

490.145 Part definitions.

As used in [this part](#):

1. “*Corporate action*” means any action taken by or on behalf of the corporation, including any action taken by the incorporator, the board of directors, a committee of the board of directors, an officer or agent of the corporation, or the shareholders.

2. “*Date of the defective corporate action*” means the date or, if the defective corporate action occurred or may have occurred on more than one date, the range of dates, or the approximate date or range of dates, if the exact date or range of dates is unknown or not readily ascertainable, the defective corporate action was purported to have been taken.

3. “*Defective corporate action*” means all of the following:

a. Any corporate action purportedly taken that is, and at the time such corporate action was purportedly taken would have been, within the power of the corporation, but is void or voidable due to a failure of authorization.

b. An overissue.

4. “*Failure of authorization*” means the failure to authorize, approve, or otherwise effect a corporate action in compliance with the provisions of [this chapter](#), the articles of incorporation or bylaws, a corporate resolution, or any plan or agreement to which the corporation is a party, if and to the extent such failure would render such corporate action void or voidable.

5. “*Overissue*” means the purported issuance of any of the following:

a. Shares of a class or series in excess of the number of shares of a class or series the corporation has the power to issue under [section 490.601](#) at the time of such issuance.

b. Shares of any class or series that is not then authorized for issuance by the articles of incorporation.

6. “*Putative shares*” means the shares of any class or series, including shares issued upon exercise of rights, options, warrants or other securities convertible into shares of the corporation, or interests with respect to such shares, that were created or issued as a result of a defective corporate action, and any of the following applies:

a. But for any failure of authorization would constitute valid shares.

b. Cannot be determined by the board of directors to be valid shares.

7. “*Valid shares*” means the shares of any class or series that have been duly authorized and validly issued in accordance with [this chapter](#), including as a result of ratification or validation under [this part](#).

8. a. “*Validation effective time*” with respect to any defective corporate action ratified under [this part](#) means the later of the following:

(1) The time at which the ratification of the defective corporate action is approved by the shareholders, or if approval of shareholders is not required, the time at which the notice required by [section 490.149](#) becomes effective in accordance with [section 490.141](#).

(2) The time at which any articles of validation filed in accordance with [section 490.151](#) become effective.

b. The validation effective time shall not be affected by the filing or pendency of a judicial proceeding under [section 490.152](#) or otherwise, unless otherwise ordered by the court.

2021 Acts, ch 165, §18, 230

Section effective January 1, 2022; 2021 Acts, ch 165, §230
NEW section