

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1799 Shares subject to redemption; dissenters' rights; notice; "fair value" defined.

Sec. 799. (1) If authorized in an issuing public corporation's articles of incorporation or bylaws before a control share acquisition has occurred, control shares acquired in a control share acquisition, with respect to which no acquiring person statement has been filed with the issuing public corporation, may, at any time during the period ending 60 days after the last acquisition of control shares or the power to direct the exercise of voting power of control shares by the acquiring person, be subject to redemption by the corporation at the fair value of the shares pursuant to the procedures adopted by the corporation.

(2) If authorized in a corporation's articles or bylaws before a control share acquisition has occurred, after an acquiring person statement has been filed and after the meeting at which the voting rights of the control shares acquired in a control share acquisition are submitted to the shareholders, the shares are subject to redemption by the corporation at the fair value of the shares pursuant to the procedures adopted by the corporation unless the shares are accorded full voting rights by the shareholders as provided in section 798.

(3) Unless otherwise provided in a corporation's articles of incorporation or bylaws before a control share acquisition has occurred, in the event control shares acquired in a control share acquisition are accorded full voting rights and the acquiring person has acquired a majority of all voting power of the corporation, shareholders of the issuing public corporation, other than the acquiring person, have dissenters' rights as provided in this section.

(4) As soon as practicable after such events have occurred, the board of directors shall cause a notice to be sent to all shareholders of the corporation advising them that they have dissenters' rights to receive the fair value of their shares and making an offer to pay for the shares at a specified price deemed by the corporation to be the fair value. The issuing public corporation and the shareholders shall have all further rights as are provided in this act.

(5) As used in this section, "fair value" means a value not less than the highest price paid per share by the acquiring person in the control share acquisition.

History: Add. 1988, Act 58, Eff. Apr. 1, 1988;—Am. 1989, Act 121, Eff. Oct. 1, 1989.

Compiler's note: Section 2 of Act 58 of 1988 provides: "This amendatory act shall not apply to any domestic corporation before June 1, 1989, unless the corporation's board of directors adopts a resolution, pursuant to this section, electing to have this act apply to the corporation. The resolution shall specify the date after January 1, 1988 and before June 1, 1989 on which this act will apply to the corporation. The resolution shall be filed with the department of commerce, corporation and securities bureau, on or before the date that the act will apply to the corporation."