

§1341. Other remedies limited

1. Limitation on proposed or completed corporate actions. The legality of a proposed or completed corporate action described in section 1302 may not be contested nor may the corporate action be enjoined, set aside or rescinded in a legal or equitable proceeding by a shareholder after the shareholders have approved the corporate action.

[PL 2011, c. 274, §71 (NEW).]

2. Exceptions. Subsection 1 does not apply to a corporate action that:

A. Was not authorized and approved in accordance with the applicable provisions of:

(1) Chapter 9, 10, 11 or 12;

(2) The articles of incorporation or bylaws; or

(3) The resolution of the board of directors authorizing the corporate action; [PL 2011, c. 274, §71 (NEW).]

B. Was procured as a result of fraud, a material misrepresentation or an omission of a material fact necessary to make statements made, in light of the circumstances in which they were made, not misleading; [PL 2011, c. 274, §71 (NEW).]

C. Is an interested transaction, unless it has been recommended by the board of directors in the same manner as is provided in section 873 and has been approved by the shareholders in the same manner as is provided in section 874 as if the interested transaction were a director's conflicting-interest transaction; or [PL 2011, c. 274, §71 (NEW).]

D. Is approved by less than unanimous consent of the voting shareholders pursuant to section 704 if:

(1) The challenge to the corporate action is brought by a shareholder who did not consent and as to whom notice of the approval of the corporate action was not effective at least 10 days before the corporate action was effected; and

(2) The proceeding challenging the corporate action is commenced within 10 days after notice of the approval of the corporate action is effective as to the shareholder bringing the proceeding.

[PL 2011, c. 274, §71 (NEW).]

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SECTION HISTORY

PL 2011, c. 274, §71 (NEW).

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