

1 SB363
2 136134-1
3 By Senator Smitherman
4 RFD: Judiciary
5 First Read: 23-FEB-12

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8 SYNOPSIS: Under existing law, one or more corporations
9 may merge into another corporation.

10 This bill would provide for a share exchange
11 between two corporations whereby a corporation may
12 acquire all of the outstanding shares of one or
13 more classes or series of stock of another
14 corporation.

15
16 A BILL
17 TO BE ENTITLED
18 AN ACT

19
20 Relating to corporations; to amend Section
21 10A-2-11.02 of the Code of Alabama 1975, to provide for share
22 exchange transactions.

23 BE IT ENACTED BY THE LEGISLATURE OF ALABAMA:

24 Section 1. Section 10A-2-11.02 of the Code of
25 Alabama 1975, is amended to read as follows:

26 "§10A-2-11.02.

1 ~~"(a) Subject to the limitations of the Constitution~~
2 ~~of Alabama of 1901 as the same may be amended from time to~~
3 ~~time, one or more corporations may merge into another~~
4 ~~corporation if the board of directors of each corporation~~
5 ~~adopts and its shareholders, if required by Section~~
6 ~~10A-2-11.03, approve a plan of merger.~~

7 ~~"(b) The plan of merger must set forth:~~

8 ~~"(1) The name of each corporation planning to merge~~
9 ~~and the name of the surviving corporation into which each~~
10 ~~other corporation plans to merge;~~

11 ~~"(2) The terms and conditions of the merger; and~~

12 ~~"(3) The manner and basis of converting the shares~~
13 ~~of each corporation into shares, obligations, or other~~
14 ~~securities of any other corporation or into cash or other~~
15 ~~property in whole or part.~~

16 ~~"(c) The plan of merger may set forth:~~

17 ~~"(1) Amendments to the articles of incorporation of~~
18 ~~the surviving corporation; and~~

19 ~~"(2) Other provisions relating to the merger.~~

20 "(a) Subject to the limitations of the Constitution
21 of Alabama of 1901, as it may be amended from time to time, a
22 corporation may acquire all of the outstanding shares of one
23 or more classes or series of another corporation if the board
24 of directors of each corporation adopts and, if required by
25 Section 10A-2-11.03, the shareholders of each corporation
26 approve the exchange.

1 "(b) The plan of exchange shall set forth all of the
2 following:

3 "(1) The name of the corporation whose shares will
4 be acquired and the name of the acquiring corporation.

5 "(2) The terms and conditions of the exchange.

6 "(3) The manner and basis of exchanging the shares
7 to be acquired for shares, obligations, or other securities of
8 the acquiring or any other corporation or for cash or other
9 property in whole or part.

10 "(c) The plan of exchange may set forth other
11 provisions relating to the exchange.

12 "(d) This section does not limit the power of a
13 corporation to acquire all or part of the shares of one or
14 more classes or series of another corporation through a
15 voluntary exchange or otherwise."

16 Section 2. This act shall become effective
17 immediately following its passage and approval by the
18 Governor, or its otherwise becoming law.