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COUNCIL OF THE DISTRICT OF COLUMBIA

NOTICE

D.C. LAW 9-144

"District of Columbia Corporation Law
Amendment Act of 1992".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 9-64 on first and second readings, May 6, 1992, and June 2, 1992, respectively. Following the signature of the Mayor on June 19, 1992, this legislation was assigned Act No. 9-224, published in the July 3, 1992, edition of the D.C. Register, (Vol. 39 page 4863) and transmitted to Congress on June 24, 1992 for a 30-day review, in accordance with Section 602(c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 9-144, effective September 10, 1992.



JOHN A. WILSON
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

June 24,25,26,29,30

July 1,2,7,8,9,20,21,22,23,24,27,28,29,30,31

August 3,4,5,6,7,10,11,12

September 8,9

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

JUNE 19, 1992

To amend An Act to provide for reorganization of corporations existing or doing business in the District of Columbia prior to January 1, 1902, the District of Columbia Business Corporation Act of 1901, the District of Columbia Business Corporation Act of 1954, and the District of Columbia Uniform Limited Partnership Act of 1987 to revise corporation law for the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "District of Columbia Corporation Law Amendment Act of 1992".

Sec. 2. Section 766 of An Act to provide for reorganization of corporations existing or doing business in the District of Columbia prior to January 1, 1902, approved March 3, 1901 (31 Stat. 1316; D.C. Code §29-101), is amended by designating the existing text as subsection (a) and adding a new subsection (b) to read as follows: Section 29-101

"(b) Any corporation existing or doing business in the District of Columbia prior to January 1, 1902, which has not availed itself of the provisions of the District of Columbia Business Corporation Act of 1901 ("Act of 1901"), approved March 3, 1901 (31 Stat. 1284; D.C. Code §29-201 *et seq.*), or the District of Columbia Business Corporation Act ("Business Corporation Act"), approved June 8, 1954 (68 Stat. 179; D.C. Code §29-301 *et seq.*), shall be required to maintain a registered office in the District of Columbia, appoint a registered agent, and file annual reports with the Mayor of the District of Columbia. With respect to the maintenance of a registered office in the District of Columbia and the appointment of a registered agent, each corporation shall be required to comply with and shall be subject to the provisions of sections 10, 11, 12, and 129 of the Business Corporation Act. With respect to the filing of annual reports with the Mayor of the District of Columbia, each corporation shall be required to comply with and shall be subject to the provisions of section 98 and sections 122 through 128 of the Business Corporation Act. Each corporation shall also be required to pay the fees and charges imposed by section 121 of the Business Corporation Act and if the corporation fails to make the payments it shall be subject to the penalties set forth in section 130 of the Business Corporation Act."

Sec. 3. The District of Columbia Business Corporation Act of 1901, approved March 3, 1901 (31 Stat. 1284; D.C. Code §29-201 *et seq.*), is amended as follows:

(a) Section 617 (D.C. Code §29-213) is amended to read as follows: Section 29-213
"Every company shall be required to file an annual report with the Mayor of the District of Columbia. In fulfilling this obligation, each company shall be required to comply with the provisions of section 98 and sections 122 through 128 of the District of Columbia Business Corporation Act ("Business Corporation Act"), approved June 8, 1954 (68 Stat. 179; D.C. Code §29-301 *et seq.*). Each company shall also be required to pay the fees and charges imposed by section 121 of the Business Corporation Act and if the corporation fails to make the payment, it shall be subject to the penalties set forth in section 130 of the Business Corporation Act."

(b) Section 618 (D.C. Code §29-214) is amended to read as follows: Section 29-214
"Sec. 618. Registered office and registered agent.
"Every company shall be required to maintain a registered office in the District of Columbia and appoint a registered agent. In fulfilling these obligations, each company shall be required to comply with the provisions of sections 10 through 12 and section 129 of the Business Corporation Act."

Sec. 4. The District of Columbia Business Corporation Act, approved June 8, 1954 (68 Stat. 179; D.C. Code §29-301 *et seq.*), is amended as follows:

(a) Section 1 (D.C. Code §29-301) is amended to read as follows: Section 29-301
"This Act shall be known and may be cited as the "District of Columbia Business Corporation Act". This Act shall be applicable to all corporations incorporated in the District of Columbia on or after June 8, 1954."

(b) Section 10(2) (D.C. Code §29-310(2)) is amended to read as follows: Section 29-310
"(2) A registered agent, which agent may be either an individual resident of the District of Columbia or a corporation authorized by the articles of incorporation to act as agent and authorized to transact business in the District of Columbia having a business office identical with the registered office. An individual or corporation shall not be named by a corporation as its registered agent without the individual's or corporation's consent. This consent shall be evidenced by either a written document executed by the registered agent or by a certificate of the incorporator certifying that the registered agent has consented. Originals of the written consent or certificate shall be filed with the Mayor."

(c) Section 11(a)(5) (D.C. Code §29-311(a)(5)) is amended to read as follows: Section 29-311
"(5) If its registered agent be changed, the name of its successor registered agent and a statement that the successor registered agent has consented to be named as the corporation's registered agent;"

(d) Section 11(b) (D.C. Code §29-311(b)) is amended to read as follows: Section 29-311
"(b) The statement shall be executed in duplicate by the corporation, by its president or a vice-president, and delivered to the

Mayor. If the Mayor finds that the statement conforms to the provisions of this Act, the Mayor shall:

- "(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;
- "(2) File 1 duplicate original in the Mayor's office and
- "(3) Return the other duplicate original to the corporation or its representative."

(e) Section 11(d) (D.C. Code §29-311(d)) is amended to read as follows:

Section
29-311

"(d) Any registered agent of a corporation may resign as the agent upon executing and delivering written notices to the Mayor, the corporation at its registered office, and the corporation at its principal office. The appointment of such an agent shall terminate upon the expiration of 30 days after receipt of the notice by the Mayor or upon the appointment of a successor agent, whichever occurs first. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

(f) Section 11(f) (D.C. Code §29-311(f)) is amended to read as follows:

Section
29-311

"(f) The statement shall be executed in duplicate by the registered agent in the agent's individual name, but if the agent is a corporation, domestic or foreign, the statement shall be executed by the corporation, by its president or a vice-president, and delivered to the Mayor. If the Mayor finds that the statement conforms to law, the Mayor shall, when all fees and charges have been paid as prescribed in this Act:

- "(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;
 - "(2) File 1 of the duplicate originals in the Mayor's office;
- and
- "(3) Return the other duplicate original to the registered agent."

(g) Section 12(b) (D.C. Code §29-312(b)) is amended to read as follows:

Section
29-312

"(b) Whenever a corporation shall fail to appoint or maintain a registered agent in the District, or whenever the registered agent cannot with reasonable diligence be found at the registered office of the corporation in the District, or whenever the articles of incorporation of any domestic corporation shall be revoked, the Mayor shall be an agent of the corporation upon whom any process against the corporation may be served and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service on the Mayor of any process, notice, or demand shall be made by delivering to and leaving with the Mayor, or with any clerk having charge of the Mayor's office, duplicate copies of the process, notice, or demand and a fee of \$10. If any process, notice, or demand is so served, the Mayor shall immediately cause 1 of the copies to be forwarded by registered or certified mail to the corporation at its principal office or at its last known address."

(h) Section 14(e) (D.C. Code §29-314(e)) is amended to read as follows:

Section
29-314

"(e) The statement shall be executed in duplicate by the corporation, by its president or a vice-president, and shall be delivered to the Mayor. If the Mayor finds that the statement conforms to law,

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the Mayor shall, when all franchise taxes, fees, and charges have been paid as prescribed in this Act:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office;
and

"(3) Return the other duplicate original to the corporation or its representative."

(i) Section 20(a) (D.C. Code §29-320(a)) is amended to read as follows:

Section
29-320

"(a) The shares of a corporation shall be represented by certificates, provided that the board of directors of the corporation may provide by resolution that some or all classes or series of its stock shall be uncertificated shares. A resolution shall not apply to shares represented by a certificate until the certificate is surrendered to the corporation. Every holder of stock represented by certificates shall be entitled to have a certificate signed by the president or a vice-president of the corporation. Where a certificate is countersigned by a transfer agent other than the corporation or an employee of the corporation, or by a transfer clerk and registered by a registrar, the signatures of the president or a vice-president of the corporation upon the certificate may be facsimiles. In case any officer who has signed or whose facsimile signature has been placed upon such a certificate shall have ceased to be an officer before the certificate is issued, the certificate may be issued by the corporation with the same effect as if the officer had not ceased to hold the office at the date of its issue. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical."

(j) Section 20(b) (D.C. Code §29-320(b)) is amended to read as follows:

Section
29-320

"(b) Notwithstanding the provisions of §28:8-204, every certificate representing shares the transferability of which is restricted or limited shall state upon the face that the transferability of the shares is restricted or limited and upon the face or back shall either set forth a full or summary statement of the restriction or limitation upon the transferability of the shares or shall state that the corporation will furnish to any shareholder upon request and without charge the full or summary statement. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner a written notice containing the information required to be set forth or stated on certificates pursuant to this subsection or a statement that the corporation will furnish the information without charge to each shareholder who so requests it."

(k) Section 20(c) (D.C. Code §29-320(c)) is amended to read as follows:

Section
29-320

"(c) Subject to the provisions of subsection (b) of this section, every certificate representing shares issued by a corporation which is authorized to issue shares of more than 1 class shall set forth upon the face or back, or shall state that the corporation will furnish to any shareholder upon request and without charge, a full or summary statement of the designations, preferences, limitations, and relative

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rights of the shares of each class authorized to be issued, and, if the corporation is authorized to issue any preferred or special classes in series, the variations in the relative rights and preferences between the shares of each series so far as the same have been fixed and determined and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series. Within a reasonable time after the issuance or transfer of uncertificated shares, the corporation shall send to the registered owner a written notice containing the information required to be set forth or stated on certificates pursuant to this subsection or a statement that the corporation will supply the information without charge to each shareholder who so requests it."

(l) Section 21 (D.C. Code §29-321) is amended to read as follows: Section 29-321

"A corporation may, but shall not be obliged to, issue fractions of a share, and, by action of its board of directors, may issue in lieu thereof scrip or other evidences of ownership (either represented by a certificate or uncertificated) which shall entitle the holder to receive a full share upon surrender of scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause scrip or other evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for full shares before a specified date, or subject to the condition that the shares for which scrip or other evidence of ownership is exchangeable may be sold to the corporation and the proceeds distributed to the holders of scrip or other evidence of ownership, or subject to any other conditions that the board of directors may deem advisable."

(m) Section 33 (D.C. Code §29-333) is amended to read as follows: Section 29-333

"The number of directors of a corporation shall be 1 or more. The number of directors shall be fixed by the bylaws, except as to the number constituting the 1st board of directors, which number shall be fixed by the articles of incorporation. The number of directors may be increased or decreased from time to time by amendment to the bylaws. In the absence of a bylaw fixing the number of directors, the number shall be the same as that stated in the articles of incorporation. The names and addresses of the members of the 1st board of directors shall be stated in the articles of incorporation. The directors shall hold office until the 1st annual meeting of shareholders, or until their successors shall have been selected and qualified. At the 1st annual meeting of shareholders and at each annual meeting thereafter, the shareholders shall elect directors to hold office until the next succeeding annual meeting, except as hereinafter provided. Each director shall hold office for the term for which elected or until a successor shall have been elected and qualified."

(n) Section 43(a) (D.C. Code §29-343(a)) is amended to read as follows: Section 29-343

"(a) A corporation shall have a president and other officers, if any, prescribed in its bylaws, each of whom shall be elected by the board of directors at a time and in a manner prescribed by the bylaws."

(o) Section 46 (D.C. Code §29-346) is amended to read as follows: Section 29-346

"One or more natural persons of the age of 18 years or older may act as incorporators of a corporation by signing and filing in duplicate in the office of the Mayor articles of incorporation for the corporation."

Enrolled Original

(p) Section 51 (D.C. Code §29-351) is amended to read as follows: Section
"After the issuance of the certificate of incorporation, an 29-351
organizational meeting of the board of directors named in the articles of
incorporation shall be held, at the call of a majority of the directors so
named, for the purpose of adopting bylaws (unless the power to adopt
bylaws has been reserved by the articles of incorporation to the
shareholders, in which event the bylaws shall be adopted by the
shareholders), electing officers, and transacting any other business as
may come before the meeting. The directors calling the meeting shall
give at least 5 days notice by mail to each director so elected. The notice
shall state the time and place of the meeting; provided, however, that
if all the directors waive notice in writing and fix a time and place for
the organizational meeting no notice shall be required for the meeting."

(q) Section 54 (D.C. Code §29-354) is amended to read as follows: Section
"Amendments to the articles of incorporation shall be made in the 29-354
following manner:

"(1) The board of directors shall adopt a resolution setting
forth the proposed amendment and directing that it be submitted to a
vote at a meeting of shareholders, which may be either an annual or a
special meeting.

"(2) Written or printed notice setting forth the proposed
amendment or a summary of the changes to be effected shall be given to
each shareholder of record entitled to vote at such a meeting within the
time and in the manner provided in this Act for the giving of notice of
meetings of shareholders. If the meeting is an annual meeting, the
proposed amendment or a summary shall be included in the notice of the
annual meeting.

"(3) At the meeting a vote of the shareholders entitled to vote
shall be taken on the proposed amendment. Unless the articles of
incorporation provide otherwise, the proposed amendment shall be adopted
upon receiving the affirmative vote of the holders of at least 2/3rds of
the outstanding shares entitled to vote, unless any class of shares is
entitled to vote as a class in respect thereof, as hereinafter provided,
in which event the proposed amendment shall be adopted upon receiving
the affirmative vote of the holders of at least 2/3rds of the outstanding
shares of each class of shares entitled to vote as a class in respect
thereof and of the total outstanding shares entitled to vote. In no event
shall the required shareholder vote be reduced to less than the
affirmative vote of the holders of a majority of the outstanding shares
entitled to vote.

"(4) Any number of amendments may be submitted to the
shareholders, and voted upon by them, at 1 meeting."

(r) Section 56 (D.C. Code §29-356) is amended to read as follows: Section
29-356

"(a) The articles of amendment shall be executed in duplicate by
the corporation, by its president or a vice-president, and shall set forth:

"(1) The name of the corporation;

"(2) The amendment so adopted;

"(3) A statement that the amendment was advised by the board
of directors and approved by the shareholders in accordance with the
corporation's articles of incorporation and applicable law;

"(4) The date of the adoption of the amendment by the
shareholders;

"(5) If the amendment provides for an exchange, reclassification, or cancellation of issued shares, and if the manner in which the same shall be effected is not set forth in the amendment, then a statement of the manner in which the same shall be effected; and

"(6) If the amendment effects a change in the amount of stated capital, or paid-in surplus, or both, then a statement of the manner in which the same is effected and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus as changed by the amendment."

(s) A new section 58a is added to read as follows:

"Sec. 58a. Restated articles of incorporation.

"(a) A corporation may, whenever desired, integrate into a single instrument all of the provisions of its articles of incorporation that are then in effect and operative as a result of there having been filed previously with the Mayor 1 or more articles or other instruments, and it may at the same time also further amend its articles of incorporation by adopting a restated articles of incorporation.

"(b) If the restated articles of incorporation merely restate and integrate but do not further amend the articles of incorporation, as previously amended or supplemented by any instrument that was filed, it may be adopted by the board of directors without a vote of the shareholders, or it may be proposed by the directors and submitted by them to the shareholders for adoption, in which case the procedure and vote required by section 54 for amendment of the articles of incorporation shall be applicable. If the restated articles of incorporation restate and integrate and also further amend in any respect the articles of incorporation, as previously amended or supplemented, it shall be proposed by the directors and adopted by the stockholders in the manner and by the vote prescribed by section 54, or, if the corporation has not received any payment for any of its stock, in the manner and by the vote prescribed by section 53.

"(c) Restated articles of incorporation shall be specifically designated as such in the heading. The restated articles shall state, either in the heading or in an introductory paragraph, the corporation's present name, and, if it has been changed, the name under which it was originally incorporated, and the date of filing of its original articles of incorporation with the Mayor. The restated articles shall also state that they were duly adopted in accordance with the provisions of this section. If the restated articles were adopted by the board of directors without a vote of the shareholders (unless it was adopted pursuant to the provisions of section 53), they shall state that they only restate and integrate and do not further amend the provisions of the corporation's articles of incorporation as previously amended or supplemented, and that there is no discrepancy between those provisions and the provisions of the restated articles. The restated articles of incorporation may omit (i) the provisions of the original articles of incorporation which named the incorporator or incorporators, the initial board of directors, and the original subscribers for shares, and (ii) the provisions contained in any amendment to the articles of incorporation as were necessary to effect a change, exchange, reclassification, or cancellation of stock, if the change, exchange, reclassification, or cancellation has become effective. Any such omissions shall not be deemed a further amendment.

New
Section
29-358.1

"(d) Restated articles of incorporation shall be executed in duplicate by the corporation, by its president or a vice-president. Duplicate originals of the restated articles shall be delivered to the Mayor. If the Mayor finds that the restated articles conform to law, the Mayor shall, when all fees and charges have been paid as prescribed in this Act:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office;
and

"(3) Issue restated articles to the corporation.

"(e) Upon its filing with the Mayor, the original articles of incorporation, as previously amended or supplemented, shall be superseded and the restated articles of incorporation, including any further amendments or changes made, shall be the articles of incorporation of the corporation, but the original date of incorporation shall remain unchanged.

"(f) Any amendment or change effected in connection with the restatement and integration of the articles of incorporation shall be subject to any other provision of this Act, not inconsistent with this section, which would apply if a separate articles of amendment were filed to effect such an amendment or change."

(t) Section 59(c) (D.C. Code §29-359(c)) is amended to read as follows:

Section
29-359

"(c) When redeemable shares of a corporation have been cancelled pursuant to the provisions of the articles of incorporation, a statement shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth:

"(1) The name of the corporation;

"(2) The aggregate number of shares which the corporation had authority to issue, itemized by classes and series;

"(3) The number of shares cancelled, itemized by classes and series;

"(4) The number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to the cancellation;

"(5) A statement of the aggregate number of issued shares itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to the cancellation; and

"(6) A statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation after giving effect to the cancellation."

(u) Section 60(a) (D.C. Code §29-360(a)) is amended to read as follows:

Section
29-360

"(a) A corporation may at any time, by resolution of its board of directors, cancel all or any part of the shares of the corporation of any class reacquired by it through redemption, purchase, or otherwise, and in the event of such a cancellation, a statement of cancellation shall be filed as provided in this section. When any reacquired shares have been cancelled by resolution of the board of directors, a statement shall be executed in duplicate by the corporation, by its president or a vice-president, which statement shall set forth:

"(1) The name of the corporation;

"(2) The aggregate number of shares which the corporation has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

"(3) The aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class before giving effect to the cancellation;

"(4) The number of shares cancelled, itemized by classes, par value of shares, shares without par value, and series, if any, within a class;

"(5) A statement that the shares cancelled were cancelled by a resolution duly adopted by the board of directors;

"(6) The aggregate number of issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to the cancellation;

"(7) A statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation before giving effect to the cancellation; and

"(8) A statement, expressed in dollars, of the amount of the stated capital and the amount of the paid-in surplus of the corporation after giving effect to the cancellation."

(v) Section 61 (D.C. Code §29-361) is amended to read as follows:

Section
29-361

"(a) The reduction of the stated capital of a corporation where the reduction is not accompanied by an exchange, reclassification, or cancellation of shares, or by a reduction in the par value of issued shares, or by a reduction of the number of authorized shares of any class below the number of issued shares of that class, or by a redemption and cancellation of shares, may be made in the following manner:

"(1) The board of directors shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of the reduction be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting;

"(2) Written or printed notice, stating that the purpose or 1 of the purposes of the meeting is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders; and

"(3) At the meeting a vote of the shareholders entitled to vote shall be taken on the question of the proposed reduction of stated capital, which shall require for its adoption the affirmative vote of the holders of at least 2/3rds of the outstanding shares entitled to vote, unless the articles of incorporation provide otherwise. In no event shall the required shareholder vote be reduced to less than the affirmative vote of the holders of a majority of the outstanding shares entitled to vote.

"(b) When a reduction of the stated capital of a corporation has been approved as provided in this section, a statement shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth:

"(1) The name of the corporation;

"(2) A statement that the statement was advised by the board of directors and approved by the shareholders in accordance with the corporation's articles of incorporation and applicable law;

Enrolled Original

"(3) A copy of the resolution of the shareholders approving the reduction; and

"(4) A statement of the manner in which the reduction is effected, and a statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus of the corporation adjusted to give effect to the reduction.

"(c) The statement shall be delivered to the Mayor. If the Mayor finds that the statement conforms to law, the Mayor shall, when all fees have been paid as prescribed in this Act:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office; and

"(3) Return the other duplicate original to the corporation or its representative."

(w) Section 67 (D.C. Code §29-367) is amended to read as follows: Section 29-367

"At each meeting, a vote of the shareholders shall be taken on the proposed plan of merger or consolidation. Unless the articles of incorporation provide otherwise, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of 2/3rds of the outstanding shares of each corporation unless as to any of the corporations 2 or more classes of shares are issued in which event as to the corporation or corporations the plan of merger or consolidation shall be approved upon receiving the affirmative vote of at least 2/3rds of the outstanding shares of each class. In no event shall the required shareholder vote be reduced to less than the affirmative vote of a majority of the outstanding shares."

(x) Section 68(a) (D.C. Code §29-368(a)) is amended to read as follows: Section 29-368

"(a) Upon approval, articles of merger or articles of consolidation shall be executed in duplicate by each corporation, by its president or a vice-president, and shall set forth:

"(1) The plan of merger or the plan of consolidation; and

"(2) As to each corporation, a statement that the plan of merger or the plan of consolidation was advised by the board of directors and approved by the shareholders in accordance with the corporation's articles of incorporation and applicable law."

(y) Section 72(a) (D.C. Code §29-372(a)) is amended to read as follows: Section 29-372

"(a) Any corporation now or hereafter organized under the provisions of this Act or existing under the laws of the District for the purpose of carrying on any kind of business authorized by this Act, owning all of the stock of any other corporation now or hereafter organized under this Act or existing under the laws of the District, or now or hereafter organized under the laws of any other jurisdiction of the United States, if the laws under which the other corporation is formed shall permit a merger as herein provided, may file, in duplicate original with the Mayor, a certificate of ownership in its name, signed by its president or a vice president, and setting forth a copy of the resolution of its board of directors to merge the other corporation, and to assume all of its obligations and the date of the adoption. If the Mayor finds that the certificate of ownership conforms to law, the Mayor shall, when all fees have been paid as prescribed in this Act:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office;
and

"(3) Issue a certificate of merger to which the Mayor shall affix the other duplicate original."

(z) A new section 72a is added to read as follows:

"Sec. 72a. Same - Domestic corporation and limited partnership.

"(a) Any 1 or more domestic corporations may merge or consolidate with 1 or more domestic limited partnerships or limited partnerships of any state or states of the United States and 1 or more domestic limited partnerships or limited partnerships of any state or states of the United States may merge with or consolidate into it, unless the laws of the state or states forbid such a merger or consolidation. The corporation or corporations and the 1 or more limited partnerships may merge with or into a corporation, which may be any 1 of the corporations, or they may merge with or into a limited partnership, which may be any 1 of the limited partnerships, or they may consolidate into a new corporation or limited partnership formed by the consolidation, which shall be a corporation or limited partnership of the District or any state of the United States which permits such a merger or consolidation, pursuant to an agreement of merger or consolidation, as the case may be, complying and approved in accordance with this section.

"(b) Each corporation and limited partnership shall enter into a written plan of merger or consolidation. The plan shall state (i) the terms and conditions of the merger or consolidation; (ii) the mode of carrying the same into effect; (iii) the manner of converting the shares of stock of each corporation and the partnership interests of each limited partnership into shares, partnership interests, or other securities of the entity surviving or resulting from the merger or consolidation, and if any shares of any corporation or any partnership interests of any limited partnership are not to be converted solely into shares, partnership interests, or other securities of the entity surviving or resulting from such a merger or consolidation, the cash, property, rights, or securities of any other corporation or entity which the holders of the shares or partnership interests are to receive in exchange for, or upon conversion of the shares or partnership 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, partnership interests, or other securities of the entity surviving or resulting from such a merger or consolidation; and (iv) any details or provisions deemed desirable, including, without limiting the generality of the foregoing, a provision for the payment of cash in lieu of the issuance of fractional shares or interests of the surviving or resulting corporation or limited partnership. Any of the terms of the plan of merger or consolidation may be made dependent upon facts ascertainable outside of the plan, provided that the manner in which the facts shall operate upon the terms of the plan is clearly and expressly set forth in the plan of merger or consolidation.

"(c) The plan required by subsection (b) of this section shall be adopted and approved by each of the corporations in the same manner as is provided in sections 64 through 67 and, in the case of the limited partnerships, in accordance with their limited partnership agreements and

New
Section
29-372.1

in accordance with the laws of the jurisdiction under which they are formed, as the case may be.

"(d) Upon approval, articles of merger or consolidation shall be executed by each corporation, by its president or a vice-president, and by each limited partnership and shall set forth:

"(1) The plan of merger or consolidation; and

"(2) As to each party to the merger or consolidation, a statement that the plan of merger or consolidation was approved in accordance with the articles of incorporation or partnership agreement and applicable law.

"(e) The articles of merger or consolidation shall be filed with the Mayor as provided in section 68 and shall become effective for all purposes of the laws of the District when and as provided in section 69 with respect to the merger or consolidation of domestic corporations.

"(f) If the surviving or new entity is to be governed by the laws of any jurisdiction other than the District and intends to do business in the District, it shall comply with the provisions of District law with respect to foreign limited partnerships or foreign corporations, and in every case it shall file with the Mayor:

"(1) An agreement that it may be served with process in the District in any proceeding for the enforcement of any obligation of any corporation or limited partnership that is a party to the merger or consolidation and in any proceeding for the enforcement of the rights of a dissenting limited partner or shareholder of any District limited partnership or corporation against the surviving or new entity;

"(2) An irrevocable appointment of the Mayor of the District as its agent to accept service of process in any proceeding pursuant to paragraph (1) of this subsection;

"(3) An agreement that it will promptly pay to the dissenting limited partners or shareholders of any limited partnership or District corporation the amount, if any, to which they shall be entitled under the provisions of this Act with respect to the rights of dissenting limited partners or shareholders; and

"(4) The address of the registered agent to which the Mayor may mail a copy of any process against the surviving or new entity that may be served on the surviving or new entity.

"(g) The effect of such a merger or consolidation shall be as provided in section 70 if the surviving or new entity is a corporation governed by the laws of the District. If the surviving or new entity is to be governed by the laws of any jurisdiction other than the District, the effect of such a merger or consolidation shall be as provided in section 70 except insofar as the laws of another jurisdiction provide otherwise."

(aa) Section 73 (D.C. Code §29-373) is amended to read as follows: Section

"(a) If a shareholder of a corporation which is a party to a merger or consolidation shall file with the corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to the plan of merger or consolidation, and shall not vote in favor of the plan, and the shareholder, within 20 days after the merger or consolidation is effected, shall make written demand on the surviving or new corporation for payment of the fair value of his or her shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, the surviving or new corporation

29-373

shall pay to the shareholder the fair value of the shares forthwith, in the case of holders of uncertificated shares, or upon surrender of the certificate or certificates representing the shares, in the case of holders of shares represented by certificates. Such a demand shall state the number and class of the shares owned by the dissenting shareholder. Any shareholder failing to make demand within the 20-day period shall be bound by the terms of the merger or consolidation.

"(b) If within 30 days after the date on which the merger or consolidation was effected the value of the shares is agreed upon between the dissenting shareholder and the surviving or new corporation payment therefor shall be made within 90 days after the date on which the merger or consolidation was effected, in the case of holders of uncertificated shares, or upon surrender of the certificate or certificates representing the shares, in the case of holders of shares represented by certificates. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in the shares or the corporation.

"(c) If within the period of 30 days the shareholder and the surviving or new corporation do not agree, the dissenting shareholder may, within 60 days after the expiration of the 30-day period, file a petition in any court of competent jurisdiction within the District of Columbia asking for a finding and determination of the fair value of the shares, and shall be entitled to judgment against the surviving or new corporation for the amount of the fair value as of the day prior to the date on which the vote was taken approving the merger or consolidation, together with interest at the rate of 5% per annum to the date of the judgment. The judgment shall be payable forthwith, in the case of holders of uncertificated shares, or upon surrender of the certificate or certificates representing the shares to the surviving or new corporation, in the case of holders of shares represented by certificates. Upon payment of the judgment, the dissenting shareholder shall cease to have any interest in the shares or in the surviving or new corporation. The shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file the petition within the time herein limited, the shareholder and all persons claiming under him or her shall be bound by the terms of the merger or consolidation.

"(d) The right of a dissenting shareholder to be paid the fair value of his or her shares as herein provided shall cease if and when the corporation shall abandon the merger or consolidation."

(bb) Section 75 (D.C. Code §29-375) is amended to read as follows:

Section
29-375

"A sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets, with or without the goodwill, of a corporation, if not made in the usual and regular course of its business, may be made upon such terms and conditions and for such consideration, which may consist, in whole or in part, of money or property, real or personal, including shares of any other corporation, whether or not the other corporation be organized under the provisions of this Act, as may be authorized in the following manner:

"(1) The board of directors shall adopt a resolution recommending the sale, lease, exchange, mortgage, pledge, or other disposition and directing the submission thereof to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

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"(2) Written or printed notice stating that the purpose, or 1 of the purposes, of the meeting is to consider the sale, lease, exchange, mortgage, pledge, or other disposition of all, or substantially all, the property and assets of the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided by this Act for the giving of notice of meetings of shareholders.

"(3) At these meetings the shareholders may authorize the sale, lease, exchange, mortgage, pledge, or other disposition and fix, or may authorize the board of directors to fix, any or all of the terms and conditions and the consideration to be received by the corporation. Unless the articles of incorporation provide otherwise, the authorization shall require the affirmative vote of the holders of at least 2/3rds of the outstanding shares entitled to vote, unless there are 2 or more classes of stock issued and outstanding and entitled to vote, in which event the authorization shall require the affirmative vote of the holders of at least 2/3rds of the outstanding shares of each of the classes of shares issued and outstanding and entitled to vote. In no event shall the required shareholder vote be reduced to less than the affirmative vote of the holders of a majority of the outstanding shares entitled to vote.

"(4) After the authorization by a vote of shareholders, the board of directors, nevertheless, in its discretion, may abandon the sale, lease, exchange, mortgage, pledge, or other disposition of assets, subject to the rights of third parties under any contracts relating thereto, without further action or approval by shareholders."

(cc) Section 77 (D.C. Code §29-377) is amended to read as follows: Section

"A corporation may be dissolved by the written consent of the holders of record of all of its outstanding shares in the following manner: Upon the execution of written consent by all the shareholders of record, a statement of intent to dissolve shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth and contain:

29-377

"(1) The name of the corporation;

"(2) The names and respective addresses, including street and number, if any, of its officers;

"(3) The names and respective addresses, including street and number, if any, of its directors;

"(4) A copy of the agreement signed by all shareholders of record of the corporation consenting to its dissolution; and

"(5) A statement that the agreement has been signed by all shareholders of record of the corporation or signed in their names by their duly authorized attorneys."

(dd) Section 78 (D.C. Code 29-378) is amended to read as follows: Section

"A corporation may be dissolved by the act of the corporation in the following manner:

29-378

"(1) The board of directors shall adopt a resolution recommending that the corporation be dissolved, and directing that the question of such a dissolution be submitted to a vote at a meeting of shareholders, which may be either an annual or a special meeting.

"(2) Written or printed notice stating that the purpose, or 1 of the purposes, of such a meeting is to consider the advisability of dissolving the corporation shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders;

"(3) At such a meeting a vote of the shareholders entitled to vote shall require for its adoption the affirmative vote of the holders of at least 2/3rds of the outstanding shares entitled to vote, unless the articles of incorporation provide otherwise. In no event shall the required shareholder vote be reduced to less than the affirmative vote of the holders of a majority of the outstanding shares entitled to vote.

"(4) Upon the adoption of such a resolution, a statement of intent to dissolve shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth:

"(A) The name of the corporation;

"(B) The names and respective addresses, including street and number, if any, of its officers;

"(C) The names and respective addresses, including street and number, if any, of its directors;

"(D) A statement that the resolution was advised by the board of directors and approved by the shareholders in accordance with the corporation's articles of incorporation and applicable law; and

"(E) A copy of the resolution of the shareholders authorizing the dissolution of the corporation."

(ee) Section 82 (D.C. Code §29-382) is amended to read as follows:

Section
29-382

"By the written consent of the holders of record of all of its outstanding shares, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Mayor as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken, in the following manner: Upon the execution of written consent by all the shareholders of record, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth and contain:

"(1) The name of the corporation;

"(2) The names and respective addresses, including street and number, if any, of its officers;

"(3) The names and respective addresses, including street and number, if any, of its directors;

"(4) A copy of the agreement signed by all shareholders of record of the corporation revoking the voluntary dissolution proceedings; and

"(5) That the agreement is signed by all shareholders of record of the corporation or signed in their names by their duly authorized attorneys."

(ff) Section 83 (D.C. Code §29-383) is amended to read as follows:

Section
29-383

"By the act of the corporation, a corporation may, at any time prior to the issuance of a certificate of dissolution by the Mayor as hereinafter provided, revoke voluntary dissolution proceedings theretofore taken in the following manner:

"(1) The board of directors shall adopt a resolution recommending that the voluntary dissolution proceedings be revoked and directing that the question of the revocation be submitted to a vote at a meeting of shareholders.

"(2) Written or printed notice stating that the purpose, or 1 of the purposes, of the meeting is to consider the advisability of revoking the voluntary dissolution proceedings shall be given to each shareholder of record entitled to vote within the time and in the manner provided in this Act for the giving of notice of meetings of shareholders.

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"(3) At the meeting a vote of the shareholders entitled to vote shall be taken on a resolution revoking the voluntary dissolution proceedings, which shall require for its adoption the affirmative vote of the holders of at least 2/3rds of the outstanding shares entitled to vote, unless the articles of incorporation provide otherwise. In no event shall the required shareholder vote be reduced to less than the affirmative vote of the holders of a majority of the outstanding shares entitled to vote.

"(4) Upon the adoption of the resolution, a statement of revocation of voluntary dissolution proceedings shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth:

- "(A) The name of the corporation;
- "(B) The names and respective addresses, including street and number, if any, of its officers;
- "(C) The names and respective addresses, including street and number, if any, of its directors;
- "(D) A statement that the resolution was advised by the board of directors and approved by the shareholders in accordance with the corporation's articles of incorporation and applicable law; and
- "(E) A copy of the resolution of the shareholders revoking the voluntary dissolution proceedings."

(gg) Section 86 (D.C. Code §29-386) is amended to read as follows: Section 29-386
"When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision has been made therefor, and all of the remaining property and assets of the corporation have been distributed to its shareholders, articles of dissolution shall be executed in duplicate by the corporation, by its president or a vice-president, which shall set forth:

- "(1) The name of the corporation;
- "(2) That the corporation has theretofore filed with the Mayor a statement of intent to dissolve, and the date on which the statement was filed;
- "(3) That all debts, obligations, and liabilities of the corporation have been paid and discharged or that adequate provision has been made therefor;
- "(4) That all the remaining property and assets of the corporation have been distributed among its shareholders in accordance with their respective rights and interests; and
- "(5) That there are no suits pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment, order, or decree which may be entered against it in any pending suit."

(hh) Section 98(c) (D.C. Code §29-398(c)) is amended to read as follows: Section 29-398

"(c) It shall be executed by the corporation by its president, vice-president, secretary, assistant secretary, or treasurer."

(ii) Section 99 (D.C. Code §29-399) is amended to read as follows: Section 29-399
"(a) A foreign corporation shall procure a certificate of authority from the Mayor before it transacts business in the District, but no foreign corporation shall be entitled to procure a certificate of authority under this Act to transact in the District the business of banking, insurance, the acceptance and execution of trusts, the operation of railroads, or

building and loan associations, such corporations being admitted to and shall do business in the District pursuant to the laws relating to the business. A foreign corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state under which the corporation is organized governing its organization and internal affairs differ from the laws of the District, and nothing in this Act shall be construed to authorize the District to regulate the organization or the internal affairs of such a corporation.

"(b) A foreign corporation shall not be required to procure a certificate of authority merely for the prosecution of litigation, the collection of its debts, or the taking of security for the same, or by reason of the appointment of an agent for the solicitation of business not to be transacted in the District, nor for the sale of personal property to the United States within the District unless a contract for the sale is accepted by the seller within the District or the property is delivered from stock of the seller within the District for use within the District.

"(c) No foreign corporation authorized to invest in loans secured by real estate, which does not maintain any office, officer, agent, representative, or employees for the purpose of making, maintaining, or liquidating the investment, in the District, shall be subject to the provisions of this Act; provided that the only activities of the foreign corporation in the District, other than those of a liaison, are 1 or more of the following:

"(1) The acquisition of loans (including the negotiation thereof) secured by mortgages or deeds of trust on real property, including leaseholds, situated in the District pursuant to commitment agreements or arrangements made prior to or following the origination or creation of the loans; provided, however, that nothing herein shall be deemed to permit servicing other than as permitted by paragraph (4) of this subsection;

"(2) The physical inspection and appraisal of property in the District as security for mortgages or deeds of trust;

"(3) The ownership, modification, renewal, extension, transfer, or foreclosure of the loans, or the acceptance of substitute additional obligors thereon;

"(4) Making, collecting, and servicing of loans solely through a person authorized to engage in the District in the business of servicing real estate loans for investors;

"(5) Maintaining or defending any action or suit or any administrative or arbitration proceeding arising as a result of the loans;

"(6) The acquisition of title to property which is the security for such a loan in the event of default on the loan, either by foreclosure, sale, or agreement in lieu thereof; and

"(7) Pending liquidation of its investment within the period, operating, maintaining, renting, or otherwise dealing with, selling or disposing of, real property acquired by foreclosure, sale, or by agreement in lieu thereof.

"(c) For the purpose of this section, the term "liaison" means a person who does not engage in or make, maintain, or liquidate any investment of the foreign corporation and who is engaged by the foreign corporation solely for the purpose of establishing and maintaining contacts with governments and international bodies and agencies thereof, and arranging conferences for, receiving and furnishing legislative

publications and other information or material of interest to, transmitting information for, and arranging transportation or other accommodations for, officers or other personnel of the foreign corporation within, or to and from, the District.

"(d) Nothing in subsection (c) of this section shall be construed as affecting the amenability of a foreign corporation to the service of any process, notice, or demand to which the corporation would be amenable without reference to the provisions of subsection (c) of this section.

"(e)(1) Any foreign corporation being exempt from the provisions of this Act pursuant to subsection (c) of this section shall be deemed to have waived any immunity to service of process and suit in the courts of the District. Any foreign corporation shall appoint and maintain in the District an agent for service of process, and shall register with the Mayor the address of its principal office and the name and address of its agent for service of process in the District, including any changes in addresses.

"(2) Whenever any foreign corporation does not have an agent for service of process or the agent cannot be found with reasonable diligence at the agent's registered address, the Mayor shall be the agent for service of process for the corporation. Service of process on the Mayor shall be made by delivery to, and leaving with the Mayor, or with any person having charge of the Mayor's office, duplicate copies of the process, together with a fee of \$10. In the event of service to the Mayor, the Mayor shall immediately cause 1 of the copies to be forwarded by certified or registered mail, addressed to the foreign corporation at its principal office or at its last known address. Service to the Mayor shall be returnable in not less than 30 days, unless the rules of the court issuing the process prescribe another period, in which case the prescribed period shall govern.

"(3) Nothing in this subsection shall limit or affect the right to serve any process or notice of demand required or permitted by law to be served on a foreign corporation in any other matter now or hereafter permitted by law.

"(4) Any foreign corporation which fails to comply with the requirements of paragraph (1) of this subsection shall be guilty of a misdemeanor and shall be fined not more than \$500. Civil fines, penalties, and fees may be imposed as alternative sanctions on any foreign corporation which fails to comply with the requirements of paragraph (1) of this subsection, or any rules or regulations issued under the authority of this section, pursuant to titles I through III of the Department of Consumer and Regulatory Affairs Civil Infractions Act of 1985 ("Civil Infractions Act"), effective October 5, 1985 (D.C. Law 6-42; D.C. Code §6-2701 *et seq.*). Adjudication of any infraction of this section shall be pursuant to titles I through III of the Civil Infractions Act.

"(5) The Council of the District is authorized to issue rules and regulations necessary to carry out the purposes of this subsection."

(jj) Section 101 (D.C. Code §29-399.2) is amended to read as follows:

Section
29-399.2

"No certificate of authority shall be issued to a foreign corporation:

"(1) Which has a name the same as, or deceptively similar to, the name of any domestic corporation, or that of any corporation organized under any act of Congress authorizing the formation of corporations under the laws of the District of Columbia, or that of any

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corporation created pursuant to any special act of Congress to transact business in the District of Columbia, or that of any foreign corporation authorized to transact business in the District of Columbia, or a name the exclusive right to which is, at the time, reserved in the manner provided in this Act. A certificate of authority may be issued to a foreign corporation which has a name the same as, or deceptively similar to, the name of another corporation; however, if the corporation files with the Mayor a resolution of its board of directors adopting a fictitious name for use in transacting business in the District which fictitious name is not the same as, or deceptively similar to, the name of another corporation; provided that a certificate of authority shall not be issued to a foreign corporation which has a name the same as or deceptively similar to the name of another corporation, if the foreign corporation engages in the same business as another corporation with the same or deceptively similar name already licensed to do business in the District; and

"(2) The name of which does not contain the word "corporation," "company," "incorporated," or "limited," or does not contain an abbreviation of 1 of these words, unless the corporation, for use in the District adds at the end of its name 1 of these words or its abbreviation."

(kk) Section 103(8) (D.C. Code §29-399.4(8)) is amended to read as follows:

Section
29-399.4

"(8) Any additional information necessary or appropriate to enable the Mayor to determine whether the corporation is entitled to a certificate of authority to transact business in the District. The application shall be made on forms prescribed and furnished by the Mayor and shall be executed in duplicate by the corporation, by its president or a vice-president."

(ll) Section 104(a) (D.C. Code §29-399.5(a)) is amended to read as follows:

Section
29-399.5

"(a) There shall be delivered to the Mayor:

"(1) Duplicate originals of the application of the corporation for a certificate of authority; and

"(2) A certificate of good standing, duly certified by the proper officer of the state wherein it is incorporated."

(mm) Section 106(a) (D.C. Code §29-399.7(a)) is amended to read as follows:

Section
29-399.7

"(a) Each foreign corporation authorized to transact business in the District shall have and continuously maintain in the District:

"(1) A registered office which may be, but need not be, the same place as its place of business in the District; and

"(2) A registered agent, which agent may be either an individual resident of the District or a corporation authorized by its articles of incorporation to act as agent and authorized to transact business in the District having a business office identical with the registered office. A person or corporation shall not be named by a corporation as its registered agent without the person's or corporation's consent. This consent shall be evidenced by either a written consent executed by the registered agent or by a certificate of the president or vice-president of the foreign corporation certifying that the registered agent has consented. Originals of the written consent or certificate shall be filed with the Mayor."

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(nn) Section 107(b)(5) (D.C. Code §29-399.8(b)(5)) is amended to read as follows: Section 29-399.8

"(5) If its registered agent be changed, the name of the successor registered agent and a statement that the successor registered agent has consented to be named as the corporation's registered agent;"

(oo) Section 107(c) (D.C. Code §29-399.8(c)) is amended to read as follows: Section 29-399.8

"(c) The statement shall be executed in duplicate by the corporation, by its president or a vice-president, and shall be delivered to the Mayor. If the Mayor finds that the statement conforms to the provisions of this Act, the Mayor shall:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office; and

"(3) Return the other duplicate original to the corporation or its representative."

(pp) Section 107(e) (D.C. Code §29-399.8(e)) is amended to read as follows: Section 29-399.8

"(e) Any registered agent of a foreign corporation may resign as agent upon executing and delivering written notices to the Mayor and the corporation at its principal office in the state under the laws of which it is organized. The appointment of the agent shall terminate upon the expiration of 30 days after receipt of the notice by the Mayor or upon the appointment of a successor agent becoming effective, whichever occurs sooner. No fee or charge of any kind shall be imposed with respect to a filing under this subsection."

(qq) Section 107(g) (D.C. Code §29-399.8(g)) is amended to read as follows: Section 29-399.8

"(g) The statement shall be executed in duplicate by the registered agent in the agent's individual name, but if the agent is a corporation, domestic or foreign, the statement shall be executed by the corporation, by its president or a vice-president, and delivered to the Mayor. If the Mayor finds that the statement conforms to law, the Mayor shall, when all fees and charges have been paid as prescribed in this Act:

"(1) Endorse on each of the duplicate originals the word "filed" and the month, day, and year of the filing;

"(2) File 1 of the duplicate originals in the Mayor's office; and

"(3) Return the other duplicate original to the registered agent."

(rr) Section 108(b) (D.C. Code §29-399.9(b)) is amended to read as follows: Section 29-399.9

"(b) Whenever a foreign corporation authorized to transact business in the District fails to appoint or maintain a registered agent in the District, or whenever any registered agent cannot with reasonable diligence be found at the registered office of the corporation in the District, or whenever the certificate of authority of a foreign corporation shall be revoked, the Mayor shall be an agent of the foreign corporation upon whom any process against the corporation may be served and upon whom any notice or demand required or permitted by law to be served upon the corporation may be served. Service on the Mayor of any process, notice, or demand shall be made by delivery to and leaving with

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the Mayor, or with any clerk having charge of the Mayor's office, duplicate copies of the process, notice, or demand and a fee of \$10. If any process, notice, or demand is so served, the Mayor shall immediately cause 1 of the copies to be forwarded by registered or certified mail to the corporation at its principal office in the state under the laws of which it is organized or at its last known address."

(ss) Section 109 (D.C. Code §29-399.10) is repealed.

Section
29-399.10

(tt) Section 113(c) (D.C. Code §29-399.14(c)) is amended to read as follows:

Section
29-399.14

"(c) The application for withdrawal shall be made on forms prescribed and furnished by the Mayor and shall be executed by the corporation, by its president or a vice-president, or, if the corporation is in the hands of a receiver or trustee, the same shall be executed on behalf of the corporation by the receiver or trustee."

(uu) Section 121(a) (D.C. Code §29-399.22(a)) is amended to read as follows:

Section
29-399.22

"(a) There are imposed on every corporation organized under the laws of the District the following fees and charges:

"(1) Fees for filing documents and issuing certificates;

"(2) License fees; and

"(3) Miscellaneous charges."

(vv) Section 121(b) (D.C. Code §29-399.22(b)) is amended to read as follows:

Section
29-399.22

"(b) The Mayor shall charge the fees as follows:

"(1) Filing articles of incorporation, \$100;

"(2) Filing amendment to articles of incorporation or restated articles of incorporation, \$100;

"(3) Filing articles of merger or consolidation, \$100;

"(4) Filing articles of domestication, \$100;

"(5) Filing a statement of intent to dissolve, \$25;

"(6) Filing articles of reincorporation, \$100;

"(7) Filing articles of dissolution, \$50;

"(8) Filing statement of change of address of registered office or change of registered agent, or both, \$25;

"(9) Filing statement of the establishment of a series of shares, \$25;

"(10) Filing an application of a foreign corporation for certificate of authority to transact business in the District and issuing a certificate of authority, \$150;

"(11) Filing an application for reservation of a corporate name or for a renewal of reservation, \$25;

"(12) Filing notice of transfer of a reserved corporate name, \$25;

"(13) Filing an application of a foreign corporation for amended certificate of authority to transact business in the District and issuing an amended certificate of authority, \$100;

"(14) Filing a copy of articles of merger of a foreign corporation holding a certificate of authority to transact business in the District, \$100;

"(15) Filing an application for withdrawal of a foreign corporation and issuing a certificate of withdrawal, \$25;

"(16) Filing an application for reinstatement of a domestic or foreign corporation and issuing certificate of reinstatement, \$200;

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"(17) Furnishing a certified copy of any document, instrument, report, or paper relating to a corporation, \$25;

"(18) Filing by a registered agent of a corporation of a statement of change of address of the registered agent, \$25, plus \$10 for each corporation, domestic or foreign, listed in the statement; and

"(19) Furnishing a certificate as to the status of a corporation, domestic or foreign, \$10, or as to the existence or nonexistence of facts or filings relating to corporations, domestic or foreign, \$20."

(ww) Section 141(b) (D.C. Code §29-399.42(b)) is amended to read as follows:

Section
29-399.42

"(b) Upon receiving approval, the articles of reincorporation shall be executed in duplicate by the corporation, by its president or a vice-president, and shall set forth:

"(1) The name (which may be different from its existing name) under which the corporation elects to be reincorporated and which shall be subject to the other provisions of this Act;

"(2) The address, including street and number, if any, of its registered agent in the District of Columbia, and the name of its registered office at the address;

"(3) The period of duration, which may be perpetual and which may be different from its existing period of duration;

"(4) The purpose or purposes (which may be different from its existing purposes) which it will hereafter carry on, and which shall not include any purpose prohibited to a corporation organized under this Act;

"(5) The aggregate number of shares which the corporation was authorized to issue, and, if the shares were of 1 class only, the par value of each of the shares, or a statement that all were without par value, as the case may be; or if the shares were divided into classes, the number of shares of each class and a statement of the par value of each share of each class or that the shares were without par value;

"(6) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power;

"(7) Any other provision, not inconsistent with law or this Act (whether or not included in its existing certificate of incorporation), for the regulation of the internal affairs of the corporation, including any provision which under this Act is required or permitted to be set forth in the bylaws;

"(8) The number of directors of the corporation, and a statement that the board of directors adopted a resolution declaring it advisable in the judgment of the board that the corporation should be reincorporated under the provisions of this Act in the manner set forth in the articles of reincorporation;

"(9) A statement that the corporation elects to surrender its existing charter and to be reincorporated under and subject to the provisions of this Act;

"(10) The aggregate number of shares of each class outstanding; and

"(11) The number of shares of each class voted for and against the reincorporation."

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(xx) Section 141(f) (D.C. Code §29-399.42(f)) is amended to read as follows: Section
29-399.42

"(f) Upon approval being given by the shareholders, a statement of incorporation shall be executed in duplicate by the corporation, by its president or a vice-president, and shall set forth:

"(1) The name of the corporation, which shall contain the word "corporation", "company", "incorporated", or "limited", or shall end with an abbreviation of 1 of those words;

"(2) The address, including street and number, if any, of its registered office in the District of Columbia, and name of its registered agent at that address;

"(3) The purpose or purposes for which the corporation was organized and for which it will hereafter carry on;

"(4) The aggregate number of shares which the corporation was authorized to issue and, if the shares were of 1 class only, the par value of each of the shares, or a statement that all were without par value, as the case may be; or if the shares were divided into classes, the number of shares of each class and a statement of the par value of each share of each class or that the shares were without par value;

"(5) If the shares were divided into classes, the designation of each class and a statement of the preferences, qualifications, limitations, restrictions, and the special or relative rights in respect of the shares of each class and whether the shares of any class have full, limited, or no voting power;

"(6) A statement that the corporation elects to avail itself of the provisions of this Act and become incorporated hereunder;

"(7) The number of directors of the corporation, and a statement that the board of directors adopted a resolution declaring it advisable in the judgment of the board that the corporation should elect to avail itself of the provisions of this Act and become incorporated thereunder; and

"(8) A statement that the shareholders approved the statement of incorporation in accordance with the corporation's articles of incorporation and applicable law."

(yy) Section 151 (D.C. Code §29-399.50) is amended to read as follows: Section
29-399.50

"(a) The signature of the person or persons signing an instrument delivered to the Mayor shall constitute the affirmation or acknowledgment of the signatory, under penalties of perjury, that the instrument is the act and deed of the person or the act and deed of the corporation, as the case may be, and that the facts stated therein are true.

"(b) A person who signs any instrument delivered to the Mayor pursuant to this Act knowing it to contain a misstatement of fact shall be guilty of a misdemeanor and upon conviction shall be punished by a fine not exceeding \$500, or by imprisonment not exceeding 1 year, or both.

"(c) Civil fines, penalties, and fees may be imposed as alternative sanctions on any person who signs any instrument delivered to the Mayor pursuant to this Act knowing it to contain a misstatement of fact, pursuant to titles I through III of the Civil Infractions Act. Adjudication of any civil infraction of this Act shall be pursuant to titles I through III of the Civil Infractions Act."

(zz) A new section 153 is added to read as follows:

New
Section
29-399.52

"Sec. 153. Domestication.

"(a) Any qualified foreign business corporation may become a domestic corporation by filing articles of domestication with the Mayor. The articles of domestication, upon being filed with the Mayor, shall constitute the articles of the domesticated foreign corporation, and it shall thereafter continue as a corporation which shall be a domestic corporation subject to this Act.

"(b) The articles of domestication shall be executed by the corporation and shall set forth in the English language:

"(1) The name of the corporation;

"(2) The address, including street and number, if any, of its registered office in the District;

"(3) A statement that upon domestication the corporation will be subject to the domestic corporation provisions of the Business Corporation Act, and, if desired, a brief statement of the purpose or purposes for which it is to be domesticated which shall be a purpose or purposes for which a domestic corporation may be incorporated under this Act and which may consist of or include a statement that the corporation shall have unlimited power to engage in and to do any lawful act concerning any or all lawful business for which corporations may be incorporated under the Business Corporation Act;

"(4) The term for which, upon domestication, it is to exist, if not perpetual;

"(5) Any desired provisions relating to the manner and basis of reclassifying the shares of the corporation;

"(6) A statement that the filing of articles of domestication and the renunciation of the original charter or articles of the corporation has been advised by the board of directors and approved by the shareholders in accordance with the corporation's articles of incorporation and applicable law;

"(7) Any desired provisions regarding special treatment of shares held by any shareholder or group of shareholders if the laws of the jurisdiction under which the corporation was incorporated prior to its domestication permit the special treatment; and

"(8) Any other provisions authorized by this Act to be set forth in the original articles of incorporation."

"(aaa) A new section 154 is added to read as follows:

"Sec. 154. Effect of domestication.

"As a domestic corporation, the domesticated corporation shall no longer be a foreign corporation for the purposes of this Act and shall have all the powers and privileges and be subject to all the duties and limitations granted and imposed upon domestic corporations. The property, franchises, debts, liens, estates, taxes, penalties, and public accounts due the District shall continue to be vested in and imposed upon the corporation to the same extent as if it were the successor by merger of the domesticating corporation with and into a domestic corporation. The shares of the domesticated corporation shall be unaffected by the domestication except to the extent, if any, they are reclassified in the articles of domestication."

(bbb) A new section 155 is added to read as follows:

"Sec. 155. Close corporations - Law applicable to close corporations.

New
Section
29-399.53

New
Section
29-399.54

Enrolled Original

"(a) Sections 155 through 170 apply to all close corporations, as defined in section 156. Unless a corporation elects to become a close corporation under these sections in the manner prescribed in these sections, it shall be subject in all respects to the provisions of this Act, except the provisions of sections 155 through 170.

"(b) All provisions of this Act shall be applicable to all close corporations, as defined in section 156, except insofar as sections 155 through 170 otherwise provide."

(ccc) A new section 156 is added to read as follows:

"Sec. 156. Same -- Close corporation defined; contents of articles of incorporation.

New
Section
29-399.55

"(a) A close corporation is a corporation organized under this Act whose articles of incorporation contain the provisions required by section 47, and, in addition, provide that:

"(1) All of the corporation's issued stock of all classes, exclusive of treasury shares, shall be represented by certificates and shall be held of record by not more than a specified number of persons, not exceeding 35;

"(2) All of the issued stock of all classes shall be subject to 1 or more of the restrictions on transfer permitted by section 20; and

"(3) The corporation shall make no offering of any of its stock of any class which would constitute a "public offering" within the meaning of the United States Securities Act of 1933 (15 U.S.C. 77), as it may be amended from time to time.

"(b) The articles of incorporation of a close corporation may set forth the qualifications of shareholders, either by specifying classes of persons who shall be entitled to be holders of record of stock of any class, or by specifying classes of persons who shall not be entitled to be holders of stock of any class, or both.

"(c) For purposes of determining the number of holders of record of the stock of a close corporation, stock which is held in joint or common tenancy or by the entirety shall be treated as held by 1 shareholder."

(ddd) A new section 157 is added to read as follows:

"Sec. 157. Same -- Formation of a close corporation.

"A close corporation shall be formed in accordance with sections 46 through 48, except that:

New
Section
29-399.56

"(1) Its articles of incorporation shall contain a heading stating the name of the corporation and that it is a close corporation; and

"(2) Its articles of incorporation shall contain the provisions required by section 156."

(eee) A new section 158 is added to read as follows:

"Sec. 158. Same -- Election of existing corporation to become a close corporation.

New
Section
29-399.57

"Any corporation organized under this Act may become a close corporation by executing and filing, in accordance with sections 56 and 57, articles of amendment of its articles of incorporation which shall contain a statement that it elects to become a close corporation, the provisions required by section 156 to appear in the articles of incorporation of a close corporation, and a heading stating the name of the corporation and that it is a close corporation. The amendment shall be adopted in accordance with the requirements of section 53 or 54, except that it must be approved by a vote of the holders of record of

at least 2/3rds of the shares of each class of stock of the corporation which are outstanding."

(fff) A new section 159 is added to read as follows:

"Sec. 159. Same -- Limitations on continuation of close corporation status.

"A close corporation continues to be a close corporation and to be subject to sections 155 through 170 until:

" (1) It files with the Mayor articles of amendment deleting from its articles of incorporation the provisions required or permitted by section 155 to be stated in the articles of incorporation to qualify it as a close corporation; or

"(2) Any 1 of the provisions or conditions required or permitted by section 156 to be stated in the articles of incorporation to qualify a corporation as a close corporation has in fact been breached and neither the corporation nor any of its shareholders takes the steps required by section 162 to prevent the loss of status or to remedy such a breach."

(ggg) A new section 160 is added to read as follows:

"Sec. 160. Same -- Voluntary termination of close corporation status by amendment of articles of incorporation; vote required.

"(a) A corporation may voluntarily terminate its status as a close corporation and cease to be subject to sections 156 through 170 by amending its articles of incorporation to delete the additional provisions required or permitted by section 156 to be stated in the articles of incorporation of a close corporation. Such an amendment shall be adopted and shall become effective in accordance with section 54, except that it must be approved by a vote of the holders of record of at least 2/3rds of the shares of each class of stock of the corporation which are outstanding.

"(b) The articles of incorporation of a close corporation may provide that on any amendment to terminate its status as a close corporation, a vote greater than 2/3rds of the shares of each class of stock of the corporation which are outstanding or a vote of all shares of any class shall be required; and if the articles of incorporation contain such a provision, that provision shall not be amended, repealed, or modified by any vote less than that required to terminate the corporation's status as a close corporation."

(hhh) A new section 161 is added to read as follows:

"Sec. 161. Same -- Issuance or transfer of stock of a close corporation in breach of qualifying conditions.

"(a) If stock of a close corporation is issued or transferred to any person who is not entitled under any provision of the articles of incorporation permitted by section 156(b) to be a holder of record of stock of the corporation, and if the certificate for the stock conspicuously notes the qualifications of the persons entitled to be holders of record thereof, the person is conclusively presumed to have notice of the fact of his or her ineligibility to be a shareholder.

"(b) If the articles of incorporation of a close corporation state the number of persons, not in excess of 35, who are entitled to be holders of record of its stock, and if the certificate for the stock conspicuously states such a number, and if the issuance or transfer of stock to any person would cause the stock to be held by more than that number of persons, the person to whom the stock is issued or transferred is conclusively presumed to have notice of this fact.

New
Section
29-399.58

New
Section
29-399.59

New
Section
29-399.60

"(c) If a stock certificate of any close corporation conspicuously notes the fact of a restriction on transfer of stock of the corporation, and the restriction is permitted by section 20, the transferee of the stock is conclusively presumed to have notice of the fact that he or she has acquired stock in violation of the restriction, if the acquisition violates the restriction.

"(d) Whenever any person to whom stock of a close corporation has been issued or transferred has, or is conclusively presumed under this section to have, notice either (i) that he or she is a person not eligible to be a holder of stock of the corporation, (ii) that transfer of stock to him or her would cause the stock of the corporation to be held by more than the number of persons permitted by its articles of incorporation to hold stock of the corporation, or (iii) that the transfer of stock is in violation of a restriction on transfer of stock, the corporation may, at its option, refuse to register transfer of the stock into the name of the transferee.

"(e) The provisions of subsection (d) of this section shall not be applicable if the transfer of stock, even though otherwise contrary to subsection (a), (b), or (c) of this section, has been consented to by all the stockholders of the close corporation.

"(f) The term "transfer", as used in this section, is not limited to a transfer for value.

"(g) The provisions of this section do not in any way impair any rights of a transferee regarding any right to rescind the transaction or to recover under any applicable warranty, express or implied."

(iii) A new section 162 is added to read as follows:

"Sec. 162. Same -- Involuntary termination of close corporation status; proceeding to prevent loss of status.

"(a) If any event occurs as a result of which 1 or more of the provisions or conditions included in a close corporation's articles of incorporation pursuant to section 156 to qualify it as a close corporation has been breached, the corporation's status as a close corporation shall terminate unless:

"(1) Within 30 days after the occurrence of the event, or within 30 days after the event has been discovered, whichever is later, the corporation files with the Mayor a certificate, executed in duplicate by the corporation, by its president or a vice-president, stating that a specified provision or condition included in its articles of incorporation pursuant to section 156 to qualify it as a close corporation has ceased to be applicable, and furnishes a copy of the certificate to each shareholder; and

"(2) The corporation concurrently with the filing of the certificate takes the steps necessary to correct the situation which threatens its status as a close corporation, including, without limitation, the refusal to register the transfer of stock which has been wrongfully transferred as provided by section 161, or a proceeding under subsection (b) of this section.

"(b) A court of equity, upon the suit of the corporation or any shareholder, shall have jurisdiction to issue all orders necessary to prevent the corporation from losing its status as a close corporation, or to restore its status as a close corporation by enjoining or setting aside any act or threatened act on the part of the corporation or a shareholder which would be inconsistent with any of the provisions or conditions

New
Section
29-399.61

required or permitted by section 156 to be stated in the articles of incorporation of a close corporation, unless it is an act approved in accordance with section 160. The court may enjoin or set aside any transfer or threatened transfer of stock of a close corporation or of any transfer restriction permitted by section 20 and may enjoin any public offering, as defined in section 156, or threatened public offering of stock of the close corporation."

(jjj) A new section 163 is added to read as follows:

"Sec. 163. Same -- Corporation option where a restriction on transfer of a security is held invalid.

"If a restriction on transfer of a security of a close corporation is held not to be authorized by section 20, the corporation shall nevertheless have an option, for a period of 30 days after the judgment setting aside the restriction becomes final, to acquire the restricted security at a price which is agreed upon by the parties, or if no agreement is reached as to price, then at the fair value as determined by the court. In order to determine fair value, the court may appoint an appraiser to receive evidence and report to the court findings and recommendation as to fair value."

(kkk) A new section 164 is added to read as follows:

"Sec. 164. Same -- Agreements restricting discretion of directors.

"A written agreement among the shareholders of a close corporation holding a majority of the outstanding stock entitled to vote, whether solely among themselves or with a party not a shareholder, is not invalid, as between the parties to the agreement, on the ground that it so relates to the conduct of the business and affairs of the corporation as to restrict or interfere with the discretion or powers of the board of directors. The effect of such an agreement shall be to relieve the directors and impose upon the shareholders who are parties to the agreement the liability for managerial acts or omissions which is imposed on directors to the extent and so long as the discretion or powers of the board in its management of corporate affairs is controlled by such an agreement."

(lll) A new section 165 is added to read as follows:

"Sec. 165. Same -- Management by shareholders.

"(a) The articles of incorporation of a close corporation may provide that the business of the corporation shall be managed by the shareholders of the corporation rather than by a board of directors. So long as this provision continues in effect:

"(1) No meeting of shareholders need be called to elect directors;

"(2) Unless the context clearly requires otherwise, the shareholders of the corporation shall be deemed to be directors for purposes of applying provisions of this Act; and

"(3) The shareholders of the corporation shall be subject to all liabilities of directors.

"(b) Such a provision may be inserted in the articles of incorporation by amendment if all holders of record of all of the outstanding stock, whether or not having voting power, authorize such a provision. An amendment to the articles of incorporation to delete such a provision shall be adopted by a vote of the holders of a majority of all outstanding stock of the corporation, whether or not otherwise entitled to vote. If the articles of incorporation contain a provision authorized by this section, the existence of the provision shall be noted

New
Section
29-399.62

New
Section
29-399.63

New
Section
29-399.64

conspicuously on the face or back of every stock certificate issued by the corporation."

(mmm) A new section 166 is added to read as follows:

"Sec. 166. Same -- Appointment of custodian for close corporation.

"(a) The court, upon application of any shareholder, may appoint 1 or more persons to be custodians, and, if the corporation is insolvent, to be receivers, of any close corporation when:

"(1) Pursuant to section 165 the business and affairs of the corporation are managed by the shareholders and they are so divided that the business of the corporation is suffering or is threatened with irreparable injury and any remedy with respect to the deadlock provided in the articles of incorporation or bylaws or in any written agreement of the shareholders has failed; or

"(2) The petitioning shareholder has the right to the dissolution of the corporation under a provision of the articles of incorporation permitted by section 169.

"(b) A custodian appointed under this section shall have all the powers and title of a receiver appointed under section 91, 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 under subsection (a)(2) of this section.

"(c) In lieu of appointing a custodian for a close corporation under this section, the court may appoint a provisional director whose powers and status shall be as provided in section 167 if the court determines that it would be in the best interest of the corporation. Such an appointment shall not preclude any subsequent order of the court appointing a custodian for the corporation."

(nnn) A new section 167 is added to read as follows:

"Sec. 167. Same -- Appointment of a provisional director in certain cases.

"(a) Notwithstanding any contrary provision of the articles of incorporation or the bylaws or agreement of the shareholders, the court may appoint a provisional director for a close corporation if the directors are so divided respecting the management of the corporation's business and affairs that the votes required for action by the board of directors cannot be obtained, with the consequence that the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally.

"(b) An application for relief under this section must be filed (i) by at least 1/2 of the number of directors then in office, (ii) by the holders of at least 1/3 of all stock then entitled to elect directors, or (iii) if there be more than 1 class of stock then entitled to elect 1 or more directors, by the holders of 2/3rds of the stock of the class; but the articles of incorporation of a close corporation may provide that a lesser proportion of the directors, the shareholders, or a class of shareholders may apply for relief under this section.

"(c) A provisional director shall be an impartial person who is neither a shareholder nor a creditor of the corporation or of any subsidiary or affiliate of the corporation, and whose further qualifications, if any, may be determined by the court. A provisional director is not a receiver of the corporation and does not have the title and powers of a custodian or receiver appointed under sections 91 and

New
Section
29-399.65

New
Section
29-399.66

166. A provisional director shall have all the rights and powers of a duly elected director of the corporation, including the right to notice of and to vote at meetings of directors, until the provisional director shall be removed by order of the court or by the holders of a majority of all shares then entitled to vote to elect directors or by the holders of 2/3rds of the shares of that class of voting shares which filed the application for appointment of a provisional director. A provisional director's compensation shall be determined by agreement between the provisional director and the corporation subject to approval of the court, which may fix the provisional director's compensation in the absence of agreement or in the event of disagreement between the provisional director and the corporation.

"(d) Even though the requirements of subsection (b) of this section relating to the number of directors or shareholders who may petition for appointment of a provisional director are not satisfied, the court may nevertheless appoint a provisional director if permitted by section 166(c)."

(ooo) A new section 168 is added to read as follows:

"Sec. 168. Same -- Operating corporation as partnership.

New
Section
29-399.67

"No written agreement among shareholders of a close corporation, nor any provision of the articles of incorporation or of the bylaws of the corporation, which agreement or provision relates to any phase of the affairs of the corporation, including, but not limited to, the management of its business or declaration and payment of dividends or other division of profits or the election of directors or officers or the employment of shareholders by the corporation or the arbitration of disputes, shall be invalid on the ground that it is an attempt by the parties to the agreement or by the shareholder of the corporation to treat the corporation as if it were a partnership or to arrange relations among the shareholders or between the shareholders and the corporation in a manner that would be appropriate only among partners."

(ppp) A new section 169 is added to read as follows:

"Sec. 169. Same -- Shareholders' option to dissolve corporation.

New
Section
29-399.68

"(a) The articles of incorporation of any close corporation may include a provision granting to any shareholder, or to the holders of any specified number or percentage of shares of any class of stock, an option to have the corporation dissolved at will or upon the occurrence of any specified event or contingency. Whenever such an option to dissolve is exercised, the shareholders exercising the option shall give written notice to all other shareholders. After the expiration of 30 days following the sending of the notice, the dissolution of the corporation shall proceed as if the required number of shareholders having voting power had consented in writing to dissolution of the corporation as provided by section 136.

"(b) If the articles of incorporation as originally filed do not contain a provision authorized by subsection (a) of this section, the articles may be amended to include such a provision if adopted by the affirmative vote of the holders of all the outstanding stock, whether or not entitled to vote, unless the articles of incorporation specifically authorize such an amendment by a vote which shall be not less than 2/3rds of all the outstanding stock whether or not entitled to vote.

"(c) Each stock certificate in any corporation whose articles of incorporation authorize dissolution permitted by this section shall

conspicuously note on its face the existence of the provision. Unless noted conspicuously on the face of the stock certificate, the provision is invalid."

(qqq) A new section 170 is added to read as follows:

"Sec. 170. Same -- Effect of close corporation provisions on other laws.

"The provisions of sections 155 through 170 shall not be deemed to repeal any statute or rule of law which is or would be applicable to any corporation which is organized under the provisions of this Act but is not a close corporation."

New,
Section
29-399.69

Sec. 5. The District of Columbia Uniform Limited Partnership Act of 1987, effective December 10, 1987 (D.C. Law 7-49; D.C. Code §41-401 *et seq.*), is amended as follows:

(a) Section 208(b) (D.C. Code §41-428(b)) is amended to read as follows:

Section
41-428

"(b) Unless the partnership agreement provides otherwise, a limited partnership may merge into or consolidate with 1 or more domestic or foreign limited partnerships or into 1 or more District or foreign business entities, and 1 or more domestic or foreign limited partnerships or 1 or more District or foreign business entities may merge with or consolidate into it."

(b) Section 208(f) (D.C. Code §41-428(f)) is amended to read as follows:

Section
41-428

"(f) Upon approval, articles of merger or consolidation shall be duly executed in duplicate, verified by each party to the merger or consolidation, and set forth:

"(1) The plan of merger or consolidation; and

"(2) As to each party to the merger or consolidation, a statement that the plan of merger or consolidation was approved in accordance with the entity's articles of incorporation or partnership agreement and applicable law."

Sec. 6. Applicability.

(a) Sections 2, 3(a), and 3(b), shall apply on the 1st day of the 6th month following the effective date of this act.

(b) Sections 4(uu) and 4(vv) shall apply on the 1st day of the 2nd month following the effective date of this act.

Note,
Sections
29-101
29-213
29-214
Note,
Section
29-399.22

Sec. 7. This act shall take effect after a 30-day period of Congressional review following approval by the Mayor (or in the event of veto by the Mayor, action by the Council of the District of Columbia to override the veto) as provided in section 602(c)(1) of the District of Columbia Self-Government and Governmental Reorganization Act, approved December 24, 1973 (87 Stat. 813; D.C. Code §1-233(c)(1)), and publication in either the District of Columbia Register, the District of

Columbia Statutes-at-Large, or the District of Columbia Municipal Regulations.



Chairman
Council of the District of Columbia



Mayor
District of Columbia

APPROVED: June 19, 1992



COUNCIL OF THE DISTRICT OF COLUMBIA

Council Period Nine

RECORD OF OFFICIAL COUNCIL VOTE

DOCKET NO: Bill 9-64

Item on Consent Calendar

X ACTION & DATE: Adopted First Reading, 5-6-92

X VOICE VOTE: Approved

Recorded vote on request

Absent: all present

ROLL CALL VOTE: - RESULT

Table with 15 columns: COUNCIL MEMBER, AYE, NAY, N.V., A.B. and 15 rows of member names and their voting status.

X - Indicates Vote A.B. - Absent N.V. - Present, not voting

CERTIFICATION RECORD

Secretary to the Council (Signature)

Date: June 8, 1992

Item on Consent Calendar

X ACTION & DATE: Adopted Final Reading, 6-2-92

X VOICE VOTE: Approved

Recorded vote on request

Absent: all present

ROLL CALL VOTE: - RESULT

Table with 15 columns: COUNCIL MEMBER, AYE, NAY, N.V., A.B. and 15 rows of member names and their voting status.

X - Indicates Vote A.B. - Absent N.V. - Present, not voting

CERTIFICATION RECORD

Secretary to the Council (Signature)

Date: June 8, 1992

Item on Consent Calendar

ACTION & DATE:

VOICE VOTE:

Recorded vote on request

Absent:

ROLL CALL VOTE: - RESULT

Table with 15 columns: COUNCIL MEMBER, AYE, NAY, N.V., A.B. and 15 rows of member names and their voting status.

X - Indicates Vote A.B. - Absent N.V. - Present, not voting

CERTIFICATION RECORD

Secretary to the Council

Date