

490.1112 Action on plan of conversion by converting domestic corporation.

1. In the case of a domestic corporation that is being converted into an other entity all of the following apply:

a. The plan of conversion must be adopted by the domestic corporation's board of directors.

b. After adopting the plan of conversion, the domestic corporation's board of directors must submit the plan to the domestic corporation's shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation that the shareholders approve the plan, unless the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation, in which case the board of directors must transmit to the shareholders the basis for that determination.

c. The domestic corporation must notify each shareholder of the domestic corporation, whether or not entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval. The notice must state that the purpose, or one of the purposes, of the meeting is to consider the plan of conversion and must contain or be accompanied by a copy or summary of the plan of conversion. The notice shall include or be accompanied by a copy of the organizational documents as they will be in effect immediately after the conversion.

d. The domestic corporation's board of directors may condition its submission of the plan of conversion to the domestic corporation's shareholders on any basis.

e. Unless the articles of incorporation, bylaws, or the board of directors of the domestic corporation require a greater vote or a greater number of votes to be present, the approval of the plan of conversion shall require the approval of the domestic corporation's shareholders at a meeting at which a quorum consisting of at least a majority of the votes entitled to be cast on the plan exists, and, if any classes or series of shares is entitled to vote as a separate group on the plan of conversion, the approval of each such separate voting group at a meeting at which a quorum of the voting group consisting of at least a majority of the votes entitled to be cast on the conversion by that voting group is present.

f. If any provision of the articles of incorporation, bylaws, or an agreement of the domestic corporation to which any of the directors or shareholders of the domestic corporation are parties, adopted or entered into before the effective date of this section, applies to a merger of the corporation and the document does not refer to a conversion of the corporation, the provision shall be deemed to apply to a conversion of the corporation until such provision is subsequently amended.

g. If as a result of the conversion as provided in this subsection, one or more shareholders of the domestic corporation would become subject to owner liability for the debts, obligations, or liabilities of any other person or entity, approval of the plan of conversion shall require the execution, by each such shareholder of the domestic corporation, of a separate written consent to become so subject to such owner liability.

2. After a conversion is approved as provided in subsection 1, and at any time before a filing is made under section 490.1113, a domestic corporation that is being converted may amend its plan of conversion or abandon the planned conversion as follows:

a. As provided in the plan of conversion.

b. Except as prohibited by the plan of conversion, by the same consent as was required to approve the plan of conversion.

2008 Acts, ch 1162, §119, 155; 2009 Acts, ch 41, §147

Referred to in §490.1101, 490.1111, 490.1302