An Act

ENROLLED SENATE
BILL NO. 642

By: Montgomery of the Senate

and

Kannady of the House

An Act relating to stock and nonstock corporations; applying the Oklahoma General Corporation Act to nonstock corporations; providing exceptions; defining terms; amending 18 O.S. 2011, Sections 1006, 1007, 1008, 1013, 1027, as last amended by Section 1, Chapter 1, O.S.L. 2013, 1035, 1041, 1049, 1060, 1065, 1071, 1072, 1075.2, 1075.3, 1076, 1083, 1084, 1085, 1086, 1087, 1090.2, 1090.4, 1090.5, 1092, 1097, 1100.1 and 1100.2 (18 O.S. Supp. 2018, Section 1027), which relate to the Oklahoma General Corporation Act; modifying content requirements for certificate of incorporation; clarifying application to nonstock corporations; modifying execution requirements for certain documents; modifying certain powers related to bylaws; expanding certain voting power for bylaws; clarifying procedures for board committees; providing deferred effective times for board action; modifying certain procedures for nonstock corporations; clarifying that nonstock corporations have no capital stock; limiting ability of nonstock corporations to redeem membership interests; clarifying that nonstock corporations do not pay dividends; providing for voting rights of nonstock corporation members; modifying definitions; modifying rights to examine certain records; requiring certain applicant for custodianship to provide copy of application to the Attorney General; modifying applicability of certain notice requirements; clarifying applicability of requirements for certain amendment; providing procedures and requirements for merger of parent entity and subsidiary corporation or corporations; describing application of merger provisions to

nonstock corporations; modifying merger or consolidation procedures for domestic nonstock nonprofit corporations; defining term; providing for interpretation of references relating to constituent nonstock corporations; providing for merger or consolidation of corporations with other entities; modifying definitions; modifying agreement requirements; modifying contents of certificate of merger or consolidation; providing for merger or consolidation of other entities into domestic corporations; providing for interpretation of certain references; modifying required contents of certain certificates of conversion; requiring Secretary of State to retain certain information for certain time; placing restrictions on merger of charitable entity with other entity; expanding who may vote on certain sales, leases and exchanges by nonstock corporations; modifying procedure for dissolution of nonstock corporation; modifying notice requirements for rejection of claims by a nonstock corporation; specifying applicability of certain distribution provisions; updating statutory references; providing for codification; and providing an effective date.

SUBJECT: Nonstock corporation procedures

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 1004.1 of Title 18, unless there is created a duplication in numbering, reads as follows:

APPLICATION OF ACT TO NONSTOCK CORPORATIONS

A. Except as otherwise provided in subsections B and C of this section, the provisions of this chapter shall apply to nonstock corporations in the manner specified in paragraphs 1 through 4 of this subsection:

1. All references to shareholders of the corporation shall be deemed to refer to members of the corporation;

2. All references to the board of directors of the corporation shall be deemed to refer to the governing body of the corporation;

3. All references to directors or to members of the board of directors of the corporation shall be deemed to refer to members of the governing body of the corporation; and

4. All references to stock, capital stock, or shares thereof of a corporation authorized to issue capital stock shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

B. Subsection A of this section shall not apply to:

1. This subsection or to paragraph 4 of subsection A and paragraphs 1 and 2 of subsection B of Section 1006, subsection A of Section 1013, Sections 1027, 1035, 1060 and 1073, subsection B of Section 1075, and Sections 1076, 1077, 1083, 1084, 1085, 1086, 1087, 1092, 1097, 1119 and 1120 of Title 18 of the Oklahoma Statutes, which apply to nonstock corporations by their terms; and

2. Sections 1032, 1033, 1034, 1036, 1037, subsection D of 1038, 1039, 1042, 1043, 1044, 1045, 1046, 1047, 1056, 1057, 1058, 1059, 1061, 1064, 1067, 1075.1, 1078, 1079, 1081, 1082, 1083.1, 1090.3, 1095, 1096, 1130 through 1138, 1142, 1159 and subsection A of 1161 of Title 18 of the Oklahoma Statutes.

C. In the case of a nonprofit, nonstock corporation, subsection A of this section shall not apply to:

1. The sections listed in subsection B of this section; and

2. Paragraph 3 of subsection B of Section 1006, paragraph 2 of subsection A of Section 1030, Sections 1032 through 1055, 1062, subsections A and B of 1063, and 1091 of Title 18 of the Oklahoma Statutes.

D. For purposes of the Oklahoma General Corporation Act:

1. A "charitable nonstock corporation" is any nonprofit nonstock corporation that is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code [26 U.S.C. Section 501(c)(3)], or any successor provisions;

2. A "membership interest" is, unless otherwise provided in a nonstock corporation's certificate of incorporation, a member's share of the profits and losses of a nonstock corporation, or a member's right to receive distributions of the nonstock corporation's assets, or both;

3. A "nonprofit nonstock corporation" is a nonstock corporation that does not have membership interests;

4. A "nonstock corporation" is any corporation organized under this act that is not authorized to issue capital stock; and

5. The terms "not-for-profit" and "nonprofit" are synonymous.

SECTION 2. AMENDATORY 18 O.S. 2011, Section 1006, is amended to read as follows:

Section 1006. CERTIFICATE OF INCORPORATION; CONTENTS

A. The certificate of incorporation shall set forth:

1. The name of the corporation which shall contain one of the words "association", "company", "corporation", "club", "foundation", "fund", "incorporated", "institute", "society", "union", "syndicate", or "limited" or abbreviations thereof, with or without punctuation, or words or abbreviations thereof, with or without punctuation, of like import of foreign countries or jurisdictions; provided that such abbreviations are written in Roman characters or letters, and which shall be such as to distinguish it upon the records in the Office of the Secretary of State from:

a. names of other corporations, whether domestic or foreign, then existing or which existed at any time during the preceding three (3) years,

b. names of partnerships whether general or limited, or domestic or foreign, then in good standing or

registered or which were in good standing or registered at any time during the preceding three (3) years,

c. names of limited liability companies, whether domestic or foreign, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years,

d. trade names or fictitious names filed with the Secretary of State, or

e. corporate, limited liability company or limited partnership names reserved with the Secretary of State;

2. The address, including the street, number, city ~~and county~~ and postal code, of the corporation's registered office in this state, and the name of the corporation's registered agent at such address;

3. The nature of the business or purposes to be conducted or promoted. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the general corporation law of Oklahoma, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any;

4. If the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that all such shares are to be without par value. If the corporation is to be authorized to issue more than one class of stock, the certificate of incorporation shall set forth the total number of shares of all classes of stock which the corporation shall have authority to issue and the number of shares of each class, and shall specify each class the shares of which are to be without par value and each class the shares of which are to have par value and the par value of the shares of each such class. The provisions of this paragraph shall not apply to corporations which are not organized for profit and which are not to

have authority to issue capital stock. In the case of such corporations, the fact that they are not to have authority to issue capital stock shall be stated in the certificate of incorporation. The provisions of this paragraph shall not apply to nonstock corporations. In the case of nonstock corporations, the fact that they are not authorized to issue capital stock shall be stated in the certificate of incorporation. The conditions of membership, or other criteria for identifying members, of nonstock corporations shall likewise be stated in the certificate of incorporation or the bylaws. Nonstock corporations shall have members, but the failure to have members shall not affect otherwise valid corporate acts or work a forfeiture or dissolution of the corporation. Nonstock corporations may provide for classes or groups of members having relative rights, powers and duties, and may make provision for the future creation of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. Except as otherwise provided in the Oklahoma General Corporation Act, nonstock corporations may also provide that any member or class or group of members shall have full, limited, or no voting rights or powers, including that any member or class or group of members shall have the right to vote on a specified transaction even if that member or class or group of members does not have the right to vote for the election of members of the governing body of the corporation. Voting by members of a nonstock corporation may be on a per capita, number, financial interest, class, group, or any other basis set forth. The provisions referred to in the three preceding sentences may be set forth in the certificate of incorporation or the bylaws. If neither the certificate of incorporation nor the bylaws of a nonstock corporation state the conditions of membership, or other criteria for identifying members, the members of the corporation shall be deemed to be those entitled to vote for the election of the members of the governing body pursuant to the certificate of incorporation or bylaws of such corporation or otherwise until thereafter otherwise provided by the certificate of incorporation or the bylaws;

5. The name and mailing address of the incorporator or incorporators;

6. If the powers of the incorporator or incorporators are to terminate upon the filing of the certificate of incorporation, the names and mailing addresses of the persons who are to serve as directors until the first annual meeting of shareholders or until their successors are elected and qualify; ~~and~~

7. If the corporation is not for profit:

a. that the corporation does not afford pecuniary gain, incidentally or otherwise, to its members as such,

b. the name and mailing address of each ~~trustee or director~~ member of the governing body,

c. the number of ~~trustees or directors~~ members of the governing body to be elected at the first meeting, and

d. in the event the corporation is a church, the street address of the location of the church.

The restriction on affording pecuniary gain to members shall not prevent a not-for-profit corporation operating as a cooperative from rebating excess revenues to patrons who may also be members; and

8. If the corporation is a charitable nonstock and does not otherwise provide in its certificate of incorporation:

a. that the corporation is organized exclusively for charitable, religious, educational, and scientific purposes including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code,

b. that upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, for a public purpose, and

c. that the corporation complies with the requirements in paragraph 7 of this subsection.

B. In addition to the matters required to be set forth in the certificate of incorporation pursuant to the provisions of subsection A of this section, the certificate of incorporation may also contain any or all of the following matters:

1. Any provision for the management of the business and for the conduct of the affairs of the corporation, and any provision creating, defining, limiting and regulating the powers of the corporation, the directors, and the shareholders, or any class of the shareholders, or the governing body, the members, or any class or group of the members of a nonstock corporation, if such provisions are not contrary to the laws of this state. Any provision which is required or permitted by any provision of the Oklahoma General Corporation Act to be stated in the bylaws may instead be stated in the certificate of incorporation;

2. The following provisions, in substantially the following form:

a. for a corporation, other than a nonstock corporation: "Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its shareholders or any class of them, any court of equitable jurisdiction within the State of Oklahoma, on the application in a summary way of this corporation or of any creditor or shareholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 1106 of this title or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 1100 of this title, may order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the

shareholders or class of shareholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, and/or on all the shareholders or class of shareholders, of this corporation, as the case may be, and also on this corporation.", and

b. for a nonstock corporation:

"Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its members or any class of them, any court of equitable jurisdiction within the State of Oklahoma may, on the application in a summary way of this corporation or of any creditor or member thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 1106 of this title or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 1100 of this title, order a meeting of the creditors or class of creditors, and/or of the members or class of members of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the members or class of members of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, and/or on all the members or class of members, of this corporation, as the case may be, and also on this corporation";

3. Such provisions as may be desired granting to the holders of the stock of the corporation, or the holders of any class or series of a class thereof, the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes or series thereof, or to any securities of the corporation convertible into such stock. No shareholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into such stock unless, and except to the extent that, such right is expressly granted to him in the certificate of incorporation. Preemptive rights, if granted, shall not extend to fractional shares;

4. Provisions requiring, for any corporate action, the vote of a larger portion of the stock or of any class or series thereof, or of any other securities having voting power, or a larger number of the directors, than is required by the provisions of ~~this act~~ the Oklahoma General Corporation Act;

5. A provision limiting the duration of the corporation's existence to a specified date; otherwise, the corporation shall have perpetual existence;

6. A provision imposing personal liability for the debts of the corporation on its shareholders ~~or members~~ to a specified extent and upon specified conditions; otherwise, the shareholders ~~or members~~ of a corporation shall not be personally liable for the payment of the corporation's debts, except as they may be liable by reason of their own conduct or acts;

7. A provision eliminating or limiting the personal liability of a director to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, provided that such provision shall not eliminate or limit the liability of a director:

a. for any breach of the director's duty of loyalty to the corporation or its shareholders,

b. for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,

c. under Section 1053 of this title, or

d. for any transaction from which the director derived an improper personal benefit.

No such provision shall eliminate or limit the liability of a director for any act or omission occurring before the date when such provision becomes effective.

C. It shall not be necessary to set forth in the certificate of incorporation any of the powers conferred on corporations by the provisions of ~~this act~~ the Oklahoma General Corporation Act.

D. Except for provisions included under paragraphs 1, 2, 5, 6 and 7 of subsection A of this section and paragraphs 2, 5 and 7 of subsection B of this section, and provisions included under paragraph 4 of subsection A of this section specifying the classes, number of shares and par value of shares ~~the~~ a corporation other than a nonstock corporation is authorized to issue, any provision of the certificate of incorporation may be made dependent upon facts ascertainable outside the instrument, provided that the manner in which the facts shall operate upon the provision is clearly and explicitly set forth therein. As used in this subsection, the term "facts" includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

SECTION 3. AMENDATORY 18 O.S. 2011, Section 1007, is amended to read as follows:

Section 1007.

EXECUTION, ACKNOWLEDGMENT, FILING AND EFFECTIVE DATE OF ORIGINAL CERTIFICATE OF INCORPORATION AND OTHER INSTRUMENTS; EXCEPTIONS

A. Whenever any provision of the Oklahoma General Corporation Act requires any instrument to be filed in accordance with the provisions of this section or with the provisions of ~~this act~~ the Oklahoma General Corporation Act, the instrument shall be executed as follows:

1. The certificate of incorporation and any other instrument to be filed before the election of the initial board of directors, if the initial directors were not named in the certificate of incorporation, shall be signed by the incorporator or incorporators, or in case of any other instrument, the incorporator's or incorporators' successors and assigns. If any incorporator is not available ~~by reason of death, incapacity, unknown address, or refusal or neglect to act~~, then any other instrument may be signed, with the same effect as if the incorporator had signed it, by any person for whom or on whose behalf the incorporator, in executing the certificate of incorporation, was acting directly or indirectly as employee or agent; provided that the other instrument shall state that the incorporator is not available and the reason therefor, that the incorporator in executing the certificate of incorporation was acting directly or indirectly as employee or agent for or on behalf of the person, and that the person's signature on the instrument is otherwise authorized and not wrongful;

2. All other instruments shall be ~~executed~~ signed:

a. by ~~the chair or vice-chair of the board of directors, or by the president, or by a vice-president, and attested by the secretary or an assistant secretary; or by officers as may be duly authorized to exercise the duties, respectively, ordinarily exercised by the president or vice-president and by the secretary or an assistant secretary of a~~ any authorized officer of the corporation,

b. if it appears from the instrument that there are no such officers, then by a majority of the directors or by those directors designated by the board,

c. if it appears from the instrument that there are no such officers or directors, then by the holders of record, or those designated by the holders of record, of a majority of all outstanding shares of stock, or

d. by the holders of record of all outstanding shares of stock.

B. Whenever any provision of ~~this act~~ the Oklahoma General Corporation Act requires any instrument to be acknowledged, that requirement is satisfied by either:

1. The formal acknowledgment by the person or one of the persons signing the instrument that it is his or her act and deed or the act and deed of the corporation, as the case may be, and that the facts stated therein are true. The acknowledgment shall be made before a person who is authorized by the law of the place of execution to take acknowledgments of deeds and who shall affix a seal of office, if any, to the instrument; or

2. The signature, without more, of the person or persons signing the instrument, in which case the signature or signatures shall constitute the affirmation or acknowledgment of the signatory, under penalty of perjury, that the instrument is his or her act and deed or the act and deed of the corporation, as the case may be, and that the facts stated therein are true.

C. Whenever any provision of ~~this act~~ the Oklahoma General Corporation Act requires any instrument to be filed in accordance with the provisions of this section or with the provisions of ~~this act~~ the Oklahoma General Corporation Act, the requirement means that:

1. One signed instrument shall be delivered to the Office of the Secretary of State;

2. All delinquent franchise taxes authorized by law to be collected by the Oklahoma Tax Commission shall be tendered to the Oklahoma Tax Commission as prescribed by Sections 1201 through 1214 of Title 68 of the Oklahoma Statutes;

3. All fees authorized by law to be collected by the Secretary of State in connection with the filing of the instrument shall be tendered to the Secretary of State; and

4. Upon delivery of the instrument, and upon tender of the required taxes and fees, the Secretary of State shall certify that the instrument has been filed in the Secretary of State's office by endorsing upon the signed instrument the word "Filed", and the date of its filing. This endorsement is the "filing date" of the

instrument, and is conclusive of the date of its filing in the absence of actual fraud. Upon request, the Secretary of State shall also endorse the hour that the instrument was filed, which endorsement shall be conclusive of the hour of its filing in the absence of actual fraud. The Secretary of State shall thereupon file and index the endorsed instrument.

D. Any instrument filed in accordance with the provisions of subsection C of this section shall be effective upon its filing date. Any instrument may provide that it is not to become effective until a specified time subsequent to the time it is filed, but that date shall not be later than a time on the ninetieth day after the date of its filing. If any instrument filed in accordance with subsection C of this section provides for a future effective date or time and if the transaction is terminated or its terms are amended to change the future effective date or time prior to the future effective date or time, the instrument shall be terminated or amended by the filing, prior to the future effective date or time set forth in the instrument, of a certificate of termination or amendment of the original instrument, executed in accordance with subsection A of this section, which shall identify the instrument which has been terminated or amended and shall state that the instrument has been terminated or the manner in which it has been amended.

E. If another section of ~~this act~~ the Oklahoma General Corporation Act specifically prescribes a manner of executing, acknowledging, or filing a specified instrument or a time when an instrument shall become effective which differs from the corresponding provisions of this section, then the provisions of the other section shall govern.

F. Whenever any instrument authorized to be filed with the Secretary of State under any provision of this title has been so filed and is an inaccurate record of the corporate action therein referred to, or was defectively or erroneously executed, sealed, or acknowledged, the instrument may be corrected by filing with the Secretary of State a certificate of correction of the instrument which shall be executed, acknowledged and filed in accordance with the provisions of this section. The certificate of correction shall specify the inaccuracy or defect to be corrected and shall set forth the portion of the instrument in corrected form. The corrected

instrument shall be effective as of the date the original instrument was filed, except as to those persons who are substantially and adversely affected by the correction and as to those persons the corrected instrument shall be effective from the filing date of the corrected instrument.

G. If any instrument authorized to be filed with the Secretary of State pursuant to any provision of this title is filed inaccurately or defectively, or is erroneously executed, sealed, or acknowledged, or is otherwise defective in any respect, the Secretary of State shall have no liability to any person for the preclearance for filing, the acceptance for filing, or the filing and indexing of such instrument.

H. When authorized by the rules of the Secretary of State, any signature on any instrument authorized to be filed with the Secretary of State under any provision of this title may be a facsimile signature, a conformed signature, or an electronically transmitted signature.

I. 1. If:

a. (1) together with the actual delivery of an instrument and tender of the required taxes and fees, there is delivered to the Secretary of State a separate affidavit, which in its heading shall be designated as an affidavit of extraordinary condition, attesting, on the basis of personal knowledge of the affiant or a reliable source of knowledge identified in the affidavit, that an earlier effort to deliver the instrument and tender taxes and fees was made in good faith, specifying the nature, date and time of the good faith effort and requesting that the Secretary of State establish the date and time as the filing date of the instrument, or

(2) upon the actual delivery of an instrument and tender of the required taxes and fees, the Secretary of State in his or her discretion provides a written waiver of the requirement for an affidavit stating that it appears to the

Secretary of State that an earlier effort to deliver the instrument and tender the taxes and fees was made in good faith and specifying the date and time of the effort, and

b. the Secretary of State determines that an extraordinary condition existed at that date and time, that the earlier effort was unsuccessful as a result of the existence of an extraordinary condition, and that the actual delivery and tender were made within a reasonable period, not to exceed two (2) business days, after the cessation of the extraordinary condition,

then the Secretary of State may establish the date and time as the filing date of the instrument. No fee shall be paid to the Secretary of State for receiving an affidavit of extraordinary condition.

2. For purposes of this subsection, an extraordinary condition means: any emergency resulting from an attack on, invasion or occupation by foreign military forces of, or disaster, catastrophe, war or other armed conflict, revolution or insurrection, or rioting or civil commotion in, the United States or a locality in which the Secretary of State conducts its business or in which the good faith effort to deliver the instrument and tender the required taxes and fees is made, or the immediate threat of any of the foregoing; or any malfunction or outage of the electrical or telephone service to the Secretary of State's office, or weather or other condition in or about a locality in which the Secretary of State conducts its business, as a result of which the Secretary of State's office is not open for the purpose of the filing of instruments under ~~this act~~ the Oklahoma General Corporation Act or the filing cannot be effected without extraordinary effort. The Secretary of State may require such proof as it deems necessary to make the determination required under subparagraph b of paragraph 1 of this subsection, and any determination shall be conclusive in the absence of actual fraud.

3. If the Secretary of State establishes the filing date of an instrument pursuant to this subsection, the date and time of delivery of the affidavit of extraordinary condition or the date and

time of the Secretary of State's written waiver of the affidavit shall be endorsed on the affidavit or waiver and the affidavit or waiver, so endorsed, shall be attached to the filed instrument to which it relates. The filed instrument shall be effective as of the date and time established as the filing date by the Secretary of State pursuant to this subsection, except as to those persons who are substantially and adversely affected by the establishment and, as to those persons, the instrument shall be effective from the date and time endorsed on the affidavit of extraordinary condition or written waiver attached thereto.

SECTION 4. AMENDATORY 18 O.S. 2011, Section 1008, is amended to read as follows:

Section 1008. CERTIFICATE OF INCORPORATION; DEFINITION

The term "certificate of incorporation", as used in the Oklahoma General Corporation Act, unless the context requires otherwise, includes not only the original certificate of incorporation filed to create a corporation but also all other certificates, agreements of merger or consolidation, plans of reorganization, or other instruments, howsoever designated, which are filed pursuant to the provisions of Sections ~~6, 23 through 26, 32, 76 through 80, 81 through 87, or 118 of this act~~ 1006, 1023 through 1026, 1032, 1076 through 1087, 1090.2, or 1118 through 1120 of this title, or any other section of ~~Title 18 of the Oklahoma Statutes~~ this title, and which have the effect of amending or supplementing in some respect a corporation's ~~original~~ certificate of incorporation.

SECTION 5. AMENDATORY 18 O.S. 2011, Section 1013, is amended to read as follows:

Section 1013. BYLAWS

A. The original or other bylaws of a corporation may be adopted, amended or repealed by the incorporators, by the initial directors of a corporation other than a nonstock corporation or initial members of the governing body of a nonstock corporation if they were named in the certificate of incorporation, or, before a corporation other than a nonstock corporation has received any payment for any of its stock, by its board of directors. After a corporation other than a nonstock corporation has received any

payment for any of its stock, except as otherwise provided in its certificate of incorporation, the power to adopt, amend or repeal bylaws shall be in the ~~board of directors, or, in~~ shareholders entitled to vote. In the case of a nonstock corporation, the power to adopt, amend or repeal bylaws shall be in its governing body. Notwithstanding the foregoing, any corporation may, in its certificate of incorporation, confer the power to adopt, amend or repeal bylaws upon the directors or, in the case of a nonstock corporation, upon its members. The fact that such power has been so conferred upon the directors or members, as the case may be, shall not divest the shareholders or governing body of the power, nor limit their power to adopt, amend or repeal bylaws.

B. The bylaws may contain any provision, not inconsistent with law or with the certificate of incorporation, relating to the business of the corporation, the conduct of its affairs, and its rights or powers or the rights or powers of its shareholders, directors, officers or employees.

SECTION 6. AMENDATORY 18 O.S. 2011, Section 1027, as last amended by Section 1, Chapter 1, O.S.L. 2013 (18 O.S. Supp. 2018, Section 1027), is amended to read as follows:

Section 1027.

BOARD OF DIRECTORS; POWERS; NUMBER; QUALIFICATIONS; TERMS AND QUORUM; COMMITTEES; CLASSES OF DIRECTORS; ~~NOT FOR PROFIT~~ NONSTOCK CORPORATIONS; RELIANCE UPON BOOKS; ACTION WITHOUT MEETING; ETC.

A. The business and affairs of every corporation organized in accordance with the provisions of the Oklahoma General Corporation Act shall be managed by or under the direction of a board of directors, except as may be otherwise provided for in ~~this act~~ the Oklahoma General Corporation Act or in the corporation's certificate of incorporation. If any provision is made in the certificate of incorporation, the powers and duties conferred or imposed upon the board of directors by the provisions of ~~this act~~ the Oklahoma General Corporation Act shall be exercised or performed to the

extent and by the person or persons stated in the certificate of incorporation.

B. The board of directors of a corporation shall consist of one or more members, each of whom shall be a natural person. The number of directors shall be fixed by or in the manner provided for in the bylaws, unless the certificate of incorporation fixes the number of directors, in which case a change in the number of directors shall be made only by amendment of the certificate. Directors need not be shareholders unless so required by the certificate of incorporation or the bylaws. The certificate of incorporation or bylaws may prescribe other qualifications for directors. Each director shall hold office until a successor is elected and qualified or until his or her earlier resignation or removal. Any director may resign at any time upon notice given in writing or by electronic transmission to the corporation. A resignation is effective when the resignation is delivered unless the resignation specifies a later effective date or an effective date determined upon the happening of an event or events. A resignation that is conditioned upon the director failing to receive a specified vote for reelection as a director may provide that it is irrevocable. A majority of the total number of directors shall constitute a quorum for the transaction of business unless the certificate of incorporation or the bylaws require a greater number. ~~Except as provided in subsection G of this section, neither the certificate of incorporation nor the bylaws may provide that a quorum may~~ Unless the certificate of incorporation provides otherwise, the bylaws may provide that a number less than a majority shall constitute a quorum which in no case shall be less than one-third (1/3) of the total number of directors. The vote of the majority of the directors present at a meeting at which a quorum is present shall be the act of the board of directors unless the certificate of incorporation or the bylaws shall require a vote of a greater number.

C. 1. The board of directors may designate one or more committees consisting of one or more of the directors of the corporation. The board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee. The bylaws may provide that in the absence or disqualification of a member of a committee, the member or members present at a meeting and not disqualified from voting, whether or not the member or members

constitute a quorum, may unanimously appoint another member of the board of directors to act at the meeting in the place of any absent or disqualified member. Any committee, to the extent provided in the resolution of the board of directors, or in the bylaws of the corporation, shall have and may exercise all the powers and authority of the board of directors in the management of the business and affairs of the corporation, and may authorize the seal of the corporation to be affixed to all papers which may require it; but no committee shall have the power or authority to:

a. approve, adopt, or recommend to the shareholders any action or matter, other than the election or removal of directors, expressly required by ~~this act~~ the Oklahoma General Corporation Act to be submitted to shareholders for approval, or

b. adopt, amend, or repeal any bylaw of the corporation.

2. Unless otherwise provided in the certificate of incorporation, the bylaws or the resolution of the board of directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee. Except for references to committees and members of committees in subsection C of this section, every reference in this title to a committee of the board of directors or a member of a committee shall be deemed to include a reference to a subcommittee or member of a subcommittee.

3. A majority of the directors then serving on a committee of the board of directors or on a subcommittee of a committee shall constitute a quorum for the transaction of business by the committee or subcommittee, unless the certificate of incorporation, the bylaws, a resolution of the board of directors or a resolution of a committee that created the subcommittee requires a greater or lesser number; provided that in no case shall a quorum be less than one-third (1/3) of the directors then serving on the committee or subcommittee. The vote of the majority of the members of a committee or subcommittee present at a meeting at which a quorum is present shall be the act of the committee or subcommittee, unless the certificate of incorporation, the bylaws, a resolution of the

board of directors or a resolution of a committee that created the subcommittee requires a greater number.

D. The directors of any corporation organized under ~~this act~~ the Oklahoma General Corporation Act, by the certificate of incorporation or by an initial bylaw, or by a bylaw adopted by ~~the board of directors and approved by~~ a vote of the shareholders, may be divided into one, two, or three classes; the term of office of those of the first class to expire at the first annual meeting held after the classification becomes effective; of the second class one (1) year thereafter; of the third class two (2) years thereafter; and at each annual election held after the classification becomes effective, directors shall be chosen for a full term, as the case may be, to succeed those whose terms expire. The certificate of incorporation or bylaw provision dividing the directors into classes may authorize the board of directors to assign members of the board then in office to such classes when the classification becomes effective. The certificate of incorporation may confer upon holders of any class or series of stock the right to elect one or more directors who shall serve for the term, and have voting powers as shall be stated in the certificate of incorporation. The terms of office and voting powers of the directors elected in the manner so provided in the certificate of incorporation may be greater than or less than those of any other director or class of directors. In addition, the certificate of incorporation may confer upon one or more directors, whether or not elected separately by the holders of any class or series of stock, voting powers greater than or less than those of other directors. Any such provision conferring greater or lesser voting power shall apply to voting in any committee, unless otherwise provided in the certificate of incorporation or bylaws. If the certificate of incorporation provides that directors elected by the holders of a class or series of stock shall have more or less than one vote per director on any matter, every reference in ~~this act~~ the Oklahoma General Corporation Act to a majority or other proportion of directors shall refer to a majority or other proportion of the votes of the directors.

E. A member of the board of directors, or a member of any committee designated by the board of directors, in the performance of the member's duties, shall be fully protected in relying in good faith upon the records of the corporation and upon information, opinions, reports, or statements presented to the corporation by any

of the corporation's officers or employees, or committees of the board of directors, or by any other person as to matters the member reasonably believes are within the officer's, employee's, committee's or other person's competence and who have been selected with reasonable care by or on behalf of the corporation.

F. Unless otherwise restricted by the certificate of incorporation or bylaws:

1. Any action required or permitted to be taken at any meeting of the board of directors, or of any committee thereof may be taken without a meeting if all members of the board or committee, as the case may be, consent thereto in writing or by electronic transmission, and the writing or writings or electronic transmission or transmissions are filed with the minutes of proceedings of the board or committee; and the filing shall be in paper form if the minutes are maintained in paper form and shall be in electronic form if the minutes are maintained in electronic form; and any person whether or not then a director may provide, whether through instruction to an agent or otherwise, that a consent to action will be effective at a future time (including a time determined upon the happening of an event), no later than sixty (60) days after such instruction is given or such provision is made and such consent shall be deemed to have been given for purposes of this subsection at such effective time so long as such person is then a director and did not revoke the consent prior to such time; and any such consent shall be revocable prior to its becoming effective;

2. The board of directors of any corporation organized in accordance with the provisions of ~~this act~~ the Oklahoma General Corporation Act may hold its meetings, and have an office or offices, outside of this state;

3. The board of directors shall have the authority to fix the compensation of directors; and

4. Members of the board of directors of any corporation, or any committee designated by the board, may participate in a meeting of the board or committee by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear or otherwise communicate with each other.

Participation in a meeting pursuant to the provisions of this subsection shall constitute presence in person at the meeting.

G. 1. The certificate of incorporation or bylaws of any nonstock corporation ~~organized in accordance with the provisions of this act which is not authorized to issue capital stock~~ may provide that less than one-third (1/3) of the members of the governing body may constitute a quorum thereof and may otherwise provide that the business and affairs of the corporation shall be managed in a manner different from that provided for in this section, which differences may include additional classes of directors, longer terms of service, the use of less than unanimous consents for board action, and permitting the Chair of the Board of Directors to designate committees and appoint members.

2. Except as may be otherwise provided by the certificate of incorporation, the provisions of this section shall apply to such a corporation, and when so applied, all references to the board of directors, to members thereof, and to shareholders shall be deemed to refer to the governing body of the corporation, the members thereof and the members of the corporation, respectively; and all references to stock, capital stock, or shares shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

H. 1. Any director or the entire board of directors may be removed, with or without cause, by the holders of a majority of the shares then entitled to vote at an election of directors, except as follows:

a. unless the certificate of incorporation otherwise provides, in the case of a corporation whose board is classified as provided for in subsection D of this section, shareholders may effect such removal only for cause, or

b. in the case of a corporation having cumulative voting, if less than the entire board is to be removed, no director may be removed without cause if the votes cast against the director's removal would be sufficient to elect the director if then cumulatively voted at an election of the entire board of directors,

or, if there are classes of directors, at an election of the class of directors of which the director is a part.

2. Whenever the holders of any class or series are entitled to elect one or more directors by the provisions of the certificate of incorporation, the provisions of this subsection shall apply, in respect to the removal without cause of a director or directors so elected, to the vote of the holders of the outstanding shares of that class or series and not to the vote of the outstanding shares as a whole.

~~I. A corporation may agree to submit a matter to a vote of its shareholders regardless of whether the board of directors determines at any time subsequent to approving the matter that the matter is no longer advisable and recommends that the shareholders reject or vote against the matter.~~

SECTION 7. AMENDATORY 18 O.S. 2011, Section 1035, is amended to read as follows:

Section 1035.

DETERMINATION OF AMOUNT OF CAPITAL; CAPITAL, SURPLUS AND NET ASSETS DEFINED

Any corporation, by resolution of its board of directors, may determine that only a part of the consideration which shall be received by the corporation for any of the shares of its capital stock which it shall issue from time to time shall be capital; but, in case any of the shares issued shall be shares having a par value, the amount of the part of such consideration so determined to be capital shall be in excess of the aggregate par value of the shares issued for such consideration having a par value, unless all the shares issued shall be shares having a par value, in which case the amount of the part of such consideration so determined to be capital need be only equal to the aggregate par value of such shares. In each such case the board of directors shall specify in dollars the part of such consideration which shall be capital. If the board of directors shall not have determined, at the time of issue of any shares of the capital stock of the corporation issued for cash or within sixty (60) days after the issue of any shares of the capital

stock of the corporation issued for consideration other than cash, what part of the consideration for such shares shall be capital, the capital of the corporation in respect of such shares shall be an amount equal to the aggregate par value of such shares having a par value, plus the amount of the consideration for such shares without par value. The amount of the consideration so determined to be capital in respect of any shares without par value shall be the stated capital of such shares. The capital of the corporation may be increased from time to time by resolution of the board of directors directing that a portion of the net assets of the corporation in excess of the amount so determined to be capital be transferred to the capital account. The board of directors may direct that the portion of such net assets so transferred shall be treated as capital in respect of any shares of the corporation of any designated class or classes. The excess, if any, at any given time, of the net assets of the corporation over the amount so determined to be capital shall be surplus. "Net assets" means the amount by which total assets exceed total liabilities. Capital and surplus are not liabilities for this purpose. Notwithstanding anything in this section to the contrary, for purposes of this section and Sections 1041 and 1049 of this title, the capital of any nonstock corporation shall be deemed to be zero.

SECTION 8. AMENDATORY 18 O.S. 2011, Section 1041, is amended to read as follows:

Section 1041.

CORPORATION'S POWERS RESPECTING OWNERSHIP, VOTING, ETC. OF ITS OWN STOCK; RIGHTS OF STOCK CALLED FOR REDEMPTION

A. Every corporation may purchase, redeem, receive, take, or otherwise acquire, own, hold, sell, lend, exchange, transfer, or otherwise dispose of, pledge, use and otherwise deal in and with its own shares; provided, however, that no corporation shall:

1. Purchase or redeem its own shares of capital stock for cash or other property when the capital of the corporation is impaired or when the purchase or redemption would cause any impairment of the capital of the corporation, except that a corporation other than a nonstock corporation may purchase or redeem out of capital any of its own shares which are entitled upon any distribution of its

assets, whether by dividend or in liquidation, to a preference over another class or series of its stock, or, if no shares entitled to a preference are outstanding, any of its own shares if such shares will be retired upon their acquisition and the capital of the corporation reduced in accordance with the provisions of Sections 1078 and 1079 of this title. Nothing in this subsection shall invalidate or otherwise affect a note, debenture, or other obligation of a corporation given by it as consideration for its acquisition by purchase, redemption, or the exchange of its shares of stock if at the time such note, debenture, or obligation was delivered by the corporation its capital was not then impaired or did not thereby become impaired;

2. Purchase, for more than the price at which they may then be redeemed, any of its shares which are redeemable at the option of the corporation; or

3. ~~Redeem~~

a. In the case of a corporation other than a nonstock corporation, redeem any of its shares unless their redemption is authorized by subsection B of Section 1032 of this title and then only in accordance with the provisions of that section and the certificate of incorporation, or

b. In the case of a nonstock corporation, redeem any of its membership interests, unless their redemption is authorized by the certificate of incorporation and then only in accordance with the certificate of incorporation.

B. Nothing in this section shall be construed to limit or affect a corporation's right to resell any of its shares theretofore purchased or redeemed out of surplus and which have not been retired, for consideration fixed by the board of directors or by the shareholders if the certificate of incorporation so provides.

C. Shares of its own capital stock belonging to the corporation or to another corporation, if a majority of the shares entitled to vote in the election of directors of the other corporation is held, directly or indirectly, by the corporation, shall neither be

entitled to vote nor be counted for quorum purposes. Nothing in this section shall be construed as limiting the right of any corporation to vote stock~~,~~ including, but not limited to, its own stock, held by it in a fiduciary capacity.

D. Shares which have been called for redemption shall not be deemed to be outstanding shares for the purpose of voting or determining the total number of shares entitled to vote on any matter on and after the date on which written notice of redemption has been sent to holders thereof and a sum sufficient to redeem those shares has been irrevocably deposited or set aside to pay the redemption price to the holders of the shares upon surrender of the certificates.

SECTION 9. AMENDATORY 18 O.S. 2011, Section 1049, is amended to read as follows:

Section 1049. DIVIDENDS; PAYMENT; WASTING ASSET CORPORATIONS

A. The directors of every corporation, subject to any restrictions contained in its certificate of incorporation, may declare and pay dividends upon the shares of its capital stock, ~~or to its members if the corporation is a nonstock corporation,~~ either out of its surplus, as defined in and computed in accordance with the provisions of Sections 1035 and 1079 of this title, or in case there is no surplus, out of its net profits for the fiscal year in which the dividend is declared or the preceding fiscal year. If the capital of the corporation, computed in accordance with the provisions of Sections 1035 and 1079 of this title, shall have been diminished by depreciation in the value of its property, or by losses, or otherwise, to an amount less than the aggregate amount of the capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets, the directors of the corporation shall not declare and pay out of the net profits any dividends upon any shares of any classes of its capital stock until the deficiency in the amount of capital represented by the issued and outstanding stock of all classes having a preference upon the distribution of assets shall have been repaired. Nothing in this subsection shall invalidate or otherwise affect a note, debenture, or other obligation of the corporation paid by it as a dividend on shares of its stock, or any payment made thereon, if at the time the note, debenture, or obligation was

delivered by the corporation, the corporation had either surplus or net profits as provided in this subsection from which the dividend could lawfully have been paid.

B. Subject to any restrictions contained in its certificate of incorporation, the directors of any corporation engaged in the exploitation of wasting assets including, but not limited to, a corporation engaged in the exploitation of natural resources or other wasting assets, including patents, or engaged primarily in the liquidation of specific assets, may determine the net profits derived from the exploitation of wasting assets or the net proceeds derived from liquidation without taking into consideration the depletion of such assets resulting from lapse of time, consumption, liquidation, or exploitation.

SECTION 10. AMENDATORY 18 O.S. 2011, Section 1060, is amended to read as follows:

Section 1060.

VOTING RIGHTS OF MEMBERS OF NONSTOCK CORPORATIONS; QUORUM; PROXIES

A. The provisions of Sections 1056 through 1059 and 1061 of this title shall not apply to nonstock corporations ~~not authorized to issue stock~~, except that ~~subsection~~ subsections A and D of Section 1056 and subsections C ~~and~~, D and E of Section 1057 of this title shall apply to nonstock corporations, and, when so applied, all references therein to shareholders and to the board of directors shall be deemed to refer to the members and the governing body of a nonstock corporation, respectively; and all references to stock, capital stock, or shares thereof shall be deemed to refer to memberships of a nonprofit nonstock corporation and to membership interests of any other nonstock corporation.

B. Unless otherwise provided for in the certificate of incorporation or the bylaws of a nonstock corporation, and subject to subsection F of this section, each member shall be entitled at every meeting of members to one vote on each matter submitted to a vote of members. A member may exercise such voting rights in person or by proxy, but no proxy shall be voted on after three (3) years from its date, unless the proxy provides for a longer period.

C. Unless otherwise provided for in the Oklahoma General Corporation Act, the certificate of incorporation or bylaws of a nonstock corporation may specify the number of members having voting power who shall be present or represented by proxy at any meeting in order to constitute a quorum for, and the votes that shall be necessary for, the transaction of any business. In the absence of such specification in the certificate of incorporation or bylaws of a nonstock corporation:

1. One-third (1/3) of the members of the corporation shall constitute a quorum at a meeting of the members;

2. In all matters other than the election of the governing body of the corporation, the affirmative vote of a majority of the members present in person or represented by proxy at the meeting and entitled to vote on the subject matter shall be the act of the members, unless the vote of a greater number is required by the provisions of the Oklahoma General Corporation Act, the certificate of incorporation or bylaws; ~~and~~

3. Members of the governing body shall be elected by a plurality of the votes of the members of the corporation present in person or represented by proxy at the meeting and entitled to vote; and

4. When a separate vote by a class or group or classes or groups is required, a majority of the members of such class or group or classes or groups, present in person or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter and, in all matters other than the election of members of the governing body, the affirmative vote of the majority of the members of such class or group or classes or groups present in person or represented by proxy at the meeting shall be the act of such class or group or classes or groups.

D. If the election of the governing body of any nonstock corporation shall not be held on the day designated by the bylaws, the governing body shall cause the election to be held as soon thereafter as convenient. The failure to hold such an election at the designated time shall not work any forfeiture or dissolution of the corporation, but the district court may summarily order such an

election to be held upon the application of any member of the corporation. At any election pursuant to such order the persons entitled to vote in such election who shall be present at such meeting, either in person or by proxy, shall constitute a quorum for such meeting, notwithstanding any provision of the certificate of incorporation or the bylaws of the corporation to the contrary.

E. If authorized by the governing body, any requirement of a written ballot shall be satisfied by a ballot submitted by electronic transmission, provided that the electronic transmission shall either set forth or be submitted with information from which it can be determined that the electronic transmission was authorized by the member or proxy holder.

F. Except as otherwise provided in the certificate of incorporation, in the bylaws, or by resolution of the governing body, the record date for any meeting or corporate action shall be deemed to be the date of such meeting or corporate action; provided, however, that no record date may precede any action by the governing body fixing such record date.

SECTION 11. AMENDATORY 18 O.S. 2011, Section 1065, is amended to read as follows:

Section 1065. INSPECTION OF BOOKS AND RECORDS

A. As used in this section:

1. "Shareholder" means~~:~~

~~a.~~ a shareholder of record in a stock corporation, or a person who is the beneficial owner of shares of stock held either in a voting trust or by a nominee on behalf of a person~~, and~~

~~b. a member of a nonstock corporation as reflected on the records of the nonstock corporation~~;

2. ~~"List of shareholders" includes a list of members in a nonstock corporation;~~

~~3.~~ "Under oath" includes statements the declarant affirms to be true under penalty of perjury under the laws of the United States or any state; and

~~4.~~ 3. "Subsidiary" means any entity directly or indirectly owned, in whole or in part, by the corporation of which the shareholder is a shareholder and over the affairs of which the corporation directly or indirectly exercises control, and includes but is not limited to corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies, statutory trusts and joint ventures.

B. Any shareholder, in person or by attorney or other agent, upon written demand under oath stating the purpose thereof, shall have the right during the usual hours for business to inspect for any proper purpose, and to make copies and extracts from:

1. The corporation's stock ledger, a list of shareholders, and its other books and records; and

2. A subsidiary's books and records, to the extent that:

a. the corporation has actual possession and control of the records of the subsidiary, or

b. the corporation could obtain the records through the exercise of control over the subsidiary,

provided that as of the date of the making of the demand:

(1) shareholder inspection of the books and records of the subsidiary would not constitute a breach of an agreement between the corporation or the subsidiary and a person or person not affiliated with the corporation, and

(2) the subsidiary would not have the right under the law applicable to it to deny the corporation access to the books and records upon demand by the corporation.

In every instance where the shareholder is other than a ~~records~~ record holder of stock in a stock corporation, or a member of a nonstock corporation, the demand under oath shall state the person's status as a shareholder or member, be accompanied by documentary evidence of beneficial ownership of the stock or beneficial membership, and state that the documentary evidence is a true and correct copy of what it purports to be. A proper purpose shall mean a purpose reasonably related to a person's interest as a shareholder or member. In every instance where an attorney or other agent shall be the person who seeks the right to inspection, the demand under oath shall be accompanied by a power of attorney or other writing which authorizes the attorney or other agent to so act on behalf of the shareholder. The demand under oath shall be directed to the corporation at its registered office in this state or at its principal place of business.

C. 1. If the corporation or an officer or agent thereof refuses to permit an inspection sought by a shareholder or attorney or other agent acting for the shareholder pursuant to the provisions of subsection B of this section or does not reply to the demand within five (5) business days after the demand has been made, the shareholder may apply to the district court for an order to compel an inspection. The court may summarily order the corporation to permit the shareholder to inspect the corporation's stock ledger, an existing list of shareholders, and its other books and records, and to make copies or extracts therefrom; or the court may order the corporation to furnish to the shareholder a list of its shareholders as of a specific date on condition that the shareholder first pay to the corporation the reasonable cost of obtaining and furnishing the list and on other conditions as the court deems appropriate.

2. Where the shareholder seeks to inspect the corporation's books and records, other than its stock ledger or list of shareholders, the shareholder shall first establish that:

a. the shareholder is a shareholder,

b. the shareholder has complied with the provisions of this section respecting the form and manner of making demand for inspection of the documents, and

c. the inspection the shareholder seeks is for a proper purpose.

3. Where the shareholder seeks to inspect the corporation's stock ledger or list of shareholders and has complied with the provisions of this section respecting the form and manner of making demand for inspection of the documents, the burden of proof shall be upon the corporation to establish that the inspection the shareholder seeks is for an improper purpose. The court may, in its discretion, prescribe any limitations or conditions upon the inspection, or award other or further relief as the court may deem just and proper. The court may order books, documents, and records, pertinent extracts therefrom, or duly authenticated copies thereof, to be brought within this state and kept in this state upon such terms and conditions as the order may prescribe.

D. Any director~~, including a member of the governing body of a nonstock corporation,~~ shall have the right to examine the corporation's stock ledger, a list of its shareholders, and its other books and records for a purpose reasonably related to his or her position as a director. The district court may summarily order the corporation to permit the director to inspect any and all books and records, the stock ledger, and the list of shareholders and to make copies or extracts therefrom. The court, in its discretion, may prescribe any limitations or conditions with reference to the inspection, or award other or further relief as the court may deem just and proper. The burden of proof shall be upon the corporation to establish that the inspection the director seeks is for an improper purpose.

SECTION 12. AMENDATORY 18 O.S. 2011, Section 1071, is amended to read as follows:

Section 1071.

APPOINTMENT OF CUSTODIAN OR RECEIVER OF CORPORATION ON DEADLOCK OR FOR OTHER CAUSE

A. The district court, upon application of any shareholder, may appoint one or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of and for any corporation when:

1. ~~at~~ At any meeting held for the election of directors the shareholders are so divided that they have failed to elect successors to directors whose terms have expired or would have expired upon qualification of their successors; ~~or~~

2. ~~the~~ The business of the corporation is suffering or is threatened with irreparable injury because the directors are so divided respecting the management of the affairs of the corporation that the required vote for action by the board of directors cannot be obtained and the shareholders are unable to terminate this division; or

3. ~~the~~ The corporation has abandoned its business and has failed within a reasonable time to take steps to dissolve, liquidate or distribute its assets.

B. A custodian appointed pursuant to the provisions of this section shall have all the powers and title of a receiver appointed by the court under applicable law, but the authority of the custodian is to continue the business of the corporation and not to liquidate its affairs and distribute its assets, except when the court shall otherwise order and except in cases arising pursuant to paragraph 3 of subsection A of this section.

C. In the case of a charitable nonstock corporation, the applicant shall provide a copy of any application referred to in subsection A of this section to the Attorney General of this state within one (1) week of its filing with the district court.

SECTION 13. AMENDATORY 18 O.S. 2011, Section 1072, is amended to read as follows:

Section 1072. POWERS OF COURT IN ELECTIONS OF DIRECTORS

A. The district court, in any proceeding instituted pursuant to the provisions of Section ~~56, 60 or 70~~ 1056, 1060 or 1070 of this ~~act~~ title, may determine the right and power of persons claiming to own stock, or in the case of a corporation without capital stock, of the persons claiming to be members, to vote at any meeting of the shareholders ~~or members~~.

B. The district court may appoint a master to hold any election provided for in Section ~~56, 60 or 70~~ 1056, 1060 or 1070 of this ~~act~~ title under such orders and powers as it deems proper; and it may punish any officer or director for contempt in case of disobedience of any order made by the court; and, in case of disobedience by a corporation of any order made by the court, may enter a decree against such corporation for a penalty of not more than Five Thousand Dollars ($5,000.00).

SECTION 14. AMENDATORY 18 O.S. 2011, Section 1075.2, is amended to read as follows:

Section 1075.2.

ELECTRONIC NOTICE; EFFECTIVENESS; REVOCATION OF CONSENT

A. Without limiting the manner of which notice otherwise may be given effectively to shareholders, any notice to shareholders given by the corporation under any provision of ~~this act~~ the Oklahoma General Corporation Act, the certificate of incorporation, or the bylaws shall be effective if given by a form of electronic transmission consented to by the shareholder to whom the notice is given. The consent shall be revocable by the shareholder by written notice to the corporation. The consent shall be deemed revoked if:

1. The corporation is unable to deliver by electronic transmission two consecutive notices given by the corporation in accordance with the consent; and

2. The inability becomes known to the secretary or an assistant secretary of the corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, the inadvertent failure to treat the inability as a revocation shall not invalidate any meeting or other action.

B. Notice given pursuant to subsection A of this section shall be deemed given if by:

1. Facsimile telecommunication, when directed to a number at which the shareholder has consented to receive notice;

2. Electronic mail, when directed to an electronic mail address at which the shareholder has consented to receive notice;

3. A posting on an electronic network together with separate notice to the shareholder of the specific posting, upon the later of:

a. the posting, and

b. the giving of the separate notice; and

4. Any other form of electronic transmission, when directed to the shareholder in accordance with the shareholder's consent.

An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the corporation that the notice has been given by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

C. For purposes of ~~this act~~ the Oklahoma General Corporation Act, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof, and that may be directly reproduced in paper form by such a recipient through an automated process.

D. ~~This section shall apply to a domestic corporation that is not authorized to issue capital stock, and when so applied, all references to shareholders shall be deemed to refer to members of such a corporation.~~

~~E.~~ This section shall not apply to Sections 1045 or 1111 of this title.

SECTION 15. AMENDATORY 18 O.S. 2011, Section 1075.3, is amended to read as follows:

Section 1075.3.

SINGLE WRITTEN NOTICE TO SHAREHOLDERS SHARING AN ADDRESS

A. 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 act~~ the Oklahoma General Corporation Act, the certificate 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 the shareholder by written notice to the corporation.

B. Any shareholder who fails to object in writing to the corporation, within sixty (60) days of having been given written notice by the corporation of its intention to send the single notice permitted under subsection A of this section, shall be deemed to have consented to receiving such single written notice.

C. ~~This section shall apply to a corporation organized under this act that is not authorized to issue capital stock, and when so applied, all references to shareholders shall be deemed to refer to members of such a corporation.~~

~~D.~~ This section shall not apply to Section 1045, 1111, 1119 or 1120 of ~~Title 18 of the Oklahoma Statutes~~ this title.

SECTION 16. AMENDATORY 18 O.S. 2011, Section 1076, is amended to read as follows:

Section 1076.

AMENDMENT OF CERTIFICATE OF INCORPORATION BEFORE RECEIPT OF PAYMENT FOR STOCK

A. Before a corporation has received any payment for any of its stock, or before it has any members, as applicable, it may amend its certificate of incorporation at any time or times, in any and as many respects as may be desired, so long as its certificate of incorporation as amended would contain only such provisions as it would be lawful and proper to insert in an original certificate of incorporation filed at the time of filing the amendment.

B. The amendment of certificate of incorporation authorized by the provisions of this section shall be adopted by a majority of the

incorporators, if directors were not named in the original certificate of incorporation or have not yet been elected, or, if directors were named in the original certificate of incorporation or have been elected and have qualified, by a majority of the directors. A certificate setting forth the amendment and certifying that the corporation has not received any payment for any of its stock, or that the corporation has no members, as applicable, and that the amendment has been duly adopted in accordance with the provisions of this section shall be executed, acknowledged and filed in accordance with the provisions of Section ~~7~~ 1007 of this ~~act~~ title. Upon such filing, the corporation's certificate of incorporation shall be deemed to be amended accordingly as of the date on which the original certificate of incorporation became effective, except as to those persons who are substantially and adversely affected by the amendment and as to those persons the amendment shall be effective from the filing date.

C. This section shall apply to a nonstock corporation before such a corporation has any members; provided, however, that all references to directors shall be deemed to be references to members of the governing body of the corporation.

SECTION 17. AMENDATORY 18 O.S. 2011, Section 1083, is amended to read as follows:

Section 1083.

MERGER OF PARENT CORPORATION AND SUBSIDIARY CORPORATION OR ~~SUBSIDIARIES~~ CORPORATIONS

A. In any case in which at least ninety percent (90%) of the outstanding shares of each class of stock of a corporation or corporations, other than a corporation which has in its certificate of incorporation the provision required by division (1) of subparagraph g of paragraph 1 of subsection G of Section 1081 of this title of which class there are outstanding shares that, absent this subsection, would be entitled to vote on such merger, is owned by ~~another~~ a domestic corporation or a foreign corporation, and one ~~of the corporations is a corporation of this state and the other or others are corporations of this state or of any other state or states or of the District of Columbia, and the laws of the other state or states or of the District of Columbia permit a corporation~~

~~of that jurisdiction to merge with a corporation of another jurisdiction, the corporation having such stock ownership may either merge the other~~ or more of such corporations is a domestic corporation, unless the laws of the jurisdiction or jurisdictions under which the foreign corporation or corporations are organized prohibit such merger, the parent corporation may either merge the subsidiary corporation or corporations into itself and assume all of its or their obligations, or merge itself, or itself and one or more of the other subsidiary corporations, into one of the other subsidiary corporations by executing, acknowledging, and filing, in accordance with the provisions of Section 1007 of this title, a certificate of ownership and merger setting forth a copy of the resolution of its board of directors to merge and the date of its adoption; provided, however, that in case the parent corporation shall not own all the outstanding stock of all the subsidiary corporations which are parties to the merger, the resolution of the board of directors of the parent corporation shall state the terms and conditions of the merger, including the securities, cash, property, or rights to be issued, paid, delivered, or granted by the surviving corporation upon surrender of each share of the subsidiary corporation or corporations not owned by the parent corporation or the cancellation of some or all of the shares. Any of the terms of the resolution of the board of directors to so merge may be made dependent upon facts ascertainable outside of such resolution, provided that the manner in which such facts shall operate upon the terms of the resolution is clearly and expressly set forth in the resolution. The term "facts", as used in the preceding sentence~~,~~ includes, but is not limited to, the occurrence of any event~~,~~ including a determination or action by any person or body, including the corporation. If the parent corporation is not the surviving corporation, the resolution shall include provision for the pro rata issuance of stock of the surviving corporation to the holders of the stock of the parent corporation on surrender of any certificates therefor, and the certificate of ownership and merger shall state that the proposed merger has been approved by a majority of the outstanding stock of the parent corporation entitled to vote thereon at a meeting thereof duly called and held after twenty (20) days' notice of the purpose of the meeting is mailed to each shareholder at the shareholder's address as it appears on the records of the corporation if the parent corporation is a domestic corporation ~~of this state~~ or shall state that the proposed merger has been adopted, approved, certified, executed, and acknowledged by the parent

corporation in accordance with the laws under which it is organized if the parent corporation is ~~not~~ a foreign corporation ~~of this state~~. If the surviving corporation ~~exists under the laws of the District of Columbia or any state other than this state~~ is a foreign corporation, the provisions of subsection D of Section 1082 of this title or subsection C of Section 1087 of this title, as applicable, shall also apply to a merger pursuant to the provisions of this section, and the terms and conditions of the merger shall obligate the surviving corporation to provide the agreement, and take the actions, required by subsection D of Section 1082 of this title or subsection C of Section 1087 of this title, as applicable.

B. Subject to the provisions of paragraph 1 of subsection A of Section 1006 of this title, if the surviving corporation is an Oklahoma corporation, it may change its corporate name by the inclusion of a provision to that effect in the resolution of merger adopted by the directors of the parent corporation and set forth in the certificate of ownership and merger, and upon the effective date of the merger, the name of the corporation shall be changed.

C. The provisions of subsection D of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section, and the provisions of subsection E of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section in which the surviving corporation is the subsidiary corporation and is a domestic corporation ~~of this state~~. For purposes of this subsection, references to "agreement of merger" in subsections D and E of Section 1081 of this title shall mean the resolution of merger adopted by the board of directors of the parent corporation. Any merger which effects any changes other than those authorized by the provisions of this section or made applicable by this subsection shall be accomplished in accordance with the provisions of Section 1081 ~~or~~, 1082, 1083.1, 1085 or 1087 of this title. The provisions of Section 1091 of this title shall not apply to any merger effected pursuant to the provisions of this section, except as provided for in subsection D of this section.

D. In the event all of the stock of a subsidiary Oklahoma corporation party to a merger effected pursuant to the provisions of this section is not owned by the parent corporation immediately prior to the merger, the shareholders of the subsidiary Oklahoma

corporation party to the merger shall have appraisal rights as set forth in Section 1091 of this title.

E. ~~A merger may be effected pursuant to the provisions of this section although one or more of the corporate parties to the merger is a corporation organized under the laws of a jurisdiction other than one of the United States; provided, that the laws of that jurisdiction permit a corporation of that jurisdiction to merge with a corporation of another jurisdiction~~ This section shall apply to nonstock corporations if the parent corporation is such a corporation and is the surviving corporation of the merger; provided, however, that references to the directors of the parent corporation shall be deemed to be references to members of the governing body of the parent corporation, and references to the board of directors of the parent corporation shall be deemed to be references to the governing body of the parent corporation.

F. Nothing in this section shall be deemed to authorize the merger of a corporation with a charitable nonstock corporation, if the charitable status of such charitable nonstock corporation would thereby be lost or impaired.

SECTION 18. AMENDATORY 18 O.S. 2011, Section 1084, is amended to read as follows:

Section 1084.

MERGER OR CONSOLIDATION OF DOMESTIC NONSTOCK~~,~~ NOT FOR PROFIT CORPORATIONS

A. Any two or more nonstock domestic corporations ~~of this state~~, whether or not organized for profit, may merge into a single corporation, which may be any one of the constituent corporations, or they may consolidate into a new nonstock corporation, whether or not organized for profit, formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with the provisions of this section.

B. Subject to subsection D of this section:

1. The governing body of each corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

a. the terms and conditions of the merger or consolidation,

b. the mode of carrying the same into effect,

c. ~~other provisions or facts required or permitted by this act to be stated in a certificate of incorporation for nonstock corporations as can be stated in the case of a merger or consolidation, stated in an altered form as the circumstances of the case require~~ in the case of a merger, such amendments or changes in the certificate of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the certificate of incorporation of the surviving corporation in its entirety, or, if no such amendments or changes are desired, a statement that the certificate of incorporation of the surviving corporation shall be its certificate of incorporation,

d. in the case of a consolidation, that the certificate of incorporation of the resulting corporation shall be as is set forth in an attachment to the agreement,

~~d.~~

e. the manner, if any, of converting the memberships or membership interests of each of the constituent corporations into memberships or membership interests of the corporation surviving or resulting from the merger or consolidation, or of canceling some or all of the memberships or membership interests if any memberships or membership interests of any of the constituent corporations are not to remain outstanding, to be converted solely into memberships or membership interests of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or

entity which the holders of such memberships or membership interests are to receive in exchange for, or upon conversion of, such memberships or membership interests, which cash, property, rights or securities of any other corporation or entity may be in addition to or in lieu of memberships or membership interests to the surviving or resulting corporation, and

~~e.~~

f. other details or provisions as are deemed desirable including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, rights or other securities of any other corporation or entity the shares, rights or other securities of which are to be received in the merger or consolidation or for some other arrangement with respect thereto, consistent with Section 1036 of this title~~.~~; and

2. The agreement so adopted shall be executed and acknowledged in accordance with Section 1007 of this title. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of the agreement; provided, that the manner in which the facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts" as used in this paragraph, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

C. ~~The~~ Subject to subsection D of this section, the agreement shall be submitted to the members of each constituent corporation ~~who have the right to vote for the election of the members of the governing body of their corporation,~~ at an annual or special meeting for the purpose of acting on the agreement. ~~Notice~~ Due notice of the time, place, and purpose of the meeting shall be mailed to each member of each corporation who has the right to vote for the election of the members of the governing body of the corporation and to each other member who is entitled to vote on the merger under the certificate of incorporation or the bylaws of such corporation, at the member's address as it appears on the records of the corporation

at least twenty (20) days prior to the date of the meeting. The notice shall contain a copy of the agreement or a brief summary thereof, as the governing body shall deem advisable. At the meeting, the agreement shall be considered and a vote ~~by ballot~~, in person or by proxy, taken for the adoption or rejection of the agreement. If the agreement is adopted by a majority of the ~~voting power of voting~~ members of each corporation ~~shall be for the adoption of the agreement~~ entitled to vote for the election of the members of the governing body of the corporation and any other members entitled to vote on the merger under the certificate of incorporation or the bylaws of such corporation, then that fact shall be certified on the agreement by the officer of each corporation performing the duties ordinarily performed by the secretary or assistant secretary of a corporation; provided that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement. The agreement shall be ~~executed, acknowledged and~~ adopted and certified by each constituent corporation in accordance with this section, and it shall be filed~~,~~ and shall become effective~~,~~ in accordance with the provisions of Section 1007 of this title. The provisions of paragraphs 1 through 6 of subsection C of Section 1081 of this title shall apply to a merger or consolidation under this section, and the reference therein to "shareholder" shall be deemed to include "member" hereunder.

D. ~~If~~ Notwithstanding subsection B or C of this section, if, under the provisions of the certificate of incorporation or the bylaws of any one or more of the constituent corporations, there shall be no members who have the right to vote for the election of the members of the governing body of the corporation, or for the merger, other than the members of ~~that~~ the governing body themselves, ~~the agreement duly entered into as provided for in subsection B of this section shall be submitted to the members of the governing body of the corporation or corporations at a meeting thereof. Notice of the meeting shall be mailed to the members of the governing body in the same manner as is provided in the case of a meeting of the members of a corporation. If at the meeting two-thirds (2/3) of the total number of members of the governing body shall vote by ballot, in person, for the adoption of the agreement,~~ no further action by the governing body or the members of such corporation shall be necessary if the resolution approving an agreement of merger or consolidation has been adopted by a majority

of all the members of the governing body thereof, and that fact shall be certified on the agreement in the same manner as is provided in the case of the adoption of the agreement by the vote of the members of a corporation; provided that such certification on the agreement shall not be required if a certificate of merger or consolidation is filed in lieu of filing the agreement, and thereafter the same procedure shall be followed to consummate the merger or consolidation.

E. The provisions of subsection D of Section 1081 of this title shall apply to a merger under this section; provided, however, that references to the board of directors, to shareholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

F. The provisions of subsection E of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section.

~~F.~~ G. Nothing in this section shall be construed to authorize the merger of a charitable nonstock corporation into a nonstock corporation if the charitable nonstock corporation would thereby have its charitable status lost or impaired; but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

SECTION 19. AMENDATORY 18 O.S. 2011, Section 1085, is amended to read as follows:

Section 1085.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN NONSTOCK~~, NOT FOR PROFIT~~ CORPORATIONS; SERVICE OF PROCESS UPON SURVIVING OR RESULTING CORPORATION

A. Any one or more nonstock~~, not for profit~~ domestic corporations ~~of this state~~ may merge or consolidate with one or more other foreign nonstock~~, not for profit~~ corporations ~~of any other state or states of the United States or of the District of Columbia,~~

~~if the laws of such other state or states or of the District of Columbia permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction~~, unless the laws of the jurisdiction or jurisdictions under which such foreign nonstock corporation or corporations are organized prohibit such merger or consolidation. The constituent corporations may merge into a single surviving corporation, which may be any one of the constituent corporations, or they may consolidate into a new resulting nonstock~~, not for profit~~ corporation formed by the consolidation, which may be a corporation of the ~~state of incorporation~~ jurisdiction of organization of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with the provisions of this section. ~~In addition, any one or more~~ The term "foreign nonstock corporation" means a nonstock~~, not for profit corporations~~ corporation organized under the laws of any jurisdiction other than ~~one of the United States may merge or consolidate with one or more nonstock, not for profit corporations of this state if the surviving or resulting corporation will be a corporation of this state, and if the laws under which the other corporation or corporations are formed permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction~~ this state.

B. 1. All the constituent corporations shall enter into an agreement of merger or consolidation. The agreement shall state:

a. the terms and conditions of the merger or consolidation,

b. the mode of carrying the same into effect,

c. in the case of a merger in which the surviving corporation is a domestic corporation, such amendments or changes in the certificate of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes many amend and restate the certificate of incorporation of the surviving corporation in its entirety, or, if no such amendments or changes are desired, a statement that the certificate of incorporation of the surviving corporation shall be its certificate of incorporation,

d. in the case of a consolidation in which the resulting corporation is a domestic corporation, that the certificate of incorporation of the resulting corporation shall be as is set forth in an attachment to the agreement,

e. the manner, if any, of converting the memberships or membership interests of each of the constituent corporations into ~~members~~ memberships or membership interests of the corporation surviving or resulting from such merger or consolidation, or of canceling some or all of the memberships or membership interests, and if any memberships or membership interests of any of the constituent corporations are not to remain outstanding, to be converted solely into memberships or membership interests of the surviving or resulting corporation or to be cancelled, the cash, property, rights or securities of any other corporation or entity which the holders of such memberships or membership interests are to receive in exchange for, or upon conversion of, such memberships or membership interests, which cash, property, rights or securities of any other corporation or entity may be in addition to or in lieu of memberships or membership interests of the surviving or resulting corporation,

~~d.~~

f. such other details and provisions as shall be deemed desirable including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, rights or other securities of any other corporation or entity the shares, rights or other securities of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto, consistent with Section 1036 of this title, and

~~e.~~

g. such other provisions or facts as ~~shall then be~~ required to ~~be stated in a certificate of incorporation by the laws of the state which are stated in the agreement to be the laws that shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation~~ set forth in an agreement of merger or consolidation, including any provision for amendment of the certificate of incorporation or equivalent document, or a surviving foreign nonstock corporation by the laws of each jurisdiction under which any of the foreign nonstock corporation are organized.

2. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts," as used in the preceding sentence includes, but is not limited to, the occurrence of any event including a determination or action by any person or body, including the corporation.

C. The agreement shall be adopted, approved, certified, executed and acknowledged by each of the constituent corporations in accordance with the laws under which it is ~~formed~~ organized and, in the case of ~~an Oklahoma~~ domestic corporation, in the same manner as is provided for in Section 1084 of this title. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided for in Section 1084 of this title with respect to the merger of nonstock~~, not for profit~~ domestic corporations ~~of this state~~. Insofar as they may be applicable, the provisions of paragraphs 1 through 9 of subsection C of Section 1082 of this title shall apply to a merger under this section, and the reference therein to "shareholder" shall be deemed to include "member" hereunder.

D. If the corporation surviving or resulting from the merger or consolidation is ~~to be governed by the laws of any state other than this state~~ a foreign nonstock corporation, it shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent domestic corporation ~~of this state~~, as well as for enforcement of any

obligation of the surviving or resulting corporation arising from the merger or consolidation and shall irrevocably appoint the Secretary of State as its agent to accept service of process in any suit or other proceedings and shall specify the address to which a copy of such process shall be mailed by the Secretary of State. In the event of such service upon the Secretary of State in accordance with the provisions of ~~this subsection~~ Section 2004 of Title 12 of the Oklahoma Statutes, the Secretary of State shall immediately notify such surviving or resulting corporation thereof by letter, certified mail, return receipt requested, directed to such corporation at its address so specified, unless such surviving or resulting corporation shall have designated in writing to the Secretary of State a different address for such purpose, in which case it shall be mailed to the last address so designated. Such letter shall enclose a copy of the process and any other papers served upon the Secretary of State. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the Secretary of State that service is being made pursuant to the provisions of this subsection, and to pay the Secretary of State the fee prescribed by paragraph 7 of Section 1142 of this title, which fee shall be taxed as part of the costs in the proceeding if the plaintiff shall prevail therein. The Secretary of State shall maintain an alphabetical record of any such service setting forth the name of the plaintiff and defendant, the title, docket number and nature of the proceeding in which process has been served upon him, the fact that service has been effected pursuant to the provisions of this subsection, the return date thereof, and the date when the service was made. The Secretary of State shall not be required to retain such information for a period longer than five (5) years from his receipt of service of process.

E. The provisions of subsection E of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section if the corporation surviving the merger is a domestic corporation ~~of this state~~.

F. The provisions of subsection D of Section 1081 of this title shall apply to a merger under this section; provided, however, that references to the board of directors, to shareholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation,

and to memberships or membership interests, as applicable, respectively.

G. Nothing in this section shall be construed to authorize the merger of a charitable nonstock corporation into a nonstock corporation if the charitable nonstock corporation would thereby have its charitable status lost or impaired; but a nonstock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

SECTION 20. AMENDATORY 18 O.S. 2011, Section 1086, is amended to read as follows:

Section 1086.

MERGER OR CONSOLIDATION OF DOMESTIC STOCK AND NONSTOCK CORPORATIONS

A. Any one or more domestic nonstock corporations ~~of this state~~, whether or not organized for profit, may merge or consolidate with one or more domestic stock corporations ~~of this state~~, whether or not organized for profit. The constituent corporations may merge into a single surviving corporation, which may be any one of the constituent corporations, or they may consolidate into a new resulting corporation formed by the consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with the provisions of this section. The surviving constituent corporation or ~~a new~~ the resulting corporation may be organized for profit or not organized for profit and may be a stock corporation or a nonstock corporation.

B. The board of directors of each stock corporation which desires to merge or consolidate and the governing body of each nonstock corporation which desires to merge or consolidate shall adopt a resolution approving an agreement of merger or consolidation. The agreement shall state:

1. The terms and conditions of the merger or consolidation;

2. The mode carrying the same into effect;

3. ~~Such other provisions or facts required or permitted by this act to be stated in the certificate of incorporation as can be stated in the case of a merger or consolidation, stated in such altered form as the circumstances of the case require~~ In the case of a merger, such amendments or changes in the certificate of incorporation of the surviving corporation as are desired to be effected by the merger, which amendments or changes may amend and restate the certificate of incorporation of the surviving corporation in its entirety, or, if no such amendments or changes are desired, a statement that the certificate of incorporation of the surviving corporation shall be its certificate of incorporation;

4. In the case of a consolidation, that the certificate of incorporation of the resulting corporation shall be as is set forth in an attachment to the agreement;

5. The manner, if any, of converting the shares of stock of a stock corporation and the memberships or membership interests ~~of the members~~ of a nonstock corporation into shares or other securities of a stock corporation or memberships or membership interests of a nonstock corporation surviving or resulting from such merger or consolidation, or of canceling some or all of the shares or memberships or membership interests, and if any shares of any such stock corporation or memberships or membership interests of any such nonstock corporation are not to remain outstanding, to be converted solely into shares or other securities of the stock corporation or memberships or membership interests of the nonstock corporation surviving or resulting from such merger or consolidation, or to be canceled, the cash, property, rights or securities of any other corporation or entity which the holders of shares of any such stock corporation or memberships or membership interests of any such nonstock corporation are to receive in exchange for, or upon conversion of such shares or memberships or membership interests, and the surrender of any certificates evidencing them, which cash, property, rights or securities of any other corporation or entity may be in addition to or in lieu of shares or other securities of any stock corporation or memberships or membership interests of any nonstock corporation surviving or resulting from such merger or consolidation; and

~~5.~~ 6. Such other details or provisions as are deemed desirable including, without limiting the generality of the foregoing, a

provision for the payment of cash in lieu of the issuance or recognition of fractional shares, rights or other securities of any other corporation or entity the shares, rights or other securities of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto, consistent with Section 1036 of this title.

C. ~~In a merger or consolidation provided for in this section, the interests of members of a constituent nonstock corporation may be treated in various ways so as to convert such interests into interests of value, other than shares of stock, in the surviving or resulting stock corporation or into shares of stock in the surviving or resulting stock corporation, voting or nonvoting, or into creditor interests or any other interests of value equivalent to their membership interests in their nonstock corporation. The voting rights of members of a constituent nonstock corporation need not be considered an element of value in measuring the reasonable equivalence of the value of the interests received in the surviving or resulting stock corporation by members of a constituent nonstock corporation, nor need the voting rights of shares of stock in a constituent stock corporation be considered as an element of value in measuring the reasonable equivalence of the value of the interests in the surviving or resulting nonstock corporations received by shareholders of a constituent stock corporation, and the voting or nonvoting shares of a stock corporation may be converted into voting or nonvoting regular, life, general, special or other type of membership, however designated, creditor interests or participating interests, in the nonstock corporation surviving or resulting from such merger or consolidation of a stock corporation and a nonstock corporation~~. Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of such agreement, provided that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts", as used in the preceding sentence includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

D. The agreement, required by subsection B of this section in the case of each constituent stock corporation, shall be adopted, approved, certified, executed and acknowledged by each constituent

corporation in the same manner as is provided for in Section 1081 of this title and, in the case of each constituent nonstock corporation, shall be adopted, approved, certified, executed and acknowledged by each of said constituent corporations in the same manner as is provided for in Section 1084 of this title. The agreement shall be filed and shall become effective for all purposes of the laws of this state when and as provided for in Section 1081 of this title with respect to the merger of stock corporations of this state. Insofar as they may be applicable, the provisions of paragraphs 1 through 7 of subsection C of Section 1081 of this title shall apply to a merger under this section, and the reference therein to "shareholder" shall be deemed to include "member" hereunder.

E. The provisions of subsection E of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section~~, if the surviving corporation is a corporation of this state~~. The provisions of ~~subsections C and~~ subsection D of Section 1081 of this title shall apply to any constituent stock corporation participating in a merger or consolidation pursuant to the provisions of this section. The provisions of subsection F of Section 1081 of this title shall apply to any constituent stock corporation participating in a merger pursuant to the provisions of this section.

F. The provisions of subsection D of Section 1081 of this title shall apply to a merger pursuant to the provisions of this section; provided, however, that for purposes of a constituent nonstock corporation, references to the board of directors, to shareholders, and to shares of a constituent corporation shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests, as applicable, respectively.

G. Nothing in this section shall be construed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired; but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

SECTION 21. AMENDATORY 18 O.S. 2011, Section 1087, is amended to read as follows:

Section 1087.

MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN STOCK AND NONSTOCK CORPORATIONS

A. Any one or more domestic corporations ~~of this state~~, whether stock or nonstock corporations and whether or not organized for profit, may merge or consolidate with one or more ~~other corporations of any other state or states of the United States or of the District of Columbia, whether stock or nonstock corporations and whether or not organized for profit, if the laws under which the other corporation or corporations are formed shall permit a corporation of such jurisdiction to merge with a corporation of another jurisdiction~~ foreign corporations, unless the laws of the jurisdiction or jurisdictions under which such foreign corporation or corporations are organized prohibit such merger or consolidation. The constituent corporations may merge into a single surviving corporation, which may be any one of the constituent corporations, or they may consolidate into a new resulting corporation formed by the consolidation, which may be a corporation of the ~~place of incorporation~~ jurisdiction of organization of any one of the constituent corporations, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with the provisions of this section. The surviving or ~~new~~ resulting corporation may be either a domestic or foreign stock corporation or a ~~membership~~ domestic or foreign nonstock corporation, as shall be specified in the agreement of merger or consolidation required by the provisions of subsection B of this section. For purposes of this section, the term "foreign corporation" includes a nonstock corporation organized under the laws of any jurisdiction other than this state.

B. The method and procedure to be followed by the constituent corporations so merging or consolidating shall be as prescribed in Section ~~86~~ 1086 of this ~~act~~ title in the case of ~~Oklahoma~~ domestic corporations. The agreement of merger or consolidation shall be as provided in Section 1086 of this title and also set forth such other ~~matters or~~ provisions or facts as ~~shall then be~~ required to be set forth in ~~certificates of incorporation~~ an agreement of merger or consolidation, including any provision for amendment of the certificate of incorporation or equivalent document of a surviving

foreign corporation, by the laws of the ~~state~~ jurisdiction or jurisdictions which are stated in the agreement to be the laws ~~which shall govern the surviving or resulting corporation and that can be stated in the case of a merger or consolidation~~ under which the foreign corporation or corporations are organized. The agreement, in the case of foreign corporations, shall be adopted, approved, certified, executed and acknowledged by each of the constituent foreign corporations in accordance with the laws under which each is ~~formed~~ organized.

C. The requirements of the provisions of subsection D of Section ~~82~~ 1082 of this ~~act~~ title as to the appointment of the Secretary of State to receive process and the manner of serving the same in the event the surviving or ~~new~~ resulting corporation is ~~to be governed by the laws of any other state~~ a foreign corporation shall also apply to mergers or consolidations effected under this section and such appointment, if any, shall be included in the certificate of merger or consolidation, if any, filed pursuant to ~~the provisions~~ subsection B of this section. The provisions of subsection E of Section ~~81~~ 1081 of this ~~act~~ title shall apply to mergers effected pursuant to the provisions of this section if the surviving corporation is a domestic corporation ~~of this state~~. The provisions of subsection D of Section ~~81~~ 1081 of this ~~act~~ title shall apply to any constituent stock corporation participating in a merger ~~of~~ or consolidation pursuant to the provisions of this section; provided, however, that for purposes of a constituent nonstock corporation, references to the board of directors, to shareholders, and to shares shall be deemed to be references to the governing body of the corporation, to members of the corporation, and to memberships or membership interests of the corporation, as applicable, respectively. The provisions of subsection F of Section ~~81~~ 1081 of this ~~act~~ title shall apply to any constituent stock corporation participating in a merger pursuant to the provisions of this section.

D. Nothing in this section shall be construed to authorize the merger of a charitable nonstock corporation into a stock corporation, if the charitable status of such nonstock corporation would thereby be lost or impaired but a stock corporation may be merged into a charitable nonstock corporation which shall continue as the surviving corporation.

SECTION 22. AMENDATORY 18 O.S. 2011, Section 1090.2, is amended to read as follows:

Section 1090.2.

MERGER OR CONSOLIDATION OF A DOMESTIC CORPORATION AND ~~BUSINESS~~ AN ENTITY

A. Any one or more domestic corporations ~~of this state~~ may merge or consolidate with one or more ~~business~~ domestic or foreign entities, ~~of this state or of any other state or states of the United States, or of the District of Columbia, unless the laws of the other state or states or the District of Columbia forbid~~ unless the laws of the jurisdiction or jurisdictions under which such entity or entities are formed prohibit the merger or consolidation. A corporation or corporations and one or more ~~business~~ entities may merge with or into a surviving corporation, which may be any one of the corporations, or they may merge with or into a ~~business~~ surviving entity, which may be any one of the ~~business~~ entities, or they may consolidate into a new resulting corporation or ~~business~~ entity formed by the consolidation, which shall be a domestic corporation or ~~business~~ a domestic or foreign entity ~~of this state or any other state of the United States, or the District of Columbia, which permits the merger or consolidation~~ formed, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section~~. In addition, any one or more business entities formed under the laws of any jurisdiction other than one of the United States may merge or consolidate with one or more corporations existing under the laws of this state if the surviving or resulting corporation will be a corporation of this state and the laws under which the business entity or entities are formed permit a business entity of such jurisdiction to merge or consolidate with a corporation of another jurisdiction~~. As used in this section, "~~business~~ entity" means a domestic or foreign partnership whether general or limited, and including a limited liability partnership and a limited liability limited partnership, a limited liability company, ~~business trust, common law trust, or other unincorporated business~~ and any unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or

otherwise formed under the laws of this state or the laws of any other jurisdiction. The "articles" of an entity mean the articles of organization, certificate of formation or equivalent document filed with the jurisdiction to form the entity.

B. Each corporation and ~~business~~ entity merging or consolidating shall enter into a written agreement of merger or consolidation. The agreement shall state:

1. The terms and conditions of the merger or consolidation;

2. The mode of carrying the consolidation into effect;

3. In the case of a merger in which the surviving entity is a domestic corporation or entity, such amendments or changes in the certificate of incorporation of the surviving corporation or articles of the surviving entity as are desired to be effected by the merger, which amendments or changes may amend and restate the certificate of incorporation of the surviving corporation or articles of the surviving entity in its entirety, or, if no such amendments or changes are desired, a statement that the certificate of incorporation of the surviving corporation or articles of the surviving entity shall be its certificate of incorporation or articles;

4. In the case of a consolidation in which the resulting entity is a domestic corporation or entity, that the certificate of incorporation of the resulting corporation or articles of the resulting entity shall be as is set forth in an attachment to the agreement;

5. The manner, if any, of converting the shares of stock or memberships or membership interests of each such corporation and the memberships, or membership, economic or ownership interests of each ~~business~~ entity into shares, memberships, or membership, economic or ownership interests, or other securities of the entity surviving or resulting from the merger or consolidation, or of canceling some or all of the shares or interests, and if any shares ~~of any corporation or any ownership~~, memberships or interests ~~of any business entity~~ are not to remain outstanding, to be converted solely into shares, ~~ownership~~ memberships, interests, or other securities of the entity surviving or resulting from the merger or consolidation or to be

canceled, the cash, property, rights, or securities of any other rights or securities of any other corporation or entity which the holders of such shares, memberships, or ~~ownership~~ interests are to receive in exchange for, or upon conversion of, the shares, memberships or ~~ownership~~ interests and the surrender of any certificates evidencing them, which cash, property, rights, or securities of any other corporation or entity may be in addition to or in lieu of shares, ~~ownership~~ memberships, interests or other securities of the entity surviving or resulting from the merger or consolidation; ~~and~~

~~4.~~ 6. Other details or provisions as are deemed desirable including, but not limited to, a provision for the payment of cash in lieu of the issuance or recognition of fractional shares, rights, other securities or interests of the surviving or resulting corporation or ~~business~~ entity or of any other corporation or entity the shares, rights, other securities or interests of which are to be received in the merger or consolidation, or for some other arrangement with respect thereto, consistent with Section 1036 of this title; and

7. Such other provisions or facts as required to be set forth in an agreement of merger or consolidation by the laws of each jurisdiction under which any of the entities is formed.

Any of the terms of the agreement of merger or consolidation may be made dependent upon facts ascertainable outside of the agreement; provided, that the manner in which such facts shall operate upon the terms of the agreement is clearly and expressly set forth in the agreement of merger or consolidation. The term "facts" as used in this paragraph, includes, but is not limited to, the occurrence of any event, including a determination or action by any person or body, including the corporation.

C. The agreement required by subsection B of this section shall be adopted, approved, certified, executed, and acknowledged by each of the corporations in the same manner as is provided in Section 1081 of this title and, in the case of the ~~business~~ entities, in accordance with their constituent agreements and in accordance with the laws of the jurisdiction under which they are formed, as the case may be; provided that no holder of securities, membership or an interest in a constituent entity who has not voted for or consented

to the merger or consolidation shall be required to accept ~~an~~ a membership or interest in the surviving or resulting ~~business~~ entity if acceptance would expose the holder to personal liability for the debts of the surviving ~~business~~ entity. The agreement shall be filed and recorded and shall become effective for all purposes of the laws of this state when and as provided in Section 1081 or 1084 of this title with respect to the merger or consolidation of domestic corporations ~~of this state~~. In lieu of filing and recording the agreement of merger or consolidation, the surviving or resulting corporation or ~~business~~ entity may file a certificate of merger or consolidation, executed in accordance with Section 1007 of this title if the surviving or resulting entity is a corporation, or by a person authorized to act for the ~~business~~ entity, if the surviving or resulting entity is ~~a business~~ an entity, which states:

1. The name ~~and~~, jurisdiction of formation or organization, and type of entity of each of the constituent entities;

2. That an agreement of merger or consolidation has been approved, adopted, certified, executed, and acknowledged by each of the constituent entities in accordance with this subsection;

3. The name of the surviving or resulting corporation or ~~business~~ entity;

4. In the case of a merger in which a corporation is the surviving entity, any amendments or changes in the certificate of incorporation of the surviving corporation, which may be amended and restated, that are desired to be effected by the merger, which amendments or changes may amend and restate the certificate of incorporation of the surviving corporation in its entirety, or, if no amendments or changes are desired, a statement that the certificate of incorporation of the surviving corporation shall be its certificate of incorporation;

5. In the case of a consolidation in which a corporation is the resulting entity, that the certificate of incorporation of the resulting corporation shall be as set forth in an attachment to the certificate;

6. In the case of a consolidation in which ~~a business~~ an entity other than a corporation is the resulting entity, that the ~~charter~~

articles of the resulting entity shall be as set forth in an attachment to the certificate;

7. That the executed agreement of consolidation or merger is on file at the principal place of business of the surviving or resulting corporation or ~~business~~ entity and the address thereof;

8. That a copy of the agreement of consolidation or merger shall be furnished by the surviving or resulting entity, on request and without cost, to any shareholder of any constituent corporation or any ~~partner~~ member of any constituent ~~business~~ entity; and

9. The agreement, if any, required by subsection D of this section.

D. If the entity surviving or resulting from the merger or consolidation is ~~to be governed by the laws of the District of Columbia or any state other than this state~~ a foreign entity, the entity shall agree that it may be served with process in this state in any proceeding for enforcement of any obligation of any constituent domestic corporation or ~~business~~ domestic entity ~~of this state~~, as well as for enforcement of any obligation of the surviving or resulting corporation or ~~business~~ entity arising from the merger or consolidation, including any suit or other proceeding to enforce the right of any shareholders as determined in appraisal proceedings pursuant to the provisions of Section 1091 of this title, and shall irrevocably appoint the Secretary of State as its agent to accept service of process in any such suit or other proceedings and shall specify the address to which a copy of any process shall be mailed by the Secretary of State. In the event of service upon the Secretary of State pursuant to ~~this subsection~~ Section 2004 of Title 12 of the Oklahoma Statutes, the Secretary of State shall forthwith notify the surviving or resulting corporation or ~~business~~ entity by a letter, sent by certified mail with return receipt requested, directed to the surviving or resulting corporation or ~~business~~ entity at its specified address, unless the surviving or resulting corporation or ~~business~~ entity shall have designated in writing to the Secretary of State a different address for that purpose, in which case it shall be mailed to the last address designated. Such letter shall enclose a copy of the process and any other papers served on the Secretary of State pursuant to this subsection. It shall be the duty of the plaintiff in the event of any service to

serve process and any other papers in duplicate, to notify the Secretary of State that service is being effected pursuant to this subsection and to pay the Secretary of State the fee provided for in paragraph 7 of subsection A of Section 1142 of this title, which fee shall be taxed as part of the costs in the proceeding, if the plaintiff shall prevail therein. The Secretary of State shall maintain an alphabetical record of any such service, setting forth the name of the plaintiff and the defendant, the title, docket number, and nature of the proceeding in which process has been served upon the Secretary of State, the fact that service has been served upon the Secretary of State, the fact that service has been effected pursuant to this subsection, the return date thereof, and the date service was made. The Secretary of State shall not be required to retain this information longer than five (5) years from the date of receipt of the service of process by the Secretary of State.

E. Subsections C, D, E~~,~~ and F ~~and G~~ of Section 1081 of this title, subsections C, D, E and F of Section 1084 of this title, and Sections 1088 through 1090 and 1127 of this title, insofar as they are applicable, shall apply to mergers or consolidations between corporations and ~~business~~ entities; provided, however, that for purposes of a nonstock corporation or entity, references to the board of directors shall be deemed to be references to the governing body of the corporation or entity, references to shareholders shall be deemed to be references to the members or owners of the corporation or entity, and references to shares shall be deemed to be references to memberships or membership, economic or ownership interests in the corporation or entity, as applicable.

F. Nothing in this section shall be deemed to authorize the merger of a charitable nonstock corporation into an entity, if the charitable status of such nonstock corporation would thereby be lost or impaired; but an entity may be merged into a charitable nonstock corporation, which shall continue as the surviving corporation.

SECTION 23. AMENDATORY 18 O.S. 2011, Section 1090.4, is amended to read as follows:

Section 1090.4.

CONVERSION OF ~~A DOMESTIC BUSINESS~~ AN ENTITY TO A DOMESTIC CORPORATION

A. As used in this section, the term "~~business~~ entity" means a domestic or foreign partnership, whether general or limited, and including a limited liability partnership and a limited liability limited partnership, a limited liability company, ~~business trust, common law trust, or other unincorporated association~~ and any unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise and whether formed or organized under the laws of this state or the laws of any other jurisdiction.

B. Any ~~business~~ entity may convert to a domestic corporation ~~incorporated under the laws of this state~~ by complying with subsection G of this section and filing in the office of the Secretary of State a certificate of conversion that has been executed in accordance with subsection H of this section and filed in accordance with Section 1007 of this title, to which shall be attached, a certificate of incorporation that has been prepared, executed and acknowledged in accordance with Section 1007 of this title. Each of the certificates required by this subsection shall be filed simultaneously in the office of the Secretary of State.

C. The certificate of conversion to a corporation shall state:

1. The date on which the ~~business~~ entity was first formed;

2. The name ~~and~~, jurisdiction of formation or organization, and type of entity of the ~~business~~ entity when formed and, if changed, its name ~~and~~, jurisdiction and type of entity immediately before the filing of the certificate of conversion;

3. The name of the corporation as set forth in its certificate of incorporation filed in accordance with subsection B of this section; and

4. The future effective date or time, which shall be a date or time certain not later than ninety (90) days after the filing, of the conversion to a corporation if the conversion is not to be

effective upon the filing of the certificate of conversion and the certificate of incorporation provides for the same future effective date as authorized in subsection D of Section 1007 of this title.

D. Upon the effective date or time of the certificate of conversion and the certificate of incorporation, the ~~business~~ entity shall be converted to a domestic corporation and the corporation shall thereafter be subject to all of the provisions of this title, except that notwithstanding Section 1007 of this title, the existence of the corporation shall be deemed to have commenced on the date the ~~business~~ entity commenced its existence.

E. The conversion of any ~~business~~ entity to a domestic corporation shall not be deemed to affect any obligations or liabilities of the ~~business~~ entity incurred before its conversion to a domestic corporation or the personal liability of any person incurred before such conversion.

F. When ~~a business~~ an entity has converted to a domestic corporation under this section, the domestic corporation shall be deemed to be the same entity as the converting ~~business~~ entity. All of the rights, privileges and powers of the ~~business~~ entity that has converted, and all property, real, personal and mixed, and all debts due to the ~~business~~ entity, as well as all other things and causes of action belonging to the ~~business~~ entity, shall remain vested in the domestic corporation to which the ~~business~~ entity has converted and shall be the property of the domestic corporation and the title to any real property vested by deed or otherwise in the ~~business~~ entity shall not revert or be in any way impaired by reason of the conversion; but all rights of creditors and all liens upon any property of the ~~business~~ entity shall be preserved unimpaired, and all debts, liabilities and duties of the ~~business~~ entity that has converted shall remain attached to the domestic corporation to which the ~~business~~ entity has converted, and may be enforced against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it in its capacity as a domestic corporation. The rights, privileges, powers and interests in property of the ~~business~~ entity, as well as the debts, liabilities and duties of the ~~business~~ entity, shall not be deemed, as a consequence of the conversion, to have been transferred to the domestic corporation to which the ~~business~~ entity has converted for any purpose of the laws of this state.

G. Unless otherwise agreed or otherwise provided by any laws of this state applicable to the converting ~~business~~ entity, the converting ~~business~~ entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of such ~~business~~ entity and shall constitute a continuation of the existence of the converting ~~business~~ entity in the form of a domestic corporation.

H. Before filing a certificate of conversion with the Secretary of State, the conversion shall be approved in the manner provided for by the document, instrument, agreement or other writing, as the case may be, governing the internal affairs of the ~~business~~ entity and the conduct of its business or by applicable law, as appropriate, and a certificate of incorporation shall be approved by the same authorization required to approve the conversion.

I. The certificate of conversion to a corporation shall be signed by an officer, director, trustee, manager, partner, or other person performing functions equivalent to those of an officer or director of a domestic corporation, however named or described, and who is authorized to sign the certificate of conversion on behalf of the ~~business~~ entity.

J. In a conversion of ~~a business~~ an entity to a domestic corporation under this section, rights or securities of, or memberships or membership, economic or ownership interests in, the ~~business~~ entity which is to be converted to a domestic corporation may be exchanged for or converted into cash, property, or shares of stock, rights or securities of the domestic corporation or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, or shares of stock, rights or securities of or interests in another domestic corporation or ~~business~~ entity or may be canceled.

SECTION 24. AMENDATORY 18 O.S. 2011, Section 1090.5, is amended to read as follows:

Section 1090.5.

CONVERSION OF DOMESTIC CORPORATION TO ~~A BUSINESS~~ AN ENTITY

A. A domestic corporation may, upon the authorization of such conversion in accordance with this section, convert to ~~a business~~ an entity. As used in this section, the term "~~business~~ entity" means a domestic or foreign partnership, whether general or limited, and including a limited liability partnership and a limited liability limited partnership, a limited liability company, ~~business trust, common law trust, or other unincorporated association~~ and any unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise and whether formed or organized under the laws of this state or the laws of any other jurisdiction.

B. The board of directors of the corporation which desires to convert under this section shall adopt a resolution approving such conversion, specifying the type of ~~business~~ entity into which the corporation shall be converted and recommending the approval of the conversion by the shareholders of the corporation. The resolution shall be submitted to the shareholders of the corporation at an annual or special meeting. Due notice of the time, and purpose of the meeting shall be mailed to each holder of shares, whether voting or nonvoting, of the corporation at the address of the shareholder as it appears on the records of the corporation, at least twenty (20) days prior to the date of the meeting. At the meeting, the resolution shall be considered and a vote taken for its adoption or rejection. The corporation adopts the conversion if all outstanding shares of stock of the corporation, whether voting or nonvoting, are voted for the resolution.

C. If the governing act of the domestic ~~business~~ entity to which the corporation is converting does not provide for the filing of a conversion notice with the Secretary of State or the corporation is converting to a foreign ~~business~~ entity, the corporation shall file with the Secretary of State a certificate of conversion executed in accordance with Section 1007 of this title which certifies:

1. The name of the corporation and, if it has been changed, the name under which it was originally incorporated;

2. The date of filing of its original certificate of incorporation with the Secretary of State;

3. The name of the ~~business~~ entity to which the corporation shall be converted ~~and~~, its jurisdiction of formation~~,~~ if a foreign ~~business~~ entity, and the type of entity;

4. That the conversion has been approved in accordance with the provisions of this section;

5. The future effective date or time of the conversion to ~~a business~~ an entity, which shall be a date or time certain not later than ninety (90) days after the filing, if it is not to be effective upon the filing of the certificate of conversion;

6. The agreement of the foreign ~~business~~ entity that it may be served with process in this state in any action, suit or proceeding for enforcement of any obligation of the foreign ~~business~~ entity arising while it was a domestic corporation and that it irrevocably appoints the Secretary of State as its agent to accept service of process in any such action, suit or proceeding~~, and its address to which a copy of the process shall be mailed to it by the Secretary of State; and~~;

7. The address to which a copy of the process referred to in this subsection shall be mailed by the Secretary of State. In the event of such service upon the Secretary of State in accordance with the provisions of Section 2004 of Title 12 of the Oklahoma Statutes, the Secretary of State shall immediately notify such corporation that has converted out of the State of Oklahoma by letter, certified mail, return receipt requested, directed to the corporation at the address specified unless the corporation shall have designated in writing to the Secretary of State a different address for this purpose, in which case it shall be mailed to the last address so designated. The notice shall include a copy of the process and any other papers served on the Secretary of State pursuant to the provisions of this subsection. It shall be the duty of the plaintiff in the event of such service to serve process and any other papers in duplicate, to notify the Secretary of State that service is being effected pursuant to the provisions of this subsection, and to pay the Secretary of State the fee provided for in paragraph 7 of Section 1142 of this title, which fee shall be

taxed as part of the costs in the proceeding. The Secretary of State shall maintain an alphabetical record of any such service setting forth the name of the plaintiff and the defendant, the title, docket number, and nature of the proceeding in which process has been served upon the Secretary of State, the fact that service has been effected pursuant to the provisions of this subsection, the return date thereof, and the date service was made. The Secretary of State shall not be required to retain such information longer than five (5) years from receipt of the service of process by the Secretary of State; and

8. If the ~~business~~ entity to which the corporation is converting was required to make a filing with the Secretary of State as a condition of its formation, the type and date of such filing.

D. Upon the filing of a conversion notice with the Secretary of State, whether under subsection C of this section or under the governing act of the domestic ~~business~~ entity to which the corporation is converting, the filing of any formation document required by the governing act of the domestic ~~business~~ entity to which the corporation is converting, and payment to the Secretary of State of all prescribed fees, the Secretary of State shall certify that the corporation has filed all documents and paid all required fees, and thereupon the corporation shall cease to exist as a domestic corporation ~~of this state~~ at the time the certificate of conversion becomes effective in accordance with Section 1007 of this title. The certificate of the Secretary of State shall be prima facie evidence of the conversion by the corporation.

E. The conversion of a corporation under this section and the resulting cessation of its existence as a domestic corporation shall not be deemed to affect any obligations or liabilities of the corporation incurred before such conversion or the personal liability of any person incurred before the conversion, nor shall it be deemed to affect the choice of law applicable to the corporation with respect to matters arising before the conversion.

F. Unless otherwise provided in a resolution of conversion adopted in accordance with this section, the converting corporation shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not constitute a dissolution of such corporation.

G. In a conversion of a domestic corporation to ~~a business~~ an entity under this section, shares of stock of the converting domestic corporation may be exchanged for or converted into cash, property, rights or securities of, or memberships or membership, economic or ownership interests in, the ~~business~~ entity to which the domestic corporation is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests in, another corporation or ~~business~~ entity or may be canceled.

H. When a corporation has converted to ~~a business~~ an entity under this section, the ~~business~~ entity shall be deemed to be the same entity as the corporation. All of the rights, privileges and powers of the corporation that has converted, and all property, real, personal and mixed, and all debts due to the corporation, as well as all other things and causes of action belonging to the corporation, shall remain vested in the ~~business~~ entity to which the corporation has converted and shall be the property of the ~~business~~ entity, and the title to any real property vested by deed or otherwise in the corporation shall not revert or be in any way impaired by reason of the conversion; but all rights of creditors and all liens upon any property of the corporation shall be preserved unimpaired, and all debts, liabilities and duties of the corporation that has converted shall remain attached to the ~~business~~ entity to which the corporation has converted, and may be enforced against it to the same extent as if said debts, liabilities and duties had originally been incurred or contracted by it in its capacity as the ~~business~~ entity. The rights, privileges, powers and interest in property of the corporation that has converted, as well as the debts, liabilities and duties of the corporation, shall not be deemed, as a consequence of the conversion, to have been transferred to the ~~business~~ entity to which the corporation has converted for any purpose of the laws of this state.

I. No vote of shareholders of a corporation shall be necessary to authorize a conversion if no shares of the stock of the corporation shall have been issued before the adoption by the board of directors of the resolution approving the conversion.

J. Nothing in this section shall be deemed to authorize the conversion of a charitable nonstock corporation into another entity,

if the charitable status of such charitable nonstock corporation would thereby be lost or impaired.

SECTION 25. AMENDATORY 18 O.S. 2011, Section 1092, is amended to read as follows:

Section 1092.

SALE, LEASE OR EXCHANGE OF ASSETS; CONSIDERATION; PROCEDURE

A. Every corporation, at any meeting of its board of directors or governing body, may sell, lease, or exchange all or substantially all of its property and assets, including its goodwill and its corporate franchises, upon such terms and conditions and for such consideration, which may consist in whole or in part of money or other property, including shares of stock in, and/or other securities of, any other corporation or corporations, as its board of directors or governing body deems expedient and for the best interests of the corporation, when and as authorized by a resolution adopted by the holders of a majority of the outstanding stock of the corporation entitled to vote thereon or, if the corporation is a nonstock corporation, by a majority of the members having the right to vote for the election of the members of the governing body and any other members entitled to vote thereon under the certificate of incorporation or the bylaws of such corporation, at a meeting duly called upon at least twenty (20) days' notice. The notice of the meeting shall state that such a resolution will be considered.

B. Notwithstanding authorization or consent to a proposed sale, lease or exchange of a corporation's property and assets by the shareholders or members, the board of directors or governing body may abandon such proposed sale, lease or exchange without further action by the shareholders or members, subject to the rights, if any, of third parties under any contract relating thereto.

C. For purposes of this section only, the property and assets of the corporation include the property and assets of any subsidiary of the corporation. As used in this subsection, "subsidiary" means any entity wholly owned and controlled, directly or indirectly, by the corporation and includes, without limitation, corporations, partnerships, limited partnerships, limited liability partnerships, limited liability companies, and statutory trusts. Notwithstanding

subsection A of this section, except to the extent the certificate of incorporation otherwise provides, no resolution by shareholders or members shall be required for a sale, lease or exchange of property and assets of the corporation to a subsidiary.

SECTION 26. AMENDATORY 18 O.S. 2011, Section 1097, is amended to read as follows:

Section 1097.

DISSOLUTION OF NONSTOCK CORPORATION; PROCEDURE

A. Whenever it shall be desired to dissolve any nonstock corporation ~~having no capital stock~~, the governing body shall perform all the acts necessary for dissolution which are required by the provisions of Section 1096 of this title to be performed by the board of directors of a corporation having capital stock. If the members of a corporation having no capital stock are entitled to vote for the election of members of its governing body or are entitled to vote for dissolution under the certificate of incorporation or the bylaws of such corporation, they shall perform all the acts necessary for dissolution which are required by the provisions of Section 1096 of this title to be performed by the shareholders of a corporation having capital stock, including dissolution without action of the members of the governing body if all the members of the corporation entitled to vote thereon shall consent in writing and a certificate of dissolution shall be filed with the Secretary of State pursuant to subsection D of Section 1096 of this title. If there is no member entitled to vote thereon, the dissolution of the corporation shall be authorized at a meeting of the governing body, upon the adoption of a resolution to dissolve by the vote of a majority of members of its governing body then in office~~. In the event of the dissolution of a not for profit corporation, a notice of dissolution shall be published one (1) time in a newspaper having general circulation in the county in which the principal place of business of such corporation is located~~. In all other respects, the method and proceedings for the dissolution of a nonstock corporation ~~having no capital stock~~ shall conform as nearly as may be to the proceedings prescribed by the provisions of Section 1096 of this title for the dissolution of corporations having capital stock.

B. If a nonstock corporation ~~having no capital stock~~ has not commenced the business for which the corporation was organized, a majority of the governing body or, if none, a majority of the incorporators may surrender all of the corporation rights and franchises by filing in the Office of the Secretary of State a certificate, executed and acknowledged by a majority of the incorporators or governing body, conforming as nearly as may be to the certificate prescribed by Section 1095 of this title.

SECTION 27. AMENDATORY 18 O.S. 2011, Section 1100.1, is amended to read as follows:

Section 1100.1.

NOTICE TO CLAIMANTS; FILING OF CLAIMS

A. 1. After a corporation has been dissolved in accordance with the procedures set forth in the Oklahoma General Corporation Act, the corporation or any successor entity may give notice of the dissolution requiring all persons having a claim against the corporation other than a claim against the corporation in a pending action, suit, or proceeding to which the corporation is a party to present their claims against the corporation in accordance with the notice. The notice shall state:

a. that all such claims must be presented in writing and must contain sufficient information reasonably to inform the corporation or successor entity of the identity of the claimant and the substance of the claim,

b. the mailing address to which a claim must be sent,

c. the date by which a claim must be received by the corporation or successor entity, which date shall be no earlier than sixty (60) days from the date of the notice,

d. that the claim will be barred if not received by the date referred to in subparagraph c of this paragraph,

e. that the corporation or a successor entity may make distributions to other claimants and the corporation's shareholders or persons interested as having been such without further notice to the claimant, and

f. the aggregate amount, on an annual basis, of all distributions made by the corporation to its shareholders for each of the three (3) years prior to the date the corporation dissolved.

2. The notice shall also be published at least once a week for two (2) consecutive weeks in a newspaper of general circulation in the county in which the office of the corporation's last registered agent in this state is located and in the corporation's principal place of business and, in the case of a corporation having Ten Million Dollars ($10,000,000.00) or more in total assets at the time of its dissolution, at least once in an Oklahoma newspaper having a circulation of at least two hundred fifty thousand (250,000). On or before the date of the first publication of the notice, the corporation or successor entity shall mail a copy of the notice by certified or registered mail, return receipt requested, to each known claimant of the corporation, including persons with claims asserted against the corporation in a pending action, suit, or proceeding to which the corporation is a party.

3. Any claim against the corporation required to be presented pursuant to this subsection is barred if a claimant who was given actual notice under this subsection does not present the claim to the dissolved corporation or successor entity by the date referred to in subparagraph c of paragraph 1 of this subsection.

4. A 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 rejection by certified or registered mail return receipt requested to the claimant within ninety (90) days after receipt of the claim and, in all events, at least one hundred fifty (150) days before the expiration of the period described in Section 1099 of ~~Title 18 of the Oklahoma Statutes~~ this title; provided, however, that in the case of a claim filed pursuant to Section 1110 of this title against a corporation or successor entity for which a receiver or trustee has been appointed by the district court, the time period shall be as provided in Section 1111 of this title, and

the thirty-day appeal period provided for in Section 1111 of this title shall be applicable. A notice sent by a corporation or successor entity pursuant to this subsection shall state that any claim rejected will be barred if an action, suit, or proceeding with respect to the claim is not commenced within one hundred twenty (120) days of the date thereof, and shall be accompanied by a copy of Sections 1099 through 1100.3 of this title, and, in the case of a notice sent by a court-appointed receiver or trustee for a claim filed pursuant to Section 1110 of this title, the notice shall be accompanied by copies of Sections 1110 and 1111 of this title.

5. A claim against a corporation is barred if a claimant whose claim is rejected pursuant to paragraph 4 of this subsection does not commence an action, suit, or proceeding with respect to the claim within one hundred twenty (120) days after the mailing of the rejection notice.

B. 1. A corporation or successor entity electing to follow the procedures described in subsection A of this section shall also give notice of the dissolution of the corporation to persons with contractual claims contingent upon the occurrence or nonoccurrence of future events or otherwise conditional or unmatured, and request that those persons present their claims in accordance with the terms of the notice. As used in this section and Section 1100.2 of this title, the term "contractual claims" shall not include any implied warranty as to any product manufactured, sold, distributed, or handled by the dissolved corporation. The notice shall be in substantially the form, and sent and published in the same manner, as described in paragraph 1 of subsection A of this section.

2. The corporation or successor entity shall offer any claimant on a contract whose claim is contingent, conditional, or unmatured, the security that the corporation or successor entity determines is sufficient to provide compensation to the claimant if the claim matures. The corporation or successor entity shall mail the offer to the claimant by certified or registered mail, return receipt requested, within ninety (90) days of receipt of the claim and, in all events, at least one hundred fifty (150) days before the expiration of the period described in Section 1099 of this title. If the claimant offered the security does not deliver in writing to the corporation or successor entity a notice rejecting the offer within one hundred twenty (120) days after receipt of the offer for

security, the claimant shall be deemed to have accepted the security as the sole source from which to satisfy his or her claim against the corporation.

C. 1. A corporation or successor entity which has given notice in accordance with subsection A of this section shall petition the district court to determine the amount and form of security that will be reasonable likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit, or proceeding to which the corporation is a party other than a claim barred pursuant to subsection A of this section.

2. A corporation or successor entity which has given notice in accordance with subsections A and B of this section shall petition the district court 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 paragraph 2 of subsection B of this section.

3. A corporation or successor entity which has given notice in accordance with subsection A of this section shall petition the district court to determine the amount and form of security which will be reasonably likely to be sufficient to provide compensation for claims that have not been made known to the corporation or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within five (5) years after the date of dissolution or a longer period of time as the district court may determine not to exceed ten (10) years after the date of dissolution. The district court may appoint a guardian ad litem in respect of any such proceeding brought under this subsection. The reasonable fees and expenses of the guardian, including all reasonable expert witness fees, shall be paid by the petitioner in the proceeding.

D. 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 corporation or successor entity that any person to whom the 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 the notice is sent.

E. As used in this section, the term "successor entity" shall include 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.

F. In the case of a nonstock corporation, any notice referred to in the last sentence of paragraph 4 of subsection A of this section shall include a copy of Section 1 of this act. In the case of a nonprofit nonstock corporation, provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation's certificate of incorporation or bylaws.

SECTION 28. AMENDATORY 18 O.S. 2011, Section 1100.2, is amended to read as follows:

Section 1100.2.

PAYMENT AND DISTRIBUTION TO CLAIMANTS AND SHAREHOLDERS

A. 1. A dissolved corporation or successor entity which has followed the procedures described in Section 1100.1 of this title shall:

a. pay the claims made and not rejected in accordance with subsection A of Section 1100.1 of this title~~;~~,

b. post the security offered and not rejected pursuant to paragraph 2 of subsection B of Section 1100.1 of this title~~;~~,

c. post any security ordered by the district court in any proceeding under subsection C of Section 1100.1 of this title~~.~~, and

d. pay or make provision for all other claims that are mature, known, and uncontested or that have been finally determined to be owing by the corporation or successor entity.

2. Claims or obligations shall be paid in full and any provision for payment shall be made in full if there are sufficient assets. If there are insufficient assets, the claims and obligations shall be paid or provided for according to their priority, and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the shareholders of the dissolved corporation; provided, however, that distribution shall not be made before the expiration of one hundred fifty (150) days from the date of the last notice of rejections given pursuant to paragraph 3 of subsection A of Section 1100.1 of this title. In the absence of actual fraud, the judgment of the directors of the dissolved corporation or the governing persons of the successor entity as to the provision made for the payment of all obligations under subparagraph d of paragraph ~~4~~ 1 of this subsection shall be conclusive.

B. A dissolved corporation or successor entity which has not followed the procedures described in Section 1100.1 of this title shall, prior to the expiration of the period described in Section 1099 of this title, adopt a plan of distribution pursuant to which the dissolved corporation or successor entity:

1. Shall pay or make reasonable provision to pay all claims and obligations, including all contingent, conditional, or unmatured contractual claims known to the corporation or the successor entity;

2. Shall make provision as will be reasonably likely to be sufficient to provide compensation for any claim against the corporation which is the subject of a pending action, suit, or proceeding to which the corporation is a party; and

3. Shall make provision as will be reasonably likely to be sufficient to provide compensation for claims that have not been

made known to the corporation or successor entity or that have not arisen but that, based on facts known to the corporation or successor entity, are likely to arise or to become known to the corporation or successor entity within ten (10) years after the date of dissolution. The plan of distribution shall provide that the claims shall be paid in full and any provision for payment made shall be made in full if there are sufficient assets. If there are insufficient assets, the plan shall provide that the claims and obligations shall be paid or provided for according to their priority and, among claims of equal priority, ratably to the extent of assets legally available therefor. Any remaining assets shall be distributed to the shareholders of the dissolved corporation.

C. Directors of a dissolved corporation or governing persons of a successor entity which has complied with subsection A or B of this section shall not be personally liable to the claimants of the dissolved corporation.

D. As used in this section, the term "successor entity" has the meaning set forth in subsection E of Section 1100.1 of this title.

E. As used in this section, the term "priority" does not refer either to the order of payments set forth in ~~paragraphs 1 through 4~~ subparagraphs a through d of paragraph 1 of subsection A of this section or to the relative times at which any claims mature or are reduced to judgment.

F. In the case of a nonprofit nonstock corporation, provisions of this section regarding distributions to members shall not apply to the extent that those provisions conflict with any other applicable law or with that corporation's certificate of incorporation or bylaws.

SECTION 29. This act shall become effective November 1, 2019.

Passed the Senate the 25th day of February, 2019.

_____
Presiding Officer of the Senate

Passed the House of Representatives the 15th day of April, 2019.

_____
Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

_____
Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20 _____, at _____ o'clock _____ M.

By: _____