

REFERENCE TITLE: corporations and LLCs

State of Arizona
Senate
Forty-eighth Legislature
Second Regular Session
2008

SB 1410

Introduced by
Senator Verschoor

AN ACT

AMENDING SECTIONS 10-121, 10-125, 10-140, 10-201, 10-202, 10-203, 10-223, 10-224, 10-1006, 10-1007, 10-1008, 10-1105, 10-1420, 10-1503, 10-1520, 10-1530, 10-1622, 10-2210, 10-3121, 10-3140, 10-3201, 10-3202, 10-3203, 10-3223, 10-3224, 10-11006, 10-11007, 10-11008, 10-11105, 10-11107, 10-11403, 10-11420, 10-11503, 10-11520, 10-11530, 10-11622, 20-228, 29-631, 29-634, 29-781.01, 29-782, 29-783, 29-784, 29-786, 29-851 AND 32-1391.12, ARIZONA REVISED STATUTES; RELATING TO CORPORATIONS AND LIMITED LIABILITY COMPANIES.

(TEXT OF BILL BEGINS ON NEXT PAGE)

1 Be it enacted by the Legislature of the State of Arizona:

2 Section 1. Section 10-121, Arizona Revised Statutes, is amended to
3 read:

4 10-121. Forms

5 A. ~~Certificates~~, Reports and statements required by ~~section 10-202,~~
6 ~~subsection D and~~ sections 10-1622 and 10-1623 to be delivered to and filed by
7 the commission shall be made on the forms that are prescribed and furnished
8 by the commission.

9 B. The commission may prescribe and furnish on request forms for other
10 documents required or permitted to be filed by chapters 1 through 17 of this
11 title, but their use is not mandatory.

12 Sec. 2. Section 10-125, Arizona Revised Statutes, is amended to read:

13 10-125. Filing duty of commission

14 A. At the time of delivery of a document to the commission, the
15 commission shall stamp, endorse or attach the date and time of delivery of
16 the document.

17 B. If a document delivered to the commission for filing satisfies the
18 requirements of chapters 1 through 17 of this title, the commission shall
19 file it by stamping, otherwise endorsing or attaching the word "filed" on the
20 original document **WITHOUT IMPOSING ANY ADDITIONAL REQUIREMENTS OR CONDITIONS**
21 **THAT ARE NOT EXPRESSLY PRESCRIBED IN CHAPTERS 1 THROUGH 17 OF THIS TITLE.**
22 Except as provided in sections 10-503 and 10-1509, after filing a document,
23 the commission shall deliver a document copy to the domestic or foreign
24 corporation or its representative.

25 C. If the commission refuses to file a document, it shall return it or
26 a copy of the original to the domestic or foreign corporation or its
27 representative within five days after the determination of refusal to file,
28 together with a brief written explanation of the reason for the refusal.

29 D. The filing or refusing to file a document by the commission does
30 not:

31 1. Affect the validity or invalidity of the document in whole or part,
32 except to the extent that filing is required to make the document valid.

33 2. Relate to the correctness or incorrectness of information contained
34 in the document.

35 3. Create a presumption that the document is valid or invalid or that
36 information contained in the document is correct or incorrect.

37 Sec. 3. Section 10-140, Arizona Revised Statutes, is amended to read:

38 10-140. Definitions

39 In chapters 1 through 17 of this title, unless the context otherwise
40 requires:

41 1. "Acknowledged" or "acknowledgment" means either an acknowledgment
42 pursuant to title 33, chapter 4, article 5 or the signature, without more, of
43 the person or persons signing the instrument, in which case the signature or
44 signatures constitute the affirmation or acknowledgment of the signatory,

1 under penalties of perjury, that the instrument is the act and deed of the
2 signatory and that the facts stated in the instrument are true.

3 2. "Act of the board of directors" means either:

4 (a) An act of the majority of the directors present at a duly called
5 meeting at which a quorum is present, unless the act of a greater number is
6 required by chapters 1 through 17 of this title, the articles of
7 incorporation or the bylaws.

8 (b) Action taken by written consent of the directors in accordance
9 with chapters 1 through 17 of this title.

10 3. "Act of the shareholders" means either:

11 (a) An act adopted or rejected by a majority of the votes entitled to
12 be cast by each class of shareholders entitled to vote on the act at a duly
13 called meeting at which a quorum is present, unless a greater number of votes
14 is required by chapters 1 through 17 of this title, the articles of
15 incorporation or the bylaws.

16 (b) An action taken by written consent of the shareholders in
17 accordance with chapters 1 through 17 of this title.

18 4. "Address" means a mailing address.

19 5. "Affiliate" means a person that directly or indirectly through one
20 or more intermediaries controls, is controlled by or is under common control
21 with the person specified.

22 6. "Articles of incorporation" means the original or restated articles
23 of incorporation or articles of merger and all amendments to the articles of
24 incorporation or merger and includes amended and restated articles of
25 incorporation and articles of amendment and merger.

26 7. "Authorized shares" means the shares of all classes that a domestic
27 or foreign corporation is authorized to issue.

28 8. "Board of directors" means the group of persons vested with the
29 management of the affairs of the corporation irrespective of the name by
30 which the group is designated and includes the governing body or bodies of a
31 water users' association if the articles of incorporation of such water
32 users' association provide for a governing body or bodies denominated other
33 than as a board of directors.

34 9. "Business day" means a day that is not a Saturday, a Sunday or any
35 other legal holiday in this state.

36 10. "Bylaws" means the code of rules adopted for the regulation or
37 management of the affairs of the corporation irrespective of the name by
38 which those rules are designated.

39 ~~11. "Certificate of disclosure" means the certificate of disclosure~~
40 ~~described in section 10-202.~~

41 ~~12.~~ 11. "Commission" means the Arizona corporation commission.

42 ~~13.~~ 12. "Conspicuous" means so written that a reasonable person
43 against whom the writing is to operate should have noticed it. For example,
44 printing in italics, boldface or contrasting color or typing in capitals or
45 underlined is conspicuous.

1 ~~14.~~ 13. "Corporation" or "domestic corporation" means a corporation
2 for profit that is not a foreign corporation and that is incorporated under
3 or subject to chapters 1 through 17 of this title.
4 ~~15.~~ 14. "Court" means the superior court of this state.
5 ~~16.~~ 15. "Deliver" includes mail, private courier or telefacsimile
6 transmission.
7 ~~17.~~ 16. "Delivery" means actual receipt by the person or entity to
8 which directed.
9 ~~18.~~ 17. "Dissolved" means the status of a corporation on either:
10 (a) Effectiveness of articles of dissolution pursuant to section
11 10-1403, subsection B or section 10-1421, subsection B.
12 (b) A decree pursuant to section 10-1433, subsection B becoming final.
13 ~~19.~~ 18. "Distribution" means a direct or indirect transfer of money or
14 other property, except its own shares, or incurrence of indebtedness by a
15 corporation to or for the benefit of its shareholders in respect of any of
16 its shares. A distribution may be in the form of any of the following:
17 (a) A declaration or payment of a dividend.
18 (b) Any purchase, redemption or other acquisition of shares.
19 (c) A distribution of indebtedness.
20 (d) Otherwise.
21 ~~20.~~ 19. "Effective date of notice" is as prescribed in section 10-141.
22 ~~21.~~ 20. "Employee" includes an officer but not a director. A director
23 may accept duties that make the director also an employee.
24 ~~22.~~ 21. "Entity" includes a corporation, foreign corporation, not for
25 profit corporation, profit and not for profit unincorporated association,
26 nonprofit corporation, close corporation, corporation sole or limited
27 liability company, a professional corporation, association or limited
28 liability company, a business trust, estate, partnership, registered limited
29 liability partnership, trust or joint venture, two or more persons having a
30 joint or common economic interest, any person other than an individual and a
31 state, the United States and a foreign government.
32 ~~23.~~ 22. "Executed by the corporation" means executed by manual or
33 facsimile signature on behalf of the corporation by a duly authorized officer
34 or, if the corporation is in the hands of a receiver or trustee, by the
35 receiver or trustee.
36 ~~24.~~ 23. "Filing" means the commission completing the following
37 procedure with respect to any document delivered for that purpose:
38 (a) Determining that the filing fee requirements of section 10-122
39 have been satisfied.
40 (b) Determining that the document appears in all respects to conform
41 to the requirements of chapters 1 through 17 of this title.
42 (c) On making the determinations, endorsement of the word "filed" with
43 the applicable date on or attached to the document and the return of copies
44 to the person who delivered the document or the person's representative.

1 ~~25.~~ 24. "Foreign corporation" means a corporation for profit that is
2 incorporated under a law other than the law of this state.
3 ~~26.~~ 25. "Governmental subdivision" includes an authority, county,
4 district, municipality and political subdivision.
5 ~~27.~~ 26. "Includes" and "including" denotes a partial definition.
6 ~~28.~~ 27. "Individual" includes the estate of an incompetent or deceased
7 individual.
8 ~~29.~~ 28. "Insolvent" means inability of a corporation to pay its debts
9 as they become due in the usual course of its business.
10 ~~30.~~ 29. "Known place of business" means the known place of business
11 required to be maintained pursuant to section 10-501.
12 ~~31.~~ 30. "Liquidate its assets and business" includes the distribution
13 of assets, the payment of obligations and debts, the discontinuance of
14 business or any one or more of the distribution, payment or discontinuance.
15 ~~32.~~ 31. "Mail", "to mail" or "have mailed" means to deposit or have
16 deposited a communication in the United States mail with first class or
17 airmail postage prepaid.
18 ~~33.~~ 32. "Means" denotes an exhaustive definition.
19 ~~34.~~ 33. "Newspaper" has the meaning set forth in section 39-201.
20 ~~35.~~ 34. "Notice" and "notify" are as prescribed in section 10-141.
21 ~~36.~~ 35. "Person" includes an individual and entity.
22 ~~37.~~ 36. "President" means that officer designated as the president in
23 the articles of incorporation or bylaws or, if not so designated, that
24 officer authorized in the articles of incorporation, bylaws or otherwise to
25 perform the functions of the chief executive officer, irrespective of the
26 name by which designated.
27 ~~38.~~ 37. "Principal office" means the office, in or out of this state,
28 so designated in the annual report where the principal executive offices of a
29 domestic or foreign corporation are located or in any other document executed
30 by the corporation by an officer and delivered to the commission for filing.
31 If an office has not been so designated, principal office means the known
32 place of business of the corporation.
33 ~~39.~~ 38. "Proceeding" includes a civil suit and a criminal,
34 administrative and investigatory action.
35 ~~40.~~ 39. "Publish" means to publish in a newspaper of general
36 circulation in the county of the known place of business for three
37 consecutive publications.
38 ~~41.~~ 40. "Record date" means the date established under chapter 6 or 7
39 of this title on which a corporation determines the identity of its
40 shareholders and their shareholdings for purposes of chapters 1 through 17 of
41 this title. The determinations shall be made as of the close of business on
42 the record date unless another time for doing so is specified when the record
43 date is fixed.
44 ~~42.~~ 41. "Secretary" means that officer designated as the secretary in
45 the articles of incorporation or bylaws or that officer authorized in the

1 articles of incorporation, the bylaws or otherwise to perform the functions
2 of secretary, irrespective of the name by which designated.

3 ~~43.~~ 42. "Shareholder" means the person in whose name shares are
4 registered in the records of a corporation or the beneficial owner of shares
5 to the extent of the rights granted by a nominee certificate on file with a
6 corporation.

7 ~~44.~~ 43. "Shares" means the units into which the proprietary interests
8 in a corporation are divided.

9 ~~45.~~ 44. "State", if referring to a part of the United States, includes
10 a state and commonwealth and their agencies and governmental subdivisions and
11 a territory and insular possession of the United States and their agencies
12 and governmental subdivisions.

13 ~~46.~~ 45. "Subscriber" means a person who subscribes for shares in a
14 corporation, whether before or after incorporation.

15 ~~47.~~ 46. "Treasurer" means that officer designated as the treasurer in
16 the articles of incorporation or bylaws or that officer authorized in the
17 articles of incorporation, bylaws or otherwise to perform the functions of
18 treasurer, irrespective of the name by which designated.

19 ~~48.~~ 47. "United States" includes a district, authority, bureau,
20 commission and department and any other agency of the United States.

21 ~~49.~~ 48. "Vice-president" means an officer designated as the
22 vice-president in the articles of incorporation or bylaws or an officer
23 authorized in the articles of incorporation, the bylaws or otherwise to
24 perform the functions of a vice-president, irrespective of the name by which
25 designated.

26 ~~50.~~ 49. "Voting group" means all shares of one or more classes or
27 series that under the articles of incorporation or chapters 1 through 17 of
28 this title are entitled to vote and be counted together collectively on a
29 matter at a meeting of shareholders. All shares entitled by the articles of
30 incorporation or chapters 1 through 17 of this title to vote generally on the
31 matter are for that purpose a single voting group.

32 ~~51.~~ 50. "Water users' association" means a corporation that operates a
33 federal reclamation project pursuant to a contract with the United States.

34 Sec. 4. Section 10-201, Arizona Revised Statutes, is amended to read:

35 10-201. Incorporators

36 One or more persons may act as the incorporator or incorporators of a
37 corporation by delivering articles of incorporation ~~and a certificate of~~
38 ~~disclosure~~ to the commission for filing.

39 Sec. 5. Section 10-202, Arizona Revised Statutes, is amended to read:

40 10-202. Articles of incorporation

41 A. The articles of incorporation shall set forth:

42 1. A corporate name for the corporation that satisfies the
43 requirements of section 10-401.

44 2. The number of shares the corporation is authorized to issue.

1 3. A brief statement of the character of business that the corporation
2 initially intends to actually conduct in this state. This statement does not
3 constitute a limitation on the character of business that the corporation
4 ultimately may conduct.

5 4. The name and address of each person who is to serve as a director
6 until a successor is elected and qualifies.

7 5. The name, street address and signature of the corporation's
8 statutory agent.

9 6. The street address of the known place of business for the
10 corporation, if different from that of its statutory agent.

11 7. The name and address of each incorporator.

12 8. Any provision elected by the incorporators that under chapters 1
13 through 17 of this title or any other law of this state may be elected only
14 by specific inclusion in the articles of incorporation.

15 9. The signatures of all incorporators.

16 B. The articles of incorporation may set forth:

17 1. A provision eliminating or limiting the liability of a director to
18 the corporation or its shareholders for money damages for any action taken or
19 any failure to take any action as a director, except liability for any of the
20 following:

21 (a) The amount of a financial benefit received by a director to which
22 the director is not entitled.

23 (b) An intentional infliction of harm on the corporation or the
24 shareholders.

25 (c) A violation of section 10-833.

26 (d) An intentional violation of criminal law.

27 2. A provision permitting or making obligatory indemnification of a
28 director for liability, as defined in section 10-850, to any person for any
29 action taken, or any failure to take any action, as a director, except
30 liability for any of the exceptions described in paragraph 1 of this
31 subsection.

32 3. Any other provision, not inconsistent with law.

33 C. The articles of incorporation need not set forth any of the
34 corporate powers enumerated in chapters 1 through 17 of this title.

35 ~~D. The certificate of disclosure shall set forth all of the following:~~

36 ~~1. The following information regarding all persons who at the time of~~
37 ~~its delivery are officers, directors, trustees, incorporators and persons~~
38 ~~controlling or holding over ten per cent of the issued and outstanding common~~
39 ~~shares or ten per cent of any other proprietary, beneficial or membership~~
40 ~~interest in the corporation:~~

41 ~~(a) Whether any of the persons have been convicted of a felony~~
42 ~~involving a transaction in securities, consumer fraud or antitrust in any~~
43 ~~state or federal jurisdiction within the seven year period immediately~~
44 ~~preceding the execution of the certificate.~~

1 ~~(b) Whether any of the persons have been convicted of a felony, the~~
2 ~~essential elements of which consisted of fraud, misrepresentation, theft by~~
3 ~~false pretenses or restraint of trade or monopoly in any state or federal~~
4 ~~jurisdiction within the seven year period immediately preceding the execution~~
5 ~~of the certificate.~~

6 ~~(c) Whether any of the persons are or have been subject to an~~
7 ~~injunction, judgment, decree or permanent order of any state or federal court~~
8 ~~entered within the seven year period immediately preceding the execution of~~
9 ~~the certificate, if the injunction, judgment, decree or permanent order~~
10 ~~involved any of the following:~~

11 ~~(i) The violation of fraud or registration provisions of the~~
12 ~~securities laws of that jurisdiction.~~

13 ~~(ii) The violation of the consumer fraud laws of that jurisdiction.~~

14 ~~(iii) The violation of the antitrust or restraint of trade laws of~~
15 ~~that jurisdiction.~~

16 ~~(d) With regard to any of the persons who have been convicted of the~~
17 ~~crimes or who are the subject of the judicial action described in~~
18 ~~subdivisions (a), (b) and (c) of this paragraph, information regarding:~~

19 ~~(i) Identification of the persons, including present full name, all~~
20 ~~prior names or aliases, including full birth name, present home address, all~~
21 ~~prior addresses for the immediately preceding seven year period, date and~~
22 ~~location of birth and social security number.~~

23 ~~(ii) The nature and description of each conviction or judicial action,~~
24 ~~the date and location, the court and public agency involved, and the file or~~
25 ~~cause number of the case.~~

26 ~~2. A brief statement disclosing whether any persons who at the time of~~
27 ~~its delivery are officers, directors, trustees, incorporators and persons~~
28 ~~controlling or holding over twenty per cent of the issued and outstanding~~
29 ~~common shares or twenty per cent of any other proprietary, beneficial or~~
30 ~~membership interest in the corporation and who have served in any such~~
31 ~~capacity or held a twenty per cent interest in any other corporation on the~~
32 ~~bankruptcy, receivership or charter revocation of the other corporation. If~~
33 ~~so, for each corporation, the certificate shall include:~~

34 ~~(a) The names and addresses of each corporation and the person or~~
35 ~~persons involved.~~

36 ~~(b) The state in which each corporation:~~

37 ~~(i) Was incorporated.~~

38 ~~(ii) Transacted business.~~

39 ~~(c) The dates of corporate operation.~~

40 ~~3. The signatures of all of the incorporators.~~

41 ~~4. The date of its execution, which shall be not more than thirty days~~
42 ~~before its delivery to the commission.~~

43 ~~5. A declaration by each signer that he swears to its contents under~~
44 ~~penalty of law.~~

1 ~~E. The certificate of disclosure may set forth the name and address of~~
2 ~~any other person whom the incorporators elect to be the subject of those~~
3 ~~disclosures required under subsection D, paragraph 1 of this section.~~

4 ~~F. If within sixty days after delivering the articles of incorporation~~
5 ~~and certificate of disclosure to the commission any person becomes an~~
6 ~~officer, director, trustee or person controlling or holding over ten per cent~~
7 ~~of the issued and outstanding shares or ten per cent of any other~~
8 ~~proprietary, beneficial or membership interest in the corporation and the~~
9 ~~person was not the subject of the disclosures set forth in the certificate of~~
10 ~~disclosure, the incorporators or, if the organization of the corporation has~~
11 ~~been completed as provided in section 10-205, the corporation shall execute~~
12 ~~and deliver to the commission within the sixty day period a declaration,~~
13 ~~sworn to under penalty of law, setting forth all information required by~~
14 ~~subsection D, paragraph 1 of this section regarding the person. If the~~
15 ~~incorporators or, as applicable, the corporation fail to comply with this~~
16 ~~subsection, the commission may administratively dissolve the corporation~~
17 ~~pursuant to section 10-1421.~~

18 ~~G. If any of the persons described in subsection D, paragraph 1 of~~
19 ~~this section have been convicted of the crimes or are the subject of the~~
20 ~~judicial action described in subsection D, paragraph 1 of this section, the~~
21 ~~commission may direct detailed interrogatories to the persons requiring any~~
22 ~~additional relevant information deemed necessary by the commission. The~~
23 ~~interrogatories shall be completely answered within thirty days after mailing~~
24 ~~of the interrogatories. With respect to corporations incorporating or~~
25 ~~seeking authority to transact business, articles of incorporation or an~~
26 ~~application for authority shall not be filed until all outstanding~~
27 ~~interrogatories have been answered to the satisfaction of the commission.~~
28 ~~With respect to existing domestic and foreign corporations, if the~~
29 ~~interrogatories are not answered as provided in this subsection or the~~
30 ~~answers to the interrogatories otherwise indicate proper grounds for an~~
31 ~~administrative dissolution, the commission shall initiate an administrative~~
32 ~~dissolution in accordance with chapters 1 through 17 of this title.~~

33 ~~H. On a quarterly updated basis, the commission shall provide to the~~
34 ~~attorney general a list of all persons who are convicted of the crimes or who~~
35 ~~are the subject of the judicial action described in subsection D, paragraph 1~~
36 ~~of this section as indicated by the certificates of disclosure filed during~~
37 ~~the preceding three months.~~

38 ~~I. Any person who executes or contributes information for a~~
39 ~~certificate of disclosure and who intentionally makes any untrue statement of~~
40 ~~material fact or withholds any material fact with regard to the information~~
41 ~~required in subsection D, paragraph 1 of this section is guilty of a class 6~~
42 ~~felony.~~

1 Sec. 6. Section 10-203, Arizona Revised Statutes, is amended to read:
2 10-203. Incorporation

3 A. Unless a delayed effective date is specified in the articles of
4 incorporation, incorporation occurs and the corporate existence begins when
5 the articles of incorporation ~~and certificate of disclosure~~ are delivered to
6 the commission for filing.

7 B. The commission's filing of the articles of incorporation ~~and~~
8 ~~certificate of disclosure~~ is conclusive proof that the incorporators
9 satisfied all conditions precedent to incorporation except in a proceeding by
10 the state to cancel or revoke the incorporation or involuntarily dissolve the
11 corporation pursuant to chapter 14 of this title.

12 C. Subject to section 10-124, if the commission determines that the
13 requirements of chapters 1 through 17 of this title for filing have not been
14 met, the articles of incorporation ~~and certificate of disclosure~~ shall not be
15 filed and the corporate existence terminates at the time the commission
16 completes the determination. If the corporate existence is terminated
17 pursuant to this subsection, sections 10-1405, 10-1406 and 10-1407 apply.

18 D. Within sixty days after the commission has approved the filing, a
19 copy of the articles of incorporation shall be published. An affidavit
20 evidencing the publication ~~shall~~ MAY be filed with the commission within
21 ninety days after approval by the commission of the filing of the articles of
22 incorporation.

23 Sec. 7. Section 10-223, Arizona Revised Statutes, is amended to read:
24 10-223. Certificate of good standing

25 A corporation filing articles of domestication with the commission
26 shall also deliver to the commission ~~a certificate of disclosure containing~~
27 ~~all information required by section 10-202 and~~ a certificate of good standing
28 duly authenticated by the official having custody of the corporate records in
29 the jurisdiction in which the corporation was incorporated before the
30 transfer of domicile.

31 Sec. 8. Section 10-224, Arizona Revised Statutes, is amended to read:
32 10-224. Recording and publication of articles of domestication

33 Within sixty days after the commission has approved the filing of the
34 articles of domestication, a copy of the articles of domestication shall be
35 published. An affidavit evidencing the publication ~~shall~~ MAY be filed with
36 the commission within ninety days after approval by the commission of the
37 filing of the articles of domestication. If other laws require the
38 domesticated corporation to record its articles of incorporation, the
39 domesticated corporation shall also record the articles of domestication.

40 Sec. 9. Section 10-1006, Arizona Revised Statutes, is amended to read:
41 10-1006. Articles of amendment

42 A. A corporation amending its articles of incorporation shall deliver
43 to the commission for filing articles of amendment setting forth:

- 44 1. The name of the corporation.
45 2. The text of each amendment adopted.

1 3. If an amendment provides for an exchange, reclassification or
2 cancellation of issued shares, provisions for implementing the amendment if
3 not contained in the amendment itself.

4 4. The date of each amendment's adoption.

5 5. If an amendment was adopted by the incorporators or board of
6 directors without shareholder action, a statement to that effect and that
7 shareholder action was not required.

8 6. If an amendment was approved by the shareholders:

9 (a) The designation of outstanding shares, number of outstanding
10 shares, number of votes entitled to be cast by each voting group entitled to
11 vote separately on the amendment and number of votes of each voting group
12 indisputably represented at the meeting.

13 (b) Either the total number of votes cast for and against the
14 amendment by each voting group entitled to vote separately on the amendment
15 or the total number of undisputed votes cast for the amendment by each voting
16 group and a statement that the number cast for the amendment by each voting
17 group was sufficient for approval by that voting group.

18 B. Within sixty days after the commission has approved the filing, a
19 copy of the articles of amendment shall be published. An affidavit
20 evidencing the publication ~~shall~~ MAY be filed with the commission within
21 ninety days after approval by the commission of the filing of the articles of
22 amendment.

23 Sec. 10. Section 10-1007, Arizona Revised Statutes, is amended to
24 read:

25 10-1007. Restated articles of incorporation

26 A. A corporation's board of directors may restate its articles of
27 incorporation at any time with or without shareholder action.

28 B. The restatement may include one or more amendments to the articles.
29 If the restatement includes an amendment requiring shareholder approval, it
30 shall be adopted as provided in section 10-1003.

31 C. If the board of directors submits a restatement for shareholder
32 action, the corporation shall notify each shareholder, whether or not
33 entitled to vote, of the proposed shareholders' meeting in accordance with
34 section 10-705. The notice shall also state that the purpose or one of the
35 purposes of the meeting is to consider the proposed restatement and shall
36 contain or be accompanied by a copy of the restatement that identifies any
37 amendment or other change it would make in the articles.

38 D. A corporation restating its articles of incorporation shall deliver
39 to the commission for filing articles of restatement setting forth the name
40 of the corporation and the text of the restated articles of incorporation
41 together with a certificate setting forth:

42 1. Whether the restatement contains an amendment to the articles
43 requiring shareholder approval and, if it does not, that the board of
44 directors adopted the restatement.

1 2. If the restatement contains an amendment to the articles requiring
2 shareholder approval, the information required by section 10-1006.

3 E. Duly adopted restated articles of incorporation supersede the
4 original articles of incorporation and all amendments to them.

5 F. The commission may certify restated articles of incorporation, as
6 the articles of incorporation currently in effect, without including the
7 certificate information required by subsection D of this section.

8 G. Within sixty days after the commission has approved the filing, a
9 copy of the articles of restatement shall be published. An affidavit
10 evidencing the publication ~~shall~~ MAY be filed with the commission within
11 ninety days after the approval by the commission of the filing of the
12 articles of restatement.

13 Sec. 11. Section 10-1008, Arizona Revised Statutes, is amended to
14 read:

15 10-1008. Amendment pursuant to reorganization

16 A. A corporation's articles of incorporation may be amended pursuant
17 to this section without action by the board of directors or shareholders to
18 carry out a plan of reorganization confirmed by an order or decree of a court
19 of competent jurisdiction under a federal statute or a statute of this state
20 if the articles of incorporation after amendment contain only provisions
21 required or permitted by section 10-202.

22 B. Before the date of entry of a final decree in the reorganization
23 proceeding, the individual or individuals designated by the plan shall
24 deliver to the commission for filing articles of amendment setting forth all
25 of the following:

- 26 1. The name of the corporation.
- 27 2. The text of each amendment contained in the plan of reorganization.
- 28 3. The date of the court's order or decree confirming the plan of
29 reorganization containing the articles of amendment.
- 30 4. The title of the reorganization proceeding in which the order or
31 decree was entered.
- 32 5. A statement that the court had jurisdiction of the proceeding under
33 federal or state statute.

34 C. Shareholders of a corporation undergoing reorganization do not have
35 dissenters' rights except as and to the extent provided in the reorganization
36 plan.

37 D. This section does not apply after entry of a final decree in the
38 reorganization proceeding even though the court retains jurisdiction of the
39 proceeding for limited purposes unrelated to consummation of the
40 reorganization plan.

41 E. Within sixty days after the commission has approved the filing, a
42 copy of the articles of amendment shall be published. An affidavit
43 evidencing the publication ~~shall~~ MAY be filed with the commission within
44 ninety days after approval by the commission of the filing of the articles of
45 amendment.

1 Sec. 12. Section 10-1105, Arizona Revised Statutes, is amended to
2 read:

3 10-1105. Articles of merger or share exchange; publication

4 A. After a plan of merger or share exchange is approved by the
5 shareholders or adopted by the board of directors if shareholder approval is
6 not required, the surviving or acquiring corporation shall deliver to the
7 commission for filing both:

8 1. The plan of merger or share exchange.

9 2. Articles of merger or share exchange setting forth:

10 (a) The names of the corporations that were parties to the merger or
11 share exchange.

12 (b) The name and address of the known place of business of the
13 surviving or acquiring corporation.

14 (c) The name and address of the statutory agent of the surviving or
15 acquiring corporation.

16 (d) Any amendments to the articles of incorporation of the surviving
17 corporation.

18 (e) If shareholder approval was not required, a statement to that
19 effect.

20 (f) If approval of the shareholders of one or more corporations party
21 to the merger or share exchange was required:

22 (i) The designation, number of outstanding shares and number of votes
23 entitled to be cast by each voting group entitled to vote separately on the
24 plan as to each corporation.

25 (ii) Either the total number of votes cast for and against the plan by
26 each voting group entitled to vote separately on the plan or the total number
27 of undisputed votes cast for the plan separately by each voting group and a
28 statement that the number cast for the plan by each voting group was
29 sufficient for approval by that voting group.

30 B. A merger or share exchange takes effect at the effective time and
31 date of the articles of merger or share exchange, as determined pursuant to
32 section 10-123.

33 C. If the articles of merger include amendments to the articles of
34 incorporation of the surviving corporation, the document required to be filed
35 and published under this section shall be styled "articles of amendment and
36 merger".

37 D. Within sixty days after the commission has approved the filing, a
38 copy of the articles of merger or share exchange shall be published. An
39 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission
40 within ninety days after approval by the commission of the filing of the
41 articles of merger or share exchange.

1 Sec. 13. Section 10-1420, Arizona Revised Statutes, is amended to
2 read:

3 10-1420. Grounds for administrative dissolution

4 The commission may commence a proceeding under section 10-1421 to
5 administratively dissolve a corporation if either:

6 1. The corporation does not pay within sixty days after they are due
7 any fees or penalties imposed by chapters 1 through 17 of this title.

8 2. The corporation does not deliver its annual report to the
9 commission within sixty days after it is due.

10 3. The corporation is without a statutory agent or known place of
11 business in this state for sixty days or more.

12 4. The corporation does not notify the commission within sixty days
13 that its statutory agent or known place of business has been changed, that
14 its statutory agent has resigned or that its principal office has been
15 discontinued.

16 5. The corporation has failed to make any publication required by this
17 title ~~and file an affidavit of publication within the time prescribed by this~~
18 ~~title~~, provided the commission has notified the corporation of the intent of
19 the commission to commence a dissolution proceeding for that reason and the
20 corporation has failed to file an affidavit of publication within sixty days
21 after that notice.

22 6. The corporation's period of duration stated in its articles of
23 incorporation expires.

24 ~~7. The corporation has failed to comply with section 10-202,~~
25 ~~subsection F.~~

26 ~~8.~~ 7. Any officer or other representative of the corporation has made
27 any misrepresentation of a material matter in any application, report,
28 ~~affidavit~~ or other document submitted by the corporation pursuant to chapters
29 1 through 17 of this title.

30 ~~9.~~ 8. The corporation has failed to comply with section 10-1403,
31 subsection D, or the commission has not received the notice required by
32 section 10-1403, subsection C, within six months after filing articles of
33 dissolution.

34 ~~10.~~ 9. The corporation has failed to ~~file a certificate of disclosure~~
35 ~~or~~ answer interrogatories as prescribed in chapters 1 through 17 of this
36 title.

37 ~~11.~~ 10. The corporation failed to comply with section 10-1623,
38 subsection A.

39 Sec. 14. Section 10-1503, Arizona Revised Statutes, is amended to
40 read:

41 10-1503. Application for authority to transact business

42 A. A foreign corporation may apply for authority to transact business
43 in this state by delivering an application ~~and a certificate of disclosure~~ to
44 the commission for filing. ~~The certificate of disclosure shall contain the~~
45 ~~information set forth in section 10-202, subsection D and is subject to the~~

1 ~~requirements of section 10-202, subsection F.~~ The application shall be
2 executed by the corporation and shall set forth:

3 1. The name of the foreign corporation and, if its name is unavailable
4 for use in this state, a corporate name that satisfies the requirements of
5 section 10-1506.

6 2. The name of the state or country under whose law it is
7 incorporated.

8 3. Its date of incorporation and period of duration.

9 4. The street address of its principal office in its state or country
10 of incorporation.

11 5. The street address of the proposed known place of business of the
12 corporation in this state and the name and street address of its proposed
13 statutory agent in this state.

14 6. If its purpose or purposes are narrower than the transaction of any
15 or all lawful business in which corporations may engage in the state or
16 country under whose law it is incorporated, a statement of the limitations on
17 its purpose.

18 7. The names and usual business addresses of its current directors and
19 officers.

20 8. A statement of the aggregate number of shares that the corporation
21 has authority to issue, itemized by classes, par value of shares, shares
22 without par value and series, if any, within a class.

23 9. A statement of the aggregate number of issued shares itemized by
24 classes, par value of shares, shares without par value and series, if any,
25 within a class.

26 10. A brief statement of the character of business that the corporation
27 initially intends actually to conduct in this state. This statement does not
28 limit the character of business that the corporation ultimately conducts.

29 B. The foreign corporation shall deliver the application ~~and the~~
30 ~~certificate of disclosure~~ to the commission, together with a copy of its
31 articles of incorporation, any amendments to the articles of incorporation
32 and a certificate of existence or a document of similar import duly
33 authenticated by the secretary of state or other official having custody of
34 corporate records in the state or country under whose law it is incorporated,
35 and the nonrefundable fees required by law.

36 C. After determining that the application sets forth the information
37 required by this section, does not use as the name of the corporation in this
38 state a name that is in violation of section 10-1506 and appears in all other
39 respects to conform to the requirements of this article, the commission shall
40 file the application. The date of filing shall be the date on which the
41 corporation is granted authority to transact business in this state.

42 D. Within sixty days after the commission has approved the filing, a
43 copy of the application shall be published. An affidavit evidencing the
44 publication ~~shall~~ MAY be filed within ninety days after approval by the
45 commission of the filing of the application.

1 E. A foreign corporation authorized to transact business in this state
2 is subject to section 10-1623.

3 Sec. 15. Section 10-1520, Arizona Revised Statutes, is amended to
4 read:

5 10-1520. Withdrawal of foreign corporation

6 A. A foreign corporation authorized to transact business in this state
7 shall not withdraw from this state until the commission files its application
8 for withdrawal.

9 B. A foreign corporation authorized to transact business in this state
10 may apply to surrender the authority by delivering an application to the
11 commission for filing. The application shall set forth:

12 1. The name of the foreign corporation and the name of the state or
13 country under whose law it is incorporated.

14 2. That it is not transacting business in this state and that it
15 surrenders its authority to transact business in this state.

16 3. That the foreign corporation revokes the authority of its statutory
17 agent to accept service on its behalf and appoints the commission as its
18 agent for service of process in any proceeding based on a cause of action
19 arising during the time it was authorized to transact business in this state.

20 4. A mailing address to which the commission may mail a copy of any
21 process served on the commission pursuant to its appointment as the foreign
22 corporation's agent for service of process.

23 5. A commitment to notify the commission in the future of any change
24 in the foreign corporation's mailing address.

25 C. The application for withdrawal is not considered complete until the
26 commission has received a notice from the department of revenue to the effect
27 that the tax levied under title 42, chapter 5, article 1 against the foreign
28 corporation has been paid or until it is notified by the department of
29 revenue that the applicant is not subject to the tax and further has received
30 from the department of revenue its certificate issued pursuant to section
31 43-1151.

32 D. The application for withdrawal is not considered complete until all
33 fees, penalties and costs required to be paid under this chapter have been
34 paid ~~and until the commission has received an affidavit that a copy of the~~
35 ~~application for withdrawal has been published.~~

36 E. After determining that the application appears in all respects to
37 conform to the requirements of this chapter and when all fees have been paid
38 as are prescribed in this chapter, the commission shall file the application
39 in the manner provided in section 10-120. On the filing of the application
40 for withdrawal, the authority of the foreign corporation to transact business
41 in this state ceases.

42 F. After withdrawal of the foreign corporation is effective, service
43 of process on the commission under this section is service on the foreign
44 corporation. On receipt of process, the commission shall mail a copy of the
45 process to the foreign corporation at the most recent mailing address

1 provided by the foreign corporation in the application or by notice to the
2 commission.

3 Sec. 16. Section 10-1530, Arizona Revised Statutes, is amended to
4 read:

5 10-1530. Grounds for revocation

6 The commission may commence a proceeding under section 10-1531 to
7 revoke the authority of a foreign corporation to transact business in this
8 state if any of the following conditions exist:

9 1. The foreign corporation does not deliver its annual report to the
10 commission within the time required by chapters 1 through 17 of this title.

11 2. The foreign corporation does not pay any fees or penalties imposed
12 by chapters 1 through 17 of this title when they become due and payable.

13 3. The foreign corporation is without a statutory agent or known place
14 of business in this state for sixty days or more.

15 4. The foreign corporation does not inform the commission that its
16 statutory agent or known place of business has changed or that its statutory
17 agent has resigned within sixty days of the change or resignation.

18 5. The foreign corporation has failed to make any publication required
19 by this title ~~and file affidavit of publication thereof within the time~~
20 ~~prescribed by this title~~, provided the commission has notified the foreign
21 corporation of the intent of the commission to commence a revocation
22 proceeding for that reason and the foreign corporation has failed to file an
23 affidavit of publication within sixty days after that notice.

24 6. An incorporator, director, officer or agent of the foreign
25 corporation signed a document he knew was false in any material respect with
26 intent that the document be delivered to the commission for filing.

27 7. The commission receives a duly authenticated certificate from the
28 secretary of state or other official having custody of corporate records in
29 the state or country under whose law the foreign corporation is incorporated
30 stating that it has been dissolved or disappeared as the result of a merger.

31 8. The corporation has failed to ~~file a certificate of disclosure or~~
32 answer interrogatories as prescribed in chapters 1 through 17 of this title.

33 9. Any officer or other representative of the corporation has made any
34 misrepresentation of a material matter in any application, report, ~~affidavit~~
35 or other document submitted by the corporation pursuant to chapters 1 through
36 17 of this title.

37 Sec. 17. Section 10-1622, Arizona Revised Statutes, is amended to
38 read:

39 10-1622. Annual report

40 A. Each domestic corporation and each foreign corporation authorized
41 to transact business in this state shall deliver to the commission for filing
42 an annual report that sets forth all of the following:

43 1. The name of the corporation and the state or country under whose
44 law it is incorporated.

1 2. The address of its known place of business and the name and address
2 of its statutory agent in this state.

3 3. The address of its principal office.

4 4. The names and business addresses of its directors and principal
5 officers.

6 5. A brief description of the nature of its business.

7 6. The total number of authorized shares, itemized by class and
8 series, if any, within each class.

9 7. The total number of issued and outstanding shares, itemized by
10 class or series, if any, within each class.

11 ~~8. A certificate of disclosure containing the information set forth in~~
12 ~~section 10-202, subsection D.~~

13 ~~9.~~ 8. The names of shareholders of record of the corporation holding
14 more than twenty per cent of any class of shares issued by the corporation,
15 including persons beneficially holding the shares through nominees.

16 ~~10.~~ 9. A statement that all corporate income tax returns required by
17 title 43 have been filed with the department of revenue.

18 B. Information in the annual report shall be current as of the date
19 the annual report is executed on behalf of the corporation.

20 C. The annual report for all corporations shall be delivered to the
21 commission for filing, and the annual fee shall be paid on or before the date
22 assigned by the commission. The commission may stagger the annual report
23 filing date for all corporations and adjust the annual registration fee on a
24 pro rata basis. The corporation shall deliver the annual report to the
25 commission for filing each subsequent year in the anniversary month on the
26 date determined by the commission. If a corporation is unable to file the
27 annual report required by this section on or before the date prescribed by
28 this section, the corporation may file, but only on or before this date, a
29 written request with the commission for an extension of time, not to exceed
30 six months, in which to file the annual report. The request for an extension
31 of time shall be accompanied by the annual registration fee required by law.
32 After filing the request for an extension of time and on receipt of the
33 annual registration fee, the commission shall grant the request.

34 D. If an annual report does not contain the information required by
35 this section, the commission shall promptly notify the reporting domestic or
36 foreign corporation in writing and shall return the report to it for
37 correction. If the report is corrected to contain the information required
38 by this section and delivered to the commission within thirty days after the
39 effective date of notice, it is deemed to be timely filed.

40 ~~E. Any corporation that is exempt from the requirement of filing an~~
41 ~~annual report shall deliver annually a certificate of disclosure that~~
42 ~~contains the information set forth in section 10-202, subsection D and that~~
43 ~~is executed by any two executive officers or directors of the corporation on~~
44 ~~or before May 31. If the certificate is not delivered within ninety days~~
45 ~~after the due date of the annual report or within ninety days after May 31 in~~

1 ~~the case of any corporation that is exempt from the requirement of filing an~~
2 ~~annual report, the commission shall initiate administrative dissolution of~~
3 ~~that corporation in accordance with chapters 1 through 17 of this title.~~

4 ~~F.~~ E. If the annual report is not delivered for filing and the fee is
5 not paid within the time specified by this section, the commission shall
6 assess and, upon collection, deposit, pursuant to sections 35-146 and 35-147,
7 penalties of twenty per cent per month or fraction of the month of the fees
8 then due until either the payment is made or the domestic corporation is
9 administratively dissolved or the authority of the foreign corporation is
10 revoked, whichever occurs first. Beginning January 1, 1999, this subsection
11 does not apply to nonprofit corporations organized under chapters 24 through
12 42 of this title.

13 Sec. 18. Section 10-2210, Arizona Revised Statutes, is amended to
14 read:

15 10-2210. Election of professional corporation status

16 ~~A. One or more persons may incorporate a professional corporation by~~
17 ~~delivering to the commission for filing a certificate of disclosure that~~
18 ~~contains the information set forth in section 10-202, subsection D and is~~
19 ~~subject to the requirements of section 10-202, subsection F and articles of~~
20 ~~incorporation that state, with respect to the character of its business:~~

21 ~~1. It is a professional corporation.~~

22 ~~2. Its purpose is to render the specified professional services.~~

23 A. ONE OR MORE PERSONS MAY INCORPORATE A PROFESSIONAL CORPORATION BY
24 DELIVERING TO THE COMMISSION FOR FILING ARTICLES OF INCORPORATION THAT STATE
25 WITH RESPECT TO THE CHARACTER OF THE BUSINESS THAT IT IS A PROFESSIONAL
26 CORPORATION AND ITS PURPOSE IS TO RENDER THE SPECIFIED PROFESSIONAL SERVICES.

27 B. A corporation incorporated under a general law of this state other
28 than this chapter may elect professional corporation status by amending its
29 articles of incorporation to comply with ~~subsection A of this section and~~
30 section 10-2215.

31 Sec. 19. Section 10-3121, Arizona Revised Statutes, is amended to
32 read:

33 10-3121. Forms

34 A. ~~Certificates,~~ Reports and statements required by ~~section 10-3202,~~
35 ~~subsection D and~~ sections 10-11622 and 10-11623 to be delivered to and filed
36 by the commission shall be made on the forms that are prescribed and
37 furnished by the commission.

38 B. The commission may prescribe and furnish on request forms for other
39 documents required or permitted to be filed by chapters 24 through 40 of this
40 title, but their use is not mandatory.

1 Sec. 20. Section 10-3140, Arizona Revised Statutes, is amended to
2 read:

3 10-3140. Definitions

4 In chapters 24 through 40 of this title, unless the context otherwise
5 requires:

6 1. "Acknowledged" or "acknowledgment" means either an acknowledgment
7 pursuant to title 33, chapter 4, article 5 or the signature, without more, of
8 the person or persons signing the instrument, in which case the signature or
9 signatures constitute the affirmation or acknowledgment of the signatory,
10 under penalties of perjury, that the instrument is the act and deed of the
11 signatory and that the facts stated in the instrument are true.

12 2. "Act of the board of directors" means either:

13 (a) An act of the majority of the directors present at a duly called
14 meeting at which a quorum is present, unless the act of a greater number is
15 required by chapters 24 through 40 of this title, the articles of
16 incorporation or the bylaws.

17 (b) Action taken by written consent of the directors in accordance
18 with chapters 24 through 40 of this title.

19 3. "Act of the members" means either:

20 (a) An act adopted or rejected by a majority of the votes represented
21 and voting at a duly held meeting at which a quorum is present where
22 affirmative votes also constitute a majority of the required quorum unless a
23 greater number of votes is required by chapters 24 through 40 of this title,
24 the articles of incorporation or the bylaws.

25 (b) An action taken by written consent of the members in accordance
26 with chapters 24 through 40 of this title.

27 (c) An action taken by written ballot of the members in accordance
28 with this chapter.

29 4. "Address" means a mailing address.

30 5. "Affiliate" means a person that directly or indirectly through one
31 or more intermediaries controls, is controlled by or is under common control
32 with the person specified.

33 6. "Articles of incorporation" means the original or restated articles
34 of incorporation or articles of merger and all amendments to the articles of
35 incorporation or merger and includes amended and restated articles of
36 incorporation and articles of amendment and merger.

37 7. "Board", "board of directors" or "board of trustees" means the
38 group of persons vested with the direction of the affairs of the corporation
39 irrespective of the name by which the group is designated, except that no
40 person or group of persons shall be deemed to be the board of directors
41 solely because of powers delegated to that person or group pursuant to
42 section 10-3801, subsection C.

43 8. "Business day" means a day that is not a Saturday, a Sunday or any
44 other legal holiday in this state.

1 9. "Bylaws" means the code of rules adopted for the regulation or
2 management of the affairs of the corporation irrespective of the name by
3 which those rules are designated.

4 ~~10. "Certificate of disclosure" means the certificate of disclosure~~
5 ~~described in section 10-3202.~~

6 ~~11.~~ 10. "Class" refers to a group of memberships that have the same
7 rights with respect to voting, dissolution, redemption and transfer. Rights
8 are the same if they are determined by a formula applied uniformly.

9 ~~12.~~ 11. "Commission" means the Arizona corporation commission.

10 ~~13.~~ 12. "Conspicuous" means so written that a reasonable person
11 against whom the writing is to operate should have noticed it. For example,
12 printing in italics, boldface or contrasting color or typing in capitals or
13 underlined is conspicuous.

14 ~~14.~~ 13. "Corporation" or "domestic corporation" means a nonprofit
15 corporation that is not a foreign corporation and that is incorporated under
16 or subject to chapters 24 through 40 of this title.

17 ~~15.~~ 14. "Corporation sole" means a corporation formed pursuant and
18 subject to chapter 42, article 1 of this title.

19 ~~16.~~ 15. "Court" means the superior court of this state.

20 ~~17.~~ 16. "Delegates" means those persons elected or appointed to vote
21 in a representative assembly for the election of a director or directors or
22 on other matters.

23 ~~18.~~ 17. "Deliver" includes **SENDING BY** mail, private courier, fax or
24 electronic mail.

25 ~~19.~~ 18. "Delivery" means actual receipt by the person or entity to
26 which directed.

27 ~~20.~~ 19. "Directors" or "trustees" means individuals, designated in the
28 articles of incorporation or bylaws or elected by the incorporators, and
29 their successors and individuals elected or appointed by any other name or
30 title to act as members of the board.

31 ~~21.~~ 20. "Dissolved" means the status of a corporation on either:

32 (a) Effectiveness of articles of dissolution pursuant to section
33 10-11403, subsection B or section 10-11421, subsection B.

34 (b) A decree pursuant to section 10-11433, subsection B becoming
35 final.

36 ~~22.~~ 21. "Distribution" means a direct or indirect transfer of money or
37 other property or incurrance of indebtedness by a corporation to or for the
38 benefit of its members in respect of any of its membership interests. A
39 distribution may be in the form of any of the following:

40 (a) A declaration of payment of a dividend.

41 (b) Any purchase, redemption or other acquisition of membership
42 interests.

43 (c) A distribution of indebtedness.

44 (d) Otherwise.

1 ~~23.~~ 22. "Effective date of notice" is prescribed in section 10-3141.
2 ~~24.~~ 23. "Electronic mail" means an electronic record as defined in
3 section 44-7002 and that is sent pursuant to section 44-7015, subsection A.
4 ~~25.~~ 24. "Employee" means an officer, director or other person who is
5 employed by the corporation.
6 ~~26.~~ 25. "Entity" includes a corporation, foreign corporation, not for
7 profit corporation, business corporation, foreign business corporation,
8 profit and not for profit unincorporated association, close corporation,
9 corporation sole, limited liability company or registered limited liability
10 partnership, a professional corporation, association or limited liability
11 company or registered limited liability partnership, a business trust,
12 estate, partnership, trust or joint venture, two or more persons having a
13 joint or common economic interest, any person other than an individual and a
14 state, the United States and a foreign government.
15 ~~27.~~ 26. "Executed by the corporation" means executed by manual or
16 facsimile signature on behalf of the corporation by a duly authorized officer
17 or, if the corporation is in the hands of a receiver or trustee, by the
18 receiver or trustee.
19 ~~28.~~ 27. "Filing" means the commission completing the following
20 procedure with respect to any document delivered for that purpose:
21 (a) Determining that the filing fee requirements of this title have
22 been satisfied.
23 (b) Determining that the document appears in all respects to conform
24 to the requirements of chapters 24 through 40 of this title.
25 (c) On making the determinations, endorsement of the word "filed" with
26 the applicable date on or attached to the document and the return of copies
27 to the person who delivered the document or the person's representative.
28 ~~29.~~ 28. "Foreign corporation" means a corporation that is organized
29 under a law other than the law of this state and that would be a nonprofit
30 corporation if formed under the laws of this state.
31 ~~30.~~ 29. "Governmental subdivision" includes an authority, county,
32 district, municipality and political subdivision.
33 ~~31.~~ 30. "Includes" and "including" denotes a partial definition.
34 ~~32.~~ 31. "Individual" includes the estate of an incompetent individual.
35 ~~33.~~ 32. "Insolvent" means inability of a corporation to pay its debts
36 as they become due in the usual course of its business.
37 ~~34.~~ 33. "Known place of business" means the known place of business
38 required to be maintained pursuant to section 10-3501.
39 ~~35.~~ 34. "Mail", "to mail" or "have mailed" means to deposit or have
40 deposited a communication in the United States mail with first class postage
41 prepaid.
42 ~~36.~~ 35. "Means" denotes an exhaustive definition.
43 ~~37.~~ 36. "Member" means, without regard to what a person is called in
44 the articles of incorporation or bylaws, any person or persons who, pursuant
45 to a provision of a corporation's articles of incorporation or bylaws, have

1 the right to vote for the election of a director or directors. A person is
2 not a member by virtue of any of the following:

- 3 (a) Any rights that person has as a delegate.
- 4 (b) Any rights that person has to designate a director or directors.
- 5 (c) Any rights that person has as a director.
- 6 (d) Being referred to as a member in the articles of incorporation,
7 bylaws or any other document, if the person does not have the right to vote
8 for the election of a director or directors.

9 ~~38.~~ 37. "Membership" refers to the rights and obligations a member or
10 members have pursuant to a corporation's articles of incorporation, bylaws
11 and chapters 24 through 40 of this title.

12 ~~39.~~ 38. "Newspaper" has the same meaning prescribed in section 39-201.

13 ~~40.~~ 39. "Notice" and "notify" are prescribed in section 10-3141.

14 ~~41.~~ 40. "Person" includes individual and entity.

15 ~~42.~~ 41. "President" means that officer designated as the president in
16 the articles of incorporation or bylaws or, if not so designated, that
17 officer authorized in the articles of incorporation, bylaws or otherwise to
18 perform the functions of the chief executive officer, irrespective of the
19 name by which designated.

20 ~~43.~~ 42. "Principal office" means the office, in or out of this state,
21 so designated in the annual report where the principal executive offices of a
22 domestic or foreign corporation are located or in any other document executed
23 by the corporation by an officer and delivered to the commission for filing.
24 If an office has not been so designated, principal office means the known
25 place of business of the corporation.

26 ~~44.~~ 43. "Proceeding" includes a civil suit and a criminal,
27 administrative and investigatory action.

28 ~~45.~~ 44. "Publish" means to publish in a newspaper of general
29 circulation in the county of the known place of business for three
30 consecutive publications.

31 ~~46.~~ 45. "Record date" means the date, if any, established under
32 chapter 29 or 30 of this title on which a corporation determines the identity
33 of its members and their membership interests for purposes of chapters 24
34 through 40 of this title. The determinations shall be made as of the close
35 of business on the record date unless another time for doing so is specified
36 when the record date is fixed.

37 ~~47.~~ 46. "Secretary" means that officer designated as the secretary in
38 the articles of incorporation or bylaws or that officer authorized in the
39 articles of incorporation, the bylaws or otherwise to perform the functions
40 of secretary, irrespective of the name by which designated.

41 ~~48.~~ 47. "State" if referring to a part of the United States, includes
42 a state and commonwealth and their agencies and governmental subdivisions and
43 a territory and insular possession of the United States and their agencies
44 and governmental subdivisions.

1 ~~49.~~ 48. "Treasurer" means that officer designated as the treasurer in
2 the articles of incorporation or bylaws or that officer authorized in the
3 articles of incorporation, bylaws or otherwise to perform the functions of
4 treasurer, irrespective of the name by which designated.

5 ~~50.~~ 49. "United States" includes a district, authority, bureau,
6 commission and department and any other agency of the United States.

7 ~~51.~~ 50. "Vice-president" means an officer designated as a
8 vice-president in the articles of incorporation or bylaws or an officer
9 authorized in the articles of incorporation, the bylaws or otherwise to
10 perform the functions of a vice-president, irrespective of the name by which
11 designated.

12 ~~52.~~ 51. "Vote" includes authorization by written ballot and written
13 consent.

14 ~~53.~~ 52. "Voting power" means the total number of votes entitled to be
15 cast for the election of directors at the time the determination of voting
16 power is made, excluding a vote that is contingent on the happening of a
17 condition or event that has not occurred at the time. If a class is entitled
18 to vote as a class for directors, the determination of voting power of the
19 class shall be based on the percentage of the number of directors the class
20 is entitled to elect out of the total number of authorized directors.

21 Sec. 21. Section 10-3201, Arizona Revised Statutes, is amended to
22 read:

23 10-3201. Incorporators

24 One or more persons may act as the incorporator or incorporators of a
25 corporation by delivering articles of incorporation ~~and a certificate of~~
26 ~~disclosure~~ to the commission for filing.

27 Sec. 22. Section 10-3202, Arizona Revised Statutes, is amended to
28 read:

29 10-3202. Articles of incorporation

30 A. The articles of incorporation shall set forth:

31 1. A corporate name for the corporation that satisfies the
32 requirements of section 10-3401.

33 2. A brief statement of the character of affairs that the corporation
34 initially intends to conduct. This statement does not limit the affairs that
35 the corporation may conduct.

36 3. The name and address of each person who is to serve as a director
37 until a successor is elected and qualifies.

38 4. The name, street address and signature of the corporation's
39 statutory agent.

40 5. The street address of the known place of business for the
41 corporation, if different from that of its statutory agent.

42 6. The name and address of each incorporator.

43 7. Whether or not the corporation will have members.

1 8. Any provision elected by the incorporators that under chapters 24
2 through 40 of this title or any other law of this state may be elected only
3 by specific inclusion in the articles of incorporation.

4 9. The signatures of all incorporators.

5 B. The articles of incorporation may set forth:

6 1. A provision eliminating or limiting the liability of a director to
7 the corporation or its members for money damages for any action taken or any
8 failure to take any action as a director, except liability for any of the
9 following:

10 (a) The amount of a financial benefit received by a director to which
11 the director is not entitled.

12 (b) An intentional infliction of harm on the corporation or the
13 members.

14 (c) A violation of section 10-3833.

15 (d) An intentional violation of criminal law.

16 2. A provision permitting or making obligatory indemnification of a
17 director for liability, as defined in section 10-3850, to any person for any
18 action taken, or any failure to take any action, as a director, except
19 liability for any of the exceptions described in paragraph 1 of this
20 subsection.

21 3. Any other provision, not inconsistent with law.

22 C. The articles of incorporation need not set forth any of the
23 corporate powers enumerated in chapters 24 through 40 of this title.

24 ~~D. The certificate of disclosure shall set forth all of the following:~~

25 ~~1. The following information regarding all persons who at the time of~~
26 ~~its delivery are officers, directors, trustees and incorporators:~~

27 ~~(a) Whether any of the persons have been convicted of a felony~~
28 ~~involving a transaction in securities, consumer fraud or antitrust in any~~
29 ~~state or federal jurisdiction within the seven year period immediately~~
30 ~~preceding the execution of the certificate.~~

31 ~~(b) Whether any of the persons have been convicted of a felony, the~~
32 ~~essential elements of which consisted of fraud, misrepresentation, theft by~~
33 ~~false pretenses or restraint of trade or monopoly in any state or federal~~
34 ~~jurisdiction within the seven year period immediately preceding the execution~~
35 ~~of the certificate.~~

36 ~~(c) Whether any of the persons are or have been subject to an~~
37 ~~injunction, judgment, decree or permanent order of any state or federal court~~
38 ~~entered within the seven year period immediately preceding the execution of~~
39 ~~the certificate, if the injunction, judgment, decree or permanent order~~
40 ~~involved any of the following:~~

41 ~~(i) The violation of fraud or registration provisions of the~~
42 ~~securities laws of that jurisdiction.~~

43 ~~(ii) The violation of consumer fraud laws of that jurisdiction.~~

44 ~~(iii) The violation of the antitrust or restraint of trade laws of~~
45 ~~that jurisdiction.~~

1 ~~(d) With regard to any of the persons who have been convicted of the~~
2 ~~crimes or who are the subject of the judicial action described in~~
3 ~~subdivisions (a), (b) and (c) of this paragraph, information regarding:~~

4 ~~(i) Identification of the persons, including present full name, all~~
5 ~~prior names or aliases, including full birth name, present home address, all~~
6 ~~prior addresses for the immediately preceding seven year period, date and~~
7 ~~location of birth and social security number.~~

8 ~~(ii) The nature and description of each conviction or judicial action,~~
9 ~~the date and location, the court and public agency involved, and the file or~~
10 ~~case number of the case.~~

11 ~~2. A brief statement disclosing whether any persons who at the time of~~
12 ~~its delivery are officers, directors, trustees and incorporators and who have~~
13 ~~served in any such capacity in any other corporation on the bankruptcy,~~
14 ~~receivership or charter revocation of the other corporation. If so, for each~~
15 ~~corporation, the certificate shall include:~~

16 ~~(a) The names and addresses of each corporation and the person or~~
17 ~~persons involved.~~

18 ~~(b) The state in which each corporation:~~

19 ~~(i) Was incorporated.~~

20 ~~(ii) Transacted business.~~

21 ~~(c) The dates of corporate operation.~~

22 ~~3. The signatures of all the incorporators.~~

23 ~~4. The date of its execution, which shall be not more than thirty days~~
24 ~~before its delivery to the commission.~~

25 ~~5. A declaration by each signer that the signer swears to its contents~~
26 ~~under penalty of law.~~

27 ~~E. The certificate of disclosure may set forth the name and address of~~
28 ~~any other person whom the incorporator or incorporators choose to be the~~
29 ~~subject of those disclosures required under subsection D, paragraph 1 of this~~
30 ~~section.~~

31 ~~F. If within sixty days after delivering the articles of incorporation~~
32 ~~and certificate of disclosure to the commission any person becomes an~~
33 ~~officer, director or trustee and the person was not the subject of the~~
34 ~~disclosures set forth in the certificate of disclosure, the incorporator or~~
35 ~~incorporators or, if the organization of the corporation has been completed~~
36 ~~as provided in section 10-3205, the corporation shall execute and deliver to~~
37 ~~the commission within the sixty day period a declaration, sworn to under~~
38 ~~penalty of law, setting forth all information required by subsection D,~~
39 ~~paragraph 1 of this section, regarding the person. If the incorporator or~~
40 ~~incorporators or, as applicable, the corporation fails to comply with this~~
41 ~~subsection, the commission may administratively dissolve the corporation~~
42 ~~pursuant to section 10-11421.~~

43 ~~G. If any of the persons described in subsection D, paragraph 1 of~~
44 ~~this section have been convicted of the crimes or are the subject of the~~
45 ~~judicial action described in subsection D, paragraph 1 of this section, the~~

1 ~~commission may direct detailed interrogatories to the persons requiring any~~
2 ~~additional relevant information deemed necessary by the commission. The~~
3 ~~interrogatories shall be completely answered within thirty days after mailing~~
4 ~~of the interrogatories. With respect to corporations incorporating or~~
5 ~~seeking authority to conduct affairs, articles of incorporation or an~~
6 ~~application for authority shall not be filed until all outstanding~~
7 ~~interrogatories have been answered to the satisfaction of the commission.~~
8 ~~With respect to existing domestic and foreign corporations, if the~~
9 ~~interrogatories are not answered as provided in this subsection or the~~
10 ~~answers to the interrogatories otherwise indicate proper grounds for an~~
11 ~~administrative dissolution, the commission shall initiate an administrative~~
12 ~~dissolution in accordance with chapters 24 through 40 of this title.~~

13 ~~H. On a quarterly updated basis, the commission shall provide to the~~
14 ~~attorney general a list of all persons who are convicted of the crimes or who~~
15 ~~are the subject of the judicial action described in subsection D, paragraph 1~~
16 ~~of this section as indicated by the certificate of disclosure filed during~~
17 ~~the preceding three months.~~

18 ~~I. Any person who executed or contributed information for a~~
19 ~~certificate of disclosure and who intentionally makes any untrue statement of~~
20 ~~material fact or withholds any material fact with regard to the information~~
21 ~~required in subsection D, paragraph 1 of this section is guilty of a class 6~~
22 ~~felony.~~

23 Sec. 23. Section 10-3203, Arizona Revised Statutes, is amended to
24 read:

25 10-3203. Incorporation

26 A. Unless a delayed effective date is specified in the articles of
27 incorporation, incorporation occurs and the corporate existence begins when
28 the articles of incorporation ~~and certificate of disclosure~~ are delivered to
29 the commission for filing.

30 B. The commission's filing of the articles of incorporation ~~and~~
31 ~~certificate of disclosure~~ is conclusive proof that the incorporators
32 satisfied all conditions precedent to incorporation except in a proceeding by
33 the state to cancel or revoke the incorporation or involuntarily dissolve the
34 corporation pursuant to chapter 37 of this title.

35 C. Subject to section 10-3124, if the commission determines that the
36 requirements of chapters 24 through 42 of this title for filing have not been
37 met, the articles of incorporation ~~and certificate of disclosure~~ shall not be
38 filed and the corporate existence terminates at the time the commission
39 completes the determination. If the corporate existence is terminated
40 pursuant to this subsection, sections 10-11404, 10-11405 and 10-11406 apply.

41 D. Within sixty days after the commission has approved the filing, a
42 copy of the articles of incorporation shall be published. An affidavit
43 evidencing the publication ~~shall~~ MAY be filed with the commission within
44 ninety days after approval by the commission of the filing of the articles of
45 incorporation.

1 Sec. 24. Section 10-3223, Arizona Revised Statutes, is amended to
2 read:

3 10-3223. Certificate of good standing

4 A corporation filing articles of domestication with the commission
5 shall also deliver to the commission ~~a certificate of disclosure containing~~
6 ~~all information required by section 10-3202 and~~ a certificate of good
7 standing duly authenticated by the official having custody of the corporate
8 records in the jurisdiction in which the corporation was incorporated before
9 the transfer of domicile.

10 Sec. 25. Section 10-3224, Arizona Revised Statutes, is amended to
11 read:

12 10-3224. Recording and publication of articles of domestication

13 Within sixty days after the commission has approved the filing of the
14 articles of domestication, a copy of the articles of domestication shall be
15 published. An affidavit evidencing the publication ~~shall~~ MAY be filed with
16 the commission within ninety days after the approval by the commission of the
17 filing of the articles of domestication. If other laws require the
18 domesticated corporation to record its articles of incorporation, the
19 domesticated corporation shall also record the articles of domestication.

20 Sec. 26. Section 10-11006, Arizona Revised Statutes, is amended to
21 read:

22 10-11006. Articles of amendment

23 A. A corporation amending its articles of incorporation shall deliver
24 to the commission for filing articles of amendment setting forth:

- 25 1. The name of the corporation.
- 26 2. The text of each amendment adopted.
- 27 3. The date of each amendment's adoption.
- 28 4. A statement that the amendment was duly adopted by act of the
29 members or act of the board of directors and, if applicable, with the
30 approval required pursuant to section 10-11030.

31 B. Within sixty days after the commission has approved the filing, a
32 copy of the articles of amendment shall be published. An affidavit
33 evidencing the publication ~~shall~~ MAY be filed with the commission within
34 ninety days after approval by the commission of the filing of the articles of
35 amendment.

36 Sec. 27. Section 10-11007, Arizona Revised Statutes, is amended to
37 read:

38 10-11007. Restated articles of incorporation

39 A. A corporation's board of directors may restate its articles of
40 incorporation at any time with or without approval by the members or any
41 other person.

42 B. The restatement may include one or more amendments to the articles
43 of incorporation. If the restatement includes an amendment requiring
44 approval by the members or any other person, it shall be adopted as provided
45 in section 10-11003.

1 C. If the board of directors submits a restatement for member action,
2 the corporation shall notify each member entitled to vote of the proposed
3 membership meeting in writing in accordance with section 10-3705. The notice
4 shall also state that the purpose or one of the purposes of the meeting is to
5 consider the proposed restatement and shall contain or be accompanied by a
6 copy or summary of the restatement that identifies any amendment or other
7 change it would make in the articles.

8 D. If the board of directors submits a restatement for member action
9 by written ballot or written consent, the material that solicits the approval
10 shall contain or be accompanied by a copy or summary of the restatement that
11 also identifies any amendment or other change it would make in the articles
12 of incorporation.

13 E. A corporation restating its articles of incorporation shall deliver
14 to the commission for filing articles of restatement setting forth the name
15 of the corporation and the text of the restated articles of incorporation
16 together with a certificate setting forth:

17 1. Whether the restatement contains an amendment to the articles
18 requiring approval by any other person other than the board of directors and,
19 if it does not, that the board of directors adopted the restatement.

20 2. If the restatement contains an amendment to the articles requiring
21 approval by the members, a statement that such approval was obtained.

22 3. If the restatement contains an amendment to the articles requiring
23 approval by a person whose approval is required pursuant to section 10-11030,
24 a statement that such approval was obtained.

25 F. Duly adopted restated articles of incorporation supersede the
26 original articles of incorporation and all amendments to them.

27 G. The commission may certify restated articles of incorporation, as
28 the articles of incorporation currently in effect, without including the
29 certificate information required by subsection E of this section.

30 H. Within sixty days after the commission has approved the filing, a
31 copy of the articles of restatement shall be published. An affidavit
32 evidencing the publication ~~shall~~ MAY be filed with the commission within
33 ninety days after approval by the commission of the filing of the articles of
34 restatement.

35 Sec. 28. Section 10-11008, Arizona Revised Statutes, is amended to
36 read:

37 10-11008. Amendment pursuant to reorganization

38 A. A corporation's articles may be amended pursuant to this section
39 without action by the board of directors or members or approval required
40 pursuant to section 10-11030 to carry out a plan of reorganization ordered or
41 decreed by a court of competent jurisdiction under a federal statute or a
42 statute of this state if the articles of incorporation after amendment
43 contain only provisions required or permitted by section 10-3202.

44 B. Before the date of entry of a final decree in the reorganization
45 proceeding, the individual or individuals designated by the court plan shall

1 deliver to the commission articles of amendment setting forth all of the
2 following:

- 3 1. The name of the corporation.
- 4 2. The text of each amendment contained in the plan of reorganization.
- 5 3. The date of the court's order or decree confirming the plan of
6 reorganization containing the articles of amendment.
- 7 4. The title of the reorganization proceeding in which the order or
8 decree was entered.
- 9 5. A statement that the court had jurisdiction of the proceeding under
10 federal or state statute.

11 C. This section does not apply after entry of a final decree in the
12 reorganization proceeding even though the court retains jurisdiction of the
13 proceeding for limited purposes unrelated to consummation of the
14 reorganization plan.

15 D. Within sixty days after the commission has approved the filing, a
16 copy of the articles of amendment shall be published. An affidavit
17 evidencing the publication ~~shall~~ MAY be filed with the commission within
18 ninety days after approval by the commission of the filing of the articles or
19 amendment.

20 Sec. 29. Section 10-11105, Arizona Revised Statutes, is amended to
21 read:

22 10-11105. Articles of merger or membership exchange;
23 publication

24 A. After a plan of merger or membership exchange is approved by the
25 board of directors and, if required by section 10-11103, by the members and
26 any other persons, the surviving or acquiring corporation shall deliver to
27 the commission for filing both:

- 28 1. The plan of merger or membership exchange.
- 29 2. Articles of merger or membership exchange setting forth:
 - 30 (a) The names of the corporations that were parties to the merger or
31 membership exchange.
 - 32 (b) The name and address of the known place of business of the
33 surviving or acquiring corporation.
 - 34 (c) The name and address of the statutory agent of the surviving or
35 acquiring corporation.
 - 36 (d) Any amendments to the articles of incorporation of the surviving
37 corporation.
 - 38 (e) A statement that the amendment was duly adopted by act of the
39 board of directors and, if required by section 10-11103, by act of the
40 members and any other persons.

41 B. A merger takes effect at the effective time and date of the
42 articles of merger, as determined pursuant to section 10-3123.

43 C. If the articles of merger include amendments to the articles of
44 incorporation of the surviving corporation, the document required to be filed

1 and published under this section shall be styled "articles of amendment and
2 merger".

3 D. Within sixty days after the commission has approved the filing, a
4 copy of the articles of merger or membership exchange shall be published. An
5 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission
6 within ninety days after approval by the commission of the filing of the
7 articles of merger or membership exchange.

8 Sec. 30. Section 10-11107, Arizona Revised Statutes, is amended to
9 read:

10 10-11107. Merger or exchange with other entities

11 A. In addition to mergers or exchanges governed by sections 10-11101
12 and 10-11102, a domestic corporation may merge or enter into an exchange of
13 memberships and interests with one or more other entities incorporated,
14 formed or organized under the laws of this state, any other state, the United
15 States, any foreign country or any other jurisdiction, if:

16 1. In a merger, the merger is permitted by the law of the jurisdiction
17 under whose laws the other entity is incorporated, formed or organized, and
18 each other entity complies with that law in effecting the merger. For
19 entities incorporated, formed or organized under the laws of this state, this
20 section constitutes permission for the merger.

21 2. Each domestic nonprofit corporation approves the plan of merger or
22 exchange in the manner required by section 10-11103, subsection B.

23 3. Each other entity approves the plan of merger or exchange in the
24 manner required by the laws of the jurisdiction under whose laws it is
25 organized.

26 4. Rights or securities of or interests in an entity that is a party
27 to the merger or exchange may be exchanged for or converted into cash,
28 property, obligations, rights or securities of or interests in the surviving
29 or resulting entity.

30 B. The plan of merger or exchange shall set forth:

31 1. The name and jurisdiction of incorporation, formation or
32 organization of each entity that plans to merge or exchange.

33 2. The name of the surviving or acquiring entity.

34 3. The terms and conditions of the merger or exchange.

35 4. The manner and basis, if any, of converting or exchanging the
36 memberships, rights or securities of or interests in each entity that is a
37 party to the merger or to be acquired in the exchange into or for
38 obligations, memberships, rights or securities of or interest in the
39 surviving or acquiring entity or into or for cash or other property in whole
40 or in part.

41 C. The plan of merger or exchange may set forth:

42 1. In a merger, amendments to the articles or certificate of
43 incorporation or organization, the certificate of limited partnership or
44 similar organizational document of the surviving entity.

45 2. Other provisions relating to the merger or exchange.

1 D. After a plan of merger or exchange is approved as provided in
2 subsection A, paragraphs 2 and 3 of this section, the surviving or acquiring
3 entity shall deliver to the commission for filing both:

4 1. The plan of merger or exchange, or a statement that the plan of
5 merger or exchange is on file at a place of business of the surviving or
6 acquiring entity, including the address of the place of business, and a
7 statement that the surviving or acquiring entity will provide a copy of the
8 plan of merger or exchange on request and without cost to any person who
9 holds an interest in an entity that is a party to the merger or exchange.

10 2. The articles of merger or exchange setting forth:

11 (a) The names of the domestic nonprofit corporations and other
12 entities that were parties to the merger or exchange.

13 (b) The name and a place of business of the surviving or acquiring
14 entity.

15 (c) If the surviving entity in a merger is a domestic nonprofit or
16 business corporation, any amendments to the articles of incorporation of that
17 corporation.

18 3. If the surviving entity in a merger is not an entity organized
19 under the laws of this state, both of the following:

20 (a) A statement that the surviving entity agrees that it may be served
21 with process in this state in an action, suit or proceeding for the
22 enforcement of any obligation of any entity that was organized under the laws
23 of this state and that is a party to the merger and for the enforcement of
24 any obligation of the surviving entity arising from the merger.

25 (b) A statement that the surviving entity irrevocably appoints the
26 commission as its agent to accept service of process in the action, suit or
27 proceeding described in subdivision (a) of this paragraph, including the
28 address to which the commission shall mail a copy of the process.

29 E. The articles of merger shall serve as the articles or certificate
30 of dissolution, termination or cancellation for an entity that is not the
31 surviving entity in a merger.

32 F. A merger or exchange takes effect at the effective time and date of
33 the articles of merger or exchange, as determined pursuant to section
34 10-3123.

35 G. If the articles of merger include amendments to the articles of
36 incorporation of the surviving corporation as described in subsection D,
37 paragraph 2, subdivision (c) of this section, the document required to be
38 filed and published under this section shall be styled "articles of amendment
39 and merger".

40 H. Within sixty days after the commission has approved the filing, a
41 copy of the articles of merger or share exchange shall be published. An
42 affidavit evidencing the publication ~~shall~~ MAY be filed with the commission
43 within ninety days after approval by the commission of the filing of the
44 articles of merger or share exchange.

1 I. When a merger takes effect:

2 1. Every other entity that is a party to the merger merges into the
3 surviving entity and the separate existence of every entity except the
4 surviving entity ceases.

5 2. The title to all real estate and other property owned by each
6 entity that is a party to the merger is vested automatically in the surviving
7 entity without reversion or impairment, subject to any and all conditions to
8 which the property was subject prior to the merger.

9 3. The surviving entity automatically has all of the liabilities of
10 each entity that is a party to the merger.

11 4. A proceeding pending against any entity that is a party to the
12 merger may be continued as if the merger did not occur or the surviving
13 entity may be substituted in the proceeding for the entity whose existence
14 ceased.

15 5. The organizational document of the surviving entity is amended to
16 the extent provided in the articles of amendment and merger.

17 6. The memberships, rights or securities of or interests in each
18 entity that is a party to the merger that are to be converted into
19 obligations, memberships, rights or securities of or other interests in the
20 surviving or any other entity or into cash or other property are converted,
21 and the former holders of the memberships, rights, securities or interests
22 are entitled only to the rights provided in the plan of merger.

23 J. If an exchange takes effect, the memberships, rights or securities
24 of or other interests in each acquired entity are exchanged as provided in
25 the plan, and the former holders of the membership, rights, securities or
26 interests are entitled only to the exchange rights provided in the plan of
27 exchange.

28 K. Unless the plan of merger or exchange provides otherwise, each
29 entity that is a party to the merger or exchange may abandon the proposed
30 merger or exchange before the effective date of the merger or exchange in a
31 manner required by the laws of the jurisdiction in which the entity is
32 organized.

33 L. This section does not limit the power of an entity to acquire all
34 or part of the memberships of one or more classes of a domestic corporation
35 through a voluntary exchange or otherwise.

36 Sec. 31. Section 10-11403, Arizona Revised Statutes, is amended to
37 read:

38 10-11403. Articles of dissolution

39 A. At any time after dissolution is authorized, the corporation may
40 dissolve by delivering to the commission articles of dissolution setting
41 forth all of the following:

- 42 1. The name of the corporation.
43 2. The date dissolution was authorized.

1 3. A statement that the dissolution was duly authorized by an act of
2 the members or an act of the board of directors and, if applicable, with the
3 approval required pursuant to section 10-11402.

4 B. A corporation is dissolved on the effective date of its articles of
5 dissolution.

6 C. The articles of dissolution shall not be considered complete until
7 all fees, penalties and costs required to be paid under this title have been
8 paid.

9 D. Within sixty days after the commission has approved the filing, a
10 copy of the articles of dissolution shall be published. An affidavit
11 evidencing the publication ~~shall~~ MAY be filed with the commission within
12 ninety days after approval by the commission of the filing of the articles of
13 dissolution.

14 E. The articles of dissolution are not complete until the commission
15 has received a notice from the department of revenue that the tax levied
16 under title 42, chapter 5, article 1 against the corporation has been paid,
17 or until the department of revenue notifies the commission that the
18 corporation is not subject to the tax and the commission has received from
19 the department of revenue a certificate issued by the department of revenue
20 pursuant to section 43-1151.

21 Sec. 32. Section 10-11420, Arizona Revised Statutes, is amended to
22 read:

23 10-11420. Grounds for administrative dissolution

24 The commission may commence a proceeding under section 10-11421 to
25 administratively dissolve a corporation if either:

26 1. The corporation does not pay within sixty days after they are due
27 any fees or penalties imposed by chapters 24 through 40 of this title.

28 2. The corporation does not deliver its annual report to the
29 commission within sixty days after it is due.

30 3. The corporation is without a statutory agent or known place of
31 business in this state.

32 4. The corporation does not notify the commission within sixty days
33 that its statutory agent or known place of business has been changed, that
34 its statutory agent has resigned or that its known place of business has been
35 discontinued.

36 5. The corporation has failed to make any publication required by this
37 title ~~and file an affidavit of publication within the time prescribed by this~~
38 ~~title~~, provided the commission has notified the corporation of the intent of
39 the commission to commence a dissolution proceeding for that reason after
40 that notice ~~and the corporation has failed to file an affidavit of~~
41 ~~publication within sixty days.~~

42 6. The corporation's period of duration stated in its articles of
43 incorporation expires.

44 ~~7. The corporation has failed to comply with section 10-3202,~~
45 ~~subsection F.~~

1 ~~8.~~ 7. Any officer or other representative of the corporation has made
2 any misrepresentation of a material matter in any application, report,
3 ~~affidavit~~ or other document submitted by the corporation pursuant to chapters
4 24 through 40 of this title.

5 ~~9.~~ 8. The commission has not received the notice required by section
6 10-11403, subsection E within six months after filing articles of
7 dissolution.

8 ~~10.~~ 9. The corporation has failed to ~~file a certificate of disclosure~~
9 ~~or~~ answer interrogatories as prescribed in chapters 24 through 40 of this
10 title.

11 ~~11.~~ 10. The corporation failed to comply with section 10-11623,
12 subsection A.

13 Sec. 33. Section 10-11503, Arizona Revised Statutes, is amended to
14 read:

15 10-11503. Application for certificate of authority

16 A. A foreign corporation may apply for authority to conduct affairs in
17 this state by delivering an application ~~and a certificate of disclosure~~ to
18 the commission for filing. ~~The certificate of disclosure shall contain the~~
19 ~~information set forth in section 10-3202, subsection D and is subject to the~~
20 ~~requirements of section 10-3202, subsection F.~~ The application shall be
21 executed by the corporation and shall set forth:

22 1. The name of the foreign corporation and, if its name is unavailable
23 for use in this state, a corporate name that satisfies the requirements of
24 section 10-11506.

25 2. The name of the state or country under whose law it is
26 incorporated.

27 3. Its date of incorporation and period of duration.

28 4. The street address of its principal office in its state or country
29 of incorporation.

30 5. The street address of the proposed known place of business of the
31 corporation in this state and the name and street address of its proposed
32 statutory agent in this state.

33 6. If its purpose or purposes are narrower than the transaction of any
34 or all lawful affairs in which corporations may engage in the state or
35 country under whose law it is incorporated, a statement of the limitations on
36 its purpose.

37 7. The names and usual business addresses of its current directors and
38 officers.

39 8. Whether the foreign corporation has members.

40 9. A brief statement of the character of business that the corporation
41 initially intends actually to conduct in this state. This statement does not
42 limit the character of business that the corporation ultimately conducts.

43 B. The foreign corporation shall deliver the application ~~and the~~
44 ~~certificate of disclosure~~ to the commission, together with a copy of its
45 articles of incorporation, any amendments to the articles of incorporation

1 and a certificate of existence or a document of similar import duly
2 authenticated by the secretary of state or other official having custody of
3 corporate records in the state or country under whose law it is incorporated,
4 and the nonrefundable fees required by law.

5 C. After determining that the application sets forth the information
6 required by this section, does not use as the name of the corporation in this
7 state a name that is in violation of section 10-11506 and appears in all
8 other respects to conform to the requirements of this article, the commission
9 shall file the application. The date of filing shall be the date on which
10 the corporation is granted authority to transact business in this state.

11 D. Within sixty days after the commission has approved the filing, a
12 copy of the application shall be published. An affidavit evidencing the
13 publication ~~shall~~ MAY be filed within ninety days after approval by the
14 commission of the filing of the application.

15 E. A foreign corporation authorized to transact business in this state
16 is subject to section 10-11623.

17 Sec. 34. Section 10-11520, Arizona Revised Statutes, is amended to
18 read:

19 10-11520. Withdrawal of foreign corporation

20 A. A foreign corporation authorized to conduct affairs in this state
21 shall not withdraw from this state until the commission files its application
22 for withdrawal.

23 B. A foreign corporation authorized to conduct affairs in this state
24 may apply to surrender the authority by delivering an application to the
25 commission for filing. The application shall set forth:

26 1. The name of the foreign corporation and the name of the state or
27 country under whose law it is incorporated.

28 2. That it is not conducting affairs in this state and that it
29 surrenders its authority to conduct affairs in this state.

30 3. That the foreign corporation revokes the authority of its statutory
31 agent to accept service on its behalf and appoints the commission as its
32 agent for service of process in any proceeding based on a cause of action
33 arising during the time it was authorized to conduct affairs in this state.

34 4. A mailing address to which the commission may mail a copy of any
35 process served on the commission pursuant to its appointment as the foreign
36 corporation's agent for service of process.

37 5. A commitment to notify the commission in the future of any change
38 in the foreign corporation's mailing address.

39 C. The application for withdrawal is not considered complete until the
40 commission has received a notice from the department of revenue to the effect
41 that the tax levied under title 42, chapter 5, article 1 against the foreign
42 corporation has been paid or until it is notified by the department of
43 revenue that the applicant is not subject to the tax and further has received
44 from the department of revenue its certificate issued pursuant to section
45 43-1151.

1 D. The application for withdrawal is not considered complete until all
2 fees, penalties and costs required to be paid under this chapter have been
3 paid ~~and until the commission has received an affidavit that a copy of the~~
4 ~~application for withdrawal has been published.~~

5 E. After determining that the application appears in all respects to
6 conform to the requirements of this chapter and when all fees have been paid
7 as are prescribed in this chapter, the commission shall file the application
8 in the manner provided in section 10-3120. On the filing of the application
9 for withdrawal, the authority of the foreign corporation to transact business
10 in this state ceases.

11 F. After the withdrawal of the corporation is effective, service of
12 process on the commission under this section is service on the foreign
13 corporation. On receipt of process, the commission shall mail a copy of the
14 process to the foreign corporation at the mailing address set forth in its
15 application for withdrawal.

16 Sec. 35. Section 10-11530, Arizona Revised Statutes, is amended to
17 read:

18 10-11530. Grounds for revocation

19 The commission may commence a proceeding under section 10-11531 to
20 revoke the authority of a foreign corporation to conduct affairs in this
21 state if any of the following conditions exist:

22 1. The foreign corporation does not deliver the annual report to the
23 commission within the time required by chapters 24 through 40 of this title.

24 2. The foreign corporation does not pay any fees or penalties imposed
25 by chapters 24 through 40 of this title when they become due and payable.

26 3. The foreign corporation is without a statutory agent or known place
27 of business in this state for sixty days or more.

28 4. The foreign corporation does not inform the commission that its
29 statutory agent or its known place of business has changed or that its
30 statutory agent has resigned within sixty days of the change or resignation.

31 5. The foreign corporation has failed to make any publication required
32 by this title ~~and file an affidavit of publication thereof within the time~~
33 ~~prescribed by this title~~, provided the commission has notified the foreign
34 corporation of the intent of the commission to commence a revocation
35 proceeding for that reason ~~and the foreign corporation has failed to file an~~
36 ~~affidavit of publication within sixty days after that notice.~~

37 6. An incorporator, director, officer or agent of the foreign
38 corporation signed a document such person knew was false in any material
39 respect with intent that the document be delivered to the commission for
40 filing.

41 7. The commission receives a duly authenticated certificate from the
42 secretary of state or other official having custody of corporate records in
43 the state or country under whose law the foreign corporation is incorporated
44 stating that it has been dissolved or disappeared as the result of a merger.

1 8. The corporation has failed to ~~file a certificate of disclosure or~~
2 answer interrogatories as prescribed in chapters 24 through 40 of this title.

3 9. Any officer or other representative of the corporation has made any
4 misrepresentation of a material matter in any application, report, ~~affidavit~~
5 or other document submitted by the corporation pursuant to chapters 24
6 through 40 of this title.

7 Sec. 36. Section 10-11622, Arizona Revised Statutes, is amended to
8 read:

9 10-11622. Annual report

10 A. Each domestic corporation and each foreign corporation authorized
11 to conduct affairs in this state shall deliver to the commission for filing
12 an annual report that sets forth all of the following:

13 1. The name of the corporation and the state or country under whose
14 law it is incorporated.

15 2. The address of its known place of business and the name and address
16 of its agent in this state.

17 3. The address of its principal office.

18 4. The names and business addresses of its directors and principal
19 officers.

20 5. A brief description of the nature of its activities.

21 6. Whether or not it has members.

22 ~~7. A certificate of disclosure containing the information set forth in~~
23 ~~section 10-3202, subsection D.~~

24 ~~8.~~ 7. A statement that all corporate income tax returns required by
25 title 43 have been filed with the department of revenue.

26 ~~9.~~ 8. A statement of its financial condition.

27 B. The information in the annual report shall be current as of the
28 date the annual report is executed on behalf of the corporation.

29 C. The annual report for all corporations shall be delivered to the
30 commission for filing, and the annual fee shall be paid on or before the date
31 assigned by the commission. The commission may stagger the annual report
32 filing date for all corporations and adjust the annual fee on a pro rata
33 basis. The corporation shall deliver the annual report to the commission for
34 filing each subsequent year in the anniversary month on the date assigned by
35 the commission. If a corporation is unable to file the annual report
36 required by this section on or before the date prescribed by this section,
37 the corporation may file, but only on or before this date, a written request
38 with the commission for an extension of time, not to exceed six months, in
39 which to file the annual report. The request for an extension of time shall
40 be accompanied by the annual registration fee required by law. After filing
41 the request for an extension of time and on receipt of the annual
42 registration fee, the commission shall grant the request.

43 D. If an annual report does not contain the information requested by
44 this section, the commission shall promptly notify the reporting domestic or
45 foreign corporation in writing and shall return the report to it for

1 correction. If the report is corrected to contain the information required
2 by this section and delivered to the commission within thirty days after the
3 effective date of notice, it is deemed to be timely filed.

4 ~~E. Any corporation that is exempt from the requirement of filing an
5 annual report shall deliver annually a certificate of disclosure containing
6 the information set forth in section 10-3202, subsection D, executed by any
7 two executive officers or directors of the corporation on or before May 31.
8 If the certificate is not delivered within ninety days after the due date of
9 the annual report or within ninety days after May 31 in the case of any
10 corporation that is exempt from the requirement of filing an annual report,
11 the commission shall initiate administrative dissolution of that corporation
12 or revoke the application for authority of that corporation in accordance
13 with chapters 24 through 40 of this title.~~

14 Sec. 37. Section 20-228, Arizona Revised Statutes, is amended to read:
15 20-228. Exemption of insurers from general corporation reports
16 and fees

17 Notwithstanding any other statute, no authorized insurer or surplus
18 line insurer is required to file with the corporation commission the annual
19 report required of corporations by section 10-1622 ~~or the certificate of~~
20 ~~disclosure required of corporations which are exempt from filing an annual~~
21 ~~report by section 10-1622~~ or the statement of bankruptcy required by section
22 10-1623 from corporations filing for bankruptcy. Such an insurer is exempt
23 from filing the annual report, ~~from filing the certificate of disclosure~~ and
24 from payment of the annual registration fee required by section 10-1622 and
25 from the annual report fee required by section 10-122.

26 Sec. 38. Section 29-631, Arizona Revised Statutes, is amended to read:
27 29-631. Formation: parents and subsidiaries

28 A. One or more persons may form a limited liability company by signing
29 and filing with the commission an original copy of the articles of
30 organization for the limited liability company. The person or persons need
31 not be members of the limited liability company at the time of formation or
32 after formation has occurred.

33 B. NOTWITHSTANDING ANY OTHER LAW, A PARENT LIMITED LIABILITY COMPANY
34 AND ITS SUBSIDIARY LIMITED LIABILITY COMPANIES MAY BE FORMED AT THE SAME
35 TIME.

36 Sec. 39. Section 29-634, Arizona Revised Statutes, is amended to read:
37 29-634. Filing with the commission

38 A. One copy of the signed original articles of organization,
39 application for a certificate of registration or any other document required
40 to be filed pursuant to this chapter shall be delivered to the commission.
41 If the commission determines that the documents ~~conform to the filing~~
42 ~~provisions of~~ SATISFY THE FILING REQUIREMENTS PRESCRIBED IN this chapter,
43 WITHOUT IMPOSING ANY ADDITIONAL REQUIREMENTS OR CONDITIONS THAT ARE NOT
44 EXPRESSLY PRESCRIBED IN THIS CHAPTER it shall, when all fees required
45 pursuant to section 29-851 have been paid:

1 1. Endorse, stamp or attach on the signed original and duplicate copy
2 the word "filed" and the date and time of its acceptance for filing.

3 2. Retain the signed original in the commission's files.

4 3. Return a duplicate copy to the person who filed it or the person's
5 representative.

6 B. If the commission is unable to make the determination required for
7 filing by subsection A of this section at the time any documents are
8 delivered for filing, the documents are deemed to have been filed at the time
9 of delivery if the commission subsequently determines either of the
10 following:

11 1. The documents as delivered conform to the filing provisions of this
12 chapter.

13 2. Within thirty days after notification of nonconformance is given by
14 the commission to the person who delivered the documents for filing or the
15 person's representative, the documents are brought into conformance.

16 C. A document may specify a delayed effective time or date, or both,
17 and is effective at that specified time and date. If the document specifies
18 a delayed effective date but does not specify the time, the document is
19 effective on the specified date at 12:01 a.m. mountain standard time. A
20 delayed effective date for a document may not be later than the ninetieth day
21 after the date the document is delivered to the commission for filing.

22 D. If the filing and determination requirements of this chapter are
23 not satisfied completely within the time prescribed in subsection B,
24 paragraph 2 of this section, the documents shall not be filed.

25 Sec. 40. Section 29-781.01, Arizona Revised Statutes, is amended to
26 read:

27 29-781.01. Rights of assignee

28 If on dissolution the limited liability company has no manager and no
29 member and none is admitted pursuant to section 29-731, subsection B,
30 paragraph 4, the assignees by unanimous written consent may appoint an agent,
31 which may be an assignee or any other person or entity, including a
32 liquidating trustee, to wind up the business and affairs of the limited
33 liability company. Any such agent is authorized to sign ~~and file~~ on behalf
34 of the limited liability company articles of termination under section 29-783
35 and to liquidate its business and affairs in accordance with section 29-782,
36 subsection B, and an operating agreement.

37 Sec. 41. Section 29-782, Arizona Revised Statutes, is amended to read:

38 29-782. Effect of dissolution

39 A. After the dissolution of a limited liability company, its separate
40 existence continues until any of the following occurs:

41 1. Articles of termination are ~~filed with the commission~~ SIGNED.

42 2. A decree terminating the limited liability company is entered by a
43 court of competent jurisdiction.

1 3. The commission administratively dissolves the limited liability
2 company.

3 B. After its dissolution, until its separate existence terminates, a
4 dissolved limited liability company shall not carry on any business except
5 business that is necessary to wind up and liquidate its business and affairs,
6 including any of the following:

7 1. Collecting its assets.

8 2. Disposing of its properties that will not be distributed in kind to
9 its members.

10 3. Discharging or making provisions for discharging its liabilities.

11 4. Distributing its remaining property among its members according to
12 the interests of the members.

13 5. Doing all other acts required to liquidate its business and
14 affairs.

15 Sec. 42. Section 29-783, Arizona Revised Statutes, is amended to read:

16 29-783. Articles of termination

17 If all of the known property and assets of a limited liability company
18 have been applied and distributed pursuant to this chapter, written articles
19 of termination shall be signed on behalf of the limited liability company by
20 a manager if management of the limited liability company is vested in one or
21 more managers or by a member if management of the limited liability company
22 is reserved to the members. The articles of termination shall be filed with
23 the commission and shall state:—

24 ~~1.~~ the name of the limited liability company.

25 ~~2. That all debts, obligations and liabilities have been paid and~~
26 ~~discharged or that adequate provisions have been made for them pursuant to~~
27 ~~section 29-782.~~

28 ~~3. That all of the known properties and assets of the limited~~
29 ~~liability company have been applied and distributed pursuant to this chapter.~~

30 ~~4. That there are no suits pending against the company in any court or~~
31 ~~that adequate provisions have been made for the satisfaction of any judgment,~~
32 ~~order or decree that may be entered against it in any pending suit.~~

33 Sec. 43. Section 29-784, Arizona Revised Statutes, is amended to read:

34 29-784. Effect of signing articles of termination

35 On the ~~filing~~ **SIGNING** of the articles of termination the existence of
36 the limited liability company ceases, except for the purpose of suits, other
37 proceedings and appropriate action as provided in this chapter. The managers
38 in office at the time of termination or, if none, the members are thereafter
39 trustees for the members and creditors of the terminated limited liability
40 company and as such may distribute any of the limited liability company's
41 property discovered after termination, may convey real estate and may take
42 other action as necessary on behalf of and in the name of the terminated
43 limited liability company.

1 Sec. 44. Section 29-786, Arizona Revised Statutes, is amended to read:
2 29-786. Administrative dissolution

3 A. The commission may administratively dissolve a limited liability
4 company in the manner provided by this section if the limited liability
5 company either:

6 1. Fails to amend its articles of organization as required by section
7 29-633, subsection B.

8 2. Has failed to make any publication required by this chapter ~~and has~~
9 ~~failed to file an affidavit of publication thereof required by this chapter.~~

10 3. Is without a statutory agent or known place of business in this
11 state for at least sixty days.

12 4. Does not notify the commission within sixty days after its
13 statutory agent or known place of business has changed or within sixty days
14 after its statutory agent has resigned.

15 5. Fails to respond to interrogatories as prescribed in section
16 29-612.

17 6. Fails to pay any fees or penalties required pursuant to this
18 chapter within sixty days after the fees or penalties are due.

19 B. If the commission determines that one or more grounds exist under
20 subsection A of this section for dissolving a limited liability company, it
21 shall give written notice of its determination by mail addressed to the
22 statutory agent of the limited liability company, or if the limited liability
23 company fails to appoint and maintain a statutory agent, addressed to the
24 known place of business required to be maintained pursuant to section 29-604,
25 subsection A, paragraph 1.

26 C. If the limited liability company does not correct each ground for
27 dissolution or demonstrate to the reasonable satisfaction of the commission
28 that each ground determined by the commission does not exist within sixty
29 days after service of the notice, the commission shall administratively
30 dissolve the limited liability company by signing a certificate of
31 dissolution that recites the ground or grounds for dissolution and its
32 effective date. The commission shall file the original of the certificate
33 and mail a copy to the limited liability company addressed to its statutory
34 agent, or if the limited liability company fails to appoint and maintain a
35 statutory agent, addressed to the known place of business required to be
36 maintained pursuant to section 29-604, subsection A, paragraph 1.

37 D. A limited liability company administratively dissolved pursuant to
38 this section continues in existence but may not carry on any business except
39 as necessary to wind up and liquidate its business and affairs under section
40 29-782, subsection B.

41 E. A limited liability company administratively dissolved under this
42 section may apply to the commission for reinstatement within six years after
43 the effective date of dissolution. The application shall both:

44 1. Recite the name of the limited liability company and the effective
45 date of its administrative dissolution.

1 2. State either that the ground or grounds for dissolution did not
2 exist or that the ground or grounds have been eliminated.

3 F. If the commission determines that the application contains the
4 information required by subsection E of this section, and that the
5 information is correct, it shall cancel the certificate of dissolution,
6 prepare a certificate of reinstatement that recites this determination and
7 the effective date of reinstatement, file the original of the certificate and
8 mail a copy to the limited liability company addressed to its statutory
9 agent.

10 G. When the reinstatement is effective, it relates back to and takes
11 effect as of the effective date of the administrative dissolution and the
12 limited liability company resumes carrying on its business as if the
13 administrative dissolution had never occurred.

14 H. The administrative dissolution of a limited liability company does
15 not terminate the authority of a statutory agent.

16 I. A limited liability company that has been administratively
17 dissolved pursuant to this section may bring an action against the commission
18 in superior court to review the commission's refusal to reinstate the limited
19 liability company. The action by the limited liability company shall be
20 brought within six months after the commission's refusal becomes final. The
21 superior court shall hear and determine the action as a trial de novo. In
22 any such action the burden of proof shall be on the party adverse to the
23 commission.

24 Sec. 45. Section 29-851, Arizona Revised Statutes, is amended to read:

25 29-851. Filing, service and copying fees; expedited filing and
26 services; same day and next day services; posted wait
27 times; advance monies; definition

28 A. The commission shall collect and deposit, pursuant to sections
29 35-146 and 35-147, the following nonrefundable fees when the following
30 documents are delivered to the commission:

31 1. The initial articles of organization, fifty dollars.

32 2. An application for registration of a foreign limited liability
33 company, one hundred fifty dollars.

34 3. An amendment to the articles of organization, twenty-five dollars.

35 ~~4. Articles of termination and a certificate of termination,~~
36 ~~thirty-five dollars.~~

37 ~~5.~~ 4. A certificate for any purpose not otherwise provided for, ten
38 dollars.

39 ~~6.~~ 5. Articles of merger, fifty dollars.

40 ~~7.~~ 6. Written information on any limited liability company, ten
41 dollars.

42 ~~8.~~ 7. A copy of any document or instrument, five dollars plus fifty
43 cents per page.

44 ~~9.~~ 8. An application for reservation of a name or for filing a notice
45 of the transfer or cancellation of any name reservation, ten dollars.

1 ~~10-~~ 9. Five dollars for a statement of change of address of one or
2 more of the following:

- 3 (a) Known place of business.
- 4 (b) Statutory agent.
- 5 (c) Manager.
- 6 (d) Member.

7 ~~11-~~ 10. Any service of notice, demand or process on the commission as
8 resident agent of a limited liability company, twenty-five dollars. This
9 amount may be recovered as taxable costs by the party to the suit, action or
10 proceeding causing the service to be made if the party prevails in the suit,
11 action or proceeding.

12 ~~12-~~ 11. Articles of correction, the fee prescribed in section 10-122,
13 subsection A, paragraph 18.

14 ~~13-~~ 12. Application for reinstatement following administrative
15 dissolution, in addition to other fees and penalties due, the fee prescribed
16 in section 10-122, subsection A, paragraph 14.

17 B. The commission shall provide for and establish an expedited service
18 for the filing of all documents and services provided pursuant to this
19 chapter as follows:

20 1. The expedited filing shall be a priority service to be completed as
21 soon as possible after the documents are delivered to the commission.

22 2. In addition to any other fees required by this section or any other
23 law, the commission shall charge a nonrefundable fee for expedited services,
24 including those requested by fax. The fee shall be determined by a
25 supermajority vote of the commissioners.

26 C. The commission may provide for and establish same day and next day
27 services for the filing of any documents and services provided pursuant to
28 this chapter as follows:

29 1. The same day and next day services shall not be offered unless all
30 expedited services filed pursuant to this chapter are processed within a
31 maximum of five business days and all other documents and services filed
32 pursuant to this chapter are processed within a maximum of thirty business
33 days.

34 2. The commission shall suspend same day or next day service if the
35 commission determines that it does not have the necessary resources to
36 perform the service within the established time period.

37 3. In addition to any other fees required by this section or any other
38 law, the commissioners may charge a nonrefundable fee for the same day or
39 next day service or both. The fee shall be determined by a supermajority
40 vote of the commissioners.

41 D. The commission shall publicly post the current wait times for
42 processing regular, expedited and same day and next day services.

43 E. All monies received pursuant to subsections B and C of this section
44 shall be deposited, pursuant to sections 35-146 and 35-147, in the public
45 access fund established by section 10-122.01.

1 F. Any person may advance monies to the commission to pay fees
2 required pursuant to this section for future filings and services. All
3 monies received pursuant to this subsection shall be deposited, pursuant to
4 sections 35-146 and 35-147, in the money on deposit account in the public
5 access fund established by section 10-122.01.

6 G. For the purposes of this section, "supermajority" means an
7 affirmative vote of at least four commissioners.

8 Sec. 46. Section 32-1391.12, Arizona Revised Statutes, is amended to
9 read:

10 32-1391.12. Prearranged funeral sales endorsement;
11 requirements; renewal

12 A. A funeral establishment that desires to offer or sell prearranged
13 funeral agreements funded by trust shall apply to the board for an
14 endorsement to its establishment license. The board shall issue the
15 endorsement if the funeral establishment satisfies the following
16 requirements:

17 1. Pays the prescribed application fee pursuant to section 32-1309.

18 2. Provides the name and address of each person owning ten per cent or
19 more of the common shares or other ownership or beneficial interest in the
20 funeral establishment.

21 3. Provides the name and address, any prior names or aliases, all
22 prior addresses for the immediately preceding seven year period, and the date
23 and location of birth of any responsible funeral director, manager, officer,
24 owner, trustee or other person ~~controlling~~ WHO CONTROLS the funeral
25 establishment and:

26 (a) Who has been convicted of any ~~of the crimes or has been the~~
27 ~~subject of any of the court actions described in section 10-202, subsection~~
28 ~~D, paragraph 1, subdivisions (a), (b) and (c)~~ FELONY EITHER INVOLVING A
29 TRANSACTION IN SECURITIES, CONSUMER FRAUD OR ANTITRUST IN ANY STATE OR
30 FEDERAL JURISDICTION OR THE ESSENTIAL ELEMENTS OF WHICH CONSISTED OF FRAUD,
31 MISREPRESENTATION, THEFT BY FALSE PRETENSES OR RESTRAINT OF TRADE OR MONOPOLY
32 IN ANY STATE OR FEDERAL JURISDICTION.

33 (b) WHO HAS BEEN SUBJECT TO AN INJUNCTION, JUDGMENT, DECREE OR
34 PERMANENT ORDER OF ANY STATE OR FEDERAL COURT IF THE INJUNCTION, JUDGMENT,
35 DECREE OR PERMANENT ORDER INVOLVED ANY OF THE FOLLOWING:

36 (i) THE VIOLATION OF FRAUD OR REGISTRATION PROVISIONS OF THE
37 SECURITIES LAWS OF THAT JURISDICTION.

38 (ii) THE VIOLATION OF THE CONSUMER FRAUD LAWS OF THAT JURISDICTION.

39 (iii) THE VIOLATION OF THE ANTITRUST OR RESTRAINT OF TRADE LAWS OF
40 THAT JURISDICTION.

41 4. Delivers a corporate surety bond in favor of this state, executed
42 by a surety company authorized to do business in this state, in the amount
43 that is prescribed by the board and that is recoverable by this state for the
44 benefit of any person injured by a violation of this article. The board

1 shall establish, in its rules, a separate bond requirement amount for each of
2 the following:

3 (a) Funeral establishments that sold fewer than one hundred
4 prearranged funeral agreements funded by trust during the immediately
5 preceding calendar year.

6 (b) Funeral establishments that sold one hundred or more but fewer
7 than two hundred fifty prearranged funeral agreements funded by trust during
8 the immediately preceding calendar year.

9 (c) Funeral establishments that sold two hundred fifty or more
10 prearranged funeral agreements funded by trust during the immediately
11 preceding calendar year.

12 Bond amount requirements established by the board shall not be less than
13 fifteen thousand dollars or more than fifty thousand dollars for each
14 establishment, except that as each salesperson is registered by the board,
15 the funeral establishment shall increase its bond by an additional five
16 thousand dollars during the employment of that salesperson.

17 5. Provides the full name and address of the funeral director
18 designated by the establishment to offer or sell prearranged funerals and all
19 of the following:

20 (a) A recent photograph of the designated funeral director.

21 (b) Any prior names or aliases used by the designated funeral
22 director.

23 (c) All prior addresses of the designated funeral director for the
24 immediately preceding seven year period.

25 (d) The date and location of the designated funeral director's birth.

26 (e) A declaration from the designated funeral director that the
27 funeral director has not been convicted of any felony or convicted of any
28 other crime involving dishonesty, fraud, deception, misrepresentation,
29 embezzlement or breach of fiduciary duty in any state or federal court within
30 the seven year period immediately preceding the date of application.

31 (f) A declaration from the designated funeral director that the
32 funeral director has not been the subject of a consumer fraud, securities
33 fraud or civil racketeering judgment or consent order in any state or federal
34 court within the seven year period immediately preceding the date of
35 application.

36 6. Provides information about existing prearranged funeral agreements
37 funded by trust of the funeral establishment required by the board.

38 B. A prearranged funeral sales endorsement shall be renewed annually
39 by the funeral establishment by payment of the prescribed renewal fee
40 pursuant to section 32-1309 and by compliance with the requirements described
41 in subsection A, paragraphs 2, 3 and 4 of this section on or before July 31.

42 C. Failure to pay the renewal fee by July 31 voids the endorsement.
43 An endorsement voided under this subsection may be reinstated on compliance
44 with subsection B of this section and payment of the prescribed reinstatement
45 fee.