its determination to the shareholders with the amendment; and~~

5962 ~~(b) The shareholders entitled to vote on the amendment~~  
5963 ~~must approve the amendment as provided in subsection (5).~~

5964 (3) The board of directors may set conditions for the  
5965 approval of the amendment by the shareholders or the  
5966 effectiveness of the amendment ~~condition its submission of the~~  
5967 ~~proposed amendment on any basis.~~

5968 (4) If the amendment is required to be approved by the  
5969 shareholders, and the approval is to be given at a meeting, the  
5970 corporation must notify each shareholder, whether or not  
5971 entitled to vote, of the meeting of shareholders at which the  
5972 amendment is to be submitted for approval. The notice must be  
5973 given in accordance with s. 607.0705, state that the purpose, or  
5974 one of the purposes, of the meeting is to consider the  
5975 amendment, and must contain or be accompanied by a copy of the

5976 amendment ~~The corporation shall notify each shareholder, whether~~  
5977 ~~or not entitled to vote, of the proposed shareholders' meeting~~  
5978 ~~in accordance with s. 607.0705. The notice of meeting must also~~  
5979 ~~state that the purpose, or one of the purposes, of the meeting~~  
5980 ~~is to consider the proposed amendment and contain or be~~  
5981 ~~accompanied by a copy or summary of the amendment.~~

5982 (5) Unless this chapter ~~act~~, the articles of  
5983 incorporation, or the board of directors, ( ~~acting pursuant to~~  
5984 subsection (3), ~~)~~ requires a greater vote or a greater quorum,  
5985 the approval of the amendment requires the approval of the  
5986 shareholders at a meeting at which a quorum consisting of at  
5987 least a majority of the shares entitled to be cast on the  
5988 amendment exists, and, if any class or series of shares is  
5989 entitled to vote as a separate group on the amendment, except as  
5990 provided in s. 607.1004(3), the approval of each such separate  
5991 voting group at a meeting at which a quorum of the voting group  
5992 exists consisting of at least a majority of the votes entitled  
5993 to be cast on the amendment by that voting group.

5994 (6) If the amendment by any voting group would create  
5995 appraisal rights, approval of the amendment must also require  
5996 the vote of a majority of the votes entitled to be cast by such  
5997 voting group ~~vote by voting groups, the amendment to be adopted~~  
5998 ~~must be approved by:~~

5999 (a) ~~A majority of the votes entitled to be cast on the~~  
6000 ~~amendment by any voting group with respect to which the~~



6001 ~~amendment would create dissenters' rights; and~~

6002 ~~(b) The votes required by ss. 607.0725 and 607.0726 by~~  
6003 ~~every other voting group entitled to vote on the amendment.~~

6004 (7)~~(6)~~ Unless otherwise provided in the articles of  
6005 incorporation, the shareholders of a corporation having 35 or  
6006 fewer shareholders may amend the articles of incorporation  
6007 without an act of the directors at a meeting for which notice of  
6008 the changes to be made is given. For purposes of this  
6009 subsection, the term "shareholder" means a record shareholder, a  
6010 beneficial shareholder, or an unrestricted voting trust  
6011 beneficial owner.

6012 (8) If as a result of an amendment of the articles of  
6013 incorporation one or more shareholders of a domestic corporation  
6014 would become subject to new interest holder liability, approval  
6015 of the amendment shall require the signing in connection with  
6016 the amendment, by each such shareholder, of a separate written  
6017 consent to become subject to such new interest holder liability,  
6018 unless in the case of a shareholder that already has interest  
6019 holder liability the terms and conditions of the new interest  
6020 holder liability are substantially identical to those of the  
6021 existing interest holder liability (other than changes that  
6022 eliminate or reduce such interest holder liability).

6023 (9) For purposes of subsection (8) and s. 607.1009, the  
6024 term "new interest holder liability" means interest holder  
6025 liability of a person resulting from an amendment of the

6026 articles of incorporation if the person did not have interest  
 6027 holder liability before the amendment becomes effective, or the  
 6028 person had interest holder liability before the amendment  
 6029 becomes effective, the terms and conditions of which are changed  
 6030 when the amendment becomes effective.

6031 Section 121. Section 607.1004, Florida Statutes, is  
 6032 amended to read:

6033 607.1004 Voting on amendments by voting groups.—

6034 (1) If the corporation has more than one class of shares  
 6035 outstanding, the holders of the outstanding shares of a class  
 6036 are entitled to vote as a separate voting group ~~class~~ (if  
 6037 shareholder voting is otherwise required by this chapter act)  
 6038 upon a proposed amendment to the articles of incorporation, if  
 6039 the amendment would:

6040 (a) Effect an exchange or reclassification of all or part  
 6041 of the shares of the class into shares of another class.

6042 (b) Effect an exchange or reclassification, or create a  
 6043 right of exchange, of all or part of the shares of another class  
 6044 into the shares of the class.

6045 (c) Change the designation, rights, preferences, or  
 6046 limitations of all or part of the shares of the class.

6047 (d) Change the shares of all or part of the class into a  
 6048 different number of shares of the same class.

6049 (e) Create a new class of shares having rights or  
 6050 preferences with respect to distributions or to dissolution that

6051 are prior or superior to the shares of the class.

6052 (f) Increase the rights, preferences, or number of  
6053 authorized shares of any class that, after giving effect to the  
6054 amendment, have rights or preferences with respect to  
6055 distributions or to dissolution that are prior or superior to  
6056 the shares of the class.

6057 (g) Limit or deny an existing preemptive right of all or  
6058 part of the shares of the class.

6059 (h) Cancel or otherwise affect rights to distributions or  
6060 dividends that have accumulated but not yet been declared on all  
6061 or part of the shares of the class.

6062 (2) If a proposed amendment would affect a series of a  
6063 class of shares in one or more of the ways described in  
6064 subsection (1), the shares of that series are entitled to vote  
6065 as a separate voting group ~~class~~ on the proposed amendment.

6066 (3) If a proposed amendment that entitles the holders of  
6067 two or more classes or series of shares to vote as separate  
6068 voting groups under this section would affect those two or more  
6069 classes or series in the same or substantially similar way, the  
6070 holders of ~~the~~ shares of all the classes or series so affected  
6071 must vote together as a single voting group on the proposed  
6072 amendment, unless otherwise provided in the articles of  
6073 incorporation or added as a condition by the board of directors  
6074 pursuant to s. 607.1003(3).

6075 (4) A class or series of shares is entitled to the voting

6076 | rights granted by this section even if ~~although~~ the articles of  
 6077 | incorporation provide that the shares are nonvoting shares.

6078 | Section 122. Section 607.1005, Florida Statutes, is  
 6079 | amended to read:

6080 | 607.1005 Amendment before issuance of shares.—If a  
 6081 | corporation has not yet issued shares, its board of directors,  
 6082 | or a majority of its incorporators if it has no ~~or~~ board of  
 6083 | directors, may adopt one or more amendments to the corporation's  
 6084 | articles of incorporation.

6085 | Section 123. Section 607.1006, Florida Statutes, is  
 6086 | amended to read:

6087 | 607.1006 Articles of amendment.—

6088 | (1) After an amendment to the ~~A corporation amending its~~  
 6089 | articles of incorporation has been adopted and approved as  
 6090 | required by this chapter, the corporation shall deliver to the  
 6091 | department ~~of State~~ for filing articles of amendment which must  
 6092 | ~~shall~~ be signed ~~executed~~ in accordance with s. 607.0120 and  
 6093 | which must ~~shall~~ set forth:

6094 | (a) ~~(1)~~ The name of the corporation;

6095 | (b) ~~(2)~~ The text of each amendment adopted, or the  
 6096 | information required by s. 607.0120(11)(e), if applicable;

6097 | (c) ~~(3)~~ If an amendment provides for an exchange,  
 6098 | reclassification, or cancellation of issued shares, provisions  
 6099 | for implementing the amendment if not contained in the amendment  
 6100 | itself, which may be made dependent upon facts objectively

6101 ascertainable outside of the articles of amendment in accordance  
6102 with s. 607.0120(11);

6103 (d)-(4) The date of each amendment's adoption; and

6104 (e)-(5) If an amendment:

6105 1. Was adopted by the incorporators or board of directors  
6106 without shareholder approval action, a statement that the  
6107 amendment was duly adopted by the incorporators or by the board  
6108 of directors, as the case may be, to that effect and that  
6109 shareholder approval action was not required;

6110 2.-(6) ~~If an amendment was approved~~ Required approval by  
6111 the shareholders, a statement that the number of votes cast for  
6112 the amendment by the shareholders in a manner required by this  
6113 chapter and by the articles of incorporation was sufficient for  
6114 approval and if more than one voting group was entitled to vote  
6115 on the amendment, a statement designating each voting group  
6116 entitled to vote separately on the amendment, and a statement  
6117 that the number of votes cast for the amendment by the  
6118 shareholders in each voting group was sufficient for approval by  
6119 that voting group; or

6120 3. Is being filed pursuant to s. 607.0120(11)(e), a  
6121 statement to that effect.

6122 (2) Articles of amendment shall take effect at the  
6123 effective date determined pursuant to s. 607.0123.

6124 Section 124. Section 607.1007, Florida Statutes, is  
6125 amended to read:

6126 |           607.1007 Restated articles of incorporation.—

6127 |           (1) A corporation's board of directors may restate its  
6128 | articles of incorporation at any time ~~with or~~ without  
6129 | shareholder approval, subject to subsection (2) ~~action~~.

6130 |           (2) If the restated articles ~~The restatement may~~ include  
6131 | one or more new amendments that require to the articles. ~~If the~~  
6132 | ~~restatement includes an amendment requiring~~ shareholder  
6133 | approval, the amendments ~~it~~ must be adopted and approved as  
6134 | provided in s. 607.1003.

6135 |           (3) Notwithstanding subsection (1), if the board of  
6136 | directors submits a restatement for shareholder approval, and  
6137 | the approval is to be given at a meeting ~~action~~, the corporation  
6138 | must ~~shall~~ notify each shareholder, whether or not entitled to  
6139 | vote, of the meeting of shareholders at which the restatement is  
6140 | to be submitted for approval. The notice must be given ~~of the~~  
6141 | ~~proposed shareholders' meeting~~ in accordance with s. 607.0705  
6142 | and must. ~~The notice must also state that the purpose, or one of~~  
6143 | ~~the purposes, of the meeting is to consider the proposed~~  
6144 | restatement and must contain or be accompanied by a copy of the  
6145 | restatement ~~that identifies any amendment or other change it~~  
6146 | ~~would make in the articles~~.

6147 |           (4) A corporation that restates ~~restating~~ its articles of  
6148 | incorporation shall execute and deliver to the department ~~of~~  
6149 | ~~State~~ for filing articles of restatement, that comply with the  
6150 | provisions of s. 607.0120, and to the extent applicable, s.

6151 607.0202, setting forth:

6152 (a) The name of the corporation;

6153 (b) ~~and~~ The text of the restated articles of

6154 incorporation;

6155 (c) A statement that the restated articles consolidate all

6156 amendments into a single document; and

6157 (d) If one or more new amendments are included in the

6158 restated articles, the statements required under s. 607.1006

6159 with respect to each new amendment ~~Together with a certificate~~

6160 ~~setting forth:~~

6161 ~~(a) Whether the restatement contains an amendment to the~~

6162 ~~articles requiring shareholder approval and, if it does not,~~

6163 ~~that the board of directors adopted the restatement; or~~

6164 ~~(b) If the restatement contains an amendment to the~~

6165 ~~articles requiring shareholder approval, the information~~

6166 ~~required by s. 607.1006.~~

6167 (5) Duly adopted restated articles of incorporation

6168 supersede the original articles of incorporation and all

6169 amendments to the articles of incorporation ~~them~~.

6170 (6) The department ~~of State~~ may certify restated articles

6171 of incorporation, as the articles of incorporation currently in

6172 effect, without including the statements ~~certificate information~~

6173 required by subsection (4).

6174 Section 125. Subsections (1), (2), and (3) of section

6175 607.1008, Florida Statutes, are amended to read:

6176 607.1008 Amendment pursuant to reorganization.—

6177 (1) A corporation's articles of incorporation may be  
 6178 amended without action by the board of directors or shareholders  
 6179 to carry out a plan of reorganization ordered or decreed by a  
 6180 court of competent jurisdiction under the authority of a law of  
 6181 the United States or of this state ~~any federal or Florida~~  
 6182 ~~statute if the articles of incorporation after amendment contain~~  
 6183 ~~only provisions required or permitted by s. 607.0202.~~

6184 (2) The individual or individuals designated by the court  
 6185 shall deliver to the department ~~of State~~ for filing articles of  
 6186 amendment setting forth:

6187 (a) The name of the corporation;

6188 (b) The text of each amendment approved by the court;

6189 (c) The date of the court's order or decree approving the  
 6190 articles of amendment;

6191 (d) The title of the reorganization proceeding in which  
 6192 the order or decree was entered; and

6193 (e) A statement that the court had jurisdiction of the  
 6194 proceeding under a federal or Florida statute.

6195 (3) Shareholders of a corporation undergoing  
 6196 reorganization do not have appraisal ~~dissenters'~~ rights except  
 6197 as and to the extent provided in the reorganization plan.

6198 Section 126. Section 607.1009, Florida Statutes, is  
 6199 amended to read:

6200 607.1009 Effect of amendment.—



6201       (1) An amendment to articles of incorporation does not  
6202 affect a cause of action existing against or in favor of the  
6203 corporation, a proceeding to which the corporation is a party,  
6204 or the existing rights of persons other than shareholders of the  
6205 corporation. An amendment changing a corporation's name does not  
6206 affect ~~abate~~ a proceeding brought by or against the corporation  
6207 in its former name.

6208       (2) A shareholder who becomes subject to new interest  
6209 holder liability in respect of the corporation as a result of an  
6210 amendment to the articles of incorporation shall have that new  
6211 interest holder liability only in respect of interest holder  
6212 liabilities that arise after the amendment becomes effective.

6213       (3) Except as otherwise provided in the articles of  
6214 incorporation of the corporation, the interest holder liability  
6215 of a shareholder who had interest holder liability in respect of  
6216 the corporation before the amendment becomes effective and has  
6217 new interest holder liability after the amendment becomes  
6218 effective shall be as follows:

6219       (a) The amendment does not discharge that prior interest  
6220 holder liability with respect to any interest holder liabilities  
6221 that arose before the amendment becomes effective.

6222       (b) The provisions of the articles of incorporation of the  
6223 corporation relating to interest holder liability as in effect  
6224 immediately prior to the amendment shall continue to apply to  
6225 the collection or discharge of any interest holder liabilities

6226 preserved by paragraph (a), as if the amendment had not  
 6227 occurred.

6228 (c) The shareholder shall have such rights of contribution  
 6229 from other persons as are provided by the articles of  
 6230 incorporation relating to interest holder liability as in effect  
 6231 immediately prior to the amendment with respect to any interest  
 6232 holder liabilities preserved by paragraph (3) (a), as if the  
 6233 amendment had not occurred.

6234 (d) The shareholder shall not, by reason of such prior  
 6235 interest holder liability, have interest holder liability with  
 6236 respect to any interest holder liabilities that arise after the  
 6237 amendment becomes effective.

6238 Section 127. Subsection (1) of section 607.1020, Florida  
 6239 Statutes, is amended, and subsection (3) is added to that  
 6240 section, to read:

6241 607.1020 Amendment of bylaws by board of directors or  
 6242 shareholders.—

6243 (1) A corporation's board of directors may amend or repeal  
 6244 the corporation's bylaws unless:

6245 (a) The articles of incorporation or this chapter ~~act~~  
 6246 reserves that power ~~the power to amend the bylaws generally or a~~  
 6247 ~~particular bylaw provision~~ exclusively to the shareholders in  
 6248 whole or in part; or

6249 (b) Except as provided in s. 607.0206(5), the  
 6250 shareholders, in amending, ~~or~~ repealing, or adopting the bylaws

6251 generally or a particular bylaw provision, ~~provide~~ expressly  
 6252 provide that the board of directors may not amend, ~~or~~ repeal,  
 6253 adopt, or reinstate the bylaws generally or that particular  
 6254 bylaw provision.

6255 (3) A shareholder does not have a vested property right  
 6256 resulting from any provision in the bylaws.

6257 Section 128. Subsection (1) of section 607.1021, Florida  
 6258 Statutes, is amended to read:

6259 607.1021 Bylaw increasing quorum or voting requirements  
 6260 for shareholders.—

6261 (1) If authorized by the articles of incorporation, the  
 6262 shareholders may adopt or amend a bylaw that fixes a greater  
 6263 quorum or voting requirement for shareholders (or voting groups  
 6264 of shareholders) than is required by this chapter act. The  
 6265 adoption or amendment of a bylaw that adds, changes, or deletes  
 6266 a greater quorum or voting requirement for shareholders must  
 6267 meet the same quorum requirement and be adopted by the same vote  
 6268 and voting groups required to take action under the quorum and  
 6269 voting requirement then in effect or proposed to be adopted,  
 6270 whichever is greater.

6271 Section 129. Section 607.1022, Florida Statutes, is  
 6272 amended to read:

6273 607.1022 Bylaw increasing quorum or voting requirements  
 6274 for directors.—

6275 (1) A bylaw that increases a ~~fixes a greater~~ quorum or

6276 voting requirement for the board of directors may be amended or  
 6277 repealed:

6278 (a) If originally adopted by the shareholders, only by the  
 6279 shareholders, unless the bylaw otherwise provides; or

6280 (b) If originally adopted by the board of directors,  
 6281 either by the shareholders or by the board of directors.

6282 (2) A bylaw adopted or amended by the shareholders that  
 6283 increases a ~~fixes a greater~~ quorum or voting requirement for the  
 6284 board of directors may provide that it may be amended or  
 6285 repealed only by a specified vote of either the shareholders or  
 6286 the board of directors.

6287 (3) Action by the board of directors under subsection (1)  
 6288 to amend or repeal ~~paragraph (1)(b) to adopt or amend~~ a bylaw  
 6289 that changes the quorum or voting requirement for the board of  
 6290 directors must meet the same quorum requirement and be adopted  
 6291 by the same vote required to take action under the quorum and  
 6292 voting requirement then in effect or proposed to be adopted,  
 6293 whichever is greater.

6294 Section 130. Section 607.1023, Florida Statutes, is  
 6295 created to read:

6296 607.1023 Bylaw provisions relating to the election of  
 6297 directors.—

6298 (1) Unless the articles of incorporation specifically  
 6299 prohibit the adoption of a bylaw pursuant to this section, alter  
 6300 the vote specified in s. 607.0728(1), or provide for cumulative

6301 voting, a corporation may elect in its bylaws to be governed in  
6302 the election of directors as follows:

6303 (a) Each vote entitled to be cast may be voted for or  
6304 against up to the number of candidates that is equal to the  
6305 number of directors to be elected, or a shareholder may indicate  
6306 an abstention, but without cumulating the votes;

6307 (b) To be elected, a nominee must have received a  
6308 plurality of the votes cast by holders of shares entitled to  
6309 vote in the election at a meeting at which a quorum is present,  
6310 provided that a nominee who is elected but receives more votes  
6311 against than for election shall serve as a director for a term  
6312 that shall terminate on the date that is the earlier of 90 days  
6313 from the date on which the voting results are determined  
6314 pursuant to s. 607.0729(2)(e) or the date on which an individual  
6315 is selected by the board of directors to fill the office held by  
6316 such director, which selection shall be deemed to constitute the  
6317 filling of a vacancy by the board to which s. 607.0809 applies.  
6318 Subject to paragraph (c), a nominee who is elected but receives  
6319 more votes against than for election shall not serve as a  
6320 director beyond the 90-day period referenced above; and

6321 (c) The board of directors may select any qualified  
6322 individual to fill the office held by a director who received  
6323 more votes against than for election.

6324 (2) Subsection (1) does not apply to an election of  
6325 directors by a voting group if:

6326 (a) At the expiration of the time fixed under a provision  
 6327 requiring advance notification of director candidates; or

6328 (b) Absent such a provision, at a time fixed by the board  
 6329 of directors which is not more than 14 days before notice is  
 6330 given of the meeting at which the election is to occur,

6331  
 6332 there are more candidates for election by the voting group than  
 6333 the number of directors to be elected, one or more of whom are  
 6334 properly proposed by shareholders. An individual shall not be  
 6335 considered a candidate for purposes of this subsection if the  
 6336 board of directors determines before the notice of meeting is  
 6337 given that such individual's candidacy does not create a bona  
 6338 fide election contest.

6339 (3) A bylaw electing to be governed by this section may be  
 6340 repealed:

6341 (a) If originally adopted by the shareholders, only by the  
 6342 shareholders, unless the bylaw otherwise provides; or

6343 (b) If adopted by the board of directors, by the board of  
 6344 directors or the shareholders.

6345 Section 131. Section 607.1101, Florida Statutes, is  
 6346 amended to read:

6347 607.1101 Merger.—

6348 (1) By complying with this chapter, including adopting a  
 6349 plan of merger in accordance with subsection (3) and complying  
 6350 with s. 607.1103:

6351        (a) One or more domestic corporations may merge with one  
6352 or more domestic or foreign entities pursuant to a plan of  
6353 merger, resulting in a survivor; and

6354        (b) Any two or more entities, each of which is either a  
6355 domestic eligible entity or a foreign eligible entity, may  
6356 merge, resulting in a survivor that is a domestic corporation  
6357 created in the merger ~~into another corporation if the board of~~  
6358 ~~directors of each corporation adopts and its shareholders (if~~  
6359 ~~required by s. 607.1103) approve a plan of merger.~~

6360        (2) A domestic eligible entity that is not a corporation  
6361 may be a party to a merger with a domestic corporation, or may  
6362 be created as the survivor in a merger in which a domestic  
6363 corporation is a party, but only if the parties to the merger  
6364 comply with the applicable provisions of this chapter and the  
6365 merger is permitted by the organic law of the domestic eligible  
6366 entity that is not a corporation. A foreign eligible entity may  
6367 be a party to a merger with a domestic corporation, or may be  
6368 created as the survivor in a merger in which a domestic  
6369 corporation is a party, but only if the parties to the merger  
6370 comply with the applicable provisions of this chapter and the  
6371 merger is permitted by the organic law of the foreign eligible  
6372 entity.

6373        (3) The plan of merger ~~shall~~ must set forth:

6374        (a) As to each party to the merger, its name, jurisdiction  
6375 of formation, and type of entity;

6376 (b) The survivor's name, jurisdiction of formation, and  
 6377 type of entity, and, if the survivor is to be created in the  
 6378 merger, a statement to that effect ~~The name of each corporation~~  
 6379 ~~planning to merge and the name of the surviving corporation into~~  
 6380 ~~which each other corporation plans to merge, which is~~  
 6381 ~~hereinafter designated as the surviving corporation;~~

6382 (c) ~~(b)~~ The terms and conditions of the ~~proposed~~ merger;  
 6383 and

6384 (d) ~~(e)~~ The manner and basis of converting:

6385 1. The shares of each domestic or foreign corporation and  
 6386 the eligible interests of each merging domestic or foreign  
 6387 eligible entity into:

6388 a. Shares or other securities.

6389 b. Eligible interests.

6390 c. Obligations.

6391 d. Rights to acquire shares, other securities, or eligible  
 6392 interests.

6393 e. Cash.

6394 f. Other property.

6395 g. Any combination of the foregoing; and

6396 2. Rights to acquire shares of each merging domestic or  
 6397 foreign corporation and rights to acquire eligible interests of  
 6398 each merging domestic or foreign eligible entity into:

6399 a. Shares or other securities.

6400 b. Eligible interests.



6401           c. Obligations.

6402           d. Rights to acquire shares, other securities, or eligible  
6403 interests.

6404           e. Cash.

6405           f. Other property.

6406           g. Any combination of the foregoing;

6407           (e) The articles of incorporation of any domestic or  
6408 foreign corporation, or the public organic record of any other  
6409 domestic or foreign eligible entity to be created by the merger,  
6410 or if a new domestic or foreign corporation or other eligible  
6411 entity is not to be created by the merger, any amendments to, or  
6412 restatements of, the survivor's articles of incorporation or  
6413 other public organic record;

6414           (f) The effective date and time of the merger, which may  
6415 be on or after the filing date of the articles of merger; and

6416           (g) Any other provisions required by the laws under which  
6417 any party to the merger is organized or by which it is governed,  
6418 or by the articles of incorporation or organic rules of any such  
6419 party corporation into shares, obligations, or other securities  
6420 of the surviving corporation or any other corporation or, in  
6421 whole or in part, into cash or other property and the manner and  
6422 basis of converting rights to acquire shares of each corporation  
6423 into rights to acquire shares, obligations, or other securities  
6424 of the surviving or any other corporation or, in whole or in  
6425 part, into cash or other property.

6426 (4)-(3) In addition to the requirements of subsection (3),  
6427 a The plan of merger may contain any other provision that is not  
6428 prohibited by law set forth;

6429 ~~(a) Amendments to, or a restatement of, the articles of~~  
6430 ~~incorporation of the surviving corporation;~~

6431 ~~(b) The effective date of the merger, which may be on or~~  
6432 ~~after the date of filing the certificate; and~~

6433 ~~(c) Other provisions relating to the merger.~~

6434 (5) Terms of a plan of merger may be made dependent on  
6435 facts objectively ascertainable outside the plan in accordance  
6436 with s. 607.0120(11).

6437 (6) A plan of merger may be amended only with the consent  
6438 of each party to the merger, except as provided in the plan. A  
6439 domestic party to a merger may approve an amendment to a plan:

6440 (a) In the same manner as the plan was approved, if the  
6441 plan does not provide for the manner in which it may be amended;  
6442 or

6443 (b) In the manner provided in the plan, except that  
6444 shareholders, members, or interest holders that were entitled to  
6445 vote on or consent to the approval of the plan are entitled to  
6446 vote on or consent to any amendment to the plan that will  
6447 change:

6448 1. The amount or kind of shares or other securities,  
6449 eligible interests, obligations, rights to acquire shares, other  
6450 securities, or eligible interests, cash, other property, or any

6451 combination of the foregoing, to be received under the plan by  
6452 the shareholders, holders of rights to acquire shares, other  
6453 securities, or eligible interests, members, or interest holders  
6454 of any party to the merger;

6455 2. The articles of incorporation of any domestic  
6456 corporation, or the organic rules of any other type of entity,  
6457 that will be the survivor of the merger, except for changes  
6458 permitted by s. 607.1002 or by comparable provisions of the  
6459 organic law of any other type of entity; or

6460 3. Any of the other terms or conditions of the plan if the  
6461 change would adversely affect such shareholders, members, or  
6462 interest holders in any material respect.

6463 (7) The redomestication of a foreign insurer to this state  
6464 under s. 628.520 shall be deemed a merger of a foreign  
6465 corporation and a domestic corporation, and the surviving  
6466 corporation shall be deemed to be a domestic corporation  
6467 incorporated under the laws of this state. The redomestication  
6468 of a Florida corporation to a foreign jurisdiction under s.  
6469 628.525 shall be deemed a merger of a domestic corporation and a  
6470 foreign corporation, and the surviving corporation shall be  
6471 deemed to be a foreign corporation.

6472 Section 132. Section 607.1102, Florida Statutes, is  
6473 amended to read:

6474 607.1102 Share exchange.—

6475 (1) By complying with this chapter, including adopting a

6476 plan of share exchange in accordance with subsection (3) and  
6477 complying with s. 607.1103:

6478 (a) A domestic corporation may acquire all of the shares  
6479 or rights to acquire shares of one or more classes or series of  
6480 shares or rights to acquire shares of another domestic or  
6481 foreign corporation, or all of the eligible interests of one or  
6482 more classes or series of interests of a domestic or foreign  
6483 eligible entity, pursuant to a plan of share exchange, in  
6484 exchange for:

6485 1. Shares or other securities.

6486 2. Eligible interests.

6487 3. Obligations.

6488 4. Rights to acquire shares, other securities, or eligible  
6489 interests.

6490 5. Cash.

6491 6. Other property.

6492 7. Any combination of the foregoing; or

6493 (b) All of the shares of one or more classes or series of  
6494 shares or rights to acquire shares of a domestic corporation may  
6495 be acquired by another domestic or foreign eligible entity,  
6496 pursuant to a plan of share exchange, in exchange for:

6497 1. Shares or other securities.

6498 2. Eligible interests.

6499 3. Obligations.

6500 4. Rights to acquire shares, other securities, or eligible

6501 interests.

6502 5. Cash.

6503 6. Other property.

6504 7. Any combination of the foregoing.

6505 (2) A foreign eligible entity may be the acquired eligible

6506 entity in a share exchange only if the share exchange is

6507 permitted by the organic law of that eligible entity ~~A~~

6508 ~~corporation may acquire all of the outstanding shares of one or~~

6509 ~~more classes or series of another corporation if the board of~~

6510 ~~directors of each corporation adopts and its shareholders (if~~

6511 ~~required by s. 607.1103) approve a plan of share exchange.~~

6512 (3)~~(2)~~ The plan of share exchange must shall set forth:

6513 (a) The name of each domestic or foreign eligible entity

6514 ~~the corporation~~ the shares or eligible interests of which will

6515 be acquired and the name of the domestic or foreign corporation

6516 or eligible entity that will acquire those shares or eligible

6517 interests acquiring corporation;

6518 (b) The terms and conditions of the share exchange;

6519 (c) The manner and basis of exchanging:

6520 1. The shares of each domestic or foreign corporation, and

6521 the eligible interests of each domestic or foreign eligible

6522 entity, the shares or eligible interests that are to be acquired

6523 in the share exchange, into shares or other securities, eligible

6524 interests, obligations, rights to acquire shares, other

6525 securities, or eligible interests, cash, other property, or any

6526 combination of the foregoing; and

6527 2. Rights to acquire shares of each domestic or foreign  
6528 corporation and rights to acquire eligible interests of each  
6529 domestic or foreign eligible entity, that are to be acquired in  
6530 the share exchange, into shares or other securities, eligible  
6531 interests, obligations, rights to acquire shares, other  
6532 securities, or eligible interests, cash, other property, or any  
6533 combination of the foregoing; and

6534 (d) Any other provisions required by the organic law  
6535 governing the acquired eligible entity or its articles of  
6536 incorporation or organic rules ~~the shares to be acquired for~~  
6537 ~~shares, obligations, or other securities of the acquiring or any~~  
6538 ~~other corporation or, in whole or in part, for cash or other~~  
6539 ~~property, and the manner and basis of exchanging rights to~~  
6540 ~~acquire shares of the corporation to be acquired for rights to~~  
6541 ~~acquire shares, obligations, or, in whole or in part, other~~  
6542 ~~securities of the acquiring or any other corporation or, in~~  
6543 ~~whole or in part, for cash or other property.~~

6544 (4) ~~(3)~~ In addition to the requirements of subsection (3),  
6545 the plan of share exchange may contain any other provisions that  
6546 are not prohibited by law ~~set forth other provisions relating to~~  
6547 ~~the exchange.~~

6548 (5) Terms of a plan of share exchange may be made  
6549 dependent on facts objectively ascertainable outside the plan in  
6550 accordance with s. 607.0120(11).

6551        (6) A plan of share exchange may be amended only with the  
6552 consent of each party to the share exchange, except as provided  
6553 in the plan. A domestic eligible entity may approve an amendment  
6554 to a plan:

6555        (a) In the same manner as the plan was approved, if the  
6556 plan does not provide for the manner in which it may be amended;  
6557 or

6558        (b) In the manner provided in the plan, except that  
6559 shareholders, members, or interest holders that were entitled to  
6560 vote on or consent to approval of the plan are entitled to vote  
6561 on or consent to any amendment of the plan that will change:

6562        1. The amount or kind of shares or other securities,  
6563 eligible interests, obligations, rights to acquire shares, other  
6564 securities, or eligible interests, cash, or other property to be  
6565 received under the plan by the shareholders, members, or  
6566 interest holders of the acquired eligible entity; or

6567        2. Any of the other terms or conditions of the plan if the  
6568 change would adversely affect such shareholders, members, or  
6569 interest holders in any material respect.

6570        (7)(4) This section does not limit the power of a  
6571 corporation to acquire all or part of the shares of one or more  
6572 classes or series of another corporation or eligible interests  
6573 of any other eligible entity through a voluntary exchange or  
6574 otherwise.

6575        Section 133. Section 607.1103, Florida Statutes, is

6576 amended to read:

6577       607.1103 Action on a plan of merger or share exchange.~~In~~  
 6578 the case of a domestic corporation that is a party to a merger  
 6579 or the acquired eligible entity in a share exchange, the plan of  
 6580 merger or the plan of share exchange must be adopted in the  
 6581 following manner:

6582       (1) ~~The~~ After adopting a plan of merger or the plan of  
 6583 share exchange shall first be adopted by, the board of directors  
 6584 of such domestic corporation ~~each corporation party to the~~  
 6585 ~~merger, and the board of directors of the corporation the shares~~  
 6586 ~~of which will be acquired in the share exchange, shall submit~~  
 6587 ~~the plan of merger (except as provided in subsection (7)) or the~~  
 6588 ~~plan of share exchange for approval by its shareholders.~~

6589       (2) (a) Except as provided in subsections (8), (10), and  
 6590 (11), and in ss. 607.11035 and 607.1104, the plan of merger or  
 6591 the plan of share exchange shall then be adopted by the  
 6592 shareholders.

6593       (b) In submitting the plan of merger or the plan of share  
 6594 exchange to the shareholders for approval, the board of  
 6595 directors shall recommend that the shareholders approve the  
 6596 plan, or in the case of an offer referred to in s.  
 6597 607.11035(1)(b), that the shareholders tender their shares to  
 6598 the offeror in response to the offer, unless:

6599       1. The board of directors makes a determination that  
 6600 because of conflicts of interest or other special circumstances,



6601 it should not make such a recommendation; or  
6602 2. Section 607.0826 applies.  
6603 (c) If either subparagraph (b)1. or subparagraph (b)2.  
6604 applies, the board shall inform the shareholders of the basis  
6605 for its so proceeding without such recommendation ~~For a plan of~~  
6606 ~~merger or share exchange to be approved:~~  
6607 ~~(a) The board of directors must recommend the plan of~~  
6608 ~~merger or share exchange to the shareholders, unless the board~~  
6609 ~~of directors determines that it should make no recommendation~~  
6610 ~~because of conflict of interest or other special circumstances~~  
6611 ~~and communicates the basis for its determination to the~~  
6612 ~~shareholders with the plan; and~~  
6613 ~~(b) The shareholders entitled to vote must approve the~~  
6614 ~~plan as provided in subsection (5).~~  
6615 (3) The board of directors may set conditions for the  
6616 approval condition its submission of the proposed merger or  
6617 share exchange by the shareholders or the effectiveness of the  
6618 plan of merger or the plan of share exchange on any basis.  
6619 (4) If the plan of merger or the plan of share exchange is  
6620 required to be approved by the shareholders, and if the approval  
6621 is to be given at a meeting, the corporation shall notify each  
6622 shareholder, regardless of whether entitled to vote, of the  
6623 meeting of shareholders at which the plan is submitted for  
6624 approval ~~The corporation the shareholders of which are entitled~~  
6625 ~~to vote on the matter shall notify each shareholder, whether or~~

6626 ~~not entitled to vote, of the proposed shareholders' meeting~~ in  
6627 accordance with s. 607.0705. The notice shall also state that  
6628 the purpose, or one of the purposes, of the meeting is to  
6629 consider the plan of merger or the plan of share exchange,  
6630 regardless of whether or not the meeting is an annual or a  
6631 special meeting, and contain or be accompanied by a copy ~~of~~  
6632 ~~summary~~ of the plan. If the corporation is to be merged into an  
6633 existing foreign or domestic eligible entity, the notice must  
6634 also include or be accompanied by a copy of the articles of  
6635 incorporation and bylaws or the organic rules of that eligible  
6636 entity into which the corporation is to be merged. If the  
6637 corporation is to be merged with a domestic or foreign eligible  
6638 entity and a new domestic or foreign eligible entity is to be  
6639 created pursuant to the merger, the notice must include or be  
6640 accompanied by a copy of the articles of incorporation and  
6641 bylaws or the organic rules of the new eligible entity.  
6642 Furthermore, if applicable, the notice shall contain a clear and  
6643 concise statement that, if the plan of merger or share exchange  
6644 is effected, shareholders dissenting therefrom may be entitled,  
6645 if they comply with the provisions of this chapter ~~act~~ regarding  
6646 appraisal rights, to be paid the fair value of their shares, and  
6647 shall be accompanied by a copy of ss. 607.1301-607.1340 ~~ss.~~  
6648 ~~607.1301-607.1333.~~

6649 (5) Unless this chapter ~~act~~, the articles of  
6650 incorporation, or the board of directors (acting pursuant to

6651 subsection (3)) requires a greater vote or a greater quorum in  
 6652 the respective case, approval of vote by classes, the plan of  
 6653 merger or the plan of share exchange shall require the approval  
 6654 of the shareholders at a meeting at which a quorum exists by a  
 6655 majority of the votes entitled to be cast on the plan, and, if  
 6656 any class or series of shares is entitled to vote as a separate  
 6657 group on the plan of merger or the plan of share exchange, the  
 6658 approval of each such separate voting group at a meeting at  
 6659 which a quorum of the voting group is present by a majority of  
 6660 the votes entitled to be cast on the merger or share exchange by  
 6661 that voting group to be authorized shall be approved by each  
 6662 class entitled to vote on the plan by a majority of all the  
 6663 votes entitled to be cast on the plan by that class.

6664 (6) (a) Subject to subsection (7), voting by a class or  
 6665 series as a separate voting group is required:

6666 1.(a) By each class or series of shares of the corporation  
 6667 that would be entitled to vote as a separate group on any  
 6668 provision in the plan which, if such provision had been ~~On a~~  
 6669 plan of merger if the plan contains a provision which, if  
 6670 contained in a proposed amendment to the articles of  
 6671 incorporation of a surviving corporation, would have entitled,  
 6672 ~~would entitle~~ the class or series to vote as a separate voting  
 6673 group on the proposed amendment under s. 607.1004; or

6674 2. If the plan contains a provision that would allow the  
 6675 plan to be amended to include the type of amendment to the

6676 articles of incorporation referenced in subparagraph 1., by each  
6677 class or series of shares of the corporation that would have  
6678 been entitled to vote as a separate group on any such amendment  
6679 to the articles of incorporation; or

6680 3. By each class or series of shares of the corporation  
6681 that is to be converted under the plan of merger into shares,  
6682 other securities, eligible interests, obligations, rights to  
6683 acquire shares, other securities, or eligible interests, cash,  
6684 property, or any combination of the foregoing; or

6685 4. If the plan contains a provision that would allow the  
6686 plan to be amended to convert other classes or series of shares  
6687 of the corporation, by each class or series of shares of the  
6688 corporation that would have been entitled to vote as a separate  
6689 group if the plan were to be so amended.

6690 (b) Subject to subsection (7), voting by a class or series  
6691 as a separate voting group is required on a plan of share  
6692 exchange;

6693 1. By each class or series that is to be exchanged in the  
6694 exchange, with each class or series constituting a separate  
6695 voting group; or

6696 2. If the plan contains a provision that would allow the  
6697 plan to be amended to include the type of amendment to the  
6698 articles of incorporation referenced in subparagraph (a)1., by  
6699 each class or series of shares of the corporation that would  
6700 have been entitled to vote as a separate group on any such

6701 amendment to the articles of incorporation.

6702 (c) Subject to subsection (7), voting by a class or series  
6703 as a separate voting group is required on a plan of merger or a  
6704 plan of share exchange if the group is entitled under the  
6705 articles of incorporation to vote as a voting group to approve  
6706 the plan of merger or the plan of share exchange, respectively.

6707 (7) The articles of incorporation may expressly limit or  
6708 eliminate the separate voting rights provided in subparagraphs  
6709 (6) (a)3. or 4. or subparagraph (6) (b)1. as to any class or  
6710 series of shares, except when the plan of merger or the plan for  
6711 share exchange:

6712 (a) Includes what is or would be, in effect, an amendment  
6713 subject to any one or more of subparagraphs (6) (a)1. and 2. and  
6714 subparagraph (6) (b)2.; and

6715 (b) Will not affect a substantive business combination if  
6716 ~~the shares of such class or series of shares are to be converted~~  
6717 ~~or exchanged under such plan or if the plan contains any~~  
6718 ~~provisions which, if contained in a proposed amendment to~~  
6719 ~~articles of incorporation, would entitle the class or series to~~  
6720 ~~vote as a separate voting group on the proposed amendment under~~  
6721 ~~s. 607.1004.~~

6722 (8) ~~(7)~~ Unless the corporation's articles of incorporation  
6723 provide otherwise, approval by the corporation's shareholders of  
6724 ~~Notwithstanding the requirements of this section, unless~~  
6725 ~~required by its articles of incorporation, action by the~~

6726 ~~shareholders of the surviving corporation on a plan of merger is~~  
6727 ~~not required if:~~

6728 (a) The corporation will survive the merger;

6729 ~~(b)(a)~~ The articles of incorporation of the surviving  
6730 corporation will not differ (except for amendments enumerated in  
6731 s. 607.1002) from its articles of incorporation before the  
6732 merger; and

6733 (c)(b) Each shareholder of the surviving corporation whose  
6734 shares were outstanding immediately prior to the effective date  
6735 of the merger will hold the same number of shares, with  
6736 identical designations, preferences, rights, and limitations,  
6737 ~~and relative rights,~~ immediately after the effective date of the  
6738 merger.

6739 ~~(8) Any plan of merger or share exchange may authorize the~~  
6740 ~~board of directors of each corporation party to the merger or~~  
6741 ~~share exchange to amend the plan at any time prior to the filing~~  
6742 ~~of the articles of merger or share exchange. An amendment made~~  
6743 ~~subsequent to the approval of the plan by the shareholders of~~  
6744 ~~any corporation party to the merger or share exchange may not:~~

6745 ~~(a) Change the amount or kind of shares, securities, cash,~~  
6746 ~~property, or rights to be received in exchange for or on~~  
6747 ~~conversion of any or all of the shares of any class or series of~~  
6748 ~~such corporation;~~

6749 ~~(b) Change any other terms and conditions of the plan if~~  
6750 ~~such change would materially and adversely affect such~~

6751 ~~corporation or the holders of the shares of any class or series~~  
6752 ~~of such corporation; or~~

6753 ~~(c) Except as specified in s. 607.1002 or without the vote~~  
6754 ~~of shareholders entitled to vote on the matter, change any term~~  
6755 ~~of the articles of incorporation of any corporation the~~  
6756 ~~shareholders of which must approve the plan of merger or share~~  
6757 ~~exchange.~~

6758

6759 ~~If articles of merger or share exchange already have been filed~~  
6760 ~~with the Department of State, amended articles of merger or~~  
6761 ~~share exchange shall be filed with the Department of State prior~~  
6762 ~~to the effective date of the merger or share exchange.~~

6763 (9) If as a result of a merger or share exchange one or  
6764 more shareholders of a domestic corporation would become subject  
6765 to new interest holder liability, approval of the plan of merger  
6766 or the plan of share exchange shall require, in connection with  
6767 the transaction, the signing by each such shareholder of a  
6768 separate written consent to become subject to such new interest  
6769 holder liability, unless in the case of a shareholder that  
6770 already has interest holder liability with respect to such  
6771 domestic corporation:

6772 (a) The new interest holder liability is with respect to a  
6773 domestic or foreign corporation (which may be a different or the  
6774 same domestic corporation in which the person is a shareholder);  
6775 and

6776        (b) The terms and conditions of the new interest holder  
6777 liability are substantially identical to those of the existing  
6778 interest holder liability (other than for changes that reduce or  
6779 eliminate such interest holder liability).

6780        (10) Unless the articles of incorporation otherwise  
6781 provide, approval of a plan of share exchange by the  
6782 shareholders of a domestic corporation is not required if the  
6783 corporation is the acquiring eligible entity in the share  
6784 exchange.

6785        (11) Unless the articles of incorporation otherwise  
6786 provide, shares in the acquired eligible entity not to be  
6787 exchanged under the plan of share exchange are not entitled to  
6788 vote on the plan ~~Unless a plan of merger or share exchange~~  
6789 ~~prohibits abandonment of the merger or share exchange without~~  
6790 ~~shareholder approval after a merger or share exchange has been~~  
6791 ~~authorized, the planned merger or share exchange may be~~  
6792 ~~abandoned (subject to any contractual rights) at any time prior~~  
6793 ~~to the filing of articles of merger or share exchange by any~~  
6794 ~~corporation party to the merger or share exchange, without~~  
6795 ~~further shareholder action, in accordance with the procedure set~~  
6796 ~~forth in the plan of merger or share exchange or, if none is set~~  
6797 ~~forth, in the manner determined by the board of directors of~~  
6798 ~~such corporation.~~

6799        Section 134. Section 607.11035, Florida Statutes, is  
6800 created to read:



6801           607.11035 Shareholder approval of a merger or share  
6802 exchange in connection with a tender offer.—

6803           (1) Unless the articles of incorporation otherwise  
6804 provide, shareholder approval of a plan of merger or a plan of  
6805 share exchange under s. 607.1103(1)(b) is not required if:

6806           (a) The plan of merger or share exchange expressly:

6807           1. Permits or requires the merger or share exchange to be  
6808 effected under this section; and

6809           2. Provides that, if the merger or share exchange is to be  
6810 effected under this section, the merger or share exchange will  
6811 be effected as soon as practicable following the satisfaction of  
6812 the requirement in paragraph (f);

6813           (b) Another party to the merger, the acquiring eligible  
6814 entity in the share exchange, or a parent of another party to  
6815 the merger or the parent of the acquiring eligible entity in the  
6816 share exchange, makes an offer to purchase, on the terms  
6817 provided in the plan of merger or the plan of share exchange,  
6818 any and all of the outstanding shares of the corporation that,  
6819 absent this section, would be entitled to vote on the plan of  
6820 merger or the plan of share exchange, except that the offer may  
6821 exclude shares of the corporation that are owned at the  
6822 commencement of the offer by the corporation, the offeror, or  
6823 any parent of the offeror, or by any wholly owned subsidiary of  
6824 any of the foregoing;

6825           (c) The offer discloses that the plan of merger or the

6826 plan of share exchange provides that the merger or share  
6827 exchange will be effected as soon as practicable following the  
6828 satisfaction of the requirement in paragraph (f) and that the  
6829 shares of the corporation that are not tendered in response to  
6830 the offer will be treated pursuant to paragraph (h);

6831 (d) The offer remains open for at least 10 days;

6832 (e) The offeror purchases all shares properly tendered in  
6833 response to the offer and not properly withdrawn;

6834 (f) The shares listed below are collectively entitled to  
6835 cast at least the minimum number of votes on the merger or share  
6836 exchange that, absent this section, would be required by this  
6837 chapter and by the articles of incorporation for the approval of  
6838 the merger or share exchange by the shareholders and by each  
6839 other voting group entitled to vote on the merger or share  
6840 exchange at a meeting at which all shares entitled to vote on  
6841 the approval were present and voted:

6842 1. Shares purchased by the offeror in accordance with the  
6843 offer;

6844 2. Shares otherwise owned by the offeror or by any parent  
6845 of the offeror or any wholly owned subsidiary of any of the  
6846 foregoing; and

6847 3. Shares subject to an agreement that they are to be  
6848 transferred, contributed, or delivered to the offeror, any  
6849 parent of the offeror, or any wholly owned subsidiary of any of  
6850 the foregoing in exchange for shares or eligible interests in

6851 such offeror, parent, or subsidiary;

6852 (g) The offeror or a wholly owned subsidiary of the  
6853 offeror merges with or into, or effects a share exchange in  
6854 which it acquires shares of, the corporation; and

6855 (h) Each outstanding share of each class or series of  
6856 shares of the corporation that the offeror is offering to  
6857 purchase in accordance with the offer, and that is not purchased  
6858 in accordance with the offer, is to be converted in the merger  
6859 into, or into the right to receive, or is to be exchanged in the  
6860 share exchange for, or for the right to receive, the same amount  
6861 and kind of securities, eligible interests, obligations, rights,  
6862 cash, or other property to be paid or exchanged in accordance  
6863 with the offer for each share of that class or series of shares  
6864 that is tendered in response to the offer, except that shares of  
6865 the corporation that are owned by the corporation or that are  
6866 described in subparagraphs (f)2. or 3. need not be converted  
6867 into or exchanged for the consideration described in this  
6868 paragraph.

6869 (2) As used in this section, the term:

6870 (a) "Offer" means the offer referred to in paragraph

6871 (1) (b) .

6872 (b) "Offeror" means the person making the offer.

6873 (c) "Parent" of an eligible entity means a person that  
6874 owns, directly or indirectly through one or more wholly owned  
6875 subsidiaries, all of the outstanding shares of or eligible

6876 interests in that eligible entity.

6877 (d) Shares tendered in response to the offer shall be  
6878 deemed to have been "purchased" in accordance with the terms of  
6879 the offer at the earliest time as of which:

6880 1. The offeror has irrevocably accepted those shares for  
6881 payment; and

6882 2. In the case of shares represented by certificates, the  
6883 offeror, or the offeror's designated depository or other agent,  
6884 has physically received the certificates representing those  
6885 shares, or, in the case of shares without certificates, those  
6886 shares have been transferred into the account of the offeror or  
6887 its designated depository or other agent, or an agent's message  
6888 relating to those shares has been received by the offeror or its  
6889 designated depository or other agent.

6890 (e) "Wholly owned subsidiary" of a person means an  
6891 eligible entity of or in which a person owns, directly or  
6892 indirectly, all of the outstanding shares or eligible interests.

6893 Section 135. Section 607.1104, Florida Statutes, is  
6894 amended to read:

6895 607.1104 Merger between parent and subsidiary or between  
6896 subsidiaries ~~of subsidiary corporation.~~

6897 (1) (a) A domestic or foreign parent eligible entity that  
6898 owns shares of a domestic corporation which carry ~~corporation~~  
6899 ~~owning~~ at least 80 percent of the voting power ~~outstanding~~  
6900 ~~shares~~ of each class and series of the outstanding shares of the

6901 a subsidiary ~~corporation~~ may:

6902 1. Merge the subsidiary into itself, if it is a domestic  
6903 or foreign eligible entity, or into another domestic or foreign  
6904 eligible entity in which the parent eligible entity owns at  
6905 least 80 percent of the voting power of each class and series of  
6906 the outstanding shares or eligible interests that have voting  
6907 power; or

6908 2. may Merge itself, if it is a domestic or foreign  
6909 eligible entity, into such the subsidiary.

6910 (b) Mergers under subparagraphs (a)1. and (a)2. do not  
6911 require the approval of the board of directors or shareholders  
6912 of the subsidiary unless the articles of incorporation or  
6913 organic rules of the parent eligible entity or the articles of  
6914 incorporation of the subsidiary otherwise provide. Section  
6915 607.1103(9) applies to a merger under this section. The articles  
6916 of merger relating to a merger under this section do not need to  
6917 be signed by the subsidiary, or may merge the subsidiary into  
6918 and with another subsidiary in which the parent corporation owns  
6919 at least 80 percent of the outstanding shares of each class of  
6920 the subsidiary without the approval of the shareholders of the  
6921 parent or subsidiary. In a merger of a parent corporation into  
6922 its subsidiary corporation, the approval of the shareholders of  
6923 the parent corporation shall be required if the articles of  
6924 incorporation of the surviving corporation will differ, except  
6925 for amendments enumerated in s. 607.1002, from the articles of

6926 ~~incorporation of the parent corporation before the merger, and~~  
6927 ~~the required vote shall be the greater of the vote required to~~  
6928 ~~approve the merger and the vote required to adopt each change to~~  
6929 ~~the articles of incorporation as if each change had been~~  
6930 ~~presented as an amendment to the articles of incorporation of~~  
6931 ~~the parent corporation.~~

6932 ~~(b) The board of directors of the parent shall adopt a~~  
6933 ~~plan of merger that sets forth:~~

6934 ~~1. The names of the parent and subsidiary corporations;~~

6935 ~~2. The manner and basis of converting the shares of the~~  
6936 ~~subsidiary or parent into shares, obligations, or other~~  
6937 ~~securities of the parent or any other corporation or, in whole~~  
6938 ~~or in part, into cash or other property, and the manner and~~  
6939 ~~basis of converting rights to acquire shares of each corporation~~  
6940 ~~into rights to acquire shares, obligations, and other securities~~  
6941 ~~of the surviving or any other corporation or, in whole or in~~  
6942 ~~part, into cash or other property;~~

6943 ~~3. If the merger is between the parent and a subsidiary~~  
6944 ~~corporation and the parent is not the surviving corporation, a~~  
6945 ~~provision for the pro rata issuance of shares of the subsidiary~~  
6946 ~~to the holders of the shares of the parent corporation upon~~  
6947 ~~surrender of any certificates therefor; and~~

6948 ~~4. A clear and concise statement that shareholders of the~~  
6949 ~~subsidiary who, except for the applicability of this section,~~  
6950 ~~would be entitled to vote and who dissent from the merger~~

6951 ~~pursuant to s. 607.1321, may be entitled, if they comply with~~  
6952 ~~the provisions of this act regarding appraisal rights, to be~~  
6953 ~~paid the fair value of their shares.~~

6954       (2) The parent shall, within 10 days after the effective  
6955 date of a merger approved under subsection (1), notify each of  
6956 the subsidiary's shareholders that the merger has become  
6957 effective ~~mail a copy or summary of the plan of merger to each~~  
6958 ~~shareholder of the subsidiary who does not waive the mailing~~  
6959 ~~requirement in writing.~~

6960       (3) Except as provided for in subsections (1) and (2), a  
6961 merger between a parent eligible entity and a domestic  
6962 subsidiary corporation shall be governed by the provisions of  
6963 ss. 607.1101-607.1107 that are applicable to mergers generally  
6964 ~~The parent may not deliver articles of merger to the Department~~  
6965 ~~of State for filing until at least 30 days after the date it~~  
6966 ~~mailed a copy of the plan of merger to each shareholder of the~~  
6967 ~~subsidiary who did not waive the mailing requirement, or, if~~  
6968 ~~earlier, upon the waiver thereof by the holders of all of the~~  
6969 ~~outstanding shares of the subsidiary.~~

6970       (4) ~~Articles of merger under this section may not contain~~  
6971 ~~amendments to the articles of incorporation of the parent~~  
6972 ~~corporation (except for amendments enumerated in s. 607.1002).~~

6973       (5) ~~Two or more subsidiaries may be merged into the parent~~  
6974 ~~pursuant to this section.~~

6975       Section 136. Subsections (1) and (3) of section 607.11045,

6976 Florida Statutes, are amended to read:

6977           607.11045 Holding company formation by merger by certain  
6978 corporations.—

6979           (1) This section applies only to a corporation that has  
6980 shares registered pursuant to s. 12 of the Securities Exchange  
6981 Act of 1934 ~~of any class or series which are either registered~~  
6982 ~~on a national securities exchange or designated as a national~~  
6983 ~~market system security on an interdealer quotation system by the~~  
6984 ~~National Association of Securities Dealers, Inc.,~~ or held of  
6985 record by not fewer than 2,000 shareholders.

6986           (3) Notwithstanding the requirements of s. 607.1103,  
6987 unless expressly required by its articles of incorporation, no  
6988 vote of shareholders of a corporation is necessary to authorize  
6989 a merger of the corporation with or into a wholly owned  
6990 subsidiary of such corporation if:

6991           (a) Such corporation and wholly owned subsidiary are the  
6992 only constituent corporations to the merger;

6993           (b) Each share or fraction of a share of the constituent  
6994 corporation whose shares are being converted pursuant to the  
6995 merger which are outstanding immediately prior to the effective  
6996 date of the merger is converted in the merger into a share or  
6997 equal fraction of share of a holding company having the same  
6998 designations, rights, powers and preferences, and  
6999 qualifications, limitations and restrictions thereof as the  
7000 share of the constituent corporation being converted in the



7001 merger;

7002 (c) The holding company and each of the constituent  
7003 corporations to the merger are domestic corporations;

7004 (d) The articles of incorporation and bylaws of the  
7005 holding company immediately following the effective date of the  
7006 merger contain provisions identical to the articles of  
7007 incorporation and bylaws of the constituent corporation whose  
7008 shares are being converted pursuant to the merger immediately  
7009 prior to the effective date of the merger, except provisions  
7010 regarding the incorporators, the corporate name, the registered  
7011 office and agent, the initial board of directors, the initial  
7012 subscribers for shares and matters solely of historical  
7013 significance, and such provisions contained in any amendment to  
7014 the articles of incorporation as were necessary to effect a  
7015 change, exchange, reclassification, or cancellation of shares,  
7016 if such change, exchange, reclassification, or cancellation has  
7017 become effective;

7018 (e) As a result of the merger, the constituent corporation  
7019 whose shares are being converted pursuant to the merger or its  
7020 successor corporation becomes or remains a direct or indirect  
7021 wholly owned subsidiary of the holding company;

7022 (f) The directors of the constituent corporation become or  
7023 remain the directors of the holding company upon the effective  
7024 date of the merger;

7025 (g) The articles of incorporation of the surviving

7026 corporation immediately following the effective date of the  
7027 merger are identical to the articles of incorporation of the  
7028 constituent corporation whose shares are being converted  
7029 pursuant to the merger immediately prior to the effective date  
7030 of the merger, except provisions regarding the incorporators,  
7031 the corporate name, the registered office and agent, the initial  
7032 board of directors, the initial subscribers for shares and  
7033 matters solely of historical significance, and such provisions  
7034 contained in any amendment to the articles of incorporation as  
7035 were necessary to effect a change, exchange, reclassification,  
7036 or cancellation of shares, if such change, exchange,  
7037 reclassification, or cancellation has become effective. The  
7038 articles of incorporation of the surviving corporation must be  
7039 amended in the merger to contain a provision requiring, by  
7040 specific reference to this section, that any act or transaction  
7041 by or involving the surviving corporation, other than the  
7042 election or removal of directors, which requires for its  
7043 adoption under this chapter ~~act~~ or its articles of incorporation  
7044 the approval of the shareholders of the surviving corporation  
7045 also be approved by the shareholders of the holding company, or  
7046 any successor by merger, by the same vote as is required by this  
7047 chapter ~~act~~ or the articles of incorporation of the surviving  
7048 corporation. The articles of incorporation of the surviving  
7049 corporation may be amended in the merger to reduce the number of  
7050 classes and shares which the surviving corporation is authorized

7051 | to issue;

7052 |         (h) The board of directors of the constituent corporation  
7053 | determines that the shareholders of the constituent corporation  
7054 | will not recognize gain or loss for United States federal income  
7055 | tax purposes; and

7056 |         (i) The board of directors of such corporation adopts a  
7057 | plan of merger that sets forth:

7058 |             1. The names of the constituent corporations;

7059 |             2. The manner and basis of converting the shares of the  
7060 | corporation into shares of the holding company and the manner  
7061 | and basis of converting rights to acquire shares of such  
7062 | corporation into rights to acquire shares of the holding  
7063 | company; and

7064 |             3. A provision for the pro rata issuance of shares of the  
7065 | holding company to the holders of shares of the corporation upon  
7066 | surrender of any certificates therefor.

7067 |         Section 137. Section 607.1105, Florida Statutes, is  
7068 | amended to read:

7069 |             607.1105 Articles of merger or share exchange.—

7070 |             (1) After a plan of merger has been adopted and approved  
7071 | as required by this chapter or, if the merger is being effected  
7072 | under s. 607.1101(1)(b), the merger has been approved as  
7073 | required by the organic law governing the parties to the merger,  
7074 | the articles of merger must be signed by each party to the  
7075 | merger, except as provided in s. 607.1104(1). The articles must

7076 ~~or share exchange is approved by the shareholders, or adopted by~~  
7077 ~~the board of directors if shareholder approval is not required,~~  
7078 ~~the surviving or acquiring corporation shall deliver to the~~  
7079 ~~Department of State for filing articles of merger or share~~  
7080 ~~exchange which shall be executed by each corporation as required~~  
7081 ~~by s. 607.0120 and which shall set forth:~~

7082       (a) The name, jurisdiction of formation, and type of  
7083 entity of each party of the merger;

7084       (b) If not already identified as the survivor pursuant to  
7085 paragraph (a), the name, jurisdiction of formation, and type of  
7086 entity of the survivor;

7087       (c) If the survivor of the merger is a domestic  
7088 corporation and its articles of incorporation are being amended,  
7089 or if a new domestic corporation is being created as a result of  
7090 the merger:

7091           1. The amendments to the survivor's articles of  
7092 incorporation; or

7093           2. The articles of incorporation of the new corporation;

7094       (d) If the survivor of the merger is a domestic eligible  
7095 entity, other than a domestic corporation, and its public  
7096 organic record is being amended in connection with the merger,  
7097 or if a new domestic eligible entity is being created as a  
7098 result of the merger:

7099           1. The amendments to the public organic record of the  
7100 survivor; or

7101        2. The public organic record of the new eligible entity;  
7102        (e) If the plan of merger required approval by the  
7103 shareholders of a domestic corporation that is a party to the  
7104 merger, a statement that the plan was duly approved by the  
7105 shareholders and, if voting by any separate voting group was  
7106 required, by each such separate voting group, in the manner  
7107 required by this chapter and the articles of incorporation of  
7108 such domestic corporation;  
7109        (f) If the plan of merger did not require approval by the  
7110 shareholders of a domestic corporation that is a party to the  
7111 merger, a statement to that effect;  
7112        (g) As to each foreign corporation that is a party to the  
7113 merger, a statement that the participation of the foreign  
7114 corporation was duly authorized in accordance with such  
7115 corporation's organic law;  
7116        (h) As to each domestic or foreign eligible entity that is  
7117 a party to the merger and that is not a domestic or foreign  
7118 corporation, a statement that the participation of the eligible  
7119 entity in the merger was duly authorized in accordance with such  
7120 eligible entity's organic law; and  
7121        (i) If the survivor is created by the merger and is a  
7122 domestic limited liability partnership, the document required to  
7123 elect that status, as an attachment.  
7124        (2) After a plan of share exchange in which the acquired  
7125 eligible entity is a domestic corporation or other eligible

7126 entity has been adopted and approved as required by this  
7127 chapter, articles of share exchange must be signed by the  
7128 acquired eligible entity and the acquiring eligible entity. The  
7129 articles must set forth:

7130 (a) The name, jurisdiction of formation, and type of  
7131 entity of the acquired eligible entity;

7132 (b) The name, jurisdiction of formation, and type of  
7133 entity of the domestic or foreign eligible entity that is the  
7134 acquiring eligible entity; and

7135 (c) A statement that the plan of share exchange was duly  
7136 approved by the acquired eligible entity by:

7137 1. The required vote or consent of each class or series of  
7138 shares or eligible interests included in the exchange; and

7139 2. The required vote or consent of each other class or  
7140 series of shares or eligible interests entitled to vote on  
7141 approval of the exchange by the articles of incorporation or the  
7142 organic rules of the acquired eligible entity.

7143 (3) In addition to the requirements of subsections (1) and  
7144 (2), articles of merger or articles of share exchange may  
7145 contain any other provision not prohibited by law.

7146 (4) The articles of merger or the articles of share  
7147 exchange shall be delivered to the department for filing, and,  
7148 subject to subsection (5), the merger or share exchange shall  
7149 take effect at the effective date determined in accordance with  
7150 s. 607.0123.

7151        (5) With respect to a merger in which one or more foreign  
7152 entities is a party or a foreign eligible entity created by the  
7153 merger is the survivor, the merger itself shall become effective  
7154 at the later of:

7155        (a) When all documents required to be filed in all foreign  
7156 jurisdictions to effect the merger have become effective; or

7157        (b) When the articles of merger take effect.

7158        (6) Articles of merger required to be filed under this  
7159 section may be combined with any filing required under the  
7160 organic law governing any other domestic eligible entity  
7161 involved in the transaction if the combined filing satisfies the  
7162 requirements of both this section and the other organic law ~~plan~~  
7163 of merger or share exchange;

7164        ~~(b) The effective date of the merger or share exchange,~~  
7165 ~~which may be on or after the date of filing the articles of~~  
7166 ~~merger or share exchange; if the articles of merger or share~~  
7167 ~~exchange do not provide for an effective date of the merger or~~  
7168 ~~share exchange, then the effective date shall be the date on~~  
7169 ~~which the articles of merger or share exchange are filed;~~

7170        ~~(c) If shareholder approval was not required, a statement~~  
7171 ~~to that effect; and~~

7172        ~~(d) As to each corporation, to the extent applicable, the~~  
7173 ~~date of adoption of the plan of merger or share exchange by the~~  
7174 ~~shareholders or by the board of directors when no vote of the~~  
7175 ~~shareholders is required.~~

7176 ~~(7)-(2)~~ A copy of the articles of merger or share exchange,  
 7177 certified by the department ~~of State~~, may be filed in the office  
 7178 of the official who is the recording officer of each county in  
 7179 this state in which real property of a constituent corporation  
 7180 other than the surviving corporation is situated.

7181 Section 138. Section 607.1106, Florida Statutes, is  
 7182 amended to read:

7183 607.1106 Effect of merger or share exchange.—

7184 (1) When a merger becomes effective:

7185 (a) The domestic or foreign eligible entity that is  
 7186 designated in the plan of merger as the survivor continues or  
 7187 comes into existence, as the case may be;

7188 (b) The separate existence of every domestic or foreign  
 7189 eligible entity that is a party to the merger, other than the  
 7190 survivor, ceases ~~Every other corporation party to the merger~~  
 7191 ~~merges into the surviving corporation and the separate existence~~  
 7192 ~~of every corporation except the surviving corporation ceases;~~

7193 (c) ~~(b)~~ All real property and other property, including any  
 7194 interest therein and all title thereto, owned by, and every  
 7195 contract right possessed by, each domestic or foreign eligible  
 7196 entity that is a party to the merger, other than the survivor,  
 7197 become the property and contract rights of and become vested in  
 7198 the survivor, ~~The title to all real estate and other property,~~  
 7199 ~~or any interest therein, owned by each corporation party to the~~  
 7200 ~~merger is vested in the surviving corporation without~~ transfer,



7201 reversion, or impairment;

7202 (d)(e) All debts, obligations, and other liabilities of  
7203 each domestic or foreign eligible entity that is a ~~The surviving~~  
7204 ~~corporation shall thenceforth be responsible and liable for all~~  
7205 ~~the liabilities and obligations of each corporation party to the~~  
7206 merger, other than the survivor, become debts, obligations, and  
7207 liabilities of the survivor;

7208 (e)(d) The name of the survivor may be, but need not be,  
7209 substituted in any pending proceeding for the name of any party  
7210 to the merger whose separate existence ceased in the merger ~~Any~~  
7211 ~~claim existing or action or proceeding pending by or against any~~  
7212 ~~corporation party to the merger may be continued as if the~~  
7213 ~~merger did not occur or the surviving corporation may be~~  
7214 ~~substituted in the proceeding for the corporation which ceased~~  
7215 ~~existence;~~

7216 (f)(e) Neither the rights of creditors nor any liens upon  
7217 the property of any corporation party to the merger shall be  
7218 impaired by such merger;

7219 (g)(f) If the survivor is a domestic eligible entity, the  
7220 articles of incorporation and bylaws or the organic rules of the  
7221 survivor ~~surviving corporation~~ are amended to the extent  
7222 provided in the plan of merger; ~~and~~

7223 (h) The articles of incorporation and bylaws or the  
7224 organic rules of a survivor that is a domestic eligible entity  
7225 and is created by the merger become effective;

7226            (i)~~(g)~~ The shares (and the rights to acquire shares,  
 7227 obligations, or other securities) of each domestic or foreign  
 7228 corporation party to the merger, and the eligible interests in  
 7229 any other eligible entity that is a party to the merger, that  
 7230 are to be converted in accordance with the terms of the merger  
 7231 into shares or other securities, eligible interests, ~~rights,~~  
 7232 obligations, rights to acquire shares, other securities, or  
 7233 eligible interests, cash, other property, or any combination of  
 7234 the foregoing, ~~or other securities of the surviving or any other~~  
 7235 ~~corporation or into cash or other property~~ are converted, and  
 7236 the former holders of such the shares, rights to acquire shares,  
 7237 or other eligible interests are entitled only to the rights  
 7238 provided to them by those terms of the merger or to any rights  
 7239 they may have in the articles of merger or to their rights under  
 7240 s. 607.1302 or under the organic law governing the eligible  
 7241 entity;

7242            (j) Except as provided by law or the plan of merger, all  
 7243 the rights, privileges, franchises, and immunities of each  
 7244 eligible entity that is a party to the merger, other than the  
 7245 survivor, become the rights, privileges, franchises, and  
 7246 immunities of the survivor; and

7247            (k) If the survivor exists before the merger:

7248            1. All the property and contract rights of the survivor  
 7249 remain its property and contract rights without transfer,  
 7250 reversion, or impairment;

7251 2. The survivor remains subject to all of its debts,  
7252 obligations, and other liabilities; and

7253 3. Except as provided by law or the plan of merger, the  
7254 survivor continues to hold all of its rights, privileges,  
7255 franchises, and immunities.

7256 (2) When a share exchange becomes effective, the shares,  
7257 eligible interests, and rights to acquire shares or eligible  
7258 interests in the acquired eligible entity that ~~of each acquired~~  
7259 ~~corporation~~ are to be exchanged in accordance with the terms of  
7260 the share exchange for:

7261 (a) Shares or other securities;

7262 (b) Eligible interests;

7263 (c) Obligations;

7264 (d) Rights to acquire shares, other securities, or  
7265 eligible interests;

7266 (e) Cash;

7267 (f) Other property; or

7268 (g) Any combination of the foregoing

7269  
7270 are entitled only to the rights provided to them by the terms of  
7271 the share exchange, or to any ~~as provided in the plan of~~  
7272 ~~exchange, and the former holders of the shares are entitled only~~  
7273 ~~to the exchange rights provided in the articles of share~~  
7274 ~~exchange or to their rights they may have under s. 607.1302 or~~  
7275 the organic law governing the acquired eligible entity.

7276 (3) Except as otherwise provided in the articles of  
7277 incorporation of a domestic corporation or the organic law  
7278 governing or organic rules of a domestic or foreign eligible  
7279 entity, the effect of a merger or share exchange on interest  
7280 holder liability is as follows:

7281 (a) A person who becomes subject to new interest holder  
7282 liability in respect of an eligible entity as a result of a  
7283 merger or share exchange shall have that new interest holder  
7284 liability only in respect of interest holder liabilities that  
7285 arise after the merger or share exchange becomes effective.

7286 (b) If a person had interest holder liability with respect  
7287 to a party to the merger or the acquired eligible entity before  
7288 the merger or share exchange becomes effective with respect to  
7289 shares or eligible interests of such party or acquired entity  
7290 which were exchanged in the merger or share exchange, which were  
7291 canceled in the merger, or the terms and conditions of which  
7292 relating to interest holder liability were amended pursuant to  
7293 the merger:

7294 1. The merger or share exchange does not discharge that  
7295 prior interest holder liability with respect to any interest  
7296 holder liabilities that arose before the merger or share  
7297 exchange becomes effective.

7298 2. The provisions of the organic law governing any  
7299 eligible entity for which the person had that prior interest  
7300 holder liability shall continue to apply to the collection or

7301 discharge of any interest holder liabilities preserved by  
7302 subparagraph 1. as if the merger or share exchange had not  
7303 occurred.

7304 3. The person shall have such rights of contribution from  
7305 other persons as are provided by the organic law governing the  
7306 eligible entity for which the person had that prior interest  
7307 holder liability with respect to any interest holder liabilities  
7308 preserved by subparagraph 1. as if the merger or share exchange  
7309 had not occurred.

7310 4. The person shall not, by reason of such prior interest  
7311 holder liability, have interest holder liability with respect to  
7312 any interest holder liabilities that arise after the merger or  
7313 share exchange becomes effective.

7314 (c) If a person has interest holder liability both before  
7315 and after a merger becomes effective with unchanged terms and  
7316 conditions with respect to the eligible entity that is the  
7317 survivor by reason of owning the same shares or eligible  
7318 interests before and after the merger becomes effective, the  
7319 merger has no effect on such interest holder liability.

7320 (d) A share exchange has no effect on interest holder  
7321 liability related to shares or eligible interests of the  
7322 acquired eligible entity that were not exchanged in the share  
7323 exchange.

7324 (4) Upon a merger becoming effective, a foreign eligible  
7325 entity that is the survivor of the merger is deemed to:

7326 (a) Appoint the secretary of state as its agent for  
 7327 service of process in a proceeding to enforce the rights of  
 7328 shareholders of each domestic corporation that is a party to the  
 7329 merger who exercise appraisal rights; and

7330 (b) Agree that it will promptly pay any amount that the  
 7331 shareholders are entitled to under ss. 607.1301-607.1340.

7332 (5) Except as provided in the organic law governing a  
 7333 party to a merger or in its articles of incorporation or organic  
 7334 rules, the merger does not give rise to any rights that an  
 7335 interest holder, governor, or third party would have upon a  
 7336 dissolution, liquidation, or winding up of that party. The  
 7337 merger does not require a party to the merger to wind up its  
 7338 affairs and does not constitute or cause its dissolution or  
 7339 termination.

7340 (6) Property held for a charitable purpose under the law  
 7341 of this state by a domestic or foreign eligible entity  
 7342 immediately before a merger becomes effective may not, as a  
 7343 result of the transaction, be diverted from the objects for  
 7344 which it was donated, granted, devised, or otherwise transferred  
 7345 except and only to the extent permitted by or pursuant to the  
 7346 laws of this state addressing cy pres or dealing with  
 7347 nondiversion of charitable assets.

7348 (7) A bequest, devise, gift, grant, or promise contained  
 7349 in a will or other instrument of donation, subscription, or  
 7350 conveyance which is made to an eligible entity that is a party

7351 to a merger that is not the survivor and which takes effect or  
 7352 remains payable after the merger inures to the survivor.

7353 (8) A trust obligation that would govern property if the  
 7354 property is directed to be transferred to a nonsurviving  
 7355 eligible entity will apply to property that is to be transferred  
 7356 instead to the survivor after a merger becomes effective.

7357 Section 139. Section 607.1107, Florida Statutes, is  
 7358 amended to read:

7359 607.1107 Abandonment of a merger or share exchange ~~Merger~~  
 7360 ~~or share exchange with foreign corporations.-~~

7361 (1) After a plan of merger or a plan of share exchange has  
 7362 been adopted and approved as required by this chapter, and  
 7363 before the articles of merger or the articles of share exchange  
 7364 have become effective, the plan may be abandoned by a domestic  
 7365 corporation that is a party to the plan without action by its  
 7366 shareholders in accordance with any procedures set forth in the  
 7367 plan of merger or the plan of share exchange or, if no such  
 7368 procedures are set forth in the plan, in the manner determined  
 7369 by the board of directors.

7370 (2) If a merger or share exchange is abandoned under  
 7371 subsection (1) after articles of merger or articles of share  
 7372 exchange have been delivered to the department for filing but  
 7373 before the articles of merger or articles of share exchange have  
 7374 become effective, a statement of abandonment signed by all the  
 7375 parties that signed the articles of merger or articles of share

7376 exchange must be delivered to the department for filing before  
7377 the articles of merger or articles of share exchange become  
7378 effective. The statement shall take effect on filing, whereupon  
7379 the merger or share exchange shall be deemed abandoned and shall  
7380 not become effective. The statement of abandonment must contain:

7381 (a) The name of each party to the merger or the names of  
7382 the acquiring and acquired entities in a share exchange;

7383 (b) The date on which the articles of merger or articles  
7384 of share exchange were filed by the department; and

7385 (c) A statement that the merger or share exchange has been  
7386 abandoned in accordance with this section. ~~One or more foreign~~  
7387 ~~corporations may merge or enter into a share exchange with one~~  
7388 ~~or more domestic corporations if:~~

7389 ~~(a) In a merger, the merger is permitted by the law of the~~  
7390 ~~state or country under the law of which each foreign corporation~~  
7391 ~~is incorporated and each foreign corporation complies with that~~  
7392 ~~law in effecting the merger;~~

7393 ~~(b) In a share exchange, the corporation the shares of~~  
7394 ~~which will be acquired is a domestic corporation, whether or not~~  
7395 ~~a share exchange is permitted by law of the state or country~~  
7396 ~~under the law of which the acquiring corporation is~~  
7397 ~~incorporated;~~

7398 ~~(c) The foreign corporation complies with s. 607.1105 if~~  
7399 ~~it is the surviving corporation of the merger or acquiring~~  
7400 ~~corporation of the share exchange; and~~



7401 ~~(d) Each domestic corporation complies with the applicable~~  
7402 ~~provisions of ss. 607.1101-607.1104 and, if it is the surviving~~  
7403 ~~corporation of the merger or acquiring corporation of the share~~  
7404 ~~exchange, with s. 607.1105.~~

7405 ~~(2) Upon the merger becoming effective, the surviving~~  
7406 ~~foreign corporation of a merger, and the acquiring foreign~~  
7407 ~~corporation in a share exchange, is deemed:~~

7408 ~~(a) To appoint the Secretary of State as its agent for~~  
7409 ~~service of process in a proceeding to enforce any obligation or~~  
7410 ~~the rights of dissenting shareholders of each domestic~~  
7411 ~~corporation party to the merger or share exchange; and~~

7412 ~~(b) To agree that it will promptly pay to the dissenting~~  
7413 ~~shareholders of each domestic corporation party to the merger or~~  
7414 ~~share exchange the amount, if any, to which they are entitled~~  
7415 ~~under s. 607.1302.~~

7416 ~~(3) This section does not limit the power of a foreign~~  
7417 ~~corporation to acquire all or part of the shares of one or more~~  
7418 ~~classes or series of a domestic corporation through a voluntary~~  
7419 ~~exchange or otherwise.~~

7420 ~~(4) The effect of such merger shall be the same as in the~~  
7421 ~~case of the merger of domestic corporations if the surviving~~  
7422 ~~corporation is to be governed by the laws of this state. If the~~  
7423 ~~surviving corporation is to be governed by the laws of any state~~  
7424 ~~other than this state, the effect of such merger shall be the~~  
7425 ~~same as in the case of the merger of domestic corporations~~

7426 ~~except insofar as the laws of such other state provide~~  
 7427 ~~otherwise.~~

7428 ~~(5) The redomestication of a foreign insurer to this state~~  
 7429 ~~under s. 628.520 shall be deemed a merger of a foreign~~  
 7430 ~~corporation and a domestic corporation, and the surviving~~  
 7431 ~~corporation shall be deemed to be a domestic corporation~~  
 7432 ~~incorporated under the laws of this state. The redomestication~~  
 7433 ~~of a Florida corporation to a foreign jurisdiction under s.~~  
 7434 ~~628.525 shall be deemed a merger of a domestic corporation and a~~  
 7435 ~~foreign corporation, and the surviving corporation shall be~~  
 7436 ~~deemed to be a foreign corporation.~~

7437 Section 140. Section 607.1108, Florida Statutes, is  
 7438 repealed.

7439 Section 141. Section 607.1109, Florida Statutes, is  
 7440 repealed.

7441 Section 142. Section 607.11101, Florida Statutes, is  
 7442 repealed.

7443 Section 143. Section 607.1112, Florida Statutes, is  
 7444 repealed.

7445 Section 144. Section 607.1113, Florida Statutes, is  
 7446 repealed.

7447 Section 145. Section 607.1114, Florida Statutes, is  
 7448 repealed.

7449 Section 146. Section 607.1115, Florida Statutes, is  
 7450 repealed.

7451 Section 147. Section 607.11920, Florida Statutes, is  
7452 created to read:

7453 607.11920 Domestication.—

7454 (1) By complying with this section and ss. 607.11921-  
7455 607.11924, as applicable, a foreign corporation may become a  
7456 domestic corporation if the domestication is permitted by the  
7457 organic law of the foreign corporation.

7458 (2) By complying with this section and ss. 607.11921-  
7459 607.11924, as applicable, a domestic corporation may become a  
7460 foreign corporation pursuant to a plan of domestication if the  
7461 domestication is permitted by the organic law of the foreign  
7462 corporation.

7463 (3) In a domestication under subsection (2), the  
7464 domesticating eligible entity must enter into a plan of  
7465 domestication. The plan of domestication must include:

7466 (a) The name of the domesticating corporation;

7467 (b) The name and jurisdiction of formation of the  
7468 domesticated corporation;

7469 (c) The manner and basis of reclassifying the shares of  
7470 the domesticating corporation into shares or other securities,  
7471 obligations, rights to acquire shares or other securities, cash,  
7472 other property, or any combination of the foregoing;

7473 (d) The proposed organic rules of the domesticated  
7474 corporation which must be in writing; and

7475 (e) The other terms and conditions of the domestication.

7476 (4) In addition to the requirements of subsection (3), a  
7477 plan of domestication may contain any other provision not  
7478 prohibited by law.

7479 (5) The terms of a plan of domestication may be made  
7480 dependent upon facts objectively ascertainable outside the plan  
7481 in accordance with s. 607.0120(11).

7482 (6) If a protected agreement of a domesticating  
7483 corporation in effect immediately before the domestication  
7484 becomes effective contains a provision applying to a merger of  
7485 the corporation and the agreement does not refer to a  
7486 domestication of the corporation, the provision applies to a  
7487 domestication of the corporation as if the domestication were a  
7488 merger until such time as the provision is first amended after  
7489 January 1, 2020.

7490 Section 148. Section 607.11921, Florida Statutes, is  
7491 created to read:

7492 607.11921 Action on a plan of domestication.—In the case  
7493 of a domestication of a domestic corporation into a foreign  
7494 jurisdiction, the plan of domestication shall be adopted in the  
7495 following manner:

7496 (1) The plan of domestication must first be adopted by the  
7497 board of directors of such domestic corporation.

7498 (2) (a) The plan of domestication must then be approved by  
7499 the shareholders of such domestic corporation.

7500 (b) In submitting the plan of domestication to the

7501 shareholders for approval, the board of directors shall  
7502 recommend that the shareholders approve the plan, unless:  
7503 1. The board of directors makes a determination that  
7504 because of conflicts of interest or other special circumstances  
7505 it should not make such a recommendation; or  
7506 2. Section 607.0826 applies.  
7507 (c) If either subparagraph (b)1. or subparagraph (b)2.  
7508 applies, the board shall inform the shareholders of the basis  
7509 for its so proceeding without such recommendation.  
7510 (3) The board of directors may set conditions for approval  
7511 of the plan of domestication by the shareholders or the  
7512 effectiveness of the plan of domestication.  
7513 (4) If the plan of domestication is required to be  
7514 approved by the shareholders, and if the approval of the  
7515 shareholders is to be given at a meeting, the corporation must  
7516 notify each shareholder, regardless of whether entitled to vote,  
7517 of the meeting of shareholders at which the plan of  
7518 domestication is to be submitted for approval. The notice must  
7519 state that the purpose, or one of the purposes, of the meeting  
7520 is to consider the plan of domestication and must contain or be  
7521 accompanied by a copy of the plan. The notice must include or be  
7522 accompanied by a written copy of the organic rules of the  
7523 domesticated eligible entity as they will be in effect  
7524 immediately after the domestication.  
7525 (5) Unless the articles of incorporation, or the board of

7526 directors acting pursuant to subsection (3), require a greater  
 7527 vote or a greater quorum in the respective case, approval of the  
 7528 plan of domestication requires:

7529 (a) The approval of the shareholders at a meeting at which  
 7530 a quorum exists consisting of a majority of the votes entitled  
 7531 to be cast on the plan; and

7532 (b) Except as provided in subsection (6), the approval of  
 7533 each class or series of shares voting as a separate voting group  
 7534 at a meeting at which a quorum of the voting group exists  
 7535 consisting of a majority of the votes entitled to be cast on the  
 7536 plan by that voting group.

7537 (6) The articles of incorporation may expressly limit or  
 7538 eliminate the separate voting rights provided in paragraph  
 7539 (5) (b) as to any class or series of shares, except when the  
 7540 public organic rules of the foreign corporation resulting from  
 7541 the domestication include what would be in effect an amendment  
 7542 that would entitle the class or series to vote as a separate  
 7543 group under s. 607.1004 if it were a proposed amendment of the  
 7544 articles of incorporation of a domestic domesticating  
 7545 corporation.

7546 (7) If as a result of a domestication one or more  
 7547 shareholders of a domestic domesticating corporation would  
 7548 become subject to interest holder liability, approval of the  
 7549 plan of domestication shall require the signing in connection  
 7550 with the domestication, by each such shareholder, of a separate

7551 written consent to become subject to such interest holder  
 7552 liability, unless in the case of a shareholder that already has  
 7553 interest holder liability with respect to the domesticating  
 7554 corporation, the terms and conditions of the interest holder  
 7555 liability with respect to the domesticated corporation are  
 7556 substantially identical to those of the existing interest holder  
 7557 liability, other than for changes that eliminate or reduce such  
 7558 interest holder liability.

7559 Section 149. Section 607.11922, Florida Statutes, is  
 7560 created to read:

7561 607.11922 Articles of domestication; effectiveness.-

7562 (1) Articles of domestication must be signed by the  
 7563 domesticating corporation after:

7564 (a) A plan of domestication of a domestic corporation has  
 7565 been adopted and approved as required by this chapter; or

7566 (b) A foreign corporation that is the domesticating  
 7567 corporation has approved a domestication as required by the  
 7568 applicable provisions of this chapter and under the foreign  
 7569 corporation's organic law.

7570 (2) Articles of domestication must set forth:

7571 (a) The name of the domesticating corporation and its  
 7572 jurisdiction of formation;

7573 (b) The name and jurisdiction of formation of the  
 7574 domesticated corporation; and

7575 (c)1. If the domesticating corporation is a domestic

7576 corporation, a statement that the plan of domestication was  
7577 approved in accordance with this chapter; or

7578 2. If the domesticating corporation is a foreign  
7579 corporation, a statement that the domestication was approved in  
7580 accordance with its organic law.

7581 (3) If the domesticated corporation is to be a domestic  
7582 corporation, articles of incorporation of the domesticated  
7583 corporation that satisfy the requirements of s. 607.0202 must be  
7584 attached to the articles of domestication. Provisions that would  
7585 not be required to be included in restated articles of  
7586 incorporation may be omitted from the articles of incorporation  
7587 attached to the articles of domestication.

7588 (4) The articles of domestication shall be delivered to  
7589 the department for filing and shall take effect at the effective  
7590 date determined in accordance with s. 607.0123.

7591 (5) (a) If the domesticated corporation is a domestic  
7592 corporation, the domestication becomes effective when the  
7593 articles of domestication are effective.

7594 (b) If the domesticated corporation is a foreign  
7595 corporation, the domestication becomes effective on the later of  
7596 the date and time provided by the organic law of the  
7597 domesticated corporation or when the articles of domestication  
7598 are effective.

7599 (6) If the domesticating corporation is a foreign  
7600 corporation that is qualified to transact business in this state



7601 under ss. 607.1501-607.1532, its certificate of authority is  
7602 automatically canceled when the domestication becomes effective.

7603 (7) A copy of the articles of domestication, certified by  
7604 the department, may be filed in the official records of any  
7605 county in this state in which the domesticating eligible entity  
7606 holds an interest in real property.

7607 Section 150. Section 607.11923, Florida Statutes, is  
7608 created to read:

7609 607.11923 Amendment of a plan of domestication;  
7610 abandonment.-

7611 (1) A plan of domestication of a domestic corporation  
7612 adopted under s. 607.11920(3) may be amended:

7613 (a) In the same manner as the plan of domestication was  
7614 approved, if the plan does not provide for the manner in which  
7615 it may be amended; or

7616 (b) In the manner provided in the plan of domestication,  
7617 except that a shareholder that was entitled to vote on or  
7618 consent to approval of the plan is entitled to vote on or  
7619 consent to any amendment of the plan that will change:

7620 1. The amount or kind of shares or other securities,  
7621 obligations, rights to acquire shares, other securities, or  
7622 eligible interests, cash, other property, or any combination of  
7623 the foregoing, to be received by any of the shareholders or  
7624 holders of rights to acquire shares, other securities, or  
7625 eligible interests of the domesticating corporation under the

7626 plan;

7627 2. The organic rules of the domesticated corporation that  
7628 are to be in writing and that will be in effect immediately  
7629 after the domestication becomes effective, except for changes  
7630 that do not require approval of the shareholders of the  
7631 domesticated corporation under its organic rules as set forth in  
7632 the plan of domestication; or

7633 3. Any of the other terms or conditions of the plan, if  
7634 the change would adversely affect the shareholder in any  
7635 material respect.

7636 (2) After a plan of domestication has been adopted and  
7637 approved by a domestic corporation as required by this chapter,  
7638 and before the articles of domestication have become effective,  
7639 the plan may be abandoned by the corporation without action by  
7640 its shareholders in accordance with any procedures set forth in  
7641 the plan or, if no such procedures are set forth in the plan, in  
7642 the manner determined by the board of directors of the domestic  
7643 corporation.

7644 (3) If a domestication is abandoned after the articles of  
7645 domestication have been delivered to the department for filing  
7646 but before the articles of domestication have become effective,  
7647 a statement of abandonment signed by the domesticating  
7648 corporation must be delivered to the department for filing  
7649 before the articles of domestication become effective. The  
7650 statement shall take effect upon filing, and the domestication

7651 shall be deemed abandoned and shall not become effective. The  
7652 statement of abandonment must contain:

7653 (a) The name of the domesticating corporation;

7654 (b) The date on which the articles of domestication were  
7655 filed by the department; and

7656 (c) A statement that the domestication has been abandoned  
7657 in accordance with this section.

7658 Section 151. Section 607.11924, Florida Statutes, is  
7659 created to read:

7660 607.11924 Effect of domestication.—

7661 (1) When a domestication becomes effective:

7662 (a) All real property and other property owned by the  
7663 domesticating corporation, including any interests therein and  
7664 all title thereto, and every contract right possessed by the  
7665 domesticating corporation, are the property and contract rights  
7666 of the domesticated corporation without transfer, reversion, or  
7667 impairment;

7668 (b) All debts, obligations, and other liabilities of the  
7669 domesticating corporation are the debts, obligations, and other  
7670 liabilities of the domesticated corporation;

7671 (c) The name of the domesticated corporation may be, but  
7672 need not be, substituted for the name of the domesticating  
7673 corporation in any pending proceeding;

7674 (d) The organic rules of the domesticated corporation  
7675 become effective;

7676 (e) The shares or equity interests of the domesticating  
7677 corporation are reclassified into shares or other securities,  
7678 obligations, rights to acquire shares or other securities, cash,  
7679 or other property in accordance with the terms of the  
7680 domestication, and the shareholders or equity owners of the  
7681 domesticating corporation are entitled only to the rights  
7682 provided to them by those terms and to any appraisal rights they  
7683 may have under the organic law of the domesticating corporation;  
7684 and

7685 (f) The domesticated corporation is:

7686 1. Incorporated under and subject to the organic law of  
7687 the domesticated corporation;

7688 2. The same corporation, without interruption, as the  
7689 domesticating corporation; and

7690 3. Deemed to have been incorporated or formed on the date  
7691 the domesticating corporation was originally incorporated.

7692 (2) In addition, when a domestication of a domestic  
7693 corporation into a foreign jurisdiction becomes effective, the  
7694 domesticated corporation is deemed to:

7695 (a) Appoint the secretary of state as its agent for  
7696 service of process in a proceeding to enforce the rights of  
7697 shareholders who exercise appraisal rights in connection with  
7698 the domestication; and

7699 (b) Agree that it will promptly pay any amount that the  
7700 shareholders are entitled to under ss. 607.1301-607.1340.

7701       (3) Except as otherwise provided in the organic law or  
7702 organic rules of a domesticating foreign corporation, the  
7703 interest holder liability of a shareholder or equity holder in a  
7704 foreign corporation that is domesticated into this state who had  
7705 interest holder liability in respect of such domesticating  
7706 corporation before the domestication becomes effective shall be  
7707 as follows:

7708       (a) The domestication does not discharge that prior  
7709 interest holder liability with respect to any interest holder  
7710 liabilities that arose before the domestication becomes  
7711 effective.

7712       (b) The provisions of the organic law of the domesticating  
7713 corporation shall continue to apply to the collection or  
7714 discharge of any interest holder liabilities preserved by  
7715 paragraph (a), as if the domestication had not occurred.

7716       (c) The shareholder or equity holder shall have such  
7717 rights of contribution from other persons as are provided by the  
7718 organic law of the domesticating corporation with respect to any  
7719 interest holder liabilities preserved by paragraph (a), as if  
7720 the domestication had not occurred.

7721       (d) The shareholder or equity holder may not, by reason of  
7722 such prior interest holder liability, have interest holder  
7723 liability with respect to any interest holder liabilities that  
7724 are incurred after the domestication becomes effective.

7725       (4) A shareholder or equity holder who becomes subject to

7726 interest holder liability in respect of the domesticated  
7727 corporation as a result of the domestication shall have such  
7728 interest holder liability only in respect of interest holder  
7729 liabilities that arise after the domestication becomes  
7730 effective.

7731 (5) A domestication does not constitute or cause the  
7732 dissolution of the domesticating corporation.

7733 (6) Property held for charitable purposes under the laws  
7734 of this state by a domestic or foreign corporation immediately  
7735 before a domestication becomes effective may not, as a result of  
7736 the transaction, be diverted from the objects for which it was  
7737 donated, granted, devised, or otherwise transferred except and  
7738 to the extent permitted by or pursuant to the laws of this state  
7739 addressing cy pres or dealing with nondiversion of charitable  
7740 assets.

7741 (7) A bequest, devise, gift, grant, or promise contained  
7742 in a will or other instrument of donation, subscription, or  
7743 conveyance which is made to the domesticating corporation and  
7744 which takes effect or remains payable after the domestication  
7745 inures to the domesticated corporation.

7746 (8) A trust obligation that would govern property if  
7747 transferred to the domesticating corporation applies to property  
7748 that is transferred to the domesticated corporation after the  
7749 domestication takes effect.

7750 Section 152. Section 607.11930, Florida Statutes, is

7751 created to read:

7752 607.11930 Conversion.—

7753 (1) By complying with this chapter, including adopting a  
7754 plan of conversion in accordance with s. 607.11931 and complying  
7755 with s. 607.11932, a domestic corporation may become:

7756 (a) A domestic eligible entity, other than a domestic  
7757 corporation;

7758 (b) If the conversion is permitted by the organic law of  
7759 the foreign eligible entity, a foreign eligible entity.

7760 (2) By complying with this section and ss. 607.11931-  
7761 607.11935, as applicable, and applicable provisions of its  
7762 organic law, a domestic eligible entity other than a domestic  
7763 corporation may become a domestic corporation.

7764 (3) By complying with this section and ss. 607.11931-  
7765 607.11935, as applicable, and by complying with the applicable  
7766 provisions of its organic law, a foreign eligible entity may  
7767 become a domestic corporation, but only if the organic law of  
7768 the foreign eligible entity permits it to become a corporation  
7769 in another jurisdiction.

7770 (4) If a protected agreement of a domestic converting  
7771 eligible entity in effect immediately before the conversion  
7772 becomes effective contains a provision applying to a merger of  
7773 the corporation that is a converting eligible entity and the  
7774 agreement does not refer to a conversion of the corporation, the  
7775 provision applies to a conversion of the corporation as if the

7776 conversion were a merger, until such time as the provision is  
 7777 first amended after January 1, 2020.

7778 Section 153. Section 607.11931, Florida Statutes, is  
 7779 created to read:

7780 607.11931 Plan of conversion.—

7781 (1) A domestic corporation may convert to a domestic or  
 7782 foreign eligible entity under this chapter by approving a plan  
 7783 of conversion. The plan of conversion must include:

7784 (a) The name of the domestic converting corporation;

7785 (b) The name, jurisdiction of formation, and type of  
 7786 entity of the converted eligible entity;

7787 (c) The manner and basis of converting the shares of the  
 7788 domestic corporation, or the rights to acquire shares,  
 7789 obligations or other securities, of the domestic corporation  
 7790 into:

7791 1. Shares.

7792 2. Other securities.

7793 3. Eligible interests.

7794 4. Obligations.

7795 5. Rights to acquire shares, other securities, or eligible  
 7796 interests.

7797 6. Cash.

7798 7. Other property.

7799 8. Any combination of the foregoing;

7800 (d) The other terms and conditions of the conversion; and



7801 (e) The full text, as it will be in effect immediately  
7802 after the conversion becomes effective, of the organic rules of  
7803 the converted eligible entity which are to be in writing.

7804 (2) In addition to the requirements of subsection (1), a  
7805 plan of conversion may contain any other provision not  
7806 prohibited by law.

7807 (3) The terms of a plan of conversion may be made  
7808 dependent upon facts objectively ascertainable outside the plan  
7809 in accordance with section 607.0120(11).

7810 Section 154. Section 607.11932, Florida Statutes, is  
7811 created to read:

7812 607.11932 Action on a plan of conversion.—In the case of a  
7813 conversion of a domestic corporation to a domestic or foreign  
7814 eligible entity other than a domestic corporation, the plan of  
7815 conversion must be adopted in the following manner:

7816 (1) The plan of conversion must first be adopted by the  
7817 board of directors of such domestic corporation.

7818 (2) (a) The plan of conversion shall then be approved by  
7819 the shareholders of such domestic corporation.

7820 (b) In submitting the plan of conversion to the  
7821 shareholders for their approval, the board of directors shall  
7822 recommend that the shareholders approve the plan of conversion  
7823 unless:

7824 1. The board of directors makes a determination that  
7825 because of conflicts of interest or other special circumstances

7826 it should not make such a recommendation; or

7827 2. Section 607.0826 applies.

7828 (c) If either subparagraph (b)1. or subparagraph (b)2.  
7829 applies, the board of directors shall inform the shareholders of  
7830 the basis for its so proceeding without such recommendation.

7831 (3) The board of directors may set conditions for approval  
7832 of the plan of conversion by the shareholders or the  
7833 effectiveness of the plan of conversion.

7834 (4) If a plan of conversion is required to be approved by  
7835 the shareholders, and if the approval is to be given at a  
7836 meeting, the corporation shall notify each shareholder,  
7837 regardless of whether entitled to vote, of the meeting of  
7838 shareholders at which the plan is to be submitted for approval,  
7839 in accordance with s. 607.0705. The notice must state that the  
7840 purpose, or one of the purposes, of the meeting is to consider  
7841 the plan of conversion and must contain or be accompanied by a  
7842 copy of the plan. The notice must include or be accompanied by a  
7843 written copy of the organic rules of the converted eligible  
7844 entity as they will be in effect immediately after the  
7845 conversion.

7846 (5) Unless the articles of incorporation, or the board of  
7847 directors acting pursuant to subsection (3), require a greater  
7848 vote or a greater quorum in the respective case, approval of the  
7849 plan of conversion requires:

7850 (a) The approval of the shareholders at a meeting at which

7851 a quorum exists consisting of a majority of the votes entitled  
7852 to be cast on the plan; and

7853 (b) The approval of each class or series of shares voting  
7854 as a separate voting group at a meeting at which a quorum of the  
7855 voting group exists consisting of a majority of the votes  
7856 entitled to be cast on the plan by that voting group.

7857 (6) If as a result of the conversion one or more  
7858 shareholders of the converting domestic corporation would become  
7859 subject to interest holder liability, approval of the plan of  
7860 conversion shall require the signing in connection with the  
7861 transaction, by each such shareholder, of a separate written  
7862 consent to become subject to such interest holder liability.

7863 (7) If the converted eligible entity is a partnership or  
7864 limited partnership, no shareholder of the converting domestic  
7865 corporation shall, as a result of the conversion, become a  
7866 general partner of the partnership or limited partnership,  
7867 unless such shareholder specifically consents in writing to  
7868 becoming a general partner of such partnership or limited  
7869 partnership and, unless such written consent is obtained from  
7870 each such shareholder, such conversion may not become effective  
7871 under s. 607.11933. Any shareholder providing such consent in  
7872 writing shall be deemed to have voted in favor of the plan of  
7873 conversion pursuant to which the shareholder became a general  
7874 partner.

7875 (8) Sections 607.1301-607.1340 shall, insofar as they are

7876 applicable, apply to a conversion in accordance with this  
 7877 chapter of a domestic corporation into a domestic or foreign  
 7878 eligible entity that is not a domestic corporation.

7879 Section 155. Section 607.11933, Florida Statutes, is  
 7880 created to read:

7881 607.11933 Articles of conversion; effectiveness.—

7882 (1) After a plan of conversion of a domestic corporation  
 7883 has been adopted and approved as required by this chapter, or a  
 7884 domestic or foreign eligible entity, other than a domestic  
 7885 corporation, that is the converting eligible entity has approved  
 7886 a conversion as required by its organic law, articles of  
 7887 conversion must be signed by the converting eligible entity as  
 7888 required by s. 607.0120 and must:

7889 (a) State the name, jurisdiction of formation, and type of  
 7890 entity of the converting eligible entity;

7891 (b) State the name, jurisdiction of formation, and type of  
 7892 entity of the converted eligible entity;

7893 (c) If the converting eligible entity is:

7894 1. A domestic corporation, state that the plan of  
 7895 conversion was approved in accordance with this chapter; or

7896 2. A domestic or foreign eligible entity other than a  
 7897 domestic corporation, state that the conversion was approved by  
 7898 the eligible entity in accordance with its organic law; and

7899 (d) If the converted eligible entity is:

7900 1. A domestic corporation or a domestic or foreign

7901 eligible entity that is not a domestic corporation, attach the  
7902 public organic record of the converted eligible entity, except  
7903 that provisions that would not be required to be included in a  
7904 restated public organic record may be omitted; or

7905 2. A domestic limited liability partnership, attach the  
7906 filing or filings required to become a domestic limited  
7907 liability partnership.

7908 (2) If the converted eligible entity is a domestic  
7909 corporation, its articles of incorporation must satisfy the  
7910 requirements of section 607.0202, except that provisions that  
7911 would not be required to be included in restated articles of  
7912 incorporation may be omitted from the articles of incorporation.  
7913 If the converted eligible entity is a domestic eligible entity  
7914 that is not a domestic corporation, its public organic record,  
7915 if any, must satisfy the applicable requirements of the organic  
7916 law of this state, except that the public organic record does  
7917 not need to be signed.

7918 (3) The articles of conversion shall be delivered to the  
7919 department for filing, and shall take effect at the effective  
7920 date determined in accordance with s. 607.0123.

7921 (4) (a) If a converted eligible entity is a domestic  
7922 eligible entity, the conversion becomes effective when the  
7923 articles of conversion are effective.

7924 (b) If the converted eligible entity is a foreign eligible  
7925 entity, the conversion becomes effective at the later of:

7926           1. The date and time provided by the organic law of that  
 7927 eligible entity; or  
 7928           2. When the articles of conversion take effect.  
 7929           (5) Articles of conversion required to be filed under this  
 7930 section may be combined with any filing required under the  
 7931 organic law of a domestic eligible entity that is the converting  
 7932 eligible entity or the converted eligible entity if the combined  
 7933 filing satisfies the requirements of both this section and the  
 7934 other organic law.  
 7935           (6) If the converting eligible entity is a foreign  
 7936 eligible entity that is authorized to transact business in this  
 7937 state under a provision of law similar to ss. 607.1501-607.1532,  
 7938 its foreign qualification shall be canceled automatically on the  
 7939 effective date of its conversion.  
 7940           (7) A copy of the articles of conversion, certified by the  
 7941 department, may be filed in the official records of any county  
 7942 in this state in which the converting eligible entity holds an  
 7943 interest in real property.  
 7944           Section 156. Section 607.11934, Florida Statutes, is  
 7945 created to read:  
 7946           607.11934 Amendment to a plan of conversion; abandonment.-  
 7947           (1) A plan of conversion of a converting eligible entity  
 7948 that is a domestic corporation may be amended:  
 7949           (a) In the same manner as the plan of conversion was  
 7950 approved, if the plan does not provide for the manner in which

7951 it may be amended; or

7952 (b) In the manner provided in the plan of conversion,  
7953 except that shareholders that were entitled to vote on or  
7954 consent to approval of the plan are entitled to vote on or  
7955 consent to any amendment of the plan that will change:

7956 1. The amount or kind of shares or other securities,  
7957 eligible interests, obligations, rights to acquire shares, other  
7958 securities, or eligible interests, cash, other property, or any  
7959 combination of the foregoing, to be received by any of the  
7960 shareholders of the converting corporation under the plan;

7961 2. The organic rules of the converted eligible entity that  
7962 will be in effect immediately after the conversion becomes  
7963 effective, except for changes that do not require approval of  
7964 the eligible interest holders of the converted eligible entity  
7965 under its organic law or organic rules; or

7966 3. Any other terms or conditions of the plan, if the  
7967 change would adversely affect such shareholders in any material  
7968 respect.

7969 (2) After a plan of conversion has been adopted and  
7970 approved by a converting eligible entity that is a domestic  
7971 corporation in the manner required by this chapter and before  
7972 the articles of conversion become effective, the plan may be  
7973 abandoned by the domestic corporation without action by its  
7974 shareholders in accordance with any procedures set forth in the  
7975 plan or, if no such procedures are set forth in the plan, in the

7976 manner determined by the board of directors of the domestic  
 7977 corporation.

7978 (3) If a conversion is abandoned after the articles of  
 7979 conversion have been delivered to the department for filing but  
 7980 before the articles of conversion have become effective, a  
 7981 statement of abandonment signed by the converting eligible  
 7982 entity must be delivered to the department for filing before the  
 7983 articles of conversion become effective. The statement shall  
 7984 take effect on filing, and the conversion shall be deemed  
 7985 abandoned and shall not become effective. The statement of  
 7986 abandonment must contain:

7987 (a) The name of the converting eligible entity;

7988 (b) The date on which the articles of conversion were  
 7989 filed by the department; and

7990 (c) A statement that the conversion has been abandoned in  
 7991 accordance with this section.

7992 Section 157. Section 607.11935, Florida Statutes, is  
 7993 created to read:

7994 607.11935 Effect of conversion.—

7995 (1) When a conversion becomes effective:

7996 (a) All real property and other property owned by,  
 7997 including any interest therein and all title thereto, and every  
 7998 contract right possessed by, the converting eligible entity  
 7999 remain the property and contract rights of the converted  
 8000 eligible entity without transfer, reversion, or impairment;



8001 (b) All debts, obligations, and other liabilities of the  
 8002 converting eligible entity remain the debts, obligations, and  
 8003 other liabilities of the converted eligible entity;

8004 (c) The name of the converted eligible entity may be, but  
 8005 need not be, substituted for the name of the converting eligible  
 8006 entity in any pending action or proceeding;

8007 (d) If the converted eligible entity is a filing entity, a  
 8008 domestic corporation, or a domestic or foreign nonprofit  
 8009 corporation, its public organic record and its private organic  
 8010 rules become effective;

8011 (e) If the converted eligible entity is a nonfiling  
 8012 entity, its private organic rules become effective;

8013 (f) If the converted eligible entity is a limited  
 8014 liability partnership, the filing required to become a limited  
 8015 liability partnership and its private organic rules become  
 8016 effective;

8017 (g) The shares, rights to acquire shares, eligible  
 8018 interests, other securities and obligations of the converting  
 8019 eligible entity are reclassified into shares, other securities,  
 8020 rights to acquire shares or other securities, eligible  
 8021 interests, obligations, cash, other property, or any combination  
 8022 thereof, in accordance with the terms of the conversion, and the  
 8023 shareholders or interest holders of the converting eligible  
 8024 entity are entitled only to the rights provided to them by those  
 8025 terms and to any rights they may have under s. 607.1302 or under

8026 | the organic law of the converting eligible entity; and  
 8027 | (h) The converted eligible entity is:  
 8028 | 1. Deemed to be incorporated or organized under and  
 8029 | subject to the organic law of the converted eligible entity;  
 8030 | 2. Deemed to be the same entity without interruption as  
 8031 | the converting eligible entity; and  
 8032 | 3. Deemed to have been incorporated or otherwise organized  
 8033 | on the date that the converting eligible entity was originally  
 8034 | incorporated or organized.  
 8035 | (2) When a conversion of a domestic corporation to a  
 8036 | domestic or foreign eligible entity other than a domestic  
 8037 | corporation becomes effective, the converted eligible entity is  
 8038 | deemed to:  
 8039 | (a) Appoint the secretary of state as its agent for  
 8040 | service of process in a proceeding to enforce the rights of  
 8041 | shareholders who exercise appraisal rights in connection with  
 8042 | the conversion; and  
 8043 | (b) Agree that it will promptly pay any amount that  
 8044 | shareholders are entitled to under ss. 607.1301-607.1340.  
 8045 | (3) Except as otherwise provided in the articles of  
 8046 | incorporation of a domestic corporation or the organic law or  
 8047 | organic rules of a domestic or foreign eligible entity other  
 8048 | than a domestic corporation, a shareholder or eligible interest  
 8049 | holder who becomes subject to interest holder liability in  
 8050 | respect of a domestic corporation or domestic or foreign

8051 eligible entity other than a domestic eligible entity as a  
8052 result of the conversion shall have such interest holder  
8053 liability only in respect of interest holder liabilities that  
8054 arise after the conversion becomes effective.

8055 (4) Except as otherwise provided in the organic law or the  
8056 organic rules of the domestic or foreign eligible entity, the  
8057 interest holder liability of an interest holder in a converting  
8058 eligible entity that converts to a domestic corporation who had  
8059 interest holder liability in respect of such converting eligible  
8060 entity before the conversion becomes effective shall be as  
8061 follows:

8062 (a) The conversion does not discharge that prior interest  
8063 holder liability with respect to any interest holder liabilities  
8064 that arose before the conversion became effective.

8065 (b) The provisions of the organic law of the eligible  
8066 entity shall continue to apply to the collection or discharge of  
8067 any interest holder liabilities preserved by paragraph (a), as  
8068 if the conversion had not occurred.

8069 (c) The eligible interest holder shall have such rights of  
8070 contribution from other persons as are provided by the organic  
8071 law of the eligible entity with respect to any interest holder  
8072 liabilities preserved by paragraph (a), as if the conversion had  
8073 not occurred.

8074 (d) The eligible interest holder may not, by reason of  
8075 such prior interest holder liability, have interest holder

8076 liability with respect to any interest holder liabilities that  
8077 arise after the conversion becomes effective.

8078 (5) A conversion does not require the converting eligible  
8079 entity to wind up its affairs and does not constitute or cause  
8080 the dissolution or termination of the entity.

8081 (6) Property held for charitable purposes under the laws  
8082 of this state by a domestic or foreign eligible entity  
8083 immediately before a conversion becomes effective may not, as a  
8084 result of the transaction, be diverted from the objects for  
8085 which it was donated, granted, devised, or otherwise transferred  
8086 except and to the extent permitted by or pursuant to the laws of  
8087 this state addressing cy pres or dealing with nondiversion of  
8088 charitable assets.

8089 (7) A bequest, devise, gift, grant, or promise contained  
8090 in a will or other instrument of donation, subscription, or  
8091 conveyance which is made to the converting eligible entity and  
8092 which takes effect or remains payable after the conversion  
8093 inures to the converted eligible entity.

8094 (8) A trust obligation that would govern property if  
8095 transferred to the converting eligible entity applies to  
8096 property that is to be transferred to the converted eligible  
8097 entity after the conversion becomes effective.

8098 Section 158. Section 607.1201, Florida Statutes, is  
8099 amended to read:

8100 607.1201 Disposition of assets not requiring shareholder

8101 ~~approval~~ Sale of assets in regular course of business and  
 8102 mortgage of assets. ~~Unless the articles of incorporation~~  
 8103 otherwise provide, no approval by shareholders is required to:

8104 (1) ~~A corporation may, on the terms and conditions and for~~  
 8105 ~~the consideration determined by the board of directors:~~

8106 ~~(a)~~ Sell, lease, exchange, or otherwise dispose of any or  
 8107 all of the corporation's assets ~~all, or substantially all, of~~  
 8108 ~~its property~~ in the usual and regular course of business;

8109 ~~(2)~~ ~~(b)~~ Mortgage, pledge, dedicate to the repayment of  
 8110 indebtedness (whether with or without recourse), create a  
 8111 security interest in, or otherwise encumber any or all of the  
 8112 corporation's assets, regardless of whether its property whether  
 8113 ~~or not~~ in the usual and regular course of business; ~~or~~

8114 ~~(3)~~ ~~(c)~~ Transfer any or all of the corporation's assets to  
 8115 one or more domestic or foreign corporations or other entities  
 8116 all of the shares or interests ~~its property to a corporation all~~  
 8117 ~~the shares~~ of which are owned by the corporation; or

8118 (4) Distribute assets pro rata to the holders of one or  
 8119 more classes or series of the corporation's shares, except to  
 8120 the extent that the distribution is part of a dissolution of the  
 8121 corporation under ss. 607.1401-607.14401.

8122 ~~(2) Unless the articles of incorporation require it,~~  
 8123 ~~approval by the shareholders of a transaction described in~~  
 8124 ~~subsection (1) is not required.~~

8125 Section 159. Section 607.1202, Florida Statutes, is

8126 amended to read:

8127       607.1202 Shareholder approval of certain dispositions ~~Sale~~  
8128 ~~of assets other than in regular course of business.-~~

8129       (1) A corporation may sell, lease, exchange, or otherwise  
8130 dispose of all, or substantially all, of its property (with or  
8131 without ~~the~~ good will), otherwise than in the usual and regular  
8132 course of business, on the terms and conditions and for the  
8133 consideration determined by the corporation's board of  
8134 directors, but only if the board of directors proposes and its  
8135 shareholders ~~of record~~ approve the proposed transaction.

8136       (2) (a) To obtain the approval of the shareholders under  
8137 subsection (1), the board of directors must first adopt a  
8138 resolution approving the disposition, and thereafter, the  
8139 disposition must also be approved by the corporation's  
8140 shareholders.

8141       (b) In submitting the disposition to the shareholders for  
8142 approval, For a transaction to be authorized:

8143       ~~(a)~~ the board of directors must recommend the proposed  
8144 transaction to the shareholders of record unless:

8145       1. The board of directors makes a determination that  
8146 ~~determines that it should make no recommendation~~ because of  
8147 conflict of interest or other special circumstances it should  
8148 not make such a recommendation; or

8149       2. Section 607.0826 applies.

8150       (c) If either subparagraph (b)1. or subparagraph (b)2.

8151 applies, the board of directors shall inform the shareholders of  
8152 the basis for its so proceeding without such recommendation and  
8153 ~~communicates the basis for its determination to the shareholders~~  
8154 ~~of record with the submission of the proposed transaction; and~~

8155 ~~(b) The shareholders entitled to vote must approve the~~  
8156 ~~transaction as provided in subsection (5).~~

8157 (3) The board of directors may set conditions for approval  
8158 of the disposition or the effectiveness of the disposition  
8159 ~~condition its submission of the proposed transaction on any~~  
8160 ~~basis.~~

8161 (4) If the disposition is required to be approved by the  
8162 shareholders under subsection (1) and if the approval is to be  
8163 given at the meeting, the corporation shall notify each  
8164 shareholder ~~of record,~~ regardless of whether ~~or not~~ entitled to  
8165 vote, of the ~~proposed shareholders'~~ meeting of shareholders at  
8166 which the disposition is to be submitted for approval in  
8167 ~~accordance with s. 607.0705.~~ The notice must ~~shall~~ also state  
8168 that the purpose, or one of the purposes, of the meeting is to  
8169 consider the disposition and shall contain a description of the  
8170 disposition and the consideration to be received by the  
8171 corporation sale, lease, exchange, or other disposition of all,  
8172 ~~or substantially all, the property of the corporation,~~  
8173 ~~regardless of whether or not the meeting is an annual or a~~  
8174 ~~special meeting, and shall contain or be accompanied by a~~  
8175 ~~description of the transaction.~~ Furthermore, the notice shall

8176 contain a clear and concise statement that, if the transaction  
8177 is effected, shareholders dissenting therefrom are or may be  
8178 entitled, if they comply with the provisions of this act  
8179 regarding appraisal rights, to be paid the fair value of their  
8180 shares and such notice must ~~shall~~ be accompanied by a copy of  
8181 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

8182 (5) Unless this chapter ~~act~~, the articles of  
8183 incorporation, or the board of directors (acting pursuant to  
8184 subsection (4) ~~(3)~~) requires a greater vote or a greater quorum  
8185 ~~vote by voting groups~~, the approval of the disposition shall  
8186 require the approval of the shareholders at a meeting at which a  
8187 quorum exists consisting of ~~transaction to be authorized shall~~  
8188 ~~be approved by~~ a majority of all the votes entitled to be cast  
8189 on the disposition ~~transaction~~.

8190 (6) After a disposition has been approved by the  
8191 shareholders under this chapter, and at any time before the  
8192 disposition has been consummated, it may be abandoned by the  
8193 corporation without action by the shareholders, subject to any  
8194 contractual rights of other parties to the disposition ~~Any plan~~  
8195 ~~or agreement providing for a sale, lease, exchange, or other~~  
8196 ~~disposition of property, or any resolution of the board of~~  
8197 ~~directors or shareholders approving such transaction, may~~  
8198 ~~authorize the board of directors of the corporation to amend the~~  
8199 ~~terms thereof at any time prior to the consummation of such~~  
8200 ~~transaction. An amendment made subsequent to the approval of the~~



8201 ~~transaction by the shareholders of the corporation may not:~~

8202 ~~(a) Change the amount or kind of shares, securities, cash,~~  
8203 ~~property, or rights to be received in exchange for the~~  
8204 ~~corporation's property; or~~

8205 ~~(b) Change any other terms and conditions of the~~  
8206 ~~transaction if such change would materially and adversely affect~~  
8207 ~~the shareholders or the corporation.~~

8208 ~~(7) Unless a plan or agreement providing for a sale,~~  
8209 ~~lease, exchange, or other disposition of property, or any~~  
8210 ~~resolution of the board of directors or shareholders approving~~  
8211 ~~such transaction, prohibits abandonment of the transaction~~  
8212 ~~without shareholder approval after a transaction has been~~  
8213 ~~authorized, the planned transaction may be abandoned (subject to~~  
8214 ~~any contractual rights) at any time prior to consummation~~  
8215 ~~thereof, without further shareholder action, in accordance with~~  
8216 ~~the procedure set forth in the plan, agreement, or resolutions~~  
8217 ~~providing for or approving such transaction or, if none is set~~  
8218 ~~forth, in the manner determined by the board of directors.~~

8219 ~~(7)-(8) A disposition of assets in the course of~~  
8220 ~~dissolution is governed by ss. 607.1401-607.14401 transaction~~  
8221 ~~that constitutes a distribution is governed by s. 607.06401 and~~  
8222 ~~not by this section.~~

8223 ~~(8) For purposes of this section, the assets of a direct~~  
8224 ~~or indirect consolidated subsidiary shall be deemed to be the~~  
8225 ~~assets of the parent corporation.~~

8226 (9) For purposes of this section, the term "shareholder"  
 8227 includes a beneficial shareholder and a voting trust beneficial  
 8228 owner.

8229 Section 160. Section 607.1301, Florida Statutes, is  
 8230 amended to read:

8231 607.1301 Appraisal rights; definitions.—The following  
 8232 definitions apply to ss. 607.1302-607.1340 ~~ss. 607.1302-~~  
 8233 ~~607.1333~~:

8234 (1) "Accrued interest" means interest from the date the  
 8235 corporate action becomes effective until the date of payment, at  
 8236 the rate of interest determined for judgments pursuant to s.  
 8237 55.03, determined as of the effective date of the corporate  
 8238 action.

8239 (2) "Affiliate" means a person that directly or indirectly  
 8240 through one or more intermediaries controls, is controlled by,  
 8241 or is under common control with another person or is a senior  
 8242 executive of such person thereof. For purposes of paragraph  
 8243 (6) (a) s. 607.1302(2) (d), a person is deemed to be an affiliate  
 8244 of its senior executives.

8245 (3) "Corporate action" means an event described in s.  
 8246 607.1302(1)

8247 ~~(2) "Beneficial shareholder" means a person who is the~~  
 8248 ~~beneficial owner of shares held in a voting trust or by a~~  
 8249 ~~nominee on the beneficial owner's behalf.~~

8250 ~~(4) (3)~~ "Corporation" means the domestic corporation that

8251 is the issuer of the shares held by a shareholder demanding  
 8252 appraisal and, for matters covered in ss. 607.1322-607.1340 ~~ss.~~  
 8253 ~~607.1322-607.1333,~~ includes the domesticated eligible entity in  
 8254 a domestication, the covered eligible entity in a conversion,  
 8255 and the survivor of surviving entity in a merger.

8256 (5) ~~(4)~~ "Fair value" means the value of the corporation's  
 8257 shares determined:

8258 (a) Immediately before the effectiveness ~~effectuation~~ of  
 8259 the corporate action to which the shareholder objects.

8260 (b) Using customary and current valuation concepts and  
 8261 techniques generally employed for similar businesses in the  
 8262 context of the transaction requiring appraisal, excluding any  
 8263 appreciation or depreciation in anticipation of the corporate  
 8264 action unless exclusion would be inequitable to the corporation  
 8265 and its remaining shareholders.

8266 (c) ~~For a corporation with 10 or fewer shareholders,~~  
 8267 Without discounting for lack of marketability or minority  
 8268 status.

8269 ~~(5) "Interest" means interest from the effective date of~~  
 8270 ~~the corporate action until the date of payment, at the rate of~~  
 8271 ~~interest on judgments in this state on the effective date of the~~  
 8272 ~~corporate action.~~

8273 (6) "Interested transaction" means a corporate action  
 8274 described in s. 607.1302(1), other than a merger pursuant to s.  
 8275 607.1104, involving an interested person in which any of the

8276 shares or assets of the corporation are being acquired or  
8277 converted. As used in this definition:

8278 (a) "Interested person" means a person, or an affiliate of  
8279 a person, who at any time during the 1-year period immediately  
8280 preceding approval by the board of directors of the corporate  
8281 action:

8282 1. Was the beneficial owner of 20 percent or more of the  
8283 voting power of the corporation, other than as owner of excluded  
8284 shares;

8285 2. Had the power, contractually or otherwise, other than  
8286 as owner of excluded shares, to cause the appointment or  
8287 election of 25 percent or more of the directors to the board of  
8288 directors of the corporation; or

8289 3. Was a senior executive or director of the corporation  
8290 or a senior executive of any affiliate of the corporation, and  
8291 will receive, as a result of the corporate action, a financial  
8292 benefit not generally available to other shareholders as such,  
8293 other than:

8294 a. Employment, consulting, retirement, or similar benefits  
8295 established separately and not as part of or in contemplation of  
8296 the corporate action;

8297 b. Employment, consulting, retirement, or similar benefits  
8298 established in contemplation of, or as part of, the corporate  
8299 action that are not more favorable than those existing before  
8300 the corporate action or, if more favorable, that have been

8301 approved on behalf of the corporation in the same manner as is  
8302 provided in s. 607.0832; or

8303 c. In the case of a director of the corporation who, in  
8304 the corporate action, will become a director or governor of the  
8305 acquirer or any of its affiliates in the corporate action,  
8306 rights and benefits as a director or governor that are provided  
8307 on the same basis as those afforded by the acquirer generally to  
8308 other directors or governors of such entity or such affiliate.

8309 (b) "Beneficial owner" means any person who, directly or  
8310 indirectly, through any contract, arrangement, or understanding,  
8311 other than a revocable proxy, has or shares the power to vote,  
8312 or to direct the voting of, shares; except that a member of a  
8313 national securities exchange is not deemed to be a beneficial  
8314 owner of securities held directly or indirectly by it on behalf  
8315 of another person if the member is precluded by the rules of the  
8316 exchange from voting without instruction on contested matters or  
8317 matters that may affect substantially the rights or privileges  
8318 of the holders of the securities to be voted. When two or more  
8319 persons agree to act together for the purpose of voting their  
8320 shares of the corporation, each member of the group formed  
8321 thereby is deemed to have acquired beneficial ownership, as of  
8322 the date of the agreement, of all shares having voting power of  
8323 the corporation beneficially owned by any member of the group.

8324 (c) "Excluded shares" means shares acquired pursuant to an  
8325 offer for all shares having voting power if the offer was made

8326 within 1 year before the corporate action for consideration of  
8327 the same kind and of a value equal to or less than that paid in  
8328 connection with the corporate action.

8329 ~~(7)~~~~(6)~~ "Preferred shares" means a class or series of  
8330 shares the holders of which have preference over any other class  
8331 or series of shares with respect to distributions.

8332 ~~(7)~~ ~~"Record shareholder" means the person in whose name~~  
8333 ~~shares are registered in the records of the corporation or the~~  
8334 ~~beneficial owner of shares to the extent of the rights granted~~  
8335 ~~by a nominee certificate on file with the corporation.~~

8336 (8) "Senior executive" means the chief executive officer,  
8337 chief operating officer, chief financial officer, or any  
8338 individual ~~anyone~~ in charge of a principal business unit or  
8339 function.

8340 (9) Notwithstanding s. 607.01401(67), "shareholder" means  
8341 ~~both~~ a record shareholder, ~~and~~ a beneficial shareholder, and a  
8342 voting trust beneficial owner.

8343 Section 161. Section 607.1302, Florida Statutes, is  
8344 amended to read:

8345 607.1302 Right of shareholders to appraisal.—

8346 (1) A shareholder of a domestic corporation is entitled to  
8347 appraisal rights, and to obtain payment of the fair value of  
8348 that shareholder's shares, in the event of any of the following  
8349 corporate actions:

8350 (a) Consummation of a domestication or a conversion of

8351 such corporation pursuant to s. 607.11921 or s. 607.11932, as  
8352 applicable, s. 607.1112 if shareholder approval is required for  
8353 the domestication or the conversion; ~~and the shareholder is~~  
8354 ~~entitled to vote on the conversion under ss. 607.1103 and~~  
8355 ~~607.1112(6), or the~~

8356 (b) Consummation of a merger to which such corporation is  
8357 a party:

8358 1. If shareholder approval is required for the merger  
8359 under s. 607.1103 or would be required but for s. 607.11035,  
8360 except that appraisal rights may not be available to any  
8361 shareholder of the corporation with respect to shares of any  
8362 class or series that remains outstanding after consummation of  
8363 the merger where the terms of such class or series have not been  
8364 materially altered; ~~and the shareholder is entitled to vote on~~  
8365 ~~the merger or~~

8366 2. If such corporation is a subsidiary and the merger is  
8367 governed by s. 607.1104;

8368 (c) ~~(b)~~ Consummation of a share exchange to which the  
8369 corporation is a party as the corporation whose shares will be  
8370 ~~acquired if the shareholder is entitled to vote on the exchange,~~  
8371 except that appraisal rights are not available to any  
8372 shareholder of the corporation with respect to any class or  
8373 series of shares of the corporation that is not acquired in the  
8374 share exchange ~~exchanged;~~

8375 (d) ~~(e)~~ Consummation of a disposition of assets pursuant to

8376 s. 607.1202 if the shareholder is entitled to vote on the  
8377 disposition, including a sale in dissolution, except that  
8378 appraisal rights shall not be available to any shareholder of  
8379 the corporation with respect to shares or any class or series  
8380 if:

8381 1. Under the terms of the corporate action approved by the  
8382 shareholders there is to be distributed to shareholders in cash  
8383 the corporation's net assets, in excess of a reasonable amount  
8384 reserved to meet claims of the type described in ss. 607.1406  
8385 and 607.1407, within 1 year after the shareholders' approval of  
8386 the action and in accordance with their respective interests  
8387 determined at the time of distribution; and

8388 2. The disposition of assets is not an interested  
8389 transaction but not including a sale pursuant to court order or  
8390 a sale for cash pursuant to a plan by which all or substantially  
8391 all of the net proceeds of the sale will be distributed to the  
8392 shareholders within 1 year after the date of sale;

8393 (e)-(d) An amendment of the articles of incorporation with  
8394 respect to a ~~the~~ class or series of shares which reduces the  
8395 number of shares of a class or series owned by the shareholder  
8396 to a fraction of a share if the corporation has the obligation  
8397 or the right to repurchase the fractional share so created;

8398 (f)-(e) Any other ~~amendment to the articles of~~  
8399 ~~incorporation,~~ merger, share exchange, ~~or~~ disposition of assets,  
8400 or amendment to the articles of incorporation, in each case to



8401 the extent provided by the articles of incorporation, bylaws, or  
 8402 a resolution of the board of directors, except that no bylaw or  
 8403 board resolution providing for appraisal rights may be amended  
 8404 or otherwise altered except by shareholder approval;

8405 (g) An amendment to the articles of incorporation or  
 8406 bylaws of the corporation, the effect of which is to alter or  
 8407 abolish voting or other rights with respect to such interest in  
 8408 a manner that is adverse to the interest of such shareholder,  
 8409 except as the right may be affected by the voting or other  
 8410 rights of new shares then being authorized of a new class or  
 8411 series of shares;

8412 (h) An amendment to the articles of incorporation or  
 8413 bylaws of a corporation the effect of which is to adversely  
 8414 affect the interest of the shareholder by altering or abolishing  
 8415 appraisal rights under this section;

8416 (i) ~~(f)~~ With regard to a class of shares prescribed in the  
 8417 articles of incorporation prior to October 1, 2003, including  
 8418 any shares within that class subsequently authorized by  
 8419 amendment, any amendment of the articles of incorporation if the  
 8420 shareholder is entitled to vote on the amendment and if such  
 8421 amendment would adversely affect such shareholder by:

8422 1. Altering or abolishing any preemptive rights attached  
 8423 to any of his or her shares;

8424 2. Altering or abolishing the voting rights pertaining to  
 8425 any of his or her shares, except as such rights may be affected

8426 | by the voting rights of new shares then being authorized of any  
 8427 | existing or new class or series of shares;

8428 |         3. Effecting an exchange, cancellation, or  
 8429 | reclassification of any of his or her shares, when such  
 8430 | exchange, cancellation, or reclassification would alter or  
 8431 | abolish the shareholder's voting rights or alter his or her  
 8432 | percentage of equity in the corporation, or effecting a  
 8433 | reduction or cancellation of accrued dividends or other  
 8434 | arrearages in respect to such shares;

8435 |         4. Reducing the stated redemption price of any of the  
 8436 | shareholder's redeemable shares, altering or abolishing any  
 8437 | provision relating to any sinking fund for the redemption or  
 8438 | purchase of any of his or her shares, or making any of his or  
 8439 | her shares subject to redemption when they are not otherwise  
 8440 | redeemable;

8441 |         5. Making noncumulative, in whole or in part, dividends of  
 8442 | any of the shareholder's preferred shares which had theretofore  
 8443 | been cumulative;

8444 |         6. Reducing the stated dividend preference of any of the  
 8445 | shareholder's preferred shares; or

8446 |         7. Reducing any stated preferential amount payable on any  
 8447 | of the shareholder's preferred shares upon voluntary or  
 8448 | involuntary liquidation;

8449 |         (j)~~(g)~~ An amendment of the articles of incorporation of a  
 8450 | social purpose corporation to which s. 607.504 or s. 607.505

8451 applies;

8452 (k)~~(h)~~ An amendment of the articles of incorporation of a

8453 benefit corporation to which s. 607.604 or s. 607.605 applies;

8454 (l)~~(i)~~ A merger, domestication, conversion, or share

8455 exchange of a social purpose corporation to which s. 607.504

8456 applies; or

8457 (m)~~(j)~~ A merger, domestication, conversion, or share

8458 exchange of a benefit corporation to which s. 607.604 applies.

8459 (2) Notwithstanding subsection (1), the availability of

8460 appraisal rights under paragraphs (1)(a), (b), (c), ~~and (d)~~, and

8461 (e) shall be limited in accordance with the following

8462 provisions:

8463 (a) Appraisal rights shall not be available for the

8464 holders of shares of any class or series of shares which is:

8465 1. A covered security under s. 18(b)(1)(A) or (B) of the

8466 Securities Act of 1933 ~~Listed on the New York Stock Exchange or~~

8467 ~~the American Stock Exchange or designated as a national market~~

8468 ~~system security on an interdealer quotation system by the~~

8469 ~~National Association of Securities Dealers, Inc.; or~~

8470 2. Not a covered security, but traded in an organized

8471 market and ~~Not so listed or designated, but~~ has at least 2,000

8472 shareholders and the outstanding shares of such class or series

8473 have a market value of at least \$20 ~~\$10~~ million, exclusive of

8474 the value of outstanding ~~such~~ shares held by the corporation's

8475 ~~its~~ subsidiaries, by the corporation's senior executives, by the

8476 corporation's directors, and by the corporation's beneficial  
8477 shareholders and voting trust beneficial owners ~~shareholders~~  
8478 owning more than 10 percent of the outstanding ~~such~~ shares; or

8479 3. Issued by an open end management investment company  
8480 registered with the Securities and Exchange Commission under the  
8481 Investment Company Act of 1940 and which may be redeemed at the  
8482 option of the holder at net asset value.

8483 (b) The applicability of paragraph (a) shall be determined  
8484 as of:

8485 1. The record date fixed to determine the shareholders  
8486 entitled to receive notice of, ~~and to vote at,~~ the meeting of  
8487 shareholders to act upon the corporate action requiring  
8488 appraisal rights, or, in the case of an offer made pursuant to  
8489 s. 607.11035, the date of such offer; or

8490 2. If there will be no meeting of shareholders and no  
8491 offer is made pursuant to s. 607.11035, the close of business on  
8492 the day before the consummation of the corporate action or the  
8493 effective date of the amendment of the articles, as applicable  
8494 ~~on which the board of directors adopts the resolution~~  
8495 ~~recommending such corporate action.~~

8496 (c) Paragraph (a) is not ~~shall not be~~ applicable and  
8497 appraisal rights shall be available pursuant to subsection (1)  
8498 for the holders of any class or series of shares where the  
8499 corporate action is an interested transaction ~~who are required~~  
8500 ~~by the terms of the corporate action requiring appraisal rights~~

8501 ~~to accept for such shares anything other than cash or shares of~~  
8502 ~~any class or any series of shares of any corporation, or any~~  
8503 ~~other proprietary interest of any other entity, that satisfies~~  
8504 ~~the standards set forth in paragraph (a) at the time the~~  
8505 ~~corporate action becomes effective.~~

8506 ~~(d) Paragraph (a) shall not be applicable and appraisal~~  
8507 ~~rights shall be available pursuant to subsection (1) for the~~  
8508 ~~holders of any class or series of shares if:~~

8509 ~~1. Any of the shares or assets of the corporation are~~  
8510 ~~being acquired or converted, whether by merger, share exchange,~~  
8511 ~~or otherwise, pursuant to the corporate action by a person, or~~  
8512 ~~by an affiliate of a person, who:~~

8513 ~~a. Is, or at any time in the 1-year period immediately~~  
8514 ~~preceding approval by the board of directors of the corporate~~  
8515 ~~action requiring appraisal rights was, the beneficial owner of~~  
8516 ~~20 percent or more of the voting power of the corporation,~~  
8517 ~~excluding any shares acquired pursuant to an offer for all~~  
8518 ~~shares having voting power if such offer was made within 1 year~~  
8519 ~~prior to the corporate action requiring appraisal rights for~~  
8520 ~~consideration of the same kind and of a value equal to or less~~  
8521 ~~than that paid in connection with the corporate action; or~~

8522 ~~b. Directly or indirectly has, or at any time in the 1-~~  
8523 ~~year period immediately preceding approval by the board of~~  
8524 ~~directors of the corporation of the corporate action requiring~~  
8525 ~~appraisal rights had, the power, contractually or otherwise, to~~

8526 ~~cause the appointment or election of 25 percent or more of the~~  
8527 ~~directors to the board of directors of the corporation; or~~  
8528 ~~2. Any of the shares or assets of the corporation are~~  
8529 ~~being acquired or converted, whether by merger, share exchange,~~  
8530 ~~or otherwise, pursuant to such corporate action by a person, or~~  
8531 ~~by an affiliate of a person, who is, or at any time in the 1-~~  
8532 ~~year period immediately preceding approval by the board of~~  
8533 ~~directors of the corporate action requiring appraisal rights~~  
8534 ~~was, a senior executive or director of the corporation or a~~  
8535 ~~senior executive of any affiliate thereof, and that senior~~  
8536 ~~executive or director will receive, as a result of the corporate~~  
8537 ~~action, a financial benefit not generally available to other~~  
8538 ~~shareholders as such, other than:~~  
8539 ~~a. Employment, consulting, retirement, or similar benefits~~  
8540 ~~established separately and not as part of or in contemplation of~~  
8541 ~~the corporate action;~~  
8542 ~~b. Employment, consulting, retirement, or similar benefits~~  
8543 ~~established in contemplation of, or as part of, the corporate~~  
8544 ~~action that are not more favorable than those existing before~~  
8545 ~~the corporate action or, if more favorable, that have been~~  
8546 ~~approved on behalf of the corporation in the same manner as is~~  
8547 ~~provided in s. 607.0832; or~~  
8548 ~~e. In the case of a director of the corporation who will,~~  
8549 ~~in the corporate action, become a director of the acquiring~~  
8550 ~~entity in the corporate action or one of its affiliates, rights~~

8551 ~~and benefits as a director that are provided on the same basis~~  
8552 ~~as those afforded by the acquiring entity generally to other~~  
8553 ~~directors of such entity or such affiliate.~~

8554 ~~(c) For the purposes of paragraph (d) only, the term~~  
8555 ~~"beneficial owner" means any person who, directly or indirectly,~~  
8556 ~~through any contract, arrangement, or understanding, other than~~  
8557 ~~a revocable proxy, has or shares the power to vote, or to direct~~  
8558 ~~the voting of, shares, provided that a member of a national~~  
8559 ~~securities exchange shall not be deemed to be a beneficial owner~~  
8560 ~~of securities held directly or indirectly by it on behalf of~~  
8561 ~~another person solely because such member is the recordholder of~~  
8562 ~~such securities if the member is precluded by the rules of such~~  
8563 ~~exchange from voting without instruction on contested matters or~~  
8564 ~~matters that may affect substantially the rights or privileges~~  
8565 ~~of the holders of the securities to be voted. When two or more~~  
8566 ~~persons agree to act together for the purpose of voting their~~  
8567 ~~shares of the corporation, each member of the group formed~~  
8568 ~~thereby shall be deemed to have acquired beneficial ownership,~~  
8569 ~~as of the date of such agreement, of all voting shares of the~~  
8570 ~~corporation beneficially owned by any member of the group.~~

8571 (3) Notwithstanding any other provision of this section,  
8572 the articles of incorporation as originally filed or any  
8573 amendment to the articles of incorporation ~~thereto~~ may limit or  
8574 eliminate appraisal rights for any class or series of preferred  
8575 shares, except that:

8576 (a) No such limitation or elimination shall be effective  
 8577 if the class or series does not have the right to vote  
 8578 separately as a voting group, alone or as part of a group, on  
 8579 the action or if the action is a domestication under s.  
 8580 607.11920 or a conversion under s. 607.11901, or a merger having  
 8581 a similar effect as a domestication or conversion in which the  
 8582 domesticated eligible entity or the converted eligible entity is  
 8583 an eligible entity; and

8584 (b) but Any such limitation or elimination contained in an  
 8585 amendment to the articles of incorporation that limits or  
 8586 eliminates appraisal rights for any of such shares that are  
 8587 outstanding immediately before ~~prior to~~ the effective date of  
 8588 such amendment or that the corporation is or may be required to  
 8589 issue or sell thereafter pursuant to any conversion, exchange,  
 8590 or other right existing immediately before the effective date of  
 8591 such amendment shall not apply to any corporate action that  
 8592 becomes effective within 1 year after the effective date of such  
 8593 amendment ~~of that date~~ if such action would otherwise afford  
 8594 appraisal rights.

8595 ~~(4) A shareholder entitled to appraisal rights under this~~  
 8596 ~~chapter may not challenge a completed corporate action for which~~  
 8597 ~~appraisal rights are available unless such corporate action:~~

8598 ~~(a) Was not effectuated in accordance with the applicable~~  
 8599 ~~provisions of this section or the corporation's articles of~~  
 8600 ~~incorporation, bylaws, or board of directors' resolution~~



8601 ~~authorizing the corporate action; or~~

8602 ~~(b) Was procured as a result of fraud or material~~  
8603 ~~misrepresentation.~~

8604 Section 162. Section 607.1303, Florida Statutes, is  
8605 amended to read:

8606 607.1303 Assertion of rights by nominees and beneficial  
8607 owners.—

8608 (1) A record shareholder may assert appraisal rights as to  
8609 fewer than all the shares registered in the record shareholder's  
8610 name but owned by a beneficial shareholder or a voting trust  
8611 beneficial owner only if the record shareholder objects with  
8612 respect to all shares of the class or series owned by the  
8613 beneficial shareholder or a voting trust beneficial owner and  
8614 notifies the corporation in writing of the name and address of  
8615 each beneficial shareholder or voting trust beneficial owner on  
8616 whose behalf appraisal rights are being asserted. The rights of  
8617 a record shareholder who asserts appraisal rights for only part  
8618 of the shares held of record in the record shareholder's name  
8619 under this subsection shall be determined as if the shares as to  
8620 which the record shareholder objects and the record  
8621 shareholder's other shares were registered in the names of  
8622 different record shareholders.

8623 (2) A beneficial shareholder and a voting trust beneficial  
8624 owner may assert appraisal rights as to shares of any class or  
8625 series held on behalf of the shareholder only if such

8626 shareholder:

8627 (a) Submits to the corporation the record shareholder's  
 8628 written consent to the assertion of such rights no later than  
 8629 the date referred to in s. 607.1322(2)(b)2.

8630 (b) Does so with respect to all shares of the class or  
 8631 series that are beneficially owned by the beneficial shareholder  
 8632 or the voting trust beneficial owner.

8633 Section 163. Subsections (1) and (3) of section 607.1320,  
 8634 Florida Statutes, are amended, and subsections (4) and (5) are  
 8635 added to that section, to read:

8636 607.1320 Notice of appraisal rights.—

8637 (1) If a proposed corporate action described in s.  
 8638 607.1302(1) is to be submitted to a vote at a shareholders'  
 8639 meeting, the meeting notice (or, where no approval of such  
 8640 action is required pursuant to s. 607.11035, the offer made  
 8641 pursuant to s. 607.11035), must state that the corporation has  
 8642 concluded that shareholders are, are not, or may be entitled to  
 8643 assert appraisal rights under this chapter. If the corporation  
 8644 concludes that appraisal rights are or may be available, a copy  
 8645 of ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~ must accompany  
 8646 the meeting notice or offer sent to those record shareholders  
 8647 entitled to exercise appraisal rights.

8648 (3) If a ~~the~~ proposed corporate action described in s.  
 8649 607.1302(1) is to be approved by written consent of the  
 8650 shareholders pursuant to s. 607.0704:

8651 (a) Written notice that appraisal rights are, are not, or  
8652 may be available must be sent to each shareholder from whom a  
8653 consent is solicited at the time consent of such shareholder is  
8654 first solicited, and, if the corporation has concluded that  
8655 appraisal rights are or may be available, a copy of ss.  
8656 607.1301-607.1340 must accompany such written notice; and

8657 (b) Written notice that appraisal rights are, are not, or  
8658 may be available must be delivered, at least 10 days before the  
8659 corporate action becomes effective, to all nonconsenting and  
8660 nonvoting shareholders, and, if the corporation has concluded  
8661 that appraisal rights are or may be available, a copy of ss.  
8662 607.1301-607.1340 must accompany such written notice.

8663 (4) Where a corporate action described in s. 607.1302(1)  
8664 is proposed or a merger pursuant to s. 607.1104 is effected, and  
8665 the corporation concludes that appraisal rights are or may be  
8666 available, the notice referred to in subsection (1), paragraph  
8667 (3) (a), or paragraph (3) (b) must be accompanied by:

8668 (a) Financial statements of the corporation that issued  
8669 the shares that may be or are subject to appraisal rights,  
8670 consisting of a balance sheet as of the end of the fiscal year  
8671 ending not more than 16 months before the date of the notice, an  
8672 income statement for that fiscal year, and a cash flow statement  
8673 for that fiscal year; however, if such financial statements are  
8674 not reasonably available, the corporation must provide  
8675 reasonably equivalent financial information; and

8676        (b) The latest available interim financial statements,  
8677 including year-to-date through the end of the interim period, of  
8678 such corporation, if any.

8679        (5) The right to receive the information described in  
8680 subsection (4) may be waived in writing by a shareholder before  
8681 or after the corporate action is effected ~~other than by a~~  
8682 ~~shareholders' meeting, the notice referred to in subsection (1)~~  
8683 ~~must be sent to all shareholders at the time that consents are~~  
8684 ~~first solicited pursuant to s. 607.0704, whether or not consents~~  
8685 ~~are solicited from all shareholders, and include the materials~~  
8686 ~~described in s. 607.1322.~~

8687        Section 164. Section 607.1321, Florida Statutes, is  
8688 amended to read:

8689        607.1321 Notice of intent to demand payment.—

8690        (1) If a proposed corporate action requiring appraisal  
8691 rights under s. 607.1302 is submitted to a vote at a  
8692 shareholders' meeting, ~~or is submitted to a shareholder pursuant~~  
8693 ~~to a consent vote under s. 607.0704,~~ a shareholder who wishes to  
8694 assert appraisal rights with respect to any class or series of  
8695 shares:

8696        (a) Must deliver to the corporation before the vote is  
8697 taken, ~~or within 20 days after receiving the notice pursuant to~~  
8698 ~~s. 607.1320(3) if action is to be taken without a shareholder~~  
8699 ~~meeting,~~ written notice of the shareholder's intent to demand  
8700 payment if the proposed corporate action is effectuated; ~~and.~~

8701 (b) Must not vote, or cause or permit to be voted, any  
8702 shares of such class or series in favor of the proposed  
8703 corporate action.

8704 (2) If a proposed corporate action requiring appraisal  
8705 rights under s. 607.1302 is to be approved by written consent, a  
8706 shareholder who wishes to assert appraisal rights with respect  
8707 to any class or series of shares must not sign a consent in  
8708 favor of the proposed corporate action with respect to that  
8709 class or series of shares.

8710 (3) If a proposed corporate action specified in s.  
8711 607.1302(1) does not require shareholder approval pursuant to s.  
8712 607.11035, a shareholder who wishes to assert appraisal rights  
8713 with respect to any class or series of shares:

8714 (a) Must deliver to the corporation before the shares are  
8715 purchased pursuant to the offer a written notice of the  
8716 shareholder's intent to demand payment if the proposed action is  
8717 effected; and

8718 (b) Must not tender, or cause or permit to be tendered,  
8719 any shares of such class or series in response to such offer.

8720 (4)~~(2)~~ A shareholder who may otherwise be entitled to  
8721 appraisal rights but does not satisfy the requirements of  
8722 subsections (1), (2), or (3) ~~subsection (1)~~ is not entitled to  
8723 payment under this chapter.

8724 Section 165. Section 607.1322, Florida Statutes, is  
8725 amended to read:

8726           607.1322 Appraisal notice and form.—

8727           (1) If a proposed corporate action requiring appraisal

8728 rights under s. 607.1302(1) becomes effective, the corporation

8729 must deliver a written appraisal notice and form required by

8730 paragraph (2)(a) to all shareholders who satisfied the

8731 requirements of s. 607.1321(1), (2), or (3) ~~s. 607.1321~~. In the

8732 case of a merger under s. 607.1104, the parent must deliver a

8733 written appraisal notice and form to all record shareholders who

8734 may be entitled to assert appraisal rights.

8735           (2) The appraisal notice must be delivered ~~sent~~ no earlier

8736 than the date the corporate action became effective, and no

8737 later than 10 days after such date, and must:

8738           (a) Supply a form that specifies the date that the

8739 corporate action became effective and that provides for the

8740 shareholder to state:

8741           1. The shareholder's name and address.

8742           2. The number, classes, and series of shares as to which

8743 the shareholder asserts appraisal rights.

8744           3. That the shareholder did not vote for or consent to the

8745 transaction.

8746           4. Whether the shareholder accepts the corporation's offer

8747 as stated in subparagraph (b)4.

8748           5. If the offer is not accepted, the shareholder's

8749 estimated fair value of the shares and a demand for payment of

8750 the shareholder's estimated value plus accrued interest.

8751 (b) State:

8752 1. Where the form must be sent and where certificates for  
8753 certificated shares must be deposited and the date by which  
8754 those certificates must be deposited, which date may not be  
8755 earlier than the date by which the corporation must receive ~~for~~  
8756 ~~receiving~~ the required form under subparagraph 2.

8757 2. A date by which the corporation must receive the form,  
8758 which date may not be fewer than 40 nor more than 60 days after  
8759 the date the subsection (1) appraisal notice and form are sent,  
8760 and state that the shareholder shall have waived the right to  
8761 demand appraisal with respect to the shares unless the form is  
8762 received by the corporation by such specified date.

8763 3. The corporation's estimate of the fair value of the  
8764 shares.

8765 4. An offer to each shareholder who is entitled to  
8766 appraisal rights to pay the corporation's estimate of fair value  
8767 set forth in subparagraph 3.

8768 5. That, if requested in writing, the corporation will  
8769 provide to the shareholder so requesting, within 10 days after  
8770 the date specified in subparagraph 2., the number of  
8771 shareholders who return the forms by the specified date and the  
8772 total number of shares owned by them.

8773 6. The date by which the notice to withdraw under s.  
8774 607.1323 must be received, which date must be within 20 days  
8775 after the date specified in subparagraph 2.

8776 (c) If not previously provided, be accompanied by a copy  
 8777 of ss. 607.1301-607.1340

8778 ~~(c) Be accompanied by:~~

8779 ~~1. Financial statements of the corporation that issued the~~  
 8780 ~~shares to be appraised, consisting of a balance sheet as of the~~  
 8781 ~~end of the fiscal year ending not more than 15 months prior to~~  
 8782 ~~the date of the corporation's appraisal notice, an income~~  
 8783 ~~statement for that year, a cash flow statement for that year,~~  
 8784 ~~and the latest available interim financial statements, if any.~~

8785 ~~2. A copy of ss. 607.1301-607.1333.~~

8786 Section 166. Subsections (1) and (3) of section 607.1323,  
 8787 Florida Statutes, are amended to read:

8788 607.1323 Perfection of rights; right to withdraw.—

8789 (1) A shareholder who receives notice pursuant to s.  
 8790 607.1322 and who wishes to exercise appraisal rights must sign  
 8791 ~~execute~~ and return the form received pursuant to s. 607.1322(1)  
 8792 and, in the case of certificated shares, deposit the  
 8793 shareholder's certificates in accordance with the terms of the  
 8794 notice by the date referred to in the notice pursuant to s.  
 8795 607.1322(2)(b)2. Once a shareholder deposits that shareholder's  
 8796 certificates or, in the case of uncertificated shares, returns  
 8797 the signed ~~executed~~ forms, that shareholder loses all rights as  
 8798 a shareholder, unless the shareholder withdraws pursuant to  
 8799 subsection (2).

8800 (3) A shareholder who does not sign ~~execute~~ and return the



8801 form and, in the case of certificated shares, deposit that  
8802 shareholder's share certificates if required, each by the date  
8803 set forth in the notice described in s. 607.1322(2) ~~subsection~~  
8804 ~~(2)~~, shall not be entitled to payment under ss. 607.1301-  
8805 607.1340 ~~this chapter~~.

8806 Section 167. Subsection (2) of section 607.1324, Florida  
8807 Statutes, is amended to read:

8808 607.1324 Shareholder's acceptance of corporation's offer.—

8809 (2) Upon payment of the agreed value, the shareholder  
8810 shall cease to have any right to receive any further  
8811 consideration with respect to such ~~interest in the~~ shares.

8812 Section 168. Section 607.1326, Florida Statutes, is  
8813 amended to read:

8814 607.1326 Procedure if shareholder is dissatisfied with  
8815 offer.—

8816 (1) A shareholder who is dissatisfied with the  
8817 corporation's offer as set forth pursuant to s. 607.1322(2)(b)4.  
8818 must notify the corporation on the form provided pursuant to s.  
8819 607.1322(1) of that shareholder's estimate of the fair value of  
8820 the shares and demand payment of that estimate plus accrued  
8821 interest.

8822 (2) A shareholder who fails to notify the corporation in  
8823 writing of that shareholder's demand to be paid the  
8824 shareholder's stated estimate of the fair value plus accrued  
8825 interest under subsection (1) within the timeframe set forth in

8826 s. 607.1322(2)(b)2. waives the right to demand payment under  
8827 this section and shall be entitled only to the payment offered  
8828 by the corporation pursuant to s. 607.1322(2)(b)4.

8829 Section 169. Subsections (1), (2), (5), and (6) of section  
8830 607.1330, Florida Statutes, are amended to read:

8831 607.1330 Court action.—

8832 (1) If a shareholder makes demand for payment under s.  
8833 607.1326 which remains unsettled, the corporation shall commence  
8834 a proceeding within 60 days after receiving the payment demand  
8835 and petition the court to determine the fair value of the shares  
8836 and accrued interest from the date of the corporate action. If  
8837 the corporation does not commence the proceeding within the 60-  
8838 day period, any shareholder who has made a demand pursuant to s.  
8839 607.1326 may commence the proceeding in the name of the  
8840 corporation.

8841 (2) The proceeding shall be commenced in the circuit court  
8842 in the applicable county. If by virtue of the corporate action  
8843 becoming effective the entity has become a foreign eligible  
8844 entity ~~appropriate court of the county in which the~~  
8845 ~~corporation's principal office, or, if none, its registered~~  
8846 ~~office, in this state is located. If the corporation is a~~  
8847 ~~foreign corporation~~ without a registered office in this state,  
8848 the proceeding shall be commenced in the county in this state in  
8849 which the principal office or registered office of the domestic  
8850 corporation merged with the foreign eligible entity ~~corporation~~

8851 was located immediately before the time the corporate action  
8852 became effective. If such entity has, and immediately before the  
8853 corporate action became effective had, no principal or  
8854 registered office in this state, then the proceeding shall be  
8855 commenced in the county in this state in which the corporation  
8856 has, or immediately before the time the corporate action became  
8857 effective had, an office in this state. If such entity has, or  
8858 immediately before the time the corporate action became  
8859 effective had, no office in this state, the proceeding shall be  
8860 commenced in the county in which the corporation's registered  
8861 office is or was last located at the time of the transaction.

8862 (5) Each shareholder made a party to the proceeding is  
8863 entitled to judgment for the amount of the fair value of such  
8864 shareholder's shares, plus accrued interest, as found by the  
8865 court.

8866 (6) The corporation shall pay each such shareholder the  
8867 amount found to be due within 10 days after final determination  
8868 of the proceedings. Upon payment of the judgment, the  
8869 shareholder shall cease to have any rights to receive any  
8870 further consideration with respect to such shares other than any  
8871 amounts ordered to be paid for court costs and attorney fees  
8872 under s. 607.1331 interest in the shares.

8873 Section 170. Subsection (4) of section 607.1331, Florida  
8874 Statutes, is amended to read:

8875 607.1331 Court costs and counsel fees.—

8876 (4) To the extent the corporation fails to make a required  
 8877 payment pursuant to s. 607.1324, the shareholder may sue  
 8878 directly for the amount owed and, to the extent successful,  
 8879 shall be entitled to recover from the corporation all costs and  
 8880 expenses of the suit, including attorney ~~counsel~~ fees.

8881 Section 171. Section 607.1332, Florida Statutes, is  
 8882 amended to read:

8883 607.1332 Disposition of acquired shares.—Shares acquired  
 8884 by a corporation pursuant to payment of the agreed value thereof  
 8885 or pursuant to payment of the judgment entered therefor, as  
 8886 provided in this chapter, may be held and disposed of by such  
 8887 corporation as authorized but unissued shares of the  
 8888 corporation, except that, in the case of a merger or share  
 8889 exchange, they may be held and disposed of as the plan of merger  
 8890 or share exchange otherwise provides. The shares of the survivor  
 8891 ~~surviving corporation~~ into which the shares of such shareholders  
 8892 demanding appraisal rights would have been converted had they  
 8893 assented to the merger shall have the status of authorized but  
 8894 unissued shares of the survivor ~~surviving corporation~~.

8895 Section 172. Subsection (1) of section 607.1333, Florida  
 8896 Statutes, is amended to read:

8897 607.1333 Limitation on corporate payment.—

8898 (1) No payment shall be made to a shareholder seeking  
 8899 appraisal rights if, at the time of payment, the corporation is  
 8900 unable to meet the distribution standards of s. 607.06401. In

8901 such event, the shareholder shall, at the shareholder's option:

8902 (a) Withdraw his or her notice of intent to assert  
 8903 appraisal rights, which shall in such event be deemed withdrawn  
 8904 with the consent of the corporation; or

8905 (b) Retain his or her status as a claimant against the  
 8906 corporation and, if it is liquidated, be subordinated to the  
 8907 rights of creditors of the corporation, but have rights superior  
 8908 to the shareholders not asserting appraisal rights, and if the  
 8909 corporation ~~it~~ is not liquidated, retain his or her right to be  
 8910 paid for the shares, which right the corporation shall be  
 8911 obliged to satisfy when the restrictions of this section do not  
 8912 apply.

8913 Section 173. Section 607.1340, Florida Statutes, is  
 8914 created to read:

8915 607.1340 Other remedies limited.-

8916 (1) A shareholder entitled to appraisal rights under this  
 8917 chapter may not challenge a completed corporate action for which  
 8918 appraisal rights are available unless such corporate action was  
 8919 either:

8920 (a) Not authorized and approved in accordance with the  
 8921 applicable provisions of this chapter;

8922 (b) Procured as a result of fraud, a material  
 8923 misrepresentation, or an omission of a material fact necessary  
 8924 to make statements made, in light of the circumstances in which  
 8925 they were made, not misleading.

8926           (2) Nothing in this section operates to override or  
 8927 supersede the provisions of s. 607.0832.

8928           Section 174. Section 607.1401, Florida Statutes, is  
 8929 amended to read:

8930           607.1401 Dissolution by incorporators or directors.-If a  
 8931 corporation has not yet issued shares, its board of directors,  
 8932 or a majority of incorporators if it has no board of directors,  
 8933 ~~A majority of the incorporators or directors of a corporation~~  
 8934 ~~that has not issued shares or has not commenced business~~ may  
 8935 dissolve the corporation by delivering to the department of  
 8936 State for filing articles of dissolution that must set forth:

8937           (1) The name of the corporation;

8938           (2) The date of its incorporation ~~filing of its articles~~  
 8939 ~~of incorporation;~~

8940           (3) ~~Either:~~

8941           ~~(a)~~ That none of the corporation's shares have been  
 8942 issued, ~~or~~

8943           ~~(b) That the corporation has not commenced business;~~

8944           (4) That no debt of the corporation remains unpaid;

8945           (5) That the net assets of the corporation remaining after  
 8946 winding up, if any, have been distributed ~~to the shareholders,~~  
 8947 ~~if shares were issued;~~ and

8948           (6) That a majority of the incorporators or directors  
 8949 authorized the dissolution.

8950           Section 175. Subsections (1) through (5) of section

8951 607.1402, Florida Statutes, are amended to read:

8952 607.1402 Dissolution by board of directors and  
8953 shareholders; dissolution by written consent of shareholders.-

8954 (1) A corporation's board of directors may propose  
8955 dissolution for submission to the shareholders by first adopting  
8956 a resolution authorizing the dissolution.

8957 (2) (a) For a proposal to dissolve to be adopted, it must  
8958 be approved by the shareholders pursuant to subsection (5).

8959 (b) In submitting the proposal to dissolve to the  
8960 shareholders for approval, ÷

8961 ~~(a)~~ the board of directors must recommend that dissolution  
8962 ~~to~~ the shareholders approve the dissolution, unless:

8963 1. The board of directors determines that because of  
8964 conflict of interest or other special circumstances it should  
8965 make no recommendation; or

8966 2. Section 607.0826 applies.

8967 (c) If either subparagraph (b)1. or subparagraph (b)2.  
8968 applies, the board must inform the shareholders of the basis for  
8969 its so proceeding without such recommendation and communicates  
8970 ~~the basis for its determination to the shareholders; and~~

8971 ~~(b) The shareholders entitled to vote must approve the~~  
8972 ~~proposal to dissolve as provided in subsection (5).~~

8973 (3) The board of directors may set conditions for the  
8974 approval condition its submission of the proposal for  
8975 dissolution by shareholders or for the effectiveness of the

8976 dissolution on any basis.

8977 (4) If the approval of the shareholders is to be given at  
8978 a meeting, the corporation shall notify, in accordance with s.  
8979 607.0705, each shareholder ~~of record,~~ regardless of whether or  
8980 ~~not~~ entitled to vote, of the meeting of shareholders at which  
8981 the dissolution is to be submitted for approval ~~proposed~~  
8982 ~~shareholders' meeting in accordance with s. 607.0705.~~ The notice  
8983 must also state that the purpose, or one of the purposes, of the  
8984 meeting is to consider dissolving the corporation.

8985 (5) Unless the articles of incorporation or the board of  
8986 directors (acting pursuant to subsection (3)) require a greater  
8987 vote or a vote by voting groups, the proposal to dissolve to be  
8988 adopted must be approved by a majority of all the votes entitled  
8989 to be cast on the proposal to dissolve ~~that proposal.~~

8990 Section 176. Section 607.1403, Florida Statutes, is  
8991 amended to read:

8992 607.1403 Articles of dissolution.—

8993 (1) At any time after dissolution is authorized, the  
8994 corporation may dissolve by delivering to the department ~~of~~  
8995 ~~State~~ for filing articles of dissolution which must ~~shall~~ be  
8996 signed ~~executed~~ in accordance with s. 607.0120 and which must  
8997 ~~shall~~ set forth:

- 8998 (a) The name of the corporation;  
8999 (b) The date dissolution was authorized;  
9000 (c) If dissolution was approved by the shareholders, a



9001 statement that the proposal to dissolve was duly approved by the  
9002 shareholders in the manner required by this chapter and by the  
9003 articles of incorporation ~~number cast for dissolution by the~~  
9004 ~~shareholders was sufficient for approval.~~

9005 ~~(d) If dissolution was approved by the shareholders and if~~  
9006 ~~voting by voting groups was required, a statement that the~~  
9007 ~~number cast for dissolution by the shareholders was sufficient~~  
9008 ~~for approval must be separately provided for each voting group~~  
9009 ~~entitled to vote separately on the plan to dissolve.~~

9010 (2) The articles of dissolution shall take effect at the  
9011 effective date determined pursuant to s. 607.0123. A corporation  
9012 is dissolved upon the effective date of its articles of  
9013 dissolution.

9014 (3) For purposes of ss. 607.1401-607.1410, "dissolved  
9015 corporation" means a corporation whose articles of dissolution  
9016 have become effective and includes a successor entity. Further,  
9017 for the purposes of this subsection, the term "successor entity"  
9018 includes a trust, receivership, or other legal entity governed  
9019 by the laws of this state to which the remaining assets and  
9020 liabilities of a dissolved corporation are transferred and which  
9021 exists solely for the purposes of prosecuting and defending  
9022 suits by or against the dissolved corporation, thereby enabling  
9023 the dissolved corporation to settle and close the business of  
9024 the dissolved corporation, to dispose of and convey the property  
9025 of the dissolved corporation, to discharge the liabilities of

9026 | the dissolved corporation, and to distribute to the dissolved  
9027 | corporation's shareholders any remaining assets, but not for the  
9028 | purpose of continuing the activities and affairs for which the  
9029 | dissolved corporation was organized.

9030 | Section 177. Subsection (3) of section 607.1404, Florida  
9031 | Statutes, is amended to read:

9032 | 607.1404 Revocation of dissolution.—

9033 | (3) After the revocation of dissolution is authorized, the  
9034 | corporation may revoke the dissolution by delivering to the  
9035 | department, within the 120-day period following the effective  
9036 | date of the articles of dissolution, ~~of State~~ for filing  
9037 | articles of revocation of dissolution, together with a copy of  
9038 | its articles of dissolution, that set forth:

9039 | (a) The name of the corporation;

9040 | (b) The effective date of the dissolution that was  
9041 | revoked;

9042 | (c) The date that the revocation of dissolution was  
9043 | authorized;

9044 | (d) If the corporation's board of directors or  
9045 | incorporators revoked the dissolution, a statement to that  
9046 | effect;

9047 | (e) If the corporation's board of directors revoked a  
9048 | dissolution authorized by the shareholders, a statement that  
9049 | revocation was permitted by action by the board of directors  
9050 | alone pursuant to that authorization; and

9051 (f) If shareholder action was required to revoke the  
 9052 dissolution, a statement that the revocation was authorized by  
 9053 the shareholders in the manner required by this chapter and by  
 9054 the articles of incorporation ~~the information required by s.~~  
 9055 ~~607.1403(1)(c) or (d).~~

9056 Section 178. Section 607.1405, Florida Statutes, is  
 9057 amended to read:

9058 607.1405 Effect of dissolution.—

9059 (1) A ~~dissolved~~ corporation that has dissolved continues  
 9060 its corporate existence but the dissolved corporation may not  
 9061 carry on any business except that appropriate to wind up and  
 9062 liquidate its business and affairs, including:

9063 (a) Collecting its assets;

9064 (b) Disposing of its properties that will not be  
 9065 distributed in kind to its shareholders;

9066 (c) Discharging or making provision for discharging its  
 9067 liabilities;

9068 (d) Making distributions of its remaining assets  
 9069 ~~Distributing its remaining property~~ among its shareholders  
 9070 according to their interests; and

9071 (e) Doing every other act necessary to wind up and  
 9072 liquidate its business and affairs.

9073 (2) Dissolution of a corporation does not:

9074 (a) Transfer title to the corporation's property;

9075 (b) Prevent transfer of its shares or securities, ~~although~~

9076 ~~the authorization to dissolve may provide for closing the~~  
9077 ~~corporation's share transfer records;~~

9078 (c) Subject its directors or officers to standards of  
9079 conduct different from those prescribed in ss. 607.0801-607.0859  
9080 ~~ss. 607.0801-607.0850~~ except as provided in ~~s. 607.1421(4)~~;

9081 (d) Change quorum or voting requirements for its board of  
9082 directors or shareholders; change provisions for selection,  
9083 resignation, or removal of its directors or officers or both; or  
9084 change provisions for amending its bylaws;

9085 (e) Prevent commencement of a proceeding by or against the  
9086 corporation in its corporate name;

9087 (f) Abate or suspend a proceeding pending by or against  
9088 the corporation on the effective date of dissolution; or

9089 (g) Terminate the authority of the registered agent of the  
9090 corporation.

9091 (3) A distribution in liquidation under this section may  
9092 only be made by a dissolved corporation. For purposes of  
9093 determining the shareholders entitled to receive a distribution  
9094 in liquidation, the board of directors may fix a record date for  
9095 determining shareholders entitled to a distribution in  
9096 liquidation, which date may not be retroactive. If the board of  
9097 directors does not fix a record date for determining  
9098 shareholders entitled to a distribution in liquidation, the  
9099 record date is the date the board of directors authorizes the  
9100 distribution in liquidation.

9101           (4) The directors, officers, and agents of a corporation  
 9102 dissolved pursuant to s. 607.1403 shall not incur any personal  
 9103 liability thereby by reason of their status as directors,  
 9104 officers, and agents of a dissolved corporation, as  
 9105 distinguished from a corporation which is not dissolved.

9106           (5)~~(4)~~ The name of a dissolved corporation is not ~~shall~~  
 9107 ~~not be~~ available for assumption or use by another eligible  
 9108 entity until 1 year ~~corporation until 120 days~~ after the  
 9109 effective date of dissolution unless the dissolved corporation  
 9110 provides the department of State with a record ~~an affidavit~~,  
 9111 signed as required by ~~executed pursuant to~~ s. 607.0120,  
 9112 permitting the immediate assumption or use of the name by  
 9113 another eligible entity ~~corporation~~.

9114           (6)~~(5)~~ For purposes of this section, the circuit court may  
 9115 appoint a trustee, custodian, or receiver for any property owned  
 9116 or acquired by the corporation who may engage in any act  
 9117 permitted under subsection (1) if any director or officer of the  
 9118 dissolved corporation is unwilling or unable to serve or cannot  
 9119 be located.

9120           Section 179. Section 607.1406, Florida Statutes, is  
 9121 amended to read:

9122           607.1406 Known claims against dissolved corporation.—

9123           (1) A dissolved corporation may dispose of the known  
 9124 claims against it by giving written notice that satisfies the  
 9125 requirements of subsection (2) to its known claimants at any

9126 time after the effective date of the dissolution, but no later  
9127 than the date that is 270 days before the date which is 3 years  
9128 after the effective date of the dissolution.

9129 (2) The written notice must:

9130 (a) State the name of the corporation that is the subject  
9131 of the dissolution;

9132 (b) State that the corporation is the subject of a  
9133 dissolution and the effective date of the dissolution;

9134 (c) Specify the information that must be included in a  
9135 claim;

9136 (d) State that a claim must be in writing and provide a  
9137 mailing address where a claim may be sent;

9138 (e) State the deadline, which may not be fewer than 120  
9139 days after the date the written notice is received by the  
9140 claimant, by which the dissolved corporation must receive the  
9141 claim;

9142 (f) State that the claim will be barred if not received by  
9143 the deadline;

9144 (g) State that the dissolved corporation may make  
9145 distributions thereafter to other claimants and to the dissolved  
9146 corporation's shareholders or persons interested without further  
9147 notice; and

9148 (h) Be accompanied by a copy of ss. 607.1405-607.1410.

9149 (3) A dissolved corporation may reject, in whole or in  
9150 part, a claim submitted by a claimant and received prior to the

9151 deadline specified in the written notice given pursuant to  
9152 subsections (1) and (2) by mailing notice of the rejection to  
9153 the claimant on or before the date that is the earlier of 90  
9154 days after the dissolved corporation receives the claim or the  
9155 date that is 150 days before the date which is 3 years after the  
9156 effective date of the dissolution. A rejection notice sent by  
9157 the dissolved corporation pursuant to this subsection must state  
9158 that the claim will be barred unless the claimant, not later  
9159 than 120 days after the claimant receives the rejection notice,  
9160 commences an action in the circuit court in the applicable  
9161 county against the dissolved corporation to enforce the claim.

9162 (4) A claim against the dissolved corporation is barred:

9163 (a) If a claimant who was given written notice pursuant to  
9164 subsections (1) and (2) does not deliver the claim to the  
9165 dissolved corporation by the specified deadline; or

9166 (b) If the claim was timely received by the dissolved  
9167 corporation but was timely rejected by the dissolved corporation  
9168 under subsection (3) and the claimant does not commence the  
9169 required action in the applicable county within 120 days after  
9170 the claimant receives the rejection notice.

9171 (5) (a) For purposes of this section, "known claims" means  
9172 any claim or liability that, as of the date of the giving of the  
9173 written notice contemplated by subsections (1) and (2):

9174 1. Has matured sufficiently on or prior to the effective  
9175 date of the dissolution to be legally capable of assertion

9176 against the dissolved corporation; or

9177 2. Is unmatured as of the effective date of the  
9178 dissolution but will mature in the future solely based on the  
9179 passage of time.

9180 (b) The term "known claims" does not include a claim based  
9181 on an event occurring after the effective date of the  
9182 dissolution or a claim that is a contingent claim.

9183 (6) The giving of any notice pursuant to this section does  
9184 not revive any claim then barred or constitute acknowledgment by  
9185 the dissolved corporation that any person to whom such notice is  
9186 sent is a proper claimant and does not operate as a waiver of  
9187 any defense or counterclaim in respect of any claim asserted by  
9188 any person to whom such notice is sent.

9189 ~~(1) A dissolved corporation or successor entity, as~~  
9190 ~~defined in subsection (15), may dispose of the known claims~~  
9191 ~~against it by following the procedures described in subsections~~  
9192 ~~(2), (3), and (4).~~

9193 ~~(2) The dissolved corporation or successor entity shall~~  
9194 ~~deliver to each of its known claimants written notice of the~~  
9195 ~~dissolution at any time after its effective date. The written~~  
9196 ~~notice shall:~~

9197 ~~(a) Provide a reasonable description of the claim that the~~  
9198 ~~claimant may be entitled to assert;~~

9199 ~~(b) State whether the claim is admitted or not admitted,~~  
9200 ~~in whole or in part, and, if admitted:~~



9201           ~~1. The amount that is admitted, which may be as of a given~~  
9202 ~~date; and~~

9203           ~~2. Any interest obligation if fixed by an instrument of~~  
9204 ~~indebtedness;~~

9205           ~~(c) Provide a mailing address where a claim may be sent;~~  
9206           ~~(d) State the deadline, which may not be fewer than 120~~  
9207 ~~days after the effective date of the written notice, by which~~  
9208 ~~confirmation of the claim must be delivered to the dissolved~~  
9209 ~~corporation or successor entity; and~~

9210           ~~(e) State that the corporation or successor entity may~~  
9211 ~~make distributions thereafter to other claimants and the~~  
9212 ~~corporation's shareholders or persons interested as having been~~  
9213 ~~such without further notice.~~

9214           ~~(3) A dissolved corporation or successor entity may~~  
9215 ~~reject, in whole or in part, any claim made by a claimant~~  
9216 ~~pursuant to this subsection by mailing notice of such rejection~~  
9217 ~~to the claimant within 90 days after receipt of such claim and,~~  
9218 ~~in all events, at least 150 days before expiration of 3 years~~  
9219 ~~following the effective date of dissolution. A notice sent by~~  
9220 ~~the dissolved corporation or successor entity pursuant to this~~  
9221 ~~subsection shall be accompanied by a copy of this section.~~

9222           ~~(4) A dissolved corporation or successor entity electing~~  
9223 ~~to follow the procedures described in subsections (2) and (3)~~  
9224 ~~shall also give notice of the dissolution of the corporation to~~  
9225 ~~persons with known claims, that are contingent upon the~~

9226 ~~occurrence or nonoccurrence of future events or otherwise~~  
9227 ~~conditional or unmatured, and request that such persons present~~  
9228 ~~such claims in accordance with the terms of such notice. Such~~  
9229 ~~notice shall be in substantially the same form, and sent in the~~  
9230 ~~same manner, as described in subsection (2).~~

9231 ~~(5) A dissolved corporation or successor entity shall~~  
9232 ~~offer any claimant whose known claim is contingent, conditional,~~  
9233 ~~or unmatured such security as the corporation or such entity~~  
9234 ~~determines is sufficient to provide compensation to the claimant~~  
9235 ~~if the claim matures. The dissolved corporation or successor~~  
9236 ~~entity shall deliver such offer to the claimant within 90 days~~  
9237 ~~after receipt of such claim and, in all events, at least 150~~  
9238 ~~days before expiration of 3 years following the effective date~~  
9239 ~~of dissolution. If the claimant offered such security does not~~  
9240 ~~deliver in writing to the dissolved corporation or successor~~  
9241 ~~entity a notice rejecting the offer within 120 days after~~  
9242 ~~receipt of such offer for security, the claimant is deemed to~~  
9243 ~~have accepted such security as the sole source from which to~~  
9244 ~~satisfy his or her claim against the corporation.~~

9245 ~~(6) A dissolved corporation or successor entity which has~~  
9246 ~~given notice in accordance with subsections (2) and (4) shall~~  
9247 ~~petition the circuit court in the county where the corporation's~~  
9248 ~~principal office is located or was located at the effective date~~  
9249 ~~of dissolution to determine the amount and form of security that~~  
9250 ~~will be sufficient to provide compensation to any claimant who~~

9251 ~~has rejected the offer for security made pursuant to subsection~~  
9252 ~~(5).~~

9253 ~~(7) A dissolved corporation or successor entity which has~~  
9254 ~~given notice in accordance with subsection (2) shall petition~~  
9255 ~~the circuit court in the county where the corporation's~~  
9256 ~~principal office is located or was located at the effective date~~  
9257 ~~of dissolution to determine the amount and form of security~~  
9258 ~~which will be sufficient to provide compensation to claimants~~  
9259 ~~whose claims are known to the corporation or successor entity~~  
9260 ~~but whose identities are unknown. The court shall appoint a~~  
9261 ~~guardian ad litem to represent all claimants whose identities~~  
9262 ~~are unknown in any proceeding brought under this subsection. The~~  
9263 ~~reasonable fees and expenses of such guardian, including all~~  
9264 ~~reasonable expert witness fees, shall be paid by the petitioner~~  
9265 ~~in such proceeding.~~

9266 ~~(8) The giving of any notice or making of any offer~~  
9267 ~~pursuant to the provisions of this section shall not revive any~~  
9268 ~~claim then barred or constitute acknowledgment by the dissolved~~  
9269 ~~corporation or successor entity that any person to whom such~~  
9270 ~~notice is sent is a proper claimant and shall not operate as a~~  
9271 ~~waiver of any defense or counterclaim in respect of any claim~~  
9272 ~~asserted by any person to whom such notice is sent.~~

9273 ~~(9) A dissolved corporation or successor entity which has~~  
9274 ~~followed the procedures described in subsections (2)-(7):~~

9275 ~~(a) Shall pay the claims admitted or made and not rejected~~

9276 ~~in accordance with subsection (3);~~

9277 ~~(b) Shall post the security offered and not rejected~~  
9278 ~~pursuant to subsection (5);~~

9279 ~~(c) Shall post any security ordered by the circuit court~~  
9280 ~~in any proceeding under subsections (6) and (7); and~~

9281 ~~(d) Shall pay or make provision for all other known~~  
9282 ~~obligations of the corporation or such successor entity.~~

9283

9284 ~~Such claims or obligations shall be paid in full, and any such~~  
9285 ~~provision for payments shall be made in full if there are~~  
9286 ~~sufficient funds. If there are insufficient funds, such claims~~  
9287 ~~and obligations shall be paid or provided for according to their~~  
9288 ~~priority and, among claims of equal priority, ratably to the~~  
9289 ~~extent of funds legally available therefor. Any remaining funds~~  
9290 ~~shall be distributed to the shareholders of the dissolved~~  
9291 ~~corporation; however, such distribution may not be made before~~  
9292 ~~the expiration of 150 days from the date of the last notice of~~  
9293 ~~rejections given pursuant to subsection (3). In the absence of~~  
9294 ~~actual fraud, the judgment of the directors of the dissolved~~  
9295 ~~corporation or the governing persons of such successor entity as~~  
9296 ~~to the provisions made for the payment of all obligations under~~  
9297 ~~paragraph (d) is conclusive.~~

9298 ~~(10) A dissolved corporation or successor entity which has~~  
9299 ~~not followed the procedures described in subsections (2) and (3)~~  
9300 ~~shall pay or make reasonable provision to pay all known claims~~

9301 ~~and obligations, including all contingent, conditional, or~~  
9302 ~~unmatured claims known to the corporation or such successor~~  
9303 ~~entity and all claims which are known to the dissolved~~  
9304 ~~corporation or such successor entity but for which the identity~~  
9305 ~~of the claimant is unknown. Such claims shall be paid in full,~~  
9306 ~~and any such provision for payment made shall be made in full if~~  
9307 ~~there are sufficient funds. If there are insufficient funds,~~  
9308 ~~such claims and obligations shall be paid or provided for~~  
9309 ~~according to their priority and, among claims of equal priority,~~  
9310 ~~ratably to the extent of funds legally available therefor. Any~~  
9311 ~~remaining funds shall be distributed to the shareholders of the~~  
9312 ~~dissolved corporation.~~

9313 ~~(11) Directors of a dissolved corporation or governing~~  
9314 ~~persons of a successor entity which has complied with subsection~~  
9315 ~~(9) or subsection (10) are not personally liable to the~~  
9316 ~~claimants of the dissolved corporation.~~

9317 ~~(12) A shareholder of a dissolved corporation the assets~~  
9318 ~~of which were distributed pursuant to subsection (9) or~~  
9319 ~~subsection (10) is not liable for any claim against the~~  
9320 ~~corporation in an amount in excess of such shareholder's pro~~  
9321 ~~rata share of the claim or the amount distributed to the~~  
9322 ~~shareholder, whichever is less.~~

9323 ~~(13) A shareholder of a dissolved corporation, the assets~~  
9324 ~~of which were distributed pursuant to subsection (9), is not~~  
9325 ~~liable for any claim against the corporation, which claim is~~

9326 ~~known to the corporation or successor entity, on which a~~  
9327 ~~proceeding is not begun prior to the expiration of 3 years~~  
9328 ~~following the effective date of dissolution.~~

9329 ~~(14) The aggregate liability of any shareholder of a~~  
9330 ~~dissolved corporation for claims against the dissolved~~  
9331 ~~corporation arising under this section, s. 607.1407, or~~  
9332 ~~otherwise, may not exceed the amount distributed to the~~  
9333 ~~shareholder in dissolution.~~

9334 ~~(15) As used in this section or s. 607.1407, the term~~  
9335 ~~"successor entity" includes any trust, receivership, or other~~  
9336 ~~legal entity governed by the laws of this state to which the~~  
9337 ~~remaining assets and liabilities of a dissolved corporation are~~  
9338 ~~transferred and which exists solely for the purposes of~~  
9339 ~~prosecuting and defending suits by or against the dissolved~~  
9340 ~~corporation, enabling the dissolved corporation to settle and~~  
9341 ~~close the business of the dissolved corporation, to dispose of~~  
9342 ~~and convey the property of the dissolved corporation, to~~  
9343 ~~discharge the liabilities of the dissolved corporation, and to~~  
9344 ~~distribute to the dissolved corporation's shareholders any~~  
9345 ~~remaining assets, but not for the purpose of continuing the~~  
9346 ~~business for which the dissolved corporation was organized.~~

9347 Section 180. Section 607.1407, Florida Statutes, is  
9348 amended to read:

9349 607.1407 Other ~~Unknown~~ claims against dissolved  
9350 corporation.-

9351            (1) A dissolved corporation ~~or successor entity~~, as  
 9352 defined in ~~s. 607.1406(15)~~, may choose to execute one of the  
 9353 following procedures to resolve any claims other than known  
 9354 ~~payment of unknown~~ claims:—

9355            (a)~~(1)~~ A dissolved corporation ~~or successor entity~~ may  
 9356 file notice of its dissolution with the department ~~of State~~ on  
 9357 the form prescribed by the department ~~of State~~ and request that  
 9358 persons with claims against the corporation which are not known  
 9359 to the dissolved corporation ~~or successor entity~~ present them in  
 9360 accordance with the notice. The notice must ~~shall~~:

9361            1.~~(a)~~ State the name of the corporation that is the  
 9362 subject of the ~~and the date of~~ dissolution;

9363            2.~~(b)~~ State that the corporation is the subject of a  
 9364 dissolution and the effective date of the dissolution ~~Describe~~  
 9365 ~~the information that must be included in a claim and provide a~~  
 9366 ~~mailing address to which the claim may be sent; and~~

9367            3. Specify the information that must be included in a  
 9368 claim;

9369            4. State that a claim must be in writing and provide a  
 9370 mailing address where a claim may be sent; and

9371            5.~~(e)~~ State that a claim against the corporation under  
 9372 this subsection will be barred unless a proceeding to enforce  
 9373 the claim is commenced within 4 years after the filing of the  
 9374 notice.

9375            (b)~~(2)~~ A dissolved corporation ~~or successor entity~~ may,

9376 within 10 days after filing articles of dissolution with the  
9377 department ~~of State~~, publish a "Notice of Corporate  
9378 Dissolution." The notice shall appear once a week for 2  
9379 consecutive weeks in a newspaper of general circulation in a  
9380 county in the state in which the corporation has its principal  
9381 office, if any, or, if none, in a county in the state in which  
9382 the corporation owns real or personal property. Such newspaper  
9383 shall meet the requirements as are prescribed by law for such  
9384 purposes. The notice must ~~shall~~:

9385 1. State the name of the corporation that is the subject  
9386 of the dissolution;

9387 2. State that the corporation is the subject of a  
9388 dissolution and the effective date of the dissolution;

9389 3. Specify the information that must be included in the  
9390 claim;

9391 4. State that a claim must be in writing and provide a  
9392 mailing address where a claim may be sent; and

9393 5. State that a claim against the corporation under this  
9394 subsection will be barred unless a proceeding to enforce the  
9395 claim is commenced within 4 years after the date of the second  
9396 consecutive weekly publication of the notice authorized by this  
9397 section.

9398 ~~(a) State the name of the corporation and the date of~~  
9399 ~~dissolution;~~

9400 ~~(b) Describe the information that must be included in a~~



9401 ~~claim and provide a mailing address to which the claim may be~~  
9402 ~~sent; and~~

9403 ~~(c) State that a claim against the corporation under this~~  
9404 ~~subsection will be barred unless a proceeding to enforce the~~  
9405 ~~claim is commenced within 4 years after the date of the second~~  
9406 ~~consecutive weekly publication of the notice authorized by this~~  
9407 ~~section.~~

9408 (2)(3) If the dissolved corporation ~~or successor entity~~  
9409 complies with paragraph (1) (a) or paragraph (1) (b) subsection  
9410 (1) or subsection (2), unless sooner barred by another statute  
9411 limiting actions, the claim of each of the following claimants  
9412 with known or other claims is barred unless the claimant  
9413 commences a proceeding to enforce the claim against the  
9414 dissolved corporation within 4 years after the date of filing  
9415 the notice with the department ~~of State~~ or the date of the  
9416 second consecutive weekly publication, as applicable:

9417 (a) A claimant who did not receive written notice under s.  
9418 607.1406 s. 607.1406(9), ~~or whose claim was not provided for~~  
9419 ~~under s. 607.1406(10), whether such claim is based on an event~~  
9420 ~~occurring before or after the effective date of dissolution.~~

9421 (b) A claimant whose claim was timely sent to the  
9422 dissolved corporation but on which no action was taken by the  
9423 dissolved corporation.

9424 (c) A claimant whose claim is not a known claim under s.  
9425 607.1406(5)

9426 ~~(4) A claim may be entered under this section:~~  
9427 ~~(a) Against the dissolved corporation, to the extent of~~  
9428 ~~its undistributed assets; or~~  
9429 ~~(b) If the assets have been distributed in liquidation,~~  
9430 ~~against a shareholder of the dissolved corporation to the extent~~  
9431 ~~of such shareholder's pro rata share of the claim or the~~  
9432 ~~corporate assets distributed to such shareholder in liquidation,~~  
9433 ~~whichever is less, provided that the aggregate liability of any~~  
9434 ~~shareholder of a dissolved corporation arising under this~~  
9435 ~~section, s. 607.1406, or otherwise may not exceed the amount~~  
9436 ~~distributed to the shareholder in dissolution.~~

9437 (3) Nothing in this section shall preclude or relieve the  
9438 corporation from its notification to claimants otherwise set  
9439 forth in this chapter.

9440 Section 181. Section 607.1408, Florida Statutes, is  
9441 created to read:

9442 607.1408 Claims against dissolved corporations;  
9443 enforcement.—A claim that is not barred by s. 607.1406(4), by s.  
9444 607.1407(2), or by another statute limiting actions may be  
9445 enforced:

9446 (1) Against the dissolved corporation, to the extent of  
9447 its undistributed assets; or

9448 (2) Except as provided in s. 607.1409(4), if the assets  
9449 have been distributed in liquidation, against a shareholder of  
9450 the dissolved corporation to the extent of the shareholder's pro

9451 rata share of the claim or the corporate assets distributed to  
9452 the shareholder in liquidation, whichever is less, provided that  
9453 the aggregate liability of any shareholder of a dissolved  
9454 corporation arising under s. 607.1406, under s. 607.1407, or  
9455 otherwise may not exceed the total amount of assets distributed  
9456 to the shareholder in dissolution.

9457 Section 182. Section 607.1409, Florida Statutes, is  
9458 created to read:

9459 607.1409 Court proceedings.—

9460 (1) A dissolved corporation that has filed a notice under  
9461 s. 607.1407(1) (a) or published a notice under s. 607.1407(1) (b)  
9462 may file an application with the circuit court in the applicable  
9463 county for a determination of the amount and form of security to  
9464 be provided for payment of claims that are contingent or have  
9465 not been made known to the dissolved corporation or that are  
9466 based on an event occurring after the effective date of  
9467 dissolution but that, based on the facts known to the dissolved  
9468 corporation, are reasonably estimated to arise after the  
9469 effective date of dissolution. Provision need not be made for  
9470 any claim that is or is reasonably anticipated to be barred  
9471 under s. 607.1407(2).

9472 (2) Within 10 days after the filing of the application  
9473 under subsection (1), notice of the proceeding shall be given by  
9474 the dissolved corporation to each claimant holding a contingent  
9475 claim whose identity and contingent claim is known to the

9476 dissolved corporation. Such notice shall be accompanied by a  
9477 copy of ss. 607.1405-607.1410.

9478 (3) In any proceeding under this section, the court may  
9479 appoint a guardian ad litem to represent all claimants whose  
9480 identities are unknown. The reasonable fees and expenses of such  
9481 guardian, including all reasonable expert witness fees, shall be  
9482 paid by the dissolved corporation.

9483 (4) Provision by the dissolved corporation for security in  
9484 the amount and the form ordered by the court under subsection  
9485 (1) shall satisfy the dissolved corporation's obligations with  
9486 respect to claims that are contingent, have not been made known  
9487 to the dissolved corporation or are based on an event occurring  
9488 after the effective date of dissolution, and such claims may not  
9489 be enforced against a shareholder who received assets in  
9490 liquidation.

9491 Section 183. Section 607.1410, Florida Statutes, is  
9492 created to read:

9493 607.1410 Director duties.—

9494 (1) Directors shall cause the dissolved corporation to  
9495 discharge or make reasonable provision for the payment of claims  
9496 and make distributions in liquidation of assets to shareholders  
9497 after payment or provision for claims.

9498 (2) Directors of a dissolved corporation that has disposed  
9499 of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not  
9500 liable to any claimant or shareholder for a breach of subsection

9501 (1) with respect to claims against the dissolved corporation  
9502 that are barred or satisfied in accordance with s. 607.1406, s.  
9503 607.1407, or s. 607.1409.

9504 Section 184. Section 607.1420, Florida Statutes, is  
9505 amended to read:

9506 607.1420 ~~Grounds for~~ Administrative dissolution.—

9507 (1) The department ~~may~~ of State may ~~commence a proceeding~~  
9508 ~~under s. 607.1421 to administratively~~ dissolve a corporation  
9509 administratively if the corporation does not:

9510 (a) Deliver its annual report to the department ~~The~~  
9511 ~~corporation has failed to file its annual report and pay the~~  
9512 ~~annual report filing fee by 5 p.m. Eastern Time on the third~~  
9513 ~~Friday in September~~ of each year;

9514 (b) Pay a fee or penalty due to the department under this  
9515 chapter;

9516 (c) Appoint and maintain a registered agent and registered  
9517 office as required by s. 607.0501 ~~The corporation is without a~~  
9518 ~~registered agent or registered office in this state for 30 days~~  
9519 ~~or more;~~

9520 (d) ~~(e)~~ Deliver for filing a statement of change under s.  
9521 607.0502 within 30 days after a change has occurred in the name  
9522 or address of the agent unless, within 30 days after the change  
9523 occurred:

9524 1. The agent filed a statement of change pursuant to s.  
9525 607.05031; or

9526           2. The change was made in accordance with s. 607.0502(4)  
9527 ~~The corporation does not notify the Department of State within~~  
9528 ~~30 days that its registered agent or registered office has been~~  
9529 ~~changed, that its registered agent has resigned, or that its~~  
9530 ~~registered office has been discontinued;~~

9531           (e)~~(d)~~ The corporation has failed to answer truthfully and  
9532 fully, within the time prescribed by this chapter act,  
9533 interrogatories propounded by the department ~~of State~~; or

9534           (f)~~(e)~~ The corporation's period of duration stated in its  
9535 articles of incorporation expires ~~has expired~~.

9536           (2) Administrative dissolution of a corporation for  
9537 failure to file an annual report must occur on the fourth Friday  
9538 in September of each year. The department shall issue a notice  
9539 in a record of administrative dissolution to the corporation  
9540 dissolved for failure to file an annual report. Issuance of the  
9541 notice may be by electronic transmission to a corporation that  
9542 has provided the department with an e-mail address.

9543           (3) If the department determines that one or more grounds  
9544 exist for administratively dissolving a corporation under  
9545 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d), the  
9546 department shall serve notice in a record to the corporation of  
9547 its intent to administratively dissolve the corporation.  
9548 Issuance of the notice may be by electronic transmission to a  
9549 corporation that has provided the department with an e-mail  
9550 address.

9551 (4) If, within 60 days after sending the notice of intent  
9552 to administratively dissolve pursuant to subsection (3), a  
9553 corporation does not correct each ground for dissolution under  
9554 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d) or  
9555 demonstrate to the reasonable satisfaction of the department  
9556 that each ground determined by the department does not exist,  
9557 the department shall dissolve the corporation administratively  
9558 and issue to the corporation a notice in a record of  
9559 administrative dissolution that states the grounds for  
9560 dissolution. Issuance of the notice of administrative  
9561 dissolution may be by electronic transmission to a corporation  
9562 that has provided the department with an e-mail address.

9563 (5) A corporation that has been administratively dissolved  
9564 continues in existence but may only carry on activities  
9565 necessary to wind up its activities and affairs, liquidate and  
9566 distribute its assets, and notify claimants under ss. 607.1405,  
9567 607.1406, and 607.1407.

9568 (6) The administrative dissolution of a corporation does  
9569 not terminate the authority of its registered agent for service  
9570 of process ~~The foregoing enumeration in subsection (1) of~~  
9571 ~~grounds for administrative dissolution shall not exclude actions~~  
9572 ~~or special proceedings by the Department of Legal Affairs or any~~  
9573 ~~state officials for the annulment or dissolution of a~~  
9574 ~~corporation for other causes as provided in any other statute of~~  
9575 ~~this state.~~

9576 Section 185. Section 607.1421, Florida Statutes, is  
 9577 repealed.

9578 Section 186. Section 607.1422, Florida Statutes, is  
 9579 amended to read:

9580 607.1422 Reinstatement following administrative  
 9581 dissolution.—

9582 (1) A corporation that is administratively dissolved under  
 9583 s. 607.1420 or that was dissolved under s. 607.1421 before  
 9584 January 1, 2020, ~~s. 607.1421~~ may apply to the department ~~of~~  
 9585 ~~State~~ for reinstatement at any time after the effective date of  
 9586 dissolution. The corporation must submit all fees and penalties  
 9587 then owed by the corporation at the rates provided by laws at  
 9588 the time the corporation applies for reinstatement, together  
 9589 with an application for reinstatement prescribed and furnished  
 9590 by the department, which is ~~a reinstatement form prescribed and~~  
 9591 ~~furnished by the Department of State or a current uniform~~  
 9592 ~~business report~~ signed by both the registered agent and an  
 9593 officer or director of the corporation and states:

- 9594 (a) The name of the corporation;
- 9595 (b) The street address of the corporations' principal  
 9596 office and mailing address;
- 9597 (c) The date of the corporation's organization;
- 9598 (d) The corporation's federal employer identification  
 9599 number or, if none, whether one has been applied for;
- 9600 (e) The name, title or capacity, and address of at least



9601 one officer or director of the corporation; and  
9602 (f) Additional information that is necessary or  
9603 appropriate to enable the department to carry out this chapter.  
9604 (2) In lieu of the requirement to file an application for  
9605 reinstatement as described in subsection (1), an  
9606 administratively dissolved corporation may submit all fees and  
9607 penalties owed by the corporation at the rates provided by law  
9608 at the time the corporation applies for reinstatement, together  
9609 with a current annual report, signed by both the registered  
9610 agent and an officer or director of the corporation, which  
9611 contains the information described in subsection (1).  
9612 (3) If the department determines that an application for  
9613 reinstatement contains the information required under subsection  
9614 (1) or subsection (2) and that the information is correct, upon  
9615 payment of all required fees and penalties, the department shall  
9616 reinstate the corporation.  
9617 (4) When reinstatement under this section becomes  
9618 effective:  
9619 (a) The reinstatement relates back to and takes effect as  
9620 of the effective date of the administrative dissolution.  
9621 (b) The corporation may operate as if the administrative  
9622 dissolution had never occurred.  
9623 (c) The rights of a person arising out of an act or  
9624 omission in reliance on the dissolution before the person knew  
9625 or had notice of the reinstatement are not affected ~~and all fees~~

9626 ~~then owed by the corporation, computed at the rate provided by~~  
9627 ~~law at the time the corporation applies for reinstatement.~~

9628 ~~(2) If the Department of State determines that the~~  
9629 ~~application contains the information required by subsection (1)~~  
9630 ~~and that the information is correct, it shall reinstate the~~  
9631 ~~corporation.~~

9632 ~~(3) When the reinstatement is effective, it relates back~~  
9633 ~~to and takes effect as of the effective date of the~~  
9634 ~~administrative dissolution and the corporation resumes carrying~~  
9635 ~~on its business as if the administrative dissolution had never~~  
9636 ~~occurred.~~

9637 ~~(5)~~(4) The name of the dissolved corporation is not ~~shall~~  
9638 ~~not be~~ available for assumption or use by another eligible  
9639 entity corporation until 1 year after the effective date of  
9640 dissolution unless the dissolved corporation provides the  
9641 department ~~of State~~ with a record signed as required by an  
9642 ~~affidavit executed as required by s. 607.0120~~ permitting the  
9643 immediate assumption or use of the name by another eligible  
9644 entity corporation.

9645 ~~(6)~~(5) If the name of the dissolved corporation has been  
9646 lawfully assumed in this state by another business entity, the  
9647 department corporation, ~~the Department of State~~ shall require  
9648 the dissolved corporation to amend its articles of incorporation  
9649 to change its name before accepting its application for  
9650 reinstatement.

9651 Section 187. Section 607.1423, Florida Statutes, is  
9652 amended to read:

9653 607.1423 Judicial review of Appeal ~~from~~ denial of  
9654 reinstatement.—

9655 (1) If the department ~~of State~~ denies a corporation's  
9656 application for reinstatement after ~~following~~ administrative  
9657 dissolution, the department ~~it~~ shall serve the corporation under  
9658 either s. 607.0504(1) or s. 607.0504(2) with a written notice  
9659 that explains the reason or reasons for denial.

9660 (2) Within 30 days after service of a notice of denial of  
9661 reinstatement, a corporation may appeal the denial by  
9662 petitioning the Circuit Court of Leon County to set aside the  
9663 dissolution. The petition must be served on the department and  
9664 contain a copy of the department's notice of administrative  
9665 ~~After exhaustion of administrative remedies, the corporation may~~  
9666 ~~appeal the denial of reinstatement to the appropriate court as~~  
9667 ~~provided in s. 120.68 within 30 days after service of the notice~~  
9668 ~~of denial is perfected. The corporation appeals by petitioning~~  
9669 ~~the court to set aside the dissolution and attaching to the~~  
9670 ~~petition copies of the Department of State's certificate of~~  
9671 ~~dissolution, the corporation's application for reinstatement,~~  
9672 ~~and the department's notice of denial.~~

9673 (3) The court may ~~summarily~~ order the department ~~of State~~  
9674 to reinstate the dissolved corporation or ~~may~~ take other action  
9675 the court considers appropriate.

9676 (4) The court's final decision may be appealed as in other  
 9677 civil proceedings.

9678 Section 188. Section 607.1430, Florida Statutes, is  
 9679 amended to read:

9680 607.1430 Grounds for judicial dissolution.—

9681 (1) A circuit court may dissolve a corporation or order  
 9682 such other remedy as provided in s. 607.1434:

9683 ~~(1)~~(a) In a proceeding by the Department of Legal Affairs  
 9684 to dissolve a corporation if it is established that:

9685 1. The corporation obtained its articles of incorporation  
 9686 through fraud; or

9687 2. The corporation has continued to exceed or abuse the  
 9688 authority conferred upon it by law.

9689  
 9690 ~~(b)~~ The enumeration in subparagraphs 1. and 2. ~~paragraph (a)~~ of  
 9691 grounds for involuntary dissolution does not exclude actions or  
 9692 special proceedings by the Department of Legal Affairs or any  
 9693 state official for the annulment or dissolution of a corporation  
 9694 for other causes as provided in any other statute of this state;

9695 (b)(2) In a proceeding by a shareholder to dissolve a  
 9696 corporation if it is established that:

9697 1.(a) The directors are deadlocked in the management of  
 9698 the corporate affairs, the shareholders are unable to break the  
 9699 deadlock, and:

9700 a. Irreparable injury to the corporation is threatened or

9701 being suffered;

9702 b. The business and affairs of the corporation can no

9703 longer be conducted to the advantage of the shareholders

9704 generally because of the deadlock; or

9705 c. Both; or

9706 2.(b) The shareholders are deadlocked in voting power and

9707 have failed to elect successors to directors whose terms have

9708 expired or would have expired upon qualification of their

9709 successors;

9710 ~~(3) In a proceeding by a shareholder or group of~~

9711 ~~shareholders in a corporation having 35 or fewer shareholders if~~

9712 ~~it is established that:~~

9713 3.(a) The corporate assets are being misapplied or wasted,

9714 causing material injury to the corporation; or

9715 4.(b) The directors or those in control of the corporation

9716 have acted, are acting, or will ~~are reasonably expected to act~~

9717 in a manner that is illegal, oppressive, or fraudulent;

9718 (c)(4) In a proceeding by a creditor if it is established

9719 that:

9720 1.(a) The creditor's claim has been reduced to judgment,

9721 the execution on the judgment returned unsatisfied, and the

9722 corporation is insolvent; or

9723 2.(b) The corporation has admitted in writing that the

9724 creditor's claim is due and owing and the corporation is

9725 insolvent; ~~or~~

9726 (d) ~~(5)~~ In a proceeding by the corporation to have its  
9727 voluntary dissolution continued under court supervision; or

9728 (e) In a proceeding by a shareholder if the corporation  
9729 has abandoned its business and has failed within a reasonable  
9730 period of time to liquidate and distribute its assets and  
9731 dissolve.

9732 (2) Paragraph (1)(b) does not apply in the case of a  
9733 corporation that, on the date of the filing of the proceeding,  
9734 has shares that are:

9735 (a) A covered security under s. 18(b)(1)(A) or (B) of the  
9736 Securities Act of 1933; or

9737 (b) Not a covered security, but are held by at least 300  
9738 shareholders and the shares outstanding have a market value of  
9739 at least \$20 million, exclusive of the value of outstanding  
9740 shares of the corporation held by the corporation's  
9741 subsidiaries, by the corporation's senior executives, by the  
9742 corporation's directors, and by the corporation's beneficial  
9743 shareholders and voting trust beneficial owners owning more than  
9744 10 percent of the outstanding shares of the corporation.

9745 (3) A proceeding by a shareholder under subparagraph  
9746 (1)(b)4. asserting that the directors or those in control of the  
9747 corporation have acted, are acting, or will act in a manner that  
9748 is oppressive may only be brought by a shareholder who at the  
9749 time that such proceeding is commenced under subparagraph  
9750 (1)(b)4. owns at least 10 percent of the outstanding shares of

9751 the corporation.

9752 (4) (a) In the event of a deadlock situation that satisfies  
9753 subparagraph (1) (b)1. or subparagraph (1) (b)2., if the  
9754 shareholders are subject to a shareholder agreement that  
9755 complies with s. 607.0732 and contains a deadlock sale  
9756 provision, then such deadlock sale provision shall apply to the  
9757 resolution of such deadlock in lieu of the court entering an  
9758 order of judicial dissolution or an order directing the purchase  
9759 of petitioner's shares under s. 607.1436, so long as the  
9760 provisions of such deadlock sale provision are initiated and  
9761 effectuated within the time periods specified for the  
9762 corporation to act under s. 607.1436 and in accordance with the  
9763 terms of such deadlock sale provision.

9764 (b) As used in this section, the term "deadlock sale  
9765 provision" means a provision in a shareholder agreement that  
9766 complies with s. 607.0732, which is or may be applicable in the  
9767 event of a deadlock among the directors or shareholders of the  
9768 corporation, which neither the directors nor the shareholders,  
9769 as applicable, of the corporation are able to break; and which  
9770 provides for a deadlock breaking mechanism, including, but not  
9771 limited to:

9772 1. A redemption or a purchase and sale of shares or other  
9773 equity securities;

9774 2. A governance change;

9775 3. A sale of the corporation or all or substantially all

9776 of the assets of the corporation; or

9777 4. A similar provision that, if initiated and effectuated,  
9778 breaks the deadlock by causing the transfer of the shares or  
9779 other equity securities, a governance change, or a sale of the  
9780 corporation or all or substantially all of the corporation's  
9781 assets.

9782 (5) (a) In the event of oppressive action that satisfies  
9783 subparagraph (1) (b) 4., if the shareholders are subject to a  
9784 shareholder agreement that complies with s. 607.0732 and  
9785 contains an oppressive action sale provision, then such  
9786 oppressive action sale provision shall address such shareholder  
9787 asserted oppressive action in lieu of the court entering an  
9788 order of judicial dissolution or an order directing the purchase  
9789 of petitioner's shares under s. 607.1436, so long as the  
9790 provisions of such oppressive action sale provision are  
9791 initiated and effectuated within the time periods specified for  
9792 the corporation to act under s. 607.1436 and in accordance with  
9793 the terms of such oppressive action sale provision.

9794 (b) For purposes of this section, the term "oppressive  
9795 action sale provision" means a provision in a shareholder  
9796 agreement that complies with s. 607.0732, which is or may be  
9797 applicable in the event of a shareholder's assertion of the  
9798 occurrence or existence of oppressive action; which neither the  
9799 directors nor the shareholders, as applicable, of the  
9800 corporation are able to address; and which provides for a



9801 mechanism for addressing the occurrence or existence of such  
9802 shareholder asserted oppressive action including, but not  
9803 limited to:

9804 1. A redemption or purchase and sale of shares or other  
9805 equity securities;

9806 2. The sale of the corporation or of all or substantially  
9807 all of the assets of the corporation; or

9808 3. A similar provision that, if initiated and effectuated,  
9809 causes the transfer of shares or other equity securities to be  
9810 redeemed or purchased and sold or the sale of the corporation or  
9811 of all or substantially all of the corporation's assets.

9812 (6) A deadlock sale provision or an oppressive action sale  
9813 provision in a shareholder agreement which complies with s.  
9814 607.0732 which is not initiated and effectuated before the court  
9815 enters an order of judicial dissolution under subparagraph  
9816 (1) (b)1., subparagraph (1) (b)2., or subparagraph (1) (b)4., as  
9817 the case may be, or an order directing the purchase of  
9818 petitioner's interest under s. 607.1436, does not adversely  
9819 affect the rights of shareholders to seek judicial dissolution  
9820 under subparagraph (1) (b)1., subparagraph (1) (b)2., or  
9821 subparagraph (1) (b)4., as the case may be, or the rights of the  
9822 corporation or one or more shareholders to purchase the  
9823 petitioner's interest under s. 607.1436. The filing of an action  
9824 for judicial dissolution on the grounds described in  
9825 subparagraph (1) (b)1., subparagraph (1) (b)2., or subparagraph

9826 (1) (b)4., as the case may be, or an election to purchase the  
 9827 petitioner's interest under s. 607.1436, does not adversely  
 9828 affect the right of a shareholder to initiate an available  
 9829 deadlock sale provision or an oppressive action sale provision  
 9830 under the shareholder agreement that complies with s. 607.0732  
 9831 or to enforce a shareholder-initiated or an automatically-  
 9832 initiated deadlock sale provision or oppressive action sale  
 9833 provision if the deadlock sale provision or the oppressive sale  
 9834 provision, as the case may be, is initiated and effectuated  
 9835 before the court enters an order of judicial dissolution under  
 9836 subparagraph (1) (b)1., subparagraph (1) (b)2., or subparagraph  
 9837 (1) (b)4., as the case may be, or an order directing the purchase  
 9838 of petitioner's interest under s. 607.1436.

9839 (7) For purposes of subsections (1), (2), and (3), the  
 9840 term "shareholder" means a record shareholder, a beneficial  
 9841 shareholder, or an unrestricted voting trust beneficial owner.

9842 Section 189. Subsections (1), (3), and (4) of section  
 9843 607.1431, Florida Statutes, are amended to read:

9844 607.1431 Procedure for judicial dissolution.—

9845 (1) Venue for a proceeding brought under s. 607.1430 lies  
 9846 in the circuit court in the applicable county ~~of the county~~  
 9847 ~~where the corporation's principal office is or was last located,~~  
 9848 ~~as shown by the records of the Department of State, or, if none~~  
 9849 ~~in this state, where its registered office is or was last~~  
 9850 ~~located.~~

9851 (3) A court in a proceeding brought under s. 607.1430 ~~to~~  
 9852 ~~dissolve a corporation~~ may issue injunctions, appoint a receiver  
 9853 or custodian during the proceeding ~~pendente lite~~ with all powers  
 9854 and duties the court directs, take other action required to  
 9855 preserve the corporate assets wherever located, and carry on the  
 9856 business of the corporation until a full hearing can be held.

9857 (4) Within 30 days of the commencement of a proceeding  
 9858 under s. 607.1430(1)(b), the corporation shall deliver to all  
 9859 shareholders, other than the petitioner, a notice stating that  
 9860 the shareholders are entitled to avoid the dissolution of the  
 9861 corporation by electing to purchase the petitioner's shares  
 9862 under s. 607.1436 and accompanied by a copy of s. 607.1436.

9863 (5) If the court determines that any party has commenced,  
 9864 continued, or participated in a proceeding ~~an action~~ under s.  
 9865 607.1430 and has acted arbitrarily, frivolously, vexatiously, or  
 9866 not in good faith, the court may, in its discretion, award  
 9867 attorney ~~attorney's~~ fees and other reasonable expenses to the  
 9868 other parties to the action who have been affected adversely by  
 9869 such actions.

9870 Section 190. Subsections (1) and (2), paragraph (a) of  
 9871 subsection (3), and subsections (4) and (5) of section 607.1432,  
 9872 Florida Statutes, are amended to read:

9873 607.1432 Receivership or custodianship.—

9874 (1) A court in a judicial proceeding brought under s.  
 9875 607.1430 ~~to dissolve a corporation~~ may appoint one or more

9876 receivers to wind up and liquidate, or one or more custodians to  
9877 manage, the business and affairs of the corporation. The court  
9878 shall hold a hearing, after notifying all parties to the  
9879 proceeding and any interested persons designated by the court,  
9880 before appointing a receiver or custodian. The court appointing  
9881 a receiver or custodian has exclusive jurisdiction over the  
9882 corporation and all of its property wherever located.

9883 (2) The court may appoint a natural person or an eligible  
9884 entity ~~a corporation~~ authorized to act as a receiver or  
9885 custodian. The eligible entity ~~corporation~~ may be a domestic  
9886 eligible entity ~~corporation~~ or a foreign eligible entity  
9887 ~~corporation~~ authorized to transact business in this state. The  
9888 court may require the receiver or custodian to post bond, with  
9889 or without sureties, in an amount the court directs.

9890 (3) The court shall describe the powers and duties of the  
9891 receiver or custodian in its appointing order, which may be  
9892 amended from time to time. Among other powers:

9893 (a) The receiver:

9894 1. May dispose of all or any part of the assets of the  
9895 corporation wherever located, at a public or private sale, if  
9896 authorized by the court; and

9897 2. May sue and defend in his, her, or its ~~or her~~ own name  
9898 as receiver of the corporation in all courts of this state.

9899 (4) The court during a receivership may redesignate the  
9900 receiver a custodian, and during a custodianship may redesignate

9901 | the custodian a receiver, if doing so is determined by the court  
 9902 | to be in the best interests of the corporation and its  
 9903 | shareholders and creditors.

9904 | (5) The court from time to time during the receivership or  
 9905 | custodianship may order compensation paid and expense  
 9906 | disbursements or reimbursements made to the receiver or  
 9907 | custodian and his, her, or its ~~or her~~ counsel from the assets of  
 9908 | the corporation or proceeds from the sale of the assets.

9909 | Section 191. Section 607.1433, Florida Statutes, is  
 9910 | amended to read:

9911 | 607.1433 Judgment of dissolution.—

9912 | (1) If after a hearing in a proceeding under s. 607.1430  
 9913 | the court determines that one or more grounds for judicial  
 9914 | dissolution described in s. 607.1430 exist, it may enter a  
 9915 | judgment dissolving the corporation and specifying the effective  
 9916 | date of the dissolution, and the clerk of the court shall  
 9917 | deliver a certified copy of the judgment to the department ~~of~~  
 9918 | ~~State~~, which shall file it.

9919 | (2) After entering the judgment of dissolution, the court  
 9920 | shall direct the winding up and liquidation of the corporation's  
 9921 | business and affairs in accordance with s. 607.1405 and the  
 9922 | notification of claimants in accordance with ss. 607.1406 and  
 9923 | 607.1407 ~~s. 607.1406~~, subject to the provisions of subsection

9924 | (3).

9925 | (3) In a proceeding for judicial dissolution, the court

9926 | may require all creditors of the corporation to file with the  
9927 | clerk of the court or with the receiver, in such form as the  
9928 | court may prescribe, proofs under oath of their respective  
9929 | claims. If the court requires the filing of claims, it shall fix  
9930 | a date, which shall be not less than 4 months from the date of  
9931 | the order, as the last day for filing of claims. The court shall  
9932 | prescribe the method by which such notice of the deadline for  
9933 | filing claims shall be given to creditors and claimants. Prior  
9934 | to the date so fixed, the court may extend the time for the  
9935 | filing of claims by court order. Creditors and claimants failing  
9936 | to file proofs of claim on or before the date so fixed shall be  
9937 | barred ~~may be barred, by order of court,~~ from participating in  
9938 | the distribution of the assets of the corporation. Nothing in  
9939 | this section affects the enforceability of any recorded mortgage  
9940 | or lien or the perfected security interest or rights of a person  
9941 | in possession of real or personal property.

9942 |       Section 192. Section 607.1434, Florida Statutes, is  
9943 | amended to read:

9944 |       607.1434 Alternative remedies to judicial dissolution.—

9945 |       (1) In a proceeding under ~~an action for dissolution~~  
9946 | ~~pursuant to~~ s. 607.1430, the court may, as an alternative to  
9947 | directing the dissolution of the corporation and upon a showing  
9948 | of sufficient merit to warrant such remedy:

9949 |       (a) (1) Appoint a receiver or custodian during the  
9950 | proceeding ~~pendente lite~~ as provided in s. 607.1432;

9951 (b)(2) Appoint a provisional director as provided in s.  
 9952 607.1435;

9953 (c)(3) Order a purchase of the petitioning ~~complaining~~  
 9954 shareholder's shares pursuant to s. 607.1436; or

9955 (d)(4) ~~Upon proof of good cause,~~ Make any order or grant  
 9956 any equitable relief other than dissolution ~~or liquidation~~ as in  
 9957 its discretion it may deem appropriate.

9958 (2) Alternative remedies, such as the appointment of a  
 9959 receiver or custodian, may also be ordered in the discretion of  
 9960 the court, upon a showing of sufficient merit to warrant such  
 9961 remedy, in advance of directing the dissolution of the  
 9962 corporation or, after a judgment of dissolution is entered, to  
 9963 assist in facilitating the winding up of the corporation.

9964 Section 193. Subsections (1) and (3) of section 607.1435,  
 9965 Florida Statutes, are amended to read:

9966 607.1435 Provisional director.—

9967 (1) In a proceeding under s. 607.1430, a provisional  
 9968 director may be appointed in the discretion of the court if it  
 9969 appears that such action by the court will remedy the grounds  
 9970 alleged by the complaining shareholder to support the  
 9971 jurisdiction of the court under s. 607.1430. A provisional  
 9972 director may be appointed notwithstanding the absence of a  
 9973 vacancy on the board of directors, and such director shall have  
 9974 all the rights and powers of a duly elected director, including  
 9975 the right to notice of and to vote at meetings of directors,

9976 | until such time as the provisional director is removed by order  
 9977 | of the court or, unless otherwise ordered by a court, removed by  
 9978 | a vote of the shareholders sufficient either to elect a majority  
 9979 | of the board of directors or, if greater than majority voting is  
 9980 | required by the articles of incorporation or the bylaws, to  
 9981 | elect the requisite number of directors needed to take action. A  
 9982 | provisional director shall be an impartial person who is neither  
 9983 | a shareholder nor a creditor of the corporation or of any  
 9984 | subsidiary or affiliate of the corporation, and whose further  
 9985 | qualifications, if any, may be determined by the court.

9986 |         (3) In any proceeding under which a provisional director  
 9987 | is appointed pursuant to this section, the court shall allow  
 9988 | reasonable compensation to the provisional director for services  
 9989 | rendered and reimbursement or direct payment of reasonable costs  
 9990 | and expenses, which amounts shall be paid by the corporation.

9991 |         Section 194. Section 607.1436, Florida Statutes, is  
 9992 | amended to read:

9993 |             607.1436 Election to purchase instead of dissolution.—

9994 |             (1) In a proceeding under s. 607.1430(1)(b) ~~s. 607.1430(2)~~  
 9995 | ~~or (3) to dissolve a corporation~~, the corporation may elect or,  
 9996 | if it fails to elect, one or more shareholders may elect to  
 9997 | purchase all shares owned by the petitioning shareholder at the  
 9998 | fair value of the shares. An election pursuant to this section  
 9999 | shall be irrevocable unless the court determines that it is  
 10000 | equitable to set aside or modify the election.



10001 (2) An election to purchase pursuant to this section may  
 10002 be filed with the court at any time within 90 days after the  
 10003 filing of the petition under s. 607.1430(1)(b) ~~s. 607.1430(2) or~~  
 10004 ~~(3)~~ or at such later time as the court in its discretion may  
 10005 allow. If the election to purchase is filed by one or more  
 10006 shareholders, the corporation shall, within 10 days thereafter,  
 10007 give written notice to all shareholders, other than the  
 10008 petitioner. The notice must state the name and number of shares  
 10009 owned by the petitioner and the name and number of shares owned  
 10010 by each electing shareholder and must advise the recipients of  
 10011 their right to join in the election to purchase shares in  
 10012 accordance with this section. Shareholders who wish to  
 10013 participate must file notice of their intention to join in the  
 10014 purchase no later than 30 days after the effective date of the  
 10015 notice to them. All shareholders who have filed an election or  
 10016 notice of their intention to participate in the election to  
 10017 purchase thereby become parties to the proceeding and shall  
 10018 participate in the purchase in proportion to their ownership of  
 10019 shares as of the date the first election was filed, unless they  
 10020 otherwise agree or the court otherwise directs. After an  
 10021 election has been filed by the corporation or one or more  
 10022 shareholders, the proceeding under s. 607.1430(1)(b) ~~s.~~  
 10023 ~~607.1430(2) or (3)~~ may not be discontinued or settled, nor may  
 10024 the petitioning shareholder sell or otherwise dispose of his or  
 10025 her shares, unless the court determines that it would be

10026 equitable to the corporation and the shareholders, other than  
 10027 the petitioner, to permit such discontinuance, settlement, sale,  
 10028 or other disposition.

10029 (3) If, within 60 days after the filing of the first  
 10030 election, the parties reach agreement as to the fair value and  
 10031 terms of the purchase of the petitioner's shares, the court  
 10032 shall enter an order directing the purchase of the petitioner's  
 10033 shares upon the terms and conditions agreed to by the parties.

10034 (4) If the parties are unable to reach an agreement as  
 10035 provided for in subsection (3), the court, upon application of  
 10036 any party, may stay the proceeding to dissolve under s.  
 10037 607.1430(1)(b) and shall, whether or not the proceeding is  
 10038 stayed, shall stay the s. 607.1430 proceedings and determine the  
 10039 fair value of the petitioner's shares as of the day before the  
 10040 date on which the petition under s. 607.1430 was filed or as of  
 10041 such other date as the court deems appropriate under the  
 10042 circumstances.

10043 (5) Upon determining the fair value of the shares, the  
 10044 court shall enter an order directing the purchase upon such  
 10045 terms and conditions as the court deems appropriate, which may  
 10046 include payment of the purchase price in installments, when  
 10047 necessary in the interests of equity, provision for security to  
 10048 assure payment of the purchase price and any additional costs,  
 10049 fees, and expenses as may have been awarded, and, if the shares  
 10050 are to be purchased by shareholders, the allocation of shares

10051 among such shareholders. In allocating the petitioner's shares  
10052 among holders of different classes of shares, the court shall  
10053 attempt to preserve any ~~the~~ existing distribution of voting  
10054 rights among holders of different classes and series insofar as  
10055 practicable and may direct that holders of any ~~a~~ specific class  
10056 or classes or series shall not participate in the purchase.  
10057 Interest may be allowed at the rate and from the date determined  
10058 by the court to be equitable; however, if the court finds that  
10059 the refusal of the petitioning shareholder to accept an offer of  
10060 payment was arbitrary or otherwise not in good faith, no  
10061 interest shall be allowed. If the court finds that the  
10062 petitioning shareholder had probable grounds for relief under s.  
10063 607.1430(1)(b) ~~s. 607.1430(3)~~, it may award expenses to the  
10064 petitioning shareholder, including reasonable fees and expenses  
10065 of counsel and of any experts employed by petitioner.

10066 (6) The ~~Upon~~ entry of an order under subsection (3) or  
10067 subsection (5) shall be subject to the provisions of subsection  
10068 (8), and the order shall not be entered unless and until the  
10069 award is determined by the court to be permitted under the  
10070 provisions of subsection (8). In determining compliance with s.  
10071 607.06401, the court may rely on an affidavit from the  
10072 corporation as to compliance with that section as of the  
10073 measurement date. Upon entry of an order under subsection (3) or  
10074 subsection (5), the court shall dismiss the petition to dissolve  
10075 the corporation under s. 607.1430(1)(b) ~~s. 607.1430~~ and the

10076 petitioning shareholder shall no longer have any rights or  
10077 status as a shareholder of the corporation, except the right to  
10078 receive the amounts awarded by the order of the court, which  
10079 shall be enforceable in the same manner as any other judgment.

10080 (7) The purchase ordered pursuant to subsection (5) shall  
10081 be made within 10 days after the date the order becomes final  
10082 ~~unless, before that time, the corporation files with the court a~~  
10083 ~~notice of its intention to adopt articles of dissolution~~  
10084 ~~pursuant to ss. 607.1402 and 607.1403, which articles shall then~~  
10085 ~~be adopted and filed within 50 days thereafter. Upon filing of~~  
10086 ~~such articles of dissolution, the corporation shall be dissolved~~  
10087 ~~in accordance with the provisions of ss. 607.1405 and 607.1406,~~  
10088 ~~and the order entered pursuant to subsection (5) shall no longer~~  
10089 ~~be of any force or effect, except that the court may award the~~  
10090 ~~petitioning shareholder reasonable fees and expenses of counsel~~  
10091 ~~and any experts in accordance with the provisions of subsection~~  
10092 ~~(5) and the petitioner may continue to pursue any claims~~  
10093 ~~previously asserted on behalf of the corporation.~~

10094 (8) Any payment by the corporation pursuant to an order  
10095 under subsection (3) or subsection (5), other than an award of  
10096 fees and expenses pursuant to subsection (5), is subject to the  
10097 provisions of s. 607.06401. Unless otherwise provided in the  
10098 court's order, the effect of the distribution under s. 607.06401  
10099 shall be measured as of the date of the court's order under  
10100 subsection (3) or subsection (5).

10101 Section 195. Section 607.14401, Florida Statutes, is  
 10102 amended to read:

10103 607.14401 Deposit with Department of Financial Services.—  
 10104 Assets of a dissolved corporation that should be transferred to  
 10105 a creditor, claimant, or shareholder of the corporation who  
 10106 cannot be found or who is not competent to receive them shall be  
 10107 reduced to cash and deposited, ~~within 6 months from the date~~  
 10108 ~~fixed for the payment of the final liquidating distribution,~~  
 10109 with the Department of Financial Services for safekeeping, ~~where~~  
 10110 ~~such assets shall be held as abandoned property.~~ When the  
 10111 creditor, claimant, or shareholder furnishes satisfactory proof  
 10112 of entitlement to the amount or assets deposited, the Department  
 10113 of Financial Services shall pay such person ~~the creditor,~~  
 10114 ~~claimant, or shareholder~~ or his or her representative that  
 10115 amount ~~or those assets.~~

10116 Section 196. Section 607.1501, Florida Statutes, is  
 10117 amended to read:

10118 607.1501 Authority of foreign corporation to transact  
 10119 business required; activities not constituting transacting  
 10120 business.—

10121 (1) A foreign corporation may not transact business in  
 10122 this state until it obtains a certificate of authority from the  
 10123 department ~~of State.~~

10124 (2) The following activities, among others, do not  
 10125 constitute transacting business within the meaning of subsection

- 10126 (1):
- 10127 (a) Maintaining, defending, mediating, arbitrating, or
- 10128 settling any proceeding.
- 10129 (b) Carrying on any activity concerning the internal
- 10130 affairs of the foreign corporation, including holding meetings
- 10131 of its shareholders or board of directors ~~the board of directors~~
- 10132 ~~or shareholders or carrying on other activities concerning~~
- 10133 ~~internal corporate affairs.~~
- 10134 (c) Maintaining bank accounts in financial institutions.
- 10135 (d) Maintaining offices ~~officers~~ or agencies for the
- 10136 transfer, exchange, and registration of ~~the corporation's own~~
- 10137 securities of the foreign corporation or maintaining trustees or
- 10138 depositaries with respect to those securities.
- 10139 (e) Selling through independent contractors.
- 10140 (f) Soliciting or obtaining orders, whether by mail or
- 10141 through employees, agents, or otherwise, if the orders require
- 10142 acceptance outside this state before they become contracts.
- 10143 (g) Creating or acquiring indebtedness, mortgages, or ~~and~~
- 10144 security interests in real or personal property.
- 10145 (h) Securing or collecting debts or enforcing mortgages or
- 10146 ~~and~~ security interests in property securing the debts, and
- 10147 holding, protecting, or maintaining property so acquired.
- 10148 (i) Transacting business in interstate commerce.
- 10149 (j) Conducting an isolated transaction that is completed
- 10150 within 30 days and that is not one in the course of repeated

10151 transactions of a like nature.

10152 (k) Owning and controlling a subsidiary corporation  
 10153 incorporated in or limited liability company formed in, or  
 10154 transacting business within, this state; ~~or~~ voting the shares  
 10155 ~~stock~~ of any such subsidiary corporation; or voting the  
 10156 membership interests of any such limited liability company,  
 10157 which it has lawfully acquired.

10158 (l) Owning a limited partnership interest in a limited  
 10159 partnership that is transacting ~~doing~~ business within this  
 10160 state, unless the ~~such~~ limited partner manages or controls the  
 10161 partnership or exercises the powers and duties of a general  
 10162 partner.

10163 (m) Owning, protecting, and maintaining, without more,  
 10164 real or personal property.

10165 (3) The list of activities in subsection (2) is not an  
 10166 exhaustive list of activities that do not constitute transacting  
 10167 business within the meaning of subsection (1).

10168 (4) This section does not apply in determining the  
 10169 contacts or activities that may subject a foreign corporation  
 10170 ~~has no application to the question of whether any foreign~~  
 10171 ~~corporation is subject to service of process,~~ taxation, or  
 10172 regulation under the ~~and suit in this state under any law of~~  
 10173 this state other than this chapter.

10174 Section 197. Section 607.15015, Florida Statutes, is  
 10175 created to read:

10176           607.15015 Governing law.—  
 10177           (1) The law of the state or other jurisdiction under which  
 10178 a foreign corporation exists governs:  
 10179           (a) The organization and internal affairs of the foreign  
 10180 corporation; and  
 10181           (b) The interest holder liability of its shareholders.  
 10182           (2) A foreign corporation may not be denied a certificate  
 10183 of authority by reason of a difference between the laws of its  
 10184 jurisdiction of formation and the laws of this state.  
 10185           (3) A certificate of authority does not authorize a  
 10186 foreign corporation to engage in any business or exercise any  
 10187 power that a corporation may not engage in or exercise in this  
 10188 state.  
 10189           Section 198. Section 607.1502, Florida Statutes, is  
 10190 amended to read:  
 10191           607.1502 Effect of failure to have a certificate of  
 10192 Consequences of transacting business without authority.—  
 10193           (1) A foreign corporation transacting business in this  
 10194 state or its successors may not prosecute or maintain an action  
 10195 or proceeding without a certificate of authority may not  
 10196 maintain a proceeding in any court in this state until it has  
 10197 obtained ~~obtains~~ a certificate of authority to transact business  
 10198 in this state.  
 10199           (2) The successor to a foreign corporation that transacted  
 10200 business in this state without a certificate of authority and



10201 the assignee of a cause of action arising out of that business  
10202 may not prosecute or maintain a proceeding based on that cause  
10203 of action in a ~~any~~ court in this state until the foreign  
10204 corporation or its successor has obtained ~~obtains~~ a certificate  
10205 of authority to transact business in this state.

10206 (3) A court may stay a proceeding commenced by a foreign  
10207 corporation or its successor or assignee until it determines  
10208 whether the foreign corporation or its successor requires a  
10209 certificate of authority. If it so determines, the court may  
10210 further stay the proceeding until the foreign corporation or its  
10211 successor has obtained a ~~obtains the~~ certificate of authority to  
10212 transact business in this state.

10213 (4) A foreign corporation which transacts business in this  
10214 state without obtaining a certificate of authority ~~is to do so~~  
10215 ~~shall be~~ liable to this state for the years or parts thereof  
10216 during which it transacted business in this state without  
10217 obtaining a certificate of authority in an amount equal to all  
10218 fees and penalties that ~~taxes which~~ would have been imposed by  
10219 this chapter ~~act~~ upon the foreign ~~such~~ corporation had it duly  
10220 applied for and received a certificate of authority to transact  
10221 business in this state as required under this chapter ~~by this~~  
10222 ~~act~~. In addition to the payments thus prescribed, the foreign  
10223 corporation may, to the extent ordered by a court of competent  
10224 jurisdiction, ~~such corporation shall~~ be liable for a civil  
10225 penalty of not less than \$500 but not ~~or~~ more than \$1,000 for

10226 each year or part thereof during which it transacts business in  
 10227 this state without a certificate of authority. The department ~~of~~  
 10228 ~~State~~ may collect all penalties due under this subsection and  
 10229 ~~may bring an action in circuit court to recover all penalties~~  
 10230 ~~and fees due and owing the state.~~

10231 (5) ~~Notwithstanding subsections (1) and (2),~~ The failure  
 10232 of a foreign corporation to have ~~obtain~~ a certificate of  
 10233 authority to transact business in this state does not impair the  
 10234 validity of any of its contracts, deeds, mortgages, security  
 10235 interests, or corporate acts or prevent the foreign corporation  
 10236 ~~it~~ from defending an action or any proceeding in this state.

10237 (6) A shareholder, officer, or director of a foreign  
 10238 corporation is not liable for the debts, obligations, or other  
 10239 liabilities of the foreign corporation solely because the  
 10240 foreign corporation transacted business in this state without a  
 10241 certificate of authority.

10242 (7) Section 607.15015(1) applies even if a foreign  
 10243 corporation fails to have a certificate of authority to transact  
 10244 business in this state.

10245 (8) If a foreign corporation transacts business in this  
 10246 state without a certificate of authority or cancels its  
 10247 certificate of authority, it appoints the secretary of state as  
 10248 its agent for service of process for rights of action arising  
 10249 out of the transaction of business in this state.

10250 Section 199. Section 607.1503, Florida Statutes, is

10251 amended to read:

10252 607.1503 Application for certificate of authority.—

10253 (1) A foreign corporation may apply for a certificate of  
 10254 authority to transact business in this state by delivering an  
 10255 application to the department ~~of State~~ for filing. Such  
 10256 application shall be made on forms prescribed ~~and furnished~~ by  
 10257 the department. The application must contain the following  
 10258 ~~Department of State and shall set forth:~~

10259 (a) The name of the foreign corporation and, if the name  
 10260 does not comply with s. 607.0401, an alternate name adopted  
 10261 pursuant to as long as its name satisfies the requirements of s.  
 10262 ~~607.0401, but if its name does not satisfy such requirements, a~~  
 10263 ~~corporate name that otherwise satisfies the requirements of s.~~  
 10264 ~~607.1506.~~

10265 (b) The name of the foreign corporation's jurisdiction of  
 10266 incorporation. ~~jurisdiction under the law of which it is~~  
 10267 ~~incorporated;~~

10268 (c) Its date of incorporation and period of duration.~~;~~

10269 (d) The principal office and mailing address of the  
 10270 foreign corporation. ~~street address of its principal office;~~

10271 (e) The name and street address in this state of, and the  
 10272 written acceptance by, the foreign corporation's initial  
 10273 registered agent in this state. ~~of its registered office in this~~  
 10274 ~~state and the name of its registered agent at that office;~~

10275 (f) The names and usual business addresses of its current

10276 directors and officers.†

10277 (g) ~~Such~~ Additional information as may be necessary or  
 10278 appropriate in order to enable the department ~~of State~~ to  
 10279 determine whether the foreign ~~such~~ corporation is entitled to  
 10280 file an application for certificate of authority to transact  
 10281 business in this state and to determine and assess the fees ~~and~~  
 10282 ~~taxes~~ payable as prescribed in this chapter act.

10283 (2) The foreign corporation shall deliver with a ~~the~~  
 10284 completed application under subsection (1) a certificate of  
 10285 existence or a record ~~(or a document of similar import,)~~ duly  
 10286 authenticated, not more than 90 days prior to delivery of the  
 10287 application to the department ~~of State~~, signed by the ~~Secretary~~  
 10288 ~~of State or other~~ official having custody of the foreign  
 10289 corporation's publicly filed records in its jurisdiction of  
 10290 incorporation ~~corporate records in the jurisdiction under the~~  
 10291 ~~law of which it is incorporated~~. A translation of the  
 10292 certificate, under oath of the translator, must be attached to a  
 10293 certificate which is in a language other than the English  
 10294 language.

10295 ~~(3) A foreign corporation shall not be denied authority to~~  
 10296 ~~transact business in this state by reason of the fact that the~~  
 10297 ~~laws of the jurisdiction under which such corporation is~~  
 10298 ~~organized governing its organization and internal affairs differ~~  
 10299 ~~from the laws of this state.~~

10300 Section 200. Section 607.1504, Florida Statutes, is

10301 amended to read:

10302 607.1504 Amended certificate of authority.—

10303 (1) A foreign corporation authorized to transact business  
 10304 in this state shall deliver for filing an amendment to its ~~make~~  
 10305 ~~application to the Department of State to obtain an amended~~  
 10306 certificate of authority to reflect a change in any of the  
 10307 following if it changes:

10308 (a) Its name on the records of the department. ~~corporate~~  
 10309 ~~name;~~

10310 (b) ~~The period of its duration; or~~

10311 ~~(e) The jurisdiction of its incorporation.~~

10312 (c) The name and street address in this state of the  
 10313 foreign corporation's registered agent in this state, unless the  
 10314 change was timely made in accordance with s. 607.0502 or s.  
 10315 607.05031.

10316 (2) The amendment must be filed within 90 days after the  
 10317 occurrence of a change described in subsection (1), must be  
 10318 signed by an officer of the foreign corporation, and must state  
 10319 the following ~~Such application shall be made within 90 days~~  
 10320 ~~after the occurrence of any change mentioned in subsection (1),~~  
 10321 ~~shall be made on forms prescribed by the Department of State,~~  
 10322 ~~and shall be executed in accordance with s. 607.0120. The~~  
 10323 ~~foreign corporation shall deliver with the completed~~  
 10324 ~~application, a certificate, or a document of similar import,~~  
 10325 ~~authenticated as of a date not more than 90 days prior to~~

10326 ~~delivery of the application to the Department of State by the~~  
10327 ~~Secretary of State or other official having custody of corporate~~  
10328 ~~records in the jurisdiction under the laws of which it is~~  
10329 ~~incorporated, evidencing the amendment. A translation of the~~  
10330 ~~certificate, under oath or affirmation of the translator, must~~  
10331 ~~be attached to a certificate that is in a language other than~~  
10332 ~~English. The application shall set forth:~~

10333 (a) The name of the foreign corporation as it appears on  
10334 the records of the department ~~of State.~~

10335 (b) The jurisdiction of its incorporation.

10336 (c) The date the foreign corporation ~~it~~ was authorized to  
10337 do business in this state.

10338 (d) If the name of the foreign corporation has been  
10339 changed, the name relinquished and its new name, ~~the new name, a~~  
10340 ~~statement that the change of name has been effected under the~~  
10341 ~~laws of the jurisdiction of its incorporation, and the date the~~  
10342 ~~change was effected.~~

10343 (e) If the amendment changes its period of duration, a  
10344 statement of such change.

10345 (f) If the amendment changes the jurisdiction of  
10346 incorporation of the foreign corporation, a statement of that  
10347 ~~such~~ change.

10348 (3) The requirements of s. 607.1503 for obtaining an  
10349 original certificate of authority apply to obtaining an amended  
10350 certificate under this section unless the official having

10351 custody of the foreign corporation's publicly filed records in  
10352 its jurisdiction of incorporation did not require an amendment  
10353 to effectuate the change on its records.

10354 (4) Subject to subsection (3), a foreign corporation  
10355 authorized to transact business in this state may make  
10356 application to the department to obtain an amended certificate  
10357 of authority to add, remove, or change the name, title,  
10358 capacity, or address of an officer or director of the foreign  
10359 corporation.

10360 Section 201. Section 607.1505, Florida Statutes, is  
10361 amended to read:

10362 607.1505 Effect of a certificate of authority.—

10363 (1) Unless the department determines that an application  
10364 for a certificate of authority of a foreign corporation  
10365 authorizes the foreign corporation to which it is issued to  
10366 transact business in this state does not comply with the filing  
10367 requirements of this chapter, the department shall, upon payment  
10368 of all filing fees, authorize the foreign corporation to  
10369 transact business in this state and file the application for  
10370 certificate of authority ~~subject, however, to the right of the~~  
10371 ~~Department of State to suspend or revoke the certificate as~~  
10372 ~~provided in this act.~~

10373 (2) The filing by the department of an application for a  
10374 certificate of authority means that the foreign corporation that  
10375 filed the application to transact business in this state has

10376 obtained a certificate of authority to transact business in this  
10377 state and is authorized to transact business in this state,  
10378 subject, however, to the right of the department to suspend or  
10379 revoke the certificate of authority as provided in this chapter  
10380 ~~A foreign corporation with a valid certificate of authority has~~  
10381 ~~the same but no greater rights and has the same but no greater~~  
10382 ~~privileges as, and except as otherwise provided by this act is~~  
10383 ~~subject to the same duties, restrictions, penalties, and~~  
10384 ~~liabilities now or later imposed on, a domestic corporation of~~  
10385 ~~like character.~~

10386 ~~(3) This act does not authorize this state to regulate the~~  
10387 ~~organization or internal affairs of a foreign corporation~~  
10388 ~~authorized to transact business in this state.~~

10389 Section 202. Section 607.1506, Florida Statutes, is  
10390 amended to read:

10391 607.1506 Corporate name of foreign corporation.—

10392 (1) A foreign corporation whose name is unavailable under  
10393 or whose name does not otherwise comply with s. 607.0401 shall  
10394 use an alternate name the complies with s. 607.0401 ~~is not~~  
10395 ~~entitled to file an application for a certificate of authority~~  
10396 ~~unless the corporate name of such corporation satisfies the~~  
10397 ~~requirements of s. 607.0401. If the corporate name of a foreign~~  
10398 ~~corporation does not satisfy the requirements of s. 607.0401,~~  
10399 ~~the foreign corporation, to obtain or maintain a certificate of~~  
10400 ~~authority to transact business in this state. An alternate name~~



10401 adopted for use in this state shall be cross-referenced to the  
 10402 actual name of the foreign corporation in the records of the  
 10403 department, provided that no cross-reference is required if the  
 10404 alternate name involves no more than adding the suffix  
 10405 "corporation," "company," or "incorporated" or the abbreviation  
 10406 "Corp.," or "Inc.," or "Co." or the designation "Corp.," or  
 10407 "Inc." or "Co." to the name. If the actual name of the foreign  
 10408 corporation subsequently becomes available in this state and the  
 10409 foreign corporation elects to operate in this state under its  
 10410 actual name, or the foreign corporation chooses to change its  
 10411 alternate name, a record approving the election or change, as  
 10412 the case may be, by its directors or shareholders, and signed as  
 10413 required pursuant to s. 607.0120, shall be delivered to the  
 10414 department for filing;

10415 ~~(a) May add the word "corporation," "company," or~~  
 10416 ~~"incorporated" or the abbreviation "Corp.," "Inc.," "Co.," or~~  
 10417 ~~the designation "Corp.," "Inc.," or "Co.," as will clearly indicate~~  
 10418 ~~that it is a corporation instead of a natural person,~~  
 10419 ~~partnership, or other business entity; or~~

10420 ~~(b) May use an alternate name to transact business in this~~  
 10421 ~~state if its real name is unavailable. Any such alternate~~  
 10422 ~~corporate name, adopted for use in this state, shall be cross-~~  
 10423 ~~referenced to the real corporate name in the records of the~~  
 10424 ~~Division of Corporations. If the corporation's real corporate~~  
 10425 ~~name becomes available in this state or the corporation chooses~~

10426 ~~to change its alternate name, a copy of the resolution of its~~  
10427 ~~board of directors changing or withdrawing the alternate name,~~  
10428 ~~executed as required by s. 607.0120, shall be delivered for~~  
10429 ~~filing.~~

10430       (2) A foreign corporation that adopts an alternate name  
10431 under subsection (1) and obtains a certificate of authority with  
10432 the alternate name need not comply with s. 865.09 with respect  
10433 to the alternate name ~~The corporate name (including the~~  
10434 ~~alternate name) of a foreign corporation must be distinguishable~~  
10435 ~~upon the records of the Division of Corporations from:~~

10436       ~~(a) Any corporate name of a corporation incorporated or~~  
10437 ~~authorized to transact business in this state;~~

10438       ~~(b) The alternate name of another foreign corporation~~  
10439 ~~authorized to transact business in this state;~~

10440       ~~(c) The corporate name of a not-for-profit corporation~~  
10441 ~~incorporated or authorized to transact business in this state;~~  
10442 ~~and~~

10443       ~~(d) The names of all other entities or filings, except~~  
10444 ~~fictitious name registrations pursuant to s. 865.09, organized~~  
10445 ~~or registered under the laws of this state that are on file with~~  
10446 ~~the Division of Corporations.~~

10447       (3) So long as a foreign corporation maintains a  
10448 certificate of authority with an alternate name, a foreign  
10449 corporation shall transact business in this state under the  
10450 alternate name unless the corporation is authorized under s.

10451 865.09 to transact business in this state under another name.

10452 (4)~~(3)~~ If a foreign corporation authorized to transact  
10453 business in this state changes its corporate name to one that  
10454 does not comply with ~~satisfy the requirements of~~ s. 607.0401, it  
10455 may not thereafter transact business in this state ~~under the~~  
10456 ~~changed name~~ until it complies with subsection (1) ~~adopts a name~~  
10457 ~~satisfying the requirements of s. 607.0401~~ and obtains an  
10458 amended certificate of authority under s. 607.1504.

10459 (5) Notwithstanding the foregoing, a foreign corporation  
10460 may register under a name that is not otherwise distinguishable  
10461 on the records of the department with the written consent of the  
10462 other entity if the consent is filed with the department at the  
10463 time of registration of such name and if such name is not  
10464 identical to the name of the other entity.

10465 Section 203. Section 607.1507, Florida Statutes, is  
10466 amended to read:

10467 607.1507 Registered office and registered agent of foreign  
10468 corporation.—

10469 (1) Each foreign corporation authorized to transact  
10470 business in this state shall designate and ~~must~~ continuously  
10471 maintain in this state:

10472 (a) A registered office, which may be the same as ~~that may~~  
10473 ~~be the same as any of its~~ place ~~places~~ of business in this  
10474 state; and

10475 (b) A registered agent, which must ~~who may~~ be:

10476           1. An individual who resides in this state and whose  
 10477 business address is identical to the address of ~~office is~~  
 10478 ~~identical with~~ the registered office;

10479           2. A domestic entity that is an authorized entity and  
 10480 whose business address is identical to the address of the  
 10481 registered office; or

10482           3. Another foreign entity authorized to transact business  
 10483 in this state which is an authorized entity and whose business  
 10484 address is identical to the address of ~~corporation or not-for-~~  
 10485 ~~profit corporation as defined in chapter 617, the business~~  
 10486 ~~office of which is identical with~~ the registered office; ~~or~~

10487           ~~3. Another foreign corporation or foreign not-for-profit~~  
 10488 ~~corporation authorized pursuant to this chapter or chapter 617,~~  
 10489 ~~to transact business or conduct its affairs in this state the~~  
 10490 ~~business office of which is identical with the registered~~  
 10491 ~~office.~~

10492           (2) This section does not apply to corporations that are  
 10493 required by law to designate the Chief Financial Officer as  
 10494 their attorney for service of process, associations subject to  
 10495 the provisions of chapter 665, and banks and trust companies  
 10496 subject to the financial institutions codes.

10497           (3) Each initial registered agent, and each successor  
 10498 registered agent that is appointed, shall ~~A registered agent~~  
 10499 ~~appointed pursuant to this section or a successor registered~~  
 10500 ~~agent appointed pursuant to s. 607.1508 on whom process may be~~

10501 ~~served shall each~~ file a statement in writing with the  
10502 ~~department, in the form and manner~~ Department of State, in such  
10503 ~~form and manner as shall be~~ prescribed by the department,  
10504 accepting the appointment as a registered agent while  
10505 simultaneously ~~with his or her~~ being designated as the  
10506 registered agent. ~~The~~ ~~Such~~ statement of acceptance must provide  
10507 ~~shall state~~ that the registered agent is familiar with, and  
10508 accepts, the obligations of that position.

10509 (4) The duties of a registered agent are as follows:

10510 (a) To forward to the foreign corporation at the address  
10511 most recently supplied to the registered agent by the foreign  
10512 corporation, a process, notice, or demand pertaining to the  
10513 foreign corporation which is served on or received by the  
10514 registered agent; and

10515 (b) If the registered agent resigns, to provide the notice  
10516 required under s. 607.1509 to the foreign corporation at the  
10517 address most recently supplied to the registered agent by the  
10518 foreign corporation.

10519 (5) The department shall maintain an accurate record of  
10520 the registered agents and registered offices for service of  
10521 process and shall promptly furnish any information disclosed  
10522 thereby upon request and payment of the required fee.

10523 (6) A foreign corporation may not prosecute or maintain  
10524 any action in a court in this state until the foreign  
10525 corporation complies with the provisions of this section, pays

10526 to the department the amounts required by this chapter, and, to  
 10527 the extent ordered by a court of competent jurisdiction, pays to  
 10528 the department a penalty of \$5 for each day it has failed to so  
 10529 comply or \$500, whichever is less.

10530 (7) A court may stay a proceeding commenced by a foreign  
 10531 corporation until the corporation complies with this section.

10532 Section 204. Section 607.1508, Florida Statutes, is  
 10533 amended to read:

10534 607.1508 Change of registered office and registered agent  
 10535 of foreign corporation.—

10536 (1) In order to change its registered agent or registered  
 10537 office address, a foreign corporation authorized to transact  
 10538 business in this state may deliver to the department ~~change its~~  
 10539 ~~registered office or registered agent by delivering to the~~  
 10540 ~~Department of State~~ for filing a statement of change containing  
 10541 the following that sets forth:

10542 (a) The name of the foreign corporation. ~~Its name;~~

10543 (b) The name ~~street address~~ of its current registered  
 10544 office. ~~;~~

10545 (c) If the current registered agent is to be changed, the  
 10546 name of the new registered agent.

10547 (d) The street address of its current registered office  
 10548 for its current registered agent.

10549 (e) If the street address of the current registered office  
 10550 is to be changed, the new street address of the registered

10551 office

10552 ~~(c) If the current registered office is to be changed, the~~  
10553 ~~street address of its new registered office;~~

10554 ~~(d) The name of its current registered agent;~~

10555 ~~(e) If the current registered agent is to be changed, the~~  
10556 ~~name of its new registered agent and the new agent's written~~  
10557 ~~consent (either on the statement or attached to it) to the~~  
10558 ~~appointment;~~

10559 ~~(f) That, after the change or changes are made, the street~~  
10560 ~~address of its registered office and the business office of its~~  
10561 ~~registered agent will be identical; and~~

10562 ~~(g) That such change was authorized by resolution duly~~  
10563 ~~adopted by its board of directors or by an officer of the~~  
10564 ~~corporation so authorized by the board of directors.~~

10565 (2) If the registered agent is changed, the written  
10566 acceptance of the successor registered agent described in s.  
10567 607.1507(3) must also be included in or attached to the  
10568 statement of change.

10569 (3) A statement of change is effective when filed by the  
10570 department.

10571 (4) The changes described in this section may also be made  
10572 on the foreign corporation's annual report or in an application  
10573 for reinstatement filed with the department under s. 607.1622 ~~if~~  
10574 ~~a registered agent changes the street address of her or his~~  
10575 ~~business office, she or he may change the street address of the~~

10576 ~~registered office of any foreign corporation for which she or he~~  
10577 ~~is the registered agent by notifying the corporation in writing~~  
10578 ~~of the change and signing (either manually or in facsimile) and~~  
10579 ~~delivering to the Department of State for filing a statement of~~  
10580 ~~change that complies with the requirements of paragraphs (1) (a)-~~  
10581 ~~(f) and recites that the corporation has been notified of the~~  
10582 ~~change.~~

10583 Section 205. Section 607.1509, Florida Statutes, is  
10584 amended to read:

10585 607.1509 Resignation of registered agent of foreign  
10586 corporation.-

10587 (1) A registered agent may resign as agent for a foreign  
10588 corporation by delivering to the department for filing a signed  
10589 statement of resignation containing the name of the foreign  
10590 corporation ~~The registered agent of a foreign corporation may~~  
10591 ~~resign his or her agency appointment by signing and delivering~~  
10592 ~~to the Department of State for filing a statement of resignation~~  
10593 ~~and mailing a copy of such statement to the corporation at the~~  
10594 ~~corporation's principal office address shown in its most recent~~  
10595 ~~annual report or, if none, shown in its application for a~~  
10596 ~~certificate of authority or other most recently filed document.~~  
10597 ~~The statement of resignation must state that a copy of such~~  
10598 ~~statement has been mailed to the corporation at the address so~~  
10599 ~~stated. The statement of resignation may include a statement~~  
10600 ~~that the registered office is also discontinued.~~



10601           (2) After delivering the statement of resignation to the  
10602 department for filing, the registered agent must promptly mail a  
10603 copy to the foreign corporation at its current mailing address  
10604 ~~The agency appointment is terminated as of the 31st day after~~  
10605 ~~the date on which the statement was filed and, unless otherwise~~  
10606 ~~provided in the statement, termination of the agency acts as a~~  
10607 ~~termination of the registered office.~~

10608           (3) A registered agent is terminated upon the earlier of:

10609           (a) The 31st day after the department files the statement  
10610 of resignation; or

10611           (b) When a statement of change or other record designating  
10612 a new registered agent is filed by the department.

10613           (4) When a statement of resignation takes effect, the  
10614 registered agent ceases to have responsibility for a matter  
10615 thereafter tendered to it as agent for the foreign corporation.  
10616 The resignation does not affect contractual rights that the  
10617 foreign corporation has against the agent or that the agent has  
10618 against the foreign corporation.

10619           (5) A registered agent may resign from a foreign  
10620 corporation regardless of whether the foreign corporation has  
10621 active status.

10622           Section 206. Section 607.15091, Florida Statutes, is  
10623 created to read:

10624           607.15091 Change of name or address by registered agent.-

10625           (1) If a registered agent changes his or her name or

10626 address, the agent may deliver to the department for filing a  
 10627 statement of change containing the following:  
 10628 (a) The name of the foreign corporation represented by the  
 10629 registered agent.  
 10630 (b) The name of the registered agent as currently shown in  
 10631 the records of the department for the corporation.  
 10632 (c) If the name of the registered agent has changed, its  
 10633 new name.  
 10634 (d) If the address of the registered agent has changed,  
 10635 the new address.  
 10636 (e) A statement that the registered agent has given the  
 10637 notice required under subsection (2).  
 10638 (2) A registered agent shall promptly furnish notice of  
 10639 the statement of change and the changes made by the statement  
 10640 filed with the department to the represented foreign  
 10641 corporation.  
 10642 Section 207. Section 607.15092, Florida Statutes, is  
 10643 created to read:  
 10644 607.15092 Delivery of notice or other communication.—  
 10645 (1) Except as otherwise provided in this chapter,  
 10646 permissible means of delivery of a notice or other communication  
 10647 includes delivery by hand, the United States Postal Service, a  
 10648 commercial delivery service, and electronic transmission, all as  
 10649 more particularly described in s. 607.0141.  
 10650 (2) Except as provided in subsection (3), delivery to the

10651 department is effective only when a notice or other  
10652 communication is received by the department.

10653 (3) If a check is mailed to the department for payment of  
10654 an annual report fee or the annual supplemental fee required  
10655 under s. 607.193, the check shall be deemed to have been  
10656 received by the department as of the postmark date appearing on  
10657 the envelope or package transmitting the check if the envelope  
10658 or package is received by the department.

10659 Section 208. Section 607.15101, Florida Statutes, is  
10660 amended to read:

10661 607.15101 Service of process, notice, or demand on a  
10662 foreign corporation.—

10663 (1) A foreign corporation may be served with process  
10664 required or authorized by law by serving on its registered  
10665 agent.

10666 (2) If a foreign corporation ceases to have a registered  
10667 agent or if its registered agent cannot with reasonable  
10668 diligence be served, the process required or permitted by law  
10669 may instead be served on the chair of the board, the president,  
10670 any vice president, the secretary, or the treasurer of the  
10671 foreign corporation at the principal office of the foreign  
10672 corporation in this state.

10673 (3) If the process cannot be served on a foreign  
10674 corporation pursuant to subsection (1) or subsection (2), the  
10675 process may be served on the secretary of state as an agent of

10676 | the foreign corporation.

10677 |       (4) Service of process on the secretary of state may be  
10678 | made by delivering to and leaving with the department duplicate  
10679 | copies of the process.

10680 |       (5) Service is effectuated under subsection (3) on the  
10681 | date shown as received by the department.

10682 |       (6) The department shall keep a record of each process  
10683 | served on the secretary of state pursuant to this section and  
10684 | record the time of and the action taken regarding the service.

10685 |       (7) Any notice or demand on a foreign corporation under  
10686 | this chapter may be given or made to the chair of the board, the  
10687 | president, any vice president, the secretary, or the treasurer  
10688 | of the foreign corporation; to the registered agent of the  
10689 | foreign corporation at the registered office of the foreign  
10690 | corporation in this state; or to any other address in this state  
10691 | that is in fact the principal office of the foreign corporation  
10692 | in this state.

10693 |       (8) This section does not affect the right to serve  
10694 | process, give notice, or make a demand in any other manner  
10695 | provided by law

10696 |       ~~(1) The registered agent of a foreign corporation~~  
10697 | ~~authorized to transact business in this state is the~~  
10698 | ~~corporation's agent for service of process, notice, or demand~~  
10699 | ~~required or permitted by law to be served on the foreign~~  
10700 | ~~corporation.~~

10701           ~~(2) A foreign corporation may be served by registered or~~  
 10702 ~~certified mail, return receipt requested, addressed to the~~  
 10703 ~~secretary of the foreign corporation at its principal office~~  
 10704 ~~shown in its application for a certificate of authority or in~~  
 10705 ~~its most recent annual report if the foreign corporation:~~  
 10706           ~~(a) Has no registered agent or its registered agent cannot~~  
 10707 ~~with reasonable diligence be served;~~  
 10708           ~~(b) Has withdrawn from transacting business in this state~~  
 10709 ~~under s. 607.1520; or~~  
 10710           ~~(c) Has had its certificate of authority revoked under s.~~  
 10711 ~~607.1531.~~  
 10712           ~~(3) Service is perfected under subsection (2) at the~~  
 10713 ~~earliest of:~~  
 10714           ~~(a) The date the foreign corporation receives the mail;~~  
 10715           ~~(b) The date shown on the return receipt, if signed on~~  
 10716 ~~behalf of the foreign corporation; or~~  
 10717           ~~(c) Five days after its deposit in the United States mail,~~  
 10718 ~~as evidenced by the postmark, if mailed postpaid and correctly~~  
 10719 ~~addressed.~~  
 10720           ~~(4) This section does not prescribe the only means, or~~  
 10721 ~~necessarily the required means, of serving a foreign~~  
 10722 ~~corporation. Process against any foreign corporation may also be~~  
 10723 ~~served in accordance with chapter 48 or chapter 49.~~  
 10724           ~~(5) Any notice to or demand on a foreign corporation made~~  
 10725 ~~pursuant to this act may be made in accordance with the~~

10726 | ~~procedures for notice to or demand on domestic corporations~~  
 10727 | ~~under s. 607.0504.~~

10728 | Section 209. Section 607.1520, Florida Statutes, is  
 10729 | amended to read:

10730 | 607.1520 Withdrawal and cancellation of certificate of  
 10731 | authority for ~~of~~ foreign corporation.-

10732 | (1) To cancel its certificate of authority to transact  
 10733 | business in this state, a foreign corporation must deliver to  
 10734 | the department for filing a notice of withdrawal of certificate  
 10735 | of authority. The certificate of authority is canceled when the  
 10736 | notice of withdrawal becomes effective pursuant to s. 607.0123.  
 10737 | The notice of withdrawal of certificate of authority must be  
 10738 | signed by an officer or director and state the following:

10739 | (a) The name of the foreign corporation as it appears on  
 10740 | the records of the department.

10741 | (b) The name of the foreign corporation's jurisdiction of  
 10742 | incorporation.

10743 | (c) The date the foreign corporation was authorized to  
 10744 | transact business in this state.

10745 | (d) That the foreign corporation is withdrawing its  
 10746 | certificate of authority in this state.

10747 | (e) That it revokes the authority of its registered agent  
 10748 | to accept service on its behalf and appoints the secretary of  
 10749 | state as its agent for service of process based on a cause of  
 10750 | action arising during the time it was authorized to transact

10751 business in this state.

10752 (f) A mailing address to which the secretary of state may  
10753 mail a copy of any process served on the secretary of state  
10754 under paragraph (e).

10755 (g) A commitment to notify the department in the future of  
10756 any change in its mailing address ~~A foreign corporation~~  
10757 ~~authorized to transact business in this state may not withdraw~~  
10758 ~~from this state until it obtains a certificate of withdrawal~~  
10759 ~~from the Department of State.~~

10760 ~~(2) A foreign corporation authorized to transact business~~  
10761 ~~in this state may apply for a certificate of withdrawal by~~  
10762 ~~delivering an application to the Department of State for filing.~~  
10763 ~~The application shall be made on forms prescribed and furnished~~  
10764 ~~by the Department of State and shall set forth:~~

10765 ~~(a) The name of the foreign corporation and the~~  
10766 ~~jurisdiction under the law of which it is incorporated;~~

10767 ~~(b) That it is not transacting business in this state and~~  
10768 ~~that it surrenders its authority to transact business in this~~  
10769 ~~state;~~

10770 ~~(c) That it revokes the authority of its registered agent~~  
10771 ~~to accept service on its behalf and appoints the Department of~~  
10772 ~~State as its agent for service of process based on a cause of~~  
10773 ~~action arising during the time it was authorized to transact~~  
10774 ~~business in this state;~~

10775 ~~(d) A mailing address to which the Department of State may~~

10776 ~~mail a copy of any process served on it under paragraph (c); and~~  
 10777 ~~(c) A commitment to notify the Department of State in the~~  
 10778 ~~future of any change in its mailing address.~~

10779 ~~(2)-(3)~~ After the withdrawal of the foreign corporation is  
 10780 effective, service of process on the secretary of state  
 10781 ~~Department of State~~ under this section is service on the foreign  
 10782 corporation. Upon receipt of the process, the secretary of state  
 10783 ~~Department of State~~ shall mail a copy of the process to the  
 10784 foreign corporation at the mailing address set forth under  
 10785 paragraph (1)(f) subsection (2).

10786 Section 210. Section 607.1521, Florida Statutes, is  
 10787 created to read:

10788 607.1521 Withdrawal deemed on conversion to domestic  
 10789 filing entity.—A foreign corporation authorized to transact  
 10790 business in this state that converts to a domestic corporation  
 10791 or another domestic eligible entity that is organized,  
 10792 incorporated, registered, or otherwise formed through the  
 10793 delivery of a record to the department for filing is deemed to  
 10794 have withdrawn its certificate of authority on the effective  
 10795 date of the conversion.

10796 Section 211. Section 607.1522, Florida Statutes, is  
 10797 created to read:

10798 607.1522 Withdrawal on dissolution, merger, or conversion  
 10799 to certain nonfiling entities.—

10800 (1) A foreign corporation that is authorized to transact



10801 business in this state that has dissolved and completed winding  
10802 up, has merged into a foreign eligible entity that is not  
10803 authorized to transact business in this state, or has converted  
10804 to a domestic or foreign eligible entity that is not organized,  
10805 incorporated, registered or otherwise formed through the public  
10806 filing of a record, shall deliver a notice of withdrawal of  
10807 certificate of authority to the department for filing in  
10808 accordance with s. 607.1520.

10809 (2) After a withdrawal under this section of a foreign  
10810 corporation that has converted to another type of entity is  
10811 effective, service of process in any action or proceeding based  
10812 on a cause of action arising during the time the foreign  
10813 corporation was authorized to transact business in this state  
10814 may be made pursuant to s. 607.15101.

10815 Section 212. Section 607.1523, Florida Statutes, is  
10816 created to read:

10817 607.1523 Action by Department of Legal Affairs.—The  
10818 Department of Legal Affairs may maintain an action to enjoin a  
10819 foreign corporation from transacting business in this state in  
10820 violation of this chapter.

10821 Section 213. Section 607.1530, Florida Statutes, is  
10822 amended to read:

10823 607.1530 ~~Grounds for~~ Revocation of certificate of  
10824 authority to transact business.—

10825 (1) ~~A The Department of State may commence a proceeding~~

10826 ~~under s. 607.1531 to revoke the~~ certificate of authority of a  
 10827 foreign corporation ~~authorized~~ to transact business in this  
 10828 state may be revoked by the department if:

10829 (a) (1) The foreign corporation does not deliver its annual  
 10830 report to the department ~~has failed to file its annual report~~  
 10831 ~~with the Department of State~~ by 5 p.m. Eastern Time on the third  
 10832 Friday in September of each year;

10833 (b) (2) The foreign corporation does not pay a fee or  
 10834 penalty due to the department under this chapter; ~~within the~~  
 10835 ~~time required by this act, any fees, taxes, or penalties imposed~~  
 10836 ~~by this act or other law.~~

10837 (c) (3) The foreign corporation does not appoint and  
 10838 maintain a registered agent as required by s. 607.1507; ~~is~~  
 10839 ~~without a registered agent or registered office in this state~~  
 10840 ~~for 30 days or more.~~

10841 (d) (4) The foreign corporation does not deliver for filing  
 10842 a statement of a change under s. 607.1508 within 30 days after  
 10843 the change in the name or address of the agent has occurred,  
 10844 unless, within 30 days after the change occurred, either:

10845 1. The registered agent files a statement of change under  
 10846 s. 607.15091; or

10847 2. The change was made in accordance with s. 607.1508(4)  
 10848 or s. 607.1504(1)(c);

10849 (e) The foreign corporation has failed to amend its  
 10850 certificate of authority to reflect a change in its name on the

10851 records of the department or its jurisdiction of incorporation;  
10852 (f) The foreign corporation's period of duration stated in  
10853 its articles of incorporation has expired; notify the Department  
10854 of State under s. 607.1508 or s. 607.1509 that its registered  
10855 agent has resigned or that its registered office has been  
10856 discontinued within 30 days of the resignation or  
10857 discontinuance.

10858 (g)(5) An incorporator, director, officer, or agent of the  
10859 foreign corporation signs signed a document that she or he knew  
10860 was false in a any material respect with the intent that the  
10861 document be delivered to the department of State for filing;.

10862 (h)(6) The department of State receives a duly  
10863 authenticated certificate from the Secretary of State or other  
10864 official having custody of corporate records in the jurisdiction  
10865 under the law of which the foreign corporation is incorporated  
10866 stating that it has been dissolved or is no longer active on the  
10867 official's records; or disappeared as the result of a merger.

10868 (i)(7) The foreign corporation has failed to answer  
10869 truthfully and fully, within the time prescribed by this chapter  
10870 act, interrogatories propounded by the department of State.

10871 (2) Revocation of a foreign corporation's certificate of  
10872 authority for failure to file an annual report shall occur on  
10873 the fourth Friday in September of each year. The department  
10874 shall issue a notice in a record of the revocation to the  
10875 revoked foreign corporation. Issuance of the notice may be by

10876 electronic transmission to a foreign corporation that has  
10877 provided the department with an e-mail address.

10878 (3) If the department determines that one or more grounds  
10879 exist under paragraph (1)(b) for revoking a foreign  
10880 corporation's certificate of authority, the department shall  
10881 issue a notice in a record to the foreign corporation of the  
10882 department's intent to revoke the certificate of authority.  
10883 Issuance of the notice may be by electronic transmission to a  
10884 foreign corporation that has provided the department with an e-  
10885 mail address.

10886 (4) If, within 60 days after the department sends the  
10887 notice of intent to revoke in accordance with subsection (3),  
10888 the foreign corporation does not correct each ground for  
10889 revocation or demonstrate to the reasonable satisfaction of the  
10890 department that each ground determined by the department does  
10891 not exist, the department shall revoke the foreign corporation's  
10892 authority to transact business in this state and issue a notice  
10893 in a record of revocation which states the grounds for  
10894 revocation. Issuance of the notice may be by electronic  
10895 transmission to a foreign corporation that has provided the  
10896 department with an e-mail address.

10897 (5) Revocation of a foreign corporation's certificate of  
10898 authority does not terminate the authority of the registered  
10899 agent of the corporation.

10900 Section 214. Section 607.1531, Florida Statutes, is

10901 repealed.

10902 Section 215. Section 607.15315, Florida Statutes, is  
 10903 amended to read:

10904 607.15315 ~~Revocation; application for~~ Reinstatement  
 10905 following revocation of certificate of authority.-

10906 (1) ~~(a)~~ A foreign corporation the certificate of authority  
 10907 of which has been revoked pursuant to s. 607.1530 or former s.  
 10908 607.1531 may apply to the department of State for reinstatement  
 10909 at any time after the effective date of revocation of authority.  
 10910 The foreign corporation applying for reinstatement must submit  
 10911 all fees and penalties then owed by the foreign corporation at  
 10912 rates provided by law at the time the foreign corporation  
 10913 applies for reinstatement, together with an application for  
 10914 reinstatement prescribed and furnished by the department, which  
 10915 is signed by both the registered agent and an officer or  
 10916 director of the company and states application must:

10917 (a)1. Recite The name under which of the foreign  
 10918 corporation is authorized to transact business in this state.  
 10919 ~~and the effective date of its revocation of authority;~~

10920 (b)2. The street address of the corporation's principal  
 10921 office and mailing address. State that the ground or grounds for  
 10922 ~~revocation of authority either did not exist or have been~~  
 10923 ~~eliminated and that no further grounds currently exist for~~  
 10924 ~~revocation of authority;~~

10925 (c) The jurisdiction of the foreign corporation's

10926 formation and the date on which it became qualified to transact  
10927 business in this state.

10928 (d) The foreign corporation's federal employer  
10929 identification number or, if none, whether one has been applied  
10930 for.

10931 (e) The name, title or capacity, and address of at least  
10932 one officer or director of the corporation.

10933 (f) Additional information that is necessary or  
10934 appropriate to enable the department to carry out this chapter.

10935 (2) In lieu of the requirement to file an application for  
10936 reinstatement as described in subsection (1), a foreign  
10937 corporation whose certificate of authority has been revoked may  
10938 submit all fees and penalties owed by the corporation at the  
10939 rates provided by law at the time the corporation applies for  
10940 reinstatement, together with a current annual report, signed by  
10941 both the registered agent and an officer or director of the  
10942 corporation, which contains the information described in  
10943 subsection (1).

10944 (3) If the department determines that an application for  
10945 reinstatement contains the information required under subsection  
10946 (1) or subsection (2) and that the information is correct, upon  
10947 payment of all required fees and penalties, the department shall  
10948 reinstate the foreign corporation's certificate of authority

10949 ~~3. State that the foreign corporation's name satisfies the~~  
10950 ~~requirements of s. 607.1506; and~~

10951           4. ~~State that all fees owed by the corporation and~~  
 10952 ~~computed at the rate provided by law at the time the foreign~~  
 10953 ~~corporation applies for reinstatement have been paid; or~~  
 10954           (b) ~~As an alternative, the foreign corporation may submit~~  
 10955 ~~a current annual report, signed by the registered agent and an~~  
 10956 ~~officer or director, which substantially complies with the~~  
 10957 ~~requirements of paragraph (a).~~  
 10958           (2) ~~If the Department of State determines that the~~  
 10959 ~~application contains the information required by subsection (1)~~  
 10960 ~~and that the information is correct, it shall cancel the~~  
 10961 ~~certificate of revocation of authority and prepare a certificate~~  
 10962 ~~of reinstatement that recites its determination and prepare a~~  
 10963 ~~certificate of reinstatement, file the original of the~~  
 10964 ~~certificate, and serve a copy on the corporation under s.~~  
 10965 ~~607.0504(2).~~  
 10966           (4) ~~(3)~~ When a reinstatement becomes ~~the reinstatement is~~  
 10967 ~~effective, it relates back to and takes effect as of the~~  
 10968 ~~effective date of the revocation of authority and the foreign~~  
 10969 ~~corporation~~ may operate in this state ~~resumes carrying on its~~  
 10970 ~~business~~ as if the revocation of authority had never occurred.  
 10971           (5) ~~(4)~~ The name of the foreign corporation whose ~~the~~  
 10972 ~~certificate of authority of which has been revoked is not~~  
 10973 ~~available for assumption or use by another~~ eligible entity  
 10974 ~~corporation~~ until 1 year after the effective date of revocation  
 10975 ~~of authority unless the corporation provides the department of~~

10976 | ~~State with a record signed an affidavit executed~~ as required by  
 10977 | s. 607.0120 which authorizes ~~permitting~~ the immediate assumption  
 10978 | or use of the name by another eligible entity ~~corporation~~.

10979 | ~~(6)-(5)~~ If the name of the foreign corporation applying for  
 10980 | reinstatement has been lawfully assumed in this state by another  
 10981 | eligible entity, the department ~~corporation, the Department of~~  
 10982 | ~~State~~ shall require the foreign corporation to comply with s.  
 10983 | 607.1506 before accepting its application for reinstatement.

10984 | Section 216. Section 607.1532, Florida Statutes, is  
 10985 | amended to read:

10986 | 607.1532 Judicial review of denial of reinstatement ~~Appeal~~  
 10987 | ~~from revocation.-~~

10988 | (1) If the department denies a foreign corporation's  
 10989 | application for reinstatement after revocation of its  
 10990 | certificate of authority, the department shall serve the foreign  
 10991 | corporation under s. 607.15101 with a written notice that  
 10992 | explains the reason or reasons for the denial ~~Department of~~  
 10993 | ~~State~~ ~~revokes the authority of any foreign corporation to~~  
 10994 | ~~transact business in this state pursuant to the provisions of~~  
 10995 | ~~this act, such foreign corporation may likewise appeal to the~~  
 10996 | ~~circuit court of the county where the registered office of such~~  
 10997 | ~~corporation in this state is situated by filing with the clerk~~  
 10998 | ~~of such court a petition setting forth a copy of its application~~  
 10999 | ~~for authority to transact business in this state and a copy of~~  
 11000 | ~~the certificate of revocation given by the Department of State,~~



11001 ~~whereupon the matter shall be tried de novo by the court, and~~  
 11002 ~~the court shall either sustain the action of the Department of~~  
 11003 ~~State or direct the department to take such action as the court~~  
 11004 ~~deems proper.~~

11005       (2) Within 30 days after service of a notice of denial of  
 11006 reinstatement, a foreign corporation may appeal the denial by  
 11007 petitioning the Circuit Court of Leon County to set aside the  
 11008 revocation. The petition must be served on the department and  
 11009 contain a copy of the department's notice of revocation, the  
 11010 foreign corporation's application for reinstatement, and the  
 11011 department's notice of denial ~~Appeals from all final orders and~~  
 11012 ~~judgments entered by the circuit court under this section in~~  
 11013 ~~review of any ruling or decision of the Department of State may~~  
 11014 ~~be taken as in other civil actions.~~

11015       (3) The circuit court may order the department to  
 11016 reinstate the certificate of authority of the foreign  
 11017 corporation or take other action the court considers  
 11018 appropriate.

11019       (4) The circuit court's final decision may be appealed as  
 11020 in other civil proceedings.

11021       Section 217. Section 607.1601, Florida Statutes, is  
 11022 amended to read:

11023       607.1601 Corporate records.—

11024       (1) A corporation shall maintain the following records:  
 11025 ~~keep as permanent records minutes of all meetings of its~~

11026 ~~shareholders and board of directors, a record of all actions~~  
 11027 ~~taken by the shareholders or board of directors without a~~  
 11028 ~~meeting, and a record of all actions taken by a committee of the~~  
 11029 ~~board of directors in place of the board of directors on behalf~~  
 11030 ~~of the corporation.~~

11031 ~~(2) A corporation shall maintain accurate accounting~~  
 11032 ~~records.~~

11033 ~~(3) A corporation or its agent shall maintain a record of~~  
 11034 ~~its shareholders in a form that permits preparation of a list of~~  
 11035 ~~the names and addresses of all shareholders in alphabetical~~  
 11036 ~~order by class of shares showing the number and series of shares~~  
 11037 ~~held by each.~~

11038 ~~(4) A corporation shall maintain its records in written~~  
 11039 ~~form or in another form capable of conversion into written form~~  
 11040 ~~within a reasonable time.~~

11041 ~~(5) A corporation shall keep a copy of the following~~  
 11042 ~~records:~~

11043 ~~(a) Its articles or restated articles of incorporation, as~~  
 11044 ~~and all amendments to them currently in effect;~~

11045 ~~(b) Any notices to shareholders referred to in s.~~  
 11046 ~~607.0120(11)(d) specifying facts on which a filed document is~~  
 11047 ~~dependent, if such facts are not included in the articles of~~  
 11048 ~~incorporation or otherwise available as specified in s.~~  
 11049 ~~607.0120(11)(d);~~

11050 ~~(c)(b) Its bylaws, as or restated bylaws and all~~

11051 ~~amendments to them~~ currently in effect;

11052 ~~(c) Resolutions adopted by its board of directors creating~~

11053 ~~one or more classes or series of shares and fixing their~~

11054 ~~relative rights, preferences, and limitations, if shares issued~~

11055 ~~pursuant to those resolutions are outstanding;~~

11056 ~~(d) The minutes of all shareholders' meetings and records~~

11057 ~~of all action taken by shareholders without a meeting for the~~

11058 ~~past 3 years;~~

11059 (d)(e) All written communications within the past 3 years

11060 to all shareholders generally or to all shareholders of a class

11061 or series within the past 3 years, including the financial

11062 statements furnished for the past 3 years under s. 607.1620;

11063 (e) Minutes of all meetings of, and records of all actions

11064 taken without a meeting by, its shareholders, its board of

11065 directors, and any board committees established under s.

11066 607.0825;

11067 (f) A list of the names and business street addresses of

11068 its current directors and officers; and

11069 (g) Its most recent annual report delivered to the

11070 department ~~of State~~ under s. 607.1622.

11071 (2) A corporation shall maintain all annual financial

11072 statements prepared for the corporation for its last 3 fiscal

11073 years, or such shorter period of existence, and any audit or

11074 other reports with respect to such financial statements.

11075 (3) A corporation shall maintain accounting records in a

11076 form that permits preparation of its financial statements.

11077 (4) A corporation shall maintain a record of its current  
11078 shareholders in alphabetical order by class or series of shares  
11079 showing the address of, and the number and class or series of  
11080 shares held by, each shareholder. This subsection does not  
11081 require the corporation to include the electronic mail address  
11082 or other electronic contact information of a shareholder in such  
11083 record.

11084 (5) A corporation shall maintain the records specified in  
11085 this section in a manner so that they may be available for  
11086 inspection within a reasonable time.

11087 Section 218. Section 607.1602, Florida Statutes, is  
11088 amended to read:

11089 607.1602 Inspection of records by shareholders.—

11090 (1) A shareholder of a corporation is entitled to inspect  
11091 and copy, during regular business hours at the corporation's  
11092 principal office, any of the records of the corporation  
11093 described in s. 607.1601(1), excluding minutes of meetings of,  
11094 and records of actions taken without a meeting by, the  
11095 corporation's board of directors and any board committees  
11096 established under s. 607.0825, ~~s. 607.1601(5)~~ if the shareholder  
11097 gives the corporation written notice of the shareholder's ~~his or~~  
11098 ~~her~~ demand at least 5 business days before the date on which the  
11099 shareholder ~~he or she~~ wishes to inspect and copy.

11100 (2) A shareholder of a corporation is entitled to inspect

11101 and copy, during regular business hours at a reasonable location  
 11102 specified by the corporation, any of the following records of  
 11103 the corporation if the shareholder meets the requirements of  
 11104 subsection (3) and gives the corporation written notice of the  
 11105 shareholder's ~~his or her~~ demand at least 5 business days before  
 11106 the date on which the shareholder ~~he or she~~ wishes to inspect  
 11107 and copy:

11108 (a) Excerpts from minutes of any meeting of, or records of  
 11109 any actions taken without a meeting by, the corporation's board  
 11110 of directors and board committees maintained in accordance with  
 11111 s. 607.1601(1), ~~records of any action of a committee of the~~  
 11112 ~~board of directors while acting in place of the board of~~  
 11113 ~~directors on behalf of the corporation, minutes of any meeting~~  
 11114 ~~of the shareholders, and records of action taken by the~~  
 11115 ~~shareholders or board of directors without a meeting, to the~~  
 11116 ~~extent not subject to inspection under subsection (1);~~

11117 (b) The financial statements of the corporation maintained  
 11118 in accordance with s. 607.1601(2);

11119 (c) ~~(b)~~ Accounting records of the corporation;

11120 (d) ~~(e)~~ The record of shareholders maintained in accordance  
 11121 with s. 607.1601(4); and

11122 (e) ~~(d)~~ Any other books and records.

11123 (3) A shareholder may inspect and copy the records  
 11124 described in subsection (2) only if:

11125 (a) The shareholder's demand is made in good faith and for

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11126 a proper purpose;

11127 (b) The shareholder's demand ~~shareholder~~ describes with  
11128 reasonable particularity the shareholder's ~~his or her~~ purpose  
11129 and the records the shareholder ~~he or she~~ desires to inspect;  
11130 and

11131 (c) The records are directly connected with the  
11132 shareholder's purpose.

11133 (4) The corporation may impose reasonable restrictions on  
11134 the disclosure, use, or distribution of, and reasonable  
11135 obligations to maintain the confidentiality of, records  
11136 described in subsection (2) ~~A shareholder of a Florida~~  
11137 ~~corporation, or a shareholder of a foreign corporation~~  
11138 ~~authorized to transact business in this state who resides in~~  
11139 ~~this state, is entitled to inspect and copy, during regular~~  
11140 ~~business hours at a reasonable location in this state specified~~  
11141 ~~by the corporation, a copy of the records of the corporation~~  
11142 ~~described in s. 607.1601(5)(b) and (f), if the shareholder gives~~  
11143 ~~the corporation written notice of his or her demand at least 15~~  
11144 ~~business days before the date on which he or she wishes to~~  
11145 ~~inspect and copy.~~

11146 (5) For any meeting of shareholders for which the record  
11147 date for determining shareholders entitled to vote at the  
11148 meeting is different than the record date for notice of the  
11149 meeting, any person who becomes a shareholder subsequent to the  
11150 record date for notice of the meeting and is entitled to vote at

11151 the meeting is entitled to obtain from the corporation upon  
11152 request the notice and any other information provided by the  
11153 corporation to shareholders in connection with the meeting,  
11154 unless the corporation has made such information generally  
11155 available to shareholders by posting it on its website or by  
11156 other generally recognized means. Failure of a corporation to  
11157 provide such information does not affect the validity of action  
11158 taken at the meeting.

11159 (6) The right of inspection granted by this section may  
11160 not be abolished or limited by a corporation's articles of  
11161 incorporation or bylaws.

11162 (7)~~(5)~~ This section does not affect:

11163 (a) The right of a shareholder to inspect and copy records  
11164 under s. 607.0720 or, if the shareholder is in litigation with  
11165 the corporation, to the same extent as any other litigant; or

11166 (b) The power of a court, independently of this chapter  
11167 act, to compel the production of corporate records for  
11168 examination and to impose reasonable restrictions as provided in  
11169 s. 607.1604(3), provided that, in the case of production of  
11170 records described in subsection (2) at the request of the  
11171 shareholder, the shareholder has met the requirements of  
11172 subsection (3).

11173 (8)~~(6)~~ A corporation may deny any demand for inspection  
11174 made pursuant to subsection (2) if the demand was made for an  
11175 improper purpose, or if the demanding shareholder has within 2

11176 | years preceding his or her demand sold or offered for sale any  
11177 | list of shareholders of the corporation or any other  
11178 | corporation, has aided or abetted any person in procuring any  
11179 | list of shareholders for any such purpose, or has improperly  
11180 | used any information secured through any prior examination of  
11181 | the records of the corporation or any other corporation.

11182 | (9)~~(7)~~ A shareholder may not sell or otherwise distribute  
11183 | any information or records inspected under this section, except  
11184 | to the extent that such use is for a proper purpose as defined  
11185 | in subsection (11) ~~(3)~~. ~~Any person who violates this provision~~  
11186 | ~~shall be subject to a civil penalty of \$5,000.~~

11187 | (10)~~(8)~~ For purposes of this section, the term  
11188 | "shareholder" means a record shareholder, a beneficial  
11189 | shareholder, or an unrestricted voting trust beneficial owner  
11190 | ~~includes a beneficial owner whose shares are held in a voting~~  
11191 | ~~trust or by a nominee on his or her behalf.~~

11192 | (11)~~(9)~~ For purposes of this section, a "proper purpose"  
11193 | means a purpose reasonably related to such person's interest as  
11194 | a shareholder.

11195 | (12) The rights of a shareholder to obtain records under  
11196 | subsections (1) and (2) shall also apply to the records of  
11197 | subsidiaries of the corporation.

11198 | Section 219. Section 607.1603, Florida Statutes, is  
11199 | amended to read:

11200 | 607.1603 Scope of inspection right.—



11201           (1) A shareholder may appoint an agent or attorney to  
11202 exercise the shareholder's inspection and copying rights under  
11203 s. 607.1602 ~~shareholder's agent or attorney has the same~~  
11204 ~~inspection and copying rights as the shareholder he or she~~  
11205 ~~represents.~~

11206           (2) The corporation may, if reasonable, satisfy the right  
11207 of a shareholder to copy records under s. 607.1602 by furnishing  
11208 to the shareholder copies made by photocopy or other means  
11209 chosen by the corporation, including furnishing copies through  
11210 an electronic transmission ~~includes, if reasonable, the right to~~  
11211 ~~receive copies made by photographic, xerographic, or other~~  
11212 ~~means.~~

11213           (3) The corporation may impose a reasonable charge to  
11214 cover the costs of providing copies of any documents to the  
11215 shareholder which may be based on an estimate of such costs,  
11216 ~~covering the costs of labor and material, for copies of any~~  
11217 ~~documents provided to the shareholder. The charge may not exceed~~  
11218 ~~the estimated cost of production or reproduction of the records.~~  
11219 ~~If the records are kept in other than written form, the~~  
11220 ~~corporation shall convert such records into written form upon~~  
11221 ~~the request of any person entitled to inspect the same. The~~  
11222 ~~corporation shall bear the costs of converting any records~~  
11223 ~~described in s. 607.1601(5). The requesting shareholder shall~~  
11224 ~~bear the costs, including the cost of compiling the information~~  
11225 ~~requested, incurred to convert any records described in s.~~

11226 ~~607.1602(2).~~

11227 (4) ~~If requested by a shareholder,~~ The corporation may  
 11228 comply at its expense ~~shall comply~~ with a shareholder's demand  
 11229 to inspect the records of shareholders under s. 607.1602(2)(d)  
 11230 ~~s. 607.1602(2)(e)~~ by providing the shareholder ~~him or her~~ with a  
 11231 list of ~~its~~ shareholders that was compiled no earlier than the  
 11232 date of the shareholder's demand ~~of the nature described in s.~~  
 11233 ~~607.1601(3).~~ Such a list ~~must be compiled as of the last record~~  
 11234 ~~date for which it has been compiled or as of a subsequent date~~  
 11235 ~~if specified by the shareholder.~~

11236 Section 220. Section 607.1604, Florida Statutes, is  
 11237 amended to read:

11238 607.1604 Court-ordered inspection.—

11239 (1) If a corporation does not allow a shareholder who  
 11240 complies with s. 607.1602(1) ~~or (4)~~ to inspect and copy any  
 11241 records required by that subsection to be available for  
 11242 inspection, the circuit court in the applicable county ~~where the~~  
 11243 ~~corporation's principal office (or, if none in this state, its~~  
 11244 ~~registered office) is located~~ may summarily order inspection and  
 11245 copying of the records demanded at the corporation's expense  
 11246 upon application of the shareholder. If the court orders  
 11247 inspection and copying of the records demanded under s.  
 11248 607.1601(1), it shall also order the corporation to pay the  
 11249 shareholder's expenses, including reasonable attorney fees,  
 11250 incurred to obtain the order and enforce its rights under this

11251 section.

11252 (2) If a corporation does not within a reasonable time  
11253 allow a shareholder who complies with s. 607.1602(2) to inspect  
11254 and copy the records required by that section ~~any other record,~~  
11255 the shareholder who complies with s. 607.1602(3) ~~s. 607.1602(2)~~  
11256 ~~and (3),~~ may apply to the circuit court in the applicable county  
11257 ~~where the corporation's principal office (or, if none in this~~  
11258 ~~state, its registered office) is located~~ for an order to permit  
11259 inspection and copying of the records demanded. The court shall  
11260 dispose of an application under this subsection on an expedited  
11261 basis.

11262 (3) If the court orders inspection and ~~or~~ copying of the  
11263 records demanded under s. 607.1602(2), it may impose reasonable  
11264 restrictions on the disclosure, use, or distribution of, and  
11265 reasonable obligations to maintain the confidentiality of, such  
11266 records, and it shall also order the corporation to pay the  
11267 shareholder's expenses incurred ~~costs~~, including reasonable  
11268 attorney ~~attorney's~~ fees, ~~reasonably~~ incurred to obtain the  
11269 order and enforce its rights under this section unless the  
11270 corporation establishes that the corporation, ~~or the officer,~~  
11271 ~~director, or agent, as the case may be, proves that it or she or~~  
11272 ~~he~~ refused inspection in good faith because the corporation ~~it~~  
11273 ~~or she or he~~ had:

11274 (a) A reasonable basis for doubt about the right of the  
11275 shareholder to inspect or copy the records demanded; or-

11276            (b)(4) Required ~~If the court orders inspection or copying~~  
11277 ~~of the records demanded, it may impose~~ reasonable restrictions  
11278 on the disclosure, use, or distribution of, and reasonable  
11279 obligations to maintain the confidentiality of, such the records  
11280 demand to which ~~by~~ the demanding shareholder had been  
11281 unwilling to agree.

11282            Section 221. Section 607.1605, Florida Statutes, is  
11283 amended to read:

11284            607.1605 Inspection rights of ~~records by~~ directors.-

11285            (1) A director of a corporation is entitled to inspect and  
11286 copy the books, records, and documents of the corporation at any  
11287 reasonable time to the extent reasonably related to the  
11288 performance of the director's duties as a director, including  
11289 duties as a member of a board committee, but not for any other  
11290 purpose or in any manner that would violate any duty to the  
11291 corporation.

11292            (2) The circuit court of the applicable county ~~in which~~  
11293 ~~the corporation's principal office or, if none in this state,~~  
11294 ~~its registered office is located~~ may order inspection and  
11295 copying of the books, records, and documents at the  
11296 corporation's expense, upon application of a director who has  
11297 been refused such inspection rights, unless the corporation  
11298 establishes that the director is not entitled to such inspection  
11299 rights. The court shall dispose of an application under this  
11300 subsection on an expedited basis.

11301 (3) If an order is issued, the court may include  
 11302 provisions protecting the corporation from undue burden or  
 11303 expense and prohibiting the director from using information  
 11304 obtained upon exercise of the inspection rights in a manner that  
 11305 would violate a duty to the corporation, and may also order the  
 11306 corporation to reimburse the director for the director's costs,  
 11307 including reasonable attorney ~~counsel~~ fees, incurred in  
 11308 connection with the application.

11309 Section 222. Section 607.1620, Florida Statutes, is  
 11310 amended to read:

11311 607.1620 Financial statements for shareholders.—

11312 (1) Upon the written request of any shareholder, a  
 11313 corporation shall deliver or make available to the requesting  
 11314 shareholder the corporation's annual financial statements for  
 11315 the most recent fiscal year of the corporation ~~Unless modified~~  
 11316 ~~by resolution of the shareholders within 120 days of the close~~  
 11317 ~~of each fiscal year, a corporation shall furnish its~~  
 11318 ~~shareholders annual financial statements which may be~~  
 11319 ~~consolidated or combined statements of the corporation and one~~  
 11320 ~~or more of its subsidiaries, as appropriate, that include a~~  
 11321 ~~balance sheet as of the end of the fiscal year, an income~~  
 11322 ~~statement for that year, and a statement of cash flows for that~~  
 11323 ~~year.~~ If annual financial statements have been ~~are~~ prepared for  
 11324 the corporation on the basis of generally accepted accounting  
 11325 principles for such specified period, the corporation shall

11326 | deliver or make available such financial statements to the  
 11327 | requesting shareholder, ~~the annual financial statements must~~  
 11328 | ~~also be prepared on that basis.~~

11329 |       ~~(2)~~ If the annual financial statements to be delivered or  
 11330 | made available to the requesting shareholder are audited or  
 11331 | otherwise ~~are~~ reported upon by a public accountant, the report  
 11332 | of the public accountant shall also be delivered or made  
 11333 | available to the requesting shareholder ~~his or her report must~~  
 11334 | ~~accompany them. If not, the statements must be accompanied by a~~  
 11335 | ~~statement of the president or the person responsible for the~~  
 11336 | ~~corporation's accounting records:~~

11337 |           ~~(a)~~ Stating his or her reasonable belief whether the  
 11338 | statements were prepared on the basis of generally accepted  
 11339 | accounting principles and, if not, describing the basis of  
 11340 | preparation; and

11341 |           ~~(b)~~ Describing any respects in which the statements were  
 11342 | not prepared on a basis of accounting consistent with the  
 11343 | statements prepared for the preceding year.

11344 |       ~~(2)~~ ~~(3)~~ A ~~Any~~ corporation required by subsection (1) to  
 11345 | deliver or make available ~~furnish~~ annual financial statements to  
 11346 | a requesting shareholder shall deliver or make available such  
 11347 | annual financial statements to such shareholder within 5  
 11348 | business days after the request if the annual financial  
 11349 | statements have already been prepared and are available, or, if  
 11350 | the annual financial statements have not been prepared, must

11351 notify the shareholder within 5 business days that the annual  
11352 financial statements have not yet been prepared, and must  
11353 deliver or make available such annual financial statements to  
11354 ~~the its shareholders shall furnish such annual financial~~  
11355 ~~statements to each shareholder within 120 days after the request~~  
11356 ~~close of each fiscal year or within such additional time~~  
11357 thereafter as is reasonably necessary to enable the corporation  
11358 to prepare its annual financial statements if, for reasons  
11359 beyond the corporation's control, it is unable to prepare its  
11360 annual financial statements within the prescribed period.  
11361 ~~Thereafter, on written request from a shareholder who was not~~  
11362 ~~furnished the statements, the corporation shall furnish him or~~  
11363 ~~her the latest annual financial statements.~~

11364 (3) If requested by the requesting shareholder in its  
11365 written request under subsection (1), the corporation shall  
11366 promptly notify all other shareholders that the annual financial  
11367 statements that have or are to be delivered or made available to  
11368 the requesting shareholder have been or are being made available  
11369 to the requesting shareholder and will also be delivered or made  
11370 available to any other shareholder who makes its own written  
11371 request to the corporation under subsection (1).

11372 (4) A corporation may fulfill its responsibilities under  
11373 this section by delivering the specified annual financial  
11374 statements, by posting the specified annual financial statements  
11375 on its website, by any other generally recognized means, or in

11376 any other manner permitted by the applicable rules and  
11377 regulations of the United States Securities and Exchange  
11378 Commission

11379 (5) Notwithstanding subsections (1), (2), and (3):

11380 (a) As a condition to delivering or making available  
11381 annual financial statements to any requesting shareholder, the  
11382 corporation may require the requesting shareholder to agree to  
11383 reasonable restrictions on the confidentiality, use, and  
11384 distribution of such annual financial statements; and

11385 (b) The corporation may, if it reasonably determines that  
11386 the shareholder's request is not made in good faith or for a  
11387 proper purpose, decline to deliver or make available such annual  
11388 financial statements to that shareholder.

11389 (6) If a corporation does not respond to a shareholder's  
11390 request for annual financial statements pursuant to this section  
11391 in accordance with subsection (3) within the applicable period  
11392 specified in subsection (2):

11393 (a) The requesting shareholder may apply to the circuit  
11394 court in the applicable county for an order requiring delivery  
11395 of or access to the requested annual financial statements. The  
11396 court shall dispose of an application under this subsection on  
11397 an expedited basis.

11398 (b) If the court orders delivery or access to the  
11399 requested annual financial statements, it may impose reasonable  
11400 restrictions on their confidentiality, use, or distribution.



11401 (c) In such proceeding, if the corporation has declined to  
11402 deliver or make available such annual financial statements  
11403 because the shareholder had been unwilling to agree to  
11404 restrictions proposed by the corporation on the confidentiality,  
11405 use, and distribution of such financials statements, the  
11406 corporation shall have the burden of demonstrating that the  
11407 restrictions proposed by the corporation were reasonable.

11408 (d) In such proceeding, if the corporation has declined to  
11409 deliver or make available such annual financial statements  
11410 pursuant to s. 607.1620(5)(b), the corporation shall have the  
11411 burden of demonstrating that it had reasonably determined that  
11412 the shareholder's request was not made in good faith or for a  
11413 proper purpose.

11414 (7) If the court orders delivery or access to the  
11415 requested annual financial statements it shall order the  
11416 corporation to pay the shareholder's expenses, including  
11417 reasonable attorney fees, incurred to obtain such order unless  
11418 the corporation establishes that it had refused delivery or  
11419 access to the requested annual financial statements because the  
11420 shareholder had refused to agree to reasonable restrictions on  
11421 the confidentiality, use, or distribution of the annual  
11422 financial statements or that the corporation had reasonably  
11423 determined that the shareholder's request was not made in good  
11424 faith or for a proper purpose

11425 ~~(4) If a corporation does not comply with the~~

11426 ~~shareholder's request for annual financial statements pursuant~~  
11427 ~~to this section within 30 days of delivery of such request to~~  
11428 ~~the corporation, the circuit court in the county where the~~  
11429 ~~corporation's principal office (or, if none in this state, its~~  
11430 ~~registered office) is located may, upon application of the~~  
11431 ~~shareholder, summarily order the corporation to furnish such~~  
11432 ~~financial statements. If the court orders the corporation to~~  
11433 ~~furnish the shareholder with the financial statements demanded,~~  
11434 ~~it shall also order the corporation to pay the shareholder's~~  
11435 ~~costs, including reasonable attorney's fees, reasonably incurred~~  
11436 ~~to obtain the order and otherwise enforce its rights under this~~  
11437 ~~section.~~

11438 ~~(5) The requirement to furnish annual financial statements~~  
11439 ~~as described in this section shall be satisfied by sending such~~  
11440 ~~annual financial statements by mail or electronic transmission.~~  
11441 ~~If a corporation has an outstanding class of securities~~  
11442 ~~registered under s. 12 of the Securities Exchange Act of 1934,~~  
11443 ~~as amended, the requirement to furnish annual financial~~  
11444 ~~statements may be satisfied by complying with 17 C.F.R. s.~~  
11445 ~~240.14a-16, as amended, with respect to the obligation of a~~  
11446 ~~corporation to furnish an annual financial report to~~  
11447 ~~shareholders pursuant to 17 C.F.R. s. 240.14a-3(b), as amended.~~

11448 Section 223. Section 607.1621, Florida Statutes, is  
11449 repealed.

11450 Section 224. Section 607.1622, Florida Statutes, is

11451 amended to read:

11452 607.1622 Annual report for department ~~of State.~~

11453 (1) Each domestic corporation and each foreign corporation  
 11454 authorized to transact business in this state shall deliver to  
 11455 the department for filing an annual report that states the  
 11456 following ~~of State for filing a sworn annual report on such~~  
 11457 ~~forms as the Department of State prescribes that sets forth:~~

11458 (a) The name of the corporation or, if a foreign  
 11459 corporation, the name under which the foreign corporation is  
 11460 authorized to transact business in this state ~~and the state or~~  
 11461 ~~country under the law of which it is incorporated;~~

11462 (b) The date of its incorporation and ~~or~~, if a foreign  
 11463 corporation, the jurisdiction of its incorporation and the date  
 11464 on which it became qualified to transact ~~date on which it was~~  
 11465 ~~admitted to do~~ business in this state;

11466 (c) The street address of its principal office and the  
 11467 mailing address of the corporation;

11468 (d) The corporation's federal employer identification  
 11469 number, if any, or, if none, whether one has been applied for;

11470 (e) The names and business street addresses of its  
 11471 directors and principal officers; and

11472 ~~(f) The street address of its registered office and the~~  
 11473 ~~name of its registered agent at that office in this state;~~

11474 ~~(g) Language permitting a voluntary contribution of \$5 per~~  
 11475 ~~taxpayer, which contribution shall be transferred into the~~

11476 ~~Election Campaign Financing Trust Fund. A statement providing an~~  
11477 ~~explanation of the purpose of the trust fund shall also be~~  
11478 ~~included; and~~

11479 (f) (h) Any additional information that is ~~Such additional~~  
11480 ~~information as may be necessary or appropriate to enable the~~  
11481 ~~department of State to carry out the provisions of this chapter~~  
11482 ~~act.~~

11483 (2) If an annual report contains the name and address of a  
11484 registered agent which differs from the information shown in the  
11485 records of the department immediately before the annual report  
11486 becomes effective, the differing information in the annual  
11487 report is considered a statement of change under s. 607.0502  
11488 ~~Proof to the satisfaction of the Department of State that on or~~  
11489 ~~before May 1 such report was deposited in the United States mail~~  
11490 ~~in a sealed envelope, properly addressed with postage prepaid,~~  
11491 ~~shall be deemed compliance with this requirement.~~

11492 (3) If an annual report does not contain the information  
11493 required in by this section, the department of State shall  
11494 promptly notify the reporting domestic corporation or foreign  
11495 corporation in writing and return the report to it for  
11496 correction. ~~If the report is corrected to contain the~~  
11497 ~~information required in subsection (1) by this section and~~  
11498 ~~delivered to the department of State within 30 days after the~~  
11499 ~~effective date of the notice, it will be considered timely~~  
11500 ~~delivered is deemed to be timely filed.~~

11501 ~~(4) Each report shall be executed by the corporation by an~~  
 11502 ~~officer or director or, if the corporation is in the hands of a~~  
 11503 ~~receiver or trustee, shall be executed on behalf of the~~  
 11504 ~~corporation by such receiver or trustee, and the signing thereof~~  
 11505 ~~shall have the same legal effect as if made under oath, without~~  
 11506 ~~the necessity of appending such oath thereto.~~

11507 (4)~~(5)~~ The first annual report must be delivered to the  
 11508 department ~~of State~~ between January 1 and May 1 of the year  
 11509 following the calendar year in which a domestic corporation's  
 11510 articles of incorporation became effective ~~corporation was~~  
 11511 ~~incorporated~~ or a foreign corporation obtained its certificate  
 11512 of authority was authorized to transact business in this state.  
 11513 Subsequent annual reports must be delivered to the department ~~of~~  
 11514 State between January 1 and May 1 of each calendar year  
 11515 thereafter. If one or more forms of annual report are submitted  
 11516 for a calendar year, the department shall file each of them and  
 11517 make the information contained in them part of the official  
 11518 record. The first form of annual report filed in a calendar year  
 11519 shall be considered the annual report for the calendar year, and  
 11520 each report filed after that one in the same calendar year shall  
 11521 be treated as an amended report for that calendar year ~~the~~  
 11522 ~~subsequent calendar years.~~

11523 (5)~~(6)~~ Information in the annual report must be current as  
 11524 of the date the annual report is delivered to the department for  
 11525 filing ~~executed on behalf of the corporation.~~

11526 ~~(7) If an additional updated report is received, the~~  
11527 ~~department shall file the document and make the information~~  
11528 ~~contained therein part of the official record.~~

11529 (6)-(8) A domestic corporation or foreign corporation that  
11530 fails Any corporation failing to file an annual report that  
11531 which complies with the requirements of this section may not  
11532 prosecute or maintain shall not be permitted to maintain or  
11533 defend any action in any court of this state until the such  
11534 report is filed and all fees and penalties taxes due under this  
11535 chapter act are paid, and shall be subject to dissolution or  
11536 cancellation of its certificate of authority to transact de  
11537 business as provided in this chapter act.

11538 (7)-(9) The department shall prescribe the forms, which may  
11539 be in an electronic format, on which to make the annual report  
11540 called for in this section and may substitute the uniform  
11541 business report, pursuant to s. 606.06, as a means of satisfying  
11542 the requirement of this chapter part.

11543 (8) As a condition of a merger under s. 607.1101, each  
11544 party to a merger which exists under the laws of this state, and  
11545 each party to the merger which exists under the laws of another  
11546 jurisdiction and has a certificate of authority to transact  
11547 business or conduct its affairs in this state, must be active  
11548 and current in filing its annual reports in the records of the  
11549 department through December 31 of the calendar year in which the  
11550 articles of merger are submitted to the department for filing.

11551       (9) As a condition of a conversion of an entity to a  
11552 corporation under s. 607.11930, the entity, if it exists under  
11553 the laws of this state or if it exists under the laws of another  
11554 jurisdiction and has a certificate of authority to transact  
11555 business or conduct its affairs in this state, must be active  
11556 and current in filing its annual reports in the records of the  
11557 department through December 31 of the calendar year in which the  
11558 articles of conversion are submitted to the department for  
11559 filing.

11560       (10) As a condition of a conversion of a domestic  
11561 corporation to another type of entity under s. 607.11930, the  
11562 domestic corporation converting to the other type of entity must  
11563 be active and current in filing its annual reports in the  
11564 records of the department through December 31 of the calendar  
11565 year in which the articles of conversion are submitted to the  
11566 department for filing.

11567       (11) As a condition of a share exchange between a  
11568 corporation and another entity under s. 607.1102, the  
11569 corporation, and each other entity that is a party to the share  
11570 exchange which exists under the laws of this state, and each  
11571 party to the share exchange which exists under the laws of  
11572 another jurisdiction and has a certificate of authority to  
11573 transact business or conduct its affairs in this state, must be  
11574 active and current in filing its annual reports in the records  
11575 of the department through December 31 of the calendar year in

11576 | which the articles of share exchange are submitted to the  
 11577 | department for filing.

11578 |       (12) As a condition of domestication of a domestic  
 11579 | corporation into a foreign jurisdiction under s. 607.11920, the  
 11580 | domestic corporation domesticating into a foreign jurisdiction  
 11581 | must be active and current in filing its annual reports in the  
 11582 | records of the department through December 31 of the calendar  
 11583 | year in which the articles of domestication are submitted to the  
 11584 | department for filing.

11585 |       Section 225. Section 607.1701, Florida Statutes, is  
 11586 | amended to read:

11587 |       607.1701 Application to existing domestic corporation.—  
 11588 | This chapter ~~act~~ applies to all domestic corporations in  
 11589 | existence on January 1, 2020 ~~July 1, 1990~~, that were  
 11590 | incorporated under any general statute of this state providing  
 11591 | for incorporation of corporations for profit if power to amend  
 11592 | or repeal the statute under which the corporation was  
 11593 | incorporated was reserved.

11594 |       Section 226. Section 607.1702, Florida Statutes, is  
 11595 | amended to read:

11596 |       607.1702 Application to qualified foreign corporations.—A  
 11597 | foreign corporation authorized to transact business in this  
 11598 | state on January 1, 2020 ~~July 1, 1990~~, is subject to this  
 11599 | chapter, is deemed to be authorized to transact business in this  
 11600 | state, and ~~act but~~ is not required to obtain a new certificate



11601 of authority to transact business under this chapter act.

11602 Section 227. Section 607.1711, Florida Statutes, is  
 11603 amended to read:

11604 607.1711 Application to foreign and interstate commerce.—  
 11605 The provisions of this chapter act apply to commerce with  
 11606 foreign nations and among the several states only insofar as the  
 11607 same may be permitted under the Constitution and laws of the  
 11608 United States.

11609 Section 228. Section 607.1801, Florida Statutes, is  
 11610 repealed.

11611 Section 229. Section 607.1907, Florida Statutes, is  
 11612 amended to read:

11613 607.1907 Saving provision ~~Effect of repeal of prior acts.—~~

11614 (1) Except as to procedural provisions, this act does not  
 11615 affect a pending action or proceeding or a right accrued before  
 11616 January 1, 2020, and a pending civil action or proceeding may be  
 11617 completed, and a right accrued may be enforced, as if this act  
 11618 had not become effective ~~provided in subsection (2), the repeal~~  
 11619 ~~of a statute by this act does not affect:~~

11620 ~~(a) The operation of the statute or any action taken under~~  
 11621 ~~it before its repeal, including, without limiting the generality~~  
 11622 ~~of the foregoing, the continuing validity of any provision of~~  
 11623 ~~the articles of incorporation or bylaws of a corporation~~  
 11624 ~~authorized by the statute at the time of its adoption;~~

11625 ~~(b) Any ratification, right, remedy, privilege,~~

11626 ~~obligation, or liability acquired, accrued, or incurred under~~  
11627 ~~the statute before its repeal;~~

11628 ~~(c) Any violation of the statute, or any penalty,~~  
11629 ~~forfeiture, or punishment incurred because of the violation,~~  
11630 ~~before its repeal;~~

11631 ~~(d) Any proceeding, merger, consolidation, sale of assets,~~  
11632 ~~reorganization, or dissolution commenced under the statute~~  
11633 ~~before its repeal, and the proceeding, merger, consolidation,~~  
11634 ~~sale of assets, reorganization, or dissolution may be completed~~  
11635 ~~in accordance with the statute as if it had not been repealed.~~

11636 (2) If a penalty or punishment ~~imposed~~ for violation of a  
11637 statute or rule repealed by this act is reduced by this act, the  
11638 penalty or punishment, if not already imposed, shall be imposed  
11639 in accordance with this act.

11640 Section 230. Section 607.1908, Florida Statutes, is  
11641 created to read:

11642 607.1908 Severability clause.—If any provision of this  
11643 chapter or its application to any person or circumstance is held  
11644 invalid, the invalidity does not affect other provisions or  
11645 applications of this chapter which can be given effect without  
11646 the invalid provision or application, and to this end the  
11647 provisions of this chapter are severable.

11648 Section 231. Subsections (2) and (3) of section 607.504,  
11649 Florida Statutes, are amended to read:

11650 607.504 Election of social purpose corporation status.—

11651 (2) A plan of merger, domestication, conversion, or share  
 11652 exchange must be adopted by the minimum status vote if an entity  
 11653 that is not a social purpose corporation is a party to the  
 11654 merger, domestication, or conversion or if the exchanging entity  
 11655 in a share exchange and the surviving, new, or resulting entity  
 11656 is, or will be, a social purpose corporation.

11657 (3) If an entity elects to become a social purpose  
 11658 corporation by amendment of the articles of incorporation or by  
 11659 a merger, conversion, or share exchange, the shareholders of the  
 11660 entity are entitled to appraisal rights under and pursuant to  
 11661 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11662 Section 232. Subsections (2) and (3) of section 607.604,  
 11663 Florida Statutes, are amended to read:

11664 607.604 Election of benefit corporation status.—

11665 (2) A plan of merger, domestication, conversion, or share  
 11666 exchange must be adopted by the minimum status vote if an entity  
 11667 that is not a benefit corporation is a party to a merger,  
 11668 domestication, or conversion or if the exchanging entity in a  
 11669 share exchange and the surviving, new, or resulting entity is,  
 11670 or will be, a benefit corporation.

11671 (3) If an entity elects to become a benefit corporation by  
 11672 amendment of the articles of incorporation or by a merger,  
 11673 domestication, conversion, or share exchange, the shareholders  
 11674 of the entity are entitled to appraisal rights under and  
 11675 pursuant to ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11676 Section 233. Paragraph (b) of subsection (23) and  
 11677 subsections (55) and (58) of section 605.0102, Florida Statutes,  
 11678 are amended to read:

11679 605.0102 Definitions.—As used in this chapter, the term:  
 11680 (23)

11681 (b) "Entity" does not include:

11682 1. An individual;

11683 2. A trust with a predominantly donative purpose or a  
 11684 charitable trust;

11685 3. An association or relationship that is not a  
 11686 partnership solely by reason of s. 620.8202(2) ~~s. 620.8202(3)~~ or  
 11687 a similar provision of the law of another jurisdiction;

11688 4. A decedent's estate; or

11689 5. A government or a governmental subdivision, agency, or  
 11690 instrumentality.

11691 (55) "Private organic rules" means the rules, whether or  
 11692 not in a record, which govern the internal affairs of an entity,  
 11693 are binding on all its interest holders, and are not part of its  
 11694 public organic record, if any. Where private organic rules have  
 11695 been amended or restated, the term means the private organic  
 11696 rules as last amended or restated. The term includes:

11697 (a) The bylaws of a business corporation.

11698 (b) The bylaws of a nonprofit corporation.

11699 (c) The partnership agreement of a general partnership.

11700 (d) The partnership agreement of a limited partnership.

11701 (e) The operating agreement, limited liability company  
 11702 agreement, or similar agreement of a limited liability company.

11703 (f) The bylaws, trust instrument, or similar rules of a  
 11704 real estate investment trust.

11705 (g) The trust instrument of a statutory trust or similar  
 11706 rules of a business trust or common law business trust.

11707 (58) "Public organic record" means a record, the filing of  
 11708 which by a governmental body is required to form an entity, and  
 11709 an amendment to or restatement of that record. Where a public  
 11710 organic record has been amended or restated, the term means the  
 11711 public organic record as last amended or restated. The term  
 11712 includes the following:

11713 (a) The articles of incorporation of a business  
 11714 corporation.

11715 (b) The articles of incorporation of a nonprofit  
 11716 corporation.

11717 (c) The certificate of limited partnership of a limited  
 11718 partnership.

11719 (d) The articles of organization of a limited liability  
 11720 company.

11721 (e) The articles of incorporation of a general cooperative  
 11722 association or a limited cooperative association.

11723 (f) The certificate of trust of a statutory trust or  
 11724 similar record of a business trust.

11725 (g) The articles of incorporation of a real estate

11726 investment trust.

11727 Section 234. Paragraph (i) of subsection (3) of section  
11728 605.0105, Florida Statutes, is amended to read:

11729 605.0105 Operating agreement; scope, function, and  
11730 limitations.—

11731 (3) An operating agreement may not do any of the  
11732 following:

11733 (i) Vary the grounds for dissolution specified in s.  
11734 605.0702. Neither a deadlock resolution mechanism nor an  
11735 oppressive action sale varies the grounds for dissolution for  
11736 the purposes of this paragraph.

11737 Section 235. Paragraphs (a) and (b) of subsection (1) of  
11738 section 605.0112, Florida Statutes, are amended, and subsection  
11739 (6) is added to that section, to read:

11740 605.0112 Name.—

11741 (1) The name of a limited liability company:

11742 (a) Must contain the words "limited liability company" or  
11743 the abbreviation "L.L.C." or "LLC—" as will clearly indicate  
11744 that it is a limited liability company instead of a natural  
11745 person, partnership, corporation, or other business entity.

11746 (b) Must be distinguishable in the records of the ~~Division~~  
11747 ~~of Corporations of the~~ department from the names of all other  
11748 entities or filings that are on file with the department  
11749 ~~division~~, except fictitious name registrations pursuant to s.  
11750 865.09, general partnership registrations pursuant to s.

11751 620.8105, and limited liability partnership statements pursuant  
11752 to s. 620.9001 which are organized, registered, or reserved  
11753 under the laws of this state; however, a limited liability  
11754 company may register under a name that is not otherwise  
11755 distinguishable on the records of the department ~~division~~ with  
11756 the written consent of the other ~~owner~~ entity if the consent is  
11757 filed with the department ~~division~~ at the time of registration  
11758 of such name and if such name is not identical to the name of  
11759 the other entity. A name that is different from the name of  
11760 another entity or filing due to any of the following is not  
11761 considered distinguishable:

- 11762 1. A suffix.
- 11763 2. A definite or indefinite article.
- 11764 3. The word "and" and the symbol "&."
- 11765 4. The singular, plural, or possessive form of a word.
- 11766 5. ~~A recognized abbreviation of a root word.~~
- 11767 ~~6.~~ A punctuation mark or a symbol.

11768 (6) A limited liability company in existence before  
11769 January 1, 2020, that has a name that does not clearly indicate  
11770 that it is a limited liability company instead of a natural  
11771 person, partnership, corporation, or other business entity may  
11772 continue using such name until the limited liability company  
11773 dissolves or amends its name in the records of the department.

11774 Section 236. Section 605.01125, Florida Statutes, is  
11775 created to read:

11776           605.01125 Reserved name.—

11777           (1) A person may reserve the exclusive use of the name of  
11778 a limited liability company, including an alternate name for a  
11779 foreign limited liability company whose name is not available,  
11780 by delivering an application to the department for filing. The  
11781 application must set forth the name and address of the applicant  
11782 and the name proposed to be reserved. If the department finds  
11783 that the name of the limited liability company applied for is  
11784 available, it must reserve the name for the applicant's  
11785 exclusive use for a nonrenewable 120-day period.

11786           (2) The owner of a reserved name of a limited liability  
11787 company may transfer the reservation to another person by  
11788 delivering to the department a signed notice of the transfer  
11789 that states the name and address of the transferee.

11790           (3) The department may revoke any reservation if, after a  
11791 hearing, it finds that the application therefor or any transfer  
11792 thereof was not made in good faith.

11793           Section 237. Subsections (1) and (5) of section 605.0113,  
11794 Florida Statutes, are amended, and subsection (6) is added to  
11795 that section, to read:

11796           605.0113 Registered agent.—

11797           (1) Each limited liability company and each foreign  
11798 limited liability company that has a certificate of authority  
11799 under s. 605.0902 shall designate and continuously maintain in  
11800 this state:



11801 (a) A registered office, which may be the same as its  
 11802 place of business in this state; and  
 11803 (b) A registered agent, who must be:  
 11804 1. An individual who resides in this state and whose  
 11805 business address is identical to the address of the registered  
 11806 office; ~~or~~  
 11807 2. Another domestic entity that is an authorized entity  
 11808 and whose business address is identical to the address of the  
 11809 registered office; or  
 11810 3. A foreign entity authorized to transact business in  
 11811 this state that is an authorized entity and ~~A foreign or~~  
 11812 ~~domestic entity authorized to transact business in this state~~  
 11813 whose business address is identical to the address of the  
 11814 registered office.  
 11815 (5) A limited liability company and each foreign limited  
 11816 liability company that has a certificate of authority under s.  
 11817 605.0902 may not prosecute or maintain, ~~maintain, or defend~~ an  
 11818 action in a court in this state until the limited liability  
 11819 company complies with this section, pays to the department any  
 11820 amounts required under this chapter, and, to the extent ordered  
 11821 by a court of competent jurisdiction, ~~and~~ pays to the department  
 11822 a penalty of \$5 for each day it has failed to comply or \$500,  
 11823 whichever is less, and pays any other amounts required under  
 11824 this chapter.  
 11825 (6) For the purposes of this section, "authorized entity"

11826 means:

11827 (a) A corporation for profit.

11828 (b) A limited liability company.

11829 (c) A limited liability partnership.

11830 (d) A limited partnership, including a limited liability  
 11831 limited partnership.

11832 Section 238. Paragraphs (c), (d), and (e) of subsection  
 11833 (1) of section 605.0114, Florida Statutes, are amended to read:

11834 605.0114 Change of registered agent or registered office.—

11835 (1) In order to change its registered agent or registered  
 11836 office address, a limited liability company or a foreign limited  
 11837 liability company may deliver to the department for filing a  
 11838 statement of change containing the following:

11839 (c) If the current registered agent is to be changed, the  
 11840 name of the new registered agent.

11841 (d) The street address of its current registered office  
 11842 for its current registered agent.

11843 (e) If the street address of the current registered office  
 11844 is to be changed, the new street address of the registered  
 11845 office in this state.

11846 Section 239. Subsection (2) of section 605.0115, Florida  
 11847 Statutes, is amended to read:

11848 605.0115 Resignation of registered agent.—

11849 (2) After delivering the statement of resignation ~~to~~ with  
 11850 the department for filing, the registered agent must promptly

11851 ~~shall~~ mail a copy to the limited liability company's or foreign  
 11852 limited liability company's current mailing address.

11853 Section 240. Paragraphs (b) through (e) of subsection (1)  
 11854 of section 605.0116, Florida Statutes, are amended to read:

11855 605.0116 Change of name or address by registered agent.—

11856 (1) If a registered agent changes his or her name or  
 11857 address, the agent may deliver to the department for filing a  
 11858 statement of change that provides the following:

11859 (b) The name of the registered agent as currently shown in  
 11860 the records of the department for the limited liability company  
 11861 or foreign limited liability company.

11862 (c) If the name of the registered agent has changed, its  
 11863 new name.

11864 (d) If the address of the registered agent has changed,  
 11865 the new address.

11866 (e) A statement that the registered agent has given the  
 11867 notice required under subsection (2).

11868 Section 241. Present subsection (7) of section 605.0117,  
 11869 Florida Statutes, is redesignated as subsection (8), subsections  
 11870 (1), (2), (3), (4), and (6) of that section are amended, and a  
 11871 new subsection (7) is added to that section, to read:

11872 605.0117 Service of process, notice, or demand.—

11873 (1) A limited liability company or registered foreign  
 11874 limited liability company may be served with process, ~~notice,~~ or  
 11875 ~~a demand~~ required or authorized by law by serving on its

11876 registered agent.

11877 (2) If a limited liability company or registered foreign  
11878 limited liability company ceases to have a registered agent or  
11879 if its registered agent cannot with reasonable diligence be  
11880 served, the process, ~~notice, or demand~~ required or permitted by  
11881 law may instead be served:

11882 (a) On a member of a member-managed limited liability  
11883 company or registered foreign limited liability company; or

11884 (b) On a manager of a manager-managed limited liability  
11885 company or registered foreign limited liability company.

11886 (3) If the process, ~~notice, or demand~~ cannot be served on  
11887 a limited liability company or registered foreign limited  
11888 liability company pursuant to subsection (1) or subsection (2),  
11889 the process, ~~notice, or demand~~ may be served on the secretary of  
11890 state department as an agent of the company.

11891 (4) Service of process on the secretary of state ~~with~~  
11892 ~~process, notice, or a demand on the department~~ may be made by  
11893 delivering to and leaving with the department duplicate copies  
11894 of the process, ~~notice, or demand~~.

11895 (6) The department shall keep a record of each process,  
11896 ~~notice, and demand~~ served pursuant to this section and record  
11897 the time of and the action taken regarding the service.

11898 (7) Any notice or demand on a limited liability company or  
11899 registered foreign limited liability company under this chapter  
11900 may be given or made to any member of a member-managed limited

11901 liability company or registered foreign limited liability  
 11902 company or to any manager of a manager-managed limited liability  
 11903 company or registered foreign limited liability company; to the  
 11904 registered agent of the limited liability company or registered  
 11905 foreign limited liability company at the registered office of  
 11906 the limited liability company or registered foreign limited  
 11907 liability company in this state; or to any other address in this  
 11908 state that is in fact the principal office of the limited  
 11909 liability company or registered foreign limited liability  
 11910 company in this state.

11911 Section 242. Subsection (3) of section 605.0118, Florida  
 11912 Statutes, is amended to read:

11913 605.0118 Delivery of record.—

11914 (3) If a check is mailed to the department for payment of  
 11915 an annual report fee or the annual supplemental fee required  
 11916 under s. 607.193, the check shall be deemed to have been  
 11917 received by the department as of the postmark date appearing on  
 11918 the envelope or package transmitting the check if the envelope  
 11919 or package is received by the department.

11920 Section 243. Section 605.0207, Florida Statutes, is  
 11921 amended to read:

11922 605.0207 Effective date and time.—Except as otherwise  
 11923 provided in s. 605.0208, and subject to s. 605.0209(3), any  
 11924 document delivered to the department for filing under this  
 11925 chapter may specify an effective time and a delayed effective

11926 | date. In the case of initial articles of organization, a prior  
 11927 | effective date may be specified in the articles of organization  
 11928 | if such date is within 5 business days before the date of  
 11929 | filing. Subject to ss. 605.0114, 605.0115, 605.0208, and  
 11930 | 605.0209, a record filed by the department is effective:

11931 |       (1) If the record filed does not specify an effective time  
 11932 | and does not specify a prior or a delayed effective date, on the  
 11933 | date and at the time the record is accepted ~~filed~~ as evidenced  
 11934 | by the department's endorsement of the date and time on the  
 11935 | filing ~~record~~.

11936 |       (2) If the record filed specifies an effective time, but  
 11937 | not a prior or delayed effective date, on the date the record is  
 11938 | filed at the time specified in the filing ~~record~~.

11939 |       (3) If the record filed specifies a delayed effective  
 11940 | date, but not an effective time, at 12:01 a.m. on the earlier  
 11941 | of:

11942 |           (a) The specified date; or

11943 |           (b) The 90th day after the record is filed.

11944 |       (4) If the record filed specifies a delayed effective date  
 11945 | and an effective time, at the specified time on or the earlier  
 11946 | of:

11947 |           (a) The specified date; or

11948 |           (b) The 90th day after the record is filed.

11949 |       (5)-(4) If the record filed is the initial articles of  
 11950 | organization and specifies an effective ~~a~~ date before the

11951 ~~effective~~ date of the filing, but no effective time, at 12:01  
 11952 a.m. on the later of:

11953 (a) The specified date; or  
 11954 (b) The 5th business day before the record is filed.

11955 ~~(6)(5)~~ If the record filed is the initial articles of  
 11956 organization and specifies an effective time and an effective a  
 11957 ~~delayed effective date, at the specified time on the earlier of:~~

11958 ~~(a) The specified date; or~~  
 11959 ~~(b) The 90th day after the record is filed.~~

11960 ~~(6)~~ If the record specifies an effective time and a prior  
 11961 ~~effective~~ date before the date of the filing, at the specified  
 11962 time on the later of:

11963 (a) The specified date; or  
 11964 (b) The 5th business day before the record is filed.

11965 (7) If a filed document does not specify the time zone or  
 11966 place at which the date or time, or both, is to be determined,  
 11967 the date or time, or both, at which it becomes effective shall  
 11968 be those prevailing at the place of filing in this state.

11969 Section 244. Subsection (3) of section 605.0209, Florida  
 11970 Statutes, is amended to read:

11971 605.0209 Correcting filed record.—  
 11972 (3) A statement of correction:  
 11973 (a) May not state a delayed effective date;  
 11974 (b) Must be signed by the person correcting the filed  
 11975 record;

11976 (c) Must identify the filed record to be corrected,  
 11977 including such record's filing date, or attach a copy of the  
 11978 record to the statement of correction;

11979 (d) Must specify the inaccuracy or defect to be corrected;  
 11980 and

11981 (e) Must correct the inaccuracy or defect.

11982 Section 245. Subsection (7) of section 605.0210, Florida  
 11983 Statutes, is amended to read:

11984 605.0210 Duty of department to file; review of refusal to  
 11985 file; transmission of information by department.-

11986 (7) If the department refuses to file a record delivered  
 11987 to its office for filing, the person who submitted the record  
 11988 for filing may petition the Circuit Court of Leon County to  
 11989 compel filing of the record. The record and the explanation from  
 11990 ~~of~~ the department of the refusal to file must be attached to the  
 11991 petition. The court may decide the matter in a summary  
 11992 proceeding and the court may summarily order the department to  
 11993 file the record or take other action the court considers  
 11994 appropriate. The court's final decision may be appealed as in  
 11995 other civil proceedings.

11996 Section 246. Paragraph (a) of subsection (2) and  
 11997 subsection (3) of section 605.0211, Florida Statutes, are  
 11998 amended to read:

11999 605.0211 Certificate of status.-

12000 (2) The department, upon request and payment of the



12001 requisite fee, shall furnish a certificate of status for a  
 12002 foreign limited liability company if the records filed show that  
 12003 the department has filed a certificate of authority. A  
 12004 certificate of status for a foreign limited liability company  
 12005 must state the following:

12006 (a) The foreign limited liability company's name and any ~~a~~  
 12007 current alternate name adopted under s. 605.0906(1) for use in  
 12008 this state.

12009 (3) Subject to any qualification stated in the certificate  
 12010 of status, a certificate of status issued by the department is  
 12011 conclusive evidence that the domestic limited liability company  
 12012 is in existence and is of active status in this state or the  
 12013 foreign limited liability company is authorized to transact  
 12014 business in this state and is of active status in this state.

12015 Section 247. Section 605.0215, Florida Statutes, is  
 12016 amended to read:

12017 605.0215 Certificates to be received in evidence and  
 12018 evidentiary effect of copy of filed document.—All certificates  
 12019 issued by the department in accordance with this chapter shall  
 12020 be taken and received in all courts, public offices, and  
 12021 official bodies as prima facie evidence of the facts stated. A  
 12022 certificate from the department delivered with a copy of a  
 12023 document filed by the department bearing the signature of the  
 12024 secretary of state, which may be in facsimile, and the seal of  
 12025 this state is conclusive evidence that the original document is

12026 | on file with the department.

12027 | Section 248. Subsections (1) through (4) of section  
12028 | 605.04092, Florida Statutes, are amended to read:

12029 | 605.04092 Conflict of interest transactions.—

12030 | (1) As used in this section, the following terms and  
12031 | definitions apply:

12032 | (a) A member or manager is "indirectly" a party to a  
12033 | transaction if that member or manager has a material financial  
12034 | interest in or is a director, officer, member, manager, or  
12035 | partner of a person, other than the limited liability company,  
12036 | who is a party to the transaction.

12037 | (b) A member or manager has an "indirect material  
12038 | financial interest" if a ~~spouse or other~~ family member has a  
12039 | material financial interest in the transaction, other than  
12040 | having an indirect interest as a member or manager of the  
12041 | limited liability company, or if the transaction is with an  
12042 | entity, other than the limited liability company, which has a  
12043 | material financial interest in the transaction and controls, or  
12044 | is controlled by, the member or manager or another person  
12045 | specified in this subsection.

12046 | (c) "Fair to the limited liability company" means that the  
12047 | transaction, as a whole, is beneficial to the limited liability  
12048 | company and its members, taking into appropriate account whether  
12049 | it is:

12050 | 1. Fair in terms of the member's or manager's dealings

12051 with the limited liability company in connection with that  
12052 transaction; and

12053 2. Comparable to what might have been obtainable in an  
12054 arm's length transaction.

12055 (d) "Family member" includes any of the following:

12056 1. The member's or manager's spouse.

12057 2. A child, stepchild, parent, stepparent, grandparent,  
12058 sibling, step sibling, or half sibling of the member or manager  
12059 or the member's or manager's spouse.

12060 (e) "Manager's conflict of interest transaction" means a  
12061 transaction between a limited liability company and one or more  
12062 of its managers, or another entity in which one or more of the  
12063 limited liability company's managers is directly or indirectly a  
12064 party to the transaction, other than being an indirect party as  
12065 a result of being a member of the limited liability company, and  
12066 has a direct or indirect material financial interest or other  
12067 material interest.

12068 (f) "Material financial interest" or "other material  
12069 interest" means a financial or other interest in the transaction  
12070 that would reasonably be expected to impair the objectivity of  
12071 the judgment of the member or manager when participating in the  
12072 action on the authorization of the transaction.

12073 (g) "Member's conflict of interest transaction" means a  
12074 transaction between a limited liability company and one or more  
12075 of its members, or another entity in which one or more of the

12076 limited liability company's members is directly or indirectly a  
12077 party to the transaction, other than being an indirect party as  
12078 a result of being a member of the limited liability company, and  
12079 has a direct or indirect material financial interest or other  
12080 material interest.

12081 (2) If the requirements of this section have been  
12082 satisfied, a member's conflict of interest transaction or a  
12083 manager's conflict of interest transaction between a limited  
12084 liability company and one or more of its members or managers, or  
12085 another entity in which one or more of the limited liability  
12086 company's members or managers have a financial or other  
12087 interest, is not void or voidable because of that relationship  
12088 or interest; because the members or managers are present at the  
12089 meeting of the members or managers at which the transaction was  
12090 authorized, approved, effectuated, or ratified; or because the  
12091 votes of the members or managers are counted for such purpose.

12092 (3) If a member's conflict of interest transaction or a  
12093 manager's conflict of interest transaction is fair to the  
12094 limited liability company at the time it is authorized,  
12095 approved, effectuated, or ratified, the fact that a member or  
12096 manager of the limited liability company is directly or  
12097 indirectly a party to the transaction, other than being an  
12098 indirect party as a result of being a member or manager of the  
12099 limited liability company, or has a direct or indirect material  
12100 financial interest or other interest in the transaction, other

12101 than having an indirect interest as a result of being a member  
12102 or manager of the limited liability company, is not grounds for  
12103 equitable relief and does not give rise to an award of damages  
12104 or other sanctions.

12105 (4) (a) In a proceeding challenging the validity of a  
12106 member's conflict of interest transaction or a manager's  
12107 conflict of interest transaction or in a proceeding seeking  
12108 equitable relief, award of damages, or other sanctions with  
12109 respect to a member's conflict of interest transaction or a  
12110 manager's conflict of interest transaction, ~~described in~~  
12111 ~~subsection (3),~~ the person challenging the validity or seeking  
12112 equitable relief, award of damages, or other sanctions has the  
12113 burden of proving the lack of fairness of the transaction if:

12114 1. In a manager-managed limited liability company, the  
12115 material facts of the transaction and the member's or manager's  
12116 interest in the transaction were disclosed or known to the  
12117 managers or a committee of managers who voted upon the  
12118 transaction and the transaction was authorized, approved, or  
12119 ratified by a majority of the disinterested managers even if the  
12120 disinterested managers constitute less than a quorum; however,  
12121 the transaction cannot be authorized, approved, or ratified  
12122 under this subsection solely by a single manager; and

12123 2. In a member-managed limited liability company, or a  
12124 manager-managed limited liability company in which the managers  
12125 have failed to or cannot act under subparagraph 1., the material

12126 facts of the transaction and the member's or manager's interest  
 12127 in the transaction were disclosed or known to the members who  
 12128 voted upon such transaction and the transaction was authorized,  
 12129 approved, or ratified by a majority-in-interest of the  
 12130 disinterested members even if the disinterested members  
 12131 constitute less than a quorum; however, the transaction cannot  
 12132 be authorized, approved, or ratified under this subsection  
 12133 solely by a single member; or

12134 (b) If neither of the conditions provided in paragraph (a)  
 12135 has been satisfied, the person defending or asserting the  
 12136 validity of a member's conflict of interest transaction or a  
 12137 manager's conflict of interest transaction ~~described in~~  
 12138 ~~subsection (3)~~ has the burden of proving its fairness in a  
 12139 proceeding challenging the validity of the transaction.

12140 Section 249. Paragraph (c) of subsection (3) of section  
 12141 605.0410, Florida Statutes, is amended to read:

12142 605.0410 Records to be kept; rights of member, manager,  
 12143 and person dissociated to information.—

12144 (3) In a manager-managed limited liability company, the  
 12145 following rules apply:

12146 (c) Within 10 days after receiving a demand pursuant to  
 12147 subparagraph (b)2. ~~(2)(b)2.~~, the company shall, in a record,  
 12148 inform the member who made the demand of:

12149 1. The information that the company will provide in  
 12150 response to the demand and when and where the company will

12151 provide the information; and

12152 2. The company's reasons for declining, if the company  
12153 declines to provide any demanded information.

12154 Section 250. Paragraph (b) of subsection (1) and  
12155 subsection (2) of section 605.0702, Florida Statutes, are  
12156 amended, and subsections (3), (4), and (5) are added to that  
12157 section, to read:

12158 605.0702 Grounds for judicial dissolution.—

12159 (1) A circuit court may dissolve a limited liability  
12160 company:

12161 (b) In a proceeding by a manager or member to dissolve the  
12162 limited liability company if it is established that:

12163 1. The conduct of all or substantially all of the  
12164 company's activities and affairs is unlawful;

12165 2. It is not reasonably practicable to carry on the  
12166 company's activities and affairs in conformity with the articles  
12167 of organization and the operating agreement;

12168 3. The managers or members in control of the company have  
12169 acted, are acting, or will ~~are reasonably expected to~~ act in a  
12170 manner that is illegal, oppressive, or fraudulent;

12171 4. The limited liability company's assets are being  
12172 misappropriated or wasted, causing injury to the limited  
12173 liability company, or in a proceeding by a member, causing  
12174 injury to one or more of its members; or

12175 5. The managers or the members of the limited liability

12176 company are deadlocked in the management of the limited  
12177 liability company's activities and affairs, the members are  
12178 unable to break the deadlock, and irreparable injury to the  
12179 limited liability company is threatened or being suffered.

12180       (2) (a) If the managers or the members of the limited  
12181 liability company are deadlocked in the management of the  
12182 limited liability company's activities and affairs, the members  
12183 are unable to break the deadlock, and irreparable injury to the  
12184 limited liability company is threatened or being suffered, if  
12185 the operating agreement contains a deadlock sale provision that  
12186 has been initiated before the time that the court determines  
12187 that the grounds for judicial dissolution exist under  
12188 subparagraph (1)(b)5., then such deadlock sale provision applies  
12189 to the resolution of such deadlock instead of the court entering  
12190 an order of judicial dissolution or an order directing the  
12191 purchase of petitioner's interest under s. 605.0706, so long as  
12192 the provisions of such deadlock sale provision are thereafter  
12193 initiated and effectuated in accordance with the terms of such  
12194 deadlock sale provision or otherwise pursuant to an agreement of  
12195 the members of the company.

12196       (b) As used in this section, the term "deadlock sale  
12197 provision" means a provision in an operating agreement which is  
12198 or may be applicable in the event of a deadlock among the  
12199 managers or the members of the limited liability company which  
12200 the members of the company are unable to break and which



12201 provides for a deadlock breaking mechanism, including, but not  
 12202 limited to:

- 12203 1. A redemption or a purchase and sale of interests; ~~or~~
- 12204 2. A governance change, among or between members;
- 12205 3. The sale of the company or all or substantially all of  
 12206 the assets of the company; or
- 12207 4. A similar provision that, if initiated and effectuated,  
 12208 breaks the deadlock by causing the transfer of interests, a  
 12209 governance change, or the sale of all or substantially all of  
 12210 the company's assets. ~~A deadlock sale provision in an operating  
 12211 agreement which is not initiated and effectuated before the  
 12212 court enters an order of judicial dissolution under subparagraph  
 12213 (1)(b)5. or an order directing the purchase of petitioner's  
 12214 interest under s. 605.0706 does not adversely affect the rights  
 12215 of members and managers to seek judicial dissolution under  
 12216 subparagraph (1)(b)5. or the rights of the company or one or  
 12217 more members to purchase the petitioner's interest under s.  
 12218 605.0706. The filing of an action for judicial dissolution on  
 12219 the grounds described in subparagraph (1)(b)5. or an election to  
 12220 purchase the petitioner's interest under s. 605.0706 does not  
 12221 adversely affect the right of a member to initiate an available  
 12222 deadlock sale provision under the operating agreement or to  
 12223 enforce a member initiated or an automatically initiated  
 12224 deadlock sale provision if the deadlock sale provision is  
 12225 initiated and effectuated before the court enters an order of~~

12226 ~~judicial dissolution under subparagraph (1)(b)5. or an order~~  
12227 ~~directing the purchase of petitioner's interest under s.~~  
12228 ~~605.0706.~~

12229 (3) A proceeding by a member under subparagraph (1)(b)3.  
12230 asserting that the members or managers in control of the limited  
12231 liability company have acted, are acting, or will act in a  
12232 manner that is oppressive may only be brought by a member who,  
12233 at the time that such proceeding is commenced, owns at least 10  
12234 percent of the outstanding membership interests of the limited  
12235 liability company.

12236 (4)(a) In the event of oppressive action that satisfies  
12237 subparagraph (1)(b)3., if the members are subject to an  
12238 operating agreement that contains an oppressive action sale  
12239 provision, then such oppressive action sale provision shall  
12240 address such member asserted oppressive action in lieu of the  
12241 court entering an order of judicial dissolution or an order  
12242 directing the purchase of petitioner's interest under s.  
12243 605.0706, so long as the provisions of such oppressive action  
12244 sale provision are initiated and effectuated within the time  
12245 periods specified for the company to act under s. 605.0706 and  
12246 in accordance with the terms of such oppressive action sale  
12247 provision.

12248 (b) For the purposes of this section, the term "oppressive  
12249 action sale provision" means a provision in an operating  
12250 agreement that is or may be applicable in the event of a

12251 member's assertion of the occurrence or existence of oppressive  
12252 action which neither the members nor the managers, as  
12253 applicable, of the company are able to address and which  
12254 provides for a mechanism for addressing the occurrence or  
12255 existence of such member asserted oppressive action including,  
12256 but not limited to:

12257       1. A redemption or purchase and sale of interests;  
12258       2. The sale of the company or of all or substantially all  
12259 of the assets of the company; or

12260       3. A similar provision that, if initiated and effectuated,  
12261 causes the transfer of interests to be redeemed or purchased and  
12262 sold or the sale of the company or of all or substantially all  
12263 of the company's assets.

12264       (5) A deadlock sale provision or an oppressive action sale  
12265 provision in an operating agreement which is not initiated and  
12266 effectuated before the court enters an order of judicial  
12267 dissolution under subparagraph (1) (b)3. or subparagraph  
12268 (1) (b)5., as the case may be, or an order directing the purchase  
12269 of petitioner's interest under s. 605.0706, does not adversely  
12270 affect the rights of members and managers to seek judicial  
12271 dissolution under subparagraph (1) (b)3. or subparagraph  
12272 (1) (b)5., as the case may be, or the rights of the company or  
12273 one or more members to purchase the petitioner's interest under  
12274 s. 605.0706. The filing of an action for judicial dissolution on  
12275 the grounds described in subparagraph (1) (b)3. or subparagraph

12276 | (1) (b) 5., as the case may be, or an election to purchase the  
 12277 | petitioner's interest under s. 605.0706, does not adversely  
 12278 | affect the right of a member to initiate an available deadlock  
 12279 | sale provision or an oppressive action sale provision under the  
 12280 | operating agreement or to enforce a member-initiated or an  
 12281 | automatically-initiated deadlock sale provision or oppressive  
 12282 | action sale provision if the deadlock sale provision or the  
 12283 | oppressive sale provision, as the case may be, is initiated and  
 12284 | effectuated before the court enters an order of judicial  
 12285 | dissolution under subparagraph (1) (b) 3. or subparagraph  
 12286 | (1) (b) 5., as the case may be, or an order directing the purchase  
 12287 | of petitioner's interest under s. 605.0706.

12288 | Section 251. Subsections (1), (2), (4), (5), (6), (7), and  
 12289 | (8) of section 605.0706, Florida Statutes, are amended to read:

12290 | 605.0706 Election to purchase instead of dissolution.—

12291 | (1) In a proceeding initiated by a member of a limited  
 12292 | liability company under s. 605.0702(1) (b) ~~to dissolve the~~  
 12293 | ~~company,~~ the company may elect, or, if it fails to elect, one or  
 12294 | more other members may elect, to purchase the entire interest of  
 12295 | the petitioner in the company at the fair value of the interest.  
 12296 | An election pursuant to this section is irrevocable unless the  
 12297 | court determines that it is equitable to set aside or modify the  
 12298 | election.

12299 | (2) An election to purchase pursuant to this section may  
 12300 | be filed with the court within 90 days after the filing of the

12301 petition by the petitioning member under s. 605.0702(1)(b) ~~or~~  
 12302 ~~(2)~~ or at such later time as the court may allow. If the  
 12303 election to purchase is filed, the company shall within 10 days  
 12304 thereafter give written notice to all members, other than the  
 12305 petitioning member. The notice must describe the interest in the  
 12306 company owned by each petitioning member and must advise the  
 12307 recipients of their right to join in the election to purchase  
 12308 the petitioning member's interest in accordance with this  
 12309 section. Members who wish to participate must file notice of  
 12310 their intention to join in the purchase within 30 days after the  
 12311 effective date of the notice. A member who has filed an election  
 12312 or notice of the intent to participate in the election to  
 12313 purchase thereby becomes a party to the proceeding and shall  
 12314 participate in the purchase in proportion to the ownership  
 12315 interest as of the date the first election was filed unless the  
 12316 members otherwise agree or the court otherwise directs. After an  
 12317 election to purchase has been filed by the limited liability  
 12318 company or one or more members, the proceeding under s.  
 12319 605.0702(1)(b) ~~or (2)~~ may not be discontinued or settled, and  
 12320 the petitioning member may not sell or otherwise dispose of the  
 12321 interest of the petitioner in the company unless the court  
 12322 determines that it would be equitable to the company and the  
 12323 members, other than the petitioner, to authorize such  
 12324 discontinuance, settlement, sale, or other disposition or the  
 12325 sale is pursuant to a deadlock sale provision described in s.

12326 | 605.0702(1)(b).

12327 |       (4) If the parties are unable to reach an agreement as  
 12328 | provided for in subsection (3), the court, upon application of a  
 12329 | party, may ~~shall~~ stay the proceedings to dissolve under s.  
 12330 | 605.0702(1)(b) and shall, whether or not the proceeding is  
 12331 | stayed, determine the fair value of the petitioner's interest as  
 12332 | of the day before the date on which the petition was filed or as  
 12333 | of such other date as the court deems appropriate under the  
 12334 | circumstances.

12335 |       (5) Upon determining the fair value of the petitioner's  
 12336 | interest in the company, unless the petitioner's interest has  
 12337 | been acquired pursuant to a deadlock sale provision before the  
 12338 | order, the court shall enter an order directing the purchase  
 12339 | upon such terms and conditions as the court deems appropriate,  
 12340 | which may include: payment of the purchase price in  
 12341 | installments, when necessary in the interests of equity; a  
 12342 | provision for security to ensure payment of the purchase price  
 12343 | and additional costs, fees, and expenses as may have been  
 12344 | awarded; and, if the interest is to be purchased by members, the  
 12345 | allocation of the interest among those members. In allocating  
 12346 | the petitioner's interest among holders of different classes or  
 12347 | series of interests in the company, the court shall attempt to  
 12348 | preserve any ~~the~~ existing distribution of voting rights among  
 12349 | holders of different classes or series insofar as practicable  
 12350 | and may direct that holders of any ~~a~~ specific class or classes

12351 or series may not participate in the purchase. Interest may be  
12352 allowed at the rate and from the date determined by the court to  
12353 be equitable; however, if the court finds that the refusal of  
12354 the petitioning member to accept an offer of payment was  
12355 arbitrary or otherwise not in good faith, payment of interest is  
12356 not allowed. If the court finds that the petitioning member had  
12357 probable grounds for relief under s. 605.0702(1)(b) ~~s.~~  
12358 ~~605.0702(1)(b)3. or 4.~~, it may award expenses to the petitioning  
12359 member, including reasonable fees and expenses of counsel and of  
12360 experts employed by petitioner.

12361 (6) The ~~Upon~~ entry of an order under subsection (3) or  
12362 subsection (5) shall be subject to subsection (8), and the order  
12363 may not be entered unless the award is determined by the court  
12364 to be allowed under subsection (8). In determining compliance  
12365 with s. 605.0405, the court may rely on an affidavit from the  
12366 limited liability company as to compliance with that section as  
12367 of the measurement date. Upon entry of an order under subsection  
12368 (3) or subsection (5), the court shall dismiss the petition to  
12369 dissolve the limited liability company under s. 605.0702(1)(b),  
12370 and the petitioning member shall no longer have rights or status  
12371 as a member of the limited liability company except the right to  
12372 receive the amounts awarded by the order of the court, which  
12373 shall be enforceable in the same manner as any other judgment.

12374 (7) The purchase ordered pursuant to subsection (5) shall  
12375 ~~must~~ be made within 10 days after the date the order becomes

12376 | ~~final unless, before that time, the limited liability company~~  
 12377 | ~~files with the court a notice of its intention to dissolve~~  
 12378 | ~~pursuant to s. 605.0701(2), in which case articles of~~  
 12379 | ~~dissolution for the company must be filed within 50 days~~  
 12380 | ~~thereafter. Upon filing of such articles of dissolution, the~~  
 12381 | ~~limited liability company shall be wound up in accordance with~~  
 12382 | ~~ss. 605.0709-605.0713, and the order entered pursuant to~~  
 12383 | ~~subsection (5) shall no longer be of force or effect except that~~  
 12384 | ~~the court may award the petitioning member reasonable fees and~~  
 12385 | ~~expenses of counsel and experts in accordance with subsection~~  
 12386 | ~~(5), and the petitioner may continue to pursue any claims~~  
 12387 | ~~previously asserted on behalf of the limited liability company.~~

12388 |       (8) Any award ~~A payment by the limited liability company~~  
 12389 | ~~pursuant to an order under subsection (3) or subsection (5),~~  
 12390 | ~~other than an award of fees and expenses pursuant to subsection~~  
 12391 | ~~(5), is subject to s. 605.0405. Unless otherwise provided in the~~  
 12392 | ~~court's order, the effect of a distribution under s. 605.0405~~  
 12393 | ~~shall be measured as of the date of the court's order under~~  
 12394 | ~~subsection (3) or subsection (5).~~

12395 |       Section 252. Subsection (5) of section 605.0715, Florida  
 12396 | Statutes, is amended, and subsection (6) is added to that  
 12397 | section, to read:

12398 |       605.0715 Reinstatement.—

12399 |       (5) The name of the dissolved limited liability company is  
 12400 | not available for assumption or use by another business entity



12401 until 1 year after the effective date of dissolution unless the  
12402 dissolved limited liability company provides the department with  
12403 a record executed as required pursuant to s. 605.0203 permitting  
12404 the immediate assumption or use of the name by another business  
12405 entity ~~limited liability company~~.

12406 (6) If the name of the dissolved limited liability company  
12407 has been lawfully assumed in this state by another business  
12408 entity, the department shall require the dissolved limited  
12409 liability company to amend its articles of incorporation to  
12410 change its name before accepting the application for  
12411 reinstatement.

12412 Section 253. Subsections (2) and (3) of section 605.0716,  
12413 Florida Statutes, are amended, and subsection (4) is added to  
12414 that section, to read:

12415 605.0716 Judicial review of denial of reinstatement.—

12416 (2) Within 30 days after service of a notice of denial of  
12417 reinstatement, a limited liability company may appeal the denial  
12418 by petitioning the Circuit Court of Leon County ~~in the~~  
12419 ~~applicable county, as defined in s. 605.0711(15),~~ to set aside  
12420 the dissolution. The petition must be served on the department  
12421 and contain a copy of the department's notice of administrative  
12422 dissolution, the company's application for reinstatement, and  
12423 the department's notice of denial.

12424 (3) The circuit court may order the department to  
12425 reinstate a dissolved limited liability company or take other

12426 | action the court considers appropriate.

12427 |       (4) The circuit court's final decision may be appealed as  
 12428 | in other civil proceedings.

12429 |       Section 254. Section 605.0803, Florida Statutes, is  
 12430 | amended to read:

12431 |       605.0803 Proper plaintiff.—A derivative action to enforce  
 12432 | a right of a limited liability company may be commenced  
 12433 | ~~maintained~~ only by a person who is a member at the time the  
 12434 | action is commenced and:

12435 |       (1) Was a member when the conduct giving rise to the  
 12436 | action occurred; or

12437 |       (2) Whose status as a member devolved on the person by  
 12438 | operation of law or pursuant to the terms of the operating  
 12439 | agreement from a person who was a member when ~~at the time of~~ the  
 12440 | conduct giving rise to the action occurred.

12441 |       Section 255. Subsection (2) of section 605.0903, Florida  
 12442 | Statutes, is amended to read:

12443 |       605.0903 Effect of a certificate of authority.—

12444 |       (2) The filing by the department of an application for a  
 12445 | certificate of authority means ~~authorizes~~ the foreign limited  
 12446 | liability company that filed ~~files~~ the application to transact  
 12447 | business in this state has obtained a certificate of authority  
 12448 | to transact business in this state and is authorized to transact  
 12449 | business in this state, subject, however, to the right of the  
 12450 | department to suspend or revoke the certificate of authority as

12451 provided in this chapter.

12452 Section 256. Subsections (3) and (4) of section 605.0904,  
 12453 Florida Statutes, are amended to read:

12454 605.0904 Effect of failure to have certificate of  
 12455 authority.—

12456 (3) A court may stay a proceeding commenced by a foreign  
 12457 limited liability company or its successor or assignee until it  
 12458 determines whether the foreign limited liability company or its  
 12459 successor requires a certificate of authority. If it so  
 12460 determines, the court may further stay the proceeding until the  
 12461 foreign limited liability company or its successor has obtained  
 12462 a ~~obtains~~ the certificate of authority to transact business in  
 12463 this state.

12464 (4) The failure of a foreign limited liability company to  
 12465 have a certificate of authority to transact business in this  
 12466 state does not impair the validity of any contract, deed,  
 12467 mortgage, security interest, a ~~contract~~ or act of the foreign  
 12468 limited liability company or prevent the foreign limited  
 12469 liability company from defending an action or proceeding in this  
 12470 state.

12471 Section 257. Subsections (1) and (4) of section 605.0906,  
 12472 Florida Statutes, are amended to read:

12473 605.0906 Noncomplying name of foreign limited liability  
 12474 company.—

12475 (1) A foreign limited liability company whose name is

12476 unavailable under or whose name does not otherwise comply with  
12477 s. 605.0112 shall ~~may~~ use an alternate name that complies with  
12478 s. 605.0112 to transact business in this state. An alternate  
12479 name adopted for use in this state shall be cross-referenced to  
12480 the actual name of the foreign limited liability company in the  
12481 records of the department. If the actual name of the foreign  
12482 limited liability company subsequently becomes available in this  
12483 state or the foreign limited liability company chooses to change  
12484 its alternate name, a copy of the record approving the change by  
12485 its members, managers, or other persons having the authority to  
12486 do so, and executed as required pursuant to s. 605.0203, shall  
12487 be delivered to the department for filing.

12488 (4) If a foreign limited liability company authorized to  
12489 transact business in this state changes its name to one that  
12490 does not comply with s. 605.0112, it may not thereafter transact  
12491 business in this state until it complies with subsection (1) and  
12492 obtains an amended certificate of authority pursuant to s.  
12493 605.0907.

12494 Section 258. Paragraph (d) of subsection (1) and  
12495 subsections (2) and (4) of section 605.0907, Florida Statutes,  
12496 are amended to read:

12497 605.0907 Amendment to certificate of authority.—

12498 (1) A foreign limited liability company authorized to  
12499 transact business in this state shall deliver for filing an  
12500 amendment to its certificate of authority to reflect the change

12501 of any of the following:

12502 ~~(d) Any person identified in accordance with s.~~  
 12503 ~~605.0902(1)(e), or a change in the title or capacity or address~~  
 12504 ~~of that person.~~

12505 (2) The amendment must be filed within 90 ~~30~~ days after  
 12506 the occurrence of a change described in subsection (1), must be  
 12507 signed by an authorized representative of the foreign limited  
 12508 liability company, and must state the following:

12509 (a) The name of the foreign limited liability company as  
 12510 it appears on the records of the department.

12511 (b) Its jurisdiction of formation.

12512 (c) The date the foreign limited liability company was  
 12513 authorized to transact business in this state.

12514 (d) If the name of the foreign limited liability company  
 12515 has been changed, the name relinquished and its new name.

12516 (e) If the amendment changes the jurisdiction of formation  
 12517 of the foreign limited liability company, a statement of that  
 12518 change.

12519 (4) The requirements of s. 605.0902 ~~s. 605.0902(2)~~ for  
 12520 obtaining an original certificate of authority apply to  
 12521 obtaining an amended certificate under this section unless the  
 12522 ~~Secretary of State or other~~ official having custody of the  
 12523 foreign limited liability company's publicly filed records in  
 12524 its jurisdiction of formation did not require an amendment to  
 12525 effectuate the change on its records.

12526 Section 259. Subsection (1) of section 605.0908, Florida  
 12527 Statutes, is amended to read:

12528 605.0908 Revocation of certificate of authority.—

12529 (1) A certificate of authority of a foreign limited  
 12530 liability company to transact business in this state may be  
 12531 revoked by the department if:

12532 (a) The foreign limited liability company does not deliver  
 12533 its annual report to the department by 5 p.m. Eastern Time on  
 12534 the third Friday in September of each year.†

12535 (b) The foreign limited liability company does not pay a  
 12536 fee or penalty due to the department under this chapter.†

12537 (c) The foreign limited liability company does not appoint  
 12538 and maintain a registered agent as required under s. 605.0113.†

12539 (d) The foreign limited liability company does not deliver  
 12540 for filing a statement of a change under s. 605.0114 within 30  
 12541 days after a change in the name or address of the agent has  
 12542 occurred ~~in the name or address of the agent~~, unless, within 30  
 12543 days after the change occurred, either:

12544 1. The registered agent files a statement of change under  
 12545 s. 605.0116; or

12546 2. The change was made in accordance with s. 605.0114(4).†  
 12547 ~~or s. 605.0907(1)(d);~~

12548 (e) The foreign limited liability company has failed to  
 12549 amend its certificate of authority to reflect a change in its  
 12550 name on the records of the department or its jurisdiction of

12551 formation.~~†~~

12552 (f) The department receives a duly authenticated  
 12553 certificate from the official having custody of records in the  
 12554 company's jurisdiction of formation stating that it has been  
 12555 dissolved or is no longer active on the official's records.~~†~~

12556 (g) The foreign limited liability company's period of  
 12557 duration has expired.~~†~~

12558 (h) A member, manager, or agent of the foreign limited  
 12559 liability company signs a document that the member, manager, or  
 12560 agent knew was false in a material respect with the intent that  
 12561 the document be delivered to the department for filing.~~†~~~~or~~

12562 (i) The foreign limited liability company has failed to  
 12563 answer truthfully and fully, within the time prescribed in s.  
 12564 605.1104, interrogatories propounded by the department.

12565 Section 260. Section 605.09091, Florida Statutes, is  
 12566 created to read:

12567 605.09091 Judicial review of denial of reinstatement.-

12568 (1) If the department denies a foreign limited liability  
 12569 company's application for reinstatement after revocation of its  
 12570 certificate of authority, the department shall serve the foreign  
 12571 limited liability company, pursuant to s. 605.0117(7), with a  
 12572 written notice that explains the reason or reasons for the  
 12573 denial.

12574 (2) Within 30 days after service of a notice of denial of  
 12575 reinstatement, a foreign limited liability company may appeal

12576 | the denial by petitioning the Circuit Court of Leon County to  
12577 | set aside the revocation. The petition must be served on the  
12578 | department and must contain a copy of the department's notice of  
12579 | revocation, the foreign limited liability company's application  
12580 | for reinstatement, and the department's notice of denial.

12581 | (3) The circuit court may order the department to  
12582 | reinstate the certificate of authority of the foreign limited  
12583 | liability company or take other action the court considers  
12584 | appropriate.

12585 | (4) The circuit court's final decision may be appealed as  
12586 | in other civil proceedings.

12587 | Section 261. Section 605.0910, Florida Statutes, is  
12588 | amended to read:

12589 | 605.0910 Withdrawal and cancellation of certificate of  
12590 | authority.—

12591 | (1) To cancel its certificate of authority to transact  
12592 | business in this state, a foreign limited liability company must  
12593 | deliver to the department for filing a notice of withdrawal of  
12594 | certificate of authority. The certificate of authority is  
12595 | canceled when the notice becomes effective pursuant to s.  
12596 | 605.0207. The notice of withdrawal of certificate of authority  
12597 | must be signed by an authorized representative and state the  
12598 | following:

12599 | (a)~~(1)~~ The name of the foreign limited liability company  
12600 | as it appears on the records of the department.



12601        ~~(b)(2)~~ The name of the foreign limited liability company's  
12602 jurisdiction of formation.

12603        ~~(c)(3)~~ The date the foreign limited liability company was  
12604 authorized to transact business in this state.

12605        ~~(d)(4)~~ That the foreign limited liability company is  
12606 withdrawing its certificate of authority in this state.

12607        (e) That the foreign limited liability company revokes the  
12608 authority of its registered agent to accept service on its  
12609 behalf and appoints the secretary of state as its agent for  
12610 service of process based on a cause of action arising during the  
12611 time the foreign limited liability company was authorized to  
12612 transact business in this state.

12613        (f) A mailing address to which the department may mail a  
12614 copy of any process served on the secretary of state under  
12615 paragraph (e).

12616        (g) A commitment to notify the department in the future of  
12617 any change in its mailing address.

12618        (2) After the withdrawal of the foreign limited liability  
12619 company is effective, service of process on the secretary of  
12620 state under this section is service on the foreign limited  
12621 liability company. Upon receipt of the process, the department  
12622 shall mail a copy of the process to the foreign limited  
12623 liability company at the mailing address set forth under  
12624 paragraph (1)(f).

12625        Section 262. Section 605.0911, Florida Statutes, is

12626 amended to read:

12627           605.0911 Withdrawal deemed on conversion to domestic  
 12628 filing entity.—A registered foreign limited liability company  
 12629 authorized to transact business in this state that converts to a  
 12630 domestic limited liability company or to another domestic entity  
 12631 that is organized, incorporated, registered or otherwise formed  
 12632 through the delivery of a record to the department for filing is  
 12633 deemed to have withdrawn its certificate of authority on the  
 12634 effective date of the conversion.

12635           Section 263. Section 605.0912, Florida Statutes, is  
 12636 amended to read:

12637           605.0912 Withdrawal on dissolution, merger, or conversion  
 12638 to nonfiling entity.—

12639           (1) A registered foreign limited liability company that  
 12640 has dissolved and completed winding up, has merged into a  
 12641 foreign entity that is not authorized to transact business  
 12642 ~~registered~~ in this state, or has converted to a domestic or  
 12643 foreign entity that is not organized, incorporated, registered  
 12644 or otherwise formed through the public filing of a record, shall  
 12645 deliver a notice of withdrawal of certificate of authority to  
 12646 the department for filing in accordance with s. 605.0910.

12647           (2) After a withdrawal under this section of a foreign  
 12648 limited liability company ~~entity~~ that has converted to another  
 12649 type of entity is effective, service of process in any action or  
 12650 proceeding based on a cause of action arising during the time

12651 the foreign limited liability company was authorized to transact  
 12652 ~~registered to do~~ business in this state may be made pursuant to  
 12653 s. 605.0117.

12654 Section 264. Subsection (6) of section 605.1025, Florida  
 12655 Statutes, is amended to read:

12656 605.1025 Articles of merger.—

12657 (6) A limited liability company is not required to deliver  
 12658 articles of merger for filing pursuant to subsection (1) if the  
 12659 limited liability company is named as a merging entity or  
 12660 surviving entity in articles of merger or a certificate of  
 12661 merger filed for the same merger in accordance with s. 607.1105  
 12662 ~~s. 607.1109~~, s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and  
 12663 if such articles of merger or certificate of merger  
 12664 substantially comply with the requirements of this section. In  
 12665 such a case, the other articles of merger or certificate of  
 12666 merger may also be used for purposes of subsection (5).

12667 Section 265. Subsection (5) of section 605.1035, Florida  
 12668 Statutes, is amended to read:

12669 605.1035 Articles of interest exchange.—

12670 (5) A limited liability company is not required to deliver  
 12671 articles of interest exchange for filing pursuant to subsection  
 12672 (1) if the domestic limited liability company is named as an  
 12673 acquired entity or as an acquiring entity in the articles of  
 12674 share exchange filed for the same interest exchange in  
 12675 accordance with s. 607.1105 ~~s. 607.1105(1)~~ and if such articles

12676 of share exchange substantially comply with the requirements of  
 12677 this section.

12678 Section 266. Subsection (5) of section 605.1061, Florida  
 12679 Statutes, is amended to read:

12680 605.1061 Appraisal rights; definitions.—The following  
 12681 definitions apply to this section and to ss. 605.1006 and  
 12682 605.1062-605.1072:

12683 (5) "Fair value" means the value of the member's  
 12684 membership interest determined:

12685 (a) Immediately before the effectiveness ~~effectuation~~ of  
 12686 the appraisal event to which the member objects;

12687 (b) Using customary and current valuation concepts and  
 12688 techniques generally employed for similar businesses in the  
 12689 context of the transaction requiring appraisal, excluding any  
 12690 appreciation or depreciation in anticipation of the transaction  
 12691 to which the member objects, unless exclusion would be  
 12692 inequitable to the limited liability company and its remaining  
 12693 members; and

12694 (c) Without discounting for lack of marketability or  
 12695 minority status.

12696 Section 267. Subsection (3) of section 605.1063, Florida  
 12697 Statutes, is amended to read:

12698 605.1063 Notice of appraisal rights.—

12699 (3) If the appraisal event is to be approved by written  
 12700 consent of the members pursuant to s. 60.04073 ~~other than by a~~

12701 ~~members' meeting:~~

12702 (a) Written notice that appraisal rights are, are not, or  
 12703 may be available must be sent to each member from whom a consent  
 12704 is solicited at the time consent of such member is first  
 12705 solicited, and if the limited liability company has concluded  
 12706 that appraisal rights are or may be available, a copy of ss.  
 12707 605.1006 and 605.1061-605.1072 must accompany such written  
 12708 notice; or

12709 (b) Written notice that appraisal rights are, are not, or  
 12710 may be available must be delivered, at least 10 days before the  
 12711 appraisal event becomes effective, to all nonconsenting and  
 12712 nonvoting members, and, if the limited liability company has  
 12713 concluded that appraisal rights are or may be available, a copy  
 12714 of ss. 605.1006 and 605.1061-605.1072 must accompany such  
 12715 written notice.

12716 Section 268. Section 605.1072, Florida Statutes, is  
 12717 amended to read:

12718 605.1072 Other remedies limited.-

12719 (1) A member entitled to appraisal rights under this  
 12720 chapter may not challenge a ~~The legality of a proposed or~~  
 12721 completed appraisal event for which appraisal rights are  
 12722 available unless such completed appraisal event was either: may  
 12723 ~~not be contested, and the appraisal event may not be enjoined,~~  
 12724 ~~set aside, or rescinded, in a legal or equitable proceeding by a~~  
 12725 ~~member after the members have approved the appraisal event.~~

12726 ~~(2) Subsection (1) does not apply to an appraisal event~~  
 12727 ~~that:~~

12728 (a) ~~Was~~ Not authorized and approved in accordance with the  
 12729 applicable provisions of this chapter, the organic rules of the  
 12730 limited liability company, or the resolutions of the members  
 12731 authorizing the appraisal event.~~;~~~~or~~

12732 (b) ~~Was~~ Procured as a result of fraud, a material  
 12733 misrepresentation, or an omission of a material fact that is  
 12734 necessary to make statements made, in light of the circumstances  
 12735 in which they were made, not misleading.

12736 (2) Nothing in this section operates to override or  
 12737 supersede s. 605.04092.

12738 Section 269. Subsection (16) of section 617.0302, Florida  
 12739 Statutes, is amended to read:

12740 617.0302 Corporate powers.—Every corporation not for  
 12741 profit organized under this chapter, unless otherwise provided  
 12742 in its articles of incorporation or bylaws, shall have power to:

12743 (16) Merge with other corporations or other eligible  
 12744 ~~business~~ entities identified in s. 607.1101 ~~s. 607.1108(1)~~, both  
 12745 for profit and not for profit, domestic and foreign, if the  
 12746 surviving corporation or other surviving eligible ~~business~~  
 12747 entity is a corporation not for profit or other eligible  
 12748 ~~business~~ entity that has been organized as a not-for-profit  
 12749 entity under a governing statute or other applicable law that  
 12750 permits such a merger.

12751 Section 270. Subsections (1) and (5) of section 617.0501,  
 12752 Florida Statutes, are amended, and subsection (6) is added to  
 12753 that section, to read:

12754 617.0501 Registered office and registered agent.—

12755 (1) Each corporation shall have and continuously maintain  
 12756 in this state:

12757 (a) A registered office which may be the same as its  
 12758 principal office; and

12759 (b) A registered agent, who may be either:

12760 1. An individual who resides in this state whose business  
 12761 office is identical with such registered office; or

12762 2. Another domestic entity that is an authorized entity  
 12763 whose business address is identical to the address of the  
 12764 registered office, or a foreign entity authorized to transact  
 12765 business in this state that is an authorized entity and whose  
 12766 business address is identical to the address of ~~A corporation~~  
 12767 ~~for profit or not for profit, authorized to transact business or~~  
 12768 ~~conduct its affairs in this state, having a business office~~  
 12769 ~~identical with~~ the registered office.

12770 (5) A corporation may not prosecute or maintain any action  
 12771 in a court in this state until the corporation complies with  
 12772 this section or s. 617.1508, as applicable, ~~and~~ pays to the  
 12773 Department of State any amounts required under this chapter,  
 12774 and, to the extent ordered by a court of competent jurisdiction,  
 12775 pays to the Department of State a penalty of \$5 for each day it

12776 | has failed to so comply or \$500, whichever is less.

12777 |       (6) For the purposes of this section, the term "authorized  
 12778 | entity" means:

12779 |       (a) A corporation for profit;

12780 |       (b) A limited liability company;

12781 |       (c) A limited liability partnership; or

12782 |       (d) A limited partnership, including a limited liability  
 12783 | limited partnership.

12784 |       Section 271. Section 617.05015, Florida Statutes, is  
 12785 | created to read:

12786 |       617.05015 Reserved name.—

12787 |       (1) A person may reserve the exclusive use of the name of  
 12788 | a corporation, including an alternate name for a foreign  
 12789 | corporation whose name is not available, by delivering an  
 12790 | application to the department for filing. The application must  
 12791 | set forth the name and address of the applicant and the name  
 12792 | proposed to be reserved. If the department finds that the name  
 12793 | of the corporation applied for is available, it shall reserve  
 12794 | the name for the applicant's exclusive use for a nonrenewable  
 12795 | 120-day period.

12796 |       (2) The owner of a reserved name of a corporation may  
 12797 | transfer the reservation to another person by delivering to the  
 12798 | department a signed notice of the transfer that states the name  
 12799 | and address of the transferee.

12800 |       (3) The department may revoke any reservation if, after a



12801 hearing, it finds that the application therefor or any transfer  
 12802 thereof was not made in good faith.

12803 Section 272. Section 617.0831, Florida Statutes, is  
 12804 amended to read:

12805 617.0831 Indemnification and liability of officers,  
 12806 directors, employees, and agents.—Except as provided in s.  
 12807 617.0834, s. 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and~~  
 12808 ~~607.0850~~ apply to a corporation organized under this act and a  
 12809 rural electric cooperative organized under chapter 425. Any  
 12810 reference to "directors" in those sections includes the  
 12811 directors, managers, or trustees of a corporation organized  
 12812 under this act or of a rural electric cooperative organized  
 12813 under chapter 425. However, the term "director" as used in s.  
 12814 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and 607.0850~~  
 12815 does not include a director appointed by the developer to the  
 12816 board of directors of a condominium association under chapter  
 12817 718, a cooperative association under chapter 719, a homeowners'  
 12818 association defined in s. 720.301, or a timeshare managing  
 12819 entity under chapter 721. Any reference to "shareholders" in  
 12820 those sections includes members of a corporation organized under  
 12821 this act and members of a rural electric cooperative organized  
 12822 under chapter 425.

12823 Section 273. Section 617.1102, Florida Statutes, is  
 12824 amended to read:

12825 617.1102 Limitation on merger.—A corporation not for

12826 | profit organized under this chapter may merge with one or more  
 12827 | other eligible ~~business~~ entities, as identified in s.  
 12828 | 607.1101(1) ~~s. 607.1108(1)~~, only if the surviving entity of such  
 12829 | merger is a corporation not for profit or other eligible  
 12830 | ~~business~~ entity that has been organized as a not-for-profit  
 12831 | entity under a governing statute or other applicable law that  
 12832 | allows such a merger.

12833 |         Section 274. Section 617.1108, Florida Statutes, is  
 12834 | amended to read:

12835 |             617.1108 Merger of domestic corporation and other eligible  
 12836 | ~~business~~ entities.-

12837 |             (1) Subject to s. 617.0302(16) and other applicable  
 12838 | provisions of this chapter, ss. 607.1101, 607.1103, 607.1105,  
 12839 | 607.1106, and 607.1107 ~~ss. 607.1108, 607.1109, and 607.11101~~  
 12840 | shall apply to a merger involving a corporation not for profit  
 12841 | organized under this act and one or more other eligible ~~business~~  
 12842 | entities identified in s. 607.1108(1).

12843 |             (2) A domestic corporation not for profit organized under  
 12844 | this chapter is not required to file articles of merger pursuant  
 12845 | ~~pur-suant~~ to this section if the corporation not for profit is  
 12846 | named as a party or constituent organization in articles of  
 12847 | merger or a certificate of merger filed for the same merger in  
 12848 | accordance with s. 605.1025, s. 607.1105 ~~s. 607.1109~~, s.  
 12849 | 620.2108(3), or s. 620.8918(1) and (2). In such a case, the  
 12850 | other articles of merger or certificate of merger may also be

12851 used for purposes of subsection (3).

12852 (3) A copy of the articles of merger or certificate of  
 12853 merger, certified by the Department of State, may be filed in  
 12854 the office of the official who is the recording officer of each  
 12855 county in this state in which real property of a party to the  
 12856 merger, other than the surviving entity, is situated.

12857 Section 275. Section 617.1507, Florida Statutes, is  
 12858 amended to read:

12859 617.1507 Registered office and registered agent of foreign  
 12860 corporation.—

12861 (1) Each foreign corporation authorized to conduct its  
 12862 affairs in this state must continuously maintain in this state:

12863 (a) A registered office that may be the same as any of the  
 12864 places it conducts its affairs; and

12865 (b) A registered agent, who may be:

12866 1. An individual who resides in this state and whose  
 12867 business office is identical with the registered office;

12868 2. Another domestic entity that is an authorized entity  
 12869 whose business address is identical to the address of the  
 12870 registered office; or

12871 3. A foreign entity authorized to transact business in  
 12872 this state that is an authorized entity and whose business  
 12873 address is identical to the address of ~~A domestic corporation~~  
 12874 ~~for profit or not for profit the business office of which is~~  
 12875 ~~identical with the registered office; or~~

12876 | ~~3. A foreign corporation for profit or not for profit~~  
 12877 | ~~authorized to transact business or conduct its affairs in this~~  
 12878 | ~~state the business office of which is identical with the~~  
 12879 | ~~registered office.~~

12880 | (2) A registered agent appointed pursuant to this section  
 12881 | or a successor registered agent appointed pursuant to s.  
 12882 | 617.1508 on whom process may be served shall each file a  
 12883 | statement in writing with the Department of State, in such form  
 12884 | and manner as shall be prescribed by the department, accepting  
 12885 | the appointment as a registered agent simultaneously with his or  
 12886 | her being designated. Such statement of acceptance shall state  
 12887 | that the registered agent is familiar with, and accepts, the  
 12888 | obligations of that position.

12889 | (3) For purposes of this section, "authorized entity"  
 12890 | means:

- 12891 | (a) A corporation for profit;
- 12892 | (b) A limited liability company;
- 12893 | (c) A limited liability partnership; or
- 12894 | (d) A limited partnership, including a limited liability  
 12895 | limited partnership.

12896 | Section 276. Subsections (2), (3), and (4) of section  
 12897 | 620.1108, Florida Statutes, are amended, and subsection (6) is  
 12898 | added to that section, to read:

12899 | 620.1108 Name.—

12900 | (2) The name of a limited partnership that is not a

12901 limited liability limited partnership must contain the phrase  
 12902 "limited partnership" or "limited" or the abbreviation "L.P." or  
 12903 "Ltd." or the designation "LP," and may not contain the phrase  
 12904 "limited liability limited partnership" or the abbreviation  
 12905 "L.L.L.P." or the designation "LLLP,~~,"~~ as will clearly indicate  
 12906 that it is a limited partnership instead of a natural person,  
 12907 corporation, limited liability company, or other business  
 12908 entity.

12909 (3) The name of a limited liability limited partnership  
 12910 must contain the phrase "limited liability limited partnership"  
 12911 or the abbreviation "L.L.L.P." or designation "LLLP," as will  
 12912 clearly indicate that it is a limited liability limited  
 12913 partnership instead of a natural person or other business  
 12914 entity, except that a limited liability limited partnership  
 12915 organized prior to January 1, 2006, that was the effective date  
 12916 ~~of this act that is~~ using an abbreviation or designation  
 12917 permitted under prior law shall be entitled to continue using  
 12918 such abbreviation or designation until its dissolution.

12919 (4) The name of a limited partnership must be  
 12920 distinguishable in the records of the Department of State from  
 12921 the names of all other entities or filings that are on file with  
 12922 the Department of State, except fictitious name registrations  
 12923 pursuant to s. 865.09, general partnership registrations  
 12924 pursuant to s. 620.8105, and limited liability partnership  
 12925 statements pursuant to s. 620.9001 which are organized,

12926 registered, or reserved under the laws of this state; however, a  
 12927 limited partnership or a limited liability limited partnership  
 12928 may register under a name that is not otherwise distinguishable  
 12929 on the records of the Department of State with the written  
 12930 consent of the other entity if the consent is filed with the  
 12931 Department of State at the time of registration of such name and  
 12932 if such name is not identical to the name of the other entity. A  
 12933 name that is different from the name of another entity or filing  
 12934 due to any of the following is not considered distinguishable:

- 12935 (a) A suffix.
- 12936 (b) A definite or indefinite article.
- 12937 (c) The word "and" and the symbol "&."
- 12938 (d) The singular, plural, or possessive form of a word.
- 12939 (e) ~~A recognized abbreviation of a root word.~~
- 12940 ~~(f)~~ A punctuation mark or a symbol.
- 12941 (6) A limited partnership or a limited liability limited  
 12942 partnership in existence before January 1, 2020, that has a name  
 12943 that does not clearly indicate that it is a limited partnership  
 12944 or a limited liability limited partnership instead of a natural  
 12945 person, corporation, limited liability company, or other  
 12946 business entity may continue using its name until it dissolves  
 12947 or amends its name in the records of the Department of State.

12948 Section 277. Section 620.11085, Florida Statutes, is  
 12949 created to read:

12950 620.11085 Reserved name.—

12951       (1) A person may reserve the exclusive use of the name of  
12952 a limited partnership, including an alternate name for a foreign  
12953 limited partnership whose name is not available, by delivering  
12954 an application to the Department of State for filing. The  
12955 application must set forth the name and address of the applicant  
12956 and the name proposed to be reserved. If the department finds  
12957 that the name of the limited partnership applied for is  
12958 available, it must reserve the name for the applicant's  
12959 exclusive use for a nonrenewable 120-day period.

12960       (2) The owner of a reserved name of a limited partnership  
12961 may transfer the reservation to another person by delivering to  
12962 the Department of State a signed notice of the transfer that  
12963 states the name and address of the transferee.

12964       (3) The Department of State may revoke any reservation if,  
12965 after a hearing, it finds that the application therefor or any  
12966 transfer thereof was not made in good faith.

12967       Section 278. Paragraph (c) of subsection (1) of section  
12968 620.2104, Florida Statutes, is amended to read:

12969       620.2104 Filings required for conversion; effective date.—

12970       (1) After a plan of conversion is approved:

12971       (c) A converting limited partnership is not required to  
12972 file a certificate of conversion pursuant to paragraph (a) if  
12973 the converting limited partnership files articles of conversion  
12974 or a certificate of conversion that substantially complies with  
12975 the requirements of this section pursuant to s. 605.1045, s.

12976 | 607.1105 ~~s. 607.1115~~, or s. 620.8914(1)(b) and contains the  
 12977 | signatures required by this chapter. In such a case, the other  
 12978 | certificate of conversion may also be used for purposes of s.  
 12979 | 620.2105(4).

12980 | Section 279. Subsection (3) of section 620.2108, Florida  
 12981 | Statutes, is amended to read:

12982 | 620.2108 Filings required for merger; effective date.—

12983 | (3) Each constituent limited partnership shall deliver the  
 12984 | certificate of merger for filing in the Department of State  
 12985 | unless the constituent limited partnership is named as a party  
 12986 | or constituent organization in articles of merger or a  
 12987 | certificate of merger filed for the same merger in accordance  
 12988 | with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.  
 12989 | 620.8918(1) and (2) and such articles of merger or certificate  
 12990 | of merger substantially complies with the requirements of this  
 12991 | section. In such a case, the other articles of merger or  
 12992 | certificate of merger may also be used for purposes of s.  
 12993 | 620.2109(3).

12994 | Section 280. Subsection (3) of section 620.8918, Florida  
 12995 | Statutes, is amended to read:

12996 | 620.8918 Filings required for merger; effective date.—

12997 | (3) Each domestic constituent partnership shall deliver  
 12998 | the certificate of merger for filing with the Department of  
 12999 | State, unless the domestic constituent partnership is named as a  
 13000 | party or constituent organization in articles of merger or a



13001 certificate of merger filed for the same merger in accordance  
13002 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.  
13003 620.2108(3). The articles of merger or certificate of merger  
13004 must substantially comply with the requirements of this section.  
13005 In such a case, the other articles of merger or certificate of  
13006 merger may also be used for purposes of s. 620.8919(3). Each  
13007 domestic constituent partnership in the merger shall also file a  
13008 registration statement in accordance with s. 620.8105(1) if it  
13009 does not have a currently effective registration statement filed  
13010 with the Department of State.

13011 Section 281. Paragraph (b) of subsection (2) and  
13012 subsection (4) of section 621.12, Florida Statutes, are amended  
13013 to read:

13014 621.12 Identification with individual shareholders or  
13015 individual members.—

13016 (2) The name shall also contain:

13017 (b)1. In the case of a professional corporation, the words  
13018 "professional association," or the abbreviation "P.A." or the  
13019 designation "PA"; or

13020 2. In the case of a professional limited liability company  
13021 formed before January 1, 2014, the words "professional limited  
13022 company" or "professional limited liability company," the  
13023 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or  
13024 "PLLC," in lieu of the words "limited company" or "limited  
13025 liability company," or the abbreviation "L.C." or "L.L.C." or

13026 the designation "LC" or "LLC" as otherwise required under s.  
 13027 605.0112 or former s. 608.406.

13028 3. In the case of a professional limited liability company  
 13029 formed on or after January 1, 2014, the words "professional  
 13030 limited liability company," the abbreviation "P.L.L.C." or the  
 13031 designation "PLLC," in lieu of the words "limited liability  
 13032 company," or the abbreviation "L.L.C." or the designation "LLC"  
 13033 as otherwise required under s. 605.0112.

13034 (4) It shall be permissible, however, for the corporation  
 13035 or limited liability company to render professional services and  
 13036 to exercise its authorized powers under a name which is  
 13037 identical to its name or contains any one or more of the last  
 13038 names of any shareholder or member included in such name except  
 13039 that the word "chartered," the words "professional association,"  
 13040 "professional limited company," or "professional limited  
 13041 liability company," the abbreviations "P.A.," "P.L.," or  
 13042 "P.L.L.C.," or the designation "PA," "PL," or "PLLC" may be  
 13043 omitted, provided that the corporation or limited liability  
 13044 company has first registered the name to be so used in the  
 13045 manner required for the registration of fictitious names.

13046 Section 282. Paragraph (e) of subsection (14) of section  
 13047 865.09, Florida Statutes, is amended to read:

13048 865.09 Fictitious name registration.—

13049 (14) PROHIBITION.—A fictitious name registered as provided  
 13050 in this section may not contain the following words,

13051 abbreviations, or designations:

13052 (e) "Professional association," "PA," "P.A.," or  
 13053 "chartered," unless the person or business for which the name is  
 13054 registered is organized as a professional corporation pursuant  
 13055 to chapter 621, or is organized as a professional corporation  
 13056 pursuant to a similar law of another jurisdiction and has  
 13057 obtained a certificate of authority to transact business in this  
 13058 state pursuant to chapter 607.

13059 Section 283. Subsection (1) of section 662.150, Florida  
 13060 Statutes, is amended to read:

13061 662.150 Domestication of a foreign family trust company.—

13062 (1) A foreign family trust company lawfully organized and  
 13063 currently in good standing with the state regulatory agency in  
 13064 the jurisdiction where it is organized may become domesticated  
 13065 in this state by:

13066 (a) Filing with the Department of State articles a  
 13067 ~~certificate~~ of domestication and articles of incorporation in  
 13068 accordance with and subject to s. 607.11922 ~~s. 607.1801~~ or by  
 13069 filing articles of conversion in accordance with s. 605.1045 or  
 13070 s. 607.11933; and

13071 (b) Filing an application for a license to begin  
 13072 operations as a licensed family trust company in accordance with  
 13073 s. 662.121, which must first be approved by the office, or by  
 13074 filing the prescribed form with the office to register as a  
 13075 family trust company to begin operations in accordance with s.

13076 662.122.

13077 Section 284. Subsection (1) of section 331.355, Florida  
 13078 Statutes, is amended to read:

13079 331.355 Use of name; ownership rights to intellectual  
 13080 property.—

13081 (1) (a) The corporate name of a corporation incorporated or  
 13082 authorized to transact business in this state, or the name of  
 13083 any person or business entity transacting business in this  
 13084 state, may not use the words "Space Florida," "Florida Space  
 13085 Authority," "Florida Aerospace Finance Corporation," "Florida  
 13086 Space Research Institute," "spaceport Florida," or "Florida  
 13087 spaceport" in its name unless the Space Florida board of  
 13088 directors gives written approval for such use.

13089 (b) The Department of State may dissolve, pursuant to s.  
 13090 607.1420 ~~s. 607.1421~~, any corporation that violates paragraph  
 13091 (a).

13092 Section 285. Paragraph (a) of subsection (4) of section  
 13093 339.12, Florida Statutes, is amended to read:

13094 339.12 Aid and contributions by governmental entities for  
 13095 department projects; federal aid.—

13096 (4) (a) Prior to accepting the contribution of road bond  
 13097 proceeds, time warrants, or cash for which reimbursement is  
 13098 sought, the department shall enter into agreements with the  
 13099 governing body of the governmental entity for the project or  
 13100 project phases in accordance with specifications agreed upon

13101 between the department and the governing body of the  
13102 governmental entity. The department in no instance is to receive  
13103 from such governmental entity an amount in excess of the actual  
13104 cost of the project or project phase. By specific provision in  
13105 the written agreement between the department and the governing  
13106 body of the governmental entity, the department may agree to  
13107 reimburse the governmental entity for the actual amount of the  
13108 bond proceeds, time warrants, or cash used on a highway project  
13109 or project phases that are not revenue producing and are  
13110 contained in the department's adopted work program, or any  
13111 public transportation project contained in the adopted work  
13112 program. Subject to appropriation of funds by the Legislature,  
13113 the department may commit state funds for reimbursement of such  
13114 projects or project phases. Reimbursement to the governmental  
13115 entity for such a project or project phase must be made from  
13116 funds appropriated by the Legislature, and reimbursement for the  
13117 cost of the project or project phase is to begin in the year the  
13118 project or project phase is scheduled in the work program as of  
13119 the date of the agreement. Funds advanced pursuant to this  
13120 section, which were originally designated for transportation  
13121 purposes and so reimbursed to a county or municipality, shall be  
13122 used by the county or municipality for any transportation  
13123 expenditure authorized under s. 336.025(7). Also, cities and  
13124 counties may receive funds from persons, and reimburse those  
13125 persons, for the purposes of this section. Such persons may

13126 | include, but are not limited to, those persons defined in s.  
 13127 | 607.01401(56) ~~s. 607.01401(19)~~.

13128 | Section 286. Section 628.530, Florida Statutes, is amended  
 13129 | to read:

13130 | 628.530 Effects of redomestication.—The certificate of  
 13131 | authority, agents appointments and licenses, rates, and other  
 13132 | items which the office or department allows, in its discretion,  
 13133 | which are in existence at the time any insurer licensed to  
 13134 | transact the business of insurance in this state transfers its  
 13135 | corporate domicile to this or any other state by merger,  
 13136 | consolidation, merger pursuant to s. 607.1101(7) ~~s. 607.1107(5)~~,  
 13137 | or any other lawful method shall continue in full force and  
 13138 | effect upon such transfer if such insurer remains duly qualified  
 13139 | to transact the business of insurance in this state. All  
 13140 | outstanding policies of any transferring insurer shall remain in  
 13141 | full force and effect and need not be endorsed as to the new  
 13142 | name of the company or its new location unless so ordered by the  
 13143 | office. Every transferring insurer shall file new policy forms  
 13144 | with the office on or before the effective date of the transfer,  
 13145 | but may use existing policy forms with appropriate endorsements  
 13146 | if allowed by, and under such conditions as are approved by, the  
 13147 | office. However, every such transferring insurer shall notify  
 13148 | the office of the details of the proposed transfer and shall  
 13149 | file promptly any resulting amendments to corporate documents  
 13150 | filed or required to be filed with the office.

13151 Section 287. Section 631.0515, Florida Statutes, is  
13152 amended to read:

13153 631.0515 Appointment of receiver; insurance holding  
13154 company.—A delinquency proceeding pursuant to this chapter  
13155 constitutes the sole and exclusive method of dissolving,  
13156 liquidating, rehabilitating, reorganizing, conserving, or  
13157 appointing a receiver of a Florida corporation which is not  
13158 insolvent as defined by s. 607.01401 ~~s. 607.01401(16)~~; which  
13159 through its shareholders, board of directors, or governing body  
13160 is deadlocked in the management of its affairs; and which  
13161 directly or indirectly owns all of the stock of a Florida  
13162 domestic insurer. The department may petition for an order  
13163 directing it to rehabilitate such corporation if the interests  
13164 of policyholders or the public will be harmed as a result of the  
13165 deadlock. The department shall use due diligence to resolve the  
13166 deadlock. Whether or not the department petitions for an order,  
13167 the circuit court shall not have jurisdiction pursuant to s.  
13168 607.271, s. 607.274, or s. 607.277 to dissolve, liquidate, or  
13169 appoint receivers with respect to, a Florida corporation which  
13170 directly or indirectly owns all of the stock of a Florida  
13171 domestic insurer and which is not insolvent as defined by s.  
13172 607.01401 ~~s. 607.01401(16)~~. However, a managing general agent or  
13173 holding company with a controlling interest in a domestic  
13174 insurer in this state is subject to jurisdiction of the court  
13175 under the provisions of s. 631.025.

13176 Section 288. Subsection (5) of section 658.44, Florida  
 13177 Statutes, is amended to read:

13178 658.44 Approval by stockholders; rights of dissenters;  
 13179 preemptive rights.—

13180 (5) The fair value, as defined in s. 607.1301(5) ~~s.~~  
 13181 ~~607.1301(4)~~, of dissenting shares of each constituent state bank  
 13182 or state trust company, the owners of which have not accepted an  
 13183 offer for such shares made pursuant to subsection (3), shall be  
 13184 determined pursuant to ss. 607.1326–607.1331 except as the  
 13185 procedures for notice and demand are otherwise provided in this  
 13186 section as of the effective date of the merger.

13187 Section 289. Section 663.03, Florida Statutes, is amended  
 13188 to read:

13189 663.03 Applicability of the Florida Business Corporation  
 13190 Act.—Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the  
 13191 provisions of part I of chapter 607 not in conflict with the  
 13192 financial institutions codes which relate to foreign  
 13193 corporations apply to all international banking corporations and  
 13194 their offices doing business in this state.

13195 Section 290. Section 663.403, Florida Statutes, is amended  
 13196 to read:

13197 663.403 Applicability of the Florida Business Corporation  
 13198 Act.—Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the  
 13199 provisions of part I of chapter 607 which are not in conflict  
 13200 with the financial institutions codes and which relate to



13201 foreign corporations apply to all international trust entities  
13202 and their offices doing business in this state.

13203 Section 291. Section 694.16, Florida Statutes, is amended  
13204 to read:

13205 694.16 Conveyances by merger or conversion of business  
13206 entities.—As to any merger or conversion of business entities  
13207 prior to June 15, 2000, the title to all real estate, or any  
13208 interest therein, owned by a business entity that was a party to  
13209 a merger or a conversion is vested in the surviving entity  
13210 without reversion or impairment, notwithstanding the requirement  
13211 of a deed which was previously required by former s. 607.11101,  
13212 former s. 608.4383, former s. 620.204, former s. 620.8904, or  
13213 former s. 620.8906.

13214 Section 292. This act shall take effect on January 1,  
13215 2020.