

BUSINESS CORPORATION ACT (EXCERPT)
Act 284 of 1972

450.1804 Dissolution by action of board and shareholders; certificate of dissolution.

Sec. 804.

- (1) A corporation may be dissolved by action of its board and shareholders as provided in this section.
- (2) A corporation's board may propose dissolution of a corporation for action by the shareholders.
- (3) If it proposes a dissolution, the board must recommend the dissolution to the shareholders unless section 529 applies or the board determines that because of conflict of interest or other special circumstances it should make no recommendation. If the board does not recommend the dissolution to the shareholders, or recommends against the dissolution, in either case because 1 or more of the exceptions described in this subsection apply, the board must communicate to the shareholders the basis for its decision.
- (4) A board may condition its submission of the proposal for dissolution of a corporation to the shareholders on any basis.
- (5) A proposed dissolution of a corporation shall be submitted for approval at a meeting of shareholders. Notice shall be given to each shareholder of record whether or not entitled to vote at the meeting within the time and in the manner as provided in this act for the giving of notice of meetings of shareholders, and shall state that a purpose of the meeting is to vote on dissolution of the corporation.
- (6) At the meeting described in subsection (5), the shareholders shall vote on the proposed dissolution. The dissolution is approved if it receives the affirmative vote of the holders of a majority of the outstanding shares of the corporation entitled to vote on the dissolution.
- (7) If the dissolution of a corporation is approved, it shall be effected by the execution and filing of a certificate of dissolution on behalf of the corporation that states all of the following:
 - (a) The name of the corporation.
 - (b) The date and place of the meeting of shareholders at which the dissolution was approved.
 - (c) A statement that dissolution was proposed and approved by the requisite vote of the board and shareholders.

History: 1972, Act 284, Eff. Jan. 1, 1973 ;-- Am. 1989, Act 121, Eff. Oct. 1, 1989 ;-- Am. 2012, Act 569, Imd. Eff. Jan. 2, 2013