CHAPTER 2019-90

Committee Substitute for Committee Substitute for House Bill No. 1009

An act relating to business organizations; amending s. 607.0101, F.S.; providing applicability; amending s. 607.0102, F.S.; making technical changes; amending s. 607.0120, F.S.; making technical changes; providing requirements, authorizations, and prohibitions relating to when the terms of a plan or a filed document may be dependent on facts objectively ascertainable outside of the plan or filed document; defining the terms “filed document” and “plan”; amending s. 607.0121, F.S.; making technical changes; conforming provisions to changes made by the act; amending s. 607.0122, F.S.; conforming provisions to changes made by the act; amending s. 607.0123, F.S.; revising provisions, requirements, and authorizations relating to the effective time and date of a document; amending s. 607.0124, F.S.; revising the process authorizing a domestic or foreign corporation to correct a document filed by the Department of State; authorizing a filing to be withdrawn before it takes effect if certain requirements are met; amending s. 607.0125, F.S.; revising the filing duties of the department; amending s. 607.0126, F.S.; revising the appeals process relating to the department’s refusal to file a document; amending s. 607.0127, F.S.; requiring certain certificates to be taken by certain entities as prima facie evidence of the facts stated; revising when a certificate and a copy of a document are conclusive evidence that the original document is on file with the department; amending s. 607.0128, F.S.; revising provisions relating to department-issued certificates of status; amending s. 607.0130, F.S.; deleting provisions relating to the powers of the department; amending s. 607.01401, F.S.; defining and redefining terms; amending s. 607.0141, F.S.; revising provisions relating to written and oral notice under ch. 607, F.S.; providing construction; creating s. 607.0143, F.S.; defining the terms “qualified director,” “material relationship,” and “material interest”; providing for circumstances under which a director is not automatically prevented from being a qualified director; amending s. 607.0201, F.S.; conforming provisions to changes made by the act; amending s. 607.0202, F.S.; revising requirements and authorizations for the contents of articles of incorporation; authorizing provisions of the articles of incorporation to be made dependent upon facts objectively ascertainable outside of the articles of incorporation; prohibiting the articles of incorporation from containing certain provisions; amending s. 607.0203, F.S.; conforming provisions to changes made by the act; amending s. 607.0204, F.S.; deleting an exemption from liability related to persons who have actual knowledge that there is no incorporation when purporting to act as or on behalf of a corporation; making a technical change; amending s. 607.0205, F.S.; making technical changes; requiring directors or incorporators calling an organizational meeting to give at least 2, rather than 3, days’ notice; amending s. 607.0206, F.S.; revising provisions relating to the contents of

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the bylaws of a corporation; amending s. 607.0207, F.S.; making technical changes; creating s. 607.0208, F.S.; authorizing provisions of the articles of incorporation or the bylaws to create exclusive jurisdiction for certain claims; providing applicability for such provisions; prohibiting the articles or bylaws from prohibiting certain actions; defining the term “internal corporate claim”; amending s. 607.0301, F.S.; revising purposes and applicability; amending s. 607.0302, F.S.; making technical changes; amending s. 607.0303, F.S.; revising the requirements relating to the liability of certain persons acting in accordance with emergency bylaws; making technical changes; amending s. 607.0304, F.S.; revising when a corporation’s power to act may be challenged; amending s. 607.0401, F.S.; authorizing a corporation to register under a name that is not otherwise distinguishable on the records of the department under certain circumstances; providing applicability; creating s. 607.04021, F.S.; authorizing a person to reserve the exclusive use of a corporate name and to transfer the reservation; authorizing the department to revoke a reservation under certain circumstances; amending s. 607.0403, F.S.; making technical changes; conforming a cross-reference; amending s. 607.0501, F.S.; revising requirements for registered offices and registered agents; providing for the duties of a registered agent; authorizing a court to stay a proceeding until a corporation is compliant with requirements relating to registered agents and registered offices; making technical changes; amending s. 607.0502, F.S.; revising the procedures relating to a corporation changing its registered agent or its registered office; creating s. 607.0503, F.S.; revising procedures and requirements relating to the resignation of a registered agent; creating s. 607.05031, F.S.; revising procedures and requirements relating to the change of name or address by a registered agent; creating s. 607.05032, F.S.; providing for the delivery of notice or other communication; amending s. 607.0504, F.S.; revising the procedures for service of process, notice, or demand on a corporation; amending s. 607.0505, F.S.; conforming provisions to changes made by the act; amending s. 607.0601, F.S.; revising provisions relating to shares authorized by articles of incorporation; amending s. 607.0602, F.S.; revising provisions relating to the determination of the board of directors to classify or reclassify certain shares; amending s. 607.0604, F.S.; deleting a provision relating to the good faith judgment of the board of directors as to the fair value of fractions of a share; making technical changes; amending s. 607.0620, F.S.; revising provisions relating to subscriptions for shares; amending s. 607.0621, F.S.; expanding the circumstances in which shares that are escrowed or restricted and distributions that are credited may be canceled; amending s. 607.0622, F.S.; making a technical change; amending s. 607.0623, F.S.; authorizing the board to fix a record date for determining shareholders entitled to a share dividend; amending s. 607.0624, F.S.; revising provisions relating to rights, options, warrants, and awards for the purchase of shares of the corporation; defining the term “shares”; amending ss. 607.0625, 607.0626, and 607.0627, F.S.; making technical changes; amending s. 607.0630, F.S.; revising provisions relating to shareholders’ preemptive rights; amending s. 607.0631, F.S.; revising provisions relating to a corporation’s
acquisition of its own shares; amending s. 607.06401, F.S.; revising provisions relating to distributions to shareholders; providing applicability; making technical changes; amending s. 607.0701, F.S.; revising provisions relating to a corporation’s annual meeting; amending s. 607.0702, F.S.; revising provisions relating to a corporation’s special meeting of the shareholders; amending s. 607.0703, F.S.; revising provisions relating to court-ordered meetings; amending s. 607.0704, F.S.; revising provisions relating to actions by shareholders without a meeting; making technical changes; amending s. 607.0705, F.S.; revising provisions relating to notices of meetings; amending s. 607.0706, F.S.; relocating and revising requirements for a shareholder to waive certain required notice; amending s. 607.0707, F.S.; revising provisions relating to record dates; creating s. 607.0709, F.S.; relocating and revising provisions relating to remote participation in the annual and special meetings of shareholders; amending s. 607.0720, F.S.; revising provisions relating to shareholders’ lists for meetings; amending s. 607.0721, F.S.; revising provisions relating to when certain shares are entitled to vote; defining the term “voting power”; amending s. 607.0722, F.S.; revising provisions relating to the appointment of a proxy; amending s. 607.0723, F.S.; revising provisions relating to shares held by intermediaries and nominees being treated as the record shareholder; amending s. 607.0724, F.S.; revising provisions relating to the acceptance of votes and other instruments; requiring that ballots and shareholder demands be accepted under certain circumstances; amending s. 607.0725, F.S.; making technical changes; providing applicability for provisions that provide for voting of classes or series as separate voting groups; amending s. 607.0726, F.S.; making clarifying changes; amending s. 607.0728, F.S.; requiring that certain corporations have shares registered pursuant to s. 12 of the Securities Exchange Act of 1934 rather than pursuant to a list on a national securities exchange, for the purposes of certain voting requirements; creating s. 607.0729, F.S.; requiring certain corporations to appoint one or more inspectors to determine voting results; authorizing the inspectors to appoint or retain certain persons for specific reasons; providing requirements for inspectors; authorizing the inspectors to take certain actions; providing for review of determinations of law by the inspectors; providing for the closing of polls for elections; amending s. 607.0730, F.S.; making technical changes; amending s. 607.0731, F.S.; making clarifying changes; expanding the circumstances under which a transferee is deemed to have notice of a voting agreement; amending s. 607.0732, F.S.; revising provisions relating to shareholder agreements; providing construction; repealing s. 607.07401, F.S., relating to Shareholders’ derivative actions; creating s. 607.0741, F.S.; providing standing requirements for a shareholder commencing a derivative proceeding; defining the term “shareholder”; creating s. 607.0742, F.S.; relocating and revising provisions relating to a complaint brought in a proceeding in the right of a corporation; creating s. 607.0743, F.S.; authorizing a court to stay a derivative proceeding under certain circumstances; creating s. 607.0744, F.S.; relocating and revising provisions relating to the dismissal of a derivative proceeding; creating s. 607.0745, F.S.; relocating a
provision relating to the discontinuance or settlement of a derivative action; creating s. 607.0746, F.S.; relocating and revising provisions relating to proceeds and expenses after the termination of a derivative proceeding; creating s. 607.0747, F.S.; providing applicability relating to foreign corporations; creating s. 607.0748, F.S.; authorizing a circuit court to appoint one or more persons to be custodians or receivers of and for a corporation for certain proceedings; providing guidance to the court for appointing such custodians and receivers; creating s. 607.0749, F.S.; authorizing a provisional director to be appointed at the discretion of the court in a proceeding by a shareholder and under certain circumstances; providing requirements for the provisional director; requiring the court to allow reasonable compensation paid by the corporation to the provisional director for certain services; creating s. 607.0750, F.S.; providing for direct action by a shareholder; amending s. 607.0801, F.S.; making technical changes; amending s. 607.0802, F.S.; revising provisions relating to the qualifications of directors; amending s. 607.0803, F.S.; making clarifying changes; amending s. 607.0804, F.S.; providing applicability; amending s. 607.0805, F.S.; revising provisions relating to terms of directors; amending s. 607.0806, F.S.; revising provisions relating to staggered terms for directors; amending s. 607.0807, F.S.; revising provisions relating to the resignation of directors; amending s. 607.0808, F.S.; revising provisions relating to the removal of directors by shareholders; creating s. 607.08081, F.S.; authorizing circuit courts to remove a director from office and order certain relief under certain circumstances; amending s. 607.0809, F.S.; revising provisions relating to vacancies on a board of directors; amending s. 607.0820, F.S.; making technical changes; amending s. 607.0821, F.S.; revising provisions relating to action by directors without a meeting; amending s. 607.0823, F.S.; revising provisions relating to the waiver of notice of a meeting of a board of directors; amending s. 607.0824, F.S.; revising provisions relating to what constitutes a quorum of the board of directors; amending s. 607.0825, F.S.; revising provisions relating to the establishment and the powers of executive and board committees; creating s. 607.0826, F.S.; authorizing a corporation to agree to submit a matter that the board of directors determines it no longer recommends to a vote of the corporation’s shareholders; amending s. 607.0830, F.S.; revising the general standards for directors; amending s. 607.0831, F.S.; revising provisions relating to the liability of directors; amending s. 607.0832, F.S.; defining terms; revising provisions relating to directors’ conflicts of interest; amending s. 607.0833, F.S.; making a technical change; amending s. 607.0834, F.S.; revising provisions relating to liability for unlawful distributions; amending s. 607.08401, F.S.; authorizing the board of directors to appoint one or more individuals to act as officers of the corporation; specifying which records must be authenticated by an officer; creating s. 607.08411, F.S.; providing general standards for officers of the corporation; amending s. 607.0842, F.S.; revising provisions relating to the resignation and removal of officers; amending s. 607.0850, F.S.; defining terms; deleting provisions relating to the indemnification of officers, directors, employees, and agents; creating s. 607.0851, F.S.; relocating and revising provisions relating to the permissible indemnification of certain
persons by a corporation; creating s. 607.0852, F.S.; relocating and revising provisions relating to the mandatory indemnification of certain persons by a corporation; creating s. 607.0853, F.S.; authorizing a corporation to advance funds to pay for or reimburse certain expenses; providing requirements for the authorization of advanced funds; creating s. 607.0854, F.S.; relocating and revising provisions related to court-ordered indemnification and advance for expenses; creating s. 607.0855, F.S.; relocating and revising provisions relating to the determination and authorization of indemnification; creating s. 607.0857, F.S.; relocating and revising provisions relating to a corporation purchasing and maintaining certain insurance; creating s. 607.0858, F.S.; relocating and revising provisions relating to indemnification by a corporation which is not specifically provided for by law; providing applicability; creating s. 607.0859, F.S.; relocating and revising provisions relating to overriding restrictions on indemnification; amending s. 607.0901, F.S.; revising defined terms; revising provisions related to affiliated transactions; revising applicability; amending s. 607.0902, F.S.; conforming a cross-reference; amending s. 607.1001, F.S.; making a technical change; amending s. 607.1002, F.S.; expanding the list of types of amendments a corporation’s board of directors may adopt without shareholder approval; making technical changes; amending s. 607.10025, F.S.; making technical changes; conforming a cross-reference; deleting a provision exempting corporations with less than a specified number of shareholders of record from applicability; amending s. 607.1003, F.S.; revising provisions relating to amendments to the articles of incorporation; amending s. 607.1004, F.S.; revising provisions relating to voting on amendments by voting groups; amending s. 607.1005, F.S.; requiring that a corporation have no board of directors for a majority of its incorporators to be authorized to adopt amendments to the corporation’s articles of incorporation; amending s. 607.1006, F.S.; revising provisions relating to articles of amendment; amending s. 607.1007, F.S.; revising provisions relating to restated articles of incorporation; amending s. 607.1008, F.S.; revising provisions relating to an amendment pursuant to reorganization; amending s. 607.1009, F.S.; specifying when new interest holder liability as a result of an amendment takes effect; amending s. 607.1020, F.S.; revising provisions relating to amendments of the bylaws by boards of directors or shareholders; amending s. 607.1021, F.S.; making a technical change; amending s. 607.1022, F.S.; revising provisions relating to bylaws that increase a quorum or voting requirement for directors; creating s. 607.1023, F.S.; authorizing a corporation to elect in its bylaws to be governed in the election of directors under certain circumstances; providing applicability; authorizing certain bylaws to be repealed by the board of directors or shareholders under certain circumstances; amending s. 607.1101, F.S.; revising provisions relating to the merger of certain corporations and eligible entities; amending s. 607.1102, F.S.; revising provisions relating to plans of share exchange; amending s. 607.1103, F.S.; revising provisions relating to actions on a plan of merger or a plan of share exchange; creating s. 607.11035, F.S.; specifying when shareholder approval of a plan of merger or a plan of share exchange is not required;
defining terms; amending s. 607.1104, F.S.; revising provisions relating to the mergers involving subsidiary corporations; amending s. 607.11045, F.S.; revising applicability; amending s. 607.1105, F.S.; revising provisions relating to articles of merger or share exchange; amending s. 607.1106, F.S.; revising provisions relating to the effectiveness of a merger or share exchange; amending s. 607.1107, F.S.; revising provisions relating to the abandonment of a merger or share exchange; deleting provisions relating to mergers or share exchanges with foreign corporations; repealing s. 607.1108, F.S., relating to merger of domestic corporation and other business entity; repealing s. 607.1109, F.S., relating to articles of merger; repealing s. 607.11101, F.S., relating to the effect of a merger of domestic corporation and other business entity; repealing s. 607.1112, F.S., relating to the conversion of a domestic corporation into another business entity; repealing s. 607.1113, F.S., relating to certificates of conversion; repealing s. 607.1114, F.S., relating to the effect of the conversion of a domestic corporation into another business entity; repealing s. 607.1115, F.S., relating to the conversion of another business entity into a domestic corporation; creating s. 607.11920, F.S.; authorizing a foreign corporation to become a domestic corporation under certain circumstances; authorizing a domestic corporation to become a foreign corporation under certain circumstances; requiring that a plan of domestication include certain information; authorizing a domestication to include certain provisions; authorizing a plan of domestication to be made dependent upon facts objectively ascertainable outside of the plan; providing applicability; creating s. 607.11921, F.S.; requiring a plan of domestication to be adopted in a certain manner; creating s. 607.11922, F.S.; requiring a domesticating corporation to sign articles of domestication under certain circumstances; requiring that the articles of domestication contain certain information; providing procedures and requirements relating to the filing of the articles of domestication and the effectiveness of the domestication; providing that certain domesticating corporations' certificates of authority are automatically canceled upon the domestication becoming effective; providing that a copy of the articles of domestication may be filed in certain official records; creating s. 607.11923, F.S.; providing for the amendment of a plan of domestication; providing for the abandonment of a plan of domestication; creating s. 607.11924, F.S.; specifying the effects of a domestication; specifying that a domestication does not constitute or cause the dissolution of the domesticating corporation; prohibiting certain property from being diverted as a result of a domestication unless certain requirements are met; providing applicability; creating ss. 607.11930 and 607.11931, F.S.; relocating and revising provisions relating to the conversion of corporations; creating s. 607.11932, F.S.; relocating and revising provisions relating to actions on plans of conversion; providing applicability; creating s. 607.11933, F.S.; relocating and revising provisions relating to articles of conversion and the effectiveness of such articles; creating s. 607.11934, F.S.; relocating and revising provisions relating to amendments to plans of conversion; creating s. 607.11935, F.S.; relocating and revising provisions relating to the effectiveness of a conversion; amending s. 607.1201, F.S.;
revising provisions relating to the disposition of assets not requiring shareholder approval; amending s. 607.1202, F.S.; revising provisions relating to shareholder approval of certain dispositions; amending s. 607.1301, F.S.; defining, deleting, and revising terms; amending s. 607.1302, F.S.; revising provisions relating to appraisal rights of shareholders; amending s. 607.1303, F.S.; making technical changes; amending s. 607.1320, F.S.; revising provisions relating to notice of appraisal rights; amending s. 607.1321, F.S.; revising provisions relating to notice of intent to demand payment; amending s. 607.1322, F.S.; revising provisions relating to appraisal notice and form; amending s. 607.1323, F.S.; making technical changes; amending s. 607.1324, F.S.; specifying that a shareholder ceases to have certain rights upon payment of an agreed value; amending s. 607.1326, F.S.; making technical changes; amending s. 607.1330, F.S.; revising provisions relating to court action to determine the fair value of shares and accrued interest; amending ss. 607.1331, 607.1332, and 607.1333, F.S.; making technical changes; creating s. 607.1340, F.S.; relocating provisions relating to certain shareholders challenging certain actions; making technical changes; amending s. 607.1401, F.S.; revising provisions relating to incorporators or directors dissolving a corporation; amending s. 607.1402, F.S.; revising provisions relating to the dissolution of a corporation by the board of directors and the shareholders; amending s. 607.1403, F.S.; revising provisions relating to articles of dissolution; defining the terms “dissolved corporation” and “successor entity”; amending s. 607.1404, F.S.; revising provisions relating to revocation of dissolution; amending s. 607.1405, F.S.; revising provisions relating to the effect of dissolution; amending s. 607.1406, F.S.; revising provisions relating to known claims against a dissolved corporation; defining the term “known claims”; deleting the term “successor entity”; amending s. 607.1407, F.S.; revising provisions relating to unknown claims against a dissolved corporation; creating s. 607.1408, F.S.; relocating provisions relating to claims against dissolved corporations; creating s. 607.1409, F.S.; authorizing certain dissolved corporations to file an application with the circuit court for a certain determination; providing guidelines for the proceedings; creating s. 607.1410, F.S.; providing duties for directors of dissolved corporations; amending s. 607.1420, F.S.; revising provisions relating to the administrative dissolution of a corporation; repealing s. 607.1421, F.S., relating to the procedure for and effect of administrative dissolution; amending s. 607.1422, F.S.; revising provisions relating to reinstatement following administrative dissolution; amending s. 607.1423, F.S.; revising provisions relating to judicial review of denials of reinstatement; amending s. 607.1430, F.S.; revising provisions relating to grounds for judicial dissolution; defining the term “shareholder”; amending s. 607.1431, F.S.; revising provisions relating to procedures for judicial dissolution; amending s. 607.1432, F.S.; revising provisions relating to receivership and custodianship; amending s. 607.1433, F.S.; revising provisions relating to judgment of dissolution; amending s. 607.1434, F.S.; revising provisions relating to alternative remedies to judicial dissolution; amending s. 607.1435, F.S.; revising provisions relating to court-appointed provisional directors; amending s. 607.1436, F.S.
607.1436, F.S.; revising provisions relating to elections to purchase instead of dissolution; amending s. 607.14401, F.S.; revising provisions relating to deposits associated with a dissolved corporation; amending s. 607.1501, F.S.; revising provisions relating to the authority of a foreign corporation to transact business in this state; creating s. 607.15015, F.S.; providing for applicability of certain laws for a foreign corporation; providing that a foreign corporation may not be denied a certificate of authority for certain reasons; specifying that a certificate of authority does not authorize a foreign corporation to take certain actions; amending s. 607.1502, F.S.; revising provisions relating to transacting business in this state without a certificate of authority; providing applicability; amending s. 607.1503, F.S.; revising provisions relating to applications for a certificate of authority; amending s. 607.1504, F.S.; revising provisions relating to amendments to certificates of authority; amending s. 607.1505, F.S.; revising provisions relating to the effect of a certificate of authority; amending s. 607.1506, F.S.; revising provisions relating to the corporate name of a foreign corporation; amending s. 607.1507, F.S.; revising provisions relating to the registered offices and registered agents of foreign corporations; providing a civil penalty; amending s. 607.1508, F.S.; revising provisions relating to changing the names of registered offices and registered agents of foreign corporations; amending s. 607.1509, F.S.; revising provisions relating to resignations of registered agents of foreign corporations; creating s. 607.15091, F.S.; revising provisions relating to name and address changes for registered agents of foreign corporations; creating s. 607.15092, F.S.; providing requirements for delivery of notice or other communication; amending s. 607.15101, F.S.; revising provisions relating to service of process, notice, or demand on a foreign corporation; amending s. 607.1520, F.S.; revising provisions relating to the withdrawal of a certificate of authority for a foreign corporation; requiring a foreign corporation to take certain actions to cancel its certificate of authority; creating s. 607.1521, F.S.; specifying that certain foreign corporations are deemed to have withdrawn their certificate of authority under certain circumstances; creating s. 607.1522, F.S.; requiring a foreign corporation to deliver a notice of withdrawal of a certificate of authority under certain circumstances; providing for effective service of process on such foreign corporations; creating s. 607.1523, F.S.; authorizing the Department of Legal Affairs to maintain certain actions and to enjoin a foreign corporation under certain circumstances; amending s. 607.1530, F.S.; revising provisions relating to revocation of a foreign corporation’s certificate of authority; repealing s. 607.1531, F.S., relating to the procedure for and effect of revocation; amending s. 607.15315, F.S.; revising provisions relating to reinstatement of a foreign corporation’s certificate of authority; amending s. 607.1532, F.S.; revising provisions relating to judicial review of a denial of reinstatement; amending s. 607.1601, F.S.; revising provisions relating to the maintenance of corporate records; amending s. 607.1602, F.S.; revising provisions relating to inspection of records by shareholders; revising the definition of the term “shareholder”; amending s. 607.1603, F.S.; revising provisions relating to the scope of shareholders’ inspection rights; amending s. 607.1604, F.S.;

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revising provisions relating to court-ordered inspections; amending s. 607.1605, F.S.; revising provisions relating to directors’ inspection rights; amending s. 607.1620, F.S.; revising provisions relating to financial statements for shareholders; repealing s. 607.1621, F.S., relating to other reports to shareholders; amending s. 607.1622, F.S.; revising provisions relating to annual reports that are required to be filed with the Department of State; amending s. 607.1701, F.S.; making a technical change; revising applicability; amending s. 607.1702, F.S.; revising applicability; amending s. 607.1711, F.S.; making a technical change; repealing s. 607.1801, F.S., relating to domestication of foreign corporations; amending s. 607.1907, F.S.; revising provisions relating to savings provisions; creating s. 607.1908, F.S.; providing for severability; amending s. 607.504, F.S.; revising provisions relating to an election of social purpose corporation status; amending s. 607.604, F.S.; revising provisions relating to an election of benefit corporation status; conforming a cross-reference; amending s. 605.0102, F.S.; conforming a cross-reference; revising the definitions of the terms “private organic rules” and “public organic record”; amending s. 605.0105, F.S.; revising provisions relating to operating agreements; amending s. 605.0112, F.S.; revising provisions relating to names of limited liability companies; creating s. 605.01125, F.S.; authorizing a person to reserve the exclusive use of the name of a limited liability company; providing requirements for reserving the name; authorizing the department to revoke reservations under certain circumstances; amending s. 605.0113, F.S.; revising provisions relating to registered agents of limited liability companies; defining the term “authorized entity”; amending s. 605.0114, F.S.; revising provisions relating to changes of a registered agent or registered office; amending s. 605.0115, F.S.; requiring a registered agent to promptly mail a copy of a statement of resignation to a limited liability company’s or foreign limited liability company’s current mailing address; amending s. 605.0116, F.S.; making clarifying changes; amending s. 605.0117, F.S.; revising provisions relating to service of process, notice, and demand on limited liability companies and registered foreign limited liability companies; amending s. 605.0118, F.S.; conforming a provision to changes made by the act; amending s. 605.0207, F.S.; revising provisions relating to effective dates and times for records filed with the Department of State; amending s. 605.0209, F.S.; revising what a statement of correction must contain; amending s. 605.0210, F.S.; revising provisions relating to the department’s refusal to file a record; amending s. 605.0211, F.S.; revising provisions relating to certificates of status for foreign limited liability companies; amending s. 605.0215, F.S.; specifying that a copy of a document filed by the department must bear the signature of the Secretary of State and the seal of this state in order to be conclusive evidence that the original document is on file with the department; amending s. 605.04092, F.S.; defining terms; revising provisions relating to conflict of interest transactions; amending s. 605.0410, F.S.; conforming a cross-reference; amending s. 605.0702, F.S.; revising provisions relating to grounds for judicial dissolution of a limited liability company; amending s. 605.0706, F.S.; revising provisions relating to an election to purchase

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the entire interest of a petitioner instead of dissolving the limited liability company; amending s. 605.0715, F.S.; conforming a provision to changes made by the act; requiring a dissolved limited liability company to amend its articles of incorporation to change its name under certain circumstances; amending s. 605.0716, F.S.; revising provisions relating to judicial review of denial of reinstatement; amending s. 605.0801, F.S.; providing for direct action by a member; amending ss. 605.0803 and 605.0903, F.S.; making clarifying changes; amending s. 605.0904, F.S.; revising provisions relating to a foreign limited liability company’s failure to have a certificate of authority; amending s. 605.0906, F.S.; requiring, rather than authorizing, certain foreign limited liability companies to use an alternate name to transact business in this state; amending s. 605.0907, F.S.; revising provisions relating to foreign limited liability companies’ amendments to certificates of authority; amending s. 605.0908, F.S.; making technical changes; creating s. 605.09091, F.S.; providing requirements relating to the judicial review of denial of reinstatement for foreign limited liability companies; amending ss. 605.0910 and 605.0911, F.S.; revising provisions relating to the withdrawal or cancellation of a foreign limited liability company’s certificate of authority; amending s. 605.0912, F.S.; revising provisions relating to a foreign limited liability company’s withdrawal on the dissolution, merger, or conversion to a nonfiling entity; amending ss. 605.1025 and 605.1035, F.S.; conforming cross-references; amending s. 605.1061, F.S.; making a technical change; amending s. 605.1063, F.S.; providing requirements for when an appraisal event is required to be approved by written consent of members; amending s. 605.1072, F.S.; revising provisions relating to other remedies for a member to challenge certain completed appraisal events; providing construction; amending s. 617.0302, F.S.; conforming provisions to changes made by the act; conforming a cross-reference; amending s. 617.0501, F.S.; revising provisions relating to registered offices and registered agents of corporations not for profit; defining the term “authorized entity”; creating s. 617.05015, F.S.; authorizing a person to reserve the exclusive use of the name of a corporation not for profit; providing requirements for such reservation; amending s. 617.0831, F.S.; conforming cross-references; amending ss. 617.1102 and 617.1108, F.S.; conforming provisions to changes made by the act; conforming cross-references; amending s. 617.1507, F.S.; revising provisions relating to registered offices and registered agents of foreign corporations not for profit; defining the term “authorized entity”; amending s. 620.1108, F.S.; revising provisions relating to the names of certain limited partnerships; creating s. 620.11085, F.S.; authorizing a person to reserve the exclusive use of the name of a limited partnership; providing requirements for such reservation; amending ss. 620.2104, 620.2108, and 620.8918, F.S.; conforming cross-references; amending s. 621.12, F.S.; revising provisions relating to the names of certain corporations and limited liability companies; amending s. 865.09, F.S.; prohibiting certain fictitious names from containing “PA”; amending s. 662.150, F.S.; conforming a provision to changes made by the act; conforming cross-references; amending ss. 331.355, 339.12, 628.530, 631.0515, 658.44, 663.03,
Be It Enacted by the Legislature of the State of Florida:

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

607.0101 Short title; applicability.—

(1) This chapter may be cited as the “Florida Business Corporation Act.”

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

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

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

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

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

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

607.0120 Filing requirements.—

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

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

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

(6) The document must be signed executed:

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

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

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

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(8) If the department of State has prescribed a mandatory form for the document under s. 607.0121, the document must be in or on the prescribed form.

(9) The document must be delivered to the office of the department of State for filing. Delivery may be made by electronic transmission if and to the extent permitted by the department of State. If it is filed in typewritten or printed form and not transmitted electronically, the department of State may require one exact or conformed copy, to be delivered with the document, except as provided in s. 607.1509.

(10) When the document is delivered to the department of State for filing, the correct filing fee, and any other tax, license fee, or penalty required to be paid by this act or other law shall be paid or provision for payment made in a manner permitted by the department of State.

(11) Whenever this chapter allows any of the terms of a plan or a filed document to be dependent on facts objectively ascertainable outside the plan or filed document, the following provisions apply:

(a) The plan or filed document must set forth the manner in which the facts will operate upon the terms of the plan or filed document.

(b) The facts may include, but are not limited to:

1. Any of the following that are available in a nationally recognized news or information medium either in print or electronically:
   a. Statistical or market indices;
   b. Market prices of any security or group of securities;
   c. Interest rates;
   d. Currency exchange rates; and
   e. Similar economic or financial data;

2. A determination or action by any person or body, including the corporation or any other party to a plan or filed document; or

3. The terms of, or actions taken under, an agreement to which the corporation is a party, or any other agreement or document.

(c) The following provisions of a plan or filed document may not be made dependent on facts outside the plan or filed document:

1. The name and address of any person required in a filed document;
2. The registered office of any entity required in a filed document;
3. The registered agent of any entity required in a filed document;

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4. The number of authorized shares and designation of each class or series of shares;

5. The effective date of a filed document; and

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

(d) If a provision of a filed document is made dependent on a fact ascertainable outside of the filed document, and that fact is not ascertainable by reference to a source described in subparagraph (b)1. or a document that is a matter of public record, and the affected shareholders have not received notice of the fact from the corporation, then the corporation must file with the department articles of amendment to the filed document setting forth the fact promptly after the time when the fact referred to is first ascertainable or thereafter changes. Articles of amendment under this paragraph are deemed to be authorized by the authorization of the original filed document to which they relate and may be filed by the corporation without further action by the board of directors or the shareholders.

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

Section 4. Section 607.0121, Florida Statutes, is amended to read:

607.0121  Forms.—

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

(a) An application for certificate of status,

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

(c) A foreign corporation’s notice of withdrawal of certificate of authority application for certificate of withdrawal, and

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

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

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

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

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

(1) Articles of incorporation: $35.

(2) Application for registered name: $87.50.

(3) Application for renewal of registered name: $87.50.

(4) Corporation’s statement of change of registered agent or registered office or both if not included on the annual report: $35.

(5) Designation of and acceptance by registered agent: $35.

(6) Agent’s statement of resignation from active corporation: $87.50.

(7) Agent’s statement of resignation from an inactive corporation: $35.

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

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

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

(11) Articles of dissolution: $35.

(12) Articles of revocation of dissolution: $35.

(13) Application for reinstatement following administrative dissolution: $600.

(14) Application for certificate of authority to transact business in this state by a foreign corporation: $35.

(15) Application for amended certificate of authority: $35.

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

(17) Annual report: $61.25.

(18) Articles of correction: $35.

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

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

(21) Certified copy of document: $52.50.

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

(23) Supplemental corporate fee: $88.75.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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1. The specified date; or

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

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

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

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

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

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

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

607.0124 Correcting filed document; withdrawal of filed record before effectiveness.—

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

(a) The document contains an inaccuracy;

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

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

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

(2) A document is corrected:

(a) By preparing articles of correction that:

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

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

3. Correct the inaccuracy or defect; and

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

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

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

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

(a) A withdrawal statement must:

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

2. Identify the filing to be withdrawn; and

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

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

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

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

607.0125 Filing duties of the department of State.—

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

(2) The department of State files a document by stamping or otherwise endorsing the document as filed, together with the department’s official title and recording it as filed on the date and time of receipt. After filing a document, the department of State shall send a notice of the filing or a copy of the filing to the electronic mail address on file for the domestic or foreign corporation or its authorized representative or a copy of the filed document to the mailing address of such corporation or its authorized representative. If the record changes the electronic mail address of the corporation, the department of State must send such notice to the new electronic mail address and to the most recent prior electronic mail address. If the record changes the mailing address of the corporation, the department of State must send such notice to the new mailing address and to the most recent prior mailing address.

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

(4) The department’s duty to file documents under this section is ministerial. The filing or refusing to file a document does not:

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

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

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

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

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

607.0126 Appeal from department’s refusal to file document.—If the department of State refuses to file a document delivered to its office for filing, the person who submitted the document for filing may petition the Circuit Court of Leon County to compel filing of the document. The document and the explanation from the department of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding and within 30 days after return of the document by the court.

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department by mail, as evidenced by the postmark, the domestic or foreign corporation may:

(1) Appeal the refusal pursuant to s. 120.68; or

(2) Appeal the refusal to the circuit court of the county where the corporation’s principal office (or, if none in this state, its registered office) is or will be located. The appeal is commenced by petitioning the court to compel filing the document and by attaching to the petition the document and the Department of State’s explanation of its refusal to file. The matter shall promptly be tried de novo by the court without a jury. The court may summarily order the department of State to file the document or take other action the court considers appropriate. The court’s final decision may be appealed as in other civil proceedings.

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

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

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

607.0128 Certificate of status.—

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

(a) The corporation’s name.

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

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

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

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

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Whether the department has filed articles of dissolution for the corporation.

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

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

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

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

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

(e) Whether the department has:

1. Revoked the foreign corporation’s certificate of authority; or
2. Filed a notice of withdrawal of certificate of authority

(1) Anyone may apply to the Department of State to furnish a certificate of status for a domestic corporation or a certificate of authorization for a foreign corporation.

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

(a) The domestic corporation’s corporate name or the foreign corporation’s corporate name used in this state;

(b) That the domestic corporation is duly incorporated under the law of this state and the date of its incorporation, or
2. That the foreign corporation is authorized to transact business in this state;

(e) That all fees and penalties owed to the department have been paid, if:

1. Payment is reflected in the records of the department, and
2. Nonpayment affects the existence or authorization of the domestic or foreign corporation;

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

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

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

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

607.0130 Powers of department of State.—

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

(2) The Department of State is not required to file any document:

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

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

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

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

(4) The department has the power and authority reasonably necessary to enable it to administer this chapter act efficiently, to perform the duties herein imposed upon it, and to adopt reasonable rules necessary to carry out its duties and functions under this chapter act.

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

CODING: Words stricken are deletions; words underlined are additions.
Definitions.—As used in this chapter act, unless the context otherwise requires, the term:

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

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

(3) “Applicable county” means: the county in this state in which a corporation’s principal office is located or was located when an action is or was commenced; if the corporation has, and at the time of such action had, no principal office in this state, then in the county in which the corporation has, or at the time of such action had, an office in this state; or if the corporation does not have an office in this state, then in the county in which the corporation’s registered office is or was last located.

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

(5) “Authorized entity” means:

(a) A corporation for profit;

(b) A limited liability company;

(c) A limited liability partnership; or

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

(6)(2) “Authorized shares” means the shares of all classes a domestic or foreign corporation is authorized to issue.

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

(8)(3) “Business day” means Monday through Friday, excluding any day a national banking association is not open for normal business transactions.

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

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(10) “Conversion” means a transaction pursuant to ss. 607.11930-607.11935.

(11) “Converted eligible entity” means the converting eligible entity as it continues in existence after a conversion.

(12) “Converting eligible entity” means the domestic corporation that approves a plan of conversion pursuant to s. 607.11932, or a foreign eligible entity that approves a conversion pursuant to the organic law of the foreign eligible entity.

(13)(5) “Corporation” or “domestic corporation” means a corporation for profit, which is not a foreign corporation, incorporated under this chapter or subject to the provisions of this act.

(14)(6) “Day” means a calendar day.

(15)(7) “Deliver” or “delivery” means any method of delivery used in conventional commercial practice, including delivery by hand, mail, commercial delivery, and, if authorized under s. 607.0141, electronic transmission.

(16) “Department” means the Florida Department of State.

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

(18)(8) “Distribution” means a direct or indirect transfer of money or other property (except its own shares) or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of: a declaration or payment of a dividend; a purchase, redemption, or other acquisition of shares; a distribution of indebtedness; a distribution in liquidation; or otherwise.

(19) “Document” means:

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

(b) An electronic record.

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

(21) “Domesticated corporation” means the domesticating corporation as it continues in existence after a domestication.

(22) “Domesticating corporation” means a domestic corporation that approves a plan of domestication pursuant to s. 607.11921, or a foreign corporation that approves a domestication pursuant to the organic law of the foreign corporation.

CODING: Words stricken are deletions; words underlined are additions.
(23) “Domestication” means a transaction pursuant to ss. 607.11920-607.11924.

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

(25) “Electronic” means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic, or similar capabilities.

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

(27)(9) “Electronic transmission” or “electronically transmitted” means any form or process of communication not directly involving the physical transfer of paper or another tangible medium, which:

(a) that is suitable for the retention, retrieval, and reproduction of information by the recipient; and

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

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

(28)(a) “Eligible entity” means:

1. A domestic corporation;

2. A foreign corporation;

3. A non-profit corporation;

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

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

6. A limited liability company;

7. A real estate investment trust; or

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

(b) The term does not include:

CODING: Words stricken are deletions; words underlined are additions.
1. An individual;

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

3. An association or relationship that is not a partnership solely by reason of s. 620.8202(2) or a similar provision of the law of another jurisdiction;

4. A decedent’s estate; or

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

(29) “Eligible interests” means interests or memberships.

(30)(10) “Employee” includes an officer but not a director. A director may accept duties that make him or her also an employee.

(31)(11) “Entity” includes corporation and foreign corporation; unincorporated association; business trust, estate, limited liability company, partnership, trust, and two or more persons having a joint or common economic interest; and state, United States, and foreign governments.

(32) “Expenses” means reasonable expenses of any kind that are incurred in connection with a matter.

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

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

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

(36)(12) “Foreign corporation” means an entity incorporated or organized under laws other than the laws of this state which would be a corporation for profit if incorporated under laws other than the laws of this state.

(37) “Foreign nonprofit corporation” means an entity incorporated or organized under laws other than the laws of this state which would be a nonprofit corporation if incorporated under the laws of this state.

(38)(13) “Governmental subdivision” includes authority, county, district, and municipality.

(39) “Governor” means:

(a) A director of a corporation for profit;

CODING: Words stricken are deletions; words underlined are additions.
(b) A director or trustee of a nonprofit corporation;

(c) A general partner of a general partnership;

(d) A general partner of a limited partnership;

(e) A manager of a manager-managed limited liability company;

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

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

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

(40)(14) “Includes” “or including” denotes a partial definition or a non-exclusive list.

(41)(15) “Individual” includes the estate of an incompetent or deceased individual.

(42)(16) “Insolvent” means either:

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

(b) The value of the corporation’s total assets are less than the sum of its total liabilities, at fair valuation.

(43) “Interest” means:

(a) A share in a corporation for profit;

(b) A membership in a nonprofit corporation;

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

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

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

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

(g) A member’s interest in a limited cooperative association;

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

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

CODING: Words stricken are deletions; words underlined are additions.
(44) “Interest holder” means:

(a) A shareholder of a corporation for profit;

(b) A member of a nonprofit corporation;

(c) A general partner of a general partnership;

(d) A general partner of a limited partnership;

(e) A limited partner of a limited partnership;

(f) A member of a limited liability company;

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

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

(i) Another direct holder of an interest.

(45) “Interest holder liability” means:

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

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

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

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

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

(46) “Jurisdiction of formation” means, with respect to an entity:

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

(b) In the case of a limited liability partnership or foreign limited liability partnership, the jurisdiction in which the partnership’s statement of qualification or equivalent document is filed.
“Mail” means the United States mail, facsimile transmissions, and private mail carriers handling nationwide mail services.

“Means” denotes an exhaustive definition.

“Membership” means the rights of a member in a domestic or foreign nonprofit corporation.

“Merger” means a transaction pursuant to s. 607.1101.

“New interest holder liability,” in the context of a merger or share exchange, means interest holder liability of a person resulting from a merger or share exchange that is:

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

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

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

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

“Nonprofit corporation” or “domestic nonprofit corporation” means a corporation incorporated under the laws of this state and subject to the provisions of chapter 617.

“Organic law” means the laws of the jurisdiction in which the entity was formed.


“Party to a merger” means any domestic or foreign entity that will merge under a plan of merger. The term does not include a survivor created by the merger.

“Person” includes an individual and an entity.

“Principal office” means the office (in or out of this state) where the principal executive offices of a domestic or foreign corporation are located as designated in the articles of incorporation or other initial filing until an annual report has been filed, and thereafter as designated in the annual report.

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“Private organic rules” means the rules, whether or not in a record, which govern the internal affairs of an entity, are binding on all its interest holders, and are not part of its public organic record, if any. If the private organic rules are amended or restated, the term means the private organic rules as last amended or restated. The term includes:

(a) The bylaws of a corporation for profit;
(b) The bylaws of a nonprofit corporation;
(c) The partnership agreement of a general partnership;
(d) The partnership agreement of a limited partnership;
(e) The operating agreement, limited liability company agreement, or similar agreement of a limited liability company;
(f) The bylaws, trust instrument, or similar rules of a real estate investment trust; and
(g) The trust instrument of a statutory trust or similar rules of a business trust or common law business trust.

“Proceeding” includes a civil suit, a criminal action, an administrative action, and an administrative, and investigatory action.

“Protected agreement” means:

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

“Public organic record” means a record, the filing of which by a governmental body is required to form an entity, or an amendment to or restatement of such record. Where a public organic record has been amended or restated, the term means the public organic record as last amended or restated. The term includes the following:

(a) The articles of incorporation of a corporation for profit;
(b) The articles of incorporation of a nonprofit corporation;
(c) The certificate of limited partnership of a limited partnership;
(d) The articles of organization, certificate of organization, or certificate of formation 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; or

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

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

(63)(22) “Record date” means the date fixed for determining on which a corporation determines the identity of the corporation’s shareholders and their share holdings for purposes of this chapter. Unless another time is specified when the record date is fixed, act. the determination shall be made as of the close of the business at the principal office of the corporation on the date so on the record date unless another time is fixed.

(64) “Record shareholder” means:

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

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

(65)(23) “Secretary” means the corporate officer to whom the board of directors has delegated responsibility under s. 607.08401 to maintain for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

(66) “Secretary of state” means the Secretary of State of the State of Florida.

(67)(24) “Shareholder” or “stockholder” means a record shareholder one who is a holder of record of shares in a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(68)(25) “Shares” means the units into which the proprietary interests in a corporation are divided.

(69) “Share exchange” means a transaction pursuant to s. 607.1102.

(70)(26) “Sign” or “signature” means, with present intent to authenticate or adopt a document:
(a) To execute or adopt a tangible symbol on a document, which includes any manual facsimile or conformed signature; or

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

(71)(27) “State,” when referring to a part of the United States, includes a state and commonwealth (and their agencies and governmental subdivisions) and a territory and insular possession (and their agencies and governmental subdivisions) of the United States.

(72)(28) “Subscriber” means a person who subscribes for shares in a corporation, whether before or after incorporation.

(73) “Survivor,” in a merger, means the domestic or foreign eligible entity into which one or more other eligible entities are merged.

(74)(29) “Treasury shares” means shares of a corporation that belong to the issuing corporation, which shares are authorized and issued shares that are not outstanding, are not canceled, and have not been restored to the status of authorized but unissued shares.

(75) “Type of entity” means a generic form of entity either:

(a) Recognized at common law; or

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

(76)(30) “United States” includes district, authority, bureau, commission, department, and any other agency of the United States.

(77) “Unrestricted voting trust beneficial owner” means, with respect to any shareholder rights, a voting trust beneficial owner whose entitlement to exercise the shareholder right in question is not inconsistent with the voting trust agreement.

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

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

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“Writing” means printing, typewriting, electronic communication, or other communication that is reducible to a tangible form. The term “written” has the corresponding meaning.

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

607.0141 Notice.—

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

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

2. (b) Reasonable under the circumstances.

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

(c) Notice by electronic transmission is written notice.

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

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

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

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

(b) Unless otherwise provided in the articles of incorporation or bylaws, and without limiting the manner by which notice otherwise may be given effectively to shareholders, any notice to shareholders given by the corporation under any provision of this chapter, the articles of incorporation, or the bylaws shall be effective if given by a single written notice to shareholders who share an address if consented to by the shareholders at that address to whom such notice is given. Any such consent shall be revocable by a shareholder by written notice to the corporation, and if a written notice of revocation is delivered to the corporation, the corporation must begin providing individual notices, reports, and other statements to the revoking shareholder no later than 30 days after delivery of the written notice of revocation.
(c) Any shareholder who fails to object in writing to the corporation, within 60 days after having been given written notice by the corporation of its intention to send the single notice permitted under paragraph (b), shall be deemed to have consented to receiving such single written notice.

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

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

(a) To its registered agent at the corporation’s registered office; or

(b) To the corporation or the corporation’s principal office or electronic mail address as authorized and shown in its most recent annual report or, in the case of a corporation that has not yet delivered an annual report, in a domestic corporation’s articles of incorporation or in a foreign corporation’s application for certificate of authority.

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

1. When received;

2. Five days after its deposit in the United States mail, if mailed postpaid and correctly addressed; or

3. On the date shown on the return receipt, if sent by registered or certified mail, return receipt requested, and the receipt is signed by or on behalf of the addressee; or

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

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

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

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

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

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

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

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

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

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
Section 15. Section 607.0143, Florida Statutes, is created to read:

607.0143 Qualified director.—

(1) A “qualified director” is a director who, at the time action is to be taken under:

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

(b) Section 607.0832, is not a director as to whom the transaction is a director’s conflict of interest transaction, or who has a material relationship with another director as to whom the transaction is a director’s conflict of interest transaction; or

(c) Section 607.0853 or s. 607.0855:

1. Is not a party to the proceeding;

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

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

(2) For purposes of this section:

(a) “Material relationship” means a familial, financial, professional, employment, or other relationship that would reasonably be expected to impair the objectivity of the director’s judgment when participating in the action to be taken.

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
(c) With respect to action pursuant to s. 607.0744, status as a named defendant, as a director against whom action is demanded, or as a director who approved the conduct being challenged.

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

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

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

607.0202 Articles of incorporation; content.—

(1) The articles of incorporation must set forth:

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

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

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

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

(e) The street address of the corporation’s initial registered office and the name of its initial registered agent at that office together with a written acceptance as required in s. 607.0501(3); and

(f) The name and address of each incorporator.

(2) The articles of incorporation may set forth:

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

(b) Provisions not inconsistent with law regarding:

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

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

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
(c) Provisions for granting any preemptive rights to shareholders; and

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

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

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

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

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

607.0203 Incorporation.—

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

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

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

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

607.0205 Organizational meeting of directors.—

(1) After incorporation:

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

CODING: Words stricken are deletions; words underlined are additions.
(b) If initial directors are not named in the articles of incorporation, the incorporators shall hold an organizational meeting at the call of a majority of the incorporators:

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

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

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

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

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

607.0206 Bylaws.—

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

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

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

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

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

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

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

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

607.0207 Emergency bylaws.—

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

(a) Procedures for calling a meeting of the board of directors;
(b) Quorum requirements for the meeting; and
(c) Designation of additional or substitute directors.

(3) All provisions of the regular bylaws not inconsistent with the emergency bylaws remain effective during the emergency. The emergency bylaws are not effective after the emergency ends.

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

(a) Binds the corporation; and
(b) May not be used to impose liability on a corporate director, officer, employee, or agent of the corporation.

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

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

607.0208 Forum selection.—

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

CODING: Words stricken are deletions; words underlined are additions.
(2) A provision of the articles of incorporation or bylaws adopted under subsection (1) does not have the effect of conferring jurisdiction on any court or over any person or claim, and does not apply if none of the courts specified by such provision has the requisite personal and subject matter jurisdiction. If the court or courts in this state specified in a provision adopted under subsection (1) do not have the requisite personal and subject matter jurisdiction and another court in this state does have such jurisdiction, then the internal corporate claim may be brought in such other court, notwithstanding that such other court is not specified in such provision, or in any other court outside the state specified in such provision that has the requisite jurisdiction.

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

(4) For the purposes of this section, “Internal corporate claim” means:

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

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

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

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

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

607.0301 Purposes and application.—

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
607.0302 General powers.—Unless its articles of incorporation provide otherwise, every corporation has perpetual duration and succession in its corporate name and has the same powers as an individual to do all things necessary or convenient to carry out its business and affairs, including without limitation power:

1. To sue and be sued, complain, and defend in its corporate name;

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

3. To purchase, receive, lease, or otherwise acquire, and own, hold, improve, use, and otherwise deal with real or personal property or any legal or equitable interest in property wherever located;

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

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

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

7. To make contracts and guarantees, incur liabilities, borrow money, issue its notes, bonds, and other securities and obligations (which may be convertible into or include the option to purchase other securities of the corporation), and secure any of its obligations by mortgage or pledge of any of its property, franchises, or income and make contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion, or attainment of the business of a corporation the majority of the outstanding shares of which is owned, directly or indirectly, by the contracting corporation; a corporation which owns, directly or indirectly, a majority of the outstanding shares of the contracting corporation; or a corporation the majority of the outstanding shares of which is owned, directly or indirectly, by a corporation which owns, directly or indirectly, the majority of the outstanding shares of the contracting corporation, which contracts of guaranty and suretyship shall be deemed to be necessary or convenient to the conduct, promotion, or attainment of the business of the contracting corporation, and make other contracts of guaranty and suretyship which are necessary or convenient to the conduct, promotion, or attainment of the business of the contracting corporation;

8. To lend money, invest and reinvest its funds, and receive and hold real and personal property as security for repayment;

9. To conduct its business, locate offices, and exercise the powers granted by this chapter act within or without this state.

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

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

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

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

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

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

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

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

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

607.0303 Emergency powers.—

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

(a) Binds the corporation; and

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

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

(5) An emergency exists for purposes of this section if a quorum of the corporation’s directors cannot readily be assembled because of some catastrophic event.

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

607.0304 Lack of power to act. Ultra vires.—

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

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

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

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

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

(3) In a shareholder’s proceeding under paragraph (2)(a) to enjoin an unauthorized corporate act, the court may enjoin or set aside the act, if equitable and if all affected persons are parties to the proceeding, and may award damages for loss (other than anticipated profits) suffered by the corporation or another party because of enjoining the unauthorized act.

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

607.0401 Corporate name.—

(1) A corporate name:

(a) Must contain the word “corporation,” “company,” or “incorporated” or the abbreviation “Corp.” or “Inc.” or “Co.” or the designation “Corp.” or “Inc.” or “Co.” as will clearly indicate that it is a corporation instead of a natural person, partnership, or other eligible business entity.

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

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

(d) Must be distinguishable from the names of all other entities or filings that are on file with the department Division of Corporations, except fictitious name registrations pursuant to s. 865.09, general partnership

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registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state. A name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

1.(a) A suffix.
2.(b) A definite or indefinite article.
3.(c) The word “and” and the symbol “&.”
4.(d) The singular, plural, or possessive form of a word.
5.(f) A punctuation mark or a symbol.

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

(3) A corporate name as filed with the department of State, is for public notice only and does not alone create any presumption of ownership beyond that which is created under the common law.

(4) This chapter does not control the use of fictitious names.

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

607.04021 Reserved name.—

(1) A person may reserve the exclusive use of a corporate name, including an alternate name for a foreign corporation whose corporate name is not available, by delivering an application to the department for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the department finds that the corporate name applied for is available, it shall reserve the name for the exclusive use of the applicant for a nonrenewable 120-day period.

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
607.0403 Registered name; application; renewal; revocation.—

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

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

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

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

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

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

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

607.0501 Registered office and registered agent.—

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
2. Another domestic entity that is an authorized entity and whose business address is identical to the address of the registered office; or

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

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

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

(4) The duties of a registered agent are:

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

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

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
607.0502 Change of registered office or registered agent; resignation of registered agent.—

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

(a) The name of the corporation;

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

(c) If the current registered agent is to be changed, the name of the new registered agent. If the current registered office is to be changed, the street address of the new registered office;

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

(e) If the street address of the current registered office is to be changed, the new street address of the registered office in this state. If its current registered agent is to be changed, the name of the new registered agent and the new agent’s written consent (either on the statement or attached to it) to the appointment;

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

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

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

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

(4) The changes described in this section may also be made on the corporation’s annual report, in an application for reinstatement filed with the department under s. 607.1622, or in an amendment to or restatement of a company’s articles of incorporation in accordance with s. 607.1006 or s. 607.1007. Any registered agent may resign his or her agency appointment by signing and delivering for filing with the Department of State a statement of resignation and mailing a copy of such statement to the corporation at its principal office address shown in its most recent annual report or, if none, filed in the articles of incorporation or other most recently filed document. The statement of resignation shall state that a copy of such statement has been mailed to the corporation at the address so stated. The agency is terminated as of the 31st day after the date on which the statement was filed.
and unless otherwise provided in the statement, termination of the agency acts as a termination of the registered office.

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

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

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

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

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

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

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

607.0503 Resignation of registered agent.—

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

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

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

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

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

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

(5) A registered agent may resign from a corporation regardless of whether the corporation has active status.
Section 34. Section 607.05031, Florida Statutes, is created to read:

607.05031 Change of name or address by registered agent.—

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

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

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

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

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

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

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

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

607.05032 Delivery of notice or other communication.—

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

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

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

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

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

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

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

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

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

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

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

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

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

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

607.0505 Registered agent; duties.—

(1)(a) Each corporation, foreign corporation, or alien business organization that owns real property located in this state, that owns a mortgage on real property located in this state, or that transacts business in this state shall have and continuously maintain in this state a registered office and a registered agent and shall file with the department of state notice of the registered office and registered agent as provided in ss. 607.0501 and 607.0502. The appointment of a registered agent in compliance with s. 607.0501.
607.0501 or s. 607.1507 is sufficient for purposes of this section provided the
registered agent so appointed files, in such form and manner as prescribed
by the department of State, an acceptance of the obligations provided for in
this section.

(5) If a corporation, foreign corporation, or alien business organization
fails without lawful excuse to comply timely or fully with a subpoena issued
pursuant to subsection (2), the Department of Legal Affairs may file an
action in the circuit court for the judicial circuit in which the corporation,
foreign corporation, or alien business organization is found or transacts
business or in which real property belonging to the corporation, foreign
corporation, or alien business organization is located, for an order compel-
lng compliance with the subpoena. The failure without a lawful excuse to
comply timely or fully with an order compelling compliance with the
subpoena will result in a civil penalty of not more than $1,000 for each
day of noncompliance with the order. In connection with such proceeding,
the Department of Legal Affairs may, without prior approval by the court,
file a lis pendens against real property owned by the corporation, foreign
corporation, or alien business organization, which lis pendens shall set forth
the legal description of the real property and shall be filed in the public
records of the county where the real property is located. If the lis pendens is
filed in any county other than the county in which the action is pending, the
lis pendens which is filed must be a certified copy of the original lis pendens.
A judgment or an order of payment entered pursuant to this subsection will
become a judgment lien against any real property owned by the corporation,
foreign corporation, or alien business organization when a certified copy of
the judgment or order is recorded as required by s. 55.10. The Department of
Legal Affairs will be able to avail itself of, and is entitled to use, any
provision of law or of the Florida Rules of Civil Procedure to further the
collecting or obtaining of payment pursuant to a judgment or order of
payment. The state, through the Attorney General, may bid, at any judicial
sale to enforce its judgment lien, an amount up to the amount of the
judgment or lien obtained pursuant to this subsection. All moneys recovered
under this subsection shall be treated as forfeitures under ss. 895.01-895.09
and used or distributed in accordance with the procedure set forth in s.
895.09.

(6) Information provided to, and records and transcriptions of testimony
obtained by, the Department of Legal Affairs pursuant to this section are
confidential and exempt from the provisions of s. 119.07(1) while the
investigation is active. For purposes of this section, an investigation shall be
considered “active” while such investigation is being conducted with a
reasonable, good faith belief that it may lead to the filing of an adminis-
trative, civil, or criminal proceeding. An investigation does not cease to be
active so long as the Department of Legal Affairs is proceeding with
reasonable dispatch and there is a good faith belief that action may be
initiated by the Department of Legal Affairs or other administrative or law
enforcement agency. Except for active criminal intelligence or criminal
investigative information, as defined in s. 119.011, and information which, if

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disclosed, would reveal a trade secret, as defined in s. 688.002, or would jeopardize the safety of an individual, all information, records, and transcriptions become public record when the investigation is completed or ceases to be active. The Department of Legal Affairs shall not disclose confidential information, records, or transcriptions of testimony except pursuant to the authorization by the Attorney General in any of the following circumstances:

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

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

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

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

A person or law enforcement agency which receives any information, record, or transcription of testimony that has been made confidential by this subsection shall maintain the confidentiality of such material and shall not disclose such information, record, or transcription of testimony except as provided for herein. Any person who willfully discloses any information, record, or transcription of testimony that has been made confidential by this subsection, except as provided for herein, is guilty of a misdemeanor of the first degree, punishable as provided in s. 775.082 or s. 775.083. If any information, record, or testimony obtained pursuant to subsection (2) is offered in evidence in any judicial proceeding, the court may, in its discretion, seal that portion of the record to further the policies of confidentiality set forth herein.

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

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

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

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

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

607.0601 Authorized shares.—

(1) The articles of incorporation must set forth any prescribe the classes of shares and series of shares within a class, and the number of shares of each class and series, that the corporation is authorized to issue. If more than one class or series of shares is authorized, the articles of incorporation must prescribe a distinguishing designation for each class or series, and before prior to the issuance of shares of a class or series, describe the terms, including the preferences, limitations, and relative rights of that class or series must be described in the articles of incorporation. All shares of a class or series must have terms, including preferences, limitations, and relative rights, identical with those of other shares of the same class or series, except to the extent otherwise permitted by this section, s. 607.0602, or s. 607.0624.

(2) The articles of incorporation must authorize:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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Before issuing any shares of a class or series created under this section, the corporation shall deliver to the department of State for filing articles of amendment, which are effective without shareholder action, that set forth:

(a) The name of the corporation;

(b) The text of the amendment determining the terms of the class or series of shares;

(c) The date the amendment was adopted; and

(d) A statement that the amendment was duly adopted by the board of directors.

Section 40. Subsections (1), (2), (4), and (5) of section 607.0604, Florida Statutes, are amended to read:

607.0604 Fractional shares.—

(1) A corporation may:

(a) Issue fractions of a share or, in lieu of doing so, pay in money the fair value of fractions of a share;

(b) Make arrangements, or provide reasonable opportunity, for any person entitled to or holding a fractional interest in a share to sell such fractional interest or to purchase such additional fractional interests as may be necessary to acquire a full share;

(c) Issue scrip in registered or bearer form, over the manual or facsimile signature of an officer of the corporation or its agent, entitling the holder to receive a full share upon surrendering enough scrip to equal a full share.

(2) The board of directors may authorize the issuance of scrip subject to any condition considered desirable, including that:

(a) That the scrip will become void if not exchanged for full shares before a specified date; and

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
Section 41. Subsections (2) and (5) of section 607.0620, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

607.0620 Subscriptions for shares.—

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

(5) If a subscriber defaults in payment of money or property under a subscription agreement entered into before incorporation, the corporation may collect the amount owed as any other debt. Alternatively, unless the subscription agreement provides otherwise, the corporation may rescind the agreement and may sell the shares if the debt remains unpaid more than 20 days after the corporation delivers sends written demand for payment to the subscriber. If the subscription agreement is rescinded and the shares sold, then, notwithstanding the rescission, if mailed, such written demand shall be deemed to be made when deposited in the United States mail in a sealed envelope addressed to the subscriber at his or her last post office address known to the corporation, with first-class postage thereon prepaid. the defaulting subscriber or his or her legal representative shall be entitled to be paid the excess of the sale proceeds over the sum of the amount due and unpaid on the subscription and the reasonable expenses incurred in selling the shares, but in no event shall the defaulting subscriber or his or her legal representative be entitled to be paid an amount greater than the amount paid by the subscriber on the subscription.

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

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

607.0621 Issuance of shares.—

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

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

607.0622 Liability for shares issued before payment.—

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

CODING: Words stricken are deletions; words underlined are additions.
(a) The issuance of the shares stock, or

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

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

607.0623 Share dividends.—

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

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

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

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

(1) Unless the articles of incorporation provide otherwise, a corporation may issue rights, options, or warrants for the purchase of shares of the corporation of any class or series, whether authorized but unissued shares of the corporation, treasury shares, or shares of the corporation to be purchased or acquired by the corporation. The board of directors shall determine the terms and conditions upon which the rights, options, or warrants are issued, including the consideration for which the shares are to be issued. The authorization by the board of directors for the corporation to issue such rights, options, or warrants constitutes authorization for the issuance of the shares for which the rights, options, or warrants are exercisable their form and content, and the consideration for which the shares are to be issued.

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

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

(b) which are created and issued by a corporation formed under this chapter, or its successor, and which entitle the holders thereof to purchase from the corporation shares of any class or classes, whether authorized but unissued shares, treasury shares, or shares to be purchased or acquired by the corporation, may include, without limitation, restrictions, or conditions

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that preclude or limit the exercise, transfer, receipt, or holding of such rights or options by any person or persons, including any person or persons owning or offering to acquire a specified number or percentage of the outstanding common shares or other securities of the corporation, or any transferee or transferees of any such person or persons, or that Invalidate or void such rights, or options, or warrants held by any such person or persons or any such transferee or transferees.

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

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

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

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

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

607.0625 Form and content of certificates.—

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

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

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

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

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

(3) If the issuing corporation is authorized to issue different classes of shares or different series of shares within a class, the designations, relative rights, preferences, and limitations applicable to each class and the

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variations in rights, preferences, and limitations determined for each series
(and the authority of the board of directors to determine variations for future
series) must be summarized on the front or back of each certificate. Alternatively, each certificate may state conspicuously on its front or back
that the corporation will furnish the shareholder a full statement of this
information on request and without charge.

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

607.0626 Shares without certificates.—

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

(2) Within a reasonable time after the issuance of shares without certificates, the corporation shall deliver to the
shareholder a written statement of the information required on certificates
by s. 607.0625(2) and (3), and, if applicable, s. 607.0627.

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

607.0627 Restriction on transfer of shares and other securities.—

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

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

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

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

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

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

607.0630 Shareholders’ preemptive rights.—

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

CODING: Words stricken are deletions; words underlined are additions.
(c) There is no preemptive right with respect to:

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

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

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

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

5. Shares issued for consideration other than money.

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

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

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

607.0631 Corporation’s acquisition of its own shares.—

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

(a) The name of the corporation;

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

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

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

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

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

607.06401 Distributions to shareholders.—

(2) The board of directors may fix the record date for determining shareholders entitled to a distribution, but the date may not be retroactive. If the board of directors does not fix the record date for determining shareholders entitled to a distribution (other than one involving a purchase, redemption, or other acquisition of the corporation’s shares), the record date it is the date the board of directors authorizes the distribution.

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

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

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

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
(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 it 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 interest is are made only if and to the extent that payment of a distribution to shareholders could then be made under this section. If such the indebtedness is issued as a distribution, and by its terms provides that the payments each payment of principal or interest are made only to the extent is treated as a distribution could be made under this section, then each payment of principal and interest of that indebtedness is treated as a distribution, the effect of which is measured on the date the payment is actually made.

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

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

607.0701 Annual meeting.—

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

CODING: Words stricken are deletions; words underlined are additions.
Annual shareholders' meetings of shareholders may be held in or out of this state at a place stated in or fixed in accordance with the bylaws or, when not inconsistent with the bylaws, stated in the notice of the annual meeting. If no place is stated in or fixed in accordance with the bylaws, or stated in the notice of the annual meeting, annual meetings shall be held at the corporation's principal office.

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

Participation of shareholders and proxy holders at an annual meeting of shareholders by remote communication shall be governed by and subject to the provisions of s. 607.0709. If authorized by the board of directors, and subject to such guidelines and procedures as the board of directors may adopt, shareholders and proxy holders not physically present at an annual meeting of shareholders may, by means of remote communication:

(a) Participate in an annual meeting of shareholders.

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

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

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

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

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

607.0702 Special meeting.—

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

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

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

(2) Special meetings of shareholders’ meetings may be held in or out of the state at a place stated in or fixed in accordance with the bylaws or, when not inconsistent with the bylaws, in the notice of the special meeting. If no place is stated in or fixed in accordance with the bylaws or in the notice of the special meeting, special meetings shall be held at the corporation’s principal office.

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

(4) Participation of shareholders and proxy holders at a special meeting of shareholders by remote communication shall be governed by and subject to the provisions of s. 607.0709. If authorized by the board of directors, and subject to such guidelines and procedures as the board of directors may adopt, shareholders and proxy holders not physically present at a special meeting of shareholders may, by means of remote communication:

(a) Participate in a special meeting of shareholders.

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

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

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

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

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

607.0703 Court-ordered meeting.—

CODING: Words stricken are deletions; words underlined are additions.
(1) The circuit court in the applicable county may summarily of the county where a corporation’s principal office is located, if located in this state, or where a corporation’s registered office is located if its principal office is not located in this state, may, after notice to the corporation, order a meeting to be held:

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

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

1. Notice of the special meeting was not given within 60 days after the first day on which the requisite number of demands have been delivered to the corporation’s secretary; or

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

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

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

607.0704 Action by shareholders without a meeting.—

(1) Unless otherwise provided in the articles of incorporation or in subsection (8), action required or permitted by this chapter to be taken at an annual or special meeting of shareholders may be taken without a meeting, without prior notice, and without a vote if the action is taken by the holders of outstanding shares stock of each voting group entitled to vote thereon having not less than the minimum number of votes with respect to each voting group that would be necessary to authorize or take such action at a meeting at which all voting groups and shares entitled to vote thereon were present and voted. In order to be effective the action must be evidenced by one or more written consents describing the action taken, dated and signed by approving shareholders having the requisite number of votes of each voting group entitled to vote thereon, and delivered to the corporation by delivery to its principal office in this state, its principal place of business, the corporate secretary, or another officer or agent of the corporation having
custody of the book in which proceedings of meetings of shareholders are recorded. No written consent shall be effective to take the corporate action referred to therein unless, within 60 days of the date of the earliest dated consent delivered in the manner required by this section, written consents signed by shareholders owning a sufficient number of shares the number of holders required to authorize or take the action have been delivered to the corporation by delivery as set forth in this section.

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

(4) A consent signed under this section has the effect of a meeting vote and may be described as such in any document. Unless the articles of incorporation, bylaws, or a resolution of the board of directors provides for a reasonable delay to permit tabulation of written consents, the action taken by written consent shall be effective when written consents signed by shareholders owning a sufficient number of shares required to authorize or take the action have been delivered to the corporation.

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
Section 56. Section 607.0705, Florida Statutes, is amended to read:

607.0705 Notice of meeting.—

(1) A corporation shall notify shareholders of the date, time, and place of each annual and special shareholders’ meeting no fewer than 10 or more than 60 days before the meeting date. The notice must include the record date for determining the shareholders entitled to vote at the meeting if the record date for determining the shareholders entitled to vote at the meeting is different than the record date for determining shareholders entitled to notice of the meeting. If the board of directors has authorized participation by means of remote communication pursuant to s. 607.0709 for any class or series of shares, the notice to the holders of such class or series must describe the means of remote communication to be used. Unless this chapter act or the articles of incorporation require otherwise, the corporation is required to give notice only to shareholders entitled to vote at the meeting as of the record date for determining the shareholders entitled to notice of the meeting. Notice shall be given in the manner provided in s. 607.0141, by or at the direction of the president, the secretary, or the officer or persons calling the meeting. If the notice is mailed at least 30 days before the date of the meeting, it may be done by a class of United States mail other than first class. Notwithstanding s. 607.0141, if mailed, such notice shall be deemed to be delivered when deposited in the United States mail addressed to the shareholder at her or his address as it appears in the record of shareholders of the corporation, maintained in accordance with s. 607.1601(4) on the stock transfer books of the corporation, with postage thereon prepaid.

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

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

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

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

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

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

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

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

607.0706 Waiver of notice.—

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

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

607.0707 Record date.—

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

(3) The bylaws may fix or provide the manner of fixing the record date for determining shareholders entitled to take action by the written consent of shareholders. If not otherwise provided by or pursuant to the bylaws, the board of directors of the corporation may set a record date for determining shareholders entitled to take action by the written consent of shareholders. In no event may a record date fixed by the board of directors be a date preceding the date upon which the resolution fixing the record date is adopted. If the bylaws do not fix or provide for the manner of fixing such a record date and if no such record date is fixed by the board of directors, the record date for determining shareholders entitled to take such action shall be the date that the first signed written consent is delivered to the corporation pursuant to s. 607.0704. If not otherwise provided by or pursuant to the bylaws and no prior action is required by the board of directors pursuant to this act, the record date for determining shareholders entitled to take action without a meeting is the date that the first signed written consent is delivered to the corporation under s. 607.0704. If not otherwise fixed, and prior action is required by the board of directors pursuant to this chapter, the record date for determining shareholders entitled to take action without a meeting is at the close of business on the day on which the board of directors adopts the resolution taking such prior action.

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

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

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

(8) The record date for a shareholders’ meeting fixed by or in the manner provided in the bylaws or by the board of directors shall be the record date for determining shareholders entitled both to notice of and to vote at the shareholders’ meeting, unless in the case of a record date fixed by the board of directors and to the extent not prohibited by the bylaws, the board of directors, at the time it fixes the record date for shareholders entitled to

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notice of the meeting, fixes a later record date on or before the date of the meeting to determine the shareholders entitled to vote at the meeting.

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

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

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

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

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

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

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

(b) To provide such shareholders, such other persons entitled to vote on behalf of shareholders pursuant to s. 607.0721, such attorneys in fact for shareholders, and such holders of proxies appointed pursuant to s. 607.0722, a reasonable opportunity to participate in the meeting and to vote on
matters submitted to the shareholders, including an opportunity to com-
municate, and to read or hear the proceedings of the meeting, substantially
currently with such proceedings.

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

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

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

607.0720 Shareholders’ list for meeting.—

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

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

(3) The corporation shall make the shareholders’ list of shareholders
entitled to vote available at the meeting, and any shareholder or the
shareholder’s agent or attorney is entitled to inspect the list at any time during the meeting or any adjournment.

(5) If the requirements of this section have not been substantially complied with or if the corporation refuses to allow a shareholder or the shareholder’s agent or attorney to inspect the shareholders’ list, or copy a list pursuant to subsection (2), before or at the meeting, the meeting shall be adjourned until such requirements are complied with on the demand of any shareholder in person or by proxy who failed to get such access, or, if not adjourned upon such demand and such requirements are not complied with, the circuit court in the applicable county of the county where a corporation’s principal office (or, if none in this state, its registered office) is located, on application of the shareholder, may summarily order the inspection or copying at the corporation’s expense and may postpone the meeting for which the list was prepared until the inspection or copying is complete.

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

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

607.0721 Voting entitlement of shares.—

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

(2) The Shares of a corporation are not entitled to vote if they are owned by or otherwise belong to the corporation directly, or indirectly through an entity of which a majority of the voting power is held directly or indirectly by the corporation or which is otherwise controlled by the, directly or indirectly, by a second corporation, domestic or foreign, and the first corporation owns, directly or indirectly, a majority of the shares entitled to vote for directors of the second corporation.

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

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

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

607.0722 Proxies.—

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

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

(a) A pledgee;

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

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

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

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

(7) Unless the appointment otherwise provides, an appointment made irrevocable under subsection (5) continues in effect after a transfer of the shares and a transferee takes subject to the appointment, except that a transferee for value of shares subject to an irrevocable appointment may revoke the appointment if the transferee did not know of its existence when the transferee he or she acquired the shares and the existence of the irrevocable appointment was not noted conspicuously on the certificate representing the shares or on the information statement for shares without certificates.
Section 63. Section 607.0723, Florida Statutes, is amended to read:

607.0723 Shares held by intermediaries and nominees.—

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

(2) The procedure must specify:

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

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

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

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

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

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

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

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

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

607.0724 Corporation’s Acceptance of votes and other instruments.—

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

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

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

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

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

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

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

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

(5) Corporate action based on the acceptance or rejection of a vote, ballot, consent, waiver, shareholder demand, or proxy appointment under this section is valid unless a court of competent jurisdiction determines otherwise.
(6) If an inspector of election has been appointed under s. 607.0729, the inspector of election may request information and make determinations under subsections (1), (2), and (3). Any determination made by the inspector of election under those subsections is controlling.

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

607.0725 Quorum and voting requirements for voting groups.—

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

(2) Once a share is represented for any purpose at a meeting, it is deemed present for quorum purposes for the remainder of the meeting and for any adjournment of that meeting unless a new record date is set for that adjourned meeting.

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

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

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

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

607.0726 Action by single and multiple voting groups.—

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

(2) If the articles of incorporation or this chapter act provides for voting by two or more voting groups on a matter, action on that matter is taken only when voted upon by each of those voting groups counted separately as provided in s. 607.0725. Action may be taken by different voting groups one
Section 67. Subsection (1) of section 607.0728, Florida Statutes, is amended to read:

607.0728 Voting for directors; cumulative voting.—

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

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

607.0729 Voting procedures; inspectors of election.—

(1) A corporation that has a class of shares registered pursuant to s. 12 of the Securities Exchange Act of 1934 shall, and any other corporation may, appoint one or more inspectors to act at a meeting of shareholders in connection with determining voting results. Each inspector will faithfully execute the duties of inspector with strict impartiality and according to the best of the inspector’s ability. An inspector may be an officer or employee of the corporation. The inspectors may appoint or retain other persons to assist the inspectors in the performance of the duties of inspector under subsection (2) and may rely on information provided by such persons and other persons, including those appointed to count votes, unless the inspectors believe reliance is unwarranted.

(2) The inspectors shall:

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

(b) Determine the shares represented at a meeting;

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

(d) Count the votes; and

(e) Make a written report of the results.

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

(a) The proxy appointment forms and any other information provided in accordance with s. 607.0722(2);
(b) Any envelope or related writing submitted with those appointment forms;

(c) Any ballots;

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

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

(4) The inspectors also may consider other information that they believe is relevant and reliable for the purpose of performing any of the duties assigned to them pursuant to subsection (2), including, for the purpose of evaluating inconsistent, incomplete, or erroneous information and reconciling information submitted on behalf of banks, brokers, their nominees, or similar persons that indicates more votes being cast than a proxy is authorized by the record shareholder to cast or more votes being cast than the record shareholder is entitled to cast. If the inspectors consider other information allowed by this subsection, they must, in their report under subsection (2), specify the information considered by them, including the purpose or purposes for which the information was considered, the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained, and the basis for the inspectors’ belief that such information is relevant and reliable.

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

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

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

607.0730 Voting trusts.—

(1) One or more shareholders may create a voting trust, conferring on a trustee the right to vote or otherwise act for him or her or for them, by signing an agreement setting out the provisions of the trust (which may include anything consistent with its purpose) and transferring their shares to the trustee. When a voting trust agreement is signed, the trustee shall prepare a list of the names and addresses of all voting trust beneficial owners of beneficial interests in the trust, together with the number and class of shares each transferred to the trust, and deliver copies of the list and agreement to the corporation at its principal office. After filing
a copy of the list and agreement in the corporation’s principal office, such copy shall be open to inspection by any shareholder of the corporation (subject to the requirements of s. 607.1602(3)) or by any beneficiary of the trust under the agreement during business hours.

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

607.0731 Voting Shareholders: agreements.—

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

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

(3) A transferee of shares in a corporation the shareholders of which have entered into an agreement authorized by subsection (1) shall be bound by such agreement if the transferee takes shares subject to such agreement with notice thereof. A transferee shall be deemed to have notice of any such agreement or any such renewal thereof if the existence of such agreement thereof is noted on the face or back of the certificate or certificates representing such shares or on the information statement for uncertified shares required by s. 607.0626(2).

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

607.0732 Shareholder agreements.—

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

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

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

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

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

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

(f) Transfers to any shareholder or other person any authority to exercise the corporate powers or to manage the business and affairs of the corporation, including the resolution of any issue about which there exists a deadlock among directors or shareholders; or

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

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

(i) Establishes, including in lieu of a judicial dissolution, a mechanism for breaking a deadlock among the directors or shareholders of the corporation; or

(j) Otherwise governs the exercise of the corporate powers or the management of the business and affairs of the corporation or the relationship between the shareholders, the directors, and or the corporation, or among any of them, and is not contrary to public policy. For purposes of this paragraph, agreements contrary to public policy include, but are not limited to, agreements that reduce the duties of care and loyalty to the corporation as required by ss. 607.0830 and 607.0832, exculpate directors from liability that may be imposed under s. 607.0831, adversely affect shareholders’ rights to bring derivative actions under s. 607.07401, or abrogate dissenters’ rights under ss. 607.1301-607.1320.

(2) An agreement authorized by this section shall be:

(a) Set forth or referenced in the articles of incorporation or bylaws and approved by all persons who are shareholders at the time the agreement; or

2. Set forth in a written agreement that is signed by all persons who are shareholders at the time of the agreement and such written agreement is made known to the corporation; and.

(b) Subject to termination or amendment only by all persons who are shareholders at the time of the termination or amendment, unless the agreement provides otherwise with respect to termination and with respect to amendments that do not change the designation, rights, preferences, or limitations of any of the shares of a class or series.

(3) The existence of an agreement authorized by this section shall be noted conspicuously on the front or back of each certificate for outstanding shares or on the information statement required with respect to uncertified
shares by s. 607.0626(2). If at the time of the agreement the corporation has
shares outstanding which are represented by certificates, the corporation
shall recall such certificates and issue substitute certificates that comply
with this subsection. The failure to note the existence of the agreement on
the certificate or information statement shall not affect the validity of the
agreement or any action taken pursuant to it. Any purchaser of shares who,
at the time of purchase, did not have knowledge of the existence of the
agreement shall be entitled to rescission of the purchase. A purchaser shall
be deemed to have knowledge of the existence of the agreement if its
existence is noted on the certificate or information statement for the shares
in compliance with this subsection and, if the shares are not represented by a
certificate, the information statement is delivered to the purchaser at or
before prior to the time of the purchase of the shares. An action to enforce the
right of rescission authorized by this subsection must be commenced within
the earlier of 90 days after discovery of the existence of the agreement or 2
years after the time of purchase of the shares.

(4) An agreement authorized by this section shall cease to be effective
when shares of the corporation are registered pursuant to s. 12 of the
Securities Exchange Act of 1934 listed on a national securities exchange or
regularly quoted in a market maintained by one or more members of a
national or affiliated securities association. If the agreement ceases to be
effective for any reason, the board of directors may, if the agreement is
contained or referred to in the corporation’s articles of incorporation or
bylaws, adopt an amendment to the articles of incorporation or bylaws,
without shareholder action, to delete the agreement and any references to it.

(5) An agreement authorized by this section that limits or restricts the
discretion or powers of the board of directors shall relieve the directors of,
and impose upon the person or persons in whom such discretion or powers
are vested, liability for acts or omissions imposed by law on directors to the
extent that the discretion or powers of the directors are limited by the
agreement.

(8) This section does not limit or invalidate agreements that are
otherwise valid or authorized without regard to this section, including
shareholder agreements between or among some or all of the shareholders or
agreements between or among the corporation and one or more share-
holders.

Section 72. Section 607.07401, Florida Statutes, is repealed.

Section 73. Section 607.0741, Florida Statutes, is created to read:

607.0741 Standing.—

(1) A shareholder may not commence a derivative proceeding unless the
shareholder is a shareholder at the time the action is commenced and:

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(a) Was a shareholder when the conduct giving rise to the action occurred; or

(b) Whose status as a shareholder devolved on the person through transfer or by operation of law from one who was a shareholder when the conduct giving rise to the action occurred.

(2) In ss. 607.0741-607.0747, the term “shareholder” means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.

Section 74. Section 607.0742, Florida Statutes, is created to read:

607.0742 Complaint; demand and excuse.—A complaint in a proceeding brought in the right of a corporation must be verified and allege with particularity:

(1) The demand, if any, made to obtain the action desired by the shareholder from the board of directors; and

(2) Either:

(a) If such a demand was made, that the demand was refused, rejected, or ignored by the board of directors prior to the expiration of 90 days from the date the demand was made;

(b) If such a demand was made, why irreparable injury to the corporation or misapplication or waste of corporate assets causing material injury to the corporation would result by waiting for the expiration of a 90-day period from the date the demand was made; or

(c) The reason or reasons the shareholder did not make the effort to obtain the desired action from the board of directors or comparable authority.

Section 75. Section 607.0743, Florida Statutes, is created to read:

607.0743 Stay of proceedings.—If the corporation commences an inquiry into the allegations made in the demand or complaint, the court may stay any derivative proceeding for such period as the court deems appropriate.

Section 76. Section 607.0744, Florida Statutes, is created to read:

607.0744 Dismissal.—

(1) A derivative proceeding may be dismissed, in whole or in part, by the court on motion by the corporation if a group specified in subsection (2) or subsection (3) has determined in good faith, after conducting a reasonable inquiry upon which its conclusions are based, that the maintenance of the derivative proceeding is not in the best interests of the corporation. In all such cases, the corporation has the burden of proof regarding the
qualifications, good faith, and reasonable inquiry of the group making the determination.

(2) Unless a panel is appointed pursuant to subsection (3), the determination required in subsection (1) shall be made by:

(a) A majority of qualified directors present at a meeting of the board of directors if the qualified directors constitute a quorum; or

(b) A majority vote of a committee consisting of two or more qualified directors appointed by majority vote of qualified directors present at a meeting of the board of directors, regardless of whether such qualified directors constitute a quorum.

(3) Upon motion by the corporation, the court may appoint a panel consisting of one or more disinterested and independent individuals to make a determination required in subsection (1).

(4) This section does not prevent the court from:

(a) Enforcing a person’s rights under the corporation’s articles of incorporation, bylaws or this chapter, including the person’s rights to information under s. 607.1602; or

(b) Exercising its equitable or other powers, including granting extraordinary relief in the form of a temporary restraining order or preliminary injunction.

Section 77. Section 607.0745, Florida Statutes, is created to read:

607.0745 Discontinuance or settlement; notice.—

(1) A derivative action on behalf of a corporation may not be discontinued or settled without the court’s approval.

(2) If the court determines that a proposed discontinuance or settlement will substantially affect the interest of the corporation’s shareholders or a class, series, or voting group of shareholders, the court shall direct that notice be given to the shareholders affected. The court may determine which party or parties to the derivative action shall bear the expense of giving the notice.

Section 78. Section 607.0746, Florida Statutes, is created to read:

607.0746 Proceeds and expenses.—On termination of the derivative proceeding the court may:

(1) Order the corporation to pay from the amount recovered in the derivative proceeding by the corporation the plaintiff’s reasonable expenses, including reasonable attorney fees and costs, incurred in the derivative proceeding if it finds that, in the derivative proceeding, the plaintiff was successful in whole or in part; or
Section 79. Section 607.0747, Florida Statutes, is created to read:

607.0747  Applicability to foreign corporations.—In any derivative proceeding in the right of a foreign corporation brought in the courts of this state, the matters covered by ss. 607.0741-607.0747 shall be governed by the laws of the jurisdiction of incorporation of the foreign corporation except for ss. 607.0743, 607.0745, and 607.0746.

Section 80. Section 607.0748, Florida Statutes, is created to read:

607.0748  Shareholder action to appoint custodians or receivers.—

(1) A circuit court may appoint one or more persons to be custodians or receivers of and for a corporation in a proceeding by a shareholder where it is established that:

(a) The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and irreparable injury to the corporation is threatened or being suffered; or

(b) The directors or those in control of the corporation are acting fraudulently and irreparable injury to the corporation is threatened or being suffered.

(2) The court:

(a) May issue injunctions, appoint one or more temporary custodians or temporary receivers with all the powers and duties the court directs, take other action to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing is held;

(b) Shall hold a full hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a custodian or receiver; and

(c) Has jurisdiction over the corporation and all of its property, wherever located.

(3) The court may appoint a natural person, a domestic eligible entity, or a foreign eligible entity authorized to transact business in this state as a custodian or receiver and may require the custodian or receiver to post bond, with or without sureties, in an amount the court directs.

(4) The court shall describe the powers and duties of the custodian or receiver in its appointing order, which may be amended. Among other powers:

CODING: Words stricken are deletions; words underlined are additions.
(a) A custodian may exercise all of the powers of the corporation, through
or in place of its board of directors, to the extent necessary to manage the
business and affairs of the corporation; and

(b) A receiver may dispose of all or any part of the assets of the
corporation, wherever located, at a public or private sale, if authorized by the
court, and may sue and defend in the receiver’s own name as receiver in all
courts of this state.

(5) During a custodianship, the court may redesignate the custodian a
receiver and, during a receivership, the court may redesignate the receiver a
custodian, in each case if doing so is in the best interests of the corporation.

(6) The court from time to time during the custodianship or receivership
may order compensation paid and expense disbursements or reimburse-
ments made to any custodian or receiver from the assets of the corporation or
proceeds from the sale of its assets.

Section 81. Section 607.0749, Florida Statutes, is created to read:

607.0749 Provisional director.—

(1) In a proceeding by a shareholder, a provisional director may be
appointed in the discretion of the court if it appears that such action by the
court will remedy a situation in which the directors are deadlocked in the
management of the corporate affairs and the shareholders are unable to
break the deadlock. A provisional director may be appointed notwithstand-
ing the absence of a vacancy on the board of directors, and such director shall
have all the rights and powers of a duly elected director, including the right
to notice of and to vote at meetings of directors, until such time as the
provisional director is removed by order of the court or, unless otherwise
ordered by a court, removed by a vote of the shareholders sufficient either to
elect a majority of the board of directors or, if greater than majority voting is
required by the articles of incorporation or the bylaws, to elect the requisite
number of directors needed to take action. A provisional director shall be an
impartial person who is neither a shareholder nor a creditor of the
corporation or of any subsidiary or affiliate of the corporation, and whose
further qualifications, if any, may be determined by the court.

(2) A provisional director shall report from time to time to the court
concerning the matter complained of, or the status of the deadlock, if any,
and of the status of the corporation’s business, as the court shall direct. No
provisional director shall be liable for any action taken or decision made,
except as directors may be liable under s. 607.0831. In addition, the
provisional director shall submit to the court, if so directed, recommenda-
tions as to the appropriate disposition of the action. Whenever a provisional
director is appointed, any officer or director of the corporation may, from
time to time, petition the court for instructions clarifying the duties and
responsibilities of such officer or director.

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In any proceeding under this section, the court shall allow reasonable compensation to the provisional director for services rendered and reimbursement or direct payment of reasonable costs and expenses, which amounts shall be paid by the corporation.

Section 82. Section 607.0750, Florida Statutes, is created to read:

607.0750 Direct action by shareholder.—

(1) Subject to subsection (2), a shareholder may maintain a direct action against another shareholder, officer, director, or the company, to enforce the shareholder’s rights and otherwise protect the shareholder’s interests, including rights and interests under the articles of incorporation, the bylaws or this chapter or arising independently of the shareholder relationship.

(2) A shareholder maintaining a direct action under this section must plead and prove either:

(a) An actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the corporation; or

(b) An actual or threatened injury resulting from a violation of a separate statutory or contractual duty owed by the alleged wrongdoer to the shareholder, even if the injury is in whole or in part the same as the injury suffered or threatened to be suffered by the corporation.

Section 83. Section 607.0801, Florida Statutes, is amended to read:

607.0801 Requirement for and duties of board of directors.—

(1) Except as may be provided in an agreement authorized pursuant to s. 607.0732(1), each corporation must have a board of directors.

(2) All corporate powers shall be exercised by or under the authority of the board of directors of the corporation, and the business and affairs of the corporation shall be managed by or under the direction of, and subject to the oversight of, its board of directors, subject to any limitation set forth in the articles of incorporation or in an agreement authorized under s. 607.0732.

Section 84. Section 607.0802, Florida Statutes, is amended to read:

607.0802 Qualifications of directors.—

(1) Directors must be natural persons who are 18 years of age or older but need not be residents of this state or shareholders of the corporation unless the articles of incorporation or bylaws so require. The articles of incorporation or bylaws may prescribe additional qualifications for directors or nominees for directors.

(2) A qualification for nomination for director prescribed before a person’s nomination shall apply to such person at the time of nomination.
A qualification for nomination for director prescribed after a person’s nomination does not apply to such person with respect to such nomination.

(3) A qualification for director prescribed before a director has been elected or appointed may apply only at the time an individual becomes a director or may apply during a director’s term. A qualification prescribed after a director has been elected or appointed does not apply to that director before the end of that director’s term.

(4)(2) In the event that the eligibility to serve as a member of the board of directors of a condominium association, cooperative association, homeowners’ association, or mobile home owners’ association is restricted to membership in such association and membership is appurtenant to ownership of a unit, parcel, or mobile home, a grantor of a trust described in s. 733.707(3), or a qualified beneficiary as defined in s. 736.0103 of a trust which owns a unit, parcel, or mobile home shall be deemed a member of the association and eligible to serve as a director of the condominium association, cooperative association, homeowners’ association, or mobile home owners’ association, provided that said beneficiary occupies the unit, parcel, or mobile home.

Section 85. Subsection (3) of section 607.0803, Florida Statutes, is amended to read:

607.0803 Number of directors.—

(3) Directors are elected at the first annual shareholders’ meeting and at each annual shareholders’ meeting thereafter, unless elected by written consent in lieu of an annual shareholders’ meeting pursuant to s. 607.0704 or unless their terms are staggered under s. 607.0806.

Section 86. Section 607.0804, Florida Statutes, is amended to read:

607.0804 Election of directors by certain voting groups; special voting rights of certain directors.—The articles of incorporation may confer upon holders of any voting group the right to elect one or more directors who shall serve for such term and have such voting powers as are stated in the articles of incorporation. The terms of office and voting powers of the directors elected in the manner provided in the articles of incorporation may be greater than or less than those of any other director or class of directors. If the articles of incorporation provide that directors elected by the holders of a voting group shall have more or less than one vote per director on any matter, every reference in this chapter to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of such directors. If a shareholders’ agreement meeting the requirements of s. 607.0732, or articles of incorporation or bylaws meeting the requirements of s. 607.0732, provide that directors shall have more or less than one vote per director on any matter, every reference in this chapter to a majority or other proportion of the votes of such directors shall refer to a majority or other proportion of the votes of such directors.

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Section 87. Subsections (2) and (5) of section 607.0805, Florida Statutes, are amended to read:

607.0805 Terms of directors generally.—

(2) The terms of all other directors expire at the next annual shareholders’ meeting following their election, except to the extent:

(a) Provided in s. 607.0806;

(b) Provided in s. 607.1023 if a bylaw electing to be governed by that section is in effect; or

(c) That a shorter term is specified in the articles of incorporation in the event of a director nominee failing to receive a specified vote for election unless their terms are staggered under s. 607.0806.

(5) Except to the extent otherwise provided in the articles of incorporation or under s. 607.1023, if a bylaw electing to be governed by that section is in effect, despite the expiration of a director’s term, the director continues to serve until his or her successor is elected and qualifies or until there is a decrease in the number of directors.

Section 88. Section 607.0806, Florida Statutes, is amended to read:

607.0806 Staggered terms for directors.—

(1) The directors of any corporation organized under this act may, by the articles of incorporation, the initial bylaws or by an initial bylaw, or by a bylaw adopted by a vote of the shareholders, may provide for staggering the terms of directors by dividing the total number of directors into two or three groups, with each group containing half or one-third of the total, as near as may be practicable. In that event, the terms of the first group expire at the first annual shareholders’ meeting after their election, the terms of the second group expire at the second annual shareholders’ meeting after their election, and the terms of the third group, if any, expire at the third annual shareholders’ meeting after their election. At each annual shareholders’ meeting held thereafter, directors shall be elected for a term of two years or three years be divided into one, two, or three classes with the number of directors in each class being as nearly equal as possible; the term of office of those of the first class to expire at the annual meeting next ensuing; of the second class 1 year thereafter; of the third class 2 years thereafter; and at each annual election held after such classification and election, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. If the directors have staggered terms, then any increase or decrease in the number of directors shall be so apportioned among the classes as to make all classes as nearly equal in number as possible.

(2) In the case of any Florida corporation in existence prior to July 1, 1990, directors of such corporation divided into four classes may continue to serve staggered terms as the articles of incorporation or bylaws of such
corporation provided immediately prior to July 1, 1990 the effective date of this act, unless and until the articles of incorporation or bylaws are amended to alter or terminate such classes.

Section 89. Section 607.0807, Florida Statutes, is amended to read:

607.0807 Resignation of directors.—

(1) A director may resign at any time by delivering written notice of resignation to the board of directors or its chair or to the secretary of the corporation.

(2) A resignation is effective when the notice of resignation is delivered unless the notice of resignation specifies a later effective date or an effective date determined upon the subsequent happening of an event or events. If a resignation is made effective at a later date or upon the subsequent happening of an event or events, the board of directors may fill the pending vacancy before the effective date occurs if the board of directors provides that the successor does not take office until the effective date.

(3) A resignation that specifies a later effective date or that is conditioned upon the subsequent happening of an event or events or upon failing to receive a specified vote for election as a director may provide that the resignation is irrevocable.

Section 90. Subsections (3) and (4) of section 607.0808, Florida Statutes, are amended to read:

607.0808 Removal of directors by shareholders.—

(3) A director may be removed if the number of votes cast to remove the director exceeds the number of votes cast not to remove the director, except to the extent the articles of incorporation or bylaws require a greater number; provided that if cumulative voting is authorized, a director may not be removed if, in the case of a meeting, the number of votes sufficient to elect the director under cumulative voting is voted against his or her removal and, if action is taken by less than unanimous written consent, voting shareholders entitled to the number of votes sufficient to elect the director under cumulative voting do not consent to the removal. If cumulative voting is not authorized, a director may be removed only if the number of votes cast to remove the director exceeds the number of votes cast not to remove him or her.

(4) A director may be removed by the shareholders only at a meeting of shareholders called for the purpose of removing the director and the meeting notice must state that the, provided the notice of the meeting states that the purpose, or one of the purposes, of the meeting is removal of the director is the purpose of the meeting.

Section 91. Section 607.08081, Florida Statutes, is created to read:

CODING: Words stricken are deletions; words underlined are additions.
607.08081 Removal of directors by judicial proceedings.—

(1) The circuit court in the applicable county may remove a director from office, and may order other relief, including barring the director from reelection for a period prescribed by the court, in a proceeding commenced by or in the right of the corporation if the court finds that:

(a) The director engaged in fraudulent conduct with respect to the corporation or its shareholders, grossly abused the position of director, or intentionally inflicted harm on the corporation; and

(b) Considering the director’s course of conduct and the inadequacy of other available remedies, removal or such other relief would be in the best interest of the corporation.

(2) A shareholder proceeding on behalf of the corporation under paragraph (1)(a) shall comply with all of the requirements of ss. 607.0741-607.0747, except s. 607.0741(1).

Section 92. Section 607.0809, Florida Statutes, is amended to read:

607.0809 Vacancy on board.—

(1) Unless the articles of incorporation provide otherwise, if whenever a vacancy occurs on a board of directors, including a vacancy resulting from an increase in the number of directors, it may be filled by the affirmative vote of a majority of the remaining directors, though less than a quorum of the board of directors, or by the shareholders, unless the articles of incorporation provide otherwise:

(a) The shareholders may fill the vacancy;

(b) The board of directors may fill the vacancy; or

(c) If the directors remaining in office are less than a quorum, the vacancy may be filled by the affirmative vote of a majority of all the directors then remaining in office.

(2) If the vacant office was held by a director elected by a voting group of shareholders, only the holders of shares of that voting group are entitled to vote to fill the vacancy if it is filled by the shareholders, and only the remaining directors elected by that voting group, even if less than a quorum, are entitled to fill the vacancy if it is filled by the directors whenever the holders of shares of any voting group are entitled to elect a class of one or more directors by the provisions of the articles of incorporation, vacancies in such class may be filled by holders of shares of that voting group or by a majority of the directors then in office elected by such voting group or by a sole remaining director so elected. If no director elected by such voting group remains in office, unless the articles of incorporation provide otherwise, directors not elected by such voting group may fill vacancies as provided in subsection (1).

CODING: Words stricken are deletions; words underlined are additions.
(3) A vacancy that will may occur at a specified later date (under s. 607.0807(2) by reason of a resignation effective at a later date under s. 607.0807(2) or otherwise or upon the subsequent happening of an event) may be filled before the vacancy occurs, but the new director may not take office until the vacancy occurs.

Section 93. Subsection (4) of section 607.0820, Florida Statutes, is amended to read:

607.0820 Meetings.—

(4) Unless the articles of incorporation or bylaws provide otherwise, the board of directors may permit any or all directors to participate in any meeting of the board of directors a regular or special meeting by, or conduct the meeting through the use of, any means of communication by which all directors participating may simultaneously hear each other during the meeting. A director participating in a meeting by this means is deemed to be present in person at the meeting.

Section 94. Subsections (1) and (2) of section 607.0821, Florida Statutes, are amended to read:

607.0821 Action by directors without a meeting.—

(1) Unless the articles of incorporation or bylaws provide otherwise, action required or permitted by this chapter act to be taken at a board of directors’ meeting or committee meeting may be taken without a meeting if the action is taken by all members of the board or of the committee. The action must be evidenced by one or more written consents describing the action taken and signed by each director or committee member and delivered to the corporation.

(2) Action taken under this section is effective when the last director signs the consent and delivers the consent to the corporation, unless the consent specifies a different effective date. A director’s consent may be withdrawn by a revocation signed by the director and delivered to the corporation prior to delivery to the corporation of unrevoked written consents signed by all the directors.

Section 95. Section 607.0823, Florida Statutes, is amended to read:

607.0823 Waiver of notice.—Notice of a meeting of the board of directors need not be given to any director who signs a waiver of notice either before or after the meeting. Attendance of a director at a meeting shall constitute a waiver of notice of such meeting and a waiver of any and all objections to the date, time, place, or purpose of the meeting, the time of the meeting, or the manner in which it has been called or convened, except when a director states, at the beginning of the meeting or promptly upon arrival at the meeting, any objection to holding the meeting or to the transaction of business because the meeting is not lawfully called or convened and if the
Section 96. Subsections (1), (2), and (3) of section 607.0824, Florida Statutes, are amended, present subsection (4) of that section is redesignated as subsection (5), and a new subsection (4) is added to that section, to read:

607.0824 Quorum and voting.—

(1) Unless the articles of incorporation or bylaws provide for a greater or lesser number, or unless otherwise expressly provided in this chapter require a different number, a quorum of a board of directors consists of a majority of the number of directors specified in or fixed in accordance with prescribed by the articles of incorporation or the bylaws.

(2) The quorum of the board of directors specified in or fixed in accordance with the articles of incorporation or bylaws may not consist of less than may authorize a quorum of a board of directors to consist of less than a majority but no fewer than one-third of the specified or fixed prescribed number of directors determined under the articles of incorporation or the bylaws.

(3) If a quorum is present when a vote is taken, the affirmative vote of a majority of directors present is the act of the board of directors unless the articles of incorporation or bylaws require the vote of a greater number of directors or unless otherwise expressly provided for in this chapter.

(4) If any directors have special voting rights in compliance with the provisions of s. 607.0804, the quorum and voting requirements of this section shall be determined consistent with the provisions of s. 607.0804.

Section 97. Section 607.0825, Florida Statutes, is amended to read:

607.0825 Committees.—

(1) Unless this chapter, the articles of incorporation, or the bylaws provide otherwise, the board of directors may establish provide, the board of directors, by resolution adopted by a majority of the full board of directors, may designate from among its members an executive committee and one or more other board committees to perform functions of the board of directors. Such committees shall be composed exclusively of one or more directors committees each of which, to the extent provided in such resolution or in the articles of incorporation or the bylaws of the corporation, shall have and may exercise all the authority of the board of directors, except that no such committee shall have the authority to:

(a) Approve or recommend to shareholders actions or proposals required by this act to be approved by shareholders.

(b) Fill vacancies on the board of directors or any committee thereof.

CODING: Words stricken are deletions; words underlined are additions.
(c) Adopt, amend, or repeal the bylaws.

(d) Authorize or approve the reacquisition of shares unless pursuant to a general formula or method specified by the board of directors.

(e) Authorize or approve the issuance or sale or contract for the sale of shares, or determine the designation and relative rights, preferences, and limitations of a voting group except that the board of directors may authorize a committee (or a senior executive officer of the corporation) to do so within limits specifically prescribed by the board of directors.

(2) Unless this chapter, the articles of incorporation, or the bylaws provide otherwise, the establishment of a board committee, the appointment of members to such committee, the dissolution of a previously created board committee, and the removal of members from a previously created board committee must be approved by a majority of all the directors in office when the action is taken Unless the articles of incorporation or bylaws provide otherwise, ss. 607.0820, 607.0822, 607.0823, and 607.0824 which govern meetings, notice and waiver of notice, and quorum and voting requirements of the board of directors apply to committees and their members as well.

(3) Sections 607.0820-607.0824, which govern meetings, notice and waiver of notice, and quorum and voting requirements of the board of directors, apply to board committees and their members as well.

(4) A board committee may exercise the powers of the board of directors under s. 607.0801, except that a board committee may not:

(a) Authorize or approve the reacquisition of shares unless pursuant to a formula or method, or within limits, prescribed by the board of directors.

(b) Approve, recommend to shareholders, or propose to shareholders action that this chapter requires be approved by shareholders.

(c) Fill vacancies on the board of directors or on any board committee.

(d) Adopt, amend, or repeal bylaws.

(5) The establishment of, delegation of authority to, or action by a committee does not alone constitute compliance by a director with the standards of conduct described in s. 607.0830.

(6) The board of directors may appoint. Each committee must have two or more members who serve at the pleasure of the board of directors. The board, by resolution adopted in accordance with subsection (1), may designate one or more directors as alternate members of any board such committee to fill a vacancy on the committee or to replace who may act in the place and stead of any absent or disqualified member of such committee during the member’s absence or disqualification. If the articles of incorporation, the bylaws, or the resolution creating the board committee so provide, the member or members present at any board committee meeting and not disqualified from voting, by
unanimous action, may appoint another director to act in place of an absent
or disqualified member during that member's absence or disqualification or
members at any meeting of such committee.

(4) Neither the designation of any such committee, the delegation
thereof of authority, nor action by such committee pursuant to such
authority shall alone constitute compliance by any member of the board
of directors not a member of the committee in question with his or her
responsibility to act in good faith, in a manner he or she reasonably believes
to be in the best interests of the corporation, and with such care as an
ordinarily prudent person in a like position would use under similar
circumstances.

Section 98. Section 607.0826, Florida Statutes, is created to read:

607.0826 Submission of matters for a shareholder vote.—A corporation
may agree to submit a matter to a vote of its shareholders even if, after
approving the matter, the board of directors determines it no longer
recommends the matter.

Section 99. Section 607.0830, Florida Statutes, is amended to read:

607.0830 General standards for directors.—

(1) Each member of the board of directors, when discharging the duties of
a director, including in discharging his or her duties as a member of a board
committee, must act A director shall discharge his or her duties as a director,
including his or her duties as a member of a committee:

(a) In good faith; and

(b) With the care an ordinarily prudent person in a like position would
exercise under similar circumstances; and

(c) In a manner he or she reasonably believes to be in the best interests of
the corporation.

(2) The members of the board of directors or a board committee, when
becoming informed in connection with a decisionmaking function or devoting
attention to an oversight function, shall discharge their duties with the care
that an ordinary prudent person in a like position would reasonably believe
appropriate under similar circumstances In discharging his or her duties, a
director is entitled to rely on information, opinions, reports, or statements,
including financial statements and other financial data, if prepared or
presented by:

(a) One or more officers or employees of the corporation whom the
director reasonably believes to be reliable and competent in the matters
presented;

CODING: Words stricken are deletions; words underlined are additions.
(b) Legal counsel, public accountants, or other persons as to matters the director reasonably believes are within the persons’ professional or expert competence; or

(e) A committee of the board of directors of which he or she is not a member if the director reasonably believes the committee merits confidence.

(3) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in paragraph (5)(a) or paragraph (5)(b) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board’s functions that are delegable under applicable law.

(4) In discharging board or board committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (5).

(5) A director is entitled to rely, in accordance with subsection (3) or subsection (4), on:

(a) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;

(b) Legal counsel, public accountants, or other persons retained by the corporation or by a committee of the board of the corporation as to matters involving skills or expertise the director reasonably believes are matters:

1. Within the particular person’s professional or expert competence; or

2. As to which the particular person merits confidence; or

(c) A committee of the board of directors of which the director is not a member if the director reasonably believes the committee merits confidence.

(6)(3) In discharging board or board committee his or her duties, a director may consider such factors as the director deems relevant, including the long-term prospects and interests of the corporation and its shareholders, and the social, economic, legal, or other effects of any action on the employees, suppliers, customers of the corporation or its subsidiaries, the communities and society in which the corporation or its subsidiaries operate, and the economy of the state and the nation.

(4) A director is not acting in good faith if he or she has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (2) unwarranted.

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A director is not liable for any action taken as a director, or any failure to take any action, if he or she performed the duties of his or her office in compliance with this section.

Section 100. Subsections (1) and (3) of section 607.0831, Florida Statutes, are amended to read:

607.0831 Liability of directors.—

(1) A director is not personally liable for monetary damages to the corporation or any other person for any statement, vote, decision to take or not to take action, or any failure to take any action, as or failure to act, regarding corporate management or policy, by a director, unless:

(a) The director breached or failed to perform his or her duties as a director; and

(b) The director’s breach of, or failure to perform, those duties constitutes any of the following:

1. A violation of the criminal law, unless the director had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful. A judgment or other final adjudication against a director in any criminal proceeding for a violation of the criminal law estops that director from contesting the fact that his or her breach, or failure to perform, constitutes a violation of the criminal law; but does not estop the director from establishing that he or she had reasonable cause to believe that his or her conduct was lawful or had no reasonable cause to believe that his or her conduct was unlawful;

2. A circumstance under which the transaction at issue is one from which the director derived an improper personal benefit, either directly or indirectly;

3. A circumstance under which the liability provisions of s. 607.0834 are applicable;

4. In a proceeding by or in the right of the corporation to procure a judgment in its favor or by or in the right of a shareholder, conscious disregard for the best interest of the corporation, or willful or intentional misconduct; or

5. In a proceeding by or in the right of someone other than the corporation or a shareholder, recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

(3) A director is deemed not to have derived an improper personal benefit from any transaction if the transaction and the nature of any personal benefit derived by the director are not prohibited by state or federal law or regulation and, without further limitation:
(a) In an action other than a derivative suit regarding a decision by the
director to approve, reject, or otherwise affect the outcome of an offer to
purchase the shares stock of, or to effect a merger of, the corporation, the
transaction and the nature of any personal benefits derived by a director are
disclosed or known to all directors voting on the matter, and the transaction
was authorized, approved, or ratified by at least two directors who comprise
a majority of the disinterested directors (whether or not such disinterested
directors constitute a quorum); or

(b) The transaction is fair to the corporation at the time it is authorized,
approved, or ratified as determined in accordance with s. 607.0832 and the
nature of any personal benefits derived by a director are disclosed or known
to the shareholders entitled to vote, and the transaction was authorized,
approved, or ratified by the affirmative vote or written consent of such
shareholders who hold a majority of the shares, the voting of which is not
controlled by directors who derived a personal benefit from or otherwise had
a personal interest in the transaction; or

(c) The transaction was fair and reasonable to the corporation at the time
it was authorized by the board, a committee, or the shareholders,
notwithstanding that a director received a personal benefit.

Section 101. Section 607.0832, Florida Statutes, is amended to read:

607.0832 Director conflicts of interest.—

(1) As used in this section, the following terms and definitions apply:

(a) “Director’s conflict of interest transaction” means a transaction
between a corporation and one or more of its directors, or another entity in
which one or more of the corporation’s directors is directly or indirectly a
party to the transaction, other than being an indirect party as a result of
being a shareholder of the corporation, and has a direct or indirect material
financial interest or other material interest.

(b) “Fair to the corporation” means that the transaction, as a whole, is
beneficial to the corporation and its shareholders, taking into appropriate
account whether it is:

1. Fair in terms of the director’s dealings with the corporation in
connection with that transaction; and

2. Comparable to what might have been obtainable in an arm’s length
transaction.

(c) “Family member” includes any of the following:

1. The director’s spouse.

2. A child, stepchild, parent, stepparent, grandparent, sibling, step
sibling, or half sibling of the director or the director’s spouse.

CODING: Words stricken are deletions; words underlined are additions.
(d) A director is “indirectly” a party to a transaction if that director has a material financial interest in or is a director, officer, member, manager, or partner of a person, other than the corporation, who is a party to the transaction.

(e) A director has an “indirect material financial interest” if a family member has a material financial interest in the transaction, other than having an indirect interest as a shareholder of the corporation, or if the transaction is with an entity, other than the corporation, which has a material financial interest in the transaction and controls, or is controlled by, the director or another person specified in this subsection.

(f) “Material financial interest” or “other material interest” means a financial or other interest in the transaction that would reasonably be expected to impair the objectivity of the director’s judgment when participating in the action on the authorization of the transaction.

(2) If a director’s conflict of interest transaction is fair to the corporation at the time it is authorized, approved, effectuated, or ratified:

(a) Such transaction is not void or voidable; and

(b) The fact that the transaction is a director’s conflict of interest transaction is not grounds for any equitable relief, an award of damages, or other sanctions, because of that relationship or interest, because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such transaction, or because his or her or their votes are counted for such purpose.

(3)(a) In a proceeding challenging the validity of a director’s conflict of interest transaction or in a proceeding seeking equitable relief, award of damages, or other sanctions with respect to a director’s conflict of interest transaction, the person challenging the validity or seeking equitable relief, award of damages, or other sanctions has the burden of proving the lack of fairness of the transaction if:

1. The material facts of the transaction and the director’s interest in the transaction were disclosed or known to the board of directors or committee that authorizes, approves, or ratifies the transaction and the transaction was authorized, approved, or ratified by a vote of a majority of the qualified directors even if the qualified directors constitute less than a quorum of the board or the committee; however, the transaction cannot be authorized, approved, or ratified under this subsection solely by a single director; or

2. The material facts of the transaction and the director’s interest in the transaction were disclosed or known to the shareholders who voted upon such transaction and the transaction was authorized, approved, or ratified by a majority of the votes cast by disinterested shareholders or by the written consent of disinterested shareholders representing a majority of the
votes that could be cast by all disinterested shareholders. Shares owned by
or voted under the control of a director who has a relationship or interest in
the director’s conflict of interest transaction may not be considered shares
owned by a disinterested shareholder and may not be counted in a vote of
shareholders to determine whether to authorize, approve, or ratify a
director’s conflict of interest transaction under this subparagraph. The
vote of those shares, however, is counted in determining whether the
transaction is approved under other sections of this chapter. A majority of
the shares, whether or not present, that are entitled to be counted in a vote
on the transaction under this subparagraph constitutes a quorum for the
purpose of taking action under this section.

(b) If neither of the conditions provided in paragraph (a) has been
satisfied, the person defending or asserting the validity of a director’s
conflict of interest transaction has the burden of proving its fairness in a
proceeding challenging the validity of the transaction.

(4) The presence of or a vote cast by a director with an interest in the
transaction does not affect the validity of an action taken under paragraph
(3)(a) if the transaction is otherwise authorized, approved, or ratified as
provided in subsection (3), but the presence or vote of the director may be
counted for purposes of determining whether the transaction is approved
under other sections of this chapter.

(5) In addition to other grounds for challenge, a party challenging the
validity of the transaction is not precluded from asserting and proving that a
particular director or shareholder was not disinterested on grounds of
financial or other interest for purposes of the vote on, consent to, or approval
of the transaction.

(6) If directors’ action under this section does not otherwise satisfy a
quorum or voting requirement applicable to the authorization of the
transaction by directors as required by the articles of incorporation, the
bylaws, this chapter, or any other law, an action to satisfy those authoriza-
tion requirements, whether as part of the same action or by way of another
action, must be taken by the board of directors or a committee in order to
authorize the transaction. In such action, the vote or consent of directors who
are not disinterested may be counted.

(7) Where shareholders’ action under this section does not satisfy a
quorum or voting requirement applicable to the authorization of the
transaction by shareholders as required by the articles of incorporation, the
bylaws, this chapter, or any other law, an action to satisfy those authoriza-
tion requirements, whether as part of the same action or by way of another
action, must be taken by the shareholders in order to authorize the
transaction. In such action, the vote or consent of shareholders who are not
disinterested shareholders may be counted. No contract or other transaction
between a corporation and one or more of its directors or any other
corporation, firm, association, or entity in which one or more of its directors
are directors or officers or are financially interested shall be either void or

CODING: Words stricken are deletions; words underlined are additions.
voidable because of such relationship or interest, because such director or directors are present at the meeting of the board of directors or a committee thereof which authorizes, approves, or ratifies such contract or transaction, or because his or her or their votes are counted for such purpose, if:

(a) The fact of such relationship or interest is disclosed or known to the board of directors or committee which authorizes, approves, or ratifies the contract or transaction by a vote or consent sufficient for the purpose without counting the votes or consents of such interested directors;

(b) The fact of such relationship or interest is disclosed or known to the shareholders entitled to vote and they authorize, approve, or ratify such contract or transaction by vote or written consent; or

(c) The contract or transaction is fair and reasonable as to the corporation at the time it is authorized by the board, a committee, or the shareholders.

(2) For purposes of paragraph (1)(a) only, a conflict of interest transaction is authorized, approved, or ratified if it receives the affirmative vote of a majority of the directors on the board of directors, or on the committee, who have no relationship or interest in the transaction described in subsection (1), but a transaction may not be authorized, approved, or ratified under this section by a single director. If a majority of the directors who have no such relationship or interest in the transaction vote to authorize, approve, or ratify the transaction, a quorum is present for the purpose of taking action under this section. The presence of, or a vote cast by, a director with such relationship or interest in the transaction does not affect the validity of any action taken under paragraph (1)(a) if the transaction is otherwise authorized, approved, or ratified as provided in that subsection, but such presence or vote of those directors may be counted for purposes of determining whether the transaction is approved under other sections of this act.

(3) For purposes of paragraph (1)(b), a conflict of interest transaction is authorized, approved, or ratified if it receives the vote of a majority of the shares entitled to be counted under this subsection. Shares owned by or voted under the control of a director who has a relationship or interest in the transaction described in subsection (1) may not be counted in a vote of shareholders to determine whether to authorize, approve, or ratify a conflict of interest transaction under paragraph (1)(b). The vote of those shares, however, is counted in determining whether the transaction is approved under other sections of this act. A majority of the shares, whether or not present, that are entitled to be counted in a vote on the transaction under this subsection constitutes a quorum for the purpose of taking action under this section.

Section 102. Section 607.0833, Florida Statutes, is amended to read:

CODING: Words stricken are deletions; words underlined are additions.
607.0833 Loans to officers, directors, and employees; guaranty of obligations.—Any corporation may lend money to, guarantee any obligation of, or otherwise assist any officer, director, or employee of the corporation or of a subsidiary, whenever, in the judgment of the board of directors, such loan, guaranty, or assistance may reasonably be expected to benefit the corporation. The loan, guaranty, or other assistance may be with or without interest and may be unsecured or secured in such manner as the board of directors shall approve, including, without limitation, a pledge of shares of stock of the corporation. Nothing in this section shall be deemed to deny, limit, or restrict the powers of guaranty or warranty of any corporation at common law or under any statute. Loans, guarantees, or other types of assistance are subject to s. 607.0832.

Section 103. Subsections (1) and (3) of section 607.0834, Florida Statutes, are amended to read:

607.0834 Liability for unlawful distributions.—

(1) A director who votes for or assents to a distribution made in violation of s. 607.06401, s. 607.1410(1), or the articles of incorporation is personally liable to the corporation for the amount of the distribution that exceeds what could have been distributed without violating s. 607.06401, s. 607.1410(1), or the articles of incorporation if it is established that the director did not perform his or her duties in compliance with s. 607.0830. In any proceeding commenced under this section, a director has all of the defenses ordinarily available to a director.

(3) A proceeding under this section is barred unless it is commenced:

(a) Within 2 years after the date on which the effect of the distribution was measured under s. 607.06401(6) or (8); or

(b) Within 2 years after the date as of which the violation of s. 607.06401 occurred as the consequence of disregard of a restriction in the articles of incorporation;

(c) Within 2 years after the date on which the distribution of assets to shareholders under s. 607.1410(1) was made; or

(d) With regard to contribution or recoupment under subsection (2), within 1 year after the liability of the claimant has been finally adjudicated under subsection (1).

Section 104. Subsections (2) and (3) of section 607.08401, Florida Statutes, are amended to read:

607.08401 Required officers.—

(2) The board of directors may appoint one or more individuals to act as the officers of the corporation. A duly appointed officer may appoint one or
more officers or assistant officers if authorized by the bylaws or the board of directors.

(3) The bylaws or the board of directors shall assign delegate to one of the officers responsibility for preparing minutes of the directors’ and shareholders’ meetings and for authenticating records of the corporation required to be kept pursuant to s. 607.1601(1) and (5).

Section 105. Section 607.08411, Florida Statutes, is created to read:

607.08411 General standards for officers.—

(1) An officer, when performing in such capacity, shall act:

(a) In good faith; and

(b) In a manner the officer reasonably believes to be in the best interests of the corporation.

(2) An officer, when becoming informed in connection with a decision-making function, shall discharge his or her duties with the care that an ordinary prudent person in a like position would reasonably believe appropriate under similar circumstances.

(3) The duty of an officer includes the obligation to:

(a) Inform the superior officer to whom, or the board of directors or the committee to which, the officer reports of information about the affairs of the corporation known to the officer, within the scope of the officer’s functions, and known or as should be known to the officer to be material to such superior officer, board, or committee; and

(b) Inform his or her superior officer, or another appropriate person within the corporation, or the board of directors, or a committee thereof, of any actual or probable material violation of law involving the corporation or material breach of duty to the corporation by an officer, employee, or agent of the corporation the officer believes has occurred or is likely to occur.

(4) In discharging his or her duties, an officer who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in subsection (6) to whom the responsibilities were properly delegated, formally or informally, by course of conduct.

(5) In discharging his or her duties, an officer who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports, or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (6).

CODING: Words stricken are deletions; words underlined are additions.
(6) An officer is entitled to rely, in accordance with subsection (4) or subsection (5), on:

(a) One or more other officers of the corporation or one or more employees of the corporation whom the officer reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports, or statements provided;

(b) Legal counsel, public accountants, or other persons retained by the corporation as to matters involving skills or expertise the officer reasonably believes are matters within the particular person’s professional or expert competence or as to which the particular person merits confidence.

Section 106. Section 607.0842, Florida Statutes, is amended to read:

607.0842 Resignation and removal of officers.—

(1) An officer may resign at any time by delivering a written notice to the corporation. A resignation is effective as provided in s. 607.0141(5) when the notice is delivered unless the notice provides for a delayed effectiveness, including effectiveness determined upon a future event or events specifies a later effective date. If effectiveness of a resignation is stated to be delayed and the board of directors or appointing officer accepts the delay, the made effective at a later date and the corporation accepts the future effective date, its board of directors or the appointing officer may fill the pending vacancy before the delayed effectiveness effective date if the board of directors or appointing officer provides that the successor does not take office until the vacancy occurs effective date.

(2) An officer may be removed at any time with or without cause by:

(a) The board of directors;

(b) The appointing officer, unless the bylaws or the board of directors provide otherwise; or

(c) Any other officer, if authorized by the bylaws or the board of directors.

(3) For the purposes of this section, the term “appointing officer” means the officer, including any successor to that officer, who appointed the officer resigning or being removed. A board of directors may remove any officer at any time with or without cause. Any officer or assistant officer, if appointed by another officer, may likewise be removed by such officer.

Section 107. Section 607.0850, Florida Statutes, is amended to read:

607.0850 Definitions Indemnification of officers, directors, employees, and agents.—In ss. 607.0850-607.0859, the term:

(1) “Agent” includes a volunteer.

CODING: Words stricken are deletions; words underlined are additions.
(2) “Corporation” includes, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a merger, so that any person who is or was a director or officer of a constituent corporation, or is or was serving at the request of a constituent corporation as a director or officer, member, manager, partner, trustee, employee, or agent of another domestic or foreign corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise or entity, is in the same position under this section with respect to the resulting or surviving corporation as he or she would have been with respect to such constituent corporation if its separate existence had continued.

(3) “Director” or “officer” means an individual who is or was a director or officer, respectively, of a corporation or who, while a director or officer of the corporation, is or was serving at the corporation’s request as a director or officer, manager, partner, trustee, employee, or agent of another domestic or foreign corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise or entity. A director or officer is considered to be serving an employee benefit plan at the corporation’s request if the individual’s duties to the corporation or such plan also impose duties on, or otherwise involve services by, the individual to the plan or to participants in or beneficiaries of the plan. The term includes, unless the context otherwise requires, the estate, heirs, executors, administrators, and personal representatives of a director or officer.

(4) “Expenses” includes reasonable attorney fees, including those incurred in connection with any appeal.

(5) “Liability” means the obligation to pay a judgment, settlement, penalty, fine (including an excise tax assessed with respect to an employee benefit plan), or reasonable expenses incurred with respect to a proceeding.

(6) “Party” means an individual who was, is, or is threatened to be made, a defendant or respondent in a proceeding.

(7) “Proceeding” means any threatened, pending, or completed action, suit, or proceeding, whether civil, criminal, administrative, arbitrative, or investigative and whether formal or informal.

(8) “Serving at the corporation’s request” includes any service as a director, officer, employee, or agent of the corporation that imposes duties on such persons, including duties relating to an employee benefit plan and its participants or beneficiaries.

(1) A corporation shall have power to indemnify any person who was or is a party to any proceeding (other than an action by, or in the right of, the corporation), by reason of the fact that he or she is or was a director, officer, employee, or agent of the corporation or is or was serving at the request of the corporation as a director, officer, employee, or agent of another corporation, partnership, joint venture, trust, or other enterprise against
liability incurred in connection with such proceeding, including any appeal
thereof, if he or she acted in good faith and in a manner he or she reasonably
believed to be in, or not opposed to, the best interests of the corporation and,
with respect to any criminal action or proceeding, had no reasonable cause to
believe his or her conduct was unlawful. The termination of any proceeding
by judgment, order, settlement, or conviction or upon a plea of nolo
contendere or its equivalent shall not, of itself, create a presumption that
the person did not act in good faith and in a manner which he or she
reasonably believed to be in, or not opposed to, the best interests of the
 corporation or, with respect to any criminal action or proceeding, had
reasonable cause to believe that his or her conduct was unlawful.

(2) A corporation shall have power to indemnify any person, who was or
is a party to any proceeding by or in the right of the corporation to procure a
judgment in its favor by reason of the fact that the person is or was a director,
officer, employee, or agent of the corporation or is or was serving at the
request of the corporation as a director, officer, employee, or agent of another
corporation, partnership, joint venture, trust, or other enterprise, against
expenses and amounts paid in settlement not exceeding, in the judgment of
the board of directors, the estimated expense of litigating the proceeding to
closure, actually and reasonably incurred in connection with the defense
or settlement of such proceeding, including any appeal thereof. Such
indemnification shall be authorized if such person acted in good faith and
in a manner he or she reasonably believed to be in, or not opposed to, the best
interests of the corporation, except that no indemnification shall be made
under this subsection in respect of any claim, issue, or matter as to which
such person shall have been adjudged to be liable unless, and only to the
extent that, the court in which such proceeding was brought, or any other
court of competent jurisdiction, shall determine upon application that,
despite the adjudication of liability but in view of all circumstances of the
case, such person is fairly and reasonably entitled to indemnity for such
expenses which such court shall deem proper.

(3) To the extent that a director, officer, employee, or agent of a
corporation has been successful on the merits or otherwise in defense of
any proceeding referred to in subsection (1) or subsection (2), or in defense of
any claim, issue, or matter therein, he or she shall be indemnified against
expenses actually and reasonably incurred by him or her in connection
therewith.

(4) Any indemnification under subsection (1) or subsection (2), unless
pursuant to a determination by a court, shall be made by the corporation
only as authorized in the specific case upon a determination that
indemnification of the director, officer, employee, or agent is proper in the
circumstances because he or she has met the applicable standard of conduct
set forth in subsection (1) or subsection (2). Such determination shall be
made:

(a) By the board of directors by a majority vote of a quorum consisting of
directors who were not parties to such proceeding;
(b) If such a quorum is not obtainable or, even if obtainable, by majority vote of a committee duly designated by the board of directors (in which directors who are parties may participate) consisting solely of two or more directors not at the time parties to the proceeding;

(e) By independent legal counsel:

1. Selected by the board of directors prescribed in paragraph (a) or the committee prescribed in paragraph (b); or

2. If a quorum of the directors cannot be obtained for paragraph (a) and the committee cannot be designated under paragraph (b), selected by majority vote of the full board of directors (in which directors who are parties may participate); or

(d) By the shareholders by a majority vote of a quorum consisting of shareholders who were not parties to such proceeding or, if no such quorum is obtainable, by a majority vote of shareholders who were not parties to such proceeding.

(5) Evaluation of the reasonableness of expenses and authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible. However, if the determination of permissibility is made by independent legal counsel, persons specified by paragraph (4)(c) shall evaluate the reasonableness of expenses and may authorize indemnification.

(6) Expenses incurred by an officer or director in defending a civil or criminal proceeding may be paid by the corporation in advance of the final disposition of such proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if he or she is ultimately found not to be entitled to indemnification by the corporation pursuant to this section. Expenses incurred by other employees and agents may be paid in advance upon such terms or conditions that the board of directors deems appropriate.

(7) The indemnification and advancement of expenses provided pursuant to this section are not exclusive, and a corporation may make any other or further indemnification or advancement of expenses of any of its directors, officers, employees, or agents, under any bylaw, agreement, vote of shareholders or disinterested directors, or otherwise, both as to action in his or her official capacity and as to action in another capacity while holding such office. However, indemnification or advancement of expenses shall not be made to or on behalf of any director, officer, employee, or agent if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:
(a) A violation of the criminal law, unless the director, officer, employee, or agent had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful;

(b) A transaction from which the director, officer, employee, or agent derived an improper personal benefit;

(c) In the case of a director, a circumstance under which the liability provisions of s. 607.0834 are applicable; or

(d) Willful misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder.

(8) Indemnification and advancement of expenses as provided in this section shall continue as, unless otherwise provided when authorized or ratified, to a person who has ceased to be a director, officer, employee, or agent and shall inure to the benefit of the heirs, executors, and administrators of such a person, unless otherwise provided when authorized or ratified.

(9) Unless the corporation’s articles of incorporation provide otherwise, notwithstanding the failure of a corporation to provide indemnification, and despite any contrary determination of the board or of the shareholders in the specific case, a director, officer, employee, or agent of the corporation who is or was a party to a proceeding may apply for indemnification or advancement of expenses, or both, to the court conducting the proceeding, to the circuit court, or to another court of competent jurisdiction. On receipt of an application, the court, after giving any notice that it considers necessary, may order indemnification and advancement of expenses, including expenses incurred in seeking court-ordered indemnification or advancement of expenses, if it determines that:

(a) The director, officer, employee, or agent is entitled to mandatory indemnification under subsection (3), in which case the court shall also order the corporation to pay the director reasonable expenses incurred in obtaining court-ordered indemnification or advancement of expenses;

(b) The director, officer, employee, or agent is entitled to indemnification or advancement of expenses, or both, by virtue of the exercise by the corporation of its power pursuant to subsection (7); or

(c) The director, officer, employee, or agent is fairly and reasonably entitled to indemnification or advancement of expenses, or both, in view of all the relevant circumstances, regardless of whether such person met the standard of conduct set forth in subsection (1), subsection (2), or subsection (7).

(10) For purposes of this section, the term “corporation” includes, in addition to the resulting corporation, any constituent corporation (including
any constituent of a constituent) absorbed in a consolidation or merger, so
that any person who is or was a director, officer, employee, or agent of a
constituent corporation, or is or was serving at the request of a constituent
corporation as a director, officer, employee, or agent of another corporation,
partnership, joint venture, trust, or other enterprise, is in the same position
under this section with respect to the resulting or surviving corporation as
he or she would have with respect to such constituent corporation if its
separate existence had continued.

(11) For purposes of this section:

(a) The term “other enterprises” includes employee benefit plans;

(b) The term “expenses” includes counsel fees, including those for
appeal;

(e) The term “liability” includes obligations to pay a judgment, settle-
ment, penalty, fine (including an excise tax assessed with respect to any
employee benefit plan), and expenses actually and reasonably incurred with
respect to a proceeding;

(d) The term “proceeding” includes any threatened, pending, or com-
pleted action, suit, or other type of proceeding, whether civil, criminal,
administrative, or investigative and whether formal or informal;

(e) The term “agent” includes a volunteer;

(f) The term “serving at the request of the corporation” includes any
service as a director, officer, employee, or agent of the corporation that
imposes duties on such persons, including duties relating to an employee
benefit plan and its participants or beneficiaries; and

(g) The term “not opposed to the best interest of the corporation”
describes the actions of a person who acts in good faith and in a manner
he or she reasonably believes to be in the best interests of the participants
and beneficiaries of an employee benefit plan.

(12) A corporation shall have power to purchase and maintain insurance
on behalf of any person who is or was a director, officer, employee, or agent of
the corporation or is or was serving at the request of the corporation as a
director, officer, employee, or agent of another corporation, partnership,
joint venture, trust, or other enterprise against any liability asserted against
the person and incurred by him or her in any such capacity or arising out of
his or her status as such, whether or not the corporation would have the
power to indemnify the person against such liability under the provisions of
this section.

Section 108. Section 607.0851, Florida Statutes, is created to read:

607.0851 Permissible indemnification.—

CODING: Words stricken are deletions; words underlined are additions.
(1) Except as otherwise provided in this section and in s. 607.0859, and not in limitation of indemnification allowed under s. 607.0858(1), a corporation may indemnify an individual who is a party to a proceeding because the individual is or was a director or officer against liability incurred in the proceeding if:

(a) The director or officer acted in good faith;
(b) The director or officer acted in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation; and
(c) In the case of any criminal proceeding, the director or officer had no reasonable cause to believe his or her conduct was unlawful.

(2) The conduct of a director or officer with respect to an employee benefit plan for a purpose the director or officer reasonably believed to be in the best interests of the participants in, and the beneficiaries of, the plan is conduct that satisfies the requirement of paragraph (1)(b).

(3) The termination of a proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, does not, of itself, create a presumption that the director or officer did not meet the relevant standard of conduct described in this section.

(4) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or an officer in connection with a proceeding by or in the right of the corporation except for expenses and amounts paid in settlement not exceeding, in the judgment of the board of directors, the estimated expense of litigating the proceeding to conclusion, actually and reasonably incurred in connection with the defense or settlement of such proceeding, including any appeal thereof, where such person acted in good faith and in a manner he or she reasonably believed to be in, or not opposed to, the best interests of the corporation.

Section 109. Section 607.0852, Florida Statutes, is created to read:

607.0852 Mandatory indemnification.—A corporation must indemnify an individual who is or was a director or officer who was wholly successful, on the merits or otherwise, in the defense of any proceeding to which the individual was a party because he or she is or was a director or officer of the corporation against expenses incurred by the individual in connection with the proceeding.

Section 110. Section 607.0853, Florida Statutes, is created to read:

607.0853 Advance for expenses.—

(1) A corporation may, before final disposition of a proceeding, advance funds to pay for or reimburse expenses incurred in connection with the proceeding by an individual who is a party to the proceeding because that individual is or was a director or officer if the director or officer delivers to
the corporation a signed written undertaking of the director or officer to repay any funds advanced if:

(a) The director or officer is not entitled to mandatory indemnification under s. 607.0852; and

(b) It is ultimately determined under s. 607.0854 or s. 607.0855 that the director or officer has not met the relevant standard of conduct described in s. 607.0851 or the director or officer is not entitled to indemnification under s. 607.0859.

(2) The undertaking required by paragraph (1)(b) must be an unlimited general obligation of the director or officer but need not be secured and may be accepted without reference to the financial ability of the director or officer to make repayment.

(3) Authorizations under this section must be made:

(a) By the board of directors:

1. If there are two or more qualified directors, by a majority vote of all of the qualified directors (a majority of whom shall for such purpose constitute a quorum) or by a majority of the members of a committee appointed by such vote and comprised of two or more qualified directors; or

2. If there are fewer than two qualified directors, by the vote necessary for action by the board of directors under s. 607.0824(3), in which authorization vote directors who are not qualified directors may participate; or

(b) By the shareholders, but shares owned by or voted under the control of a director or officer who at the time of the authorization is not a qualified director or is an officer who is a party to the proceeding may not be counted as a vote in favor of the authorization.

Section 111. Section 607.0854, Florida Statutes, is created to read:

607.0854 Court-ordered indemnification and advance for expenses.—

(1) Unless the corporation’s articles of incorporation provide otherwise, notwithstanding the failure of a corporation to provide indemnification, and despite any contrary determination of the board of directors or of the shareholders in the specific case, a director or officer of the corporation who is a party to a proceeding because he or she is or was a director or officer may apply for indemnification or an advance for expenses, or both, to a court having jurisdiction over the corporation which is conducting the proceeding, or to a circuit court of competent jurisdiction. After receipt of an application and after giving any notice it considers necessary, the court may:

(a) Order indemnification if the court determines that the director or officer is entitled to mandatory indemnification under s. 607.0852;
(b) Order indemnification or advance for expenses if the court determines that the director or officer is entitled to indemnification or advance for expenses pursuant to a provision authorized by s. 607.0858(1); or

(c) Order indemnification or advance for expenses if the court determines, in view of all the relevant circumstances, that it is fair and reasonable to indemnify the director or officer or to advance expenses to the director or officer, even if he or she has not met the relevant standard of conduct set forth in s. 607.0851(1), has failed to comply with s. 607.0853, or was adjudged liable in a proceeding referred to in s. 607.0859. If the director or officer was adjudged liable, indemnification shall be limited to expenses incurred in connection with the proceeding.

(2) If the court determines that the director or officer is entitled to indemnification under paragraph (1)(a) or to indemnification or advance for expenses under paragraph (1)(b), it shall also order the corporation to pay the director’s or officer’s expenses incurred in connection with obtaining court-ordered indemnification or advance for expenses. If the court determines that the director or officer is entitled to indemnification or advance for expenses under paragraph (1)(c), it may also order the corporation to pay the director’s or officer’s expenses to obtain court-ordered indemnification or advance for expenses.

Section 112. Section 607.0855, Florida Statutes, is created to read:

607.0855 Determination and authorization of indemnification.—

(1) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or officer under s. 607.0851 unless authorized for a specific proceeding after a determination has been made that indemnification is permissible because the director or officer has met the relevant standard of conduct set forth in s. 607.0851.

(2) The determination shall be made:

(a) If there are two or more qualified directors, by the board of directors by a majority vote of all of the qualified directors, a majority of whom shall for such purposes constitute a quorum, or by a majority of the members of a committee of two or more qualified directors appointed by such a vote; or

(b) By independent special legal counsel:

1. Selected in the manner prescribed by paragraph (a); or

2. If there are fewer than two qualified directors, selected by the board of directors, in which selection directors who are not qualified directors may participate; or

(c) By the shareholders, but shares owned by or voted under the control of a director or officer who, at the time of the determination, is not a qualified
director or an officer who is a party to the proceeding may not be counted as votes in favor of the determination.

(3) Authorization of indemnification shall be made in the same manner as the determination that indemnification is permissible, except that if the determination of permissibility has been made by independent special legal counsel under paragraph (2)(b), any authorization of indemnification associated with such determination shall be made by either such independent special legal counsel or by those who otherwise would be entitled to select independent special legal counsel under paragraph (2)(b).

Section 113. Section 607.0857, Florida Statutes, is created to read:

607.0857 Insurance.—A corporation shall have the power to purchase and maintain insurance on behalf of and for the benefit of an individual who is or was a director or officer of the corporation, or who, while a director or officer of the corporation, is or was serving at the corporation’s request as a director, officer, manager, member, partner, trustee, employee, or agent of another domestic or foreign corporation, limited liability company, partnership, joint venture, trust, employee benefit plan, or other enterprise or entity, against liability asserted against or incurred by the individual in that capacity or arising from his or her status as a director or officer, whether or not the corporation would have power to indemnify or advance expenses to the individual against the same liability under this chapter.

Section 114. Section 607.0858, Florida Statutes, is created to read:

607.0858 Variation by corporate action; application of subchapter.—

(1) The indemnification provided pursuant to ss. 607.0851 and 607.0852 and the advancement of expenses provided pursuant to s. 607.0853 are not exclusive, and a corporation may, by a provision in its articles of incorporation, bylaws or any agreement, or by vote of shareholders or disinterested directors, or otherwise, obligate itself in advance of the act or omission giving rise to a proceeding to provide any other or further indemnification or advancement of expenses to any of its directors or officers. Any such obligatory provision shall be deemed to satisfy the requirements for authorization referred to in ss. 607.0853(3) and 607.0855(3). Any such provision that obligates the corporation to provide indemnification to the fullest extent permitted by law shall be deemed to obligate the corporation to advance funds to pay for or reimburse expenses in accordance with s. 607.0853 to the fullest extent permitted by law, unless the provision specifically provides otherwise.

(2) A right of indemnification or to advance for expenses created by this chapter or under subsection (1) and in effect at the time of an act or omission may not be eliminated or impaired with respect to such act or omission by an amendment of the articles of incorporation or bylaws or a resolution of the directors or shareholders, adopted after the occurrence of such act or omission, unless, in the case of a right created under subsection (1), the
provision creating such right and in effect at the time of such act or omission explicitly authorizes such elimination or impairment after such act or omission has occurred.

(3) Any provision pursuant to subsection (1) shall not obligate the corporation to indemnify or advance for expenses to a director or officer of a predecessor of the corporation, pertaining to conduct with respect to the predecessor, unless otherwise specifically provided. Any provision for indemnification or advance for expenses in the articles of incorporation, bylaws, or a resolution of the board of directors or shareholders of a predecessor of the corporation in a merger or in a contract to which the predecessor is a party, existing at the time the merger takes effect, shall be governed by s. 607.1106(1)(d).

(4) Subject to subsection (2), a corporation may, by a provision in its articles of incorporation, limit any of the rights to indemnification or advance for expenses created by or pursuant to this chapter.

(5) Sections 607.0850-607.0859 do not limit a corporation’s power to pay or reimburse expenses incurred by a director, an officer, an employee, or an agent in connection with appearing as a witness in a proceeding at a time when he or she is not a party.

(6) Sections 607.0850-607.0859 do not limit a corporation’s power to indemnify, advance expenses to, or provide or maintain insurance on behalf of or for the benefit of an individual who is or was an employee or agent.

Section 115. Section 607.0859, Florida Statutes, is created to read:

607.0859 Overriding restrictions on indemnification.—

(1) Unless ordered by a court under s. 607.0854(1)(c), a corporation may not indemnify a director or officer under s. 607.0851 or s. 607.0858 or advance expenses to a director or officer under s. 607.0853 or s. 607.0858 if a judgment or other final adjudication establishes that his or her actions, or omissions to act, were material to the cause of action so adjudicated and constitute:

(a) Willful or intentional misconduct or a conscious disregard for the best interests of the corporation in a proceeding by or in the right of the corporation to procure a judgment in its favor or in a proceeding by or in the right of a shareholder;

(b) A transaction in which a director or officer derived an improper personal benefit;

(c) A violation of the criminal law, unless the director or officer had reasonable cause to believe his or her conduct was lawful or had no reasonable cause to believe his or her conduct was unlawful; or
(d) In the case of a director, a circumstance under which the liability provisions of s. 607.0834 are applicable.

(2) A corporation may provide indemnification or advance expenses to a director or an officer only as allowed by ss. 607.0850-607.0859.

Section 116. Paragraphs (b), (d), (f), (h), (j), and (k) of subsection (1), subsection (2), paragraph (c) of subsection (4), and subsections (5) and (6) of section 607.0901, Florida Statutes, are amended to read:

607.0901 Affiliated transactions.—

(1) For purposes of this section:

(b) “Affiliated transaction,” when used in reference to the corporation and any interested shareholder, means:

1. Any merger or consolidation of the corporation or any subsidiary of the corporation with:
   a. The interested shareholder; or
   b. Any other corporation, partnership, limited liability company, or other entity, in each case, (whether or not itself an interested shareholder,) which is, or after such merger or consolidation would be, an affiliate or associate of the interested shareholder;

2. Any sale, lease, exchange, mortgage, pledge, transfer, or other disposition (in one transaction or a series of transactions), except proportionately as a shareholder of such corporation, to or with the interested shareholder or any affiliate or associate of the interested shareholder, whether as part of a dissolution or otherwise, of assets of the corporation or any subsidiary of the corporation:
   a. Having an aggregate fair market value equal to 10.5 percent or more of the aggregate fair market value of all the assets, determined on a consolidated basis, of the corporation;
   b. Having an aggregate fair market value equal to 10.5 percent or more of the aggregate fair market value of all the outstanding shares of the corporation; or
   c. Representing 10.5 percent or more of the earning power or net income, determined on a consolidated basis, of the corporation;

3. The issuance or transfer by the corporation or any subsidiary of the corporation (in one transaction or a series of transactions) of any shares of the corporation or any subsidiary of the corporation which have an aggregate fair market value equal to 10.5 percent or more of the aggregate fair market value of all the outstanding shares of the corporation to the interested shareholder or any affiliate or associate of the interested shareholder except:

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a. Pursuant to the exercise, exchange, or conversion of securities exercisable for, exchangeable for, or convertible into shares of the corporation or any subsidiary of the corporation which were outstanding prior to the time that the interested shareholder became such;

b. Pursuant to a merger under s. 607.11045; or

c. Provided that the interested shareholder’s proportionate share of the shares of any class or series of the corporation or of the voting shares of the corporation has not increased as a result thereof:

(1) Pursuant to a dividend or distribution paid or made, or the exercise, exchange, or conversion of securities exercisable for, exchangeable for, or convertible into, shares of the corporation which security is distributed, pro rata to all holders of a class or series of shares of such corporation subsequent to the time the interested shareholder became such;

(II) Pursuant to an exchange offer by the corporation to purchase shares of such corporation made on the same terms to all holders of such shares; or

(III) Any issuance or transfer of shares by the corporation; of warrants or rights to purchase stock offered, or a dividend or distribution paid or made, pro rata to all shareholders of the corporation;

4. The adoption of any plan or proposal for the liquidation or dissolution of the corporation proposed by, or pursuant to any agreement, arrangement, or understanding (whether or not in writing) with, the interested shareholder or any affiliate or associate of the interested shareholder;

5. Any reclassification of securities (including, without limitation, any stock split, stock dividend, or other distribution of shares in respect of shares, or any reverse stock split) or recapitalization of the corporation, or any merger or consolidation of the corporation with any subsidiary of the corporation, or any other transaction (whether or not with or into or otherwise involving the interested shareholder), with the interested shareholder or any affiliate or associate of the interested shareholder, which has the effect, directly or indirectly (in one transaction or a series of transactions during any 12-month period), of increasing by more than 5 percent the percentage of the outstanding voting shares of the corporation or any subsidiary of the corporation beneficially owned by the interested shareholder; or

6. Any receipt by the interested shareholder or any affiliate or associate of the interested shareholder of the benefit, directly or indirectly (except proportionately as a shareholder of the corporation), of any loans, advances, guaranties, pledges, or other financial assistance or any tax credits or other tax advantages, other than those expressly allowed in subparagraph 3., provided by or through the corporation or any subsidiary of the corporation.

(d) “Associate,” when used to indicate a relationship with any person, means any entity, other than the corporation or any of its subsidiaries, of
which such person is an officer, director, or partner or is, directly or
indirectly, the beneficial owner of 20 percent or more of any class of voting
shares; any trust or other estate in which such person has at least 20 percent
a substantial beneficial interest or as to which such person serves as trustee
or in a similar fiduciary capacity; and any relative or spouse of such person,
or any relative of such spouse, who has the same residence home as such
person or who is an officer or director of the corporation or any of its
affiliates.

(f) “Control,” “controlling,” “controlled by,” and “under common control
with” means the possession, directly or indirectly, through the ownership of
voting shares, by contract, arrangement, understanding, relationship, or
otherwise, of the power to direct or cause the direction of the management
and policies of a person. A person who is the owner of 20 percent or more of
the outstanding voting shares of any corporation, partnership, unincorpo-
rated association, or other entity is presumed to have control of such entity,
in the absence of proof by a preponderance of the evidence to the contrary.
Notwithstanding the foregoing, a person shall not be deemed to have control
of an entity a corporation if such person holds voting shares, in good faith
and not for the purpose of circumventing this section, as an agent, bank,
broker, nominee, custodian, or trustee for one or more beneficial owners who
do not individually or as a group have control of such entity corporation.

(h) Unless otherwise specified in the articles of incorporation initially
filed with the department of state, a “disinterested director” means as to any
particular interested shareholder:

1. Any member of the board of directors of the corporation who was a
member of the board of directors before the later of January 1, 1987, or the
determination date; and

2. Any member of the board of directors of the corporation who was
recommended for election by, or was elected to fill a vacancy and received the
affirmative vote of, a majority of the disinterested directors then on the
board.

(j) “Fair market value” means:

1. In the case of shares, the highest closing sale price of a share quoted
during the 30-day period immediately preceding the date in question on the
composite tape for shares listed on the New York Stock Exchange; or, if such
shares are not quoted on the composite tape on the New York Stock
Exchange, the highest closing sale price quoted during such period on the
New York Stock Exchange; or, if such shares are not listed on such exchange,
the highest closing sale price quoted during such period on the principal
United States securities exchange registered under the Exchange Act on
which such shares are listed; or, if such shares are not listed on any such
exchange, the highest closing bid quotation with respect to a share during
the 30-day period preceding the date in question on the National Association
of Securities Dealers, Inc., automated quotations system or any other stock

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price quotation similar system then in general use; or, if no such quotations are available, the fair market value of a share on the date in question as determined by:

a. A majority of disinterested directors; or

b. If at such time there are no disinterested directors, by the board of directors of such corporation in good faith; and

2. In the case of property other than cash or shares, the fair market value of such property on the date in question as determined by:

a. A majority of the disinterested directors; or

b. If at such time there are no disinterested directors, by the board of directors of such corporation in good faith.

(k) “Interested shareholder” means any person who is the beneficial owner of more than 15 percent of the outstanding voting shares of the corporation. However, the term “interested shareholder” shall not include:

1. The corporation or any of its subsidiaries;

2. Any savings, employee stock ownership, or other employee benefit plan of the corporation or any of its subsidiaries; or any fiduciary with respect to any such plan when acting in such capacity; or

3. Any person whose ownership of shares in excess of the 15 percent limitation is the result of action taken solely by the corporation; provided that such person shall be an interested shareholder if thereafter such person acquires additional shares of voting shares of the corporation, except as a result of further corporate action not caused, directly or indirectly, by such person. For the purpose of determining whether a person is an interested shareholder, the number of voting shares deemed to be outstanding shall include shares deemed owned by the interested shareholder through application of subparagraph (e)3. but shall not include any other voting shares that may be issuable pursuant to any contract, arrangement, or understanding, upon the exercise of conversion rights, exchange rights, warrants, or options, or otherwise.

(2) Except to the extent as provided in subsections subsection (4) and (5), and with respect to such exceptions, in compliance with other applicable provisions of this chapter, a corporation may not engage in any affiliated transaction with any interested shareholder for a period of 3 years following the time that such shareholder became an interested shareholder, unless:

(a) Prior to the time that such shareholder became an interested shareholder, the board of directors of the corporation approved either the affiliated transaction or the transaction which resulted in the shareholder becoming an interested shareholder; or
(b) Upon consummation of the transaction that resulted in the shareholder becoming an interested shareholder, the interested shareholder owned at least 85 percent of the voting shares of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting shares outstanding, but not the outstanding voting shares owned by the interested shareholder, those shares owned by persons who are directors and also officers and by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or

(c) At or subsequent to the time that such shareholder became an interested shareholder, the affiliated transaction is approved by the board of directors and authorized at an annual or special meeting of shareholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting shares which are not owned by the interested shareholder, in addition to any affirmative vote required by any other section of this act or by the articles of incorporation, an affiliated transaction shall be approved by the affirmative vote of the holders of two-thirds of the voting shares other than the shares beneficially owned by the interested shareholder.

(4) The voting requirements set forth in subsection (2) do not apply to a particular affiliated transaction if all of the conditions specified in any one of the following paragraphs are met:

(c) The interested shareholder has been the beneficial owner of at least 80 percent of the corporation’s outstanding voting shares for at least 3 5 years preceding the announcement date;

(5) The provisions of this section do not apply:

(a) To any corporation the original articles of incorporation of which contain a provision expressly electing not to be governed by this section;

(b) To any corporation which adopted an amendment to its articles of incorporation prior to July 1, 2018 January 1, 1989, expressly electing not to be governed by this section, provided that such amendment does not apply to any affiliated transaction of the corporation with an interested shareholder whose determination date is on or prior to the effective date of such amendment;

(c) To any corporation which adopts an amendment to its articles of incorporation or bylaws, approved by the affirmative vote of the holders, other than interested shareholders and their affiliates and associates, of a majority of the outstanding voting shares of the corporation, excluding the voting shares of interested shareholders and their affiliates and associates, expressly electing not to be governed by this section, provided that such amendment to the articles of incorporation or bylaws shall not be effective until 18 months after such vote of the corporation’s shareholders and shall

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not apply to any affiliated transaction of the corporation with an interested shareholder whose determination date is on or prior to the effective date of such amendment; or

(d) To any affiliated transaction of the corporation with an interested shareholder of the corporation which became an interested shareholder inadvertently, if such interested shareholder, as soon as practicable, divests itself of a sufficient amount of the voting shares of the corporation so that it no longer is the beneficial owner, directly or indirectly, of 20 or more of the outstanding voting shares of the corporation, and would not at any time within the 3-year period preceding the announcement date with respect to such affiliated transaction have been an interested shareholder but for such inadvertent acquisition.

(6) Any corporation that elected not to be governed by this section, either through a provision in its original articles of incorporation or through an amendment to its articles of incorporation or bylaws may elect to be bound by the provisions of this section by adopting an amendment to its articles of incorporation or bylaws that repeals the original article or the amendment. In addition to any requirements of this chapter act, or the articles of incorporation or bylaws of the corporation, any such amendment shall be approved by the affirmative vote of the holders of two-thirds of the voting shares other than shares beneficially owned by any interested shareholder.

Section 117. Paragraph (d) of subsection (2) of section 607.0902, Florida Statutes, is amended to read:

607.0902 Control-share acquisitions.—

(2) “CONTROL-SHARE ACQUISITION.”—

(d) The acquisition of any shares of an issuing public corporation does not constitute a control-share acquisition if the acquisition is consummated in any of the following circumstances:


3. Pursuant to the laws of intestate succession or pursuant to a gift or testamentary transfer.

4. Pursuant to the satisfaction of a pledge or other security interest created in good faith and not for the purpose of circumventing this section.

5. Pursuant to a merger or share exchange effected in compliance with s. 607.1101, s. 607.1102, s. 607.1103, s. 607.1104, or s. 607.1105 s. 607.1107, if the issuing public corporation is a party to the agreement of merger or plan of share exchange.

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6. Pursuant to any savings, employee stock ownership, or other employee benefit plan of the issuing public corporation or any of its subsidiaries or any fiduciary with respect to any such plan when acting in such fiduciary capacity.

7. Pursuant to an acquisition of shares of an issuing public corporation if the acquisition has been approved by the board of directors of such issuing public corporation before acquisition.

Section 118. Subsection (1) of section 607.1001, Florida Statutes, is amended to read:

607.1001 Authority to amend the articles of incorporation.—

(1) A corporation may amend its articles of incorporation at any time to add or change a provision that is required or permitted in the articles of incorporation or to delete a provision not required to be contained in the articles of incorporation. Whether a provision is required or permitted in the articles of incorporation is determined as of the effective date of the amendment.

Section 119. Section 607.1002, Florida Statutes, is amended to read:

607.1002 Amendment by board of directors.—Unless the articles of incorporation provide otherwise, a corporation’s board of directors may adopt one or more amendments to the corporation’s articles of incorporation without shareholder approval action:

(1) To extend the duration of the corporation if it was incorporated at a time when limited duration was required by law;

(2) To delete the names and addresses of the initial directors;

(3) To delete the name and address of the initial registered agent or registered office, if a statement of change is on file with the department of State;

(4) To delete any other information contained in the articles of incorporation that is solely of historical interest;

(5) To delete the authorization for a class or series of shares authorized pursuant to s. 607.0602, if no shares of such class or series are issued;

(6) To change the corporate name by substituting the word “corporation,” “incorporated,” or “company,” or the abbreviation “corp.,” “Inc.,” or “Co.,” for a similar word or abbreviation in the name, or by adding, deleting, or changing a geographical attribution for the name;

(7) To change the par value for a class or series of shares;

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(8) To provide that if the corporation acquires its own shares, such shares belong to the corporation and constitute treasury shares until disposed of or canceled by the corporation; or

(9) To reflect a reduction in authorized shares, as a result of the operation of s. 607.0631(2), when the corporation has acquired its own shares and the articles of incorporation prohibit the reissue of the acquired shares;

(10) To delete a class of shares from the articles of incorporation, as a result of the operation of s. 607.0631(2), when there are no remaining shares of the class because the corporation has acquired all shares of the class and the articles of incorporation prohibit the reissue of the acquired shares; or

(11)(9) To make any other change expressly permitted by this act to be made without shareholder approval action.

Section 120. Subsections (4), (6), and (8) of section 607.10025, Florida Statutes, are amended to read:

607.10025 Shares; combination or division.—

(4) If a division or combination is effected by a board action without shareholder approval and includes an amendment to the articles of incorporation, there shall be signed executed in accordance with s. 607.0120 on behalf of the corporation and filed in the office of the department of State articles of amendment which shall set forth:

(a) The name of the corporation.

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

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

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

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

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

CODING: Words stricken are deletions; words underlined are additions.
(6) If a division or combination is effected by action of the board and of
the shareholders, there shall be signed executed on behalf of the corporation
and filed with the department of State articles of amendment as provided in
s. 607.1006 s. 607.1003, which articles shall set forth, in addition to the
information required by s. 607.1006 s. 607.1003, the information required in
subsection (4).

(8) This section applies only to corporations with more than 35 share-
holders of record.

Section 121. Section 607.1003, Florida Statutes, is amended to read:

607.1003 Amendment by board of directors and shareholders.—If a
corporation has issued shares, an amendment to the articles of incorporation
shall be adopted in the following manner:

(1) The proposed amendment shall first be adopted by the board of
directors. A corporation’s board of directors may propose one or more
amendments to the articles of incorporation for submission to the share-
holders.

(2)(a) Except as provided in ss. 607.1002, 607.10025, and 607.1008, and,
with respect to restatements that do not require shareholder approval, s.
607.1007, the amendment shall then be approved by the shareholders.

(b) In submitting the proposed amendment to the shareholders for
approval, the board of directors shall recommend that the shareholders
approve the amendment unless:

1. The board of directors makes a determination that because of a
   conflict of interest or other special circumstances it should not make such a
   recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board
must inform the shareholders of the basis for its so proceeding without such
recommendation. For the amendment to be adopted:

(a) The board of directors must recommend the amendment to the
shareholders, unless the board of directors determines that because of
conflict of interest or other special circumstances it should make no
recommendation and communicates the basis for its determination to the
shareholders with the amendment; and

(b) The shareholders entitled to vote on the amendment must approve
the amendment as provided in subsection (5).

(3) The board of directors may set conditions for the approval of the
amendment by the shareholders or the effectiveness of the amendment
condition its submission of the proposed amendment on any basis.
If the amendment is required to be approved by the shareholders, and the approval is to be given at a meeting, the corporation must notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the amendment is to be submitted for approval. The notice must be given in accordance with s. 607.0705, state that the purpose, or one of the purposes, of the meeting is to consider the amendment, and must contain or be accompanied by a copy of the amendment. The corporation shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders’ meeting in accordance with s. 607.0705. The notice of meeting must also state that the purpose, or one of the purposes, of the meeting is to consider the proposed amendment and contain or be accompanied by a copy or summary of the amendment.

Unless this chapter act, the articles of incorporation, or the board of directors, (acting pursuant to subsection (3),) requires a greater vote or a greater quorum, the approval of the amendment requires the approval of the shareholders at a meeting at which a quorum consisting of at least a majority of the shares entitled to be cast on the amendment exists, and, if any class or series of shares is entitled to vote as a separate group on the amendment, except as provided in s. 607.1004(3), the approval of each such separate voting group at a meeting at which a quorum of the voting group exists consisting of at least a majority of the votes entitled to be cast on the amendment by that voting group.

If the amendment by any voting group would create appraisal rights, approval of the amendment must also require the vote of a majority of the votes entitled to be cast by such voting group vote by voting groups, the amendment to be adopted must be approved by:

(a) A majority of the votes entitled to be cast on the amendment by any voting group with respect to which the amendment would create dissenters’ rights; and

(b) The votes required by ss. 607.0725 and 607.0726 by every other voting group entitled to vote on the amendment.

Unless otherwise provided in the articles of incorporation, the shareholders of a corporation having 35 or fewer shareholders may amend the articles of incorporation without an act of the directors at a meeting for which notice of the changes to be made is given. For purposes of this subsection, the term “shareholder” means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.

If as a result of an amendment of the articles of incorporation one or more shareholders of a domestic corporation would become subject to new interest holder liability, approval of the amendment shall require the signing in connection with the amendment, by each such shareholder, of a separate written consent to become subject to such new interest holder liability, unless in the case of a shareholder that already has interest holder liability the terms and conditions of the new interest holder liability are
substantially identical to those of the existing interest holder liability (other than changes that eliminate or reduce such interest holder liability).

(9) For purposes of subsection (8) and s. 607.1009, the term “new interest holder liability” means interest holder liability of a person resulting from an amendment of the articles of incorporation if the person did not have interest holder liability before the amendment becomes effective, or the person had interest holder liability before the amendment becomes effective, the terms and conditions of which are changed when the amendment becomes effective.

Section 122. Section 607.1004, Florida Statutes, is amended to read:

607.1004 Voting on amendments by voting groups.—

(1) If the corporation has more than one class of shares outstanding, the holders of the outstanding shares of a class are entitled to vote as a separate voting group class (if shareholder voting is otherwise required by this chapter act) upon a proposed amendment to the articles of incorporation, if the amendment would:

(a) Effect an exchange or reclassification of all or part of the shares of the class into shares of another class.

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

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

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

(e) Create a new class of shares having rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of the class.

(f) Increase the rights, preferences, or number of authorized shares of any class that, after giving effect to the amendment, have rights or preferences with respect to distributions or to dissolution that are prior or superior to the shares of the class.

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

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

(2) If a proposed amendment would affect a series of a class of shares in one or more of the ways described in subsection (1), the shares of that series
are entitled to vote as a separate voting group class on the proposed amendment.

(3) If a proposed amendment that entitles the holders of two or more classes or series of shares to vote as separate voting groups under this section would affect those two or more classes or series in the same or substantially similar way, the holders of the shares of all the classes or series so affected must vote together as a single voting group on the proposed amendment, unless otherwise provided in the articles of incorporation or added as a condition by the board of directors pursuant to s. 607.1003(3).

(4) A class or series of shares is entitled to the voting rights granted by this section even if although the articles of incorporation provide that the shares are nonvoting shares.

Section 123. Section 607.1005, Florida Statutes, is amended to read:

607.1005 Amendment before issuance of shares.—If a corporation has not yet issued shares, its board of directors, or a majority of its incorporators if it has no board of directors, may adopt one or more amendments to the corporation’s articles of incorporation.

Section 124. Section 607.1006, Florida Statutes, is amended to read:

607.1006 Articles of amendment.—

(1) After an amendment to the corporation amending its articles of incorporation has been adopted and approved as required by this chapter, the corporation shall deliver to the department of State for filing articles of amendment which must set forth:

(a)(1) The name of the corporation;

(b)(2) The text of each amendment adopted, or the information required by s. 607.0120(11)(e), if applicable;

(c)(3) If an amendment provides for an exchange, reclassification, or cancellation of issued shares, provisions for implementing the amendment if not contained in the amendment itself, which may be made dependent upon facts objectively ascertainable outside of the articles of amendment in accordance with s. 607.0120(11);

(d)(4) The date of each amendment’s adoption; and

(e)(5) If an amendment:

1. Was adopted by the incorporators or board of directors without shareholder approval action, a statement that the amendment was duly adopted by the incorporators or by the board of directors, as the case may be, to that effect and that shareholder approval action was not required;

CODING: Words stricken are deletions; words underlined are additions.
Section 2. (6) If an amendment was approved, Required approval by the shareholders, a statement that the number of votes cast for the amendment by the shareholders in a manner required by this chapter and by the articles of incorporation was sufficient for approval and if more than one voting group was entitled to vote on the amendment, a statement designating each voting group entitled to vote separately on the amendment, and a statement that the number of votes cast for the amendment by the shareholders in each voting group was sufficient for approval by that voting group; or

3. Is being filed pursuant to s. 607.0120(11)(e), a statement to that effect.

(2) Articles of amendment shall take effect at the effective date determined pursuant to s. 607.0123.

Section 125. Section 607.1007, Florida Statutes, is amended to read:

607.1007 Restated articles of incorporation.—

(1) A corporation’s board of directors may restate its articles of incorporation at any time with or without shareholder approval, subject to subsection (2) action.

(2) If the restated articles include one or more new amendments that require to the articles. If the restatement includes an amendment requiring shareholder approval, the amendments it must be adopted and approved as provided in s. 607.1003.

(3) Notwithstanding subsection (1), if the board of directors submits a restatement for shareholder approval, and the approval is to be given at a meeting action, the corporation must notify each shareholder, whether or not entitled to vote, of the meeting of shareholders at which the restatement is to be submitted for approval. The notice must be given of the proposed shareholders’ meeting in accordance with s. 607.0705 and must. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider the proposed restatement and must contain or be accompanied by a copy of the restatement that identifies any amendment or other change it would make in the articles.

(4) A corporation that restates its articles of incorporation shall execute and deliver to the department of State for filing articles of restatement, that comply with the provisions of s. 607.0120, and to the extent applicable, s. 607.0202, setting forth:

(a) The name of the corporation;

(b) and The text of the restated articles of incorporation;

(c) A statement that the restated articles consolidate all amendments into a single document; and

CODING: Words stricken are deletions; words underlined are additions.
(d) If one or more new amendments are included in the restated articles, the statements required under s. 607.1006 with respect to each new amendment Together with a certificate setting forth:

(a) Whether the restatement contains an amendment to the articles requiring shareholder approval and, if it does not, that the board of directors adopted the restatement; or

(b) If the restatement contains an amendment to the articles requiring shareholder approval, the information required by s. 607.1006.

(5) Duly adopted restated articles of incorporation supersede the original articles of incorporation and all amendments to the articles of incorporation them.

(6) The department of State may certify restated articles of incorporation, as the articles of incorporation currently in effect, without including the statements certificate information required by subsection (4).

Section 126. Subsections (1), (2), and (3) of section 607.1008, Florida Statutes, are amended to read:

607.1008 Amendment pursuant to reorganization.—

(1) A corporation’s articles of incorporation may be amended without action by the board of directors or shareholders to carry out a plan of reorganization ordered or decreed by a court of competent jurisdiction under the authority of a law of the United States or of this state any federal or Florida statute if the articles of incorporation after amendment contain only provisions required or permitted by s. 607.0202.

(2) The individual or individuals designated by the court shall deliver to the department of State for filing articles of amendment setting forth:

(a) The name of the corporation;

(b) The text of each amendment approved by the court;

(c) The date of the court’s order or decree approving the articles of amendment;

(d) The title of the reorganization proceeding in which the order or decree was entered; and

(e) A statement that the court had jurisdiction of the proceeding under a federal or Florida statute.

(3) Shareholders of a corporation undergoing reorganization do not have appraisal dissenters’ rights except as and to the extent provided in the reorganization plan.

Section 127. Section 607.1009, Florida Statutes, is amended to read:

CODING: Words stricken are deletions; words underlined are additions.
607.1009 Effect of amendment.—

(1) An amendment to articles of incorporation does not affect a cause of action existing against or in favor of the corporation, a proceeding to which the corporation is a party, or the existing rights of persons other than shareholders of the corporation. An amendment changing a corporation’s name does not affect abate a proceeding brought by or against the corporation in its former name.

(2) A shareholder who becomes subject to new interest holder liability in respect of the corporation as a result of an amendment to the articles of incorporation shall have that new interest holder liability only in respect of interest holder liabilities that arise after the amendment becomes effective.

(3) Except as otherwise provided in the articles of incorporation of the corporation, the interest holder liability of a shareholder who had interest holder liability in respect of the corporation before the amendment becomes effective and has new interest holder liability after the amendment becomes effective shall be as follows:

(a) The amendment does not discharge that prior interest holder liability with respect to any interest holder liabilities that arose before the amendment becomes effective.

(b) The provisions of the articles of incorporation relating to interest holder liability as in effect immediately prior to the amendment shall continue to apply to the collection or discharge of any interest holder liabilities preserved by paragraph (a), as if the amendment had not occurred.

(c) The shareholder shall have such rights of contribution from other persons as are provided by the articles of incorporation relating to interest holder liability as in effect immediately prior to the amendment with respect to any interest holder liabilities preserved by paragraph (3)(a), as if the amendment had not occurred.

(d) The shareholder shall not, by reason of such prior interest holder liability, have interest holder liability with respect to any interest holder liabilities that arise after the amendment becomes effective.

Section 128. Subsection (1) of section 607.1020, Florida Statutes, is amended, and subsection (3) is added to that section, to read:

607.1020 Amendment of bylaws by board of directors or shareholders.

(1) A corporation’s board of directors may amend or repeal the corporation’s bylaws unless:

(a) The articles of incorporation or this chapter act reserves that power the power to amend the bylaws generally or a particular bylaw provision exclusively to the shareholders in whole or in part; or
(b) Except as provided in s. 607.0206(5), the shareholders, in amending, or repealing, or adopting the bylaws generally or a particular bylaw provision, provide expressly provide that the board of directors may not amend, or repeal, adopt, or reinstate the bylaws generally or that particular bylaw provision.

(3) A shareholder does not have a vested property right resulting from any provision in the bylaws.

Section 129. Subsection (1) of section 607.1021, Florida Statutes, is amended to read:

607.1021 Bylaw increasing quorum or voting requirements for shareholders.—

(1) If authorized by the articles of incorporation, the shareholders may adopt or amend a bylaw that fixes a greater quorum or voting requirement for shareholders (or voting groups of shareholders) than is required by this chapter. The adoption or amendment of a bylaw that adds, changes, or deletes a greater quorum or voting requirement for shareholders must meet the same quorum requirement and be adopted by the same vote and voting groups required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

Section 130. Section 607.1022, Florida Statutes, is amended to read:

607.1022 Bylaw increasing quorum or voting requirements for directors.

(1) A bylaw that increases a fixes a greater quorum or voting requirement for the board of directors may be amended or repealed:

(a) If originally adopted by the shareholders, only by the shareholders, unless the bylaw otherwise provides; or

(b) If originally adopted by the board of directors, either by the shareholders or by the board of directors.

(2) A bylaw adopted or amended by the shareholders that increases a fixes a greater quorum or voting requirement for the board of directors may provide that it may be amended or repealed only by a specified vote of either the shareholders or the board of directors.

(3) Action by the board of directors under subsection (1) to amend or repeal paragraph (1)(b) to adopt or amend a bylaw that changes the quorum or voting requirement for the board of directors must meet the same quorum requirement and be adopted by the same vote required to take action under the quorum and voting requirement then in effect or proposed to be adopted, whichever is greater.

Section 131. Section 607.1023, Florida Statutes, is created to read:

CODING: Words stricken are deletions; words underlined are additions.
607.1023  Bylaw provisions relating to the election of directors.—

(1)  Unless the articles of incorporation specifically prohibit the adoption of a bylaw pursuant to this section, alter the vote specified in s. 607.0728(1), or provide for cumulative voting, a corporation may elect in its bylaws to be governed in the election of directors as follows:

(a) Each vote entitled to be cast may be voted for or against up to the number of candidates that is equal to the number of directors to be elected, or a shareholder may indicate an abstention, but without cumulating the votes;

(b) To be elected, a nominee must have received a plurality of the votes cast by holders of shares entitled to vote in the election at a meeting at which a quorum is present, provided that a nominee who is elected but receives more votes against than for election shall serve as a director for a term that shall terminate on the date that is the earlier of 90 days from the date on which the voting results are determined pursuant to s. 607.0729(2)(e) or the date on which an individual is selected by the board of directors to fill the office held by such director, which selection shall be deemed to constitute the filling of a vacancy by the board to which s. 607.0809 applies. Subject to paragraph (c), a nominee who is elected but receives more votes against than for election shall not serve as a director beyond the 90-day period referenced above; and

(c) The board of directors may select any qualified individual to fill the office held by a director who received more votes against than for election.

(2) Subsection (1) does not apply to an election of directors by a voting group if:

(a) At the expiration of the time fixed under a provision requiring advance notification of director candidates; or

(b) Absent such a provision, at a time fixed by the board of directors which is not more than 14 days before notice is given of the meeting at which the election is to occur,

there are more candidates for election by the voting group than the number of directors to be elected, one or more of whom are properly proposed by shareholders. An individual shall not be considered a candidate for purposes of this subsection if the board of directors determines before the notice of meeting is given that such individual’s candidacy does not create a bona fide election contest.

(3) A bylaw electing to be governed by this section may be repealed:

(a) If originally adopted by the shareholders, only by the shareholders, unless the bylaw otherwise provides; or

(b) If adopted by the board of directors, by the board of directors or the shareholders.

CODING: Words stricken are deletions; words underlined are additions.
Section 132. Section 607.1101, Florida Statutes, is amended to read:

607.1101 Merger.—

(1) By complying with this chapter, including adopting a plan of merger in accordance with subsection (3) and complying with s. 607.1103:

(a) One or more domestic corporations may merge with one or more domestic or foreign eligible entities pursuant to a plan of merger, resulting in a survivor; and

(b) Any two or more entities, each of which is either a domestic eligible entity or a foreign eligible entity, may merge, resulting in a survivor that is a domestic corporation created in the merger into another corporation if the board of directors of each corporation adopts and its shareholders (if required by s. 607.1103) approve a plan of merger.

(2) A domestic eligible entity that is not a corporation may be a party to a merger with a domestic corporation, or may be created as the survivor in a merger in which a domestic corporation is a party, but only if the parties to the merger comply with the applicable provisions of this chapter and the merger is permitted by the organic law of the domestic eligible entity that is not a corporation. A foreign eligible entity may be a party to a merger with a domestic corporation, or may be created as the survivor in a merger in which a domestic corporation is a party, but only if the parties to the merger comply with the applicable provisions of this chapter and the merger is permitted by the organic law of the foreign eligible entity.

(3) The plan of merger must set forth:

(a) As to each party to the merger, its name, jurisdiction of formation, and type of entity;

(b) The terms and conditions of the proposed merger; and

(c) The manner and basis of converting:

1. The shares of each domestic or foreign corporation and the eligible interests of each merging domestic or foreign eligible entity into:

   a. Shares or other securities.

   b. Eligible interests.

   c. Obligations.

CODING: Words stricken are deletions; words underlined are additions.
d. Rights to acquire shares, other securities, or eligible interests.

e. Cash.

f. Other property.

g. Any combination of the foregoing; and

2. Rights to acquire shares of each merging domestic or foreign corporation and rights to acquire eligible interests of each merging domestic or foreign eligible entity into:

a. Shares or other securities.

b. Eligible interests.

c. Obligations.

d. Rights to acquire shares, other securities, or eligible interests.

e. Cash.

f. Other property.

g. Any combination of the foregoing;

(e) The articles of incorporation of any domestic or foreign corporation, or the public organic record of any other domestic or foreign eligible entity to be created by the merger, or if a new domestic or foreign corporation or other eligible entity is not to be created by the merger, any amendments to, or restatements of, the survivor’s articles of incorporation or other public organic record;

(f) The effective date and time of the merger, which may be on or after the filing date of the articles of merger; and

(g) Any other provisions required by the laws under which any party to the merger is organized or by which it is governed, or by the articles of incorporation or organic rules of any such party corporation into shares, obligations, or other securities of the surviving corporation or any other corporation or, in whole or in part, into cash or other property and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, or other securities of the surviving or any other corporation or, in whole or in part, into cash or other property.

(4)(3) In addition to the requirements of subsection (3), a The plan of merger may contain any other provision that is not prohibited by law set forth:

(a) Amendments to, or a restatement of, the articles of incorporation of the surviving corporation;

CODING: Words stricken are deletions; words underlined are additions.
(b) The effective date of the merger, which may be on or after the date of filing the certificate; and

e) Other provisions relating to the merger.

(5) Terms of a plan of merger may be made dependent on facts objectively ascertainable outside the plan in accordance with s. 607.0120(11).

(6) A plan of merger may be amended only with the consent of each party to the merger, except as provided in the plan. A domestic party to a merger may approve an amendment to a plan:

(a) In the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

(b) In the manner provided in the plan, except that shareholders, members, or interest holders that were entitled to vote on or consent to the approval of the plan are entitled to vote on or consent to any amendment to the plan that will change:

1. The amount or kind of shares or other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing, to be received under the plan by the shareholders, holders of rights to acquire shares, other securities, or eligible interests, members, or interest holders of any party to the merger;

2. The articles of incorporation of any domestic corporation, or the organic rules of any other type of entity, that will be the survivor of the merger, except for changes permitted by s. 607.1002 or by comparable provisions of the organic law of any other type of entity; or

3. Any of the other terms or conditions of the plan if the change would adversely affect such shareholders, members, or interest holders in any material respect.

(7) The redomestication of a foreign insurer to this state under s. 628.520 shall be deemed a merger of a foreign corporation and a domestic corporation, and the surviving corporation shall be deemed to be a domestic corporation incorporated under the laws of this state. The redomestication of a Florida corporation to a foreign jurisdiction under s. 628.525 shall be deemed a merger of a domestic corporation and a foreign corporation, and the surviving corporation shall be deemed to be a foreign corporation.

Section 133. Section 607.1102, Florida Statutes, is amended to read:

607.1102 Share exchange.—

(1) By complying with this chapter, including adopting a plan of share exchange in accordance with subsection (3) and complying with s. 607.1103:

CODING: Words stricken are deletions; words underlined are additions.
(a) A domestic corporation may acquire all of the shares or rights to acquire shares of one or more classes or series of shares or rights to acquire shares of another domestic or foreign corporation, or all of the eligible interests of one or more classes or series of interests of a domestic or foreign eligible entity, or any combination of the foregoing, pursuant to a plan of share exchange, in exchange for:

1. Shares or other securities.
2. Eligible interests.
3. Obligations.
4. Rights to acquire shares, other securities, or eligible interests.
5. Cash.
6. Other property.
7. Any combination of the foregoing; or

(b) All of the shares of one or more classes or series of shares or rights to acquire shares of a domestic corporation may be acquired by another domestic or foreign eligible entity, pursuant to a plan of share exchange, in exchange for:

1. Shares or other securities.
2. Eligible interests.
3. Obligations.
4. Rights to acquire shares, other securities, or eligible interests.
5. Cash.
6. Other property.
7. Any combination of the foregoing.

(2) A foreign eligible entity may be the acquired eligible entity in a share exchange only if the share exchange is permitted by the organic law of that eligible entity. A corporation may acquire all of the outstanding shares of one or more classes or series of another corporation if the board of directors of each corporation adopts and its shareholders (if required by s. 607.1103) approve a plan of share exchange.

(3)(2) The plan of share exchange must set forth:

(a) The name of each domestic or foreign eligible entity the corporation the shares or eligible interests of which will be acquired and the name of the
domestic or foreign corporation or eligible entity that will acquire those shares or eligible interests acquiring corporation;

(b) The terms and conditions of the share exchange;

(c) The manner and basis of exchanging:

1. The shares of each domestic or foreign corporation, and the eligible interests of each domestic or foreign eligible entity, the shares or eligible interests that are to be acquired in the share exchange, into shares or other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing; and

2. Rights to acquire shares of each domestic or foreign corporation and rights to acquire eligible interests of each domestic or foreign eligible entity, that are to be acquired in the share exchange, into shares or other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing; and

(d) Any other provisions required by the organic law governing the acquired eligible entity or its articles of incorporation or organic rules the shares to be acquired for shares, obligations, or other securities of the acquiring or any other corporation or, in whole or in part, for cash or other property, and the manner and basis of exchanging rights to acquire shares of the corporation to be acquired for rights to acquire shares, obligations, or, in whole or in part, other securities of the acquiring or any other corporation or, in whole or in part, for cash or other property.

(4)(3) In addition to the requirements of subsection (3), the plan of share exchange may contain any other provisions that are not prohibited by law set forth other provisions relating to the exchange.

(5) Terms of a plan of share exchange may be made dependent on facts objectively ascertainable outside the plan in accordance with s. 607.0120(11).

(6) A plan of share exchange may be amended only with the consent of each party to the share exchange, except as provided in the plan. A domestic eligible entity may approve an amendment to a plan:

(a) In the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

(b) In the manner provided in the plan, except that shareholders, members, or interest holders that were entitled to vote on or consent to approval of the plan are entitled to vote on or consent to any amendment of the plan that will change:
1. The amount or kind of shares or other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, or other property to be received under the plan by the shareholders, members, or interest holders of the acquired eligible entity; or

2. Any of the other terms or conditions of the plan if the change would adversely affect such shareholders, members, or interest holders in any material respect.

(7)(4) This section does not limit the power of a corporation to acquire all or part of the shares, or rights to acquire shares, of one or more classes or series of another corporation or eligible interests, or rights to acquire eligible interests, of any other eligible entity through a voluntary exchange or otherwise.

Section 134. Section 607.1103, Florida Statutes, is amended to read:

607.1103 Action on a plan of merger or share exchange.—In the case of a domestic corporation that is a party to a merger or the acquired eligible entity in a share exchange, the plan of merger or the plan of share exchange must be adopted in the following manner:

(1) After adopting a plan of merger or the plan of share exchange shall first be adopted by, the board of directors of such domestic corporation each corporation party to the merger, and the board of directors of the corporation the shares of which will be acquired in the share exchange, shall submit the plan of merger (except as provided in subsection (7)) or the plan of share exchange for approval by its shareholders.

(2)(a) Except as provided in subsections (8), (10), and (11), and in ss. 607.11035 and 607.1104, the plan of merger or the plan of share exchange shall then be adopted by the shareholders.

(b) In submitting the plan of merger or the plan of share exchange to the shareholders for approval, the board of directors shall recommend that the shareholders approve the plan, or in the case of an offer referred to in s. 607.11035(1)(b), that the shareholders tender their shares to the offeror in response to the offer, unless:

1. The board of directors makes a determination that because of conflicts of interest or other special circumstances, it should not make such a recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board shall inform the shareholders of the basis for its so proceeding without such recommendation For a plan of merger or share exchange to be approved:

(a) The board of directors must recommend the plan of merger or share exchange to the shareholders, unless the board of directors determines that
it should make no recommendation because of conflict of interest or other special circumstances and communicates the basis for its determination to the shareholders with the plan; and

(b) The shareholders entitled to vote must approve the plan as provided in subsection (5).

(3) The board of directors may set conditions for the approval condition its submission of the proposed merger or share exchange by the shareholders or the effectiveness of the plan of merger or the plan of share exchange on any basis.

(4) If the plan of merger or the plan of share exchange is required to be approved by the shareholders, and if the approval is to be given at a meeting, the corporation shall notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the plan is submitted for approval. The corporation the shareholders of which are entitled to vote on the matter shall notify each shareholder, whether or not entitled to vote, of the proposed shareholders’ meeting in accordance with s. 607.0705. The notice shall also state that the purpose, or one of the purposes, of the meeting is to consider the plan of merger or the plan of share exchange, regardless of whether or not the meeting is an annual or a special meeting, and contain or be accompanied by a copy or summary of the plan. If the corporation is to be merged into an existing foreign or domestic eligible entity, the notice must also include or be accompanied by a copy of the articles of incorporation and bylaws or the organic rules of that eligible entity into which the corporation is to be merged. If the corporation is to be merged with a domestic or foreign eligible entity and a new domestic or foreign eligible entity is to be created pursuant to the merger, the notice must include or be accompanied by a copy of the articles of incorporation and bylaws or the organic rules of the new eligible entity. Furthermore, if applicable, the notice shall contain a clear and concise statement that, if the plan of merger or share exchange is effected, shareholders dissenting therefrom may be entitled, if they comply with the provisions of this chapter act regarding appraisal rights, to be paid the fair value of their shares, and shall be accompanied by a copy of ss. 607.1301-607.1340 ss. 607.1301-607.1333.

(5) Unless this chapter act, the articles of incorporation, or the board of directors (acting pursuant to subsection (3)) requires a greater vote or a greater quorum in the respective case, approval of vote by classes, the plan of merger or the plan of share exchange shall require the approval of the shareholders at a meeting at which a quorum exists by a majority of the votes entitled to be cast on the plan, and, if any class or series of shares is entitled to vote as a separate group on the plan of merger or the plan of share exchange, the approval of each such separate voting group at a meeting at which a quorum of the voting group is present by a majority of the votes entitled to be cast on the merger or share exchange by that voting group to be authorized shall be approved by each class entitled to vote on the plan by a majority of all the votes entitled to be cast on the plan by that class.

CODING: Words stricken are deletions; words underlined are additions.
(6)(a) Subject to subsection (7), voting by a class or series as a separate voting group is required:

1. (a) By each class or series of shares of the corporation that would be entitled to vote as a separate group on any provision in the plan which, if such provision had been on a plan of merger, if the plan contains a provision which, if contained in a proposed amendment to the articles of incorporation of a surviving corporation, would have entitled, would entitle the class or series to vote as a separate voting group on the proposed amendment under s. 607.1004; or

2. If the plan contains a provision that would allow the plan to be amended to include the type of amendment to the articles of incorporation referenced in subparagraph 1., by each class or series of shares of the corporation that would have been entitled to vote as a separate group on any such amendment to the articles of incorporation; or

3. By each class or series of shares of the corporation that is to be converted under the plan of merger into shares, other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, property, or any combination of the foregoing; or

4. If the plan contains a provision that would allow the plan to be amended to convert other classes or series of shares of the corporation, by each class or series of shares of the corporation that would have been entitled to vote as a separate group if the plan were to be so amended.

(b) Subject to subsection (7), voting by a class or series as a separate voting group is required on a plan of share exchange:

1. By each class or series that is to be exchanged in the exchange, with each class or series constituting a separate voting group; or

2. If the plan contains a provision that would allow the plan to be amended to include the type of amendment to the articles of incorporation referenced in subparagraph (a)1., by each class or series of shares of the corporation that would have been entitled to vote as a separate group on any such amendment to the articles of incorporation.

(c) Subject to subsection (7), voting by a class or series as a separate voting group is required on a plan of merger or a plan of share exchange if the group is entitled under the articles of incorporation to vote as a voting group to approve the plan of merger or the plan of share exchange, respectively.

(7) The articles of incorporation may expressly limit or eliminate the separate voting rights provided in subparagraphs (6)(a)3. or 4. or subparagraph (6)(b)1. as to any class or series of shares, except when the plan of merger or the plan for share exchange:

(a) Includes what is or would be, in effect, an amendment subject to any one or more of subparagraphs (6)(a)1. and 2. and subparagraph (6)(b)2.; and

CODING: Words stricken are deletions; words underlined are additions.
(b) Will not affect a substantive business combination if the shares of such class or series of shares are to be converted or exchanged under such plan or if the plan contains any provisions which, if contained in a proposed amendment to articles of incorporation, would entitle the class or series to vote as a separate voting group on the proposed amendment under s. 607.1004.

(8)(7) Unless the corporation’s articles of incorporation provide otherwise, approval by the corporation’s shareholders of Notwithstanding the requirements of this section, unless required by its articles of incorporation, action by the shareholders of the surviving corporation on a plan of merger is not required if:

(a) The corporation will survive the merger;

(b)(a) The articles of incorporation of the surviving corporation will not differ (except for amendments enumerated in s. 607.1002) from its articles of incorporation before the merger; and

(c)(b) Each shareholder of the surviving corporation whose shares were outstanding immediately prior to the effective date of the merger will hold the same number of shares, with identical designations, preferences, rights, and limitations, and relative rights, immediately after the effective date of the merger.

(8) Any plan of merger or share exchange may authorize the board of directors of each corporation party to the merger or share exchange to amend the plan at any time prior to the filing of the articles of merger or share exchange. An amendment made subsequent to the approval of the plan by the shareholders of any corporation party to the merger or share exchange may not:

(a) Change the amount or kind of shares, securities, cash, property, or rights to be received in exchange for or on conversion of any or all of the shares of any class or series of such corporation;

(b) Change any other terms and conditions of the plan if such change would materially and adversely affect such corporation or the holders of the shares of any class or series of such corporation; or

(c) Except as specified in s. 607.1002 or without the vote of shareholders entitled to vote on the matter, change any term of the articles of incorporation of any corporation the shareholders of which must approve the plan of merger or share exchange.

If articles of merger or share exchange already have been filed with the Department of State, amended articles of merger or share exchange shall be filed with the Department of State prior to the effective date of the merger or share exchange.

CODING: Words stricken are deletions; words underlined are additions.
If as a result of a merger or share exchange one or more shareholders of a domestic corporation would become subject to new interest holder liability, approval of the plan of merger or the plan of share exchange shall require, in connection with the transaction, the signing by each such shareholder of a separate written consent to become subject to such new interest holder liability, unless in the case of a shareholder that already has interest holder liability with respect to such domestic corporation:

(a) The new interest holder liability is with respect to a domestic or foreign corporation (which may be a different or the same domestic corporation in which the person is a shareholder); and

(b) The terms and conditions of the new interest holder liability are substantially identical to those of the existing interest holder liability (other than for changes that reduce or eliminate such interest holder liability).

Unless the articles of incorporation otherwise provide, approval of a plan of share exchange by the shareholders of a domestic corporation is not required if the corporation is the acquiring eligible entity in the share exchange.

Unless the articles of incorporation otherwise provide, shares in the acquired eligible entity not to be exchanged under the plan of share exchange are not entitled to vote on the plan. Unless a plan of merger or share exchange prohibits abandonment of the merger or share exchange without shareholder approval after a merger or share exchange has been authorized, the planned merger or share exchange may be abandoned (subject to any contractual rights) at any time prior to the filing of articles of merger or share exchange by any corporation party to the merger or share exchange, without further shareholder action, in accordance with the procedure set forth in the plan of merger or share exchange or, if none is set forth, in the manner determined by the board of directors of such corporation.

Section 135. Section 607.11035, Florida Statutes, is created to read:

607.11035 Shareholder approval of a merger or share exchange in connection with a tender offer.—

(1) Unless the articles of incorporation otherwise provide, shareholder approval of a plan of merger or a plan of share exchange under s. 607.1103(1)(b) is not required if:

(a) The plan of merger or share exchange expressly:

1. Permits or requires the merger or share exchange to be effected under this section; and

2. Provides that, if the merger or share exchange is to be effected under this section, the merger or share exchange will be effected as soon as practicable following the satisfaction of the requirement in paragraph (f);
(b) Another party to the merger, the acquiring eligible entity in the share exchange, or a parent of another party to the merger or the parent of the acquiring eligible entity in the share exchange, makes an offer to purchase, on the terms provided in the plan of merger or the plan of share exchange, any and all of the outstanding shares of the corporation that, absent this section, would be entitled to vote on the plan of merger or the plan of share exchange, except that the offer may exclude shares of the corporation that are owned at the commencement of the offer by the corporation, the offeror, or any parent of the offeror, or by any wholly owned subsidiary of any of the foregoing:

(c) The offer discloses that the plan of merger or the plan of share exchange provides that the merger or share exchange will be effected as soon as practicable following the satisfaction of the requirement in paragraph (f) and that the shares of the corporation that are not tendered in response to the offer will be treated pursuant to paragraph (h);

(d) The offer remains open for at least 10 days;

(e) The offeror purchases all shares properly tendered in response to the offer and not properly withdrawn;

(f) The shares listed below are collectively entitled to cast at least the minimum number of votes on the merger or share exchange that, absent this section, would be required by this chapter and by the articles of incorporation for the approval of the merger or share exchange by the shareholders and by each other voting group entitled to vote on the merger or share exchange at a meeting at which all shares entitled to vote on the approval were present and voted:

1. Shares purchased by the offeror in accordance with the offer;

2. Shares otherwise owned by the offeror or by any parent of the offeror or any wholly owned subsidiary of any of the foregoing; and

3. Shares subject to an agreement that they are to be transferred, contributed, or delivered to the offeror, any parent of the offeror, or any wholly owned subsidiary of any of the foregoing in exchange for shares or eligible interests in such offeror, parent, or subsidiary;

(g) The offeror or a wholly owned subsidiary of the offeror merges with or into, or effects a share exchange in which it acquires shares of, the corporation; and

(h) Each outstanding share of each class or series of shares of the corporation that the offeror is offering to purchase in accordance with the offer, and that is not purchased in accordance with the offer, is to be converted in the merger into, or into the right to receive, or is to be exchanged in the share exchange for, or for the right to receive, the same amount and kind of securities, eligible interests, obligations, rights, cash, other property, or any combination of the foregoing, to be paid or exchanged.
in accordance with the offer for each share of that class or series of shares that is tendered in response to the offer, except that shares of the corporation that are owned by the corporation or that are described in subparagraphs (f) 2. or 3. need not be converted into or exchanged for the consideration described in this paragraph.

(2) As used in this section, the term:

(a) “Offer” means the offer referred to in paragraph (1)(b).

(b) “Offeror” means the person making the offer.

(c) “Parent” of an eligible entity means a person that owns, directly or indirectly through one or more wholly owned subsidiaries, all of the outstanding shares of or eligible interests in that eligible entity.

(d) Shares tendered in response to the offer shall be deemed to have been “purchased” in accordance with the terms of the offer at the earliest time as of which:

1. The offeror has irrevocably accepted those shares for payment; and

2. In the case of shares represented by certificates, the offeror, or the offeror’s designated depository or other agent, has physically received the certificates representing those shares, or, in the case of shares without certificates, those shares have been transferred into the account of the offeror or its designated depository or other agent, or an agent’s message relating to those shares has been received by the offeror or its designated depository or other agent.

(e) “Wholly owned subsidiary” of a person means an eligible entity of or in which a person owns, directly or indirectly, all of the outstanding shares or eligible interests.

Section 136. Section 607.1104, Florida Statutes, is amended to read:

607.1104 Merger between parent and subsidiary or between subsidiaries of subsidiary corporation.—

(1)(a) A domestic or foreign parent eligible entity that owns shares of a domestic corporation which carry corporate ownership at least 80 percent of the voting power outstanding shares of each class and series of the outstanding shares of the domestic corporation may:

1. Merge the subsidiary into itself, if it is a domestic or foreign eligible entity, or into another domestic or foreign eligible entity in which the parent eligible entity owns at least 80 percent of the voting power of each class and series of the outstanding shares or eligible interests that have voting power; or

CODING: Words stricken are deletions; words underlined are additions.
2. may Merge itself, if it is a domestic or foreign eligible entity, into such the subsidiary.

(b) Mergers under subparagraphs (a)1. and (a)2. do not require the approval of the board of directors or shareholders of the subsidiary unless the articles of incorporation or organic rules of the parent eligible entity or the articles of incorporation of the subsidiary otherwise provide. Section 607.1103(9) applies to a merger under this section. The articles of merger relating to a merger under this section do not need to be signed by the subsidiary, or may merge the subsidiary into and with another subsidiary in which the parent corporation owns at least 80 percent of the outstanding shares of each class of the subsidiary without the approval of the shareholders of the parent or subsidiary. In a merger of a parent corporation into its subsidiary corporation, the approval of the shareholders of the parent corporation shall be required if the articles of incorporation of the surviving corporation will differ, except for amendments enumerated in s. 607.1002, from the articles of incorporation of the parent corporation before the merger, and the required vote shall be the greater of the vote required to approve the merger and the vote required to adopt each change to the articles of incorporation as if each change had been presented as an amendment to the articles of incorporation of the parent corporation.

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

1. The names of the parent and subsidiary corporations;

2. The manner and basis of converting the shares of the subsidiary or parent into shares, obligations, or other securities of the parent or any other corporation or, in whole or in part, into cash or other property, and the manner and basis of converting rights to acquire shares of each corporation into rights to acquire shares, obligations, and other securities of the surviving or any other corporation or, in whole or in part, into cash or other property;

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

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

(2) The parent shall, within 10 days after the effective date of a merger approved under subsection (1), notify each of the subsidiary’s shareholders that the merger has become effective mail a copy or summary of the plan of
merger to each shareholder of the subsidiary who does not waive the mailing requirement in writing.

(3) Except as provided for in subsections (1) and (2), a merger between a parent eligible entity and a domestic subsidiary corporation shall be governed by the provisions of ss. 607.1101-607.1107 that are applicable to mergers generally. The parent may not deliver articles of merger to the Department of State for filing until at least 30 days after the date it mailed a copy of the plan of merger to each shareholder of the subsidiary who did not waive the mailing requirement, or, if earlier, upon the waiver thereof by the holders of all of the outstanding shares of the subsidiary.

(4) Articles of merger under this section may not contain amendments to the articles of incorporation of the parent corporation (except for amendments enumerated in s. 607.1002).

(5) Two or more subsidiaries may be merged into the parent pursuant to this section.

Section 137. Subsections (1) and (3) of section 607.11045, Florida Statutes, are amended to read:

607.11045 Holding company formation by merger by certain corporations.—

(1) This section applies only to a corporation that has shares registered pursuant to s. 12 of the Securities Exchange Act of 1934 of any class or series which are either registered on a national securities exchange or designated as a national market system security on an interdealer quotation system by the National Association of Securities Dealers, Inc., or held of record by not fewer than 2,000 shareholders.

(3) Notwithstanding the requirements of s. 607.1103, unless expressly required by its articles of incorporation, no vote of shareholders of a corporation is necessary to authorize a merger of the corporation with or into a wholly owned subsidiary of such corporation if:

(a) Such corporation and wholly owned subsidiary are the only constituent corporations to the merger;

(b) Each share or fraction of a share of the constituent corporation whose shares are being converted pursuant to the merger which are outstanding immediately prior to the effective date of the merger is converted in the merger into a share or equal fraction of share of a holding company having the same designations, rights, powers and preferences, and qualifications, limitations and restrictions thereof as the share of the constituent corporation being converted in the merger;

(c) The holding company and each of the constituent corporations to the merger are domestic corporations;
(d) The articles of incorporation and bylaws of the holding company immediately following the effective date of the merger contain provisions identical to the articles of incorporation and bylaws of the constituent corporation whose shares are being converted pursuant to the merger immediately prior to the effective date of the merger, except provisions regarding the incorporators, the corporate name, the registered office and agent, the initial board of directors, the initial subscribers for shares and matters solely of historical significance, and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, or cancellation of shares, if such change, exchange, reclassification, or cancellation has become effective;

(e) As a result of the merger, the constituent corporation whose shares are being converted pursuant to the merger or its successor corporation becomes or remains a direct or indirect wholly owned subsidiary of the holding company;

(f) The directors of the constituent corporation become or remain the directors of the holding company upon the effective date of the merger;

(g) The articles of incorporation of the surviving corporation immediately following the effective date of the merger are identical to the articles of incorporation of the constituent corporation whose shares are being converted pursuant to the merger immediately prior to the effective date of the merger, except provisions regarding the incorporators, the corporate name, the registered office and agent, the initial board of directors, the initial subscribers for shares and matters solely of historical significance, and such provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, or cancellation of shares, if such change, exchange, reclassification, or cancellation has become effective. The articles of incorporation of the surviving corporation must be amended in the merger to contain a provision requiring, by specific reference to this section, that any act or transaction by or involving the surviving corporation, other than the election or removal of directors, which requires for its adoption under this chapter act or its articles of incorporation the approval of the shareholders of the surviving corporation also be approved by the shareholders of the holding company, or any successor by merger, by the same vote as is required by this chapter act or the articles of incorporation of the surviving corporation. The articles of incorporation of the surviving corporation may be amended in the merger to reduce the number of classes and shares which the surviving corporation is authorized to issue;

(h) The board of directors of the constituent corporation determines that the shareholders of the constituent corporation will not recognize gain or loss for United States federal income tax purposes; and

(i) The board of directors of such corporation adopts a plan of merger that sets forth:
1. The names of the constituent corporations;

2. The manner and basis of converting the shares of the corporation into shares of the holding company and the manner and basis of converting rights to acquire shares of such corporation into rights to acquire shares of the holding company; and

3. A provision for the pro rata issuance of shares of the holding company to the holders of shares of the corporation upon surrender of any certificates therefor.

Section 138. Section 607.1105, Florida Statutes, is amended to read:

607.1105 Articles of merger or share exchange.—

(1) After a plan of merger has been adopted and approved as required by this chapter or, if the merger is being effected under s. 607.1101(1)(b), the merger has been approved as required by the organic law governing the parties to the merger, the articles of merger must be signed by each party to the merger, except as provided in s. 607.1104(1). The articles must or share exchange is approved by the shareholders, or adopted by the board of directors if shareholder approval is not required, the surviving or acquiring corporation shall deliver to the Department of State for filing articles of merger or share exchange which shall be executed by each corporation as required by s. 607.0120 and which shall set forth:

(a) The name, jurisdiction of formation, and type of entity of each party of the merger;

(b) If not already identified as the survivor pursuant to paragraph (a), the name, jurisdiction of formation, and type of entity of the survivor;

(c) If the survivor of the merger is a domestic corporation and its articles of incorporation are being amended, or if a new domestic corporation is being created as a result of the merger:

1. The amendments to the survivor’s articles of incorporation; or

2. The articles of incorporation of the new corporation;

(d) If the survivor of the merger is a domestic eligible entity, other than a domestic corporation, and its public organic record is being amended in connection with the merger, or if a new domestic eligible entity is being created as a result of the merger:

1. The amendments to the public organic record of the survivor; or

2. The public organic record of the new eligible entity;

(e) If the plan of merger required approval by the shareholders of a domestic corporation that is a party to the merger, a statement that the plan was duly approved by the shareholders and, if voting by any separate voting
group was required, by each such separate voting group, in the manner
required by this chapter and the articles of incorporation of such domestic
corporation:

(f) If the plan of merger did not require approval by the shareholders of a
domestic corporation that is a party to the merger, a statement to that effect;

(g) As to each foreign corporation that is a party to the merger, a
statement that the participation of the foreign corporation was duly
authorized in accordance with such corporation’s organic law;

(h) As to each domestic or foreign eligible entity that is a party to the
merger and that is not a domestic or foreign corporation, a statement that
the participation of the eligible entity in the merger was duly authorized in
accordance with such eligible entity’s organic law; and

(i) If the survivor is created by the merger and is a domestic limited
liability partnership, the document required to elect that status, as an
attachment.

(2) After a plan of share exchange in which the acquired eligible entity is
a domestic corporation or other eligible entity has been adopted and
approved as required by this chapter, articles of share exchange must be
signed by the acquired eligible entity and the acquiring eligible entity. The
articles must set forth:

(a) The name, jurisdiction of formation, and type of entity of the acquired
eligible entity;

(b) The name, jurisdiction of formation, and type of entity of the domestic
or foreign eligible entity that is the acquiring eligible entity; and

(c) A statement that the plan of share exchange was duly approved by
the acquired eligible entity by:

1. The required vote or consent of each class or series of shares or eligible
interests included in the exchange; and

2. The required vote or consent of each other class or series of shares or
eligible interests entitled to vote on approval of the exchange by the articles
of incorporation or the organic rules of the acquired eligible entity.

(3) In addition to the requirements of subsections (1) and (2), articles of
merger or articles of share exchange may contain any other provision not
prohibited by law.

(4) The articles of merger or the articles of share exchange shall be
delivered to the department for filing, and, subject to subsection (5), the
merger or share exchange shall take effect at the effective date determined
in accordance with s. 607.0123.

CODING: Words stricken are deletions; words underlined are additions.
With respect to a merger in which one or more foreign entities is a party or a foreign eligible entity created by the merger is the survivor, the merger itself shall become effective at the later of:

(a) When all documents required to be filed in all foreign jurisdictions to effect the merger have become effective; or

(b) When the articles of merger take effect.

Articles of merger required to be filed under this section may be combined with any filing required under the organic law governing any other domestic eligible entity involved in the transaction if the combined filing satisfies the requirements of both this section and the other organic law plan of merger or share exchange;

(b) The effective date of the merger or share exchange, which may be on or after the date of filing the articles of merger or share exchange; if the articles of merger or share exchange do not provide for an effective date of the merger or share exchange, then the effective date shall be the date on which the articles of merger or share exchange are filed;

(c) If shareholder approval was not required, a statement to that effect; and

(d) As to each corporation, to the extent applicable, the date of adoption of the plan of merger or share exchange by the shareholders or by the board of directors when no vote of the shareholders is required.

A copy of the articles of merger or share exchange, certified by the department of State, may be filed in the office of the official who is the recording officer of each county in this state in which real property of a constituent corporation other than the surviving corporation is situated.

Section 139. Section 607.1106, Florida Statutes, is amended to read:

607.1106 Effect of merger or share exchange.—

(1) When a merger becomes effective:

(a) The domestic or foreign eligible entity that is designated in the plan of merger as the survivor continues or comes into existence, as the case may be;

(b) The separate existence of every domestic or foreign eligible entity that is a party to the merger, other than the survivor, ceases Every other corporation party to the merger merges into the surviving corporation and the separate existence of every corporation except the surviving corporation ceases;

(c) All real property and other property, including any interest therein and all title thereto, owned by, and every contract right possessed by, each
domestic or foreign eligible entity that is a party to the merger, other than the survivor, become the property and contract rights of and become vested in the survivor. The title to all real estate and other property, or any interest therein, owned by each corporation party to the merger is vested in the surviving corporation without transfer, reversion, or impairment;

(d)(e) All debts, obligations, and other liabilities of each domestic or foreign eligible entity that is a party to the merger, other than the survivor, become debts, obligations, and liabilities of the survivor;

(e)(d) The name of the survivor may be, but need not be, substituted in any pending proceeding for the name of any party to the merger whose separate existence ceased in the merger. Any claim existing or action or proceeding pending by or against any corporation party to the merger may be continued as if the merger did not occur or the surviving corporation may be substituted in the proceeding for the corporation which ceased existence;

(f)(e) Neither the rights of creditors nor any liens upon the property of any corporation party to the merger shall be impaired by such merger;

(g)(f) If the survivor is a domestic eligible entity, the articles of incorporation and bylaws or the organic rules of the surviving corporation are amended to the extent provided in the plan of merger; and

(h) The articles of incorporation and bylaws or the organic rules of a survivor that is a domestic eligible entity and is created by the merger become effective;

(i)(g) The shares (and the rights to acquire shares, obligations, or other securities) of each domestic or foreign corporation party to the merger, and the eligible interests in any other eligible entity that is a party to the merger, that are to be converted in accordance with the terms of the merger into shares or other securities, eligible interests, rights, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing, or other securities of the surviving or any other corporation or into cash or other property are converted, and the former holders of such the shares, rights to acquire shares, or other eligible interests are entitled only to the rights provided to them by those terms of the merger or to any rights they may have in the articles of merger or to their rights under s. 607.1302 or under the organic law governing the eligible entity;

(j) Except as provided by law or the plan of merger, all the rights, privileges, franchises, and immunities of each eligible entity that is a party to the merger, other than the survivor, become the rights, privileges, franchises, and immunities of the survivor; and

(k) If the survivor exists before the merger:

CODING: Words stricken are deletions; words underlined are additions.
1. All the property and contract rights of the survivor remain its property and contract rights without transfer, reversion, or impairment;

2. The survivor remains subject to all of its debts, obligations, and other liabilities; and

3. Except as provided by law or the plan of merger, the survivor continues to hold all of its rights, privileges, franchises, and immunities.

(2) When a share exchange becomes effective, the shares, eligible interests, and rights to acquire shares or eligible interests in the acquired eligible entity that of each acquired corporation are to be exchanged in accordance with the terms of the share exchange for:

(a) Shares or other securities;
(b) Eligible interests;
(c) Obligations;
(d) Rights to acquire shares, other securities, or eligible interests;
(e) Cash;
(f) Other property; or
(g) Any combination of the foregoing

are entitled only to the rights provided to them by the terms of the share exchange, or to any as provided in the plan of exchange, and the former holders of the shares are entitled only to the exchange rights provided in the articles of share exchange or to their rights they may have under s. 607.1302 or the organic law governing the acquired eligible entity.

(3) Except as otherwise provided in the articles of incorporation of a domestic corporation or the organic law governing or organic rules of a domestic or foreign eligible entity, the effect of a merger or share exchange on interest holder liability is as follows:

(a) A person who becomes subject to new interest holder liability in respect of an eligible entity as a result of a merger or share exchange shall have that new interest holder liability only in respect of interest holder liabilities that arise after the merger or share exchange becomes effective.

(b) If a person had interest holder liability with respect to a party to the merger or the acquired eligible entity before the merger or share exchange becomes effective with respect to shares or eligible interests of such party or acquired entity which were exchanged in the merger or share exchange, which were canceled in the merger, or the terms and conditions of which relating to interest holder liability were amended pursuant to the merger:
1. The merger or share exchange does not discharge that prior interest holder liability with respect to any interest holder liabilities that arose before the merger or share exchange becomes effective.

2. The provisions of the organic law governing any eligible entity for which the person had that prior interest holder liability shall continue to apply to the collection or discharge of any interest holder liabilities preserved by subparagraph 1. as if the merger or share exchange had not occurred.

3. The person shall have such rights of contribution from other persons as are provided by the organic law governing the eligible entity for which the person had that prior interest holder liability with respect to any interest holder liabilities preserved by subparagraph 1. as if the merger or share exchange had not occurred.

4. The person shall not, by reason of such prior interest holder liability, have interest holder liability with respect to any interest holder liabilities that arise after the merger or share exchange becomes effective.

   (c) If a person has interest holder liability both before and after a merger becomes effective with unchanged terms and conditions with respect to the eligible entity that is the survivor by reason of owning the same shares or eligible interests before and after the merger becomes effective, the merger has no effect on such interest holder liability.

   (d) A share exchange has no effect on interest holder liability related to shares or eligible interests of the acquired eligible entity that were not exchanged in the share exchange.

4. Upon a merger becoming effective, a foreign eligible entity that is the survivor of the merger is deemed to:

   (a) Appoint the secretary of state as its agent for service of process in a proceeding to enforce the rights of shareholders of each domestic corporation that is a party to the merger who exercise appraisal rights; and

   (b) Agree that it will promptly pay any amount that the shareholders are entitled to under ss. 607.1301-607.1340.

5. Except as provided in the organic law governing a party to a merger or in its articles of incorporation or organic rules, the merger does not give rise to any rights that an interest holder, governor, or third party would have upon a dissolution, liquidation, or winding up of that party. The merger does not require a party to the merger to wind up its affairs and does not constitute or cause its dissolution or termination.

6. Property held for a charitable purpose under the law of this state by a domestic or foreign eligible entity immediately before a merger becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred except
and only to the extent permitted by or pursuant to the laws of this state addressing cy pres or dealing with nondiversion of charitable assets.

(7) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance which is made to an eligible entity that is a party to a merger that is not the survivor and which takes effect or remains payable after the merger inures to the survivor.

(8) A trust obligation that would govern property if the property is directed to be transferred to a nonsurviving eligible entity will apply to property that is to be transferred instead to the survivor after a merger becomes effective.

Section 140. Section 607.1107, Florida Statutes, is amended to read:

607.1107 Abandonment of a merger or share exchange—

(1) After a plan of merger or a plan of share exchange has been adopted and approved as required by this chapter, and before the articles of merger or the articles of share exchange have become effective, the plan may be abandoned by a domestic corporation that is a party to the plan without action by its shareholders in accordance with any procedures set forth in the plan of merger or the plan of share exchange or, if no such procedures are set forth in the plan, in the manner determined by the board of directors.

(2) If a merger or share exchange is abandoned under subsection (1) after articles of merger or articles of share exchange have been delivered to the department for filing but before the articles of merger or articles of share exchange have become effective, a statement of abandonment signed by all the parties that signed the articles of merger or articles of share exchange must be delivered to the department for filing before the articles of merger or articles of share exchange become effective. The statement shall take effect on filing, whereupon the merger or share exchange shall be deemed abandoned and shall not become effective. The statement of abandonment must contain:

(a) The name of each party to the merger or the names of the acquiring and acquired entities in a share exchange;

(b) The date on which the articles of merger or articles of share exchange were filed by the department; and

(c) A statement that the merger or share exchange has been abandoned in accordance with this section. One or more foreign corporations may merge or enter into a share exchange with one or more domestic corporations if:

(a) In a merger, the merger is permitted by the law of the state or country under the law of which each foreign corporation is incorporated and each foreign corporation complies with that law in effecting the merger.

CODING: Words stricken are deletions; words underlined are additions.
(b) In a share exchange, the corporation the shares of which will be acquired is a domestic corporation, whether or not a share exchange is permitted by law of the state or country under the law of which the acquiring corporation is incorporated;

(c) The foreign corporation complies with s. 607.1105 if it is the surviving corporation of the merger or acquiring corporation of the share exchange; and

(d) Each domestic corporation complies with the applicable provisions of ss. 607.1101-607.1104 and, if it is the surviving corporation of the merger or acquiring corporation of the share exchange, with s. 607.1105.

(2) Upon the merger becoming effective, the surviving foreign corporation of a merger, and the acquiring foreign corporation in a share exchange, is deemed:

(a) To appoint the Secretary of State as its agent for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders of each domestic corporation party to the merger or share exchange; and

(b) To agree that it will promptly pay to the dissenting shareholders of each domestic corporation party to the merger or share exchange the amount, if any, to which they are entitled under s. 607.1302.

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

(4) The effect of such merger shall be the same as in the case of the merger of domestic corporations if the surviving corporation is to be governed by the laws of this state. If the surviving corporation is to be governed by the laws of any state other than this state, the effect of such merger shall be the same as in the case of the merger of domestic corporations except insofar as the laws of such other state provide otherwise.

(5) The redomestication of a foreign insurer to this state under s. 628.520 shall be deemed a merger of a foreign corporation and a domestic corporation, and the surviving corporation shall be deemed to be a domestic corporation incorporated under the laws of this state. The redomestication of a Florida corporation to a foreign jurisdiction under s. 628.525 shall be deemed a merger of a domestic corporation and a foreign corporation, and the surviving corporation shall be deemed to be a foreign corporation.

Section 141. Section 607.1108, Florida Statutes, is repealed.

Section 142. Section 607.1109, Florida Statutes, is repealed.

Section 143. Section 607.11101, Florida Statutes, is repealed.
Section 144. Section 607.1112, Florida Statutes, is repealed.

Section 145. Section 607.1113, Florida Statutes, is repealed.

Section 146. Section 607.1114, Florida Statutes, is repealed.

Section 147. Section 607.1115, Florida Statutes, is repealed.

Section 148. Section 607.11920, Florida Statutes, is created to read:

607.11920 Domestication.—

(1) By complying with this section and ss. 607.11921-607.11924, as applicable, a foreign corporation may become a domestic corporation if the domestication is permitted by the organic law of the foreign corporation.

(2) By complying with this section and ss. 607.11921-607.11924, as applicable, a domestic corporation may become a foreign corporation pursuant to a plan of domestication if the domestication is permitted by the organic law of the foreign corporation.

(3) In a domestication under subsection (2), the domesticating eligible entity must enter into a plan of domestication. The plan of domestication must include:

(a) The name of the domesticating corporation;

(b) The name and jurisdiction of formation of the domesticated corporation;

(c) The manner and basis of reclassifying the shares of the domesticating corporation into shares or other securities, obligations, rights to acquire shares or other securities, cash, other property, or any combination of the foregoing;

(d) The proposed organic rules of the domesticated corporation which must be in writing; and

(e) The other terms and conditions of the domestication.

(4) In addition to the requirements of subsection (3), a plan of domestication may contain any other provision not prohibited by law.

(5) The terms of a plan of domestication may be made dependent upon facts objectively ascertainable outside the plan in accordance with s. 607.0120(11).

(6) If a protected agreement of a domesticating corporation in effect immediately before the domestication becomes effective contains a provision applying to a merger of the corporation and the agreement does not refer to a domestication of the corporation, the provision applies to a domestication of

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the corporation as if the domestication were a merger until such time as the provision is first amended after January 1, 2020.

Section 149. Section 607.11921, Florida Statutes, is created to read:

607.11921 Action on a plan of domestication.—In the case of a domestication of a domestic corporation into a foreign jurisdiction, the plan of domestication shall be adopted in the following manner:

(1) The plan of domestication must first be adopted by the board of directors of such domestic corporation.

(2)(a) The plan of domestication must then be approved by the shareholders of such domestic corporation.

(b) In submitting the plan of domestication to the shareholders for approval, the board of directors shall recommend that the shareholders approve the plan, unless:

1. The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board shall inform the shareholders of the basis for its so proceeding without such recommendation.

(3) The board of directors may set conditions for approval of the plan of domestication by the shareholders or the effectiveness of the plan of domestication.

(4) If the plan of domestication is required to be approved by the shareholders, and if the approval of the shareholders is to be given at a meeting, the corporation must notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the plan of domestication is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the plan of domestication and must contain or be accompanied by a copy of the plan. The notice must include or be accompanied by a written copy of the organic rules of the domesticated eligible entity as they will be in effect immediately after the domestication.

(5) Unless the articles of incorporation, or the board of directors acting pursuant to subsection (3), require a greater vote or a greater quorum in the respective case, approval of the plan of domestication requires:

(a) The approval of the shareholders at a meeting at which a quorum exists consisting of a majority of the votes entitled to be cast on the plan; and
(b) Except as provided in subsection (6), the approval of each class or series of shares voting as a separate voting group at a meeting at which a quorum of the voting group exists consisting of a majority of the votes entitled to be cast on the plan by that voting group.

(6) The articles of incorporation may expressly limit or eliminate the separate voting rights provided in paragraph (5)(b) as to any class or series of shares, except when the public organic rules of the foreign corporation resulting from the domestication include what would be in effect an amendment that would entitle the class or series to vote as a separate group under s. 607.1004 if it were a proposed amendment of the articles of incorporation of a domestic domesticating corporation.

(7) If as a result of a domestication one or more shareholders of a domestic domesticating corporation would become subject to interest holder liability, approval of the plan of domestication shall require the signing in connection with the domestication, by each such shareholder, of a separate written consent to become subject to such interest holder liability, unless in the case of a shareholder that already has interest holder liability with respect to the domesticking corporation, the terms and conditions of the interest holder liability with respect to the domesticated corporation are substantially identical to those of the existing interest holder liability, other than for changes that eliminate or reduce such interest holder liability.

Section 150. Section 607.11922, Florida Statutes, is created to read:

607.11922 Articles of domestication; effectiveness.—

(1) Articles of domestication must be signed by the domesticating corporation after:

(a) A plan of domestication of a domestic corporation has been adopted and approved as required by this chapter; or

(b) A foreign corporation that is the domesticating corporation has approved a domestication as required by the applicable provisions of this chapter and under the foreign corporation’s organic law.

(2) Articles of domestication must set forth:

(a) The name of the domesticating corporation and its jurisdiction of formation;

(b) The name and jurisdiction of formation of the domesticated corporation; and

(c) If the domesticating corporation is a domestic corporation, a statement that the plan of domestication was approved in accordance with this chapter; or

CODING: Words stricken are deletions; words underlined are additions.
2. If the domesticating corporation is a foreign corporation, a statement that the domestication was approved in accordance with its organic law.

(3) If the domesticated corporation is to be a domestic corporation, articles of incorporation of the domesticated corporation that satisfy the requirements of s. 607.0202 must be attached to the articles of domestication. Provisions that would not be required to be included in restated articles of incorporation may be omitted from the articles of incorporation attached to the articles of domestication.

(4) The articles of domestication shall be delivered to the department for filing and shall take effect at the effective date determined in accordance with s. 607.0123.

(5)(a) If the domesticated corporation is a domestic corporation, the domestication becomes effective when the articles of domestication are effective.

(b) If the domesticated corporation is a foreign corporation, the domestication becomes effective on the later of the date and time provided by the organic law of the domesticated corporation or when the articles of domestication are effective.

(6) If the domesticating corporation is a foreign corporation that is qualified to transact business in this state under ss. 607.1501-607.1532, its certificate of authority is automatically canceled when the domestication becomes effective.

(7) A copy of the articles of domestication, certified by the department, may be filed in the official records of any county in this state in which the domesticating eligible entity holds an interest in real property.

Section 151. Section 607.11923, Florida Statutes, is created to read:

607.11923 Amendment of a plan of domestication; abandonment.—

(1) A plan of domestication of a domestic corporation adopted under s. 607.11920(3) may be amended:

(a) In the same manner as the plan of domestication was approved, if the plan does not provide for the manner in which it may be amended; or

(b) In the manner provided in the plan of domestication, except that a shareholder that was entitled to vote on or consent to approval of the plan is entitled to vote on or consent to any amendment of the plan that will change:

1. The amount or kind of shares or other securities, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing, to be received by any of the shareholders or holders of rights to acquire shares, other securities, or eligible interests of the domesticating corporation under the plan;

CODING: Words stricken are deletions; words underlined are additions.
2. The organic rules of the domesticated corporation that are to be in writing and that will be in effect immediately after the domestication becomes effective, except for changes that do not require approval of the shareholders of the domesticated corporation under its organic rules as set forth in the plan of domestication; or

3. Any of the other terms or conditions of the plan, if the change would adversely affect the shareholder in any material respect.

(2) After a plan of domestication has been adopted and approved by a domestic corporation as required by this chapter, and before the articles of domestication have become effective, the plan may be abandoned by the corporation without action by its shareholders in accordance with any procedures set forth in the plan or, if no such procedures are set forth in the plan, in the manner determined by the board of directors of the domestic corporation.

(3) If a domestication is abandoned after the articles of domestication have been delivered to the department for filing but before the articles of domestication have become effective, a statement of abandonment signed by the domesticating corporation must be delivered to the department for filing before the articles of domestication become effective. The statement shall take effect upon filing, and the domestication shall be deemed abandoned and shall not become effective. The statement of abandonment must contain:

(a) The name of the domesticating corporation;

(b) The date on which the articles of domestication were filed by the department; and

(c) A statement that the domestication has been abandoned in accordance with this section.

Section 152. Section 607.11924, Florida Statutes, is created to read:

607.11924 Effect of domestication.—

(1) When a domestication becomes effective:

(a) All real property and other property owned by the domesticating corporation, including any interests therein and all title thereto, and every contract right possessed by the domesticating corporation, are the property and contract rights of the domesticated corporation without transfer, reversion, or impairment;

(b) All debts, obligations, and other liabilities of the domesticating corporation are the debts, obligations, and other liabilities of the domesticated corporation;
(c) The name of the domesticated corporation may be, but need not be, substituted for the name of the domesticating corporation in any pending proceeding;

(d) The organic rules of the domesticated corporation become effective;

(e) The shares or equity interests of the domesticating corporation are reclassified into shares or other securities, obligations, rights to acquire shares or other securities, cash, or other property in accordance with the terms of the domestication, and the shareholders or equity owners of the domesticating corporation are entitled only to the rights provided to them by those terms and to any appraisal rights they may have under the organic law of the domesticating corporation; and

(f) The domesticated corporation is:

1. Incorporated under and subject to the organic law of the domesticated corporation;

2. The same corporation, without interruption, as the domesticating corporation; and

3. Deemed to have been incorporated or formed on the date the domesticating corporation was originally incorporated.

(2) In addition, when a domestication of a domestic corporation into a foreign jurisdiction becomes effective, the domesticated corporation is deemed to:

(a) Appoint the secretary of state as its agent for service of process in a proceeding to enforce the rights of shareholders who exercise appraisal rights in connection with the domestication; and

(b) Agree that it will promptly pay any amount that the shareholders are entitled to under ss. 607.1301-607.1340.

(3) Except as otherwise provided in the organic law or organic rules of a domesticating foreign corporation, the interest holder liability of a shareholder or equity holder in a foreign corporation that is domesticated into this state who had interest holder liability in respect of such domesticating corporation before the domestication becomes effective shall be as follows:

(a) The domestication does not discharge that prior interest holder liability with respect to any interest holder liabilities that arose before the domestication becomes effective.

(b) The provisions of the organic law of the domesticating corporation shall continue to apply to the collection or discharge of any interest holder liabilities preserved by paragraph (a), as if the domestication had not occurred.
(c) The shareholder or equity holder shall have such rights of contribution from other persons as are provided by the organic law of the domesticating corporation with respect to any interest holder liabilities preserved by paragraph (a), as if the domestication had not occurred.

(d) The shareholder or equity holder may not, by reason of such prior interest holder liability, have interest holder liability with respect to any interest holder liabilities that are incurred after the domestication becomes effective.

(4) A shareholder or equity holder who becomes subject to interest holder liability in respect of the domesticated corporation as a result of the domestication shall have such interest holder liability only in respect of interest holder liabilities that arise after the domestication becomes effective.

(5) A domestication does not constitute or cause the dissolution of the domesticating corporation.

(6) Property held for charitable purposes under the laws of this state by a domestic or foreign corporation immediately before a domestication becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred except and to the extent permitted by or pursuant to the laws of this state addressing cy pres or dealing with nondiversion of charitable assets.

(7) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance which is made to the domesticating corporation and which takes effect or remains payable after the domestication inures to the domesticated corporation.

(8) A trust obligation that would govern property if transferred to the domesticating corporation applies to property that is transferred to the domesticated corporation after the domestication takes effect.

Section 153. Section 607.11930, Florida Statutes, is created to read:

607.11930 Conversion.—

(1) By complying with this chapter, including adopting a plan of conversion in accordance with s. 607.11931 and complying with s. 607.11932, a domestic corporation may become:

(a) A domestic eligible entity, other than a domestic corporation;

(b) If the conversion is permitted by the organic law of the foreign eligible entity, a foreign eligible entity.

(2) By complying with this section and ss. 607.11931-607.11935, as applicable, and applicable provisions of its organic law, a domestic eligible
entity other than a domestic corporation may become a domestic corporation.

(3) By complying with this section and ss. 607.11931-607.11935, as applicable, and by complying with the applicable provisions of its organic law, a foreign eligible entity may become a domestic corporation, but only if the organic law of the foreign eligible entity permits it to become a corporation in another jurisdiction.

(4) If a protected agreement of a domestic converting eligible entity in effect immediately before the conversion becomes effective contains a provision applying to a merger of the corporation that is a converting eligible entity and the agreement does not refer to a conversion of the corporation, the provision applies to a conversion of the corporation as if the conversion were a merger, until such time as the provision is first amended after January 1, 2020.

Section 154. Section 607.11931, Florida Statutes, is created to read:

607.11931 Plan of conversion.—

(1) A domestic corporation may convert to a domestic or foreign eligible entity under this chapter by approving a plan of conversion. The plan of conversion must include:

(a) The name of the domestic converting corporation;

(b) The name, jurisdiction of formation, and type of entity of the converted eligible entity;

(c) The manner and basis of converting the shares of the domestic corporation, or the rights to acquire shares, obligations or other securities, of the domestic corporation into:

1. Shares.
2. Other securities.
3. Eligible interests.
4. Obligations.
5. Rights to acquire shares, other securities, or eligible interests.
6. Cash.
7. Other property.
8. Any combination of the foregoing;

(d) The other terms and conditions of the conversion; and
(e) The full text, as it will be in effect immediately after the conversion becomes effective, of the organic rules of the converted eligible entity which are to be in writing.

(2) In addition to the requirements of subsection (1), a plan of conversion may contain any other provision not prohibited by law.

(3) The terms of a plan of conversion may be made dependent upon facts objectively ascertainable outside the plan in accordance with section 607.0120(11).

Section 155. Section 607.11932, Florida Statutes, is created to read:

607.11932 Action on a plan of conversion.—In the case of a conversion of a domestic corporation to a domestic or foreign eligible entity other than a domestic corporation, the plan of conversion must be adopted in the following manner:

(1) The plan of conversion must first be adopted by the board of directors of such domestic corporation.

(2)(a) The plan of conversion shall then be approved by the shareholders of such domestic corporation.

(b) In submitting the plan of conversion to the shareholders for their approval, the board of directors shall recommend that the shareholders approve the plan of conversion unless:

1. The board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board of directors shall inform the shareholders of the basis for its so proceeding without such recommendation.

(3) The board of directors may set conditions for approval of the plan of conversion by the shareholders or the effectiveness of the plan of conversion.

(4) If a plan of conversion is required to be approved by the shareholders, and if the approval is to be given at a meeting, the corporation shall notify each shareholder, regardless of whether entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval, in accordance with s. 607.0705. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the plan of conversion and must contain or be accompanied by a copy of the plan. The notice must include or be accompanied by a written copy of the organic rules of the converted eligible entity as they will be in effect immediately after the conversion.

CODING: Words stricken are deletions; words underlined are additions.
(5) Unless the articles of incorporation, or the board of directors acting pursuant to subsection (3), require a greater vote or a greater quorum in the respective case, approval of the plan of conversion requires:

(a) The approval of the shareholders at a meeting at which a quorum exists consisting of a majority of the votes entitled to be cast on the plan; and

(b) The approval of each class or series of shares voting as a separate voting group at a meeting at which a quorum of the voting group exists consisting of a majority of the votes entitled to be cast on the plan by that voting group.

(6) If as a result of the conversion one or more shareholders of the converting domestic corporation would become subject to interest holder liability, approval of the plan of conversion shall require the signing in connection with the transaction, by each such shareholder, of a separate written consent to become subject to such interest holder liability.

(7) If the converted eligible entity is a partnership or limited partnership, no shareholder of the converting domestic corporation shall, as a result of the conversion, become a general partner of the partnership or limited partnership, unless such shareholder specifically consents in writing to becoming a general partner of such partnership or limited partnership and, unless such written consent is obtained from each such shareholder, such conversion may not become effective under s. 607.11933. Any shareholder providing such consent in writing shall be deemed to have voted in favor of the plan of conversion pursuant to which the shareholder became a general partner.

(8) Sections 607.1301-607.1340 shall, insofar as they are applicable, apply to a conversion in accordance with this chapter of a domestic corporation into a domestic or foreign eligible entity that is not a domestic corporation.

Section 156. Section 607.11933, Florida Statutes, is created to read:

607.11933 Articles of conversion; effectiveness.—

(1) After a plan of conversion of a domestic corporation has been adopted and approved as required by this chapter, or a domestic or foreign eligible entity, other than a domestic corporation, that is the converting eligible entity has approved a conversion as required by its organic law, articles of conversion must be signed by the converting eligible entity as required by s. 607.0120 and must:

(a) State the name, jurisdiction of formation, and type of entity of the converting eligible entity;

(b) State the name, jurisdiction of formation, and type of entity of the converted eligible entity;

CODING: Words stricken are deletions; words underlined are additions.
(c) If the converting eligible entity is:

1. A domestic corporation, state that the plan of conversion was approved in accordance with this chapter; or

2. A domestic or foreign eligible entity other than a domestic corporation, state that the conversion was approved by the eligible entity in accordance with its organic law; and

(d) If the converted eligible entity is:

1. A domestic corporation or a domestic or foreign eligible entity that is not a domestic corporation, attach the public organic record of the converted eligible entity, except that provisions that would not be required to be included in a restated public organic record may be omitted; or

2. A domestic limited liability partnership, attach the filing or filings required to become a domestic limited liability partnership.

(2) If the converted eligible entity is a domestic corporation, its articles of incorporation must satisfy the requirements of section 607.0202, except that provisions that would not be required to be included in restated articles of incorporation may be omitted from the articles of incorporation. If the converted eligible entity is a domestic eligible entity that is not a domestic corporation, its public organic record, if any, must satisfy the applicable requirements of the organic law of this state, except that the public organic record does not need to be signed.

(3) The articles of conversion shall be delivered to the department for filing, and shall take effect at the effective date determined in accordance with s. 607.0123.

(4)(a) If a converted eligible entity is a domestic eligible entity, the conversion becomes effective when the articles of conversion are effective.

(b) If the converted eligible entity is a foreign eligible entity, the conversion becomes effective at the later of:

1. The date and time provided by the organic law of that eligible entity; or

2. When the articles of conversion take effect.

(5) Articles of conversion required to be filed under this section may be combined with any filing required under the organic law of a domestic eligible entity that is the converting eligible entity or the converted eligible entity if the combined filing satisfies the requirements of both this section and the other organic law.

(6) If the converting eligible entity is a foreign eligible entity that is authorized to transact business in this state under a provision of law similar
to ss. 607.1501-607.1532, its foreign qualification shall be canceled automatically on the effective date of its conversion.

(7) A copy of the articles of conversion, certified by the department, may be filed in the official records of any county in this state in which the converting eligible entity holds an interest in real property.

Section 157. Section 607.11934, Florida Statutes, is created to read:

607.11934 Amendment to a plan of conversion; abandonment.—

(1) A plan of conversion of a converting eligible entity that is a domestic corporation may be amended:

(a) In the same manner as the plan of conversion was approved, if the plan does not provide for the manner in which it may be amended; or

(b) In the manner provided in the plan of conversion, except that shareholders that were entitled to vote on or consent to approval of the plan are entitled to vote on or consent to any amendment of the plan that will change:

1. The amount or kind of shares or other securities, eligible interests, obligations, rights to acquire shares, other securities, or eligible interests, cash, other property, or any combination of the foregoing, to be received by any of the shareholders of the converting corporation under the plan;

2. The organic rules of the converted eligible entity that will be in effect immediately after the conversion becomes effective, except for changes that do not require approval of the eligible interest holders of the converted eligible entity under its organic law or organic rules; or

3. Any other terms or conditions of the plan, if the change would adversely affect such shareholders in any material respect.

(2) After a plan of conversion has been adopted and approved by a converting eligible entity that is a domestic corporation in the manner required by this chapter and before the articles of conversion become effective, the plan may be abandoned by the domestic corporation without action by its shareholders in accordance with any procedures set forth in the plan or, if no such procedures are set forth in the plan, in the manner determined by the board of directors of the domestic corporation.

(3) If a conversion is abandoned after the articles of conversion have been delivered to the department for filing but before the articles of conversion have become effective, a statement of abandonment signed by the converting eligible entity must be delivered to the department for filing before the articles of conversion become effective. The statement shall take effect on filing, and the conversion shall be deemed abandoned and shall not become effective. The statement of abandonment must contain:

CODING: Words stricken are deletions; words underlined are additions.
(a) The name of the converting eligible entity;

(b) The date on which the articles of conversion were filed by the department; and

(c) A statement that the conversion has been abandoned in accordance with this section.

Section 158. Section 607.11935, Florida Statutes, is created to read:

607.11935 Effect of conversion.—

(1) When a conversion becomes effective:

(a) All real property and other property owned by, including any interest therein and all title thereto, and every contract right possessed by, the converting eligible entity remain the property and contract rights of the converted eligible entity without transfer, reversion, or impairment;

(b) All debts, obligations, and other liabilities of the converting eligible entity remain the debts, obligations, and other liabilities of the converted eligible entity;

(c) The name of the converted eligible entity may be, but need not be, substituted for the name of the converting eligible entity in any pending action or proceeding;

(d) If the converted eligible entity is a filing entity, a domestic corporation, or a domestic or foreign nonprofit corporation, its public organic record and its private organic rules become effective;

(e) If the converted eligible entity is a nonfiling entity, its private organic rules become effective;

(f) If the converted eligible entity is a limited liability partnership, the filing required to become a limited liability partnership and its private organic rules become effective;

(g) The shares, rights to acquire shares, eligible interests, other securities and obligations of the converting eligible entity are reclassified into shares, other securities, rights to acquire shares or other securities, eligible interests, obligations, cash, other property, or any combination thereof, in accordance with the terms of the conversion, and the shareholders or interest holders of the converting eligible entity are entitled only to the rights provided to them by those terms and to any rights they may have under s. 607.1302 or under the organic law of the converting eligible entity; and

(h) The converted eligible entity is:

1. Deemed to be incorporated or organized under and subject to the organic law of the converted eligible entity;

CODING: Words stricken are deletions; words underlined are additions.
2. Deemed to be the same entity without interruption as the converting eligible entity; and

3. Deemed to have been incorporated or otherwise organized on the date that the converting eligible entity was originally incorporated or organized.

(2) When a conversion of a domestic corporation to a domestic or foreign eligible entity other than a domestic corporation becomes effective, the converted eligible entity is deemed to:

(a) Appoint the secretary of state as its agent for service of process in a proceeding to enforce the rights of shareholders who exercise appraisal rights in connection with the conversion; and

(b) Agree that it will promptly pay any amount that shareholders are entitled to under ss. 607.1301-607.1340.

(3) Except as otherwise provided in the articles of incorporation of a domestic corporation or the organic law or organic rules of a domestic or foreign eligible entity other than a domestic corporation, a shareholder or eligible interest holder who becomes subject to interest holder liability in respect of a domestic corporation or domestic or foreign eligible entity other than a domestic corporation as a result of the conversion shall have such interest holder liability only in respect of interest holder liabilities that arise after the conversion becomes effective.

(4) Except as otherwise provided in the organic law or the organic rules of the domestic or foreign eligible entity, the interest holder liability of an interest holder in a converting eligible entity that converts to a domestic corporation who had interest holder liability in respect of such converting eligible entity before the conversion becomes effective shall be as follows:

(a) The conversion does not discharge that prior interest holder liability with respect to any interest holder liabilities that arose before the conversion became effective.

(b) The provisions of the organic law of the eligible entity shall continue to apply to the collection or discharge of any interest holder liabilities preserved by paragraph (a), as if the conversion had not occurred.

(c) The eligible interest holder shall have such rights of contribution from other persons as are provided by the organic law of the eligible entity with respect to any interest holder liabilities preserved by paragraph (a), as if the conversion had not occurred.

(d) The eligible interest holder may not, by reason of such prior interest holder liability, have interest holder liability with respect to any interest holder liabilities that arise after the conversion becomes effective.

CODING: Words stricken are deletions; words underlined are additions.
(5) A conversion does not require the converting eligible entity to wind up its affairs and does not constitute or cause the dissolution or termination of the entity.

(6) Property held for charitable purposes under the laws of this state by a domestic or foreign eligible entity immediately before a conversion becomes effective may not, as a result of the transaction, be diverted from the objects for which it was donated, granted, devised, or otherwise transferred except and to the extent permitted by or pursuant to the laws of this state addressing cy pres or dealing with nondiversion of charitable assets.

(7) A bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance which is made to the converting eligible entity and which takes effect or remains payable after the conversion inures to the converted eligible entity.

(8) A trust obligation that would govern property if transferred to the converting eligible entity applies to property that is to be transferred to the converted eligible entity after the conversion becomes effective.

Section 159. Section 607.1201, Florida Statutes, is amended to read:

607.1201 Disposition of assets not requiring shareholder approval Sale of assets in regular course of business and mortgage of assets.—Unless the articles of incorporation otherwise provide, no approval by shareholders is required to:

(1) A corporation may, on the terms and conditions and for the consideration determined by the board of directors:

(a) Sell, lease, exchange, or otherwise dispose of any or all of the corporation’s assets all, or substantially all, of its property in the usual and regular course of business;

(b) Mortgage, pledge, dedicate to the repayment of indebtedness (whether with or without recourse), create a security interest in, or otherwise encumber any or all of the corporation’s assets, regardless of whether its property is in the usual and regular course of business; or

(c) Transfer any or all of the corporation’s assets to one or more domestic or foreign corporations or other entities all of the shares or interests in its property to a corporation all the shares of which are owned by the corporation; or

(d) Distribute assets pro rata to the holders of one or more classes or series of the corporation’s shares, except to the extent that the distribution is part of a dissolution of the corporation under ss. 607.1401-607.14401.

(2) Unless the articles of incorporation require it, approval by the shareholders of a transaction described in subsection (1) is not required.

CODING: Words stricken are deletions; words underlined are additions.
Section 160. Section 607.1202, Florida Statutes, is amended to read:

607.1202 Shareholder approval of certain dispositions Sale of assets other than in regular course of business.—

(1) A corporation may sell, lease, exchange, or otherwise dispose of all, or substantially all, of its property (with or without the good will), otherwise than in the usual and regular course of business, on the terms and conditions and for the consideration determined by the corporation’s board of directors, but only if the board of directors proposes and its shareholders of record approve the proposed transaction.

(2)(a) To obtain the approval of the shareholders under subsection (1), the board of directors must first adopt a resolution approving the disposition, and thereafter, the disposition must also be approved by the corporation’s shareholders.

(b) In submitting the disposition to the shareholders for approval, a transaction to be authorized:

(a) the board of directors must recommend the proposed transaction to the shareholders of record unless:

1. The board of directors makes a determination that determines that it should make no recommendation because of conflict of interest or other special circumstances it should not make such a recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board of directors shall inform the shareholders of the basis for its so proceeding without such recommendation and communicates the basis for its determination to the shareholders of record with the submission of the proposed transaction; and

(b) The shareholders entitled to vote must approve the transaction as provided in subsection (5).

(3) The board of directors may set conditions for approval of the disposition or the effectiveness of the disposition condition its submission of the proposed transaction on any basis.

(4) If the disposition is required to be approved by the shareholders under subsection (1) and if the approval is to be given at the meeting, the corporation shall notify each shareholder of record, regardless of whether or not entitled to vote, of the proposed shareholders' meeting of shareholders at which the disposition is to be submitted for approval in accordance with s. 607.0705. The notice shall also state that the purpose, or one of the purposes, of the meeting is to consider the disposition and shall contain a description of the disposition and the consideration to be received by the corporation sale, lease, exchange, or other disposition of all, or substantially

CODING: Words stricken are deletions; words underlined are additions.
all, the property of the corporation, regardless of whether or not the meeting is an annual or a special meeting, and shall contain or be accompanied by a description of the transaction. Furthermore, the notice shall contain a clear and concise statement that, if the transaction is effected, shareholders dissenting therefrom are or may be entitled, if they comply with the provisions of this act regarding appraisal rights, to be paid the fair value of their shares and such notice must shall be accompanied by a copy of ss. 607.1301-607.1340 ss. 607.1301-607.1333.

(5) Unless this chapter act, the articles of incorporation, or the board of directors (acting pursuant to subsection (3)) requires a greater vote or a greater quorum vote by voting groups, the approval of the disposition shall require the approval of the shareholders at a meeting at which a quorum exists consisting of the approval of the shareholders to be authorized shall be approved by a majority of all the votes entitled to be cast on the disposition transaction.

(6) After a disposition has been approved by the shareholders under this chapter, and at any time before the disposition has been consummated, it may be abandoned by the corporation without action by the shareholders, subject to any contractual rights of other parties to the disposition Any plan or agreement providing for a sale, lease, exchange, or other disposition of property, or any resolution of the board of directors or shareholders approving such transaction, may authorize the board of directors of the corporation to approve the terms thereof at any time prior to the consummation of such transaction. An amendment made subsequent to the approval of the transaction by the shareholders of the corporation may not:

(a) Change the amount or kind of shares, securities, cash, property, or rights to be received in exchange for the corporation’s property; or

(b) Change any other terms and conditions of the transaction if such change would materially and adversely affect the shareholders or the corporation.

(7) Unless a plan or agreement providing for a sale, lease, exchange, or other disposition of property, or any resolution of the board of directors or shareholders approving such transaction, prohibits abandonment of the transaction without shareholder approval after a transaction has been authorized, the planned transaction may be abandoned (subject to any contractual rights) at any time prior to consummation thereof, without further shareholder action, in accordance with the procedure set forth in the plan, agreement, or resolutions providing for or approving such transaction or, if none is set forth, in the manner determined by the board of directors.

(7)(8) A disposition of assets in the course of dissolution is governed by ss. 607.1401-607.14401 transaction that constitutes a distribution is governed by ss. 607.06401 and not by this section.

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(8) For purposes of this section, the assets of a direct or indirect consolidated subsidiary shall be deemed to be the assets of the parent corporation.

(9) For purposes of this section, the term “shareholder” includes a beneficial shareholder and a voting trust beneficial owner.

Section 161. Section 607.1301, Florida Statutes, is amended to read:

607.1301 Appraisal rights; definitions.—The following definitions apply to ss. 607.1301-607.1340 ss. 607.1302-607.1333:

(1) “Accrued interest” means interest from the date the corporate action becomes effective until the date of payment, at the rate of interest determined for judgments pursuant to s. 55.03, determined as of the effective date of the corporate action.

(2) “Affiliate” means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another person or is a senior executive of such person thereof. For purposes of paragraph (6)(a) s. 607.1302(2)(d), a person is deemed to be an affiliate of its senior executives.

(3) “Corporate action” means an event described in s. 607.1302(1)(2).

(4) “Beneficial shareholder” means a person who is the beneficial owner of shares held in a voting trust or by a nominee on the beneficial owner’s behalf.

(5) “Corporation” means the domestic corporation that is the issuer of the shares held by a shareholder demanding appraisal and, for matters covered in ss. 607.1322-607.1340 ss. 607.1322-607.1333, includes the domesticated eligible entity in a domestication, the covered eligible entity in a conversion, and the survivor of surviving entity in a merger.

(6) “Fair value” means the value of the corporation’s shares determined:

(a) Immediately before the effectiveness of the corporate action to which the shareholder objects.

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

(c) For a corporation with 10 or fewer shareholders, Without discounting for lack of marketability or minority status.
(5) “Interest” means interest from the effective date of the corporate action until the date of payment, at the rate of interest on judgments in this state on the effective date of the corporate action.

(6) “Interested transaction” means a corporate action described in s. 607.1302(1), other than a merger pursuant to s. 607.1104, involving an interested person in which any of the shares or assets of the corporation are being acquired or converted. As used in this definition:

(a) “Interested person” means a person, or an affiliate of a person, who at any time during the 1-year period immediately preceding approval by the board of directors of the corporate action:

1. Was the beneficial owner of 20 percent or more of the voting power of the corporation, other than as owner of excluded shares;

2. Had the power, contractually or otherwise, other than as owner of excluded shares, to cause the appointment or election of 25 percent or more of the directors to the board of directors of the corporation; or

3. Was a senior executive or director of the corporation or a senior executive of any affiliate of the corporation, and will receive, as a result of the corporate action, a financial benefit not generally available to other shareholders as such, other than:

a. Employment, consulting, retirement, or similar benefits established separately and not as part of or in contemplation of the corporate action;

b. Employment, consulting, retirement, or similar benefits established in contemplation of, or as part of, the corporate action that are not more favorable than those existing before the corporate action or, if more favorable, that have been approved on behalf of the corporation in the same manner as is provided in s. 607.0832; or

c. In the case of a director of the corporation who, in the corporate action, will become a director or governor of the acquirer or any of its affiliates in the corporate action, rights and benefits as a director or governor that are provided on the same basis as those afforded by the acquirer generally to other directors or governors of such entity or such affiliate.

(b) “Beneficial owner” means any person who, directly or indirectly, through any contract, arrangement, or understanding, other than a revocable proxy, has or shares the power to vote, or to direct the voting of shares, except that a member of a national securities exchange is not deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person if the member is precluded by the rules of the exchange from voting without instruction on contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted. When two or more persons agree to act together for the purpose of voting their shares of the corporation, each member of the group formed thereby is deemed to have acquired beneficial ownership, as of the
date of the agreement, of all shares having voting power of the corporation beneficially owned by any member of the group.

(c) “Excluded shares” means shares acquired pursuant to an offer for all shares having voting power if the offer was made within 1 year before the corporate action for consideration of the same kind and of a value equal to or less than that paid in connection with the corporate action.

(7)(6) “Preferred shares” means a class or series of shares the holders of which have preference over any other class or series of shares with respect to distributions.

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

(8) “Senior executive” means the chief executive officer, chief operating officer, chief financial officer, or any individual anyone in charge of a principal business unit or function.

(9) Notwithstanding s. 607.01401(67), “shareholder” means both a record shareholder, and a beneficial shareholder, and a voting trust beneficial owner.

Section 162. Section 607.1302, Florida Statutes, is amended to read:

607.1302 Right of shareholders to appraisal.—

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

(a) Consumption of a domestication or a conversion of such corporation pursuant to s. 607.11921 or s. 607.11932, as applicable, s. 607.1112 if shareholder approval is required for the domestication or the conversion; and the shareholder is entitled to vote on the conversion under ss. 607.1103 and 607.1112(6), or the

(b) Consumption of a merger to which such corporation is a party:

1. If shareholder approval is required for the merger under s. 607.1103 or would be required but for s. 607.11035, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares of any class or series that remains outstanding after consummation of the merger where the terms of such class or series have not been materially altered; and the shareholder is entitled to vote on the merger or

2. If such corporation is a subsidiary and the merger is governed by s. 607.1104;

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

(d)(c) Consummation of a disposition of assets pursuant to s. 607.1202 if the shareholder is entitled to vote on the disposition, including a sale in dissolution, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares or any class or series if:

1. Under the terms of the corporate action approved by the shareholders there is to be distributed to shareholders in cash the corporation’s net assets, in excess of a reasonable amount reserved to meet claims of the type described in ss. 607.1406 and 607.1407, within 1 year after the shareholders’ approval of the action and in accordance with their respective interests determined at the time of distribution; and

2. The disposition of assets is not an interested transaction but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within 1 year after the date of sale;

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

(f)(e) Any other amendment to the articles of incorporation, merger, share exchange, or disposition of assets, or amendment to the articles of incorporation, in each case to the extent provided by the articles of incorporation, bylaws, or a resolution of the board of directors, except that no bylaw or board resolution providing for appraisal rights may be amended or otherwise altered except by shareholder approval;

(g) An amendment to the articles of incorporation or bylaws of the corporation, the effect of which is to alter or abolish voting or other rights with respect to such interest in a manner that is adverse to the interest of such shareholder, except as the right may be affected by the voting or other rights of new shares then being authorized of a new class or series of shares;

(h) An amendment to the articles of incorporation or bylaws of a corporation the effect of which is to adversely affect the interest of the shareholder by altering or abolishing appraisal rights under this section;

(i)(f) With regard to a class of shares prescribed in the articles of incorporation prior to October 1, 2003, including any shares within that class subsequently authorized by amendment, any amendment of the articles of incorporation...
incorporation if the shareholder is entitled to vote on the amendment and if such amendment would adversely affect such shareholder by:

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

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

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

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

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

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

7. Reducing any stated preferential amount payable on any of the shareholder’s preferred shares upon voluntary or involuntary liquidation;

(j) An amendment of the articles of incorporation of a social purpose corporation to which s. 607.504 or s. 607.505 applies;

(k) An amendment of the articles of incorporation of a benefit corporation to which s. 607.604 or s. 607.605 applies;

(l) A merger, domestication, conversion, or share exchange of a social purpose corporation to which s. 607.504 applies; or

(m) A merger, domestication, conversion, or share exchange of a benefit corporation to which s. 607.604 applies.

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

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

1. A covered security under s. 18(b)(1)(A) or (B) of the Securities Act of 1933 Listed on the New York Stock Exchange or the American Stock
2. Not a covered security, but traded in an organized market and not so listed or designated, but has at least 2,000 shareholders and the outstanding shares of such class or series have a market value of at least $20 million, exclusive of the value of outstanding such shares held by the corporation's subsidiaries, by the corporation's senior executives, by the corporation's directors, and by the corporation's beneficial shareholders and voting trust beneficial owners shareholders owning more than 10 percent of the outstanding such shares; or

3. Issued by an open end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and which may be redeemed at the option of the holder at net asset value.

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

1. The record date fixed to determine the shareholders entitled to receive notice of, and to vote at, the meeting of shareholders to act upon the corporate action requiring appraisal rights, or, in the case of an offer made pursuant to s. 607.11035, the date of such offer; or

2. If there will be no meeting of shareholders and no offer is made pursuant to s. 607.11035, the close of business on the day before the consummation of the corporate action or the effective date of the amendment of the articles, as applicable on which the board of directors adopts the resolution recommending such corporate action.

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

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

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

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

b. Directly or indirectly has, or at any time in the 1-year period immediately preceding approval by the board of directors of the corporation of the corporate action requiring appraisal rights had, the power, contractually or otherwise, to cause the appointment or election of 25 percent or more of the directors to the board of directors of the corporation; or

2. Any of the shares or assets of the corporation are being acquired or converted, whether by merger, share exchange, or otherwise, pursuant to such corporate action by a person, or by an affiliate of a person, who is, or at any time in the 1-year period immediately preceding approval by the board of directors of the corporate action requiring appraisal rights had, a senior executive or director of the corporation or a senior executive of any affiliate thereof, and that senior executive or director will receive, as a result of the corporate action, a financial benefit not generally available to other shareholders as such, other than:

a. Employment, consulting, retirement, or similar benefits established separately and not as part of or in contemplation of the corporate action;

b. Employment, consulting, retirement, or similar benefits established in contemplation of, or as part of, the corporate action that are not more favorable than those existing before the corporate action or, if more favorable, that have been approved on behalf of the corporation in the same manner as is provided in s. 607.0832; or

c. In the case of a director of the corporation who will, in the corporate action, become a director of the acquiring entity in the corporate action or one of its affiliates, rights and benefits as a director that are provided on the same basis as those afforded by the acquiring entity generally to other directors of such entity or such affiliate.

(e) For the purposes of paragraph (d) only, the term “beneficial owner” means any person who, directly or indirectly, through any contract, arrangement, or understanding, other than a revocable proxy, has or shares the power to vote, or to direct the voting of, shares, provided that a member of a national securities exchange shall not be deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because such member is the recordholder of such securities if the member is precluded by the rules of such exchange from voting without instruction on contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted. When two or more persons agree to act together for the purpose of voting their shares of the corporation, each member of the group formed thereby shall be deemed to have acquired beneficial ownership, as of the date of such agreement, of all

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voting shares of the corporation beneficially owned by any member of the group.

(3) Notwithstanding any other provision of this section, the articles of incorporation as originally filed or any amendment to the articles of incorporation thereunder may limit or eliminate appraisal rights for any class or series of preferred shares, except that:

(a) No such limitation or elimination shall be effective if the class or series does not have the right to vote separately as a voting group, alone or as part of a group, on the action or if the action is a domestication under s. 607.11920 or a conversion under s. 607.11930, or a merger having a similar effect as a domestication or conversion in which the domesticated eligible entity or the converted eligible entity is an eligible entity; and

(b) Any such limitation or elimination contained in an amendment to the articles of incorporation that limits or eliminates appraisal rights for any of such shares that are outstanding immediately before the effective date of such amendment or that the corporation is or may be required to issue or sell thereafter pursuant to any conversion, exchange, or other right existing immediately before the effective date of such amendment shall not apply to any corporate action that becomes effective within 1 year after the effective date of such amendment of that date if such action would otherwise afford appraisal rights.

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

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

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

Section 163. Section 607.1303, Florida Statutes, is amended to read:

607.1303 Assertion of rights by nominees and beneficial owners.—

(1) A record shareholder may assert appraisal rights as to fewer than all the shares registered in the record shareholder’s name but owned by a beneficial shareholder or a voting trust beneficial owner only if the record shareholder objects with respect to all shares of the class or series owned by the beneficial shareholder or a voting trust beneficial owner and notifies the corporation in writing of the name and address of each beneficial shareholder or voting trust beneficial owner on whose behalf appraisal rights are being asserted. The rights of a record shareholder who asserts appraisal rights for only part of the shares held of record in the record shareholder’s name under this subsection shall be determined as if the shares as to which the record shareholder objects and the record shareholder’s other shares were registered in the names of different record shareholders.
(2) A beneficial shareholder and a voting trust beneficial owner may assert appraisal rights as to shares of any class or series held on behalf of the shareholder only if such shareholder:

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

(b) Does so with respect to all shares of the class or series that are beneficially owned by the beneficial shareholder or the voting trust beneficial owner.

Section 164. Subsections (1) and (3) of section 607.1320, Florida Statutes, are amended, and subsections (4) and (5) are added to that section, to read:

607.1320 Notice of appraisal rights.—

(1) If a proposed corporate action described in s. 607.1302(1) is to be submitted to a vote at a shareholders’ meeting, the meeting notice (or, where no approval of such action is required pursuant to s. 607.11035, the offer made pursuant to s. 607.11035), must state that the corporation has concluded that shareholders are, are not, or may be entitled to assert appraisal rights under this chapter. If the corporation concludes that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany the meeting notice or offer sent to those record shareholders entitled to exercise appraisal rights.

(3) If a the proposed corporate action described in s. 607.1302(1) is to be approved by written consent of the shareholders pursuant to s. 607.0704:

(a) Written notice that appraisal rights are, are not, or may be available must be sent to each shareholder from whom a consent is solicited at the time consent of such shareholder is first solicited, and, if the corporation has concluded that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany such written notice; and

(b) Written notice that appraisal rights are, are not, or may be available must be delivered, at least 10 days before the corporate action becomes effective, to all nonconsenting and nonvoting shareholders, and, if the corporation has concluded that appraisal rights are or may be available, a copy of ss. 607.1301-607.1340 must accompany such written notice.

(4) Where a corporate action described in s. 607.1302(1) is proposed or a merger pursuant to s. 607.1104 is effected, and the corporation concludes that appraisal rights are or may be available, the notice referred to in subsection (1), paragraph (3)(a), or paragraph (3)(b) must be accompanied by:

(a) Financial statements of the corporation that issued the shares that may be or are subject to appraisal rights, consisting of a balance sheet as of
the end of the fiscal year ending not more than 16 months before the date of
the notice, an income statement for that fiscal year, and a cash flow
statement for that fiscal year; however, if such financial statements are not
reasonably available, the corporation must provide reasonably equivalent
financial information; and

(b) The latest available interim financial statements, including year-to-
date through the end of the interim period, of such corporation, if any.

(5) The right to receive the information described in subsection (4) may
be waived in writing by a shareholder before or after the corporate action is
effected other than by a shareholders’ meeting, the notice referred to in
subsection (1) must be sent to all shareholders at the time that consents are
first solicited pursuant to s. 607.0704, whether or not consents are solicited
from all shareholders, and include the materials described in s. 607.1322.

Section 165. Section 607.1321, Florida Statutes, is amended to read:

607.1321 Notice of intent to demand payment.—

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

(a) Must deliver to the corporation before the vote is taken, or within 20
days after receiving the notice pursuant to s. 607.1320(3) if action is to be
taken without a shareholder meeting, written notice of the shareholder’s
intent to demand payment if the proposed corporate action is effectuated;
and

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

(2) If a proposed corporate action requiring appraisal rights under s.
607.1302 is to be approved by written consent, a shareholder who wishes to
assert appraisal rights with respect to any class or series of shares must not
sign a consent in favor of the proposed corporate action with respect to that
class or series of shares.

(3) If a proposed corporate action specified in s. 607.1302(1) does not
require shareholder approval pursuant to s. 607.11035, a shareholder who
wishes to assert appraisal rights with respect to any class or series of shares:

(a) Must deliver to the corporation before the shares are purchased
pursuant to the offer a written notice of the shareholder’s intent to demand
payment if the proposed action is effected; and

(b) Must not tender, or cause or permit to be tendered, any shares of such
class or series in response to such offer.

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(4)(2) A shareholder who may otherwise be entitled to appraisal rights but does not satisfy the requirements of subsections (1), (2), or (3) subsection (1) is not entitled to payment under this chapter.

Section 166. Section 607.1322, Florida Statutes, is amended to read:

607.1322 Appraisal notice and form.—

(1) If a proposed corporate action requiring appraisal rights under s. 607.1302(1) becomes effective, the corporation must deliver a written appraisal notice and form required by paragraph (2)(a) to all shareholders who satisfied the requirements of s. 607.1321(1), (2), or (3) s. 607.1321. In the case of a merger under s. 607.1104, the parent must deliver a written appraisal notice and form to all record shareholders who may be entitled to assert appraisal rights.

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

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

1. The shareholder’s name and address.
2. The number, classes, and series of shares as to which the shareholder asserts appraisal rights.
3. That the shareholder did not vote for or consent to the transaction.
4. Whether the shareholder accepts the corporation’s offer as stated in subparagraph (b)4.
5. If the offer is not accepted, the shareholder’s estimated fair value of the shares and a demand for payment of the shareholder’s estimated value plus accrued interest.

(b) State:

1. Where the form must be sent and where certificates for certificated shares must be deposited and the date by which those certificates must be deposited, which date may not be earlier than the date by which the corporation must receive the required form under subparagraph 2.
2. A date by which the corporation must receive the form, which date may not be fewer than 40 nor more than 60 days after the date the subsection (1) appraisal notice and form are sent, and state that the shareholder shall have waived the right to demand appraisal with respect to the shares unless the form is received by the corporation by such specified date.
3. The corporation’s estimate of the fair value of the shares.
4. An offer to each shareholder who is entitled to appraisal rights to pay the corporation’s estimate of fair value set forth in subparagraph 3.

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

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

(c) If not previously provided, be accompanied by a copy of ss. 607.1301-607.1340

(e) Be accompanied by:

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


Section 167. Subsections (1) and (3) of section 607.1323, Florida Statutes, are amended to read:

607.1323 Perfection of rights; right to withdraw.—

(1) A shareholder who receives notice pursuant to s. 607.1322 and who wishes to exercise appraisal rights must sign execute and return the form received pursuant to s. 607.1322(1) and, in the case of certificated shares, deposit the shareholder’s certificates in accordance with the terms of the notice by the date referred to in the notice pursuant to s. 607.1322(2)(b)2. Once a shareholder deposits that shareholder’s certificates or, in the case of uncertificated shares, returns the signed executed forms, that shareholder loses all rights as a shareholder, unless the shareholder withdraws pursuant to subsection (2).

(3) A shareholder who does not sign execute and return the form and, in the case of certificated shares, deposit that shareholder’s share certificates if required, each by the date set forth in the notice described in s. 607.1322(2) subsection (2), shall not be entitled to payment under ss. 607.1301-607.1340 this chapter.

Section 168. Subsection (2) of section 607.1324, Florida Statutes, is amended to read:

607.1324 Shareholder’s acceptance of corporation’s offer.—

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(2) Upon payment of the agreed value, the shareholder shall cease to have any right to receive any further consideration with respect to such interest in the shares.

Section 169. Section 607.1326, Florida Statutes, is amended to read:

607.1326 Procedure if shareholder is dissatisfied with offer.—

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

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

Section 170. Subsections (1), (2), (5), and (6) of section 607.1330, Florida Statutes, are amended to read:

607.1330 Court action.—

(1) If a shareholder makes demand for payment under s. 607.1326 which remains unsettled, the corporation shall commence a proceeding within 60 days after receiving the payment demand and petition the court to determine the fair value of the shares and accrued interest from the date of the corporate action. If the corporation does not commence the proceeding within the 60-day period, any shareholder who has made a demand pursuant to s. 607.1326 may commence the proceeding in the name of the corporation.

(2) The proceeding shall be commenced in the circuit court in the applicable county. If by virtue of the corporate action becoming effective the entity has become a foreign eligible entity appropriate court of the county in which the corporation’s principal office, or, if none, its registered office, in this state is located. If the corporation is a foreign corporation without a registered office in this state, the proceeding shall be commenced in the county in which the principal office or registered office of the domestic corporation merged with the foreign eligible entity corporation was located immediately before the time the corporate action became effective. If such entity has, and immediately before the corporate action became effective had, no principal or registered office in this state, then the proceeding shall be commenced in the county in this state in which the corporation has, or immediately before the time the corporate action became effective had, an office in this state. If such entity has, or immediately before the time the corporate action became effective had, no office in this state, the proceeding shall be commenced in the county in this state in which the corporation became effective had, an office in this state. If such entity has, or immediately before the time the corporate action became effective had, no office in this state, the proceeding shall be commenced in the county in this state in which the corporation became effective had, an office in this state.

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proceeding shall be commenced in the county in which the corporation’s registered office is or was last located at the time of the transaction.

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

(6) The corporation shall pay each such shareholder the amount found to be due within 10 days after final determination of the proceedings. Upon payment of the judgment, the shareholder shall cease to have any rights to receive any further consideration with respect to such shares other than any amounts ordered to be paid for court costs and attorney fees under s. 607.1331 interest in the shares.

Section 171. Subsection (4) of section 607.1331, Florida Statutes, is amended to read:

607.1331 Court costs and counsel fees.—

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

Section 172. Section 607.1332, Florida Statutes, is amended to read:

607.1332 Disposition of acquired shares.—Shares acquired by a corporation pursuant to payment of the agreed value thereof or pursuant to payment of the judgment entered therefor, as provided in this chapter, may be held and disposed of by such corporation as authorized but unissued shares of the corporation, except that, in the case of a merger or share exchange, they may be held and disposed of as the plan of merger or share exchange otherwise provides. The shares of the survivor surviving corporation into which the shares of such shareholders demanding appraisal rights would have been converted had they assented to the merger shall have the status of authorized but unissued shares of the survivor surviving corporation.

Section 173. Subsection (1) of section 607.1333, Florida Statutes, is amended to read:

607.1333 Limitation on corporate payment.—

(1) No payment shall be made to a shareholder seeking appraisal rights if, at the time of payment, the corporation is unable to meet the distribution standards of s. 607.06401. In such event, the shareholder shall, at the shareholder’s option:
(a) Withdraw his or her notice of intent to assert appraisal rights, which shall in such event be deemed withdrawn with the consent of the corporation; or

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

Section 174. Section 607.1340, Florida Statutes, is created to read:

607.1340 Other remedies limited.—

(1) A shareholder entitled to appraisal rights under this chapter may not challenge a completed corporate action for which appraisal rights are available unless such corporate action was either:

(a) Not authorized and approved in accordance with the applicable provisions of this chapter;

(b) Procured as a result of fraud, a material misrepresentation, or an omission of a material fact necessary to make statements made, in light of the circumstances in which they were made, not misleading.

(2) Nothing in this section operates to override or supersede the provisions of s. 607.0832.

Section 175. Section 607.1401, Florida Statutes, is amended to read:

607.1401 Dissolution by incorporators or directors.—If a corporation has not yet issued shares, its board of directors, or a majority of incorporators if it has no board of directors, A majority of the incorporators or directors of a corporation that has not issued shares or has not commenced business may dissolve the corporation by delivering to the department of State for filing articles of dissolution that must set forth:

(1) The name of the corporation;

(2) The date of its incorporation filing of its articles of incorporation;

(3) Either:

(a) That none of the corporation’s shares have been issued, or

(b) That the corporation has not commenced business;

(4) That no debt of the corporation remains unpaid;

(5) That the net assets of the corporation remaining after winding up, if any, have been distributed to the shareholders, if shares were issued; and

CODING: Words stricken are deletions; words underlined are additions.
(6) That a majority of the incorporators or directors authorized the dissolution.

Section 176. Subsections (1) through (5) of section 607.1402, Florida Statutes, are amended to read:

607.1402 Dissolution by board of directors and shareholders; dissolution by written consent of shareholders.—

(1) A corporation’s board of directors may propose dissolution for submission to the shareholders by first adopting a resolution authorizing the dissolution.

(2)(a) For a proposal to dissolve to be adopted, it must be approved by the shareholders pursuant to subsection (5).

(b) In submitting the proposal to dissolve to the shareholders for approval:

(a) the board of directors must recommend that dissolution to the shareholders approve the dissolution, unless:

1. The board of directors determines that because of conflict of interest or other special circumstances it should make no recommendation; or

2. Section 607.0826 applies.

(c) If either subparagraph (b)1. or subparagraph (b)2. applies, the board must inform the shareholders of the basis for its so proceeding without such recommendation and communicates the basis for its determination to the shareholders; and

(b) The shareholders entitled to vote must approve the proposal to dissolve as provided in subsection (5).

(3) The board of directors may set conditions for the approval condition its submission of the proposal for dissolution by shareholders or for the effectiveness of the dissolution on any basis.

(4) If the approval of the shareholders is to be given at a meeting, the corporation shall notify, in accordance with s. 607.0705, each shareholder of record, regardless of whether or not entitled to vote, of the meeting of shareholders at which the dissolution is to be submitted for approval proposed shareholders’ meeting in accordance with s. 607.0705. The notice must also state that the purpose, or one of the purposes, of the meeting is to consider dissolving the corporation.

(5) Unless the articles of incorporation or the board of directors (acting pursuant to subsection (3)) require a greater vote or a vote by voting groups, the proposal to dissolve to be adopted must be approved by a majority of all the votes entitled to be cast on the proposal to dissolve that proposal.

CODING: Words stricken are deletions; words underlined are additions.
Section 177. Section 607.1403, Florida Statutes, is amended to read:

607.1403 Articles of dissolution.—

(1) At any time after dissolution is authorized, the corporation may dissolve by delivering to the department of State for filing articles of dissolution which must be signed in accordance with s. 607.0120 and which must set forth:

(a) The name of the corporation;

(b) The date dissolution was authorized;

(c) If dissolution was approved by the shareholders, a statement that the proposal to dissolve was duly approved by the shareholders in the manner required by this chapter and by the articles of incorporation number cast for dissolution by the shareholders was sufficient for approval.

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

(2) The articles of dissolution shall take effect at the effective date determined pursuant to s. 607.0123. A corporation is dissolved upon the effective date of its articles of dissolution.

(3) For purposes of ss. 607.1401-607.1410, “dissolved corporation” means a corporation whose articles of dissolution have become effective and includes a successor entity. Further, for the purposes of this subsection, the term “successor entity” includes a trust, receivership, or other legal entity governed by the laws of this state to which the remaining assets and liabilities of a dissolved corporation are transferred and which exists solely for the purposes of prosecuting and defending suits by or against the dissolved corporation, thereby enabling the dissolved corporation to settle and close the business of the dissolved corporation, to dispose of and convey the property of the dissolved corporation, to discharge the liabilities of the dissolved corporation, and to distribute to the dissolved corporation’s shareholders any remaining assets, but not for the purpose of continuing the activities and affairs for which the dissolved corporation was organized.

Section 178. Subsection (3) of section 607.1404, Florida Statutes, is amended to read:

607.1404 Revocation of dissolution.—

(3) After the revocation of dissolution is authorized, the corporation may revoke the dissolution by delivering to the department, within the 120-day period following the effective date of the articles of dissolution, of State for filing articles of revocation of dissolution, together with a copy of its articles of dissolution, that set forth:

CODING: Words stricken are deletions; words underlined are additions.
(a) The name of the corporation;

(b) The effective date of the dissolution that was revoked;

(c) The date that the revocation of dissolution was authorized;

(d) If the corporation’s board of directors or incorporators revoked the dissolution, a statement to that effect;

(e) If the corporation’s board of directors revoked a dissolution authorized by the shareholders, a statement that revocation was permitted by action by the board of directors alone pursuant to that authorization; and

(f) If shareholder action was required to revoke the dissolution, a statement that the revocation was authorized by the shareholders in the manner required by this chapter and by the articles of incorporation the information required by s. 607.1403(1)(e) or (d).

Section 179. Section 607.1405, Florida Statutes, is amended to read:

607.1405 Effect of dissolution.—

(1) A dissolved corporation that has dissolved continues its corporate existence but the dissolved corporation may not carry on any business except that appropriate to wind up and liquidate its business and affairs, including:

(a) Collecting its assets;

(b) Disposing of its properties that will not be distributed in kind to its shareholders;

(c) Discharging or making provision for discharging its liabilities;

(d) Making distributions of its remaining assets Distributing its remaining property among its shareholders according to their interests; and

(e) Doing every other act necessary to wind up and liquidate its business and affairs.

(2) Dissolution of a corporation does not:

(a) Transfer title to the corporation’s property;

(b) Prevent transfer of its shares or securities, although the authorization to dissolve may provide for closing the corporation’s share transfer records;

(c) Subject its directors or officers to standards of conduct different from those prescribed in ss. 607.0801-607.0859 ss. 607.0801-607.0850 except as provided in s. 607.1421(4);

CODING: Words stricken are deletions; words underlined are additions.
(d) Change quorum or voting requirements for its board of directors or shareholders; change provisions for selection, resignation, or removal of its directors or officers or both; or change provisions for amending its bylaws;

(e) Prevent commencement of a proceeding by or against the corporation in its corporate name;

(f) Abate or suspend a proceeding pending by or against the corporation on the effective date of dissolution; or

(g) Terminate the authority of the registered agent of the corporation.

(3) A distribution in liquidation under this section may only be made by a dissolved corporation. For purposes of determining the shareholders entitled to receive a distribution in liquidation, the board of directors may fix a record date for determining shareholders entitled to a distribution in liquidation, which date may not be retroactive. If the board of directors does not fix a record date for determining shareholders entitled to a distribution in liquidation, the record date is the date the board of directors authorizes the distribution in liquidation.

(4) The directors, officers, and agents of a corporation dissolved pursuant to s. 607.1403 shall not incur any personal liability thereby by reason of their status as directors, officers, and agents of a dissolved corporation, as distinguished from a corporation which is not dissolved.

(5) The name of a dissolved corporation is not available for assumption or use by another eligible entity until 1 year after the effective date of dissolution unless the dissolved corporation provides the department of State with a record affidavit, signed as required by executed pursuant to s. 607.0120, permitting the immediate assumption or use of the name by another eligible entity.

(6) For purposes of this section, the circuit court may appoint a trustee, custodian, or receiver for any property owned or acquired by the corporation who may engage in any act permitted under subsection (1) if any director or officer of the dissolved corporation is unwilling or unable to serve or cannot be located.

Section 180. Section 607.1406, Florida Statutes, is amended to read:

607.1406 Known claims against dissolved corporation.—

(1) A dissolved corporation may dispose of the known claims against it by giving written notice that satisfies the requirements of subsection (2) to its known claimants at any time after the effective date of the dissolution, but no later than the date that is 270 days before the date which is 3 years after the effective date of the dissolution.

(2) The written notice must:

CODING: Words stricken are deletions; words underlined are additions.
(a) State the name of the corporation that is the subject of the dissolution;

(b) State that the corporation is the subject of a dissolution and the effective date of the dissolution;

(c) Specify the information that must be included in a claim;

(d) State that a claim must be in writing and provide a mailing address where a claim may be sent;

(e) State the deadline, which may not be fewer than 120 days after the date the written notice is received by the claimant, by which the dissolved corporation must receive the claim;

(f) State that the claim will be barred if not received by the deadline;

(g) State that the dissolved corporation may make distributions thereafter to other claimants and to the dissolved corporation’s shareholders or persons interested without further notice; and

(h) Be accompanied by a copy of ss. 607.1405-607.1410.

(3) A dissolved corporation may reject, in whole or in part, a claim submitted by a claimant and received prior to the deadline specified in the written notice given pursuant to subsections (1) and (2) by mailing notice of the rejection to the claimant on or before the date that is the earlier of 90 days after the dissolved corporation receives the claim or the date that is 150 days before the date which is 3 years after the effective date of the dissolution. A rejection notice sent by the dissolved corporation pursuant to this subsection must state that the claim will be barred unless the claimant, not later than 120 days after the claimant receives the rejection notice, commences an action in the circuit court in the applicable county against the dissolved corporation to enforce the claim.

(4) A claim against the dissolved corporation is barred:

(a) If a claimant who was given written notice pursuant to subsections (1) and (2) does not deliver the claim to the dissolved corporation by the specified deadline; or

(b) If the claim was timely received by the dissolved corporation but was timely rejected by the dissolved corporation under subsection (3) and the claimant does not commence the required action in the applicable county within 120 days after the claimant receives the rejection notice.

(5)(a) For purposes of this section, “known claims” means any claim or liability that, as of the date of the giving of the written notice contemplated by subsections (1) and (2):

CODING: Words stricken are deletions; words underlined are additions.
1. Has matured sufficiently on or prior to the effective date of the dissolution to be legally capable of assertion against the dissolved corporation; or

2. Is unmatured as of the effective date of the dissolution but will mature in the future solely based on the passage of time.

(b) The term “known claims” does not include a claim based on an event occurring after the effective date of the dissolution or a claim that is a contingent claim.

(6) The giving of any notice pursuant to this section does not revive any claim then barred or constitute acknowledgment by the dissolved corporation that any person to whom such notice is sent is a proper claimant and does not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom such notice is sent.

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

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

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

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

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

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

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

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

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

(3) A dissolved corporation or successor entity may reject, in whole or in part, any claim made by a claimant pursuant to this subsection by mailing notice of such rejection to the claimant within 90 days after receipt of such claim and, in all events, at least 150 days before expiration of 3 years following the effective date of dissolution. A notice sent by the dissolved corporation or successor entity shall:

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

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

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

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

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

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

(e) State that the corporation or successor entity may make distributions thereafter to other claimants and the corporation’s shareholders or persons interested as having been such without further notice.
corporation or successor entity pursuant to this subsection shall be accompanied by a copy of this section.

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

(5) A dissolved corporation or successor entity shall offer any claimant whose known claim is contingent, conditional, or unmatured such security as the corporation or such entity determines is sufficient to provide compensation to the claimant if the claim matures. The dissolved corporation or successor entity shall deliver such offer to the claimant within 90 days after receipt of such claim and, in all events, at least 150 days before expiration of 3 years following the effective date of dissolution. If the claimant offered such security does not deliver in writing to the dissolved corporation or successor entity a notice rejecting the offer within 120 days after receipt of such offer for security, the claimant is deemed to have accepted such security as the sole source from which to satisfy his or her claim against the corporation.

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

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

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

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

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

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

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

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

Such claims or obligations shall be paid in full, and any such provision for payments shall be made in full if there are sufficient funds. If there are insufficient funds, such claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of funds legally available therefor. Any remaining funds shall be distributed to the shareholders of the dissolved corporation; however, such distribution may not be made before the expiration of 150 days from the date of the last notice of rejections given pursuant to subsection (3). In the absence of actual fraud, the judgment of the directors of the dissolved corporation or the governing persons of such successor entity as to the provisions made for the payment of all obligations under paragraph (d) is conclusive.

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

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

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

(13) A shareholder of a dissolved corporation, the assets of which were distributed pursuant to subsection (9), is not liable for any claim against the corporation, which claim is known to the corporation or successor entity, on which a proceeding is not begun prior to the expiration of 3 years following the effective date of dissolution.

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

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

Section 181. Section 607.1407, Florida Statutes, is amended to read:

607.1407 Other Unknown claims against dissolved corporation.—

(1) A dissolved corporation or successor entity, as defined in s. 607.1406(15), may choose to execute one of the following procedures to resolve any claims other than known payment of unknown claims:

(a) A dissolved corporation or successor entity may file notice of its dissolution with the department of State on the form prescribed by the department of State and request that persons with claims against the corporation which are not known to the dissolved corporation or successor entity present them in accordance with the notice. The notice must:

1. State the name of the corporation that is the subject of the and the date of dissolution;

2. State that the corporation is the subject of a dissolution and the effective date of the dissolution. Describe the information that must be included in a claim and provide a mailing address to which the claim may be sent; and

3. Specify the information that must be included in a claim;

CODING: Words stricken are deletions; words underlined are additions.
4. State that a claim must be in writing and provide a mailing address where a claim may be sent; and

5(c) State that a claim against the corporation under this subsection will be barred unless a proceeding to enforce the claim is commenced within 4 years after the filing of the notice.

(b)(2) A dissolved corporation or successor entity may, within 10 days after filing articles of dissolution with the department of State, publish a “Notice of Corporate Dissolution.” The notice shall appear once a week for 2 consecutive weeks in a newspaper of general circulation in a county in the state in which the corporation has its principal office, if any, or, if none, in a county in the state in which the corporation owns real or personal property. Such newspaper shall meet the requirements as are prescribed by law for such purposes. The notice must shall:

1. State the name of the corporation that is the subject of the dissolution;

2. State that the corporation is the subject of a dissolution and the effective date of the dissolution;

3. Specify the information that must be included in the claim;

4. State that a claim must be in writing and provide a mailing address where a claim may be sent; and

5. State that a claim against the corporation under this subsection will be barred unless a proceeding to enforce the claim is commenced within 4 years after the date of the second consecutive weekly publication of the notice authorized by this section.

(a) State the name of the corporation and the date of dissolution;

(b) Describe the information that must be included in a claim and provide a mailing address to which the claim may be sent; and

(c) State that a claim against the corporation under this subsection will be barred unless a proceeding to enforce the claim is commenced within 4 years after the date of the second consecutive weekly publication of the notice authorized by this section.

(2) If the dissolved corporation or successor entity complies with paragraph (1)(a) or paragraph (1)(b) subsection (1) or subsection (2), unless sooner barred by another statute limiting actions, the claim of each of the following claimants with known or other claims is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within 4 years after the date of filing the notice with the department of State or the date of the second consecutive weekly publication, as applicable:

CODING: Words stricken are deletions; words underlined are additions.
(a) A claimant who did not receive written notice under s. 607.1406(9), or whose claim was not provided for under s. 607.1406(10), whether such claim is based on an event occurring before or after the effective date of dissolution.

(b) A claimant whose claim was timely sent to the dissolved corporation but on which no action was taken by the dissolved corporation.

(c) A claimant whose claim is not a known claim under s. 607.1406(5).

(4) A claim may be entered under this section:

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

(b) If the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of such shareholder’s pro rata share of the claim or the corporate assets distributed to such shareholder in liquidation, whichever is less, provided that the aggregate liability of any shareholder of a dissolved corporation arising under this section, s. 607.1406, or otherwise may not exceed the amount distributed to the shareholder in dissolution.

(3) Nothing in this section shall preclude or relieve the corporation from its notification to claimants otherwise set forth in this chapter.

Section 182. Section 607.1408, Florida Statutes, is created to read:

607.1408 Claims against dissolved corporations; enforcement.—A claim that is not barred by s. 607.1406(4), by s. 607.1407(2), or by another statute limiting actions may be enforced:

(1) Against the dissolved corporation, to the extent of its undistributed assets; or

(2) Except as provided in s. 607.1409(4), if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of the shareholder’s pro rata share of the claim or the corporate assets distributed to the shareholder in liquidation, whichever is less, provided that the aggregate liability of any shareholder of a dissolved corporation arising under s. 607.1406, under s. 607.1407, or otherwise may not exceed the total amount of assets distributed to the shareholder in dissolution.

Section 183. Section 607.1409, Florida Statutes, is created to read:

607.1409 Court proceedings.—

(1) A dissolved corporation that has filed a notice under s. 607.1407(1)(a) or published a notice under s. 607.1407(1)(b) may file an application with the circuit court in the applicable county for a determination of the amount and

CODING: Words stricken are deletions; words underlined are additions.
form of security to be provided for payment of claims that are contingent or have not been made known to the dissolved corporation or that are based on an event occurring after the effective date of dissolution but that, based on the facts known to the dissolved corporation, are reasonably estimated to arise after the effective date of dissolution. Provision need not be made for any claim that is or is reasonably anticipated to be barred under s. 607.1407(2).

(2) Within 10 days after the filing of the application under subsection (1), notice of the proceeding shall be given by the dissolved corporation to each claimant holding a contingent claim whose identity and contingent claim is known to the dissolved corporation. Such notice shall be accompanied by a copy of ss. 607.1405-607.1410.

(3) In any proceeding under this section, the court may appoint a guardian ad litem to represent all claimants whose identities are unknown. The reasonable fees and expenses of such guardian, including all reasonable expert witness fees, shall be paid by the dissolved corporation.

(4) Provision by the dissolved corporation for security in the amount and the form ordered by the court under subsection (1) shall satisfy the dissolved corporation’s obligations with respect to claims that are contingent, have not been made known to the dissolved corporation or are based on an event occurring after the effective date of dissolution, and such claims may not be enforced against a shareholder who received assets in liquidation.

Section 184. Section 607.1410, Florida Statutes, is created to read:

607.1410 Director duties.—

(1) Directors shall cause the dissolved corporation to discharge or make reasonable provision for the payment of claims and make distributions in liquidation of assets to shareholders after payment or provision for claims.

(2) Directors of a dissolved corporation that has disposed of claims under s. 607.1406, s. 607.1407, or s. 607.1409 are not liable to any claimant or shareholder for a breach of subsection (1) with respect to claims against the dissolved corporation that are barred or satisfied in accordance with s. 607.1406, s. 607.1407, or s. 607.1409.

Section 185. Section 607.1420, Florida Statutes, is amended to read:

607.1420 Grounds for Administrative dissolution.—

(1) The department of State may commence a proceeding under s. 607.1421 to administratively dissolve a corporation administratively if the corporation does not:

(a) Deliver its annual report to the department. The corporation has failed to file its annual report and pay the annual report filing fee by 5 p.m. Eastern Time on the third Friday in September of each year;

CODING: Words stricken are deletions; words underlined are additions.
(b) Pay a fee or penalty due to the department under this chapter;

(c) Appoint and maintain a registered agent and registered office as required by s. 607.0501. The corporation is without a registered agent or registered office in this state for 30 days or more;

(d) Deliver for filing a statement of change under s. 607.0502 within 30 days after a change has occurred in the name or address of the agent unless, within 30 days after the change occurred:

1. The agent filed a statement of change pursuant to s. 607.05031; or

2. The change was made in accordance with s. 607.0502(4). The corporation does not notify the Department of State within 30 days that its registered agent or registered office has been changed, that its registered agent has resigned, or that its registered office has been discontinued;

(e) The corporation has failed to answer truthfully and fully, within the time prescribed by this chapter act, interrogatories propounded by the department of State; or

(f) The corporation’s period of duration stated in its articles of incorporation expires.

(2) Administrative dissolution of a corporation for failure to file an annual report must occur on the fourth Friday in September of each year. The department shall issue a notice in a record of administrative dissolution to the corporation dissolved for failure to file an annual report. Issuance of the notice may be by electronic transmission to a corporation that has provided the department with an e-mail address.

(3) If the department determines that one or more grounds exist for administratively dissolving a corporation under paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d), the department shall serve notice in a record to the corporation of its intent to administratively dissolve the corporation. Issuance of the notice may be by electronic transmission to a corporation that has provided the department with an e-mail address.

(4) If, within 60 days after sending the notice of intent to administratively dissolve pursuant to subsection (3), a corporation does not correct each ground for dissolution under paragraph (1)(b), paragraph (1)(c), or paragraph (1)(d) or demonstrate to the reasonable satisfaction of the department that each ground determined by the department does not exist, the department shall dissolve the corporation administratively and issue to the corporation a notice in a record of administrative dissolution that states the grounds for dissolution. Issuance of the notice of administrative dissolution may be by electronic transmission to a corporation that has provided the department with an e-mail address.

(5) A corporation that has been administratively dissolved continues in existence but may only carry on activities necessary to wind up its activities.
and affairs, liquidate and distribute its assets, and notify claimants under ss. 607.1405, 607.1406, and 607.1407.

(6) The administrative dissolution of a corporation does not terminate the authority of its registered agent for service of process The foregoing enumeration in subsection (1) of grounds for administrative dissolution shall not exclude actions or special proceedings by the Department of Legal Affairs or any state officials for the annulment or dissolution of a corporation for other causes as provided in any other statute of this state.

Section 186. Section 607.1421, Florida Statutes, is repealed.

Section 187. Section 607.1422, Florida Statutes, is amended to read:

607.1422 Reinstatement following administrative dissolution.—

(1) A corporation that is administratively dissolved under s. 607.1420 or that was dissolved under s. 607.1421 before January 1, 2020, s. 607.1421 may apply to the department of State for reinstatement at any time after the effective date of dissolution. The corporation must submit all fees and penalties then owed by the corporation at the rates provided by laws at the time the corporation applies for reinstatement, together with an application for reinstatement prescribed and furnished by the department, which is a reinstatement form prescribed and furnished by the Department of State or a current uniform business report signed by both the registered agent and an officer or director of the corporation and states:

(a) The name of the corporation;

(b) The street address of the corporations’ principal office and mailing address;

(c) The date of the corporation’s organization;

(d) The corporation’s federal employer identification number or, if none, whether one has been applied for;

(e) The name, title or capacity, and address of at least one officer or director of the corporation; and

(f) Additional information that is necessary or appropriate to enable the department to carry out this chapter.

(2) In lieu of the requirement to file an application for reinstatement as described in subsection (1), an administratively dissolved corporation may submit all fees and penalties owed by the corporation at the rates provided by law at the time the corporation applies for reinstatement, together with a current annual report, signed by both the registered agent and an officer or director of the corporation, which contains the information described in subsection (1).

CODING: Words stricken are deletions; words underlined are additions.
(3) If the department determines that an application for reinstatement contains the information required under subsection (1) or subsection (2) and that the information is correct, upon payment of all required fees and penalties, the department shall reinstate the corporation.

(4) When reinstatement under this section becomes effective:

(a) The reinstatement relates back to and takes effect as of the effective date of the administrative dissolution.

(b) The corporation may operate as if the administrative dissolution had never occurred.

(c) The rights of a person arising out of an act or omission in reliance on the dissolution before the person knew or had notice of the reinstatement are not affected and all fees then owed by the corporation, computed at the rate provided by law at the time the corporation applies for reinstatement.

(2) If the Department of State determines that the application contains the information required by subsection (1) and that the information is correct, it shall reinstate the corporation.

(3) When the reinstatement is effective, it relates back to and takes effect as of the effective date of the administrative dissolution and the corporation resumes carrying on its business as if the administrative dissolution had never occurred.

(5) The name of the dissolved corporation is not shall not be available for assumption or use by another eligible entity corporation until 1 year after the effective date of dissolution unless the dissolved corporation provides the Department of State with a record signed as required by an affidavit executed as required by s. 607.0120 permitting the immediate assumption or use of the name by another eligible entity corporation.

(6) If the name of the dissolved corporation has been lawfully assumed in this state by another business entity, the department corporation, the Department of State shall require the dissolved corporation to amend its articles of incorporation to change its name before accepting its application for reinstatement.

Section 188. Section 607.1423, Florida Statutes, is amended to read:

607.1423 Judicial review of Appeal from denial of reinstatement.—

(1) If the department of State denies a corporation’s application for reinstatement after following administrative dissolution, the department it shall serve the corporation under either s. 607.0504(1) or s. 607.0504(2) with a written notice that explains the reason or reasons for denial.

(2) Within 30 days after service of a notice of denial of reinstatement, a corporation may appeal the denial by petitioning the Circuit Court of Leon
County to set aside the dissolution. The petition must be served on the department and contain a copy of the department’s notice of administrative remedies. After exhaustion of administrative remedies, the corporation may appeal the denial of reinstatement to the appropriate court as provided in s. 120.68 within 30 days after service of the notice of denial is perfected. The corporation appeals by petitioning the court to set aside the dissolution and attaching to the petition copies of the Department of State’s certificate of dissolution, the corporation’s application for reinstatement, and the department’s notice of denial.

(3) The court may summarily order the department of State to reinstate the dissolved corporation or may take other action the court considers appropriate.

(4) The court’s final decision may be appealed as in other civil proceedings.

Section 189. Section 607.1430, Florida Statutes, is amended to read:

607.1430 Grounds for judicial dissolution.—

(1) A circuit court may dissolve a corporation or order such other remedy as provided in s. 607.1434:

(1)(a) In a proceeding by the Department of Legal Affairs to dissolve a corporation if it is established that:

1. The corporation obtained its articles of incorporation through fraud; or
2. The corporation has continued to exceed or abuse the authority conferred upon it by law.

(b) The enumeration in subparagraphs 1. and 2. paragraph (a) of grounds for involuntary dissolution does not exclude actions or special proceedings by the Department of Legal Affairs or any state official for the annulment or dissolution of a corporation for other causes as provided in any other statute of this state;

(b)(2) In a proceeding by a shareholder to dissolve a corporation if it is established that:

1.(a) The directors are deadlocked in the management of the corporate affairs, the shareholders are unable to break the deadlock, and:

a. Irreparable injury to the corporation is threatened or being suffered;

b. The business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally because of the deadlock; or

c. Both; or
2.(b) The shareholders are deadlocked in voting power and have failed to elect successors to directors whose terms have expired or would have expired upon qualification of their successors;

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

3.(a) The corporate assets are being misapplied or wasted, causing material injury to the corporation; or

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

(c)(4) In a proceeding by a creditor if it is established that:

1.(a) The creditor’s claim has been reduced to judgment, the execution on the judgment returned unsatisfied, and the corporation is insolvent; or

2.(b) The corporation has admitted in writing that the creditor’s claim is due and owing and the corporation is insolvent; or

(d)(5) In a proceeding by the corporation to have its voluntary dissolution continued under court supervision; or

(e) In a proceeding by a shareholder if the corporation has abandoned its business and has failed within a reasonable period of time to liquidate and distribute its assets and dissolve.

(2) Paragraph (1)(b) does not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares that are:

(a) A covered security under s. 18(b)(1)(A) or (B) of the Securities Act of 1933; or

(b) Not a covered security, but are held by at least 300 shareholders and the shares outstanding have a market value of at least $20 million, exclusive of the value of outstanding shares of the corporation held by the corporation’s subsidiaries, by the corporation’s senior executives, by the corporation’s directors, and by the corporation’s beneficial shareholders and voting trust beneficial owners owning more than 10 percent of the outstanding shares of the corporation.

(3)(a) In the event of a deadlock situation that satisfies subparagraph (1)(b)1. or subparagraph (1)(b)2., if the shareholders are subject to a shareholder agreement that complies with s. 607.0732 and contains a deadlock sale provision, then such deadlock sale provision shall apply to the resolution of such deadlock in lieu of the court entering an order of judicial dissolution or an order directing the purchase of petitioner’s shares under s. 607.1436, so long as the provisions of such deadlock sale provision are initiated and effectuated within the time periods specified for the

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corporation to act under s. 607.1436 and in accordance with the terms of such deadlock sale provision.

(b) As used in this section, the term “deadlock sale provision” means a provision in a shareholder agreement that complies with s. 607.0732, which is or may be applicable in the event of a deadlock among the directors or shareholders of the corporation, which neither the directors nor the shareholders, as applicable, of the corporation are able to break; and which provides for a deadlock breaking mechanism, including, but not limited to:

1. A redemption or a purchase and sale of shares or other equity securities;

2. A governance change;

3. A sale of the corporation or all or substantially all of the assets of the corporation; or

4. A similar provision that, if initiated and effectuated, breaks the deadlock by causing the transfer of the shares or other equity securities, a governance change, or a sale of the corporation or all or substantially all of the corporation’s assets.

(4) A deadlock sale provision in a shareholder agreement which complies with s. 607.0732 which is not initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an order directing the purchase of petitioner’s interest under s. 607.1436, does not adversely affect the rights of shareholders to seek judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or the rights of the corporation or one or more shareholders to purchase the petitioner’s interest under s. 607.1436. The filing of an action for judicial dissolution on the grounds described in subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an election to purchase the petitioner’s interest under s. 607.1436, does not adversely affect the right of a shareholder to initiate an available deadlock sale provision under the shareholder agreement that complies with s. 607.0732 or to enforce a shareholder-initiated or an automatically-initiated deadlock sale provision if the deadlock sale provision is initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)1. or subparagraph (1)(b)2., as the case may be, or an order directing the purchase of petitioner’s interest under s. 607.1436.

(5) For purposes of subsections (1) and (2), the term “shareholder” means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner.

Section 190. Subsections (1), (3), and (4) of section 607.1431, Florida Statutes, are amended to read:

607.1431 Procedure for judicial dissolution.—

CODING: Words stricken are deletions; words underlined are additions.
(1) Venue for a proceeding brought under s. 607.1430 lies in the circuit court in the applicable county of the county where the corporation’s principal office is or was last located, as shown by the records of the Department of State, or, if none in this state, where its registered office is or was last located.

(3) A court in a proceeding brought under s. 607.1430 to dissolve a corporation may issue injunctions, appoint a receiver or custodian during the proceeding pendente lite with all powers and duties the court directs, take other action required to preserve the corporate assets wherever located, and carry on the business of the corporation until a full hearing can be held.

(4) Within 30 days of the commencement of a proceeding under s. 607.1430(1)(b), the corporation shall deliver to all shareholders, other than the petitioner, a notice stating that the shareholders are entitled to avoid the dissolution of the corporation by electing to purchase the petitioner’s shares under s. 607.1436 and accompanied by a copy of s. 607.1436.

(5) If the court determines that any party has commenced, continued, or participated in a proceeding an action under s. 607.1430 and has acted arbitrarily, frivolously, vexatiously, or not in good faith, the court may, in its discretion, award attorney’s fees and other reasonable expenses to the other parties to the action who have been affected adversely by such actions.

Section 191. Subsections (1) and (2), paragraph (a) of subsection (3), and subsections (4) and (5) of section 607.1432, Florida Statutes, are amended to read:

607.1432 Receivership or custodianship.—

(1) A court in a judicial proceeding brought under s. 607.1430 to dissolve a corporation may appoint one or more receivers to wind up and liquidate, or one or more custodians to manage, the business and affairs of the corporation. The court shall hold a hearing, after notifying all parties to the proceeding and any interested persons designated by the court, before appointing a receiver or custodian. The court appointing a receiver or custodian has exclusive jurisdiction over the corporation and all of its property wherever located.

(2) The court may appoint a natural person or an eligible entity a corporation authorized to act as a receiver or custodian. The eligible entity corporation may be a domestic eligible entity corporation or a foreign eligible entity corporation authorized to transact business in this state. The court may require the receiver or custodian to post bond, with or without sureties, in an amount the court directs.

(3) The court shall describe the powers and duties of the receiver or custodian in its appointing order, which may be amended from time to time. Among other powers:

CODING: Words stricken are deletions; words underlined are additions.
(a) The receiver:

1. May dispose of all or any part of the assets of the corporation wherever located, at a public or private sale, if authorized by the court; and

2. May sue and defend in his, her, or its or her own name as receiver of the corporation in all courts of this state.

(4) The court during a receivership may redesignate the receiver a custodian, and during a custodianship may redesignate the custodian a receiver, if doing so is determined by the court to be in the best interests of the corporation and its shareholders and creditors.

(5) The court from time to time during the receivership or custodianship may order compensation paid and expense disbursements or reimbursements made to the receiver or custodian and his, her, or its or her counsel from the assets of the corporation or proceeds from the sale of the assets.

Section 192. Section 607.1433, Florida Statutes, is amended to read:

607.1433 Judgment of dissolution.—

(1) If after a hearing in a proceeding under s. 607.1430 the court determines that one or more grounds for judicial dissolution described in s. 607.1430 exist, it may enter a judgment dissolving the corporation and specifying the effective date of the dissolution, and the clerk of the court shall deliver a certified copy of the judgment to the department of State, which shall file it.

(2) After entering the judgment of dissolution, the court shall direct the winding up and liquidation of the corporation’s business and affairs in accordance with s. 607.1405 and the notification of claimants in accordance with ss. 607.1406 and 607.1407 s. 607.1406, subject to the provisions of subsection (3).

(3) In a proceeding for judicial dissolution, the court may require all creditors of the corporation to file with the clerk of the court or with the receiver, in such form as the court may prescribe, proofs under oath of their respective claims. If the court requires the filing of claims, it shall fix a date, which shall be not less than 4 months from the date of the order, as the last day for filing of claims. The court shall prescribe the method by which such notice of the deadline for filing claims shall be given to creditors and claimants. Prior to the date so fixed, the court may extend the time for the filing of claims by court order. Creditors and claimants failing to file proofs of claim on or before the date so fixed shall be barred by order of court, from participating in the distribution of the assets of the corporation. Nothing in this section affects the enforceability of any recorded mortgage or lien or the perfected security interest or rights of a person in possession of real or personal property.

Section 193. Section 607.1434, Florida Statutes, is amended to read:

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607.1434  Alternative remedies to judicial dissolution.—

(1) In a proceeding under an action for dissolution pursuant to s. 607.1430, the court may, as an alternative to directing the dissolution of the corporation and upon a showing of sufficient merit to warrant such remedy:

(a) Appoint a receiver or custodian during the proceeding pendente lite as provided in s. 607.1432;

(b) Appoint a provisional director as provided in s. 607.1435;

(c) Order a purchase of the petitioning complaining shareholder’s shares pursuant to s. 607.1436; or

(d) Upon proof of good cause, Make any order or grant any equitable relief other than dissolution or liquidation as in its discretion it may deem appropriate.

(2) Alternative remedies, such as the appointment of a receiver or custodian, may also be ordered in the discretion of the court, upon a showing of sufficient merit to warrant such remedy, in advance of directing the dissolution of the corporation or, after a judgment of dissolution is entered, to assist in facilitating the winding up of the corporation.

Section 194. Subsections (1) and (3) of section 607.1435, Florida Statutes, are amended to read:

607.1435  Provisional director.—

(1) In a proceeding under s. 607.1430, a provisional director may be appointed in the discretion of the court if it appears that such action by the court will remedy the grounds alleged by the complaining shareholder to support the jurisdiction of the court under s. 607.1430. A provisional director may be appointed notwithstanding the absence of a vacancy on the board of directors, and such director shall have all the rights and powers of a duly elected director, including the right to notice of and to vote at meetings of directors, until such time as the provisional director is removed by order of the court or, unless otherwise ordered by a court, removed by a vote of the shareholders sufficient either to elect a majority of the board of directors or, if greater than majority voting is required by the articles of incorporation or the bylaws, to elect the requisite number of directors needed to take action. A provisional director shall be an impartial person who is neither a shareholder nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the court.

(3) In any proceeding under which a provisional director is appointed pursuant to this section, the court shall allow reasonable compensation to the provisional director for services rendered and reimbursement or direct

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payment of reasonable costs and expenses, which amounts shall be paid by
the corporation.

Section 195. Section 607.1436, Florida Statutes, is amended to read:

607.1436 Election to purchase instead of dissolution.—

(1) In a proceeding under s. 607.1430(1)(b) or (3) to
dissolve a corporation, the corporation may elect or, if it fails to elect, one or
more shareholders may elect to purchase all shares owned by the petitioning
shareholder at the fair value of the shares. An election pursuant to this
section shall be irrevocable unless the court determines that it is equitable to
set aside or modify the election.

(2) An election to purchase pursuant to this section may be filed with the
court at any time within 90 days after the filing of the petition under s.
607.1430(1)(b) or (3) or at such later time as the court in its
discretion may allow. If the election to purchase is filed by one or more
shareholders, the corporation shall, within 10 days thereafter, give written
notice to all shareholders, other than the petitioner. The notice must state
the name and number of shares owned by the petitioner and the name and
number of shares owned by each electing shareholder and must advise the
recipients of their right to join in the election to purchase shares in
accordance with this section. Shareholders who wish to participate must file
notice of their intention to join in the purchase no later than 30 days after the
effective date of the notice to them. All shareholders who have filed an
election or notice of their intention to participate in the election to purchase
thereby become parties to the proceeding and shall participate in the
purchase in proportion to their ownership of shares as of the date the first
election was filed, unless they otherwise agree or the court otherwise directs.
After an election has been filed by the corporation or one or more
shareholders, the proceeding under s. 607.1430(1)(b) or (3) may not be discontinued or settled, nor may the petitioning shareholder sell
or otherwise dispose of his or her shares, unless the court determines that it
would be equitable to the corporation and the shareholders, other than the
petitioner, to permit such discontinuance, settlement, sale, or other
disposition.

(3) If, within 60 days after the filing of the first election, the parties reach
agreement as to the fair value and terms of the purchase of the petitioner’s
shares, the court shall enter an order directing the purchase of the
petitioner’s shares upon the terms and conditions agreed to by the parties.

(4) If the parties are unable to reach an agreement as provided for in
subsection (3), the court, upon application of any party, may stay the
proceeding to dissolve under s. 607.1430(1)(b) and shall, whether or not the
proceeding is stayed, shall stay the s. 607.1430 proceedings and
determine the fair value of the petitioner’s shares as of the day before the date on which
the petition under s. 607.1430 was filed or as of such other date as the court
deems appropriate under the circumstances.

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(5) Upon determining the fair value of the shares, the court shall enter an order directing the purchase upon such terms and conditions as the court deems appropriate, which may include payment of the purchase price in installments, when necessary in the interests of equity, provision for security to assure payment of the purchase price and any additional costs, fees, and expenses as may have been awarded, and, if the shares are to be purchased by shareholders, the allocation of shares among such shareholders. In allocating the petitioner’s shares among holders of different classes of shares, the court shall attempt to preserve any the existing distribution of voting rights among holders of different classes and series insofar as practicable and may direct that holders of any a specific class or classes or series shall not participate in the purchase. Interest may be allowed at the rate and from the date determined by the court to be equitable; however, if the court finds that the refusal of the petitioning shareholder to accept an offer of payment was arbitrary or otherwise not in good faith, no interest shall be allowed. If the court finds that the petitioning shareholder had probable grounds for relief under s. 607.1430(1)(b) s. 607.1430(3), it may award expenses to the petitioning shareholder, including reasonable fees and expenses of counsel and of any experts employed by petition.

(6) The Upon entry of an order under subsection (3) or subsection (5) shall be subject to the provisions of subsection (8), and the order shall not be entered unless and until the award is determined by the court to be permitted under the provisions of subsection (8). In determining compliance with s. 607.06401, the court may rely on an affidavit from the corporation as to compliance with that section as of the measurement date. Upon entry of an order under subsection (3) or subsection (5), the court shall dismiss the petition to dissolve the corporation under s. 607.1430(1)(b) s. 607.1430 and the petitioning shareholder shall no longer have any rights or status as a shareholder of the corporation, except the right to receive the amounts awarded by the order of the court, which shall be enforceable in the same manner as any other judgment.

(7) The purchase ordered pursuant to subsection (5) shall be made within 10 days after the date the order becomes final unless, before that time, the corporation files with the court a notice of its intention to adopt articles of dissolution pursuant to ss. 607.1402 and 607.1403, which articles shall then be adopted and filed within 50 days thereafter. Upon filing of such articles of dissolution, the corporation shall be dissolved in accordance with the provisions of ss. 607.1405 and 607.1406, and the order entered pursuant to subsection (5) shall no longer be of any force or effect, except that the court may award the petitioning shareholder reasonable fees and expenses of counsel and any experts employed in accordance with the provisions of subsection (5) and the petitioner may continue to pursue any claims previously asserted on behalf of the corporation.

(8) Any payment by the corporation pursuant to an order under subsection (3) or subsection (5), other than an award of fees and expenses pursuant to subsection (5), is subject to the provisions of s. 607.06401. Unless

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otherwise provided in the court’s order, the effect of the distribution under s. 607.06401 shall be measured as of the date of the court’s order under subsection (3) or subsection (5).

Section 196. Section 607.14401, Florida Statutes, is amended to read:

607.14401 Deposit with Department of Financial Services.—Assets of a dissolved corporation that should be transferred to a creditor, claimant, or shareholder of the corporation who cannot be found or who is not competent to receive them shall be reduced to cash and deposited, within 6 months from the date fixed for the payment of the final liquidating distribution, with the Department of Financial Services for safekeeping, where such assets shall be held as abandoned property. When the creditor, claimant, or shareholder furnishes satisfactory proof of entitlement to the amount or assets deposited, the Department of Financial Services shall pay such person the creditor, claimant, or shareholder or his or her representative that amount or those assets.

Section 197. Section 607.1501, Florida Statutes, is amended to read:

607.1501 Authority of foreign corporation to transact business required; activities not constituting transacting business.—

(1) A foreign corporation may not transact business in this state until it obtains a certificate of authority from the department of State.

(2) The following activities, among others, do not constitute transacting business within the meaning of subsection (1):

(a) Maintaining, defending, mediating, arbitrating, or settling any proceeding.

(b) Carrying on any activity concerning the internal affairs of the foreign corporation, including holding meetings of its shareholders or board of directors the board of directors or shareholders or carrying on other activities concerning internal corporate affairs.

(c) Maintaining bank accounts in financial institutions.

(d) Maintaining offices, officers, or agencies for the transfer, exchange, and registration of the corporation’s own securities of the foreign corporation or maintaining trustees or depositaries with respect to those securities.

(e) Selling through independent contractors.

(f) Soliciting or obtaining orders, whether by mail or through employees, agents, or otherwise, if the orders require acceptance outside this state before they become contracts.

(g) Creating or acquiring indebtedness, mortgages, or and security interests in real or personal property.

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Securing or collecting debts or enforcing mortgages or and security interests in property securing the debts, and holding, protecting, or maintaining property so acquired.

Transacting business in interstate commerce.

Conducting an isolated transaction that is completed within 30 days and that is not one in the course of repeated transactions of a like nature.

Owning and controlling a subsidiary corporation incorporated in or limited liability company formed in, or transacting business within, this state; or voting the shares stock of any such subsidiary corporation; or voting the membership interests of any such limited liability company, which it has lawfully acquired.

Owning a limited partnership interest in a limited partnership that is transacting doing business within this state, unless the such limited partner manages or controls the partnership or exercises the powers and duties of a general partner.

Owning, protecting, and maintaining, without more, real or personal property.

The list of activities in subsection (2) is not an exhaustive list of activities that do not constitute transacting business within the meaning of subsection (1).

This section does not apply in determining the contacts or activities that may subject a foreign corporation to service of process, taxation, or regulation under the law of this state under any law of this state other than this chapter.

Section 198. Section 607.15015, Florida Statutes, is created to read:

607.15015 Governing law.—

(1) The law of the state or other jurisdiction under which a foreign corporation exists governs:

(a) The organization and internal affairs of the foreign corporation; and

(b) The interest holder liability of its shareholders.

(2) A foreign corporation may not be denied a certificate of authority by reason of a difference between the laws of its jurisdiction of formation and the laws of this state.

(3) A certificate of authority does not authorize a foreign corporation to engage in any business or exercise any power that a corporation may not engage in or exercise in this state.
Section 199. Section 607.1502, Florida Statutes, is amended to read:

607.1502 Effect of failure to have a certificate of Consequences of transacting business without authority.

(1) A foreign corporation transacting business in this state or its successors may not prosecute or maintain an action or proceeding without a certificate of authority may not maintain a proceeding in any court in this state until it has obtained obtains a certificate of authority to transact business in this state.

(2) The successor to a foreign corporation that transacted business in this state without a certificate of authority and the assignee of a cause of action arising out of that business may not prosecute or maintain a proceeding based on that cause of action in any court in this state until the foreign corporation or its successor has obtained obtains a certificate of authority to transact business in this state.

(3) A court may stay a proceeding commenced by a foreign corporation or its successor or assignee until it determines whether the foreign corporation or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign corporation or its successor has obtained a obtains the certificate of authority to transact business in this state.

(4) A foreign corporation which transacts business in this state without obtaining a certificate of authority is to do so shall be liable to this state for the years or parts thereof during which it transacted business in this state without obtaining a certificate of authority in an amount equal to all fees and penalties that taxes which would have been imposed by this chapter act upon the foreign such corporation had it duly applied for and received a certificate of authority to transact business in this state as required under this chapter by this act. In addition to the payments thus prescribed, the foreign corporation may, to the extent ordered by a court of competent jurisdiction, such corporation shall be liable for a civil penalty of not less than $500 but not or more than $1,000 for each year or part thereof during which it transacts business in this state without a certificate of authority. The department of State may collect all penalties due under this subsection and may bring an action in circuit court to recover all penalties and fees due and owing the state.

(5) Notwithstanding subsections (1) and (2), The failure of a foreign corporation to have obtain a certificate of authority to transact business in this state does not impair the validity of any of its contracts, deeds, mortgages, security interests, or corporate acts or prevent the foreign corporation it from defending an action or any proceeding in this state.

(6) A shareholder, officer, or director of a foreign corporation is not liable for the debts, obligations, or other liabilities of the foreign corporation solely
because the foreign corporation transacted business in this state without a certificate of authority.

(7) Section 607.15015(1) applies even if a foreign corporation fails to have a certificate of authority to transact business in this state.

(8) If a foreign corporation transacts business in this state without a certificate of authority or cancels its certificate of authority, it appoints the secretary of state as its agent for service of process for rights of action arising out of the transaction of business in this state.

Section 200. Section 607.1503, Florida Statutes, is amended to read:

607.1503 Application for certificate of authority.—

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

(a) The name of the foreign corporation and, if the name does not comply with s. 607.0401, an alternate name adopted pursuant to as long as its name satisfies the requirements of s. 607.0401, but if its name does not satisfy such requirements, a corporate name that otherwise satisfies the requirements of s. 607.1506.;

(b) The name of the foreign corporation’s jurisdiction of incorporation. Jurisdiction under the law of which it is incorporated;

(c) Its date of incorporation and period of duration.;

(d) The principal office and mailing address of the foreign corporation. Street address of its principal office;

(e) The name and street address in this state of, and the written acceptance by, the foreign corporation’s initial registered agent in this state. Of its registered office in this state and the name of its registered agent at that office;

(f) The names and usual business addresses of its current directors and officers.;

(g) Such Additional information as may be necessary or appropriate in order to enable the department of State to determine whether the foreign such corporation is entitled to file an application for certificate of authority to transact business in this state and to determine and assess the fees and taxes payable as prescribed in this chapter act.

(2) The foreign corporation shall deliver with a the completed application under subsection (1) a certificate of existence or a record (or a document of

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similar import, duly authenticated, not more than 90 days prior to delivery of the application to the Department of State, signed by the Secretary of State or other official having custody of the foreign corporation’s publicly filed records in its jurisdiction of incorporation corporate records in the jurisdiction under the law of which it is incorporated. A translation of the certificate, under oath of the translator, must be attached to a certificate which is in a language other than the English language.

(3) A foreign corporation shall not be denied authority to transact business in this state by reason of the fact that the laws of the jurisdiction under which such corporation is organized governing its organization and internal affairs differ from the laws of this state.

Section 201. Section 607.1504, Florida Statutes, is amended to read:

607.1504 Amended certificate of authority.—

(1) A foreign corporation authorized to transact business in this state shall deliver for filing an amendment to its application to the Department of State to obtain an amended certificate of authority to reflect a change in any of the following if it changes:

(a) Its name on the records of the department, corporate name;

(b) The period of its duration; or

(c) The jurisdiction of its incorporation.

(c) The name and street address in this state of the foreign corporation’s registered agent in this state, unless the change was timely made in accordance with s. 607.0502 or s. 607.05031.

(2) The amendment must be filed within 90 days after the occurrence of a change described in subsection (1), must be signed by an officer of the foreign corporation, and must state the following: Such application shall be made within 90 days after the occurrence of any change mentioned in subsection (1), shall be made on forms prescribed by the Department of State, and shall be executed in accordance with s. 607.0120. The foreign corporation shall deliver with the completed application, a certificate, or a document of similar import, authenticated as of a date not more than 90 days prior to delivery of the application to the Department of State by the Secretary of State or other official having custody of corporate records in the jurisdiction under the laws of which it is incorporated, evidencing the amendment. A translation of the certificate, under oath or affirmation of the translator, must be attached to a certificate that is in a language other than English. The application shall set forth:

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

(b) The jurisdiction of its incorporation.
(c) The date the foreign corporation it was authorized to do business in this state.

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

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

(f) If the amendment changes the jurisdiction of incorporation of the foreign corporation, a statement of that such change.

(3) The requirements of s. 607.1503 for obtaining an original certificate of authority apply to obtaining an amended certificate under this section unless the official having custody of the foreign corporation’s publicly filed records in its jurisdiction of incorporation did not require an amendment to effectuate the change on its records.

(4) Subject to subsection (3), a foreign corporation authorized to transact business in this state may make application to the department to obtain an amended certificate of authority to add, remove, or change the name, title, capacity, or address of an officer or director of the foreign corporation.

Section 202. Section 607.1505, Florida Statutes, is amended to read:

607.1505 Effect of a certificate of authority.—

(1) Unless the department determines that an application for a certificate of authority of a foreign corporation authorizes the foreign corporation to which it is issued to transact business in this state does not comply with the filing requirements of this chapter, the department shall, upon payment of all filing fees, authorize the foreign corporation to transact business in this state and file the application for certificate of authority subject, however, to the right of the Department of State to suspend or revoke the certificate as provided in this act.

(2) The filing by the department of an application for a certificate of authority means that the foreign corporation that filed the application to transact business in this state has obtained a certificate of authority to transact business in this state and is authorized to transact business in this state, subject, however, to the right of the department to suspend or revoke the certificate of authority as provided in this chapter. A foreign corporation with a valid certificate of authority has the same but no greater rights and has the same but no greater privileges as, and except as otherwise provided by this act is subject to the same duties, restrictions, penalties, and liabilities now or later imposed on, a domestic corporation of like character.

CODING: Words stricken are deletions; words underlined are additions.
This act does not authorize this state to regulate the organization or internal affairs of a foreign corporation authorized to transact business in this state.

Section 203. Section 607.1506, Florida Statutes, is amended to read:

607.1506 Corporate name of foreign corporation.—

1. A foreign corporation whose name is unavailable under or whose name does not otherwise comply with s. 607.0401 shall use an alternate name that complies with s. 607.0401 is not entitled to file an application for a certificate of authority unless the corporate name of such corporation satisfies the requirements of s. 607.0401. If the corporate name of a foreign corporation does not satisfy the requirements of s. 607.0401, the foreign corporation, to obtain or maintain a certificate of authority to transact business in this state. An alternate name adopted for use in this state shall be cross-referenced to the actual name of the foreign corporation in the records of the department, provided that no cross-reference is required if the alternate name involves no more than adding the suffix “corporation,” “company,” or “incorporated” or the abbreviation “Corp.” “Inc.” “Co.” or the designation “Corp.” “Inc.” “Co.” to the name. If the actual name of the foreign corporation subsequently becomes available in this state and the foreign corporation elects to operate in this state under its actual name, or the foreign corporation chooses to change its alternate name, a record approving the election or change, as the case may be, by its directors or shareholders, and signed as required pursuant to s. 607.0120, shall be delivered to the department for filing:

(a) May add the word “corporation,” “company,” or “incorporated” or the abbreviation “Corp.” “Inc.” “Co.” or the designation “Corp.” “Inc.” “Co.” as will clearly indicate that it is a corporation instead of a natural person, partnership, or other business entity; or

(b) May use an alternate name to transact business in this state if its real name is unavailable. Any such alternate corporate name, adopted for use in this state, shall be cross referenced to the real corporate name in the records of the Division of Corporations. If the corporation’s real corporate name becomes available in this state or the corporation chooses to change its alternate name, a copy of the resolution of its board of directors changing or withdrawing the alternate name, executed as required by s. 607.0120, shall be delivered for filing.

2. A foreign corporation that adopts an alternate name under subsection (1) and obtains a certificate of authority with the alternate name need not comply with s. 865.09 with respect to the alternate name. The corporate name (including the alternate name) of a foreign corporation must be distinguishable upon the records of the Division of Corporations from:

(a) Any corporate name of a corporation incorporated or authorized to transact business in this state;
(b) The alternate name of another foreign corporation authorized to transact business in this state;

(c) The corporate name of a not-for-profit corporation incorporated or authorized to transact business in this state; and

(d) The names of all other entities or filings, except fictitious name registrations pursuant to s. 865.09, organized or registered under the laws of this state that are on file with the Division of Corporations.

(3) So long as a foreign corporation maintains a certificate of authority with an alternate name, a foreign corporation shall transact business in this state under the alternate name unless the corporation is authorized under s. 865.09 to transact business in this state under another name.

(4) If a foreign corporation authorized to transact business in this state changes its corporate name to one that does not comply with the requirements of s. 607.0401, it may not thereafter transact business in this state under the changed name until it complies with subsection (1) adopts a name satisfying the requirements of s. 607.0401 and obtains an amended certificate of authority under s. 607.1504.

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

Section 204. Section 607.1507, Florida Statutes, is amended to read:

607.1507 Registered office and registered agent of foreign corporation.

(1) Each foreign corporation authorized to transact business in this state shall designate and must continuously maintain in this state:

(a) A registered office, which may be the same as any of its places of business in this state; and

(b) A registered agent, which must be:

1. An individual who resides in this state and whose business address is identical to the address of the office is identical with the registered office;

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

3. Another foreign entity authorized to transact business in this state which is an authorized entity and whose business address is identical to the address of corporation or not for profit corporation as defined in chapter 617, the business office of which is identical with the registered office; or

CODING: Words stricken are deletions; words underlined are additions.
3. Another foreign corporation or foreign not-for-profit corporation authorized pursuant to this chapter or chapter 617, to transact business or conduct its affairs in this state, the business office of which is identical with the registered office.

(2) This section does not apply to corporations that are required by law to designate the Chief Financial Officer as their attorney for service of process, associations subject to the provisions of chapter 665, and banks and trust companies subject to the financial institutions codes.

(3) Each initial registered agent, and each successor registered agent that is appointed, shall file a statement in writing with the department, in such form and manner as shall be prescribed by the department, accepting the appointment as a registered agent while simultaneously with his or her being designated as the registered agent. The statement of acceptance must provide that the registered agent is familiar with, and accepts, the obligations of that position.

(4) The duties of a registered agent are as follows:

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

(b) If the registered agent resigns, to provide the notice required under s. 607.1509 to the foreign corporation at the address most recently supplied to the registered agent by the foreign corporation.

(5) The department shall maintain an accurate record of the registered agents and registered offices for service of process and shall promptly furnish any information disclosed thereby upon request and payment of the required fee.

(6) A foreign corporation may not prosecute or maintain any action in a court in this state until the foreign corporation complies with the provisions of this section, pays to the department the amounts required by this chapter, and, to the extent ordered by a court of competent jurisdiction, pays to the department a penalty of $5 for each day it has failed to so comply or $500, whichever is less.

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

Section 205. Section 607.1508, Florida Statutes, is amended to read:

607.1508 Change of registered office and registered agent of foreign corporation.—

CODING: Words stricken are deletions; words underlined are additions.
In order to change its registered agent or registered office address, a foreign corporation authorized to transact business in this state may deliver to the department a statement of change containing the following that sets forth:

(a) The name of the foreign corporation.

(b) The name or street address of its current registered agent.

(c) If the current registered agent is to be changed, the name of the new registered agent.

(d) The street address of its current registered office for its current registered agent.

(e) If the street address of the current registered office is to be changed, the new street address of the registered office.

(f) That, after the change or changes are made, the street address of its registered office and the business office of its registered agent will be identical; and

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

If the registered agent is changed, the written acceptance of the successor registered agent described in s. 607.1507(3) must also be included in or attached to the statement of change.

A statement of change is effective when filed by the department.

The changes described in this section may also be made on the foreign corporation’s annual report or in an application for reinstatement filed with the department under s. 607.1622. If a registered agent changes the street address of her or his business office, she or he may change the street address of the registered office of any foreign corporation for which she or he is the registered agent by notifying the corporation in writing of the change and signing (either manually or in facsimile) and delivering to the Department of State for filing a statement of change that complies with the requirements of...
paragraphs (1)(a)-(f) and recites that the corporation has been notified of the
change.

Section 206. Section 607.1509, Florida Statutes, is amended to read:

607.1509 Resignation of registered agent of foreign corporation.—

(1) A registered agent may resign as agent for a foreign corporation by
delivering to the department for filing a signed statement of resignation
containing the name of the foreign corporation. The registered agent of a
foreign corporation may resign his or her agency appointment by signing and
delivering to the Department of State for filing a statement of resignation
and mailing a copy of such statement to the corporation at the corporation’s
principal office address shown in its most recent annual report or, if none,
shown in its application for a certificate of authority or other most recently
filed document. The statement of resignation must state that a copy of such
statement has been mailed to the corporation at the address so stated. The
statement of resignation may include a statement that the registered office
is also discontinued.

(2) After delivering the statement of resignation to the department for
filing, the registered agent must promptly mail a copy to the foreign
corporation at its current mailing address. The agency appointment is
terminated as of the 31st day after the date on which the statement was filed
and, unless otherwise provided in the statement, termination of the agency
acts as a termination of the registered office.

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

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

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

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

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

Section 207. Section 607.15091, Florida Statutes, is created to read:

607.15091 Change of name or address by registered agent.—

(1) If a registered agent changes his or her name or address, the agent
may deliver to the department for filing a statement of change containing
the following:

CODING: Words stricken are deletions; words underlined are additions.
(a) The name of the foreign corporation represented by the registered agent.

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

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

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

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

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

Section 208. Section 607.15092, Florida Statutes, is created to read:

607.15092 Delivery of notice or other communication.—

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

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

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

Section 209. Section 607.15101, Florida Statutes, is amended to read:

607.15101 Service of process, notice, or demand on a foreign corporation.

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

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

CODING: Words stricken are deletions; words underlined are additions.
(3) If the process cannot be served on a foreign corporation pursuant to subsection (1) or subsection (2), the process may be served on the secretary of state as an agent of the foreign corporation.

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

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

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

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

(8) This section does not affect the right to serve process, give notice, or make a demand in any other manner provided by law.

(1) The registered agent of a foreign corporation authorized to transact business in this state is the corporation’s agent for service of process, notice, or demand required or permitted by law to be served on the foreign corporation.

(2) A foreign corporation may be served by registered or certified mail, return receipt requested, addressed to the secretary of the foreign corporation at its principal office shown in its application for a certificate of authority or in its most recent annual report if the foreign corporation:

(a) Has no registered agent or its registered agent cannot with reasonable diligence be served;

(b) Has withdrawn from transacting business in this state under s. 607.1520; or

(c) Has had its certificate of authority revoked under s. 607.1531.

(3) Service is perfected under subsection (2) at the earliest of:

(a) The date the foreign corporation receives the mail;

(b) The date shown on the return receipt, if signed on behalf of the foreign corporation; or

(c) Five days after its deposit in the United States mail, as evidenced by the postmark, if mailed postpaid and correctly addressed.
(4) This section does not prescribe the only means, or necessarily the required means, of serving a foreign corporation. Process against any foreign corporation may also be served in accordance with chapter 48 or chapter 49.

(5) Any notice to or demand on a foreign corporation made pursuant to this act may be made in accordance with the procedures for notice to or demand on domestic corporations under s. 607.0504.

Section 210. Section 607.1520, Florida Statutes, is amended to read:

607.1520 Withdrawal and cancellation of certificate of authority for of foreign corporation.—

(1) To cancel its certificate of authority to transact business in this state, a foreign corporation must deliver to the department for filing a notice of withdrawal of certificate of authority. The certificate of authority is canceled when the notice of withdrawal becomes effective pursuant to s. 607.0123. The notice of withdrawal of certificate of authority must be signed by an officer or director and state the following:

(a) The name of the foreign corporation as it appears on the records of the department.

(b) The name of the foreign corporation’s jurisdiction of incorporation.

(c) The date the foreign corporation was authorized to transact business in this state.

(d) That the foreign corporation is withdrawing its certificate of authority in this state.

(e) That it revokes the authority of its registered agent to accept service on its behalf and appoints the secretary of state as its agent for service of process based on a cause of action arising during the time it was authorized to transact business in this state.

(f) A mailing address to which the secretary of state may mail a copy of any process served on the secretary of state under paragraph (e).

(g) A commitment to notify the department in the future of any change in its mailing address. A foreign corporation authorized to transact business in this state may not withdraw from this state until it obtains a certificate of withdrawal from the Department of State.

(2) A foreign corporation authorized to transact business in this state may apply for a certificate of withdrawal by delivering an application to the Department of State for filing. The application shall be made on forms prescribed and furnished by the Department of State and shall set forth:

(a) The name of the foreign corporation and the jurisdiction under the law of which it is incorporated;
(b) That it is not transacting business in this state and that it surrenders its authority to transact business in this state;

(e) That it revokes the authority of its registered agent to accept service on its behalf and appoints the Department of State as its agent for service of process based on a cause of action arising during the time it was authorized to transact business in this state;

(d) A mailing address to which the Department of State may mail a copy of any process served on it under paragraph (e); and

(e) A commitment to notify the Department of State in the future of any change in its mailing address.

(2) After the withdrawal of the foreign corporation is effective, service of process on the secretary of state Department of State under this section is service on the foreign corporation. Upon receipt of the process, the secretary of state Department of State shall mail a copy of the process to the foreign corporation at the mailing address set forth under paragraph (1)(f) subsection (2).

Section 211. Section 607.1521, Florida Statutes, is created to read:

607.1521 Withdrawal deemed on conversion to domestic filing entity. A foreign corporation authorized to transact business in this state that converts to a domestic corporation or another domestic eligible entity that is organized, incorporated, registered, or otherwise formed through the delivery of a record to the department for filing is deemed to have withdrawn its certificate of authority on the effective date of the conversion.

Section 212. Section 607.1522, Florida Statutes, is created to read:

607.1522 Withdrawal on dissolution, merger, or conversion to certain nonfiling entities.—

(1) A foreign corporation that is authorized to transact business in this state that has dissolved and completed winding up, has merged into a foreign eligible entity that is not authorized to transact business in this state, or has converted to a domestic or foreign eligible entity that is not organized, incorporated, registered or otherwise formed through the public filing of a record, shall deliver a notice of withdrawal of certificate of authority to the department for filing in accordance with s. 607.1520.

(2) After a withdrawal under this section of a foreign corporation that has converted to another type of entity is effective, service of process in any action or proceeding based on a cause of action arising during the time the foreign corporation was authorized to transact business in this state may be made pursuant to s. 607.15101.

Section 213. Section 607.1523, Florida Statutes, is created to read:

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607.1523 Action by Department of Legal Affairs.—The Department of Legal Affairs may maintain an action to enjoin a foreign corporation from transacting business in this state in violation of this chapter.

Section 214. Section 607.1530, Florida Statutes, is amended to read:

607.1530 Grounds for Revocation of certificate of authority to transact business.—

(1) The Department of State may commence a proceeding under s. 607.1531 to revoke the certificate of authority of a foreign corporation authorized to transact business in this state may be revoked by the department if:

(a) The foreign corporation does not deliver its annual report to the department has failed to file its annual report with the Department of State by 5 p.m. Eastern Time on the third Friday in September of each year;

(b) The foreign corporation does not pay a fee or penalty due to the department under this chapter, within the time required by this act, any fees, taxes, or penalties imposed by this act or other law.

(c) The foreign corporation does not appoint and maintain a registered agent as required by s. 607.1507; is without a registered agent or registered office in this state for 30 days or more.

(d) The foreign corporation does not deliver for filing a statement of a change under s. 607.1508 within 30 days after the change in the name or address of the agent has occurred, unless, within 30 days after the change occurred, either:

1. The registered agent files a statement of change under s. 607.1509;

2. The change was made in accordance with s. 607.1508(4) or s. 607.1504(1)(c);

(e) The foreign corporation has failed to amend its certificate of authority to reflect a change in its name on the records of the department or its jurisdiction of incorporation;

(f) The foreign corporation’s period of duration stated in its articles of incorporation has expired; notify the Department of State under s. 607.1508 or s. 607.1509 that its registered agent has resigned or that its registered office has been discontinued within 30 days of the resignation or discontinuance.

(g) An incorporator, director, officer, or agent of the foreign corporation signs a document that she or he knew was false in any material respect with the intent that the document be delivered to the department for filing.

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The department of State receives a duly authenticated certificate from the Secretary of State or other official having custody of corporate records in the jurisdiction under the law of which the foreign corporation is incorporated stating that it has been dissolved or is no longer active on the official’s records; or disappeared as the result of a merger.

The foreign corporation has failed to answer truthfully and fully, within the time prescribed by this chapter act, interrogatories propounded by the department of State.

Revocation of a foreign corporation’s certificate of authority for failure to file an annual report shall occur on the fourth Friday in September of each year. The department shall issue a notice in a record of the revocation to the revoked foreign corporation. Issuance of the notice may be by electronic transmission to a foreign corporation that has provided the department with an e-mail address.

If the department determines that one or more grounds exist under paragraph (1)(b) for revoking a foreign corporation’s certificate of authority, the department shall issue a notice in a record to the foreign corporation of the department’s intent to revoke the certificate of authority. Issuance of the notice may be by electronic transmission to a foreign corporation that has provided the department with an e-mail address.

If, within 60 days after the department sends the notice of intent to revoke in accordance with subsection (3), the foreign corporation does not correct each ground for revocation or demonstrate to the reasonable satisfaction of the department that each ground determined by the department does not exist, the department shall revoke the foreign corporation’s authority to transact business in this state and issue a notice in a record of revocation which states the grounds for revocation. Issuance of the notice may be by electronic transmission to a foreign corporation that has provided the department with an e-mail address.

Revocation of a foreign corporation’s certificate of authority does not terminate the authority of the registered agent of the corporation.

Section 215. Section 607.1531, Florida Statutes, is repealed.

Section 216. Section 607.15315, Florida Statutes, is amended to read:

607.15315 Revocation; application for Reinstatement following revocation of certificate of authority.—

A foreign corporation the certificate of authority of which has been revoked pursuant to s. 607.1530 or former s. 607.1531 may apply to the department of State for reinstatement at any time after the effective date of revocation of authority. The foreign corporation applying for reinstatement must submit all fees and penalties then owed by the foreign corporation at rates provided by law at the time the foreign corporation applies for reinstatement, together with an application for reinstatement prescribed.
and furnished by the department, which is signed by both the registered agent and an officer or director of the company and states application must:

(a)1. Recite The name under which of the foreign corporation is authorized to transact business in this state, and the effective date of its revocation of authority;

(b)2. The street address of the corporation’s principal office and mailing address. State that the ground or grounds for revocation of authority either did not exist or have been eliminated and that no further grounds currently exist for revocation of authority;

(c) The jurisdiction of the foreign corporation’s formation and the date on which it became qualified to transact business in this state.

(d) The foreign corporation’s federal employer identification number or, if none, whether one has been applied for.

(e) The name, title or capacity, and address of at least one officer or director of the corporation.

(f) Additional information that is necessary or appropriate to enable the department to carry out this chapter.

(2) In lieu of the requirement to file an application for reinstatement as described in subsection (1), a foreign corporation whose certificate of authority has been revoked may submit all fees and penalties owed by the corporation at the rates provided by law at the time the corporation applies for reinstatement, together with a current annual report, signed by both the registered agent and an officer or director of the corporation, which contains the information described in subsection (1).

(3) If the department determines that an application for reinstatement contains the information required under subsection (1) or subsection (2) and that the information is correct, upon payment of all required fees and penalties, the department shall reinstate the foreign corporation’s certificate of authority

3. State that the foreign corporation’s name satisfies the requirements of s. 607.1506; and

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

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

(2) If the Department of State determines that the application contains the information required by subsection (1) and that the information is
correct, it shall cancel the certificate of revocation of authority and prepare a certificate of reinstatement that recites its determination and prepare a certificate of reinstatement, file the original of the certificate, and serve a copy on the corporation under s. 607.0504(2).

(4)(3) When a reinstatement becomes effective, it relates back to and takes effect as of the effective date of the revocation of authority and the foreign corporation may operate in this state carrying on its business as if the revocation of authority had never occurred.

(5)(4) The name of the foreign corporation whose certificate of authority of which has been revoked is not available for assumption or use by another eligible entity corporation until 1 year after the effective date of revocation of authority unless the corporation provides the department of State with a record signed an affidavit executed as required by s. 607.0120 which authorizes permitting the immediate assumption or use of the name by another eligible entity corporation.

(6)(5) If the name of the foreign corporation applying for reinstatement has been lawfully assumed in this state by another eligible entity, the department corporation, the Department of State shall require the foreign corporation to comply with s. 607.1506 before accepting its application for reinstatement.

Section 217. Section 607.1532, Florida Statutes, is amended to read:

607.1532 Judicial review of denial of reinstatement Appeal from revocation.—

(1) If the department denies a foreign corporation’s application for reinstatement after revocation of its certificate of authority, the department shall serve the foreign corporation under s. 607.15101 with a written notice that explains the reason or reasons for the denial Department of State revokes the authority of any foreign corporation to transact business in this state pursuant to the provisions of this act, such foreign corporation may likewise appeal to the circuit court of the county where the registered office of such corporation in this state is situated by filing with the clerk of such court a petition setting forth a copy of its application for authority to transact business in this state and a copy of the certificate of revocation given by the Department of State, whereupon the matter shall be tried de novo by the court, and the court shall either sustain the action of the Department of State or direct the department to take such action as the court deems proper.

(2) Within 30 days after service of a notice of denial of reinstatement, a foreign corporation may appeal the denial by petitioning the Circuit Court of Leon County to set aside the revocation. The petition must be served on the department and contain a copy of the department’s notice of revocation, the foreign corporation’s application for reinstatement, and the department’s notice of denial Appeals from all final orders and judgments entered by the

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circuit court under this section in review of any ruling or decision of the Department of State may be taken as in other civil actions.

(3) The circuit court may order the department to reinstate the certificate of authority of the foreign corporation or take other action the court considers appropriate.

(4) The circuit court’s final decision may be appealed as in other civil proceedings.

Section 218. Section 607.1601, Florida Statutes, is amended to read:

607.1601 Corporate records.—

(1) A corporation shall maintain the following records: keep as permanent records minutes of all meetings of its shareholders and board of directors, a record of all actions taken by the shareholders or board of directors without a meeting, and a record of all actions taken by a committee of the board of directors in place of the board of directors on behalf of the corporation.

(2) A corporation shall maintain accurate accounting records.

(3) A corporation or its agent shall maintain a record of its shareholders in a form that permits preparation of a list of the names and addresses of all shareholders in alphabetical order by class of shares showing the number and series of shares held by each.

(4) A corporation shall maintain its records in written form or in another form capable of conversion into written form within a reasonable time.

(5) A corporation shall keep a copy of the following records:

(a) Its articles or restated articles of incorporation, as and all amendments to them currently in effect;

(b) Any notices to shareholders referred to in s. 607.0120(11)(d) specifying facts on which a filed document is dependent, if such facts are not included in the articles of incorporation or otherwise available as specified in s. 607.0120(11)(d);

(c) Its bylaws, as or restated bylaws and all amendments to them currently in effect;

(d) Resolutions adopted by its board of directors creating one or more classes or series of shares and fixing their relative rights, preferences, and limitations, if shares issued pursuant to those resolutions are outstanding;

(d) The minutes of all shareholders’ meetings and records of all action taken by shareholders without a meeting for the past 3 years;

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(d)(e) All written communications within the past 3 years to all shareholders generally or to all shareholders of a class or series within the past 3 years, including the financial statements furnished for the past 3 years under s. 607.1620;

(e) Minutes of all meetings of, and records of all actions taken without a meeting by, its shareholders, its board of directors, and any board committees established under s. 607.0825;

(f) A list of the names and business street addresses of its current directors and officers; and

(g) Its most recent annual report delivered to the department of State under s. 607.1622.

(2) A corporation shall maintain all annual financial statements prepared for the corporation for its last 3 fiscal years, or such shorter period of existence, and any audit or other reports with respect to such financial statements.

(3) A corporation shall maintain accounting records in a form that permits preparation of its financial statements.

(4) A corporation shall maintain a record of its current shareholders in alphabetical order by class or series of shares showing the address of, and the number and class or series of shares held by, each shareholder. This subsection does not require the corporation to include the electronic mail address or other electronic contact information of a shareholder in such record.

(5) A corporation shall maintain the records specified in this section in a manner so that they may be available for inspection within a reasonable time.

Section 219. Section 607.1602, Florida Statutes, is amended to read:

607.1602 Inspection of records by shareholders.—

(1) A shareholder of a corporation is entitled to inspect and copy, during regular business hours at the corporation’s principal office, any of the records of the corporation described in s. 607.1601(1), excluding minutes of meetings of, and records of actions taken without a meeting by, the corporation’s board of directors and any board committees established under s. 607.0825, s. 607.1601(5) if the shareholder gives the corporation written notice of the shareholder’s his or her demand at least 5 business days before the date on which the shareholder he or she wishes to inspect and copy.

(2) A shareholder of a corporation is entitled to inspect and copy, during regular business hours at a reasonable location specified by the corporation, any of the following records of the corporation if the shareholder meets the
requirements of subsection (3) and gives the corporation written notice of the shareholder’s demand at least 5 business days before the date on which the shareholder wishes to inspect and copy:

(a) Excerpts from minutes of any meeting of, or records of any actions taken without a meeting by, the corporation’s board of directors and board committees maintained in accordance with s. 607.1601(1), records of any action of a committee of the board of directors while acting in place of the board of directors on behalf of the corporation, minutes of any meeting of the shareholders, and records of action taken by the shareholders or board of directors without a meeting, to the extent not subject to inspection under subsection (1);

(b) The financial statements of the corporation maintained in accordance with s. 607.1601(2);

(c) Accounting records of the corporation;

(d) The record of shareholders maintained in accordance with s. 607.1601(4); and

(e) Any other books and records.

(3) A shareholder may inspect and copy the records described in subsection (2) only if:

(a) The shareholder’s demand is made in good faith and for a proper purpose;

(b) The shareholder describes with reasonable particularity the shareholder’s purpose and the records the shareholder desires to inspect; and

(c) The records are directly connected with the shareholder’s purpose.

(4) The corporation may impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, records described in subsection (2) A shareholder of a Florida corporation, or a shareholder of a foreign corporation authorized to transact business in this state who resides in this state, is entitled to inspect and copy, during regular business hours at a reasonable location in this state specified by the corporation, a copy of the records of the corporation described in s. 607.1601(5)(b) and (f), if the shareholder gives the corporation written notice of his or her demand at least 15 business days before the date on which he or she wishes to inspect and copy.

(5) For any meeting of shareholders for which the record date for determining shareholders entitled to vote at the meeting is different than the record date for notice of the meeting, any person who becomes a shareholder subsequent to the record date for notice of the meeting and is entitled to vote at the meeting is entitled to obtain from the corporation upon
request the notice and any other information provided by the corporation to shareholders in connection with the meeting, unless the corporation has made such information generally available to shareholders by posting it on its website or by other generally recognized means. Failure of a corporation to provide such information does not affect the validity of action taken at the meeting.

(6) The right of inspection granted by this section may not be abolished or limited by a corporation’s articles of incorporation or bylaws.

(7)(5) This section does not affect:

(a) The right of a shareholder to inspect and copy records under s. 607.0720 or, if the shareholder is in litigation with the corporation, to the same extent as any other litigant; or

(b) The power of a court, independently of this chapter act, to compel the production of corporate records for examination and to impose reasonable restrictions as provided in s. 607.1604(3), provided that, in the case of production of records described in subsection (2) at the request of the shareholder, the shareholder has met the requirements of subsection (3).

(8)(6) A corporation may deny any demand for inspection made pursuant to subsection (2) if the demand was made for an improper purpose, or if the demanding shareholder has within 2 years preceding his or her demand sold or offered for sale any list of shareholders of the corporation or any other corporation, has aided or abetted any person in procuring any list of shareholders for any such purpose, or has improperly used any information secured through any prior examination of the records of the corporation or any other corporation.

(9)(7) A shareholder may not sell or otherwise distribute any information or records inspected under this section, except to the extent that such use is for a proper purpose as defined in subsection (11) (3). Any person who violates this provision shall be subject to a civil penalty of $5,000.

(10)(8) For purposes of this section, the term “shareholder” means a record shareholder, a beneficial shareholder, or an unrestricted voting trust beneficial owner includes a beneficial owner whose shares are held in a voting trust or by a nominee on his or her behalf.

(11)(9) For purposes of this section, a “proper purpose” means a purpose reasonably related to such person’s interest as a shareholder.

(12) The rights of a shareholder to obtain records under subsections (1) and (2) shall also apply to the records of subsidiaries of the corporation.

Section 220. Section 607.1603, Florida Statutes, is amended to read:

607.1603 Scope of inspection right.—

CODING: Words stricken are deletions; words underlined are additions.
(1) A shareholder may appoint an agent or attorney to exercise the shareholder’s inspection and copying rights under s. 607.1602. A shareholder’s agent or attorney has the same inspection and copying rights as the shareholder he or she represents.

(2) The corporation may, if reasonable, satisfy the right of a shareholder to copy records under s. 607.1602 by furnishing to the shareholder copies made by photocopy or other means chosen by the corporation, including furnishing copies through an electronic transmission. If reasonable, the right to receive copies made by photographic, xerographic, or other means.

(3) The corporation may impose a reasonable charge to cover the costs of providing copies of any documents to the shareholder which may be based on an estimate of such costs, covering the costs of labor and material, for copies of any documents provided to the shareholder. The charge may not exceed the estimated cost of production or reproduction of the records. If the records are kept in other than written form, the corporation shall convert such records into written form upon the request of any person entitled to inspect the same. The corporation shall bear the costs of converting any records described in s. 607.1601(5). The requesting shareholder shall bear the costs, including the cost of compiling the information requested, incurred to convert any records described in s. 607.1602(2).

(4) If requested by a shareholder, the corporation may comply at its expense shall comply with a shareholder’s demand to inspect the records of shareholders under s. 607.1602(2)(d) by providing the shareholder him or her with a list of its shareholders that was compiled no earlier than the date of the shareholder’s demand of the nature described in s. 607.1601(3). Such a list must be compiled as of the last record date for which it has been compiled or as of a subsequent date if specified by the shareholder.

Section 221. Section 607.1604, Florida Statutes, is amended to read:

607.1604 Court-ordered inspection.—

(1) If a corporation does not allow a shareholder who complies with s. 607.1602(1) or (4) to inspect and copy any records required by that subsection to be available for inspection, the circuit court in the applicable county where the corporation’s principal office (or, if none in this state, its registered office) is located may summarily order inspection and copying of the records demanded at the corporation’s expense upon application of the shareholder. If the court orders inspection and copying of the records demanded under s. 607.1601(1), it shall also order the corporation to pay the shareholder’s expenses, including reasonable attorney fees, incurred to obtain the order and enforce its rights under this section.

(2) If a corporation does not within a reasonable time allow a shareholder who complies with s. 607.1602(2) to inspect and copy the records required by

CODING: Words stricken are deletions; words underlined are additions.
that section any other record, the shareholder who complies with s. 607.1602(3) s. 607.1602(2) and (3), may apply to the circuit court in the applicable county where the corporation’s principal office (or, if none in this state, its registered office) is located for an order to permit inspection and copying of the records demanded. The court shall dispose of an application under this subsection on an expedited basis.

(3) If the court orders inspection and or copying of the records demanded under s. 607.1602(2), it may impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, such records, and it shall also order the corporation to pay the shareholder’s expenses incurred costs, including reasonable attorney’s fees, reasonably incurred to obtain the order and enforce its rights under this section unless the corporation establishes that the corporation, or the officer, director, or agent, as the case may be, proves that it or she or he refused inspection in good faith because the corporation it or she or he had:

(a) A reasonable basis for doubt about the right of the shareholder to inspect or copy the records demanded; or-

(b) Required If the court orders inspection or copying of the records demanded, it may impose reasonable restrictions on the disclosure, use, or distribution of, and reasonable obligations to maintain the confidentiality of, such the records demanded to which by the demanding shareholder had been unwilling to agree.

Section 222. Section 607.1605, Florida Statutes, is amended to read:

607.1605 Inspection rights of records by directors.—

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

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

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

Section 223. Section 607.1620, Florida Statutes, is amended to read:

607.1620 Financial statements for shareholders.—

1. Upon the written request of any shareholder, a corporation shall deliver or make available to the requesting shareholder the corporation’s annual financial statements for the most recent fiscal year of the corporation. Unless modified by resolution of the shareholders within 120 days of the close of each fiscal year, a corporation shall furnish its shareholders annual financial statements which may be consolidated or combined statements of the corporation and one or more of its subsidiaries, as appropriate, that include a balance sheet as of the end of the fiscal year, an income statement for that year, and a statement of cash flows for that year. If annual financial statements have been prepared for the corporation on the basis of generally accepted accounting principles for such specified period, the corporation shall deliver or make available such financial statements to the requesting shareholder; the annual financial statements must also be prepared on that basis.

2. If the annual financial statements to be delivered or made available to the requesting shareholder are audited or otherwise are reported upon by a public accountant, the report of the public accountant shall also be delivered or made available to the requesting shareholder. If not, the statements must be accompanied by a statement of the president or the person responsible for the corporation’s accounting records:

(a) Stating his or her reasonable belief whether the statements were prepared on the basis of generally accepted accounting principles and, if not, describing the basis of preparation; and

(b) Describing any respects in which the statements were not prepared on a basis of accounting consistent with the statements prepared for the preceding year.

3. Any corporation required by subsection (1) to deliver or make available annual financial statements to a requesting shareholder shall deliver or make available such annual financial statements to such shareholder within 5 business days after the request if the annual financial statements have already been prepared and are available, or, if the annual financial statements have not been prepared, must notify the shareholder within 5 business days that the annual financial statements have not yet been prepared, and must deliver or make available such annual financial statements to the requesting shareholder within 120 days after the request close of each fiscal year or within such additional time thereafter as is reasonably necessary.
necessary to enable the corporation to prepare its annual financial statements if, for reasons beyond the corporation’s control, it is unable to prepare its annual financial statements within the prescribed period. Thereafter, on written request from a shareholder who was not furnished the statements, the corporation shall furnish him or her the latest annual financial statements.

(3) If requested by the requesting shareholder in its written request under subsection (1), the corporation shall promptly notify all other shareholders that the annual financial statements that have or are to be delivered or made available to the requesting shareholder have been or are being made available to the requesting shareholder and will also be delivered or made available to any other shareholder who makes its own written request to the corporation under subsection (1).

(4) A corporation may fulfill its responsibilities under this section by delivering the specified annual financial statements, by posting the specified annual financial statements on its website, by any other generally recognized means, or in any other manner permitted by the applicable rules and regulations of the United States Securities and Exchange Commission.

(5) Notwithstanding subsections (1), (2), and (3):

(a) As a condition to delivering or making available annual financial statements to any requesting shareholder, the corporation may require the requesting shareholder to agree to reasonable restrictions on the confidentiality, use, and distribution of such annual financial statements; and

(b) The corporation may, if it reasonably determines that the shareholder’s request is not made in good faith or for a proper purpose, decline to deliver or make available such annual financial statements to that shareholder.

(6) If a corporation does not respond to a shareholder’s request for annual financial statements pursuant to this section in accordance with subsection (3) within the applicable period specified in subsection (2):

(a) The requesting shareholder may apply to the circuit court in the applicable county for an order requiring delivery of or access to the requested annual financial statements. The court shall dispose of an application under this subsection on an expedited basis.

(b) If the court orders delivery or access to the requested annual financial statements, it may impose reasonable restrictions on their confidentiality, use, or distribution.

(c) In such proceeding, if the corporation has declined to deliver or make available such annual financial statements because the shareholder had been unwilling to agree to restrictions proposed by the corporation on the confidentiality, use, and distribution of such financial statements, the
corporation shall have the burden of demonstrating that the restrictions proposed by the corporation were reasonable.

(d) In such proceeding, if the corporation has declined to deliver or make available such annual financial statements pursuant to s. 607.1620(5)(b), the corporation shall have the burden of demonstrating that it had reasonably determined that the shareholder’s request was not made in good faith or for a proper purpose.

(7) If the court orders delivery or access to the requested annual financial statements it shall order the corporation to pay the shareholder’s expenses, including reasonable attorney fees, incurred to obtain such order unless the corporation establishes that it had refused delivery or access to the requested annual financial statements because the shareholder had refused to agree to reasonable restrictions on the confidentiality, use, or distribution of the annual financial statements or that the corporation had reasonably determined that the shareholder’s request was not made in good faith or for a proper purpose.

(4) If a corporation does not comply with the shareholder’s request for annual financial statements pursuant to this section within 30 days of delivery of such request to the corporation, the circuit court in the county where the corporation’s principal office (or, if none in this state, its registered office) is located may, upon application of the shareholder, summarily order the corporation to furnish such financial statements. If the court orders the corporation to furnish the shareholder with the financial statements demanded, it shall also order the corporation to pay the shareholder’s costs, including reasonable attorney’s fees, reasonably incurred to obtain the order and otherwise enforce its rights under this section.

(5) The requirement to furnish annual financial statements as described in this section shall be satisfied by sending such annual financial statements by mail or electronic transmission. If a corporation has an outstanding class of securities registered under s. 12 of the Securities Exchange Act of 1934, as amended, the requirement to furnish annual financial statements may be satisfied by complying with 17 C.F.R. s. 240.14a-16, as amended, with respect to the obligation of a corporation to furnish an annual financial report to shareholders pursuant to 17 C.F.R. s. 240.14a-3(b), as amended.

Section 224. Section 607.1621, Florida Statutes, is repealed.

Section 225. Section 607.1622, Florida Statutes, is amended to read:

607.1622 Annual report for department of State.—

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

CODING: Words stricken are deletions; words underlined are additions.
(a) The name of the corporation or, if a foreign corporation, the name under which the foreign corporation is authorized to transact business in this state and the state or country under the law of which it is incorporated;

(b) The date of its incorporation and, if a foreign corporation, the jurisdiction of its incorporation and the date on which it became qualified to transact business in this state;

(c) The street address of its principal office and the mailing address of the corporation;

(d) The corporation's federal employer identification number, if any, or, if none, whether one has been applied for;

(e) The names and business street addresses of its directors and principal officers; and

(f) The street address of its registered office and the name of its registered agent at that office in this state;

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

(f)(h) Any additional information that the department has identified as necessary or appropriate to enable the department of State to carry out the provisions of this chapter.

(2) If an annual report contains the name and address of a registered agent which differs from the information shown in the records of the department immediately before the annual report becomes effective, the differing information in the annual report is considered a statement of change under s. 607.0502. Proof to the satisfaction of the Department of State that on or before May 1 such report was deposited in the United States mail in a sealed envelope, properly addressed with postage prepaid, shall be deemed compliance with this requirement.

(3) If an annual report does not contain the information required in this section, the department of State shall promptly notify the reporting domestic corporation or foreign corporation in writing and return the report to it for correction. If the report is corrected to contain the information required in subsection (1) by this section and delivered to the department of State within 30 days after the effective date of the notice, it will be deemed timely delivered.

(4) Each report shall be executed by the corporation by an officer or director, or, if the corporation is in the hands of a receiver or trustee, shall be executed on behalf of the corporation by such receiver or trustee, and the signing thereof shall have the same legal effect as if made under oath, without the necessity of appending such oath thereto.

CODING: Words stricken are deletions; words underlined are additions.
The first annual report must be delivered to the department of State between January 1 and May 1 of the year following the calendar year in which a domestic corporation’s articles of incorporation became effective or a foreign corporation obtained its certificate of authority was authorized to transact business in this state. Subsequent annual reports must be delivered to the department of State between January 1 and May 1 of each calendar year thereafter. If one or more forms of annual report are submitted for a calendar year, the department shall file each of them and make the information contained in them part of the official record. The first form of annual report filed in a calendar year shall be considered the annual report for the calendar year, and each report filed after that one in the same calendar year shall be treated as an amended report for that calendar year the subsequent calendar years.

Information in the annual report must be current as of the date the annual report is delivered to the department for filing executed on behalf of the corporation.

If an additional updated report is received, the department shall file the document and make the information contained therein part of the official record.

A domestic corporation or foreign corporation that fails to file an annual report that complies with the requirements of this section may not prosecute or maintain any action in any court of this state until the such report is filed and all fees and penalties taxes due under this chapter act are paid, and shall be subject to dissolution or cancellation of its certificate of authority to transact do business as provided in this chapter act.

The department shall prescribe the forms, which may be in an electronic format, on which to make the annual report called for in this section and may substitute the uniform business report, pursuant to s. 606.06, as a means of satisfying the requirement of this chapter part.

As a condition of a merger under s. 607.1101, each party to a merger which exists under the laws of this state, and each party to the merger which exists under the laws of another jurisdiction and has a certificate of authority to transact business or conduct its affairs in this state, must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of merger are submitted to the department for filing.

As a condition of a conversion of an entity to a corporation under s. 607.11930, the entity, if it exists under the laws of this state or if it exists under the laws of another jurisdiction and has a certificate of authority to transact business or conduct its affairs in this state, must be active and current in filing its annual reports in the records of the department through
December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(10) As a condition of a conversion of a domestic corporation to another type of entity under s. 607.11930, the domestic corporation converting to the other type of entity must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of conversion are submitted to the department for filing.

(11) As a condition of a share exchange between a corporation and another entity under s. 607.1102, the corporation, and each other entity that is a party to the share exchange which exists under the laws of this state, and each party to the share exchange which exists under the laws of another jurisdiction and has a certificate of authority to transact business or conduct its affairs in this state, must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of share exchange are submitted to the department for filing.

(12) As a condition of domestication of a domestic corporation into a foreign jurisdiction under s. 607.11920, the domestic corporation domesticating into a foreign jurisdiction must be active and current in filing its annual reports in the records of the department through December 31 of the calendar year in which the articles of domestication are submitted to the department for filing.

Section 226. Section 607.1701, Florida Statutes, is amended to read:

607.1701 Application to existing domestic corporation.—This chapter applies to all domestic corporations in existence on January 1, 2020 July 1, 1990, that were incorporated under any general statute of this state providing for incorporation of corporations for profit if power to amend or repeal the statute under which the corporation was incorporated was reserved.

Section 227. Section 607.1702, Florida Statutes, is amended to read:

607.1702 Application to qualified foreign corporations.—A foreign corporation authorized to transact business in this state on January 1, 2020 July 1, 1990, is subject to this chapter, is deemed to be authorized to transact business in this state, and is not required to obtain a new certificate of authority to transact business under this chapter.

Section 228. Section 607.1711, Florida Statutes, is amended to read:

607.1711 Application to foreign and interstate commerce.—The provisions of this chapter apply to commerce with foreign nations and among the several states only insofar as the same may be permitted under the Constitution and laws of the United States.

Section 229. Section 607.1801, Florida Statutes, is repealed.
Section 230. Section 607.1907, Florida Statutes, is amended to read:

607.1907 Saving provision Effect of repeal of prior acts.—

(1) Except as to procedural provisions, this act does not affect a pending action or proceeding or a right accrued before January 1, 2020, and a pending civil action or proceeding may be completed, and a right accrued may be enforced, as if this act had not become effective provided in subsection (2), the repeal of a statute by this act does not affect:

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

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

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

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

(2) If a penalty or punishment imposed for violation of a statute or rule repealed by this act is reduced by this act, the penalty or punishment, if not already imposed, shall be imposed in accordance with this act.

Section 231. Section 607.1908, Florida Statutes, is created to read:

607.1908 Severability clause.—If any provision of this chapter or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this chapter which can be given effect without the invalid provision or application, and to this end the provisions of this chapter are severable.

Section 232. Subsections (2) and (3) of section 607.504, Florida Statutes, are amended to read:

607.504 Election of social purpose corporation status.—

(2) A plan of merger, domestication, conversion, or share exchange must be adopted by the minimum status vote if an entity that is not a social purpose corporation is a party to the merger, domestication, or conversion or if the exchanging entity in a share exchange and the surviving, new, or resulting entity is, or will be, a social purpose corporation.
(3) If an entity elects to become a social purpose corporation by amendment of the articles of incorporation or by a merger, conversion, or share exchange, the shareholders of the entity are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1340 ss. 607.1301-607.1333.

Section 233. Subsections (2) and (3) of section 607.604, Florida Statutes, are amended to read:

607.604 Election of benefit corporation status.—

(2) A plan of merger, domestication, conversion, or share exchange must be adopted by the minimum status vote if an entity that is not a benefit corporation is a party to a merger, domestication, or conversion or if the exchanging entity in a share exchange and the surviving, new, or resulting entity is, or will be, a benefit corporation.

(3) If an entity elects to become a benefit corporation by amendment of the articles of incorporation or by a merger, domestication, conversion, or share exchange, the shareholders of the entity are entitled to appraisal rights under and pursuant to ss. 607.1301-607.1340 ss. 607.1301-607.1333.

Section 234. Paragraph (b) of subsection (23) and subsections (55) and (58) of section 605.0102, Florida Statutes, are amended to read:

605.0102 Definitions.—As used in this chapter, the term:

(23) (b) “Entity” does not include:

1. An individual;

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

3. An association or relationship that is not a partnership solely by reason of s. 620.8202(2) s. 620.8202(3) or a similar provision of the law of another jurisdiction;

4. A decedent’s estate; or

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

(55) “Private organic rules” means the rules, whether or not in a record, which govern the internal affairs of an entity, are binding on all its interest holders, and are not part of its public organic record, if any. Where private organic rules have been amended or restated, the term means the private organic rules as last amended or restated. The term includes:

(a) The bylaws of a business corporation.

(b) The bylaws of a nonprofit corporation.

CODING: Words stricken are deletions; words underlined are additions.
(c) The partnership agreement of a general partnership.

(d) The partnership agreement of a limited partnership.

(e) The operating agreement, limited liability company agreement, or similar agreement of a limited liability company.

(f) The bylaws, trust instrument, or similar rules of a real estate investment trust.

(g) The trust instrument of a statutory trust or similar rules of a business trust or common law business trust.

"Public organic record" means a record, the filing of which by a governmental body is required to form an entity, and an amendment to or restatement of that record. Where a public organic record has been amended or restated, the term means the public organic record as last amended or restated. The term includes the following:

(a) The articles of incorporation of a business corporation.

(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 235. 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. A deadlock resolution mechanism does not vary the grounds for dissolution for the purposes of this paragraph.

Section 236. 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.—

CODING: Words stricken are deletions; words underlined are additions.
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 person, partnership, corporation, or other business entity.

(b) Must be distinguishable in the records of the Division of Corporations of the department from the names of all other entities or filings that are on file with the department division, except fictitious name registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state; however, a limited liability company may register under a name that is not otherwise distinguishable on the records of the department division with the written consent of the other owner entity if the consent is filed with the department division at the time of registration of such name and if such name is not identical to the name of the other entity. A name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

1. A suffix.
2. A definite or indefinite article.
3. The word “and” and the symbol “&.”
4. The singular, plural, or possessive form of a word.
5. A recognized abbreviation of a root word.
6. A punctuation mark or a symbol.

6. A limited liability company in existence before January 1, 2020, that has a name that does not clearly indicate that it is a limited liability company instead of a natural person, partnership, corporation, or other business entity may continue using such name until the limited liability company dissolves or amends its name in the records of the department.

Section 237. Section 605.01125, Florida Statutes, is created to read:

605.01125 Reserved name.—

(1) A person may reserve the exclusive use of the name of a limited liability company, including an alternate name for a foreign limited liability company whose name is not available, by delivering an application to the department for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the department finds that the name of the limited liability company applied for is available, it must reserve the name for the applicant’s exclusive use for a nonrenewable 120-day period.

CODING: Words stricken are deletions; words underlined are additions.
The owner of a reserved name of a limited liability company may transfer the reservation to another person by delivering to the department a signed notice of the transfer that states the name and address of the transferee.

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

Section 238. Subsections (1) and (5) of section 605.0113, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

605.0113 Registered agent.—

(1) Each limited liability company and each foreign limited liability company that has a certificate of authority under s. 605.0902 shall designate and continuously maintain in this state:

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

(b) A registered agent, who must be:

1. An individual who resides in this state and whose business address is identical to the address of the registered office; or

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

3. A foreign entity authorized to transact business in this state whose business address is identical to the address of the registered office.

(5) A limited liability company and each foreign limited liability company that has a certificate of authority under s. 605.0902 may not prosecute or maintain, maintain, or defend an action in a court in this state until the limited liability company complies with this section, pays to the department any amounts required under this chapter, and, to the extent ordered by a court of competent jurisdiction, and pays to the department a penalty of $5 for each day it has failed to comply or $500, whichever is less, and pays any other amounts required under this chapter.

(6) For the purposes of this section, “authorized entity” means:

(a) A corporation for profit.

(b) A limited liability company.

(c) A limited liability partnership.
Section 239. Paragraphs (c), (d), and (e) of subsection (1) of section 605.0114, Florida Statutes, are amended to read:

605.0114 Change of registered agent or registered office.—

(1) In order to change its registered agent or registered office address, a limited liability company or a foreign limited liability company may deliver to the department for filing a statement of change containing the following:

(c) If the current registered agent is to be changed, the name of the new registered agent.

(d) The street address of its current registered office for its current registered agent.

(e) If the street address of the current registered office is to be changed, the new street address of the registered office in this state.

Section 240. Subsection (2) of section 605.0115, Florida Statutes, is amended to read:

605.0115 Resignation of registered agent.—

(2) After delivering the statement of resignation to the department for filing, the registered agent must promptly mail a copy to the limited liability company’s or foreign limited liability company’s current mailing address.

Section 241. Paragraphs (b) through (e) of subsection (1) of section 605.0116, Florida Statutes, are amended to read:

605.0116 Change of name or address by registered agent.—

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

(b) The name of the registered agent as currently shown in the records of the department for the limited liability company or foreign limited liability company.

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

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

(e) A statement that the registered agent has given the notice required under subsection (2).
Section 242. Present subsection (7) of section 605.0117, Florida Statutes, is redesignated as subsection (8), subsections (1), (2), (3), (4), and (6) of that section are amended, and a new subsection (7) is added to that section, to read:

605.0117 Service of process, notice, or demand.—

(1) A limited liability company or registered foreign limited liability company may be served with process, notice, or a demand required or authorized by law by serving on its registered agent.

(2) If a limited liability company or registered foreign limited liability company ceases to have a registered agent or if its registered agent cannot with reasonable diligence be served, the process, notice, or demand required or permitted by law may instead be served:

(a) On a member of a member-managed limited liability company or registered foreign limited liability company; or

(b) On a manager of a manager-managed limited liability company or registered foreign limited liability company.

(3) If the process, notice, or demand cannot be served on a limited liability company or registered foreign limited liability company pursuant to subsection (1) or subsection (2), the process, notice, or demand may be served on the secretary of state department as an agent of the company.

(4) Service of process on the secretary of state with process, notice, or a demand on the department may be made by delivering to and leaving with the department duplicate copies of the process, notice, or demand.

(6) The department shall keep a record of each process, notice, and demand served pursuant to this section and record the time of and the action taken regarding the service.

(7) Any notice or demand on a limited liability company or registered foreign limited liability company under this chapter may be given or made to any member of a member-managed limited liability company or registered foreign limited liability company or to any manager of a manager-managed limited liability company or registered foreign limited liability company; to the registered agent of the limited liability company or registered foreign limited liability company at the registered office of the limited liability company or registered foreign limited liability company in this state; or to any other address in this state that is in fact the principal office of the limited liability company or registered foreign limited liability company in this state.

Section 243. Subsection (3) of section 605.0118, Florida Statutes, is amended to read:

605.0118 Delivery of record.—

CODING: Words stricken are deletions; words underlined are additions.
(3) If a check is mailed to the department for payment of an annual report fee or the annual supplemental fee required under s. 607.193, the check shall be deemed to have been received by the department as of the postmark date appearing on the envelope or package transmitting the check if the envelope or package is received by the department.

Section 244. Section 605.0207, Florida Statutes, is amended to read:

605.0207 Effective date and time.—Except as otherwise provided in s. 605.0208, and subject to s. 605.0209(3), any document delivered to the department for filing under this chapter may specify an effective time and a delayed effective date. In the case of initial articles of organization, a prior effective date may be specified in the articles of organization if such date is within 5 business days before the date of filing. Subject to ss. 605.0114, 605.0115, 605.0208, and 605.0209, a record filed by the department is effective:

(1) If the record filed does not specify an effective time and does not specify a prior or a delayed effective date, on the date and at the time the record is accepted filed as evidenced by the department’s endorsement of the date and time on the filing record.

(2) If the record filed specifies an effective time, but not a prior or delayed effective date, on the date the record is filed at the time specified in the filing record.

(3) If the record filed specifies a delayed effective date, but not an effective time, at 12:01 a.m. on the earlier of:

(a) The specified date; or

(b) The 90th day after the record is filed.

(4) If the record filed specifies a delayed effective date and an effective time, at the specified time on or the earlier of:

(a) The specified date; or

(b) The 90th day after the record is filed.

(5) If the record filed is the initial articles of organization and specifies an effective date before the effective date of the filing, but no effective time, at 12:01 a.m. on the later of:

(a) The specified date; or

(b) The 5th business day before the record is filed.

(6) If the record filed is the initial articles of organization and specifies an effective time and an effective delayed effective date, at the specified time on the earlier of:

CODING: Words stricken are deletions; words underlined are additions.
(a) The specified date; or

(b) The 90th day after the record is filed.

(6) If the record specifies an effective time and a prior effective date before the date of the filing, at the specified time on the later of:

(a) The specified date; or

(b) The 5th business day before the record is filed.

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

Section 245. Subsection (3) of section 605.0209, Florida Statutes, is amended to read:

605.0209 Correcting filed record.—

(3) A statement of correction:

(a) May not state a delayed effective date;

(b) Must be signed by the person correcting the filed record;

(c) Must identify the filed record to be corrected, including such record’s filing date, or attach a copy of the record to the statement of correction;

(d) Must specify the inaccuracy or defect to be corrected; and

(e) Must correct the inaccuracy or defect.

Section 246. Subsection (7) of section 605.0210, Florida Statutes, is amended to read:

605.0210 Duty of department to file; review of refusal to file; transmission of information by department.—

(7) If the department refuses to file a record delivered to its office for filing, the person who submitted the record for filing may petition the Circuit Court of Leon County to compel filing of the record. The record and the explanation from of the department of the refusal to file must be attached to the petition. The court may decide the matter in a summary proceeding and the court may summarily order the department to file the record or take other action the court considers appropriate. The court’s final decision may be appealed as in other civil proceedings.

Section 247. Paragraph (a) of subsection (2) and subsection (3) of section 605.0211, Florida Statutes, are amended to read:

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605.0211 Certificate of status.—

(2) The department, upon request and payment of the requisite fee, shall furnish a certificate of status for a foreign limited liability company if the records filed show that the department has filed a certificate of authority. A certificate of status for a foreign limited liability company must state the following:

(a) The foreign limited liability company’s name and any a current alternate name adopted under s. 605.0906(1) for use in this state.

(3) Subject to any qualification stated in the certificate of status, a certificate of status issued by the department is conclusive evidence that the domestic limited liability company is in existence and is of active status in this state or the foreign limited liability company is authorized to transact business in this state and is of active status in this state.

Section 248. Section 605.0215, Florida Statutes, is amended to read:

605.0215 Certificates to be received in evidence and evidentiary effect of copy of filed document.—All certificates issued by the department in accordance with this chapter shall be taken and received in all courts, public offices, and official bodies as prima facie evidence of the facts stated. A certificate from the department delivered with a copy of a document filed by the department bearing the signature of the secretary of state, which may be in facsimile, and the seal of this state is conclusive evidence that the original document is on file with the department.

Section 249. Subsections (1) through (4) of section 605.04092, Florida Statutes, are amended to read:

605.04092 Conflict of interest transactions.—

(1) As used in this section, the following terms and definitions apply:

(a) A member or manager is “indirectly” a party to a transaction if that member or manager has a material financial interest in or is a director, officer, member, manager, or partner of a person, other than the limited liability company, who is a party to the transaction.

(b) A member or manager has an “indirect material financial interest” if a spouse or other family member has a material financial interest in the transaction, other than having an indirect interest as a member or manager of the limited liability company, or if the transaction is with an entity, other than the limited liability company, which has a material financial interest in the transaction and controls, or is controlled by, the member or manager or another person specified in this subsection.

(c) “Fair to the limited liability company” means that the transaction, as a whole, is beneficial to the limited liability company and its members, taking into appropriate account whether it is:

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1. Fair in terms of the member’s or manager’s dealings with the limited liability company in connection with that transaction; and

2. Comparable to what might have been obtainable in an arm’s length transaction.

(d) “Family member” includes any of the following:

1. The member’s or manager’s spouse.

2. A child, stepchild, parent, stepparent, grandparent, sibling, step sibling, or half sibling of the member or manager or the member’s or manager’s spouse.

(e) “Manager’s conflict of interest transaction” means a transaction between a limited liability company and one or more of its managers, or another entity in which one or more of the limited liability company’s managers is directly or indirectly a party to the transaction, other than being an indirect party as a result of being a member of the limited liability company, and has a direct or indirect material financial interest or other material interest.

(f) “Material financial interest” or “other material interest” means a financial or other interest in the transaction that would reasonably be expected to impair the objectivity of the judgment of the member or manager when participating in the action on the authorization of the transaction.

(g) “Member’s conflict of interest transaction” means a transaction between a limited liability company and one or more of its members, or another entity in which one or more of the limited liability company’s members is directly or indirectly a party to the transaction, other than being an indirect party as a result of being a member of the limited liability company, and has a direct or indirect material financial interest or other material interest.

(2) If the requirements of this section have been satisfied, a member’s conflict of interest transaction or a manager’s conflict of interest transaction between a limited liability company and one or more of its members or managers, or another entity in which one or more of the limited liability company’s members or managers have a financial or other interest, is not void or voidable because of that relationship or interest; because the members or managers are present at the meeting of the members or managers at which the transaction was authorized, approved, effectuated, or ratified; or because the votes of the members or managers are counted for such purpose.

(3) If a member’s conflict of interest transaction or a manager’s conflict of interest transaction is fair to the limited liability company at the time it is authorized, approved, effectuated, or ratified, the fact that a member or manager of the limited liability company is directly or indirectly a party to the transaction, other than being an indirect party as a result of being a
member or manager of the limited liability company, or has a direct or indirect material financial interest or other interest in the transaction, other than having an indirect interest as a result of being a member or manager of the limited liability company, is not grounds for equitable relief and does not give rise to an award of damages or other sanctions.

(4)(a) In a proceeding challenging the validity of a member’s conflict of interest transaction or a manager’s conflict of interest transaction or in a proceeding seeking equitable relief, award of damages, or other sanctions with respect to a member’s conflict of interest transaction or a manager’s conflict of interest transaction, described in subsection (3), the person challenging the validity or seeking equitable relief, award of damages, or other sanctions has the burden of proving the lack of fairness of the transaction if:

1. In a manager-managed limited liability company, the material facts of the transaction and the member’s or manager’s interest in the transaction were disclosed or known to the managers or a committee of managers who voted upon the transaction and the transaction was authorized, approved, or ratified by a majority of the disinterested managers even if the disinterested managers constitute less than a quorum; however, the transaction cannot be authorized, approved, or ratified under this subsection solely by a single manager; and

2. In a member-managed limited liability company, or a manager-managed limited liability company in which the managers have failed to or cannot act under subparagraph 1., the material facts of the transaction and the member’s or manager’s interest in the transaction were disclosed or known to the members who voted upon such transaction and the transaction was authorized, approved, or ratified by a majority-in-interest of the disinterested members even if the disinterested members constitute less than a quorum; however, the transaction cannot be authorized, approved, or ratified under this subsection solely by a single member; or

(b) If neither of the conditions provided in paragraph (a) has been satisfied, the person defending or asserting the validity of a member’s conflict of interest transaction or a manager’s conflict of interest transaction described in subsection (3) has the burden of proving its fairness in a proceeding challenging the validity of the transaction.

Section 250. Paragraph (c) of subsection (3) of section 605.0410, Florida Statutes, is amended to read:

605.0410 Records to be kept; rights of member, manager, and person dissociated to information.—

(3) In a manager-managed limited liability company, the following rules apply:

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Within 10 days after receiving a demand pursuant to subparagraph (b)\(2\), the company shall, in a record, inform the member who made the demand of:

1. The information that the company will provide in response to the demand and when and where the company will provide the information; and

2. The company’s reasons for declining, if the company declines to provide any demanded information.

Section 251. Paragraph (b) of subsection (1) and subsection (2) of section 605.0702, Florida Statutes, are amended, and subsections (3), (4), and (5) are added to that section, to read:

605.0702 Grounds for judicial dissolution.—

(1) A circuit court may dissolve a limited liability company:

(b) In a proceeding by a manager or member to dissolve the limited liability company if it is established that:

1. The conduct of all or substantially all of the company’s activities and affairs is unlawful;

2. It is not reasonably practicable to carry on the company’s activities and affairs in conformity with the articles of organization and the operating agreement;

3. The managers or members in control of the company have acted, are acting, or are reasonably expected to act in a manner that is illegal or fraudulent;

4. The limited liability company’s assets are being misappropriated or wasted, causing injury to the limited liability company, or in a proceeding by a member, causing injury to one or more of its members; or

5. The managers or the members of the limited liability company are deadlocked in the management of the limited liability company’s activities and affairs, the members are unable to break the deadlock, and irreparable injury to the limited liability company is threatened or being suffered.

(2)(a) If the managers or the members of the limited liability company are deadlocked in the management of the limited liability company’s activities and affairs, the members are unable to break the deadlock, and irreparable injury to the limited liability company is threatened or being suffered, if the operating agreement contains a deadlock sale provision that has been initiated before the time that the court determines that the grounds for judicial dissolution exist under subparagraph (1)(b)\(5\), then such deadlock sale provision applies to the resolution of such deadlock instead of the court entering an order of judicial dissolution or an order directing the purchase of petitioner’s interest under s. 605.0706, so long as the provisions

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of such deadlock sale provision are thereafter initiated and effectuated in accordance with the terms of such deadlock sale provision or otherwise pursuant to an agreement of the members of the company.

(b) As used in this section, the term “deadlock sale provision” means a provision in an operating agreement which is or may be applicable in the event of a deadlock among the managers or the members of the limited liability company which the members of the company are unable to break and which provides for a deadlock breaking mechanism, including, but not limited to:

1. A redemption or a purchase and sale of interests; or

2. A governance change, among or between members;

3. The sale of the company or all or substantially all of the assets of the company; or

4. A similar provision that, if initiated and effectuated, breaks the deadlock by causing the transfer of interests, a governance change, or the sale of all or substantially all of the company’s assets. A deadlock sale provision in an operating agreement which is not initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner’s interest under s. 605.0706 does not adversely affect the rights of members and managers to seek judicial dissolution under subparagraph (1)(b)5. or the rights of the company or one or more members to purchase the petitioner’s interest under s. 605.0706. The filing of an action for judicial dissolution on the grounds described in subparagraph (1)(b)5. or an election to purchase the petitioner’s interest under s. 605.0706 does not adversely affect the right of a member to initiate an available deadlock sale provision under the operating agreement or to enforce a member-initiated or an automatically-initiated deadlock sale provision if the deadlock sale provision is initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner’s interest under s. 605.0706.

(3) A deadlock sale provision in an operating agreement which is not initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner’s interest under s. 605.0706, does not adversely affect the rights of members and managers to seek judicial dissolution under subparagraph (1)(b)5. or the rights of the company or one or more members to purchase the petitioner’s interest under s. 605.0706. The filing of an action for judicial dissolution on the grounds described in subparagraph (1)(b)5. or an election to purchase the petitioner’s interest under s. 605.0706, does not adversely affect the right of a member to initiate an available deadlock sale provision under the operating agreement or to enforce a member-initiated or an automatically-initiated deadlock sale provision if the deadlock sale provision is initiated and effectuated before the court enters an order of judicial dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner’s interest under s. 605.0706.
dissolution under subparagraph (1)(b)5. or an order directing the purchase of petitioner’s interest under s. 605.0706.

Section 252. Subsections (1), (2), (4), (5), (6), (7), and (8) of section 605.0706, Florida Statutes, are amended to read:

605.0706 Election to purchase instead of dissolution.—

(1) In a proceeding initiated by a member of a limited liability company under s. 605.0702(1)(b) to dissolve the company, the company may elect, or, if it fails to elect, one or more other members may elect, to purchase the entire interest of the petitioner in the company at the fair value of the interest. An election pursuant to this section is irrevocable unless the court determines that it is equitable to set aside or modify the election.

(2) An election to purchase pursuant to this section may be filed with the court within 90 days after the filing of the petition by the petitioning member under s. 605.0702(1)(b) or (2) or at such later time as the court may allow. If the election to purchase is filed, the company shall within 10 days thereafter give written notice to all members, other than the petitioning member. The notice must describe the interest in the company owned by each petitioning member and must advise the recipients of their right to join in the election to purchase the petitioning member’s interest in accordance with this section. Members who wish to participate must file notice of their intention to join in the purchase within 30 days after the effective date of the notice. A member who has filed an election or notice of the intent to participate in the election to purchase thereby becomes a party to the proceeding and shall participate in the purchase in proportion to the ownership interest as of the date the first election was filed unless the members otherwise agree or the court otherwise directs. After an election to purchase has been filed by the limited liability company or one or more members, the proceeding under s. 605.0702(1)(b) or (2) may not be discontinued or settled, and the petitioning member may not sell or otherwise dispose of the interest of the petitioner in the company unless the court determines that it would be equitable to the company and the members, other than the petitioner, to authorize such discontinuance, settlement, sale, or other disposition or the sale is pursuant to a deadlock sale provision described in s. 605.0702(1)(b).

(4) If the parties are unable to reach an agreement as provided for in subsection (3), the court, upon application of a party, may stay the proceedings to dissolve under s. 605.0702(1)(b) and shall, whether or not the proceeding is stayed, determine the fair value of the petitioner’s interest as of the day before the date on which the petition was filed or as of such other date as the court deems appropriate under the circumstances.

(5) Upon determining the fair value of the petitioner’s interest in the company, unless the petitioner’s interest has been acquired pursuant to a deadlock sale provision before the order, the court shall enter an order directing the purchase upon such terms and conditions as the court deems appropriate, which may include: payment of the purchase price in
installments, when necessary in the interests of equity; a provision for security to ensure payment of the purchase price and additional costs, fees, and expenses as may have been awarded; and, if the interest is to be purchased by members, the allocation of the interest among those members. In allocating the petitioner’s interest among holders of different classes or series of interests in the company, the court shall attempt to preserve any the existing distribution of voting rights among holders of different classes or series insofar as practicable and may direct that holders of any a specific class or classes or series may not participate in the purchase. Interest may be allowed at the rate and from the date determined by the court to be equitable; however, if the court finds that the refusal of the petitioning member to accept an offer of payment was arbitrary or otherwise not in good faith, payment of interest is not allowed. If the court finds that the petitioning member had probable grounds for relief under s. 605.0702(1)(b) or 4., it may award expenses to the petitioning member, including reasonable fees and expenses of counsel and of experts employed by petitioner.

(6) The Upon entry of an order under subsection (3) or subsection (5) shall be subject to subsection (8), and the order may not be entered unless the award is determined by the court to be allowed under subsection (8). In determining compliance with s. 605.0405, the court may rely on an affidavit from the limited liability company as to compliance with that section as of the measurement date. Upon entry of an order under subsection (3) or subsection (5), the court shall dismiss the petition to dissolve the limited liability company under s. 605.0702(1)(b), and the petitioning member shall no longer have rights or status as a member of the limited liability company except the right to receive the amounts awarded by the order of the court, which shall be enforceable in the same manner as any other judgment.

(7) The purchase ordered pursuant to subsection (5) shall must be made within 10 days after the date the order becomes final unless, before that time, the limited liability company files with the court a notice of its intention to dissolve pursuant to s. 605.0701(2), in which case articles of dissolution for the company must be filed within 50 days thereafter. Upon filing of such articles of dissolution, the limited liability company shall be wound up in accordance with ss. 605.0709-605.0713, and the order entered pursuant to subsection (5) shall no longer be of force or effect except that the court may award the petitioning member reasonable fees and expenses of counsel and experts in accordance with subsection (5), and the petitioner may continue to pursue any claims previously asserted on behalf of the limited liability company.

(8) Any award A payment by the limited liability company pursuant to an order under subsection (3) or subsection (5), other than an award of fees and expenses pursuant to subsection (5), is subject to s. 605.0405. Unless otherwise provided in the court’s order, the effect of a distribution under s. 605.0405 shall be measured as of the date of the court’s order under subsection (3) or subsection (5).
Section 253. Subsection (5) of section 605.0715, Florida Statutes, is amended, and subsection (6) is added to that section, to read:

605.0715 Reinstatement.—

(5) The name of the dissolved limited liability company is not available for assumption or use by another business entity until 1 year after the effective date of dissolution unless the dissolved limited liability company provides the department with a record executed as required pursuant to s. 605.0203 permitting the immediate assumption or use of the name by another business entity limited liability company.

(6) If the name of the dissolved limited liability company has been lawfully assumed in this state by another business entity, the department shall require the dissolved limited liability company to amend its articles of organization to change its name before accepting the application for reinstatement.

Section 254. Subsections (2) and (3) of section 605.0716, Florida Statutes, are amended, and subsection (4) is added to that section, to read:

605.0716 Judicial review of denial of reinstatement.—

(2) Within 30 days after service of a notice of denial of reinstatement, a limited liability company may appeal the denial by petitioning the Circuit Court of Leon County in the applicable county, as defined in s. 605.0711(15), to set aside the dissolution. The petition must be served on the department and contain a copy of the department’s notice of administrative dissolution, the company’s application for reinstatement, and the department’s notice of denial.

(3) The circuit court may order the department to reinstate a dissolved limited liability company or take other action the court considers appropriate.

(4) The circuit court’s final decision may be appealed as in other civil proceedings.

Section 255. Section 605.0801, Florida Statutes, is amended to read:

605.0801 Direct action by member.—

(1) Subject to subsection (2), a member may maintain a direct action against another member, a manager, or the limited liability company to enforce the member’s rights and otherwise protect the member’s interests, including rights and interests under the operating agreement or this chapter or arising independently of the membership relationship.

(2) A member maintaining a direct action under this section must plead and prove either:

CODING: Words stricken are deletions; words underlined are additions.
(a) An actual or threatened injury that is not solely the result of an injury suffered or threatened to be suffered by the limited liability company; or

(b) An actual or threatened injury resulting from a violation of a separate statutory or contractual duty owed by the alleged wrongdoer to the member, even if the injury is in whole or in part the same as the injury suffered or threatened to be suffered by the limited liability company.

Section 256. Section 605.0803, Florida Statutes, is amended to read:

605.0803 Proper plaintiff.—A derivative action to enforce a right of a limited liability company may be commenced only by a person who is a member at the time the action is commenced and:

(1) Was a member when the conduct giving rise to the action occurred; or

(2) Whose status as a member devolved on the person by operation of law or pursuant to the terms of the operating agreement from a person who was a member when at the time of the conduct giving rise to the action occurred.

Section 257. Subsection (2) of section 605.0903, Florida Statutes, is amended to read:

605.0903 Effect of a certificate of authority.—

(2) The filing by the department of an application for a certificate of authority means authorizes the foreign limited liability company that filed the application to transact business in this state has obtained a certificate of authority to transact business in this state and is authorized to transact business in this state, subject, however, to the right of the department to suspend or revoke the certificate of authority as provided in this chapter.

Section 258. Subsections (3) and (4) of section 605.0904, Florida Statutes, are amended to read:

605.0904 Effect of failure to have certificate of authority.—

(3) A court may stay a proceeding commenced by a foreign limited liability company or its successor or assignee until it determines whether the foreign limited liability company or its successor requires a certificate of authority. If it so determines, the court may further stay the proceeding until the foreign limited liability company or its successor has obtained the certificate of authority to transact business in this state.

(4) The failure of a foreign limited liability company to have a certificate of authority to transact business in this state does not impair the validity of any contract, deed, mortgage, security interest, a contract or act of the foreign limited liability company or prevent the foreign limited liability company from defending an action or proceeding in this state.

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Section 259. Subsections (1) and (4) of section 605.0906, Florida Statutes, are amended to read:

605.0906 Noncomplying name of foreign limited liability company.—

(1) A foreign limited liability company whose name is unavailable under or whose name does not otherwise comply with s. 605.0112 may use an alternate name that complies with s. 605.0112 to transact business in this state. An alternate name adopted for use in this state shall be cross-referenced to the actual name of the foreign limited liability company in the records of the department. If the actual name of the foreign limited liability company subsequently becomes available in this state or the foreign limited liability company chooses to change its alternate name, a copy of the record approving the change by its members, managers, or other persons having the authority to do so, and executed as required pursuant to s. 605.0203, shall be delivered to the department for filing.

(4) If a foreign limited liability company authorized to transact business in this state changes its name to one that does not comply with s. 605.0112, it may not thereafter transact business in this state until it complies with subsection (1) and obtains an amended certificate of authority pursuant to s. 605.0907.

Section 260. Subsections (2) and (4) of section 605.0907, Florida Statutes, are amended to read:

605.0907 Amendment to certificate of authority.—

(2) The amendment must be filed within 90 days after the occurrence of a change described in subsection (1), must be signed by an authorized representative of the foreign limited liability company, and must state the following:

(a) The name of the foreign limited liability company as it appears on the records of the department.

(b) Its jurisdiction of formation.

(c) The date the foreign limited liability company was authorized to transact business in this state.

(d) If the name of the foreign limited liability company has been changed, the name relinquished and its new name.

(e) If the amendment changes the jurisdiction of formation of the foreign limited liability company, a statement of that change.

(4) The requirements of s. 605.0902 for obtaining an original certificate of authority apply to obtaining an amended certificate under this section unless the Secretary of State or other official having custody of the foreign limited liability company’s publicly filed records in its

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jurisdiction of formation did not require an amendment to effectuate the change on its records.

Section 261. Subsection (1) of section 605.0908, Florida Statutes, is amended to read:

605.0908 Revocation of certificate of authority.—

(1) A certificate of authority of a foreign limited liability company to transact business in this state may be revoked by the department if:

(a) The foreign limited liability company does not deliver its annual report to the department by 5 p.m. Eastern Time on the third Friday in September of each year; and

(b) The foreign limited liability company does not pay a fee or penalty due to the department under this chapter;

(c) The foreign limited liability company does not appoint and maintain a registered agent as required under s. 605.0113;

(d) The foreign limited liability company does not deliver for filing a statement of a change under s. 605.0114 within 30 days after a change in the name or address of the agent has occurred in the name or address of the agent, unless, within 30 days after the change occurred, either:

1. The registered agent files a statement of change under s. 605.0116; or

2. The change was made in accordance with s. 605.0114(4) or s. 605.0907(1)(d);

(e) The foreign limited liability company has failed to amend its certificate of authority to reflect a change in its name on the records of the department or its jurisdiction of formation;

(f) The department receives a duly authenticated certificate from the official having custody of records in the company’s jurisdiction of formation stating that it has been dissolved or is no longer active on the official’s records;

(g) The foreign limited liability company’s period of duration has expired;

(h) A member, manager, or agent of the foreign limited liability company signs a document that the member, manager, or agent knew was false in a material respect with the intent that the document be delivered to the department for filing; or

(i) The foreign limited liability company has failed to answer truthfully and fully, within the time prescribed in s. 605.1104, interrogatories propounded by the department.
Section 262. Section 605.09091, Florida Statutes, is created to read:

605.09091 Judicial review of denial of reinstatement.—

(1) If the department denies a foreign limited liability company’s application for reinstatement after revocation of its certificate of authority, the department shall serve the foreign limited liability company, pursuant to s. 605.0117(7), with a written notice that explains the reason or reasons for the denial.

(2) Within 30 days after service of a notice of denial of reinstatement, a foreign limited liability company may appeal the denial by petitioning the Circuit Court of Leon County to set aside the revocation. The petition must be served on the department and must contain a copy of the department’s notice of revocation, the foreign limited liability company’s application for reinstatement, and the department’s notice of denial.

(3) The circuit court may order the department to reinstate the certificate of authority of the foreign limited liability company or take other action the court considers appropriate.

(4) The circuit court’s final decision may be appealed as in other civil proceedings.

Section 263. Section 605.0910, Florida Statutes, is amended to read:

605.0910 Withdrawal and cancellation of certificate of authority.—

(1) To cancel its certificate of authority to transact business in this state, a foreign limited liability company must deliver to the department for filing a notice of withdrawal of certificate of authority. The certificate of authority is canceled when the notice becomes effective pursuant to s. 605.0207. The notice of withdrawal of certificate of authority must be signed by an authorized representative and state the following:

(a) The name of the foreign limited liability company as it appears on the records of the department.

(b) The name of the foreign limited liability company’s jurisdiction of formation.

(c) The date the foreign limited liability company was authorized to transact business in this state.

(d) That the foreign limited liability company is withdrawing its certificate of authority in this state.

(e) That the foreign limited liability company revokes the authority of its registered agent to accept service on its behalf and appoints the secretary of state as its agent for service of process based on a cause of action arising

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during the time the foreign limited liability company was authorized to transact business in this state.

(f) A mailing address to which the department may mail a copy of any process served on the secretary of state under paragraph (e).

(g) A commitment to notify the department in the future of any change in its mailing address.

(2) After the withdrawal of the foreign limited liability company is effective, service of process on the secretary of state under this section is service on the foreign limited liability company. Upon receipt of the process, the department shall mail a copy of the process to the foreign limited liability company at the mailing address set forth under paragraph (1)(f).

Section 264. Section 605.0911, Florida Statutes, is amended to read:

605.0911 Withdrawal deemed on conversion to domestic filing entity. A registered foreign limited liability company authorized to transact business in this state that converts to a domestic limited liability company or to another domestic entity that is organized, incorporated, registered or otherwise formed through the delivery of a record to the department for filing is deemed to have withdrawn its certificate of authority on the effective date of the conversion.

Section 265. Section 605.0912, Florida Statutes, is amended to read:

605.0912 Withdrawal on dissolution, merger, or conversion to nonfiling entity.—

(1) A registered foreign limited liability company that has dissolved and completed winding up, has merged into a foreign entity that is not authorized to transact business registered in this state, or has converted to a domestic or foreign entity that is not organized, incorporated, registered or otherwise formed through the public filing of a record, shall deliver a notice of withdrawal of certificate of authority to the department for filing in accordance with s. 605.0910.

(2) After a withdrawal under this section of a foreign limited liability company entity that has converted to another type of entity is effective, service of process in any action or proceeding based on a cause of action arising during the time the foreign limited liability company was authorized to transact business in this state may be made pursuant to s. 605.0117.

Section 266. Subsection (6) of section 605.1025, Florida Statutes, is amended to read:

605.1025 Articles of merger.—

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A limited liability company is not required to deliver articles of merger for filing pursuant to subsection (1) if the limited liability company is named as a merging entity or surviving entity in articles of merger or a certificate of merger filed for the same merger in accordance with s. 607.1105, s. 607.1109, s. 617.1108, s. 620.2108(3), or s. 620.8918(3), and if such articles of merger or certificate of merger substantially comply with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for purposes of subsection (5).

Section 267. Subsection (5) of section 605.1035, Florida Statutes, is amended to read:

605.1035 Articles of interest exchange.—

(5) A limited liability company is not required to deliver articles of interest exchange for filing pursuant to subsection (1) if the domestic limited liability company is named as an acquired entity or as an acquiring entity in the articles of share exchange filed for the same interest exchange in accordance with s. 607.1105 and if such articles of share exchange substantially comply with the requirements of this section.

Section 268. Subsection (5) of section 605.1061, Florida Statutes, is amended to read:

605.1061 Appraisal rights; definitions.—The following definitions apply to this section and to ss. 605.1006 and 605.1062-605.1072:

(5) “Fair value” means the value of the member’s membership interest determined:

(a) Immediately before the effectiveness effectuation of the appraisal event to which the member objects;

(b) Using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal, excluding any appreciation or depreciation in anticipation of the transaction to which the member objects, unless exclusion would be inequitable to the limited liability company and its remaining members; and

(c) Without discounting for lack of marketability or minority status.

Section 269. Subsection (3) of section 605.1063, Florida Statutes, is amended to read:

605.1063 Notice of appraisal rights.—

(3) If the appraisal event is to be approved by written consent of the members pursuant to s. 605.04073 other than by a members’ meeting:

CODING: Words stricken are deletions; words underlined are additions.
(a) Written notice that appraisal rights are, are not, or may be available must be sent to each member from whom a consent is solicited at the time consent of such member is first solicited, and if the limited liability company has concluded that appraisal rights are or may be available, a copy of ss. 605.1006 and 605.1061-605.1072 must accompany such written notice; or

(b) Written notice that appraisal rights are, are not, or may be available must be delivered, at least 10 days before the appraisal event becomes effective, to all nonconsenting and nonvoting members, and, if the limited liability company has concluded that appraisal rights are or may be available, a copy of ss. 605.1006 and 605.1061-605.1072 must accompany such written notice.

Section 270. Section 605.1072, Florida Statutes, is amended to read:

605.1072 Other remedies limited.—

(1) A member entitled to appraisal rights under this chapter may not challenge a The legality of a proposed or completed appraisal event for which appraisal rights are available unless such completed appraisal event was either: may not be contested, and the appraisal event may not be enjoined, set aside, or rescinded, in a legal or equitable proceeding by a member after the members have approved the appraisal event.

(2) Subsection (1) does not apply to an appraisal event that:

(a) Was Not authorized and approved in accordance with the applicable provisions of this chapter, the organic rules of the limited liability company, or the resolutions of the members authorizing the appraisal event.

(b) Was Procured as a result of fraud, a material misrepresentation, or an omission of a material fact that is necessary to make statements made, in light of the circumstances in which they were made, not misleading.

(2) Nothing in this section operates to override or supersede s. 605.04092.

Section 271. Subsection (16) of section 617.0302, Florida Statutes, is amended to read:

617.0302 Corporate powers.—Every corporation not for profit organized under this chapter, unless otherwise provided in its articles of incorporation or bylaws, shall have power to:

(16) Merge with other corporations or other eligible business entities identified in s. 607.1101 s. 607.1108(1), both for profit and not for profit, domestic and foreign, if the surviving corporation or other surviving eligible business entity is a corporation not for profit or other eligible business entity that has been organized as a not-for-profit entity under a governing statute or other applicable law that permits such a merger.

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Section 272. Subsections (1) and (5) of section 617.0501, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

617.0501 Registered office and registered agent.—

(1) Each corporation shall have and continuously maintain in this state:

(a) A registered office which may be the same as its principal office; and

(b) A registered agent, who may be either:

1. An individual who resides in this state whose business office is identical with such registered office; or

2. Another domestic entity that is an authorized entity whose business address is identical to the address of the registered office, or a foreign entity authorized to transact business in this state that is an authorized entity and whose business address is identical to the address of a corporation for profit or not for profit, authorized to transact business or conduct its affairs in this state, having a business office identical with the registered office.

(5) A corporation may not prosecute or maintain any action in a court in this state until the corporation complies with this section or s. 617.1508, as applicable, and pays to the Department of State any amounts required under this chapter, and, to the extent ordered by a court of competent jurisdiction, pays to the Department of State a penalty of $5 for each day it has failed to so comply or $500, whichever is less.

(6) For the purposes of this section, the term “authorized entity” means:

(a) A corporation for profit;

(b) A limited liability company;

(c) A limited liability partnership; or

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

Section 273. Section 617.05015, Florida Statutes, is created to read:

617.05015 Reserved name.—

(1) A person may reserve the exclusive use of the name of a corporation, including an alternate name for a foreign corporation whose name is not available, by delivering an application to the department for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the department finds that the name of the corporation applied for is available, it shall reserve the name for the applicant’s exclusive use for a nonrenewable 120-day period.
(2) The owner of a reserved name of a corporation may transfer the reservation to another person by delivering to the department a signed notice of the transfer that states the name and address of the transferee.

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

Section 274. Section 617.0831, Florida Statutes, is amended to read:

617.0831 Indemnification and liability of officers, directors, employees, and agents.—Except as provided in s. 617.0834, s. 607.0831 and ss. 607.0850-607.0859 ss. 607.0831 and 607.0850 apply to a corporation organized under this act and a rural electric cooperative organized under chapter 425. Any reference to “directors” in those sections includes the directors, managers, or trustees of a corporation organized under this act or of a rural electric cooperative organized under chapter 425. However, the term “director” as used in s. 607.0831 and ss. 607.0850-607.0859 ss. 607.0831 and 607.0850 does not include a director appointed by the developer to the board of directors of a condominium association under chapter 718, a cooperative association under chapter 719, a homeowners’ association defined in s. 720.301, or a timeshare managing entity under chapter 721. Any reference to “shareholders” in those sections includes members of a corporation organized under this act and members of a rural electric cooperative organized under chapter 425.

Section 275. Section 617.1102, Florida Statutes, is amended to read:

617.1102 Limitation on merger.—A corporation not for profit organized under this chapter may merge with one or more other eligible business entities, as identified in s. 607.1101(1) s. 607.1108(1), only if the surviving entity of such merger is a corporation not for profit or other eligible business entity that has been organized as a not-for-profit entity under a governing statute or other applicable law that allows such a merger.

Section 276. Section 617.1108, Florida Statutes, is amended to read:

617.1108 Merger of domestic corporation and other eligible business entities.—

(1) Subject to s. 617.0302(16) and other applicable provisions of this chapter, ss. 607.1101, 607.1103, 607.1105, 607.1106, and 607.1107 ss. 607.1108, 607.1109, and 607.11101 shall apply to a merger involving a corporation not for profit organized under this act and one or more other eligible business entities identified in s. 607.1108(1).

(2) A domestic corporation not for profit organized under this chapter is not required to file articles of merger pursuant to this section if the corporation not for profit is named as a party or constituent organization in articles of merger or a certificate of merger filed for the same merger in accordance with s. 605.1025, s. 607.1105 s. 607.1109, s. 620.2108(3), or s.
620.8918(1) and (2). In such a case, the other articles of merger or certificate of merger may also be used for purposes of subsection (3).

(3) A copy of the articles of merger or certificate of merger, certified by the Department of State, may be filed in the office of the official who is the recording officer of each county in this state in which real property of a party to the merger, other than the surviving entity, is situated.

Section 277. Section 617.1507, Florida Statutes, is amended to read:

617.1507 Registered office and registered agent of foreign corporation.

(1) Each foreign corporation authorized to conduct its affairs in this state must continuously maintain in this state:

(a) A registered office that may be the same as any of the places it conducts its affairs; and

(b) A registered agent, who may be:

1. An individual who resides in this state and whose business office is identical with the registered office;

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

3. A foreign entity authorized to transact business in this state that is an authorized entity and whose business address is identical to the address of a domestic corporation for profit or not for profit the business office of which is identical with the registered office; or

3. A foreign corporation for profit or not for profit authorized to transact business or conduct its affairs in this state the business office of which is identical with the registered office.

(2) A registered agent appointed pursuant to this section or a successor registered agent appointed pursuant to s. 617.1508 on whom process may be served shall each file a statement in writing with the Department of State, in such form and manner as shall be prescribed by the department, accepting the appointment as a registered agent simultaneously with his or her being designated. Such statement of acceptance shall state that the registered agent is familiar with, and accepts, the obligations of that position.

(3) For purposes of this section, “authorized entity” means:

(a) A corporation for profit;

(b) A limited liability company;

(c) A limited liability partnership; or

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

Section 278. Subsections (2), (3), and (4) of section 620.1108, Florida Statutes, are amended, and subsection (6) is added to that section, to read:

620.1108 Name.—

(2) The name of a limited partnership that is not a limited liability limited partnership must contain the phrase “limited partnership” or “limited” or the abbreviation “L.P.” or “Ltd.” or the designation “LP,” and may not contain the phrase “limited liability limited partnership” or the abbreviation “L.L.L.P.” or the designation “LLLP,” as will clearly indicate that it is a limited partnership instead of a natural person, corporation, limited liability company, or other business entity.

(3) The name of a limited liability limited partnership must contain the phrase “limited liability limited partnership” or the abbreviation “L.L.L.P.” or designation “LLLP,” as will clearly indicate that it is a limited liability limited partnership instead of a natural person or other business entity, except that a limited liability limited partnership organized prior to January 1, 2006, that was the effective date of this act that is using an abbreviation or designation permitted under prior law shall be entitled to continue using such abbreviation or designation until its dissolution.

(4) The name of a limited partnership must be distinguishable in the records of the Department of State from the names of all other entities or filings that are on file with the Department of State, except fictitious name registrations pursuant to s. 865.09, general partnership registrations pursuant to s. 620.8105, and limited liability partnership statements pursuant to s. 620.9001 which are organized, registered, or reserved under the laws of this state; however, a limited partnership or a limited liability limited partnership may register under a name that is not otherwise distinguishable on the records of the Department of State with the written consent of the other entity if the consent is filed with the Department of State at the time of registration of such name and if such name is not identical to the name of the other entity. A name that is different from the name of another entity or filing due to any of the following is not considered distinguishable:

(a) A suffix.
(b) A definite or indefinite article.
(c) The word “and” and the symbol “&.”
(d) The singular, plural, or possessive form of a word.
(e) A recognized abbreviation of a root word.
(f) A punctuation mark or a symbol.

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A limited partnership or a limited liability limited partnership in existence before January 1, 2020, that has a name that does not clearly indicate that it is a limited partnership or a limited liability limited partnership instead of a natural person, corporation, limited liability company, or other business entity may continue using its name until it dissolves or amends its name in the records of the Department of State.

Section 279. Section 620.11085, Florida Statutes, is created to read:

620.11085 Reserved name.—

(1) A person may reserve the exclusive use of the name of a limited partnership, including an alternate name for a foreign limited partnership whose name is not available, by delivering an application to the Department of State for filing. The application must set forth the name and address of the applicant and the name proposed to be reserved. If the department finds that the name of the limited partnership applied for is available, it must reserve the name for the applicant’s exclusive use for a nonrenewable 120-day period.

(2) The owner of a reserved name of a limited partnership may transfer the reservation to another person by delivering to the Department of State a signed notice of the transfer that states the name and address of the transferee.

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

Section 280. Paragraph (c) of subsection (1) of section 620.2104, Florida Statutes, is amended to read:

620.2104 Filings required for conversion; effective date.—

(1) After a plan of conversion is approved:

(c) A converting limited partnership is not required to file a certificate of conversion pursuant to paragraph (a) if the converting limited partnership files articles of conversion or a certificate of conversion that substantially complies with the requirements of this section pursuant to s. 605.1045, s. 607.1105, or s. 607.1115, or s. 620.8914(1)(b) and contains the signatures required by this chapter. In such a case, the other certificate of conversion may also be used for purposes of s. 620.2105(4).

Section 281. Subsection (3) of section 620.2108, Florida Statutes, is amended to read:

620.2108 Filings required for merger; effective date.—

(3) Each constituent limited partnership shall deliver the certificate of merger for filing in the Department of State unless the constituent limited
partnership is named as a party or constituent organization in articles of merger or a certificate of merger filed for the same merger in accordance with s. 605.1025, s. 607.1105, s. 607.1109(1), s. 617.1108, or s. 620.8918(1) and (2) and such articles of merger or certificate of merger substantially complies with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for purposes of s. 620.2109(3).

Section 282. Subsection (3) of section 620.8918, Florida Statutes, is amended to read:

620.8918 Filings required for merger; effective date.—

(3) Each domestic constituent partnership shall deliver the certificate of merger for filing with the Department of State, unless the domestic constituent partnership is named as a party or constituent organization in articles of merger or a certificate of merger filed for the same merger in accordance with s. 605.1025, s. 607.1105, s. 607.1109(1), s. 617.1108, or s. 620.2108(3). The articles of merger or certificate of merger must substantially comply with the requirements of this section. In such a case, the other articles of merger or certificate of merger may also be used for purposes of s. 620.8919(3). Each domestic constituent partnership in the merger shall also file a registration statement in accordance with s. 620.8105(1) if it does not have a currently effective registration statement filed with the Department of State.

Section 283. Paragraph (b) of subsection (2) and subsection (4) of section 621.12, Florida Statutes, are amended to read:

621.12 Identification with individual shareholders or individual members.—

(2) The name shall also contain:

(b)1. In the case of a professional corporation, the words “professional association,” or the abbreviation “P.A.” or the designation “PA”; or

2. In the case of a professional limited liability company formed before January 1, 2014, the words “professional limited company,” or “professional limited liability company,” the abbreviation “P.L.” or “P.L.L.C.” or the designation “PL” or “PLLC,” in lieu of the words “limited company” or “limited liability company,” or the abbreviation “L.C.” or “L.L.C.” or the designation “LC” or “LLC” as otherwise required under s. 605.0112 or former s. 608.406.

3. In the case of a professional limited liability company formed on or after January 1, 2014, the words “professional limited liability company,” the abbreviation “P.L.L.C.” or the designation “PLLC,” in lieu of the words “limited liability company,” or the abbreviation “L.L.C.” or the designation “LLC” as otherwise required under s. 605.0112.
(4) It shall be permissible, however, for the corporation or limited liability company to render professional services and to exercise its authorized powers under a name which is identical to its name or contains any one or more of the last names of any shareholder or member included in such name except that the word “chartered,” the words “professional association,” “professional limited company,” or “professional limited liability company,” the abbreviations “P.A.,” “P.L.,” or “P.L.L.C.,” or the designation “PA,” “PL,” or “PLLC,” may be omitted, provided that the corporation or limited liability company has first registered the name to be so used in the manner required for the registration of fictitious names.

Section 284. Paragraph (e) of subsection (14) of section 865.09, Florida Statutes, is amended to read:

865.09 Fictitious name registration.—

(14) PROHIBITION.—A fictitious name registered as provided in this section may not contain the following words, abbreviations, or designations:

(e) “Professional association,” “PA,” “P.A.,” or “chartered,” unless the person or business for which the name is registered is organized as a professional corporation pursuant to chapter 621, or is organized as a professional corporation pursuant to a similar law of another jurisdiction and has obtained a certificate of authority to transact business in this state pursuant to chapter 607.

Section 285. Subsection (1) of section 662.150, Florida Statutes, is amended to read:

662.150 Domestication of a foreign family trust company.—

(1) A foreign family trust company lawfully organized and currently in good standing with the state regulatory agency in the jurisdiction where it is organized may become domesticated in this state by:

(a) Filing with the Department of State articles a certificate of domestication and articles of incorporation in accordance with and subject to s. 607.11922 s. 607.1801 or by filing articles of conversion in accordance with s. 605.1045 or s. 607.11933; and

(b) Filing an application for a license to begin operations as a licensed family trust company in accordance with s. 662.121, which must first be approved by the office, or by filing the prescribed form with the office to register as a family trust company to begin operations in accordance with s. 662.122.

Section 286. Subsection (1) of section 331.355, Florida Statutes, is amended to read:

331.355 Use of name; ownership rights to intellectual property.—

CODING: Words stricken are deletions; words underlined are additions.
(1)(a) The corporate name of a corporation incorporated or authorized to transact business in this state, or the name of any person or business entity transacting business in this state, may not use the words “Space Florida,” “Florida Space Authority,” “Florida Aerospace Finance Corporation,” “Florida Space Research Institute,” “spaceport Florida,” or “Florida spaceport” in its name unless the Space Florida board of directors gives written approval for such use.

(b) The Department of State may dissolve, pursuant to s. 607.1420 s. 607.1421, any corporation that violates paragraph (a).

Section 287. Paragraph (a) of subsection (4) of section 339.12, Florida Statutes, is amended to read:

339.12 Aid and contributions by governmental entities for department projects; federal aid.—

(4)(a) Prior to accepting the contribution of road bond proceeds, time warrants, or cash for which reimbursement is sought, the department shall enter into agreements with the governing body of the governmental entity for the project or project phases in accordance with specifications agreed upon between the department and the governing body of the governmental entity. The department in no instance is to receive from such governmental entity an amount in excess of the actual cost of the project or project phase. By specific provision in the written agreement between the department and the governing body of the governmental entity, the department may agree to reimburse the governmental entity for the actual amount of the bond proceeds, time warrants, or cash used on a highway project or project phases that are not revenue producing and are contained in the department’s adopted work program, or any public transportation project contained in the adopted work program. Subject to appropriation of funds by the Legislature, the department may commit state funds for reimbursement of such projects or project phases. Reimbursement to the governmental entity for such a project or project phase must be made from funds appropriated by the Legislature, and reimbursement for the cost of the project or project phase is to begin in the year the project or project phase is scheduled in the work program as of the date of the agreement. Funds advanced pursuant to this section, which were originally designated for transportation purposes and so reimbursed to a county or municipality, shall be used by the county or municipality for any transportation expenditure authorized under s. 336.025(7). Also, cities and counties may receive funds from persons, and reimburse those persons, for the purposes of this section. Such persons may include, but are not limited to, those persons defined in s. 607.01401(56) s. 607.01401(19).

Section 288. Section 628.530, Florida Statutes, is amended to read:

628.530 Effects of redomestication.—The certificate of authority, agents appointments and licenses, rates, and other items which the office or department allows, in its discretion, which are in existence at the time any
insurer licensed to transact the business of insurance in this state transfers its corporate domicile to this or any other state by merger, consolidation, merger pursuant to s. 607.1101(7) s. 607.1107(5), or any other lawful method shall continue in full force and effect upon such transfer if such insurer remains duly qualified to transact the business of insurance in this state. All outstanding policies of any transferring insurer shall remain in full force and effect and need not be endorsed as to the new name of the company or its new location unless so ordered by the office. Every transferring insurer shall file new policy forms with the office on or before the effective date of the transfer, but may use existing policy forms with appropriate endorsements if allowed by, and under such conditions as are approved by, the office. However, every such transferring insurer shall notify the office of the details of the proposed transfer and shall file promptly any resulting amendments to corporate documents filed or required to be filed with the office.

Section 289. Section 631.0515, Florida Statutes, is amended to read:

631.0515 Appointment of receiver; insurance holding company.—A delinquency proceeding pursuant to this chapter constitutes the sole and exclusive method of dissolving, liquidating, rehabilitating, reorganizing, conserving, or appointing a receiver of a Florida corporation which is not insolvent as defined by s. 607.01401 s. 607.01401(16); which through its shareholders, board of directors, or governing body is deadlocked in the management of its affairs; and which directly or indirectly owns all of the stock of a Florida domestic insurer. The department may petition for an order directing it to rehabilitate such corporation if the interests of policyholders or the public will be harmed as a result of the deadlock. The department shall use due diligence to resolve the deadlock. Whether or not the department petitions for an order, the circuit court shall not have jurisdiction pursuant to s. 607.271, s. 607.274, or s. 607.277 to dissolve, liquidate, or appoint receivers with respect to, a Florida corporation which directly or indirectly owns all of the stock of a Florida domestic insurer and which is not insolvent as defined by s. 607.01401 s. 607.01401(16). However, a managing general agent or holding company with a controlling interest in a domestic insurer in this state is subject to jurisdiction of the court under the provisions of s. 631.025.

Section 290. Subsection (5) of section 658.44, Florida Statutes, is amended to read:

658.44 Approval by stockholders; rights of dissenters; preemptive rights.

(5) The fair value, as defined in s. 607.1301(5) s. 607.1301(4), of dissenting shares of each constituent state bank or state trust company, the owners of which have not accepted an offer for such shares made pursuant to subsection (3), shall be determined pursuant to ss. 607.1326-607.1331 except as the procedures for notice and demand are otherwise provided in this section as of the effective date of the merger.

Section 291. Section 663.03, Florida Statutes, is amended to read:
663.03 Applicability of the Florida Business Corporation Act.—Notwithstanding s. 607.01401(36) s. 607.01401(12), the provisions of part I of chapter 607 not in conflict with the financial institutions codes which relate to foreign corporations apply to all international banking corporations and their offices doing business in this state.

Section 292. Section 663.403, Florida Statutes, is amended to read:

663.403 Applicability of the Florida Business Corporation Act.—Notwithstanding s. 607.01401(36) s. 607.01401(12), the provisions of part I of chapter 607 which are not in conflict with the financial institutions codes and which relate to foreign corporations apply to all international trust entities and their offices doing business in this state.

Section 293. Section 694.16, Florida Statutes, is amended to read:

694.16 Conveyances by merger or conversion of business entities.—As to any merger or conversion of business entities prior to June 15, 2000, the title to all real estate, or any interest therein, owned by a business entity that was a party to a merger or a conversion is vested in the surviving entity without reversion or impairment, notwithstanding the requirement of a deed which was previously required by former s. 607.11101, former s. 608.4383, former s. 620.204, former s. 620.8904, or former s. 620.8906.

Section 294. This act shall take effect on January 1, 2020.

Approved by the Governor June 7, 2019.

Filed in Office Secretary of State June 7, 2019.