

State of Arkansas  
76th General Assembly  
First Extraordinary Session, 1987  
By: Senator Harriman

CALL ITEM 39

SENATE BILL

26

"AN ACT TO AMEND ACT 958 OF 1987; AND FOR OTHER PURPOSES."

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF ARKANSAS:

SECTION 1. Section 64-105 of Act 958 of 1987 is hereby amended to read as follows:

"64-105. Filing, Service, and Copying Fees.

A. The Secretary of State shall collect the following fees when the documents described in this subsection are delivered to him for filing:

DOCUMENT	FEE
(1) Articles of incorporation	\$50.00
(2) Application for use of indistinguishable name	No fee.
(3) Application for reserved name	\$25.00
(4) Notice of transfer of reserved name	\$25.00
(5) Application for registered name	\$50.00
(6) Application for renewal of registered name	\$25.00
(7) Corporation's statement of change of registered agent or registered office or both	\$ 25.00
(8) Agent's statement of change of registered office for each affected corporation not to exceed a total of	\$125.00
(9) Agent's statement of resignation	No fee.
(10) Amendment of articles of incorporation	\$ 50.00
(11) Restatement of articles of incorporation with amendment of articles	\$100.00

(12) Articles of merger or share exchange	\$100.00
(13) Articles of dissolution	\$ 50.00
(14) Articles of revocation of dissolution	\$150.00
(15) Certificate of administrative dissolution	No fee.
(16) Application for reinstatement following administrative dissolution	\$ 50.00
(17) Certificate of reinstatement	No fee.
(18) Certificate of judicial dissolution	No fee.
(19) Application for certificate of authority	\$300.00
(20) Application for amended certificate of authority	\$300.00
(21) Application for certificate of withdrawal	\$300.00
(22) Certificate of revocation of authority to transact business	No fee.
(23) Articles of correction	\$ 30.00
(24) Application for certificate of existence or authorization	\$ 15.00
(25) Any other document required or permitted to be filed by this Act	\$ 25.00

(B) The Secretary of State shall collect a fee of \$25.00 each time process is served on him under this Act. The party to a proceeding causing service of process is entitled to recover this fee as costs if he prevails in the proceeding.

(C) The Secretary of State shall collect the following fees for copying and certifying the copy of any filed document relating to a domestic or foreign corporation:

- (1) \$.50 a page for copying; and
- (2) \$5.00 for the certificate."

SECTION 2. Subsection 19 of Section 64-114 of Act 958 of 1987 is hereby amended to read as follows:

"19. "Record date" means the date established under chapter 6 or 7 on which a corporation determines the identity of its shareholders and their

shareholdings for purposes of this Act. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed."

SECTION 3. Subsection B of Section 64-611 of Act 958 of 1987 is hereby amended to read as follows:

"B. Within a reasonable time after the issue or transfer of shares without certificates, the corporation shall send the shareholder a written statement of the information required on certificates by section 64-610(B) and (C), and, if applicable, section 64-612."

SECTION 4. Subsection D of Section 64-612 of Act 958 of 1987 is hereby amended to read as follows:

"D. A restriction on the transfer or registration of transfer of shares may:

1. obligate the shareholder first to offer the corporation or other persons (separately, consecutively or simultaneously) an opportunity to acquire the restricted shares;

2. obligate the corporation or other persons (separately, consecutively or simultaneously) to acquire the restricted shares;

3. require the corporation, the holders of any class of its shares, or another person to approve the transfer of the restricted shares, if the requirement is not manifestly unreasonable;

4. prohibit the transfer of the restricted shares to designated persons or classes of persons, if the prohibition is not manifestly unreasonable."

SECTION 4. Subsection D of Section 64-705 of Act 958 of 1987 is hereby amended to read as follows:

"D. If not otherwise fixed under section 64-703 or 64-707, the record date for determining shareholders entitled to notice of and to vote at an annual or special shareholders' meeting is the day before the first notice is delivered to shareholders."

SECTION 5. Subsection D of Section 64-710 of Act 958 of 1987 is hereby amended to read as follows:

"D. An appointment of a proxy is revocable by the shareholder unless the appointment form conspicuously states that it is irrevocable and the appointment is coupled with an interest. Appointments coupled with an interest include the appointment of:

1. a pledge;
2. a person who purchased or agreed to purchase the shares;
3. a creditor of the corporation who extended it credit under terms requiring the appointment;
4. an employee of the corporation whose employment contract requires the appointment; or
5. a party to a voting agreement created under section 64-718."

SECTION 6. Subsection C of Section 64-716 of Act 958 of 1987 is hereby amended to read as follows:

"C. A statement included in the articles of incorporation that "[all] [a designated voting group of] shareholders are entitled to cumulate their votes for directors" (or words of similar import) means that the shareholders designated are entitled to multiply the number of votes they are entitled to cast by the number of directors for whom they are entitled to vote and cast the product for a single candidate or distribute the product among two or more candidates."

SECTION 7. Subsection D of Section 64-719 of Act 958 of 1987 is hereby amended to read as follows:

"D. On termination of the proceeding the court may require the plaintiff to pay any defendant's reasonable expenses (including counsel fees) incurred in defending the proceeding if it finds that the proceeding was commenced without reasonable cause."

SECTION 8. Subsection E of Section 64-827 of Act 958 of 1987 is hereby amended to read as follows:

"E. Expenses incurred by an officer or director in defending a civil or criminal action, suit or proceeding may be paid by the corporation in advance of the final disposition of such action, suit or proceeding upon receipt of an undertaking by or on behalf of such director or officer to repay such amount if it shall ultimately be determined that he is not entitled to be indemnified by the corporation as authorized in this Section. Such expenses incurred by other employees and agents may be so paid upon such terms and conditions, if any, as the board of directors deems appropriate."

SECTION 9. Paragraph 2 of Subsection A of Section 64-1106 of Act 958 of 1987 is hereby amended to read as follows:

"2. the title to all real estate and other property owned by each corporation party to the merger is vested in the surviving corporation without reversion or impairment;"

SECTION 10. Subsection 6 of Section 64-1301 of Act 958 of 1987 is hereby amended to read as follows"

"6. "Beneficial shareholder" means the person who is a beneficial owner of shares held in a voting trust or by a nominee as the record shareholder."

SECTION 11. Paragraph 3 of Subsection A of Section 64-1302 of Act 958 of 1987 is hereby amended to read as follows:

"3. consummation of a sale or exchange of all, or substantially all, of the property of the corporation other than in the usual and regular course of business, if the shareholder is entitled to vote on the sale or exchange, including a sale in dissolution, but not including a sale pursuant to court order or a sale for cash pursuant to a plan by which all or substantially all of the net proceeds of the sale will be distributed to the shareholders within one year after the date of sale;"

SECTION 12. Subsection C of Section 64-1407 of Act 958 of 1987 is hereby amended to read as follows:

"C. If the dissolved corporation publishes a newspaper notice in accordance with subsection (B), the claim of each of the following claimants is barred unless the claimant commences a proceeding to enforce the claim against the dissolved corporation within five years after the publication date of the

newspaper notice:

1. a claimant who did not receive written notice under section 64-1406;
2. a claimant whose claim was timely sent to the dissolved corporation but not acted on;
3. a claimant whose claim is contingent or based on an event occurring after the effective date of dissolution.

D. A claim may be enforced under this section:

1. against the dissolved corporation, to the extent of its undistributed assets; or
2. if the assets have been distributed in liquidation, against a shareholder of the dissolved corporation to the extent of his pro rata share of the claim or the corporate assets distributed to him in liquidation, whichever is less, but a shareholder's total liability for all claims under this section may not exceed the total amount of assets distributed to him."

SECTION 13. Subsection A of Section 64-1413 of Act 958 of 1987 is hereby amended to read as follows:

"A. Venue for a proceeding by the Attorney General to dissolve a corporation lies in the Pulaski County Circuit Court. Venue for a proceeding brought by any other party named in Section 64-1412 lies in the county where a corporation's principal office (or, if none in this state, its registered office) is or was last located."

SECTION 14. Paragraph 7 of Subsection B of Section 64-1501 of Act 958 of 1987 is hereby amended to read as follows:

"7. creating or acquiring indebtedness, mortgages and security interests in real or personal property;"

SECTION 15. Paragraph 1 of Subsection B of Section 64-1506 of Act 958 of 1987 is hereby amended to read as follows:

"1. the corporate name of a corporation incorporated or authorized to transact business in this State;"

SECTION 16. Paragraph 2 of Subsection A of Section 64-1508 of Act 958 of 1987 is hereby amended to read as follows:

"2. the street address of its current registered office;"

SECTION 17. Subsection 5 of Section 64-1512 of Act 958 of 1987 is hereby amended to read as follows:

"5. an incorporator, director, officer, or agent of the foreign corporation signed a document he knew was false in any material respect with intent that the document be delivered to the Secretary of State for filing;"

SECTION 18. Section 64-1602 of Act 958 of 1987 is hereby amended to add a new subsection to read as follows:

"F. For purposes of this section, "shareholder" includes a beneficial owner whose shares are held in a voting trust or by a nominee on his behalf."

