

By Senator Passidomo

28-00272A-19

2019892__

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20 authorizing a filing to be withdrawn before it takes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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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.;

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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,

28-00272A-19

2019892__

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,

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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;

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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.

28-00272A-19

2019892__

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.

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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;

28-00272A-19

2019892__

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.;

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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.;

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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.

689

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."

28-00272A-19

2019892__

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

28-00272A-19

2019892__

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 in
749 which the facts will operate upon the terms of the plan or filed
750 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:

28-00272A-19

2019892__

- 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 on
782 a fact ascertainable outside of the filed document, and that
783 fact is not ascertainable by reference to a source described in

28-00272A-19

2019892__

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.

28-00272A-19

2019892__

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 on
817 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: \$35.

833 (6) Agent's statement of resignation from active
834 corporation: \$87.50.

835 (7) Agent's statement of resignation from an inactive
836 corporation: \$35.

837 (8) Amendment of articles of incorporation: \$35.

838 (9) Restatement of articles of incorporation with amendment
839 of articles: \$35.

840 (10) Articles of merger or share exchange for each party
841 thereto: \$35.

28-00272A-19

2019892__

- 842 (11) Articles of dissolution: \$35.
- 843 (12) Articles of revocation of dissolution: \$35.
- 844 (13) Application for reinstatement following administrative
- 845 dissolution: \$600.
- 846 (14) Application for certificate of authority to transact
- 847 business in this state by a foreign corporation: \$35.
- 848 (15) Application for amended certificate of authority: \$35.
- 849 (16) Application for certificate of withdrawal by a foreign
- 850 corporation: \$35.
- 851 (17) Annual report: \$61.25.
- 852 (18) Articles of correction: \$35.
- 853 (19) Application for certificate of status: \$8.75.
- 854 (20) Certificate of domestication of a foreign corporation:
- 855 \$50.
- 856 (21) Certified copy of document: \$52.50.
- 857 (22) Serving as agent for substitute service of process:
- 858 \$87.50.
- 859 (23) Supplemental corporate fee: \$88.75.
- 860 (24) Any other document required or permitted to be filed
- 861 by this chapter act: \$35.

862 Section 6. Section 607.0123, Florida Statutes, is amended
863 to read:

864 607.0123 Effective time and date of document.—Except as
865 otherwise provided in s. 607.0124(5), and subject to s.
866 607.0124(4), any document delivered to the department for filing
867 under this chapter may specify an effective time and a delayed
868 effective date. In the case of initial articles of
869 incorporation, a prior effective date may be specified in the
870 articles of incorporation if such date is within 5 business days

28-00272A-19

2019892__

871 before the date of filing.

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

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

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

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

883 1. The specified date; or

884 2. The 90th day after the date of the filing.

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

887 1. The specified date; or

888 2. The 90th day after the date of the filing.

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

892 1. The specified date; or

893 2. The 5th business day before the date of the filing.

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

897 1. The specified date; or

898 2. The 5th business day before the date of the filing.

899 (2) If a filed document does not specify the time zone or

28-00272A-19

2019892__

900 place at which the date or time, or both, is to be determined,
901 the date or time, or both, at which it becomes effective shall
902 be those prevailing at the place of filing in this state.

903 ~~(1) Except as provided in subsections (2) and (4) and in s.~~
904 ~~607.0124(3), a document accepted for filing is effective on the~~
905 ~~date and at the time of filing, as evidenced by such means as~~
906 ~~the Department of State may use for the purpose of recording the~~
907 ~~date and time of filing.~~

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

916 (3) If a document is determined by the department of State
917 to be incomplete and inappropriate for filing, the department of
918 State may return the document to the person or corporation
919 filing it, together with a brief written explanation of the
920 reason for the refusal to file, in accordance with s.
921 607.0125(3). If the applicant returns the document with
922 corrections in accordance with the rules of the department
923 within 60 days after it was mailed to the applicant by the
924 department and if at the time of return the applicant so
925 requests in writing, the filing date of the document will be the
926 filing date that would have been applied had the original
927 document not been deficient, except as to persons who relied on
928 the record before correction and were adversely affected

28-00272A-19

2019892__

929 thereby.

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

932 Section 7. Section 607.0124, Florida Statutes, is amended
933 to read:

934 607.0124 Correcting filed document; withdrawal of filed
935 record before effectiveness.-

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

939 (a) The document contains an inaccuracy;

940 (b) The document contains false, misleading, or fraudulent
941 information;

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

944 (d) The electronic transmission of the document to the
945 department was defective.

946 (2) A document is corrected:

947 (a) By preparing articles of correction that:

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

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

951 3. Correct the inaccuracy or defect; and

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

955 (3) Articles of correction are effective on the effective
956 date of the document they correct except as to persons relying
957 on the uncorrected document and adversely affected by the

28-00272A-19

2019892__

958 correction. As to those persons, articles of correction are
959 effective when filed.

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

962 (5) Unless otherwise provided for in s. 607.1107(2), s.
963 607.11923(3), or s. 607.11934(3), a filing delivered to the
964 department may be withdrawn before it takes effect by delivering
965 a withdrawal statement to the department for filing.

966 (a) A withdrawal statement must:

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

969 2. Identify the filing to be withdrawn; and

970 3. If not signed by all persons who signed the filing being
971 withdrawn, state that the filing is withdrawn in accordance with
972 the agreement of all persons who signed the filing.

973 (b) On the filing by the department of a withdrawal
974 statement, the action or transaction evidenced by the original
975 filing does not take effect.

976 (6) ~~(4)~~ Articles of correction that are filed to correct
977 false, misleading, or fraudulent information are not subject to
978 a fee of the department ~~of State~~ if the articles of correction
979 are delivered to the department ~~of State~~ within 15 days after
980 the notification of filing sent pursuant to s. 607.0125(2).

981 Section 8. Section 607.0125, Florida Statutes, is amended
982 to read:

983 607.0125 Filing duties of the department ~~of State~~.—

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

28-00272A-19

2019892__

987 (2) The department ~~of State~~ files a document by stamping or
988 otherwise endorsing the document as filed, together with the
989 department's official title and ~~recording it as filed on the~~
990 date and time of receipt. After filing a document, the
991 department ~~of State~~ shall send a notice of the filing or a copy
992 of the filing to the electronic mail address on file for the
993 domestic or foreign corporation or its authorized representative
994 or a copy of the filed document to the mailing address of such
995 corporation or its authorized representative. If the record
996 changes the electronic mail address of the corporation, the
997 department ~~of State~~ must send such notice to the new electronic
998 mail address and to the most recent prior electronic mail
999 address. If the record changes the mailing address of the
1000 corporation, the department ~~of State~~ must send such notice to
1001 the new mailing address and to the most recent prior mailing
1002 address.

1003 (3) If the department ~~of State~~ refuses to file a document,
1004 the department ~~it~~ shall return the document ~~it~~ to the domestic
1005 or foreign corporation or its representative within 15 days
1006 after the document was received for filing, together with a
1007 brief, written explanation of the reason for refusal.

1008 (4) The department's ~~Department of State's~~ duty to file
1009 documents under this section is ministerial. The filing or
1010 refusing to file a document does not:

1011 (a) Affect the validity or invalidity of the document in
1012 whole or part;

1013 (b) Relate to the correctness or incorrectness of
1014 information contained in the document;

1015 (c) Create a presumption that the document does or does not

28-00272A-19

2019892__

1016 conform to the requirements of this chapter or that the ~~is valid~~
1017 ~~or invalid or that~~ information contained in the document is
1018 correct or incorrect.

1019 (5) If not otherwise provided by law and the provisions of
1020 this chapter ~~act~~, the department ~~of State~~ shall determine, by
1021 rule, the appropriate format for, number of copies of, manner of
1022 execution of, method of electronic transmission of, and amount
1023 of and method of payment of fees for, any document placed under
1024 its jurisdiction.

1025 Section 9. Section 607.0126, Florida Statutes, is amended
1026 to read:

1027 607.0126 Appeal from department's ~~Department of State's~~
1028 refusal to file document.—If the department ~~of State~~ refuses to
1029 file a document delivered to its office for filing, the person
1030 who submitted the document for filing may petition the Circuit
1031 Court of Leon County to compel filing of the document. The
1032 document and the explanation from the department of the refusal
1033 to file must be attached to the petition. The court may decide
1034 the matter in a summary proceeding and ~~within 30 days after~~
1035 ~~return of the document by the department by mail, as evidenced~~
1036 ~~by the postmark, the domestic or foreign corporation may:~~

1037 ~~(1) Appeal the refusal pursuant to s. 120.68; or~~
1038 ~~(2) Appeal the refusal to the circuit court of the county~~
1039 ~~where the corporation's principal office (or, if none in this~~
1040 ~~state, its registered office) is or will be located. The appeal~~
1041 ~~is commenced by petitioning the court to compel filing the~~
1042 ~~document and by attaching to the petition the document and the~~
1043 ~~Department of State's explanation of its refusal to file. The~~
1044 ~~matter shall promptly be tried de novo by the court without a~~

28-00272A-19

2019892__

1045 ~~jury.~~ the court may summarily order the department ~~of State~~ to
1046 file the document or take other action the court considers
1047 appropriate. The court's final decision may be appealed as in
1048 other civil proceedings.

1049 Section 10. Section 607.0127, Florida Statutes, is amended
1050 to read:

1051 607.0127 Certificates to be received in evidence;
1052 evidentiary effect of certified copy of filed document.—~~All~~
1053 certificates issued by the department pursuant to this chapter
1054 must be taken and received in all courts, public offices, and
1055 official bodies as prima facie evidence of the facts stated. A
1056 certificate the department ~~from the Department of State~~
1057 delivered with a copy of a document filed by the department,
1058 bearing the signature of the secretary of state, which may be in
1059 facsimile, and the seal of the state, ~~Department of State~~ is
1060 conclusive evidence that the original document is on file with
1061 the department.

1062 Section 11. Section 607.0128, Florida Statutes, is amended
1063 to read:

1064 607.0128 Certificate of status.—

1065 (1) The department, upon request and payment of the
1066 requisite fee, shall issue a certificate of status for a
1067 corporation if the records filed in the department show that the
1068 department has accepted and filed the corporation's articles of
1069 incorporation. A certificate of status must state the following:

1070 (a) The corporation's name.

1071 (b) That the corporation was organized under the laws of
1072 this state and the date of organization.

1073 (c) Whether all fees due to the department under this

28-00272A-19

2019892__

1074 chapter have been paid.

1075 (d) Whether the corporation's most recent annual report
1076 required under s. 607.1622 has been filed by the department.

1077 (e) Whether the department has administratively dissolved
1078 the corporation or received a record notifying the department
1079 that the corporation has been dissolved by judicial action
1080 pursuant to s. 607.1433.

1081 (f) Whether the department has filed articles of
1082 dissolution for the corporation.

1083 (2) The department, upon request and payment of the
1084 requisite fee, shall furnish a certificate of status for a
1085 foreign corporation if the records filed show that the
1086 department has filed a certificate of authority. A certificate
1087 of status for a foreign corporation must state the following:

1088 (a) The foreign corporation's name and any current
1089 alternate name adopted pursuant to s. 607.1506 for use in this
1090 state.

1091 (b) That the foreign corporation is authorized to transact
1092 business in this state.

1093 (c) Whether all fees and penalties due to the department
1094 under this chapter or other law have been paid.

1095 (d) Whether the foreign corporation's most recent annual
1096 report required under s. 607.1622 has been filed by the
1097 department.

1098 (e) Whether the department has:

1099 1. Revoked the foreign corporation's certificate of
1100 authority; or

1101 2. Filed a notice of withdrawal of certificate of authority

1102 ~~(1) Anyone may apply to the Department of State to furnish~~

28-00272A-19

2019892__

1103 ~~a certificate of status for a domestic corporation or a~~
 1104 ~~certificate of authorization for a foreign corporation.~~

1105 ~~(2) A certificate of status or authorization sets forth:~~

1106 ~~(a) The domestic corporation's corporate name or the~~
 1107 ~~foreign corporation's corporate name used in this state;~~

1108 ~~(b)1. That the domestic corporation is duly incorporated~~
 1109 ~~under the law of this state and the date of its incorporation,~~
 1110 ~~or~~

1111 ~~2. That the foreign corporation is authorized to transact~~
 1112 ~~business in this state;~~

1113 ~~(c) That all fees and penalties owed to the department have~~
 1114 ~~been paid, if:~~

1115 ~~1. Payment is reflected in the records of the department,~~
 1116 ~~and~~

1117 ~~2. Nonpayment affects the existence or authorization of the~~
 1118 ~~domestic or foreign corporation;~~

1119 ~~(d) That its most recent annual report required by s.~~
 1120 ~~607.1622 has been delivered to the department; and~~

1121 ~~(e) That articles of dissolution have not been filed.~~

1122 (3) Subject to any qualification stated in the certificate,
 1123 a certificate of status ~~or authorization~~ issued by the
 1124 department is ~~may be relied upon as~~ conclusive evidence that the
 1125 domestic ~~or foreign~~ corporation is in existence and is of active
 1126 status in this state or that the foreign corporation is
 1127 authorized to transact business in this state and is of active
 1128 status in this state.

1129 Section 12. Section 607.0130, Florida Statutes, is amended
 1130 to read:

1131 607.0130 Powers of department ~~of State.~~-

28-00272A-19

2019892__

1132 ~~(1) The Department of State may propound to any corporation~~
1133 ~~subject to the provisions of this act, and to any officer or~~
1134 ~~director thereof, such interrogatories as may be reasonably~~
1135 ~~necessary and proper to enable it to ascertain whether the~~
1136 ~~corporation has complied with all applicable provisions of this~~
1137 ~~act. Such interrogatories must be answered within 30 days after~~
1138 ~~mailing or within such additional time as fixed by the~~
1139 ~~department. Answers to interrogatories must be full and~~
1140 ~~complete, in writing, and under oath. Interrogatories directed~~
1141 ~~to an individual must be answered by the individual, and~~
1142 ~~interrogatories directed to a corporation must be answered by~~
1143 ~~the president, vice president, secretary, or assistant~~
1144 ~~secretary.~~

1145 ~~(2) The Department of State is not required to file any~~
1146 ~~document.~~

1147 ~~(a) To which interrogatories, as propounded pursuant to~~
1148 ~~subsection (1), relate, until the interrogatories are answered~~
1149 ~~in full;~~

1150 ~~(b) When interrogatories or other relevant evidence~~
1151 ~~discloses that such document is not in conformity with the~~
1152 ~~provisions of this act; or~~

1153 ~~(c) When the department has determined that the parties to~~
1154 ~~such document have not paid all fees, taxes, and penalties due~~
1155 ~~and owing this state.~~

1156 ~~(3) The Department of State may, based upon its findings~~
1157 ~~hereunder or as provided in s. 213.053(15), bring an action in~~
1158 ~~circuit court to collect any penalties, fees, or taxes~~
1159 ~~determined to be due and owing the state and to compel any~~
1160 ~~filing, qualification, or registration required by law. In~~

28-00272A-19

2019892__

1161 ~~connection with such proceeding the department may, without~~
1162 ~~prior approval by the court, file a lis pendens against any~~
1163 ~~property owned by the corporation and may further certify any~~
1164 ~~findings to the Department of Legal Affairs for the initiation~~
1165 ~~of any action permitted pursuant to s. 607.0505 which the~~
1166 ~~Department of Legal Affairs may deem appropriate.~~

1167 ~~(4) The department of State shall have the power and~~
1168 ~~authority reasonably necessary to enable it to administer this~~
1169 ~~act efficiently, to perform the duties herein imposed upon it,~~
1170 ~~and to promulgate reasonable rules necessary to carry out its~~
1171 ~~duties and functions under this chapter act.~~

1172 Section 13. Section 607.01401, Florida Statutes, is amended
1173 to read:

1174 607.01401 Definitions.—As used in this chapter act, unless
1175 the context otherwise requires, the term:

1176 (1) "Acquired eligible entity" means a domestic or foreign
1177 eligible entity that will have all of one or more classes or
1178 series of its shares or eligible interests acquired in a share
1179 exchange.

1180 (2) "Acquiring eligible entity" means a domestic or foreign
1181 eligible entity that will acquire all of one or more classes or
1182 series of shares or eligible interests of the acquired eligible
1183 entity in a share exchange.

1184 (3) "Applicable county" means: the county in this state in
1185 which a corporation's principal office is located or was located
1186 when an action is or was commenced; if the corporation has, and
1187 at the time of such action had, no principal office in this
1188 state, then in the county in which the corporation has, or at
1189 the time of such action had, an office in this state; or if the

28-00272A-19

2019892__

1190 corporation does not have an office in this state, then in the
1191 county in which the corporation's registered office is or was
1192 last located.

1193 (4) "Articles of incorporation" includes original, amended,
1194 and restated articles of incorporation, articles of share
1195 exchange, and articles of merger, and all amendments thereto.
1196 When used with respect to a foreign corporation, the term means
1197 the document of the foreign corporation that is equivalent to
1198 the articles of incorporation of a domestic corporation.

1199 (5) "Authorized entity" means:

1200 (a) A corporation for profit;

1201 (b) A limited liability company;

1202 (c) A limited liability partnership; or

1203 (d) A limited partnership, including a limited liability
1204 limited partnership.

1205 (6)~~(2)~~ "Authorized shares" means the shares of all classes
1206 a domestic or foreign corporation is authorized to issue.

1207 (7) "Beneficial shareholder" means a person who owns the
1208 beneficial interest in shares. Such person may be a record
1209 shareholder or a person on whose behalf shares are registered in
1210 the name of an intermediary or nominee.

1211 (8)~~(3)~~ "Business day" means Monday through Friday,
1212 excluding any day a national banking association is not open for
1213 normal business transactions.

1214 (9)~~(4)~~ "Conspicuous" means so written, displayed, or
1215 presented that a reasonable person against whom the writing is
1216 to operate should have noticed it. For example, text printing in
1217 italics, boldface, ~~or~~ a contrasting color, or ~~typing in~~
1218 capitals, or underlined text, is conspicuous.

28-00272A-19

2019892__

1219 (10) "Conversion" means a transaction pursuant to ss.
1220 607.11930-607.11935.

1221 (11) "Converted eligible entity" means the converting
1222 eligible entity as it continues in existence after a conversion.

1223 (12) "Converting eligible entity" means the domestic
1224 corporation that approves a plan of conversion pursuant to s.
1225 607.11932, or a foreign eligible entity that approves a
1226 conversion pursuant to the organic law of the foreign eligible
1227 entity.

1228 (13)~~(5)~~ "Corporation" or "domestic corporation" means a
1229 corporation for profit, which is not a foreign corporation,
1230 incorporated under this chapter ~~or subject to the provisions of~~
1231 ~~this act.~~

1232 (14)~~(6)~~ "Day" means a calendar day.

1233 (15)~~(7)~~ "Deliver" or "delivery" means any method of
1234 delivery used in conventional commercial practice, including
1235 delivery by hand, mail, commercial delivery, and, if authorized
1236 under s. 607.0141, electronic transmission.

1237 (16) "Department" means the Florida Department of State.

1238 (17) "Derivative proceeding" means a civil suit in the
1239 right of a domestic corporation or, to the extent provided in s.
1240 607.0747, in the right of a foreign corporation.

1241 (18)~~(8)~~ "Distribution" means a direct or indirect transfer
1242 of money or other property (except its own shares) or incurrence
1243 of indebtedness by a corporation to or for the benefit of its
1244 shareholders in respect of any of its shares. A distribution may
1245 be in the form of: a declaration or payment of a dividend; a
1246 purchase, redemption, or other acquisition of shares; a
1247 distribution of indebtedness; a distribution in liquidation; or

28-00272A-19

2019892__

1248 otherwise.

1249 (19) "Document" means:

1250 (a) Any tangible medium on which information is inscribed,
1251 and includes any writing or written instrument; or

1252 (b) An electronic record.

1253 (20) "Domestic" means, with respect to an entity, an entity
1254 governed as to its internal affairs by the laws of this state.

1255 (21) "Domesticated corporation" means the domesticating
1256 corporation as it continues in existence after a domestication.

1257 (22) "Domesticating corporation" means a domestic
1258 corporation that approves a plan of domestication pursuant to s.
1259 607.11921, or a foreign corporation that approves a
1260 domestication pursuant to the organic law of the foreign
1261 corporation.

1262 (23) "Domestication" means a transaction pursuant to ss.
1263 607.11920-607.11924.

1264 (24) "Effective date" means, when referring to a document
1265 accepted for filing by the department, the date and time
1266 determined in accordance with s. 607.0123.

1267 (25) "Electronic" means relating to technology having
1268 electrical, digital, magnetic, wireless, optical,
1269 electromagnetic, or similar capabilities.

1270 (26) "Electronic record" means information that is stored
1271 in an electronic or other medium and is retrievable in paper
1272 form through an automated process used in conventional
1273 commercial practice, unless otherwise authorized under s.
1274 607.0141.

1275 (27) ~~(9)~~ "Electronic transmission" or "electronically
1276 transmitted" means any form or process of communication not

28-00272A-19

2019892__

1277 directly involving the physical transfer of paper or another
1278 tangible medium, which:

1279 (a) ~~that~~ Is suitable for the retention, retrieval, and
1280 reproduction of information by the recipient; and

1281 (b) Is retrievable in paper form by the recipient through
1282 an automated process used in conventional commercial practice,
1283 unless otherwise authorized under s. 607.0141.

1284

1285 For purposes of proxy voting in accordance with ss. 607.0721,
1286 607.0722, and 607.0724, the term includes, but is not limited
1287 to, telegrams, cablegrams, telephone transmissions, and
1288 transmissions through the Internet.

1289 (28) (a) "Eligible entity" means:

1290 1. A domestic corporation;

1291 2. A foreign corporation;

1292 3. A non-profit corporation;

1293 4. A general partnership, including a limited liability
1294 partnership;

1295 5. A limited partnership, including a limited liability
1296 limited partnership;

1297 6. A limited liability company;

1298 7. A real estate investment trust; or

1299 8. Any other foreign or domestic entity that is organized
1300 under an organic law.

1301 (b) The term does not include:

1302 1. An individual;

1303 2. A trust with a predominantly donative purpose or a
1304 charitable trust;

1305 3. An association or relationship that is not a partnership

28-00272A-19

2019892__

1306 solely by reason of s. 620.8202(2) or a similar provision of the
1307 law of another jurisdiction;

1308 4. A decedent's estate; or

1309 5. A government or a governmental subdivision, agency or
1310 instrumentality.

1311 (29) "Eligible interests" means interests or memberships.

1312 (30)-(10) "Employee" includes an officer but not a director.

1313 A director may accept duties that make him or her also an
1314 employee.

1315 (31)-(11) "Entity" includes corporation and foreign
1316 corporation; unincorporated association; business trust, estate,
1317 limited liability company, partnership, trust, and two or more
1318 persons having a joint or common economic interest; and state,
1319 United States, and foreign governments.

1320 (32) "Expenses" means reasonable expenses of any kind that
1321 are incurred in connection with a matter.

1322 (33) The phrase "facts objectively ascertainable outside
1323 the plan or filed document" shall be interpreted as set forth in
1324 s. 607.0120(11).

1325 (34) "Filing entity" means an entity, other than a limited
1326 liability partnership, that is of a type that is created by
1327 filing a public organic record or is required to file a public
1328 organic record that evidences its creation.

1329 (35) "Foreign" means, with respect to an entity, an entity
1330 governed as to its internal affairs by the organic law of a
1331 jurisdiction other than this state.

1332 (36)-(12) "Foreign corporation" means an entity incorporated
1333 or organized under laws other than the laws of this state which
1334 would be a corporation for profit if incorporated under laws

28-00272A-19

2019892__

1335 ~~other than~~ the laws of this state.

1336 (37) "Foreign nonprofit corporation" means an entity
1337 incorporated or organized under laws other than the laws of this
1338 state which would be a nonprofit corporation if incorporated
1339 under the laws of this state.

1340 (38)~~(13)~~ "Governmental subdivision" includes authority,
1341 county, district, and municipality.

1342 (39) "Governor" means:

1343 (a) A director of a corporation for profit;

1344 (b) A director or trustee of a nonprofit corporation;

1345 (c) A general partner of a general partnership;

1346 (d) A general partner of a limited partnership;

1347 (e) A manager of a manager-managed limited liability

1348 company;

1349 (f) A member of a member-managed limited liability company;

1350 (g) A director or a trustee of a real estate investment

1351 trust; or

1352 (h) Any other person under whose authority the powers of an
1353 entity are exercised and under whose direction the activities
1354 and affairs of the entity are managed pursuant to the organic
1355 law and organic rules of the entity.

1356 (40)~~(14)~~ "Includes" "or including" denotes a partial
1357 definition or a non-exclusive list.

1358 (41)~~(15)~~ "Individual" includes the estate of an incompetent
1359 or deceased individual.

1360 (42)~~(16)~~ "Insolvent" means either:

1361 (a) The inability of a corporation to pay its debts as they
1362 become due in the usual course of its business; or

1363 (b) The value of the corporation's total assets are less

28-00272A-19

2019892__

1364 than the sum of its total liabilities, at fair valuation.

1365 (43) "Interest" means:

1366 (a) A share in a corporation for profit;

1367 (b) A membership in a nonprofit corporation;

1368 (c) A partnership interest in a general partnership,
1369 including a limited liability partnership;

1370 (d) A partnership interest in a limited partnership,
1371 including a limited liability limited partnership;

1372 (e) A membership interest in a limited liability company;

1373 (f) A share or beneficial interest in a real estate
1374 investment trust;

1375 (g) A member's interest in a limited cooperative
1376 association;

1377 (h) A beneficial interest in a statutory trust, business
1378 trust, or common law business trust; or

1379 (i) A governance interest or distributional interest in
1380 another entity.

1381 (44) "Interest holder" means:

1382 (a) A shareholder of a corporation for profit;

1383 (b) A member of a nonprofit corporation;

1384 (c) A general partner of a general partnership;

1385 (d) A general partner of a limited partnership;

1386 (e) A limited partner of a limited partnership;

1387 (f) A member of a limited liability company;

1388 (g) A shareholder or beneficial owner of a real estate
1389 investment trust;

1390 (h) A beneficiary or beneficial owner of a statutory trust,
1391 business trust, or common law business trust; or

1392 (i) Another direct holder of an interest.

28-00272A-19

2019892__

1393 (45) "Interest holder liability" means:

1394 (a) Personal liability for a liability of an entity which
1395 is imposed on a person:

1396 1. Solely by reason of the status of the person as an
1397 interest holder; or

1398 2. By the organic rules of the entity which make one or
1399 more specified interest holders or categories of interest
1400 holders liable in their capacity as interest holders for all or
1401 specified liabilities of the entity.

1402 (b) An obligation of an interest holder under the organic
1403 rules of an entity to contribute to the entity.

1404
1405 For purposes of this subsection, except as otherwise provided in
1406 the articles of incorporation of a domestic corporation or the
1407 organic law or organic rules of an entity, interest holder
1408 liability arises under paragraph (a) when the corporation or
1409 entity, as applicable, incurs the liability.

1410 (46) "Jurisdiction of formation" means, with respect to an
1411 entity:

1412 (a) The jurisdiction under whose organic law the entity is
1413 formed, incorporated, or created or otherwise comes into being;
1414 however, for these purposes, if an entity exists under the law
1415 of a jurisdiction different from the jurisdiction under which
1416 the entity originally was formed, incorporated, or created or
1417 otherwise came into being, then the jurisdiction under which the
1418 entity then exists is treated as the jurisdiction of formation;
1419 or

1420 (b) In the case of a limited liability partnership or
1421 foreign limited liability partnership, the jurisdiction in which

28-00272A-19

2019892__

1422 the partnership's statement of qualification or equivalent
1423 document is filed.

1424 (47)-(17) "Mail" means the United States mail, facsimile
1425 transmissions, and private mail carriers handling nationwide
1426 mail services.

1427 (48)-(18) "Means" denotes an exhaustive definition.

1428 (49) "Membership" means the rights of a member in a
1429 domestic or foreign nonprofit corporation.

1430 (50) "Merger" means a transaction pursuant to s. 607.1101.

1431 (51) "New interest holder liability," in the context of a
1432 merger or share exchange, means interest holder liability of a
1433 person resulting from a merger or share exchange that is:

1434 (a) In respect of an eligible entity which is different
1435 from the eligible entity and not the same eligible entity in
1436 which the person held shares or eligible interests, immediately
1437 before the merger or share exchange became effective; or

1438 (b) In respect of the same eligible entity as the one in
1439 which the person held shares or eligible interests, immediately
1440 before the merger or share exchange became effective if:

1441 1. The person did not have interest holder liability
1442 immediately before the merger or share exchange became
1443 effective; or

1444 2. The person had interest holder liability immediately
1445 before the merger or share exchange became effective, the terms
1446 and conditions of which were changed when the merger or share
1447 exchange became effective.

1448 (52) "Nonprofit corporation" or "domestic nonprofit
1449 corporation" means a corporation incorporated under the laws of
1450 this state and subject to the provisions of chapter 617.

28-00272A-19

2019892__

1451 (53) "Organic law" means the laws of the jurisdiction in
1452 which the entity was formed.

1453 (54) "Organic rules" means the public organic record and
1454 private organic rules of an entity.

1455 (55) "Party to a merger" means any domestic or foreign
1456 entity that will merge under a plan of merger. The term does not
1457 include a survivor created by the merger.

1458 (56)~~(19)~~ "Person" includes an individual and an entity.

1459 (57)~~(20)~~ "Principal office" means the office (in or out of
1460 this state) where the principal executive offices of a domestic
1461 or foreign corporation are located as designated in the articles
1462 of incorporation or other initial filing until an annual report
1463 has been filed, and thereafter as designated in the annual
1464 report.

1465 (58) "Private organic rules" means the rules, whether or
1466 not in a record, which govern the internal affairs of an entity,
1467 are binding on all its interest holders, and are not part of its
1468 public organic record, if any. If the private organic rules are
1469 amended or restated, the term means the private organic rules as
1470 last amended or restated. The term includes:

1471 (a) The bylaws of a corporation for profit;

1472 (b) The bylaws of a nonprofit corporation;

1473 (c) The partnership agreement of a general partnership;

1474 (d) The partnership agreement of a limited partnership;

1475 (e) The operating agreement, limited liability company
1476 agreement, or similar agreement of a limited liability company;

1477 (f) The bylaws, trust instrument, or similar rules of a
1478 real estate investment trust; and

1479 (g) The trust instrument of a statutory trust or similar

28-00272A-19

2019892__

1480 rules of a business trust or common law business trust.

1481 (59)~~(21)~~ "Proceeding" includes a civil suit, a criminal
1482 action, an administrative action, and an ~~and criminal,~~
1483 ~~administrative,~~ and investigatory action.

1484 (60) "Protected agreement" means:

1485 (a) A record evidencing indebtedness and any related
1486 agreement in effect on January 1, 2020;

1487 (b) An agreement that is binding on an entity on January 1,
1488 2020;

1489 (c) The organic rules of an entity in effect on January 1,
1490 2020; or

1491 (d) An agreement that is binding on any of the governors or
1492 interest holders of an entity on January 1, 2020.

1493 (61) "Public organic record" means a record, the filing of
1494 which by a governmental body is required to form an entity, or
1495 an amendment to or restatement of such record. Where a public
1496 organic record has been amended or restated, the term means the
1497 public organic record as last amended or restated. The term
1498 includes the following:

1499 (a) The articles of incorporation of a corporation for
1500 profit;

1501 (b) The articles of incorporation of a nonprofit
1502 corporation;

1503 (c) The certificate of limited partnership of a limited
1504 partnership;

1505 (d) The articles of organization, certificate of
1506 organization, or certificate of formation of a limited liability
1507 company;

1508 (e) The articles of incorporation of a general cooperative

28-00272A-19

2019892__

1509 association or a limited cooperative association;

1510 (f) The certificate of trust of a statutory trust or
1511 similar record of a business trust; or

1512 (g) The articles of incorporation of a real estate
1513 investment trust.

1514 (62) "Record," if used as a noun, means information that is
1515 inscribed on a tangible medium or that is stored in an
1516 electronic or other medium and is retrievable in perceivable
1517 form.

1518 (63)~~(22)~~ "Record date" means the date fixed for determining
1519 on which a corporation determines the identity of the
1520 corporation's ~~its~~ shareholders and their share holdings for
1521 purposes of this chapter. Unless another time is specified when
1522 the record date is fixed, ~~act.~~ the determination shall be made
1523 as of the close of the business at the principal office of the
1524 corporation on the date so ~~on the record date unless another~~
1525 time is fixed.

1526 (64) "Record shareholder" means:

1527 (a) The person in whose name shares are registered in the
1528 records of the corporation; or

1529 (b) The person identified as a beneficial owner of shares
1530 in the beneficial ownership certificate under s. 607.0723 on
1531 file with the corporation to the extent of the rights granted by
1532 such certificate.

1533 (65)~~(23)~~ "Secretary" means the corporate officer to whom
1534 the board of directors has delegated responsibility under s.
1535 607.08401 to maintain ~~for custody of~~ the minutes of the meetings
1536 of the board of directors and of the shareholders and for
1537 authenticating records of the corporation.

28-00272A-19

2019892__

1538 (66) "Secretary of state" means the Secretary of State of
1539 the State of Florida.

1540 (67)-(24) "Shareholder" or "stockholder" means a record
1541 shareholder one who is a holder of record of shares in a
1542 corporation or the beneficial owner of shares to the extent of
1543 the rights granted by a nominee certificate on file with a
1544 corporation.

1545 (68)-(25) "Shares" means the units into which the
1546 proprietary interests in a corporation are divided.

1547 (69) "Share exchange" means a transaction pursuant to s.
1548 607.1102.

1549 (70)-(26) "Sign" or "signature" means, with present intent
1550 to authenticate or adopt a document:

1551 (a) To execute or adopt a tangible symbol on a document,
1552 which includes any manual facsimile or conformed signature; or

1553 (b) To attach or to logically associate with an electronic
1554 transmission an electronic sound, symbol, or process, which
1555 includes an electronic signature in an electronic transmission
1556 any symbol, manual, facsimile, conformed, or electronic
1557 signature adopted by a person with the intent to authenticate a
1558 document.

1559 (71)-(27) "State," when referring to a part of the United
1560 States, includes a state and commonwealth (and their agencies
1561 and governmental subdivisions) and a territory and insular
1562 possession (and their agencies and governmental subdivisions) of
1563 the United States.

1564 (72)-(28) "Subscriber" means a person who subscribes for
1565 shares in a corporation, whether before or after incorporation.

1566 (73) "Survivor," in a merger, means the domestic or foreign

28-00272A-19

2019892__

1567 eligible entity into which one or more other eligible entities
1568 are merged.

1569 (74)(29) "Treasury shares" means shares of a corporation
1570 that belong to the issuing corporation, which shares are
1571 authorized and issued shares that are not outstanding, are not
1572 canceled, and have not been restored to the status of authorized
1573 but unissued shares.

1574 (75) "Type of entity" means a generic form of entity
1575 either:

1576 (a) Recognized at common law; or

1577 (b) Formed under an organic law, regardless of whether some
1578 entities formed under that organic law are subject to provisions
1579 of that law that create different categories of the form of
1580 entity.

1581 (76)(30) "United States" includes district, authority,
1582 bureau, commission, department, and any other agency of the
1583 United States.

1584 (77) "Unrestricted voting trust beneficial owner" means,
1585 with respect to any shareholder rights, a voting trust
1586 beneficial owner whose entitlement to exercise the shareholder
1587 right in question is not inconsistent with the voting trust
1588 agreement.

1589 (78)(31) "Voting group" means all shares of one or more
1590 classes or series that under the articles of incorporation or
1591 this chapter ~~act~~ are entitled to vote and be counted together
1592 collectively on a matter at a ~~the~~ meeting of shareholders. All
1593 shares entitled by the articles of incorporation or this chapter
1594 ~~act~~ to vote generally on the matter are for that purpose a
1595 single voting group.

28-00272A-19

2019892__

1596 (79) "Voting trust beneficial owner" means an owner of a
 1597 beneficial interest in shares of the corporation held in a
 1598 voting trust established pursuant to s. 607.0730(1).

1599 (80) "Writing" means printing, typewriting, electronic
 1600 communication, or other communication that is reducible to a
 1601 tangible form. The term "written" has the corresponding meaning.

1602 Section 14. Section 607.0141, Florida Statutes, is amended
 1603 to read:

1604 607.0141 Notice.—

1605 (1) (a) Notice under this chapter ~~act~~ must be in writing,
 1606 unless oral notice is:

1607 1. ~~(a)~~ Expressly authorized by the articles of incorporation
 1608 or the bylaws; ~~and~~

1609 2. ~~(b)~~ Reasonable under the circumstances.

1610 (b) Unless otherwise agreed upon between the sender and the
 1611 recipient, words in a notice or other communication under this
 1612 chapter must be in English.

1613 (c) Notice by electronic transmission is written notice.

1614 (2) A notice or other communication may be given by any
 1615 method of delivery, including voice mail where oral notice is
 1616 allowed, except that electronic transmissions must be in
 1617 accordance with this section ~~Notice may be communicated in~~
 1618 ~~person; by telephone, voice mail (where oral notice is~~
 1619 ~~permitted), or other electronic means; or by mail or other~~
 1620 ~~method of delivery.~~

1621 (3) (a) Written notice by a domestic or foreign corporation
 1622 authorized to transact business in this state to its
 1623 shareholder, if in a comprehensible form, is effective:

1624 1. Upon deposit into the United States mail, if mailed

28-00272A-19

2019892__

1625 postpaid and correctly addressed to the shareholder's address
1626 shown in the corporation's current record of shareholders; or

1627 2. When electronically transmitted to the shareholder in a
1628 manner authorized by the shareholder.

1629 (b) Unless otherwise provided in the articles of
1630 incorporation or bylaws, and without limiting the manner by
1631 which notice otherwise may be given effectively to shareholders,
1632 any notice to shareholders given by the corporation under any
1633 provision of this chapter, the articles of incorporation, or the
1634 bylaws shall be effective if given by a single written notice to
1635 shareholders who share an address if consented to by the
1636 shareholders at that address to whom such notice is given. Any
1637 such consent shall be revocable by a shareholder by written
1638 notice to the corporation, and if a written notice of revocation
1639 is delivered to the corporation, the corporation must begin
1640 providing individual notices, reports, and other statements to
1641 the revoking shareholder no later than 30 days after delivery of
1642 the written notice of revocation.

1643 (c) Any shareholder who fails to object in writing to the
1644 corporation, within 60 days after having been given written
1645 notice by the corporation of its intention to send the single
1646 notice permitted under paragraph (b), shall be deemed to have
1647 consented to receiving such single written notice.

1648 ~~(d) This subsection shall not apply to s. 607.0620, s.~~
1649 ~~607.1402, or s. 607.1404.~~

1650 (4) Written notice to a domestic corporation or to a
1651 foreign corporation authorized to transact business in this
1652 state may be addressed:

1653 (a) To its registered agent at the corporation's ~~its~~

28-00272A-19

2019892__

1654 registered office; or

1655 (b) To the corporation or the corporation's ~~its~~ secretary
 1656 at the corporation's ~~its~~ principal office or electronic mail
 1657 address as authorized and shown in its most recent annual report
 1658 or, in the case of a corporation that has not yet delivered an
 1659 annual report, in a domestic corporation's articles of
 1660 incorporation or in a foreign corporation's application for
 1661 certificate of authority.

1662 (5) (a) Except as provided in subsection (3) or elsewhere in
 1663 this chapter ~~act~~, written notice, if in a comprehensible form,
 1664 is effective at the earliest date of the following:

1665 1. ~~(a)~~ When received;

1666 2. ~~(b)~~ Five days after its deposit in the United States
 1667 mail, if mailed postpaid and correctly addressed; ~~or~~

1668 3. ~~(c)~~ On the date shown on the return receipt, if sent by
 1669 registered or certified mail, return receipt requested, and the
 1670 receipt is signed by or on behalf of the addressee; or

1671 4. When it enters an information processing system that the
 1672 recipient has designated or uses for the purposes of receiving
 1673 electronic transmissions or information of the type sent, and
 1674 from which the recipient is able to retrieve the electronic
 1675 transmission, and it is in a form capable of being processed by
 1676 that system.

1677 (b) Except as provided elsewhere in this chapter, oral
 1678 notice is effective when communicated directly to the person to
 1679 be notified in a comprehensible manner.

1680 (6) Except with respect to notice to directors by the
 1681 corporation, notice or other communications may be delivered by
 1682 electronic transmission if consented to by the recipient or if

28-00272A-19

2019892__

1683 authorized by subsection (7). Notice or other communication to
1684 directors by the corporation may be delivered by electronic
1685 transmission if consented to by the recipient director; however,
1686 if the articles or bylaws require or authorize electronic
1687 transmission of notice or other communication to a director by
1688 the corporation, then no consent by the director recipient is
1689 required for the corporation to deliver notice or other
1690 communications to the director by electronic transmission.

1691 (7) A notice or other communication may be in the form of
1692 an electronic transmission that cannot be directly reproduced in
1693 paper form by the recipient through an automated process used in
1694 conventional commercial practice only if:

1695 (a) The electronic transmission is otherwise retrievable in
1696 perceivable form; and

1697 (b) The sender and the recipient have consented in writing
1698 to the use of such form of electronic transmission.

1699 (8) Any consent under subsection (7) may be revoked by the
1700 person who consented by written or electronic notice to the
1701 person to whom the consent was delivered. Any such consent shall
1702 be deemed revoked if:

1703 (a) The corporation is unable to deliver two consecutive
1704 electronic transmissions given by the corporation in accordance
1705 with such consent; and

1706 (b) Such inability becomes known to the secretary or
1707 assistant secretary of the corporation or to the transfer agent,
1708 or other person responsible for the giving of notice or other
1709 communications; provided, however, that the inadvertent failure
1710 to treat such inability as a revocation does not invalidate any
1711 meeting or other action.

28-00272A-19

2019892__

1712 (9) Receipt of an electronic acknowledgment from an
 1713 information processing system described in paragraph (5) (d)
 1714 establishes that an electronic transmission was received, but,
 1715 by itself, does not establish that the content sent corresponds
 1716 to the content received.

1717 (10) An electronic transmission is received under this
 1718 section even if no person is aware of its receipt ~~Oral notice is~~
 1719 ~~effective when communicated if communicated directly to the~~
 1720 ~~person to be notified in a comprehensible manner.~~

1721 (11) ~~(7)~~ If this act prescribes notice requirements for
 1722 notices or other communications in particular circumstances,
 1723 those requirements govern. If articles of incorporation or
 1724 bylaws prescribe notice requirements for notices or other
 1725 communications not less stringent than the requirements of this
 1726 section or other provisions of this act, those requirements
 1727 govern. The articles of incorporation or bylaws may authorize or
 1728 require delivery of notices of meetings of directors by
 1729 electronic transmission.

1730 (12) In the event that any provisions of this chapter are
 1731 deemed to modify, limit, or supersede the federal Electronic
 1732 Signatures in Global and National Commerce Act, 15 U.S.C. s.
 1733 7001 et seq., the provisions of this chapter shall control to
 1734 the maximum extent permitted by section 102(a) (2) of that
 1735 federal act.

1736 Section 15. Section 607.0143, Florida Statutes, is created
 1737 to read:

1738 607.0143 Qualified director.—

1739 (1) A "qualified director" is a director who, at the time
 1740 action is to be taken under:

28-00272A-19

2019892__

1741 (a) Section 607.0744, does not have a material interest in
1742 the outcome of the proceeding or a material relationship with a
1743 person who has such an interest;

1744 (b) Section 607.0832, is not a director as to whom the
1745 transaction is a director's conflict of interest transaction, or
1746 who has a material relationship with another director as to whom
1747 the transaction is a director's conflict of interest
1748 transaction; or

1749 (c) Section 607.0853 or s. 607.0855:

1750 1. Is not a party to the proceeding;

1751 2. Is not a director as to whom a transaction is a
1752 director's conflict of interest transaction, which transaction
1753 is challenged in the proceeding; and

1754 3. Does not have a material relationship with a director
1755 who is disqualified by virtue of not meeting the requirements of
1756 subparagraph 1. or subparagraph 2.

1757 (2) For purposes of this section:

1758 (a) "Material relationship" means a familial, financial,
1759 professional, employment, or other relationship that would
1760 reasonably be expected to impair the objectivity of the
1761 director's judgment when participating in the action to be
1762 taken.

1763 (b) "Material interest" means an actual or potential
1764 benefit or detriment, other than one which would devolve on the
1765 corporation or the shareholders generally, that would reasonably
1766 be expected to impair the objectivity of the director's judgment
1767 when participating in the action to be taken.

1768 (3) The presence of one or more of the following
1769 circumstances does not automatically prevent a director from

28-00272A-19

2019892__

1770 being a qualified director:

1771 (a) Nomination or election of the director to the current
1772 board by any director who is not a qualified director with
1773 respect to the matter, or by any person that has a material
1774 relationship with that director, acting alone or participating
1775 with others;

1776 (b) Service as a director of another corporation of which a
1777 director who is not a qualified director with respect to the
1778 matter, or any individual who has a material relationship with
1779 that director, is or was also a director; or

1780 (c) With respect to action pursuant to s. 607.0744, status
1781 as a named defendant, as a director against whom action is
1782 demanding, or as a director who approved the conduct being
1783 challenged.

1784 Section 16. Section 607.0201, Florida Statutes, is amended
1785 to read:

1786 607.0201 Incorporators.—One or more persons may act as the
1787 incorporator or incorporators of a corporation by delivering
1788 articles of incorporation to the department ~~of State~~ for filing.

1789 Section 17. Section 607.0202, Florida Statutes, is amended
1790 to read:

1791 607.0202 Articles of incorporation; content.—

1792 (1) The articles of incorporation must set forth:

1793 (a) A corporate name for the corporation that satisfies the
1794 requirements of s. 607.0401;

1795 (b) The street address of the initial principal office and,
1796 if different, the mailing address of the corporation;

1797 (c) The number of shares the corporation is authorized to
1798 issue;

28-00272A-19

2019892__

1799 ~~(d) If any preemptive rights are to be granted to~~
1800 ~~shareholders, the provision therefor;~~

1801 (d)~~(e)~~ The street address of the corporation's initial
1802 registered office and the name of its initial registered agent
1803 at that office together with a written acceptance as required in
1804 s. 607.0501(3); and

1805 (e)~~(f)~~ The name and address of each incorporator.

1806 (2) The articles of incorporation may set forth:

1807 (a) The names and addresses of the individuals who are to
1808 serve as the initial directors;

1809 (b) Provisions not inconsistent with law regarding:

1810 1. The purpose or purposes for which the corporation is
1811 organized;

1812 2. Managing the business and regulating the affairs of the
1813 corporation;

1814 3. Defining, limiting, and regulating the powers of the
1815 corporation and its board of directors and shareholders;

1816 4. A par value for authorized shares or classes of shares;

1817 5. The imposition of personal liability on shareholders for
1818 the debts of the corporation to a specified extent and upon
1819 specified conditions; and

1820 6. Exclusive forum provisions to the extent allowed by s.
1821 607.0208;

1822 (c) Provisions for granting any preemptive rights to
1823 shareholders; and

1824 (d) Any provision that under this chapter act is required
1825 or permitted to be set forth in the bylaws.

1826 (3) The articles of incorporation need not set forth any of
1827 the corporate powers enumerated in this chapter act.

28-00272A-19

2019892__

1828 (4) Provisions of the articles of incorporation may be made
1829 dependent upon facts objectively ascertainable outside the
1830 articles of incorporation in accordance with s. 607.0120(11).

1831 (5) The articles of incorporation may not contain any
1832 provision that would impose liability on a shareholder for the
1833 attorney fees or expenses of the corporation or any other party
1834 in connection with an internal corporate claim, as defined in s.
1835 607.0208.

1836 Section 18. Subsection (2) of section 607.0203, Florida
1837 Statutes, is amended to read:

1838 607.0203 Incorporation.—

1839 (2) The department's ~~Department of State's~~ filing of the
1840 articles of incorporation is conclusive proof that the
1841 incorporators satisfied all conditions precedent to
1842 incorporation except in a proceeding by the state to cancel or
1843 revoke the incorporation or administratively ~~involuntarily~~
1844 dissolve the corporation.

1845 Section 19. Section 607.0204, Florida Statutes, is amended
1846 to read:

1847 607.0204 Liability for preincorporation transactions.—All
1848 persons purporting to act as or on behalf of a corporation,
1849 knowing ~~having actual knowledge~~ that there was no incorporation
1850 under this chapter, are jointly and severally liable for all
1851 liabilities created while so acting ~~except for any liability to~~
1852 ~~any person who also had actual knowledge that there was no~~
1853 ~~incorporation.~~

1854 Section 20. Subsections (1), (2), and (3) of section
1855 607.0205, Florida Statutes, are amended to read:

1856 607.0205 Organizational meeting of directors.—

28-00272A-19

2019892__

1857 (1) After incorporation:

1858 (a) If initial directors are named in the articles of
1859 incorporation, the initial directors shall hold an
1860 organizational meeting, at the call of a majority of the
1861 directors, to complete the organization of the corporation by
1862 appointing officers, adopting bylaws, and carrying on any other
1863 business brought before the meeting;

1864 (b) If initial directors are not named in the articles of
1865 incorporation, the incorporators shall hold an organizational
1866 meeting at the call of a majority of the incorporators:

1867 1. To elect directors and complete the organization of the
1868 corporation; or

1869 2. To elect a board of directors who shall complete the
1870 organization of the corporation.

1871 (2) Action required or permitted by this chapter ~~act~~ to be
1872 taken by incorporators or directors at an organizational meeting
1873 may be taken without a meeting if the action taken is evidenced
1874 by one or more written consents describing the action taken and
1875 signed by each incorporator or director.

1876 (3) The directors or incorporators calling the
1877 organizational meeting shall give at least 2 ~~3~~ days' notice
1878 thereof to each director or incorporator so named, stating the
1879 time and place of the meeting.

1880 Section 21. Subsection (2) of section 607.0206, Florida
1881 Statutes, is amended, and subsections (3) through (6) are added
1882 to that section, to read:

1883 607.0206 Bylaws.—

1884 (2) The bylaws of a corporation may contain any provision
1885 that is not inconsistent with law or the articles of

28-00272A-19

2019892__

1886 incorporation, including the provisions described in subsections
1887 (3) and (4) for managing the business and regulating the affairs
1888 of the corporation that is not inconsistent with law or the
1889 articles of incorporation.

1890 (3) The bylaws of a corporation may contain one or both of
1891 the following provisions:

1892 (a) A requirement that if the corporation solicits proxies
1893 or consents with respect to an election of directors, the
1894 corporation include in its proxy statement and any form of its
1895 proxy or consent, to the extent and subject to such procedures
1896 or conditions as are provided in the bylaws, one or more
1897 individuals nominated by a shareholder in addition to
1898 individuals nominated by the board of directors.

1899 (b) A requirement that the corporation reimburse the
1900 expenses incurred by a shareholder in soliciting proxies or
1901 consents in connection with an election of directors, to the
1902 extent and subject to such procedures and conditions as are
1903 provided in the bylaws, provided that no bylaw so adopted shall
1904 apply to elections for which any record date precedes its
1905 adoption.

1906 (4) The bylaws of a corporation may contain exclusive forum
1907 provisions to the extent allowed by s. 607.0208.

1908 (5) Notwithstanding s. 607.1020(1)(b), the shareholders in
1909 amending, repealing, or adopting a bylaw described in subsection
1910 (3) may not limit the authority of the board of directors to
1911 amend or repeal any condition or procedure set forth in, or to
1912 add any procedure or condition to, such a bylaw to provide for a
1913 reasonable, practical, and orderly process.

1914 (6) The bylaws may not contain any provision that would

28-00272A-19

2019892__

1915 impose liability on a shareholder for the attorney fees or
1916 expenses of the corporation or any other party in connection
1917 with an internal corporate claim, as defined in s. 607.0208.

1918 Section 22. Subsections (1), (3), (4), and (5) of section
1919 607.0207, Florida Statutes, are amended to read:

1920 607.0207 Emergency bylaws.—

1921 (1) Unless the articles of incorporation provide otherwise,
1922 the board of directors ~~of a corporation~~ may adopt bylaws to be
1923 effective only in an emergency defined in subsection (5). The
1924 emergency bylaws, which are subject to amendment or repeal by
1925 the shareholders, may make all provisions necessary for managing
1926 the corporation during an emergency, including:

1927 (a) Procedures for calling a meeting of the board of
1928 directors;

1929 (b) Quorum requirements for the meeting; and

1930 (c) Designation of additional or substitute directors.

1931 (3) All provisions of the regular bylaws not inconsistent
1932 ~~consistent~~ with the emergency bylaws remain effective during the
1933 emergency. The emergency bylaws are not effective after the
1934 emergency ends.

1935 (4) Corporate action taken in good faith in accordance with
1936 the emergency bylaws:

1937 (a) Binds the corporation; and

1938 (b) May not be used to impose liability on a ~~corporate~~
1939 director, officer, employee, or agent of the corporation.

1940 (5) An emergency exists for purposes of this section if a
1941 quorum of the board of ~~corporation's~~ directors cannot readily be
1942 assembled because of some catastrophic event.

1943 Section 23. Section 607.0208, Florida Statutes, is created

28-00272A-19

2019892__

1944 to read:

1945 607.0208 Forum selection.—

1946 (1) The articles of incorporation or the bylaws may require
1947 that any or all internal corporate claims be brought exclusively
1948 in any specified court or courts of this state and, if so
1949 specified, in any additional courts in this state or in any
1950 other jurisdictions with which the corporation has a reasonable
1951 relationship.

1952 (2) A provision of the articles of incorporation or bylaws
1953 adopted under subsection (1) does not have the effect of
1954 conferring jurisdiction on any court or over any person or
1955 claim, and does not apply if none of the courts specified by
1956 such provision has the requisite personal and subject matter
1957 jurisdiction. If the court or courts in this state specified in
1958 a provision adopted under subsection (1) do not have the
1959 requisite personal and subject matter jurisdiction and another
1960 court in this state does have such jurisdiction, then the
1961 internal corporate claim may be brought in such other court,
1962 notwithstanding that such other court is not specified in such
1963 provision, or in any other court outside the state specified in
1964 such provision that has the requisite jurisdiction.

1965 (3) No provision of the articles of incorporation or the
1966 bylaws may prohibit bringing an internal corporate claim in all
1967 courts in this state or require such claims to be determined by
1968 arbitration.

1969 (4) For the purposes of this section, "Internal corporate
1970 claim" means:

1971 (a) Any claim that is based upon a violation of a duty
1972 under the laws of this state by a current or former director,

28-00272A-19

2019892__

1973 officer, or shareholder in such capacity;

1974 (b) Any derivative action or proceeding brought on behalf
1975 of the corporation;

1976 (c) Any action asserting a claim arising pursuant to this
1977 chapter or the articles of incorporation or bylaws; or

1978 (d) Any action asserting a claim governed by the internal
1979 affairs doctrine that is not included in paragraphs (a), (b), or
1980 (c).

1981 Section 24. Section 607.0301, Florida Statutes, is amended
1982 to read:

1983 607.0301 Purposes and application.—

1984 (1) Every corporation incorporated under this chapter has
1985 the purpose of engaging in any lawful business unless a more
1986 limited purpose is set forth in the articles of incorporation.

1987 (2) A corporation engaging in a business that is subject to
1988 regulation under another statute of this state may incorporate
1989 under this chapter only if permitted by, and subject to all
1990 limitations of, the other statute.

1991 ~~(3) Corporations may be organized under this act for any~~
1992 ~~lawful purpose or purposes, and~~ The provisions of this chapter
1993 ~~act~~ extend to all corporations, whether chartered by special
1994 acts or general laws, except that special statutes for the
1995 regulation and control of types of business and corporations
1996 shall control when in conflict herewith.

1997 Section 25. Section 607.0302, Florida Statutes, is amended
1998 to read:

1999 607.0302 General powers.—Unless its articles of
2000 incorporation provide otherwise, every corporation has perpetual
2001 duration and succession in its corporate name and has the same

28-00272A-19

2019892__

2002 powers as an individual to do all things necessary or convenient
2003 to carry out its business and affairs, including ~~without~~
2004 ~~limitation~~ power:

2005 (1) To sue and be sued, complain, and defend in its
2006 corporate name;

2007 (2) To have a corporate seal, which may be altered at will
2008 and to use it or a facsimile of it, by impressing or affixing it
2009 or in any other manner reproducing it;

2010 (3) To purchase, receive, lease, or otherwise acquire, and
2011 own, hold, improve, use, and otherwise deal with real or
2012 personal property or any legal or equitable interest in property
2013 wherever located;

2014 (4) To sell, convey, mortgage, pledge, create a security
2015 interest in, lease, exchange, and otherwise dispose of all or
2016 any part of its property;

2017 (5) To lend money to, and use its credit to assist, its
2018 officers and employees in accordance with s. 607.0833;

2019 (6) To purchase, receive, subscribe for, or otherwise
2020 acquire; own, hold, vote, use, sell, mortgage, lend, pledge, or
2021 otherwise dispose of; and deal in and with shares or other
2022 interests in, or obligations of, any other entity;

2023 (7) To make contracts and guarantees, incur liabilities,
2024 borrow money, issue its notes, bonds, and other securities and
2025 obligations (which may be convertible into or include the option
2026 to purchase other securities of the corporation), and secure any
2027 of its obligations by mortgage or pledge of any of its property,
2028 franchises, or ~~and~~ income and make contracts of guaranty and
2029 suretyship which are necessary or convenient to the conduct,
2030 promotion, or attainment of the business of a corporation the

28-00272A-19

2019892__

2031 majority of the outstanding shares ~~stock~~ of which is owned,
2032 directly or indirectly, by the contracting corporation; a
2033 corporation which owns, directly or indirectly, a majority of
2034 the outstanding shares ~~stock~~ of the contracting corporation; or
2035 a corporation the majority of the outstanding shares ~~stock~~ of
2036 which is owned, directly or indirectly, by a corporation which
2037 owns, directly or indirectly, the majority of the outstanding
2038 shares ~~stock~~ of the contracting corporation, which contracts of
2039 guaranty and suretyship shall be deemed to be necessary or
2040 convenient to the conduct, promotion, or attainment of the
2041 business of the contracting corporation, and make other
2042 contracts of guaranty and suretyship which are necessary or
2043 convenient to the conduct, promotion, or attainment of the
2044 business of the contracting corporation;

2045 (8) To lend money, invest and reinvest its funds, and
2046 receive and hold real and personal property as security for
2047 repayment;

2048 (9) To conduct its business, locate offices, and exercise
2049 the powers granted by this chapter ~~act~~ within or without this
2050 state;

2051 (10) To elect directors and appoint officers, employees,
2052 and agents of the corporation and define their duties, fix their
2053 compensation, and lend them money and credit;

2054 (11) To make and amend bylaws, not inconsistent with its
2055 articles of incorporation or with the laws of this state, for
2056 managing the business and regulating the affairs of the
2057 corporation;

2058 (12) To make donations for the public welfare or for
2059 charitable, scientific, or educational purposes;

28-00272A-19

2019892__

2060 (13) To transact any lawful business that will aid
2061 governmental policy;

2062 (14) To make payments or donations or do any other act not
2063 inconsistent with law that furthers the business and affairs of
2064 the corporation;

2065 (15) To pay pensions and establish pension plans, pension
2066 trusts, profit-sharing plans, share bonus plans, share option
2067 plans, and benefit or incentive plans for any or all of its
2068 current or former directors, officers, employees, and agents and
2069 for any or all of the current or former directors, officers,
2070 employees, and agents of its subsidiaries;

2071 (16) To provide insurance for its benefit on the life of
2072 any of its directors, officers, or employees, or on the life of
2073 any shareholder for the purpose of acquiring at his or her death
2074 shares of its stock owned by the shareholder or by the spouse or
2075 children of the shareholder; and

2076 (17) To be a promoter, incorporator, partner, member,
2077 associate, or manager of any corporation, partnership, joint
2078 venture, trust, or other entity.

2079 Section 26. Subsections (3), (4), and (5) of section
2080 607.0303, Florida Statutes, are amended to read:

2081 607.0303 Emergency powers.—

2082 (3) Corporate action taken in good faith during an
2083 emergency under this section to further the ordinary business
2084 affairs of the corporation:

2085 (a) Binds the corporation; and

2086 (b) May not be used to impose liability on a ~~corporate~~
2087 director, officer, employee, or agent of the corporation.

2088 (4) No officer, director, or employee acting in accordance

28-00272A-19

2019892__

2089 with any emergency bylaws shall be liable except for willful or
2090 intentional misconduct.

2091 (5) An emergency exists for purposes of this section if a
2092 quorum of the board of ~~corporation's~~ directors cannot readily be
2093 assembled because of some catastrophic event.

2094 Section 27. Section 607.0304, Florida Statutes, is amended
2095 to read:

2096 607.0304 Lack of power to act ~~Ultra vires.~~

2097 (1) Except as provided in subsection (2), the validity of
2098 corporate action, including, but not limited to, any conveyance,
2099 transfer, or encumbrance of real or personal property to or by a
2100 corporation, may not be challenged on the ground that the
2101 corporation lacks or lacked power to act.

2102 (2) A corporation's power to act may be challenged:

2103 (a) In a proceeding by a shareholder against the
2104 corporation to enjoin the act;

2105 (b) In a proceeding by the corporation, directly,
2106 derivatively, or through a receiver, trustee, or other legal
2107 representative, or through shareholders in a representative
2108 suit, against an incumbent or former officer, employee, or agent
2109 of the corporation; or

2110 (c) In a proceeding by the Department of Legal Affairs
2111 pursuant to s. 607.1403 or ~~Attorney General, as provided in this~~
2112 ~~act, to dissolve the corporation or in a proceeding by the~~
2113 ~~Attorney General~~ to enjoin the corporation from the transaction
2114 of unauthorized business.

2115 (3) In a shareholder's proceeding under paragraph (2) (a) to
2116 enjoin an unauthorized corporate act, the court may enjoin or
2117 set aside the act, if equitable and if all affected persons are

28-00272A-19

2019892__

2118 parties to the proceeding, and may award damages for loss (other
2119 than anticipated profits) suffered by the corporation or another
2120 party because of enjoining the unauthorized act.

2121 Section 28. Section 607.0401, Florida Statutes, is amended
2122 to read:

2123 607.0401 Corporate name.—

2124 (1) A corporate name:

2125 (a)~~(1)~~ Must contain the word "corporation," "company," or
2126 "incorporated" or the abbreviation "Corp.," or "Inc.," or "Co.,"
2127 or the designation "Corp," or "Inc," or "Co," as will clearly
2128 indicate that it is a corporation instead of a natural person,
2129 partnership, or other eligible business entity.

2130 (b)~~(2)~~ May not contain language stating or implying that
2131 the corporation is organized for a purpose other than that
2132 permitted in this chapter ~~act~~ and its articles of incorporation.

2133 (c)~~(3)~~ May not contain language stating or implying that
2134 the corporation is connected with a state or federal government
2135 agency or a corporation or other entity chartered under the laws
2136 of the United States.

2137 (d)~~(4)~~ Must be distinguishable from the names of all other
2138 entities or filings that are on file with the department
2139 ~~Division of Corporations~~, except fictitious name registrations
2140 pursuant to s. 865.09, general partnership registrations
2141 pursuant to s. 620.8105, and limited liability partnership
2142 statements pursuant to s. 620.9001 which are organized,
2143 registered, or reserved under the laws of this state. A name
2144 that is different from the name of another entity or filing due
2145 to any of the following is not considered distinguishable:

2146 1.~~(a)~~ A suffix.

28-00272A-19

2019892__

- 2147 2.~~(b)~~ A definite or indefinite article.
- 2148 3.~~(e)~~ The word "and" and the symbol "&."
- 2149 4.~~(d)~~ The singular, plural, or possessive form of a word.
- 2150 ~~(e) A recognized abbreviation of a root word.~~
- 2151 5.~~(f)~~ A punctuation mark or a symbol.
- 2152 (e) Notwithstanding the foregoing, a corporation may
- 2153 register under a name that is not otherwise distinguishable on
- 2154 the records of the department with the written consent of the
- 2155 other entity if the consent is filed with the department at the
- 2156 time of registration of such name and if such name is not
- 2157 identical to the name of the other entity.
- 2158 (2)~~(5)~~ As filed with the department ~~of State~~, is for public
- 2159 notice only and does not alone create any presumption of
- 2160 ownership beyond that which is created under the common law.
- 2161 (3) This chapter does not control the use of fictitious
- 2162 names.
- 2163 Section 29. Section 607.04021, Florida Statutes, is created
- 2164 to read:
- 2165 607.04021 Reserved name.—
- 2166 (1) A person may reserve the exclusive use of a corporate
- 2167 name, including an alternate name for a foreign corporation
- 2168 whose corporate name is not available, by delivering an
- 2169 application to the department for filing. The application must
- 2170 set forth the name and address of the applicant and the name
- 2171 proposed to be reserved. If the department finds that the
- 2172 corporate name applied for is available, it shall reserve the
- 2173 name for the exclusive use of the applicant for a nonrenewable
- 2174 120-day period.
- 2175 (2) The owner of a reserved corporate name may transfer the

28-00272A-19

2019892__

2176 reservation to another person by delivering to the department a
2177 signed notice of the transfer that states the name and address
2178 of the transferee.

2179 (3) The department may revoke any reservation if, after a
2180 hearing, it finds that the application therefor or any transfer
2181 thereof was not made in good faith.

2182 Section 30. Subsections (1), (2), (5), and (6) of section
2183 607.0403, Florida Statutes, are amended to read:

2184 607.0403 Registered name; application; renewal;
2185 revocation.—

2186 (1) A foreign corporation may register its corporate name,
2187 or its corporate name with the any addition of any word or
2188 abbreviation required by s. 607.1506, if the name is
2189 distinguishable upon the records of the department ~~of State~~ from
2190 the corporate names that are not available under s.
2191 607.0401(1)(d) s. 607.0401(4).

2192 (2) A foreign corporation registers its corporate name, or
2193 its corporate name with any addition allowed ~~required~~ by s.
2194 607.1506, by delivering to the department ~~of State~~ for filing an
2195 application:

2196 (a) Setting forth such name ~~its corporate name, or its~~
2197 ~~corporate name with any addition required by s. 607.1506,~~ the
2198 state or country and date of its incorporation, and a brief
2199 description of the nature of the business that is to be
2200 conducted in this state ~~in which it is engaged;~~ and

2201 (b) Accompanied by a certificate of existence, or a
2202 certificate setting forth that such corporation is in good
2203 standing under the laws of the state or country wherein it is
2204 organized (or a document of similar import), from the state or

28-00272A-19

2019892__

2205 country of incorporation.

2206 (5) A foreign corporation the registration of which is
2207 effective may thereafter qualify as a foreign corporation under
2208 the registered name or consent in writing to the use of that
2209 name by a corporation thereafter incorporated under this chapter
2210 ~~act~~ or by another foreign corporation thereafter authorized to
2211 transact business in this state. The registration terminates
2212 when the domestic corporation is incorporated or the foreign
2213 corporation qualifies or consents to the qualification of
2214 another foreign corporation under the registered name.

2215 (6) The department ~~of State~~ may revoke any registration if,
2216 after a hearing, it finds that the application therefor or any
2217 renewal thereof was not made in good faith.

2218 Section 31. Subsections (1), (3), (4), and (5) of section
2219 607.0501, Florida Statutes, are amended, and subsection (7) is
2220 added to that section, to read:

2221 607.0501 Registered office and registered agent.—

2222 (1) Each corporation shall designate ~~have~~ and continuously
2223 maintain in this state:

2224 (a) A registered office which may be the same as its place
2225 of business in this state; and

2226 (b) A registered agent, which must be ~~who may be either~~:

2227 1. An individual who resides in this state whose business
2228 address ~~office~~ is identical to the address of the ~~with such~~
2229 registered office;

2230 2. Another domestic entity that is an authorized entity and
2231 whose business address is identical to the address of the
2232 registered office; or

2233 3. A foreign entity authorized to transact business in this

28-00272A-19

2019892__

2234 state which is an authorized entity and whose business address
2235 is identical to the address of the registered office ~~Another~~
2236 ~~corporation or not-for-profit corporation as defined in chapter~~
2237 ~~617, authorized to transact business or conduct its affairs in~~
2238 ~~this state, having a business office identical with the~~
2239 ~~registered office; or~~

2240 ~~3. A foreign corporation or not-for-profit foreign~~
2241 ~~corporation authorized pursuant to this chapter or chapter 617~~
2242 ~~to transact business or conduct its affairs in this state,~~
2243 ~~having a business office identical with the registered office.~~

2244 ~~(3) Each initial A registered agent, and each appointed~~
2245 ~~pursuant to this section or a successor registered agent that is~~
2246 ~~appointed, shall pursuant to s. 607.0502 on whom process may be~~
2247 ~~served shall each file a statement in writing with the~~
2248 ~~department, in the form and manner of State, in such form and~~
2249 ~~manner as shall be prescribed by the department, accepting the~~
2250 ~~appointment as a registered agent while simultaneously with his~~
2251 ~~or her being designated as the registered agent. The. Such~~
2252 ~~statement of acceptance must provide shall state that the~~
2253 ~~registered agent is familiar with, and accepts, the obligations~~
2254 ~~of that position.~~

2255 ~~(4) The duties of a registered agent are:~~

2256 ~~(a) To forward to the corporation at the address most~~
2257 ~~recently supplied to the registered agent by the corporation, a~~
2258 ~~process, notice, or demand pertaining to the corporation which~~
2259 ~~is served on or received by the registered agent; and~~

2260 ~~(b) If the registered agent resigns, to provide the notice~~
2261 ~~required under s. 607.0503 to the corporation at the address~~
2262 ~~most recently supplied to the registered agent by the~~

28-00272A-19

2019892__

2263 corporation.

2264 (5) The department ~~of State~~ shall maintain an accurate
2265 record of the registered agents and registered office for
2266 ~~offices for the~~ service of process and shall promptly furnish
2267 any information disclosed thereby ~~promptly~~ upon request and
2268 payment of the required fee.

2269 (6)~~(5)~~ A corporation may not prosecute or maintain an any
2270 action in a court in this state until the corporation complies
2271 with this section, pays to the department any amounts required
2272 under this chapter, and, to the extent ordered by a court of
2273 competent jurisdiction, with the provisions of this section or
2274 ~~s. 607.1507, as applicable, and~~ pays to the department ~~of State~~
2275 a penalty of \$5 for each day it has failed to so comply or \$500,
2276 whichever is less.

2277 (7) A court may stay a proceeding commenced by a
2278 corporation until the corporation complies with this section.

2279 Section 32. Section 607.0502, Florida Statutes, is amended
2280 to read:

2281 607.0502 Change of registered office or registered agent;
2282 ~~resignation of registered agent.-~~

2283 (1) In order to change its registered agent or registered
2284 office address, a corporation may deliver to the department for
2285 filing change its registered office or its registered agent upon
2286 ~~filing with the Department of State~~ a statement of change
2287 containing the following setting forth:

2288 (a) The name of the corporation.~~;~~

2289 (b) The name of its current registered agent. ~~The street~~
2290 ~~address of its current registered office;~~

2291 (c) If the current registered agent is to be changed, the

28-00272A-19

2019892__

2292 name of the new registered agent. ~~If the current registered~~
2293 ~~office is to be changed, the street address of the new~~
2294 ~~registered office;~~

2295 (d) The street address of its current registered office for
2296 its current registered agent. ~~The name of its current registered~~
2297 ~~agent;~~

2298 (e) If the street address of the current registered office
2299 is to be changed, the new street address of the registered
2300 office in this state ~~If its current registered agent is to be~~
2301 ~~changed, the name of the new registered agent and the new~~
2302 ~~agent's written consent (either on the statement or attached to~~
2303 ~~it) to the appointment;~~

2304 (f) ~~That the street address of its registered office and~~
2305 ~~the street address of the business office of its registered~~
2306 ~~agent, as changed, will be identical;~~

2307 (g) ~~That such change was authorized by resolution duly~~
2308 ~~adopted by its board of directors or by an officer of the~~
2309 ~~corporation so authorized by the board of directors.~~

2310 (2) If the registered agent is changed, the written
2311 acceptance of the successor registered agent described in s.
2312 607.0501(3) must also be included in or attached to the
2313 statement of change.

2314 (3) A statement of change is effective when filed by the
2315 department.

2316 (4) The changes described in this section may also be made
2317 on the corporation's annual report, in an application for
2318 reinstatement filed with the department under s. 607.1622, or in
2319 an amendment to or restatement of a company's articles of
2320 incorporation in accordance with s. 607.1006 or s. 607.1007. ~~Any~~

28-00272A-19

2019892__

2321 ~~registered agent may resign his or her agency appointment by~~
2322 ~~signing and delivering for filing with the Department of State a~~
2323 ~~statement of resignation and mailing a copy of such statement to~~
2324 ~~the corporation at its principal office address shown in its~~
2325 ~~most recent annual report or, if none, filed in the articles of~~
2326 ~~incorporation or other most recently filed document. The~~
2327 ~~statement of resignation shall state that a copy of such~~
2328 ~~statement has been mailed to the corporation at the address so~~
2329 ~~stated. The agency is terminated as of the 31st day after the~~
2330 ~~date on which the statement was filed and unless otherwise~~
2331 ~~provided in the statement, termination of the agency acts as a~~
2332 ~~termination of the registered office.~~

2333 ~~(3) If a registered agent changes his or her business name~~
2334 ~~or business address, he or she may change such name or address~~
2335 ~~and the address of the registered office of any corporation for~~
2336 ~~which he or she is the registered agent by:~~

2337 ~~(a) Notifying all such corporations in writing of the~~
2338 ~~change,~~

2339 ~~(b) Signing (either manually or in facsimile) and~~
2340 ~~delivering to the Department of State for filing a statement~~
2341 ~~that substantially complies with the requirements of paragraphs~~
2342 ~~(1)(a)-(f), setting forth the names of all such corporations~~
2343 ~~represented by the registered agent, and~~

2344 ~~(c) Reciting that each corporation has been notified of the~~
2345 ~~change.~~

2346 ~~(4) Changes of the registered office or registered agent~~
2347 ~~may be made by a change on the corporation's annual report form~~
2348 ~~filed with the Department of State.~~

2349 ~~(5) The Department of State shall collect a fee pursuant to~~

28-00272A-19

2019892__

2350 ~~s. 15.09(2) for the filings authorized under this section.~~

2351 Section 33. Section 607.0503, Florida Statutes, is created
2352 to read:

2353 607.0503 Resignation of registered agent.-

2354 (1) A registered agent may resign as agent for a
2355 corporation by delivering to the department for filing a signed
2356 statement of resignation containing the name of the corporation.

2357 (2) After delivering the statement of resignation to the
2358 department for filing, the registered agent must promptly mail a
2359 copy to the corporation at its current mailing address.

2360 (3) A registered agent is terminated upon the earlier of:

2361 (a) The 31st day after the department files the statement
2362 of resignation; or

2363 (b) When a statement of change or other record designating
2364 a new registered agent is filed by the department.

2365 (4) When a statement of resignation takes effect, the
2366 registered agent ceases to have responsibility for a matter
2367 thereafter tendered to it as agent for the corporation. The
2368 resignation does not affect contractual rights that the
2369 corporation has against the agent or that the agent has against
2370 the corporation.

2371 (5) A registered agent may resign from a corporation
2372 regardless of whether the corporation has active status.

2373 Section 34. Section 607.05031, Florida Statutes, is created
2374 to read:

2375 607.05031 Change of name or address by registered agent.-

2376 (1) If a registered agent changes its name or address, the
2377 agent may deliver to the department for filing a statement of
2378 change that provides the following:

28-00272A-19

2019892__

2379 (a) The name of the corporation represented by the
2380 registered agent.

2381 (b) The name of the registered agent as currently shown in
2382 the records of the department for the corporation.

2383 (c) If the name of the registered agent has changed, its
2384 new name.

2385 (d) If the address of the registered agent has changed, the
2386 new address.

2387 (e) A statement that the registered agent has given the
2388 notice required under subsection (2).

2389 (2) A registered agent shall promptly furnish notice of the
2390 statement of change and the changes made by the statement filed
2391 with the department to the represented corporation.

2392 Section 35. Section 607.05032, Florida Statutes, is created
2393 to read:

2394 607.05032 Delivery of notice or other communication.-

2395 (1) Except as otherwise provided in this chapter,
2396 permissible means of delivery of a notice or other communication
2397 includes delivery by hand, the United States Postal Service, a
2398 commercial delivery service, and electronic transmission, all as
2399 more particularly described in s. 607.0141.

2400 (2) Except as provided in subsection (3), delivery to the
2401 department is effective only when a notice or other
2402 communication is received by the department.

2403 (3) If a check is mailed to the department for payment of
2404 an annual report fee or the annual supplemental fee required
2405 under s. 607.193 and the check is received by the department,
2406 the check shall be deemed to have been received by the
2407 department as of the postmark date appearing on the envelope or

28-00272A-19

2019892__

2408 package transmitting the check.

2409 Section 36. Section 607.0504, Florida Statutes, is amended
2410 to read:

2411 607.0504 Service of process, notice, or demand on a
2412 corporation.—

2413 (1) A corporation may be served with process required or
2414 authorized by law by serving on its registered agent.

2415 (2) If a corporation ceases to have a registered agent or
2416 if its registered agent cannot with reasonable diligence be
2417 served, the process required or permitted by law may instead be
2418 served on the chair of the board, the president, any vice
2419 president, the secretary, or the treasurer of the corporation at
2420 the principal office of the corporation in this state.

2421 (3) If the process cannot be served on a corporation
2422 pursuant to subsection (1) or subsection (2), the process may be
2423 served on the secretary of state as an agent of the corporation.

2424 (4) Service of process on the secretary of state shall be
2425 made by delivering to and leaving with the department duplicate
2426 copies of the process.

2427 (5) Service is effectuated under subsection (3) on the date
2428 shown as received by the department.

2429 (6) The department shall keep a record of each process
2430 served on the secretary of state pursuant to this subsection and
2431 record the time of and the action taken regarding the service.

2432 (7) Any notice or demand on a corporation under this
2433 chapter may be given or made to the chair of the board, the
2434 president, any vice president, the secretary, or the treasurer
2435 of the corporation; to the registered agent of the corporation
2436 at the registered office of the corporation in this state; or to

28-00272A-19

2019892__

2437 any other address in this state that is in fact the principal
2438 office of the corporation in this state.

2439 (8) This section does not affect the right to serve
2440 process, give notice, or make a demand in any other manner
2441 provided by law ~~Process against any corporation may be served in~~
2442 ~~accordance with chapter 48 or chapter 49.~~

2443 ~~(2) Any notice to or demand on a corporation under this act~~
2444 ~~may be made to the chair of the board, the president, any vice~~
2445 ~~president, the secretary, or the treasurer; to the registered~~
2446 ~~agent of the corporation at the registered office of the~~
2447 ~~corporation in this state; or to any other address in this state~~
2448 ~~that is in fact the principal office of the corporation in this~~
2449 ~~state.~~

2450 ~~(3) This section does not prescribe the only means, or~~
2451 ~~necessarily the required means, of serving notice or demand on a~~
2452 ~~corporation.~~

2453 Section 37. Paragraph (a) of subsection (1) and subsections
2454 (5), (6), (10), and (12) of section 607.0505, Florida Statutes,
2455 are amended to read:

2456 607.0505 Registered agent; duties.—

2457 (1) (a) Each corporation, foreign corporation, or alien
2458 business organization that owns real property located in this
2459 state, that owns a mortgage on real property located in this
2460 state, or that transacts business in this state shall have and
2461 continuously maintain in this state a registered office and a
2462 registered agent and shall file with the department ~~of State~~
2463 notice of the registered office and registered agent as provided
2464 in ss. 607.0501 and 607.0502. The appointment of a registered
2465 agent in compliance with s. 607.0501 or s. 607.1507 is

28-00272A-19

2019892__

2466 sufficient for purposes of this section provided the registered
2467 agent so appointed files, in such form and manner as prescribed
2468 by the department ~~of State~~, an acceptance of the obligations
2469 provided for in this section.

2470 (5) If a corporation, foreign corporation, or alien
2471 business organization fails without lawful excuse to comply
2472 timely or fully with a subpoena issued pursuant to subsection
2473 (2), the Department of Legal Affairs may file an action in the
2474 circuit court for the judicial circuit in which the corporation,
2475 foreign corporation, or alien business organization is found or
2476 transacts business or in which real property belonging to the
2477 corporation, foreign corporation, or alien business organization
2478 is located, for an order compelling compliance with the
2479 subpoena. The failure without a lawful excuse to comply timely
2480 or fully with an order compelling compliance with the subpoena
2481 will result in a civil penalty of not more than \$1,000 for each
2482 day of noncompliance with the order. In connection with such
2483 proceeding, the Department of Legal Affairs may, without prior
2484 approval by the court, file a lis pendens against real property
2485 owned by the corporation, foreign corporation, or alien business
2486 organization, which lis pendens shall set forth the legal
2487 description of the real property and shall be filed in the
2488 public records of the county where the real property is located.
2489 If the lis pendens is filed in any county other than the county
2490 in which the action is pending, the lis pendens which is filed
2491 must be a certified copy of the original lis pendens. A judgment
2492 or an order of payment entered pursuant to this subsection will
2493 become a judgment lien against any real property owned by the
2494 corporation, foreign corporation, or alien business organization

28-00272A-19

2019892__

2495 when a certified copy of the judgment or order is recorded as
2496 required by s. 55.10. The Department of Legal Affairs will be
2497 able to avail itself of, and is entitled to use, any provision
2498 of law or of the Florida Rules of Civil Procedure to further the
2499 collecting or obtaining of payment pursuant to a judgment or
2500 order of payment. The state, through the Attorney General, may
2501 bid, at any judicial sale to enforce its judgment lien, an
2502 amount up to the amount of the judgment or lien obtained
2503 pursuant to this subsection. All moneys recovered under this
2504 subsection shall be treated as forfeitures under ss. 895.01-
2505 895.09 and used or distributed in accordance with the procedure
2506 set forth in s. 895.09.

2507 (6) Information provided to, and records and transcriptions
2508 of testimony obtained by, the Department of Legal Affairs
2509 pursuant to this section are confidential and exempt from the
2510 provisions of s. 119.07(1) while the investigation is active.
2511 For purposes of this section, an investigation shall be
2512 considered "active" while such investigation is being conducted
2513 with a reasonable, good faith belief that it may lead to the
2514 filing of an administrative, civil, or criminal proceeding. An
2515 investigation does not cease to be active so long as the
2516 Department of Legal Affairs is proceeding with reasonable
2517 dispatch and there is a good faith belief that action may be
2518 initiated by the Department of Legal Affairs or other
2519 administrative or law enforcement agency. Except for active
2520 criminal intelligence or criminal investigative information, as
2521 defined in s. 119.011, and information which, if disclosed,
2522 would reveal a trade secret, as defined in s. 688.002, or would
2523 jeopardize the safety of an individual, all information,

28-00272A-19

2019892__

2524 records, and transcriptions become public record when the
2525 investigation is completed or ceases to be active. The
2526 Department of Legal Affairs shall not disclose confidential
2527 information, records, or transcriptions of testimony except
2528 pursuant to the authorization by the Attorney General in any of
2529 the following circumstances:

2530 (a) To a law enforcement agency participating in or
2531 conducting a civil investigation under chapter 895, or
2532 participating in or conducting a criminal investigation.

2533 (b) In the course of filing, participating in, or
2534 conducting a judicial proceeding instituted pursuant to this
2535 section or chapter 895.

2536 (c) In the course of filing, participating in, or
2537 conducting a judicial proceeding to enforce an order or judgment
2538 entered pursuant to this section or chapter 895.

2539 (d) In the course of a criminal or civil proceeding.

2540
2541 A person or law enforcement agency which receives any
2542 information, record, or transcription of testimony that has been
2543 made confidential by this subsection shall maintain the
2544 confidentiality of such material and shall not disclose such
2545 information, record, or transcription of testimony except as
2546 provided for herein. Any person who willfully discloses any
2547 information, record, or transcription of testimony that has been
2548 made confidential by this subsection, except as provided for
2549 herein, is guilty of a misdemeanor of the first degree,
2550 punishable as provided in s. 775.082 or s. 775.083. If any
2551 information, record, or testimony obtained pursuant to
2552 subsection (2) is offered in evidence in any judicial

28-00272A-19

2019892__

2553 proceeding, the court may, in its discretion, seal that portion
2554 of the record to further the policies of confidentiality set
2555 forth herein.

2556 (10) The designation of a registered agent and a registered
2557 office as required by subsection (1) for a corporation, foreign
2558 corporation, or alien business organization which owns real
2559 property in this state or a mortgage on real property in this
2560 state is solely for the purposes of this chapter act; and,
2561 notwithstanding s. 48.181, s. 607.1502, s. 607.1503, or any
2562 other relevant section of the Florida Statutes, such designation
2563 shall not be used in determining whether the corporation,
2564 foreign corporation, or alien business organization is actually
2565 doing business in this state.

2566 (12) Any alien business organization may withdraw its
2567 registered agent designation by delivering an application for
2568 certificate of withdrawal to the department ~~of State~~ for filing.
2569 Such application shall set forth:

2570 (a) The name of the alien business organization and the
2571 jurisdiction under the law of which it is incorporated or
2572 organized.

2573 (b) That it is no longer required to maintain a registered
2574 agent in this state.

2575 Section 38. Section 607.0601, Florida Statutes, is amended
2576 to read:

2577 607.0601 Authorized shares.—

2578 (1) The articles of incorporation must set forth any
2579 ~~prescribe the~~ classes of shares and series of shares within a
2580 class, and the number of shares of each class and series, that
2581 the corporation is authorized to issue. If more than one class

28-00272A-19

2019892__

2582 or series of shares is authorized, the articles of incorporation
2583 must prescribe a distinguishing designation for each class or
2584 series, and before ~~prior to~~ the issuance of shares of a class or
2585 series, describe the terms, including the preferences,
2586 limitations, and relative rights of that class or series ~~must be~~
2587 ~~described in the articles of incorporation~~. All shares of a
2588 class or series must have terms, including preferences,
2589 limitations, and relative rights, identical with those of other
2590 shares of the same class or series, except to the extent
2591 otherwise permitted by this section, s. 607.0602, or s.
2592 607.0624.

2593 (2) The articles of incorporation must authorize:

2594 (a) One or more classes or series of shares that together
2595 have unlimited voting rights, and

2596 (b) One or more classes or series of shares (which may be
2597 the same class or classes or series as those with voting rights)
2598 that together are entitled to receive the net assets of the
2599 corporation upon dissolution.

2600 (3) The articles of incorporation may authorize one or more
2601 classes or series of shares that:

2602 (a) Have special, conditional, or limited voting rights, or
2603 no right to vote, except to the extent otherwise provided
2604 ~~prohibited~~ by this chapter ~~act~~;

2605 (b) Are redeemable or convertible as specified in the
2606 articles of incorporation:

2607 1. At the option of the corporation, the shareholder, or
2608 another person or upon the occurrence of a specified ~~designated~~
2609 event;

2610 2. For cash, indebtedness, securities, or other property;

28-00272A-19

2019892__

2611 or

2612 3. At prices and in an amount specified, or determined, in
2613 accordance with a formula ~~In a designated amount or in an amount~~
2614 ~~determined in accordance with a designated formula or by~~
2615 ~~reference to extrinsic data or events;~~

2616 (c) Entitle the holders to distributions calculated in any
2617 manner, including dividends that may be cumulative,
2618 noncumulative, or partially cumulative;

2619 (d) Have preference over any other class or series of
2620 shares with respect to distributions, including ~~dividends and~~
2621 distributions upon the dissolution of the corporation.

2622 (4) The description of the designations, preferences,
2623 limitations, and relative rights of share classes or series in
2624 subsection (3) is not exhaustive.

2625 (5) The terms of shares may be made dependent on facts
2626 ascertainable outside the articles of incorporation in
2627 accordance with s. 607.0120(11).

2628 (6)~~(5)~~ Shares which are entitled to preference in the
2629 distribution of dividends or assets shall not be designated as
2630 common shares. Shares which are not entitled to preference in
2631 the distribution of dividends or assets shall be common shares
2632 and shall not be designated as preferred shares.

2633 Section 39. Section 607.0602, Florida Statutes, is amended
2634 to read:

2635 607.0602 Terms of class or series determined by board of
2636 directors.—

2637 (1) If the articles of incorporation so provide, the board
2638 of directors is authorized, without shareholder approval, to ~~may~~
2639 ~~determine, in whole or part, the preferences, limitations, and~~

28-00272A-19

2019892__

2640 ~~relative rights (within the limits set forth in s. 607.0601) of:~~

2641 (a) Classify any unissued class of shares into one or more
2642 classes or into one or more series within a class; before the
2643 ~~issuance of any shares of that class, or~~

2644 (b) Reclassify any unissued shares of any class into one or
2645 more classes or into one or more series within one or more
2646 classes; or

2647 (c) Reclassify any unissued shares of any series of any
2648 class into one or more classes or into one or more series within
2649 ~~a class before the issuance of any shares of that series.~~

2650 (2) If the board of directors acts pursuant to subsection
2651 (1), it shall determine the terms, including the preferences,
2652 limitations, and relative rights, to the extent allowed under s.
2653 607.0601, of:

2654 (a) Any class of shares before the issuance of any shares
2655 of that class; or

2656 (b) Any series within a class before the issuance of any
2657 shares of that series.

2658 (3) Each class and each series of a class must be given a
2659 distinguishing designation.

2660 (4)~~(3)~~ All shares of a series must have preferences,
2661 limitations, and relative rights identical with those of other
2662 shares of the same series and, except to the extent otherwise
2663 provided in the description of the series, of those of other
2664 series of the same class.

2665 (5)~~(4)~~ Before issuing any shares of a class or series
2666 created under this section, the corporation shall ~~must~~ deliver
2667 to the department ~~of State~~ for filing articles of amendment,
2668 which are effective without shareholder action, that set forth:

28-00272A-19

2019892__

- 2669 (a) The name of the corporation;
- 2670 (b) The text of the amendment determining the terms of the
- 2671 class or series of shares;
- 2672 (c) The date the amendment was adopted; and
- 2673 (d) A statement that the amendment was duly adopted by the
- 2674 board of directors.

2675 Section 40. Subsections (1), (2), (4), and (5) of section

2676 607.0604, Florida Statutes, are amended to read:

2677 607.0604 Fractional shares.—

2678 (1) A corporation may:

2679 (a) Issue fractions of a share or, in lieu of doing so, pay

2680 in money the fair value of fractions of a share;

2681 (b) Make arrangements, or provide reasonable opportunity,

2682 for any person entitled to or holding a fractional interest in a

2683 share to sell such fractional interest or to purchase such

2684 additional fractional interests as may be necessary to acquire a

2685 full share;

2686 (c) Issue scrip in registered or bearer form, over the

2687 manual or facsimile signature of an officer of the corporation

2688 or its agent, entitling the holder to receive a full share upon

2689 surrendering enough scrip to equal a full share.

2690 (2) The board of directors may authorize the issuance of

2691 scrip subject to any condition ~~considered desirable~~, including

2692 that:

2693 (a) ~~That~~ The scrip will become void if not exchanged for

2694 full shares before a specified date; and

2695 (b) ~~That~~ The shares for which the scrip is exchangeable may

2696 be sold and the proceeds paid to the scripholders.

2697 (4) The holder of a fractional share is entitled to

28-00272A-19

2019892__

2698 exercise the rights of a shareholder, including the rights ~~right~~
2699 to vote, to receive dividends, and to receive distributions upon
2700 dissolution ~~participate in the assets of the corporation upon~~
2701 ~~liquidation~~. The holder of scrip is not entitled to any of these
2702 rights unless the scrip provides for them.

2703 ~~(5) When a corporation is to pay in money the value of~~
2704 ~~fractions of a share, the good faith judgment of the board of~~
2705 ~~directors as to the fair value shall be conclusive.~~

2706 Section 41. Subsections (2) and (5) of section 607.0620,
2707 Florida Statutes, are amended, and subsection (6) is added to
2708 that section, to read:

2709 607.0620 Subscriptions for shares.—

2710 (2) A subscription for shares, whether made before or after
2711 incorporation, is not enforceable against the subscriber unless
2712 in writing and signed by the subscriber.

2713 (5) If a subscriber defaults in payment of money or
2714 property under a subscription agreement entered into before
2715 incorporation, the corporation may collect the amount owed as
2716 any other debt. Alternatively, unless the subscription agreement
2717 provides otherwise, the corporation may rescind the agreement
2718 and may sell the shares if the debt remains unpaid more than 20
2719 days after the corporation delivers ~~sends~~ written demand for
2720 payment to the subscriber. If the subscription agreement is
2721 rescinded and the shares sold, then, notwithstanding the
2722 rescission, ~~If mailed, such written demand shall be deemed to be~~
2723 ~~made when deposited in the United States mail in a sealed~~
2724 ~~envelope addressed to the subscriber at his or her last post~~
2725 ~~office address known to the corporation, with first-class~~
2726 ~~postage thereon prepaid.~~ the defaulting subscriber or his or her

28-00272A-19

2019892__

2727 legal representative shall be entitled to be paid the excess of
2728 the sale proceeds over the sum of the amount due and unpaid on
2729 the subscription and the reasonable expenses incurred in selling
2730 the shares, but in no event shall the defaulting subscriber or
2731 his or her legal representative be entitled to be paid an amount
2732 greater than the amount paid by the subscriber on the
2733 subscription.

2734 (6) A subscription agreement entered into after
2735 incorporation is also subject to s. 607.0621.

2736 Section 42. Subsection (5) of section 607.0621, Florida
2737 Statutes, is amended to read:

2738 607.0621 Issuance of shares.—

2739 (5) The corporation may place in escrow shares issued for a
2740 contract for future services or benefits or a promissory note,
2741 or make other arrangements to restrict the transfer of the
2742 shares, and may credit distributions in respect of the shares
2743 against their purchase price, until the services are performed,
2744 the note is paid, or the benefits received. If the services are
2745 not performed, the note is not paid, or the benefits are not
2746 received, the shares escrowed or restricted and the
2747 distributions credited may be canceled in whole or part.

2748 Section 43. Subsection (5) of section 607.0622, Florida
2749 Statutes, is amended to read:

2750 607.0622 Liability for shares issued before payment.—

2751 (5) No liability under this section may be asserted more
2752 than 5 years after the earlier of:

2753 (a) The issuance of the shares ~~stock~~, or

2754 (b) The date of the subscription upon which the assessment
2755 is sought.

28-00272A-19

2019892__

2756 Section 44. Subsections (1) and (3) of section 607.0623,
2757 Florida Statutes, are amended to read:

2758 607.0623 Share dividends.—

2759 (1) Unless the articles of incorporation provide otherwise,
2760 shares may be issued pro rata and without consideration to the
2761 corporation's shareholders or to the shareholders of one or more
2762 classes or series or shares. An issuance of shares under this
2763 subsection is a share dividend.

2764 (3) The board of directors may fix the record date for
2765 determining shareholders entitled to a share dividend, but the
2766 date may not be retroactive. If the board of directors does not
2767 fix the record date for determining shareholders entitled to a
2768 share dividend, the record date ~~is~~ is the date the board of
2769 directors authorizes the share dividend.

2770 Section 45. Section 607.0624, Florida Statutes, is amended
2771 to read:

2772 607.0624 Share rights, options, warrants, and awards.—

2773 (1) Unless the articles of incorporation provide otherwise,
2774 a corporation may issue rights, options, or warrants for the
2775 purchase of shares of the corporation of any class or series,
2776 whether authorized but unissued shares of the corporation,
2777 treasury shares, or shares of the corporation to be purchased or
2778 acquired by the corporation. The board of directors shall
2779 determine the terms and conditions upon which the rights,
2780 options, or warrants are issued, including the consideration for
2781 which the shares are to be issued. The authorization by the
2782 board of directors for the corporation to issue such rights,
2783 options, or warrants constitutes authorization for the issuance
2784 of the shares for which the rights, options, or warrants are

28-00272A-19

2019892__

2785 ~~exercisable their form and content, and the consideration for~~
2786 ~~which the shares are to be issued.~~

2787 (2) The terms and conditions of such stock rights, and
2788 options, or warrants, including those outstanding on January 1,
2789 2020, may include restrictions or conditions that:

2790 (a) Preclude or limit the exercise, transfer, or receipt of
2791 such rights, options, or warrants by any person or persons
2792 owning or offering to acquire a specified number or percentage
2793 of the outstanding shares of the corporation or by any
2794 transferee or transferees of any such person or persons; or

2795 ~~(b) which are created and issued by a corporation formed~~
2796 ~~under this chapter, or its successor, and which entitle the~~
2797 ~~holders thereof to purchase from the corporation shares of any~~
2798 ~~class or classes, whether authorized but unissued shares,~~
2799 ~~treasury shares, or shares to be purchased or acquired by the~~
2800 ~~corporation, may include, without limitation, restrictions, or~~
2801 ~~conditions that preclude or limit the exercise, transfer,~~
2802 ~~receipt, or holding of such rights or options by any person or~~
2803 ~~persons, including any person or persons owning or offering to~~
2804 ~~acquire a specified number or percentage of the outstanding~~
2805 ~~common shares or other securities of the corporation, or any~~
2806 ~~transferee or transferees of any such person or persons, or that~~
2807 Invalidate or void such rights, ~~or~~ options, or warrants held by
2808 any such person or persons or any such transferee or
2809 transferees.

2810 (3) The board of directors may authorize a board committee
2811 or the board of directors may authorize one or more officers, or
2812 a board committee so authorized by the board of directors may
2813 authorize one or more officers, to:

28-00272A-19

2019892__

2814 (a) Designate the recipients of rights, options, warrants,
2815 or other equity compensation awards that involve the issuance of
2816 shares; and

2817 (b) Determine, within an amount and subject to any other
2818 limitations established by the board of directors, a board
2819 committee, and, if applicable, the shareholders, the number of
2820 such rights, options, warrants, or other equity compensation
2821 awards and the terms and conditions of such rights, options,
2822 warrants, or awards to be received by the recipients, provided
2823 that an officer may not use such authority to designate himself
2824 or herself or any other persons as the board of directors or a
2825 committee of the board may specify as a recipient of such
2826 rights, options, warrants, or other equity compensation awards.

2827 (4) For purposes of this section, the term "shares"
2828 includes a security convertible into or carrying a right to
2829 subscribe for or acquire shares.

2830 Section 46. Subsections (1), (2), and (3) of section
2831 607.0625, Florida Statutes, are amended to read:

2832 607.0625 Form and content of certificates.—

2833 (1) Shares may but need not be represented by certificates.
2834 Unless this chapter ~~act~~ or another statute expressly provides
2835 otherwise, the rights and obligations of shareholders are
2836 identical, regardless of whether ~~or not~~ their shares are
2837 represented by certificates.

2838 (2) At a minimum, each share certificate must state on its
2839 face:

2840 (a) The name of the ~~issuing~~ corporation and that the
2841 corporation is organized under the laws of this state;

2842 (b) The name of the person to whom issued; and

28-00272A-19

2019892__

2843 (c) The number and class of shares and the designation of
2844 the series, if any, the certificate represents.

2845 (3) If the ~~issuing~~ corporation is authorized to issue
2846 different classes of shares or different series of shares within
2847 a class, the designations, relative rights, preferences, and
2848 limitations applicable to each class and the variations in
2849 rights, preferences, and limitations determined for each series
2850 (and the authority of the board of directors to determine
2851 variations for future series) must be summarized on the front or
2852 back of each certificate. Alternatively, each certificate may
2853 state conspicuously on its front or back that the corporation
2854 will furnish the shareholder a full statement of this
2855 information on request and without charge.

2856 Section 47. Section 607.0626, Florida Statutes, is amended
2857 to read:

2858 607.0626 Shares without certificates.—

2859 (1) Unless the articles of incorporation or bylaws provide
2860 otherwise, the board of directors of a corporation may authorize
2861 the issuance ~~issue~~ of some or all of the shares of any or all of
2862 its classes or series without certificates. The authorization
2863 does not affect shares already represented by certificates until
2864 they are surrendered to the corporation.

2865 (2) Within a reasonable time after the issuance ~~issue~~ or
2866 transfer of shares without certificates, the corporation shall
2867 deliver to ~~send~~ the shareholder a written statement of the
2868 information required on certificates by s. 607.0625(2) and (3),
2869 and, if applicable, s. 607.0627.

2870 Section 48. Subsection (4) of section 607.0627, Florida
2871 Statutes, is amended to read:

28-00272A-19

2019892__

2872 607.0627 Restriction on transfer of shares and other
2873 securities.—

2874 (4) A restriction on the transfer or registration of
2875 transfer of shares may:

2876 (a) Obligate the shareholder first to offer the corporation
2877 or other persons (separately, consecutively, or simultaneously)
2878 an opportunity to acquire the restricted shares;

2879 (b) Obligate the corporation or other persons (separately,
2880 consecutively, or simultaneously) to acquire the restricted
2881 shares;

2882 (c) Require the corporation, the holders of any class or
2883 series of its shares, or other persons ~~another person~~ to approve
2884 the transfer of the restricted shares, if the requirement is not
2885 manifestly unreasonable; or

2886 (d) Prohibit the transfer of the restricted shares to
2887 designated persons or classes of persons, if the prohibition is
2888 not manifestly unreasonable.

2889 Section 49. Paragraphs (c), (d), and (e) of subsection (2)
2890 of section 607.0630, Florida Statutes, are amended to read:

2891 607.0630 Shareholders' preemptive rights.—

2892 (2) A statement included in the articles of incorporation
2893 that "the corporation elects to have preemptive rights" (or
2894 words of similar import) means that the following principles
2895 apply except to the extent the articles of incorporation
2896 expressly provide otherwise:

2897 (c) There is no preemptive right with respect to:

2898 1. Shares issued as compensation to directors, officers,
2899 agents, or employees of the corporation, or ~~or~~ its subsidiaries, or
2900 affiliates;

28-00272A-19

2019892__

2901 2. Shares issued to satisfy conversion or option rights
2902 created to provide compensation to directors, officers, agents,
2903 or employees of the corporation, ~~or~~ its subsidiaries, or
2904 affiliates;

2905 3. Shares authorized in the articles of incorporation that
2906 are issued within 6 months from the effective date of
2907 incorporation;

2908 4. Shares issued pursuant to a plan of reorganization
2909 approved by a court of competent jurisdiction pursuant to a law
2910 of this state or of the United States; or

2911 5. Shares issued for consideration other than money.

2912 (d) Holders of shares of any class or series without
2913 general voting rights but with preferential rights to
2914 distributions to receive the ~~or~~ net assets upon dissolution ~~and~~
2915 ~~liquidation~~ have no preemptive rights with respect to shares of
2916 any class or series.

2917 (e) Holders of shares of any class or series with general
2918 voting rights but without preferential rights to distributions
2919 ~~or net assets~~ upon dissolution ~~or liquidation~~ have no preemptive
2920 rights with respect to shares of any class or series with
2921 preferential rights to receive the net assets of the corporation
2922 upon dissolution ~~distributions or assets~~ unless the shares with
2923 preferential rights are convertible into or carry a right to
2924 subscribe for or acquire the shares without preferential rights.

2925 Section 50. Subsections (3) and (5) of section 607.0631,
2926 Florida Statutes, are amended, and subsection (6) is added to
2927 that section, to read:

2928 607.0631 Corporation's acquisition of its own shares.—

2929 (3) Articles of amendment to effectuate a reduction in the

28-00272A-19

2019892__

2930 authorized shares by the number of shares acquired by the
2931 corporation may be adopted by the board of directors without
2932 shareholder action, shall be delivered to the department of
2933 ~~State~~ for filing, and shall set forth:

2934 (a) The name of the corporation;

2935 (b) The reduction in the number of authorized shares,
2936 itemized by class and series; and

2937 (c) The total number of authorized shares, itemized by
2938 class and series, remaining after reduction of the shares.

2939 (5) A corporation that has shares of any class or series
2940 which are ~~either~~ registered on a national securities exchange ~~or~~
2941 ~~designated as a national market system security on an~~
2942 ~~interdealer quotation system by the National Association of~~
2943 ~~Securities Dealers, Inc.,~~ may acquire such shares and designate,
2944 either in the bylaws or in the resolutions of its board, that
2945 shares so acquired by the corporation shall constitute treasury
2946 shares.

2947 (6) Shares that a corporation acquires in a fiduciary
2948 capacity for the benefit of any person other than the
2949 corporation directly or indirectly through an entity controlled
2950 by the corporation may not be deemed to have been acquired by
2951 the corporation for purposes of this section.

2952 Section 51. Subsections (2), (3), (4), (6), (7), and (8) of
2953 section 607.06401, Florida Statutes, are amended, and subsection
2954 (9) is added to that section, to read:

2955 607.06401 Distributions to shareholders.—

2956 (2) The board of directors may fix the record date for
2957 determining shareholders entitled to a distribution, but the
2958 date may not be retroactive. If the board of directors does not

28-00272A-19

2019892__

2959 fix the record date for determining shareholders entitled to a
2960 distribution (other than one involving a purchase, redemption,
2961 or other acquisition of the corporation's shares), the record
2962 date ~~it~~ is the date the board of directors authorizes the
2963 distribution.

2964 (3) No distribution may be made if, after giving it effect:

2965 (a) The corporation would not be able to pay its debts as
2966 they become due in the usual course of the corporation's
2967 activities and affairs ~~business~~; or

2968 (b) The corporation's total assets would be less than the
2969 sum of its total liabilities plus (unless the articles of
2970 incorporation permit otherwise) the amount that would be needed,
2971 if the corporation were to be dissolved and wound up at the time
2972 of the distribution, to satisfy the preferential rights upon
2973 dissolution and winding up of shareholders whose preferential
2974 rights are superior to those receiving the distribution.

2975 (4) The board of directors may base a determination that a
2976 distribution is not prohibited under subsection (3) on:

2977 (a) ~~either on~~ Financial statements prepared on the basis of
2978 accounting practices and principles that are reasonable under ~~in~~
2979 the circumstances; or

2980 (b) ~~on~~ A fair valuation or other method that is reasonable
2981 under ~~in~~ the circumstances. In the case of any distribution
2982 based upon such a valuation, each such distribution shall be
2983 identified as a distribution based upon a current valuation of
2984 assets, and the amount per share paid on the basis of such
2985 valuation shall be disclosed to the shareholders concurrent with
2986 their receipt of the distribution.

2987 (6) Except as provided in subsection (8), the effect of a

28-00272A-19

2019892__

2988
2989
2990
2991
2992
2993
2994
2995
2996
2997
2998
2999
3000
3001
3002
3003
3004
3005
3006
3007
3008
3009
3010
3011
3012
3013
3014
3015
3016

distribution under subsection (3) is measured:

(a) In the case of a distribution by purchase, redemption, or other acquisition of the corporation's shares, as of the earlier of the date on which:

1. ~~The date~~ Money or other property is transferred or the debt to a shareholder is incurred by the corporation, or
2. ~~The date the~~ shareholder ceases to be a shareholder with respect to the acquired shares;

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

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

1. ~~The date the~~ distribution is authorized if the payment occurs within 120 days after that date; ~~the date of authorization,~~ or
2. ~~The date the~~ payment is made if the payment ~~is~~ occurs more than 120 days after the date the distribution is authorized of authorization.

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

(8) Indebtedness of a corporation, including indebtedness issued as a distribution, is not considered a liability for purposes of determinations under subsection (3) if the terms of the indebtedness ~~its terms~~ provide that payment of principal and

28-00272A-19

2019892__

3017 interest ~~is~~ ~~are~~ made only if and to the extent that ~~payment~~ of a
3018 distribution to shareholders could then be made under this
3019 section. If such ~~the~~ indebtedness is issued as a distribution,
3020 and by its terms provides that the payments ~~each payment~~ of
3021 principal or interest are made only to the extent ~~is treated as~~
3022 a distribution could be made under this section, then each
3023 payment of principal and interest of that indebtedness is
3024 treated as a distribution, the effect of which is measured on
3025 the date the payment is actually made.

3026 (9) This section does not apply to distributions in
3027 liquidation under ss. 607.1401-607.14401.

3028 Section 52. Section 607.0701, Florida Statutes, is amended
3029 to read:

3030 607.0701 Annual meeting.—

3031 (1) Unless directors are elected by written consent in lieu
3032 of an annual meeting pursuant to s. 607.0704, a corporation
3033 shall hold a meeting of shareholders annually, for the election
3034 of directors and for the transaction of any proper business, at
3035 a time stated in or fixed in accordance with the bylaws.

3036 (2) Annual ~~shareholders'~~ meetings of shareholders may be
3037 held in or out of this state at a place stated in or fixed in
3038 accordance with the bylaws or, when not inconsistent with the
3039 bylaws, stated in the notice of the annual meeting. If no place
3040 is stated in or fixed in accordance with the bylaws, or stated
3041 in the notice of the annual meeting, annual meetings shall be
3042 held at the corporation's principal office.

3043 (3) The failure to hold the annual meeting at the time
3044 stated in or fixed in accordance with a corporation's bylaws or
3045 pursuant to this chapter ~~act~~ does not affect the validity of any

28-00272A-19

2019892__

3046 corporate action and shall not work a forfeiture of or
3047 dissolution of the corporation.

3048 (4) Participation of shareholders and proxy holders at an
3049 annual meeting of shareholders by remote communication shall be
3050 governed by and subject to the provisions of s. 607.0709 ~~if~~
3051 ~~authorized by the board of directors, and subject to such~~
3052 ~~guidelines and procedures as the board of directors may adopt,~~
3053 ~~shareholders and proxy holders not physically present at an~~
3054 ~~annual meeting of shareholders may, by means of remote~~
3055 ~~communication:~~

3056 ~~(a) Participate in an annual meeting of shareholders.~~

3057 ~~(b) Be deemed present in person and vote at an annual~~
3058 ~~meeting of shareholders, whether such meeting is to be held at a~~
3059 ~~designated place or solely by means of remote communication,~~
3060 ~~provided that:~~

3061 ~~1. The corporation shall implement reasonable measures to~~
3062 ~~verify that each person deemed present and permitted to vote at~~
3063 ~~the annual meeting by means of remote communication is a~~
3064 ~~shareholder or proxy holder;~~

3065 ~~2. The corporation shall implement reasonable measures to~~
3066 ~~provide such shareholders or proxy holders a reasonable~~
3067 ~~opportunity to participate in the annual meeting and to vote on~~
3068 ~~matters submitted to the shareholders, including, without~~
3069 ~~limitation, an opportunity to communicate and to read or hear~~
3070 ~~the proceedings of the annual meeting substantially concurrently~~
3071 ~~with such proceedings; and~~

3072 ~~3. If any shareholder or proxy holder votes or takes other~~
3073 ~~action at the annual meeting by means of remote communication, a~~
3074 ~~record of such vote or other action shall be maintained by the~~

28-00272A-19

2019892__

3075 ~~corporation.~~

3076 Section 53. Section 607.0702, Florida Statutes, is amended
3077 to read:

3078 607.0702 Special meeting.—

3079 (1) A corporation shall hold a special meeting of
3080 shareholders:

3081 (a) On call of its board of directors or the person or
3082 persons authorized to do so by the articles of incorporation or
3083 bylaws; or

3084 (b) If shareholders holding ~~the holders of~~ not less than 10
3085 percent, unless a greater percentage not to exceed 50 percent is
3086 required by the articles of incorporation, of all the votes
3087 entitled to be cast on any issue proposed to be considered at
3088 the proposed special meeting sign, date, and deliver to the
3089 corporation's secretary one or more written demands for the
3090 meeting describing the purpose or purposes for which it is to be
3091 held. Unless otherwise provided in the articles of
3092 incorporation, a written demand for a special meeting may be
3093 revoked by a writing to that effect received by the corporation
3094 prior to the receipt by the corporation of demands sufficient in
3095 number to require the holding of a special meeting.

3096 (2) Special meetings of shareholders ~~shareholders' meetings~~
3097 may be held in or out of the state at a place stated in or fixed
3098 in accordance with the bylaws or, when not inconsistent with the
3099 bylaws, in the notice of the special meeting. If no place is
3100 stated in or fixed in accordance with the bylaws or in the
3101 notice of the special meeting, special meetings shall be held at
3102 the corporation's principal office.

3103 (3) Only business within the purpose or purposes described

28-00272A-19

2019892__

3104 in the special meeting notice required by s. 607.0705 may be
3105 conducted at a special meeting of shareholders ~~shareholders'~~
3106 ~~meeting.~~

3107 (4) Participation of shareholders and proxy holders at a
3108 special meeting of shareholders by remote communication shall be
3109 governed by and subject to the provisions of s. 607.0709 ~~if~~
3110 ~~authorized by the board of directors, and subject to such~~
3111 ~~guidelines and procedures as the board of directors may adopt,~~
3112 ~~shareholders and proxy holders not physically present at a~~
3113 ~~special meeting of shareholders may, by means of remote~~
3114 ~~communication:~~

3115 (a) ~~Participate in a special meeting of shareholders.~~

3116 (b) ~~Be deemed present in person and vote at a special~~
3117 ~~meeting of shareholders, whether such meeting is to be held at a~~
3118 ~~designated place or solely by means of remote communication,~~
3119 ~~provided that:~~

3120 1. ~~The corporation shall implement reasonable measures to~~
3121 ~~verify that each person deemed present and permitted to vote at~~
3122 ~~the special meeting by means of remote communication is a~~
3123 ~~shareholder or proxy holder;~~

3124 2. ~~The corporation shall implement reasonable measures to~~
3125 ~~provide such shareholders or proxy holders a reasonable~~
3126 ~~opportunity to participate in the special meeting and to vote on~~
3127 ~~matters submitted to the shareholders, including, without~~
3128 ~~limitation, an opportunity to communicate and to read or hear~~
3129 ~~the proceedings of the special meeting substantially~~
3130 ~~concurrently with such proceedings; and~~

3131 3. ~~If any shareholder or proxy holder votes or takes other~~
3132 ~~action at the special meeting by means of remote communication,~~

28-00272A-19

2019892__

3133 ~~a record of such vote or other action shall be maintained by the~~
3134 ~~corporation.~~

3135 Section 54. Section 607.0703, Florida Statutes, is amended
3136 to read:

3137 607.0703 Court-ordered meeting.—

3138 (1) The circuit court in the applicable county may
3139 summarily of the county where a corporation's principal office
3140 is located, if located in this state, or where a corporation's
3141 registered office is located if its principal office is not
3142 located in this state, may, after notice to the corporation,
3143 order a meeting to be held:

3144 (a) On application of any shareholder ~~of the corporation~~
3145 entitled to vote at ~~in~~ an annual meeting if neither an annual
3146 meeting has ~~not~~ been held nor an action by written consent in
3147 lieu thereof has become effective within any 15-month ~~13-month~~
3148 period; or

3149 (b) On application of one or more shareholders a
3150 ~~shareholder~~ who signed a demand for a special meeting valid
3151 under s. 607.0702, if:

3152 1. Notice of the special meeting was not given within 60
3153 days after the first day on which the requisite number of
3154 demands have been ~~date the demand was~~ delivered to the
3155 corporation's secretary; or

3156 2. The special meeting was not held in accordance with the
3157 notice.

3158 (2) The court may fix the time and place of the meeting,
3159 determine the shares entitled to participate in the meeting,
3160 specify a record date or dates for determining shareholders
3161 entitled to notice of and to vote at the meeting, prescribe the

28-00272A-19

2019892__

3162 form and content of the meeting notice, fix the quorum by voting
3163 group required for matters to be considered at the meeting (or
3164 direct that the votes of a voting group represented at the
3165 meeting constitute a quorum of such voting group for action on
3166 those matters), and enter other orders necessary to accomplish
3167 the purpose or purposes of the meeting as may be appropriate.

3168 Section 55. Subsections (1), (3), (4), and (5) of section
3169 607.0704, Florida Statutes, are amended, and subsections (7) and
3170 (8) are added to that section, to read:

3171 607.0704 Action by shareholders without a meeting.—

3172 (1) Unless otherwise provided in the articles of
3173 incorporation or in subsection (8), action required or permitted
3174 by this chapter ~~act~~ to be taken at an annual or special meeting
3175 of shareholders may be taken without a meeting, without prior
3176 notice, and without a vote if the action is taken by the holders
3177 of outstanding shares ~~stock~~ of each voting group entitled to
3178 vote thereon having not less than the minimum number of votes
3179 with respect to each voting group that would be necessary to
3180 authorize or take such action at a meeting at which all voting
3181 groups and shares entitled to vote thereon were present and
3182 voted. In order to be effective the action must be evidenced by
3183 one or more written consents describing the action taken, dated
3184 and signed by approving shareholders having the requisite number
3185 of votes of each voting group entitled to vote thereon, and
3186 delivered to the corporation by delivery to its principal office
3187 in this state, its principal place of business, the corporate
3188 secretary, or another officer or agent of the corporation having
3189 custody of the book in which proceedings of meetings of
3190 shareholders are recorded. No written consent shall be effective

28-00272A-19

2019892__

3191 to take the corporate action referred to therein unless, within
3192 60 days of the date of the earliest dated consent delivered in
3193 the manner required by this section, written consents signed by
3194 shareholders owning a sufficient number of shares ~~the number of~~
3195 ~~holders~~ required to authorize or take the action have been ~~are~~
3196 delivered to the corporation by delivery as set forth in this
3197 section.

3198 (3) Within 10 days after either written consents sufficient
3199 to authorize or take the action have been delivered to the
3200 corporation or such later date that tabulation of consents is
3201 completed pursuant to an authorization under subsection (4)
3202 ~~obtaining such authorization by written consent~~, notice must be
3203 given to those shareholders who have not consented in writing or
3204 who are not entitled to vote on the action. The notice shall
3205 fairly summarize the material features of the authorized action
3206 and, if the action be such for which appraisal dissenters'
3207 rights are provided under this chapter act, the notice shall
3208 contain a clear statement of the right of shareholders entitled
3209 to assert appraisal rights under this chapter with respect to
3210 the action dissenting therefrom to be paid the fair value of
3211 their shares upon compliance with further provisions of this
3212 chapter act regarding the rights of ~~dissenting~~ shareholders
3213 entitled to assert appraisal rights under this chapter with
3214 respect to the action.

3215 (4) A consent signed under this section has the effect of a
3216 meeting vote and may be described as such in any document.
3217 Unless the articles of incorporation, bylaws, or a resolution of
3218 the board of directors provides for a reasonable delay to permit
3219 tabulation of written consents, the action taken by written

28-00272A-19

2019892__

3220 consent shall be effective when written consents signed by
3221 shareholders owning a sufficient number of shares required to
3222 authorize or take the action have been delivered to the
3223 corporation.

3224 (5) In the event that the action to which the shareholders
3225 consent is such as would have required the filing of a
3226 certificate under any other section of this chapter ~~act~~ if such
3227 action had been voted on by shareholders at a meeting thereof,
3228 the certificate filed under such other section shall state that
3229 written consent has been given in accordance with the provisions
3230 of this section.

3231 (7) The notice requirements in subsection (3) do not delay
3232 the effectiveness of actions taken by written consent, and a
3233 failure to comply with such notice requirement does not
3234 invalidate actions taken by written consent. This subsection may
3235 not be deemed to limit judicial power to fashion any appropriate
3236 remedy in favor of a shareholder adversely affected by a failure
3237 to give such notice within the required time period.

3238 (8) If a corporation's articles of incorporation authorize
3239 shareholders to cumulate their votes when electing directors
3240 pursuant to s. 607.0728, directors may not be elected by written
3241 consent of the shareholders unless the consent is unanimous.

3242 Section 56. Section 607.0705, Florida Statutes, is amended
3243 to read:

3244 607.0705 Notice of meeting.—

3245 (1) A corporation shall notify shareholders of the date,
3246 time, and place of each annual and special shareholders' meeting
3247 no fewer than 10 or more than 60 days before the meeting date.
3248 The notice must include the record date for determining the

28-00272A-19

2019892__

3249 shareholders entitled to vote at the meeting if the record date
3250 for determining the shareholders entitled to vote at the meeting
3251 is different than the record date for determining shareholders
3252 entitled to notice of the meeting. If the board of directors has
3253 authorized participation by means of remote communication
3254 pursuant to s. 607.0709 for any class or series of shares, the
3255 notice to the holders of such class or series must describe the
3256 means of remote communication to be used. Unless this chapter
3257 ~~act~~ or the articles of incorporation require otherwise, the
3258 corporation is required to give notice only to shareholders
3259 entitled to vote at the meeting as of the record date for
3260 determining the shareholders entitled to notice of the meeting.
3261 Notice shall be given in the manner provided in s. 607.0141, by
3262 or at the direction of the president, the secretary, or the
3263 officer or persons calling the meeting. If the notice is mailed
3264 at least 30 days before the date of the meeting, it may be done
3265 by a class of United States mail other than first class.
3266 Notwithstanding s. 607.0141, if mailed, such notice shall be
3267 deemed to be delivered when deposited in the United States mail
3268 addressed to the shareholder at her or his address as it appears
3269 in the record of shareholders of the corporation, maintained in
3270 accordance with s. 607.1601(4) ~~on the stock transfer books of~~
3271 ~~the corporation~~, with postage thereon prepaid.

3272 (2) Unless this chapter ~~act~~ or the articles of
3273 incorporation require otherwise, notice of an annual meeting of
3274 shareholders need not include a description of the purpose or
3275 purposes for which the meeting is called.

3276 (3) Notice of a special meeting of shareholders must
3277 include a description of the purpose or purposes for which the

28-00272A-19

2019892__

3278 meeting is called.

3279 (4) Unless the bylaws require otherwise, if an annual or
3280 special ~~shareholders'~~ meeting of shareholders is adjourned to a
3281 different date, time, or place, or to add or modify the terms of
3282 participation by remote communication, notice need not be given
3283 of the new date, time, ~~or~~ place, or terms of participation by
3284 remote communication if the new date, time, ~~or~~ place, or terms
3285 of participation by remote communication is announced at the
3286 meeting before an adjournment is taken, and any business may be
3287 transacted at the adjourned meeting that might have been
3288 transacted on the original date of the meeting. If a new record
3289 date for the adjourned meeting is or must be fixed under s.
3290 607.0707, however, notice of the adjourned meeting must be given
3291 under this section to persons who are shareholders as of the new
3292 record date who are entitled to notice of the meeting.

3293 (5) Notwithstanding the foregoing, whenever notice is
3294 required to be given to any shareholder under this chapter or
3295 the articles of incorporation or bylaws of any corporation to
3296 whom no notice of a shareholders' meeting need be given to a
3297 shareholder if:

3298 (a) Notice of two consecutive annual meetings, and all
3299 notices of meetings or the taking of action by written consent
3300 without a meeting to such person during the period between such
3301 two consecutive annual meetings; An annual report and proxy
3302 statements for two consecutive annual meetings of shareholders
3303 or

3304 (b) All, and at least two checks in payment of dividends or
3305 interest on securities during a 12-month period,

3306

28-00272A-19

2019892__

3307 have been sent by first-class United States mail, addressed to
3308 the shareholder at such person's ~~her or his~~ address as it
3309 appears in the record of shareholders ~~on the share transfer~~
3310 ~~books~~ of the corporation, maintained in accordance with s.
3311 607.1601(4), and returned undeliverable, then the giving of such
3312 notice to such person shall not be required. Any action or
3313 meeting which is taken or held without notice to such person has
3314 the same force and effect as if such notice has been duly given.
3315 If any such person delivers to the corporation a written notice
3316 setting forth such person's then current address, the
3317 requirement that a notice be given to such person with respect
3318 to future notices shall be reinstated. The obligation of the
3319 ~~corporation to give notice of a shareholders' meeting to any~~
3320 ~~such shareholder shall be reinstated once the corporation has~~
3321 ~~received a new address for such shareholder for entry on its~~
3322 ~~share transfer books.~~

3323 Section 57. Subsection (1) of section 607.0706, Florida
3324 Statutes, is amended to read:

3325 607.0706 Waiver of notice.—

3326 (1) A shareholder may waive any notice required by this
3327 chapter act, the articles of incorporation, or bylaws before or
3328 after the date and time stated in the notice. The waiver must be
3329 in writing, be signed by the shareholder entitled to the notice,
3330 and be delivered to the corporation for filing by the
3331 corporation with ~~inclusion in~~ the minutes or ~~filing with the~~
3332 corporate records. Neither the business to be transacted at nor
3333 the purpose of any regular or special meeting of the
3334 shareholders need be specified in any written waiver of notice
3335 unless so required by the articles of incorporation or the

28-00272A-19

2019892__

3336 bylaws.

3337 Section 58. Subsections (1), (3), (4), (6), and (7) of
3338 section 607.0707, Florida Statutes, are amended, and subsections
3339 (8), (9), and (10) are added to that section, to read:

3340 607.0707 Record date.—

3341 (1) The bylaws may fix or provide the manner of fixing the
3342 record date or dates for one or more voting groups ~~in order~~ to
3343 determine the shareholders entitled to notice of a shareholders'
3344 meeting, to demand a special meeting, to vote, or to take any
3345 other action. If the bylaws do not fix or provide for fixing
3346 such a record date, the board of directors ~~of the corporation~~
3347 may fix the record date. In no event may a record date fixed by
3348 the board of directors be a date preceding the date upon which
3349 the resolution fixing the record date is adopted.

3350 (3) The bylaws may fix or provide the manner of fixing the
3351 record date for determining shareholders entitled to take action
3352 by the written consent of shareholders. If not otherwise
3353 provided by or pursuant to the bylaws, the board of directors of
3354 the corporation may set a record date for determining
3355 shareholders entitled to take action by the written consent of
3356 shareholders. In no event may a record date fixed by the board
3357 of directors be a date preceding the date upon which the
3358 resolution fixing the record date is adopted. If the bylaws do
3359 not fix or provide for the manner of fixing such a record date
3360 and if no such record date is fixed by the board of directors,
3361 the record date for determining shareholders entitled to take
3362 such action shall be the date that the first signed written
3363 consent is delivered to the corporation pursuant to s. 607.0704
3364 ~~If not otherwise provided by or pursuant to the bylaws and no~~

28-00272A-19

2019892__

3365 ~~prior action is required by the board of directors pursuant to~~
3366 ~~this act, the record date for determining shareholders entitled~~
3367 ~~to take action without a meeting is the date the first signed~~
3368 ~~written consent is delivered to the corporation under s.~~
3369 ~~607.0704. If not otherwise fixed, and prior action is required~~
3370 ~~by the board of directors pursuant to this chapter, the record~~
3371 ~~date for determining shareholders entitled to take action~~
3372 ~~without a meeting is at the close of business on the day on~~
3373 ~~which the board of directors adopts the resolution taking such~~
3374 ~~prior action.~~

3375 (4) If not otherwise provided by or pursuant to the bylaws,
3376 or by a court order pursuant to s. 607.0703, the record date for
3377 determining shareholders entitled to notice of and to vote at an
3378 annual or special shareholders' meeting is the close of business
3379 on the day before the first notice is delivered to shareholders.

3380 (6) A determination of shareholders entitled to notice of
3381 or to vote at a shareholders' meeting is effective for any
3382 adjournment of the meeting unless the board of directors fixes a
3383 new record date or dates, which it must do if the meeting is
3384 adjourned to a date more than 120 days after the date fixed for
3385 the original meeting.

3386 (7) If a court orders a meeting adjourned to a date more
3387 than 120 days after the date fixed for the original meeting, it
3388 may provide that the original record date or dates continues in
3389 effect or it may fix a new record date or dates.

3390 (8) The record date for a shareholders' meeting fixed by or
3391 in the manner provided in the bylaws or by the board of
3392 directors shall be the record date for determining shareholders
3393 entitled both to notice of and to vote at the shareholders'

28-00272A-19

2019892__

3394 meeting, unless in the case of a record date fixed by the board
3395 of directors and to the extent not prohibited by the bylaws, the
3396 board of directors, at the time it fixes the record date for
3397 shareholders entitled to notice of the meeting, fixes a later
3398 record date on or before the date of the meeting to determine
3399 the shareholders entitled to vote at the meeting.

3400 (9) Shares of a corporation's own stock acquired by the
3401 corporation between the record date for determining shareholders
3402 entitled to notice of or to vote at a meeting of shareholders
3403 and the time of the meeting may be voted on at the meeting by
3404 the holder of record as of the record date and shall be counted
3405 in determining the total number of outstanding shares entitled
3406 to be voted at the meeting.

3407 (10) If not otherwise fixed under s. 607.0703, the record
3408 date for determining shareholders entitled to demand a special
3409 meeting is the earliest date on which a signed shareholder
3410 demand is delivered to the corporation. A written demand for a
3411 special meeting is not effective unless, within 60 days of the
3412 earliest date on which such a demand delivered to the
3413 corporation as required by s. 607.0702 was signed, written
3414 demands signed by shareholders holding at least the percentage
3415 of votes specified in or fixed in accordance with s.
3416 607.0702(1)(b) have been delivered to the corporation.

3417 Section 59. Section 607.0709, Florida Statutes, is created
3418 to read:

3419 607.0709 Remote participation in annual and special
3420 meetings of shareholders.—

3421 (1) Shareholders of any voting group, other persons
3422 entitled to vote on behalf of shareholders pursuant to s.

28-00272A-19

2019892__

3423 607.0721, attorneys in fact for shareholders, and holders of
3424 proxies appointed pursuant to s. 607.0722 may participate in any
3425 annual or special meeting of shareholders by means of remote
3426 communication to the extent the board of directors authorizes
3427 such participation for such voting group. Participation by means
3428 of remote communication is subject to such guidelines and
3429 procedures as the board of directors adopts, and must be in
3430 conformity with subsection (2).

3431 (2) Shareholders, other persons entitled to vote on behalf
3432 of shareholders pursuant to s. 607.0721, attorneys in fact for
3433 shareholders, and holders of proxies appointed pursuant to s.
3434 607.0722 participating in a shareholders' meeting by means of
3435 remote communication authorized under subsection (1) shall be
3436 deemed present in person and may vote at such a meeting, whether
3437 such meeting is to be held at a designated place or solely by
3438 means of remote communication, if the corporation has
3439 implemented reasonable measures:

3440 (a) To verify that each person participating remotely as a
3441 shareholder is a shareholder, is another person entitled to vote
3442 on behalf of a shareholder pursuant to s. 607.0721, is an
3443 attorney in fact for a shareholder, or is a holder of a proxy
3444 appointed pursuant to s. 607.0722; and

3445 (b) To provide such shareholders, such other persons
3446 entitled to vote on behalf of shareholders pursuant to s.
3447 607.0721, such attorneys in fact for shareholders, and such
3448 holders of proxies appointed pursuant to s. 607.0722, a
3449 reasonable opportunity to participate in the meeting and to vote
3450 on matters submitted to the shareholders, including an
3451 opportunity to communicate, and to read or hear the proceedings

28-00272A-19

2019892__

3452 of the meeting, substantially concurrently with such
3453 proceedings.

3454 (3) If any shareholder, any other person entitled to vote
3455 on behalf of a shareholder pursuant to s. 607.0721, any attorney
3456 in fact for a shareholder, or any holder of a proxy appointed
3457 pursuant to s. 607.0722, votes or takes action at a
3458 shareholder's meeting by means of remote communication
3459 authorized under this section, a record of such vote or other
3460 action shall be maintained by the corporation.

3461 (4) If the board of directors is authorized to determine
3462 the place of a shareholders' meeting, the board of directors
3463 may, in its sole discretion, determine that the meeting shall be
3464 held solely by means of remote communication.

3465 Section 60. Subsections (1), (2), (3), (5), and (7) of
3466 section 607.0720, Florida Statutes, are amended to read:

3467 607.0720 Shareholders' list for meeting.—

3468 (1) After fixing a record date for a meeting, a corporation
3469 shall prepare an alphabetical list of the names of all its
3470 shareholders who are entitled to notice of a shareholders'
3471 meeting. If the board of directors fixes a different record date
3472 under s. 607.0707(8) to determine the shareholders entitled to
3473 vote at the meeting, the corporation must also prepare an
3474 alphabetical list of the names of all its shareholders who are
3475 entitled to vote at the meeting. Each list must be arranged by
3476 voting group, and within each voting group by class or series of
3477 shares, and show the address of and number of shares held by
3478 each shareholder. This subsection does not require the
3479 corporation to include on such list the electronic mail address
3480 or other electronic contact information of a shareholder.

28-00272A-19

2019892__

3481 ~~arranged by voting group with the address of, and the number and~~
3482 ~~class and series, if any, of shares held by, each.~~

3483 (2) The shareholders' list for notice must be available for
3484 inspection by any shareholder for a period of 10 days prior to
3485 the meeting or such shorter time as exists between the record
3486 date and the meeting and continuing through the meeting at the
3487 corporation's principal office, at a place identified in the
3488 meeting notice in the city where the meeting will be held, or at
3489 the office of the corporation's transfer agent or registrar. Any
3490 separate shareholders' list for voting, if different, must be
3491 similarly available for inspection promptly after the record
3492 date for voting. A shareholder or the shareholder's agent or
3493 attorney is entitled on written demand to inspect and, ~~the list~~
3494 ~~(subject to the requirements of s. 607.1602(3)),~~ copy a list
3495 during regular business hours and at his or her expense, during
3496 the period it is available for inspection.

3497 (3) The corporation shall make the ~~shareholders'~~ list of
3498 shareholders entitled to vote available at the meeting, and any
3499 shareholder or the shareholder's agent or attorney is entitled
3500 to inspect the list at any time during the meeting or any
3501 adjournment.

3502 (5) If the requirements of this section have not been
3503 substantially complied with or if the corporation refuses to
3504 allow a shareholder or the shareholder's agent or attorney to
3505 inspect a ~~the~~ shareholders' list, or copy a list pursuant to
3506 subsection (2), before or at the meeting, the meeting shall be
3507 adjourned until such requirements are complied with on the
3508 demand of any shareholder in person or by proxy who failed to
3509 get such access, or, if not adjourned upon such demand and such

28-00272A-19

2019892__

3510 requirements are not complied with, the circuit court in the
3511 applicable county ~~of the county where a corporation's principal~~
3512 ~~office (or, if none in this state, its registered office) is~~
3513 ~~located~~, on application of the shareholder, may summarily order
3514 the inspection or copying at the corporation's expense and may
3515 postpone the meeting for which the list was prepared until the
3516 inspection or copying is complete.

3517 (7) A shareholder may not sell or otherwise distribute any
3518 information or records inspected under this section, except to
3519 the extent that such use is for a proper purpose as defined in
3520 s. 607.1602(3). ~~Any person who violates this provision shall be~~
3521 ~~subject to a civil penalty of \$5,000.~~

3522 Section 61. Subsections (1), (2), (3), and (4) of section
3523 607.0721, Florida Statutes, are amended to read:

3524 607.0721 Voting entitlement of shares.-

3525 (1) Except as provided in subsections (2), (3), and (4) or
3526 unless the articles of incorporation or this chapter act
3527 provides otherwise, each outstanding share, regardless of class
3528 or series, is entitled to one vote on each matter submitted to a
3529 vote at a meeting of shareholders. Only shares are entitled to
3530 vote. If the articles of incorporation provide for more or less
3531 than one vote for any share on any matter, every reference in
3532 this chapter act to a majority or other proportion of shares
3533 shall refer to such a majority or other proportion of votes
3534 entitled to be cast.

3535 (2) ~~The~~ Shares of a corporation are not entitled to vote if
3536 they are owned by or otherwise belong to the corporation
3537 directly, or indirectly through an entity of which a majority of
3538 the voting power is held directly or indirectly by the

28-00272A-19

2019892__

3539 ~~corporation or which is otherwise controlled by the, directly or~~
3540 ~~indirectly, by a second corporation, domestic or foreign, and~~
3541 ~~the first corporation owns, directly or indirectly, a majority~~
3542 ~~of the shares entitled to vote for directors of the second~~
3543 ~~corporation.~~

3544 (3) Shares held by the corporation in a fiduciary capacity
3545 for the benefit of any person are entitled to vote unless they
3546 are held for the benefit of, or otherwise belong to, the
3547 corporation directly, or indirectly through an entity of which a
3548 majority of the voting power is held directly or indirectly by
3549 the corporation or which is otherwise controlled by the
3550 corporation. For the purposes of this subsection, "voting power"
3551 means the current power to vote in the election of directors of
3552 a corporation or to elect, select, or appoint those persons who
3553 will govern another entity ~~Subsection (2) does not limit the~~
3554 ~~power of a corporation to vote any shares, including its own~~
3555 ~~shares, held by it in a fiduciary capacity.~~

3556 (4) Redeemable shares are not entitled to vote on any
3557 matter, and shall not be deemed to be outstanding, after
3558 delivery of a written notice of redemption is effective mailed
3559 ~~to the holders thereof~~ and a sum sufficient to redeem such
3560 shares has been deposited with a bank, trust company, or other
3561 financial institution upon an irrevocable obligation to pay the
3562 holders the redemption price upon surrender of the shares.

3563 Section 62. Subsections (3) and (7) of section 607.0722,
3564 Florida Statutes, are amended, and subsection (5) of that
3565 section is republished, to read:

3566 607.0722 Proxies.—

3567 (3) An appointment of a proxy is effective when a signed

28-00272A-19

2019892__

3568 appointment form or an electronic transmission of the
3569 appointment is received by the inspector of election or by the
3570 secretary or other officer or agent authorized to count ~~tabulate~~
3571 votes. An appointment is valid for the term up to 11 months
3572 ~~unless a longer period is expressly~~ provided in the appointment
3573 form and, if no term is provided, is valid for 11 months unless
3574 the appointment is irrevocable under subsection (5).

3575 (5) An appointment of a proxy is revocable by the
3576 shareholder unless the appointment form or electronic
3577 transmission conspicuously states that it is irrevocable and the
3578 appointment is coupled with an interest. Appointments coupled
3579 with an interest include the appointment of:

3580 (a) A pledgee;

3581 (b) A person who purchased or agreed to purchase the
3582 shares;

3583 (c) A creditor of the corporation who extended credit to
3584 the corporation under terms requiring the appointment;

3585 (d) An employee of the corporation whose employment
3586 contract requires the appointment; or

3587 (e) A party to a voting agreement created under s.
3588 607.0731.

3589 (7) Unless the appointment otherwise provides, an
3590 appointment made irrevocable under subsection (5) continues in
3591 effect after a transfer of the shares and a transferee takes
3592 subject to the appointment, except that a transferee for value
3593 of shares subject to an irrevocable appointment may revoke the
3594 appointment if the transferee did not know of its existence when
3595 the transferee ~~he or she~~ acquired the shares and the existence
3596 of the irrevocable appointment was not noted conspicuously on

28-00272A-19

2019892__

3597 the certificate representing the shares or on the information
3598 statement for shares without certificates.

3599 Section 63. Section 607.0723, Florida Statutes, is amended
3600 to read:

3601 607.0723 Shares held by intermediaries and nominees.—

3602 (1) A corporation's board of directors ~~corporation~~ may
3603 establish a procedure under ~~by~~ which a person on whose behalf
3604 ~~the beneficial owner of shares that are registered in the name~~
3605 of an intermediary or a nominee may elect to be treated ~~is~~
3606 ~~recognized~~ by the corporation as the record shareholder by
3607 filing with the corporation a beneficial ownership certificate.
3608 The terms, conditions, and limitations of such treatment shall
3609 be specified in the procedure. To the extent such person is
3610 treated under such procedure as having rights or privileges that
3611 the record shareholder otherwise would have, the record
3612 shareholder may not have those rights or privileges. The extent
3613 of this recognition may be determined in the procedure.

3614 (2) The procedure must specify ~~may set forth~~:

3615 (a) The types of intermediaries or nominees to which it
3616 applies;

3617 (b) The rights or privileges that the corporation
3618 recognizes in a person with respect to whom a beneficial
3619 ownership certificate is filed ~~beneficial owner~~;

3620 (c) The manner in which the procedure is selected, which
3621 shall include that the beneficial ownership certificate be
3622 signed or assented to by or on behalf of the record shareholder
3623 and the person or persons on whose behalf the shares are held ~~by~~
3624 ~~the nominee~~;

3625 (d) The information that must be provided when the

28-00272A-19

2019892__

3626 procedure is selected;

3627 (e) The period for which selection of the procedure is
3628 effective; ~~and~~

3629 (f) Requirements for notice to the corporation with respect
3630 to the arrangement; and

3631 (g) The form and contents of the beneficial ownership
3632 certificate.

3633 (3) The procedure may specify any other aspects of the
3634 rights and duties created by the filing of a beneficial
3635 ownership certificate.

3636 Section 64. Section 607.0724, Florida Statutes, is amended
3637 to read:

3638 607.0724 ~~Corporation's~~ Acceptance of votes and other
3639 instruments.-

3640 (1) If the name signed on a vote, ballot, consent, waiver,
3641 shareholder demand, or proxy appointment corresponds to the name
3642 of a shareholder, the corporation if acting in good faith is
3643 entitled to accept the vote, ballot, consent, waiver,
3644 shareholder demand, or proxy appointment and give it effect as
3645 the act of the shareholder.

3646 (2) If the name signed on a vote, ballot, consent, waiver,
3647 shareholder demand, or proxy appointment does not correspond to
3648 the name of its shareholder, the corporation if acting in good
3649 faith is nevertheless entitled to accept the vote, ballot,
3650 consent, waiver, shareholder demand, or proxy appointment and
3651 give it effect as the act of the shareholder if:

3652 (a) The shareholder is an entity and the name signed
3653 purports to be that of an officer or agent of the entity;

3654 (b) The name signed purports to be that of an

28-00272A-19

2019892__

3655 administrator, executor, guardian, personal representative, or
3656 conservator representing the shareholder and, if the corporation
3657 requests, evidence of fiduciary status acceptable to the
3658 corporation has been presented with respect to the vote, ballot,
3659 consent, waiver, shareholder demand, or proxy appointment;

3660 (c) The name signed purports to be that of a receiver,
3661 trustee in bankruptcy, or assignee for the benefit of creditors
3662 of the shareholder and, if the corporation requests, evidence of
3663 this status acceptable to the corporation has been presented
3664 with respect to the vote, ballot, consent, waiver, shareholder
3665 demand, or proxy appointment;

3666 (d) The name signed purports to be that of a pledgee,
3667 beneficial owner, or attorney in fact of the shareholder and, if
3668 the corporation requests, evidence acceptable to the corporation
3669 of the signatory's authority to sign for the shareholder has
3670 been presented with respect to the vote, ballot, consent,
3671 waiver, shareholder demand, or proxy appointment; or

3672 (e) Two or more persons are the shareholder as cotenants or
3673 fiduciaries and the name signed purports to be the name of at
3674 least one of the co_owners and the person signing appears to be
3675 acting on behalf of all the co_owners.

3676 (3) The corporation is entitled to reject a vote, ballot,
3677 consent, waiver, shareholder demand, or proxy appointment if the
3678 person authorized to accept or reject such instrument ~~secretary~~
3679 ~~or other officer or agent authorized to tabulate votes,~~ acting
3680 in good faith, has reasonable basis for doubt about the validity
3681 of the signature on it or about the signatory's authority to
3682 sign for the shareholder.

3683 (4) Neither the corporation or any person authorized by it,

28-00272A-19

2019892__

3684 nor any inspector of election under s. 607.0729, that ~~The~~
3685 ~~corporation and its officer or agent who~~ accepts or rejects a
3686 vote, ballot, consent, waiver, shareholder demand, or proxy
3687 appointment in good faith and in accordance with the standards
3688 of this section is ~~are not~~ liable in damages to the shareholder
3689 for the consequences of the acceptance or rejection.

3690 (5) Corporate action based on the acceptance or rejection
3691 of a vote, ballot, consent, waiver, shareholder demand, or proxy
3692 appointment under this section is valid unless a court of
3693 competent jurisdiction determines otherwise.

3694 (6) If an inspector of election has been appointed under s.
3695 607.0729, the inspector of election may request information and
3696 make determinations under subsections (1), (2), and (3). Any
3697 determination made by the inspector of election under those
3698 subsections is controlling.

3699 Section 65. Subsections (1), (2), (3), and (5) of section
3700 607.0725, Florida Statutes, are amended, and subsection (8) is
3701 added to that section, to read:

3702 607.0725 Quorum and voting requirements for voting groups.—

3703 (1) Shares entitled to vote as a separate voting group may
3704 take action on a matter at a meeting only if a quorum of those
3705 shares exists with respect to that matter. Unless the articles
3706 of incorporation or this chapter ~~act~~ provides otherwise, a
3707 majority of the votes entitled to be cast on the matter by the
3708 voting group constitutes a quorum of that voting group for
3709 action on that matter.

3710 (2) Once a share is represented for any purpose at a
3711 meeting, it is deemed present for quorum purposes for the
3712 remainder of the meeting and for any adjournment of that meeting

28-00272A-19

2019892__

3713 unless a new record date is or must be fixed ~~set~~ for that
3714 adjourned meeting.

3715 (3) If a quorum exists, action on a matter (other than the
3716 election of directors) by a voting group is approved if the
3717 votes cast within the voting group favoring the action exceed
3718 the votes cast opposing the action, unless the articles of
3719 incorporation or this chapter ~~act~~ requires a greater number of
3720 affirmative votes.

3721 (5) The articles of incorporation may provide for a greater
3722 voting requirement or a greater or lesser quorum requirement for
3723 shareholders, or voting groups of shareholders, than is provided
3724 by this chapter ~~act~~, but in no event shall a quorum consist of
3725 less than one-third of the shares entitled to vote.

3726 (8) Whenever a provision of this chapter provides for
3727 voting of classes or series as separate voting groups, the rules
3728 provided in s. 607.1004 for amendments of articles of
3729 incorporation apply to that provision.

3730 Section 66. Section 607.0726, Florida Statutes, is amended
3731 to read:

3732 607.0726 Action by single and multiple voting groups.—

3733 (1) If the articles of incorporation or this chapter ~~act~~
3734 provides for voting by a single voting group on a matter, action
3735 on that matter is taken when voted upon by that voting group as
3736 provided in s. 607.0725.

3737 (2) If the articles of incorporation or this chapter ~~act~~
3738 provides for voting by two or more voting groups on a matter,
3739 action on that matter is taken only when voted upon by each of
3740 those voting groups counted separately as provided in s.
3741 607.0725. Action may be taken by different voting groups ~~one~~

28-00272A-19

2019892__

3742 ~~voting group on a matter at different times even though no~~
3743 ~~action is taken by another voting group entitled to vote on the~~
3744 ~~matter.~~

3745 Section 67. Subsection (1) of section 607.0728, Florida
3746 Statutes, is amended to read:

3747 607.0728 Voting for directors; cumulative voting.—

3748 (1) Unless otherwise provided in the articles of
3749 incorporation, or in a bylaw that fixes a greater voting
3750 requirement for the election of directors and that is adopted by
3751 the board of directors or shareholders of a corporation having
3752 shares registered pursuant to s. 12 of the Securities Exchange
3753 Act of 1934 ~~listed on a national securities exchange~~ at the time
3754 of adoption, directors are elected by a plurality of the votes
3755 cast by the shares entitled to vote in the election at a meeting
3756 at which a quorum is present. A bylaw provision or amendment
3757 adopted by shareholders which specifies the votes necessary for
3758 the election of directors may not be further amended or repealed
3759 by the board of directors.

3760 Section 68. Section 607.0729, Florida Statutes, is created
3761 to read:

3762 607.0729 Voting procedures; inspectors of election.—

3763 (1) A corporation that has a class of shares registered
3764 pursuant to s. 12 of the Securities Exchange Act of 1934 shall,
3765 and any other corporation may, appoint one or more inspectors to
3766 act at a meeting of shareholders in connection with determining
3767 voting results. Each inspector will faithfully execute the
3768 duties of inspector with strict impartiality and according to
3769 the best of the inspector's ability. An inspector may be an
3770 officer or employee of the corporation. The inspectors may

28-00272A-19

2019892__

3771 appoint or retain other persons to assist the inspectors in the
3772 performance of the duties of inspector under subsection (2) and
3773 may rely on information provided by such persons and other
3774 persons, including those appointed to count votes, unless the
3775 inspectors believe reliance is unwarranted.

3776 (2) The inspectors shall:

3777 (a) Ascertain the number of shares outstanding and the
3778 voting power of each;

3779 (b) Determine the shares represented at a meeting;

3780 (c) Determine the validity of proxy appointments and
3781 ballots;

3782 (d) Count the votes; and

3783 (e) Make a written report of the results.

3784 (3) In performing their duties, the inspectors may examine:

3785 (a) The proxy appointment forms and any other information
3786 provided in accordance with s. 607.0722(2);

3787 (b) Any envelope or related writing submitted with those
3788 appointment forms;

3789 (c) Any ballots;

3790 (d) Any evidence or other information specified in s.
3791 607.0724; and

3792 (e) The relevant books and records of the corporation
3793 relating to its shareholders and their entitlement to vote,
3794 including any securities position list provided by a depository
3795 clearing agency.

3796 (4) The inspectors also may consider other information that
3797 they believe is relevant and reliable for the purpose of
3798 performing any of the duties assigned to them pursuant to
3799 subsection (2), including, for the purpose of evaluating

28-00272A-19

2019892__

3800 inconsistent, incomplete, or erroneous information and
3801 reconciling information submitted on behalf of banks, brokers,
3802 their nominees, or similar persons that indicates more votes
3803 being cast than a proxy is authorized by the record shareholder
3804 to cast or more votes being cast than the record shareholder is
3805 entitled to cast. If the inspectors consider other information
3806 allowed by this subsection, they must, in their report under
3807 subsection (2), specify the information considered by them,
3808 including the purpose or purposes for which the information was
3809 considered, the person or persons from whom they obtained the
3810 information, when the information was obtained, the means by
3811 which the information was obtained, and the basis for the
3812 inspectors' belief that such information is relevant and
3813 reliable.

3814 (5) Determinations of law by the inspectors of election are
3815 subject to de novo review by a court in a judicial proceeding
3816 challenging the inspector's activities under this section.

3817 (6) The chair of the meeting shall announce at the meeting
3818 when the polls close for each matter voted upon. If no
3819 announcement is made, the polls shall be deemed to have closed
3820 upon the final adjournment of the meeting. After the polls
3821 close, no ballots, proxies, or votes, or any revocations or
3822 changes thereto, may be accepted.

3823 Section 69. Subsection (1) of section 607.0730, Florida
3824 Statutes, is amended to read:

3825 607.0730 Voting trusts.—

3826 (1) One or more shareholders may create a voting trust,
3827 conferring on a trustee the right to vote or otherwise act for
3828 him or her or for them, by signing an agreement setting out the

28-00272A-19

2019892__

3829 provisions of the trust (which may include anything consistent
3830 with its purpose) and transferring their shares to the trustee.
3831 When a voting trust agreement is signed, the trustee shall
3832 prepare a list of the names and addresses of all voting trust
3833 beneficial owners ~~of beneficial interests in the trust~~, together
3834 with the number and class of shares each transferred to the
3835 trust, and deliver copies of the list and agreement to the
3836 corporation at its ~~corporation's~~ principal office. After filing
3837 a copy of the list and agreement in the corporation's principal
3838 office, such copy shall be open to inspection by any shareholder
3839 of the corporation (subject to the requirements of s.
3840 607.1602(3)) or by any beneficiary of the trust under the
3841 agreement during business hours.

3842 Section 70. Section 607.0731, Florida Statutes, is amended
3843 to read:

3844 607.0731 Voting ~~Shareholders'~~ agreements.-

3845 (1) Two or more shareholders may provide for the manner in
3846 which they will vote their shares by signing an agreement for
3847 that purpose. A voting ~~shareholders'~~ agreement created under
3848 this section is not subject to the provisions of s. 607.0730.

3849 (2) A voting ~~shareholders'~~ agreement created under this
3850 section is specifically enforceable.

3851 (3) A transferee of shares in a corporation the
3852 shareholders of which have entered into an agreement authorized
3853 by subsection (1) shall be bound by such agreement if the
3854 transferee takes shares subject to such agreement with notice
3855 thereof. A transferee shall be deemed to have notice of any such
3856 agreement or any ~~such~~ renewal thereof if the existence of such
3857 agreement ~~thereof~~ is noted on the face or back of the

28-00272A-19

2019892__

3858 certificate or certificates representing such shares or on the
3859 information statement for uncertified shares required by s.
3860 607.0626(2).

3861 Section 71. Subsections (1) through (5) of section
3862 607.0732, Florida Statutes, are amended, and subsection (8) is
3863 added to that section, to read:

3864 607.0732 Shareholder agreements.—

3865 (1) An agreement among the shareholders of a corporation
3866 ~~with 100 or fewer shareholders at the time of the agreement,~~
3867 that complies with this section, ~~is~~ effective among the
3868 shareholders and the corporation, even though it is inconsistent
3869 with one or more other provisions of this chapter, if it:

3870 (a) Eliminates the board of directors or limits or
3871 restricts the discretion or powers of the board of directors;

3872 (b) Governs the authorization or making of distributions
3873 regardless of whether they are ~~or not~~ in proportion to ownership
3874 of shares, subject to the limitations in s. 607.06401;

3875 (c) Establishes who shall be directors or officers of the
3876 corporation, or their terms of office or manner of selection or
3877 removal;

3878 (d) Governs, in general or in regard to specific matters,
3879 the exercise or division of voting power by the shareholders and
3880 directors or among any of them, including use of weighted voting
3881 rights or director proxies;

3882 (e) Establishes the terms and conditions of any agreement
3883 for the transfer or use of property or the provision of services
3884 between the corporation and any shareholder, director, officer,
3885 or employee of the corporation or among any of them;

3886 (f) Transfers to any shareholder or other person any

28-00272A-19

2019892__

3887 authority to exercise the corporate powers or to manage the
3888 business and affairs of the corporation, including the
3889 resolution of any issue about which there exists a deadlock
3890 among directors or shareholders; ~~or~~

3891 (g) Requires dissolution of the corporation at the request
3892 of one or more of the shareholders or upon the occurrence of a
3893 specified event or contingency; ~~-~~

3894 (h) Imposes a liability on a shareholder for the attorney
3895 fees or expenses of the corporation or any other party in
3896 connection with an internal corporate claim, as defined in s.
3897 607.0208;

3898 (i) Establishes, including in lieu of a judicial
3899 dissolution, a mechanism for breaking a deadlock among the
3900 directors or shareholders of the corporation or for addressing
3901 the occurrence or existence of a shareholder asserted oppressive
3902 action; or

3903 (j) ~~(h)~~ Otherwise governs the exercise of the corporate
3904 powers or the management of the business and affairs of the
3905 corporation or the relationship between the shareholders, the
3906 directors, and ~~or~~ the corporation, or among any of them, and is
3907 not contrary to public policy. ~~For purposes of this paragraph,~~
3908 ~~agreements contrary to public policy include, but are not~~
3909 ~~limited to, agreements that reduce the duties of care and~~
3910 ~~loyalty to the corporation as required by ss. 607.0830 and~~
3911 ~~607.0832, exculpate directors from liability that may be imposed~~
3912 ~~under s. 607.0831, adversely affect shareholders' rights to~~
3913 ~~bring derivative actions under s. 607.07401, or abrogate~~
3914 ~~dissenters' rights under ss. 607.1301-607.1320.~~

3915 (2) An agreement authorized by this section shall be:

28-00272A-19

2019892__

3916 (a)1. Set forth or referenced in the articles of
3917 incorporation or bylaws and approved by all persons who are
3918 shareholders at the time the agreement; or

3919 2. Set forth in a written agreement that is signed by all
3920 persons who are shareholders at the time of the agreement and
3921 such written agreement is made known to the corporation; and.

3922 (b) Subject to termination or amendment only by all persons
3923 who are shareholders at the time of the termination or
3924 amendment, unless the agreement provides otherwise ~~with respect~~
3925 ~~to termination and with respect to amendments that do not change~~
3926 ~~the designation, rights, preferences, or limitations of any of~~
3927 ~~the shares of a class or series.~~

3928 (3) The existence of an agreement authorized by this
3929 section shall be noted conspicuously on the front or back of
3930 each certificate for outstanding shares or on the information
3931 statement required with respect to uncertified shares by s.
3932 607.0626(2). If at the time of the agreement the corporation has
3933 shares outstanding which are represented by certificates, the
3934 corporation shall recall such certificates and issue substitute
3935 certificates that comply with this subsection. The failure to
3936 note the existence of the agreement on the certificate or
3937 information statement shall not affect the validity of the
3938 agreement or any action taken pursuant to it. Any purchaser of
3939 shares who, at the time of purchase, did not have knowledge of
3940 the existence of the agreement shall be entitled to rescission
3941 of the purchase. A purchaser shall be deemed to have knowledge
3942 of the existence of the agreement if its existence is noted on
3943 the certificate or information statement for the shares in
3944 compliance with this subsection and, if the shares are not

28-00272A-19

2019892__

3945 represented by a certificate, the information statement is
3946 delivered to the purchaser at or before ~~prior to~~ the time of the
3947 purchase of the shares. An action to enforce the right of
3948 rescission authorized by this subsection must be commenced
3949 within the earlier of 90 days after discovery of the existence
3950 of the agreement or 2 years after the time of purchase of the
3951 shares.

3952 (4) An agreement authorized by this section shall cease to
3953 be effective when shares of the corporation are registered
3954 pursuant to s. 12 of the Securities Exchange Act of 1934 ~~listed~~
3955 ~~on a national securities exchange or regularly quoted in a~~
3956 ~~market maintained by one or more members of a national or~~
3957 ~~affiliated securities association.~~ If the agreement ceases to be
3958 effective for any reason, the board of directors may, if the
3959 agreement is contained or referred to in the corporation's
3960 articles of incorporation or bylaws, adopt an amendment to the
3961 articles of incorporation or bylaws, without shareholder action,
3962 to delete the agreement and any references to it.

3963 (5) An agreement authorized by this section that limits or
3964 restricts the discretion or powers of the board of directors
3965 shall relieve the directors of, and impose upon the person or
3966 persons in whom such discretion or powers are vested, liability
3967 for acts or omissions imposed by law on directors to the extent
3968 that the discretion or powers of the directors are limited by
3969 the agreement.

3970 (8) This section does not limit or invalidate agreements
3971 that are otherwise valid or authorized without regard to this
3972 section, including shareholder agreements between or among some
3973 or all of the shareholders or agreements between or among the

28-00272A-19

2019892__

3974 corporation and one or more shareholders.

3975 Section 72. Section 607.07401, Florida Statutes, is
 3976 repealed.

3977 Section 73. Section 607.0741, Florida Statutes, is created
 3978 to read:

3979 607.0741 Standing.—

3980 (1) A shareholder may not commence a derivative proceeding
 3981 unless the shareholder is a shareholder at the time the action
 3982 is commenced and:

3983 (a) Was a shareholder when the conduct giving rise to the
 3984 action occurred; or

3985 (b) Whose status as a shareholder devolved on the person
 3986 through transfer or by operation of law from one who was a
 3987 shareholder when the conduct giving rise to the action occurred.

3988 (2) In ss. 607.0741-607.0747, the term "shareholder" means
 3989 a record shareholder, a beneficial shareholder, or an
 3990 unrestricted voting trust beneficial owner.

3991 Section 74. Section 607.0742, Florida Statutes, is created
 3992 to read:

3993 607.0742 Complaint; demand and excuse.—A complaint in a
 3994 proceeding brought in the right of a corporation must be
 3995 verified and allege with particularity:

3996 (1) The demand, if any, made to obtain the action desired
 3997 by the shareholder from the board of directors; and

3998 (2) Either:

3999 (a) If such a demand was made, that the demand was refused,
 4000 rejected, or ignored by the board of directors prior to the
 4001 expiration of 90 days from the date the demand was made;

4002 (b) If such a demand was made, why irreparable injury to

28-00272A-19

2019892__

4003 the corporation or misapplication or waste of corporate assets
4004 causing material injury to the corporation would result by
4005 waiting for the expiration of a 90-day period from the date the
4006 demand was made; or

4007 (c) The reason or reasons the shareholder did not make the
4008 effort to obtain the desired action from the board of directors
4009 or comparable authority.

4010 Section 75. Section 607.0743, Florida Statutes, is created
4011 to read:

4012 607.0743 Stay of proceedings.—If the corporation commences
4013 an inquiry into the allegations made in the demand or complaint,
4014 the court may stay any derivative proceeding for such period as
4015 the court deems appropriate.

4016 Section 76. Section 607.0744, Florida Statutes, is created
4017 to read:

4018 607.0744 Dismissal.—

4019 (1) A derivative proceeding may be dismissed, in whole or
4020 in part, by the court on motion by the corporation if a group
4021 specified in subsection (2) or subsection (3) has determined in
4022 good faith, after conducting a reasonable inquiry upon which its
4023 conclusions are based, that the maintenance of the derivative
4024 proceeding is not in the best interests of the corporation. In
4025 all such cases, the corporation has the burden of proof
4026 regarding the qualifications, good faith, and reasonable inquiry
4027 of the group making the determination.

4028 (2) Unless a panel is appointed pursuant to subsection (3),
4029 the determination required in subsection (1) shall be made by:

4030 (a) A majority of qualified directors present at a meeting
4031 of the board of directors if the qualified directors constitute

28-00272A-19

2019892__

4032 a quorum; or

4033 (b) A majority vote of a committee consisting of two or
4034 more qualified directors appointed by majority vote of qualified
4035 directors present at a meeting of the board of directors,
4036 regardless of whether such qualified directors constitute a
4037 quorum.

4038 (3) Upon motion by the corporation, the court may appoint a
4039 panel consisting of one or more disinterested and independent
4040 individuals to make a determination required in subsection (1).

4041 (4) This section does not prevent the court from:

4042 (a) Enforcing a person's rights under the corporation's
4043 articles of incorporation, bylaws or this chapter, including the
4044 person's rights to information under s. 607.1602; or

4045 (b) Exercising its equitable or other powers, including
4046 granting extraordinary relief in the form of a temporary
4047 restraining order or preliminary injunction.

4048 Section 77. Section 607.0745, Florida Statutes, is created
4049 to read:

4050 607.0745 Discontinuance or settlement; notice.-

4051 (1) A derivative action on behalf of a corporation may not
4052 be discontinued or settled without the court's approval.

4053 (2) If the court determines that a proposed discontinuance
4054 or settlement will substantially affect the interest of the
4055 corporation's shareholders or a class, series, or voting group
4056 of shareholders, the court shall direct that notice be given to
4057 the shareholders affected. The court may determine which party
4058 or parties to the derivative action shall bear the expense of
4059 giving the notice.

4060 Section 78. Section 607.0746, Florida Statutes, is created

28-00272A-19

2019892__

4061 to read:

4062 607.0746 Proceeds and expenses.—On termination of the
4063 derivative proceeding the court may:

4064 (1) Order the corporation to pay from the amount recovered
4065 in the derivative proceeding by the corporation the plaintiff's
4066 reasonable expenses, including reasonable attorney fees and
4067 costs, incurred in the derivative proceeding if it finds that,
4068 in the derivative proceeding, the plaintiff was successful in
4069 whole or in part; or

4070 (2) Order the plaintiff to pay any of the defendant's
4071 reasonable expenses, including reasonable attorney fees and
4072 costs, incurred in defending the proceeding if it finds that the
4073 proceeding was commenced or maintained without reasonable cause
4074 or for an improper purpose.

4075 Section 79. Section 607.0747, Florida Statutes, is created
4076 to read:

4077 607.0747 Applicability to foreign corporations.—In any
4078 derivative proceeding in the right of a foreign corporation
4079 brought in the courts of this state, the matters covered by ss.
4080 607.0741-607.0747 shall be governed by the laws of the
4081 jurisdiction of incorporation of the foreign corporation except
4082 for ss. 607.0743, 607.0745, and 607.0746.

4083 Section 80. Section 607.0748, Florida Statutes, is created
4084 to read:

4085 607.0748 Shareholder action to appoint custodians or
4086 receivers.—

4087 (1) A circuit court may appoint one or more persons to be
4088 custodians or receivers of and for a corporation in a proceeding
4089 by a shareholder where it is established that:

28-00272A-19

2019892__

4090 (a) The directors are deadlocked in the management of the
4091 corporate affairs, the shareholders are unable to break the
4092 deadlock, and irreparable injury to the corporation is
4093 threatened or being suffered; or

4094 (b) The directors or those in control of the corporation
4095 are acting fraudulently and irreparable injury to the
4096 corporation is threatened or being suffered.

4097 (2) The court:

4098 (a) May issue injunctions, appoint one or more temporary
4099 custodians or temporary receivers with all the powers and duties
4100 the court directs, to take other action to preserve the
4101 corporate assets wherever located, and to carry on the business
4102 of the corporation until a full hearing is held;

4103 (b) Shall hold a full hearing, after notifying all parties
4104 to the proceeding and any interested persons designated by the
4105 court, before appointing a custodian or receiver; and

4106 (c) Has jurisdiction over the corporation and all of its
4107 property, wherever located.

4108 (3) The court may appoint a natural person, a domestic
4109 eligible entity, or a foreign eligible entity authorized to
4110 transact business in this state as a custodian or receiver and
4111 may require the custodian or receiver to post bond, with or
4112 without sureties, in an amount the court directs.

4113 (4) The court shall describe the powers and duties of the
4114 custodian or receiver in its appointing order, which may be
4115 amended. Among other powers:

4116 (a) A custodian may exercise all of the powers of the
4117 corporation, through or in place of its board of directors, to
4118 the extent necessary to manage the business and affairs of the

28-00272A-19

2019892__

4119 corporation; and

4120 (b) A receiver may dispose of all or any part of the assets
4121 of the corporation, wherever located, at a public or private
4122 sale, if authorized by the court, and may sue and defend in the
4123 receiver's own name as receiver in all courts of this state.

4124 (5) During a custodianship, the court may redesignate the
4125 custodian a receiver and, during a receivership, the court may
4126 redesignate the receiver a custodian, in each case if doing so
4127 is in the best interests of the corporation.

4128 (6) The court from time to time during the custodianship or
4129 receivership may order compensation paid and expense
4130 disbursements or reimbursements made to any custodian or
4131 receiver from the assets of the corporation or proceeds from the
4132 sale of its assets.

4133 Section 81. Section 607.0749, Florida Statutes, is created
4134 to read:

4135 607.0749 Provisional director.—

4136 (1) In a proceeding by a shareholder, a provisional
4137 director may be appointed in the discretion of the court if it
4138 appears that such action by the court will remedy a situation in
4139 which the directors are deadlocked in the management of the
4140 corporate affairs and the shareholders are unable to break the
4141 deadlock. A provisional director may be appointed
4142 notwithstanding the absence of a vacancy on the board of
4143 directors, and such director shall have all the rights and
4144 powers of a duly elected director, including the right to notice
4145 of and to vote at meetings of directors, until such time as the
4146 provisional director is removed by order of the court or, unless
4147 otherwise ordered by a court, removed by a vote of the

28-00272A-19

2019892__

4148 shareholders sufficient either to elect a majority of the board
4149 of directors or, if greater than majority voting is required by
4150 the articles of incorporation or the bylaws, to elect the
4151 requisite number of directors needed to take action. A
4152 provisional director shall be an impartial person who is neither
4153 a shareholder nor a creditor of the corporation or of any
4154 subsidiary or affiliate of the corporation, and whose further
4155 qualifications, if any, may be determined by the court.

4156 (2) A provisional director shall report from time to time
4157 to the court concerning the matter complained of, or the status
4158 of the deadlock, if any, and of the status of the corporation's
4159 business, as the court shall direct. No provisional director
4160 shall be liable for any action taken or decision made, except as
4161 directors may be liable under s. 607.0831. In addition, the
4162 provisional director shall submit to the court, if so directed,
4163 recommendations as to the appropriate disposition of the action.
4164 Whenever a provisional director is appointed, any officer or
4165 director of the corporation may, from time to time, petition the
4166 court for instructions clarifying the duties and
4167 responsibilities of such officer or director.

4168 (3) In any proceeding under this section, the court shall
4169 allow reasonable compensation to the provisional director for
4170 services rendered and reimbursement or direct payment of
4171 reasonable costs and expenses, which amounts shall be paid by
4172 the corporation.

4173 Section 82. Section 607.0801, Florida Statutes, is amended
4174 to read:

4175 607.0801 Requirement for and duties of board of directors.-

4176 (1) Except as may be provided in an agreement authorized

28-00272A-19

2019892__

4177 pursuant to s. 607.0732(1), each corporation must have a board
4178 of directors.

4179 (2) All corporate powers shall be exercised by or under the
4180 authority of the board of directors of the corporation, and the
4181 business and affairs of the corporation shall be managed by or
4182 under the direction of, and subject to the oversight of, its
4183 board of directors, subject to any limitation set forth in the
4184 articles of incorporation or in an agreement authorized under s.
4185 607.0732.

4186 Section 83. Section 607.0802, Florida Statutes, is amended
4187 to read:

4188 607.0802 Qualifications of directors.—

4189 (1) Directors must be natural persons who are 18 years of
4190 age or older but need not be residents of this state or
4191 shareholders of the corporation unless the articles of
4192 incorporation or bylaws so require. The articles of
4193 incorporation or bylaws may prescribe additional qualifications
4194 for directors or nominees for directors.

4195 (2) A qualification for nomination for director prescribed
4196 before a person's nomination shall apply to such person at the
4197 time of nomination. A qualification for nomination for director
4198 prescribed after a person's nomination does not apply to such
4199 person with respect to such nomination.

4200 (3) A qualification for director prescribed before a
4201 director has been elected or appointed may apply only at the
4202 time an individual becomes a director or may apply during a
4203 director's term. A qualification prescribed after a director has
4204 been elected or appointed does not apply to that director before
4205 the end of that director's term.

28-00272A-19

2019892__

4206 ~~(4)~~(2) In the event that the eligibility to serve as a
4207 member of the board of directors of a condominium association,
4208 cooperative association, homeowners' association, or mobile home
4209 owners' association is restricted to membership in such
4210 association and membership is appurtenant to ownership of a
4211 unit, parcel, or mobile home, a grantor of a trust described in
4212 s. 733.707(3), or a qualified beneficiary as defined in s.
4213 736.0103 of a trust which owns a unit, parcel, or mobile home
4214 shall be deemed a member of the association and eligible to
4215 serve as a director of the condominium association, cooperative
4216 association, homeowners' association, or mobile home owners'
4217 association, provided that said beneficiary occupies the unit,
4218 parcel, or mobile home.

4219 Section 84. Subsection (3) of section 607.0803, Florida
4220 Statutes, is amended to read:

4221 607.0803 Number of directors.—

4222 (3) Directors are elected at the first annual shareholders'
4223 meeting and at each annual shareholders' meeting thereafter,
4224 unless elected by written consent in lieu of an annual
4225 shareholders' meeting pursuant to s. 607.0704 or unless their
4226 terms are staggered under s. 607.0806.

4227 Section 85. Section 607.0804, Florida Statutes, is amended
4228 to read:

4229 607.0804 Election of directors by certain voting groups;
4230 special voting rights of certain directors.—The articles of
4231 incorporation may confer upon holders of any voting group the
4232 right to elect one or more directors who shall serve for such
4233 term and have such voting powers as are stated in the articles
4234 of incorporation. The terms of office and voting powers of the

28-00272A-19

2019892__

4235 directors elected in the manner provided in the articles of
4236 incorporation may be greater than or less than those of any
4237 other director or class of directors. If the articles of
4238 incorporation provide that directors elected by the holders of a
4239 voting group shall have more or less than one vote per director
4240 on any matter, every reference in this chapter ~~act~~ to a majority
4241 or other proportion of directors shall refer to a majority or
4242 other proportion of the votes of such directors. If a
4243 shareholders' agreement meeting the requirements of s. 607.0732,
4244 or articles of incorporation or bylaws meeting the requirements
4245 of s. 607.0732, provide that directors shall have more or less
4246 than one vote per director on any matter, every reference in
4247 this chapter to a majority or other proportion of directors
4248 shall refer to a majority or other proportion of the votes of
4249 such directors.

4250 Section 86. Subsections (2) and (5) of section 607.0805,
4251 Florida Statutes, are amended to read:

4252 607.0805 Terms of directors generally.—

4253 (2) The terms of all other directors expire at the next
4254 annual shareholders' meeting following their election, except to
4255 the extent:

4256 (a) Provided in s. 607.0806;

4257 (b) Provided in s. 607.1023 if a bylaw electing to be
4258 governed by that section is in effect; or

4259 (c) That a shorter term is specified in the articles of
4260 incorporation in the event of a director nominee failing to
4261 receive a specified vote for election ~~unless their terms are~~
4262 ~~staggered under s. 607.0806.~~

4263 (5) Except to the extent otherwise provided in the articles

28-00272A-19

2019892__

4264 of incorporation or under s. 607.1023, if a bylaw electing to be
4265 governed by that section is in effect, despite the expiration of
4266 a director's term, the director continues to serve until his or
4267 her successor is elected and qualifies or until there is a
4268 decrease in the number of directors.

4269 Section 87. Section 607.0806, Florida Statutes, is amended
4270 to read:

4271 607.0806 Staggered terms for directors.—

4272 (1) ~~The directors of any corporation organized under this~~
4273 ~~act may, by the~~ articles of incorporation, the initial bylaws or
4274 ~~by an initial bylaw,~~ or by a bylaw adopted by a vote of the
4275 shareholders, may provide for staggering the terms of directors
4276 by dividing the total number of directors into two or three
4277 groups, with each group containing half or one-third of the
4278 total, as near as may be practicable. In that event, the terms
4279 of the first group expire at the first annual shareholders'
4280 meeting after their election, the terms of the second group
4281 expire at the second annual shareholders' meeting after their
4282 election, and the terms of the third group, if any, expire at
4283 the third annual shareholders' meeting after their election. At
4284 each annual shareholders' meeting held thereafter, directors
4285 shall be elected for a term of two years or three years be
4286 ~~divided into one, two, or three classes with the number of~~
4287 ~~directors in each class being as nearly equal as possible; the~~
4288 ~~term of office of those of the first class to expire at the~~
4289 ~~annual meeting next ensuing; of the second class 1 year~~
4290 ~~thereafter; of the third class 2 years thereafter; and at each~~
4291 ~~annual election held after such classification and election,~~
4292 ~~directors shall be chosen for a full term, as the case may be,~~

28-00272A-19

2019892__

4293 to succeed those whose terms expire. If the directors have
4294 staggered terms, then any increase or decrease in the number of
4295 directors shall be so apportioned among the classes as to make
4296 all classes as nearly equal in number as possible.

4297 (2) In the case of any Florida corporation in existence
4298 prior to July 1, 1990, directors of such corporation divided
4299 into four classes may continue to serve staggered terms as the
4300 articles of incorporation or bylaws of such corporation provided
4301 immediately prior to the effective date of this chapter ~~act~~,
4302 unless and until the articles of incorporation or bylaws are
4303 amended to alter or terminate such classes.

4304 Section 88. Section 607.0807, Florida Statutes, is amended
4305 to read:

4306 607.0807 Resignation of directors.—

4307 (1) A director may resign at any time by delivering written
4308 notice of resignation to the board of directors or its chair or
4309 to the secretary of the corporation.

4310 (2) A resignation is effective when the notice of
4311 resignation is delivered unless the notice of resignation
4312 specifies a later effective date or an effective date determined
4313 upon the subsequent happening of an event or events. If a
4314 resignation is made effective at a later date or upon the
4315 subsequent happening of an event or events, the board of
4316 directors may fill the pending vacancy before the effective date
4317 occurs if the board of directors provides that the successor
4318 does not take office until the effective date.

4319 (3) A resignation that specifies a later effective date or
4320 that is conditioned upon the subsequent happening of an event or
4321 events or upon failing to receive a specified vote for election

28-00272A-19

2019892__

4322 as a director may provide that the resignation is irrevocable.

4323 Section 89. Subsections (3) and (4) of section 607.0808,
4324 Florida Statutes, are amended to read:

4325 607.0808 Removal of directors by shareholders.—

4326 (3) A director may be removed if the number of votes cast
4327 to remove the director exceeds the number of votes cast not to
4328 remove the director, except to the extent the articles of
4329 incorporation or bylaws require a greater number; provided that
4330 if cumulative voting is authorized, a director may not be
4331 removed if, in the case of a meeting, the number of votes
4332 sufficient to elect the director under cumulative voting is
4333 voted against his or her removal and, if action is taken by less
4334 than unanimous written consent, voting shareholders entitled to
4335 the number of votes sufficient to elect the director under
4336 cumulative voting do not consent to the removal. ~~If cumulate~~
4337 ~~voting is not authorized, a director may be removed only if the~~
4338 ~~number of votes cast to remove the director exceeds the number~~
4339 ~~of votes cast not to remove him or her.~~

4340 (4) A director may be removed by the shareholders only at a
4341 meeting of shareholders called for the purpose of removing the
4342 director and the meeting notice must state that the, provided
4343 ~~the notice of the meeting states that the purpose, or one of the~~
4344 ~~purposes, of the meeting is~~ removal of the director is the
4345 purpose of the meeting.

4346 Section 90. Section 607.08081, Florida Statutes, is created
4347 to read:

4348 607.08081 Removal of directors by judicial proceedings.—

4349 (1) The circuit court in the applicable county may remove a
4350 director from office, and may order other relief, including

28-00272A-19

2019892__

4351 barring the director from reelection for a period prescribed by
4352 the court, in a proceeding commenced by or in the right of the
4353 corporation if the court finds that:

4354 (a) The director engaged in fraudulent conduct with respect
4355 to the corporation or its shareholders, grossly abused the
4356 position of director, or intentionally inflicted harm on the
4357 corporation; and

4358 (b) Considering the director's course of conduct and the
4359 inadequacy of other available remedies, removal or such other
4360 relief would be in the best interest of the corporation.

4361 (2) A shareholder proceeding on behalf of the corporation
4362 under paragraph (1)(a) shall comply with all of the requirements
4363 of ss. 607.0741-607.0747, except s. 607.0741(1).

4364 Section 91. Section 607.0809, Florida Statutes, is amended
4365 to read:

4366 607.0809 Vacancy on board.—

4367 (1) Unless the articles of incorporation provide otherwise,
4368 if ~~Whenever~~ a vacancy occurs on a board of directors, including
4369 a vacancy resulting from an increase in the number of
4370 directors, ~~it may be filled by the affirmative vote of a~~
4371 majority of the remaining directors, though less than a quorum
4372 of the board of directors, or by the shareholders, unless the
4373 articles of incorporation provide otherwise

4374 (a) The shareholders may fill the vacancy;

4375 (b) The board of directors may fill the vacancy; or

4376 (c) If the directors remaining in office are less than a
4377 quorum, the vacancy may be filled by the affirmative vote of a
4378 majority of all the directors then remaining in office.

4379 (2) If the vacant office was held by a director elected by

28-00272A-19

2019892__

4380 a voting group of shareholders, only the holders of shares of
4381 that voting group are entitled to vote to fill the vacancy if it
4382 is filled by the shareholders, and only the remaining directors
4383 elected by that voting group, even if less than a quorum, are
4384 entitled to fill the vacancy if it is filled by the directors
4385 ~~Whenever the holders of shares of any voting group are entitled~~
4386 ~~to elect a class of one or more directors by the provisions of~~
4387 ~~the articles of incorporation, vacancies in such class may be~~
4388 ~~filled by holders of shares of that voting group or by a~~
4389 ~~majority of the directors then in office elected by such voting~~
4390 ~~group or by a sole remaining director so elected. If no director~~
4391 ~~elected by such voting group remains in office, unless the~~
4392 ~~articles of incorporation provide otherwise, directors not~~
4393 ~~elected by such voting group may fill vacancies as provided in~~
4394 ~~subsection (1).~~

4395 (3) A vacancy that will ~~may~~ occur at a specified later date
4396 ~~(under s. 607.0807(2) by reason of a resignation effective at a~~
4397 ~~later date~~ under s. 607.0807(2) or otherwise ~~or upon the~~
4398 ~~subsequent happening of an event)~~ may be filled before the
4399 vacancy occurs, but the new director may not take office until
4400 the vacancy occurs.

4401 Section 92. Subsection (4) of section 607.0820, Florida
4402 Statutes, is amended to read:

4403 607.0820 Meetings.—

4404 (4) Unless the articles of incorporation or bylaws provide
4405 otherwise, the board of directors may permit any or all
4406 directors to participate in any meeting of the board of
4407 directors ~~a regular or special meeting by, or conduct the~~
4408 ~~meeting~~ through the use of ~~7~~ any means of communication by which

28-00272A-19

2019892__

4409 all directors participating may simultaneously hear each other
4410 during the meeting. A director participating in a meeting by
4411 this means is deemed to be present in person at the meeting.

4412 Section 93. Subsections (1) and (2) of section 607.0821,
4413 Florida Statutes, are amended to read:

4414 607.0821 Action by directors without a meeting.—

4415 (1) Unless the articles of incorporation or bylaws provide
4416 otherwise, action required or permitted by this chapter ~~act~~ to
4417 be taken at a board of directors' meeting or committee meeting
4418 may be taken without a meeting if the action is taken by all
4419 members of the board or of the committee. The action must be
4420 evidenced by one or more written consents describing the action
4421 taken and signed by each director or committee member and
4422 delivered to the corporation.

4423 (2) Action taken under this section is effective when the
4424 last director signs the consent and delivers the consent to the
4425 corporation, unless the consent specifies a different effective
4426 date. A director's consent may be withdrawn by a revocation
4427 signed by the director and delivered to the corporation prior to
4428 delivery to the corporation of unrevoked written consents signed
4429 by all the directors.

4430 Section 94. Section 607.0823, Florida Statutes, is amended
4431 to read:

4432 607.0823 Waiver of notice.—Notice of a meeting of the board
4433 of directors need not be given to any director who signs a
4434 waiver of notice either before or after the meeting. Attendance
4435 of a director at a meeting shall constitute a waiver of notice
4436 of such meeting and a waiver of any and all objections to the
4437 date, time, place, or purpose of the meeting, ~~the time of the~~

28-00272A-19

2019892__

4438 ~~meeting,~~ or the manner in which it has been called or convened,
4439 except when a director states, at the beginning of the meeting
4440 or promptly upon arrival at the meeting, any objection to
4441 holding the meeting or to the transaction of business because
4442 the meeting is not lawfully called or convened and if the
4443 director, after objection, does not vote for or consent to
4444 action taken at the meeting.

4445 Section 95. Subsections (1), (2), and (3) of section
4446 607.0824, Florida Statutes, are amended, present subsection (4)
4447 of that section is redesignated as subsection (5), and a new
4448 subsection (4) is added to that section, to read:

4449 607.0824 Quorum and voting.—

4450 (1) Unless the articles of incorporation or bylaws provide
4451 for a greater or lesser number, or unless otherwise expressly
4452 provided in this chapter require a different number, a quorum of
4453 a board of directors consists of a majority of the number of
4454 directors specified in or fixed in accordance with ~~prescribed by~~
4455 the articles of incorporation or the bylaws.

4456 (2) The quorum of the board of directors specified in or
4457 fixed in accordance with the articles of incorporation or bylaws
4458 may not consist of less than ~~may authorize a quorum of a board~~
4459 ~~of directors to consist of less than a majority but no fewer~~
4460 ~~than~~ one-third of the specified or fixed ~~prescribed~~ number of
4461 directors ~~determined under the articles of incorporation or the~~
4462 ~~bylaws.~~

4463 (3) If a quorum is present when a vote is taken, the
4464 affirmative vote of a majority of directors present is the act
4465 of the board of directors unless the articles of incorporation
4466 or bylaws require the vote of a greater number of directors or

28-00272A-19

2019892__

4467 unless otherwise expressly provided for in this chapter.

4468 (4) If any directors have special voting rights in
4469 compliance with the provisions of s. 607.0804, the quorum and
4470 voting requirements of this section shall be determined
4471 consistent with the provisions of s. 607.0804.

4472 Section 96. Section 607.0825, Florida Statutes, is amended
4473 to read:

4474 607.0825 Committees.—

4475 (1) Unless this chapter, the articles of incorporation, or
4476 the bylaws provide otherwise, the board of directors may
4477 establish ~~provide, the board of directors, by resolution adopted~~
4478 ~~by a majority of the full board of directors, may designate from~~
4479 ~~among its members an executive committee and one or more other~~
4480 board committees to perform functions of the board of directors.
4481 Such committees shall be composed exclusively of one or more
4482 directors ~~committees each of which, to the extent provided in~~
4483 ~~such resolution or in the articles of incorporation or the~~
4484 ~~bylaws of the corporation, shall have and may exercise all the~~
4485 ~~authority of the board of directors, except that no such~~
4486 ~~committee shall have the authority to:~~

4487 ~~(a) Approve or recommend to shareholders actions or~~
4488 ~~proposals required by this act to be approved by shareholders.~~

4489 ~~(b) Fill vacancies on the board of directors or any~~
4490 ~~committee thereof.~~

4491 ~~(c) Adopt, amend, or repeal the bylaws.~~

4492 ~~(d) Authorize or approve the reacquisition of shares unless~~
4493 ~~pursuant to a general formula or method specified by the board~~
4494 ~~of directors.~~

4495 ~~(e) Authorize or approve the issuance or sale or contract~~

28-00272A-19

2019892__

4496 ~~for the sale of shares, or determine the designation and~~
4497 ~~relative rights, preferences, and limitations of a voting group~~
4498 ~~except that the board of directors may authorize a committee (or~~
4499 ~~a senior executive officer of the corporation) to do so within~~
4500 ~~limits specifically prescribed by the board of directors.~~

4501 (2) Unless this chapter, the articles of incorporation, or
4502 the bylaws provide otherwise, the establishment of a board
4503 committee, the appointment of members to such committee, the
4504 dissolution of a previously created board committee, and the
4505 removal of members from a previously created board committee
4506 must be approved by a majority of all the directors in office
4507 when the action is taken ~~Unless the articles of incorporation or~~
4508 ~~bylaws provide otherwise, ss. 607.0820, 607.0822, 607.0823, and~~
4509 ~~607.0824 which govern meetings, notice and waiver of notice, and~~
4510 ~~quorum and voting requirements of the board of directors apply~~
4511 ~~to committees and their members as well.~~

4512 (3) Sections 607.0820-607.0824, which govern meetings,
4513 notice and waiver of notice, and quorum and voting requirements
4514 of the board of directors, apply to board committees and their
4515 members as well.

4516 (4) A board committee may exercise the powers of the board
4517 of directors under s. 607.0801, except that a board committee
4518 may not:

4519 (a) Authorize or approve the reacquisition of shares unless
4520 pursuant to a formula or method, or within limits, prescribed by
4521 the board of directors.

4522 (b) Approve, recommend to shareholders, or propose to
4523 shareholders action that this chapter requires be approved by
4524 shareholders.

28-00272A-19

2019892__

4525 (c) Fill vacancies on the board of directors or on any
4526 board committee.

4527 (d) Adopt, amend, or repeal bylaws.

4528 (5) The establishment of, delegation of authority to, or
4529 action by a committee does not alone constitute compliance by a
4530 director with the standards of conduct described in s. 607.0830.

4531 (6) The board of directors may appoint ~~Each committee must~~
4532 ~~have two or more members who serve at the pleasure of the board~~
4533 ~~of directors. The board, by resolution adopted in accordance~~
4534 ~~with subsection (1), may designate one or more directors as~~
4535 ~~alternate members of any board~~ such committee to fill a vacancy
4536 on the committee or to replace ~~who may act in the place and~~
4537 ~~stead of any absent or disqualified member of such committee~~
4538 during the member's absence or disqualification. If the articles
4539 of incorporation, the bylaws, or the resolution creating the
4540 board committee so provide, the member or members present at any
4541 board committee meeting and not disqualified from voting, by
4542 unanimous action, may appoint another director to act in place
4543 of an absent or disqualified member during that member's absence
4544 or disqualification ~~or members at any meeting of such committee.~~

4545 ~~(4) Neither the designation of any such committee, the~~
4546 ~~delegation thereto of authority, nor action by such committee~~
4547 ~~pursuant to such authority shall alone constitute compliance by~~
4548 ~~any member of the board of directors not a member of the~~
4549 ~~committee in question with his or her responsibility to act in~~
4550 ~~good faith, in a manner he or she reasonably believes to be in~~
4551 ~~the best interests of the corporation, and with such care as an~~
4552 ~~ordinarily prudent person in a like position would use under~~
4553 ~~similar circumstances.~~

28-00272A-19

2019892__

4554 Section 97. Section 607.0826, Florida Statutes, is created
4555 to read:

4556 607.0826 Submission of matters for a shareholder vote.—A
4557 corporation may agree to submit a matter to a vote of its
4558 shareholders even if, after approving the matter, the board of
4559 directors determines it no longer recommends the matter.

4560 Section 98. Section 607.0830, Florida Statutes, is amended
4561 to read:

4562 607.0830 General standards for directors.—

4563 (1) Each member of the board of directors, when discharging
4564 the duties of a director, including in discharging his or her
4565 duties as a member of a board committee, must act ~~A director~~
4566 ~~shall discharge his or her duties as a director, including his~~
4567 ~~or her duties as a member of a committee:~~

4568 (a) In good faith; and

4569 (b) ~~With the care an ordinarily prudent person in a like~~
4570 ~~position would exercise under similar circumstances; and~~

4571 ~~(c) In a manner he or she reasonably believes to be in the~~
4572 ~~best interests of the corporation.~~

4573 (2) The members of the board of directors or a board
4574 committee, when becoming informed in connection with a
4575 decisionmaking function or devoting attention to an oversight
4576 function, shall discharge their duties with the care that an
4577 ordinary prudent person in a like position would reasonably
4578 believe appropriate under similar circumstances ~~In discharging~~
4579 ~~his or her duties, a director is entitled to rely on~~
4580 ~~information, opinions, reports, or statements, including~~
4581 ~~financial statements and other financial data, if prepared or~~
4582 ~~presented by:~~

28-00272A-19

2019892__

4583 ~~(a) One or more officers or employees of the corporation~~
4584 ~~whom the director reasonably believes to be reliable and~~
4585 ~~competent in the matters presented;~~

4586 ~~(b) Legal counsel, public accountants, or other persons as~~
4587 ~~to matters the director reasonably believes are within the~~
4588 ~~persons' professional or expert competence; or~~

4589 ~~(c) A committee of the board of directors of which he or~~
4590 ~~she is not a member if the director reasonably believes the~~
4591 ~~committee merits confidence.~~

4592 (3) In discharging board or board committee duties, a
4593 director who does not have knowledge that makes reliance
4594 unwarranted is entitled to rely on the performance by any of the
4595 persons specified in paragraph (5) (a) or paragraph (5) (b) to
4596 whom the board may have delegated, formally or informally by
4597 course of conduct, the authority or duty to perform one or more
4598 of the board's functions that are delegable under applicable
4599 law.

4600 (4) In discharging board or board committee duties, a
4601 director who does not have knowledge that makes reliance
4602 unwarranted is entitled to rely on information, opinions,
4603 reports, or statements, including financial statements and other
4604 financial data, prepared or presented by any of the persons
4605 specified in subsection (5).

4606 (5) A director is entitled to rely, in accordance with
4607 subsection (3) or subsection (4), on:

4608 (a) One or more officers or employees of the corporation
4609 whom the director reasonably believes to be reliable and
4610 competent in the functions performed or the information,
4611 opinions, reports, or statements provided;

28-00272A-19

2019892__

4612 (b) Legal counsel, public accountants, or other persons
4613 retained by the corporation or by a committee of the board of
4614 the corporation as to matters involving skills or expertise the
4615 director reasonably believes are matters:

4616 1. Within the particular person's professional or expert
4617 competence; or

4618 2. As to which the particular person merits confidence; or

4619 (c) A committee of the board of directors of which the
4620 director is not a member if the director reasonably believes the
4621 committee merits confidence.

4622 ~~(6)(3)~~ In discharging board or board committee ~~his or her~~
4623 duties, a director may consider such factors as the director
4624 deems relevant, including the long-term prospects and interests
4625 of the corporation and its shareholders, and the social,
4626 economic, legal, or other effects of any action on the
4627 employees, suppliers, customers of the corporation or its
4628 subsidiaries, the communities and society in which the
4629 corporation or its subsidiaries operate, and the economy of the
4630 state and the nation.

4631 ~~(4) A director is not acting in good faith if he or she has~~
4632 ~~knowledge concerning the matter in question that makes reliance~~
4633 ~~otherwise permitted by subsection (2) unwarranted.~~

4634 ~~(5) A director is not liable for any action taken as a~~
4635 ~~director, or any failure to take any action, if he or she~~
4636 ~~performed the duties of his or her office in compliance with~~
4637 ~~this section.~~

4638 Section 99. Subsections (1) and (3) of section 607.0831,
4639 Florida Statutes, are amended to read:

4640 607.0831 Liability of directors.-

28-00272A-19

2019892__

4641 (1) A director is not personally liable for monetary
4642 damages to the corporation or any other person for any
4643 statement, vote, decision to take or not to take action, or any
4644 failure to take any action, as ~~or failure to act, regarding~~
4645 ~~corporate management or policy, by~~ a director, unless:

4646 (a) The director breached or failed to perform his or her
4647 duties as a director; and

4648 (b) The director's breach of, or failure to perform, those
4649 duties constitutes any of the following:

4650 1. A violation of the criminal law, unless the director had
4651 reasonable cause to believe his or her conduct was lawful or had
4652 no reasonable cause to believe his or her conduct was unlawful.
4653 A judgment or other final adjudication against a director in any
4654 criminal proceeding for a violation of the criminal law estops
4655 that director from contesting the fact that his or her breach,
4656 or failure to perform, constitutes a violation of the criminal
4657 law; but does not estop the director from establishing that he
4658 or she had reasonable cause to believe that his or her conduct
4659 was lawful or had no reasonable cause to believe that his or her
4660 conduct was unlawful;

4661 2. A circumstance under which the ~~A~~ transaction at issue is
4662 one from which the director derived an improper personal
4663 benefit, either directly or indirectly;

4664 3. A circumstance under which the liability provisions of
4665 s. 607.0834 are applicable;

4666 4. In a proceeding by or in the right of the corporation to
4667 procure a judgment in its favor or by or in the right of a
4668 shareholder, conscious disregard for the best interest of the
4669 corporation, or willful or intentional misconduct; or

28-00272A-19

2019892__

4670 5. In a proceeding by or in the right of someone other than
4671 the corporation or a shareholder, recklessness or an act or
4672 omission which was committed in bad faith or with malicious
4673 purpose or in a manner exhibiting wanton and willful disregard
4674 of human rights, safety, or property.

4675 (3) A director is deemed not to have derived an improper
4676 personal benefit from any transaction if the transaction and the
4677 nature of any personal benefit derived by the director are not
4678 prohibited by state or federal law or regulation and, without
4679 further limitation:

4680 (a) In an action other than a derivative suit regarding a
4681 decision by the director to approve, reject, or otherwise affect
4682 the outcome of an offer to purchase the shares ~~stock~~ of, or to
4683 effect a merger of, the corporation, the transaction and the
4684 nature of any personal benefits derived by a director are
4685 disclosed or known to all directors voting on the matter, and
4686 the transaction was authorized, approved, or ratified by at
4687 least two directors who comprise a majority of the disinterested
4688 directors (whether or not such disinterested directors
4689 constitute a quorum); or

4690 (b) The transaction is fair to the corporation at the time
4691 it is authorized, approved, or ratified as determined in
4692 accordance with s. 607.0832 ~~and the nature of any personal~~
4693 ~~benefits derived by a director are disclosed or known to the~~
4694 ~~shareholders entitled to vote, and the transaction was~~
4695 ~~authorized, approved, or ratified by the affirmative vote or~~
4696 ~~written consent of such shareholders who hold a majority of the~~
4697 ~~shares, the voting of which is not controlled by directors who~~
4698 ~~derived a personal benefit from or otherwise had a personal~~

28-00272A-19

2019892__

4699 ~~interest in the transaction; or~~

4700 ~~(c) The transaction was fair and reasonable to the~~
4701 ~~corporation at the time it was authorized by the board, a~~
4702 ~~committee, or the shareholders, notwithstanding that a director~~
4703 ~~received a personal benefit.~~

4704 Section 100. Section 607.0832, Florida Statutes, is amended
4705 to read:

4706 607.0832 Director conflicts of interest.—

4707 (1) As used in this section, the following terms and
4708 definitions apply:

4709 (a) "Director's conflict of interest transaction" means a
4710 transaction between a corporation and one or more of its
4711 directors, or another entity in which one or more of the
4712 corporation's directors is directly or indirectly a party to the
4713 transaction, other than being an indirect party as a result of
4714 being a shareholder of the corporation, and has a direct or
4715 indirect material financial interest or other material interest.

4716 (b) "Fair to the corporation" means that the transaction,
4717 as a whole, is beneficial to the corporation and its
4718 shareholders, taking into appropriate account whether it is:

4719 1. Fair in terms of the director's dealings with the
4720 corporation in connection with that transaction; and

4721 2. Comparable to what might have been obtainable in an
4722 arm's length transaction.

4723 (c) "Family member" includes any of the following:

4724 1. The director's spouse.

4725 2. A child, stepchild, parent, stepparent, grandparent,
4726 sibling, step sibling, or half sibling of the director or the
4727 director's spouse.

28-00272A-19

2019892__

4728 (d) A director is "indirectly" a party to a transaction if
4729 that director has a material financial interest in or is a
4730 director, officer, member, manager, or partner of a person,
4731 other than the corporation, who is a party to the transaction.

4732 (e) A director has an "indirect material financial
4733 interest" if a family member has a material financial interest
4734 in the transaction, other than having an indirect interest as a
4735 shareholder of the corporation, or if the transaction is with an
4736 entity, other than the corporation, which has a material
4737 financial interest in the transaction and controls, or is
4738 controlled by, the director or another person specified in this
4739 subsection.

4740 (f) "Material financial interest" or "other material
4741 interest" means a financial or other interest in the transaction
4742 that would reasonably be expected to impair the objectivity of
4743 the director's judgment when participating in the action on the
4744 authorization of the transaction.

4745 (2) If a director's conflict of interest transaction is
4746 fair to the corporation at the time it is authorized, approved,
4747 effectuated, or ratified:

4748 (a) Such transaction is not void or voidable; and

4749 (b) The fact that the transaction is a director's conflict
4750 of interest transaction is not grounds for any equitable relief,
4751 an award of damages, or other sanctions,

4752
4753 because of that relationship or interest, because such director
4754 or directors are present at the meeting of the board of
4755 directors or a committee thereof which authorizes, approves, or
4756 ratifies such transaction, or because his or her or their votes

28-00272A-19

2019892__

4757 are counted for such purpose.

4758 (3) (a) In a proceeding challenging the validity of a
4759 director's conflict of interest transaction or in a proceeding
4760 seeking equitable relief, award of damages, or other sanctions
4761 with respect to a director's conflict of interest transaction,
4762 the person challenging the validity or seeking equitable relief,
4763 award of damages, or other sanctions has the burden of proving
4764 the lack of fairness of the transaction if:

4765 1. The material facts of the transaction and the director's
4766 interest in the transaction were disclosed or known to the board
4767 of directors or committee that authorizes, approves, or ratifies
4768 the transaction and the transaction was authorized, approved, or
4769 ratified by a vote of a majority of the qualified directors even
4770 if the qualified directors constitute less than a quorum of the
4771 board or the committee; however, the transaction cannot be
4772 authorized, approved, or ratified under this subsection solely
4773 by a single director; or

4774 2. The material facts of the transaction and the director's
4775 interest in the transaction were disclosed or known to the
4776 shareholders who voted upon such transaction and the transaction
4777 was authorized, approved, or ratified by a majority of the votes
4778 cast by disinterested shareholders or by the written consent of
4779 disinterested shareholders representing a majority of the votes
4780 that could be cast by all disinterested shareholders. Shares
4781 owned by or voted under the control of a director who has a
4782 relationship or interest in the director's conflict of interest
4783 transaction may not be considered shares owned by a
4784 disinterested shareholder and may not be counted in a vote of
4785 shareholders to determine whether to authorize, approve, or

28-00272A-19

2019892__

4786 ratify a director's conflict of interest transaction under this
4787 subparagraph. The vote of those shares, however, is counted in
4788 determining whether the transaction is approved under other
4789 sections of this chapter. A majority of the shares, whether or
4790 not present, that are entitled to be counted in a vote on the
4791 transaction under this subparagraph constitutes a quorum for the
4792 purpose of taking action under this section.

4793 (b) If neither of the conditions provided in paragraph (a)
4794 has been satisfied, the person defending or asserting the
4795 validity of a director's conflict of interest transaction has
4796 the burden of proving its fairness in a proceeding challenging
4797 the validity of the transaction.

4798 (4) The presence of or a vote cast by a director with an
4799 interest in the transaction does not affect the validity of an
4800 action taken under paragraph (3) (a) if the transaction is
4801 otherwise authorized, approved, or ratified as provided in
4802 subsection (3), but the presence or vote of the director may be
4803 counted for purposes of determining whether the transaction is
4804 approved under other sections of this chapter.

4805 (5) In addition to other grounds for challenge, a party
4806 challenging the validity of the transaction is not precluded
4807 from asserting and proving that a particular director or
4808 shareholder was not disinterested on grounds of financial or
4809 other interest for purposes of the vote on, consent to, or
4810 approval of the transaction.

4811 (6) If directors' action under this section does not
4812 otherwise satisfy a quorum or voting requirement applicable to
4813 the authorization of the transaction by directors as required by
4814 the articles of incorporation, the bylaws, this chapter, or any

28-00272A-19

2019892__

4815 other law, an action to satisfy those authorization
4816 requirements, whether as part of the same action or by way of
4817 another action, must be taken by the board of directors or a
4818 committee in order to authorize the transaction. In such action,
4819 the vote or consent of directors who are not disinterested may
4820 be counted.

4821 (7) Where shareholders' action under this section does not
4822 satisfy a quorum or voting requirement applicable to the
4823 authorization of the transaction by shareholders as required by
4824 the articles of incorporation, the bylaws, this chapter, or any
4825 other law, an action to satisfy those authorization
4826 requirements, whether as part of the same action or by way of
4827 another action, must be taken by the shareholders in order to
4828 authorize the transaction. In such action, the vote or consent
4829 of shareholders who are not disinterested shareholders may be
4830 counted ~~No contract or other transaction between a corporation~~
4831 ~~and one or more of its directors or any other corporation, firm,~~
4832 ~~association, or entity in which one or more of its directors are~~
4833 ~~directors or officers or are financially interested shall be~~
4834 ~~either void or voidable because of such relationship or~~
4835 ~~interest, because such director or directors are present at the~~
4836 ~~meeting of the board of directors or a committee thereof which~~
4837 ~~authorizes, approves, or ratifies such contract or transaction,~~
4838 ~~or because his or her or their votes are counted for such~~
4839 ~~purpose, if:~~

4840 ~~(a) The fact of such relationship or interest is disclosed~~
4841 ~~or known to the board of directors or committee which~~
4842 ~~authorizes, approves, or ratifies the contract or transaction by~~
4843 ~~a vote or consent sufficient for the purpose without counting~~

28-00272A-19

2019892__

4844 ~~the votes or consents of such interested directors;~~

4845 ~~(b) The fact of such relationship or interest is disclosed~~
4846 ~~or known to the shareholders entitled to vote and they~~
4847 ~~authorize, approve, or ratify such contract or transaction by~~
4848 ~~vote or written consent; or~~

4849 ~~(c) The contract or transaction is fair and reasonable as~~
4850 ~~to the corporation at the time it is authorized by the board, a~~
4851 ~~committee, or the shareholders.~~

4852 ~~(2) For purposes of paragraph (1)(a) only, a conflict of~~
4853 ~~interest transaction is authorized, approved, or ratified if it~~
4854 ~~receives the affirmative vote of a majority of the directors on~~
4855 ~~the board of directors, or on the committee, who have no~~
4856 ~~relationship or interest in the transaction described in~~
4857 ~~subsection (1), but a transaction may not be authorized,~~
4858 ~~approved, or ratified under this section by a single director.~~
4859 ~~If a majority of the directors who have no such relationship or~~
4860 ~~interest in the transaction vote to authorize, approve, or~~
4861 ~~ratify the transaction, a quorum is present for the purpose of~~
4862 ~~taking action under this section. The presence of, or a vote~~
4863 ~~cast by, a director with such relationship or interest in the~~
4864 ~~transaction does not affect the validity of any action taken~~
4865 ~~under paragraph (1)(a) if the transaction is otherwise~~
4866 ~~authorized, approved, or ratified as provided in that~~
4867 ~~subsection, but such presence or vote of those directors may be~~
4868 ~~counted for purposes of determining whether the transaction is~~
4869 ~~approved under other sections of this act.~~

4870 ~~(3) For purposes of paragraph (1)(b), a conflict of~~
4871 ~~interest transaction is authorized, approved, or ratified if it~~
4872 ~~receives the vote of a majority of the shares entitled to be~~

28-00272A-19

2019892__

4873 ~~counted under this subsection. Shares owned by or voted under~~
4874 ~~the control of a director who has a relationship or interest in~~
4875 ~~the transaction described in subsection (1) may not be counted~~
4876 ~~in a vote of shareholders to determine whether to authorize,~~
4877 ~~approve, or ratify a conflict of interest transaction under~~
4878 ~~paragraph (1)(b). The vote of those shares, however, is counted~~
4879 ~~in determining whether the transaction is approved under other~~
4880 ~~sections of this act. A majority of the shares, whether or not~~
4881 ~~present, that are entitled to be counted in a vote on the~~
4882 ~~transaction under this subsection constitutes a quorum for the~~
4883 ~~purpose of taking action under this section.~~

4884 Section 101. Section 607.0833, Florida Statutes, is amended
4885 to read:

4886 607.0833 Loans to officers, directors, and employees;
4887 guaranty of obligations.—Any corporation may lend money to,
4888 guarantee any obligation of, or otherwise assist any officer,
4889 director, or employee of the corporation or of a subsidiary,
4890 whenever, in the judgment of the board of directors, such loan,
4891 guaranty, or assistance may reasonably be expected to benefit
4892 the corporation. The loan, guaranty, or other assistance may be
4893 with or without interest and may be unsecured or secured in such
4894 manner as the board of directors shall approve, including~~7~~
4895 ~~without limitation,~~ a pledge of shares of stock of the
4896 corporation. Nothing in this section shall be deemed to deny,
4897 limit, or restrict the powers of guaranty or warranty of any
4898 corporation at common law or under any statute. Loans,
4899 guarantees, or other types of assistance are subject to s.
4900 607.0832.

4901 Section 102. Subsections (1) and (3) of section 607.0834,

28-00272A-19

2019892__

4902 Florida Statutes, are amended to read:

4903 607.0834 Liability for unlawful distributions.—

4904 (1) A director who votes for or assents to a distribution
4905 made in violation of s. 607.06401, s. 607.1410(1), or the
4906 articles of incorporation is personally liable to the
4907 corporation for the amount of the distribution that exceeds what
4908 could have been distributed without violating s. 607.06401, s.
4909 607.1410(1), or the articles of incorporation if it is
4910 established that the director did not perform his or her duties
4911 in compliance with s. 607.0830. In any proceeding commenced
4912 under this section, a director has all of the defenses
4913 ordinarily available to a director.

4914 (3) A proceeding under this section is barred unless it is
4915 commenced:

4916 (a) Within 2 years after the date on which the effect of
4917 the distribution was measured under s. 607.06401(6) or (8);~~—~~

4918 (b) Within 2 years after the date as of which the violation
4919 of s. 607.06401 occurred as the consequence of disregard of a
4920 restriction in the articles of incorporation;

4921 (c) Within 2 years after the date on which the distribution
4922 of assets to shareholders under s. 607.1410(1) was made; or

4923 (d) With regard to contribution or recoupment under
4924 subsection (2), within 1 year after the liability of the
4925 claimant has been finally adjudicated under subsection (1).

4926 Section 103. Subsections (2) and (3) of section 607.08401,
4927 Florida Statutes, are amended to read:

4928 607.08401 Required officers.—

4929 (2) The board of directors may appoint one or more
4930 individuals to act as the officers of the corporation. A duly

28-00272A-19

2019892__

4931 appointed officer may appoint one or more officers or assistant
4932 officers if authorized by the bylaws or the board of directors.

4933 (3) The bylaws or the board of directors shall assign
4934 ~~delegate~~ to one of the officers responsibility for preparing
4935 minutes of the directors' and shareholders' meetings and for
4936 authenticating records of the corporation required to be kept
4937 pursuant to s. 607.1601(1) and (5).

4938 Section 104. Section 607.08411, Florida Statutes, is
4939 created to read:

4940 607.08411 General standards for officers.-

4941 (1) An officer, when performing in such capacity, shall
4942 act:

4943 (a) In good faith; and

4944 (b) In a manner the officer reasonably believes to be in
4945 the best interests of the corporation.

4946 (2) An officer, when becoming informed in connection with a
4947 decisionmaking function, shall discharge his or her duties with
4948 the care that an ordinary prudent person in a like position
4949 would reasonably believe appropriate under similar
4950 circumstances.

4951 (3) The duty of an officer includes the obligation to:

4952 (a) Inform the superior officer to whom, or the board of
4953 directors or the committee to which, the officer reports of
4954 information about the affairs of the corporation known to the
4955 officer, within the scope of the officer's functions, and known
4956 or as should be known to the officer to be material to such
4957 superior officer, board, or committee; and

4958 (b) Inform his or her superior officer, or another
4959 appropriate person within the corporation, or the board of

28-00272A-19

2019892__

4960 directors, or a committee thereof, of any actual or probable
4961 material violation of law involving the corporation or material
4962 breach of duty to the corporation by an officer, employee, or
4963 agent of the corporation the officer believes has occurred or is
4964 likely to occur.

4965 (4) In discharging his or her duties, an officer who does
4966 not have knowledge that makes reliance unwarranted is entitled
4967 to rely on the performance by any of the persons specified in
4968 subsection (6) to whom the responsibilities were properly
4969 delegated, formally or informally, by course of conduct.

4970 (5) In discharging his or her duties, an officer who does
4971 not have knowledge that makes reliance unwarranted is entitled
4972 to rely on information, opinions, reports, or statements,
4973 including financial statements and other financial data,
4974 prepared or presented by any of the persons specified in
4975 subsection (6).

4976 (6) An officer is entitled to rely, in accordance with
4977 subsection (4) or subsection (5), on:

4978 (a) One or more other officers of the corporation or one or
4979 more employees of the corporation whom the officer reasonably
4980 believes to be reliable and competent in the functions performed
4981 or the information, opinions, reports, or statements provided;

4982 (b) Legal counsel, public accountants, or other persons
4983 retained by the corporation as to matters involving skills or
4984 expertise the officer reasonably believes are matters within the
4985 particular person's professional or expert competence or as to
4986 which the particular person merits confidence.

4987 Section 105. Section 607.0842, Florida Statutes, is amended
4988 to read:

28-00272A-19

2019892__

4989 607.0842 Resignation and removal of officers.—

4990 (1) An officer may resign at any time by delivering a
4991 written notice to the corporation. A resignation is effective as
4992 provided in s. 607.0141(5) when the notice is delivered unless
4993 the notice provides for a delayed effectiveness, including
4994 effectiveness determined upon a future event or events specifies
4995 a later effective date. If effectiveness of a resignation is
4996 stated to be delayed and the board of directors or appointing
4997 officer accepts the delay, the made effective at a later date
4998 and the corporation accepts the future effective date, its board
4999 of directors or the appointing officer may fill the pending
5000 vacancy before the delayed effectiveness ~~effective date~~ if the
5001 board of directors or appointing officer provides that the
5002 successor does not take office until the vacancy occurs
5003 ~~effective date.~~

5004 (2) An officer may be removed at any time with or without
5005 cause by:

5006 (a) The board of directors;

5007 (b) The appointing officer, unless the bylaws or the board
5008 of directors provide otherwise; or

5009 (c) Any other officer, if authorized by the bylaws or the
5010 board of directors.

5011 (3) For the purposes of this section, the term "appointing
5012 officer" means the officer, including any successor to that
5013 officer, who appointed the officer resigning or being removed A
5014 ~~board of directors may remove any officer at any time with or~~
5015 ~~without cause. Any officer or assistant officer, if appointed by~~
5016 ~~another officer, may likewise be removed by such officer.~~

5017 Section 106. Section 607.0850, Florida Statutes, is amended

28-00272A-19

2019892__

5018 to read:

5019 607.0850 Definitions ~~Indemnification of officers,~~
5020 ~~directors, employees, and agents.~~-In ss. 607.0850-607.0859, the
5021 term:

5022 (1) "Agent" includes a volunteer.

5023 (2) "Corporation" includes, in addition to the resulting
5024 corporation, any constituent corporation (including any
5025 constituent of a constituent) absorbed in a merger, so that any
5026 person who is or was a director or officer of a constituent
5027 corporation, or is or was serving at the request of a
5028 constituent corporation as a director or officer, member,
5029 manager, partner, trustee, employee, or agent of another
5030 domestic or foreign corporation, limited liability company,
5031 partnership, joint venture, trust, employee benefit plan, or
5032 other enterprise or entity, is in the same position under this
5033 section with respect to the resulting or surviving corporation
5034 as he or she would have been with respect to such constituent
5035 corporation if its separate existence had continued.

5036 (3) "Director" or "officer" means an individual who is or
5037 was a director or officer, respectively, of a corporation or
5038 who, while a director or officer of the corporation, is or was
5039 serving at the corporation's request as a director or officer,
5040 manager, partner, trustee, employee, or agent of another
5041 domestic or foreign corporation, limited liability company,
5042 partnership, joint venture, trust, employee benefit plan, or
5043 another enterprise or entity. A director or officer is
5044 considered to be serving an employee benefit plan at the
5045 corporation's request if the individual's duties to the
5046 corporation or such plan also impose duties on, or otherwise

28-00272A-19

2019892__

5047 involve services by, the individual to the plan or to
5048 participants in or beneficiaries of the plan. The term includes,
5049 unless the context otherwise requires, the estate, heirs,
5050 executors, administrators, and personal representatives of a
5051 director or officer.

5052 (4) "Expenses" includes reasonable attorney fees, including
5053 those incurred in connection with any appeal.

5054 (5) "Liability" means the obligation to pay a judgment,
5055 settlement, penalty, fine (including an excise tax assessed with
5056 respect to an employee benefit plan), or reasonable expenses
5057 incurred with respect to a proceeding.

5058 (6) "Party" means an individual who was, is, or is
5059 threatened to be made, a defendant or respondent in a
5060 proceeding.

5061 (7) "Proceeding" means any threatened, pending, or
5062 completed action, suit, or proceeding, whether civil, criminal,
5063 administrative, arbitrative, or investigative and whether formal
5064 or informal.

5065 (8) "Serving at the corporation's request" includes any
5066 service as a director, officer, employee, or agent of the
5067 corporation that imposes duties on such persons, including
5068 duties relating to an employee benefit plan and its participants
5069 or beneficiaries.

5070 ~~(1) A corporation shall have power to indemnify any person~~
5071 ~~who was or is a party to any proceeding (other than an action~~
5072 ~~by, or in the right of, the corporation), by reason of the fact~~
5073 ~~that he or she is or was a director, officer, employee, or agent~~
5074 ~~of the corporation or is or was serving at the request of the~~
5075 ~~corporation as a director, officer, employee, or agent of~~

28-00272A-19

2019892__

5076 ~~another corporation, partnership, joint venture, trust, or other~~
5077 ~~enterprise against liability incurred in connection with such~~
5078 ~~proceeding, including any appeal thereof, if he or she acted in~~
5079 ~~good faith and in a manner he or she reasonably believed to be~~
5080 ~~in, or not opposed to, the best interests of the corporation~~
5081 ~~and, with respect to any criminal action or proceeding, had no~~
5082 ~~reasonable cause to believe his or her conduct was unlawful. The~~
5083 ~~termination of any proceeding by judgment, order, settlement, or~~
5084 ~~conviction or upon a plea of nolo contendere or its equivalent~~
5085 ~~shall not, of itself, create a presumption that the person did~~
5086 ~~not act in good faith and in a manner which he or she reasonably~~
5087 ~~believed to be in, or not opposed to, the best interests of the~~
5088 ~~corporation or, with respect to any criminal action or~~
5089 ~~proceeding, had reasonable cause to believe that his or her~~
5090 ~~conduct was unlawful.~~

5091 ~~(2) A corporation shall have power to indemnify any person,~~
5092 ~~who was or is a party to any proceeding by or in the right of~~
5093 ~~the corporation to procure a judgment in its favor by reason of~~
5094 ~~the fact that the person is or was a director, officer,~~
5095 ~~employee, or agent of the corporation or is or was serving at~~
5096 ~~the request of the corporation as a director, officer, employee,~~
5097 ~~or agent of another corporation, partnership, joint venture,~~
5098 ~~trust, or other enterprise, against expenses and amounts paid in~~
5099 ~~settlement not exceeding, in the judgment of the board of~~
5100 ~~directors, the estimated expense of litigating the proceeding to~~
5101 ~~conclusion, actually and reasonably incurred in connection with~~
5102 ~~the defense or settlement of such proceeding, including any~~
5103 ~~appeal thereof. Such indemnification shall be authorized if such~~
5104 ~~person acted in good faith and in a manner he or she reasonably~~

28-00272A-19

2019892__

5105 ~~believed to be in, or not opposed to, the best interests of the~~
5106 ~~corporation, except that no indemnification shall be made under~~
5107 ~~this subsection in respect of any claim, issue, or matter as to~~
5108 ~~which such person shall have been adjudged to be liable unless,~~
5109 ~~and only to the extent that, the court in which such proceeding~~
5110 ~~was brought, or any other court of competent jurisdiction, shall~~
5111 ~~determine upon application that, despite the adjudication of~~
5112 ~~liability but in view of all circumstances of the case, such~~
5113 ~~person is fairly and reasonably entitled to indemnity for such~~
5114 ~~expenses which such court shall deem proper.~~

5115 ~~(3) To the extent that a director, officer, employee, or~~
5116 ~~agent of a corporation has been successful on the merits or~~
5117 ~~otherwise in defense of any proceeding referred to in subsection~~
5118 ~~(1) or subsection (2), or in defense of any claim, issue, or~~
5119 ~~matter therein, he or she shall be indemnified against expenses~~
5120 ~~actually and reasonably incurred by him or her in connection~~
5121 ~~therewith.~~

5122 ~~(4) Any indemnification under subsection (1) or subsection~~
5123 ~~(2), unless pursuant to a determination by a court, shall be~~
5124 ~~made by the corporation only as authorized in the specific case~~
5125 ~~upon a determination that indemnification of the director,~~
5126 ~~officer, employee, or agent is proper in the circumstances~~
5127 ~~because he or she has met the applicable standard of conduct set~~
5128 ~~forth in subsection (1) or subsection (2). Such determination~~
5129 ~~shall be made:~~

5130 ~~(a) By the board of directors by a majority vote of a~~
5131 ~~quorum consisting of directors who were not parties to such~~
5132 ~~proceeding;~~

5133 ~~(b) If such a quorum is not obtainable or, even if~~

28-00272A-19

2019892__

5134 obtainable, by majority vote of a committee duly designated by
5135 the board of directors (in which directors who are parties may
5136 participate) consisting solely of two or more directors not at
5137 the time parties to the proceeding;

5138 ~~(c) By independent legal counsel:~~

5139 ~~1. Selected by the board of directors prescribed in~~
5140 ~~paragraph (a) or the committee prescribed in paragraph (b); or~~

5141 ~~2. If a quorum of the directors cannot be obtained for~~
5142 ~~paragraph (a) and the committee cannot be designated under~~
5143 ~~paragraph (b), selected by majority vote of the full board of~~
5144 ~~directors (in which directors who are parties may participate);~~
5145 ~~or~~

5146 ~~(d) By the shareholders by a majority vote of a quorum~~
5147 ~~consisting of shareholders who were not parties to such~~
5148 ~~proceeding or, if no such quorum is obtainable, by a majority~~
5149 ~~vote of shareholders who were not parties to such proceeding.~~

5150 ~~(5) Evaluation of the reasonableness of expenses and~~
5151 ~~authorization of indemnification shall be made in the same~~
5152 ~~manner as the determination that indemnification is permissible.~~
5153 ~~However, if the determination of permissibility is made by~~
5154 ~~independent legal counsel, persons specified by paragraph (4)(c)~~
5155 ~~shall evaluate the reasonableness of expenses and may authorize~~
5156 ~~indemnification.~~

5157 ~~(6) Expenses incurred by an officer or director in~~
5158 ~~defending a civil or criminal proceeding may be paid by the~~
5159 ~~corporation in advance of the final disposition of such~~
5160 ~~proceeding upon receipt of an undertaking by or on behalf of~~
5161 ~~such director or officer to repay such amount if he or she is~~
5162 ~~ultimately found not to be entitled to indemnification by the~~

28-00272A-19

2019892__

5163 ~~corporation pursuant to this section. Expenses incurred by other~~
5164 ~~employees and agents may be paid in advance upon such terms or~~
5165 ~~conditions that the board of directors deems appropriate.~~

5166 ~~(7) The indemnification and advancement of expenses~~
5167 ~~provided pursuant to this section are not exclusive, and a~~
5168 ~~corporation may make any other or further indemnification or~~
5169 ~~advancement of expenses of any of its directors, officers,~~
5170 ~~employees, or agents, under any bylaw, agreement, vote of~~
5171 ~~shareholders or disinterested directors, or otherwise, both as~~
5172 ~~to action in his or her official capacity and as to action in~~
5173 ~~another capacity while holding such office. However,~~
5174 ~~indemnification or advancement of expenses shall not be made to~~
5175 ~~or on behalf of any director, officer, employee, or agent if a~~
5176 ~~judgment or other final adjudication establishes that his or her~~
5177 ~~actions, or omissions to act, were material to the cause of~~
5178 ~~action so adjudicated and constitute:~~

5179 ~~(a) A violation of the criminal law, unless the director,~~
5180 ~~officer, employee, or agent had reasonable cause to believe his~~
5181 ~~or her conduct was lawful or had no reasonable cause to believe~~
5182 ~~his or her conduct was unlawful;~~

5183 ~~(b) A transaction from which the director, officer,~~
5184 ~~employee, or agent derived an improper personal benefit;~~

5185 ~~(c) In the case of a director, a circumstance under which~~
5186 ~~the liability provisions of s. 607.0834 are applicable; or~~

5187 ~~(d) Willful misconduct or a conscious disregard for the~~
5188 ~~best interests of the corporation in a proceeding by or in the~~
5189 ~~right of the corporation to procure a judgment in its favor or~~
5190 ~~in a proceeding by or in the right of a shareholder.~~

5191 ~~(8) Indemnification and advancement of expenses as provided~~

28-00272A-19

2019892__

5192 ~~in this section shall continue as, unless otherwise provided~~
5193 ~~when authorized or ratified, to a person who has ceased to be a~~
5194 ~~director, officer, employee, or agent and shall inure to the~~
5195 ~~benefit of the heirs, executors, and administrators of such a~~
5196 ~~person, unless otherwise provided when authorized or ratified.~~

5197 ~~(9) Unless the corporation's articles of incorporation~~
5198 ~~provide otherwise, notwithstanding the failure of a corporation~~
5199 ~~to provide indemnification, and despite any contrary~~
5200 ~~determination of the board or of the shareholders in the~~
5201 ~~specific case, a director, officer, employee, or agent of the~~
5202 ~~corporation who is or was a party to a proceeding may apply for~~
5203 ~~indemnification or advancement of expenses, or both, to the~~
5204 ~~court conducting the proceeding, to the circuit court, or to~~
5205 ~~another court of competent jurisdiction. On receipt of an~~
5206 ~~application, the court, after giving any notice that it~~
5207 ~~considers necessary, may order indemnification and advancement~~
5208 ~~of expenses, including expenses incurred in seeking court-~~
5209 ~~ordered indemnification or advancement of expenses, if it~~
5210 ~~determines that:~~

5211 ~~(a) The director, officer, employee, or agent is entitled~~
5212 ~~to mandatory indemnification under subsection (3), in which case~~
5213 ~~the court shall also order the corporation to pay the director~~
5214 ~~reasonable expenses incurred in obtaining court-ordered~~
5215 ~~indemnification or advancement of expenses;~~

5216 ~~(b) The director, officer, employee, or agent is entitled~~
5217 ~~to indemnification or advancement of expenses, or both, by~~
5218 ~~virtue of the exercise by the corporation of its power pursuant~~
5219 ~~to subsection (7); or~~

5220 ~~(c) The director, officer, employee, or agent is fairly and~~

28-00272A-19

2019892__

5221 ~~reasonably entitled to indemnification or advancement of~~
5222 ~~expenses, or both, in view of all the relevant circumstances,~~
5223 ~~regardless of whether such person met the standard of conduct~~
5224 ~~set forth in subsection (1), subsection (2), or subsection (7).~~

5225 ~~(10) For purposes of this section, the term "corporation"~~
5226 ~~includes, in addition to the resulting corporation, any~~
5227 ~~constituent corporation (including any constituent of a~~
5228 ~~constituent) absorbed in a consolidation or merger, so that any~~
5229 ~~person who is or was a director, officer, employee, or agent of~~
5230 ~~a constituent corporation, or is or was serving at the request~~
5231 ~~of a constituent corporation as a director, officer, employee,~~
5232 ~~or agent of another corporation, partnership, joint venture,~~
5233 ~~trust, or other enterprise, is in the same position under this~~
5234 ~~section with respect to the resulting or surviving corporation~~
5235 ~~as he or she would have with respect to such constituent~~
5236 ~~corporation if its separate existence had continued.~~

5237 ~~(11) For purposes of this section:~~

5238 ~~(a) The term "other enterprises" includes employee benefit~~
5239 ~~plans;~~

5240 ~~(b) The term "expenses" includes counsel fees, including~~
5241 ~~those for appeal;~~

5242 ~~(c) The term "liability" includes obligations to pay a~~
5243 ~~judgment, settlement, penalty, fine (including an excise tax~~
5244 ~~assessed with respect to any employee benefit plan), and~~
5245 ~~expenses actually and reasonably incurred with respect to a~~
5246 ~~proceeding;~~

5247 ~~(d) The term "proceeding" includes any threatened, pending,~~
5248 ~~or completed action, suit, or other type of proceeding, whether~~
5249 ~~civil, criminal, administrative, or investigative and whether~~

28-00272A-19

2019892__

5250 ~~formal or informal;~~

5251 ~~(e) The term "agent" includes a volunteer;~~

5252 ~~(f) The term "serving at the request of the corporation"~~
5253 ~~includes any service as a director, officer, employee, or agent~~
5254 ~~of the corporation that imposes duties on such persons,~~
5255 ~~including duties relating to an employee benefit plan and its~~
5256 ~~participants or beneficiaries; and~~

5257 ~~(g) The term "not opposed to the best interest of the~~
5258 ~~corporation" describes the actions of a person who acts in good~~
5259 ~~faith and in a manner he or she reasonably believes to be in the~~
5260 ~~best interests of the participants and beneficiaries of an~~
5261 ~~employee benefit plan.~~

5262 ~~(12) A corporation shall have power to purchase and~~
5263 ~~maintain insurance on behalf of any person who is or was a~~
5264 ~~director, officer, employee, or agent of the corporation or is~~
5265 ~~or was serving at the request of the corporation as a director,~~
5266 ~~officer, employee, or agent of another corporation, partnership,~~
5267 ~~joint venture, trust, or other enterprise against any liability~~
5268 ~~asserted against the person and incurred by him or her in any~~
5269 ~~such capacity or arising out of his or her status as such,~~
5270 ~~whether or not the corporation would have the power to indemnify~~
5271 ~~the person against such liability under the provisions of this~~
5272 ~~section.~~

5273 Section 107. Section 607.0851, Florida Statutes, is created
5274 to read:

5275 607.0851 Permissible indemnification.-

5276 (1) Except as otherwise provided in this section and in s.
5277 607.0859, and not in limitation of indemnification allowed under
5278 s. 607.0858(1), a corporation may indemnify an individual who is

28-00272A-19

2019892__

5279 a party to a proceeding because the individual is or was a
5280 director or officer against liability incurred in the proceeding
5281 if:

5282 (a) The director or officer acted in good faith;

5283 (b) The director or officer acted in a manner he or she
5284 reasonably believed to be in, or not opposed to, the best
5285 interests of the corporation; and

5286 (c) In the case of any criminal proceeding, the director or
5287 officer had no reasonable cause to believe his or her conduct
5288 was unlawful.

5289 (2) The conduct of a director or officer with respect to an
5290 employee benefit plan for a purpose the director or officer
5291 reasonably believed to be in the best interests of the
5292 participants in, and the beneficiaries of, the plan is conduct
5293 that satisfies the requirement of paragraph (1)(b).

5294 (3) The termination of a proceeding by judgment, order,
5295 settlement, or conviction, or upon a plea of nolo contendere or
5296 its equivalent, does not, of itself, create a presumption that
5297 the director or officer did not meet the relevant standard of
5298 conduct described in this section.

5299 (4) Unless ordered by a court under s. 607.0854(1)(c), a
5300 corporation may not indemnify a director or an officer in
5301 connection with a proceeding by or in the right of the
5302 corporation except for expenses and amounts paid in settlement
5303 not exceeding, in the judgment of the board of directors, the
5304 estimated expense of litigating the proceeding to conclusion,
5305 actually and reasonably incurred in connection with the defense
5306 or settlement of such proceeding, including any appeal thereof,
5307 where such person acted in good faith and in a manner he or she

28-00272A-19

2019892__

5308 reasonably believed to be in, or not opposed to, the best
5309 interests of the corporation.

5310 Section 108. Section 607.0852, Florida Statutes, is created
5311 to read:

5312 607.0852 Mandatory indemnification.—A corporation must
5313 indemnify an individual who is or was a director or officer who
5314 was wholly successful, on the merits or otherwise, in the
5315 defense of any proceeding to which the individual was a party
5316 because he or she is or was a director or officer of the
5317 corporation against expenses incurred by the individual in
5318 connection with the proceeding.

5319 Section 109. Section 607.0853, Florida Statutes, is created
5320 to read:

5321 607.0853 Advance for expenses.—

5322 (1) A corporation may, before final disposition of a
5323 proceeding, advance funds to pay for or reimburse expenses
5324 incurred in connection with the proceeding by an individual who
5325 is a party to the proceeding because that individual is or was a
5326 director or an officer if the director or officer delivers to
5327 the corporation a signed written undertaking of the director or
5328 officer to repay any funds advanced if:

5329 (a) The director or officer is not entitled to mandatory
5330 indemnification under s. 607.0852; and

5331 (b) It is ultimately determined under s. 607.0854 or s.
5332 607.0855 that the director or officer has not met the relevant
5333 standard of conduct described in s. 607.0851 or the director or
5334 officer is not entitled to indemnification under s. 607.0859.

5335 (2) The undertaking required by paragraph (1) (b) must be an
5336 unlimited general obligation of the director or officer but need

28-00272A-19

2019892__

5337 not be secured and may be accepted without reference to the
5338 financial ability of the director or officer to make repayment.

5339 (3) Authorizations under this section must be made:

5340 (a) By the board of directors:

5341 1. If there are two or more qualified directors, by a
5342 majority vote of all of the qualified directors (a majority of
5343 whom shall for such purpose constitute a quorum) or by a
5344 majority of the members of a committee appointed by such vote
5345 and comprised of two or more qualified directors; or

5346 2. If there are fewer than two qualified directors, by the
5347 vote necessary for action by the board of directors under s.
5348 607.0824(3), in which authorization vote directors who are not
5349 qualified directors may participate; or

5350 (b) By the shareholders, but shares owned by or voted under
5351 the control of a director or officer who at the time of the
5352 authorization is not a qualified director or is an officer who
5353 is a party to the proceeding may not be counted as a vote in
5354 favor of the authorization.

5355 Section 110. Section 607.0854, Florida Statutes, is created
5356 to read:

5357 607.0854 Court-ordered indemnification and advance for
5358 expenses.—

5359 (1) Unless the corporation's articles of incorporation
5360 provide otherwise, notwithstanding the failure of a corporation
5361 to provide indemnification, and despite any contrary
5362 determination of the board of directors or of the shareholders
5363 in the specific case, a director or officer of the corporation
5364 who is a party to a proceeding because he or she is or was a
5365 director or officer may apply for indemnification or an advance

28-00272A-19

2019892__

5366 for expenses, or both, to a court having jurisdiction over the
5367 corporation which is conducting the proceeding, or to a circuit
5368 court of competent jurisdiction. After receipt of an application
5369 and after giving any notice it considers necessary, the court
5370 may:

5371 (a) Order indemnification if the court determines that the
5372 director or officer is entitled to mandatory indemnification
5373 under s. 607.0852;

5374 (b) Order indemnification or advance for expenses if the
5375 court determines that the director or officer is entitled to
5376 indemnification or advance for expenses pursuant to a provision
5377 authorized by s. 607.0858(1); or

5378 (c) Order indemnification or advance for expenses if the
5379 court determines, in view of all the relevant circumstances,
5380 that it is fair and reasonable to indemnify the director or
5381 officer or to advance expenses to the director or officer, even
5382 if he or she has not met the relevant standard of conduct set
5383 forth in s. 607.0851(1), has failed to comply with s. 607.0853,
5384 or was adjudged liable in a proceeding referred to in s.
5385 607.0859. If the director or officer was adjudged liable,
5386 indemnification shall be limited to expenses incurred in
5387 connection with the proceeding.

5388 (2) If the court determines that the director or officer is
5389 entitled to indemnification under paragraph (1)(a) or to
5390 indemnification or advance for expenses under paragraph (1)(b),
5391 it shall also order the corporation to pay the director's or
5392 officer's expenses incurred in connection with obtaining court-
5393 ordered indemnification or advance for expenses. If the court
5394 determines that the director or officer is entitled to

28-00272A-19

2019892__

5395 indemnification or advance for expenses under paragraph (1)(c),
5396 it may also order the corporation to pay the director's or
5397 officer's expenses to obtain court-ordered indemnification or
5398 advance for expenses.

5399 Section 111. Section 607.0855, Florida Statutes, is created
5400 to read:

5401 607.0855 Determination and authorization of
5402 indemnification.-

5403 (1) Unless ordered by a court under s. 607.0854(1)(c), a
5404 corporation may not indemnify a director or officer under s.
5405 607.0851 unless authorized for a specific proceeding after a
5406 determination has been made that indemnification is permissible
5407 because the director or officer has met the relevant standard of
5408 conduct set forth in s. 607.0851.

5409 (2) The determination shall be made:

5410 (a) If there are two or more qualified directors, by the
5411 board of directors by a majority vote of all of the qualified
5412 directors, a majority of whom shall for such purposes constitute
5413 a quorum, or by a majority of the members of a committee of two
5414 or more qualified directors appointed by such a vote; or

5415 (b) By independent special legal counsel:

5416 1. Selected in the manner prescribed by paragraph (a); or
5417 2. If there are fewer than two qualified directors,
5418 selected by the board of directors, in which selection directors
5419 who are not qualified directors may participate; or

5420 (c) By the shareholders, but shares owned by or voted under
5421 the control of a director or officer who, at the time of the
5422 determination, is not a qualified director or an officer who is
5423 a party to the proceeding may not be counted as votes in favor

28-00272A-19

2019892__

5424 of the determination.

5425 (3) Authorization of indemnification shall be made in the
5426 same manner as the determination that indemnification is
5427 permissible, except that if the determination of permissibility
5428 has been made by independent special legal counsel under
5429 paragraph (2) (b), any authorization of indemnification
5430 associated with such determination shall be made by either such
5431 independent special legal counsel or by those who otherwise
5432 would be entitled to select independent special legal counsel
5433 under paragraph (2) (b).

5434 Section 112. Section 607.0857, Florida Statutes, is created
5435 to read:

5436 607.0857 Insurance.—A corporation shall have the power to
5437 purchase and maintain insurance on behalf of and for the benefit
5438 of an individual who is or was a director or officer of the
5439 corporation, or who, while a director or officer of the
5440 corporation, is or was serving at the corporation's request as a
5441 director, officer, manager, member, partner, trustee, employee,
5442 or agent of another domestic or foreign corporation, limited
5443 liability company, partnership, joint venture, trust, employee
5444 benefit plan, or other enterprise or entity, against liability
5445 asserted against or incurred by the individual in that capacity
5446 or arising from his or her status as a director or officer,
5447 whether or not the corporation would have power to indemnify or
5448 advance expenses to the individual against the same liability
5449 under this chapter.

5450 Section 113. Section 607.0858, Florida Statutes, is created
5451 to read:

5452 607.0858 Variation by corporate action; application of

28-00272A-19

2019892__

5453 subchapter.-

5454 (1) The indemnification provided pursuant to ss. 607.0851
5455 and 607.0852 and the advancement of expenses provided pursuant
5456 to s. 607.0853 are not exclusive, and a corporation may, by a
5457 provision in its articles of incorporation, bylaws or any
5458 agreement, or by vote of shareholders or disinterested
5459 directors, or otherwise, obligate itself in advance of the act
5460 or omission giving rise to a proceeding to provide any other or
5461 further indemnification or advancement of expenses to any of its
5462 directors or officers. Any such obligatory provision shall be
5463 deemed to satisfy the requirements for authorization referred to
5464 in ss. 607.0853(3) and 607.0855(3). Any such provision that
5465 obligates the corporation to provide indemnification to the
5466 fullest extent permitted by law shall be deemed to obligate the
5467 corporation to advance funds to pay for or reimburse expenses in
5468 accordance with s. 607.0853 to the fullest extent permitted by
5469 law, unless the provision specifically provides otherwise.

5470 (2) A right of indemnification or to advance for expenses
5471 created by this chapter or under subsection (1) and in effect at
5472 the time of an act or omission may not be eliminated or impaired
5473 with respect to such act or omission by an amendment of the
5474 articles of incorporation or bylaws or a resolution of the
5475 directors or shareholders, adopted after the occurrence of such
5476 act or omission, unless, in the case of a right created under
5477 subsection (1), the provision creating such right and in effect
5478 at the time of such act or omission explicitly authorizes such
5479 elimination or impairment after such act or omission has
5480 occurred.

5481 (3) Any provision pursuant to subsection (1) shall not

28-00272A-19

2019892__

5482 obligate the corporation to indemnify or advance for expenses to
5483 a director or officer of a predecessor of the corporation,
5484 pertaining to conduct with respect to the predecessor, unless
5485 otherwise specifically provided. Any provision for
5486 indemnification or advance for expenses in the articles of
5487 incorporation, bylaws, or a resolution of the board of directors
5488 or shareholders of a predecessor of the corporation in a merger
5489 or in a contract to which the predecessor is a party, existing
5490 at the time the merger takes effect, shall be governed by s.
5491 607.1106(1) (d).

5492 (4) Subject to subsection (2), a corporation may, by a
5493 provision in its articles of incorporation, limit any of the
5494 rights to indemnification or advance for expenses created by or
5495 pursuant to this chapter.

5496 (5) Sections 607.0850-607.0859 do not limit a corporation's
5497 power to pay or reimburse expenses incurred by a director, an
5498 officer, an employee, or an agent in connection with appearing
5499 as a witness in a proceeding at a time when he or she is not a
5500 party.

5501 (6) Sections 607.0850-607.0859 do not limit a corporation's
5502 power to indemnify, advance expenses to, or provide or maintain
5503 insurance on behalf of or for the benefit of an individual who
5504 is or was an employee or agent.

5505 Section 114. Section 607.0859, Florida Statutes, is created
5506 to read:

5507 607.0859 Overriding restrictions on indemnification.-

5508 (1) Unless ordered by a court under s. 607.0854(1) (c), a
5509 corporation may not indemnify a director or officer under s.
5510 607.0851 or s. 607.0858 or advance expenses to a director or

28-00272A-19

2019892__

5511 officer under s. 607.0853 or s. 607.0858 if a judgment or other
5512 final adjudication establishes that his or her actions, or
5513 omissions to act, were material to the cause of action so
5514 adjudicated and constitute:

5515 (a) Willful or intentional misconduct or a conscious
5516 disregard for the best interests of the corporation in a
5517 proceeding by or in the right of the corporation to procure a
5518 judgment in its favor or in a proceeding by or in the right of a
5519 shareholder;

5520 (b) A transaction in which a director or officer derived an
5521 improper personal benefit;

5522 (c) A violation of the criminal law, unless the director or
5523 officer had reasonable cause to believe his or her conduct was
5524 lawful or had no reasonable cause to believe his or her conduct
5525 was unlawful; or

5526 (d) In the case of a director, a circumstance under which
5527 the liability provisions of s. 607.0834 are applicable.

5528 (2) A corporation may provide indemnification or advance
5529 expenses to a director or an officer only as allowed by ss.
5530 607.0850-607.0859.

5531 Section 115. Paragraphs (b), (d), (f), (h), (j), and (k) of
5532 subsection (1) and subsections (2), (5), and (6) of section
5533 607.0901, Florida Statutes, are amended to read:

5534 607.0901 Affiliated transactions.—

5535 (1) For purposes of this section:

5536 (b) "Affiliated transaction," when used in reference to the
5537 corporation and any interested shareholder, means:

5538 1. Any merger or consolidation of the corporation or any
5539 subsidiary of the corporation with:

28-00272A-19

2019892__

- 5540 a. The interested shareholder; or
- 5541 b. Any other corporation, partnership, limited liability
- 5542 company, or other entity, in each case, ~~(whether or not itself~~
- 5543 ~~an interested shareholder,)~~ which is, or after such merger or
- 5544 consolidation would be, an affiliate or associate of the
- 5545 interested shareholder;
- 5546 2. Any sale, lease, exchange, mortgage, pledge, transfer,
- 5547 or other disposition (in one transaction or a series of
- 5548 transactions), except proportionately as a shareholder of such
- 5549 corporation, to or with the interested shareholder or any
- 5550 affiliate or associate of the interested shareholder, whether as
- 5551 part of a dissolution or otherwise, of assets of the corporation
- 5552 or any subsidiary of the corporation:
- 5553 a. Having an aggregate fair market value equal to 10 ~~5~~
- 5554 percent or more of the aggregate fair market value of all the
- 5555 assets, determined on a consolidated basis, of the corporation;
- 5556 b. Having an aggregate fair market value equal to 10 ~~5~~
- 5557 percent or more of the aggregate fair market value of all the
- 5558 outstanding shares of the corporation; or
- 5559 c. Representing 10 ~~5~~ percent or more of the earning power
- 5560 or net income, determined on a consolidated basis, of the
- 5561 corporation;
- 5562 3. The issuance or transfer by the corporation or any
- 5563 subsidiary of the corporation (in one transaction or a series of
- 5564 transactions) of any shares of the corporation or any subsidiary
- 5565 of the corporation which have an aggregate fair market value
- 5566 equal to 10 ~~5~~ percent or more of the aggregate fair market value
- 5567 of all the outstanding shares of the corporation to the
- 5568 interested shareholder or any affiliate or associate of the

28-00272A-19

2019892__

5569 interested shareholder except:

5570 a. Pursuant to the exercise, exchange, or conversion of
5571 securities exercisable for, exchangeable for, or convertible
5572 into shares of the corporation or any subsidiary of the
5573 corporation which were outstanding prior to the time that the
5574 interested shareholder became such;

5575 b. Pursuant to a merger under s. 607.11045;

5576 c. Provided that the interested shareholder's proportionate
5577 share of the shares of any class or series of the corporation or
5578 of the voting shares of the corporation has not increased as a
5579 result thereof:

5580 (I) Pursuant to a dividend or distribution paid or made, or
5581 the exercise, exchange, or conversion of securities exercisable
5582 for, exchangeable for, or convertible into, shares of the
5583 corporation which security is distributed, pro rata to all
5584 holders of a class or series of shares of such corporation
5585 subsequent to the time the interested shareholder became such;

5586 (II) Pursuant to an exchange offer by the corporation to
5587 purchase shares of such corporation made on the same terms to
5588 all holders of such shares;

5589 (III) Any issuance or transfer of shares by the
5590 corporation; ~~of warrants or rights to purchase stock offered, or~~
5591 ~~a dividend or distribution paid or made, pro rata to all~~
5592 ~~shareholders of the corporation;~~

5593 4. The adoption of any plan or proposal for the liquidation
5594 or dissolution of the corporation proposed by, or pursuant to
5595 any agreement, arrangement, or understanding (whether or not in
5596 writing) with, the interested shareholder or any affiliate or
5597 associate of the interested shareholder;

28-00272A-19

2019892__

5598 5. Any reclassification of securities (including, without
5599 limitation, any stock split, stock dividend, or other
5600 distribution of shares in respect of shares, or any reverse
5601 stock split) or recapitalization of the corporation, or any
5602 merger or consolidation of the corporation with any subsidiary
5603 of the corporation, or any other transaction (whether or not
5604 with or into or otherwise involving the interested shareholder),
5605 with the interested shareholder or any affiliate or associate of
5606 the interested shareholder, which has the effect, directly or
5607 indirectly (in one transaction or a series of transactions
5608 during any 12-month period), of increasing by more than 10 ~~5~~
5609 percent the percentage of the outstanding voting shares of the
5610 corporation or any subsidiary of the corporation beneficially
5611 owned by the interested shareholder; or

5612 6. Any receipt by the interested shareholder or any
5613 affiliate or associate of the interested shareholder of the
5614 benefit, directly or indirectly (except proportionately as a
5615 shareholder of the corporation), of any loans, advances,
5616 guaranties, pledges, or other financial assistance or any tax
5617 credits or other tax advantages, other than those expressly
5618 allowed in subparagraph 3., provided by or through the
5619 corporation or any subsidiary of the corporation.

5620 (d) "Associate," when used to indicate a relationship with
5621 any person, means any entity, other than the corporation or any
5622 of its subsidiaries, of which such person is an officer,
5623 director, or partner or is, directly or indirectly, the
5624 beneficial owner of 20 ~~10~~ percent or more of any class of voting
5625 shares; any trust or other estate in which such person has at
5626 least 20 percent ~~a substantial~~ beneficial interest or as to

28-00272A-19

2019892__

5627 which such person serves as trustee or in a similar fiduciary
5628 capacity; and any relative or spouse of such person, or any
5629 relative of such spouse, who has the same residence ~~home~~ as such
5630 person or who is an officer or director of the corporation or
5631 any of its affiliates.

5632 (f) "Control," "controlling," "controlled by," and "under
5633 common control with" means the possession, directly or
5634 indirectly, through the ownership of voting shares, by contract,
5635 arrangement, understanding, relationship, or otherwise, of the
5636 power to direct or cause the direction of the management and
5637 policies of a person. A person who is the owner of 20 percent or
5638 more of the outstanding voting shares of any corporation,
5639 partnership, unincorporated association, or other entity is
5640 presumed to have control of such entity, in the absence of proof
5641 by a preponderance of the evidence to the contrary.

5642 Notwithstanding the foregoing, a person shall not be deemed to
5643 have control of an entity ~~a corporation~~ if such person holds
5644 voting shares, in good faith and not for the purpose of
5645 circumventing this section, as an agent, bank, broker, nominee,
5646 custodian, or trustee for one or more beneficial owners who do
5647 not individually or as a group have control of such entity
5648 ~~corporation~~.

5649 (h) Unless otherwise specified in the articles of
5650 incorporation initially filed with the department ~~of State~~, a
5651 "disinterested director" means as to any particular interested
5652 shareholder:

5653 1. Any member of the board of directors of the corporation
5654 who was a member of the board of directors before the later of
5655 January 1, 1987, or the determination date; and

28-00272A-19

2019892__

5656 2. Any member of the board of directors of the corporation
5657 who was recommended for election by, or was elected to fill a
5658 vacancy and received the affirmative vote of, a majority of the
5659 disinterested directors then on the board.

5660 (j) "Fair market value" means:

5661 1. In the case of shares:~~7~~ the highest closing sale price
5662 of a share quoted during the 30-day period immediately preceding
5663 the date in question on the composite tape for shares listed on
5664 the New York Stock Exchange; or, if such shares are not quoted
5665 on the composite tape on the New York Stock Exchange, the
5666 highest closing sale price quoted during such period on the New
5667 York Stock Exchange; or, if such shares are not listed on such
5668 exchange, the highest closing sale price quoted during such
5669 period on the principal United States securities exchange
5670 registered under the Exchange Act on which such shares are
5671 listed; or, if such shares are not listed on any such exchange,
5672 the highest closing bid quotation with respect to a share during
5673 the 30-day period preceding the date in question on the National
5674 Association of Securities Dealers, Inc., automated quotations
5675 system or any other stock price quotation ~~similar~~ system then in
5676 general use; or, if no such quotations are available, the fair
5677 market value of a share on the date in question as determined
5678 by:

5679 a. A majority of disinterested directors; or

5680 b. If at such time there are no disinterested directors, by
5681 the board of directors of such corporation in good faith; and

5682 2. In the case of property other than cash or shares, the
5683 fair market value of such property on the date in question as
5684 determined by:

28-00272A-19

2019892__

5685 a. A majority of the disinterested directors; or
5686 b. If at such time there are no disinterested directors, by
5687 the board of directors of such corporation in good faith.

5688 (k) "Interested shareholder" means any person who is the
5689 beneficial owner of more than 15 ~~10~~ percent of the outstanding
5690 voting shares of the corporation. However, the term "interested
5691 shareholder" shall not include:

5692 1. The corporation or any of its subsidiaries;
5693 2. Any savings, employee stock ownership, or other employee
5694 benefit plan of the corporation or any of its subsidiaries,† or
5695 any fiduciary with respect to any such plan when acting in such
5696 capacity; or

5697 3. Any person whose ownership of shares in excess of the 15
5698 percent limitation is the result of action taken solely by the
5699 corporation; provided that such person shall be an interested
5700 shareholder if thereafter such person acquires additional shares
5701 of voting shares of the corporation, except as a result of
5702 further corporate action not caused, directly or indirectly, by
5703 such person. For the purpose of determining whether a person is
5704 an interested shareholder, the number of voting shares deemed to
5705 be outstanding shall include shares deemed owned by the
5706 interested shareholder through application of subparagraph (e)3.
5707 but shall not include any other voting shares that may be
5708 issuable pursuant to any contract, arrangement, or
5709 understanding, upon the exercise of conversion rights, exchange
5710 rights, warrants, or options, or otherwise.

5711 (2) Except to the extent as provided in subsections
5712 ~~subsection~~ (4) and (5), and with respect to such exceptions, in
5713 compliance with other applicable provisions of this chapter, a

28-00272A-19

2019892__

5714 corporation may not engage in any affiliated transaction with
5715 any interested shareholder for a period of 3 years following the
5716 time that such shareholder became an interested shareholder,
5717 unless:

5718 (a) Prior to the time that such shareholder became an
5719 interested shareholder, the board of directors of the
5720 corporation approved either the affiliated transaction or the
5721 transaction which resulted in the shareholder becoming an
5722 interested shareholder; or

5723 (b) Upon consummation of the transaction that resulted in
5724 the shareholder becoming an interested shareholder, the
5725 interested shareholder owned at least 85 percent of the voting
5726 shares of the corporation outstanding at the time the
5727 transaction commenced, excluding for purposes of determining the
5728 voting shares outstanding, but not the outstanding voting shares
5729 owned by the interested shareholder, those shares owned by
5730 persons who are directors and also officers and by employee
5731 stock plans in which employee participants do not have the right
5732 to determine confidentially whether shares held subject to the
5733 plan will be tendered in a tender or exchange offer; or

5734 (c) At or subsequent to the time that such shareholder
5735 became an interested shareholder, the affiliated transaction is
5736 approved by the board of directors and authorized at an annual
5737 or special meeting of shareholders, and not by written consent,
5738 by the affirmative vote of at least two-thirds of the
5739 outstanding voting shares which are not owned by the interested
5740 shareholder, in addition to any affirmative vote required by any
5741 ~~other section of this act or by the articles of incorporation,~~
5742 ~~an affiliated transaction shall be approved by the affirmative~~

28-00272A-19

2019892__

5743 ~~vote of the holders of two-thirds of the voting shares other~~
5744 ~~than the shares beneficially owned by the interested~~
5745 ~~shareholder.~~

5746 (5) The provisions of this section do not apply:

5747 (a) To any corporation the original articles of
5748 incorporation of which contain a provision expressly electing
5749 not to be governed by this section;

5750 (b) To any corporation which adopted an amendment to its
5751 articles of incorporation prior to July 1, 2018 ~~January 1, 1989~~,
5752 expressly electing not to be governed by this section, provided
5753 that such amendment does not apply to any affiliated transaction
5754 of the corporation with an interested shareholder whose
5755 determination date is on or prior to the effective date of such
5756 amendment;

5757 (c) To any corporation which adopts an amendment to its
5758 articles of incorporation or bylaws, approved by the affirmative
5759 vote of the holders, other than interested shareholders and
5760 their affiliates and associates, of a majority of the
5761 outstanding voting shares of the corporation, excluding the
5762 voting shares of interested shareholders and their affiliates
5763 and associates, expressly electing not to be governed by this
5764 section, provided that such amendment to the articles of
5765 incorporation or bylaws shall not be effective until 18 months
5766 after such vote of the corporation's shareholders and shall not
5767 apply to any affiliated transaction of the corporation with an
5768 interested shareholder whose determination date is on or prior
5769 to the effective date of such amendment; or

5770 (d) To any affiliated transaction of the corporation with
5771 an interested shareholder of the corporation which became an

28-00272A-19

2019892__

5772 interested shareholder inadvertently, if such interested
5773 shareholder, as soon as practicable, divests itself of a
5774 sufficient amount of the voting shares of the corporation so
5775 that it no longer is the beneficial owner, directly or
5776 indirectly, of 20 ~~40~~ percent or more of the outstanding voting
5777 shares of the corporation, and would not at any time within the
5778 3-year ~~5-year~~ period preceding the announcement date with
5779 respect to such affiliated transaction have been an interested
5780 shareholder but for such inadvertent acquisition.

5781 (6) Any corporation that elected not to be governed by this
5782 section, either through a provision in its original articles of
5783 incorporation or through an amendment to its articles of
5784 incorporation or bylaws may elect to be bound by the provisions
5785 of this section by adopting an amendment to its articles of
5786 incorporation or bylaws that repeals the original article or the
5787 amendment. In addition to any requirements of this chapter act,
5788 or the articles of incorporation or bylaws of the corporation,
5789 any such amendment shall be approved by the affirmative vote of
5790 the holders of two-thirds of the voting shares other than shares
5791 beneficially owned by any interested shareholder.

5792 Section 116. Paragraph (d) of subsection (2) of section
5793 607.0902, Florida Statutes, is amended to read:

5794 607.0902 Control-share acquisitions.—

5795 (2) "CONTROL-SHARE ACQUISITION."—

5796 (d) The acquisition of any shares of an issuing public
5797 corporation does not constitute a control-share acquisition if
5798 the acquisition is consummated in any of the following
5799 circumstances:

5800 1. Before July 2, 1987.

28-00272A-19

2019892__

- 5801 2. Pursuant to a contract existing before July 2, 1987.
- 5802 3. Pursuant to the laws of intestate succession or pursuant
5803 to a gift or testamentary transfer.
- 5804 4. Pursuant to the satisfaction of a pledge or other
5805 security interest created in good faith and not for the purpose
5806 of circumventing this section.
- 5807 5. Pursuant to a merger or share exchange effected in
5808 compliance with s. 607.1101, s. 607.1102, s. 607.1103, s.
5809 607.1104, or s. 607.1105 ~~s. 607.1107~~, if the issuing public
5810 corporation is a party to the agreement of merger or plan of
5811 share exchange.
- 5812 6. Pursuant to any savings, employee stock ownership, or
5813 other employee benefit plan of the issuing public corporation or
5814 any of its subsidiaries or any fiduciary with respect to any
5815 such plan when acting in such fiduciary capacity.
- 5816 7. Pursuant to an acquisition of shares of an issuing
5817 public corporation if the acquisition has been approved by the
5818 board of directors of such issuing public corporation before
5819 acquisition.
- 5820 Section 117. Subsection (1) of section 607.1001, Florida
5821 Statutes, is amended to read:
- 5822 607.1001 Authority to amend the articles of incorporation.—
- 5823 (1) A corporation may amend its articles of incorporation
5824 at any time to add or change a provision that is required or
5825 permitted in the articles of incorporation or to delete a
5826 provision not required to be contained in the articles of
5827 incorporation. Whether a provision is required or permitted in
5828 the articles of incorporation is determined as of the effective
5829 date of the amendment.

28-00272A-19

2019892__

5830 Section 118. Section 607.1002, Florida Statutes, is amended
5831 to read:

5832 607.1002 Amendment by board of directors.—Unless the
5833 articles of incorporation provide otherwise, a corporation's
5834 board of directors may adopt one or more amendments to the
5835 corporation's articles of incorporation without shareholder
5836 approval ~~action~~:

5837 (1) To extend the duration of the corporation if it was
5838 incorporated at a time when limited duration was required by
5839 law;

5840 (2) To delete the names and addresses of the initial
5841 directors;

5842 (3) To delete the name and address of the initial
5843 registered agent or registered office, if a statement of change
5844 is on file with the department ~~of State~~;

5845 (4) To delete any other information contained in the
5846 articles of incorporation that is solely of historical interest;

5847 (5) To delete the authorization for a class or series of
5848 shares authorized pursuant to s. 607.0602, if no shares of such
5849 class or series are issued;

5850 (6) To change the corporate name by substituting the word
5851 "corporation," "incorporated," or "company," or the abbreviation
5852 "corp.," "Inc.," or "Co.," for a similar word or abbreviation in
5853 the name, or by adding, deleting, or changing a geographical
5854 attribution for the name;

5855 (7) To change the par value for a class or series of
5856 shares;

5857 (8) To provide that if the corporation acquires its own
5858 shares, such shares belong to the corporation and constitute

28-00272A-19

2019892__

5859 treasury shares until disposed of or canceled by the
5860 corporation; ~~or~~

5861 (9) To reflect a reduction in authorized shares, as a
5862 result of the operation of s. 607.0631(2), when the corporation
5863 has acquired its own shares and the articles of incorporation
5864 prohibit the reissue of the acquired shares;

5865 (10) To delete a class of shares from the articles of
5866 incorporation, as a result of the operation of s. 607.0631(2),
5867 when there are no remaining shares of the class because the
5868 corporation has acquired all shares of the class and the
5869 articles of incorporation prohibit the reissue of the acquired
5870 shares; or

5871 (11)~~(9)~~ To make any other change expressly permitted by
5872 this act to be made without shareholder approval ~~action~~.

5873 Section 119. Subsections (4), (6), and (8) of section
5874 607.10025, Florida Statutes, are amended to read:

5875 607.10025 Shares; combination or division.-

5876 (4) If a division or combination is effected by a board
5877 action without shareholder approval and includes an amendment to
5878 the articles of incorporation, there shall be signed ~~executed~~ in
5879 accordance with s. 607.0120 on behalf of the corporation and
5880 filed in the office of the department ~~of State~~ articles of
5881 amendment which shall set forth:

5882 (a) The name of the corporation.

5883 (b) The date of adoption by the board of directors of the
5884 resolution approving the division or combination.

5885 (c) That the amendment to the articles of incorporation
5886 does not adversely affect the rights or preferences of the
5887 holders of outstanding shares of any class or series and does

28-00272A-19

2019892__

5888 not result in the percentage of authorized shares that remain
 5889 unissued after the division or combination exceeding the
 5890 percentage of authorized shares that were unissued before the
 5891 division or combination.

5892 (d) The class or series and number of shares subject to the
 5893 division or combination and the number of shares into which the
 5894 shares are to be divided or combined.

5895 (e) The amendment of the articles of incorporation made in
 5896 connection with the division or combination.

5897 (f) If the division or combination is to become effective
 5898 at a time subsequent to the time of filing, the date, which may
 5899 not exceed 90 days after the date of filing, when the division
 5900 or combination becomes effective.

5901 (6) If a division or combination is effected by action of
 5902 the board and of the shareholders, there shall be signed
 5903 ~~executed~~ on behalf of the corporation and filed with the
 5904 department of State articles of amendment as provided in s.
 5905 607.1006 ~~s. 607.1003~~, which articles shall set forth, in
 5906 addition to the information required by s. 607.1006 ~~s. 607.1003~~,
 5907 the information required in subsection (4).

5908 ~~(8) This section applies only to corporations with more~~
 5909 ~~than 35 shareholders of record.~~

5910 Section 120. Section 607.1003, Florida Statutes, is amended
 5911 to read:

5912 607.1003 Amendment by board of directors and shareholders.-
 5913 If a corporation has issued shares, an amendment to the articles
 5914 of incorporation shall be adopted in the following manner:

5915 (1) The proposed amendment shall first be adopted by the
 5916 board of directors. ~~A corporation's board of directors may~~

28-00272A-19

2019892__

5917 ~~propose one or more amendments to the articles of incorporation~~
5918 ~~for submission to the shareholders.~~

5919 (2) (a) Except as provided in ss. 607.1002, 607.10025, and
5920 607.1008, and, with respect to restatements that do not require
5921 shareholder approval, s. 607.1007, the amendment shall then be
5922 approved by the shareholders.

5923 (b) In submitting the proposed amendment to the
5924 shareholders for approval, the board of directors shall
5925 recommend that the shareholders approve the amendment unless:

5926 1. The board of directors makes a determination that
5927 because of a conflict of interest or other special circumstances
5928 it should not make such a recommendation; or

5929 2. Section 607.0826 applies.

5930 (c) If either subparagraph (b)1. or subparagraph (b)2.
5931 applies, the board must inform the shareholders of the basis for
5932 its so proceeding without such recommendation ~~For the amendment~~
5933 ~~to be adopted:~~

5934 ~~(a) The board of directors must recommend the amendment to~~
5935 ~~the shareholders, unless the board of directors determines that~~
5936 ~~because of conflict of interest or other special circumstances~~
5937 ~~it should make no recommendation and communicates the basis for~~
5938 ~~its determination to the shareholders with the amendment; and~~

5939 ~~(b) The shareholders entitled to vote on the amendment must~~
5940 ~~approve the amendment as provided in subsection (5).~~

5941 (3) The board of directors may set conditions for the
5942 approval of the amendment by the shareholders or the
5943 effectiveness of the amendment ~~condition its submission of the~~
5944 ~~proposed amendment on any basis.~~

5945 (4) If the amendment is required to be approved by the

28-00272A-19

2019892__

5946 shareholders, and the approval is to be given at a meeting, the
5947 corporation must notify each shareholder, whether or not
5948 entitled to vote, of the meeting of shareholders at which the
5949 amendment is to be submitted for approval. The notice must be
5950 given in accordance with s. 607.0705, state that the purpose, or
5951 one of the purposes, of the meeting is to consider the
5952 amendment, and must contain or be accompanied by a copy of the
5953 amendment ~~The corporation shall notify each shareholder, whether~~
5954 ~~or not entitled to vote, of the proposed shareholders' meeting~~
5955 ~~in accordance with s. 607.0705. The notice of meeting must also~~
5956 ~~state that the purpose, or one of the purposes, of the meeting~~
5957 ~~is to consider the proposed amendment and contain or be~~
5958 ~~accompanied by a copy or summary of the amendment.~~

5959 (5) Unless this chapter act, the articles of incorporation,
5960 or the board of directors, ~~(acting pursuant to subsection (3),)~~
5961 requires a greater vote or a greater quorum, the approval of the
5962 amendment requires the approval of the shareholders at a meeting
5963 at which a quorum consisting of at least a majority of the
5964 shares entitled to be cast on the amendment exists, and, if any
5965 class or series of shares is entitled to vote as a separate
5966 group on the amendment, except as provided in s. 607.1004(3),
5967 the approval of each such separate voting group at a meeting at
5968 which a quorum of the voting group exists consisting of at least
5969 a majority of the votes entitled to be cast on the amendment by
5970 that voting group.

5971 (6) If the amendment by any voting group would create
5972 appraisal rights, approval of the amendment must also require
5973 the vote of a majority of the votes entitled to be cast by such
5974 voting group ~~vote by voting groups, the amendment to be adopted~~

28-00272A-19

2019892__

5975 ~~must be approved by:~~

5976 ~~(a) A majority of the votes entitled to be cast on the~~
5977 ~~amendment by any voting group with respect to which the~~
5978 ~~amendment would create dissenters' rights; and~~

5979 ~~(b) The votes required by ss. 607.0725 and 607.0726 by~~
5980 ~~every other voting group entitled to vote on the amendment.~~

5981 ~~(7)~~(6) Unless otherwise provided in the articles of
5982 incorporation, the shareholders of a corporation having 35 or
5983 fewer shareholders may amend the articles of incorporation
5984 without an act of the directors at a meeting for which notice of
5985 the changes to be made is given. For purposes of this
5986 subsection, the term "shareholder" means a record shareholder, a
5987 beneficial shareholder, or an unrestricted voting trust
5988 beneficial owner.

5989 (8) If as a result of an amendment of the articles of
5990 incorporation one or more shareholders of a domestic corporation
5991 would become subject to new interest holder liability, approval
5992 of the amendment shall require the signing in connection with
5993 the amendment, by each such shareholder, of a separate written
5994 consent to become subject to such new interest holder liability,
5995 unless in the case of a shareholder that already has interest
5996 holder liability the terms and conditions of the new interest
5997 holder liability are substantially identical to those of the
5998 existing interest holder liability (other than changes that
5999 eliminate or reduce such interest holder liability).

6000 (9) For purposes of subsection (8) and s. 607.1009, the
6001 term "new interest holder liability" means interest holder
6002 liability of a person resulting from an amendment of the
6003 articles of incorporation if the person did not have interest

28-00272A-19

2019892__

6004 holder liability before the amendment becomes effective, or the
6005 person had interest holder liability before the amendment
6006 becomes effective, the terms and conditions of which are changed
6007 when the amendment becomes effective.

6008 Section 121. Section 607.1004, Florida Statutes, is amended
6009 to read:

6010 607.1004 Voting on amendments by voting groups.-

6011 (1) If the corporation has more than one class of shares
6012 outstanding, the holders of the outstanding shares of a class
6013 are entitled to vote as a separate voting group ~~class~~ (if
6014 shareholder voting is otherwise required by this chapter act)
6015 upon a proposed amendment to the articles of incorporation, if
6016 the amendment would:

6017 (a) Effect an exchange or reclassification of all or part
6018 of the shares of the class into shares of another class.

6019 (b) Effect an exchange or reclassification, or create a
6020 right of exchange, of all or part of the shares of another class
6021 into the shares of the class.

6022 (c) Change the designation, rights, preferences, or
6023 limitations of all or part of the shares of the class.

6024 (d) Change the shares of all or part of the class into a
6025 different number of shares of the same class.

6026 (e) Create a new class of shares having rights or
6027 preferences with respect to distributions or to dissolution that
6028 are prior or superior to the shares of the class.

6029 (f) Increase the rights, preferences, or number of
6030 authorized shares of any class that, after giving effect to the
6031 amendment, have rights or preferences with respect to
6032 distributions or to dissolution that are prior or superior to

28-00272A-19

2019892__

6033 the shares of the class.

6034 (g) Limit or deny an existing preemptive right of all or
6035 part of the shares of the class.

6036 (h) Cancel or otherwise affect rights to distributions or
6037 dividends that have accumulated but not yet been declared on all
6038 or part of the shares of the class.

6039 (2) If a proposed amendment would affect a series of a
6040 class of shares in one or more of the ways described in
6041 subsection (1), the shares of that series are entitled to vote
6042 as a separate voting group ~~class~~ on the proposed amendment.

6043 (3) If a proposed amendment that entitles the holders of
6044 two or more classes or series of shares to vote as separate
6045 voting groups under this section would affect those two or more
6046 classes or series in the same or substantially similar way, the
6047 holders of ~~the~~ shares of all the classes or series so affected
6048 must vote together as a single voting group on the proposed
6049 amendment, unless otherwise provided in the articles of
6050 incorporation or added as a condition by the board of directors
6051 pursuant to s. 607.1003(3).

6052 (4) A class or series of shares is entitled to the voting
6053 rights granted by this section even if ~~although~~ the articles of
6054 incorporation provide that the shares are nonvoting shares.

6055 Section 122. Section 607.1005, Florida Statutes, is amended
6056 to read:

6057 607.1005 Amendment before issuance of shares.—If a
6058 corporation has not yet issued shares, its board of directors,
6059 or a majority of its incorporators if it has no ~~or~~ board of
6060 directors, may adopt one or more amendments to the corporation's
6061 articles of incorporation.

28-00272A-19

2019892__

6062 Section 123. Section 607.1006, Florida Statutes, is amended
6063 to read:

6064 607.1006 Articles of amendment.—

6065 (1) After an amendment to the A corporation amending its
6066 articles of incorporation has been adopted and approved as
6067 required by this chapter, the corporation shall deliver to the
6068 department of State for filing articles of amendment which must
6069 shall be signed executed in accordance with s. 607.0120 and
6070 which must shall set forth:

6071 (a)(1) The name of the corporation;

6072 (b)(2) The text of each amendment adopted, or the
6073 information required by s. 607.0120(11)(e), if applicable;

6074 (c)(3) If an amendment provides for an exchange,
6075 reclassification, or cancellation of issued shares, provisions
6076 for implementing the amendment if not contained in the amendment
6077 itself, which may be made dependent upon facts objectively
6078 ascertainable outside of the articles of amendment in accordance
6079 with s. 607.0120(11);

6080 (d)(4) The date of each amendment's adoption; and

6081 (e)(5) If an amendment:

6082 1. Was adopted by the incorporators or board of directors
6083 without shareholder approval action, a statement that the
6084 amendment was duly adopted by the incorporators or by the board
6085 of directors, as the case may be, to that effect and that
6086 shareholder approval action was not required;

6087 2.(6) ~~If an amendment was approved~~ Required approval by the
6088 shareholders, a statement that the number of votes cast for the
6089 amendment by the shareholders in a manner required by this
6090 chapter and by the articles of incorporation was sufficient for

28-00272A-19

2019892__

6091 approval and if more than one voting group was entitled to vote
 6092 on the amendment, a statement designating each voting group
 6093 entitled to vote separately on the amendment, and a statement
 6094 that the number of votes cast for the amendment by the
 6095 shareholders in each voting group was sufficient for approval by
 6096 that voting group; or

6097 3. Is being filed pursuant to s. 607.0120(11)(e), a
 6098 statement to that effect.

6099 (2) Articles of amendment shall take effect at the
 6100 effective date determined pursuant to s. 607.0123.

6101 Section 124. Section 607.1007, Florida Statutes, is amended
 6102 to read:

6103 607.1007 Restated articles of incorporation.—

6104 (1) A corporation's board of directors may restate its
 6105 articles of incorporation at any time ~~with or~~ without
 6106 shareholder approval, subject to subsection (2) ~~action~~.

6107 (2) If the restated articles ~~The restatement may~~ include
 6108 one or more new amendments that require to the articles. ~~If the~~
 6109 ~~restatement includes an amendment requiring~~ shareholder
 6110 approval, the amendments ~~it~~ must be adopted and approved as
 6111 provided in s. 607.1003.

6112 (3) Notwithstanding subsection (1), if the board of
 6113 directors submits a restatement for shareholder approval, and
 6114 the approval is to be given at a meeting ~~action~~, the corporation
 6115 must ~~shall~~ notify each shareholder, whether or not entitled to
 6116 vote, of the meeting of shareholders at which the restatement is
 6117 to be submitted for approval. The notice must be given ~~of the~~
 6118 ~~proposed shareholders' meeting~~ in accordance with s. 607.0705
 6119 and must. ~~The notice must also~~ state that the purpose, or one of

28-00272A-19

2019892__

6120 the purposes, of the meeting is to consider the ~~proposed~~
6121 restatement and must contain or be accompanied by a copy of the
6122 restatement ~~that identifies any amendment or other change it~~
6123 ~~would make in the articles.~~

6124 (4) A corporation that restates ~~restating~~ its articles of
6125 incorporation shall execute and deliver to the department ~~of~~
6126 ~~State~~ for filing articles of restatement, that comply with the
6127 provisions of s. 607.0120, and to the extent applicable, s.
6128 607.0202, setting forth:

6129 (a) The name of the corporation;

6130 (b) ~~and~~ The text of the restated articles of incorporation;

6131 (c) A statement that the restated articles consolidate all
6132 amendments into a single document; and

6133 (d) If one or more new amendments are included in the
6134 restated articles, the statements required under s. 607.1006
6135 with respect to each new amendment ~~Together with a certificate~~
6136 ~~setting forth:~~

6137 (a) ~~Whether the restatement contains an amendment to the~~
6138 ~~articles requiring shareholder approval and, if it does not,~~
6139 ~~that the board of directors adopted the restatement; or~~

6140 (b) ~~If the restatement contains an amendment to the~~
6141 ~~articles requiring shareholder approval, the information~~
6142 ~~required by s. 607.1006.~~

6143 (5) Duly adopted restated articles of incorporation
6144 supersede the original articles of incorporation and all
6145 amendments to the articles of incorporation ~~them~~.

6146 (6) The department ~~of State~~ may certify restated articles
6147 of incorporation, as the articles of incorporation currently in
6148 effect, without including the statements ~~certificate information~~

28-00272A-19

2019892__

6149 required by subsection (4).

6150 Section 125. Subsections (1), (2), and (3) of section
6151 607.1008, Florida Statutes, are amended to read:

6152 607.1008 Amendment pursuant to reorganization.—

6153 (1) A corporation's articles of incorporation may be
6154 amended without action by the board of directors or shareholders
6155 to carry out a plan of reorganization ordered or decreed by a
6156 court of competent jurisdiction under the authority of a law of
6157 the United States or of this state ~~any federal or Florida~~
6158 ~~statute if the articles of incorporation after amendment contain~~
6159 ~~only provisions required or permitted by s. 607.0202.~~

6160 (2) The individual or individuals designated by the court
6161 shall deliver to the department ~~of State~~ for filing articles of
6162 amendment setting forth:

6163 (a) The name of the corporation;

6164 (b) The text of each amendment approved by the court;

6165 (c) The date of the court's order or decree approving the
6166 articles of amendment;

6167 (d) The title of the reorganization proceeding in which the
6168 order or decree was entered; and

6169 (e) A statement that the court had jurisdiction of the
6170 proceeding under a federal or Florida statute.

6171 (3) Shareholders of a corporation undergoing reorganization
6172 do not have appraisal ~~dissenters'~~ rights except as and to the
6173 extent provided in the reorganization plan.

6174 Section 126. Section 607.1009, Florida Statutes, is amended
6175 to read:

6176 607.1009 Effect of amendment.—

6177 (1) An amendment to articles of incorporation does not

28-00272A-19

2019892__

6178 affect a cause of action existing against or in favor of the
6179 corporation, a proceeding to which the corporation is a party,
6180 or the existing rights of persons other than shareholders of the
6181 corporation. An amendment changing a corporation's name does not
6182 affect ~~abate~~ a proceeding brought by or against the corporation
6183 in its former name.

6184 (2) A shareholder who becomes subject to new interest
6185 holder liability in respect of the corporation as a result of an
6186 amendment to the articles of incorporation shall have that new
6187 interest holder liability only in respect of interest holder
6188 liabilities that arise after the amendment becomes effective.

6189 (3) Except as otherwise provided in the articles of
6190 incorporation of the corporation, the interest holder liability
6191 of a shareholder who had interest holder liability in respect of
6192 the corporation before the amendment becomes effective and has
6193 new interest holder liability after the amendment becomes
6194 effective shall be as follows:

6195 (a) The amendment does not discharge that prior interest
6196 holder liability with respect to any interest holder liabilities
6197 that arose before the amendment becomes effective.

6198 (b) The provisions of the articles of incorporation of the
6199 corporation relating to interest holder liability as in effect
6200 immediately prior to the amendment shall continue to apply to
6201 the collection or discharge of any interest holder liabilities
6202 preserved by paragraph (a), as if the amendment had not
6203 occurred.

6204 (c) The shareholder shall have such rights of contribution
6205 from other persons as are provided by the articles of
6206 incorporation relating to interest holder liability as in effect

28-00272A-19

2019892__

6207 immediately prior to the amendment with respect to any interest
6208 holder liabilities preserved by paragraph (3) (a), as if the
6209 amendment had not occurred.

6210 (d) The shareholder shall not, by reason of such prior
6211 interest holder liability, have interest holder liability with
6212 respect to any interest holder liabilities that arise after the
6213 amendment becomes effective.

6214 Section 127. Subsection (1) of section 607.1020, Florida
6215 Statutes, is amended, and subsection (3) is added to that
6216 section, to read:

6217 607.1020 Amendment of bylaws by board of directors or
6218 shareholders.—

6219 (1) A corporation's board of directors may amend or repeal
6220 the corporation's bylaws unless:

6221 (a) The articles of incorporation or this chapter act
6222 reserves that power ~~the power to amend the bylaws generally or a~~
6223 ~~particular bylaw provision~~ exclusively to the shareholders in
6224 whole or in part; or

6225 (b) Except as provided in s. 607.0206(5), the shareholders,
6226 in amending, ~~or~~ repealing, or adopting the bylaws generally or a
6227 particular bylaw provision, ~~provide~~ expressly provide that the
6228 board of directors may not amend, ~~or~~ repeal, adopt, or reinstate
6229 the bylaws generally or that particular bylaw provision.

6230 (3) A shareholder does not have a vested property right
6231 resulting from any provision in the bylaws.

6232 Section 128. Subsection (1) of section 607.1021, Florida
6233 Statutes, is amended to read:

6234 607.1021 Bylaw increasing quorum or voting requirements for
6235 shareholders.—

28-00272A-19

2019892__

6236 (1) If authorized by the articles of incorporation, the
6237 shareholders may adopt or amend a bylaw that fixes a greater
6238 quorum or voting requirement for shareholders (or voting groups
6239 of shareholders) than is required by this chapter ~~act~~. The
6240 adoption or amendment of a bylaw that adds, changes, or deletes
6241 a greater quorum or voting requirement for shareholders must
6242 meet the same quorum requirement and be adopted by the same vote
6243 and voting groups required to take action under the quorum and
6244 voting requirement then in effect or proposed to be adopted,
6245 whichever is greater.

6246 Section 129. Section 607.1022, Florida Statutes, is amended
6247 to read:

6248 607.1022 Bylaw increasing quorum or voting requirements for
6249 directors.—

6250 (1) A bylaw that increases a ~~fixes a greater~~ quorum or
6251 voting requirement for the board of directors may be amended or
6252 repealed:

6253 (a) If originally adopted by the shareholders, only by the
6254 shareholders, unless the bylaw otherwise provides; or

6255 (b) If originally adopted by the board of directors, either
6256 by the shareholders or by the board of directors.

6257 (2) A bylaw adopted or amended by the shareholders that
6258 increases a ~~fixes a greater~~ quorum or voting requirement for the
6259 board of directors may provide that it may be amended or
6260 repealed only by a specified vote of either the shareholders or
6261 the board of directors.

6262 (3) Action by the board of directors under subsection (1)
6263 to amend or repeal ~~paragraph (1)(b) to adopt or amend~~ a bylaw
6264 that changes the quorum or voting requirement for the board of

28-00272A-19

2019892__

6265 directors must meet the same quorum requirement and be adopted
6266 by the same vote required to take action under the quorum and
6267 voting requirement then in effect or proposed to be adopted,
6268 whichever is greater.

6269 Section 130. Section 607.1023, Florida Statutes, is created
6270 to read:

6271 607.1023 Bylaw provisions relating to the election of
6272 directors.-

6273 (1) Unless the articles of incorporation specifically
6274 prohibit the adoption of a bylaw pursuant to this section, alter
6275 the vote specified in s. 607.0728(1), or provide for cumulative
6276 voting, a corporation may elect in its bylaws to be governed in
6277 the election of directors as follows:

6278 (a) Each vote entitled to be cast may be voted for or
6279 against up to the number of candidates that is equal to the
6280 number of directors to be elected, or a shareholder may indicate
6281 an abstention, but without cumulating the votes;

6282 (b) To be elected, a nominee must have received a plurality
6283 of the votes cast by holders of shares entitled to vote in the
6284 election at a meeting at which a quorum is present, provided
6285 that a nominee who is elected but receives more votes against
6286 than for election shall serve as a director for a term that
6287 shall terminate on the date that is the earlier of 90 days from
6288 the date on which the voting results are determined pursuant to
6289 s. 607.0729(2) (e) or the date on which an individual is selected
6290 by the board of directors to fill the office held by such
6291 director, which selection shall be deemed to constitute the
6292 filling of a vacancy by the board to which s. 607.0809 applies.
6293 Subject to paragraph (c), a nominee who is elected but receives

28-00272A-19

2019892__

6294 more votes against than for election shall not serve as a
6295 director beyond the 90-day period referenced above; and

6296 (c) The board of directors may select any qualified
6297 individual to fill the office held by a director who received
6298 more votes against than for election.

6299 (2) Subsection (1) does not apply to an election of
6300 directors by a voting group if:

6301 (a) At the expiration of the time fixed under a provision
6302 requiring advance notification of director candidates; or

6303 (b) Absent such a provision, at a time fixed by the board
6304 of directors which is not more than 14 days before notice is
6305 given of the meeting at which the election is to occur,

6306
6307 there are more candidates for election by the voting group than
6308 the number of directors to be elected, one or more of whom are
6309 properly proposed by shareholders. An individual shall not be
6310 considered a candidate for purposes of this subsection if the
6311 board of directors determines before the notice of meeting is
6312 given that such individual's candidacy does not create a bona
6313 fide election contest.

6314 (3) A bylaw electing to be governed by this section may be
6315 repealed:

6316 (a) If originally adopted by the shareholders, only by the
6317 shareholders, unless the bylaw otherwise provides; or

6318 (b) If adopted by the board of directors, by the board of
6319 directors or the shareholders.

6320 Section 131. Section 607.1101, Florida Statutes, is amended
6321 to read:

6322 607.1101 Merger.—

28-00272A-19

2019892__

6323 (1) By complying with this chapter, including adopting a
6324 plan of merger in accordance with subsection (3) and complying
6325 with s. 607.1103:

6326 (a) One or more domestic corporations may merge with one or
6327 more domestic or foreign entities pursuant to a plan of merger,
6328 resulting in a survivor; and

6329 (b) Any two or more entities, each of which is either a
6330 domestic eligible entity or a foreign eligible entity, may
6331 merge, resulting in a survivor that is a domestic corporation
6332 created in the merger ~~into another corporation if the board of~~
6333 ~~directors of each corporation adopts and its shareholders (if~~
6334 ~~required by s. 607.1103) approve a plan of merger.~~

6335 (2) A domestic eligible entity that is not a corporation
6336 may be a party to a merger with a domestic corporation, or may
6337 be created as the survivor in a merger in which a domestic
6338 corporation is a party, but only if the parties to the merger
6339 comply with the applicable provisions of this chapter and the
6340 merger is permitted by the organic law of the domestic eligible
6341 entity that is not a corporation. A foreign eligible entity may
6342 be a party to a merger with a domestic corporation, or may be
6343 created as the survivor in a merger in which a domestic
6344 corporation is a party, but only if the parties to the merger
6345 comply with the applicable provisions of this chapter and the
6346 merger is permitted by the organic law of the foreign eligible
6347 entity.

6348 (3) The plan of merger must ~~shall~~ set forth:

6349 (a) As to each party to the merger, its name, jurisdiction
6350 of formation, and type of entity;

6351 (b) The survivor's name, jurisdiction of formation, and

28-00272A-19

2019892__

6352 type of entity, and, if the survivor is to be created in the
 6353 merger, a statement to that effect ~~The name of each corporation~~
 6354 ~~planning to merge and the name of the surviving corporation into~~
 6355 ~~which each other corporation plans to merge, which is~~
 6356 ~~hereinafter designated as the surviving corporation;~~

6357 (c) ~~(b)~~ The terms and conditions of the ~~proposed~~ merger; and
 6358 (d) ~~(e)~~ The manner and basis of converting:

6359 1. The shares of each domestic or foreign corporation and
 6360 the eligible interests of each merging domestic or foreign
 6361 eligible entity into:

- 6362 a. Shares or other securities.
- 6363 b. Eligible interests.
- 6364 c. Obligations.
- 6365 d. Rights to acquire shares, other securities, or eligible
 6366 interests.
- 6367 e. Cash.
- 6368 f. Other property.
- 6369 g. Any combination of the foregoing; and

6370 2. Rights to acquire shares of each merging domestic or
 6371 foreign corporation and rights to acquire eligible interests of
 6372 each merging domestic or foreign eligible entity into:

- 6373 a. Shares or other securities.
- 6374 b. Eligible interests.
- 6375 c. Obligations.
- 6376 d. Rights to acquire shares, other securities, or eligible
 6377 interests.
- 6378 e. Cash.
- 6379 f. Other property.
- 6380 g. Any combination of the foregoing;

28-00272A-19

2019892__

6381 (e) The articles of incorporation of any domestic or
6382 foreign corporation, or the public organic record of any other
6383 domestic or foreign eligible entity to be created by the merger,
6384 or if a new domestic or foreign corporation or other eligible
6385 entity is not to be created by the merger, any amendments to, or
6386 restatements of, the survivor's articles of incorporation or
6387 other public organic record;

6388 (f) The effective date and time of the merger, which may be
6389 on or after the filing date of the articles of merger; and

6390 (g) Any other provisions required by the laws under which
6391 any party to the merger is organized or by which it is governed,
6392 or by the articles of incorporation or organic rules of any such
6393 party corporation into shares, obligations, or other securities
6394 of the surviving corporation or any other corporation or, in
6395 whole or in part, into cash or other property and the manner and
6396 basis of converting rights to acquire shares of each corporation
6397 into rights to acquire shares, obligations, or other securities
6398 of the surviving or any other corporation or, in whole or in
6399 part, into cash or other property.

6400 (4)(3) In addition to the requirements of subsection (3), a
6401 The plan of merger may contain any other provision that is not
6402 prohibited by law set forth:

6403 ~~(a) Amendments to, or a restatement of, the articles of~~
6404 ~~incorporation of the surviving corporation;~~

6405 ~~(b) The effective date of the merger, which may be on or~~
6406 ~~after the date of filing the certificate; and~~

6407 ~~(c) Other provisions relating to the merger.~~

6408 (5) Terms of a plan of merger may be made dependent on
6409 facts objectively ascertainable outside the plan in accordance

28-00272A-19

2019892__

6410 with s. 607.0120(11).

6411 (6) A plan of merger may be amended only with the consent
6412 of each party to the merger, except as provided in the plan. A
6413 domestic party to a merger may approve an amendment to a plan:

6414 (a) In the same manner as the plan was approved, if the
6415 plan does not provide for the manner in which it may be amended;
6416 or

6417 (b) In the manner provided in the plan, except that
6418 shareholders, members, or interest holders that were entitled to
6419 vote on or consent to the approval of the plan are entitled to
6420 vote on or consent to any amendment to the plan that will
6421 change:

6422 1. The amount or kind of shares or other securities,
6423 eligible interests, obligations, rights to acquire shares, other
6424 securities, or eligible interests, cash, other property, or any
6425 combination of the foregoing, to be received under the plan by
6426 the shareholders, holders of rights to acquire shares, other
6427 securities, or eligible interests, members, or interest holders
6428 of any party to the merger;

6429 2. The articles of incorporation of any domestic
6430 corporation, or the organic rules of any other type of entity,
6431 that will be the survivor of the merger, except for changes
6432 permitted by s. 607.1002 or by comparable provisions of the
6433 organic law of any other type of entity; or

6434 3. Any of the other terms or conditions of the plan if the
6435 change would adversely affect such shareholders, members, or
6436 interest holders in any material respect.

6437 (7) The redomestication of a foreign insurer to this state
6438 under s. 628.520 shall be deemed a merger of a foreign

28-00272A-19

2019892__

6439 corporation and a domestic corporation, and the surviving
6440 corporation shall be deemed to be a domestic corporation
6441 incorporated under the laws of this state. The redomestication
6442 of a Florida corporation to a foreign jurisdiction under s.
6443 628.525 shall be deemed a merger of a domestic corporation and a
6444 foreign corporation, and the surviving corporation shall be
6445 deemed to be a foreign corporation.

6446 Section 132. Section 607.1102, Florida Statutes, is amended
6447 to read:

6448 607.1102 Share exchange.—

6449 (1) By complying with this chapter, including adopting a
6450 plan of share exchange in accordance with subsection (3) and
6451 complying with s. 607.1103:

6452 (a) A domestic corporation may acquire all of the shares or
6453 rights to acquire shares of one or more classes or series of
6454 shares or rights to acquire shares of another domestic or
6455 foreign corporation, or all of the eligible interests of one or
6456 more classes or series of interests of a domestic or foreign
6457 eligible entity, pursuant to a plan of share exchange, in
6458 exchange for:

6459 1. Shares or other securities.

6460 2. Eligible interests.

6461 3. Obligations.

6462 4. Rights to acquire shares, other securities, or eligible
6463 interests.

6464 5. Cash.

6465 6. Other property.

6466 7. Any combination of the foregoing; or

6467 (b) All of the shares of one or more classes or series of

28-00272A-19

2019892__

6468 shares or rights to acquire shares of a domestic corporation may
 6469 be acquired by another domestic or foreign eligible entity,
 6470 pursuant to a plan of share exchange, in exchange for:

6471 1. Shares or other securities.

6472 2. Eligible interests.

6473 3. Obligations.

6474 4. Rights to acquire shares, other securities, or eligible
 6475 interests.

6476 5. Cash.

6477 6. Other property.

6478 7. Any combination of the foregoing.

6479 (2) A foreign eligible entity may be the acquired eligible
 6480 entity in a share exchange only if the share exchange is
 6481 permitted by the organic law of that eligible entity ~~A~~
 6482 ~~corporation may acquire all of the outstanding shares of one or~~
 6483 ~~more classes or series of another corporation if the board of~~
 6484 ~~directors of each corporation adopts and its shareholders (if~~
 6485 ~~required by s. 607.1103) approve a plan of share exchange.~~

6486 (3) ~~(2)~~ The plan of share exchange must shall set forth:

6487 (a) The name of each domestic or foreign eligible entity
 6488 ~~the corporation~~ the shares or eligible interests of which will
 6489 be acquired and the name of the domestic or foreign corporation
 6490 or eligible entity that will acquire those shares or eligible
 6491 interests ~~acquiring corporation;~~

6492 (b) The terms and conditions of the share exchange;

6493 (c) The manner and basis of exchanging:

6494 1. The shares of each domestic or foreign corporation, and
 6495 the eligible interests of each domestic or foreign eligible
 6496 entity, the shares or eligible interests that are to be acquired

28-00272A-19

2019892__

6497 in the share exchange, into shares or other securities, eligible
6498 interests, obligations, rights to acquire shares, other
6499 securities, or eligible interests, cash, other property, or any
6500 combination of the foregoing; and

6501 2. Rights to acquire shares of each domestic or foreign
6502 corporation and rights to acquire eligible interests of each
6503 domestic or foreign eligible entity, that are to be acquired in
6504 the share exchange, into shares or other securities, eligible
6505 interests, obligations, rights to acquire shares, other
6506 securities, or eligible interests, cash, other property, or any
6507 combination of the foregoing; and

6508 (d) Any other provisions required by the organic law
6509 governing the acquired eligible entity or its articles of
6510 incorporation or organic rules ~~the shares to be acquired for~~
6511 ~~shares, obligations, or other securities of the acquiring or any~~
6512 ~~other corporation or, in whole or in part, for cash or other~~
6513 ~~property, and the manner and basis of exchanging rights to~~
6514 ~~acquire shares of the corporation to be acquired for rights to~~
6515 ~~acquire shares, obligations, or, in whole or in part, other~~
6516 ~~securities of the acquiring or any other corporation or, in~~
6517 ~~whole or in part, for cash or other property.~~

6518 (4)(3) In addition to the requirements of subsection (3),
6519 the plan of share exchange may contain any other provisions that
6520 are not prohibited by law ~~set forth other provisions relating to~~
6521 ~~the exchange.~~

6522 (5) Terms of a plan of share exchange may be made dependent
6523 on facts objectively ascertainable outside the plan in
6524 accordance with s. 607.0120(11).

6525 (6) A plan of share exchange may be amended only with the

28-00272A-19

2019892__

6526 consent of each party to the share exchange, except as provided
6527 in the plan. A domestic eligible entity may approve an amendment
6528 to a plan:

6529 (a) In the same manner as the plan was approved, if the
6530 plan does not provide for the manner in which it may be amended;
6531 or

6532 (b) In the manner provided in the plan, except that
6533 shareholders, members, or interest holders that were entitled to
6534 vote on or consent to approval of the plan are entitled to vote
6535 on or consent to any amendment of the plan that will change:

6536 1. The amount or kind of shares or other securities,
6537 eligible interests, obligations, rights to acquire shares, other
6538 securities, or eligible interests, cash, or other property to be
6539 received under the plan by the shareholders, members, or
6540 interest holders of the acquired eligible entity; or

6541 2. Any of the other terms or conditions of the plan if the
6542 change would adversely affect such shareholders, members, or
6543 interest holders in any material respect.

6544 (7)(4) This section does not limit the power of a
6545 corporation to acquire all or part of the shares of one or more
6546 classes or series of another corporation or eligible interests
6547 of any other eligible entity through a voluntary exchange or
6548 otherwise.

6549 Section 133. Section 607.1103, Florida Statutes, is amended
6550 to read:

6551 607.1103 Action on a plan of merger or share exchange.-In
6552 the case of a domestic corporation that is a party to a merger
6553 or the acquired eligible entity in a share exchange, the plan of
6554 merger or the plan of share exchange must be adopted in the

28-00272A-19

2019892__

6555 following manner:

6556 (1) The ~~After adopting a plan of merger or the plan of~~
6557 ~~share exchange shall first be adopted by,~~ the board of directors
6558 ~~of such domestic corporation each corporation party to the~~
6559 ~~merger, and the board of directors of the corporation the shares~~
6560 ~~of which will be acquired in the share exchange, shall submit~~
6561 ~~the plan of merger (except as provided in subsection (7)) or the~~
6562 ~~plan of share exchange for approval by its shareholders.~~

6563 (2) (a) Except as provided in subsections (8), (10), and
6564 (11), and in ss. 607.11035 and 607.1104, the plan of merger or
6565 the plan of share exchange shall then be adopted by the
6566 shareholders.

6567 (b) In submitting the plan of merger or the plan of share
6568 exchange to the shareholders for approval, the board of
6569 directors shall recommend that the shareholders approve the
6570 plan, or in the case of an offer referred to in s.
6571 607.11035(1) (b), that the shareholders tender their shares to
6572 the offeror in response to the offer, unless:

6573 1. The board of directors makes a determination that
6574 because of conflicts of interest or other special circumstances,
6575 it should not make such a recommendation; or

6576 2. Section 607.0826 applies.

6577 (c) If either subparagraph (b)1. or subparagraph (b)2.
6578 applies, the board shall inform the shareholders of the basis
6579 for its so proceeding without such recommendation ~~For a plan of~~
6580 ~~merger or share exchange to be approved:~~

6581 ~~(a) The board of directors must recommend the plan of~~
6582 ~~merger or share exchange to the shareholders, unless the board~~
6583 ~~of directors determines that it should make no recommendation~~

28-00272A-19

2019892__

6584 ~~because of conflict of interest or other special circumstances~~
6585 ~~and communicates the basis for its determination to the~~
6586 ~~shareholders with the plan; and~~

6587 ~~(b) The shareholders entitled to vote must approve the plan~~
6588 ~~as provided in subsection (5).~~

6589 (3) The board of directors may set conditions for the
6590 approval condition its submission of the proposed merger or
6591 share exchange by the shareholders or the effectiveness of the
6592 plan of merger or the plan of share exchange ~~on any basis.~~

6593 (4) If the plan of merger or the plan of share exchange is
6594 required to be approved by the shareholders, and if the approval
6595 is to be given at a meeting, the corporation shall notify each
6596 shareholder, regardless of whether entitled to vote, of the
6597 meeting of shareholders at which the plan is submitted for
6598 approval ~~The corporation the shareholders of which are entitled~~
6599 ~~to vote on the matter shall notify each shareholder, whether or~~
6600 ~~not entitled to vote, of the proposed shareholders' meeting in~~
6601 ~~accordance with s. 607.0705. The notice shall also state that~~
6602 ~~the purpose, or one of the purposes, of the meeting is to~~
6603 ~~consider the plan of merger or the plan of share exchange,~~
6604 ~~regardless of whether or not the meeting is an annual or a~~
6605 ~~special meeting, and contain or be accompanied by a copy ~~or~~~~
6606 ~~summary of the plan. If the corporation is to be merged into an~~
6607 existing foreign or domestic eligible entity, the notice must
6608 also include or be accompanied by a copy of the articles of
6609 incorporation and bylaws or the organic rules of that eligible
6610 entity into which the corporation is to be merged. If the
6611 corporation is to be merged with a domestic or foreign eligible
6612 entity and a new domestic or foreign eligible entity is to be

28-00272A-19

2019892__

6613 created pursuant to the merger, the notice must include or be
6614 accompanied by a copy of the articles of incorporation and
6615 bylaws or the organic rules of the new eligible entity.
6616 Furthermore, if applicable, the notice shall contain a clear and
6617 concise statement that, if the plan of merger or share exchange
6618 is effected, shareholders dissenting therefrom may be entitled,
6619 if they comply with the provisions of this chapter act regarding
6620 appraisal rights, to be paid the fair value of their shares, and
6621 shall be accompanied by a copy of ss. 607.1301-607.1340 ss.
6622 ~~607.1301-607.1333.~~

6623 (5) Unless this chapter act, the articles of incorporation,
6624 or the board of directors (acting pursuant to subsection (3))
6625 requires a greater vote or a greater quorum in the respective
6626 case, approval of vote by classes, the plan of merger or the
6627 plan of share exchange shall require the approval of the
6628 shareholders at a meeting at which a quorum exists by a majority
6629 of the votes entitled to be cast on the plan, and, if any class
6630 or series of shares is entitled to vote as a separate group on
6631 the plan of merger or the plan of share exchange, the approval
6632 of each such separate voting group at a meeting at which a
6633 quorum of the voting group is present by a majority of the votes
6634 entitled to be cast on the merger or share exchange by that
6635 voting group to be authorized shall be approved by each class
6636 entitled to vote on the plan by a majority of all the votes
6637 entitled to be cast on the plan by that class.

6638 (6) (a) Subject to subsection (7), voting by a class or
6639 series as a separate voting group is required:

6640 1.(a) By each class or series of shares of the corporation
6641 that would be entitled to vote as a separate group on any

28-00272A-19

2019892__

6642 ~~provision in the plan which, if such provision had been~~ ~~On a~~
6643 ~~plan of merger if the plan contains a provision which, if~~
6644 ~~contained in a proposed amendment to the~~ articles of
6645 incorporation of a surviving corporation, would have entitled,
6646 ~~would entitle~~ the class or series to vote as a separate voting
6647 group on the proposed amendment under s. 607.1004; or

6648 2. If the plan contains a provision that would allow the
6649 plan to be amended to include the type of amendment to the
6650 articles of incorporation referenced in subparagraph 1., by each
6651 class or series of shares of the corporation that would have
6652 been entitled to vote as a separate group on any such amendment
6653 to the articles of incorporation; or

6654 3. By each class or series of shares of the corporation
6655 that is to be converted under the plan of merger into shares,
6656 other securities, eligible interests, obligations, rights to
6657 acquire shares, other securities, or eligible interests, cash,
6658 property, or any combination of the foregoing; or

6659 4. If the plan contains a provision that would allow the
6660 plan to be amended to convert other classes or series of shares
6661 of the corporation, by each class or series of shares of the
6662 corporation that would have been entitled to vote as a separate
6663 group if the plan were to be so amended.

6664 (b) Subject to subsection (7), voting by a class or series
6665 as a separate voting group is required on a plan of share
6666 exchange:

6667 1. By each class or series that is to be exchanged in the
6668 exchange, with each class or series constituting a separate
6669 voting group; or

6670 2. If the plan contains a provision that would allow the

28-00272A-19

2019892__

6671 plan to be amended to include the type of amendment to the
6672 articles of incorporation referenced in subparagraph (a)1., by
6673 each class or series of shares of the corporation that would
6674 have been entitled to vote as a separate group on any such
6675 amendment to the articles of incorporation.

6676 (c) Subject to subsection (7), voting by a class or series
6677 as a separate voting group is required on a plan of merger or a
6678 plan of share exchange if the group is entitled under the
6679 articles of incorporation to vote as a voting group to approve
6680 the plan of merger or the plan of share exchange, respectively.

6681 (7) The articles of incorporation may expressly limit or
6682 eliminate the separate voting rights provided in subparagraphs
6683 (6) (a)3. or 4. or subparagraph (6) (b)1. as to any class or
6684 series of shares, except when the plan of merger or the plan for
6685 share exchange:

6686 (a) Includes what is or would be, in effect, an amendment
6687 subject to any one or more of subparagraphs (6) (a)1. and 2. and
6688 subparagraph (6) (b)2.; and

6689 (b) Will not affect a substantive business combination ~~if~~
6690 ~~the shares of such class or series of shares are to be converted~~
6691 ~~or exchanged under such plan or if the plan contains any~~
6692 ~~provisions which, if contained in a proposed amendment to~~
6693 ~~articles of incorporation, would entitle the class or series to~~
6694 ~~vote as a separate voting group on the proposed amendment under~~
6695 ~~s. 607.1004.~~

6696 (8) ~~(7)~~ Unless the corporation's articles of incorporation
6697 provide otherwise, approval by the corporation's shareholders of
6698 ~~Notwithstanding the requirements of this section, unless~~
6699 ~~required by its articles of incorporation, action by the~~

28-00272A-19

2019892__

6700 ~~shareholders of the surviving corporation on a plan of merger is~~
6701 ~~not required if:~~

6702 (a) The corporation will survive the merger;

6703 ~~(b)-(a)~~ The articles of incorporation of the surviving
6704 corporation will not differ (except for amendments enumerated in
6705 s. 607.1002) from its articles of incorporation before the
6706 merger; and

6707 ~~(c)-(b)~~ Each shareholder of the surviving corporation whose
6708 shares were outstanding immediately prior to the effective date
6709 of the merger will hold the same number of shares, with
6710 identical designations, preferences, rights, and limitations,
6711 and relative rights, immediately after the effective date of the
6712 merger.

6713 ~~(8) Any plan of merger or share exchange may authorize the~~
6714 ~~board of directors of each corporation party to the merger or~~
6715 ~~share exchange to amend the plan at any time prior to the filing~~
6716 ~~of the articles of merger or share exchange. An amendment made~~
6717 ~~subsequent to the approval of the plan by the shareholders of~~
6718 ~~any corporation party to the merger or share exchange may not:~~

6719 ~~(a) Change the amount or kind of shares, securities, cash,~~
6720 ~~property, or rights to be received in exchange for or on~~
6721 ~~conversion of any or all of the shares of any class or series of~~
6722 ~~such corporation;~~

6723 ~~(b) Change any other terms and conditions of the plan if~~
6724 ~~such change would materially and adversely affect such~~
6725 ~~corporation or the holders of the shares of any class or series~~
6726 ~~of such corporation; or~~

6727 ~~(c) Except as specified in s. 607.1002 or without the vote~~
6728 ~~of shareholders entitled to vote on the matter, change any term~~

28-00272A-19

2019892__

6729 ~~of the articles of incorporation of any corporation the~~
6730 ~~shareholders of which must approve the plan of merger or share~~
6731 ~~exchange.~~

6732
6733 ~~If articles of merger or share exchange already have been filed~~
6734 ~~with the Department of State, amended articles of merger or~~
6735 ~~share exchange shall be filed with the Department of State prior~~
6736 ~~to the effective date of the merger or share exchange.~~

6737 (9) If as a result of a merger or share exchange one or
6738 more shareholders of a domestic corporation would become subject
6739 to new interest holder liability, approval of the plan of merger
6740 or the plan of share exchange shall require, in connection with
6741 the transaction, the signing by each such shareholder of a
6742 separate written consent to become subject to such new interest
6743 holder liability, unless in the case of a shareholder that
6744 already has interest holder liability with respect to such
6745 domestic corporation:

6746 (a) The new interest holder liability is with respect to a
6747 domestic or foreign corporation (which may be a different or the
6748 same domestic corporation in which the person is a shareholder);
6749 and

6750 (b) The terms and conditions of the new interest holder
6751 liability are substantially identical to those of the existing
6752 interest holder liability (other than for changes that reduce or
6753 eliminate such interest holder liability).

6754 (10) Unless the articles of incorporation otherwise
6755 provide, approval of a plan of share exchange by the
6756 shareholders of a domestic corporation is not required if the
6757 corporation is the acquiring eligible entity in the share

28-00272A-19

2019892__

6758 exchange.

6759 (11) Unless the articles of incorporation otherwise
6760 provide, shares in the acquired eligible entity not to be
6761 exchanged under the plan of share exchange are not entitled to
6762 vote on the plan ~~Unless a plan of merger or share exchange~~
6763 ~~prohibits abandonment of the merger or share exchange without~~
6764 ~~shareholder approval after a merger or share exchange has been~~
6765 ~~authorized, the planned merger or share exchange may be~~
6766 ~~abandoned (subject to any contractual rights) at any time prior~~
6767 ~~to the filing of articles of merger or share exchange by any~~
6768 ~~corporation party to the merger or share exchange, without~~
6769 ~~further shareholder action, in accordance with the procedure set~~
6770 ~~forth in the plan of merger or share exchange or, if none is set~~
6771 ~~forth, in the manner determined by the board of directors of~~
6772 ~~such corporation.~~

6773 Section 134. Section 607.11035, Florida Statutes, is
6774 created to read:

6775 607.11035 Shareholder approval of a merger or share
6776 exchange in connection with a tender offer.-

6777 (1) Unless the articles of incorporation otherwise provide,
6778 shareholder approval of a plan of merger or a plan of share
6779 exchange under s. 607.1103(1)(b) is not required if:

6780 (a) The plan of merger or share exchange expressly:

6781 1. Permits or requires the merger or share exchange to be
6782 effected under this section; and

6783 2. Provides that, if the merger or share exchange is to be
6784 effected under this section, the merger or share exchange will
6785 be effected as soon as practicable following the satisfaction of
6786 the requirement in paragraph (f);

28-00272A-19

2019892__

6787 (b) Another party to the merger, the acquiring eligible
6788 entity in the share exchange, or a parent of another party to
6789 the merger or the parent of the acquiring eligible entity in the
6790 share exchange, makes an offer to purchase, on the terms
6791 provided in the plan of merger or the plan of share exchange,
6792 any and all of the outstanding shares of the corporation that,
6793 absent this section, would be entitled to vote on the plan of
6794 merger or the plan of share exchange, except that the offer may
6795 exclude shares of the corporation that are owned at the
6796 commencement of the offer by the corporation, the offeror, or
6797 any parent of the offeror, or by any wholly owned subsidiary of
6798 any of the foregoing;

6799 (c) The offer discloses that the plan of merger or the plan
6800 of share exchange provides that the merger or share exchange
6801 will be effected as soon as practicable following the
6802 satisfaction of the requirement in paragraph (f) and that the
6803 shares of the corporation that are not tendered in response to
6804 the offer will be treated pursuant to paragraph (h);

6805 (d) The offer remains open for at least 10 days;

6806 (e) The offeror purchases all shares properly tendered in
6807 response to the offer and not properly withdrawn;

6808 (f) The shares listed below are collectively entitled to
6809 cast at least the minimum number of votes on the merger or share
6810 exchange that, absent this section, would be required by this
6811 chapter and by the articles of incorporation for the approval of
6812 the merger or share exchange by the shareholders and by each
6813 other voting group entitled to vote on the merger or share
6814 exchange at a meeting at which all shares entitled to vote on
6815 the approval were present and voted:

28-00272A-19

2019892__

6816 1. Shares purchased by the offeror in accordance with the
6817 offer;

6818 2. Shares otherwise owned by the offeror or by any parent
6819 of the offeror or any wholly owned subsidiary of any of the
6820 foregoing; and

6821 3. Shares subject to an agreement that they are to be
6822 transferred, contributed, or delivered to the offeror, any
6823 parent of the offeror, or any wholly owned subsidiary of any of
6824 the foregoing in exchange for shares or eligible interests in
6825 such offeror, parent, or subsidiary;

6826 (g) The offeror or a wholly owned subsidiary of the offeror
6827 merges with or into, or effects a share exchange in which it
6828 acquires shares of, the corporation; and

6829 (h) Each outstanding share of each class or series of
6830 shares of the corporation that the offeror is offering to
6831 purchase in accordance with the offer, and that is not purchased
6832 in accordance with the offer, is to be converted in the merger
6833 into, or into the right to receive, or is to be exchanged in the
6834 share exchange for, or for the right to receive, the same amount
6835 and kind of securities, eligible interests, obligations, rights,
6836 cash, or other property to be paid or exchanged in accordance
6837 with the offer for each share of that class or series of shares
6838 that is tendered in response to the offer, except that shares of
6839 the corporation that are owned by the corporation or that are
6840 described in subparagraphs (f)2. or 3. need not be converted
6841 into or exchanged for the consideration described in this
6842 paragraph.

6843 (2) As used in this section, the term:

6844 (a) "Offer" means the offer referred to in paragraph

28-00272A-19

2019892__

6845 (1) (b) .

6846 (b) "Offeror" means the person making the offer.

6847 (c) "Parent" of an eligible entity means a person that
6848 owns, directly or indirectly through one or more wholly owned
6849 subsidiaries, all of the outstanding shares of or eligible
6850 interests in that eligible entity.

6851 (d) Shares tendered in response to the offer shall be
6852 deemed to have been "purchased" in accordance with the terms of
6853 the offer at the earliest time as of which:

6854 1. The offeror has irrevocably accepted those shares for
6855 payment; and

6856 2. In the case of shares represented by certificates, the
6857 offeror, or the offeror's designated depository or other agent,
6858 has physically received the certificates representing those
6859 shares, or, in the case of shares without certificates, those
6860 shares have been transferred into the account of the offeror or
6861 its designated depository or other agent, or an agent's message
6862 relating to those shares has been received by the offeror or its
6863 designated depository or other agent.

6864 (e) "Wholly owned subsidiary" of a person means an eligible
6865 entity of or in which a person owns, directly or indirectly, all
6866 of the outstanding shares or eligible interests.

6867 Section 135. Section 607.1104, Florida Statutes, is amended
6868 to read:

6869 607.1104 Merger between parent and subsidiary or between
6870 subsidiaries ~~of subsidiary corporation.~~

6871 (1) (a) A domestic or foreign parent eligible entity that
6872 owns shares of a domestic corporation which carry ~~corporation~~
6873 ~~owning~~ at least 80 percent of the voting power ~~outstanding~~

28-00272A-19

2019892__

6874 ~~shares~~ of each class and series of the outstanding shares of the
6875 a subsidiary corporation may:

6876 1. Merge the subsidiary into itself, if it is a domestic or
6877 foreign eligible entity, or into another domestic or foreign
6878 eligible entity in which the parent eligible entity owns at
6879 least 80 percent of the voting power of each class and series of
6880 the outstanding shares or eligible interests that have voting
6881 power; or

6882 2. may Merge itself, if it is a domestic or foreign
6883 eligible entity, into such the subsidiary.

6884 (b) Mergers under subparagraphs (a)1. and (a)2. do not
6885 require the approval of the board of directors or shareholders
6886 of the subsidiary unless the articles of incorporation or
6887 organic rules of the parent eligible entity or the articles of
6888 incorporation of the subsidiary otherwise provide. Section
6889 607.1103(9) applies to a merger under this section. The articles
6890 of merger relating to a merger under this section do not need to
6891 be signed by the subsidiary, or may merge the subsidiary into
6892 and with another subsidiary in which the parent corporation owns
6893 at least 80 percent of the outstanding shares of each class of
6894 the subsidiary without the approval of the shareholders of the
6895 parent or subsidiary. In a merger of a parent corporation into
6896 its subsidiary corporation, the approval of the shareholders of
6897 the parent corporation shall be required if the articles of
6898 incorporation of the surviving corporation will differ, except
6899 for amendments enumerated in s. 607.1002, from the articles of
6900 incorporation of the parent corporation before the merger, and
6901 the required vote shall be the greater of the vote required to
6902 approve the merger and the vote required to adopt each change to

28-00272A-19

2019892__

6903 ~~the articles of incorporation as if each change had been~~
6904 ~~presented as an amendment to the articles of incorporation of~~
6905 ~~the parent corporation.~~

6906 ~~(b) The board of directors of the parent shall adopt a plan~~
6907 ~~of merger that sets forth:~~

6908 ~~1. The names of the parent and subsidiary corporations;~~

6909 ~~2. The manner and basis of converting the shares of the~~
6910 ~~subsidiary or parent into shares, obligations, or other~~
6911 ~~securities of the parent or any other corporation or, in whole~~
6912 ~~or in part, into cash or other property, and the manner and~~
6913 ~~basis of converting rights to acquire shares of each corporation~~
6914 ~~into rights to acquire shares, obligations, and other securities~~
6915 ~~of the surviving or any other corporation or, in whole or in~~
6916 ~~part, into cash or other property;~~

6917 ~~3. If the merger is between the parent and a subsidiary~~
6918 ~~corporation and the parent is not the surviving corporation, a~~
6919 ~~provision for the pro rata issuance of shares of the subsidiary~~
6920 ~~to the holders of the shares of the parent corporation upon~~
6921 ~~surrender of any certificates therefor; and~~

6922 ~~4. A clear and concise statement that shareholders of the~~
6923 ~~subsidiary who, except for the applicability of this section,~~
6924 ~~would be entitled to vote and who dissent from the merger~~
6925 ~~pursuant to s. 607.1321, may be entitled, if they comply with~~
6926 ~~the provisions of this act regarding appraisal rights, to be~~
6927 ~~paid the fair value of their shares.~~

6928 ~~(2) The parent shall, within 10 days after the effective~~
6929 ~~date of a merger approved under subsection (1), notify each of~~
6930 ~~the subsidiary's shareholders that the merger has become~~
6931 ~~effective mail a copy or summary of the plan of merger to each~~

28-00272A-19

2019892__

6932 ~~shareholder of the subsidiary who does not waive the mailing~~
6933 ~~requirement in writing.~~

6934 (3) Except as provided for in subsections (1) and (2), a
6935 merger between a parent eligible entity and a domestic
6936 subsidiary corporation shall be governed by the provisions of
6937 ss. 607.1101-607.1107 that are applicable to mergers generally
6938 ~~The parent may not deliver articles of merger to the Department~~
6939 ~~of State for filing until at least 30 days after the date it~~
6940 ~~mailed a copy of the plan of merger to each shareholder of the~~
6941 ~~subsidiary who did not waive the mailing requirement, or, if~~
6942 ~~earlier, upon the waiver thereof by the holders of all of the~~
6943 ~~outstanding shares of the subsidiary.~~

6944 ~~(4) Articles of merger under this section may not contain~~
6945 ~~amendments to the articles of incorporation of the parent~~
6946 ~~corporation (except for amendments enumerated in s. 607.1002).~~

6947 ~~(5) Two or more subsidiaries may be merged into the parent~~
6948 ~~pursuant to this section.~~

6949 Section 136. Subsections (1) and (3) of section 607.11045,
6950 Florida Statutes, are amended to read:

6951 607.11045 Holding company formation by merger by certain
6952 corporations.-

6953 (1) This section applies only to a corporation that has
6954 shares registered pursuant to s. 12 of the Securities Exchange
6955 Act of 1934 ~~of any class or series which are either registered~~
6956 ~~on a national securities exchange or designated as a national~~
6957 ~~market system security on an interdealer quotation system by the~~
6958 ~~National Association of Securities Dealers, Inc., or held of~~
6959 ~~record by not fewer than 2,000 shareholders.~~

6960 (3) Notwithstanding the requirements of s. 607.1103, unless

28-00272A-19

2019892__

6961 expressly required by its articles of incorporation, no vote of
6962 shareholders of a corporation is necessary to authorize a merger
6963 of the corporation with or into a wholly owned subsidiary of
6964 such corporation if:

6965 (a) Such corporation and wholly owned subsidiary are the
6966 only constituent corporations to the merger;

6967 (b) Each share or fraction of a share of the constituent
6968 corporation whose shares are being converted pursuant to the
6969 merger which are outstanding immediately prior to the effective
6970 date of the merger is converted in the merger into a share or
6971 equal fraction of share of a holding company having the same
6972 designations, rights, powers and preferences, and
6973 qualifications, limitations and restrictions thereof as the
6974 share of the constituent corporation being converted in the
6975 merger;

6976 (c) The holding company and each of the constituent
6977 corporations to the merger are domestic corporations;

6978 (d) The articles of incorporation and bylaws of the holding
6979 company immediately following the effective date of the merger
6980 contain provisions identical to the articles of incorporation
6981 and bylaws of the constituent corporation whose shares are being
6982 converted pursuant to the merger immediately prior to the
6983 effective date of the merger, except provisions regarding the
6984 incorporators, the corporate name, the registered office and
6985 agent, the initial board of directors, the initial subscribers
6986 for shares and matters solely of historical significance, and
6987 such provisions contained in any amendment to the articles of
6988 incorporation as were necessary to effect a change, exchange,
6989 reclassification, or cancellation of shares, if such change,

28-00272A-19

2019892__

6990 exchange, reclassification, or cancellation has become
6991 effective;

6992 (e) As a result of the merger, the constituent corporation
6993 whose shares are being converted pursuant to the merger or its
6994 successor corporation becomes or remains a direct or indirect
6995 wholly owned subsidiary of the holding company;

6996 (f) The directors of the constituent corporation become or
6997 remain the directors of the holding company upon the effective
6998 date of the merger;

6999 (g) The articles of incorporation of the surviving
7000 corporation immediately following the effective date of the
7001 merger are identical to the articles of incorporation of the
7002 constituent corporation whose shares are being converted
7003 pursuant to the merger immediately prior to the effective date
7004 of the merger, except provisions regarding the incorporators,
7005 the corporate name, the registered office and agent, the initial
7006 board of directors, the initial subscribers for shares and
7007 matters solely of historical significance, and such provisions
7008 contained in any amendment to the articles of incorporation as
7009 were necessary to effect a change, exchange, reclassification,
7010 or cancellation of shares, if such change, exchange,
7011 reclassification, or cancellation has become effective. The
7012 articles of incorporation of the surviving corporation must be
7013 amended in the merger to contain a provision requiring, by
7014 specific reference to this section, that any act or transaction
7015 by or involving the surviving corporation, other than the
7016 election or removal of directors, which requires for its
7017 adoption under this chapter ~~act~~ or its articles of incorporation
7018 the approval of the shareholders of the surviving corporation

28-00272A-19

2019892__

7019 also be approved by the shareholders of the holding company, or
7020 any successor by merger, by the same vote as is required by this
7021 chapter ~~act~~ or the articles of incorporation of the surviving
7022 corporation. The articles of incorporation of the surviving
7023 corporation may be amended in the merger to reduce the number of
7024 classes and shares which the surviving corporation is authorized
7025 to issue;

7026 (h) The board of directors of the constituent corporation
7027 determines that the shareholders of the constituent corporation
7028 will not recognize gain or loss for United States federal income
7029 tax purposes; and

7030 (i) The board of directors of such corporation adopts a
7031 plan of merger that sets forth:

7032 1. The names of the constituent corporations;

7033 2. The manner and basis of converting the shares of the
7034 corporation into shares of the holding company and the manner
7035 and basis of converting rights to acquire shares of such
7036 corporation into rights to acquire shares of the holding
7037 company; and

7038 3. A provision for the pro rata issuance of shares of the
7039 holding company to the holders of shares of the corporation upon
7040 surrender of any certificates therefor.

7041 Section 137. Section 607.1105, Florida Statutes, is amended
7042 to read:

7043 607.1105 Articles of merger or share exchange.—

7044 (1) After a plan of merger has been adopted and approved as
7045 required by this chapter or, if the merger is being effected
7046 under s. 607.1101(1)(b), the merger has been approved as
7047 required by the organic law governing the parties to the merger,

28-00272A-19

2019892__

7048 the articles of merger must be signed by each party to the
7049 merger, except as provided in s. 607.1104(1). The articles must
7050 ~~or share exchange is approved by the shareholders, or adopted by~~
7051 ~~the board of directors if shareholder approval is not required,~~
7052 ~~the surviving or acquiring corporation shall deliver to the~~
7053 ~~Department of State for filing articles of merger or share~~
7054 ~~exchange which shall be executed by each corporation as required~~
7055 ~~by s. 607.0120 and which shall set forth:~~

7056 (a) The name, jurisdiction of formation, and type of entity
7057 of each party of the merger;

7058 (b) If not already identified as the survivor pursuant to
7059 paragraph (a), the name, jurisdiction of formation, and type of
7060 entity of the survivor;

7061 (c) If the survivor of the merger is a domestic corporation
7062 and its articles of incorporation are being amended, or if a new
7063 domestic corporation is being created as a result of the merger:

7064 1. The amendments to the survivor's articles of
7065 incorporation; or

7066 2. The articles of incorporation of the new corporation;

7067 (d) If the survivor of the merger is a domestic eligible
7068 entity, other than a domestic corporation, and its public
7069 organic record is being amended in connection with the merger,
7070 or if a new domestic eligible entity is being created as a
7071 result of the merger:

7072 1. The amendments to the public organic record of the
7073 survivor; or

7074 2. The public organic record of the new eligible entity;

7075 (e) If the plan of merger required approval by the
7076 shareholders of a domestic corporation that is a party to the

28-00272A-19

2019892__

7077 merger, a statement that the plan was duly approved by the
7078 shareholders and, if voting by any separate voting group was
7079 required, by each such separate voting group, in the manner
7080 required by this chapter and the articles of incorporation of
7081 such domestic corporation;

7082 (f) If the plan of merger did not require approval by the
7083 shareholders of a domestic corporation that is a party to the
7084 merger, a statement to that effect;

7085 (g) As to each foreign corporation that is a party to the
7086 merger, a statement that the participation of the foreign
7087 corporation was duly authorized in accordance with such
7088 corporation's organic law;

7089 (h) As to each domestic or foreign eligible entity that is
7090 a party to the merger and that is not a domestic or foreign
7091 corporation, a statement that the participation of the eligible
7092 entity in the merger was duly authorized in accordance with such
7093 eligible entity's organic law; and

7094 (i) If the survivor is created by the merger and is a
7095 domestic limited liability partnership, the document required to
7096 elect that status, as an attachment.

7097 (2) After a plan of share exchange in which the acquired
7098 eligible entity is a domestic corporation or other eligible
7099 entity has been adopted and approved as required by this
7100 chapter, articles of share exchange must be signed by the
7101 acquired eligible entity and the acquiring eligible entity. The
7102 articles must set forth:

7103 (a) The name, jurisdiction of formation, and type of entity
7104 of the acquired eligible entity;

7105 (b) The name, jurisdiction of formation, and type of entity

28-00272A-19

2019892__

7106 of the domestic or foreign eligible entity that is the acquiring
7107 eligible entity; and

7108 (c) A statement that the plan of share exchange was duly
7109 approved by the acquired eligible entity by:

7110 1. The required vote or consent of each class or series of
7111 shares or eligible interests included in the exchange; and

7112 2. The required vote or consent of each other class or
7113 series of shares or eligible interests entitled to vote on
7114 approval of the exchange by the articles of incorporation or the
7115 organic rules of the acquired eligible entity.

7116 (3) In addition to the requirements of subsections (1) and
7117 (2), articles of merger or articles of share exchange may
7118 contain any other provision not prohibited by law.

7119 (4) The articles of merger or the articles of share
7120 exchange shall be delivered to the department for filing, and,
7121 subject to subsection (5), the merger or share exchange shall
7122 take effect at the effective date determined in accordance with
7123 s. 607.0123.

7124 (5) With respect to a merger in which one or more foreign
7125 entities is a party or a foreign eligible entity created by the
7126 merger is the survivor, the merger itself shall become effective
7127 at the later of:

7128 (a) When all documents required to be filed in all foreign
7129 jurisdictions to effect the merger have become effective; or

7130 (b) When the articles of merger take effect.

7131 (6) Articles of merger required to be filed under this
7132 section may be combined with any filing required under the
7133 organic law governing any other domestic eligible entity
7134 involved in the transaction if the combined filing satisfies the

28-00272A-19

2019892__

7135 requirements of both this section and the other organic law plan
7136 of merger or share exchange;

7137 ~~(b) The effective date of the merger or share exchange,~~
7138 ~~which may be on or after the date of filing the articles of~~
7139 ~~merger or share exchange; if the articles of merger or share~~
7140 ~~exchange do not provide for an effective date of the merger or~~
7141 ~~share exchange, then the effective date shall be the date on~~
7142 ~~which the articles of merger or share exchange are filed;~~

7143 ~~(c) If shareholder approval was not required, a statement~~
7144 ~~to that effect; and~~

7145 ~~(d) As to each corporation, to the extent applicable, the~~
7146 ~~date of adoption of the plan of merger or share exchange by the~~
7147 ~~shareholders or by the board of directors when no vote of the~~
7148 ~~shareholders is required.~~

7149 (7)(2) A copy of the articles of merger or share exchange,
7150 certified by the department ~~of State~~, may be filed in the office
7151 of the official who is the recording officer of each county in
7152 this state in which real property of a constituent corporation
7153 other than the surviving corporation is situated.

7154 Section 138. Section 607.1106, Florida Statutes, is amended
7155 to read:

7156 607.1106 Effect of merger or share exchange.—

7157 (1) When a merger becomes effective:

7158 (a) The domestic or foreign eligible entity that is
7159 designated in the plan of merger as the survivor continues or
7160 comes into existence, as the case may be;

7161 (b) The separate existence of every domestic or foreign
7162 eligible entity that is a party to the merger, other than the
7163 survivor, ceases ~~Every other corporation party to the merger~~

28-00272A-19

2019892__

7164 ~~merges into the surviving corporation and the separate existence~~
7165 ~~of every corporation except the surviving corporation ceases;~~

7166 (c)-(b) All real property and other property, including any
7167 interest therein and all title thereto, owned by, and every
7168 contract right possessed by, each domestic or foreign eligible
7169 entity that is a party to the merger, other than the survivor,
7170 become the property and contract rights of and become vested in
7171 the survivor, The title to all real estate and other property,
7172 ~~or any interest therein, owned by each corporation party to the~~
7173 ~~merger is vested in the surviving corporation without transfer,~~
7174 ~~reversion, or impairment;~~

7175 (d)-(e) All debts, obligations, and other liabilities of
7176 each domestic or foreign eligible entity that is a The surviving
7177 ~~corporation shall thenceforth be responsible and liable for all~~
7178 ~~the liabilities and obligations of each corporation party to the~~
7179 ~~merger, other than the survivor, become debts, obligations, and~~
7180 liabilities of the survivor;

7181 (e)-(d) The name of the survivor may be, but need not be,
7182 substituted in any pending proceeding for the name of any party
7183 to the merger whose separate existence ceased in the merger Any
7184 ~~claim existing or action or proceeding pending by or against any~~
7185 ~~corporation party to the merger may be continued as if the~~
7186 ~~merger did not occur or the surviving corporation may be~~
7187 ~~substituted in the proceeding for the corporation which ceased~~
7188 ~~existence;~~

7189 (f)-(e) Neither the rights of creditors nor any liens upon
7190 the property of any corporation party to the merger shall be
7191 impaired by such merger;

7192 (g)-(f) If the survivor is a domestic eligible entity, the

28-00272A-19

2019892__

7193 articles of incorporation and bylaws or the organic rules of the
7194 survivor ~~surviving corporation~~ are amended to the extent
7195 provided in the plan of merger; ~~and~~

7196 (h) The articles of incorporation and bylaws or the organic
7197 rules of a survivor that is a domestic eligible entity and is
7198 created by the merger become effective;

7199 (i) ~~(g)~~ The shares (and the rights to acquire shares,
7200 obligations, or other securities) of each domestic or foreign
7201 corporation party to the merger, and the eligible interests in
7202 any other eligible entity that is a party to the merger, that
7203 are to be converted in accordance with the terms of the merger
7204 into shares or other securities, eligible interests, ~~rights,~~
7205 obligations, rights to acquire shares, other securities, or
7206 eligible interests, cash, other property, or any combination of
7207 the foregoing, ~~or other securities of the surviving or any other~~
7208 corporation or into cash or other property are converted, and
7209 the former holders of such the shares, rights to acquire shares,
7210 or other eligible interests are entitled only to the rights
7211 provided to them by those terms of the merger or to any rights
7212 they may have in the articles of merger or to their rights under
7213 s. 607.1302 or under the organic law governing the eligible
7214 entity;

7215 (j) Except as provided by law or the plan of merger, all
7216 the rights, privileges, franchises, and immunities of each
7217 eligible entity that is a party to the merger, other than the
7218 survivor, become the rights, privileges, franchises, and
7219 immunities of the survivor; and

7220 (k) If the survivor exists before the merger:

7221 1. All the property and contract rights of the survivor

28-00272A-19

2019892__

7222 remain its property and contract rights without transfer,
7223 reversion, or impairment;

7224 2. The survivor remains subject to all of its debts,
7225 obligations, and other liabilities; and

7226 3. Except as provided by law or the plan of merger, the
7227 survivor continues to hold all of its rights, privileges,
7228 franchises, and immunities.

7229 (2) When a share exchange becomes effective, the shares,
7230 eligible interests, and rights to acquire shares or eligible
7231 interests in the acquired eligible entity that ~~of each acquired~~
7232 ~~corporation~~ are to be exchanged in accordance with the terms of
7233 the share exchange for:

7234 (a) Shares or other securities;

7235 (b) Eligible interests;

7236 (c) Obligations;

7237 (d) Rights to acquire shares, other securities, or eligible
7238 interests;

7239 (e) Cash;

7240 (f) Other property; or

7241 (g) Any combination of the foregoing

7242
7243 are entitled only to the rights provided to them by the terms of
7244 the share exchange, or to any as provided in the plan of
7245 exchange, and the former holders of the shares are entitled only
7246 to the exchange rights provided in the articles of share
7247 exchange or to their rights they may have under s. 607.1302 or
7248 the organic law governing the acquired eligible entity.

7249 (3) Except as otherwise provided in the articles of
7250 incorporation of a domestic corporation or the organic law

28-00272A-19

2019892__

7251 governing or organic rules of a domestic or foreign eligible
7252 entity, the effect of a merger or share exchange on interest
7253 holder liability is as follows:

7254 (a) A person who becomes subject to new interest holder
7255 liability in respect of an eligible entity as a result of a
7256 merger or share exchange shall have that new interest holder
7257 liability only in respect of interest holder liabilities that
7258 arise after the merger or share exchange becomes effective.

7259 (b) If a person had interest holder liability with respect
7260 to a party to the merger or the acquired eligible entity before
7261 the merger or share exchange becomes effective with respect to
7262 shares or eligible interests of such party or acquired entity
7263 which were exchanged in the merger or share exchange, which were
7264 canceled in the merger, or the terms and conditions of which
7265 relating to interest holder liability were amended pursuant to
7266 the merger:

7267 1. The merger or share exchange does not discharge that
7268 prior interest holder liability with respect to any interest
7269 holder liabilities that arose before the merger or share
7270 exchange becomes effective.

7271 2. The provisions of the organic law governing any eligible
7272 entity for which the person had that prior interest holder
7273 liability shall continue to apply to the collection or discharge
7274 of any interest holder liabilities preserved by subparagraph 1.
7275 as if the merger or share exchange had not occurred.

7276 3. The person shall have such rights of contribution from
7277 other persons as are provided by the organic law governing the
7278 eligible entity for which the person had that prior interest
7279 holder liability with respect to any interest holder liabilities

28-00272A-19

2019892__

7280 preserved by subparagraph 1. as if the merger or share exchange
7281 had not occurred.

7282 4. The person shall not, by reason of such prior interest
7283 holder liability, have interest holder liability with respect to
7284 any interest holder liabilities that arise after the merger or
7285 share exchange becomes effective.

7286 (c) If a person has interest holder liability both before
7287 and after a merger becomes effective with unchanged terms and
7288 conditions with respect to the eligible entity that is the
7289 survivor by reason of owning the same shares or eligible
7290 interests before and after the merger becomes effective, the
7291 merger has no effect on such interest holder liability.

7292 (d) A share exchange has no effect on interest holder
7293 liability related to shares or eligible interests of the
7294 acquired eligible entity that were not exchanged in the share
7295 exchange.

7296 (4) Upon a merger becoming effective, a foreign eligible
7297 entity that is the survivor of the merger is deemed to:

7298 (a) Appoint the secretary of state as its agent for service
7299 of process in a proceeding to enforce the rights of shareholders
7300 of each domestic corporation that is a party to the merger who
7301 exercise appraisal rights; and

7302 (b) Agree that it will promptly pay any amount that the
7303 shareholders are entitled to under ss. 607.1301-607.1340.

7304 (5) Except as provided in the organic law governing a party
7305 to a merger or in its articles of incorporation or organic
7306 rules, the merger does not give rise to any rights that an
7307 interest holder, governor, or third party would have upon a
7308 dissolution, liquidation, or winding up of that party. The

28-00272A-19

2019892__

7309 merger does not require a party to the merger to wind up its
7310 affairs and does not constitute or cause its dissolution or
7311 termination.

7312 (6) Property held for a charitable purpose under the law of
7313 this state by a domestic or foreign eligible entity immediately
7314 before a merger becomes effective may not, as a result of the
7315 transaction, be diverted from the objects for which it was
7316 donated, granted, devised, or otherwise transferred except and
7317 only to the extent permitted by or pursuant to the laws of this
7318 state addressing cy pres or dealing with nondiversion of
7319 charitable assets.

7320 (7) A bequest, devise, gift, grant, or promise contained in
7321 a will or other instrument of donation, subscription, or
7322 conveyance which is made to an eligible entity that is a party
7323 to a merger that is not the survivor and which takes effect or
7324 remains payable after the merger inures to the survivor.

7325 (8) A trust obligation that would govern property if the
7326 property is directed to be transferred to a nonsurviving
7327 eligible entity will apply to property that is to be transferred
7328 instead to the survivor after a merger becomes effective.

7329 Section 139. Section 607.1107, Florida Statutes, is amended
7330 to read:

7331 607.1107 Abandonment of a merger or share exchange ~~Merger~~
7332 ~~or share exchange with foreign corporations.~~

7333 (1) After a plan of merger or a plan of share exchange has
7334 been adopted and approved as required by this chapter, and
7335 before the articles of merger or the articles of share exchange
7336 have become effective, the plan may be abandoned by a domestic
7337 corporation that is a party to the plan without action by its

28-00272A-19

2019892__

7338 shareholders in accordance with any procedures set forth in the
7339 plan of merger or the plan of share exchange or, if no such
7340 procedures are set forth in the plan, in the manner determined
7341 by the board of directors.

7342 (2) If a merger or share exchange is abandoned under
7343 subsection (1) after articles of merger or articles of share
7344 exchange have been delivered to the department for filing but
7345 before the articles of merger or articles of share exchange have
7346 become effective, a statement of abandonment signed by all the
7347 parties that signed the articles of merger or articles of share
7348 exchange must be delivered to the department for filing before
7349 the articles of merger or articles of share exchange become
7350 effective. The statement shall take effect on filing, whereupon
7351 the merger or share exchange shall be deemed abandoned and shall
7352 not become effective. The statement of abandonment must contain:

7353 (a) The name of each party to the merger or the names of
7354 the acquiring and acquired entities in a share exchange;

7355 (b) The date on which the articles of merger or articles of
7356 share exchange were filed by the department; and

7357 (c) A statement that the merger or share exchange has been
7358 abandoned in accordance with this section. ~~One or more foreign~~
7359 ~~corporations may merge or enter into a share exchange with one~~
7360 ~~or more domestic corporations if:~~

7361 ~~(a) In a merger, the merger is permitted by the law of the~~
7362 ~~state or country under the law of which each foreign corporation~~
7363 ~~is incorporated and each foreign corporation complies with that~~
7364 ~~law in effecting the merger;~~

7365 ~~(b) In a share exchange, the corporation the shares of~~
7366 ~~which will be acquired is a domestic corporation, whether or not~~

28-00272A-19

2019892__

7367 ~~a share exchange is permitted by law of the state or country~~
7368 ~~under the law of which the acquiring corporation is~~
7369 ~~incorporated;~~

7370 ~~(c) The foreign corporation complies with s. 607.1105 if it~~
7371 ~~is the surviving corporation of the merger or acquiring~~
7372 ~~corporation of the share exchange; and~~

7373 ~~(d) Each domestic corporation complies with the applicable~~
7374 ~~provisions of ss. 607.1101-607.1104 and, if it is the surviving~~
7375 ~~corporation of the merger or acquiring corporation of the share~~
7376 ~~exchange, with s. 607.1105.~~

7377 ~~(2) Upon the merger becoming effective, the surviving~~
7378 ~~foreign corporation of a merger, and the acquiring foreign~~
7379 ~~corporation in a share exchange, is deemed:~~

7380 ~~(a) To appoint the Secretary of State as its agent for~~
7381 ~~service of process in a proceeding to enforce any obligation or~~
7382 ~~the rights of dissenting shareholders of each domestic~~
7383 ~~corporation party to the merger or share exchange; and~~

7384 ~~(b) To agree that it will promptly pay to the dissenting~~
7385 ~~shareholders of each domestic corporation party to the merger or~~
7386 ~~share exchange the amount, if any, to which they are entitled~~
7387 ~~under s. 607.1302.~~

7388 ~~(3) This section does not limit the power of a foreign~~
7389 ~~corporation to acquire all or part of the shares of one or more~~
7390 ~~classes or series of a domestic corporation through a voluntary~~
7391 ~~exchange or otherwise.~~

7392 ~~(4) The effect of such merger shall be the same as in the~~
7393 ~~case of the merger of domestic corporations if the surviving~~
7394 ~~corporation is to be governed by the laws of this state. If the~~
7395 ~~surviving corporation is to be governed by the laws of any state~~

28-00272A-19

2019892__

7396 ~~other than this state, the effect of such merger shall be the~~
7397 ~~same as in the case of the merger of domestic corporations~~
7398 ~~except insofar as the laws of such other state provide~~
7399 ~~otherwise.~~

7400 ~~(5) The redomestication of a foreign insurer to this state~~
7401 ~~under s. 628.520 shall be deemed a merger of a foreign~~
7402 ~~corporation and a domestic corporation, and the surviving~~
7403 ~~corporation shall be deemed to be a domestic corporation~~
7404 ~~incorporated under the laws of this state. The redomestication~~
7405 ~~of a Florida corporation to a foreign jurisdiction under s.~~
7406 ~~628.525 shall be deemed a merger of a domestic corporation and a~~
7407 ~~foreign corporation, and the surviving corporation shall be~~
7408 ~~deemed to be a foreign corporation.~~

7409 Section 140. Section 607.1108, Florida Statutes, is
7410 repealed.

7411 Section 141. Section 607.1109, Florida Statutes, is
7412 repealed.

7413 Section 142. Section 607.11101, Florida Statutes, is
7414 repealed.

7415 Section 143. Section 607.1112, Florida Statutes, is
7416 repealed.

7417 Section 144. Section 607.1113, Florida Statutes, is
7418 repealed.

7419 Section 145. Section 607.1114, Florida Statutes, is
7420 repealed.

7421 Section 146. Section 607.1115, Florida Statutes, is
7422 repealed.

7423 Section 147. Section 607.11920, Florida Statutes, is
7424 created to read:

28-00272A-19

2019892__

7425 607.11920 Domestication.-

7426 (1) By complying with this section and ss. 607.11921-
7427 607.11924, as applicable, a foreign corporation may become a
7428 domestic corporation if the domestication is permitted by the
7429 organic law of the foreign corporation.

7430 (2) By complying with this section and ss. 607.11921-
7431 607.11924, as applicable, a domestic corporation may become a
7432 foreign corporation pursuant to a plan of domestication if the
7433 domestication is permitted by the organic law of the foreign
7434 corporation.

7435 (3) In a domestication under subsection (2), the
7436 domesticating eligible entity must enter into a plan of
7437 domestication. The plan of domestication must include:

7438 (a) The name of the domesticating corporation;

7439 (b) The name and jurisdiction of formation of the
7440 domesticated corporation;

7441 (c) The manner and basis of reclassifying the shares of the
7442 domesticating corporation into shares or other securities,
7443 obligations, rights to acquire shares or other securities, cash,
7444 other property, or any combination of the foregoing;

7445 (d) The proposed organic rules of the domesticated
7446 corporation which must be in writing; and

7447 (e) The other terms and conditions of the domestication.

7448 (4) In addition to the requirements of subsection (3), a
7449 plan of domestication may contain any other provision not
7450 prohibited by law.

7451 (5) The terms of a plan of domestication may be made
7452 dependent upon facts objectively ascertainable outside the plan
7453 in accordance with s. 607.0120(11).

28-00272A-19

2019892__

7454 (6) If a protected agreement of a domesticating corporation
7455 in effect immediately before the domestication becomes effective
7456 contains a provision applying to a merger of the corporation and
7457 the agreement does not refer to a domestication of the
7458 corporation, the provision applies to a domestication of the
7459 corporation as if the domestication were a merger until such
7460 time as the provision is first amended after January 1, 2020.

7461 Section 148. Section 607.11921, Florida Statutes, is
7462 created to read:

7463 607.11921 Action on a plan of domestication.—In the case of
7464 a domestication of a domestic corporation into a foreign
7465 jurisdiction, the plan of domestication shall be adopted in the
7466 following manner:

7467 (1) The plan of domestication must first be adopted by the
7468 board of directors of such domestic corporation.

7469 (2) (a) The plan of domestication must then be approved by
7470 the shareholders of such domestic corporation.

7471 (b) In submitting the plan of domestication to the
7472 shareholders for approval, the board of directors shall
7473 recommend that the shareholders approve the plan, unless:

7474 1. The board of directors makes a determination that
7475 because of conflicts of interest or other special circumstances
7476 it should not make such a recommendation; or

7477 2. Section 607.0826 applies.

7478 (c) If either subparagraph (b)1. or subparagraph (b)2.
7479 applies, the board shall inform the shareholders of the basis
7480 for its so proceeding without such recommendation.

7481 (3) The board of directors may set conditions for approval
7482 of the plan of domestication by the shareholders or the

28-00272A-19

2019892__

7483 effectiveness of the plan of domestication.

7484 (4) If the plan of domestication is required to be approved
7485 by the shareholders, and if the approval of the shareholders is
7486 to be given at a meeting, the corporation must notify each
7487 shareholder, regardless of whether entitled to vote, of the
7488 meeting of shareholders at which the plan of domestication is to
7489 be submitted for approval. The notice must state that the
7490 purpose, or one of the purposes, of the meeting is to consider
7491 the plan of domestication and must contain or be accompanied by
7492 a copy of the plan. The notice must include or be accompanied by
7493 a written copy of the organic rules of the domesticated eligible
7494 entity as they will be in effect immediately after the
7495 domestication.

7496 (5) Unless the articles of incorporation, or the board of
7497 directors acting pursuant to subsection (3), require a greater
7498 vote or a greater quorum in the respective case, approval of the
7499 plan of domestication requires:

7500 (a) The approval of the shareholders at a meeting at which
7501 a quorum exists consisting of a majority of the votes entitled
7502 to be cast on the plan; and

7503 (b) Except as provided in subsection (6), the approval of
7504 each class or series of shares voting as a separate voting group
7505 at a meeting at which a quorum of the voting group exists
7506 consisting of a majority of the votes entitled to be cast on the
7507 plan by that voting group.

7508 (6) The articles of incorporation may expressly limit or
7509 eliminate the separate voting rights provided in paragraph
7510 (5) (b) as to any class or series of shares, except when the
7511 public organic rules of the foreign corporation resulting from

28-00272A-19

2019892__

7512 the domestication include what would be in effect an amendment
7513 that would entitle the class or series to vote as a separate
7514 group under s. 607.1004 if it were a proposed amendment of the
7515 articles of incorporation of a domestic domesticating
7516 corporation.

7517 (7) If as a result of a domestication one or more
7518 shareholders of a domestic domesticating corporation would
7519 become subject to interest holder liability, approval of the
7520 plan of domestication shall require the signing in connection
7521 with the domestication, by each such shareholder, of a separate
7522 written consent to become subject to such interest holder
7523 liability, unless in the case of a shareholder that already has
7524 interest holder liability with respect to the domesticating
7525 corporation, the terms and conditions of the interest holder
7526 liability with respect to the domesticated corporation are
7527 substantially identical to those of the existing interest holder
7528 liability, other than for changes that eliminate or reduce such
7529 interest holder liability.

7530 Section 149. Section 607.11922, Florida Statutes, is
7531 created to read:

7532 607.11922 Articles of domestication; effectiveness.-

7533 (1) Articles of domestication must be signed by the
7534 domesticating corporation after:

7535 (a) A plan of domestication of a domestic corporation has
7536 been adopted and approved as required by this chapter; or

7537 (b) A foreign corporation that is the domesticating
7538 corporation has approved a domestication as required by the
7539 applicable provisions of this chapter and under the foreign
7540 corporation's organic law.

28-00272A-19

2019892__

- 7541 (2) Articles of domestication must set forth:
- 7542 (a) The name of the domesticating corporation and its
7543 jurisdiction of formation;
- 7544 (b) The name and jurisdiction of formation of the
7545 domesticated corporation; and
- 7546 (c)1. If the domesticating corporation is a domestic
7547 corporation, a statement that the plan of domestication was
7548 approved in accordance with this chapter; or
- 7549 2. If the domesticating corporation is a foreign
7550 corporation, a statement that the domestication was approved in
7551 accordance with its organic law.
- 7552 (3) If the domesticated corporation is to be a domestic
7553 corporation, articles of incorporation of the domesticated
7554 corporation that satisfy the requirements of s. 607.0202 must be
7555 attached to the articles of domestication. Provisions that would
7556 not be required to be included in restated articles of
7557 incorporation may be omitted from the articles of incorporation
7558 attached to the articles of domestication.
- 7559 (4) The articles of domestication shall be delivered to the
7560 department for filing and shall take effect at the effective
7561 date determined in accordance with s. 607.0123.
- 7562 (5) (a) If the domesticated corporation is a domestic
7563 corporation, the domestication becomes effective when the
7564 articles of domestication are effective.
- 7565 (b) If the domesticated corporation is a foreign
7566 corporation, the domestication becomes effective on the later of
7567 the date and time provided by the organic law of the
7568 domesticated corporation or when the articles of domestication
7569 are effective.

28-00272A-19

2019892__

7570 (6) If the domesticating corporation is a foreign
7571 corporation that is qualified to transact business in this state
7572 under ss. 607.1501-607.1532, its certificate of authority is
7573 automatically canceled when the domestication becomes effective.

7574 (7) A copy of the articles of domestication, certified by
7575 the department, may be filed in the official records of any
7576 county in this state in which the domesticating eligible entity
7577 holds an interest in real property.

7578 Section 150. Section 607.11923, Florida Statutes, is
7579 created to read:

7580 607.11923 Amendment of a plan of domestication;
7581 abandonment.—

7582 (1) A plan of domestication of a domestic corporation
7583 adopted under s. 607.11920(3) may be amended:

7584 (a) In the same manner as the plan of domestication was
7585 approved, if the plan does not provide for the manner in which
7586 it may be amended; or

7587 (b) In the manner provided in the plan of domestication,
7588 except that a shareholder that was entitled to vote on or
7589 consent to approval of the plan is entitled to vote on or
7590 consent to any amendment of the plan that will change:

7591 1. The amount or kind of shares or other securities,
7592 obligations, rights to acquire shares, other securities, or
7593 eligible interests, cash, other property, or any combination of
7594 the foregoing, to be received by any of the shareholders or
7595 holders of rights to acquire shares, other securities, or
7596 eligible interests of the domesticating corporation under the
7597 plan;

7598 2. The organic rules of the domesticated corporation that

28-00272A-19

2019892__

7599 are to be in writing and that will be in effect immediately
7600 after the domestication becomes effective, except for changes
7601 that do not require approval of the shareholders of the
7602 domesticated corporation under its organic rules as set forth in
7603 the plan of domestication; or

7604 3. Any of the other terms or conditions of the plan, if the
7605 change would adversely affect the shareholder in any material
7606 respect.

7607 (2) After a plan of domestication has been adopted and
7608 approved by a domestic corporation as required by this chapter,
7609 and before the articles of domestication have become effective,
7610 the plan may be abandoned by the corporation without action by
7611 its shareholders in accordance with any procedures set forth in
7612 the plan or, if no such procedures are set forth in the plan, in
7613 the manner determined by the board of directors of the domestic
7614 corporation.

7615 (3) If a domestication is abandoned after the articles of
7616 domestication have been delivered to the department for filing
7617 but before the articles of domestication have become effective,
7618 a statement of abandonment signed by the domesticating
7619 corporation must be delivered to the department for filing
7620 before the articles of domestication become effective. The
7621 statement shall take effect upon filing, and the domestication
7622 shall be deemed abandoned and shall not become effective. The
7623 statement of abandonment must contain:

7624 (a) The name of the domesticating corporation;

7625 (b) The date on which the articles of domestication were
7626 filed by the department; and

7627 (c) A statement that the domestication has been abandoned

28-00272A-19

2019892__

7628 in accordance with this section.

7629 Section 151. Section 607.11924, Florida Statutes, is
7630 created to read:

7631 607.11924 Effect of domestication.—

7632 (1) When a domestication becomes effective:

7633 (a) All real property and other property owned by the
7634 domesticating corporation, including any interests therein and
7635 all title thereto, and every contract right possessed by the
7636 domesticating corporation, are the property and contract rights
7637 of the domesticated corporation without transfer, reversion, or
7638 impairment;

7639 (b) All debts, obligations, and other liabilities of the
7640 domesticating corporation are the debts, obligations, and other
7641 liabilities of the domesticated corporation;

7642 (c) The name of the domesticated corporation may be, but
7643 need not be, substituted for the name of the domesticating
7644 corporation in any pending proceeding;

7645 (d) The organic rules of the domesticated corporation
7646 become effective;

7647 (e) The shares or equity interests of the domesticating
7648 corporation are reclassified into shares or other securities,
7649 obligations, rights to acquire shares or other securities, cash,
7650 or other property in accordance with the terms of the
7651 domestication, and the shareholders or equity owners of the
7652 domesticating corporation are entitled only to the rights
7653 provided to them by those terms and to any appraisal rights they
7654 may have under the organic law of the domesticating corporation;
7655 and

7656 (f) The domesticated corporation is:

28-00272A-19

2019892__

7657 1. Incorporated under and subject to the organic law of the
7658 domesticated corporation;

7659 2. The same corporation, without interruption, as the
7660 domesticating corporation; and

7661 3. Deemed to have been incorporated or formed on the date
7662 the domesticating corporation was originally incorporated.

7663 (2) In addition, when a domestication of a domestic
7664 corporation into a foreign jurisdiction becomes effective, the
7665 domesticated corporation is deemed to:

7666 (a) Appoint the secretary of state as its agent for service
7667 of process in a proceeding to enforce the rights of shareholders
7668 who exercise appraisal rights in connection with the
7669 domestication; and

7670 (b) Agree that it will promptly pay any amount that the
7671 shareholders are entitled to under ss. 607.1301-607.1340.

7672 (3) Except as otherwise provided in the organic law or
7673 organic rules of a domesticating foreign corporation, the
7674 interest holder liability of a shareholder or equity holder in a
7675 foreign corporation that is domesticated into this state who had
7676 interest holder liability in respect of such domesticating
7677 corporation before the domestication becomes effective shall be
7678 as follows:

7679 (a) The domestication does not discharge that prior
7680 interest holder liability with respect to any interest holder
7681 liabilities that arose before the domestication becomes
7682 effective.

7683 (b) The provisions of the organic law of the domesticating
7684 corporation shall continue to apply to the collection or
7685 discharge of any interest holder liabilities preserved by

28-00272A-19

2019892__

7686 paragraph (a), as if the domestication had not occurred.

7687 (c) The shareholder or equity holder shall have such rights
7688 of contribution from other persons as are provided by the
7689 organic law of the domesticating corporation with respect to any
7690 interest holder liabilities preserved by paragraph (a), as if
7691 the domestication had not occurred.

7692 (d) The shareholder or equity holder may not, by reason of
7693 such prior interest holder liability, have interest holder
7694 liability with respect to any interest holder liabilities that
7695 are incurred after the domestication becomes effective.

7696 (4) A shareholder or equity holder who becomes subject to
7697 interest holder liability in respect of the domesticated
7698 corporation as a result of the domestication shall have such
7699 interest holder liability only in respect of interest holder
7700 liabilities that arise after the domestication becomes
7701 effective.

7702 (5) A domestication does not constitute or cause the
7703 dissolution of the domesticating corporation.

7704 (6) Property held for charitable purposes under the laws of
7705 this state by a domestic or foreign corporation immediately
7706 before a domestication becomes effective may not, as a result of
7707 the transaction, be diverted from the objects for which it was
7708 donated, granted, devised, or otherwise transferred except and
7709 to the extent permitted by or pursuant to the laws of this state
7710 addressing cy pres or dealing with nondiversion of charitable
7711 assets.

7712 (7) A bequest, devise, gift, grant, or promise contained in
7713 a will or other instrument of donation, subscription, or
7714 conveyance which is made to the domesticating corporation and

28-00272A-19

2019892__

7715 which takes effect or remains payable after the domestication
7716 inures to the domesticated corporation.

7717 (8) A trust obligation that would govern property if
7718 transferred to the domesticating corporation applies to property
7719 that is transferred to the domesticated corporation after the
7720 domestication takes effect.

7721 Section 152. Section 607.11930, Florida Statutes, is
7722 created to read:

7723 607.11930 Conversion.—

7724 (1) By complying with this chapter, including adopting a
7725 plan of conversion in accordance with s. 607.11931 and complying
7726 with s. 607.11932, a domestic corporation may become:

7727 (a) A domestic eligible entity, other than a domestic
7728 corporation;

7729 (b) If the conversion is permitted by the organic law of
7730 the foreign eligible entity, a foreign eligible entity.

7731 (2) By complying with this section and ss. 607.11931-
7732 607.11935, as applicable, and applicable provisions of its
7733 organic law, a domestic eligible entity other than a domestic
7734 corporation may become a domestic corporation.

7735 (3) By complying with this section and ss. 607.11931-
7736 607.11935, as applicable, and by complying with the applicable
7737 provisions of its organic law, a foreign eligible entity may
7738 become a domestic corporation, but only if the organic law of
7739 the foreign eligible entity permits it to become a corporation
7740 in another jurisdiction.

7741 (4) If a protected agreement of a domestic converting
7742 eligible entity in effect immediately before the conversion
7743 becomes effective contains a provision applying to a merger of

28-00272A-19

2019892__

7744 the corporation that is a converting eligible entity and the
7745 agreement does not refer to a conversion of the corporation, the
7746 provision applies to a conversion of the corporation as if the
7747 conversion were a merger, until such time as the provision is
7748 first amended after January 1, 2020.

7749 Section 153. Section 607.11931, Florida Statutes, is
7750 created to read:

7751 607.11931 Plan of conversion.—

7752 (1) A domestic corporation may convert to a domestic or
7753 foreign eligible entity under this chapter by approving a plan
7754 of conversion. The plan of conversion must include:

7755 (a) The name of the domestic converting corporation;

7756 (b) The name, jurisdiction of formation, and type of entity
7757 of the converted eligible entity;

7758 (c) The manner and basis of converting the shares of the
7759 domestic corporation, or the rights to acquire shares,
7760 obligations or other securities, of the domestic corporation
7761 into:

7762 1. Shares.

7763 2. Other securities.

7764 3. Eligible interests.

7765 4. Obligations.

7766 5. Rights to acquire shares, other securities, or eligible
7767 interests.

7768 6. Cash.

7769 7. Other property.

7770 8. Any combination of the foregoing;

7771 (d) The other terms and conditions of the conversion; and

7772 (e) The full text, as it will be in effect immediately

28-00272A-19

2019892__

7773 after the conversion becomes effective, of the organic rules of
7774 the converted eligible entity which are to be in writing.

7775 (2) In addition to the requirements of subsection (1), a
7776 plan of conversion may contain any other provision not
7777 prohibited by law.

7778 (3) The terms of a plan of conversion may be made dependent
7779 upon facts objectively ascertainable outside the plan in
7780 accordance with section 607.0120(11).

7781 Section 154. Section 607.11932, Florida Statutes, is
7782 created to read:

7783 607.11932 Action on a plan of conversion.—In the case of a
7784 conversion of a domestic corporation to a domestic or foreign
7785 eligible entity other than a domestic corporation, the plan of
7786 conversion must be adopted in the following manner:

7787 (1) The plan of conversion must first be adopted by the
7788 board of directors of such domestic corporation.

7789 (2) (a) The plan of conversion shall then be approved by the
7790 shareholders of such domestic corporation.

7791 (b) In submitting the plan of conversion to the
7792 shareholders for their approval, the board of directors shall
7793 recommend that the shareholders approve the plan of conversion
7794 unless:

7795 1. The board of directors makes a determination that
7796 because of conflicts of interest or other special circumstances
7797 it should not make such a recommendation; or

7798 2. Section 607.0826 applies.

7799 (c) If either subparagraph (b)1. or subparagraph (b)2.
7800 applies, the board of directors shall inform the shareholders of
7801 the basis for its so proceeding without such recommendation.

28-00272A-19

2019892__

7802 (3) The board of directors may set conditions for approval
7803 of the plan of conversion by the shareholders or the
7804 effectiveness of the plan of conversion.

7805 (4) If a plan of conversion is required to be approved by
7806 the shareholders, and if the approval is to be given at a
7807 meeting, the corporation shall notify each shareholder,
7808 regardless of whether entitled to vote, of the meeting of
7809 shareholders at which the plan is to be submitted for approval,
7810 in accordance with s. 607.0705. The notice must state that the
7811 purpose, or one of the purposes, of the meeting is to consider
7812 the plan of conversion and must contain or be accompanied by a
7813 copy of the plan. The notice must include or be accompanied by a
7814 written copy of the organic rules of the converted eligible
7815 entity as they will be in effect immediately after the
7816 conversion.

7817 (5) Unless the articles of incorporation, or the board of
7818 directors acting pursuant to subsection (3), require a greater
7819 vote or a greater quorum in the respective case, approval of the
7820 plan of conversion requires:

7821 (a) The approval of the shareholders at a meeting at which
7822 a quorum exists consisting of a majority of the votes entitled
7823 to be cast on the plan; and

7824 (b) The approval of each class or series of shares voting
7825 as a separate voting group at a meeting at which a quorum of the
7826 voting group exists consisting of a majority of the votes
7827 entitled to be cast on the plan by that voting group.

7828 (6) If as a result of the conversion one or more
7829 shareholders of the converting domestic corporation would become
7830 subject to interest holder liability, approval of the plan of

28-00272A-19

2019892__

7831 conversion shall require the signing in connection with the
7832 transaction, by each such shareholder, of a separate written
7833 consent to become subject to such interest holder liability.

7834 (7) If the converted eligible entity is a partnership or
7835 limited partnership, no shareholder of the converting domestic
7836 corporation shall, as a result of the conversion, become a
7837 general partner of the partnership or limited partnership,
7838 unless such shareholder specifically consents in writing to
7839 becoming a general partner of such partnership or limited
7840 partnership and, unless such written consent is obtained from
7841 each such shareholder, such conversion may not become effective
7842 under s. 607.11933. Any shareholder providing such consent in
7843 writing shall be deemed to have voted in favor of the plan of
7844 conversion pursuant to which the shareholder became a general
7845 partner.

7846 (8) Sections 607.1301-607.1340 shall, insofar as they are
7847 applicable, apply to a conversion in accordance with this
7848 chapter of a domestic corporation into a domestic or foreign
7849 eligible entity that is not a domestic corporation.

7850 Section 155. Section 607.11933, Florida Statutes, is
7851 created to read:

7852 607.11933 Articles of conversion; effectiveness.-

7853 (1) After a plan of conversion of a domestic corporation
7854 has been adopted and approved as required by this chapter, or a
7855 domestic or foreign eligible entity, other than a domestic
7856 corporation, that is the converting eligible entity has approved
7857 a conversion as required by its organic law, articles of
7858 conversion must be signed by the converting eligible entity as
7859 required by s. 607.0120 and must:

28-00272A-19

2019892__

7860 (a) State the name, jurisdiction of formation, and type of
7861 entity of the converting eligible entity;

7862 (b) State the name, jurisdiction of formation, and type of
7863 entity of the converted eligible entity;

7864 (c) If the converting eligible entity is:

7865 1. A domestic corporation, state that the plan of
7866 conversion was approved in accordance with this chapter; or

7867 2. A domestic or foreign eligible entity other than a
7868 domestic corporation, state that the conversion was approved by
7869 the eligible entity in accordance with its organic law; and

7870 (d) If the converted eligible entity is:

7871 1. A domestic corporation or a domestic or foreign eligible
7872 entity that is not a domestic corporation, attach the public
7873 organic record of the converted eligible entity, except that
7874 provisions that would not be required to be included in a
7875 restated public organic record may be omitted; or

7876 2. A domestic limited liability partnership, attach the
7877 filing or filings required to become a domestic limited
7878 liability partnership.

7879 (2) If the converted eligible entity is a domestic
7880 corporation, its articles of incorporation must satisfy the
7881 requirements of section 607.0202, except that provisions that
7882 would not be required to be included in restated articles of
7883 incorporation may be omitted from the articles of incorporation.

7884 If the converted eligible entity is a domestic eligible entity
7885 that is not a domestic corporation, its public organic record,
7886 if any, must satisfy the applicable requirements of the organic
7887 law of this state, except that the public organic record does
7888 not need to be signed.

28-00272A-19

2019892__

7889 (3) The articles of conversion shall be delivered to the
7890 department for filing, and shall take effect at the effective
7891 date determined in accordance with s. 607.0123.

7892 (4) (a) If a converted eligible entity is a domestic
7893 eligible entity, the conversion becomes effective when the
7894 articles of conversion are effective.

7895 (b) If the converted eligible entity is a foreign eligible
7896 entity, the conversion becomes effective at the later of:

7897 1. The date and time provided by the organic law of that
7898 eligible entity; or

7899 2. When the articles of conversion take effect.

7900 (5) Articles of conversion required to be filed under this
7901 section may be combined with any filing required under the
7902 organic law of a domestic eligible entity that is the converting
7903 eligible entity or the converted eligible entity if the combined
7904 filing satisfies the requirements of both this section and the
7905 other organic law.

7906 (6) If the converting eligible entity is a foreign eligible
7907 entity that is authorized to transact business in this state
7908 under a provision of law similar to ss. 607.1501-607.1532, its
7909 foreign qualification shall be canceled automatically on the
7910 effective date of its conversion.

7911 (7) A copy of the articles of conversion, certified by the
7912 department, may be filed in the official records of any county
7913 in this state in which the converting eligible entity holds an
7914 interest in real property.

7915 Section 156. Section 607.11934, Florida Statutes, is
7916 created to read:

7917 607.11934 Amendment to a plan of conversion; abandonment.-

28-00272A-19

2019892__

7918 (1) A plan of conversion of a converting eligible entity
7919 that is a domestic corporation may be amended:

7920 (a) In the same manner as the plan of conversion was
7921 approved, if the plan does not provide for the manner in which
7922 it may be amended; or

7923 (b) In the manner provided in the plan of conversion,
7924 except that shareholders that were entitled to vote on or
7925 consent to approval of the plan are entitled to vote on or
7926 consent to any amendment of the plan that will change:

7927 1. The amount or kind of shares or other securities,
7928 eligible interests, obligations, rights to acquire shares, other
7929 securities, or eligible interests, cash, other property, or any
7930 combination of the foregoing, to be received by any of the
7931 shareholders of the converting corporation under the plan;

7932 2. The organic rules of the converted eligible entity that
7933 will be in effect immediately after the conversion becomes
7934 effective, except for changes that do not require approval of
7935 the eligible interest holders of the converted eligible entity
7936 under its organic law or organic rules; or

7937 3. Any other terms or conditions of the plan, if the change
7938 would adversely affect such shareholders in any material
7939 respect.

7940 (2) After a plan of conversion has been adopted and
7941 approved by a converting eligible entity that is a domestic
7942 corporation in the manner required by this chapter and before
7943 the articles of conversion become effective, the plan may be
7944 abandoned by the domestic corporation without action by its
7945 shareholders in accordance with any procedures set forth in the
7946 plan or, if no such procedures are set forth in the plan, in the

28-00272A-19

2019892__

7947 manner determined by the board of directors of the domestic
7948 corporation.

7949 (3) If a conversion is abandoned after the articles of
7950 conversion have been delivered to the department for filing but
7951 before the articles of conversion have become effective, a
7952 statement of abandonment signed by the converting eligible
7953 entity must be delivered to the department for filing before the
7954 articles of conversion become effective. The statement shall
7955 take effect on filing, and the conversion shall be deemed
7956 abandoned and shall not become effective. The statement of
7957 abandonment must contain:

7958 (a) The name of the converting eligible entity;

7959 (b) The date on which the articles of conversion were filed
7960 by the department; and

7961 (c) A statement that the conversion has been abandoned in
7962 accordance with this section.

7963 Section 157. Section 607.11935, Florida Statutes, is
7964 created to read:

7965 607.11935 Effect of conversion.—

7966 (1) When a conversion becomes effective:

7967 (a) All real property and other property owned by,
7968 including any interest therein and all title thereto, and every
7969 contract right possessed by, the converting eligible entity
7970 remain the property and contract rights of the converted
7971 eligible entity without transfer, reversion, or impairment;

7972 (b) All debts, obligations, and other liabilities of the
7973 converting eligible entity remain the debts, obligations, and
7974 other liabilities of the converted eligible entity;

7975 (c) The name of the converted eligible entity may be, but

28-00272A-19

2019892__

7976 need not be, substituted for the name of the converting eligible
7977 entity in any pending action or proceeding;

7978 (d) If the converted eligible entity is a filing entity, a
7979 domestic corporation, or a domestic or foreign nonprofit
7980 corporation, its public organic record and its private organic
7981 rules become effective;

7982 (e) If the converted eligible entity is a nonfiling entity,
7983 its private organic rules become effective;

7984 (f) If the converted eligible entity is a limited liability
7985 partnership, the filing required to become a limited liability
7986 partnership and its private organic rules become effective;

7987 (g) The shares, rights to acquire shares, eligible
7988 interests, other securities and obligations of the converting
7989 eligible entity are reclassified into shares, other securities,
7990 rights to acquire shares or other securities, eligible
7991 interests, obligations, cash, other property, or any combination
7992 thereof, in accordance with the terms of the conversion, and the
7993 shareholders or interest holders of the converting eligible
7994 entity are entitled only to the rights provided to them by those
7995 terms and to any rights they may have under s. 607.1302 or under
7996 the organic law of the converting eligible entity; and

7997 (h) The converted eligible entity is:

7998 1. Deemed to be incorporated or organized under and subject
7999 to the organic law of the converted eligible entity;

8000 2. Deemed to be the same entity without interruption as the
8001 converting eligible entity; and

8002 3. Deemed to have been incorporated or otherwise organized
8003 on the date that the converting eligible entity was originally
8004 incorporated or organized.

28-00272A-19

2019892__

8005 (2) When a conversion of a domestic corporation to a
8006 domestic or foreign eligible entity other than a domestic
8007 corporation becomes effective, the converted eligible entity is
8008 deemed to:

8009 (a) Appoint the secretary of state as its agent for service
8010 of process in a proceeding to enforce the rights of shareholders
8011 who exercise appraisal rights in connection with the conversion;
8012 and

8013 (b) Agree that it will promptly pay any amount that
8014 shareholders are entitled to under ss. 607.1301-607.1340.

8015 (3) Except as otherwise provided in the articles of
8016 incorporation of a domestic corporation or the organic law or
8017 organic rules of a domestic or foreign eligible entity other
8018 than a domestic corporation, a shareholder or eligible interest
8019 holder who becomes subject to interest holder liability in
8020 respect of a domestic corporation or domestic or foreign
8021 eligible entity other than a domestic eligible entity as a
8022 result of the conversion shall have such interest holder
8023 liability only in respect of interest holder liabilities that
8024 arise after the conversion becomes effective.

8025 (4) Except as otherwise provided in the organic law or the
8026 organic rules of the domestic or foreign eligible entity, the
8027 interest holder liability of an interest holder in a converting
8028 eligible entity that converts to a domestic corporation who had
8029 interest holder liability in respect of such converting eligible
8030 entity before the conversion becomes effective shall be as
8031 follows:

8032 (a) The conversion does not discharge that prior interest
8033 holder liability with respect to any interest holder liabilities

28-00272A-19

2019892__

8034 that arose before the conversion became effective.

8035 (b) The provisions of the organic law of the eligible
8036 entity shall continue to apply to the collection or discharge of
8037 any interest holder liabilities preserved by paragraph (a), as
8038 if the conversion had not occurred.

8039 (c) The eligible interest holder shall have such rights of
8040 contribution from other persons as are provided by the organic
8041 law of the eligible entity with respect to any interest holder
8042 liabilities preserved by paragraph (a), as if the conversion had
8043 not occurred.

8044 (d) The eligible interest holder may not, by reason of such
8045 prior interest holder liability, have interest holder liability
8046 with respect to any interest holder liabilities that arise after
8047 the conversion becomes effective.

8048 (5) A conversion does not require the converting eligible
8049 entity to wind up its affairs and does not constitute or cause
8050 the dissolution or termination of the entity.

8051 (6) Property held for charitable purposes under the laws of
8052 this state by a domestic or foreign eligible entity immediately
8053 before a conversion becomes effective may not, as a result of
8054 the transaction, be diverted from the objects for which it was
8055 donated, granted, devised, or otherwise transferred except and
8056 to the extent permitted by or pursuant to the laws of this state
8057 addressing cy pres or dealing with nondiversion of charitable
8058 assets.

8059 (7) A bequest, devise, gift, grant, or promise contained in
8060 a will or other instrument of donation, subscription, or
8061 conveyance which is made to the converting eligible entity and
8062 which takes effect or remains payable after the conversion

28-00272A-19

2019892__

8063 inures to the converted eligible entity.

8064 (8) A trust obligation that would govern property if
8065 transferred to the converting eligible entity applies to
8066 property that is to be transferred to the converted eligible
8067 entity after the conversion becomes effective.

8068 Section 158. Section 607.1201, Florida Statutes, is amended
8069 to read:

8070 607.1201 Disposition of assets not requiring shareholder
8071 approval ~~Sale of assets in regular course of business and~~
8072 ~~mortgage of assets.~~ Unless the articles of incorporation
8073 otherwise provide, no approval by shareholders is required to:

8074 (1) ~~A corporation may, on the terms and conditions and for~~
8075 ~~the consideration determined by the board of directors:~~

8076 ~~(a)~~ Sell, lease, exchange, or otherwise dispose of any or
8077 all of the corporation's assets ~~all, or substantially all, of~~
8078 ~~its property~~ in the usual and regular course of business;

8079 ~~(2)~~ ~~(b)~~ Mortgage, pledge, dedicate to the repayment of
8080 indebtedness (whether with or without recourse), create a
8081 security interest in, or otherwise encumber any or all of the
8082 corporation's assets, regardless of whether its property whether
8083 ~~or not~~ in the usual and regular course of business; or

8084 ~~(3)~~ ~~(c)~~ Transfer any or all of the corporation's assets to
8085 one or more domestic or foreign corporations or other entities
8086 all of the shares or interests ~~its property to a corporation all~~
8087 ~~the shares~~ of which are owned by the corporation; or

8088 (4) Distribute assets pro rata to the holders of one or
8089 more classes or series of the corporation's shares, except to
8090 the extent that the distribution is part of a dissolution of the
8091 corporation under ss. 607.1401-607.14401.

28-00272A-19

2019892__

8092 ~~(2) Unless the articles of incorporation require it,~~
8093 ~~approval by the shareholders of a transaction described in~~
8094 ~~subsection (1) is not required.~~

8095 Section 159. Section 607.1202, Florida Statutes, is amended
8096 to read:

8097 607.1202 Shareholder approval of certain dispositions ~~Sale~~
8098 ~~of assets other than in regular course of business.-~~

8099 (1) A corporation may sell, lease, exchange, or otherwise
8100 dispose of all, or substantially all, of its property (with or
8101 without ~~the~~ good will), otherwise than in the usual and regular
8102 course of business, on the terms and conditions and for the
8103 consideration determined by the corporation's board of
8104 directors, but only if the board of directors proposes and its
8105 shareholders ~~of record~~ approve the proposed transaction.

8106 (2) (a) To obtain the approval of the shareholders under
8107 subsection (1), the board of directors must first adopt a
8108 resolution approving the disposition, and thereafter, the
8109 disposition must also be approved by the corporation's
8110 shareholders.

8111 (b) In submitting the disposition to the shareholders for
8112 approval, For a transaction to be authorized:

8113 ~~(a)~~ the board of directors must recommend the proposed
8114 transaction to the shareholders of record unless:

8115 1. The board of directors makes a determination that
8116 ~~determines that it should make no recommendation~~ because of
8117 conflict of interest or other special circumstances it should
8118 not make such a recommendation; or

8119 2. Section 607.0826 applies.

8120 (c) If either subparagraph (b)1. or subparagraph (b)2.

28-00272A-19

2019892__

8121 applies, the board of directors shall inform the shareholders of
8122 the basis for its so proceeding without such recommendation and
8123 ~~communicates the basis for its determination to the shareholders~~
8124 ~~of record with the submission of the proposed transaction; and~~
8125 ~~(b) The shareholders entitled to vote must approve the~~
8126 ~~transaction as provided in subsection (5).~~

8127 (3) The board of directors may set conditions for approval
8128 of the disposition or the effectiveness of the disposition
8129 ~~condition its submission of the proposed transaction on any~~
8130 ~~basis.~~

8131 (4) If the disposition is required to be approved by the
8132 shareholders under subsection (1) and if the approval is to be
8133 given at the meeting, the corporation shall notify each
8134 shareholder ~~of record,~~ regardless of whether ~~or not~~ entitled to
8135 vote, of the ~~proposed shareholders'~~ meeting of shareholders at
8136 which the disposition is to be submitted for approval in
8137 ~~accordance with s. 607.0705.~~ The notice must ~~shall also~~ state
8138 that the purpose, or one of the purposes, of the meeting is to
8139 consider the disposition and shall contain a description of the
8140 disposition and the consideration to be received by the
8141 corporation ~~sale, lease, exchange, or other disposition of all,~~
8142 ~~or substantially all, the property of the corporation,~~
8143 ~~regardless of whether or not the meeting is an annual or a~~
8144 ~~special meeting, and shall contain or be accompanied by a~~
8145 ~~description of the transaction.~~ Furthermore, the notice shall
8146 contain a clear and concise statement that, if the transaction
8147 is effected, shareholders dissenting therefrom are or may be
8148 entitled, if they comply with the provisions of this act
8149 regarding appraisal rights, to be paid the fair value of their

28-00272A-19

2019892__

8150 shares and such notice must ~~shall~~ be accompanied by a copy of
8151 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

8152 (5) Unless this chapter ~~act~~, the articles of incorporation,
8153 or the board of directors (acting pursuant to subsection (4)
8154 ~~(3)~~) requires a greater vote or a greater quorum ~~vote by voting~~
8155 ~~groups~~, the approval of the disposition shall require the
8156 approval of the shareholders at a meeting at which a quorum
8157 exists consisting of ~~transaction to be authorized shall be~~
8158 ~~approved by~~ a majority of all the votes entitled to be cast on
8159 the disposition ~~transaction~~.

8160 (6) After a disposition has been approved by the
8161 shareholders under this chapter, and at any time before the
8162 disposition has been consummated, it may be abandoned by the
8163 corporation without action by the shareholders, subject to any
8164 contractual rights of other parties to the disposition ~~Any plan~~
8165 ~~or agreement providing for a sale, lease, exchange, or other~~
8166 ~~disposition of property, or any resolution of the board of~~
8167 ~~directors or shareholders approving such transaction, may~~
8168 ~~authorize the board of directors of the corporation to amend the~~
8169 ~~terms thereof at any time prior to the consummation of such~~
8170 ~~transaction. An amendment made subsequent to the approval of the~~
8171 ~~transaction by the shareholders of the corporation may not:~~

8172 (a) ~~Change the amount or kind of shares, securities, cash,~~
8173 ~~property, or rights to be received in exchange for the~~
8174 ~~corporation's property; or~~

8175 (b) ~~Change any other terms and conditions of the~~
8176 ~~transaction if such change would materially and adversely affect~~
8177 ~~the shareholders or the corporation.~~

8178 (7) ~~Unless a plan or agreement providing for a sale, lease,~~

28-00272A-19

2019892__

8179 ~~exchange, or other disposition of property, or any resolution of~~
8180 ~~the board of directors or shareholders approving such~~
8181 ~~transaction, prohibits abandonment of the transaction without~~
8182 ~~shareholder approval after a transaction has been authorized,~~
8183 ~~the planned transaction may be abandoned (subject to any~~
8184 ~~contractual rights) at any time prior to consummation thereof,~~
8185 ~~without further shareholder action, in accordance with the~~
8186 ~~procedure set forth in the plan, agreement, or resolutions~~
8187 ~~providing for or approving such transaction or, if none is set~~
8188 ~~forth, in the manner determined by the board of directors.~~

8189 (7)-(8) A disposition of assets in the course of dissolution
8190 is governed by ss. 607.1401-607.14401 ~~transaction that~~
8191 ~~constitutes a distribution is governed by s. 607.06401 and not~~
8192 ~~by this section.~~

8193 (8) For purposes of this section, the assets of a direct or
8194 indirect consolidated subsidiary shall be deemed to be the
8195 assets of the parent corporation.

8196 (9) For purposes of this section, the term "shareholder"
8197 includes a beneficial shareholder and a voting trust beneficial
8198 owner.

8199 Section 160. Section 607.1301, Florida Statutes, is amended
8200 to read:

8201 607.1301 Appraisal rights; definitions.—The following
8202 definitions apply to ss. 607.1302-607.1340 ~~ss. 607.1302-~~
8203 ~~607.1333:~~

8204 (1) "Accrued interest" means interest from the date the
8205 corporate action becomes effective until the date of payment, at
8206 the rate of interest determined for judgments pursuant to s.
8207 55.03, determined as of the effective date of the corporate

28-00272A-19

2019892__

8208 action.

8209 (2) "Affiliate" means a person that directly or indirectly
 8210 through one or more intermediaries controls, is controlled by,
 8211 or is under common control with another person or is a senior
 8212 executive of such person ~~thereof~~. For purposes of paragraph
 8213 (6) (a) ~~s. 607.1302(2)(d)~~, a person is deemed to be an affiliate
 8214 of its senior executives.

8215 (3) "Corporate action" means an event described in s.
 8216 607.1302(1)

8217 ~~(2) "Beneficial shareholder" means a person who is the~~
 8218 ~~beneficial owner of shares held in a voting trust or by a~~
 8219 ~~nominee on the beneficial owner's behalf.~~

8220 (4)~~(3)~~ "Corporation" means the domestic corporation that is
 8221 the issuer of the shares held by a shareholder demanding
 8222 appraisal and, for matters covered in ss. 607.1322-607.1340 ~~ss.~~
 8223 ~~607.1322-607.1333~~, includes the domesticated eligible entity in
 8224 a domestication, the covered eligible entity in a conversion,
 8225 and the survivor of surviving entity in a merger.

8226 (5)~~(4)~~ "Fair value" means the value of the corporation's
 8227 shares determined:

8228 (a) Immediately before the effectiveness ~~effectuation~~ of
 8229 the corporate action to which the shareholder objects.

8230 (b) Using customary and current valuation concepts and
 8231 techniques generally employed for similar businesses in the
 8232 context of the transaction requiring appraisal, excluding any
 8233 appreciation or depreciation in anticipation of the corporate
 8234 action unless exclusion would be inequitable to the corporation
 8235 and its remaining shareholders.

8236 (c) ~~For a corporation with 10 or fewer shareholders,~~

28-00272A-19

2019892__

8237 Without discounting for lack of marketability or minority
8238 status.

8239 ~~(5) "Interest" means interest from the effective date of~~
8240 ~~the corporate action until the date of payment, at the rate of~~
8241 ~~interest on judgments in this state on the effective date of the~~
8242 ~~corporate action.~~

8243 (6) "Interested transaction" means a corporate action
8244 described in s. 607.1302(1), other than a merger pursuant to s.
8245 607.1104, involving an interested person in which any of the
8246 shares or assets of the corporation are being acquired or
8247 converted. As used in this definition:

8248 (a) "Interested person" means a person, or an affiliate of
8249 a person, who at any time during the 1-year period immediately
8250 preceding approval by the board of directors of the corporate
8251 action:

8252 1. Was the beneficial owner of 20 percent or more of the
8253 voting power of the corporation, other than as owner of excluded
8254 shares;

8255 2. Had the power, contractually or otherwise, other than as
8256 owner of excluded shares, to cause the appointment or election
8257 of 25 percent or more of the directors to the board of directors
8258 of the corporation; or

8259 3. Was a senior executive or director of the corporation or
8260 a senior executive of any affiliate of the corporation, and will
8261 receive, as a result of the corporate action, a financial
8262 benefit not generally available to other shareholders as such,
8263 other than:

8264 a. Employment, consulting, retirement, or similar benefits
8265 established separately and not as part of or in contemplation of

28-00272A-19

2019892__

8266 the corporate action;

8267 b. Employment, consulting, retirement, or similar benefits
8268 established in contemplation of, or as part of, the corporate
8269 action that are not more favorable than those existing before
8270 the corporate action or, if more favorable, that have been
8271 approved on behalf of the corporation in the same manner as is
8272 provided in s. 607.0832; or

8273 c. In the case of a director of the corporation who, in the
8274 corporate action, will become a director or governor of the
8275 acquirer or any of its affiliates in the corporate action,
8276 rights and benefits as a director or governor that are provided
8277 on the same basis as those afforded by the acquirer generally to
8278 other directors or governors of such entity or such affiliate.

8279 (b) "Beneficial owner" means any person who, directly or
8280 indirectly, through any contract, arrangement, or understanding,
8281 other than a revocable proxy, has or shares the power to vote,
8282 or to direct the voting of, shares; except that a member of a
8283 national securities exchange is not deemed to be a beneficial
8284 owner of securities held directly or indirectly by it on behalf
8285 of another person if the member is precluded by the rules of the
8286 exchange from voting without instruction on contested matters or
8287 matters that may affect substantially the rights or privileges
8288 of the holders of the securities to be voted. When two or more
8289 persons agree to act together for the purpose of voting their
8290 shares of the corporation, each member of the group formed
8291 thereby is deemed to have acquired beneficial ownership, as of
8292 the date of the agreement, of all shares having voting power of
8293 the corporation beneficially owned by any member of the group.

8294 (c) "Excluded shares" means shares acquired pursuant to an

28-00272A-19

2019892__

8295 offer for all shares having voting power if the offer was made
8296 within 1 year before the corporate action for consideration of
8297 the same kind and of a value equal to or less than that paid in
8298 connection with the corporate action.

8299 ~~(7)~~ ~~(6)~~ "Preferred shares" means a class or series of shares
8300 the holders of which have preference over any other class or
8301 series of shares with respect to distributions.

8302 ~~(7)~~ ~~"Record shareholder"~~ means ~~the person in whose name~~
8303 ~~shares are registered in the records of the corporation or the~~
8304 ~~beneficial owner of shares to the extent of the rights granted~~
8305 ~~by a nominee certificate on file with the corporation.~~

8306 (8) "Senior executive" means the chief executive officer,
8307 chief operating officer, chief financial officer, or any
8308 individual ~~anyone~~ in charge of a principal business unit or
8309 function.

8310 (9) Notwithstanding s. 607.01401(67), "shareholder" means
8311 ~~both~~ a record shareholder, ~~and~~ a beneficial shareholder, and a
8312 voting trust beneficial owner.

8313 Section 161. Section 607.1302, Florida Statutes, is amended
8314 to read:

8315 607.1302 Right of shareholders to appraisal.—

8316 (1) A shareholder of a domestic corporation is entitled to
8317 appraisal rights, and to obtain payment of the fair value of
8318 that shareholder's shares, in the event of any of the following
8319 corporate actions:

8320 (a) Consummation of a domestication or a conversion of such
8321 corporation pursuant to s. 607.11921 or s. 607.11932, as
8322 applicable, ~~s. 607.1112~~ if shareholder approval is required for
8323 the domestication or the conversion; ~~and the shareholder is~~

28-00272A-19

2019892__

8324 ~~entitled to vote on the conversion under ss. 607.1103 and~~
8325 ~~607.1112(6), or the~~

8326 (b) Consummation of a merger to which such corporation is a
8327 party:

8328 1. If shareholder approval is required for the merger under
8329 s. 607.1103 or would be required but for s. 607.11035, except
8330 that appraisal rights may not be available to any shareholder of
8331 the corporation with respect to shares of any class or series
8332 that remains outstanding after consummation of the merger where
8333 the terms of such class or series have not been materially
8334 altered; and the shareholder is entitled to vote on the merger
8335 or

8336 2. If such corporation is a subsidiary and the merger is
8337 governed by s. 607.1104;

8338 (c)~~(b)~~ Consummation of a share exchange to which the
8339 corporation is a party as the corporation whose shares will be
8340 ~~acquired if the shareholder is entitled to vote on the exchange,~~
8341 except that appraisal rights are not available to any
8342 shareholder of the corporation with respect to any class or
8343 series of shares of the corporation that is not acquired in the
8344 share exchange exchanged;

8345 (d)~~(e)~~ Consummation of a disposition of assets pursuant to
8346 s. 607.1202 if the shareholder is entitled to vote on the
8347 disposition, including a sale in dissolution, except that
8348 appraisal rights shall not be available to any shareholder of
8349 the corporation with respect to shares or any class or series
8350 if:

8351 1. Under the terms of the corporate action approved by the
8352 shareholders there is to be distributed to shareholders in cash

28-00272A-19

2019892__

8353 the corporation's net assets, in excess of a reasonable amount
8354 reserved to meet claims of the type described in ss. 607.1406
8355 and 607.1407, within 1 year after the shareholders' approval of
8356 the action and in accordance with their respective interests
8357 determined at the time of distribution; and

8358 2. The disposition of assets is not an interested
8359 transaction but not including a sale pursuant to court order or
8360 a sale for cash pursuant to a plan by which all or substantially
8361 all of the net proceeds of the sale will be distributed to the
8362 shareholders within 1 year after the date of sale;

8363 (e) ~~(d)~~ An amendment of the articles of incorporation with
8364 respect to a ~~the~~ class or series of shares which reduces the
8365 number of shares of a class or series owned by the shareholder
8366 to a fraction of a share if the corporation has the obligation
8367 or the right to repurchase the fractional share so created;

8368 (f) ~~(e)~~ Any other amendment to the articles of
8369 incorporation, merger, share exchange, or disposition of assets,
8370 or amendment to the articles of incorporation, in each case to
8371 the extent provided by the articles of incorporation, bylaws, or
8372 a resolution of the board of directors, except that no bylaw or
8373 board resolution providing for appraisal rights may be amended
8374 or otherwise altered except by shareholder approval;

8375 (g) An amendment to the articles of incorporation or bylaws
8376 of the corporation, the effect of which is to alter or abolish
8377 voting or other rights with respect to such interest in a manner
8378 that is adverse to the interest of such shareholder, except as
8379 the right may be affected by the voting or other rights of new
8380 shares then being authorized of a new class or series of shares;

8381 (h) An amendment to the articles of incorporation or bylaws

28-00272A-19

2019892__

8382 of a corporation the effect of which is to adversely affect the
8383 interest of the shareholder by altering or abolishing appraisal
8384 rights under this section;

8385 (i)~~(f)~~ With regard to a class of shares prescribed in the
8386 articles of incorporation prior to October 1, 2003, including
8387 any shares within that class subsequently authorized by
8388 amendment, any amendment of the articles of incorporation if the
8389 shareholder is entitled to vote on the amendment and if such
8390 amendment would adversely affect such shareholder by:

8391 1. Altering or abolishing any preemptive rights attached to
8392 any of his or her shares;

8393 2. Altering or abolishing the voting rights pertaining to
8394 any of his or her shares, except as such rights may be affected
8395 by the voting rights of new shares then being authorized of any
8396 existing or new class or series of shares;

8397 3. Effecting an exchange, cancellation, or reclassification
8398 of any of his or her shares, when such exchange, cancellation,
8399 or reclassification would alter or abolish the shareholder's
8400 voting rights or alter his or her percentage of equity in the
8401 corporation, or effecting a reduction or cancellation of accrued
8402 dividends or other arrearages in respect to such shares;

8403 4. Reducing the stated redemption price of any of the
8404 shareholder's redeemable shares, altering or abolishing any
8405 provision relating to any sinking fund for the redemption or
8406 purchase of any of his or her shares, or making any of his or
8407 her shares subject to redemption when they are not otherwise
8408 redeemable;

8409 5. Making noncumulative, in whole or in part, dividends of
8410 any of the shareholder's preferred shares which had theretofore

28-00272A-19

2019892__

8411 been cumulative;

8412 6. Reducing the stated dividend preference of any of the
8413 shareholder's preferred shares; or

8414 7. Reducing any stated preferential amount payable on any
8415 of the shareholder's preferred shares upon voluntary or
8416 involuntary liquidation;

8417 (j)~~(g)~~ An amendment of the articles of incorporation of a
8418 social purpose corporation to which s. 607.504 or s. 607.505
8419 applies;

8420 (k)~~(h)~~ An amendment of the articles of incorporation of a
8421 benefit corporation to which s. 607.604 or s. 607.605 applies;

8422 (l)~~(i)~~ A merger, domestication, conversion, or share
8423 exchange of a social purpose corporation to which s. 607.504
8424 applies; or

8425 (m)~~(j)~~ A merger, domestication, conversion, or share
8426 exchange of a benefit corporation to which s. 607.604 applies.

8427 (2) Notwithstanding subsection (1), the availability of
8428 appraisal rights under paragraphs (1) (a), (b), (c), ~~and~~ (d), and
8429 (e) shall be limited in accordance with the following
8430 provisions:

8431 (a) Appraisal rights shall not be available for the holders
8432 of shares of any class or series of shares which is:

8433 1. A covered security under s. 18(b)(1)(A) or (B) of the
8434 Securities Act of 1933 ~~Listed on the New York Stock Exchange or~~
8435 ~~the American Stock Exchange or designated as a national market~~
8436 ~~system security on an interdealer quotation system by the~~
8437 ~~National Association of Securities Dealers, Inc.; or~~

8438 2. Not a covered security, but traded in an organized
8439 market and ~~Not so listed or designated, but has at least 2,000~~

28-00272A-19

2019892__

8440 shareholders and the outstanding shares of such class or series
8441 have a market value of at least \$20 ~~\$10~~ million, exclusive of
8442 the value of outstanding such shares held by the corporation's
8443 ~~its~~ subsidiaries, by the corporation's senior executives, by the
8444 corporation's directors, and by the corporation's beneficial
8445 shareholders and voting trust beneficial owners ~~shareholders~~
8446 owning more than 10 percent of the outstanding such shares; or
8447 3. Issued by an open end management investment company
8448 registered with the Securities and Exchange Commission under the
8449 Investment Company Act of 1940 and which may be redeemed at the
8450 option of the holder at net asset value.

8451 (b) The applicability of paragraph (a) shall be determined
8452 as of:

8453 1. The record date fixed to determine the shareholders
8454 entitled to receive notice of, ~~and to vote at,~~ the meeting of
8455 shareholders to act upon the corporate action requiring
8456 appraisal rights, or, in the case of an offer made pursuant to
8457 s. 607.11035, the date of such offer; or

8458 2. If there will be no meeting of shareholders and no offer
8459 is made pursuant to s. 607.11035, the close of business on the
8460 day before the consummation of the corporate action or the
8461 effective date of the amendment of the articles, as applicable
8462 ~~on which the board of directors adopts the resolution~~
8463 ~~recommending such corporate action.~~

8464 (c) Paragraph (a) is not ~~shall not be~~ applicable and
8465 appraisal rights shall be available pursuant to subsection (1)
8466 for the holders of any class or series of shares where the
8467 corporate action is an interested transaction ~~who are required~~
8468 ~~by the terms of the corporate action requiring appraisal rights~~

28-00272A-19

2019892__

8469 ~~to accept for such shares anything other than cash or shares of~~
8470 ~~any class or any series of shares of any corporation, or any~~
8471 ~~other proprietary interest of any other entity, that satisfies~~
8472 ~~the standards set forth in paragraph (a) at the time the~~
8473 ~~corporate action becomes effective.~~

8474 ~~(d) Paragraph (a) shall not be applicable and appraisal~~
8475 ~~rights shall be available pursuant to subsection (1) for the~~
8476 ~~holders of any class or series of shares if:~~

8477 ~~1. Any of the shares or assets of the corporation are being~~
8478 ~~acquired or converted, whether by merger, share exchange, or~~
8479 ~~otherwise, pursuant to the corporate action by a person, or by~~
8480 ~~an affiliate of a person, who:~~

8481 ~~a. Is, or at any time in the 1-year period immediately~~
8482 ~~preceding approval by the board of directors of the corporate~~
8483 ~~action requiring appraisal rights was, the beneficial owner of~~
8484 ~~20 percent or more of the voting power of the corporation,~~
8485 ~~excluding any shares acquired pursuant to an offer for all~~
8486 ~~shares having voting power if such offer was made within 1 year~~
8487 ~~prior to the corporate action requiring appraisal rights for~~
8488 ~~consideration of the same kind and of a value equal to or less~~
8489 ~~than that paid in connection with the corporate action; or~~

8490 ~~b. Directly or indirectly has, or at any time in the 1-year~~
8491 ~~period immediately preceding approval by the board of directors~~
8492 ~~of the corporation of the corporate action requiring appraisal~~
8493 ~~rights had, the power, contractually or otherwise, to cause the~~
8494 ~~appointment or election of 25 percent or more of the directors~~
8495 ~~to the board of directors of the corporation; or~~

8496 ~~2. Any of the shares or assets of the corporation are being~~
8497 ~~acquired or converted, whether by merger, share exchange, or~~

28-00272A-19

2019892__

8498 otherwise, pursuant to such corporate action by a person, or by
8499 an affiliate of a person, who is, or at any time in the 1-year
8500 period immediately preceding approval by the board of directors
8501 of the corporate action requiring appraisal rights was, a senior
8502 executive or director of the corporation or a senior executive
8503 of any affiliate thereof, and that senior executive or director
8504 will receive, as a result of the corporate action, a financial
8505 benefit not generally available to other shareholders as such,
8506 other than:

8507 a. ~~Employment, consulting, retirement, or similar benefits~~
8508 ~~established separately and not as part of or in contemplation of~~
8509 ~~the corporate action;~~

8510 b. ~~Employment, consulting, retirement, or similar benefits~~
8511 ~~established in contemplation of, or as part of, the corporate~~
8512 ~~action that are not more favorable than those existing before~~
8513 ~~the corporate action or, if more favorable, that have been~~
8514 ~~approved on behalf of the corporation in the same manner as is~~
8515 ~~provided in s. 607.0832; or~~

8516 c. ~~In the case of a director of the corporation who will,~~
8517 ~~in the corporate action, become a director of the acquiring~~
8518 ~~entity in the corporate action or one of its affiliates, rights~~
8519 ~~and benefits as a director that are provided on the same basis~~
8520 ~~as those afforded by the acquiring entity generally to other~~
8521 ~~directors of such entity or such affiliate.~~

8522 (c) ~~For the purposes of paragraph (d) only, the term~~
8523 ~~"beneficial owner" means any person who, directly or indirectly,~~
8524 ~~through any contract, arrangement, or understanding, other than~~
8525 ~~a revocable proxy, has or shares the power to vote, or to direct~~
8526 ~~the voting of, shares, provided that a member of a national~~

28-00272A-19

2019892__

8527 ~~securities exchange shall not be deemed to be a beneficial owner~~
8528 ~~of securities held directly or indirectly by it on behalf of~~
8529 ~~another person solely because such member is the recordholder of~~
8530 ~~such securities if the member is precluded by the rules of such~~
8531 ~~exchange from voting without instruction on contested matters or~~
8532 ~~matters that may affect substantially the rights or privileges~~
8533 ~~of the holders of the securities to be voted. When two or more~~
8534 ~~persons agree to act together for the purpose of voting their~~
8535 ~~shares of the corporation, each member of the group formed~~
8536 ~~thereby shall be deemed to have acquired beneficial ownership,~~
8537 ~~as of the date of such agreement, of all voting shares of the~~
8538 ~~corporation beneficially owned by any member of the group.~~

8539 (3) Notwithstanding any other provision of this section,
8540 the articles of incorporation as originally filed or any
8541 amendment to the articles of incorporation ~~thereto~~ may limit or
8542 eliminate appraisal rights for any class or series of preferred
8543 shares, except that:

8544 (a) No such limitation or elimination shall be effective if
8545 the class or series does not have the right to vote separately
8546 as a voting group, alone or as part of a group, on the action or
8547 if the action is a domestication under s. 607.11920 or a
8548 conversion under s. 607.11901, or a merger having a similar
8549 effect as a domestication or conversion in which the
8550 domesticated eligible entity or the converted eligible entity is
8551 an eligible entity; and

8552 (b) ~~but~~ Any such limitation or elimination contained in an
8553 amendment to the articles of incorporation that limits or
8554 eliminates appraisal rights for any of such shares that are
8555 outstanding immediately before ~~prior to~~ the effective date of

28-00272A-19

2019892__

8556 such amendment or that the corporation is or may be required to
8557 issue or sell thereafter pursuant to any conversion, exchange,
8558 or other right existing immediately before the effective date of
8559 such amendment shall not apply to any corporate action that
8560 becomes effective within 1 year after the effective date of such
8561 amendment ~~of that date~~ if such action would otherwise afford
8562 appraisal rights.

8563 ~~(4) A shareholder entitled to appraisal rights under this~~
8564 ~~chapter may not challenge a completed corporate action for which~~
8565 ~~appraisal rights are available unless such corporate action:~~

8566 ~~(a) Was not effectuated in accordance with the applicable~~
8567 ~~provisions of this section or the corporation's articles of~~
8568 ~~incorporation, bylaws, or board of directors' resolution~~
8569 ~~authorizing the corporate action; or~~

8570 ~~(b) Was procured as a result of fraud or material~~
8571 ~~misrepresentation.~~

8572 Section 162. Section 607.1303, Florida Statutes, is amended
8573 to read:

8574 607.1303 Assertion of rights by nominees and beneficial
8575 owners.—

8576 (1) A record shareholder may assert appraisal rights as to
8577 fewer than all the shares registered in the record shareholder's
8578 name but owned by a beneficial shareholder or a voting trust
8579 beneficial owner only if the record shareholder objects with
8580 respect to all shares of the class or series owned by the
8581 beneficial shareholder or a voting trust beneficial owner and
8582 notifies the corporation in writing of the name and address of
8583 each beneficial shareholder or voting trust beneficial owner on
8584 whose behalf appraisal rights are being asserted. The rights of

28-00272A-19

2019892__

8585 a record shareholder who asserts appraisal rights for only part
8586 of the shares held of record in the record shareholder's name
8587 under this subsection shall be determined as if the shares as to
8588 which the record shareholder objects and the record
8589 shareholder's other shares were registered in the names of
8590 different record shareholders.

8591 (2) A beneficial shareholder and a voting trust beneficial
8592 owner may assert appraisal rights as to shares of any class or
8593 series held on behalf of the shareholder only if such
8594 shareholder:

8595 (a) Submits to the corporation the record shareholder's
8596 written consent to the assertion of such rights no later than
8597 the date referred to in s. 607.1322(2)(b)2.

8598 (b) Does so with respect to all shares of the class or
8599 series that are beneficially owned by the beneficial shareholder
8600 or the voting trust beneficial owner.

8601 Section 163. Subsections (1) and (3) of section 607.1320,
8602 Florida Statutes, are amended, and subsections (4) and (5) are
8603 added to that section, to read:

8604 607.1320 Notice of appraisal rights.—

8605 (1) If a proposed corporate action described in s.
8606 607.1302(1) is to be submitted to a vote at a shareholders'
8607 meeting, the meeting notice (or, where no approval of such
8608 action is required pursuant to s. 607.11035, the offer made
8609 pursuant to s. 607.11035), must state that the corporation has
8610 concluded that shareholders are, are not, or may be entitled to
8611 assert appraisal rights under this chapter. If the corporation
8612 concludes that appraisal rights are or may be available, a copy
8613 of ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~ must accompany

28-00272A-19

2019892__

8614 the meeting notice or offer sent to those record shareholders
8615 entitled to exercise appraisal rights.

8616 (3) If a ~~the~~ proposed corporate action described in s.
8617 607.1302(1) is to be approved by written consent of the
8618 shareholders pursuant to s. 607.0704:

8619 (a) Written notice that appraisal rights are, are not, or
8620 may be available must be sent to each shareholder from whom a
8621 consent is solicited at the time consent of such shareholder is
8622 first solicited, and, if the corporation has concluded that
8623 appraisal rights are or may be available, a copy of ss.
8624 607.1301-607.1340 must accompany such written notice; and

8625 (b) Written notice that appraisal rights are, are not, or
8626 may be available must be delivered, at least 10 days before the
8627 corporate action becomes effective, to all nonconsenting and
8628 nonvoting shareholders, and, if the corporation has concluded
8629 that appraisal rights are or may be available, a copy of ss.
8630 607.1301-607.1340 must accompany such written notice.

8631 (4) Where a corporate action described in s. 607.1302(1) is
8632 proposed or a merger pursuant to s. 607.1104 is effected, and
8633 the corporation concludes that appraisal rights are or may be
8634 available, the notice referred to in subsection (1), paragraph
8635 (3) (a), or paragraph (3) (b) must be accompanied by:

8636 (a) Financial statements of the corporation that issued the
8637 shares that may be or are subject to appraisal rights,
8638 consisting of a balance sheet as of the end of the fiscal year
8639 ending not more than 16 months before the date of the notice, an
8640 income statement for that fiscal year, and a cash flow statement
8641 for that fiscal year; however, if such financial statements are
8642 not reasonably available, the corporation must provide

28-00272A-19

2019892__

8643 reasonably equivalent financial information; and

8644 (b) The latest available interim financial statements,
8645 including year-to-date through the end of the interim period, of
8646 such corporation, if any.

8647 (5) The right to receive the information described in
8648 subsection (4) may be waived in writing by a shareholder before
8649 or after the corporate action is effected ~~other than by a~~
8650 ~~shareholders' meeting, the notice referred to in subsection (1)~~
8651 ~~must be sent to all shareholders at the time that consents are~~
8652 ~~first solicited pursuant to s. 607.0704, whether or not consents~~
8653 ~~are solicited from all shareholders, and include the materials~~
8654 ~~described in s. 607.1322.~~

8655 Section 164. Section 607.1321, Florida Statutes, is amended
8656 to read:

8657 607.1321 Notice of intent to demand payment.—

8658 (1) If a proposed corporate action requiring appraisal
8659 rights under s. 607.1302 is submitted to a vote at a
8660 shareholders' meeting, ~~or is submitted to a shareholder pursuant~~
8661 ~~to a consent vote under s. 607.0704,~~ a shareholder who wishes to
8662 assert appraisal rights with respect to any class or series of
8663 shares:

8664 (a) Must deliver to the corporation before the vote is
8665 taken, ~~or within 20 days after receiving the notice pursuant to~~
8666 ~~s. 607.1320(3) if action is to be taken without a shareholder~~
8667 ~~meeting,~~ written notice of the shareholder's intent to demand
8668 payment if the proposed corporate action is effectuated; ~~and—~~

8669 (b) Must not vote, or cause or permit to be voted, any
8670 shares of such class or series in favor of the proposed
8671 corporate action.

28-00272A-19

2019892__

8672 (2) If a proposed corporate action requiring appraisal
8673 rights under s. 607.1302 is to be approved by written consent, a
8674 shareholder who wishes to assert appraisal rights with respect
8675 to any class or series of shares must not sign a consent in
8676 favor of the proposed corporate action with respect to that
8677 class or series of shares.

8678 (3) If a proposed corporate action specified in s.
8679 607.1302(1) does not require shareholder approval pursuant to s.
8680 607.11035, a shareholder who wishes to assert appraisal rights
8681 with respect to any class or series of shares:

8682 (a) Must deliver to the corporation before the shares are
8683 purchased pursuant to the offer a written notice of the
8684 shareholder's intent to demand payment if the proposed action is
8685 effected; and

8686 (b) Must not tender, or cause or permit to be tendered, any
8687 shares of such class or series in response to such offer.

8688 (4)-(2) A shareholder who may otherwise be entitled to
8689 appraisal rights but does not satisfy the requirements of
8690 subsections (1), (2), or (3) subsection (1) is not entitled to
8691 payment under this chapter.

8692 Section 165. Section 607.1322, Florida Statutes, is amended
8693 to read:

8694 607.1322 Appraisal notice and form.—

8695 (1) If a proposed corporate action requiring appraisal
8696 rights under s. 607.1302(1) becomes effective, the corporation
8697 must deliver a written appraisal notice and form required by
8698 paragraph (2) (a) to all shareholders who satisfied the
8699 requirements of s. 607.1321(1), (2), or (3) ~~s. 607.1321~~. In the
8700 case of a merger under s. 607.1104, the parent must deliver a

28-00272A-19

2019892__

8701 written appraisal notice and form to all record shareholders who
8702 may be entitled to assert appraisal rights.

8703 (2) The appraisal notice must be delivered ~~sent~~ no earlier
8704 than the date the corporate action became effective, and no
8705 later than 10 days after such date, and must:

8706 (a) Supply a form that specifies the date that the
8707 corporate action became effective and that provides for the
8708 shareholder to state:

8709 1. The shareholder's name and address.

8710 2. The number, classes, and series of shares as to which
8711 the shareholder asserts appraisal rights.

8712 3. That the shareholder did not vote for or consent to the
8713 transaction.

8714 4. Whether the shareholder accepts the corporation's offer
8715 as stated in subparagraph (b)4.

8716 5. If the offer is not accepted, the shareholder's
8717 estimated fair value of the shares and a demand for payment of
8718 the shareholder's estimated value plus accrued interest.

8719 (b) State:

8720 1. Where the form must be sent and where certificates for
8721 certificated shares must be deposited and the date by which
8722 those certificates must be deposited, which date may not be
8723 earlier than the date by which the corporation must receive ~~for~~
8724 ~~receiving~~ the required form under subparagraph 2.

8725 2. A date by which the corporation must receive the form,
8726 which date may not be fewer than 40 nor more than 60 days after
8727 the date the subsection (1) appraisal notice and form are sent,
8728 and state that the shareholder shall have waived the right to
8729 demand appraisal with respect to the shares unless the form is

28-00272A-19

2019892__

8730 received by the corporation by such specified date.

8731 3. The corporation's estimate of the fair value of the
8732 shares.

8733 4. An offer to each shareholder who is entitled to
8734 appraisal rights to pay the corporation's estimate of fair value
8735 set forth in subparagraph 3.

8736 5. That, if requested in writing, the corporation will
8737 provide to the shareholder so requesting, within 10 days after
8738 the date specified in subparagraph 2., the number of
8739 shareholders who return the forms by the specified date and the
8740 total number of shares owned by them.

8741 6. The date by which the notice to withdraw under s.
8742 607.1323 must be received, which date must be within 20 days
8743 after the date specified in subparagraph 2.

8744 (c) If not previously provided, be accompanied by a copy of
8745 ss. 607.1301-607.1340

8746 ~~(c) Be accompanied by:~~

8747 ~~1. Financial statements of the corporation that issued the~~
8748 ~~shares to be appraised, consisting of a balance sheet as of the~~
8749 ~~end of the fiscal year ending not more than 15 months prior to~~
8750 ~~the date of the corporation's appraisal notice, an income~~
8751 ~~statement for that year, a cash flow statement for that year,~~
8752 ~~and the latest available interim financial statements, if any.~~

8753 ~~2. A copy of ss. 607.1301-607.1333.~~

8754 Section 166. Subsections (1) and (3) of section 607.1323,
8755 Florida Statutes, are amended to read:

8756 607.1323 Perfection of rights; right to withdraw.—

8757 (1) A shareholder who receives notice pursuant to s.
8758 607.1322 and who wishes to exercise appraisal rights must sign

28-00272A-19

2019892__

8759 ~~execute~~ and return the form received pursuant to s. 607.1322(1)
 8760 and, in the case of certificated shares, deposit the
 8761 shareholder's certificates in accordance with the terms of the
 8762 notice by the date referred to in the notice pursuant to s.
 8763 607.1322(2)(b)2. Once a shareholder deposits that shareholder's
 8764 certificates or, in the case of uncertificated shares, returns
 8765 the signed ~~executed~~ forms, that shareholder loses all rights as
 8766 a shareholder, unless the shareholder withdraws pursuant to
 8767 subsection (2).

8768 (3) A shareholder who does not sign ~~execute~~ and return the
 8769 form and, in the case of certificated shares, deposit that
 8770 shareholder's share certificates if required, each by the date
 8771 set forth in the notice described in s. 607.1322(2) ~~subsection~~
 8772 ~~(2)~~, shall not be entitled to payment under ss. 607.1301-
 8773 607.1340 ~~this chapter~~.

8774 Section 167. Subsection (2) of section 607.1324, Florida
 8775 Statutes, is amended to read:

8776 607.1324 Shareholder's acceptance of corporation's offer.—

8777 (2) Upon payment of the agreed value, the shareholder shall
 8778 cease to have any right to receive any further consideration
 8779 with respect to such interest ~~in the~~ shares.

8780 Section 168. Section 607.1326, Florida Statutes, is amended
 8781 to read:

8782 607.1326 Procedure if shareholder is dissatisfied with
 8783 offer.—

8784 (1) A shareholder who is dissatisfied with the
 8785 corporation's offer as set forth pursuant to s. 607.1322(2)(b)4.
 8786 must notify the corporation on the form provided pursuant to s.
 8787 607.1322(1) of that shareholder's estimate of the fair value of

28-00272A-19

2019892__

8788 the shares and demand payment of that estimate plus accrued
8789 interest.

8790 (2) A shareholder who fails to notify the corporation in
8791 writing of that shareholder's demand to be paid the
8792 shareholder's stated estimate of the fair value plus accrued
8793 interest under subsection (1) within the timeframe set forth in
8794 s. 607.1322(2)(b)2. waives the right to demand payment under
8795 this section and shall be entitled only to the payment offered
8796 by the corporation pursuant to s. 607.1322(2)(b)4.

8797 Section 169. Subsections (1), (2), (5), and (6) of section
8798 607.1330, Florida Statutes, are amended to read:

8799 607.1330 Court action.—

8800 (1) If a shareholder makes demand for payment under s.
8801 607.1326 which remains unsettled, the corporation shall commence
8802 a proceeding within 60 days after receiving the payment demand
8803 and petition the court to determine the fair value of the shares
8804 and accrued interest from the date of the corporate action. If
8805 the corporation does not commence the proceeding within the 60-
8806 day period, any shareholder who has made a demand pursuant to s.
8807 607.1326 may commence the proceeding in the name of the
8808 corporation.

8809 (2) The proceeding shall be commenced in the circuit court
8810 in the applicable county. If by virtue of the corporate action
8811 becoming effective the entity has become a foreign eligible
8812 entity ~~appropriate court of the county in which the~~
8813 ~~corporation's principal office, or, if none, its registered~~
8814 ~~office, in this state is located. If the corporation is a~~
8815 ~~foreign corporation~~ without a registered office in this state,
8816 the proceeding shall be commenced in the county in this state in

28-00272A-19

2019892__

8817 which the principal office or registered office of the domestic
8818 corporation merged with the foreign eligible entity ~~corporation~~
8819 was located immediately before the time the corporate action
8820 became effective. If such entity has, and immediately before the
8821 corporate action became effective had, no principal or
8822 registered office in this state, then the proceeding shall be
8823 commenced in the county in this state in which the corporation
8824 has, or immediately before the time the corporate action became
8825 effective had, an office in this state. If such entity has, or
8826 immediately before the time the corporate action became
8827 effective had, no office in this state, the proceeding shall be
8828 commenced in the county in which the corporation's registered
8829 office is or was last located ~~at the time of the transaction.~~

8830 (5) Each shareholder made a party to the proceeding is
8831 entitled to judgment for the amount of the fair value of such
8832 shareholder's shares, plus accrued interest, as found by the
8833 court.

8834 (6) The corporation shall pay each such shareholder the
8835 amount found to be due within 10 days after final determination
8836 of the proceedings. Upon payment of the judgment, the
8837 shareholder shall cease to have any rights to receive any
8838 further consideration with respect to such shares other than any
8839 amounts ordered to be paid for court costs and attorney fees
8840 under s. 607.1331 ~~interest in the shares.~~

8841 Section 170. Subsection (4) of section 607.1331, Florida
8842 Statutes, is amended to read:

8843 607.1331 Court costs and counsel fees.—

8844 (4) To the extent the corporation fails to make a required
8845 payment pursuant to s. 607.1324, the shareholder may sue

28-00272A-19

2019892__

8846 directly for the amount owed and, to the extent successful,
8847 shall be entitled to recover from the corporation all costs and
8848 expenses of the suit, including attorney ~~counsel~~ fees.

8849 Section 171. Section 607.1332, Florida Statutes, is amended
8850 to read:

8851 607.1332 Disposition of acquired shares.—Shares acquired by
8852 a corporation pursuant to payment of the agreed value thereof or
8853 pursuant to payment of the judgment entered therefor, as
8854 provided in this chapter, may be held and disposed of by such
8855 corporation as authorized but unissued shares of the
8856 corporation, except that, in the case of a merger or share
8857 exchange, they may be held and disposed of as the plan of merger
8858 or share exchange otherwise provides. The shares of the survivor
8859 ~~surviving corporation~~ into which the shares of such shareholders
8860 demanding appraisal rights would have been converted had they
8861 assented to the merger shall have the status of authorized but
8862 unissued shares of the survivor ~~surviving corporation~~.

8863 Section 172. Subsection (1) of section 607.1333, Florida
8864 Statutes, is amended to read:

8865 607.1333 Limitation on corporate payment.—

8866 (1) No payment shall be made to a shareholder seeking
8867 appraisal rights if, at the time of payment, the corporation is
8868 unable to meet the distribution standards of s. 607.06401. In
8869 such event, the shareholder shall, at the shareholder's option:

8870 (a) Withdraw his or her notice of intent to assert
8871 appraisal rights, which shall in such event be deemed withdrawn
8872 with the consent of the corporation; or

8873 (b) Retain his or her status as a claimant against the
8874 corporation and, if it is liquidated, be subordinated to the

28-00272A-19

2019892__

8875 rights of creditors of the corporation, but have rights superior
 8876 to the shareholders not asserting appraisal rights, and if the
 8877 corporation ~~it~~ is not liquidated, retain his or her right to be
 8878 paid for the shares, which right the corporation shall be
 8879 obliged to satisfy when the restrictions of this section do not
 8880 apply.

8881 Section 173. Section 607.1340, Florida Statutes, is created
 8882 to read:

8883 607.1340 Other remedies limited.-

8884 (1) A shareholder entitled to appraisal rights under this
 8885 chapter may not challenge a completed corporate action for which
 8886 appraisal rights are available unless such corporate action was
 8887 either:

8888 (a) Not authorized and approved in accordance with the
 8889 applicable provisions of this chapter;

8890 (b) Procured as a result of fraud, a material
 8891 misrepresentation, or an omission of a material fact necessary
 8892 to make statements made, in light of the circumstances in which
 8893 they were made, not misleading.

8894 (2) Nothing in this section operates to override or
 8895 supersede the provisions of s. 607.0832.

8896 Section 174. Section 607.1401, Florida Statutes, is amended
 8897 to read:

8898 607.1401 Dissolution by incorporators or directors.-If a
 8899 corporation has not yet issued shares, its board of directors,
 8900 or a majority of incorporators if it has no board of directors,
 8901 ~~A majority of the incorporators or directors of a corporation~~
 8902 ~~that has not issued shares or has not commenced business~~ may
 8903 dissolve the corporation by delivering to the department ~~of~~

28-00272A-19

2019892__

8904 ~~State~~ for filing articles of dissolution that must set forth:

8905 (1) The name of the corporation;

8906 (2) The date of its incorporation ~~filing of its articles of~~
8907 ~~incorporation;~~

8908 (3) ~~Either:~~

8909 ~~(a) That none of the corporation's shares have been issued,~~
8910 ~~or~~

8911 ~~(b) That the corporation has not commenced business;~~

8912 (4) That no debt of the corporation remains unpaid;

8913 (5) That the net assets of the corporation remaining after
8914 winding up, if any, have been distributed ~~to the shareholders,~~
8915 ~~if shares were issued;~~ and

8916 (6) That a majority of the incorporators or directors
8917 authorized the dissolution.

8918 Section 175. Subsections (1) through (5) of section
8919 607.1402, Florida Statutes, are amended to read:

8920 607.1402 Dissolution by board of directors and
8921 shareholders; dissolution by written consent of shareholders.—

8922 (1) A corporation's board of directors may propose
8923 dissolution for submission to the shareholders by first adopting
8924 a resolution authorizing the dissolution.

8925 (2) (a) For a proposal to dissolve to be adopted, it must be
8926 approved by the shareholders pursuant to subsection (5).

8927 (b) In submitting the proposal to dissolve to the
8928 shareholders for approval, ÷

8929 ~~(a)~~ the board of directors must recommend that dissolution
8930 ~~to~~ the shareholders approve the dissolution, unless:

8931 1. The board of directors determines that because of
8932 conflict of interest or other special circumstances it should

28-00272A-19

2019892__

8933 make no recommendation; or

8934 2. Section 607.0826 applies.

8935 (c) If either subparagraph (b)1. or subparagraph (b)2.
8936 applies, the board must inform the shareholders of the basis for
8937 its so proceeding without such recommendation and communicates
8938 the basis for its determination to the shareholders; and

8939 ~~(b) The shareholders entitled to vote must approve the~~
8940 ~~proposal to dissolve as provided in subsection (5).~~

8941 (3) The board of directors may set conditions for the
8942 approval condition its submission of the proposal for
8943 dissolution by shareholders or for the effectiveness of the
8944 dissolution on any basis.

8945 (4) If the approval of the shareholders is to be given at a
8946 meeting, the corporation shall notify, in accordance with s.
8947 607.0705, each shareholder of record, regardless of whether or
8948 ~~not~~ entitled to vote, of the meeting of shareholders at which
8949 the dissolution is to be submitted for approval proposed
8950 ~~shareholders' meeting in accordance with s. 607.0705.~~ The notice
8951 must also state that the purpose, or one of the purposes, of the
8952 meeting is to consider dissolving the corporation.

8953 (5) Unless the articles of incorporation or the board of
8954 directors (acting pursuant to subsection (3)) require a greater
8955 vote or a vote by voting groups, the proposal to dissolve to be
8956 adopted must be approved by a majority of all the votes entitled
8957 to be cast on the proposal to dissolve that proposal.

8958 Section 176. Section 607.1403, Florida Statutes, is amended
8959 to read:

8960 607.1403 Articles of dissolution.—

8961 (1) At any time after dissolution is authorized, the

28-00272A-19

2019892__

8962 corporation may dissolve by delivering to the department ~~of~~
8963 ~~State~~ for filing articles of dissolution which must ~~shall~~ be
8964 signed ~~executed~~ in accordance with s. 607.0120 and which must
8965 ~~shall~~ set forth:

8966 (a) The name of the corporation;

8967 (b) The date dissolution was authorized;

8968 (c) If dissolution was approved by the shareholders, a
8969 statement that the proposal to dissolve was duly approved by the
8970 shareholders in the manner required by this chapter and by the
8971 articles of incorporation number cast for dissolution by the
8972 shareholders was sufficient for approval.

8973 ~~(d) If dissolution was approved by the shareholders and if~~
8974 ~~voting by voting groups was required, a statement that the~~
8975 ~~number cast for dissolution by the shareholders was sufficient~~
8976 ~~for approval must be separately provided for each voting group~~
8977 ~~entitled to vote separately on the plan to dissolve.~~

8978 (2) The articles of dissolution shall take effect at the
8979 effective date determined pursuant to s. 607.0123. A corporation
8980 is dissolved upon the effective date of its articles of
8981 dissolution.

8982 (3) For purposes of ss. 607.1401-607.1410, "dissolved
8983 corporation" means a corporation whose articles of dissolution
8984 have become effective and includes a successor entity. Further,
8985 for the purposes of this subsection, the term "successor entity"
8986 includes a trust, receivership, or other legal entity governed
8987 by the laws of this state to which the remaining assets and
8988 liabilities of a dissolved corporation are transferred and which
8989 exists solely for the purposes of prosecuting and defending
8990 suits by or against the dissolved corporation, thereby enabling

28-00272A-19

2019892__

8991 the dissolved corporation to settle and close the business of
8992 the dissolved corporation, to dispose of and convey the property
8993 of the dissolved corporation, to discharge the liabilities of
8994 the dissolved corporation, and to distribute to the dissolved
8995 corporation's shareholders any remaining assets, but not for the
8996 purpose of continuing the activities and affairs for which the
8997 dissolved corporation was organized.

8998 Section 177. Subsection (3) of section 607.1404, Florida
8999 Statutes, is amended to read:

9000 607.1404 Revocation of dissolution.—

9001 (3) After the revocation of dissolution is authorized, the
9002 corporation may revoke the dissolution by delivering to the
9003 department, within the 120-day period following the effective
9004 date of the articles of dissolution, ~~of State~~ for filing
9005 articles of revocation of dissolution, together with a copy of
9006 its articles of dissolution, that set forth:

9007 (a) The name of the corporation;

9008 (b) The effective date of the dissolution that was revoked;

9009 (c) The date that the revocation of dissolution was
9010 authorized;

9011 (d) If the corporation's board of directors or
9012 incorporators revoked the dissolution, a statement to that
9013 effect;

9014 (e) If the corporation's board of directors revoked a
9015 dissolution authorized by the shareholders, a statement that
9016 revocation was permitted by action by the board of directors
9017 alone pursuant to that authorization; and

9018 (f) If shareholder action was required to revoke the
9019 dissolution, a statement that the revocation was authorized by

28-00272A-19

2019892__

9020 the shareholders in the manner required by this chapter and by
 9021 the articles of incorporation ~~the information required by s.~~
 9022 ~~607.1403(1)(c) or (d).~~

9023 Section 178. Section 607.1405, Florida Statutes, is amended
 9024 to read:

9025 607.1405 Effect of dissolution.—

9026 (1) A ~~dissolved~~ corporation that has dissolved continues
 9027 its corporate existence but the dissolved corporation may not
 9028 carry on any business except that appropriate to wind up and
 9029 liquidate its business and affairs, including:

9030 (a) Collecting its assets;

9031 (b) Disposing of its properties that will not be
 9032 distributed in kind to its shareholders;

9033 (c) Discharging or making provision for discharging its
 9034 liabilities;

9035 (d) Making distributions of its remaining assets
 9036 ~~Distributing its remaining property~~ among its shareholders
 9037 according to their interests; and

9038 (e) Doing every other act necessary to wind up and
 9039 liquidate its business and affairs.

9040 (2) Dissolution of a corporation does not:

9041 (a) Transfer title to the corporation's property;

9042 (b) Prevent transfer of its shares or securities, ~~although~~
 9043 ~~the authorization to dissolve may provide for closing the~~
 9044 ~~corporation's share transfer records;~~

9045 (c) Subject its directors or officers to standards of
 9046 conduct different from those prescribed in ss. 607.0801-607.0859
 9047 ~~ss. 607.0801-607.0850 except as provided in s. 607.1421(4);~~

9048 (d) Change quorum or voting requirements for its board of

28-00272A-19

2019892__

9049 directors or shareholders; change provisions for selection,
9050 resignation, or removal of its directors or officers or both; or
9051 change provisions for amending its bylaws;

9052 (e) Prevent commencement of a proceeding by or against the
9053 corporation in its corporate name;

9054 (f) Abate or suspend a proceeding pending by or against the
9055 corporation on the effective date of dissolution; or

9056 (g) Terminate the authority of the registered agent of the
9057 corporation.

9058 (3) A distribution in liquidation under this section may
9059 only be made by a dissolved corporation. For purposes of
9060 determining the shareholders entitled to receive a distribution
9061 in liquidation, the board of directors may fix a record date for
9062 determining shareholders entitled to a distribution in
9063 liquidation, which date may not be retroactive. If the board of
9064 directors does not fix a record date for determining
9065 shareholders entitled to a distribution in liquidation, the
9066 record date is the date the board of directors authorizes the
9067 distribution in liquidation.

9068 (4) The directors, officers, and agents of a corporation
9069 dissolved pursuant to s. 607.1403 shall not incur any personal
9070 liability thereby by reason of their status as directors,
9071 officers, and agents of a dissolved corporation, as
9072 distinguished from a corporation which is not dissolved.

9073 (5) ~~(4)~~ The name of a dissolved corporation is not ~~shall not~~
9074 ~~be~~ available for assumption or use by another eligible entity
9075 until 1 year ~~corporation until 120 days~~ after the effective date
9076 of dissolution unless the dissolved corporation provides the
9077 department ~~of State~~ with a record ~~an affidavit~~, signed as

28-00272A-19

2019892__

9078 required by ~~executed pursuant to~~ s. 607.0120, permitting the
9079 immediate assumption or use of the name by another eligible
9080 entity corporation.

9081 (6)-(5) For purposes of this section, the circuit court may
9082 appoint a trustee, custodian, or receiver for any property owned
9083 or acquired by the corporation who may engage in any act
9084 permitted under subsection (1) if any director or officer of the
9085 dissolved corporation is unwilling or unable to serve or cannot
9086 be located.

9087 Section 179. Section 607.1406, Florida Statutes, is amended
9088 to read:

9089 607.1406 Known claims against dissolved corporation.—

9090 (1) A dissolved corporation may dispose of the known claims
9091 against it by giving written notice that satisfies the
9092 requirements of subsection (2) to its known claimants at any
9093 time after the effective date of the dissolution, but no later
9094 than the date that is 270 days before the date which is 3 years
9095 after the effective date of the dissolution.

9096 (2) The written notice must:

9097 (a) State the name of the corporation that is the subject
9098 of the dissolution;

9099 (b) State that the corporation is the subject of a
9100 dissolution and the effective date of the dissolution;

9101 (c) Specify the information that must be included in a
9102 claim;

9103 (d) State that a claim must be in writing and provide a
9104 mailing address where a claim may be sent;

9105 (e) State the deadline, which may not be fewer than 120
9106 days after the date the written notice is received by the

28-00272A-19

2019892__

9107 claimant, by which the dissolved corporation must receive the
9108 claim;

9109 (f) State that the claim will be barred if not received by
9110 the deadline;

9111 (g) State that the dissolved corporation may make
9112 distributions thereafter to other claimants and to the dissolved
9113 corporation's shareholders or persons interested without further
9114 notice; and

9115 (h) Be accompanied by a copy of ss. 607.1405-607.1410.

9116 (3) A dissolved corporation may reject, in whole or in
9117 part, a claim submitted by a claimant and received prior to the
9118 deadline specified in the written notice given pursuant to
9119 subsections (1) and (2) by mailing notice of the rejection to
9120 the claimant on or before the date that is the earlier of 90
9121 days after the dissolved corporation receives the claim or the
9122 date that is 150 days before the date which is 3 years after the
9123 effective date of the dissolution. A rejection notice sent by
9124 the dissolved corporation pursuant to this subsection must state
9125 that the claim will be barred unless the claimant, not later
9126 than 120 days after the claimant receives the rejection notice,
9127 commences an action in the circuit court in the applicable
9128 county against the dissolved corporation to enforce the claim.

9129 (4) A claim against the dissolved corporation is barred:

9130 (a) If a claimant who was given written notice pursuant to
9131 subsections (1) and (2) does not deliver the claim to the
9132 dissolved corporation by the specified deadline; or

9133 (b) If the claim was timely received by the dissolved
9134 corporation but was timely rejected by the dissolved corporation
9135 under subsection (3) and the claimant does not commence the

28-00272A-19

2019892__

9136 required action in the applicable county within 120 days after
9137 the claimant receives the rejection notice.

9138 (5) (a) For purposes of this section, "known claims" means
9139 any claim or liability that, as of the date of the giving of the
9140 written notice contemplated by subsections (1) and (2):

9141 1. Has matured sufficiently on or prior to the effective
9142 date of the dissolution to be legally capable of assertion
9143 against the dissolved corporation; or

9144 2. Is unmatured as of the effective date of the dissolution
9145 but will mature in the future solely based on the passage of
9146 time.

9147 (b) The term "known claims" does not include a claim based
9148 on an event occurring after the effective date of the
9149 dissolution or a claim that is a contingent claim.

9150 (6) The giving of any notice pursuant to this section does
9151 not revive any claim then barred or constitute acknowledgment by
9152 the dissolved corporation that any person to whom such notice is
9153 sent is a proper claimant and does not operate as a waiver of
9154 any defense or counterclaim in respect of any claim asserted by
9155 any person to whom such notice is sent.

9156 ~~(1) A dissolved corporation or successor entity, as defined~~
9157 ~~in subsection (15), may dispose of the known claims against it~~
9158 ~~by following the procedures described in subsections (2), (3),~~
9159 ~~and (4).~~

9160 ~~(2) The dissolved corporation or successor entity shall~~
9161 ~~deliver to each of its known claimants written notice of the~~
9162 ~~dissolution at any time after its effective date. The written~~
9163 ~~notice shall:~~

9164 ~~(a) Provide a reasonable description of the claim that the~~

28-00272A-19

2019892__

9165 ~~claimant may be entitled to assert;~~
9166 ~~(b) State whether the claim is admitted or not admitted, in~~
9167 ~~whole or in part, and, if admitted:~~
9168 ~~1. The amount that is admitted, which may be as of a given~~
9169 ~~date; and~~
9170 ~~2. Any interest obligation if fixed by an instrument of~~
9171 ~~indebtedness;~~
9172 ~~(c) Provide a mailing address where a claim may be sent;~~
9173 ~~(d) State the deadline, which may not be fewer than 120~~
9174 ~~days after the effective date of the written notice, by which~~
9175 ~~confirmation of the claim must be delivered to the dissolved~~
9176 ~~corporation or successor entity; and~~
9177 ~~(e) State that the corporation or successor entity may make~~
9178 ~~distributions thereafter to other claimants and the~~
9179 ~~corporation's shareholders or persons interested as having been~~
9180 ~~such without further notice.~~
9181 ~~(3) A dissolved corporation or successor entity may reject,~~
9182 ~~in whole or in part, any claim made by a claimant pursuant to~~
9183 ~~this subsection by mailing notice of such rejection to the~~
9184 ~~claimant within 90 days after receipt of such claim and, in all~~
9185 ~~events, at least 150 days before expiration of 3 years following~~
9186 ~~the effective date of dissolution. A notice sent by the~~
9187 ~~dissolved corporation or successor entity pursuant to this~~
9188 ~~subsection shall be accompanied by a copy of this section.~~
9189 ~~(4) A dissolved corporation or successor entity electing to~~
9190 ~~follow the procedures described in subsections (2) and (3) shall~~
9191 ~~also give notice of the dissolution of the corporation to~~
9192 ~~persons with known claims, that are contingent upon the~~
9193 ~~occurrence or nonoccurrence of future events or otherwise~~

28-00272A-19

2019892__

9194 ~~conditional or unmatured, and request that such persons present~~
9195 ~~such claims in accordance with the terms of such notice. Such~~
9196 ~~notice shall be in substantially the same form, and sent in the~~
9197 ~~same manner, as described in subsection (2).~~

9198 ~~(5) A dissolved corporation or successor entity shall offer~~
9199 ~~any claimant whose known claim is contingent, conditional, or~~
9200 ~~unmatured such security as the corporation or such entity~~
9201 ~~determines is sufficient to provide compensation to the claimant~~
9202 ~~if the claim matures. The dissolved corporation or successor~~
9203 ~~entity shall deliver such offer to the claimant within 90 days~~
9204 ~~after receipt of such claim and, in all events, at least 150~~
9205 ~~days before expiration of 3 years following the effective date~~
9206 ~~of dissolution. If the claimant offered such security does not~~
9207 ~~deliver in writing to the dissolved corporation or successor~~
9208 ~~entity a notice rejecting the offer within 120 days after~~
9209 ~~receipt of such offer for security, the claimant is deemed to~~
9210 ~~have accepted such security as the sole source from which to~~
9211 ~~satisfy his or her claim against the corporation.~~

9212 ~~(6) A dissolved corporation or successor entity which has~~
9213 ~~given notice in accordance with subsections (2) and (4) shall~~
9214 ~~petition the circuit court in the county where the corporation's~~
9215 ~~principal office is located or was located at the effective date~~
9216 ~~of dissolution to determine the amount and form of security that~~
9217 ~~will be sufficient to provide compensation to any claimant who~~
9218 ~~has rejected the offer for security made pursuant to subsection~~
9219 ~~(5).~~

9220 ~~(7) A dissolved corporation or successor entity which has~~
9221 ~~given notice in accordance with subsection (2) shall petition~~
9222 ~~the circuit court in the county where the corporation's~~

28-00272A-19

2019892__

9223 ~~principal office is located or was located at the effective date~~
9224 ~~of dissolution to determine the amount and form of security~~
9225 ~~which will be sufficient to provide compensation to claimants~~
9226 ~~whose claims are known to the corporation or successor entity~~
9227 ~~but whose identities are unknown. The court shall appoint a~~
9228 ~~guardian ad litem to represent all claimants whose identities~~
9229 ~~are unknown in any proceeding brought under this subsection. The~~
9230 ~~reasonable fees and expenses of such guardian, including all~~
9231 ~~reasonable expert witness fees, shall be paid by the petitioner~~
9232 ~~in such proceeding.~~

9233 ~~(8) The giving of any notice or making of any offer~~
9234 ~~pursuant to the provisions of this section shall not revive any~~
9235 ~~claim then barred or constitute acknowledgment by the dissolved~~
9236 ~~corporation or successor entity that any person to whom such~~
9237 ~~notice is sent is a proper claimant and shall not operate as a~~
9238 ~~waiver of any defense or counterclaim in respect of any claim~~
9239 ~~asserted by any person to whom such notice is sent.~~

9240 ~~(9) A dissolved corporation or successor entity which has~~
9241 ~~followed the procedures described in subsections (2)-(7):~~

9242 ~~(a) Shall pay the claims admitted or made and not rejected~~
9243 ~~in accordance with subsection (3);~~

9244 ~~(b) Shall post the security offered and not rejected~~
9245 ~~pursuant to subsection (5);~~

9246 ~~(c) Shall post any security ordered by the circuit court in~~
9247 ~~any proceeding under subsections (6) and (7); and~~

9248 ~~(d) Shall pay or make provision for all other known~~
9249 ~~obligations of the corporation or such successor entity.~~

9250
9251 ~~Such claims or obligations shall be paid in full, and any such~~

28-00272A-19

2019892__

9252 ~~provision for payments shall be made in full if there are~~
9253 ~~sufficient funds. If there are insufficient funds, such claims~~
9254 ~~and obligations shall be paid or provided for according to their~~
9255 ~~priority and, among claims of equal priority, ratably to the~~
9256 ~~extent of funds legally available therefor. Any remaining funds~~
9257 ~~shall be distributed to the shareholders of the dissolved~~
9258 ~~corporation; however, such distribution may not be made before~~
9259 ~~the expiration of 150 days from the date of the last notice of~~
9260 ~~rejections given pursuant to subsection (3). In the absence of~~
9261 ~~actual fraud, the judgment of the directors of the dissolved~~
9262 ~~corporation or the governing persons of such successor entity as~~
9263 ~~to the provisions made for the payment of all obligations under~~
9264 ~~paragraph (d) is conclusive.~~

9265 ~~(10) A dissolved corporation or successor entity which has~~
9266 ~~not followed the procedures described in subsections (2) and (3)~~
9267 ~~shall pay or make reasonable provision to pay all known claims~~
9268 ~~and obligations, including all contingent, conditional, or~~
9269 ~~unmatured claims known to the corporation or such successor~~
9270 ~~entity and all claims which are known to the dissolved~~
9271 ~~corporation or such successor entity but for which the identity~~
9272 ~~of the claimant is unknown. Such claims shall be paid in full,~~
9273 ~~and any such provision for payment made shall be made in full if~~
9274 ~~there are sufficient funds. If there are insufficient funds,~~
9275 ~~such claims and obligations shall be paid or provided for~~
9276 ~~according to their priority and, among claims of equal priority,~~
9277 ~~ratably to the extent of funds legally available therefor. Any~~
9278 ~~remaining funds shall be distributed to the shareholders of the~~
9279 ~~dissolved corporation.~~

9280 ~~(11) Directors of a dissolved corporation or governing~~

28-00272A-19

2019892__

9281 ~~persons of a successor entity which has complied with subsection~~
9282 ~~(9) or subsection (10) are not personally liable to the~~
9283 ~~claimants of the dissolved corporation.~~

9284 ~~(12) A shareholder of a dissolved corporation the assets of~~
9285 ~~which were distributed pursuant to subsection (9) or subsection~~
9286 ~~(10) is not liable for any claim against the corporation in an~~
9287 ~~amount in excess of such shareholder's pro rata share of the~~
9288 ~~claim or the amount distributed to the shareholder, whichever is~~
9289 ~~less.~~

9290 ~~(13) A shareholder of a dissolved corporation, the assets~~
9291 ~~of which were distributed pursuant to subsection (9), is not~~
9292 ~~liable for any claim against the corporation, which claim is~~
9293 ~~known to the corporation or successor entity, on which a~~
9294 ~~proceeding is not begun prior to the expiration of 3 years~~
9295 ~~following the effective date of dissolution.~~

9296 ~~(14) The aggregate liability of any shareholder of a~~
9297 ~~dissolved corporation for claims against the dissolved~~
9298 ~~corporation arising under this section, s. 607.1407, or~~
9299 ~~otherwise, may not exceed the amount distributed to the~~
9300 ~~shareholder in dissolution.~~

9301 ~~(15) As used in this section or s. 607.1407, the term~~
9302 ~~"successor entity" includes any trust, receivership, or other~~
9303 ~~legal entity governed by the laws of this state to which the~~
9304 ~~remaining assets and liabilities of a dissolved corporation are~~
9305 ~~transferred and which exists solely for the purposes of~~
9306 ~~prosecuting and defending suits by or against the dissolved~~
9307 ~~corporation, enabling the dissolved corporation to settle and~~
9308 ~~close the business of the dissolved corporation, to dispose of~~
9309 ~~and convey the property of the dissolved corporation, to~~

28-00272A-19

2019892__

9310 ~~discharge the liabilities of the dissolved corporation, and to~~
9311 ~~distribute to the dissolved corporation's shareholders any~~
9312 ~~remaining assets, but not for the purpose of continuing the~~
9313 ~~business for which the dissolved corporation was organized.~~

9314 Section 180. Section 607.1407, Florida Statutes, is amended
9315 to read:

9316 607.1407 Other Unknown claims against dissolved
9317 corporation. ~~A dissolved corporation or successor entity, as~~
9318 ~~defined in s. 607.1406(15), may choose to execute one of the~~
9319 ~~following procedures to resolve payment of unknown claims.~~

9320 (1) To resolve any claims other than known claims, a
9321 dissolved corporation ~~or successor entity~~ may file notice of its
9322 dissolution with the department ~~of State~~ on the form prescribed
9323 by the department ~~of State~~ and request that persons with claims
9324 against the corporation which are not known to the dissolved
9325 corporation ~~or successor entity~~ present them in accordance with
9326 the notice. The notice must ~~shall~~:

9327 (a) State the name of the corporation that is the subject
9328 of the ~~and the date of~~ dissolution;

9329 (b) State that the corporation is the subject of a
9330 dissolution and the effective date of the dissolution ~~Describe~~
9331 ~~the information that must be included in a claim and provide a~~
9332 ~~mailing address to which the claim may be sent; and~~

9333 (c) Specify the information that must be included in a
9334 claim;

9335 (d) State that a claim must be in writing and provide a
9336 mailing address where a claim may be sent; and

9337 (e) ~~(e)~~ State that a claim against the corporation under
9338 this subsection will be barred unless a proceeding to enforce

28-00272A-19

2019892__

9339 the claim is commenced within 4 years after the filing of the
9340 notice.

9341 ~~(2) A dissolved corporation or successor entity may, within~~
9342 ~~10 days after filing articles of dissolution with the Department~~
9343 ~~of State, publish a "Notice of Corporate Dissolution." The~~
9344 ~~notice shall appear once a week for 2 consecutive weeks in a~~
9345 ~~newspaper of general circulation in a county in the state in~~
9346 ~~which the corporation has its principal office, if any, or, if~~
9347 ~~none, in a county in the state in which the corporation owns~~
9348 ~~real or personal property. Such newspaper shall meet the~~
9349 ~~requirements as are prescribed by law for such purposes. The~~
9350 ~~notice shall:~~

9351 ~~(a) State the name of the corporation and the date of~~
9352 ~~dissolution;~~

9353 ~~(b) Describe the information that must be included in a~~
9354 ~~claim and provide a mailing address to which the claim may be~~
9355 ~~sent; and~~

9356 ~~(c) State that a claim against the corporation under this~~
9357 ~~subsection will be barred unless a proceeding to enforce the~~
9358 ~~claim is commenced within 4 years after the date of the second~~
9359 ~~consecutive weekly publication of the notice authorized by this~~
9360 ~~section.~~

9361 ~~(3) If the dissolved corporation or successor entity~~
9362 ~~complies with subsection (1) or subsection (2), unless sooner~~
9363 ~~barred by another statute limiting actions, the claim of each of~~
9364 ~~the following claimants with known or other claims is barred~~
9365 ~~unless the claimant commences a proceeding to enforce the claim~~
9366 ~~against the dissolved corporation within 4 years after the date~~
9367 ~~of filing the notice with the department of State or the date of~~

28-00272A-19

2019892__

9368 ~~the second consecutive weekly publication, as applicable:~~

9369 (a) A claimant who did not receive written notice under s.
9370 607.1406 ~~s. 607.1406(9), or whose claim was not provided for~~
9371 ~~under s. 607.1406(10), whether such claim is based on an event~~
9372 ~~occurring before or after the effective date of dissolution.~~

9373 (b) A claimant whose claim was timely sent to the dissolved
9374 corporation but on which no action was taken by the dissolved
9375 corporation.

9376 (c) A claimant whose claim is not a known claim under s.
9377 607.1406(5)

9378 ~~(4) A claim may be entered under this section:~~

9379 ~~(a) Against the dissolved corporation, to the extent of its~~
9380 ~~undistributed assets; or~~

9381 ~~(b) If the assets have been distributed in liquidation,~~
9382 ~~against a shareholder of the dissolved corporation to the extent~~
9383 ~~of such shareholder's pro rata share of the claim or the~~
9384 ~~corporate assets distributed to such shareholder in liquidation,~~
9385 ~~whichever is less, provided that the aggregate liability of any~~
9386 ~~shareholder of a dissolved corporation arising under this~~
9387 ~~section, s. 607.1406, or otherwise may not exceed the amount~~
9388 ~~distributed to the shareholder in dissolution.~~

9389 (3) Nothing in this section shall preclude or relieve the
9390 corporation from its notification to claimants otherwise set
9391 forth in this chapter.

9392 Section 181. Section 607.1408, Florida Statutes, is created
9393 to read:

9394 607.1408 Claims against dissolved corporations;
9395 enforcement.—A claim that is not barred by s. 607.1406(4), by s.
9396 607.1407(2), or by another statute limiting actions may be

28-00272A-19

2019892__

9397 enforced:9398 (1) Against the dissolved corporation, to the extent of its
9399 undistributed assets; or9400 (2) Except as provided in s. 607.1409(4), if the assets
9401 have been distributed in liquidation, against a shareholder of
9402 the dissolved corporation to the extent of the shareholder's pro
9403 rata share of the claim or the corporate assets distributed to
9404 the shareholder in liquidation, whichever is less, provided that
9405 the aggregate liability of any shareholder of a dissolved
9406 corporation arising under s. 607.1406, under s. 607.1407, or
9407 otherwise may not exceed the total amount of assets distributed
9408 to the shareholder in dissolution.9409 Section 182. Section 607.1409, Florida Statutes, is created
9410 to read:9411 607.1409 Court proceedings.-9412 (1) A dissolved corporation that has filed a notice under
9413 s. 607.1407(1) may file an application with the circuit court in
9414 the applicable county for a determination of the amount and form
9415 of security to be provided for payment of claims that are
9416 contingent or have not been made known to the dissolved
9417 corporation or that are based on an event occurring after the
9418 effective date of dissolution but that, based on the facts known
9419 to the dissolved corporation, are reasonably estimated to arise
9420 after the effective date of dissolution. Provision need not be
9421 made for any claim that is or is reasonably anticipated to be
9422 barred under s. 607.1407(2).9423 (2) Within 10 days after the filing of the application
9424 under subsection (1), notice of the proceeding shall be given by
9425 the dissolved corporation to each claimant holding a contingent

28-00272A-19

2019892__

9426 claim whose identity and contingent claim is known to the
9427 dissolved corporation. Such notice shall be accompanied by a
9428 copy of ss. 607.1405-607.1410.

9429 (3) In any proceeding under this section, the court may
9430 appoint a guardian ad litem to represent all claimants whose
9431 identities are unknown. The reasonable fees and expenses of such
9432 guardian, including all reasonable expert witness fees, shall be
9433 paid by the dissolved corporation.

9434 (4) Provision by the dissolved corporation for security in
9435 the amount and the form ordered by the court under subsection
9436 (1) shall satisfy the dissolved corporation's obligations with
9437 respect to claims that are contingent, have not been made known
9438 to the dissolved corporation or are based on an event occurring
9439 after the effective date of dissolution, and such claims may not
9440 be enforced against a shareholder who received assets in
9441 liquidation.

9442 Section 183. Section 607.1410, Florida Statutes, is created
9443 to read:

9444 607.1410 Director duties.—

9445 (1) Directors shall cause the dissolved corporation to
9446 discharge or make reasonable provision for the payment of claims
9447 and make distributions in liquidation of assets to shareholders
9448 after payment or provision for claims.

9449 (2) Directors of a dissolved corporation that has disposed
9450 of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not
9451 liable to any claimant or shareholder for a breach of subsection
9452 (1) with respect to claims against the dissolved corporation
9453 that are barred or satisfied in accordance with s. 607.1406, s.
9454 607.1407, or s. 607.1409.

28-00272A-19

2019892__

9455 Section 184. Section 607.1420, Florida Statutes, is amended
9456 to read:

9457 607.1420 ~~Grounds for~~ Administrative dissolution.—

9458 (1) The department may ~~of State may commence a proceeding~~
9459 ~~under s. 607.1421 to administratively~~ dissolve a corporation
9460 administratively if the corporation does not:

9461 (a) Deliver its annual report to the department ~~The~~
9462 ~~corporation has failed to file its annual report and pay the~~
9463 ~~annual report filing fee by 5 p.m. Eastern Time on the third~~
9464 ~~Friday in September~~ of each year;

9465 (b) Pay a fee or penalty due to the department under this
9466 chapter;

9467 (c) Appoint and maintain a registered agent and registered
9468 office as required by s. 607.0501 ~~The corporation is without a~~
9469 ~~registered agent or registered office in this state for 30 days~~
9470 ~~or more~~;

9471 (d) ~~(e)~~ Deliver for filing a statement of change under s.
9472 607.0502 within 30 days after a change has occurred in the name
9473 or address of the agent unless, within 30 days after the change
9474 occurred:

9475 1. The agent filed a statement of change pursuant to s.
9476 607.05031; or

9477 2. The change was made in accordance with s. 607.0502(4)
9478 ~~The corporation does not notify the Department of State within~~
9479 ~~30 days that its registered agent or registered office has been~~
9480 ~~changed, that its registered agent has resigned, or that its~~
9481 ~~registered office has been discontinued~~;

9482 (e) ~~(d)~~ The corporation has failed to answer truthfully and
9483 fully, within the time prescribed by this chapter ~~act~~,

28-00272A-19

2019892__

9484 interrogatories propounded by the department ~~of State~~; or

9485 (f)~~(e)~~ The corporation's period of duration stated in its
9486 articles of incorporation expires ~~has expired~~.

9487 (2) Administrative dissolution of a corporation for failure
9488 to file an annual report must occur on the fourth Friday in
9489 September of each year. The department shall issue a notice in a
9490 record of administrative dissolution to the corporation
9491 dissolved for failure to file an annual report. Issuance of the
9492 notice may be by electronic transmission to a corporation that
9493 has provided the department with an e-mail address.

9494 (3) If the department determines that one or more grounds
9495 exist for administratively dissolving a corporation under
9496 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d), the
9497 department shall serve notice in a record to the corporation of
9498 its intent to administratively dissolve the corporation.
9499 Issuance of the notice may be by electronic transmission to a
9500 corporation that has provided the department with an e-mail
9501 address.

9502 (4) If, within 60 days after sending the notice of intent
9503 to administratively dissolve pursuant to subsection (3), a
9504 corporation does not correct each ground for dissolution under
9505 paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d) or
9506 demonstrate to the reasonable satisfaction of the department
9507 that each ground determined by the department does not exist,
9508 the department shall dissolve the corporation administratively
9509 and issue to the corporation a notice in a record of
9510 administrative dissolution that states the grounds for
9511 dissolution. Issuance of the notice of administrative
9512 dissolution may be by electronic transmission to a corporation

28-00272A-19

2019892__

9513 that has provided the department with an e-mail address.

9514 (5) A corporation that has been administratively dissolved
9515 continues in existence but may only carry on activities
9516 necessary to wind up its activities and affairs, liquidate and
9517 distribute its assets, and notify claimants under ss. 607.1405,
9518 607.1406, and 607.1407.

9519 (6) The administrative dissolution of a corporation does
9520 not terminate the authority of its registered agent for service
9521 of process ~~The foregoing enumeration in subsection (1) of~~
9522 ~~grounds for administrative dissolution shall not exclude actions~~
9523 ~~or special proceedings by the Department of Legal Affairs or any~~
9524 ~~state officials for the annulment or dissolution of a~~
9525 ~~corporation for other causes as provided in any other statute of~~
9526 ~~this state.~~

9527 Section 185. Section 607.1421, Florida Statutes, is
9528 repealed.

9529 Section 186. Section 607.1422, Florida Statutes, is amended
9530 to read:

9531 607.1422 Reinstatement following administrative
9532 dissolution.—

9533 (1) A corporation that is administratively dissolved under
9534 s. 607.1420 or that was dissolved under s. 607.1421 before
9535 January 1, 2020, s. 607.1421 may apply to the department ~~of~~
9536 ~~State~~ for reinstatement at any time after the effective date of
9537 dissolution. The corporation must submit all fees and penalties
9538 then owed by the corporation at the rates provided by laws at
9539 the time the corporation applies for reinstatement, together
9540 with an application for reinstatement prescribed and furnished
9541 by the department, which is a reinstatement form prescribed and

28-00272A-19

2019892__

9542 ~~furnished by the Department of State or a current uniform~~
9543 ~~business report~~ signed by both the registered agent and an
9544 officer or director of the corporation and states:

9545 (a) The name of the corporation;

9546 (b) The street address of the corporations' principal
9547 office and mailing address;

9548 (c) The date of the corporation's organization;

9549 (d) The corporation's federal employer identification
9550 number or, if none, whether one has been applied for;

9551 (e) The name, title or capacity, and address of at least
9552 one officer or director of the corporation; and

9553 (f) Additional information that is necessary or appropriate
9554 to enable the department to carry out this chapter.

9555 (2) In lieu of the requirement to file an application for
9556 reinstatement as described in subsection (1), an
9557 administratively dissolved corporation may submit all fees and
9558 penalties owed by the corporation at the rates provided by law
9559 at the time the corporation applies for reinstatement, together
9560 with a current annual report, signed by both the registered
9561 agent and an officer or director of the corporation, which
9562 contains the information described in subsection (1).

9563 (3) If the department determines that an application for
9564 reinstatement contains the information required under subsection
9565 (1) or subsection (2) and that the information is correct, upon
9566 payment of all required fees and penalties, the department shall
9567 reinstate the corporation.

9568 (4) When reinstatement under this section becomes
9569 effective:

9570 (a) The reinstatement relates back to and takes effect as

28-00272A-19

2019892__

9571 of the effective date of the administrative dissolution.

9572 (b) The corporation may operate as if the administrative
9573 dissolution had never occurred.

9574 (c) The rights of a person arising out of an act or
9575 omission in reliance on the dissolution before the person knew
9576 or had notice of the reinstatement are not affected ~~and all fees~~
9577 ~~then owed by the corporation, computed at the rate provided by~~
9578 ~~law at the time the corporation applies for reinstatement.~~

9579 ~~(2) If the Department of State determines that the~~
9580 ~~application contains the information required by subsection (1)~~
9581 ~~and that the information is correct, it shall reinstate the~~
9582 ~~corporation.~~

9583 ~~(3) When the reinstatement is effective, it relates back to~~
9584 ~~and takes effect as of the effective date of the administrative~~
9585 ~~dissolution and the corporation resumes carrying on its business~~
9586 ~~as if the administrative dissolution had never occurred.~~

9587 (5) ~~(4)~~ The name of the dissolved corporation is not shall
9588 ~~not be~~ available for assumption or use by another eligible
9589 entity corporation until 1 year after the effective date of
9590 dissolution unless the dissolved corporation provides the
9591 department of State with a record signed as required by an
9592 ~~affidavit executed as required by s. 607.0120~~ permitting the
9593 immediate assumption or use of the name by another eligible
9594 entity corporation.

9595 (6) ~~(5)~~ If the name of the dissolved corporation has been
9596 lawfully assumed in this state by another business entity, the
9597 department corporation, ~~the Department of State~~ shall require
9598 the dissolved corporation to amend its articles of incorporation
9599 to change its name before accepting its application for

28-00272A-19

2019892__

9600 reinstatement.

9601 Section 187. Section 607.1423, Florida Statutes, is amended
9602 to read:

9603 607.1423 Judicial review of ~~Appeal from~~ denial of
9604 reinstatement.—

9605 (1) If the department ~~of State~~ denies a corporation's
9606 application for reinstatement after following administrative
9607 dissolution, the department ~~it~~ shall serve the corporation under
9608 either s. 607.0504(1) or s. 607.0504(2) with a written notice
9609 that explains the reason or reasons for denial.

9610 (2) Within 30 days after service of a notice of denial of
9611 reinstatement, a corporation may appeal the denial by
9612 petitioning the Circuit Court of Leon County to set aside the
9613 dissolution. The petition must be served on the department and
9614 contain a copy of the department's notice of administrative
9615 ~~After exhaustion of administrative remedies, the corporation may~~
9616 ~~appeal the denial of reinstatement to the appropriate court as~~
9617 ~~provided in s. 120.68 within 30 days after service of the notice~~
9618 ~~of denial is perfected. The corporation appeals by petitioning~~
9619 ~~the court to set aside the dissolution and attaching to the~~
9620 ~~petition copies of the Department of State's certificate of~~
9621 ~~dissolution, the corporation's application for reinstatement,~~
9622 and the department's notice of denial.

9623 (3) The court may ~~summarily~~ order the department ~~of State~~
9624 to reinstate the dissolved corporation or ~~may~~ take other action
9625 the court considers appropriate.

9626 (4) The court's final decision may be appealed as in other
9627 civil proceedings.

9628 Section 188. Section 607.1430, Florida Statutes, is amended

28-00272A-19

2019892__

9629 to read:

9630 607.1430 Grounds for judicial dissolution.—

9631 (1) A circuit court may dissolve a corporation or order
9632 such other remedy as provided in s. 607.1434:9633 ~~(1)~~ (a) In a proceeding by the Department of Legal Affairs
9634 to dissolve a corporation if it is established that:9635 1. The corporation obtained its articles of incorporation
9636 through fraud; or9637 2. The corporation has continued to exceed or abuse the
9638 authority conferred upon it by law.

9639

9640 ~~(b)~~ The enumeration in subparagraphs 1. and 2. ~~paragraph (a)~~ of
9641 grounds for involuntary dissolution does not exclude actions or
9642 special proceedings by the Department of Legal Affairs or any
9643 state official for the annulment or dissolution of a corporation
9644 for other causes as provided in any other statute of this state;9645 (b) ~~(2)~~ In a proceeding by a shareholder to dissolve a
9646 corporation if it is established that:9647 1. ~~(a)~~ The directors are deadlocked in the management of the
9648 corporate affairs, the shareholders are unable to break the
9649 deadlock, and:9650 a. Irreparable injury to the corporation is threatened or
9651 being suffered;9652 b. The business and affairs of the corporation can no
9653 longer be conducted to the advantage of the shareholders
9654 generally because of the deadlock; or9655 c. Both; or9656 2. ~~(b)~~ The shareholders are deadlocked in voting power and
9657 have failed to elect successors to directors whose terms have

28-00272A-19

2019892__

9658 expired or would have expired upon qualification of their
9659 successors;

9660 ~~(3) In a proceeding by a shareholder or group of~~
9661 ~~shareholders in a corporation having 35 or fewer shareholders if~~
9662 ~~it is established that:~~

9663 3.(a) The corporate assets are being misapplied or wasted,
9664 causing material injury to the corporation; or

9665 4.(b) The directors or those in control of the corporation
9666 have acted, are acting, or will ~~are reasonably expected to~~ act
9667 in a manner that is illegal, oppressive, or fraudulent;

9668 (c) ~~(4)~~ In a proceeding by a creditor if it is established
9669 that:

9670 1.(a) The creditor's claim has been reduced to judgment,
9671 the execution on the judgment returned unsatisfied, and the
9672 corporation is insolvent; or

9673 2.(b) The corporation has admitted in writing that the
9674 creditor's claim is due and owing and the corporation is
9675 insolvent; ~~or~~

9676 (d) ~~(5)~~ In a proceeding by the corporation to have its
9677 voluntary dissolution continued under court supervision; or

9678 (e) In a proceeding by a shareholder if the corporation has
9679 abandoned its business and has failed within a reasonable period
9680 of time to liquidate and distribute its assets and dissolve.

9681 (2) Paragraph (1)(b) does not apply in the case of a
9682 corporation that, on the date of the filing of the proceeding,
9683 has shares that are:

9684 (a) A covered security under s. 18(b)(1)(A) or (B) of the
9685 Securities Act of 1933; or

9686 (b) Not a covered security, but are held by at least 300

28-00272A-19

2019892__

9687 shareholders and the shares outstanding have a market value of
9688 at least \$20 million, exclusive of the value of outstanding
9689 shares of the corporation held by the corporation's
9690 subsidiaries, by the corporation's senior executives, by the
9691 corporation's directors, and by the corporation's beneficial
9692 shareholders and voting trust beneficial owners owning more than
9693 10 percent of the outstanding shares of the corporation.

9694 (3) A proceeding by a shareholder under subparagraph
9695 (1) (b) 4. asserting that the directors or those in control of the
9696 corporation have acted, are acting, or will act in a manner that
9697 is oppressive may only be brought by a shareholder who at the
9698 time that such proceeding is commenced under subparagraph
9699 (1) (b) 4. owns at least 10 percent of the outstanding shares of
9700 the corporation.

9701 (4) (a) In the event of a deadlock situation that satisfies
9702 subparagraph (1) (b) 1. or subparagraph (1) (b) 2., if the
9703 shareholders are subject to a shareholder agreement that
9704 complies with s. 607.0732 and contains a deadlock sale
9705 provision, then such deadlock sale provision shall apply to the
9706 resolution of such deadlock in lieu of the court entering an
9707 order of judicial dissolution or an order directing the purchase
9708 of petitioner's shares under s. 607.1436, so long as the
9709 provisions of such deadlock sale provision are initiated and
9710 effectuated within the time periods specified for the
9711 corporation to act under s. 607.1436 and in accordance with the
9712 terms of such deadlock sale provision.

9713 (b) As used in this section, the term "deadlock sale
9714 provision" means a provision in a shareholder agreement that
9715 complies with s. 607.0732, which is or may be applicable in the

28-00272A-19

2019892__

9716 event of a deadlock among the directors or shareholders of the
9717 corporation, which neither the directors nor the shareholders,
9718 as applicable, of the corporation are able to break; and which
9719 provides for a deadlock breaking mechanism, including, but not
9720 limited to:

9721 1. A redemption or a purchase and sale of shares or other
9722 equity securities;

9723 2. A governance change;

9724 3. A sale of the corporation or all or substantially all of
9725 the assets of the corporation; or

9726 4. A similar provision that, if initiated and effectuated,
9727 breaks the deadlock by causing the transfer of the shares or
9728 other equity securities, a governance change, or a sale of the
9729 corporation or all or substantially all of the corporation's
9730 assets.

9731 (5) (a) In the event of oppressive action that satisfies
9732 subparagraph (1) (b) 4., if the shareholders are subject to a
9733 shareholder agreement that complies with s. 607.0732 and
9734 contains an oppressive action sale provision, then such
9735 oppressive action sale provision shall address such shareholder
9736 asserted oppressive action in lieu of the court entering an
9737 order of judicial dissolution or an order directing the purchase
9738 of petitioner's shares under s. 607.1436, so long as the
9739 provisions of such oppressive action sale provision are
9740 initiated and effectuated within the time periods specified for
9741 the corporation to act under s. 607.1436 and in accordance with
9742 the terms of such oppressive action sale provision.

9743 (b) For purposes of this section, the term "oppressive
9744 action sale provision" means a provision in a shareholder

28-00272A-19

2019892__

9745 agreement that complies with s. 607.0732, which is or may be
9746 applicable in the event of a shareholder's assertion of the
9747 occurrence or existence of oppressive action; which neither the
9748 directors nor the shareholders, as applicable, of the
9749 corporation are able to address; and which provides for a
9750 mechanism for addressing the occurrence or existence of such
9751 shareholder asserted oppressive action including, but not
9752 limited to:

9753 1. A redemption or purchase and sale of shares or other
9754 equity securities;

9755 2. The sale of the corporation or of all or substantially
9756 all of the assets of the corporation; or

9757 3. A similar provision that, if initiated and effectuated,
9758 causes the transfer of shares or other equity securities to be
9759 redeemed or purchased and sold or the sale of the corporation or
9760 of all or substantially all of the corporation's assets.

9761 (6) A deadlock sale provision or an oppressive action sale
9762 provision in a shareholder agreement which complies with s.
9763 607.0732 which is not initiated and effectuated before the court
9764 enters an order of judicial dissolution under subparagraph
9765 (1) (b)1., subparagraph (1) (b)2., or subparagraph (1) (b)4., as
9766 the case may be, or an order directing the purchase of
9767 petitioner's interest under s. 607.1436, does not adversely
9768 affect the rights of shareholders to seek judicial dissolution
9769 under subparagraph (1) (b)1., subparagraph (1) (b)2., or
9770 subparagraph (1) (b)4., as the case may be, or the rights of the
9771 corporation or one or more shareholders to purchase the
9772 petitioner's interest under s. 607.1436. The filing of an action
9773 for judicial dissolution on the grounds described in

28-00272A-19

2019892__

9774 subparagraph (1)(b)1., subparagraph (1)(b)2., or subparagraph
 9775 (1)(b)4., as the case may be, or an election to purchase the
 9776 petitioner's interest under s. 607.1436, does not adversely
 9777 affect the right of a shareholder to initiate an available
 9778 deadlock sale provision or an oppressive action sale provision
 9779 under the shareholder agreement that complies with s. 607.0732
 9780 or to enforce a shareholder-initiated or an automatically-
 9781 initiated deadlock sale provision or oppressive action sale
 9782 provision if the deadlock sale provision or the oppressive sale
 9783 provision, as the case may be, is initiated and effectuated
 9784 before the court enters an order of judicial dissolution under
 9785 subparagraph (1)(b)1., subparagraph (1)(b)2., or subparagraph
 9786 (1)(b)4., as the case may be, or an order directing the purchase
 9787 of petitioner's interest under s. 607.1436.

9788 (7) For purposes of subsections (1), (2), and (3), the term
 9789 "shareholder" means a record shareholder, a beneficial
 9790 shareholder, or an unrestricted voting trust beneficial owner.

9791 Section 189. Subsections (1), (3), and (4) of section
 9792 607.1431, Florida Statutes, are amended to read:

9793 607.1431 Procedure for judicial dissolution.—

9794 (1) Venue for a proceeding brought under s. 607.1430 lies
 9795 in the circuit court in the applicable county ~~of the county~~
 9796 ~~where the corporation's principal office is or was last located,~~
 9797 ~~as shown by the records of the Department of State, or, if none~~
 9798 ~~in this state, where its registered office is or was last~~
 9799 ~~located.~~

9800 (3) A court in a proceeding brought under s. 607.1430 ~~to~~
 9801 ~~dissolve a corporation~~ may issue injunctions, appoint a receiver
 9802 or custodian during the proceeding ~~pendente lite~~ with all powers

28-00272A-19

2019892__

9803 and duties the court directs, take other action required to
9804 preserve the corporate assets wherever located, and carry on the
9805 business of the corporation until a full hearing can be held.

9806 (4) Within 30 days of the commencement of a proceeding
9807 under s. 607.1430(1)(b), the corporation shall deliver to all
9808 shareholders, other than the petitioner, a notice stating that
9809 the shareholders are entitled to avoid the dissolution of the
9810 corporation by electing to purchase the petitioner's shares
9811 under s. 607.1436 and accompanied by a copy of s. 607.1436.

9812 (5) If the court determines that any party has commenced,
9813 continued, or participated in a proceeding ~~an action~~ under s.
9814 607.1430 and has acted arbitrarily, frivolously, vexatiously, or
9815 not in good faith, the court may, in its discretion, award
9816 attorney ~~attorney's~~ fees and other reasonable expenses to the
9817 other parties to the action who have been affected adversely by
9818 such actions.

9819 Section 190. Subsections (1) and (2), paragraph (a) of
9820 subsection (3), and subsections (4) and (5) of section 607.1432,
9821 Florida Statutes, are amended to read:

9822 607.1432 Receivership or custodianship.—

9823 (1) A court in a judicial proceeding brought under s.
9824 607.1430 ~~to dissolve a corporation~~ may appoint one or more
9825 receivers to wind up and liquidate, or one or more custodians to
9826 manage, the business and affairs of the corporation. The court
9827 shall hold a hearing, after notifying all parties to the
9828 proceeding and any interested persons designated by the court,
9829 before appointing a receiver or custodian. The court appointing
9830 a receiver or custodian has exclusive jurisdiction over the
9831 corporation and all of its property wherever located.

28-00272A-19

2019892__

9832 (2) The court may appoint a natural person or an eligible
 9833 entity ~~a corporation~~ authorized to act as a receiver or
 9834 custodian. The eligible entity ~~corporation~~ may be a domestic
 9835 eligible entity ~~corporation~~ or a foreign eligible entity
 9836 ~~corporation~~ authorized to transact business in this state. The
 9837 court may require the receiver or custodian to post bond, with
 9838 or without sureties, in an amount the court directs.

9839 (3) The court shall describe the powers and duties of the
 9840 receiver or custodian in its appointing order, which may be
 9841 amended from time to time. Among other powers:

9842 (a) The receiver:

9843 1. May dispose of all or any part of the assets of the
 9844 corporation wherever located, at a public or private sale, if
 9845 authorized by the court; and

9846 2. May sue and defend in his, her, or its ~~or her~~ own name
 9847 as receiver of the corporation in all courts of this state.

9848 (4) The court during a receivership may redesignate the
 9849 receiver a custodian, and during a custodianship may redesignate
 9850 the custodian a receiver, if doing so is determined by the court
 9851 to be in the best interests of the corporation and its
 9852 shareholders and creditors.

9853 (5) The court from time to time during the receivership or
 9854 custodianship may order compensation paid and expense
 9855 disbursements or reimbursements made to the receiver or
 9856 custodian and his, her, or its ~~or her~~ counsel from the assets of
 9857 the corporation or proceeds from the sale of the assets.

9858 Section 191. Section 607.1433, Florida Statutes, is amended
 9859 to read:

9860 607.1433 Judgment of dissolution.—

28-00272A-19

2019892__

9861 (1) If after a hearing in a proceeding under s. 607.1430
9862 the court determines that one or more grounds for judicial
9863 dissolution described in s. 607.1430 exist, it may enter a
9864 judgment dissolving the corporation and specifying the effective
9865 date of the dissolution, and the clerk of the court shall
9866 deliver a certified copy of the judgment to the department ~~of~~
9867 ~~State~~, which shall file it.

9868 (2) After entering the judgment of dissolution, the court
9869 shall direct the winding up and liquidation of the corporation's
9870 business and affairs in accordance with s. 607.1405 and the
9871 notification of claimants in accordance with ss. 607.1406 and
9872 607.1407 ~~s. 607.1406~~, subject to the provisions of subsection
9873 (3).

9874 (3) In a proceeding for judicial dissolution, the court may
9875 require all creditors of the corporation to file with the clerk
9876 of the court or with the receiver, in such form as the court may
9877 prescribe, proofs under oath of their respective claims. If the
9878 court requires the filing of claims, it shall fix a date, which
9879 shall be not less than 4 months from the date of the order, as
9880 the last day for filing of claims. The court shall prescribe the
9881 method by which such notice of the deadline for filing claims
9882 shall be given to creditors and claimants. Prior to the date so
9883 fixed, the court may extend the time for the filing of claims by
9884 court order. Creditors and claimants failing to file proofs of
9885 claim on or before the date so fixed shall be barred ~~may be~~
9886 ~~barred, by order of court,~~ from participating in the
9887 distribution of the assets of the corporation. Nothing in this
9888 section affects the enforceability of any recorded mortgage or
9889 lien or the perfected security interest or rights of a person in

28-00272A-19

2019892__

9890 possession of real or personal property.

9891 Section 192. Section 607.1434, Florida Statutes, is amended
9892 to read:

9893 607.1434 Alternative remedies to judicial dissolution.—

9894 (1) In a proceeding under an action for dissolution
9895 pursuant to s. 607.1430, the court may, as an alternative to
9896 directing the dissolution of the corporation and upon a showing
9897 of sufficient merit to warrant such remedy:

9898 (a) ~~(1)~~ Appoint a receiver or custodian during the
9899 proceeding ~~pendente lite~~ as provided in s. 607.1432;

9900 (b) ~~(2)~~ Appoint a provisional director as provided in s.
9901 607.1435;

9902 (c) ~~(3)~~ Order a purchase of the petitioning ~~complain~~
9903 shareholder's shares pursuant to s. 607.1436; or

9904 (d) ~~(4)~~ Upon proof of good cause, Make any order or grant
9905 any equitable relief other than dissolution ~~or liquidation~~ as in
9906 its discretion it may deem appropriate.

9907 (2) Alternative remedies, such as the appointment of a
9908 receiver or custodian, may also be ordered in the discretion of
9909 the court, upon a showing of sufficient merit to warrant such
9910 remedy, in advance of directing the dissolution of the
9911 corporation or, after a judgment of dissolution is entered, to
9912 assist in facilitating the winding up of the corporation.

9913 Section 193. Subsections (1) and (3) of section 607.1435,
9914 Florida Statutes, are amended to read:

9915 607.1435 Provisional director.—

9916 (1) In a proceeding under s. 607.1430, a provisional
9917 director may be appointed in the discretion of the court if it
9918 appears that such action by the court will remedy the grounds

28-00272A-19

2019892__

9919 alleged by the complaining shareholder to support the
9920 jurisdiction of the court under s. 607.1430. A provisional
9921 director may be appointed notwithstanding the absence of a
9922 vacancy on the board of directors, and such director shall have
9923 all the rights and powers of a duly elected director, including
9924 the right to notice of and to vote at meetings of directors,
9925 until such time as the provisional director is removed by order
9926 of the court or, unless otherwise ordered by a court, removed by
9927 a vote of the shareholders sufficient either to elect a majority
9928 of the board of directors or, if greater than majority voting is
9929 required by the articles of incorporation or the bylaws, to
9930 elect the requisite number of directors needed to take action. A
9931 provisional director shall be an impartial person who is neither
9932 a shareholder nor a creditor of the corporation or of any
9933 subsidiary or affiliate of the corporation, and whose further
9934 qualifications, if any, may be determined by the court.

9935 (3) In any proceeding under which a provisional director is
9936 appointed pursuant to this section, the court shall allow
9937 reasonable compensation to the provisional director for services
9938 rendered and reimbursement or direct payment of reasonable costs
9939 and expenses, which amounts shall be paid by the corporation.

9940 Section 194. Section 607.1436, Florida Statutes, is amended
9941 to read:

9942 607.1436 Election to purchase instead of dissolution.—

9943 (1) In a proceeding under s. 607.1430(1)(b) ~~s. 607.1430(2)~~
9944 ~~or (3) to dissolve a corporation~~, the corporation may elect or,
9945 if it fails to elect, one or more shareholders may elect to
9946 purchase all shares owned by the petitioning shareholder at the
9947 fair value of the shares. An election pursuant to this section

28-00272A-19

2019892__

9948 shall be irrevocable unless the court determines that it is
9949 equitable to set aside or modify the election.

9950 (2) An election to purchase pursuant to this section may be
9951 filed with the court at any time within 90 days after the filing
9952 of the petition under s. 607.1430(1)(b) ~~s. 607.1430(2) or (3)~~ or
9953 at such later time as the court in its discretion may allow. If
9954 the election to purchase is filed by one or more shareholders,
9955 the corporation shall, within 10 days thereafter, give written
9956 notice to all shareholders, other than the petitioner. The
9957 notice must state the name and number of shares owned by the
9958 petitioner and the name and number of shares owned by each
9959 electing shareholder and must advise the recipients of their
9960 right to join in the election to purchase shares in accordance
9961 with this section. Shareholders who wish to participate must
9962 file notice of their intention to join in the purchase no later
9963 than 30 days after the effective date of the notice to them. All
9964 shareholders who have filed an election or notice of their
9965 intention to participate in the election to purchase thereby
9966 become parties to the proceeding and shall participate in the
9967 purchase in proportion to their ownership of shares as of the
9968 date the first election was filed, unless they otherwise agree
9969 or the court otherwise directs. After an election has been filed
9970 by the corporation or one or more shareholders, the proceeding
9971 under s. 607.1430(1)(b) ~~s. 607.1430(2) or (3)~~ may not be
9972 discontinued or settled, nor may the petitioning shareholder
9973 sell or otherwise dispose of his or her shares, unless the court
9974 determines that it would be equitable to the corporation and the
9975 shareholders, other than the petitioner, to permit such
9976 discontinuance, settlement, sale, or other disposition.

28-00272A-19

2019892__

9977 (3) If, within 60 days after the filing of the first
9978 election, the parties reach agreement as to the fair value and
9979 terms of the purchase of the petitioner's shares, the court
9980 shall enter an order directing the purchase of the petitioner's
9981 shares upon the terms and conditions agreed to by the parties.

9982 (4) If the parties are unable to reach an agreement as
9983 provided for in subsection (3), the court, upon application of
9984 any party, may stay the proceeding to dissolve under s.
9985 607.1430(1)(b) and shall, whether or not the proceeding is
9986 stayed, shall ~~stay the s. 607.1430 proceedings~~ and determine the
9987 fair value of the petitioner's shares as of the day before the
9988 date on which the petition under s. 607.1430 was filed or as of
9989 such other date as the court deems appropriate under the
9990 circumstances.

9991 (5) Upon determining the fair value of the shares, the
9992 court shall enter an order directing the purchase upon such
9993 terms and conditions as the court deems appropriate, which may
9994 include payment of the purchase price in installments, when
9995 necessary in the interests of equity, provision for security to
9996 assure payment of the purchase price and any additional costs,
9997 fees, and expenses as may have been awarded, and, if the shares
9998 are to be purchased by shareholders, the allocation of shares
9999 among such shareholders. In allocating the petitioner's shares
10000 among holders of different classes of shares, the court shall
10001 attempt to preserve any ~~the~~ existing distribution of voting
10002 rights among holders of different classes and series insofar as
10003 practicable and may direct that holders of any ~~a~~ specific class
10004 or classes or series shall not participate in the purchase.
10005 Interest may be allowed at the rate and from the date determined

28-00272A-19

2019892__

10006 by the court to be equitable; however, if the court finds that
10007 the refusal of the petitioning shareholder to accept an offer of
10008 payment was arbitrary or otherwise not in good faith, no
10009 interest shall be allowed. If the court finds that the
10010 petitioning shareholder had probable grounds for relief under s.
10011 607.1430(1)(b) ~~s. 607.1430(3)~~, it may award expenses to the
10012 petitioning shareholder, including reasonable fees and expenses
10013 of counsel and of any experts employed by petitioner.

10014 (6) The ~~Upon~~ entry of an order under subsection (3) or
10015 subsection (5) shall be subject to the provisions of subsection
10016 (8), and the order shall not be entered unless and until the
10017 award is determined by the court to be permitted under the
10018 provisions of subsection (8). In determining compliance with s.
10019 607.06401, the court may rely on an affidavit from the
10020 corporation as to compliance with that section as of the
10021 measurement date. Upon entry of an order under subsection (3) or
10022 subsection (5), the court shall dismiss the petition to dissolve
10023 the corporation under s. 607.1430(1)(b) ~~s. 607.1430~~ and the
10024 petitioning shareholder shall no longer have any rights or
10025 status as a shareholder of the corporation, except the right to
10026 receive the amounts awarded by the order of the court, which
10027 shall be enforceable in the same manner as any other judgment.

10028 (7) The purchase ordered pursuant to subsection (5) shall
10029 be made within 10 days after the date the order becomes final
10030 ~~unless, before that time, the corporation files with the court a~~
10031 ~~notice of its intention to adopt articles of dissolution~~
10032 ~~pursuant to ss. 607.1402 and 607.1403, which articles shall then~~
10033 ~~be adopted and filed within 50 days thereafter. Upon filing of~~
10034 ~~such articles of dissolution, the corporation shall be dissolved~~

28-00272A-19

2019892__

10035 ~~in accordance with the provisions of ss. 607.1405 and 607.1406,~~
10036 ~~and the order entered pursuant to subsection (5) shall no longer~~
10037 ~~be of any force or effect, except that the court may award the~~
10038 ~~petitioning shareholder reasonable fees and expenses of counsel~~
10039 ~~and any experts in accordance with the provisions of subsection~~
10040 ~~(5) and the petitioner may continue to pursue any claims~~
10041 ~~previously asserted on behalf of the corporation.~~

10042 (8) Any payment by the corporation pursuant to an order
10043 under subsection (3) or subsection (5), other than an award of
10044 fees and expenses pursuant to subsection (5), is subject to the
10045 provisions of s. 607.06401. Unless otherwise provided in the
10046 court's order, the effect of the distribution under s. 607.06401
10047 shall be measured as of the date of the court's order under
10048 subsection (3) or subsection (5).

10049 Section 195. Section 607.14401, Florida Statutes, is
10050 amended to read:

10051 607.14401 Deposit with Department of Financial Services.—
10052 Assets of a dissolved corporation that should be transferred to
10053 a creditor, claimant, or shareholder of the corporation who
10054 cannot be found or who is not competent to receive them shall be
10055 reduced to cash and deposited, ~~within 6 months from the date~~
10056 ~~fixed for the payment of the final liquidating distribution,~~
10057 with the Department of Financial Services for safekeeping, ~~where~~
10058 ~~such assets shall be held as abandoned property.~~ When the
10059 creditor, claimant, or shareholder furnishes satisfactory proof
10060 of entitlement to the amount or assets deposited, the Department
10061 of Financial Services shall pay such person ~~the creditor,~~
10062 ~~claimant, or shareholder~~ or his or her representative that
10063 amount ~~or those assets.~~

28-00272A-19

2019892__

10064 Section 196. Section 607.1501, Florida Statutes, is amended
10065 to read:

10066 607.1501 Authority of foreign corporation to transact
10067 business required; activities not constituting transacting
10068 business.—

10069 (1) A foreign corporation may not transact business in this
10070 state until it obtains a certificate of authority from the
10071 department ~~of State.~~

10072 (2) The following activities, among others, do not
10073 constitute transacting business within the meaning of subsection
10074 (1):

10075 (a) Maintaining, defending, mediating, arbitrating, or
10076 settling any proceeding.

10077 (b) Carrying on any activity concerning the internal
10078 affairs of the foreign corporation, including holding meetings
10079 of its shareholders or board of directors ~~the board of directors~~
10080 ~~or shareholders or carrying on other activities concerning~~
10081 ~~internal corporate affairs.~~

10082 (c) Maintaining bank accounts in financial institutions.

10083 (d) Maintaining offices ~~officers~~ or agencies for the
10084 transfer, exchange, and registration of ~~the corporation's own~~
10085 securities of the foreign corporation or maintaining trustees or
10086 depositaries with respect to those securities.

10087 (e) Selling through independent contractors.

10088 (f) Soliciting or obtaining orders, whether by mail or
10089 through employees, agents, or otherwise, if the orders require
10090 acceptance outside this state before they become contracts.

10091 (g) Creating or acquiring indebtedness, mortgages, or ~~and~~
10092 security interests in real or personal property.

28-00272A-19

2019892__

10093 (h) Securing or collecting debts or enforcing mortgages or
 10094 ~~and~~ security interests in property securing the debts, and
 10095 holding, protecting, or maintaining property so acquired.

10096 (i) Transacting business in interstate commerce.

10097 (j) Conducting an isolated transaction that is completed
 10098 within 30 days and that is not one in the course of repeated
 10099 transactions of a like nature.

10100 (k) Owning and controlling a subsidiary corporation
 10101 incorporated in or limited liability company formed in, or
 10102 transacting business within, this state; ~~or~~ voting the shares
 10103 ~~stock~~ of any such subsidiary corporation; or voting the
 10104 membership interests of any such limited liability company,
 10105 which it has lawfully acquired.

10106 (l) Owning a limited partnership interest in a limited
 10107 partnership that is transacting ~~doing~~ business within this
 10108 state, unless the ~~such~~ limited partner manages or controls the
 10109 partnership or exercises the powers and duties of a general
 10110 partner.

10111 (m) Owning, protecting, and maintaining, without more, real
 10112 or personal property.

10113 (3) The list of activities in subsection (2) is not an
 10114 exhaustive list of activities that do not constitute transacting
 10115 business within the meaning of subsection (1).

10116 (4) This section does not apply in determining the contacts
 10117 or activities that may subject a foreign corporation ~~has no~~
 10118 ~~application to the question of whether any foreign corporation~~
 10119 ~~is subject to service of process, taxation, or regulation under~~
 10120 the and suit in this state under any law of this state other
 10121 than this chapter.

28-00272A-19

2019892__

10122 Section 197. Section 607.15015, Florida Statutes, is
10123 created to read:

10124 607.15015 Governing law.—

10125 (1) The law of the state or other jurisdiction under which
10126 a foreign corporation exists governs:

10127 (a) The organization and internal affairs of the foreign
10128 corporation; and

10129 (b) The interest holder liability of its shareholders.

10130 (2) A foreign corporation may not be denied a certificate
10131 of authority by reason of a difference between the laws of its
10132 jurisdiction of formation and the laws of this state.

10133 (3) A certificate of authority does not authorize a foreign
10134 corporation to engage in any business or exercise any power that
10135 a corporation may not engage in or exercise in this state.

10136 Section 198. Section 607.1502, Florida Statutes, is amended
10137 to read:

10138 607.1502 Effect of failure to have a certificate of
10139 ~~Consequences of transacting business without~~ authority.—

10140 (1) A foreign corporation transacting business in this
10141 state or its successors may not prosecute or maintain an action
10142 ~~or proceeding without a certificate of authority may not~~
10143 ~~maintain a proceeding in any court~~ in this state until it has
10144 obtained ~~obtains~~ a certificate of authority to transact business
10145 in this state.

10146 (2) The successor to a foreign corporation that transacted
10147 business in this state without a certificate of authority and
10148 the assignee of a cause of action arising out of that business
10149 may not prosecute or maintain a proceeding based on that cause
10150 of action in a any court in this state until the foreign

28-00272A-19

2019892__

10151 corporation or its successor has obtained ~~obtains~~ a certificate
10152 of authority to transact business in this state.

10153 (3) A court may stay a proceeding commenced by a foreign
10154 corporation or its successor or assignee until it determines
10155 whether the foreign corporation or its successor requires a
10156 certificate of authority. If it so determines, the court may
10157 further stay the proceeding until the foreign corporation or its
10158 successor has obtained a ~~obtains the~~ certificate of authority to
10159 transact business in this state.

10160 (4) A foreign corporation which transacts business in this
10161 state without obtaining a certificate of authority ~~is to do so~~
10162 ~~shall be~~ liable to this state for the years or parts thereof
10163 during which it transacted business in this state without
10164 obtaining a certificate of authority in an amount equal to all
10165 fees and penalties that ~~taxes which~~ would have been imposed by
10166 this chapter act upon the foreign ~~such~~ corporation had it duly
10167 applied for and received a certificate of authority to transact
10168 business in this state as required under this chapter ~~by this~~
10169 ~~act~~. In addition to the payments thus prescribed, the foreign
10170 corporation may, to the extent ordered by a court of competent
10171 jurisdiction, such corporation shall be liable for a civil
10172 penalty of not less than \$500 but not ~~or~~ more than \$1,000 for
10173 each year or part thereof during which it transacts business in
10174 this state without a certificate of authority. The department ~~of~~
10175 ~~State~~ may collect all penalties due under this subsection ~~and~~
10176 ~~may bring an action in circuit court to recover all penalties~~
10177 ~~and fees due and owing the state.~~

10178 (5) ~~Notwithstanding subsections (1) and (2),~~ The failure of
10179 a foreign corporation to have ~~obtain~~ a certificate of authority

28-00272A-19

2019892__

10180 to transact business in this state does not impair the validity
10181 of any of its contracts, deeds, mortgages, security interests,
10182 or corporate acts or prevent the foreign corporation ~~it~~ from
10183 defending an action or ~~any~~ proceeding in this state.

10184 (6) A shareholder, officer, or director of a foreign
10185 corporation is not liable for the debts, obligations, or other
10186 liabilities of the foreign corporation solely because the
10187 foreign corporation transacted business in this state without a
10188 certificate of authority.

10189 (7) Section 607.15015(1) applies even if a foreign
10190 corporation fails to have a certificate of authority to transact
10191 business in this state.

10192 (8) If a foreign corporation transacts business in this
10193 state without a certificate of authority or cancels its
10194 certificate of authority, it appoints the secretary of state as
10195 its agent for service of process for rights of action arising
10196 out of the transaction of business in this state.

10197 Section 199. Section 607.1503, Florida Statutes, is amended
10198 to read:

10199 607.1503 Application for certificate of authority.—

10200 (1) A foreign corporation may apply for a certificate of
10201 authority to transact business in this state by delivering an
10202 application to the department ~~of State~~ for filing. Such
10203 application shall be made on forms prescribed ~~and furnished~~ by
10204 the department. The application must contain the following
10205 ~~Department of State and shall set forth:~~

10206 (a) The name of the foreign corporation and, if the name
10207 does not comply with s. 607.0401, an alternate name adopted
10208 pursuant to ~~as long as its name satisfies the requirements of s.~~

28-00272A-19

2019892__

10209 ~~607.0401, but if its name does not satisfy such requirements, a~~
 10210 ~~corporate name that otherwise satisfies the requirements of s.~~
 10211 ~~607.1506.~~

10212 (b) The name of the foreign corporation's jurisdiction of
 10213 incorporation. ~~jurisdiction under the law of which it is~~
 10214 ~~incorporated;~~

10215 (c) Its date of incorporation and period of duration.

10216 (d) The principal office and mailing address of the foreign
 10217 corporation. ~~street address of its principal office;~~

10218 (e) The name and street address in this state of, and the
 10219 written acceptance by, the foreign corporation's initial
 10220 registered agent in this state. ~~of its registered office in this~~
 10221 ~~state and the name of its registered agent at that office;~~

10222 (f) The names and usual business addresses of its current
 10223 directors and officers.

10224 (g) ~~Such~~ Additional information as may be necessary or
 10225 appropriate in order to enable the department ~~of State~~ to
 10226 determine whether the foreign ~~such~~ corporation is entitled to
 10227 file an application for certificate of authority to transact
 10228 business in this state and to determine and assess the fees ~~and~~
 10229 ~~taxes~~ payable as prescribed in this chapter ~~act~~.

10230 (2) The foreign corporation shall deliver with a ~~the~~
 10231 completed application under subsection (1) a certificate of
 10232 existence or a record ~~(or a document~~ of similar import,) duly
 10233 authenticated, not more than 90 days prior to delivery of the
 10234 application to the department ~~of State~~, signed by the ~~Secretary~~
 10235 ~~of State or other~~ official having custody of the foreign
 10236 corporation's publicly filed records in its jurisdiction of
 10237 incorporation ~~corporate records in the jurisdiction under the~~

28-00272A-19

2019892__

10238 ~~law of which it is incorporated.~~ A translation of the
10239 certificate, under oath of the translator, must be attached to a
10240 certificate which is in a language other than the English
10241 language.

10242 ~~(3) A foreign corporation shall not be denied authority to~~
10243 ~~transact business in this state by reason of the fact that the~~
10244 ~~laws of the jurisdiction under which such corporation is~~
10245 ~~organized governing its organization and internal affairs differ~~
10246 ~~from the laws of this state.~~

10247 Section 200. Section 607.1504, Florida Statutes, is amended
10248 to read:

10249 607.1504 Amended certificate of authority.—

10250 (1) A foreign corporation authorized to transact business
10251 in this state shall deliver for filing an amendment to its ~~make~~
10252 ~~application to the Department of State to obtain an amended~~
10253 ~~certificate of authority to reflect a change in any of the~~
10254 following if it changes:

10255 (a) Its name on the records of the department. ~~corporate~~
10256 ~~name;~~

10257 (b) ~~The period of its duration; or~~

10258 ~~(e) The jurisdiction of its incorporation.~~

10259 (c) The name and street address in this state of the
10260 foreign corporation's registered agent in this state, unless the
10261 change was timely made in accordance with s. 607.0502 or s.
10262 607.05031.

10263 (2) The amendment must be filed within 90 days after the
10264 occurrence of a change described in subsection (1), must be
10265 signed by an officer of the foreign corporation, and must state
10266 the following ~~Such application shall be made within 90 days~~

28-00272A-19

2019892__

10267 ~~after the occurrence of any change mentioned in subsection (1),~~
10268 ~~shall be made on forms prescribed by the Department of State,~~
10269 ~~and shall be executed in accordance with s. 607.0120. The~~
10270 ~~foreign corporation shall deliver with the completed~~
10271 ~~application, a certificate, or a document of similar import,~~
10272 ~~authenticated as of a date not more than 90 days prior to~~
10273 ~~delivery of the application to the Department of State by the~~
10274 ~~Secretary of State or other official having custody of corporate~~
10275 ~~records in the jurisdiction under the laws of which it is~~
10276 ~~incorporated, evidencing the amendment. A translation of the~~
10277 ~~certificate, under oath or affirmation of the translator, must~~
10278 ~~be attached to a certificate that is in a language other than~~
10279 ~~English. The application shall set forth:~~

10280 (a) The name of the foreign corporation as it appears on
10281 the records of the department ~~of State.~~

10282 (b) The jurisdiction of its incorporation.

10283 (c) The date the foreign corporation ~~it~~ was authorized to
10284 do business in this state.

10285 (d) If the name of the foreign corporation has been
10286 changed, the name relinquished and its new name, ~~the new name,~~ a
10287 ~~statement that the change of name has been effected under the~~
10288 ~~laws of the jurisdiction of its incorporation, and the date the~~
10289 ~~change was effected.~~

10290 (e) If the amendment changes its period of duration, a
10291 statement of such change.

10292 (f) If the amendment changes the jurisdiction of
10293 incorporation of the foreign corporation, a statement of that
10294 ~~such~~ change.

10295 (3) The requirements of s. 607.1503 for obtaining an

28-00272A-19

2019892__

10296 original certificate of authority apply to obtaining an amended
10297 certificate under this section unless the official having
10298 custody of the foreign corporation's publicly filed records in
10299 its jurisdiction of incorporation did not require an amendment
10300 to effectuate the change on its records.

10301 (4) Subject to subsection (3), a foreign corporation
10302 authorized to transact business in this state may make
10303 application to the department to obtain an amended certificate
10304 of authority to add, remove, or change the name, title,
10305 capacity, or address of an officer or director of the foreign
10306 corporation.

10307 Section 201. Section 607.1505, Florida Statutes, is amended
10308 to read:

10309 607.1505 Effect of a certificate of authority.—

10310 (1) Unless the department determines than an application
10311 for a certificate of authority of a foreign corporation
10312 ~~authorizes the foreign corporation to which it is issued to~~
10313 transact business in this state does not comply with the filing
10314 requirements of this chapter, the department shall, upon payment
10315 of all filing fees, authorize the foreign corporation to
10316 transact business in this state and file the application for
10317 certificate of authority ~~subject, however, to the right of the~~
10318 ~~Department of State to suspend or revoke the certificate as~~
10319 ~~provided in this act.~~

10320 (2) The filing by the department of an application for a
10321 certificate of authority means that the foreign corporation that
10322 filed the application to transact business in this state has
10323 obtained a certificate of authority to transact business in this
10324 state and is authorized to transact business in this state,

28-00272A-19

2019892__

10325 subject, however, to the right of the department to suspend or
10326 revoke the certificate of authority as provided in this chapter
10327 ~~A foreign corporation with a valid certificate of authority has~~
10328 ~~the same but no greater rights and has the same but no greater~~
10329 ~~privileges as, and except as otherwise provided by this act is~~
10330 ~~subject to the same duties, restrictions, penalties, and~~
10331 ~~liabilities now or later imposed on, a domestic corporation of~~
10332 ~~like character.~~

10333 ~~(3) This act does not authorize this state to regulate the~~
10334 ~~organization or internal affairs of a foreign corporation~~
10335 ~~authorized to transact business in this state.~~

10336 Section 202. Section 607.1506, Florida Statutes, is amended
10337 to read:

10338 607.1506 Corporate name of foreign corporation.-

10339 (1) A foreign corporation whose name is unavailable under
10340 or whose name does not otherwise comply with s. 607.0401 shall
10341 use an alternate name the complies with s. 607.0401 ~~is not~~
10342 ~~entitled to file an application for a certificate of authority~~
10343 ~~unless the corporate name of such corporation satisfies the~~
10344 ~~requirements of s. 607.0401. If the corporate name of a foreign~~
10345 ~~corporation does not satisfy the requirements of s. 607.0401,~~
10346 ~~the foreign corporation, to obtain or maintain a certificate of~~
10347 ~~authority to transact business in this state.~~ An alternate name
10348 adopted for use in this state shall be cross-referenced to the
10349 actual name of the foreign corporation in the records of the
10350 department, provided that no cross-reference is required if the
10351 alternate name involves no more than adding the suffix
10352 "corporation," "company," or "incorporated" or the abbreviation
10353 "Corp.," or "Inc.," or "Co." or the designation "Corp.," or

28-00272A-19

2019892__

10354 "Inc." or "Co." to the name. If the actual name of the foreign
10355 corporation subsequently becomes available in this state and the
10356 foreign corporation elects to operate in this state under its
10357 actual name, or the foreign corporation chooses to change its
10358 alternate name, a record approving the election or change, as
10359 the case may be, by its directors or shareholders, and signed as
10360 required pursuant to s. 607.0120, shall be delivered to the
10361 department for filing.

10362 ~~(a) May add the word "corporation," "company," or~~
10363 ~~"incorporated" or the abbreviation "Corp.," "Inc.," "Co.," or~~
10364 ~~the designation "Corp.," "Inc.," or "Co.," as will clearly indicate~~
10365 ~~that it is a corporation instead of a natural person,~~
10366 ~~partnership, or other business entity; or~~

10367 ~~(b) May use an alternate name to transact business in this~~
10368 ~~state if its real name is unavailable. Any such alternate~~
10369 ~~corporate name, adopted for use in this state, shall be cross-~~
10370 ~~referenced to the real corporate name in the records of the~~
10371 ~~Division of Corporations. If the corporation's real corporate~~
10372 ~~name becomes available in this state or the corporation chooses~~
10373 ~~to change its alternate name, a copy of the resolution of its~~
10374 ~~board of directors changing or withdrawing the alternate name,~~
10375 ~~executed as required by s. 607.0120, shall be delivered for~~
10376 ~~filing.~~

10377 (2) A foreign corporation that adopts an alternate name
10378 under subsection (1) and obtains a certificate of authority with
10379 the alternate name need not comply with s. 865.09 with respect
10380 to the alternate name ~~The corporate name (including the~~
10381 ~~alternate name) of a foreign corporation must be distinguishable~~
10382 ~~upon the records of the Division of Corporations from:~~

28-00272A-19

2019892__

- 10383 ~~(a) Any corporate name of a corporation incorporated or~~
10384 ~~authorized to transact business in this state;~~
- 10385 ~~(b) The alternate name of another foreign corporation~~
10386 ~~authorized to transact business in this state;~~
- 10387 ~~(c) The corporate name of a not for profit corporation~~
10388 ~~incorporated or authorized to transact business in this state;~~
10389 ~~and~~
- 10390 ~~(d) The names of all other entities or filings, except~~
10391 ~~fictitious name registrations pursuant to s. 865.09, organized~~
10392 ~~or registered under the laws of this state that are on file with~~
10393 ~~the Division of Corporations.~~
- 10394 (3) So long as a foreign corporation maintains a
10395 certificate of authority with an alternate name, a foreign
10396 corporation shall transact business in this state under the
10397 alternate name unless the corporation is authorized under s.
10398 865.09 to transact business in this state under another name.
- 10399 (4)~~(3)~~ If a foreign corporation authorized to transact
10400 business in this state changes its corporate name to one that
10401 does not comply with ~~satisfy the requirements of s. 607.0401, it~~
10402 may not thereafter ~~transact business in this state under the~~
10403 changed name until it complies with subsection (1) ~~adopts a name~~
10404 satisfying the requirements of s. 607.0401 ~~and obtains an~~
10405 amended certificate of authority under s. 607.1504.
- 10406 (5) Notwithstanding the foregoing, a foreign corporation
10407 may register under a name that is not otherwise distinguishable
10408 on the records of the department with the written consent of the
10409 other entity if the consent is filed with the department at the
10410 time of registration of such name and if such name is not
10411 identical to the name of the other entity.

28-00272A-19

2019892__

10412 Section 203. Section 607.1507, Florida Statutes, is amended
10413 to read:

10414 607.1507 Registered office and registered agent of foreign
10415 corporation.—

10416 (1) Each foreign corporation authorized to transact
10417 business in this state shall designate and ~~must~~ continuously
10418 maintain in this state:

10419 (a) A registered office, which may be the same as ~~that may~~
10420 ~~be the same as any of its~~ place ~~places~~ of business in this
10421 state; and

10422 (b) A registered agent, which must ~~who may~~ be:

10423 1. An individual who resides in this state and whose
10424 business address is identical to the address of ~~office is~~
10425 ~~identical with~~ the registered office;

10426 2. A domestic entity that is an authorized entity and whose
10427 business address is identical to the address of the registered
10428 office; or

10429 3. Another foreign entity authorized to transact business
10430 in this state which is an authorized entity and whose business
10431 address is identical to the address of ~~corporation or not-for-~~
10432 ~~profit corporation as defined in chapter 617, the business~~
10433 ~~office of which is identical with~~ the registered office; ~~or~~

10434 ~~3. Another foreign corporation or foreign not-for-profit~~
10435 ~~corporation authorized pursuant to this chapter or chapter 617,~~
10436 ~~to transact business or conduct its affairs in this state the~~
10437 ~~business office of which is identical with the registered~~
10438 ~~office.~~

10439 (2) This section does not apply to corporations that are
10440 required by law to designate the Chief Financial Officer as

28-00272A-19

2019892__

10441 their attorney for service of process, associations subject to
10442 the provisions of chapter 665, and banks and trust companies
10443 subject to the financial institutions codes.

10444 (3) Each initial registered agent, and each successor
10445 registered agent that is appointed, shall ~~A registered agent~~
10446 ~~appointed pursuant to this section or a successor registered~~
10447 ~~agent appointed pursuant to s. 607.1508 on whom process may be~~
10448 ~~served shall each file a statement in writing with the~~
10449 ~~department, in the form and manner~~ ~~Department of State, in such~~
10450 ~~form and manner as shall be~~ prescribed by the department,
10451 accepting the appointment as ~~a~~ registered agent while
10452 simultaneously ~~with his or her~~ being designated as the
10453 registered agent. The ~~Such~~ statement of acceptance must provide
10454 ~~shall state~~ that the registered agent is familiar with, and
10455 accepts, the obligations of that position.

10456 (4) The duties of a registered agent are as follows:

10457 (a) To forward to the foreign corporation at the address
10458 most recently supplied to the registered agent by the foreign
10459 corporation, a process, notice, or demand pertaining to the
10460 foreign corporation which is served on or received by the
10461 registered agent; and

10462 (b) If the registered agent resigns, to provide the notice
10463 required under s. 607.1509 to the foreign corporation at the
10464 address most recently supplied to the registered agent by the
10465 foreign corporation.

10466 (5) The department shall maintain an accurate record of the
10467 registered agents and registered offices for service of process
10468 and shall promptly furnish any information disclosed thereby
10469 upon request and payment of the required fee.

28-00272A-19

2019892__

10470 (6) A foreign corporation may not prosecute or maintain any
10471 action in a court in this state until the foreign corporation
10472 complies with the provisions of this section, pays to the
10473 department the amounts required by this chapter, and, to the
10474 extent ordered by a court of competent jurisdiction, pays to the
10475 department a penalty of \$5 for each day it has failed to so
10476 comply or \$500, whichever is less.

10477 (7) A court may stay a proceeding commenced by a foreign
10478 corporation until the corporation complies with this section.

10479 Section 204. Section 607.1508, Florida Statutes, is amended
10480 to read:

10481 607.1508 Change of registered office and registered agent
10482 of foreign corporation.—

10483 (1) In order to change its registered agent or registered
10484 office address, a foreign corporation authorized to transact
10485 business in this state may deliver to the department ~~change its~~
10486 ~~registered office or registered agent by delivering to the~~
10487 ~~Department of State~~ for filing a statement of change containing
10488 the following that sets forth:

10489 (a) The name of the foreign corporation. ~~Its name;~~

10490 (b) The name ~~street address~~ of its current registered
10491 office. ~~†~~

10492 (c) If the current registered agent is to be changed, the
10493 name of the new registered agent.

10494 (d) The street address of its current registered office for
10495 its current registered agent.

10496 (e) If the street address of the current registered office
10497 is to be changed, the new street address of the registered
10498 office

28-00272A-19

2019892__

10499 ~~(c) If the current registered office is to be changed, the~~
10500 ~~street address of its new registered office;~~

10501 ~~(d) The name of its current registered agent;~~

10502 ~~(e) If the current registered agent is to be changed, the~~
10503 ~~name of its new registered agent and the new agent's written~~
10504 ~~consent (either on the statement or attached to it) to the~~
10505 ~~appointment;~~

10506 ~~(f) That, after the change or changes are made, the street~~
10507 ~~address of its registered office and the business office of its~~
10508 ~~registered agent will be identical; and~~

10509 ~~(g) That such change was authorized by resolution duly~~
10510 ~~adopted by its board of directors or by an officer of the~~
10511 ~~corporation so authorized by the board of directors.~~

10512 (2) If the registered agent is changed, the written
10513 acceptance of the successor registered agent described in s.
10514 607.1507(3) must also be included in or attached to the
10515 statement of change.

10516 (3) A statement of change is effective when filed by the
10517 department.

10518 (4) The changes described in this section may also be made
10519 on the foreign corporation's annual report or in an application
10520 for reinstatement filed with the department under s. 607.1622 ~~if~~
10521 ~~a registered agent changes the street address of her or his~~
10522 ~~business office, she or he may change the street address of the~~
10523 ~~registered office of any foreign corporation for which she or he~~
10524 ~~is the registered agent by notifying the corporation in writing~~
10525 ~~of the change and signing (either manually or in facsimile) and~~
10526 ~~delivering to the Department of State for filing a statement of~~
10527 ~~change that complies with the requirements of paragraphs (1) (a)-~~

28-00272A-19

2019892__

10528 ~~(f) and recites that the corporation has been notified of the~~
10529 ~~change.~~

10530 Section 205. Section 607.1509, Florida Statutes, is amended
10531 to read:

10532 607.1509 Resignation of registered agent of foreign
10533 corporation.—

10534 (1) A registered agent may resign as agent for a foreign
10535 corporation by delivering to the department for filing a signed
10536 statement of resignation containing the name of the foreign
10537 corporation ~~The registered agent of a foreign corporation may~~
10538 ~~resign his or her agency appointment by signing and delivering~~
10539 ~~to the Department of State for filing a statement of resignation~~
10540 ~~and mailing a copy of such statement to the corporation at the~~
10541 ~~corporation's principal office address shown in its most recent~~
10542 ~~annual report or, if none, shown in its application for a~~
10543 ~~certificate of authority or other most recently filed document.~~
10544 ~~The statement of resignation must state that a copy of such~~
10545 ~~statement has been mailed to the corporation at the address so~~
10546 ~~stated. The statement of resignation may include a statement~~
10547 ~~that the registered office is also discontinued.~~

10548 (2) After delivering the statement of resignation to the
10549 department for filing, the registered agent must promptly mail a
10550 copy to the foreign corporation at its current mailing address
10551 ~~The agency appointment is terminated as of the 31st day after~~
10552 ~~the date on which the statement was filed and, unless otherwise~~
10553 ~~provided in the statement, termination of the agency acts as a~~
10554 ~~termination of the registered office.~~

10555 (3) A registered agent is terminated upon the earlier of:

10556 (a) The 31st day after the department files the statement

28-00272A-19

2019892__

10557 of resignation; or

10558 (b) When a statement of change or other record designating
10559 a new registered agent is filed by the department.

10560 (4) When a statement of resignation takes effect, the
10561 registered agent ceases to have responsibility for a matter
10562 thereafter tendered to it as agent for the foreign corporation.
10563 The resignation does not affect contractual rights that the
10564 foreign corporation has against the agent or that the agent has
10565 against the foreign corporation.

10566 (5) A registered agent may resign from a foreign
10567 corporation regardless of whether the foreign corporation has
10568 active status.

10569 Section 206. Section 607.15091, Florida Statutes, is
10570 created to read:

10571 607.15091 Change of name or address by registered agent.-

10572 (1) If a registered agent changes his or her name or
10573 address, the agent may deliver to the department for filing a
10574 statement of change containing the following:

10575 (a) The name of the foreign corporation represented by the
10576 registered agent.

10577 (b) The name of the registered agent as currently shown in
10578 the records of the department for the corporation.

10579 (c) If the name of the registered agent has changed, its
10580 new name.

10581 (d) If the address of the registered agent has changed, the
10582 new address.

10583 (e) A statement that the registered agent has given the
10584 notice required under subsection (2).

10585 (2) A registered agent shall promptly furnish notice of the

28-00272A-19

2019892__

10586 statement of change and the changes made by the statement filed
10587 with the department to the represented foreign corporation.

10588 Section 207. Section 607.15092, Florida Statutes, is
10589 created to read:

10590 607.15092 Delivery of notice or other communication.-

10591 (1) Except as otherwise provided in this chapter,
10592 permissible means of delivery of a notice or other communication
10593 includes delivery by hand, the United States Postal Service, a
10594 commercial delivery service, and electronic transmission, all as
10595 more particularly described in s. 607.0141.

10596 (2) Except as provided in subsection (3), delivery to the
10597 department is effective only when a notice or other
10598 communication is received by the department.

10599 (3) If a check is mailed to the department for payment of
10600 an annual report fee or the annual supplemental fee required
10601 under s. 607.193, the check shall be deemed to have been
10602 received by the department as of the postmark date appearing on
10603 the envelope or package transmitting the check if the envelope
10604 or package is received by the department.

10605 Section 208. Section 607.15101, Florida Statutes, is
10606 amended to read:

10607 607.15101 Service of process, notice, or demand on a
10608 foreign corporation.-

10609 (1) A foreign corporation may be served with process
10610 required or authorized by law by serving on its registered
10611 agent.

10612 (2) If a foreign corporation ceases to have a registered
10613 agent or if its registered agent cannot with reasonable
10614 diligence be served, the process required or permitted by law

28-00272A-19

2019892__

10615 may instead be served on the chair of the board, the president,
10616 any vice president, the secretary, or the treasurer of the
10617 foreign corporation at the principal office of the foreign
10618 corporation in this state.

10619 (3) If the process cannot be served on a foreign
10620 corporation pursuant to subsection (1) or subsection (2), the
10621 process may be served on the secretary of state as an agent of
10622 the foreign corporation.

10623 (4) Service of process on the secretary of state may be
10624 made by delivering to and leaving with the department duplicate
10625 copies of the process.

10626 (5) Service is effectuated under subsection (3) on the date
10627 shown as received by the department.

10628 (6) The department shall keep a record of each process
10629 served on the secretary of state pursuant to this section and
10630 record the time of and the action taken regarding the service.

10631 (7) Any notice or demand on a foreign corporation under
10632 this chapter may be given or made to the chair of the board, the
10633 president, any vice president, the secretary, or the treasurer
10634 of the foreign corporation; to the registered agent of the
10635 foreign corporation at the registered office of the foreign
10636 corporation in this state; or to any other address in this state
10637 that is in fact the principal office of the foreign corporation
10638 in this state.

10639 (8) This section does not affect the right to serve
10640 process, give notice, or make a demand in any other manner
10641 provided by law

10642 ~~(1) The registered agent of a foreign corporation~~
10643 ~~authorized to transact business in this state is the~~

28-00272A-19

2019892__

10644 ~~corporation's agent for service of process, notice, or demand~~
 10645 ~~required or permitted by law to be served on the foreign~~
 10646 ~~corporation.~~

10647 ~~(2) A foreign corporation may be served by registered or~~
 10648 ~~certified mail, return receipt requested, addressed to the~~
 10649 ~~secretary of the foreign corporation at its principal office~~
 10650 ~~shown in its application for a certificate of authority or in~~
 10651 ~~its most recent annual report if the foreign corporation:~~

10652 ~~(a) Has no registered agent or its registered agent cannot~~
 10653 ~~with reasonable diligence be served;~~

10654 ~~(b) Has withdrawn from transacting business in this state~~
 10655 ~~under s. 607.1520; or~~

10656 ~~(c) Has had its certificate of authority revoked under s.~~
 10657 ~~607.1531.~~

10658 ~~(3) Service is perfected under subsection (2) at the~~
 10659 ~~earliest of:~~

10660 ~~(a) The date the foreign corporation receives the mail;~~

10661 ~~(b) The date shown on the return receipt, if signed on~~
 10662 ~~behalf of the foreign corporation; or~~

10663 ~~(c) Five days after its deposit in the United States mail,~~
 10664 ~~as evidenced by the postmark, if mailed postpaid and correctly~~
 10665 ~~addressed.~~

10666 ~~(4) This section does not prescribe the only means, or~~
 10667 ~~necessarily the required means, of serving a foreign~~
 10668 ~~corporation. Process against any foreign corporation may also be~~
 10669 ~~served in accordance with chapter 48 or chapter 49.~~

10670 ~~(5) Any notice to or demand on a foreign corporation made~~
 10671 ~~pursuant to this act may be made in accordance with the~~
 10672 ~~procedures for notice to or demand on domestic corporations~~

28-00272A-19

2019892__

10673 ~~under s. 607.0504.~~

10674 Section 209. Section 607.1520, Florida Statutes, is amended
10675 to read:

10676 607.1520 Withdrawal and cancellation of certificate of
10677 authority for ~~of~~ foreign corporation.-

10678 (1) To cancel its certificate of authority to transact
10679 business in this state, a foreign corporation must deliver to
10680 the department for filing a notice of withdrawal of certificate
10681 of authority. The certificate of authority is canceled when the
10682 notice of withdrawal becomes effective pursuant to s. 607.0123.
10683 The notice of withdrawal of certificate of authority must be
10684 signed by an officer or director and state the following:

10685 (a) The name of the foreign corporation as it appears on
10686 the records of the department.

10687 (b) The name of the foreign corporation's jurisdiction of
10688 incorporation.

10689 (c) The date the foreign corporation was authorized to
10690 transact business in this state.

10691 (d) That the foreign corporation is withdrawing its
10692 certificate of authority in this state.

10693 (e) That it revokes the authority of its registered agent
10694 to accept service on its behalf and appoints the secretary of
10695 state as its agent for service of process based on a cause of
10696 action arising during the time it was authorized to transact
10697 business in this state.

10698 (f) A mailing address to which the secretary of state may
10699 mail a copy of any process served on the secretary of state
10700 under paragraph (e).

10701 (g) A commitment to notify the department in the future of

28-00272A-19

2019892__

10702 any change in its mailing address ~~A foreign corporation~~
10703 ~~authorized to transact business in this state may not withdraw~~
10704 ~~from this state until it obtains a certificate of withdrawal~~
10705 ~~from the Department of State.~~

10706 ~~(2) A foreign corporation authorized to transact business~~
10707 ~~in this state may apply for a certificate of withdrawal by~~
10708 ~~delivering an application to the Department of State for filing.~~
10709 ~~The application shall be made on forms prescribed and furnished~~
10710 ~~by the Department of State and shall set forth:~~

10711 ~~(a) The name of the foreign corporation and the~~
10712 ~~jurisdiction under the law of which it is incorporated;~~

10713 ~~(b) That it is not transacting business in this state and~~
10714 ~~that it surrenders its authority to transact business in this~~
10715 ~~state;~~

10716 ~~(c) That it revokes the authority of its registered agent~~
10717 ~~to accept service on its behalf and appoints the Department of~~
10718 ~~State as its agent for service of process based on a cause of~~
10719 ~~action arising during the time it was authorized to transact~~
10720 ~~business in this state;~~

10721 ~~(d) A mailing address to which the Department of State may~~
10722 ~~mail a copy of any process served on it under paragraph (c); and~~

10723 ~~(e) A commitment to notify the Department of State in the~~
10724 ~~future of any change in its mailing address.~~

10725 ~~(2)~~(3) After the withdrawal of the foreign corporation is
10726 effective, service of process on the secretary of state
10727 ~~Department of State~~ under this section is service on the foreign
10728 corporation. Upon receipt of the process, the secretary of state
10729 ~~Department of State~~ shall mail a copy of the process to the
10730 foreign corporation at the mailing address set forth under

28-00272A-19

2019892__

10731 paragraph (1)(f) ~~subsection (2)~~.

10732 Section 210. Section 607.1521, Florida Statutes, is created
10733 to read:

10734 607.1521 Withdrawal deemed on conversion to domestic filing
10735 entity.—A foreign corporation authorized to transact business in
10736 this state that converts to a domestic corporation or another
10737 domestic eligible entity that is organized, incorporated,
10738 registered, or otherwise formed through the delivery of a record
10739 to the department for filing is deemed to have withdrawn its
10740 certificate of authority on the effective date of the
10741 conversion.

10742 Section 211. Section 607.1522, Florida Statutes, is created
10743 to read:

10744 607.1522 Withdrawal on dissolution, merger, or conversion
10745 to certain nonfiling entities.—

10746 (1) A foreign corporation that is authorized to transact
10747 business in this state that has dissolved and completed winding
10748 up, has merged into a foreign eligible entity that is not
10749 authorized to transact business in this state, or has converted
10750 to a domestic or foreign eligible entity that is not organized,
10751 incorporated, registered or otherwise formed through the public
10752 filing of a record, shall deliver a notice of withdrawal of
10753 certificate of authority to the department for filing in
10754 accordance with s. 607.1520.

10755 (2) After a withdrawal under this section of a foreign
10756 corporation that has converted to another type of entity is
10757 effective, service of process in any action or proceeding based
10758 on a cause of action arising during the time the foreign
10759 corporation was authorized to transact business in this state

28-00272A-19

2019892__

10760 may be made pursuant to s. 607.15101.

10761 Section 212. Section 607.1523, Florida Statutes, is created
10762 to read:

10763 607.1523 Action by Department of Legal Affairs.—The
10764 Department of Legal Affairs may maintain an action to enjoin a
10765 foreign corporation from transacting business in this state in
10766 violation of this chapter.

10767 Section 213. Section 607.1530, Florida Statutes, is amended
10768 to read:

10769 607.1530 ~~Grounds for~~ Revocation of certificate of authority
10770 to transact business.—

10771 (1) ~~A The Department of State may commence a proceeding~~
10772 under s. 607.1531 to revoke the certificate of authority of a
10773 foreign corporation authorized to transact business in this
10774 state may be revoked by the department if:

10775 (a) ~~(1)~~ The foreign corporation does not deliver its annual
10776 report to the department ~~has failed to file its annual report~~
10777 with the Department of State by 5 p.m. Eastern Time on the third
10778 Friday in September of each year;

10779 (b) ~~(2)~~ The foreign corporation does not pay a fee or
10780 penalty due to the department under this chapter; ~~within the~~
10781 ~~time required by this act, any fees, taxes, or penalties imposed~~
10782 ~~by this act or other law.~~

10783 (c) ~~(3)~~ The foreign corporation does not appoint and
10784 maintain a registered agent as required by s. 607.1507; ~~is~~
10785 ~~without a registered agent or registered office in this state~~
10786 ~~for 30 days or more.~~

10787 (d) ~~(4)~~ The foreign corporation does not deliver for filing
10788 a statement of a change under s. 607.1508 within 30 days after

28-00272A-19

2019892__

10789 the change in the name or address of the agent has occurred,
10790 unless, within 30 days after the change occurred, either:

10791 1. The registered agent files a statement of change under
10792 s. 607.15091; or

10793 2. The change was made in accordance with s. 607.1508(4) or
10794 s. 607.1504(1)(c);

10795 (e) The foreign corporation has failed to amend its
10796 certificate of authority to reflect a change in its name on the
10797 records of the department or its jurisdiction of incorporation;

10798 (f) The foreign corporation's period of duration stated in
10799 its articles of incorporation has expired; ~~notify the Department~~
10800 ~~of State under s. 607.1508 or s. 607.1509 that its registered~~
10801 ~~agent has resigned or that its registered office has been~~
10802 ~~discontinued within 30 days of the resignation or~~
10803 ~~discontinuance.~~

10804 (g) ~~(5)~~ An incorporator, director, officer, or agent of the
10805 foreign corporation signs ~~signed~~ a document that she or he knew
10806 was false in a ~~any~~ material respect with the intent that the
10807 document be delivered to the department ~~of State~~ for filing;

10808 (h) ~~(6)~~ The department ~~of State~~ receives a duly
10809 authenticated certificate from the ~~Secretary of State or other~~
10810 official having custody of corporate records in the jurisdiction
10811 under the law of which the foreign corporation is incorporated
10812 stating that it has been dissolved or is no longer active on the
10813 official's records; or ~~disappeared as the result of a merger.~~

10814 (i) ~~(7)~~ The foreign corporation has failed to answer
10815 truthfully and fully, within the time prescribed by this chapter
10816 ~~act~~, interrogatories propounded by the department ~~of State~~.

10817 (2) Revocation of a foreign corporation's certificate of

28-00272A-19

2019892__

10818 authority for failure to file an annual report shall occur on
10819 the fourth Friday in September of each year. The department
10820 shall issue a notice in a record of the revocation to the
10821 revoked foreign corporation. Issuance of the notice may be by
10822 electronic transmission to a foreign corporation that has
10823 provided the department with an e-mail address.

10824 (3) If the department determines that one or more grounds
10825 exist under paragraph (1) (b) for revoking a foreign
10826 corporation's certificate of authority, the department shall
10827 issue a notice in a record to the foreign corporation of the
10828 department's intent to revoke the certificate of authority.
10829 Issuance of the notice may be by electronic transmission to a
10830 foreign corporation that has provided the department with an e-
10831 mail address.

10832 (4) If, within 60 days after the department sends the
10833 notice of intent to revoke in accordance with subsection (3),
10834 the foreign corporation does not correct each ground for
10835 revocation or demonstrate to the reasonable satisfaction of the
10836 department that each ground determined by the department does
10837 not exist, the department shall revoke the foreign corporation's
10838 authority to transact business in this state and issue a notice
10839 in a record of revocation which states the grounds for
10840 revocation. Issuance of the notice may be by electronic
10841 transmission to a foreign corporation that has provided the
10842 department with an e-mail address.

10843 (5) Revocation of a foreign corporation's certificate of
10844 authority does not terminate the authority of the registered
10845 agent of the corporation.

10846 Section 214. Section 607.1531, Florida Statutes, is

28-00272A-19

2019892__

10847 repealed.

10848 Section 215. Section 607.15315, Florida Statutes, is
10849 amended to read:

10850 607.15315 ~~Revocation; application for~~ Reinstatement
10851 following revocation of certificate of authority.-

10852 (1)~~(a)~~ A foreign corporation the certificate of authority
10853 of which has been revoked pursuant to s. 607.1530 or former s.
10854 607.1531 may apply to the department of State for reinstatement
10855 at any time after the effective date of revocation of authority.
10856 The foreign corporation applying for reinstatement must submit
10857 all fees and penalties then owed by the foreign corporation at
10858 rates provided by law at the time the foreign corporation
10859 applies for reinstatement, together with an application for
10860 reinstatement prescribed and furnished by the department, which
10861 is signed by both the registered agent and an officer or
10862 director of the company and states ~~application must:~~

10863 (a)1. Recite The name under which of the foreign
10864 corporation is authorized to transact business in this state.
10865 and the effective date of its revocation of authority;

10866 (b)2. The street address of the corporation's principal
10867 office and mailing address. State that the ground or grounds for
10868 revocation of authority either did not exist or have been
10869 eliminated and that no further grounds currently exist for
10870 revocation of authority;

10871 (c) The jurisdiction of the foreign corporation's formation
10872 and the date on which it became qualified to transact business
10873 in this state.

10874 (d) The foreign corporation's federal employer
10875 identification number or, if none, whether one has been applied

28-00272A-19

2019892__

10876 for.

10877 (e) The name, title or capacity, and address of at least
10878 one officer or director of the corporation.

10879 (f) Additional information that is necessary or appropriate
10880 to enable the department to carry out this chapter.

10881 (2) In lieu of the requirement to file an application for
10882 reinstatement as described in subsection (1), a foreign
10883 corporation whose certificate of authority has been revoked may
10884 submit all fees and penalties owed by the corporation at the
10885 rates provided by law at the time the corporation applies for
10886 reinstatement, together with a current annual report, signed by
10887 both the registered agent and an officer or director of the
10888 corporation, which contains the information described in
10889 subsection (1).

10890 (3) If the department determines that an application for
10891 reinstatement contains the information required under subsection
10892 (1) or subsection (2) and that the information is correct, upon
10893 payment of all required fees and penalties, the department shall
10894 reinstate the foreign corporation's certificate of authority

10895 ~~3. State that the foreign corporation's name satisfies the~~
10896 ~~requirements of s. 607.1506; and~~

10897 ~~4. State that all fees owed by the corporation and computed~~
10898 ~~at the rate provided by law at the time the foreign corporation~~
10899 ~~applies for reinstatement have been paid; or~~

10900 ~~(b) As an alternative, the foreign corporation may submit a~~
10901 ~~current annual report, signed by the registered agent and an~~
10902 ~~officer or director, which substantially complies with the~~
10903 ~~requirements of paragraph (a).~~

10904 ~~(2) If the Department of State determines that the~~

28-00272A-19

2019892__

10905 ~~application contains the information required by subsection (1)~~
10906 ~~and that the information is correct, it shall cancel the~~
10907 ~~certificate of revocation of authority and prepare a certificate~~
10908 ~~of reinstatement that recites its determination and prepare a~~
10909 ~~certificate of reinstatement, file the original of the~~
10910 ~~certificate, and serve a copy on the corporation under s.~~
10911 ~~607.0504(2).~~

10912 (4)~~(3)~~ When a reinstatement becomes ~~the reinstatement is~~
10913 ~~effective, it relates back to and takes effect as of the~~
10914 ~~effective date of the revocation of authority and the foreign~~
10915 ~~corporation~~ may operate in this state ~~resumes carrying on its~~
10916 ~~business~~ as if the revocation of authority had never occurred.

10917 (5)~~(4)~~ The name of the foreign corporation whose ~~the~~
10918 ~~certificate of authority of which has been revoked is not~~
10919 ~~available for assumption or use by another~~ eligible entity
10920 ~~corporation~~ until 1 year after the effective date of revocation
10921 of authority unless the corporation provides the department ~~of~~
10922 ~~State~~ with a record signed ~~an affidavit executed~~ as required by
10923 s. 607.0120 which authorizes ~~permitting~~ the immediate assumption
10924 or use of the name by another eligible entity ~~corporation~~.

10925 (6)~~(5)~~ If the name of the foreign corporation applying for
10926 reinstatement has been lawfully assumed in this state by another
10927 eligible entity, the department ~~corporation, the Department of~~
10928 ~~State~~ shall require the foreign corporation to comply with s.
10929 607.1506 before accepting its application for reinstatement.

10930 Section 216. Section 607.1532, Florida Statutes, is amended
10931 to read:

10932 607.1532 Judicial review of denial of reinstatement ~~Appeal~~
10933 ~~from revocation.~~

28-00272A-19

2019892__

10934 (1) If the department denies a foreign corporation's
10935 application for reinstatement after revocation of its
10936 certificate of authority, the department shall serve the foreign
10937 corporation under s. 607.15101 with a written notice that
10938 explains the reason or reasons for the denial ~~Department of~~
10939 ~~State revokes the authority of any foreign corporation to~~
10940 ~~transact business in this state pursuant to the provisions of~~
10941 ~~this act, such foreign corporation may likewise appeal to the~~
10942 ~~circuit court of the county where the registered office of such~~
10943 ~~corporation in this state is situated by filing with the clerk~~
10944 ~~of such court a petition setting forth a copy of its application~~
10945 ~~for authority to transact business in this state and a copy of~~
10946 ~~the certificate of revocation given by the Department of State,~~
10947 ~~whereupon the matter shall be tried de novo by the court, and~~
10948 ~~the court shall either sustain the action of the Department of~~
10949 ~~State or direct the department to take such action as the court~~
10950 ~~deems proper.~~

10951 (2) Within 30 days after service of a notice of denial of
10952 reinstatement, a foreign corporation may appeal the denial by
10953 petitioning the Circuit Court of Leon County to set aside the
10954 revocation. The petition must be served on the department and
10955 contain a copy of the department's notice of revocation, the
10956 foreign corporation's application for reinstatement, and the
10957 department's notice of denial ~~Appeals from all final orders and~~
10958 ~~judgments entered by the circuit court under this section in~~
10959 ~~review of any ruling or decision of the Department of State may~~
10960 ~~be taken as in other civil actions.~~

10961 (3) The circuit court may order the department to reinstate
10962 the certificate of authority of the foreign corporation or take

28-00272A-19

2019892__

10963 other action the court considers appropriate.

10964 (4) The circuit court's final decision may be appealed as
10965 in other civil proceedings.

10966 Section 217. Section 607.1601, Florida Statutes, is amended
10967 to read:

10968 607.1601 Corporate records.—

10969 (1) A corporation shall maintain the following records:
10970 ~~keep as permanent records minutes of all meetings of its~~
10971 ~~shareholders and board of directors, a record of all actions~~
10972 ~~taken by the shareholders or board of directors without a~~
10973 ~~meeting, and a record of all actions taken by a committee of the~~
10974 ~~board of directors in place of the board of directors on behalf~~
10975 ~~of the corporation.~~

10976 ~~(2) A corporation shall maintain accurate accounting~~
10977 ~~records.~~

10978 ~~(3) A corporation or its agent shall maintain a record of~~
10979 ~~its shareholders in a form that permits preparation of a list of~~
10980 ~~the names and addresses of all shareholders in alphabetical~~
10981 ~~order by class of shares showing the number and series of shares~~
10982 ~~held by each.~~

10983 ~~(4) A corporation shall maintain its records in written~~
10984 ~~form or in another form capable of conversion into written form~~
10985 ~~within a reasonable time.~~

10986 ~~(5) A corporation shall keep a copy of the following~~
10987 ~~records:~~

10988 (a) Its articles or restated articles of incorporation, as
10989 and all amendments to them currently in effect;

10990 (b) Any notices to shareholders referred to in s.
10991 607.0120(11) (d) specifying facts on which a filed document is

28-00272A-19

2019892__

10992 dependent, if such facts are not included in the articles of
10993 incorporation or otherwise available as specified in s.
10994 607.0120(11)(d);

10995 (c)(b) Its bylaws, as or restated bylaws and all amendments
10996 to them currently in effect;

10997 (e) Resolutions adopted by its board of directors creating
10998 one or more classes or series of shares and fixing their
10999 relative rights, preferences, and limitations, if shares issued
11000 pursuant to those resolutions are outstanding;

11001 (d) The minutes of all shareholders' meetings and records
11002 of all action taken by shareholders without a meeting for the
11003 past 3 years;

11004 (d)(e) All written communications within the past 3 years
11005 to all shareholders generally or to all shareholders of a class
11006 or series within the past 3 years, including the financial
11007 statements furnished for the past 3 years under s. 607.1620;

11008 (e) Minutes of all meetings of, and records of all actions
11009 taken without a meeting by, its shareholders, its board of
11010 directors, and any board committees established under s.
11011 607.0825;

11012 (f) A list of the names and business street addresses of
11013 its current directors and officers; and

11014 (g) Its most recent annual report delivered to the
11015 department of State under s. 607.1622.

11016 (2) A corporation shall maintain all annual financial
11017 statements prepared for the corporation for its last 3 fiscal
11018 years, or such shorter period of existence, and any audit or
11019 other reports with respect to such financial statements.

11020 (3) A corporation shall maintain accounting records in a

28-00272A-19

2019892__

11021 form that permits preparation of its financial statements.

11022 (4) A corporation shall maintain a record of its current
11023 shareholders in alphabetical order by class or series of shares
11024 showing the address of, and the number and class or series of
11025 shares held by, each shareholder. This subsection does not
11026 require the corporation to include the electronic mail address
11027 or other electronic contact information of a shareholder in such
11028 record.

11029 (5) A corporation shall maintain the records specified in
11030 this section in a manner so that they may be available for
11031 inspection within a reasonable time.

11032 Section 218. Section 607.1602, Florida Statutes, is amended
11033 to read:

11034 607.1602 Inspection of records by shareholders.—

11035 (1) A shareholder of a corporation is entitled to inspect
11036 and copy, during regular business hours at the corporation's
11037 principal office, any of the records of the corporation
11038 described in s. 607.1601(1), excluding minutes of meetings of,
11039 and records of actions taken without a meeting by, the
11040 corporation's board of directors and any board committees
11041 established under s. 607.0825, ~~s. 607.1601(5)~~ if the shareholder
11042 gives the corporation written notice of the shareholder's ~~his or~~
11043 ~~her~~ demand at least 5 business days before the date on which the
11044 ~~shareholder~~ ~~he or she~~ wishes to inspect and copy.

11045 (2) A shareholder of a corporation is entitled to inspect
11046 and copy, during regular business hours at a reasonable location
11047 specified by the corporation, any of the following records of
11048 the corporation if the shareholder meets the requirements of
11049 subsection (3) and gives the corporation written notice of the

28-00272A-19

2019892__

11050 shareholder's ~~his or her~~ demand at least 5 business days before
11051 the date on which the shareholder ~~he or she~~ wishes to inspect
11052 and copy:

11053 (a) Excerpts from minutes of any meeting of, or records of
11054 any actions taken without a meeting by, the corporation's board
11055 of directors and board committees maintained in accordance with
11056 s. 607.1601(1), ~~records of any action of a committee of the~~
11057 ~~board of directors while acting in place of the board of~~
11058 ~~directors on behalf of the corporation, minutes of any meeting~~
11059 ~~of the shareholders, and records of action taken by the~~
11060 ~~shareholders or board of directors without a meeting, to the~~
11061 ~~extent not subject to inspection under subsection (1);~~

11062 (b) The financial statements of the corporation maintained
11063 in accordance with s. 607.1601(2);

11064 (c) ~~(b)~~ Accounting records of the corporation;

11065 (d) ~~(e)~~ The record of shareholders maintained in accordance
11066 with s. 607.1601(4); and

11067 (e) ~~(d)~~ Any other books and records.

11068 (3) A shareholder may inspect and copy the records
11069 described in subsection (2) only if:

11070 (a) The shareholder's demand is made in good faith and for
11071 a proper purpose;

11072 (b) The shareholder's demand ~~shareholder~~ describes with
11073 reasonable particularity the shareholder's ~~his or her~~ purpose
11074 and the records the shareholder ~~he or she~~ desires to inspect;
11075 and

11076 (c) The records are directly connected with the
11077 shareholder's purpose.

11078 (4) The corporation may impose reasonable restrictions on

28-00272A-19

2019892__

11079 the disclosure, use, or distribution of, and reasonable
11080 obligations to maintain the confidentiality of, records
11081 described in subsection (2) ~~A shareholder of a Florida~~
11082 corporation, or a shareholder of a foreign corporation
11083 authorized to transact business in this state who resides in
11084 this state, is entitled to inspect and copy, during regular
11085 business hours at a reasonable location in this state specified
11086 by the corporation, a copy of the records of the corporation
11087 described in s. 607.1601(5)(b) and (f), if the shareholder gives
11088 the corporation written notice of his or her demand at least 15
11089 business days before the date on which he or she wishes to
11090 inspect and copy.

11091 (5) For any meeting of shareholders for which the record
11092 date for determining shareholders entitled to vote at the
11093 meeting is different than the record date for notice of the
11094 meeting, any person who becomes a shareholder subsequent to the
11095 record date for notice of the meeting and is entitled to vote at
11096 the meeting is entitled to obtain from the corporation upon
11097 request the notice and any other information provided by the
11098 corporation to shareholders in connection with the meeting,
11099 unless the corporation has made such information generally
11100 available to shareholders by posting it on its website or by
11101 other generally recognized means. Failure of a corporation to
11102 provide such information does not affect the validity of action
11103 taken at the meeting.

11104 (6) The right of inspection granted by this section may not
11105 be abolished or limited by a corporation's articles of
11106 incorporation or bylaws.

11107 (7) ~~(5)~~ This section does not affect:

28-00272A-19

2019892__

11108 (a) The right of a shareholder to inspect and copy records
11109 under s. 607.0720 or, if the shareholder is in litigation with
11110 the corporation, to the same extent as any other litigant; or

11111 (b) The power of a court, independently of this chapter
11112 ~~act~~, to compel the production of corporate records for
11113 examination and to impose reasonable restrictions as provided in
11114 s. 607.1604(3), provided that, in the case of production of
11115 records described in subsection (2) at the request of the
11116 shareholder, the shareholder has met the requirements of
11117 subsection (3).

11118 (8)~~(6)~~ A corporation may deny any demand for inspection
11119 made pursuant to subsection (2) if the demand was made for an
11120 improper purpose, or if the demanding shareholder has within 2
11121 years preceding his or her demand sold or offered for sale any
11122 list of shareholders of the corporation or any other
11123 corporation, has aided or abetted any person in procuring any
11124 list of shareholders for any such purpose, or has improperly
11125 used any information secured through any prior examination of
11126 the records of the corporation or any other corporation.

11127 (9)~~(7)~~ A shareholder may not sell or otherwise distribute
11128 any information or records inspected under this section, except
11129 to the extent that such use is for a proper purpose as defined
11130 in subsection (11) ~~(3)~~. ~~Any person who violates this provision~~
11131 ~~shall be subject to a civil penalty of \$5,000.~~

11132 (10)~~(8)~~ For purposes of this section, the term
11133 "shareholder" means a record shareholder, a beneficial
11134 shareholder, or an unrestricted voting trust beneficial owner
11135 ~~includes a beneficial owner whose shares are held in a voting~~
11136 ~~trust or by a nominee on his or her behalf.~~

28-00272A-19

2019892__

11137 ~~(11)~~~~(9)~~ For purposes of this section, a "proper purpose"
11138 means a purpose reasonably related to such person's interest as
11139 a shareholder.

11140 (12) The rights of a shareholder to obtain records under
11141 subsections (1) and (2) shall also apply to the records of
11142 subsidiaries of the corporation.

11143 Section 219. Section 607.1603, Florida Statutes, is amended
11144 to read:

11145 607.1603 Scope of inspection right.—

11146 (1) A shareholder may appoint an agent or attorney to
11147 exercise the shareholder's inspection and copying rights under
11148 s. 607.1602 ~~shareholder's agent or attorney has the same~~
11149 ~~inspection and copying rights as the shareholder he or she~~
11150 ~~represents.~~

11151 (2) The corporation may, if reasonable, satisfy the right
11152 of a shareholder to copy records under s. 607.1602 by furnishing
11153 to the shareholder copies made by photocopy or other means
11154 chosen by the corporation, including furnishing copies through
11155 an electronic transmission ~~includes, if reasonable, the right to~~
11156 ~~receive copies made by photographic, xerographic, or other~~
11157 ~~means.~~

11158 (3) The corporation may impose a reasonable charge to cover
11159 the costs of providing copies of any documents to the
11160 shareholder which may be based on an estimate of such costs,
11161 ~~covering the costs of labor and material, for copies of any~~
11162 ~~documents provided to the shareholder. The charge may not exceed~~
11163 ~~the estimated cost of production or reproduction of the records.~~
11164 ~~If the records are kept in other than written form, the~~
11165 ~~corporation shall convert such records into written form upon~~

28-00272A-19

2019892__

11166 ~~the request of any person entitled to inspect the same. The~~
11167 ~~corporation shall bear the costs of converting any records~~
11168 ~~described in s. 607.1601(5). The requesting shareholder shall~~
11169 ~~bear the costs, including the cost of compiling the information~~
11170 ~~requested, incurred to convert any records described in s.~~
11171 ~~607.1602(2).~~

11172 (4) ~~If requested by a shareholder,~~ The corporation may
11173 comply at its expense ~~shall comply~~ with a shareholder's demand
11174 to inspect the records of shareholders under s. 607.1602(2)(d)
11175 ~~s. 607.1602(2)(c)~~ by providing the shareholder ~~him or her~~ with a
11176 list of ~~its~~ shareholders that was compiled no earlier than the
11177 date of the shareholder's demand ~~of the nature described in s.~~
11178 ~~607.1601(3). Such a list must be compiled as of the last record~~
11179 ~~date for which it has been compiled or as of a subsequent date~~
11180 ~~if specified by the shareholder.~~

11181 Section 220. Section 607.1604, Florida Statutes, is amended
11182 to read:

11183 607.1604 Court-ordered inspection.—

11184 (1) If a corporation does not allow a shareholder who
11185 complies with s. 607.1602(1) ~~or (4)~~ to inspect and copy any
11186 records required by that subsection to be available for
11187 inspection, the circuit court in the applicable county ~~where the~~
11188 ~~corporation's principal office (or, if none in this state, its~~
11189 ~~registered office) is located~~ may summarily order inspection and
11190 copying of the records demanded at the corporation's expense
11191 upon application of the shareholder. If the court orders
11192 inspection and copying of the records demanded under s.
11193 607.1601(1), it shall also order the corporation to pay the
11194 shareholder's expenses, including reasonable attorney fees,

28-00272A-19

2019892__

11195 incurred to obtain the order and enforce its rights under this
11196 section.

11197 (2) If a corporation does not within a reasonable time
11198 allow a shareholder who complies with s. 607.1602(2) to inspect
11199 and copy the records required by that section ~~any other record,~~
11200 the shareholder who complies with s. 607.1602(3) ~~s. 607.1602(2)~~
11201 ~~and (3),~~ may apply to the circuit court in the applicable county
11202 ~~where the corporation's principal office (or, if none in this~~
11203 ~~state, its registered office) is located~~ for an order to permit
11204 inspection and copying of the records demanded. The court shall
11205 dispose of an application under this subsection on an expedited
11206 basis.

11207 (3) If the court orders inspection and ~~or~~ copying of the
11208 records demanded under s. 607.1602(2), it may impose reasonable
11209 restrictions on the disclosure, use, or distribution of, and
11210 reasonable obligations to maintain the confidentiality of, such
11211 records, and it shall also order the corporation to pay the
11212 shareholder's expenses incurred ~~costs,~~ including reasonable
11213 attorney ~~attorney's~~ fees, ~~reasonably~~ incurred to obtain the
11214 order and enforce its rights under this section unless the
11215 corporation establishes that the corporation, ~~or the officer,~~
11216 ~~director, or agent, as the case may be, proves that it or she or~~
11217 ~~he~~ refused inspection in good faith because the corporation ~~it~~
11218 ~~or she or he~~ had:

11219 (a) A reasonable basis for doubt about the right of the
11220 shareholder to inspect or copy the records demanded; or-

11221 (b) ~~(4) Required~~ Required ~~If the court orders inspection or copying~~
11222 ~~of the records demanded, it may impose~~ reasonable restrictions
11223 on the disclosure, use, or distribution of, and reasonable

28-00272A-19

2019892__

11224 obligations to maintain the confidentiality of, such the records
11225 demanding to which by the demanding shareholder had been
11226 unwilling to agree.

11227 Section 221. Section 607.1605, Florida Statutes, is amended
11228 to read:

11229 607.1605 Inspection rights of ~~records by~~ directors.—

11230 (1) A director of a corporation is entitled to inspect and
11231 copy the books, records, and documents of the corporation at any
11232 reasonable time to the extent reasonably related to the
11233 performance of the director's duties as a director, including
11234 duties as a member of a board committee, but not for any other
11235 purpose or in any manner that would violate any duty to the
11236 corporation.

11237 (2) The circuit court of the applicable county ~~in which the~~
11238 ~~corporation's principal office or, if none in this state, its~~
11239 ~~registered office is located~~ may order inspection and copying of
11240 the books, records, and documents at the corporation's expense,
11241 upon application of a director who has been refused such
11242 inspection rights, unless the corporation establishes that the
11243 director is not entitled to such inspection rights. The court
11244 shall dispose of an application under this subsection on an
11245 expedited basis.

11246 (3) If an order is issued, the court may include provisions
11247 protecting the corporation from undue burden or expense and
11248 prohibiting the director from using information obtained upon
11249 exercise of the inspection rights in a manner that would violate
11250 a duty to the corporation, and may also order the corporation to
11251 reimburse the director for the director's costs, including
11252 reasonable attorney ~~counsel~~ fees, incurred in connection with

28-00272A-19

2019892__

11253 the application.

11254 Section 222. Section 607.1620, Florida Statutes, is amended
11255 to read:

11256 607.1620 Financial statements for shareholders.-

11257 (1) Upon the written request of any shareholder, a
11258 corporation shall deliver or make available to the requesting
11259 shareholder the corporation's annual financial statements for
11260 the most recent fiscal year of the corporation ~~Unless modified~~
11261 ~~by resolution of the shareholders within 120 days of the close~~
11262 ~~of each fiscal year, a corporation shall furnish its~~
11263 ~~shareholders annual financial statements which may be~~
11264 ~~consolidated or combined statements of the corporation and one~~
11265 ~~or more of its subsidiaries, as appropriate, that include a~~
11266 ~~balance sheet as of the end of the fiscal year, an income~~
11267 ~~statement for that year, and a statement of cash flows for that~~
11268 ~~year.~~ If annual financial statements have been ~~are~~ prepared for
11269 the corporation on the basis of generally accepted accounting
11270 principles for such specified period, the corporation shall
11271 deliver or make available such financial statements to the
11272 requesting shareholder, ~~the annual financial statements must~~
11273 ~~also be prepared on that basis.~~

11274 ~~(2)~~ If the annual financial statements to be delivered or
11275 made available to the requesting shareholder are audited or
11276 otherwise ~~are~~ reported upon by a public accountant, the report
11277 of the public accountant shall also be delivered or made
11278 available to the requesting shareholder ~~his or her report must~~
11279 ~~accompany them. If not, the statements must be accompanied by a~~
11280 ~~statement of the president or the person responsible for the~~
11281 ~~corporation's accounting records:~~

28-00272A-19

2019892__

11282 ~~(a) Stating his or her reasonable belief whether the~~
11283 ~~statements were prepared on the basis of generally accepted~~
11284 ~~accounting principles and, if not, describing the basis of~~
11285 ~~preparation; and~~

11286 ~~(b) Describing any respects in which the statements were~~
11287 ~~not prepared on a basis of accounting consistent with the~~
11288 ~~statements prepared for the preceding year.~~

11289 (2)(3) A Any corporation required by subsection (1) to
11290 deliver or make available ~~furnish~~ annual financial statements to
11291 a requesting shareholder shall deliver or make available such
11292 annual financial statements to such shareholder within 5
11293 business days after the request if the annual financial
11294 statements have already been prepared and are available, or, if
11295 the annual financial statements have not been prepared, must
11296 notify the shareholder within 5 business days that the annual
11297 financial statements have not yet been prepared, and must
11298 deliver or make available such annual financial statements to
11299 the ~~its shareholders shall furnish such annual financial~~
11300 ~~statements to each~~ shareholder within 120 days after the request
11301 ~~close of each fiscal year or within such additional time~~
11302 thereafter as is reasonably necessary to enable the corporation
11303 to prepare its annual financial statements if, for reasons
11304 beyond the corporation's control, it is unable to prepare its
11305 annual financial statements within the prescribed period.
11306 ~~Thereafter, on written request from a shareholder who was not~~
11307 ~~furnished the statements, the corporation shall furnish him or~~
11308 ~~her the latest annual financial statements.~~

11309 (3) If requested by the requesting shareholder in its
11310 written request under subsection (1), the corporation shall

28-00272A-19

2019892__

11311 promptly notify all other shareholders that the annual financial
11312 statements that have or are to be delivered or made available to
11313 the requesting shareholder have been or are being made available
11314 to the requesting shareholder and will also be delivered or made
11315 available to any other shareholder who makes its own written
11316 request to the corporation under subsection (1).

11317 (4) A corporation may fulfill its responsibilities under
11318 this section by delivering the specified annual financial
11319 statements, by posting the specified annual financial statements
11320 on its website, by any other generally recognized means, or in
11321 any other manner permitted by the applicable rules and
11322 regulations of the United States Securities and Exchange
11323 Commission

11324 (5) Notwithstanding subsections (1), (2), and (3):

11325 (a) As a condition to delivering or making available annual
11326 financial statements to any requesting shareholder, the
11327 corporation may require the requesting shareholder to agree to
11328 reasonable restrictions on the confidentiality, use, and
11329 distribution of such annual financial statements; and

11330 (b) The corporation may, if it reasonably determines that
11331 the shareholder's request is not made in good faith or for a
11332 proper purpose, decline to deliver or make available such annual
11333 financial statements to that shareholder.

11334 (6) If a corporation does not respond to a shareholder's
11335 request for annual financial statements pursuant to this section
11336 in accordance with subsection (3) within the applicable period
11337 specified in subsection (2):

11338 (a) The requesting shareholder may apply to the circuit
11339 court in the applicable county for an order requiring delivery

28-00272A-19

2019892__

11340 of or access to the requested annual financial statements. The
11341 court shall dispose of an application under this subsection on
11342 an expedited basis.

11343 (b) If the court orders delivery or access to the requested
11344 annual financial statements, it may impose reasonable
11345 restrictions on their confidentiality, use, or distribution.

11346 (c) In such proceeding, if the corporation has declined to
11347 deliver or make available such annual financial statements
11348 because the shareholder had been unwilling to agree to
11349 restrictions proposed by the corporation on the confidentiality,
11350 use, and distribution of such financials statements, the
11351 corporation shall have the burden of demonstrating that the
11352 restrictions proposed by the corporation were reasonable.

11353 (d) In such proceeding, if the corporation has declined to
11354 deliver or make available such annual financial statements
11355 pursuant to s. 607.1620(5)(b), the corporation shall have the
11356 burden of demonstrating that it had reasonably determined that
11357 the shareholder's request was not made in good faith or for a
11358 proper purpose.

11359 (7) If the court orders delivery or access to the requested
11360 annual financial statements it shall order the corporation to
11361 pay the shareholder's expenses, including reasonable attorney
11362 fees, incurred to obtain such order unless the corporation
11363 establishes that it had refused delivery or access to the
11364 requested annual financial statements because the shareholder
11365 had refused to agree to reasonable restrictions on the
11366 confidentiality, use, or distribution of the annual financial
11367 statements or that the corporation had reasonably determined
11368 that the shareholder's request was not made in good faith or for

28-00272A-19

2019892__

11369 a proper purpose

11370 ~~(4) If a corporation does not comply with the shareholder's~~
11371 ~~request for annual financial statements pursuant to this section~~
11372 ~~within 30 days of delivery of such request to the corporation,~~
11373 ~~the circuit court in the county where the corporation's~~
11374 ~~principal office (or, if none in this state, its registered~~
11375 ~~office) is located may, upon application of the shareholder,~~
11376 ~~summarily order the corporation to furnish such financial~~
11377 ~~statements. If the court orders the corporation to furnish the~~
11378 ~~shareholder with the financial statements demanded, it shall~~
11379 ~~also order the corporation to pay the shareholder's costs,~~
11380 ~~including reasonable attorney's fees, reasonably incurred to~~
11381 ~~obtain the order and otherwise enforce its rights under this~~
11382 ~~section.~~

11383 ~~(5) The requirement to furnish annual financial statements~~
11384 ~~as described in this section shall be satisfied by sending such~~
11385 ~~annual financial statements by mail or electronic transmission.~~
11386 ~~If a corporation has an outstanding class of securities~~
11387 ~~registered under s. 12 of the Securities Exchange Act of 1934,~~
11388 ~~as amended, the requirement to furnish annual financial~~
11389 ~~statements may be satisfied by complying with 17 C.F.R. s.~~
11390 ~~240.14a-16, as amended, with respect to the obligation of a~~
11391 ~~corporation to furnish an annual financial report to~~
11392 ~~shareholders pursuant to 17 C.F.R. s. 240.14a-3(b), as amended.~~

11393 Section 223. Section 607.1621, Florida Statutes, is
11394 repealed.

11395 Section 224. Section 607.1622, Florida Statutes, is amended
11396 to read:

11397 607.1622 Annual report for department ~~of State.~~

28-00272A-19

2019892__

11398 (1) Each domestic corporation and each foreign corporation
11399 authorized to transact business in this state shall deliver to
11400 the department for filing an annual report that states the
11401 following ~~of State for filing a sworn annual report on such~~
11402 ~~forms as the Department of State prescribes that sets forth:~~

11403 (a) The name of the corporation or, if a foreign
11404 corporation, the name under which the foreign corporation is
11405 authorized to transact business in this state ~~and the state or~~
11406 ~~country under the law of which it is incorporated;~~

11407 (b) The date of its incorporation and ~~or~~, if a foreign
11408 corporation, the jurisdiction of its incorporation and the date
11409 on which it became qualified to transact ~~date on which it was~~
11410 ~~admitted to do~~ business in this state;

11411 (c) The street address of its principal office and the
11412 mailing address of the corporation;

11413 (d) The corporation's federal employer identification
11414 number, if any, or, if none, whether one has been applied for;

11415 (e) The names and business street addresses of its
11416 directors and principal officers; and

11417 ~~(f) The street address of its registered office and the~~
11418 ~~name of its registered agent at that office in this state;~~

11419 ~~(g) Language permitting a voluntary contribution of \$5 per~~
11420 ~~taxpayer, which contribution shall be transferred into the~~
11421 ~~Election Campaign Financing Trust Fund. A statement providing an~~
11422 ~~explanation of the purpose of the trust fund shall also be~~
11423 ~~included; and~~

11424 (f)(h) Any additional information that is ~~Such additional~~
11425 ~~information as may be~~ necessary or appropriate to enable the
11426 department ~~of State~~ to carry out the provisions of this chapter

28-00272A-19

2019892__

11427 act.

11428 (2) If an annual report contains the name and address of a
11429 registered agent which differs from the information shown in the
11430 records of the department immediately before the annual report
11431 becomes effective, the differing information in the annual
11432 report is considered a statement of change under s. 607.0502
11433 ~~Proof to the satisfaction of the Department of State that on or~~
11434 ~~before May 1 such report was deposited in the United States mail~~
11435 ~~in a sealed envelope, properly addressed with postage prepaid,~~
11436 ~~shall be deemed compliance with this requirement.~~

11437 (3) If an annual report does not contain the information
11438 required in ~~by~~ this section, the department ~~of State~~ shall
11439 promptly notify the reporting domestic corporation or foreign
11440 corporation ~~in writing and return the report to it for~~
11441 ~~correction~~. If the report is corrected to contain the
11442 information required in subsection (1) ~~by this section~~ and
11443 delivered to the department ~~of State~~ within 30 days after the
11444 effective date of the notice, it will be considered timely
11445 delivered ~~is deemed to be timely filed~~.

11446 (4) ~~Each report shall be executed by the corporation by an~~
11447 ~~officer or director or, if the corporation is in the hands of a~~
11448 ~~receiver or trustee, shall be executed on behalf of the~~
11449 ~~corporation by such receiver or trustee, and the signing thereof~~
11450 ~~shall have the same legal effect as if made under oath, without~~
11451 ~~the necessity of appending such oath thereto.~~

11452 (4)~~(5)~~ The first annual report must be delivered to the
11453 department ~~of State~~ between January 1 and May 1 of the year
11454 following the calendar year in which a domestic corporation's
11455 articles of incorporation became effective ~~corporation was~~

28-00272A-19

2019892__

11456 ~~incorporated~~ or a foreign corporation obtained its certificate
11457 of authority ~~was authorized~~ to transact business in this state.
11458 Subsequent annual reports must be delivered to the department ~~of~~
11459 ~~State~~ between January 1 and May 1 of each calendar year
11460 thereafter. If one or more forms of annual report are submitted
11461 for a calendar year, the department shall file each of them and
11462 make the information contained in them part of the official
11463 record. The first form of annual report filed in a calendar year
11464 shall be considered the annual report for the calendar year, and
11465 each report filed after that one in the same calendar year shall
11466 be treated as an amended report for that calendar year ~~the~~
11467 ~~subsequent calendar years~~.

11468 (5) ~~(6)~~ Information in the annual report must be current as
11469 of the date the annual report is delivered to the department for
11470 filing ~~executed on behalf of the corporation~~.

11471 ~~(7)~~ ~~If an additional updated report is received, the~~
11472 ~~department shall file the document and make the information~~
11473 ~~contained therein part of the official record~~.

11474 (6) ~~(8)~~ A domestic corporation or foreign corporation that
11475 fails ~~Any corporation failing to file an annual report that~~
11476 ~~which~~ complies with the requirements of this section may not
11477 prosecute or maintain ~~shall not be permitted to maintain or~~
11478 ~~defend~~ any action in any court of this state until the ~~such~~
11479 report is filed and all fees and penalties ~~taxes~~ due under this
11480 chapter ~~act~~ are paid, and shall be subject to dissolution or
11481 cancellation of its certificate of authority to transact ~~do~~
11482 business as provided in this chapter ~~act~~.

11483 (7) ~~(9)~~ The department shall prescribe the forms, which may
11484 be in an electronic format, on which to make the annual report

28-00272A-19

2019892__

11485 called for in this section and may substitute the uniform
11486 business report, pursuant to s. 606.06, as a means of satisfying
11487 the requirement of this chapter ~~part~~.

11488 (8) As a condition of a merger under s. 607.1101, each
11489 party to a merger which exists under the laws of this state, and
11490 each party to the merger which exists under the laws of another
11491 jurisdiction and has a certificate of authority to transact
11492 business or conduct its affairs in this state, must be active
11493 and current in filing its annual reports in the records of the
11494 department through December 31 of the calendar year in which the
11495 articles of merger are submitted to the department for filing.

11496 (9) As a condition of a conversion of an entity to a
11497 corporation under s. 607.11930, the entity, if it exists under
11498 the laws of this state or if it exists under the laws of another
11499 jurisdiction and has a certificate of authority to transact
11500 business or conduct its affairs in this state, must be active
11501 and current in filing its annual reports in the records of the
11502 department through December 31 of the calendar year in which the
11503 articles of conversion are submitted to the department for
11504 filing.

11505 (10) As a condition of a conversion of a domestic
11506 corporation to another type of entity under s. 607.11930, the
11507 domestic corporation converting to the other type of entity must
11508 be active and current in filing its annual reports in the
11509 records of the department through December 31 of the calendar
11510 year in which the articles of conversion are submitted to the
11511 department for filing.

11512 (11) As a condition of a share exchange between a
11513 corporation and another entity under s. 607.1102, the

28-00272A-19

2019892__

11514 corporation, and each other entity that is a party to the share
11515 exchange which exists under the laws of this state, and each
11516 party to the share exchange which exists under the laws of
11517 another jurisdiction and has a certificate of authority to
11518 transact business or conduct its affairs in this state, must be
11519 active and current in filing its annual reports in the records
11520 of the department through December 31 of the calendar year in
11521 which the articles of share exchange are submitted to the
11522 department for filing.

11523 (12) As a condition of domestication of a domestic
11524 corporation into a foreign jurisdiction under s. 607.11920, the
11525 domestic corporation domesticating into a foreign jurisdiction
11526 must be active and current in filing its annual reports in the
11527 records of the department through December 31 of the calendar
11528 year in which the articles of domestication are submitted to the
11529 department for filing.

11530 Section 225. Section 607.1701, Florida Statutes, is amended
11531 to read:

11532 607.1701 Application to existing domestic corporation.—This
11533 chapter act applies to all domestic corporations in existence on
11534 January 1, 2020 ~~July 1, 1990~~, that were incorporated under any
11535 general statute of this state providing for incorporation of
11536 corporations for profit if power to amend or repeal the statute
11537 under which the corporation was incorporated was reserved.

11538 Section 226. Section 607.1702, Florida Statutes, is amended
11539 to read:

11540 607.1702 Application to qualified foreign corporations.—A
11541 foreign corporation authorized to transact business in this
11542 state on January 1, 2020 ~~July 1, 1990~~, is subject to this

28-00272A-19

2019892__

11543 chapter, is deemed to be authorized to transact business in this
11544 state, and ~~act but~~ is not required to obtain a new certificate
11545 of authority to transact business under this chapter ~~act~~.

11546 Section 227. Section 607.1711, Florida Statutes, is amended
11547 to read:

11548 607.1711 Application to foreign and interstate commerce.—
11549 The provisions of this chapter ~~act~~ apply to commerce with
11550 foreign nations and among the several states only insofar as the
11551 same may be permitted under the Constitution and laws of the
11552 United States.

11553 Section 228. Section 607.1801, Florida Statutes, is
11554 repealed.

11555 Section 229. Section 607.1907, Florida Statutes, is amended
11556 to read:

11557 607.1907 Saving provision ~~Effect of repeal of prior acts.—~~

11558 (1) Except as to procedural provisions, this act does not
11559 affect a pending action or proceeding or a right accrued before
11560 January 1, 2020, and a pending civil action or proceeding may be
11561 completed, and a right accrued may be enforced, as if this act
11562 had not become effective ~~provided in subsection (2), the repeal~~
11563 ~~of a statute by this act does not affect:~~

11564 ~~(a) The operation of the statute or any action taken under~~
11565 ~~it before its repeal, including, without limiting the generality~~
11566 ~~of the foregoing, the continuing validity of any provision of~~
11567 ~~the articles of incorporation or bylaws of a corporation~~
11568 ~~authorized by the statute at the time of its adoption;~~

11569 ~~(b) Any ratification, right, remedy, privilege, obligation,~~
11570 ~~or liability acquired, accrued, or incurred under the statute~~
11571 ~~before its repeal;~~

28-00272A-19

2019892__

11572 ~~(c) Any violation of the statute, or any penalty,~~
11573 ~~forfeiture, or punishment incurred because of the violation,~~
11574 ~~before its repeal;~~

11575 ~~(d) Any proceeding, merger, consolidation, sale of assets,~~
11576 ~~reorganization, or dissolution commenced under the statute~~
11577 ~~before its repeal, and the proceeding, merger, consolidation,~~
11578 ~~sale of assets, reorganization, or dissolution may be completed~~
11579 ~~in accordance with the statute as if it had not been repealed.~~

11580 (2) If a penalty or punishment ~~imposed~~ for violation of a
11581 statute or rule repealed by this act is reduced by this act, the
11582 penalty or punishment, if not already imposed, shall be imposed
11583 in accordance with this act.

11584 Section 230. Section 607.1908, Florida Statutes, is created
11585 to read:

11586 607.1908 Severability clause.—If any provision of this
11587 chapter or its application to any person or circumstance is held
11588 invalid, the invalidity does not affect other provisions or
11589 applications of this chapter which can be given effect without
11590 the invalid provision or application, and to this end the
11591 provisions of this chapter are severable.

11592 Section 231. Subsections (2) and (3) of section 607.504,
11593 Florida Statutes, are amended to read:

11594 607.504 Election of social purpose corporation status.—

11595 (2) A plan of merger, domestication, conversion, or share
11596 exchange must be adopted by the minimum status vote if an entity
11597 that is not a social purpose corporation is a party to the
11598 merger, domestication, or conversion or if the exchanging entity
11599 in a share exchange and the surviving, new, or resulting entity
11600 is, or will be, a social purpose corporation.

28-00272A-19

2019892__

11601 (3) If an entity elects to become a social purpose
11602 corporation by amendment of the articles of incorporation or by
11603 a merger, conversion, or share exchange, the shareholders of the
11604 entity are entitled to appraisal rights under and pursuant to
11605 ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11606 Section 232. Subsections (2) and (3) of section 607.604,
11607 Florida Statutes, are amended to read:

11608 607.604 Election of benefit corporation status.—

11609 (2) A plan of merger, domestication, conversion, or share
11610 exchange must be adopted by the minimum status vote if an entity
11611 that is not a benefit corporation is a party to a merger,
11612 domestication, or conversion or if the exchanging entity in a
11613 share exchange and the surviving, new, or resulting entity is,
11614 or will be, a benefit corporation.

11615 (3) If an entity elects to become a benefit corporation by
11616 amendment of the articles of incorporation or by a merger,
11617 domestication, conversion, or share exchange, the shareholders
11618 of the entity are entitled to appraisal rights under and
11619 pursuant to ss. 607.1301-607.1340 ~~ss. 607.1301-607.1333~~.

11620 Section 233. Paragraph (b) of subsection (23) and
11621 subsections (55) and (58) of section 605.0102, Florida Statutes,
11622 are amended to read:

11623 605.0102 Definitions.—As used in this chapter, the term:

11624 (23)

11625 (b) "Entity" does not include:

11626 1. An individual;

11627 2. A trust with a predominantly donative purpose or a
11628 charitable trust;

11629 3. An association or relationship that is not a partnership

28-00272A-19

2019892__

11630 solely by reason of s. 620.8202(2) ~~s. 620.8202(3)~~ or a similar
11631 provision of the law of another jurisdiction;

11632 4. A decedent's estate; or

11633 5. A government or a governmental subdivision, agency, or
11634 instrumentality.

11635 (55) "Private organic rules" means the rules, whether or
11636 not in a record, which govern the internal affairs of an entity,
11637 are binding on all its interest holders, and are not part of its
11638 public organic record, if any. Where private organic rules have
11639 been amended or restated, the term means the private organic
11640 rules as last amended or restated. The term includes:

11641 (a) The bylaws of a business corporation.

11642 (b) The bylaws of a nonprofit corporation.

11643 (c) The partnership agreement of a general partnership.

11644 (d) The partnership agreement of a limited partnership.

11645 (e) The operating agreement, limited liability company
11646 agreement, or similar agreement of a limited liability company.

11647 (f) The bylaws, trust instrument, or similar rules of a
11648 real estate investment trust.

11649 (g) The trust instrument of a statutory trust or similar
11650 rules of a business trust or common law business trust.

11651 (58) "Public organic record" means a record, the filing of
11652 which by a governmental body is required to form an entity, and
11653 an amendment to or restatement of that record. Where a public
11654 organic record has been amended or restated, the term means the
11655 public organic record as last amended or restated. The term
11656 includes the following:

11657 (a) The articles of incorporation of a business
11658 corporation.

28-00272A-19

2019892__

11659
11660
11661
11662
11663
11664
11665
11666
11667
11668
11669
11670
11671
11672
11673
11674
11675
11676
11677
11678
11679
11680
11681
11682
11683
11684
11685
11686
11687

(b) The articles of incorporation of a nonprofit corporation.

(c) The certificate of limited partnership of a limited partnership.

(d) The articles of organization of a limited liability company.

(e) The articles of incorporation of a general cooperative association or a limited cooperative association.

(f) The certificate of trust of a statutory trust or similar record of a business trust.

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

Section 234. Paragraph (i) of subsection (3) of section 605.0105, Florida Statutes, is amended to read:

605.0105 Operating agreement; scope, function, and limitations.—

(3) An operating agreement may not do any of the following:

(i) Vary the grounds for dissolution specified in s. 605.0702. Neither a deadlock resolution mechanism nor an oppressive action sale varies the grounds for dissolution for the purposes of this paragraph.

Section 235. Paragraphs (a) and (b) of subsection (1) of section 605.0112, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

605.0112 Name.—

(1) The name of a limited liability company:

(a) Must contain the words "limited liability company" or the abbreviation "L.L.C." or "LLC—" as will clearly indicate that it is a limited liability company instead of a natural

28-00272A-19

2019892__

11688 person, partnership, corporation, or other business entity.

11689 (b) Must be distinguishable in the records of the ~~Division~~
11690 ~~of Corporations of the~~ department from the names of all other
11691 entities or filings that are on file with the department
11692 ~~division~~, except fictitious name registrations pursuant to s.
11693 865.09, general partnership registrations pursuant to s.
11694 620.8105, and limited liability partnership statements pursuant
11695 to s. 620.9001 which are organized, registered, or reserved
11696 under the laws of this state; however, a limited liability
11697 company may register under a name that is not otherwise
11698 distinguishable on the records of the department ~~division~~ with
11699 the written consent of the other ~~owner~~ entity if the consent is
11700 filed with the department ~~division~~ at the time of registration
11701 of such name and if such name is not identical to the name of
11702 the other entity. A name that is different from the name of
11703 another entity or filing due to any of the following is not
11704 considered distinguishable:

- 11705 1. A suffix.
- 11706 2. A definite or indefinite article.
- 11707 3. The word "and" and the symbol "&."
- 11708 4. The singular, plural, or possessive form of a word.
- 11709 5. ~~A recognized abbreviation of a root word.~~
- 11710 6. A punctuation mark or a symbol.

11711 (6) A limited liability company in existence before January
11712 1, 2020, that has a name that does not clearly indicate that it
11713 is a limited liability company instead of a natural person,
11714 partnership, corporation, or other business entity may continue
11715 using such name until the limited liability company dissolves or
11716 amends its name in the records of the department.

28-00272A-19

2019892__

11717 Section 236. Section 605.01125, Florida Statutes, is
11718 created to read:

11719 605.01125 Reserved name.—

11720 (1) A person may reserve the exclusive use of the name of a
11721 limited liability company, including an alternate name for a
11722 foreign limited liability company whose name is not available,
11723 by delivering an application to the department for filing. The
11724 application must set forth the name and address of the applicant
11725 and the name proposed to be reserved. If the department finds
11726 that the name of the limited liability company applied for is
11727 available, it must reserve the name for the applicant's
11728 exclusive use for a nonrenewable 120-day period.

11729 (2) The owner of a reserved name of a limited liability
11730 company may transfer the reservation to another person by
11731 delivering to the department a signed notice of the transfer
11732 that states the name and address of the transferee.

11733 (3) The department may revoke any reservation if, after a
11734 hearing, it finds that the application therefor or any transfer
11735 thereof was not made in good faith.

11736 Section 237. Subsections (1) and (5) of section 605.0113,
11737 Florida Statutes, are amended, and subsection (6) is added to
11738 that section, to read:

11739 605.0113 Registered agent.—

11740 (1) Each limited liability company and each foreign limited
11741 liability company that has a certificate of authority under s.
11742 605.0902 shall designate and continuously maintain in this
11743 state:

11744 (a) A registered office, which may be the same as its place
11745 of business in this state; and

28-00272A-19

2019892__

- 11746 (b) A registered agent, who must be:
- 11747 1. An individual who resides in this state and whose
- 11748 business address is identical to the address of the registered
- 11749 office; ~~or~~
- 11750 2. Another domestic entity that is an authorized entity and
- 11751 whose business address is identical to the address of the
- 11752 registered office; or
- 11753 3. A foreign entity authorized to transact business in this
- 11754 state that is an authorized entity and ~~A foreign or domestic~~
- 11755 ~~entity authorized to transact business in this state~~ whose
- 11756 business address is identical to the address of the registered
- 11757 office.
- 11758 (5) A limited liability company and each foreign limited
- 11759 liability company that has a certificate of authority under s.
- 11760 605.0902 may not prosecute or maintain, ~~maintain, or defend~~ an
- 11761 action in a court in this state until the limited liability
- 11762 company complies with this section, pays to the department any
- 11763 amounts required under this chapter, and, to the extent ordered
- 11764 by a court of competent jurisdiction, ~~and~~ pays to the department
- 11765 a penalty of \$5 for each day it has failed to comply or \$500,
- 11766 whichever is less, and pays any other amounts required under
- 11767 this chapter.
- 11768 (6) For the purposes of this section, "authorized entity"
- 11769 means:
- 11770 (a) A corporation for profit.
- 11771 (b) A limited liability company.
- 11772 (c) A limited liability partnership.
- 11773 (d) A limited partnership, including a limited liability
- 11774 limited partnership.

28-00272A-19

2019892__

11775 Section 238. Paragraphs (c), (d), and (e) of subsection (1)
11776 of section 605.0114, Florida Statutes, are amended to read:

11777 605.0114 Change of registered agent or registered office.—

11778 (1) In order to change its registered agent or registered
11779 office address, a limited liability company or a foreign limited
11780 liability company may deliver to the department for filing a
11781 statement of change containing the following:

11782 (c) If the current registered agent is to be changed, the
11783 name of the new registered agent.

11784 (d) The street address of its current registered office for
11785 its current registered agent.

11786 (e) If the street address of the current registered office
11787 is to be changed, the new street address of the registered
11788 office in this state.

11789 Section 239. Subsection (2) of section 605.0115, Florida
11790 Statutes, is amended to read:

11791 605.0115 Resignation of registered agent.—

11792 (2) After delivering the statement of resignation to ~~with~~
11793 the department for filing, the registered agent must promptly
11794 ~~shall~~ mail a copy to the limited liability company's or foreign
11795 limited liability company's current mailing address.

11796 Section 240. Paragraphs (b) through (e) of subsection (1)
11797 of section 605.0116, Florida Statutes, are amended to read:

11798 605.0116 Change of name or address by registered agent.—

11799 (1) If a registered agent changes his or her name or
11800 address, the agent may deliver to the department for filing a
11801 statement of change that provides the following:

11802 (b) The name of the registered agent as currently shown in
11803 the records of the department for the limited liability company

28-00272A-19

2019892__

11804 or foreign limited liability company.

11805 (c) If the name of the registered agent has changed, its
11806 new name.

11807 (d) If the address of the registered agent has changed, the
11808 new address.

11809 (e) A statement that the registered agent has given the
11810 notice required under subsection (2).

11811 Section 241. Present subsection (7) of section 605.0117,
11812 Florida Statutes, is redesignated as subsection (8), subsections
11813 (1), (2), (3), (4), and (6) of that section are amended, and a
11814 new subsection (7) is added to that section, to read:

11815 605.0117 Service of process, notice, or demand.—

11816 (1) A limited liability company or registered foreign
11817 limited liability company may be served with process, ~~notice, or~~
11818 ~~a demand~~ required or authorized by law by serving on its
11819 registered agent.

11820 (2) If a limited liability company or registered foreign
11821 limited liability company ceases to have a registered agent or
11822 if its registered agent cannot with reasonable diligence be
11823 served, the process, ~~notice, or demand~~ required or permitted by
11824 law may instead be served:

11825 (a) On a member of a member-managed limited liability
11826 company or registered foreign limited liability company; or

11827 (b) On a manager of a manager-managed limited liability
11828 company or registered foreign limited liability company.

11829 (3) If the process, ~~notice, or demand~~ cannot be served on a
11830 limited liability company or registered foreign limited
11831 liability company pursuant to subsection (1) or subsection (2),
11832 the process, ~~notice, or demand~~ may be served on the secretary of

28-00272A-19

2019892__

11833 ~~state department~~ as an agent of the company.

11834 (4) Service of process on the secretary of state ~~with~~
11835 ~~process, notice, or a demand on the department~~ may be made by
11836 delivering to and leaving with the department duplicate copies
11837 of the process, ~~notice, or demand~~.

11838 (6) The department shall keep a record of each process, ~~notice,~~
11839 ~~and demand~~ served pursuant to this section and record
11840 the time of and the action taken regarding the service.

11841 (7) Any notice or demand on a limited liability company or
11842 registered foreign limited liability company under this chapter
11843 may be given or made to any member of a member-managed limited
11844 liability company or registered foreign limited liability
11845 company or to any manager of a manager-managed limited liability
11846 company or registered foreign limited liability company; to the
11847 registered agent of the limited liability company or registered
11848 foreign limited liability company at the registered office of
11849 the limited liability company or registered foreign limited
11850 liability company in this state; or to any other address in this
11851 state that is in fact the principal office of the limited
11852 liability company or registered foreign limited liability
11853 company in this state.

11854 Section 242. Subsection (3) of section 605.0118, Florida
11855 Statutes, is amended to read:

11856 605.0118 Delivery of record.—

11857 (3) If a check is mailed to the department for payment of
11858 an annual report fee or the annual supplemental fee required
11859 under s. 607.193, the check shall be deemed to have been
11860 received by the department as of the postmark date appearing on
11861 the envelope or package transmitting the check if the envelope

28-00272A-19

2019892__

11862 or package is received by the department.

11863 Section 243. Section 605.0207, Florida Statutes, is amended
11864 to read:

11865 605.0207 Effective date and time.—Except as otherwise
11866 provided in s. 605.0208, and subject to s. 605.0209(3), any
11867 document delivered to the department for filing under this
11868 chapter may specify an effective time and a delayed effective
11869 date. In the case of initial articles of organization, a prior
11870 effective date may be specified in the articles of organization
11871 if such date is within 5 business days before the date of
11872 filing. Subject to ss. 605.0114, 605.0115, 605.0208, and
11873 605.0209, a record filed by the department is effective:

11874 (1) If the record filed does not specify an effective time
11875 and does not specify a prior or a delayed effective date, on the
11876 date and at the time the record is accepted filed as evidenced
11877 by the department's endorsement of the date and time on the
11878 filing record.

11879 (2) If the record filed specifies an effective time, but
11880 not a prior or delayed effective date, on the date the record is
11881 filed at the time specified in the filing record.

11882 (3) If the record filed specifies a delayed effective date,
11883 but not an effective time, at 12:01 a.m. on the earlier of:

11884 (a) The specified date; or

11885 (b) The 90th day after the record is filed.

11886 (4) If the record filed specifies a delayed effective date
11887 and an effective time, at the specified time on or the earlier
11888 of:

11889 (a) The specified date; or

11890 (b) The 90th day after the record is filed.

28-00272A-19

2019892__

11891 ~~(5)~~(4) If the record filed is the initial articles of
 11892 organization and specifies an effective a date before the
 11893 ~~effective date~~ of the filing, but no effective time, at 12:01
 11894 a.m. on the later of:

- 11895 (a) The specified date; or
- 11896 (b) The 5th business day before the record is filed.

11897 ~~(6)~~(5) If the record filed is the initial articles of
 11898 organization and specifies an effective time and an effective a
 11899 ~~delayed effective date, at the specified time on the earlier of:~~

- 11900 ~~(a) The specified date; or~~
- 11901 ~~(b) The 90th day after the record is filed.~~

11902 ~~(6) If the record specifies an effective time and a prior~~
 11903 ~~effective date~~ before the date of the filing, at the specified
 11904 time on the later of:

- 11905 (a) The specified date; or
- 11906 (b) The 5th business day before the record is filed.

11907 (7) If a filed document does not specify the time zone or
 11908 place at which the date or time, or both, is to be determined,
 11909 the date or time, or both, at which it becomes effective shall
 11910 be those prevailing at the place of filing in this state.

11911 Section 244. Subsection (3) of section 605.0209, Florida
 11912 Statutes, is amended to read:

11913 605.0209 Correcting filed record.—

11914 (3) A statement of correction:

- 11915 (a) May not state a delayed effective date;
- 11916 (b) Must be signed by the person correcting the filed
 11917 record;

11918 (c) Must identify the filed record to be corrected,
 11919 including such record's filing date, or attach a copy of the

28-00272A-19

2019892__

11920 record to the statement of correction;

11921 (d) Must specify the inaccuracy or defect to be corrected;
11922 and

11923 (e) Must correct the inaccuracy or defect.

11924 Section 245. Subsection (7) of section 605.0210, Florida
11925 Statutes, is amended to read:

11926 605.0210 Duty of department to file; review of refusal to
11927 file; transmission of information by department.-

11928 (7) If the department refuses to file a record delivered to
11929 its office for filing, the person who submitted the record for
11930 filing may petition the Circuit Court of Leon County to compel
11931 filing of the record. The record and the explanation from ~~of~~ the
11932 department of the refusal to file must be attached to the
11933 petition. The court may decide the matter in a summary
11934 proceeding and the court may summarily order the department to
11935 file the record or take other action the court considers
11936 appropriate. The court's final decision may be appealed as in
11937 other civil proceedings.

11938 Section 246. Paragraph (a) of subsection (2) and subsection
11939 (3) of section 605.0211, Florida Statutes, are amended to read:

11940 605.0211 Certificate of status.-

11941 (2) The department, upon request and payment of the
11942 requisite fee, shall furnish a certificate of status for a
11943 foreign limited liability company if the records filed show that
11944 the department has filed a certificate of authority. A
11945 certificate of status for a foreign limited liability company
11946 must state the following:

11947 (a) The foreign limited liability company's name and any ~~a~~
11948 current alternate name adopted under s. 605.0906(1) for use in

28-00272A-19

2019892__

11949 this state.

11950 (3) Subject to any qualification stated in the certificate
11951 of status, a certificate of status issued by the department is
11952 conclusive evidence that the domestic limited liability company
11953 is in existence and is of active status in this state or the
11954 foreign limited liability company is authorized to transact
11955 business in this state and is of active status in this state.

11956 Section 247. Section 605.0215, Florida Statutes, is amended
11957 to read:

11958 605.0215 Certificates to be received in evidence and
11959 evidentiary effect of copy of filed document.—All certificates
11960 issued by the department in accordance with this chapter shall
11961 be taken and received in all courts, public offices, and
11962 official bodies as prima facie evidence of the facts stated. A
11963 certificate from the department delivered with a copy of a
11964 document filed by the department bearing the signature of the
11965 secretary of state, which may be in facsimile, and the seal of
11966 this state is conclusive evidence that the original document is
11967 on file with the department.

11968 Section 248. Subsections (1) through (4) of section
11969 605.04092, Florida Statutes, are amended to read:

11970 605.04092 Conflict of interest transactions.—

11971 (1) As used in this section, the following terms and
11972 definitions apply:

11973 (a) A member or manager is "indirectly" a party to a
11974 transaction if that member or manager has a material financial
11975 interest in or is a director, officer, member, manager, or
11976 partner of a person, other than the limited liability company,
11977 who is a party to the transaction.

28-00272A-19

2019892__

11978 (b) A member or manager has an "indirect material financial
11979 interest" if a ~~spouse or other~~ family member has a material
11980 financial interest in the transaction, other than having an
11981 indirect interest as a member or manager of the limited
11982 liability company, or if the transaction is with an entity,
11983 other than the limited liability company, which has a material
11984 financial interest in the transaction and controls, or is
11985 controlled by, the member or manager or another person specified
11986 in this subsection.

11987 (c) "Fair to the limited liability company" means that the
11988 transaction, as a whole, is beneficial to the limited liability
11989 company and its members, taking into appropriate account whether
11990 it is:

11991 1. Fair in terms of the member's or manager's dealings with
11992 the limited liability company in connection with that
11993 transaction; and

11994 2. Comparable to what might have been obtainable in an
11995 arm's length transaction.

11996 (d) "Family member" includes any of the following:

11997 1. The member's or manager's spouse.

11998 2. A child, stepchild, parent, stepparent, grandparent,
11999 sibling, step sibling, or half sibling of the member or manager
12000 or the member's or manager's spouse.

12001 (e) "Manager's conflict of interest transaction" means a
12002 transaction between a limited liability company and one or more
12003 of its managers, or another entity in which one or more of the
12004 limited liability company's managers is directly or indirectly a
12005 party to the transaction, other than being an indirect party as
12006 a result of being a member of the limited liability company, and

28-00272A-19

2019892__

12007 has a direct or indirect material financial interest or other
12008 material interest.

12009 (f) "Material financial interest" or "other material
12010 interest" means a financial or other interest in the transaction
12011 that would reasonably be expected to impair the objectivity of
12012 the judgment of the member or manager when participating in the
12013 action on the authorization of the transaction.

12014 (g) "Member's conflict of interest transaction" means a
12015 transaction between a limited liability company and one or more
12016 of its members, or another entity in which one or more of the
12017 limited liability company's members is directly or indirectly a
12018 party to the transaction, other than being an indirect party as
12019 a result of being a member of the limited liability company, and
12020 has a direct or indirect material financial interest or other
12021 material interest.

12022 (2) If the requirements of this section have been
12023 satisfied, a member's conflict of interest transaction or a
12024 manager's conflict of interest transaction between a limited
12025 liability company and one or more of its members or managers, or
12026 another entity in which one or more of the limited liability
12027 company's members or managers have a financial or other
12028 interest, is not void or voidable because of that relationship
12029 or interest; because the members or managers are present at the
12030 meeting of the members or managers at which the transaction was
12031 authorized, approved, effectuated, or ratified; or because the
12032 votes of the members or managers are counted for such purpose.

12033 (3) If a member's conflict of interest transaction or a
12034 manager's conflict of interest transaction is fair to the
12035 limited liability company at the time it is authorized,

28-00272A-19

2019892__

12036 approved, effectuated, or ratified, the fact that a member or
12037 manager of the limited liability company is directly or
12038 indirectly a party to the transaction, other than being an
12039 indirect party as a result of being a member or manager of the
12040 limited liability company, or has a direct or indirect material
12041 financial interest or other interest in the transaction, other
12042 than having an indirect interest as a result of being a member
12043 or manager of the limited liability company, is not grounds for
12044 equitable relief and does not give rise to an award of damages
12045 or other sanctions.

12046 (4) (a) In a proceeding challenging the validity of a
12047 member's conflict of interest transaction or a manager's
12048 conflict of interest transaction or in a proceeding seeking
12049 equitable relief, award of damages, or other sanctions with
12050 respect to a member's conflict of interest transaction or a
12051 manager's conflict of interest transaction, ~~described in~~
12052 ~~subsection (3),~~ the person challenging the validity or seeking
12053 equitable relief, award of damages, or other sanctions has the
12054 burden of proving the lack of fairness of the transaction if:

12055 1. In a manager-managed limited liability company, the
12056 material facts of the transaction and the member's or manager's
12057 interest in the transaction were disclosed or known to the
12058 managers or a committee of managers who voted upon the
12059 transaction and the transaction was authorized, approved, or
12060 ratified by a majority of the disinterested managers even if the
12061 disinterested managers constitute less than a quorum; however,
12062 the transaction cannot be authorized, approved, or ratified
12063 under this subsection solely by a single manager; and

12064 2. In a member-managed limited liability company, or a

28-00272A-19

2019892__

12065 manager-managed limited liability company in which the managers
12066 have failed to or cannot act under subparagraph 1., the material
12067 facts of the transaction and the member's or manager's interest
12068 in the transaction were disclosed or known to the members who
12069 voted upon such transaction and the transaction was authorized,
12070 approved, or ratified by a majority-in-interest of the
12071 disinterested members even if the disinterested members
12072 constitute less than a quorum; however, the transaction cannot
12073 be authorized, approved, or ratified under this subsection
12074 solely by a single member; or

12075 (b) If neither of the conditions provided in paragraph (a)
12076 has been satisfied, the person defending or asserting the
12077 validity of a member's conflict of interest transaction or a
12078 manager's conflict of interest transaction ~~described in~~
12079 ~~subsection (3)~~ has the burden of proving its fairness in a
12080 proceeding challenging the validity of the transaction.

12081 Section 249. Paragraph (c) of subsection (3) of section
12082 605.0410, Florida Statutes, is amended to read:

12083 605.0410 Records to be kept; rights of member, manager, and
12084 person dissociated to information.—

12085 (3) In a manager-managed limited liability company, the
12086 following rules apply:

12087 (c) Within 10 days after receiving a demand pursuant to
12088 subparagraph (b)2. ~~(2)(b)2.~~, the company shall, in a record,
12089 inform the member who made the demand of:

12090 1. The information that the company will provide in
12091 response to the demand and when and where the company will
12092 provide the information; and

12093 2. The company's reasons for declining, if the company

28-00272A-19

2019892__

12094 declines to provide any demanded information.

12095 Section 250. Paragraph (b) of subsection (1) and subsection
12096 (2) of section 605.0702, Florida Statutes, are amended, and
12097 subsections (3), (4), and (5) are added to that section, to
12098 read:

12099 605.0702 Grounds for judicial dissolution.—

12100 (1) A circuit court may dissolve a limited liability
12101 company:

12102 (b) In a proceeding by a manager or member to dissolve the
12103 limited liability company if it is established that:

12104 1. The conduct of all or substantially all of the company's
12105 activities and affairs is unlawful;

12106 2. It is not reasonably practicable to carry on the
12107 company's activities and affairs in conformity with the articles
12108 of organization and the operating agreement;

12109 3. The managers or members in control of the company have
12110 acted, are acting, or will ~~are reasonably expected to~~ act in a
12111 manner that is illegal, oppressive, or fraudulent;

12112 4. The limited liability company's assets are being
12113 misappropriated or wasted, causing injury to the limited
12114 liability company, or in a proceeding by a member, causing
12115 injury to one or more of its members; or

12116 5. The managers or the members of the limited liability
12117 company are deadlocked in the management of the limited
12118 liability company's activities and affairs, the members are
12119 unable to break the deadlock, and irreparable injury to the
12120 limited liability company is threatened or being suffered.

12121 (2) (a) If the managers or the members of the limited
12122 liability company are deadlocked in the management of the

28-00272A-19

2019892__

12123 limited liability company's activities and affairs, the members
12124 are unable to break the deadlock, and irreparable injury to the
12125 limited liability company is threatened or being suffered, if
12126 the operating agreement contains a deadlock sale provision that
12127 has been initiated before the time that the court determines
12128 that the grounds for judicial dissolution exist under
12129 subparagraph (1)(b)5., then such deadlock sale provision applies
12130 to the resolution of such deadlock instead of the court entering
12131 an order of judicial dissolution or an order directing the
12132 purchase of petitioner's interest under s. 605.0706, so long as
12133 the provisions of such deadlock sale provision are thereafter
12134 initiated and effectuated in accordance with the terms of such
12135 deadlock sale provision or otherwise pursuant to an agreement of
12136 the members of the company.

12137 (b) As used in this section, the term "deadlock sale
12138 provision" means a provision in an operating agreement which is
12139 or may be applicable in the event of a deadlock among the
12140 managers or the members of the limited liability company which
12141 the members of the company are unable to break and which
12142 provides for a deadlock breaking mechanism, including, but not
12143 limited to:

- 12144 1. A redemption or a purchase and sale of interests; ~~or~~
- 12145 2. A governance change, among or between members;
- 12146 3. The sale of the company or all or substantially all of
12147 the assets of the company; or
- 12148 4. A similar provision that, if initiated and effectuated,
12149 breaks the deadlock by causing the transfer of interests, a
12150 governance change, or the sale of all or substantially all of
12151 the company's assets. ~~A deadlock sale provision in an operating~~

28-00272A-19

2019892__

12152 ~~agreement which is not initiated and effectuated before the~~
12153 ~~court enters an order of judicial dissolution under subparagraph~~
12154 ~~(1)(b)5. or an order directing the purchase of petitioner's~~
12155 ~~interest under s. 605.0706 does not adversely affect the rights~~
12156 ~~of members and managers to seek judicial dissolution under~~
12157 ~~subparagraph (1)(b)5. or the rights of the company or one or~~
12158 ~~more members to purchase the petitioner's interest under s.~~
12159 ~~605.0706. The filing of an action for judicial dissolution on~~
12160 ~~the grounds described in subparagraph (1)(b)5. or an election to~~
12161 ~~purchase the petitioner's interest under s. 605.0706 does not~~
12162 ~~adversely affect the right of a member to initiate an available~~
12163 ~~deadlock sale provision under the operating agreement or to~~
12164 ~~enforce a member-initiated or an automatically-initiated~~
12165 ~~deadlock sale provision if the deadlock sale provision is~~
12166 ~~initiated and effectuated before the court enters an order of~~
12167 ~~judicial dissolution under subparagraph (1)(b)5. or an order~~
12168 ~~directing the purchase of petitioner's interest under s.~~
12169 ~~605.0706.~~

12170 (3) A proceeding by a member under subparagraph (1)(b)3.
12171 asserting that the members or managers in control of the limited
12172 liability company have acted, are acting, or will act in a
12173 manner that is oppressive may only be brought by a member who,
12174 at the time that such proceeding is commenced, owns at least 10
12175 percent of the outstanding membership interests of the limited
12176 liability company.

12177 (4) (a) In the event of oppressive action that satisfies
12178 subparagraph (1)(b)3., if the members are subject to an
12179 operating agreement that contains an oppressive action sale
12180 provision, then such oppressive action sale provision shall

28-00272A-19

2019892__

12181 address such member asserted oppressive action in lieu of the
12182 court entering an order of judicial dissolution or an order
12183 directing the purchase of petitioner's interest under s.
12184 605.0706, so long as the provisions of such oppressive action
12185 sale provision are initiated and effectuated within the time
12186 periods specified for the company to act under s. 605.0706 and
12187 in accordance with the terms of such oppressive action sale
12188 provision.

12189 (b) For the purposes of this section, the term "oppressive
12190 action sale provision" means a provision in an operating
12191 agreement that is or may be applicable in the event of a
12192 member's assertion of the occurrence or existence of oppressive
12193 action which neither the members nor the managers, as
12194 applicable, of the company are able to address and which
12195 provides for a mechanism for addressing the occurrence or
12196 existence of such member asserted oppressive action including,
12197 but not limited to:

12198 1. A redemption or purchase and sale of interests;
12199 2. The sale of the company or of all or substantially all
12200 of the assets of the company; or
12201 3. A similar provision that, if initiated and effectuated,
12202 causes the transfer of interests to be redeemed or purchased and
12203 sold or the sale of the company or of all or substantially all
12204 of the company's assets.

12205 (5) A deadlock sale provision or an oppressive action sale
12206 provision in an operating agreement which is not initiated and
12207 effectuated before the court enters an order of judicial
12208 dissolution under subparagraph (1) (b)3. or subparagraph
12209 (1) (b)5., as the case may be, or an order directing the purchase

28-00272A-19

2019892__

12210 of petitioner's interest under s. 605.0706, does not adversely
 12211 affect the rights of members and managers to seek judicial
 12212 dissolution under subparagraph (1)(b)3. or subparagraph
 12213 (1)(b)5., as the case may be, or the rights of the company or
 12214 one or more members to purchase the petitioner's interest under
 12215 s. 605.0706. The filing of an action for judicial dissolution on
 12216 the grounds described in subparagraph (1)(b)3. or subparagraph
 12217 (1)(b)5., as the case may be, or an election to purchase the
 12218 petitioner's interest under s. 605.0706, does not adversely
 12219 affect the right of a member to initiate an available deadlock
 12220 sale provision or an oppressive action sale provision under the
 12221 operating agreement or to enforce a member-initiated or an
 12222 automatically-initiated deadlock sale provision or oppressive
 12223 action sale provision if the deadlock sale provision or the
 12224 oppressive sale provision, as the case may be, is initiated and
 12225 effectuated before the court enters an order of judicial
 12226 dissolution under subparagraph (1)(b)3. or subparagraph
 12227 (1)(b)5., as the case may be, or an order directing the purchase
 12228 of petitioner's interest under s. 605.0706.

12229 Section 251. Subsections (1), (2), (4), (5), (6), (7), and
 12230 (8) of section 605.0706, Florida Statutes, are amended to read:

12231 605.0706 Election to purchase instead of dissolution.—

12232 (1) In a proceeding initiated by a member of a limited
 12233 liability company under s. 605.0702(1)(b) ~~to dissolve the~~
 12234 ~~company~~, the company may elect, or, if it fails to elect, one or
 12235 more other members may elect, to purchase the entire interest of
 12236 the petitioner in the company at the fair value of the interest.
 12237 An election pursuant to this section is irrevocable unless the
 12238 court determines that it is equitable to set aside or modify the

28-00272A-19

2019892__

12239 election.

12240 (2) An election to purchase pursuant to this section may be
12241 filed with the court within 90 days after the filing of the
12242 petition by the petitioning member under s. 605.0702(1)(b) ~~or~~
12243 ~~(2)~~ or at such later time as the court may allow. If the
12244 election to purchase is filed, the company shall within 10 days
12245 thereafter give written notice to all members, other than the
12246 petitioning member. The notice must describe the interest in the
12247 company owned by each petitioning member and must advise the
12248 recipients of their right to join in the election to purchase
12249 the petitioning member's interest in accordance with this
12250 section. Members who wish to participate must file notice of
12251 their intention to join in the purchase within 30 days after the
12252 effective date of the notice. A member who has filed an election
12253 or notice of the intent to participate in the election to
12254 purchase thereby becomes a party to the proceeding and shall
12255 participate in the purchase in proportion to the ownership
12256 interest as of the date the first election was filed unless the
12257 members otherwise agree or the court otherwise directs. After an
12258 election to purchase has been filed by the limited liability
12259 company or one or more members, the proceeding under s.
12260 605.0702(1)(b) ~~or (2)~~ may not be discontinued or settled, and
12261 the petitioning member may not sell or otherwise dispose of the
12262 interest of the petitioner in the company unless the court
12263 determines that it would be equitable to the company and the
12264 members, other than the petitioner, to authorize such
12265 discontinuance, settlement, sale, or other disposition or the
12266 sale is pursuant to a deadlock sale provision described in s.
12267 605.0702(1)(b).

28-00272A-19

2019892__

12268 (4) If the parties are unable to reach an agreement as
12269 provided for in subsection (3), the court, upon application of a
12270 party, may ~~shall~~ stay the proceedings to dissolve under s.
12271 605.0702(1)(b) and shall, whether or not the proceeding is
12272 stayed, determine the fair value of the petitioner's interest as
12273 of the day before the date on which the petition was filed or as
12274 of such other date as the court deems appropriate under the
12275 circumstances.

12276 (5) Upon determining the fair value of the petitioner's
12277 interest in the company, unless the petitioner's interest has
12278 been acquired pursuant to a deadlock sale provision before the
12279 order, the court shall enter an order directing the purchase
12280 upon such terms and conditions as the court deems appropriate,
12281 which may include: payment of the purchase price in
12282 installments, when necessary in the interests of equity; a
12283 provision for security to ensure payment of the purchase price
12284 and additional costs, fees, and expenses as may have been
12285 awarded; and, if the interest is to be purchased by members, the
12286 allocation of the interest among those members. In allocating
12287 the petitioner's interest among holders of different classes or
12288 series of interests in the company, the court shall attempt to
12289 preserve any ~~the~~ existing distribution of voting rights among
12290 holders of different classes or series insofar as practicable
12291 and may direct that holders of any a specific class or classes
12292 or series may not participate in the purchase. Interest may be
12293 allowed at the rate and from the date determined by the court to
12294 be equitable; however, if the court finds that the refusal of
12295 the petitioning member to accept an offer of payment was
12296 arbitrary or otherwise not in good faith, payment of interest is

28-00272A-19

2019892__

12297 not allowed. If the court finds that the petitioning member had
12298 probable grounds for relief under s. 605.0702(1)(b) ~~s.~~
12299 ~~605.0702(1)(b)3. or 4.~~, it may award expenses to the petitioning
12300 member, including reasonable fees and expenses of counsel and of
12301 experts employed by petitioner.

12302 (6) The ~~Upon~~ entry of an order under subsection (3) or
12303 subsection (5) shall be subject to subsection (8), and the order
12304 may not be entered unless the award is determined by the court
12305 to be allowed under subsection (8). In determining compliance
12306 with s. 605.0405, the court may rely on an affidavit from the
12307 limited liability company as to compliance with that section as
12308 of the measurement date. Upon entry of an order under subsection
12309 (3) or subsection (5), the court shall dismiss the petition to
12310 dissolve the limited liability company under s. 605.0702(1)(b),
12311 and the petitioning member shall no longer have rights or status
12312 as a member of the limited liability company except the right to
12313 receive the amounts awarded by the order of the court, which
12314 shall be enforceable in the same manner as any other judgment.

12315 (7) The purchase ordered pursuant to subsection (5) shall
12316 ~~must~~ be made within 10 days after the date the order becomes
12317 final ~~unless, before that time, the limited liability company~~
12318 ~~files with the court a notice of its intention to dissolve~~
12319 ~~pursuant to s. 605.0701(2), in which case articles of~~
12320 ~~dissolution for the company must be filed within 50 days~~
12321 ~~thereafter. Upon filing of such articles of dissolution, the~~
12322 ~~limited liability company shall be wound up in accordance with~~
12323 ~~ss. 605.0709-605.0713, and the order entered pursuant to~~
12324 ~~subsection (5) shall no longer be of force or effect except that~~
12325 ~~the court may award the petitioning member reasonable fees and~~

28-00272A-19

2019892__

12326 ~~expenses of counsel and experts in accordance with subsection~~
12327 ~~(5), and the petitioner may continue to pursue any claims~~
12328 ~~previously asserted on behalf of the limited liability company.~~

12329 (8) Any award ~~A payment by the limited liability company~~
12330 pursuant to an order under subsection (3) or subsection (5),
12331 other than an award of fees and expenses pursuant to subsection
12332 (5), is subject to s. 605.0405. Unless otherwise provided in the
12333 court's order, the effect of a distribution under s. 605.0405
12334 shall be measured as of the date of the court's order under
12335 subsection (3) or subsection (5).

12336 Section 252. Subsection (5) of section 605.0715, Florida
12337 Statutes, is amended, and subsection (6) is added to that
12338 section, to read:

12339 605.0715 Reinstatement.—

12340 (5) The name of the dissolved limited liability company is
12341 not available for assumption or use by another business entity
12342 until 1 year after the effective date of dissolution unless the
12343 dissolved limited liability company provides the department with
12344 a record executed as required pursuant to s. 605.0203 permitting
12345 the immediate assumption or use of the name by another business
12346 entity ~~limited liability company~~.

12347 (6) If the name of the dissolved limited liability company
12348 has been lawfully assumed in this state by another business
12349 entity, the department shall require the dissolved limited
12350 liability company to amend its articles of incorporation to
12351 change its name before accepting the application for
12352 reinstatement.

12353 Section 253. Subsections (2) and (3) of section 605.0716,
12354 Florida Statutes, are amended, and subsection (4) is added to

28-00272A-19

2019892__

12355 that section, to read:

12356 605.0716 Judicial review of denial of reinstatement.—

12357 (2) Within 30 days after service of a notice of denial of
 12358 reinstatement, a limited liability company may appeal the denial
 12359 by petitioning the Circuit Court of Leon County ~~in the~~
 12360 ~~applicable county, as defined in s. 605.0711(15),~~ to set aside
 12361 the dissolution. The petition must be served on the department
 12362 and contain a copy of the department's notice of administrative
 12363 dissolution, the company's application for reinstatement, and
 12364 the department's notice of denial.

12365 (3) The circuit court may order the department to reinstate
 12366 a dissolved limited liability company or take other action the
 12367 court considers appropriate.

12368 (4) The circuit court's final decision may be appealed as
 12369 in other civil proceedings.

12370 Section 254. Section 605.0803, Florida Statutes, is amended
 12371 to read:

12372 605.0803 Proper plaintiff.—A derivative action to enforce a
 12373 right of a limited liability company may be commenced ~~maintained~~
 12374 only by a person who is a member at the time the action is
 12375 commenced and:

12376 (1) Was a member when the conduct giving rise to the action
 12377 occurred; or

12378 (2) Whose status as a member devolved on the person by
 12379 operation of law or pursuant to the terms of the operating
 12380 agreement from a person who was a member when ~~at the time of~~ the
 12381 conduct giving rise to the action occurred.

12382 Section 255. Subsection (2) of section 605.0903, Florida
 12383 Statutes, is amended to read:

28-00272A-19

2019892__

12384 605.0903 Effect of a certificate of authority.—
12385 (2) The filing by the department of an application for a
12386 certificate of authority means ~~authorizes~~ the foreign limited
12387 liability company that filed ~~files~~ the application to transact
12388 business in this state has obtained a certificate of authority
12389 to transact business in this state and is authorized to transact
12390 business in this state, subject, however, to the right of the
12391 department to suspend or revoke the certificate of authority as
12392 provided in this chapter.

12393 Section 256. Subsections (3) and (4) of section 605.0904,
12394 Florida Statutes, are amended to read:

12395 605.0904 Effect of failure to have certificate of
12396 authority.—

12397 (3) A court may stay a proceeding commenced by a foreign
12398 limited liability company or its successor or assignee until it
12399 determines whether the foreign limited liability company or its
12400 successor requires a certificate of authority. If it so
12401 determines, the court may further stay the proceeding until the
12402 foreign limited liability company or its successor has obtained
12403 a ~~obtains~~ the certificate of authority to transact business in
12404 this state.

12405 (4) The failure of a foreign limited liability company to
12406 have a certificate of authority to transact business in this
12407 state does not impair the validity of any contract, deed,
12408 mortgage, security interest, ~~a contract~~ or act of the foreign
12409 limited liability company or prevent the foreign limited
12410 liability company from defending an action or proceeding in this
12411 state.

12412 Section 257. Subsections (1) and (4) of section 605.0906,

28-00272A-19

2019892__

12413 Florida Statutes, are amended to read:

12414 605.0906 Noncomplying name of foreign limited liability
12415 company.—

12416 (1) A foreign limited liability company whose name is
12417 unavailable under or whose name does not otherwise comply with
12418 s. 605.0112 shall ~~may~~ use an alternate name that complies with
12419 s. 605.0112 to transact business in this state. An alternate
12420 name adopted for use in this state shall be cross-referenced to
12421 the actual name of the foreign limited liability company in the
12422 records of the department. If the actual name of the foreign
12423 limited liability company subsequently becomes available in this
12424 state or the foreign limited liability company chooses to change
12425 its alternate name, a copy of the record approving the change by
12426 its members, managers, or other persons having the authority to
12427 do so, and executed as required pursuant to s. 605.0203, shall
12428 be delivered to the department for filing.

12429 (4) If a foreign limited liability company authorized to
12430 transact business in this state changes its name to one that
12431 does not comply with s. 605.0112, it may not thereafter transact
12432 business in this state until it complies with subsection (1) and
12433 obtains an amended certificate of authority pursuant to s.
12434 605.0907.

12435 Section 258. Paragraph (d) of subsection (1) and
12436 subsections (2) and (4) of section 605.0907, Florida Statutes,
12437 are amended to read:

12438 605.0907 Amendment to certificate of authority.—

12439 (1) A foreign limited liability company authorized to
12440 transact business in this state shall deliver for filing an
12441 amendment to its certificate of authority to reflect the change

28-00272A-19

2019892__

12442 of any of the following:

12443 ~~(d) Any person identified in accordance with s.~~
 12444 ~~605.0902(1)(c), or a change in the title or capacity or address~~
 12445 ~~of that person.~~

12446 (2) The amendment must be filed within 90 ~~30~~ days after the
 12447 occurrence of a change described in subsection (1), must be
 12448 signed by an authorized representative of the foreign limited
 12449 liability company, and must state the following:

12450 (a) The name of the foreign limited liability company as it
 12451 appears on the records of the department.

12452 (b) Its jurisdiction of formation.

12453 (c) The date the foreign limited liability company was
 12454 authorized to transact business in this state.

12455 (d) If the name of the foreign limited liability company
 12456 has been changed, the name relinquished and its new name.

12457 (e) If the amendment changes the jurisdiction of formation
 12458 of the foreign limited liability company, a statement of that
 12459 change.

12460 (4) The requirements of s. 605.0902 ~~s. 605.0902(2)~~ for
 12461 obtaining an original certificate of authority apply to
 12462 obtaining an amended certificate under this section unless the
 12463 ~~Secretary of State or other~~ official having custody of the
 12464 foreign limited liability company's publicly filed records in
 12465 its jurisdiction of formation did not require an amendment to
 12466 effectuate the change on its records.

12467 Section 259. Subsection (1) of section 605.0908, Florida
 12468 Statutes, is amended to read:

12469 605.0908 Revocation of certificate of authority.—

12470 (1) A certificate of authority of a foreign limited

28-00272A-19

2019892__

12471 liability company to transact business in this state may be
12472 revoked by the department if:

12473 (a) The foreign limited liability company does not deliver
12474 its annual report to the department by 5 p.m. Eastern Time on
12475 the third Friday in September of each year.†

12476 (b) The foreign limited liability company does not pay a
12477 fee or penalty due to the department under this chapter.†

12478 (c) The foreign limited liability company does not appoint
12479 and maintain a registered agent as required under s. 605.0113.†

12480 (d) The foreign limited liability company does not deliver
12481 for filing a statement of a change under s. 605.0114 within 30
12482 days after a change in the name or address of the agent has
12483 occurred ~~in the name or address of the agent~~, unless, within 30
12484 days after the change occurred, either:

12485 1. The registered agent files a statement of change under
12486 s. 605.0116; or

12487 2. The change was made in accordance with s. 605.0114(4).†
12488 ~~or s. 605.0907(1)(d).†~~

12489 (e) The foreign limited liability company has failed to
12490 amend its certificate of authority to reflect a change in its
12491 name on the records of the department or its jurisdiction of
12492 formation.†

12493 (f) The department receives a duly authenticated
12494 certificate from the official having custody of records in the
12495 company's jurisdiction of formation stating that it has been
12496 dissolved or is no longer active on the official's records.†

12497 (g) The foreign limited liability company's period of
12498 duration has expired.†

12499 (h) A member, manager, or agent of the foreign limited

28-00272A-19

2019892__

12500 liability company signs a document that the member, manager, or
12501 agent knew was false in a material respect with the intent that
12502 the document be delivered to the department for filing. ~~;~~ ~~or~~

12503 (i) The foreign limited liability company has failed to
12504 answer truthfully and fully, within the time prescribed in s.
12505 605.1104, interrogatories propounded by the department.

12506 Section 260. Section 605.09091, Florida Statutes, is
12507 created to read:

12508 605.09091 Judicial review of denial of reinstatement.-

12509 (1) If the department denies a foreign limited liability
12510 company's application for reinstatement after revocation of its
12511 certificate of authority, the department shall serve the foreign
12512 limited liability company, pursuant to s. 605.0117(7), with a
12513 written notice that explains the reason or reasons for the
12514 denial.

12515 (2) Within 30 days after service of a notice of denial of
12516 reinstatement, a foreign limited liability company may appeal
12517 the denial by petitioning the Circuit Court of Leon County to
12518 set aside the revocation. The petition must be served on the
12519 department and must contain a copy of the department's notice of
12520 revocation, the foreign limited liability company's application
12521 for reinstatement, and the department's notice of denial.

12522 (3) The circuit court may order the department to reinstate
12523 the certificate of authority of the foreign limited liability
12524 company or take other action the court considers appropriate.

12525 (4) The circuit court's final decision may be appealed as
12526 in other civil proceedings.

12527 Section 261. Section 605.0910, Florida Statutes, is amended
12528 to read:

28-00272A-19

2019892__

12529 605.0910 Withdrawal and cancellation of certificate of
12530 authority.—

12531 (1) To cancel its certificate of authority to transact
12532 business in this state, a foreign limited liability company must
12533 deliver to the department for filing a notice of withdrawal of
12534 certificate of authority. The certificate of authority is
12535 canceled when the notice becomes effective pursuant to s.
12536 605.0207. The notice of withdrawal of certificate of authority
12537 must be signed by an authorized representative and state the
12538 following:

12539 (a)~~(1)~~ The name of the foreign limited liability company as
12540 it appears on the records of the department.

12541 (b)~~(2)~~ The name of the foreign limited liability company's
12542 jurisdiction of formation.

12543 (c)~~(3)~~ The date the foreign limited liability company was
12544 authorized to transact business in this state.

12545 (d)~~(4)~~ That the foreign limited liability company is
12546 withdrawing its certificate of authority in this state.

12547 (e) That the foreign limited liability company revokes the
12548 authority of its registered agent to accept service on its
12549 behalf and appoints the secretary of state as its agent for
12550 service of process based on a cause of action arising during the
12551 time the foreign limited liability company was authorized to
12552 transact business in this state.

12553 (f) A mailing address to which the department may mail a
12554 copy of any process served on the secretary of state under
12555 paragraph (e).

12556 (g) A commitment to notify the department in the future of
12557 any change in its mailing address.

28-00272A-19

2019892__

12558 (2) After the withdrawal of the foreign limited liability
12559 company is effective, service of process on the secretary of
12560 state under this section is service on the foreign limited
12561 liability company. Upon receipt of the process, the department
12562 shall mail a copy of the process to the foreign limited
12563 liability company at the mailing address set forth under
12564 paragraph (1) (f).

12565 Section 262. Section 605.0911, Florida Statutes, is amended
12566 to read:

12567 605.0911 Withdrawal deemed on conversion to domestic filing
12568 entity.—A registered foreign limited liability company
12569 authorized to transact business in this state that converts to a
12570 domestic limited liability company or to another domestic entity
12571 that is organized, incorporated, registered or otherwise formed
12572 through the delivery of a record to the department for filing is
12573 deemed to have withdrawn its certificate of authority on the
12574 effective date of the conversion.

12575 Section 263. Section 605.0912, Florida Statutes, is amended
12576 to read:

12577 605.0912 Withdrawal on dissolution, merger, or conversion
12578 to nonfiling entity.—

12579 (1) A registered foreign limited liability company that has
12580 dissolved and completed winding up, has merged into a foreign
12581 entity that is not authorized to transact business ~~registered~~ in
12582 this state, or has converted to a domestic or foreign entity
12583 that is not organized, incorporated, registered or otherwise
12584 formed through the public filing of a record, shall deliver a
12585 notice of withdrawal of certificate of authority to the
12586 department for filing in accordance with s. 605.0910.

28-00272A-19

2019892__

12587 (2) After a withdrawal under this section of a foreign
12588 limited liability company ~~entity~~ that has converted to another
12589 type of entity is effective, service of process in any action or
12590 proceeding based on a cause of action arising during the time
12591 the foreign limited liability company was authorized to transact
12592 ~~registered to do~~ business in this state may be made pursuant to
12593 s. 605.0117.

12594 Section 264. Subsection (6) of section 605.1025, Florida
12595 Statutes, is amended to read:

12596 605.1025 Articles of merger.—

12597 (6) A limited liability company is not required to deliver
12598 articles of merger for filing pursuant to subsection (1) if the
12599 limited liability company is named as a merging entity or
12600 surviving entity in articles of merger or a certificate of
12601 merger filed for the same merger in accordance with s. 607.1105
12602 ~~s. 607.1109~~, s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and
12603 if such articles of merger or certificate of merger
12604 substantially comply with the requirements of this section. In
12605 such a case, the other articles of merger or certificate of
12606 merger may also be used for purposes of subsection (5).

12607 Section 265. Subsection (5) of section 605.1035, Florida
12608 Statutes, is amended to read:

12609 605.1035 Articles of interest exchange.—

12610 (5) A limited liability company is not required to deliver
12611 articles of interest exchange for filing pursuant to subsection
12612 (1) if the domestic limited liability company is named as an
12613 acquired entity or as an acquiring entity in the articles of
12614 share exchange filed for the same interest exchange in
12615 accordance with s. 607.1105 ~~s. 607.1105(1)~~ and if such articles

28-00272A-19

2019892__

12616 of share exchange substantially comply with the requirements of
12617 this section.

12618 Section 266. Subsection (5) of section 605.1061, Florida
12619 Statutes, is amended to read:

12620 605.1061 Appraisal rights; definitions.—The following
12621 definitions apply to this section and to ss. 605.1006 and
12622 605.1062-605.1072:

12623 (5) "Fair value" means the value of the member's membership
12624 interest determined:

12625 (a) Immediately before the effectiveness ~~effectuation~~ of
12626 the appraisal event to which the member objects;

12627 (b) Using customary and current valuation concepts and
12628 techniques generally employed for similar businesses in the
12629 context of the transaction requiring appraisal, excluding any
12630 appreciation or depreciation in anticipation of the transaction
12631 to which the member objects, unless exclusion would be
12632 inequitable to the limited liability company and its remaining
12633 members; and

12634 (c) Without discounting for lack of marketability or
12635 minority status.

12636 Section 267. Subsection (3) of section 605.1063, Florida
12637 Statutes, is amended to read:

12638 605.1063 Notice of appraisal rights.—

12639 (3) If the appraisal event is to be approved by written
12640 consent of the members pursuant to s. 60.04073 ~~other than by a~~
12641 ~~members' meeting~~:

12642 (a) Written notice that appraisal rights are, are not, or
12643 may be available must be sent to each member from whom a consent
12644 is solicited at the time consent of such member is first

28-00272A-19

2019892__

12645 solicited, and if the limited liability company has concluded
 12646 that appraisal rights are or may be available, a copy of ss.
 12647 605.1006 and 605.1061-605.1072 must accompany such written
 12648 notice; or

12649 (b) Written notice that appraisal rights are, are not, or
 12650 may be available must be delivered, at least 10 days before the
 12651 appraisal event becomes effective, to all nonconsenting and
 12652 nonvoting members, and, if the limited liability company has
 12653 concluded that appraisal rights are or may be available, a copy
 12654 of ss. 605.1006 and 605.1061-605.1072 must accompany such
 12655 written notice.

12656 Section 268. Section 605.1072, Florida Statutes, is amended
 12657 to read:

12658 605.1072 Other remedies limited.-

12659 (1) A member entitled to appraisal rights under this
 12660 chapter may not challenge a ~~The legality of a proposed or~~
 12661 completed appraisal event for which appraisal rights are
 12662 available unless such completed appraisal event was either: may
 12663 ~~not be contested, and the appraisal event may not be enjoined,~~
 12664 ~~set aside, or rescinded, in a legal or equitable proceeding by a~~
 12665 ~~member after the members have approved the appraisal event.~~

12666 ~~(2) Subsection (1) does not apply to an appraisal event~~
 12667 ~~that:~~

12668 (a) ~~Was~~ Not authorized and approved in accordance with the
 12669 applicable provisions of this chapter, the organic rules of the
 12670 limited liability company, or the resolutions of the members
 12671 authorizing the appraisal event. ~~or~~

12672 (b) ~~Was~~ Procured as a result of fraud, a material
 12673 misrepresentation, or an omission of a material fact that is

28-00272A-19

2019892__

12674 necessary to make statements made, in light of the circumstances
12675 in which they were made, not misleading.

12676 (2) Nothing in this section operates to override or
12677 supersede s. 605.04092.

12678 Section 269. Subsection (16) of section 617.0302, Florida
12679 Statutes, is amended to read:

12680 617.0302 Corporate powers.—Every corporation not for profit
12681 organized under this chapter, unless otherwise provided in its
12682 articles of incorporation or bylaws, shall have power to:

12683 (16) Merge with other corporations or other eligible
12684 ~~business~~ entities identified in s. 607.1101 ~~s. 607.1108(1)~~, both
12685 for profit and not for profit, domestic and foreign, if the
12686 surviving corporation or other surviving eligible ~~business~~
12687 entity is a corporation not for profit or other eligible
12688 ~~business~~ entity that has been organized as a not-for-profit
12689 entity under a governing statute or other applicable law that
12690 permits such a merger.

12691 Section 270. Subsections (1) and (5) of section 617.0501,
12692 Florida Statutes, are amended, and subsection (6) is added to
12693 that section, to read:

12694 617.0501 Registered office and registered agent.—

12695 (1) Each corporation shall have and continuously maintain
12696 in this state:

12697 (a) A registered office which may be the same as its
12698 principal office; and

12699 (b) A registered agent, who may be either:

12700 1. An individual who resides in this state whose business
12701 office is identical with such registered office; or

12702 2. Another domestic entity that is an authorized entity

28-00272A-19

2019892__

12703 whose business address is identical to the address of the
12704 registered office, or a foreign entity authorized to transact
12705 business in this state that is an authorized entity and whose
12706 business address is identical to the address of ~~A corporation~~
12707 ~~for profit or not for profit, authorized to transact business or~~
12708 ~~conduct its affairs in this state, having a business office~~
12709 ~~identical with the registered office.~~

12710 (5) A corporation may not prosecute or maintain any action
12711 in a court in this state until the corporation complies with
12712 this section or s. 617.1508, as applicable, ~~and~~ pays to the
12713 Department of State any amounts required under this chapter,
12714 and, to the extent ordered by a court of competent jurisdiction,
12715 pays to the Department of State a penalty of \$5 for each day it
12716 has failed to so comply or \$500, whichever is less.

12717 (6) For the purposes of this section, the term "authorized
12718 entity" means:

- 12719 (a) A corporation for profit;
12720 (b) A limited liability company;
12721 (c) A limited liability partnership; or
12722 (d) A limited partnership, including a limited liability
12723 limited partnership.

12724 Section 271. Section 617.05015, Florida Statutes, is
12725 created to read:

12726 617.05015 Reserved name.—

12727 (1) A person may reserve the exclusive use of the name of a
12728 corporation, including an alternate name for a foreign
12729 corporation whose name is not available, by delivering an
12730 application to the department for filing. The application must
12731 set forth the name and address of the applicant and the name

28-00272A-19

2019892__

12732 proposed to be reserved. If the department finds that the name
12733 of the corporation applied for is available, it shall reserve
12734 the name for the applicant's exclusive use for a nonrenewable
12735 120-day period.

12736 (2) The owner of a reserved name of a corporation may
12737 transfer the reservation to another person by delivering to the
12738 department a signed notice of the transfer that states the name
12739 and address of the transferee.

12740 (3) The department may revoke any reservation if, after a
12741 hearing, it finds that the application therefor or any transfer
12742 thereof was not made in good faith.

12743 Section 272. Section 617.0831, Florida Statutes, is amended
12744 to read:

12745 617.0831 Indemnification and liability of officers,
12746 directors, employees, and agents.—Except as provided in s.
12747 617.0834, s. 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and~~
12748 ~~607.0850~~ apply to a corporation organized under this act and a
12749 rural electric cooperative organized under chapter 425. Any
12750 reference to "directors" in those sections includes the
12751 directors, managers, or trustees of a corporation organized
12752 under this act or of a rural electric cooperative organized
12753 under chapter 425. However, the term "director" as used in s.
12754 607.0831 and ss. 607.0850-607.0859 ~~ss. 607.0831 and 607.0850~~
12755 does not include a director appointed by the developer to the
12756 board of directors of a condominium association under chapter
12757 718, a cooperative association under chapter 719, a homeowners'
12758 association defined in s. 720.301, or a timeshare managing
12759 entity under chapter 721. Any reference to "shareholders" in
12760 those sections includes members of a corporation organized under

28-00272A-19

2019892__

12761 this act and members of a rural electric cooperative organized
12762 under chapter 425.

12763 Section 273. Section 617.1102, Florida Statutes, is amended
12764 to read:

12765 617.1102 Limitation on merger.—A corporation not for profit
12766 organized under this chapter may merge with one or more other
12767 eligible business entities, as identified in s. 607.1101(1) ~~s.~~
12768 ~~607.1108(1)~~, only if the surviving entity of such merger is a
12769 corporation not for profit or other eligible business entity
12770 that has been organized as a not-for-profit entity under a
12771 governing statute or other applicable law that allows such a
12772 merger.

12773 Section 274. Section 617.1108, Florida Statutes, is amended
12774 to read:

12775 617.1108 Merger of domestic corporation and other eligible
12776 ~~business~~ entities.—

12777 (1) Subject to s. 617.0302(16) and other applicable
12778 provisions of this chapter, ss. 607.1101, 607.1103, 607.1105,
12779 607.1106, and 607.1107 ~~ss. 607.1108, 607.1109, and 607.11101~~
12780 shall apply to a merger involving a corporation not for profit
12781 organized under this act and one or more other eligible business
12782 entities identified in s. 607.1108(1).

12783 (2) A domestic corporation not for profit organized under
12784 this chapter is not required to file articles of merger pursuant
12785 ~~pur-suant~~ to this section if the corporation not for profit is
12786 named as a party or constituent organization in articles of
12787 merger or a certificate of merger filed for the same merger in
12788 accordance with s. 605.1025, s. 607.1105 ~~s. 607.1109~~, s.
12789 620.2108(3), or s. 620.8918(1) and (2). In such a case, the

28-00272A-19

2019892__

12790 other articles of merger or certificate of merger may also be
12791 used for purposes of subsection (3).

12792 (3) A copy of the articles of merger or certificate of
12793 merger, certified by the Department of State, may be filed in
12794 the office of the official who is the recording officer of each
12795 county in this state in which real property of a party to the
12796 merger, other than the surviving entity, is situated.

12797 Section 275. Section 617.1507, Florida Statutes, is amended
12798 to read:

12799 617.1507 Registered office and registered agent of foreign
12800 corporation.—

12801 (1) Each foreign corporation authorized to conduct its
12802 affairs in this state must continuously maintain in this state:

12803 (a) A registered office that may be the same as any of the
12804 places it conducts its affairs; and

12805 (b) A registered agent, who may be:

12806 1. An individual who resides in this state and whose
12807 business office is identical with the registered office;

12808 2. Another domestic entity that is an authorized entity
12809 whose business address is identical to the address of the
12810 registered office; or

12811 3. A foreign entity authorized to transact business in this
12812 state that is an authorized entity and whose business address is
12813 identical to the address of ~~A domestic corporation for profit or~~
12814 ~~not for profit the business office of which is identical with~~
12815 ~~the registered office; or~~

12816 3. ~~A foreign corporation for profit or not for profit~~
12817 ~~authorized to transact business or conduct its affairs in this~~
12818 ~~state the business office of which is identical with the~~

28-00272A-19

2019892__

12819 ~~registered office.~~

12820 (2) A registered agent appointed pursuant to this section
12821 or a successor registered agent appointed pursuant to s.
12822 617.1508 on whom process may be served shall each file a
12823 statement in writing with the Department of State, in such form
12824 and manner as shall be prescribed by the department, accepting
12825 the appointment as a registered agent simultaneously with his or
12826 her being designated. Such statement of acceptance shall state
12827 that the registered agent is familiar with, and accepts, the
12828 obligations of that position.

12829 (3) For purposes of this section, "authorized entity"
12830 means:

12831 (a) A corporation for profit;

12832 (b) A limited liability company;

12833 (c) A limited liability partnership; or

12834 (d) A limited partnership, including a limited liability
12835 limited partnership.

12836 Section 276. Subsections (2), (3), and (4) of section
12837 620.1108, Florida Statutes, are amended, and subsection (6) is
12838 added to that section, to read:

12839 620.1108 Name.—

12840 (2) The name of a limited partnership that is not a limited
12841 liability limited partnership must contain the phrase "limited
12842 partnership" or "limited" or the abbreviation "L.P." or "Ltd."
12843 or the designation "LP," and may not contain the phrase "limited
12844 liability limited partnership" or the abbreviation "L.L.L.P." or
12845 the designation "LLLP,~~-~~" as will clearly indicate that it is a
12846 limited partnership instead of a natural person, corporation,
12847 limited liability company, or other business entity.

28-00272A-19

2019892__

12848 (3) The name of a limited liability limited partnership
12849 must contain the phrase "limited liability limited partnership"
12850 or the abbreviation "L.L.L.P." or designation "LLLP," as will
12851 clearly indicate that it is a limited liability limited
12852 partnership instead of a natural person or other business
12853 entity, except that a limited liability limited partnership
12854 organized prior to January 1, 2006, that was ~~the effective date~~
12855 ~~of this act that is~~ using an abbreviation or designation
12856 permitted under prior law shall be entitled to continue using
12857 such abbreviation or designation until its dissolution.

12858 (4) The name of a limited partnership must be
12859 distinguishable in the records of the Department of State from
12860 the names of all other entities or filings that are on file with
12861 the Department of State, except fictitious name registrations
12862 pursuant to s. 865.09, general partnership registrations
12863 pursuant to s. 620.8105, and limited liability partnership
12864 statements pursuant to s. 620.9001 which are organized,
12865 registered, or reserved under the laws of this state; however, a
12866 limited partnership or a limited liability limited partnership
12867 may register under a name that is not otherwise distinguishable
12868 on the records of the Department of State with the written
12869 consent of the other entity if the consent is filed with the
12870 Department of State at the time of registration of such name and
12871 if such name is not identical to the name of the other entity. A
12872 name that is different from the name of another entity or filing
12873 due to any of the following is not considered distinguishable:
12874 (a) A suffix.
12875 (b) A definite or indefinite article.
12876 (c) The word "and" and the symbol "&."

28-00272A-19

2019892__

- 12877 (d) The singular, plural, or possessive form of a word.
- 12878 (e) ~~A recognized abbreviation of a root word.~~
- 12879 ~~(f)~~ A punctuation mark or a symbol.
- 12880 (6) A limited partnership or a limited liability limited
- 12881 partnership in existence before January 1, 2020, that has a name
- 12882 that does not clearly indicate that it is a limited partnership
- 12883 or a limited liability limited partnership instead of a natural
- 12884 person, corporation, limited liability company, or other
- 12885 business entity may continue using its name until it dissolves
- 12886 or amends its name in the records of the Department of State.
- 12887 Section 277. Section 620.11085, Florida Statutes, is
- 12888 created to read:
- 12889 620.11085 Reserved name.—
- 12890 (1) A person may reserve the exclusive use of the name of a
- 12891 limited partnership, including an alternate name for a foreign
- 12892 limited partnership whose name is not available, by delivering
- 12893 an application to the Department of State for filing. The
- 12894 application must set forth the name and address of the applicant
- 12895 and the name proposed to be reserved. If the department finds
- 12896 that the name of the limited partnership applied for is
- 12897 available, it must reserve the name for the applicant's
- 12898 exclusive use for a nonrenewable 120-day period.
- 12899 (2) The owner of a reserved name of a limited partnership
- 12900 may transfer the reservation to another person by delivering to
- 12901 the Department of State a signed notice of the transfer that
- 12902 states the name and address of the transferee.
- 12903 (3) The Department of State may revoke any reservation if,
- 12904 after a hearing, it finds that the application therefor or any
- 12905 transfer thereof was not made in good faith.

28-00272A-19

2019892__

12906 Section 278. Paragraph (c) of subsection (1) of section
12907 620.2104, Florida Statutes, is amended to read:

12908 620.2104 Filings required for conversion; effective date.-

12909 (1) After a plan of conversion is approved:

12910 (c) A converting limited partnership is not required to
12911 file a certificate of conversion pursuant to paragraph (a) if
12912 the converting limited partnership files articles of conversion
12913 or a certificate of conversion that substantially complies with
12914 the requirements of this section pursuant to s. 605.1045, s.
12915 607.1105 ~~s. 607.1115~~, or s. 620.8914(1) (b) and contains the
12916 signatures required by this chapter. In such a case, the other
12917 certificate of conversion may also be used for purposes of s.
12918 620.2105(4).

12919 Section 279. Subsection (3) of section 620.2108, Florida
12920 Statutes, is amended to read:

12921 620.2108 Filings required for merger; effective date.-

12922 (3) Each constituent limited partnership shall deliver the
12923 certificate of merger for filing in the Department of State
12924 unless the constituent limited partnership is named as a party
12925 or constituent organization in articles of merger or a
12926 certificate of merger filed for the same merger in accordance
12927 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
12928 620.8918(1) and (2) and such articles of merger or certificate
12929 of merger substantially complies with the requirements of this
12930 section. In such a case, the other articles of merger or
12931 certificate of merger may also be used for purposes of s.
12932 620.2109(3).

12933 Section 280. Subsection (3) of section 620.8918, Florida
12934 Statutes, is amended to read:

28-00272A-19

2019892__

12935 620.8918 Filings required for merger; effective date.—
12936 (3) Each domestic constituent partnership shall deliver the
12937 certificate of merger for filing with the Department of State,
12938 unless the domestic constituent partnership is named as a party
12939 or constituent organization in articles of merger or a
12940 certificate of merger filed for the same merger in accordance
12941 with s. 605.1025, s. 607.1105 ~~s. 607.1109(1)~~, s. 617.1108, or s.
12942 620.2108(3). The articles of merger or certificate of merger
12943 must substantially comply with the requirements of this section.
12944 In such a case, the other articles of merger or certificate of
12945 merger may also be used for purposes of s. 620.8919(3). Each
12946 domestic constituent partnership in the merger shall also file a
12947 registration statement in accordance with s. 620.8105(1) if it
12948 does not have a currently effective registration statement filed
12949 with the Department of State.

12950 Section 281. Paragraph (b) of subsection (2) and subsection
12951 (4) of section 621.12, Florida Statutes, are amended to read:

12952 621.12 Identification with individual shareholders or
12953 individual members.—

12954 (2) The name shall also contain:

12955 (b)1. In the case of a professional corporation, the words
12956 "professional association," or the abbreviation "P.A." or the
12957 designation "PA"; or

12958 2. In the case of a professional limited liability company
12959 formed before January 1, 2014, the words "professional limited
12960 company" or "professional limited liability company," the
12961 abbreviation "P.L." or "P.L.L.C." or the designation "PL" or
12962 "PLLC," in lieu of the words "limited company" or "limited
12963 liability company," or the abbreviation "L.C." or "L.L.C." or

28-00272A-19

2019892__

12964 the designation "LC" or "LLC" as otherwise required under s.
12965 605.0112 or former s. 608.406.

12966 3. In the case of a professional limited liability company
12967 formed on or after January 1, 2014, the words "professional
12968 limited liability company," the abbreviation "P.L.L.C." or the
12969 designation "PLLC," in lieu of the words "limited liability
12970 company," or the abbreviation "L.L.C." or the designation "LLC"
12971 as otherwise required under s. 605.0112.

12972 (4) It shall be permissible, however, for the corporation
12973 or limited liability company to render professional services and
12974 to exercise its authorized powers under a name which is
12975 identical to its name or contains any one or more of the last
12976 names of any shareholder or member included in such name except
12977 that the word "chartered," the words "professional association,"
12978 "professional limited company," or "professional limited
12979 liability company," the abbreviations "P.A.," "P.L.," or
12980 "P.L.L.C.," or the designation "PA," "PL," or "PLLC" may be
12981 omitted, provided that the corporation or limited liability
12982 company has first registered the name to be so used in the
12983 manner required for the registration of fictitious names.

12984 Section 282. Paragraph (e) of subsection (14) of section
12985 865.09, Florida Statutes, is amended to read:

12986 865.09 Fictitious name registration.—

12987 (14) PROHIBITION.—A fictitious name registered as provided
12988 in this section may not contain the following words,
12989 abbreviations, or designations:

12990 (e) "Professional association," "PA," "P.A.," or
12991 "chartered," unless the person or business for which the name is
12992 registered is organized as a professional corporation pursuant

28-00272A-19

2019892__

12993 to chapter 621, or is organized as a professional corporation
12994 pursuant to a similar law of another jurisdiction and has
12995 obtained a certificate of authority to transact business in this
12996 state pursuant to chapter 607.

12997 Section 283. Subsection (1) of section 662.150, Florida
12998 Statutes, is amended to read:

12999 662.150 Domestication of a foreign family trust company.—

13000 (1) A foreign family trust company lawfully organized and
13001 currently in good standing with the state regulatory agency in
13002 the jurisdiction where it is organized may become domesticated
13003 in this state by:

13004 (a) Filing with the Department of State articles a
13005 ~~certificate~~ of domestication and articles of incorporation in
13006 accordance with and subject to s. 607.11922 ~~s. 607.1801~~ or by
13007 filing articles of conversion in accordance with s. 605.1045 or
13008 s. 607.11933; and

13009 (b) Filing an application for a license to begin operations
13010 as a licensed family trust company in accordance with s.
13011 662.121, which must first be approved by the office, or by
13012 filing the prescribed form with the office to register as a
13013 family trust company to begin operations in accordance with s.
13014 662.122.

13015 Section 284. Subsection (1) of section 331.355, Florida
13016 Statutes, is amended to read:

13017 331.355 Use of name; ownership rights to intellectual
13018 property.—

13019 (1) (a) The corporate name of a corporation incorporated or
13020 authorized to transact business in this state, or the name of
13021 any person or business entity transacting business in this

28-00272A-19

2019892__

13022 state, may not use the words "Space Florida," "Florida Space
13023 Authority," "Florida Aerospace Finance Corporation," "Florida
13024 Space Research Institute," "spaceport Florida," or "Florida
13025 spaceport" in its name unless the Space Florida board of
13026 directors gives written approval for such use.

13027 (b) The Department of State may dissolve, pursuant to s.
13028 607.1420 ~~s. 607.1421~~, any corporation that violates paragraph
13029 (a).

13030 Section 285. Paragraph (a) of subsection (4) of section
13031 339.12, Florida Statutes, is amended to read:

13032 339.12 Aid and contributions by governmental entities for
13033 department projects; federal aid.—

13034 (4) (a) Prior to accepting the contribution of road bond
13035 proceeds, time warrants, or cash for which reimbursement is
13036 sought, the department shall enter into agreements with the
13037 governing body of the governmental entity for the project or
13038 project phases in accordance with specifications agreed upon
13039 between the department and the governing body of the
13040 governmental entity. The department in no instance is to receive
13041 from such governmental entity an amount in excess of the actual
13042 cost of the project or project phase. By specific provision in
13043 the written agreement between the department and the governing
13044 body of the governmental entity, the department may agree to
13045 reimburse the governmental entity for the actual amount of the
13046 bond proceeds, time warrants, or cash used on a highway project
13047 or project phases that are not revenue producing and are
13048 contained in the department's adopted work program, or any
13049 public transportation project contained in the adopted work
13050 program. Subject to appropriation of funds by the Legislature,

28-00272A-19

2019892__

13051 the department may commit state funds for reimbursement of such
13052 projects or project phases. Reimbursement to the governmental
13053 entity for such a project or project phase must be made from
13054 funds appropriated by the Legislature, and reimbursement for the
13055 cost of the project or project phase is to begin in the year the
13056 project or project phase is scheduled in the work program as of
13057 the date of the agreement. Funds advanced pursuant to this
13058 section, which were originally designated for transportation
13059 purposes and so reimbursed to a county or municipality, shall be
13060 used by the county or municipality for any transportation
13061 expenditure authorized under s. 336.025(7). Also, cities and
13062 counties may receive funds from persons, and reimburse those
13063 persons, for the purposes of this section. Such persons may
13064 include, but are not limited to, those persons defined in s.
13065 607.01401(56) ~~s. 607.01401(19)~~.

13066 Section 286. Section 628.530, Florida Statutes, is amended
13067 to read:

13068 628.530 Effects of redomestication.—The certificate of
13069 authority, agents appointments and licenses, rates, and other
13070 items which the office or department allows, in its discretion,
13071 which are in existence at the time any insurer licensed to
13072 transact the business of insurance in this state transfers its
13073 corporate domicile to this or any other state by merger,
13074 consolidation, merger pursuant to s. 607.1101(7) ~~s. 607.1107(5)~~,
13075 or any other lawful method shall continue in full force and
13076 effect upon such transfer if such insurer remains duly qualified
13077 to transact the business of insurance in this state. All
13078 outstanding policies of any transferring insurer shall remain in
13079 full force and effect and need not be endorsed as to the new

28-00272A-19

2019892__

13080 name of the company or its new location unless so ordered by the
13081 office. Every transferring insurer shall file new policy forms
13082 with the office on or before the effective date of the transfer,
13083 but may use existing policy forms with appropriate endorsements
13084 if allowed by, and under such conditions as are approved by, the
13085 office. However, every such transferring insurer shall notify
13086 the office of the details of the proposed transfer and shall
13087 file promptly any resulting amendments to corporate documents
13088 filed or required to be filed with the office.

13089 Section 287. Section 631.0515, Florida Statutes, is amended
13090 to read:

13091 631.0515 Appointment of receiver; insurance holding
13092 company.—A delinquency proceeding pursuant to this chapter
13093 constitutes the sole and exclusive method of dissolving,
13094 liquidating, rehabilitating, reorganizing, conserving, or
13095 appointing a receiver of a Florida corporation which is not
13096 insolvent as defined by s. 607.01401 ~~s. 607.01401(16)~~; which
13097 through its shareholders, board of directors, or governing body
13098 is deadlocked in the management of its affairs; and which
13099 directly or indirectly owns all of the stock of a Florida
13100 domestic insurer. The department may petition for an order
13101 directing it to rehabilitate such corporation if the interests
13102 of policyholders or the public will be harmed as a result of the
13103 deadlock. The department shall use due diligence to resolve the
13104 deadlock. Whether or not the department petitions for an order,
13105 the circuit court shall not have jurisdiction pursuant to s.
13106 607.271, s. 607.274, or s. 607.277 to dissolve, liquidate, or
13107 appoint receivers with respect to, a Florida corporation which
13108 directly or indirectly owns all of the stock of a Florida

28-00272A-19

2019892__

13109 domestic insurer and which is not insolvent as defined by s.
13110 607.01401 ~~s. 607.01401(16)~~. However, a managing general agent or
13111 holding company with a controlling interest in a domestic
13112 insurer in this state is subject to jurisdiction of the court
13113 under the provisions of s. 631.025.

13114 Section 288. Subsection (5) of section 658.44, Florida
13115 Statutes, is amended to read:

13116 658.44 Approval by stockholders; rights of dissenters;
13117 preemptive rights.-

13118 (5) The fair value, as defined in s. 607.1301(5) ~~s.~~
13119 ~~607.1301(4)~~, of dissenting shares of each constituent state bank
13120 or state trust company, the owners of which have not accepted an
13121 offer for such shares made pursuant to subsection (3), shall be
13122 determined pursuant to ss. 607.1326-607.1331 except as the
13123 procedures for notice and demand are otherwise provided in this
13124 section as of the effective date of the merger.

13125 Section 289. Section 663.03, Florida Statutes, is amended
13126 to read:

13127 663.03 Applicability of the Florida Business Corporation
13128 Act.-Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the
13129 provisions of part I of chapter 607 not in conflict with the
13130 financial institutions codes which relate to foreign
13131 corporations apply to all international banking corporations and
13132 their offices doing business in this state.

13133 Section 290. Section 663.403, Florida Statutes, is amended
13134 to read:

13135 663.403 Applicability of the Florida Business Corporation
13136 Act.-Notwithstanding s. 607.01401(36) ~~s. 607.01401(12)~~, the
13137 provisions of part I of chapter 607 which are not in conflict

28-00272A-19

2019892__

13138 with the financial institutions codes and which relate to
13139 foreign corporations apply to all international trust entities
13140 and their offices doing business in this state.

13141 Section 291. Section 694.16, Florida Statutes, is amended
13142 to read:

13143 694.16 Conveyances by merger or conversion of business
13144 entities.—As to any merger or conversion of business entities
13145 prior to June 15, 2000, the title to all real estate, or any
13146 interest therein, owned by a business entity that was a party to
13147 a merger or a conversion is vested in the surviving entity
13148 without reversion or impairment, notwithstanding the requirement
13149 of a deed which was previously required by former s. 607.11101,
13150 former s. 608.4383, former s. 620.204, former s. 620.8904, or
13151 former s. 620.8906.

13152 Section 292. This act shall take effect on January 1, 2020.