

CERTIFICATION OF ENROLLMENT

SUBSTITUTE HOUSE BILL 2301

Chapter 297, Laws of 2002

57th Legislature
2002 Regular Session

BUSINESS CORPORATION ACT

EFFECTIVE DATE: 6/13/02

Passed by the House February 11, 2002
Yeas 97 Nays 0

FRANK CHOPP
Speaker of the House of Representatives

Passed by the Senate March 5, 2002
Yeas 49 Nays 0

BRAD OWEN
President of the Senate

Approved April 2, 2002

GARY LOCKE
Governor of the State of Washington

CERTIFICATE

I, Cynthia Zehnder, Chief Clerk of the House of Representatives of the State of Washington, do hereby certify that the attached is **SUBSTITUTE HOUSE BILL 2301** as passed by the House of Representatives and the Senate on the dates hereon set forth.

CYNTHIA ZEHNDER
Chief Clerk

FILED

April 2, 2002 - 10:19 a.m.

**Secretary of State
State of Washington**

SUBSTITUTE HOUSE BILL 2301

Passed Legislature - 2002 Regular Session

State of Washington

57th Legislature

2002 Regular Session

By House Committee on Judiciary (originally sponsored by Representatives Lantz, Esser, Anderson, Benson, Upthegrove and Kagi)

Read first time 01/22/2002. Referred to Committee on .

1 AN ACT Relating to authorizing electronic notice and other
2 communications under the Washington business corporation act; and
3 amending RCW 23B.01.200, 23B.01.202, 23B.01.220, 23B.01.230,
4 23B.01.240, 23B.01.250, 23B.01.260, 23B.01.270, 23B.01.400, 23B.01.410,
5 23B.02.020, 23B.02.032, 23B.02.050, 23B.04.035, 23B.05.010, 23B.05.020,
6 23B.06.030, 23B.06.260, 23B.06.300, 23B.07.010, 23B.07.020, 23B.07.030,
7 23B.07.040, 23B.07.060, 23B.07.220, 23B.07.240, 23B.08.030, 23B.08.070,
8 23B.08.210, 23B.08.230, 23B.08.240, 23B.08.600, 23B.10.012, 23B.11.040,
9 23B.13.030, 23B.13.200, 23B.13.210, 23B.13.220, 23B.13.230, 23B.13.280,
10 23B.14.392, 23B.15.032, 23B.15.070, 23B.15.080, 23B.16.010, 23B.16.020,
11 and 23B.16.200.

12 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF WASHINGTON:

13 **Sec. 1.** RCW 23B.01.200 and 1991 c 72 s 24 are each amended to read
14 as follows:

15 (1) A (~~document~~) record must satisfy the requirements of this
16 section, and of any other section that adds to or varies from these
17 requirements, to be entitled to filing by the secretary of state.

18 (2) The secretary of state may permit records to be filed through
19 electronic transmission. The secretary of state may adopt rules

1 varying from these requirements to facilitate electronic filing. These
2 rules shall detail the circumstances under which the electronic filing
3 of records shall be permitted and how such records shall be filed.
4 These rules may also impose additional requirements related to
5 implementation of electronic filing processes including but not limited
6 to: File formats; signature technologies; the manner of delivery; and
7 the types of entities or records permitted.

8 (3) This title must require or permit filing the ((document))
9 record in the office of the secretary of state.

10 ((+3)) (4) The ((document)) record must contain the information
11 required by this title. It may contain other information as well.

12 ((+4)) (5) The ((document)) record must: (a) Be typewritten or
13 printed, and must meet such legibility or other standards as may be
14 prescribed by the secretary of state; or (b) meet the standards for
15 electronic filing as may be prescribed by the secretary of state.

16 ((+5)) (6) The ((document)) record must be in the English
17 language. A corporate name need not be in English if written in
18 English letters or Arabic or Roman numerals, and the certificate of
19 existence required of foreign corporations need not be in English if
20 accompanied by a reasonably authenticated English translation.

21 ((+6)) (7) Unless otherwise indicated in this title, all
22 ((documents)) records submitted for filing must be executed:

23 (a) By the chairperson of the board of directors of a domestic or
24 foreign corporation, by its president, or by another of its officers;

25 (b) If directors have not been selected or the corporation has not
26 been formed, by an incorporator; or

27 (c) If the corporation is in the hands of a receiver, trustee, or
28 other court-appointed fiduciary, by that fiduciary.

29 ((+7)) (8) The person executing the ((document)) record shall sign
30 it and state beneath or opposite the signature the name of the person
31 and the capacity in which the person signs. The ((document)) record
32 may but need not contain: (a) The corporate seal; (b) an attestation
33 by the secretary or an assistant secretary; or (c) an acknowledgment,
34 verification, or proof.

35 ((+8)) (9) If the secretary of state has prescribed a mandatory
36 form for the ((document)) record under RCW 23B.01.210, the ((document))
37 record must be in or on the prescribed form.

38 ((+9)) (10) The ((document)) record must be ((delivered to))
39 received by the office of the secretary of state for filing and, except

1 in the case of an electronic filing, must be accompanied by one exact
2 or conformed copy, the correct filing fee or charge, including license
3 fee, penalty and service fee, and any attachments which are required
4 for the filing.

5 **Sec. 2.** RCW 23B.01.202 and 1998 c 23 s 5 are each amended to read
6 as follows:

7 For those corporations that have a certificate of authority, are
8 applying for, or intend to apply for a certificate of authority from
9 the insurance commissioner as an insurance company under chapter 48.05
10 RCW, whenever under this chapter corporate (~~documents~~) records are
11 required to be filed with the secretary of state, the (~~documents~~)
12 records shall be filed with the insurance commissioner rather than the
13 secretary of state.

14 **Sec. 3.** RCW 23B.01.220 and 1993 c 269 s 2 are each amended to read
15 as follows:

16 (1) The secretary of state shall collect in accordance with the
17 provisions of this title:

- 18 (a) Fees for filing (~~documents~~) records and issuing certificates;
- 19 (b) Miscellaneous charges;
- 20 (c) License fees as provided in RCW 23B.01.500 through 23B.01.550;
- 21 (d) Penalty fees; and
- 22 (e) Other fees as the secretary of state may establish by rule
23 adopted under chapter 34.05 RCW.

24 (2) The secretary of state shall collect the following fees when
25 the (~~documents~~) records described in this subsection are delivered
26 for filing:

27 One hundred seventy-five dollars, pursuant to RCW 23B.01.520 and
28 23B.01.540, for:

- 29 (a) Articles of incorporation; and
- 30 (b) Application for certificate of authority.

31 (3) The secretary of state shall establish by rule, fees for the
32 following:

- 33 (a) Application for reinstatement;
- 34 (b) Articles of correction;
- 35 (c) Amendment of articles of incorporation;
- 36 (d) Restatement of articles of incorporation, with or without
37 amendment;

1 (e) Articles of merger or share exchange;
2 (f) Articles of revocation of dissolution;
3 (g) Application for amended certificate of authority;
4 (h) Application for reservation, registration, or assignment of
5 reserved name;

6 (i) Corporation's statement of change of registered agent or
7 registered office, or both, except where this information is provided
8 in conjunction with and on an initial report or an annual report form
9 filed under RCW 23B.01.530, 23B.01.550, 23B.02.050, or 23B.16.220;

10 (j) Agent's resignation, or statement of change of registered
11 office, or both, for each affected corporation;

12 (k) Initial report; and

13 (l) Any ((document)) record not listed in this subsection that is
14 required or permitted to be filed under this title.

15 (4) Fees shall be adjusted by rule only in an amount that does not
16 exceed the average biennial increase in the cost of providing service.
17 This shall be determined in a biennial cost study performed by the
18 secretary of state.

19 (5) The secretary of state shall not collect fees for:

20 (a) Agent's consent to act as agent;

21 (b) Agent's resignation, if appointed without consent;

22 (c) Articles of dissolution;

23 (d) Certificate of judicial dissolution;

24 (e) Application for certificate of withdrawal; and

25 (f) Annual report when filed concurrently with the payment of
26 annual license fees.

27 (6) The secretary of state shall collect a fee in an amount
28 established by the secretary of state by rule per defendant served,
29 upon being served process under this title. The party to a proceeding
30 causing service of process is entitled to recover this fee as costs if
31 such party prevails in the proceeding.

32 (7) The secretary of state shall establish by rule and collect a
33 fee from every person or organization:

34 (a) For furnishing a certified copy of any ((document)) record,
35 instrument, or paper relating to a corporation;

36 (b) For furnishing a certificate, under seal, attesting to the
37 existence of a corporation, or any other certificate; and

1 (c) For furnishing copies of any ((document)) record, instrument,
2 or paper relating to a corporation, other than of an initial report or
3 an annual report.

4 (8) For annual license fees for domestic and foreign corporations,
5 see RCW 23B.01.500, 23B.01.510, 23B.01.530, and 23B.01.550. For
6 penalties for nonpayment of annual license fees and failure to complete
7 annual report, see RCW 23B.01.570.

8 **Sec. 4.** RCW 23B.01.230 and 1989 c 165 s 6 are each amended to read
9 as follows:

10 (1) Except as provided in subsection (2) of this section and RCW
11 23B.01.240(3), a ((document)) record accepted for filing is effective
12 on the date it is filed by the secretary of state and at the time on
13 that date specified in the ((document)) record. If no time is
14 specified in the ((document)) record, the ((document)) record is
15 effective at the close of business on the date it is filed by the
16 secretary of state.

17 (2) If a ((document)) record specifies a delayed effective time and
18 date, the ((document)) record becomes effective at the time and date
19 specified. If a ((document)) record specifies a delayed effective date
20 but no time is specified, the ((document)) record is effective at the
21 close of business on that date. A delayed effective date for a
22 ((document)) record may not be later than the ninetieth day after the
23 date it is filed.

24 (3) When a ((document)) record is received for filing by the
25 secretary of state in a form which complies with the requirements of
26 this title and which would entitle the ((document)) record to be filed
27 on receipt, but the secretary of state's approval action occurs
28 subsequent to the date of receipt, the secretary of state's filing date
29 shall relate back to and be shown as the date on which the secretary of
30 state first received the ((document)) record in acceptable form.

31 **Sec. 5.** RCW 23B.01.240 and 1989 c 165 s 7 are each amended to read
32 as follows:

33 (1) A domestic or foreign corporation may correct a ((document))
34 record filed by the secretary of state if the ((document)) record (a)
35 contains an incorrect statement; or (b) was defectively executed,
36 attested, sealed, verified, or acknowledged.

37 (2) A ((document)) record is corrected:

1 (a) By preparing articles of correction that (i) describe the
2 ((document)) record, including its filing date, or attach a copy of it
3 to the articles of correction, (ii) specify the incorrect statement and
4 the reason it is incorrect or the manner in which the execution was
5 defective, and (iii) correct the incorrect statement or defective
6 execution; and

7 (b) By delivering the articles of correction to the secretary of
8 state for filing.

9 (3) Articles of correction are effective on the effective date of
10 the ((document)) record they correct except as to persons relying on
11 the uncorrected ((document)) record and adversely affected by the
12 correction. As to those persons, articles of correction are effective
13 when filed.

14 **Sec. 6.** RCW 23B.01.250 and 1989 c 165 s 8 are each amended to read
15 as follows:

16 (1) If a ((document)) record delivered to the office of the
17 secretary of state for filing satisfies the requirements of RCW
18 23B.01.200, the secretary of state shall file it.

19 (2)(a) The secretary of state files a ((document)) record: (i) In
20 the case of a record in a tangible medium, by stamping or otherwise
21 endorsing "Filed," together with the secretary of state's name and
22 official title and the date of filing, on both the original and the
23 ((document)) record copy((. After filing a document)); and (ii) in the
24 case of an electronically transmitted record, by the electronic
25 processes as may be prescribed by the secretary of state from time to
26 time that result in the information required by (a)(i) of this
27 subsection being permanently attached to or associated with such
28 electronically transmitted record.

29 (b) After filing a record, the secretary of state shall deliver
30 ((the document copy)) a record of the filing to the domestic or foreign
31 corporation or its representative either: (i) In a written copy of the
32 filing; or (ii) if the corporation has designated an address, location,
33 or system to which the record may be electronically transmitted and the
34 secretary of state elects to provide the record by electronic
35 transmission, in an electronically transmitted record of the filing.

36 (3) If the secretary of state refuses to file a ((document))
37 record, the secretary of state shall return it to the domestic or
38 foreign corporation or its representative, together with a brief

1 ((written)) explanation of the reason for the refusal. The explanation
2 shall be either: (a) In a written record or (b) if the corporation has
3 designated an address, location, or system to which the explanation may
4 be electronically transmitted and the secretary of state elects to
5 provide the explanation by electronic transmission, in an
6 electronically transmitted record.

7 (4) The secretary of state's duty to file ((documents)) records
8 under this section is ministerial. Filing or refusal to file a
9 ((document)) record does not:

10 (a) Affect the validity or invalidity of the ((document)) record in
11 whole or part;

12 (b) Relate to the correctness or incorrectness of information
13 contained in the ((document)) record; or

14 (c) Create a presumption that the ((document)) record is valid or
15 invalid or that information contained in the ((document)) record is
16 correct or incorrect.

17 **Sec. 7.** RCW 23B.01.260 and 1989 c 165 s 9 are each amended to read
18 as follows:

19 If the secretary of state refuses to file a ((document delivered
20 to)) record received by the office for filing, the person submitting
21 the ((document)) record, in addition to any other legal remedy which
22 may be available, shall have the right to judicial review of such
23 refusal pursuant to the provisions of chapter 34.05 RCW.

24 **Sec. 8.** RCW 23B.01.270 and 1989 c 165 s 10 are each amended to
25 read as follows:

26 A certificate bearing the manual or facsimile signature of the
27 secretary of state and the seal of the state, when attached to or
28 located on a ((document)) record or a copy of a ((document)) record
29 filed by the secretary of state, is conclusive evidence that the
30 original ((document)) record is on file with the secretary of state.

31 **Sec. 9.** RCW 23B.01.400 and 2000 c 168 s 1 are each amended to read
32 as follows:

33 Unless the context clearly requires otherwise, the definitions in
34 this section apply throughout this title.

35 (1) "Articles of incorporation" include amended and restated
36 articles of incorporation and articles of merger.

1 (2) "Authorized shares" means the shares of all classes a domestic
2 or foreign corporation is authorized to issue.

3 (3) "Conspicuous" means so ~~((written))~~ prepared that a reasonable
4 person against whom the ~~((writing))~~ record is to operate should have
5 noticed it. For example, printing in italics or boldface or
6 contrasting color, or typing in capitals or underlined, is conspicuous.

7 (4) "Corporation" or "domestic corporation" means a corporation for
8 profit, which is not a foreign corporation, incorporated under or
9 subject to the provisions of this title.

10 (5) "Deliver" includes (a) mailing ~~((and))~~, (b) for purposes of
11 delivering a demand, consent, notice, or waiver to the corporation or
12 one of its officers, directors, or shareholders, transmission by
13 facsimile equipment, and (c) for purposes of delivering a demand,
14 consent, notice, or waiver to the corporation or one of its officers,
15 directors, or shareholders under RCW 23B.01.410 or chapter 23B.07,
16 23B.08, 23B.11, 23B.13, 23B.14, or 23B.16 RCW delivery by electronic
17 transmission.

18 (6) "Distribution" means a direct or indirect transfer of money or
19 other property, except its own shares, or incurrence of indebtedness by
20 a corporation to or for the benefit of its shareholders in respect to
21 any of its shares. A distribution may be in the form of a declaration
22 or payment of a dividend; a distribution in partial or complete
23 liquidation, or upon voluntary or involuntary dissolution; a purchase,
24 redemption, or other acquisition of shares; a distribution of
25 indebtedness; or otherwise.

26 (7) "Effective date of notice" has the meaning provided in RCW
27 23B.01.410.

28 (8) "Electronic transmission" ~~((or "electronically transmitted"))~~
29 means ~~((any process of))~~ an electronic communication (a) not directly
30 involving the physical transfer of ~~((paper))~~ a record in a tangible
31 medium and (b) that ((is suitable for the retention, retrieval, and
32 reproduction of the transmitted information by the recipient)) may be
33 retained, retrieved, and reviewed by the sender and the recipient
34 thereof, and that may be directly reproduced in a tangible medium by
35 such a sender and recipient.

36 (9) "Electronically transmitted" means the initiation of an
37 electronic transmission.

38 (10) "Employee" includes an officer but not a director. A director
39 may accept duties that make the director also an employee.

1 (~~(10)~~) (11) "Entity" includes a corporation and foreign
2 corporation, not-for-profit corporation, (~~profit and not for profit~~
3 ~~unincorporated association,~~) business trust, estate, (~~partnership,~~)
4 trust, (~~and~~) partnership, limited liability company, association,
5 joint venture, two or more persons having a joint or common economic
6 interest, (~~and~~) the state, United States, and a foreign
7 (~~government~~) governmental subdivision, agency, or instrumentality, or
8 any other legal or commercial entity.

9 (~~(11)~~) (12) "Execute," "executes," or "executed" means (a) signed
10 with respect to a written record or (b) electronically transmitted
11 along with sufficient information to determine the sender's identity
12 with respect to an electronic transmission, or (c) with respect to a
13 record to be filed with the secretary of state, in compliance with the
14 standards for filing with the office of the secretary of state as
15 prescribed by the secretary of state.

16 (13) "Foreign corporation" means a corporation for profit
17 incorporated under a law other than the law of this state.

18 (~~(12)~~) (14) "Foreign limited partnership" means a partnership
19 formed under laws other than of this state and having as partners one
20 or more general partners and one or more limited partners.

21 (~~(13)~~) (15) "Governmental subdivision" includes authority,
22 county, district, and municipality.

23 (~~(14)~~) (16) "Includes" denotes a partial definition.

24 (~~(15)~~) (17) "Individual" includes the estate of an incompetent or
25 deceased individual.

26 (~~(16)~~) (18) "Limited partnership" or "domestic limited
27 partnership" means a partnership formed by two or more persons under
28 the laws of this state and having one or more general partners and one
29 or more limited partners.

30 (~~(17)~~) (19) "Means" denotes an exhaustive definition.

31 (~~(18)~~) (20) "Notice" has the meaning provided in RCW 23B.01.410.

32 (~~(19)~~) (21) "Person" includes an individual and an entity.

33 (~~(20)~~) (22) "Principal office" means the office, in or out of
34 this state, so designated in the annual report where the principal
35 executive offices of a domestic or foreign corporation are located.

36 (~~(21)~~) (23) "Proceeding" includes civil suit and criminal,
37 administrative, and investigatory action.

38 (~~(22)~~) (24) "Public company" means a corporation that has a class
39 of shares registered with the federal securities and exchange

1 commission pursuant to section 12 or 15 of the securities exchange act
2 of 1934, or section 8 of the investment company act of 1940, or any
3 successor statute.

4 ~~((23))~~ (25) "Record" means information inscribed on a tangible
5 medium or contained in an electronic transmission.

6 (26) "Record date" means the date established under chapter 23B.07
7 RCW on which a corporation determines the identity of its shareholders
8 and their shareholdings for purposes of this title. The determinations
9 shall be made as of the close of business on the record date unless
10 another time for doing so is specified when the record date is fixed.

11 ~~((24))~~ (27) "Secretary" means the corporate officer to whom the
12 board of directors has delegated responsibility under RCW 23B.08.400(3)
13 for custody of the minutes of the meetings of the board of directors
14 and of the shareholders and for authenticating records of the
15 corporation.

16 ~~((25))~~ (28) "Shares" means the units into which the proprietary
17 interests in a corporation are divided.

18 ~~((26))~~ (29) "Shareholder" means the person in whose name shares
19 are registered in the records of a corporation or the beneficial owner
20 of shares to the extent of the rights granted by a nominee certificate
21 on file with a corporation.

22 ~~((27))~~ (30) "State," when referring to a part of the United
23 States, includes a state and commonwealth, and their agencies and
24 governmental subdivisions, and a territory and insular possession, and
25 their agencies and governmental subdivisions, of the United States.

26 ~~((28))~~ (31) "Subscriber" means a person who subscribes for shares
27 in a corporation, whether before or after incorporation.

28 ~~((29))~~ (32) "Tangible medium" means a writing, copy of a writing,
29 or facsimile, or a physical reproduction, each on paper or on other
30 tangible material.

31 (33) "United States" includes a district, authority, bureau,
32 commission, department, and any other agency of the United States.

33 ~~((30))~~ (34) "Voting group" means all shares of one or more
34 classes or series that under the articles of incorporation or this
35 title are entitled to vote and be counted together collectively on a
36 matter at a meeting of shareholders. All shares entitled by the
37 articles of incorporation or this title to vote generally on the matter
38 are for that purpose a single voting group.

39 (35) "Writing" does not include an electronic transmission.

1 (36) "Written" means embodied in a tangible medium.

2 **Sec. 10.** RCW 23B.01.410 and 1991 c 72 s 29 are each amended to
3 read as follows:

4 (1) Notice under this title must be ~~((in writing))~~ provided in the
5 form of a record, except that oral notice of any meeting of the board
6 of directors may be given if expressly authorized by the articles of
7 incorporation or bylaws.

8 (2) ~~((Written notice may be transmitted by:—Mail))~~ Permissible
9 means of transmission.

10 (a) Oral notice. Oral notice may be communicated in person, by
11 telephone, wire, or wireless equipment which does not transmit a
12 facsimile of the notice, or by any electronic means which does not
13 create a record. If these forms of oral notice are impracticable, oral
14 notice may be communicated by radio, television, or other form of
15 public broadcast communication.

16 (b) Notice provided in a tangible medium. Notice may be provided
17 in a tangible medium and be transmitted by mail, private carrier, or
18 personal delivery; telegraph or teletype; or telephone, wire, or
19 wireless equipment which transmits a facsimile of the notice. If these
20 forms of ((written)) notice in a tangible medium are impracticable,
21 ((written)) notice in a tangible medium may be transmitted by an
22 advertisement in a newspaper of general circulation in the area where
23 published. ((Oral notice may be communicated in person or by
24 telephone, wire or wireless equipment which does not transmit a
25 facsimile of the notice.— If these forms of oral notice are
26 impracticable, oral notice may be communicated by radio, television, or
27 other form of public broadcast communication.

28 (3) ~~Written notice by a domestic or foreign corporation to its~~
29 ~~shareholder, if in a comprehensible form, is effective when mailed, if~~
30 ~~mailed with first class postage prepaid and correctly addressed to the~~
31 ~~shareholder's address shown in the corporation's current record of~~
32 ~~shareholders.~~

33 ~~(4) Written))~~ (c) Notice provided in an electronic transmission.

34 (i) Notice may be provided in an electronic transmission and be
35 electronically transmitted.

36 (ii) Notice to shareholders or directors in an electronic
37 transmission is effective only with respect to shareholders and
38 directors that have consented, in the form of a record, to receive

1 electronically transmitted notices under this title and designated in
2 the consent the address, location, or system to which these notices may
3 be electronically transmitted and with respect to a notice that
4 otherwise complies with any other requirements of this title and
5 applicable federal law.

6 (A) Notice to shareholders or directors for this purpose includes
7 material that this title requires or permits to accompany the notice.

8 (B) A shareholder or director who has consented to receipt of
9 electronically transmitted notices may revoke this consent by
10 delivering a revocation to the corporation in the form of a record.

11 (C) The consent of any shareholder or director is revoked if (I)
12 the corporation is unable to electronically transmit two consecutive
13 notices given by the corporation in accordance with the consent, and
14 (II) this inability becomes known to the secretary of the corporation,
15 the transfer agent, or any other person responsible for giving the
16 notice. The inadvertent failure by the corporation to treat this
17 inability as a revocation does not invalidate any meeting or other
18 action.

19 (iii) Notice to shareholders or directors who have consented to
20 receipt of electronically transmitted notices may be provided by (A)
21 posting the notice on an electronic network and (B) delivering to the
22 shareholder or director a separate record of the posting, together with
23 comprehensible instructions regarding how to obtain access to the
24 posting on the electronic network.

25 (iv) Notice to a domestic or foreign corporation, authorized to
26 transact business in this state, (~~may be addressed to its registered~~
27 agent at its registered office or to the corporation or its secretary
28 at its principal office shown in its most recent annual report or, in
29 the case of a foreign corporation that has not yet delivered an annual
30 report, in its application for a certificate of authority.

31 (~~5) Written notice~~) in an electronic transmission is effective
32 only with respect to a corporation that has designated in a record an
33 address, location, or system to which the notices may be electronically
34 transmitted.

35 (3) Effective time and date of notice.

36 (a) Oral notice. Oral notice is effective when received.

37 (b) Notice provided in a tangible medium.

38 (i) Notice in a tangible medium, if in a comprehensible form, is
39 effective at the earliest of the following:

1 ~~((a))~~ (A) If expressly authorized by the articles of
2 incorporation or bylaws, and if notice is sent to the person's address,
3 telephone number, or other number appearing on the records of the
4 corporation, when dispatched by telegraph, teletype, or facsimile
5 equipment;

6 ~~((b))~~ (B) When received;

7 ~~((c))~~ (C) Except as provided in (b)(ii) of this subsection ~~((3)~~
8 ~~of this section)~~, five days after its deposit in the United States
9 mail, as evidenced by the postmark, if mailed with first-class postage,
10 prepaid and correctly addressed; or

11 ~~((d))~~ (D) On the date shown on the return receipt, if sent by
12 registered or certified mail, return receipt requested, and the receipt
13 is signed by or on behalf of the addressee.

14 ~~((6) Oral notice is effective when communicated if communicated in~~
15 ~~a comprehensible manner.~~

16 ~~(7))~~ (ii) Notice in a tangible medium by a domestic or foreign
17 corporation to its shareholder, if in a comprehensible form and
18 correctly addressed to the shareholder's address shown in the
19 corporation's current record of shareholders, is effective:

20 (A) When mailed, if mailed with first class postage prepaid; and

21 (B) When dispatched, if prepaid, by air courier.

22 (iii) Notice in a tangible medium to a domestic or foreign
23 corporation, authorized to transact business in this state, may be
24 addressed to the corporation's registered agent at its registered
25 office or to the corporation or its secretary at its principal office
26 shown in its most recent annual report, or in the case of a foreign
27 corporation that has not yet delivered its annual report in its
28 application for a certificate of authority.

29 (c) Notice provided in an electronic transmission. Notice provided
30 in an electronic transmission, if in comprehensible form, is effective
31 when it: (i) Is electronically transmitted to an address, location, or
32 system designated by the recipient for that purpose; or (ii) has been
33 posted on an electronic network and a separate record of the posting
34 has been delivered to the recipient together with comprehensible
35 instructions regarding how to obtain access to the posting on the
36 electronic network.

37 (4) If this title prescribes notice requirements for particular
38 circumstances, those requirements govern. If articles of incorporation

1 or bylaws prescribe notice requirements, not inconsistent with this
2 section or other provisions of this title, those requirements govern.

3 **Sec. 11.** RCW 23B.02.020 and 1997 c 19 s 1 are each amended to read
4 as follows:

5 (1) The articles of incorporation must set forth:

6 (a) A corporate name for the corporation that satisfies the
7 requirements of RCW 23B.04.010;

8 (b) The number of shares the corporation is authorized to issue in
9 accordance with RCW 23B.06.010 and 23B.06.020;

10 (c) The street address of the corporation's initial registered
11 office and the name of its initial registered agent at that office in
12 accordance with RCW 23B.05.010; and

13 (d) The name and address of each incorporator in accordance with
14 RCW 23B.02.010.

15 (2) The articles of incorporation or bylaws must either specify the
16 number of directors or specify the process by which the number of
17 directors will be fixed, unless the articles of incorporation dispense
18 with a board of directors pursuant to RCW 23B.08.010.

19 (3) Unless its articles of incorporation provide otherwise, a
20 corporation is governed by the following provisions:

21 (a) The board of directors may adopt bylaws to be effective only in
22 an emergency as provided by RCW 23B.02.070;

23 (b) A corporation has the purpose of engaging in any lawful
24 business under RCW 23B.03.010;

25 (c) A corporation has perpetual existence and succession in its
26 corporate name under RCW 23B.03.020;

27 (d) A corporation has the same powers as an individual to do all
28 things necessary or convenient to carry out its business and affairs,
29 including itemized powers under RCW 23B.03.020;

30 (e) All shares are of one class and one series, have unlimited
31 voting rights, and are entitled to receive the net assets of the
32 corporation upon dissolution under RCW 23B.06.010 and 23B.06.020;

33 (f) If more than one class of shares is authorized, all shares of
34 a class must have preferences, limitations, and relative rights
35 identical to those of other shares of the same class under RCW
36 23B.06.010;

37 (g) If the board of directors is authorized to designate the number
38 of shares in a series, the board may, after the issuance of shares in

1 that series, reduce the number of authorized shares of that series
2 under RCW 23B.06.020;

3 (h) The board of directors must authorize any issuance of shares
4 under RCW 23B.06.210;

5 (i) Shares may be issued pro rata and without consideration to
6 shareholders under RCW 23B.06.230;

7 (j) Shares of one class or series may not be issued as a share
8 dividend with respect to another class or series, unless there are no
9 outstanding shares of the class or series to be issued, or a majority
10 of votes entitled to be cast by such class or series approve as
11 provided in RCW 23B.06.230;

12 (k) A corporation may issue rights, options, or warrants for the
13 purchase of shares of the corporation under RCW 23B.06.240;

14 (l) A shareholder has, and may waive, a preemptive right to acquire
15 the corporation's unissued shares as provided in RCW 23B.06.300;

16 (m) Shares of a corporation acquired by it may be reissued under
17 RCW 23B.06.310;

18 (n) The board may authorize and the corporation may make
19 distributions not prohibited by statute under RCW 23B.06.400;

20 (o) The preferential rights upon dissolution of certain
21 shareholders will be considered a liability for purposes of determining
22 the validity of a distribution under RCW 23B.06.400;

23 (p) Action may be taken by shareholders by unanimous (~~written~~)
24 consent of all shareholders entitled to vote on the action, unless the
25 approval of a lesser number of shareholders is permitted as provided in
26 RCW 23B.07.040, which consent shall be in the form of a record;

27 (q) Unless this title requires otherwise, the corporation is
28 required to give notice only to shareholders entitled to vote at a
29 meeting and the notice for an annual meeting need not include the
30 purpose for which the meeting is called under RCW 23B.07.050;

31 (r) A corporation that is a public company shall hold a special
32 meeting of shareholders if the holders of at least ten percent of the
33 votes entitled to be cast on any issue proposed to be considered at the
34 meeting demand a meeting under RCW 23B.07.020;

35 (s) Subject to statutory exceptions, each outstanding share,
36 regardless of class, is entitled to one vote on each matter voted on at
37 a shareholders' meeting under RCW 23B.07.210;

1 (t) A majority of the votes entitled to be cast on a matter by a
2 voting group constitutes a quorum, unless the title provides otherwise
3 under RCW 23B.07.250 and 23B.07.270;

4 (u) Action on a matter, other than election of directors, by a
5 voting group is approved if the votes cast within the voting group
6 favoring the action exceed the votes cast opposing the action, unless
7 this title requires a greater number of affirmative votes under RCW
8 23B.07.250;

9 (v) All shares of one or more classes or series that are entitled
10 to vote will be counted together collectively on any matter at a
11 meeting of shareholders under RCW 23B.07.260;

12 (w) Directors are elected by cumulative voting under RCW
13 23B.07.280;

14 (x) Directors are elected by a plurality of votes cast by shares
15 entitled to vote under RCW 23B.07.280;

16 (y) A corporation must have a board of directors under RCW
17 23B.08.010;

18 (z) All corporate powers must be exercised by or under the
19 authority of, and the business and affairs of the corporation managed
20 under the direction of, its board of directors under RCW 23B.08.010;

21 (aa) The shareholders may remove one or more directors with or
22 without cause under RCW 23B.08.080;

23 (bb) A vacancy on the board of directors may be filled by the
24 shareholders or the board of directors under RCW 23B.08.100;

25 (cc) A corporation shall indemnify a director who was wholly
26 successful in the defense of any proceeding to which the director was
27 a party because the director is or was a director of the corporation
28 against reasonable expenses incurred by the director in connection with
29 the proceeding under RCW 23B.08.520;

30 (dd) A director of a corporation who is a party to a proceeding may
31 apply for indemnification of reasonable expenses incurred by the
32 director in connection with the proceeding to the court conducting the
33 proceeding or to another court of competent jurisdiction under RCW
34 23B.08.540;

35 (ee) An officer of the corporation who is not a director is
36 entitled to mandatory indemnification under RCW 23B.08.520, and is
37 entitled to apply for court-ordered indemnification under RCW
38 23B.08.540, in each case to the same extent as a director under RCW
39 23B.08.570;

1 (ff) The corporation may indemnify and advance expenses to an
2 officer, employee, or agent of the corporation who is not a director to
3 the same extent as to a director under RCW 23B.08.570;

4 (gg) A corporation may indemnify and advance expenses to an
5 officer, employee, or agent who is not a director to the extent,
6 consistent with law, that may be provided by its articles of
7 incorporation, bylaws, general or specific action of its board of
8 directors, or contract under RCW 23B.08.570;

9 (hh) A corporation's board of directors may adopt certain
10 amendments to the corporation's articles of incorporation without
11 shareholder action under RCW 23B.10.020;

12 (ii) Unless this title or the board of directors requires a greater
13 vote or a vote by voting groups, an amendment to the corporation's
14 articles of incorporation must be approved by each voting group
15 entitled to vote on the proposed amendment by two-thirds, or, in the
16 case of a public company, a majority, of all the votes entitled to be
17 cast by that voting group under RCW 23B.10.030;

18 (jj) A corporation's board of directors may amend or repeal the
19 corporation's bylaws unless this title reserves this power exclusively
20 to the shareholders in whole or in part, or unless the shareholders in
21 amending or repealing a bylaw provide expressly that the board of
22 directors may not amend or repeal that bylaw under RCW 23B.10.200;

23 (kk) Unless this title or the board of directors require a greater
24 vote or a vote by voting groups, a plan of merger or share exchange
25 must be approved by each voting group entitled to vote on the merger or
26 share exchange by two-thirds of all the votes entitled to be cast by
27 that voting group under RCW 23B.11.030;

28 (ll) Approval by the shareholders of the sale, lease, exchange, or
29 other disposition of all, or substantially all, the corporation's
30 property in the usual and regular course of business is not required
31 under RCW 23B.12.010;

32 (mm) Approval by the shareholders of the mortgage, pledge,
33 dedication to the repayment of indebtedness, or other encumbrance of
34 any or all of the corporation's property, whether or not in the usual
35 and regular course of business, is not required under RCW 23B.12.010;

36 (nn) Unless the board of directors requires a greater vote or a
37 vote by voting groups, a sale, lease, exchange, or other disposition of
38 all or substantially all of the corporation's property, other than in
39 the usual and regular course of business, must be approved by each

1 voting group entitled to vote on such transaction by two-thirds of all
2 votes entitled to be cast by that voting group under RCW 23B.12.020;
3 and

4 (oo) Unless the board of directors requires a greater vote or a
5 vote by voting groups, a proposal to dissolve must be approved by each
6 voting group entitled to vote on the dissolution by two-thirds of all
7 votes entitled to be cast by that voting group under RCW 23B.14.020.

8 (4) Unless its articles of incorporation or its bylaws provide
9 otherwise, a corporation is governed by the following provisions:

10 (a) The board of directors may authorize the issuance of some or
11 all of the shares of any or all of the corporation's classes or series
12 without certificates under RCW 23B.06.260;

13 (b) A corporation that is not a public company shall hold a special
14 meeting of shareholders if the holders of at least ten percent of the
15 votes entitled to be cast on any issue proposed to be considered at the
16 meeting demand a meeting under RCW 23B.07.020;

17 (c) A director need not be a resident of this state or a
18 shareholder of the corporation under RCW 23B.08.020;

19 (d) The board of directors may fix the compensation of directors
20 under RCW 23B.08.110;

21 (e) Members of the board of directors may participate in a meeting
22 of the board by any means of similar communication by which all
23 directors participating can hear each other during the meeting under
24 RCW 23B.08.200;

25 (f) Action permitted or required by this title to be taken at a
26 board of directors' meeting may be taken without a meeting if action is
27 taken by all members of the board under RCW 23B.08.210;

28 (g) Regular meetings of the board of directors may be held without
29 notice of the date, time, place, or purpose of the meeting under RCW
30 23B.08.220;

31 (h) Special meetings of the board of directors must be preceded by
32 at least two days' notice of the date, time, and place of the meeting,
33 and the notice need not describe the purpose of the special meeting
34 under RCW 23B.08.220;

35 (i) A quorum of a board of directors consists of a majority of the
36 number of directors under RCW 23B.08.240;

37 (j) If a quorum is present when a vote is taken, the affirmative
38 vote of a majority of directors present is the act of the board of
39 directors under RCW 23B.08.240;

1 (k) A board of directors may create one or more committees and
2 appoint members of the board of directors to serve on them under RCW
3 23B.08.250; and

4 (l) Unless approved by the shareholders, a corporation may
5 indemnify, or make advances to, a director for reasonable expenses
6 incurred in the defense of any proceeding to which the director was a
7 party because of being a director only to the extent such action is
8 consistent with RCW 23B.08.500 through 23B.08.580.

9 (5) The articles of incorporation may contain the following
10 provisions:

11 (a) The names and addresses of the individuals who are to serve as
12 initial directors;

13 (b) The par value of any authorized shares or classes of shares;

14 (c) Provisions not inconsistent with law related to the management
15 of the business and the regulation of the affairs of the corporation;

16 (d) Any provision that under this title is required or permitted to
17 be set forth in the bylaws;

18 (e) Provisions not inconsistent with law defining, limiting, and
19 regulating the powers of the corporation, its board of directors, and
20 shareholders;

21 (f) Provisions authorizing shareholder action to be taken by
22 (~~written~~) consent of less than all of the shareholders entitled to
23 vote on the action, in accordance with RCW 23B.07.040;

24 (g) If the articles of incorporation authorize dividing shares into
25 classes, the election of all or a specified number of directors may be
26 effected by the holders of one or more authorized classes of shares
27 under RCW 23B.08.040;

28 (h) The terms of directors may be staggered under RCW 23B.08.060;

29 (i) Shares may be redeemable or convertible (i) at the option of
30 the corporation, the shareholder, or another person, or upon the
31 occurrence of a designated event; (ii) for cash, indebtedness,
32 securities, or other property; or (iii) in a designated amount or in an
33 amount determined in accordance with a designated formula or by
34 reference to extrinsic data or events under RCW 23B.06.010; and

35 (j) A director's personal liability to the corporation or its
36 shareholders for monetary damages for conduct as a director may be
37 eliminated or limited under RCW 23B.08.320.

38 (6) The articles of incorporation or the bylaws may contain the
39 following provisions:

1 (a) A restriction on the transfer or registration of transfer of
2 the corporation's shares under RCW 23B.06.270;

3 (b) Shareholders may participate in a meeting of shareholders by
4 any means of communication by which all persons participating in the
5 meeting can hear each other under RCW 23B.07.080;

6 (c) A quorum of the board of directors may consist of as few as
7 one-third of the number of directors under RCW 23B.08.240;

8 (d) If the corporation is registered as an investment company under
9 the investment company act of 1940, a provision limiting the
10 requirement to hold an annual meeting of shareholders as provided in
11 RCW 23B.07.010(2); and

12 (e) If the corporation is registered as an investment company under
13 the investment company act of 1940, a provision establishing terms of
14 directors which terms may be longer than one year as provided in RCW
15 23B.05.050.

16 (7) The articles of incorporation need not set forth any of the
17 corporate powers enumerated in this title.

18 **Sec. 12.** RCW 23B.02.032 and 1998 c 23 s 6 are each amended to read
19 as follows:

20 For those corporations that have a certificate of authority, are
21 applying for, or intend to apply for a certificate of authority from
22 the insurance commissioner as an insurance company under chapter 48.05
23 RCW, whenever under this chapter corporate (~~documents~~) records are
24 required to be filed with the secretary of state, the (~~documents~~)
25 records shall be filed with the insurance commissioner rather than the
26 secretary of state.

27 **Sec. 13.** RCW 23B.02.050 and 1991 c 72 s 31 are each amended to
28 read as follows:

29 (1) After incorporation:

30 (a) If initial directors are named in the articles of
31 incorporation, the initial directors shall hold an organizational
32 meeting, at the call of a majority of the directors, to complete the
33 organization of the corporation by appointing officers, adopting
34 bylaws, and carrying on any other business brought before the meeting;

35 (b) If initial directors are not named in the articles, the
36 incorporator or incorporators shall hold an organizational meeting at
37 the call of a majority of the incorporators:

1 (i) To elect directors and complete the organization of the
2 corporation; or

3 (ii) To elect a board of directors who shall complete the
4 organization of the corporation.

5 (2) Action required or permitted by this title to be taken by
6 incorporators at an organizational meeting may be taken without a
7 meeting if the action taken is evidenced by ~~((one or more written
8 consents))~~ the consent of each of the incorporators in the form of a
9 record describing the action taken and ~~((signed))~~ executed by each
10 incorporator.

11 (3) An organizational meeting may be held in or out of this state.

12 (4) A corporation's initial report containing the information
13 described in RCW 23B.16.220(1) must be delivered to the secretary of
14 state within one hundred twenty days of the date on which the
15 corporation's articles of incorporation were filed.

16 **Sec. 14.** RCW 23B.04.035 and 1998 c 23 s 7 are each amended to read
17 as follows:

18 For those corporations that have a certificate of authority, are
19 applying for, or intend to apply for a certificate of authority from
20 the insurance commissioner as an insurance company under chapter 48.05
21 RCW, whenever under this chapter incorporate ~~((documents))~~ records are
22 required to be filed with the secretary of state, the ~~((documents))~~
23 records shall be filed with the insurance commissioner rather than the
24 secretary of state.

25 **Sec. 15.** RCW 23B.05.010 and 1989 c 165 s 40 are each amended to
26 read as follows:

27 (1) Each corporation must continuously maintain in this state:

28 (a) A registered office that may be the same as any of its places
29 of business. The registered office shall be at a specific geographic
30 location in this state, and be identified by number, if any, and
31 street, or building address or rural route, or, if a commonly known
32 street or rural route address does not exist, by legal description. A
33 registered office may not be identified by post office box number or
34 other nongeographic address. For purposes of communicating by mail,
35 the secretary of state may permit the use of a post office address ~~((in
36 the same city as the registered office))~~ in conjunction with the
37 registered office address if the corporation also maintains on file the

1 specific geographic address of the registered office where personal
2 service of process may be made;

3 (b) A registered agent that may be:

4 (i) An individual residing in this state whose business office is
5 identical with the registered office;

6 (ii) A domestic corporation or not-for-profit domestic corporation
7 whose business office is identical with the registered office; ~~((or))~~

8 (iii) A foreign corporation or not-for-profit foreign corporation
9 authorized to conduct affairs in this state whose business office is
10 identical with the registered office;

11 (iv) A domestic limited liability company whose business office is
12 identical with the registered office; or

13 (v) A foreign limited liability company authorized to conduct
14 affairs in this state whose business office is identical with the
15 registered office.

16 (2) A registered agent shall not be appointed without having given
17 prior ~~((written))~~ consent in a record to the appointment. The
18 ~~((written))~~ consent shall be filed with the secretary of state in such
19 form as the secretary of state may prescribe. The ~~((written))~~ consent
20 shall be filed with or as a part of the ~~((document))~~ record first
21 appointing a registered agent. In the event any individual ~~((or))~~,
22 corporation, or limited liability company has been appointed agent
23 without consent, that person ~~((or))~~, corporation, or limited liability
24 company may file a notarized statement attesting to that fact, and the
25 name shall ~~((forthwith))~~ immediately be removed from the records of the
26 secretary of state.

27 **Sec. 16.** RCW 23B.05.020 and 1989 c 165 s 41 are each amended to
28 read as follows:

29 (1) A corporation may change its registered office or registered
30 agent by delivering to the secretary of state for filing a statement of
31 change that sets forth:

32 (a) The name of the corporation;

33 (b) If the current registered office is to be changed, the street
34 address of the new registered office in accord with RCW
35 23B.05.010(1)(a);

36 (c) If the current registered agent is to be changed, the name of
37 the new registered agent and the new agent's ~~((written))~~ consent in a

1 record, either on the statement or attached to it in a manner and form
2 as the secretary of state may prescribe, to the appointment; and

3 (d) That after the change or changes are made, the street addresses
4 of its registered office and the business office of its registered
5 agent will be identical.

6 (2) If a registered agent changes the street address of the agent's
7 business office, the registered agent may change the street address of
8 the registered office of any corporation for which the agent is the
9 registered agent by notifying the corporation (~~(in writing of the~~
10 ~~change and signing, either manually or in facsimile,)~~ of the change
11 either (a) in a written record, or (b) if the corporation has
12 designated an address, location, or system to which the notices may be
13 electronically transmitted and the registered agent electronically
14 transmits the notice to the corporation at the designated address,
15 location, or system, in an electronically transmitted record and
16 delivering to the secretary of state for filing a statement that
17 complies with the requirements of subsection (1) of this section and
18 recites that the corporation has been notified of the change.

19 **Sec. 17.** RCW 23B.06.030 and 1989 c 165 s 46 are each amended to
20 read as follows:

21 (1) A corporation may issue the number of shares of each class or
22 series authorized by the articles of incorporation. Shares that are
23 issued are outstanding shares until they are reacquired, redeemed,
24 converted, or canceled.

25 (2) The reacquisition, redemption, or conversion of outstanding
26 shares is subject to the limitations of subsection (4) of this section
27 and to RCW 23B.06.400.

28 (3) Redeemable shares are deemed to have been redeemed and not
29 entitled to vote after notice of redemption is (~~mailed~~) delivered to
30 the holders in compliance with RCW 23B.01.410 and a sum sufficient to
31 redeem the shares has been deposited with a bank, trust company, or
32 other financial institution under an irrevocable obligation to pay the
33 holders the redemption price on surrender of the shares.

34 (4) At all times that shares of the corporation are outstanding,
35 one or more shares that together have unlimited voting rights and one
36 or more shares that together are entitled to receive the net assets of
37 the corporation upon dissolution must be outstanding.

1 **Sec. 18.** RCW 23B.06.260 and 1989 c 165 s 54 are each amended to
2 read as follows:

3 (1) Unless the articles of incorporation or bylaws provide
4 otherwise, the board of directors of a corporation may authorize the
5 issue of some or all of the shares of any or all of its classes or
6 series without certificates. The authorization does not affect shares
7 already represented by certificates until they are surrendered to the
8 corporation.

9 (2) Within a reasonable time after the issue or transfer of shares
10 without certificates, the corporation shall send the shareholder a
11 (~~written statement of~~) record containing the information required on
12 certificates by RCW 23B.06.250 (2) and (3), and, if applicable, RCW
13 23B.06.270.

14 **Sec. 19.** RCW 23B.06.300 and 1989 c 165 s 57 are each amended to
15 read as follows:

16 (1) Unless the articles of incorporation provide otherwise, and
17 subject to the limitations in subsections (3) and (4) of this section,
18 the shareholders of a corporation have a preemptive right, granted on
19 uniform terms and conditions prescribed by the board of directors to
20 provide a fair and reasonable opportunity to exercise the right, to
21 acquire proportional amounts of the corporation's unissued shares upon
22 the decision of the board of directors to issue them.

23 (2) Unless the articles of incorporation provide otherwise, a
24 shareholder may waive the shareholder's preemptive right. A waiver
25 evidenced by (~~a writing~~) an executed record is irrevocable even
26 though it is not supported by consideration.

27 (3) Unless the articles of incorporation provide otherwise, there
28 is no preemptive right with respect to:

29 (a) Shares issued as compensation to directors, officers, agents,
30 or employees of the corporation, or its subsidiaries or affiliates;

31 (b) Shares issued to satisfy conversion or option rights created to
32 provide compensation to directors, officers, agents, or employees of
33 the corporation, or its subsidiaries or affiliates;

34 (c) Shares issued pursuant to the corporation's initial plan of
35 financing; and

36 (d) Shares sold otherwise than for money.

37 (4) Unless the articles of incorporation provide otherwise:

1 (a) Holders of shares of any class without general voting rights
2 but with preferential rights to distributions or assets have no
3 preemptive rights with respect to shares of any class; and

4 (b) Holders of shares of any class with general voting rights but
5 without preferential rights to distributions or assets have no
6 preemptive rights with respect to shares of any class with preferential
7 rights to distributions or assets unless the shares with preferential
8 rights are convertible into or carry a right to subscribe for or
9 acquire shares without preferential rights.

10 (5) Unless the articles of incorporation provide otherwise, shares
11 subject to preemptive rights that are not acquired by shareholders may
12 be issued to any person for a period of one year after being offered to
13 shareholders at a consideration set by the board of directors that is
14 not lower than the consideration set for the exercise of preemptive
15 rights. An offer at a lower consideration or after the expiration of
16 one year is subject to the shareholders' preemptive rights.

17 (6) For purposes of this section, "shares" includes a security
18 convertible into or carrying a right to subscribe for or acquire
19 shares.

20 **Sec. 20.** RCW 23B.07.010 and 1994 c 256 s 28 are each amended to
21 read as follows:

22 (1) Except as provided in subsections (2) and (5) of this section,
23 a corporation shall hold a meeting of shareholders annually for the
24 election of directors at a time stated in or fixed in accordance with
25 the bylaws.

26 (2)(a) If the articles of incorporation or the bylaws of a
27 corporation registered as an investment company under the investment
28 company act of 1940 so provide, the corporation is not required to hold
29 an annual meeting of shareholders in any year in which the election of
30 directors is not required by the investment company act of 1940.

31 (b) If a corporation is required under (a) of this subsection to
32 hold an annual meeting of shareholders to elect directors, the meeting
33 shall be held no later than one hundred twenty days after the
34 occurrence of the event requiring the meeting.

35 (3) Annual shareholders' meetings may be held in or out of this
36 state at the place stated in or fixed in accordance with the bylaws.
37 If no place is stated in or fixed in accordance with the bylaws, annual
38 meetings shall be held at the corporation's principal office.

1 (4) The failure to hold an annual meeting at the time stated in or
2 fixed in accordance with a corporation's bylaws does not affect the
3 validity of any corporate action.

4 (5) Shareholders may act by consent set forth in a record to elect
5 directors as permitted by RCW 23B.07.040 in lieu of holding an annual
6 meeting.

7 **Sec. 21.** RCW 23B.07.020 and 1989 c 165 s 61 are each amended to
8 read as follows:

9 (1) A corporation shall hold a special meeting of shareholders:

10 (a) On call of its board of directors or the person or persons
11 authorized to do so by the articles of incorporation or bylaws; or

12 (b) Except as set forth in subsections (2) and (3) of this section,
13 if the holders of at least ten percent of all the votes entitled to be
14 cast on any issue proposed to be considered at the proposed special
15 meeting (~~(sign, date, and)~~) deliver to the corporation's secretary one
16 or more (~~(written)~~) demands set forth in an executed and dated record
17 for the meeting describing the purpose or purposes for which it is to
18 be held, which demands shall be set forth either (i) in an executed
19 record or (ii) if the corporation has designated an address, location,
20 or system to which the demands may be electronically transmitted and
21 the demands are electronically transmitted to that designated address,
22 location, or system, in an executed electronically transmitted record.

23 (2) The right of shareholders of a public company to call a special
24 meeting may be limited or denied to the extent provided in the articles
25 of incorporation.

26 (3) If the corporation is other than a public company, the articles
27 or bylaws may require the demand specified in subsection (1)(b) of this
28 section be made by a greater percentage, not in excess of twenty-five
29 percent, of all the votes entitled to be cast on any issue proposed to
30 be considered at the proposed special meeting.

31 (4) If not otherwise fixed under RCW 23B.07.030 or 23B.07.070, the
32 record date for determining shareholders entitled to demand a special
33 meeting is the date of delivery of the first shareholder (~~(signs the)~~)
34 demand in compliance with subsection (1) of this section.

35 (5) Special shareholders' meetings may be held in or out of this
36 state at the place stated in or fixed in accordance with the bylaws.
37 If no place is stated or fixed in accordance with the bylaws, special
38 meetings shall be held at the corporation's principal office.

1 (6) Only business within the purpose or purposes described in the
2 meeting notice required by RCW 23B.07.050(3) may be conducted at a
3 special shareholders' meeting.

4 **Sec. 22.** RCW 23B.07.030 and 1989 c 165 s 62 are each amended to
5 read as follows:

6 (1) The superior court of the county in which the corporation's
7 registered office is located may, after notice to the corporation,
8 summarily order a meeting to be held:

9 (a) On application of any shareholder of the corporation entitled
10 to vote in the election of directors at an annual meeting, if an annual
11 meeting was not held within the earlier of six months after the end of
12 the corporation's fiscal year or fifteen months after its last annual
13 meeting or action by consent in lieu of such a meeting; or

14 (b) On application of a shareholder who (~~signed~~) executed a
15 demand for a special meeting valid under RCW 23B.07.020, if:

16 (i) Notice of the special meeting was not given within thirty days
17 after the date the demand was delivered to the corporation's secretary;
18 or

19 (ii) The special meeting was not held in accordance with the
20 notice.

21 (2) The court may, after notice to the corporation, fix the time
22 and place of the meeting, determine the shares and shareholders
23 entitled to participate in the meeting, specify a record date for
24 determining shareholders entitled to notice of and to vote at the
25 meeting, prescribe the manner, form, and content of the meeting notice,
26 fix the quorum required for specific matters to be considered at the
27 meeting, or direct that the votes represented at the meeting constitute
28 a quorum for action on those matters, and enter other orders necessary
29 to accomplish the purpose or purposes of the meeting.

30 **Sec. 23.** RCW 23B.07.040 and 1997 c 19 s 2 are each amended to read
31 as follows:

32 (1)(a) Action required or permitted by this title to be taken at a
33 shareholders' meeting may be taken without a meeting or a vote if
34 either:

35 (i) The action is taken by all shareholders entitled to vote on the
36 action; or

1 (ii) The action is taken by shareholders holding of record or
2 otherwise entitled to vote in the aggregate not less than the minimum
3 number of votes that would be necessary to authorize or take such
4 action at a meeting at which all shares entitled to vote on the action
5 were present and voted, and at the time the action is taken the
6 corporation is not a public company and is authorized to take such
7 action under this subsection (1)(a)(ii) by a general or limited
8 authorization contained in its articles of incorporation.

9 (b) The taking of action by shareholders without a meeting or vote
10 must be evidenced by one or more (~~written~~) consents, each in the form
11 of a record describing the action taken, (~~signed~~) executed by
12 shareholders holding of record or otherwise entitled to vote in the
13 aggregate not less than the minimum number of votes necessary in order
14 to take such action by (~~written~~) consent under (a)(i) or (ii) of this
15 subsection, and delivered to the corporation for inclusion in the
16 minutes or filing with the corporate records, which consent shall be
17 set forth either (i) in an executed record or (ii) if the corporation
18 has designated an address, location, or system to which the consent may
19 be electronically transmitted and the consent is electronically
20 transmitted to the designated address, location, or system, in an
21 executed electronically transmitted record.

22 (2) If not otherwise fixed under RCW 23B.07.030 or 23B.07.070, the
23 record date for determining shareholders entitled to take action
24 without a meeting is the date on which the first shareholder consent is
25 (~~signed~~) executed under subsection (1) of this section. Every
26 (~~written~~) consent shall bear the date of (~~signature~~) execution of
27 each shareholder who (~~signs~~) executes the consent. A (~~written~~)
28 consent is not effective to take the action referred to in the consent
29 unless, within sixty days of the earliest dated consent delivered to
30 the corporation, (~~written~~) consents (~~signed~~) executed by a
31 sufficient number of shareholders to take action are delivered to the
32 corporation.

33 (3) A shareholder may withdraw consent only by delivering a
34 (~~written~~) notice of withdrawal in the form of a record to the
35 corporation prior to the time when consents sufficient to authorize
36 taking the action have been delivered to the corporation.

37 (4) Unless the (~~written~~) shareholder consent specifies a later
38 effective date, action taken under this section is effective when: (a)
39 Consents sufficient to authorize taking the action have been delivered

1 to the corporation; and (b) the period of advance notice required by
2 the corporation's articles of incorporation to be given to any
3 nonconsenting shareholders has been satisfied.

4 (5) A consent (~~((signed))~~) executed under this section has the effect
5 of a meeting vote and may be described as such in any (~~((document))~~)
6 record, except that, if the action requires the filing of a certificate
7 under any other section of this title, the certificate so filed shall
8 state, in lieu of any statement required by that section concerning any
9 vote of shareholders, that (~~((written))~~) consent has been obtained in
10 accordance with this section and that (~~((written))~~) notice to any
11 nonconsenting shareholders has been given as provided in this section.

12 (6) Notice of the taking of action by shareholders without a
13 meeting by less than unanimous (~~((written))~~) consent of all shareholders
14 entitled to vote on the action shall be given, before the date on which
15 the action becomes effective, to those shareholders entitled to vote on
16 the action who have not consented (~~((in writing))~~) and, if this title
17 would otherwise require that notice of a meeting of shareholders to
18 consider the action be given to nonvoting shareholders, to all
19 nonvoting shareholders of the corporation. The general or limited
20 authorization in the corporation's articles of incorporation
21 authorizing shareholder action by less than unanimous (~~((written))~~)
22 consent shall specify the amount and form of notice required to be
23 given to nonconsenting shareholders before the effective date of the
24 action. In the case of action of a type that would constitute a
25 significant business transaction under RCW 23B.19.020(15), the notice
26 shall be given no fewer than twenty days before the effective date of
27 the action. The notice shall be in (~~((writing))~~) the form of a record
28 and shall contain or be accompanied by the same material that, under
29 this title, would have been required to be (~~((sent))~~) delivered to
30 nonconsenting or nonvoting shareholders in a notice of meeting at which
31 the proposed action would have been submitted for shareholder action.
32 If the action taken is of a type that would entitle shareholders to
33 exercise dissenters' rights under RCW 23B.13.020(1), then the notice
34 must comply with RCW 23B.13.220(2), RCW 23B.13.210 shall not apply, and
35 all shareholders who have not (~~((signed))~~) executed the consent taking
36 the action are entitled to receive the notice, demand payment under RCW
37 23B.13.230, and assert other dissenters' rights as prescribed in
38 chapter 23B.13 RCW.

1 **Sec. 24.** RCW 23B.07.060 and 1991 c 72 s 34 are each amended to
2 read as follows:

3 (1) A shareholder may waive any notice required by this title, the
4 articles of incorporation, or bylaws before or after the date and time
5 of the meeting that is the subject of such notice, or in the case of
6 notice required by RCW 23B.07.040(6), before or after the action to be
7 taken by ~~((written))~~ executed consent is effective. Except as provided
8 by subsections (2) and (3) of this section, the waiver must be ~~((in
9 writing, be signed by the shareholder entitled to the notice, and be))~~
10 delivered by the shareholder entitled to notice to the corporation for
11 inclusion in the minutes or filing with the corporate records, which
12 waiver shall be set forth either (a) in an executed and dated record or
13 (b) if the corporation has designated an address, location, or system
14 to which the waiver may be electronically transmitted and the waiver is
15 electronically transmitted to the designated address, location, or
16 system, in an executed and dated electronically transmitted record.

17 (2) A shareholder's attendance at a meeting waives objection to
18 lack of notice or defective notice of the meeting, unless the
19 shareholder at the beginning of the meeting objects to holding the
20 meeting or transacting business at the meeting.

21 (3) A shareholder waives objection to consideration of a particular
22 matter at a meeting that is not within the purpose or purposes
23 described in the meeting notice, unless the shareholder objects to
24 considering the matter when it is presented.

25 **Sec. 25.** RCW 23B.07.220 and 2000 c 168 s 2 are each amended to
26 read as follows:

27 (1) A shareholder may vote the shareholder's shares in person or by
28 proxy.

29 (2) A shareholder or the shareholder's agent or attorney-in-fact
30 may appoint a proxy to vote or otherwise act for the shareholder by:

31 (a) Executing a writing authorizing another person or persons to
32 act for the shareholder as proxy. Execution may be accomplished by the
33 shareholder or the shareholder's authorized officer, director,
34 employee, or agent signing the writing or causing his or her signature
35 to be affixed to the writing by any reasonable means including, but not
36 limited to, by facsimile signature; or

37 (b) Authorizing another person or persons to act for the
38 shareholder as proxy by transmitting or authorizing the transmission of

1 ((an)) a recorded telephone call, voice mail, or other electronic
2 transmission to the person who will be the holder of the proxy or to a
3 proxy solicitation firm, proxy support service organization, or like
4 agent duly authorized by the person who will be the holder of the proxy
5 to receive the transmission, provided that the ((electronic))
6 transmission must either set forth or be submitted with information,
7 including any security or validation controls used, from which it can
8 reasonably be determined that the ((electronic)) transmission was
9 authorized by the shareholder. If it is determined that the
10 ((electronic)) transmission is valid, the inspectors of election or, if
11 there are no inspectors, any officer or agent of the corporation making
12 that determination on behalf of the corporation shall specify the
13 information upon which they relied. The corporation shall require the
14 holders of proxies received by ((electronic)) transmission to provide
15 to the corporation copies of the ((electronic)) transmission and the
16 corporation shall retain copies of the ((electronic)) transmission for
17 a reasonable period of time after the election provided that they are
18 retained for at least sixty days.

19 (3) An appointment of a proxy is effective when a signed
20 appointment form or telegram, cablegram, recorded telephone call,
21 voicemail, or other ((electronic)) transmission of the appointment is
22 received by the inspectors of election or the officer or agent of the
23 corporation authorized to tabulate votes. An appointment is valid for
24 eleven months unless a longer period is expressly provided in the
25 appointment.

26 (4) An appointment of a proxy is revocable by the shareholder
27 unless the appointment indicates that it is irrevocable and the
28 appointment is coupled with an interest. Appointments coupled with an
29 interest include the appointment of:

30 (a) A pledgee;

31 (b) A person who purchased or agreed to purchase the shares;

32 (c) A creditor of the corporation who extended it credit under
33 terms requiring the appointment;

34 (d) An employee of the corporation whose employment contract
35 requires the appointment; or

36 (e) A party to a voting agreement created under RCW 23B.07.310.

37 (5) The death or incapacity of the shareholder appointing a proxy
38 does not affect the right of the corporation to accept the proxy's
39 authority unless notice of the death or incapacity is received by the

1 officer or agent of the corporation authorized to tabulate votes before
2 the proxy exercises the proxy's authority under the appointment.

3 (6) An appointment made irrevocable under subsection (4) of this
4 section is revoked when the interest with which it is coupled is
5 extinguished.

6 (7) A transferee for value of shares subject to an irrevocable
7 appointment may revoke the appointment if the transferee did not know
8 of its existence when the transferee acquired the shares and the
9 existence of the irrevocable appointment was not noted conspicuously on
10 the certificate representing the shares or on the information statement
11 for shares without certificates.

12 (8) Subject to RCW 23B.07.240 and to any express limitation on the
13 proxy's authority stated in the appointment form or recorded telephone
14 call, voice mail, or other electronic transmission, a corporation is
15 entitled to accept the proxy's vote or other action as that of the
16 shareholder making the appointment.

17 (9) For the purposes of this section only, "sign" or "signature"
18 includes any manual, facsimile, conformed, or electronic signature.

19 **Sec. 26.** RCW 23B.07.240 and 2000 c 168 s 3 are each amended to
20 read as follows:

21 (1) If the name ((~~signed~~)) executed on a vote, consent, waiver, or
22 proxy appointment corresponds to the name of a shareholder, the
23 corporation, if acting in good faith, is entitled to accept the vote,
24 consent, waiver, or proxy appointment and give it effect as the act of
25 the shareholder.

26 (2) If the name ((~~signed~~)) executed on a vote, consent, waiver, or
27 proxy appointment does not correspond to the name of its shareholder,
28 the corporation, if acting in good faith, is nevertheless entitled to
29 accept the vote, consent, waiver, or proxy appointment and give it
30 effect as the act of the shareholder if:

31 (a) The shareholder is an entity and the name ((~~signed~~)) executed
32 purports to be that of an officer, partner, or agent of the entity;

33 (b) The name ((~~signed~~)) executed purports to be that of an
34 administrator, executor, guardian, or conservator representing the
35 shareholder and, if the corporation requests, evidence of fiduciary
36 status acceptable to the corporation has been presented with respect to
37 the vote, consent, waiver, or proxy appointment;

1 (c) The name ((signed)) executed purports to be that of a receiver
2 or trustee in bankruptcy of the shareholder and, if the corporation
3 requests, evidence of this status acceptable to the corporation has
4 been presented with respect to the vote, consent, waiver, or proxy
5 appointment;

6 (d) The name ((signed)) executed purports to be that of a pledgee,
7 beneficial owner, or attorney-in-fact of the shareholder and, if the
8 corporation requests, evidence acceptable to the corporation of the
9 signatory's authority to sign for the shareholder has been presented
10 with respect to the vote, consent, waiver, or proxy appointment; or

11 (e) Two or more persons are the shareholder as cotenants or
12 fiduciaries and the name ((signed)) executed purports to be the name of
13 at least one of the coowners and the person signing appears to be
14 acting on behalf of all the coowners.

15 (3) The corporation is entitled to reject a vote, consent, waiver,
16 or proxy appointment if the secretary or other officer or agent
17 authorized to tabulate votes, acting in good faith, has reasonable
18 basis for doubt about the validity of (~~the signature on it or about~~
19 ~~the signatory's authority to sign for the shareholder~~) its execution.

20 (4) The corporation and its officer or agent who accepts or rejects
21 a vote, consent, waiver, or proxy appointment in good faith and in
22 accordance with the standards of this section or RCW 23B.07.220(2) are
23 not liable in damages to the shareholder for the consequences of the
24 acceptance or rejection.

25 (5) Corporate action based on the acceptance or rejection of a
26 vote, consent, waiver, or proxy appointment under this section, or RCW
27 23B.07.220(2) is valid unless a court of competent jurisdiction
28 determines otherwise.

29 **Sec. 27.** RCW 23B.08.030 and 1994 c 256 s 29 are each amended to
30 read as follows:

31 (1) A board of directors must consist of one or more individuals,
32 with the number specified in or fixed in accordance with the articles
33 of incorporation or bylaws.

34 (2) Directors are elected at the first annual shareholders' meeting
35 and at each annual meeting thereafter unless (a) their terms are
36 staggered under RCW 23B.08.060, or (b) their terms are otherwise
37 governed by RCW 23B.05.050. Directors also may be elected by consent
38 action under RCW 23.07.040.

1 **Sec. 28.** RCW 23B.08.070 and 1989 c 165 s 86 are each amended to
2 read as follows:

3 (1) A director may resign at any time by delivering (~~written~~) an
4 executed notice to the board of directors, its chairperson, the
5 president, or the secretary.

6 (2) A resignation is effective when the notice is delivered unless
7 the notice specifies a later effective date.

8 **Sec. 29.** RCW 23B.08.210 and 1989 c 165 s 92 are each amended to
9 read as follows:

10 (1) Unless the articles of incorporation or bylaws provide
11 otherwise, action required or permitted by this title to be taken at a
12 board of directors' meeting may be taken without a meeting if the
13 action is taken by all members of the board. The action must be
14 evidenced by one or more (~~written~~) consents describing the action
15 taken, (~~signed~~) executed by each director either before or after the
16 action taken, and delivered to the corporation for inclusion in the
17 minutes or filing with the corporate records, each of which consents
18 shall be set forth either (a) in an executed record or (b) if the
19 corporation has designated an address, location, or system to which the
20 consents may be electronically transmitted and the consent is
21 electronically transmitted to the designated address, location, or
22 system, in an executed electronically transmitted record.

23 (2) Action taken under this section is effective when the last
24 director (~~signs~~) executes the consent, unless the consent specifies
25 a later effective date.

26 (3) A consent (~~signed~~) under this section has the effect of a
27 meeting vote and may be described as such in any (~~document~~) record.

28 **Sec. 30.** RCW 23B.08.230 and 1989 c 165 s 94 are each amended to
29 read as follows:

30 (1) A director may waive any notice required by this title, the
31 articles of incorporation, or bylaws before or after the date and time
32 stated in the notice, and such waiver shall be equivalent to the giving
33 of such notice. Except as provided by subsection (2) of this section,
34 the waiver must be (~~in writing, signed~~) delivered by the director
35 entitled to the notice(~~, and delivered~~) to the corporation for
36 inclusion in the minutes or filing with the corporate records, which
37 waiver shall be set forth either (a) in an executed record or (b) if

1 the corporation has designated an address, location, or system to which
2 the waiver may be electronically transmitted and the waiver has been
3 electronically transmitted to the designated address, location, or
4 system, in an executed electronically transmitted record.

5 (2) A director's attendance at or participation in a meeting waives
6 any required notice to the director of the meeting unless the director
7 at the beginning of the meeting, or promptly upon the director's
8 arrival, objects to holding the meeting or transacting business at the
9 meeting and does not thereafter vote for or assent to action taken at
10 the meeting.

11 **Sec. 31.** RCW 23B.08.240 and 1991 c 72 s 35 are each amended to
12 read as follows:

13 (1) Unless the articles of incorporation or bylaws require a
14 greater or lesser number, a quorum of a board of directors consists of
15 a majority of the number of directors specified in or fixed in
16 accordance with the articles of incorporation or bylaws.

17 (2) Notwithstanding subsection (1) of this section, a quorum of a
18 board of directors may in no event be less than one-third of the number
19 of directors specified in or fixed in accordance with the articles of
20 incorporation or bylaws.

21 (3) If a quorum is present when a vote is taken, the affirmative
22 vote of a majority of directors present is the act of the board of
23 directors unless the articles of incorporation or bylaws require the
24 vote of a greater number of directors.

25 (4) A director who is present at a meeting of the board of
26 directors when action is taken is deemed to have assented to the action
27 taken unless: (a) The director objects at the beginning of the
28 meeting, or promptly upon the director's arrival, to holding it or
29 transacting business at the meeting; (b) the director's dissent or
30 abstention from the action taken is entered in the minutes of the
31 meeting; or (c) the director delivers (~~written~~) notice of the
32 director's dissent or abstention to the presiding officer of the
33 meeting before its adjournment or to the corporation within a
34 reasonable time after adjournment of the meeting. The right of dissent
35 or abstention is not available to a director who votes in favor of the
36 action taken.

1 **Sec. 32.** RCW 23B.08.600 and 1989 c 165 s 115 are each amended to
2 read as follows:

3 If a corporation indemnifies or advances expenses to a director
4 under RCW 23B.08.510, 23B.08.520, 23B.08.530, 23B.08.540, or 23B.08.560
5 in connection with a proceeding by or in the right of the corporation,
6 the corporation shall report the indemnification or advance in
7 (~~writing~~) the form of a notice to the shareholders delivered with or
8 before the notice of the next shareholders' meeting.

9 **Sec. 33.** RCW 23B.10.012 and 1998 c 23 s 9 are each amended to read
10 as follows:

11 For those corporations that have a certificate of authority, are
12 applying for, or intend to apply for a certificate of authority from
13 the insurance commissioner as an insurance company under chapter 48.05
14 RCW, whenever under this chapter corporate (~~documents~~) records are
15 required to be filed with the secretary of state, the (~~documents~~)
16 records shall be filed with the insurance commissioner rather than the
17 secretary of state.

18 **Sec. 34.** RCW 23B.11.040 and 1989 c 165 s 134 are each amended to
19 read as follows:

20 (1) A parent corporation owning at least ninety percent of the
21 outstanding shares of each class of a subsidiary corporation may merge
22 the subsidiary into itself without approval of the shareholders of the
23 parent or subsidiary.

24 (2) The board of directors of the parent shall adopt a plan of
25 merger that sets forth:

26 (a) The names of the parent and subsidiary; and

27 (b) The manner and basis of converting the shares of the subsidiary
28 into shares, obligations, or other securities of the parent or any
29 other corporation or into cash or other property in whole or part.

30 (3) Within ten days after the corporate action is taken, the parent
31 shall (~~mail a copy of the plan of merger~~) deliver a notice to each
32 shareholder of the subsidiary, which notice shall include a copy of the
33 plan of merger.

34 (4) Articles of merger under this section may not contain
35 amendments to the articles of incorporation of the parent corporation,
36 except for amendments enumerated in RCW 23B.10.020.

1 **Sec. 35.** RCW 23B.13.030 and 1989 c 165 s 142 are each amended to
2 read as follows:

3 (1) A record shareholder may assert dissenters' rights as to fewer
4 than all the shares registered in the shareholder's name only if the
5 shareholder dissents with respect to all shares beneficially owned by
6 any one person and ~~((notifies))~~ delivers to the corporation ~~((in~~
7 ~~writing))~~ a notice of the name and address of each person on whose
8 behalf the shareholder asserts dissenters' rights. The rights of a
9 partial dissenter under this subsection are determined as if the shares
10 as to which the dissenter dissents and the dissenter's other shares
11 were registered in the names of different shareholders.

12 (2) A beneficial shareholder may assert dissenters' rights as to
13 shares held on the beneficial shareholder's behalf only if:

14 (a) The beneficial shareholder submits to the corporation the
15 record shareholder's ~~((written))~~ consent to the dissent not later than
16 the time the beneficial shareholder asserts dissenters' rights, which
17 consent shall be set forth either (i) in a record or (ii) if the
18 corporation has designated an address, location, or system to which the
19 consent may be electronically transmitted and the consent is
20 electronically transmitted to the designated address, location, or
21 system, in an electronically transmitted record; and

22 (b) The beneficial shareholder does so with respect to all shares
23 of which such shareholder is the beneficial shareholder or over which
24 such shareholder has power to direct the vote.

25 **Sec. 36.** RCW 23B.13.200 and 1989 c 165 s 143 are each amended to
26 read as follows:

27 (1) If proposed corporate action creating dissenters' rights under
28 RCW 23B.13.020 is submitted to a vote at a shareholders' meeting, the
29 meeting notice must state that shareholders are or may be entitled to
30 assert dissenters' rights under this chapter and be accompanied by a
31 copy of this chapter.

32 (2) If corporate action creating dissenters' rights under RCW
33 23B.13.020 is taken without a vote of shareholders, the corporation,
34 within ten days after ~~((the))~~ the effective date of such corporate
35 action, shall ~~((notify in writing))~~ deliver a notice to all
36 shareholders entitled to assert dissenters' rights that the action was
37 taken and send them the ~~((dissenters'))~~ notice described in RCW
38 23B.13.220.

1 **Sec. 37.** RCW 23B.13.210 and 1989 c 165 s 144 are each amended to
2 read as follows:

3 (1) If proposed corporate action creating dissenters' rights under
4 RCW 23B.13.020 is submitted to a vote at a shareholders' meeting, a
5 shareholder who wishes to assert dissenters' rights must (a) deliver to
6 the corporation before the vote is taken (~~written~~) notice of the
7 shareholder's intent to demand payment for the shareholder's shares if
8 the proposed action is effected, and (b) not vote such shares in favor
9 of the proposed action.

10 (2) A shareholder who does not satisfy the requirements of
11 subsection (1) of this section is not entitled to payment for the
12 shareholder's shares under this chapter.

13 **Sec. 38.** RCW 23B.13.220 and 1989 c 165 s 145 are each amended to
14 read as follows:

15 (1) If proposed corporate action creating dissenters' rights under
16 RCW 23B.13.020 is authorized at a shareholders' meeting, the
17 corporation shall deliver a (~~written dissenters'~~) notice to all
18 shareholders who satisfied the requirements of RCW 23B.13.210.

19 (2) The (~~dissenters'~~) notice must be sent within ten days after
20 the effective date of the corporate action, and must:

21 (a) State where the payment demand must be sent and where and when
22 certificates for certificated shares must be deposited;

23 (b) Inform holders of uncertificated shares to what extent transfer
24 of the shares will be restricted after the payment demand is received;

25 (c) Supply a form for demanding payment that includes the date of
26 the first announcement to news media or to shareholders of the terms of
27 the proposed corporate action and requires that the person asserting
28 dissenters' rights certify whether or not the person acquired
29 beneficial ownership of the shares before that date;

30 (d) Set a date by which the corporation must receive the payment
31 demand, which date may not be fewer than thirty nor more than sixty
32 days after the date the notice in subsection (1) of this section is
33 delivered; and

34 (e) Be accompanied by a copy of this chapter.

35 **Sec. 39.** RCW 23B.13.230 and 1989 c 165 s 146 are each amended to
36 read as follows:

1 (1) A shareholder sent a (~~dissenters~~) notice described in RCW
2 23B.13.220 must demand payment, certify whether the shareholder
3 acquired beneficial ownership of the shares before the date required to
4 be set forth in the (~~dissenters~~) notice pursuant to RCW
5 23B.13.220(2)(c), and deposit the shareholder's certificates, all in
6 accordance with the terms of the notice.

7 (2) The shareholder who demands payment and deposits the
8 shareholder's share certificates under subsection (1) of this section
9 retains all other rights of a shareholder until the proposed corporate
10 action is effected.

11 (3) A shareholder who does not demand payment or deposit the
12 shareholder's share certificates where required, each by the date set
13 in the (~~dissenters~~) notice, is not entitled to payment for the
14 shareholder's shares under this chapter.

15 **Sec. 40.** RCW 23B.13.280 and 1989 c 165 s 151 are each amended to
16 read as follows:

17 (1) A dissenter may (~~notify~~) deliver a notice to the corporation
18 informing the corporation (~~in writing~~) of the dissenter's own
19 estimate of the fair value of the dissenter's shares and amount of
20 interest due, and demand payment of the dissenter's estimate, less any
21 payment under RCW 23B.13.250, or reject the corporation's offer under
22 RCW 23B.13.270 and demand payment of the dissenter's estimate of the
23 fair value of the dissenter's shares and interest due, if:

24 (a) The dissenter believes that the amount paid under RCW
25 23B.13.250 or offered under RCW 23B.13.270 is less than the fair value
26 of the dissenter's shares or that the interest due is incorrectly
27 calculated;

28 (b) The corporation fails to make payment under RCW 23B.13.250
29 within sixty days after the date set for demanding payment; or

30 (c) The corporation does not effect the proposed action and does
31 not return the deposited certificates or release the transfer
32 restrictions imposed on uncertificated shares within sixty days after
33 the date set for demanding payment.

34 (2) A dissenter waives the right to demand payment under this
35 section unless the dissenter notifies the corporation of the
36 dissenter's demand (~~in writing~~) under subsection (1) of this section
37 within thirty days after the corporation made or offered payment for
38 the dissenter's shares.

1 **Sec. 41.** RCW 23B.14.392 and 1998 c 23 s 10 are each amended to
2 read as follows:

3 For those corporations that have a certificate of authority, are
4 applying for, or intend to apply for a certificate of authority from
5 the insurance commissioner as an insurance company under chapter 48.05
6 RCW, whenever under this chapter incorporate (~~documents~~) records are
7 required to be filed with the secretary of state, the (~~documents~~)
8 records shall be filed with the insurance commissioner rather than the
9 secretary of state.

10 **Sec. 42.** RCW 23B.15.032 and 1998 c 23 s 11 are each amended to
11 read as follows:

12 For those corporations that have a certificate of authority, are
13 applying for, or intend to apply for a certificate of authority from
14 the insurance commissioner as an insurance company under chapter 48.05
15 RCW, whenever under this chapter incorporate (~~documents~~) records are
16 required to be filed with the secretary of state, the (~~documents~~)
17 records shall be filed with the insurance commissioner rather than the
18 secretary of state.

19 **Sec. 43.** RCW 23B.15.070 and 1989 c 165 s 175 are each amended to
20 read as follows:

21 (1) Each foreign corporation authorized to transact business in
22 this state must continuously maintain in this state:

23 (a) A registered office which may be, but need not be, the same as
24 its place of business in this state. The registered office shall be at
25 a specific geographic location in this state, and be identified by
26 number, if any, and street, building address, or rural route, or, if a
27 commonly known street or rural route address does not exist, by legal
28 description. A registered office may not be identified by post office
29 box number or other nongeographic address. For purposes of
30 communicating by mail, the secretary of state may permit the use of a
31 post office address in the same city as the registered office to be
32 used in conjunction with the registered office address if the
33 corporation also maintains on file the specific geographic address of
34 the registered office where personal service of process may be made.

35 (b) A registered agent, who may be:

36 (i) An individual who resides in this state and whose business
37 office is identical with the registered office;

1 (ii) A domestic corporation or not-for-profit domestic corporation
2 whose business office is identical with the registered office; (~~or~~)

3 (iii) A foreign corporation or foreign not-for-profit corporation
4 authorized to transact business or conduct affairs in this state whose
5 business office is identical with the registered office;

6 (iv) A domestic limited liability company whose business office is
7 identical with the registered office; or

8 (v) A foreign limited liability company authorized to conduct
9 affairs in this state whose business office is identical with the
10 registered office.

11 (2) A registered agent shall not be appointed without having given
12 prior (~~written~~) consent in a record to the appointment. The
13 (~~written~~) consent shall be filed with the secretary of state in such
14 form as the secretary of state may prescribe. The (~~written~~) consent
15 shall be filed with or as a part of the (~~document~~) record first
16 appointing a registered agent. In the event any individual (~~or~~),
17 corporation, or limited liability company has been appointed agent
18 without consent, that person (~~or~~), corporation, or limited liability
19 company may file a notarized statement attesting to that fact, and the
20 name shall forthwith be removed from the records.

21 **Sec. 44.** RCW 23B.15.080 and 1989 c 165 s 176 are each amended to
22 read as follows:

23 (1) A foreign corporation authorized to transact business in this
24 state may change its registered office or registered agent by
25 delivering to the secretary of state for filing a statement of change
26 that sets forth:

27 (a) Its name;

28 (b) If the current registered office is to be changed, the street
29 address of its new registered office;

30 (c) If the current registered agent is to be changed, the name of
31 its new registered agent and the new agent's (~~written~~) consent,
32 either on the statement or attached to it in the manner and form as the
33 secretary of state may prescribe, to the appointment; and

34 (d) That, after the change or changes are made, the street
35 addresses of its registered office and the business office of its
36 registered agent will be identical.

37 (2) If a registered agent changes the street address of the agent's
38 business office, the registered agent may change the street address of

1 the registered office of any foreign corporation for which the agent is
2 the registered agent by notifying the corporation (~~(in writing of the~~
3 ~~change and signing, either manually or in facsimile,)~~ of the change
4 either (a) in a record or (b) if the corporation has designated an
5 address, location, or system to which the notices may be electronically
6 transmitted and the registered agent electronically transmits the
7 notice to the corporation at the designated address, location, or
8 system, in an electronically transmitted record, and delivering to the
9 secretary of state for filing a statement of change that complies with
10 the requirements of subsection (1) of this section and recites that the
11 corporation has been notified of the change.

12 **Sec. 45.** RCW 23B.16.010 and 1991 c 72 s 40 are each amended to
13 read as follows:

14 (1) A corporation shall keep as permanent records minutes of all
15 meetings of its shareholders and board of directors, a record of all
16 actions taken by the shareholders or board of directors without a
17 meeting, and a record of all actions taken by a committee of the board
18 of directors exercising the authority of the board of directors on
19 behalf of the corporation.

20 (2) A corporation shall maintain appropriate accounting records.

21 (3) A corporation or its agent shall maintain a record of its
22 shareholders, in a form that permits preparation of a list of the names
23 and addresses of all shareholders, in alphabetical order by class of
24 shares showing the number and class of shares held by each.

25 (4) A corporation shall maintain its records in written form or in
26 another form capable of conversion into written form within a
27 reasonable time.

28 (5) A corporation shall keep a copy of the following records at its
29 principal office:

30 (a) Its articles or restated articles of incorporation and all
31 amendments to them currently in effect;

32 (b) Its bylaws or restated bylaws and all amendments to them
33 currently in effect;

34 (c) The minutes of all shareholders' meetings, and records of all
35 action taken by shareholders without a meeting, for the past three
36 years;

37 (d) The financial statements described in RCW 23B.16.200(1), for
38 the past three years;

1 (e) All (~~written~~) communications in the form of a record to
2 shareholders generally within the past three years;

3 (f) A list of the names and business addresses of its current
4 directors and officers; and

5 (g) Its initial report or most recent annual report delivered to
6 the secretary of state under RCW 23B.16.220.

7 **Sec. 46.** RCW 23B.16.020 and 1989 c 165 s 183 are each amended to
8 read as follows:

9 (1) A shareholder of a corporation is entitled to inspect and copy,
10 during regular business hours at the corporation's principal office,
11 any of the records of the corporation described in RCW 23B.16.010(5) if
12 the shareholder gives the corporation (~~written~~) notice of the
13 shareholder's demand at least five business days before the date on
14 which the shareholder wishes to inspect and copy.

15 (2) A shareholder of a corporation is entitled to inspect and copy,
16 during regular business hours at a reasonable location specified by the
17 corporation, any of the following records of the corporation if the
18 shareholder meets the requirements of subsection (3) of this section
19 and gives the corporation (~~written~~) notice of the shareholder's
20 demand at least five business days before the date on which the
21 shareholder wishes to inspect and copy:

22 (a) Excerpts from minutes of any meeting of the board of directors,
23 records of any action of a committee of the board of directors while
24 exercising the authority of the board of directors, minutes of any
25 meeting of the shareholders, and records of action taken by the
26 shareholders or board of directors without a meeting, to the extent not
27 subject to inspection under subsection (1) of this section;

28 (b) Accounting records of the corporation; and

29 (c) The record of shareholders.

30 (3) A shareholder may inspect and copy the records described in
31 subsection (2) of this section only if:

32 (a) The shareholder's demand is made in good faith and for a proper
33 purpose;

34 (b) The shareholder describes with reasonable particularity the
35 shareholder's purpose and the records the shareholder desires to
36 inspect; and

37 (c) The records are directly connected with the shareholder's
38 purpose.

1 (4) The right of inspection granted by this section may not be
2 abolished or limited by a corporation's articles of incorporation or
3 bylaws.

4 (5) This section does not affect:

5 (a) The right of a shareholder to inspect records under RCW
6 23B.07.200 or, if the shareholder is in litigation with the
7 corporation, to the same extent as any other litigant; or

8 (b) The power of a court, independently of this title, to compel
9 the production of corporate records for examination.

10 (6) For purposes of this section, "shareholder" includes a
11 beneficial owner whose shares are held in a voting trust or by a
12 nominee on the beneficial owner's behalf.

13 **Sec. 47.** RCW 23B.16.200 and 1989 c 165 s 186 are each amended to
14 read as follows:

15 (1) Not later than four months after the close of each fiscal year,
16 and in any event prior to the annual meeting of shareholders, each
17 corporation shall prepare (a) a balance sheet showing in reasonable
18 detail the financial condition of the corporation as of the close of
19 its fiscal year, and (b) an income statement showing the results of its
20 operation during its fiscal year. Such statements may be consolidated
21 or combined statements of the corporation and one or more of its
22 subsidiaries, as appropriate. If financial statements are prepared by
23 the corporation for any purpose on the basis of generally accepted
24 accounting principles, the annual statements must also be prepared, and
25 disclose that they are prepared, on that basis. If financial
26 statements are prepared only on a basis other than generally accepted
27 accounting principles, they must be prepared, and disclose that they
28 are prepared, on the same basis as other reports and statements
29 prepared by the corporation for the use of others.

30 (2) Upon (~~written~~) request, the corporation shall promptly
31 (~~mail~~) deliver to any shareholder a copy of the most recent balance
32 sheet and income statement, which request shall be set forth either (a)
33 in a written record or (b) if the corporation has designated an
34 address, location, or system to which the request may be electronically
35 transmitted and the request is electronically transmitted to the
36 corporation at the designated address, location, or system, in an
37 electronically transmitted record. If prepared for other purposes, the
38 corporation shall also furnish upon (~~written~~) the request a statement

1 of sources and applications of funds, and a statement of changes in
2 shareholders' equity, for the most recent fiscal year.

3 (3) If the annual financial statements are reported upon by a
4 public accountant, the accountant's report must accompany them. If
5 not, the statements must be accompanied by a statement of the president
6 or the person responsible for the corporation's accounting records:

7 (a) Stating the person's reasonable belief whether the statements
8 were prepared on the basis of generally accepted accounting principles
9 and, if not, describing the basis of preparation; and

10 (b) Describing any respects in which the statements were not
11 prepared on a basis of accounting consistent with the basis used for
12 statements prepared for the preceding year.

13 (4) For purposes of this section, "shareholder" includes a
14 beneficial owner whose shares are held in a voting trust or by a
15 nominee on the beneficial owner's behalf.

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