

1 **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2 STATE OF OKLAHOMA

3 2nd Session of the 60th Legislature (2026)

4 HOUSE BILL 3498

 By: Duel, **Hill**, and **Archer**

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8 AS INTRODUCED

9 An Act relating to business entities; amending 18
10 O.S. 2021, Section 1001, which relates to the
11 Oklahoma General Corporation Act; updating citation;
12 amending 18 O.S. 2021, Section 1002, which relates to
13 scope of act; clarify jurisdiction under act;
14 including business courts to jurisdiction; amending
15 18 O.S. 2021, Section 1016, which relates to powers;
16 clarifying powers under the Oklahoma General
17 Corporation Act; authorizing certain contracts with
18 one or more current or prospective shareholders or
19 beneficial owners of stock; limiting contracting
20 power under certain circumstances; providing effect
21 of certain contract terms; permitting submission of
22 matters to shareholder vote; authorizing board of
23 directors to approve certain instruments in final or
24 substantially final form; permitting resolution
 ratifying instruments; providing for effect of
 ratification; amending 18 O.S. 2021, Section 1030,
 which relates to interested parties and controlling
 shareholder transactions; clarifying validity of acts
 or transactions between certain interested parties;
 providing for validity of acts or transaction by
 controlling shareholders; creating liability for
 controlling shareholder or member for breach of
 fiduciary duty under certain circumstances;
 clarifying effect of validity of acts or
 transactions; defining terms; amending 18 O.S. 2021,
 Section 1033, as amended by Section 18, Chapter 120,
 O.S.L. 2024 (18 O.S. Supp. 2025, Section 1033), which
 relates to issuance of stock; updating language;
 clarifying amount of minimum consideration; amending

1 18 O.S. 2021, Section 1034, as amended by Section 19,
2 Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section
3 1034), which relates to consideration for stock;
4 providing constitutional citation; permitting certain
5 consideration for treasury shares; amending 18 O.S.
6 2021, Section 1038, as amended by Section 20, Chapter
7 120, O.S.L. 2024 (18 O.S. Supp. 2025, Section 1038),
8 which relates to rights and options respecting stock;
9 clarifying when rights and options may be issued;
10 amending 18 O.S. 2021, Section 1041, as amended by
11 Section 21, Chapter 120, O.S.L. 2024 (18 O.S. Supp.
12 2025, Section 1041), which relates to a corporation's
13 powers; clarifying corporation's ability to resell;
14 amending 18 O.S. 2021, Section 1055.1, which relates
15 to ratification; changing record date to adoption of
16 resolution; updating references; updating
17 requirements for certificate of validation; updating
18 outline; amending 18 O.S. 2021, Section 1065, which
19 relates to inspection of books and records; defining
20 books and records; defining proper purpose;
21 alphabetizing terms; requiring certain conditions for
22 a shareholder to inspect and copy books and records;
23 permitting corporation to impose reasonable
24 restrictions; authoring redaction of books and
records; limiting court order production of certain
books and records; permitting court ordered
production of additional records under certain
conditions; authorizing district court to impose
reasonable restrictions; amending 18 O.S. 2021,
Section 1073, as amended by Section 28, Chapter 120,
O.S.L. 2024 (18 O.S. Supp. 2025, Section 1073), which
relates to consent of shareholders; requiring prompt
notice of the taking of action by consent when less
than unanimous consent; permitting certain electronic
notice; amending 18 O.S. 2021, Section 1075.2, as
amended by Section 29, Chapter 120, O.S.L. 2024 (18
O.S. Supp. 2025, Section 1075.2), which relates to
notice; clarifying effect of notice provided under
section; amending 18 O.S. 2021, Section 1077, which
relates to amendment of certificate of incorporation;
changing outstanding shares to issued shares; moving
language concerning a meeting or vote for adoption of
certain amendments; clarifying when a meeting or vote
for adoption of certain amendments is not required;
amending 18 O.S. 2021, Sections 1089 and 1090, which
relate to merger, consolidation, and conversion;
adding conversion; clarifying actions permitted in

1 order to effect merger, consolidation, or conversion;
2 permitting penalties or consequences provided in
3 certain agreements; authorizing corporation to
4 enforce payment obligations under certain agreements;
5 providing for appointment of representatives;
6 permitting certain agreements to be made depending
7 upon certain facts; amending 18 O.S. 2021, Section
8 1090.4, as amended by Section 31, Chapter 120, O.S.L.
9 2024 (18 O.S. Supp. 2025, Section 1090.4), which
10 relates to conversion of an entity to a domestic
11 corporation; providing for effective date of
12 certificate of conversion; permitting certain
13 contents in a plan of conversion; authorizing certain
14 corporate action in approved plan of conversion;
15 amending 18 O.S. 2021, Section 1090.5, as amended by
16 Section 32, Chapter 120, O.S.L. 2024 (18 O.S. Supp.
17 2025, Section 1090.5), which relates to conversion of
18 domestic corporation to an entity; requiring a plan
19 of conversion be adopted with resolution approving
20 conversion; permitting certain contents in a plan of
21 conversion; providing for amendments to certificate
22 of incorporation of surviving corporation after
23 agreement of merger; excluding certain disclosure
24 documents from merger agreement unless otherwise
provided in agreement; amending 18 O.S. 2021, Section
1093, which relates to mortgage or pledge of assets;
permitting certain sale, lease, or exchange of
property or assets without resolution under certain
circumstances; excluding certain sale, lease, or
exchange of property or assets from certificate of
incorporation requirements; amending 18 O.S. 2021,
Section 2001, as amended by Section 2, Chapter 121,
O.S.L. 2024 (18 O.S. Supp. 2025, Section 2001), which
relates to Oklahoma Limited Liability Company Act
definitions; clarifying jurisdiction under act;
including business courts to jurisdiction; updating
references; amending Section 17, Chapter 121, O.S.L.
2024 (18 O.S. Supp. 2025, Section 2054.8), which
relates to merger and consolidation of registered
series; permitting articles of merger or
consolidation to amend and restate articles of
registered series of the surviving registered series
in its entirety; updating citations; amending Section
18, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025,
Section 2054.9), which relates to division of limited
liability company; permitting articles of division to
amend and restate the articles of organization of the

1 surviving company in its entirety; updating
2 citations; providing for codification; and providing
3 an effective date.
4

5 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

6 SECTION 1. AMENDATORY 18 O.S. 2021, Section 1001, is
7 amended to read as follows:

8 Section 1001.

9 SHORT TITLE

10 Sections 1001 through 1144 of this title and Sections ~~18~~ 1090.1
11 and ~~25~~ 1100.1 through ~~27~~ 1100.3 of this ~~act~~ title shall be known and
12 may be cited as the "Oklahoma General Corporation Act". Section
13 captions are part of the Oklahoma General Corporation Act.

14 SECTION 2. AMENDATORY 18 O.S. 2021, Section 1002, is
15 amended to read as follows:

16 Section 1002.

17 SCOPE OF ACT

18 A. The provisions of the Oklahoma General Corporation Act shall
19 be applicable to every corporation, whether profit or not for
20 profit, stock or nonstock, existing as of ~~the effective date of this~~
21 ~~act~~ November 1, 1986, or thereafter formed or qualified to transact
22 business in this state, and to all securities thereof, except to the
23 extent that:
24

1 1. ~~any~~ Any such corporation is expressly excluded from the
2 operation of the Oklahoma General Corporation Act or portions
3 thereof; or

4 2. ~~special~~ Special provisions concerning any such corporation
5 conflict with the provisions of the Oklahoma General Corporation
6 Act, in which case such special provisions shall govern.

7 B. Any conflicts with the provisions of the Oklahoma General
8 Corporation Act and any tax or unclaimed property laws of this state
9 shall be governed by the tax or unclaimed property provisions,
10 including those provisions relating to personal liability of
11 corporate officers and directors.

12 C. A reference or grant of jurisdiction in the Oklahoma General
13 Corporation Act, including a grant of exclusive jurisdiction, to a
14 district court shall constitute a reference or grant of concurrent
15 jurisdiction to a business court created by Section 91.7 of Title
16 20, if the business court has authority and jurisdiction pursuant to
17 Sections 91.7 through 91.7f of Title 20, to adjudicate the action or
18 claim. This subsection shall not be interpreted as expanding the
19 authority of the business courts.

20 D. The provisions of the Oklahoma General Corporation Act
21 concerning qualification of foreign corporations and providing
22 requirements and duties relating to such corporations shall not
23 apply to insurance companies subject to the jurisdiction of the
24 Insurance Commissioner or to foreign transportation companies

1 subject to the jurisdiction of the Corporation Commission, existing
2 as of ~~the effective date of this act~~ November 1, 1986, or thereafter
3 qualified to transact business in this state.

4 SECTION 3. AMENDATORY 18 O.S. 2021, Section 1016, is
5 amended to read as follows:

6 Section 1016.

7 SPECIFIC POWERS

8 Every corporation created pursuant to the provisions of the
9 Oklahoma General Corporation Act shall have power, whether or not
10 such power is provided for in the certificate of incorporation, to:

- 11 1. Have perpetual succession by its corporate name, unless a
12 limited period of duration is stated in its certificate of
13 incorporation;
- 14 2. Sue and be sued in all courts and participate, as a party or
15 otherwise, in any judicial, administrative, arbitratve or other
16 proceeding, in its corporate name;
- 17 3. Have a corporate seal, which may be altered at pleasure, and
18 use the same by causing it, or a facsimile thereof, to be impressed
19 or affixed or in any other manner reproduced;
- 20 4. Purchase, receive, take by grant, gift, devise, bequest, or
21 otherwise, lease or otherwise acquire, own, hold, improve, employ,
22 use, and otherwise deal in and with real or personal property, or
23 any interest therein, wherever situated and to sell, convey, lease,
24 exchange, transfer, or otherwise dispose of, or mortgage or pledge,

1 all or any of its property and assets, or any interest therein,
2 wherever situated, subject to the limitations prescribed by Section
3 2 of Article XXII of the Oklahoma Constitution and Section 1020 of
4 this title;

5 5. Appoint or elect such officers and agents as the business of
6 the corporation requires and to pay or otherwise provide for them
7 suitable compensation provided that any contract or other
8 appointment or delegation of authority that empowers an officer or
9 agent to act on behalf of the corporation shall be subject to
10 subsection A of Section 1027 of this title, to the extent it is
11 applicable;

12 6. Adopt, amend, and repeal bylaws in accordance with Section
13 1013 of this title;

14 7. Wind up and dissolve itself in the manner provided for in
15 this act;

16 8. Conduct its business, carry on its operations, and have
17 offices and exercise its powers within or without this state;

18 9. Make donations for the public welfare or for charitable,
19 scientific or educational purposes, and in time of war or other
20 national emergency in aid thereof;

21 10. Be an incorporator, promoter or manager of other
22 corporations of any type or kind;

23 11. Participate with others in any corporation, partnership,
24 limited partnership, joint venture or other association of any kind,

1 or in any transaction, undertaking or arrangement which the
2 participating corporation would have power to conduct by itself,
3 whether or not such participation involves sharing or delegation of
4 control with or to others;

5 12. Transact any lawful business which the corporation's board
6 of directors shall find to be in aid of governmental authority;

7 13. Make contracts, including contracts of guaranty and
8 suretyship, incur liabilities, borrow money at such rates of
9 interest as the corporation may determine, issue its notes, bonds
10 and other obligations, and secure any of its obligations by
11 mortgage, pledge or other encumbrance of all or any of its property,
12 franchises and income, and make contracts of guaranty and suretyship
13 which are necessary or convenient to the conduct, promotion or
14 attainment of the business of:

15 a. a corporation, all of the outstanding stock of which
16 is owned, directly or indirectly, by the contracting
17 corporation,

18 b. a corporation which owns, directly or indirectly, all
19 of the outstanding stock of the contracting
20 corporation, or

21 c. a corporation, all of the outstanding stock of which
22 is owned, directly or indirectly, by a corporation
23 which owns, directly or indirectly, all of the
24 outstanding stock of the contracting corporation,

1 which contracts of guaranty and suretyship shall be
2 deemed to be necessary or convenient to the conduct,
3 promotion or attainment of the business of the
4 contracting corporation, and to make other contracts
5 of guaranty and suretyship which are necessary or
6 convenient to the conduct, promotion or attainment of
7 the business of the contracting corporation;

8 14. Lend money for its corporate purposes, invest and reinvest
9 its funds, and take, hold and deal with real and personal property
10 as security for the payment of funds so loaned or invested;

11 15. Pay pensions and establish and carry out pension, profit
12 sharing, stock option, stock purchase, stock bonus, retirement,
13 benefit, incentive and compensation plans, trusts and provisions for
14 any or all of its directors, officers, and employees, and for any or
15 all of the directors, officers, and employees of its subsidiaries;

16 16. Provide insurance for its benefit on the life of any of its
17 directors, officers, or employees, or on the life of any shareholder
18 for the purpose of acquiring at ~~his~~ the shareholder's death shares
19 of its stock owned by such shareholder; ~~and~~

20 17. Renounce in its certificate of incorporation or by action
21 of its board of directors any interest or expectancy of the
22 corporation in, or in being offered an opportunity to participate
23 in, specified business opportunities or specified classes or
24 categories of business opportunities that are presented to the

1 corporation or one or more of its officers, directors or
2 shareholders; and

3 18. Notwithstanding subsection A of Section 1027 of this title,
4 make contracts with one or more current or prospective shareholders
5 or one or more beneficial owners of stock, in its or their capacity
6 as such, in exchange for such minimum consideration as determined by
7 the board of directors, which may include inducing shareholders or
8 beneficial owners of stock to take, or refrain from taking, one or
9 more actions. Provided that, no provision of such contract shall be
10 enforceable against the corporation to the extent such contract
11 provision is contrary to the certificate of incorporation or would
12 be contrary to the laws of this state, other than Section 1014.2 of
13 this title if included in the certificate of incorporation. Without
14 limiting the provisions that may be included in such contracts, the
15 corporation may agree to:

- 16 a. restrict or prohibit the corporation from taking
17 actions specified in the contract,
18 b. require the approval or consent of one or more persons
19 or bodies before the corporation may take actions
20 specified in the contract, which persons or bodies may
21 include the board of directors or one or more current
22 or future directors, shareholders or beneficial owners
23 of stock of the corporation, and
24

1 c. covenant that the corporation or one or more persons
2 or bodies will take, or refrain from taking, actions
3 specified in the contract, which persons or bodies may
4 include the board of directors or one or more current
5 or future directors, shareholders or beneficial owners
6 of stock of the corporation.

7 For purposes of applying this paragraph, a restriction, prohibition,
8 or covenant in any such contract that relates to any specified
9 action shall not be deemed contrary to the laws of this state, the
10 certificate of incorporation by reason of a provision of the
11 Oklahoma General Corporation Act, or the certificate of
12 incorporation that authorizes or empowers the board of directors, or
13 any one or more directors, to take such action. With respect to all
14 contracts made under this paragraph, the corporation shall be
15 subject to the remedies available under the law governing the
16 contract, including for any failure to perform or comply with its
17 agreements under such contract.

18 SECTION 4. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 1027.1 of Title 18, unless there
20 is created a duplication in numbering, reads as follows:

21 SUBMISSION OF MATTERS TO SHAREHOLDER VOTE

22 A corporation may agree to submit a matter to a vote of its
23 shareholders whether or not the board of directors determines at any
24 time after approving such matter that such matter is no longer

1 advisable and recommends that the shareholders reject or vote
2 against the matter.

3 SECTION 5. NEW LAW A new section of law to be codified
4 in the Oklahoma Statutes as Section 1027.2 of Title 18, unless there
5 is created a duplication in numbering, reads as follows:

6 AUTHORIZATION OF AGREEMENTS AND OTHER INSTRUMENTS

7 A. Any section in the Oklahoma General Corporation Act which
8 expressly requires the board of directors to approve or take other
9 action with respect to any agreement, instrument, or document, such
10 agreement, instrument, or document may be approved by the board of
11 directors in final form or in substantially final form.

12 B. If the board of directors acted to approve or take other
13 action with respect to an agreement, instrument, or document that is
14 required by the Oklahoma General Corporation Act to be filed with
15 the Secretary of State or referenced in any certificate so filed,
16 the board of directors may, at any time after providing such
17 approval or taking such other action and before the effectiveness of
18 such filing with the Secretary of State, adopt a resolution
19 ratifying the agreement, instrument, or document. A ratification
20 under this subsection shall be deemed to be effective as of the time
21 of the original approval or other action by the board of directors
22 and to satisfy any requirement under the Oklahoma General
23 Corporation Act that the board of directors approve or take other
24 action with respect to such agreement, instrument or document in a

1 specific manner or sequence. Ratification under this subsection
2 shall not be deemed to be the exclusive means of ratifying an
3 agreement, instrument, or document approved by the board of
4 directors under this section, but shall be in addition to any
5 ratification or validation that may be available under Sections
6 1055.1 or 1055.2 of Title 18 of the Oklahoma Statutes or under
7 common law.

8 SECTION 6. AMENDATORY 18 O.S. 2021, Section 1030, is
9 amended to read as follows:

10 Section 1030.

11 INTERESTED DIRECTORS AND OFFICERS; CONTROLLING SHAREHOLDER
12 TRANSACTIONS; QUORUM

13 A. ~~No contract~~ Except for a controlling shareholder transaction
14 under subsection B or C of this section, an act or transaction:
15 involving or between a corporation and; one or more of its directors
16 or officers, or between a corporation the corporation's
17 subsidiaries, as one party, and one or more of the corporation's
18 directors or officers, as second party; or involving or between a
19 corporation or one or more of the corporation's subsidiaries, as one
20 party, and any other corporation, limited liability company, general
21 partnership, limited partnership, limited liability partnership, or
22 limited liability limited partnership, association, or any other
23 entity or organization in which one or more of its directors or
24 officers are directors, shareholders, partners, managers, members,

1 or officers, or have a financial interest, ~~shall be void or voidable~~
2 ~~solely for this reason, or solely because~~ as a second party, may not
3 be the subject of equitable relief or give rise to an award of
4 damages, against a director or officer of the corporation because of
5 the foregoing circumstances or the receipt of any benefit by any
6 such director, officer, entity, or organization or because the
7 director or officer is present at or participates in the meeting of
8 the board or committee thereof which authorizes the ~~contract~~ act or
9 transaction, ~~or solely because his or their votes are~~ or was
10 involved in the initiation, negotiation, or approval of the act or
11 transaction, including by virtue of the director's votes, were
12 counted for such purpose, if:

13 1. The material facts as to ~~his~~ the director's or officer's
14 relationship or interest and as to the contract act or transaction,
15 including any involvement in the initiation, negotiation, or
16 approval of the act or transaction, are disclosed or are known to
17 all members of the board of directors or ~~the~~ a committee of the
18 board of directors, and the board or the committee in good faith and
19 without gross negligence authorizes the ~~contract~~ act or transaction
20 by the affirmative votes of a majority of the disinterested
21 directors then serving on the board of directors or such committee,
22 even though the disinterested directors be less than a quorum;
23 provided that, if a majority of the directors are not disinterested
24 directors with respect to the act or transaction, such act or

1 transaction shall be approved or recommended for approval by a
2 committee of the board of directors that consists of two or more
3 directors, each of whom the board of directors has determined to be
4 a disinterested director with respect to the act or transaction;

5 2. ~~The material facts as to his relationship or interest and as~~
6 ~~to the contract or transaction are disclosed or are known to the~~
7 ~~shareholders entitled to vote thereon, and the contract act or~~
8 ~~transaction is specifically approved or ratified in good faith by~~
9 ~~vote of the shareholders by an informed, uncoerced, affirmative vote~~
10 ~~of a majority of the votes cast by the disinterested shareholders;~~

11 or

12 3. The ~~contract act or transaction is fair as to the~~
13 ~~corporation as of the time it is authorized, approved or ratified,~~
14 ~~by the board of directors, a committee thereof, or the and the~~
15 ~~corporation's shareholders.~~

16 B. A controlling shareholder transaction, other than any going
17 private transaction, may not be the subject of equitable relief or
18 give rise to an award of damages, against a director or officer of
19 the corporation or any controlling shareholder or member of a
20 control group, by reason of a claim based on a breach of fiduciary
21 duty by a director, officer, controlling shareholder, or member of a
22 control group, if:

23 1. The material facts as to such controlling shareholder
24 transaction, including the controlling shareholder's or control

1 group's interest therein, are disclosed or are known to all members
2 of a committee of the board of directors to which the board of
3 directors has expressly delegated the authority to negotiate or
4 oversee the negotiation of and to reject such controlling
5 shareholder transaction, and such controlling shareholder
6 transaction is approved, or recommended for approval, in good faith
7 and without gross negligence by a majority of the disinterested
8 directors then serving on the committee. Provided that, the
9 committee consists of two or more directors each of whom the board
10 of directors has determined to be a disinterested director with
11 respect to the controlling shareholder transaction; or

12 2. Such controlling shareholder transaction is conditioned, by
13 its terms, as in effect at the time it is submitted to shareholders
14 for their approval or ratification, on the approval of or
15 ratification by disinterested shareholders, and such controlling
16 shareholder transaction is approved or ratified by an informed,
17 uncoerced, affirmative vote of a majority of the votes cast by the
18 disinterested shareholders; or

19 3. Such controlling shareholder transaction is fair as to the
20 corporation and the corporation's shareholders.

21 C. A controlling shareholder transaction constituting a going
22 private transaction may not be the subject of equitable relief or
23 give rise to an award of damages, against a director or officer of
24 the corporation or any controlling shareholder or member of a

1 control group by reason of a claim based on breach of fiduciary duty
2 by a director, officer, controlling shareholder, or member of a
3 control group, if:

4 1. Such controlling shareholder transaction is approved, or
5 recommended for approval, in accordance with paragraph 1 of
6 subsection B of this section and approved in accordance with
7 paragraph 2 of subsection B of this section; or

8 2. Such controlling shareholder transaction is fair as to the
9 corporation and the corporation's shareholders.

10 D. 1. Common or interested directors may be counted in
11 determining the presence of a quorum at a meeting of the board of
12 directors or of a committee which authorizes the ~~contract~~ act or
13 transaction.

14 2. Any director of a corporation that has a class of stock
15 listed on a national securities exchange shall be presumed to be a
16 disinterested director with respect to an act or transaction to
17 which such director is not a party if the board of directors shall
18 have determined that such director satisfies the applicable criteria
19 for determining director independence from the corporation and, if
20 applicable with respect to the act or transaction, the controlling
21 shareholder or control group, under the rules, and interpretations
22 thereof, promulgated by such exchange, treating the applicable
23 controlling shareholder and control group as if the controlling
24 shareholder and control group were the corporation for purposes of

1 applying such criteria to determine independence from a controlling
2 shareholder or control group, which presumption shall be heightened
3 and may only be rebutted by substantial and particularized facts
4 that such director has a material interest in such act or
5 transaction or has a material relationship with a person with a
6 material interest in such act or transaction.

7 3. The designation, nomination, or vote in the election of the
8 director to the board of directors by any person that has a material
9 interest in an act or transaction shall not, of itself, be evidence
10 that a director is not a disinterested director with respect to an
11 act or transaction to which such director is not a party.

12 4. No person shall be deemed a controlling shareholder unless
13 such person satisfies the criteria in paragraph 2 of subsection E of
14 this section. No two or more persons that are not controlling
15 shareholders shall be a control group unless they satisfy the
16 criteria in paragraph 1 of subsection E of this section.

17 5. No person who is a controlling shareholder or member of a
18 control group shall be liable in such capacity to the corporation or
19 its shareholders for monetary damages for breach of fiduciary duty
20 other than for:

21 a. a breach of the duty of loyalty to the corporation or
22 the other shareholders,

- 1 b. acts or omissions not in good faith or which involve
2 intentional misconduct or a knowing violation of law,
3 or
4 c. any transaction from which the person derived an
5 improper personal benefit;

6 6. Nothing in subsections A, B, or C of this section shall:

- 7 a. limit or eliminate the right of any person to seek
8 equitable relief on the grounds that an act or
9 transaction, including a controlling shareholder
10 transaction, was not authorized or approved in
11 compliance with the procedures set forth in this act,
12 was not authorized or approved in compliance with the
13 certificate of incorporation or bylaws of the
14 corporation, or is in violation of any plan,
15 agreement, or order of any governmental authority to
16 which the corporation is a party or subject,
17 b. limit judicial review for purposes of injunctive
18 relief of provisions or devices designed or intended
19 to deter, delay, or preclude a change of control or
20 other transaction involving the corporation or a
21 change in the composition of the board of directors,
22 or
23 c. limit or eliminate the right of any person to seek
24 relief on the grounds that a shareholder or other

1 person knowingly aided and abetted a breach of
2 fiduciary duty by one or more of the directors of the
3 corporation; and

4 7. Shares irrevocably accepted for purchase or exchange under
5 an offer contemplated by subsection H of Section 1081 of this title
6 shall be deemed voted in favor of the act or transaction and shares
7 owned or controlled by disinterested shareholders that have not been
8 irrevocably accepted for purchase or exchange under such an offer
9 shall be deemed voted against the act or transaction for purposes of
10 determining whether the act or transaction has been approved for
11 purposes of paragraph 2 of subsection A, paragraph 2 of subsection
12 B, and paragraph 1 of subsection C of this section.

13 E. For purposes of this section:

14 1. "Control group" means two or more persons that are not
15 controlling shareholders that, by virtue of an agreement,
16 arrangement, or understanding between or among such persons,
17 constitute a controlling shareholder;

18 2. "Controlling shareholder" means any person that, together
19 with such person's affiliates and associates:

20 a. owns or controls a majority in voting power of the
21 outstanding stock of the corporation entitled to vote
22 generally in the election of directors or in the
23 election of directors who have a majority in voting
24

1 power of the votes of all directors on the board of
2 directors,

3 b. has the right, by contract or otherwise, to cause the
4 election of nominees who are selected at the
5 discretion of such person and who constitute either a
6 majority of the members of the board of directors or
7 directors entitled to cast a majority in voting power
8 of the votes of all directors on the board of
9 directors, or

10 c. has the power functionally equivalent to that of a
11 shareholder that owns or controls a majority in voting
12 power of the outstanding stock of the corporation
13 entitled to vote generally in the election of
14 directors by virtue of ownership or control of at
15 least one-third in voting power of the outstanding
16 stock of the corporation entitled to vote generally in
17 the election of directors or in the election of
18 directors who have a majority in voting power of the
19 votes of all directors on the board of directors and
20 power to exercise managerial authority over the
21 business and affairs of the corporation;

22 3. "Controlling shareholder transaction" means an act or
23 transaction between the corporation or one or more of its
24 subsidiaries, as one party, and a controlling shareholder or a

1 control group, as the other party, or an act or transaction from
2 which a controlling shareholder or a control group receives a
3 financial or other benefit not shared with the corporation's
4 shareholders generally;

5 4. "Disinterested director" means a director who is not a party
6 to the act or transaction and does not have a material interest in
7 the act or transaction or a material relationship with a person that
8 has a material interest in the act or transaction;

9 5. "Disinterested shareholder" means any shareholder that does
10 not have a material interest in the act or transaction at issue or,
11 if applicable, a material relationship with the controlling
12 shareholder or other member of the control group, or any other
13 person that has a material interest in the act or transaction;

14 6. "Going private transaction" means:

15 a. for a corporation with a class of equity securities
16 subject to Sections 12(g) or 15(d) of the Securities
17 Exchange Act of 1934 or listed on a national
18 securities exchange, a Rule 13e-3 transaction as
19 defined in 17 C.F.R., Section 240.13e-3(a)(3) or any
20 successor provision, and

21 b. for any other corporation to which subparagraph a of
22 this paragraph does not apply, any controlling
23 shareholder transaction, including a merger,
24 recapitalization, share purchase, consolidation,

1 amendment to the certificate of incorporation, tender
2 or exchange offer, conversion, transfer, domestication
3 or continuance, under which all or substantially all
4 of the shares of the corporation's capital stock held
5 by the disinterested shareholders, but not those of
6 the controlling shareholder or control group, are
7 cancelled, converted, purchased, or otherwise acquired
8 or cease to be outstanding;

9 7. "Material interest" means an actual or potential benefit,
10 including the avoidance of a detriment, other than one which would
11 devolve on the corporation or the shareholders generally, that:

12 a. in the case of a director, would reasonably be
13 expected to impair the objectivity of the director's
14 judgment when participating in the negotiation,
15 authorization, or approval of the act or transaction
16 at issue, and

17 b. in the case of a shareholder or any other person,
18 other than a director, would be material to such
19 shareholder or such other person; and

20 8. "Material relationship" means a familial, financial,
21 professional, employment, or other relationship that:

22 a. in the case of a director, would reasonably be
23 expected to impair the objectivity of the director's
24 judgment when participating in the negotiation,

1 authorization, or approval of the act or transaction
2 at issue, and

3 b. in the case of a shareholder, would be material to
4 such shareholder.

5 SECTION 7. AMENDATORY 18 O.S. 2021, Section 1033, as
6 amended by Section 18, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
7 Section 1033), is amended to read as follows:

8 Section 1033.

9 ISSUANCE OF STOCK, LAWFUL CONSIDERATION - FULLY PAID STOCK

10 A. ~~The consideration, as determined pursuant to the provisions~~
11 ~~of subsections A and B of Section 1034 of this title, for~~
12 subscriptions to, or the purchase of, the capital stock to be issued
13 by a corporation shall be paid in the form and manner that the board
14 of directors shall determine. The board of directors may authorize
15 capital stock to be issued for consideration consisting of cash, any
16 tangible or intangible property or any benefit to the corporation,
17 or any combination thereof, except for services to be performed.
18 Stock may be issued in one or more transactions in the numbers, at
19 the times, and for the consideration as set forth in a resolution of
20 the board of directors.

21 B. In addition to the board of directors, a resolution of the
22 board of directors may delegate to a person or body the authority to
23 enter into one or more transactions to issue stock. With respect to
24 such transactions, shares of stock may be issued in the numbers, at

1 the times, and for the consideration as such person or body may
2 determine, provided the resolution fixes:

3 1. A maximum number of shares that may be issued under such
4 resolution;

5 2. A period during which such shares may be issued; and

6 3. ~~A~~ The minimum amount of consideration for which such shares
7 may be issued.

8 No resolution shall permit a person or body to issue stock to
9 such person or body.

10 C. Any provision of a resolution described by subsection A or B
11 of this section may be made dependent on facts ascertainable outside
12 the resolution, provided the manner in which such facts shall
13 operate upon the resolution is clearly and expressly set forth in
14 the resolution. As used in this subsection, "facts" includes but is
15 not limited to the occurrence of any event, including a
16 determination or action by any person or body including the
17 corporation; provided, if the resolution delegates to a person or
18 body the authority to enter into one or more transactions to issue
19 stock under subsection B of this section, the provisions described
20 in paragraphs 1 through 3 of subsection B of this section shall not
21 be made dependent on a determination or action by such person or
22 body.

23 D. In the absence of actual fraud in the transaction, the
24 judgment of the directors as to the value of the consideration, or

1 minimum ~~amount~~ of consideration, received by the corporation for the
2 issuance of stock shall be conclusive. The capital stock issued in
3 accordance with the provisions of this section shall be deemed to be
4 fully paid and nonassessable stock upon receipt by the corporation
5 of such consideration. Nothing contained in this ~~section~~ subsection
6 shall prevent the board of directors from issuing partly paid shares
7 in accordance with the provisions of Section 1037 of this title.

8 E. The minimum consideration for which shares of stock may be
9 issued by a corporation may not be less than the consideration, if
10 any, required under Section 1034 of this title or Section 39 of
11 Article IX of the Oklahoma Constitution.

12 SECTION 8. AMENDATORY 18 O.S. 2021, Section 1034, as
13 amended by Section 19, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
14 Section 1034), is amended to read as follows:

15 Section 1034. CONSIDERATION FOR STOCK

16 A. ~~Shares~~ Subject to Section 39 of Article IX of the Oklahoma
17 Constitution, shares of stock with par value may be issued for such
18 consideration, having a value not less than the par value of the
19 shares so issued, as determined from time to time in accordance with
20 Section 1033 of this title, or by the shareholders if the
21 certificate of incorporation so provides.

22 B. Shares of stock without par value may be issued for such
23 consideration as determined from time to time in accordance with
24

1 Section 1033 of this title, or by the shareholders if the
2 certificate of incorporation so provides.

3 C. Treasury shares may be disposed of by the corporation in the
4 same manner that shares of stock are issued under subsections A
5 through D of Section 1033 of this title, or may be disposed of for
6 such consideration as determined by the shareholders if the
7 certificate of incorporation so provides. The consideration
8 received for treasury shares may have a value greater or less than,
9 or equal to, the par value, if any, of such shares and may consist
10 of cash, any tangible or intangible property, or any benefit to the
11 corporation, or any combination thereof.

12 D. If the certificate of incorporation reserves to the
13 shareholders the right to determine the consideration for the issue
14 of any shares, the shareholders, unless the certificate requires a
15 greater vote, shall do so by a vote of a majority of the outstanding
16 stock entitled to vote thereon.

17 SECTION 9. AMENDATORY 18 O.S. 2021, Section 1038, as
18 amended by Section 20, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
19 Section 1038), is amended to read as follows:

20 Section 1038.

21 RIGHTS AND OPTIONS RESPECTING STOCK

22 A. Subject to any provisions in the certificate of
23 incorporation, every corporation may create and issue, whether or
24 not in connection with the issue and sale of any shares of stock or

1 other securities of the corporation, rights or options entitling the
2 holders thereof to acquire from the corporation any shares of its
3 capital stock of any class or classes of the corporation.

4 B. Rights and options may be issued in one or more
5 transactions, in the numbers, at the times, and for the
6 consideration as set forth in a resolution of the board of
7 directors. The terms upon which, including the time or times, which
8 may be limited or unlimited in duration, at or within which, and the
9 consideration, ~~including any formula by which such consideration may~~
10 ~~be determined,~~ for which any such shares may be acquired from the
11 corporation upon the exercise of any such right or option, shall be
12 ~~such as shall be~~ stated in the certificate of incorporation, or in a
13 resolution ~~adopted by~~ of the board of directors ~~or by another person~~
14 ~~or body authorized under this section.~~

15 C. ~~In addition to the board of directors, the~~ The board of
16 directors may adopt a resolution to delegate to a person or body the
17 authority to enter into one or more transactions to issue rights or
18 options. ~~With,~~ and with respect to such transactions, the rights or
19 options may be issued in the numbers, at the times, and for the
20 consideration and the terms upon which shares may be acquired from
21 the corporation upon the exercise of any such rights or options may
22 be, as such person or body may determine, provided the resolution
23 fixes:
24

1 1. The maximum number of ~~rights or options, and the maximum~~
2 ~~number of~~ shares issuable upon exercise thereof of the rights or
3 options, that may be issued under such resolution;

4 2. The period during which such rights or options, and a period
5 during which the shares issuable upon exercise thereof, may be
6 issued; and

7 3. ~~A~~ The minimum ~~amount of~~ consideration, if any, for which
8 such rights or options may be issued and a the minimum ~~amount of~~
9 consideration for the shares issuable upon exercise thereof.

10 No such resolution shall permit a person or body to issue rights
11 or options to such person or body.

12 D. Any provision in a resolution described by subsection B or C
13 of this section may be made dependent on facts ascertainable outside
14 the resolution, provided the manner in which such facts shall
15 operate upon the resolution is clearly and expressly set forth in
16 such resolution. As used in this subsection, "facts" includes but
17 is not limited to the occurrence of any event, including a
18 determination or action by any person or body including the
19 corporation; provided, if the resolution delegates to a person or
20 body the authority to enter into one or more transactions to issue
21 rights or options under subsection C of this section, the provisions
22 described by paragraphs 1 through 3 of subsection C of this section
23 may not be made dependent on a determination or action by such
24 person or body.

1 E. The minimum consideration ~~to be received~~ for which the
2 shares of stock of the corporation ~~to~~ may be issued upon exercise of
3 such rights or options shall be no less than the ~~amount set forth in~~
4 consideration, if any, required by Section 1034 of this title.

5 SECTION 10. AMENDATORY 18 O.S. 2021, Section 1041, as
6 amended by Section 21, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
7 Section 1041), is amended to read as follows:

8 Section 1041.

9 CORPORATION'S POWERS RESPECTING OWNERSHIP, VOTING, ETC. OF
10 ITS OWN STOCK; RIGHTS OF STOCK CALLED FOR REDEMPTION

11 A. Every corporation may purchase, redeem, receive, take, or
12 otherwise acquire, own, hold, sell, lend, exchange, transfer, or
13 otherwise dispose of, pledge, use and otherwise deal in and with its
14 own shares; provided, however, that no corporation shall:

15 1. Purchase or redeem its own shares of capital stock for cash
16 or other property when the capital of the corporation is impaired or
17 when the purchase or redemption would cause any impairment of the
18 capital of the corporation, except that a corporation other than a
19 nonstock corporation may purchase or redeem out of capital any of
20 its own shares which are entitled upon any distribution of its
21 assets, whether by dividend or in liquidation, to a preference over
22 another class or series of its stock, or, if no shares entitled to a
23 preference are outstanding, any of its own shares if such shares
24 will be retired upon their acquisition and the capital of the

1 corporation reduced in accordance with the provisions of Sections
2 1078 and 1079 of this title. Nothing in this subsection shall
3 invalidate or otherwise affect a note, debenture, or other
4 obligation of a corporation given by it as consideration for its
5 acquisition by purchase, redemption, or the exchange of its shares
6 of stock if at the time such note, debenture, or obligation was
7 delivered by the corporation its capital was not then impaired or
8 did not thereby become impaired;

9 2. Purchase, for more than the price at which they may then be
10 redeemed, any of its shares which are redeemable at the option of
11 the corporation; or

12 3. a. In the case of a corporation other than a nonstock
13 corporation, redeem any of its shares unless their
14 redemption is authorized by subsection B of Section
15 1032 of this title and then only in accordance with
16 the provisions of that section and the certificate of
17 incorporation, or

18 b. In the case of a nonstock corporation, redeem any of
19 its membership interests, unless their redemption is
20 authorized by the certificate of incorporation and
21 then only in accordance with the certificate of
22 incorporation.

23 B. Nothing in this section shall be construed to limit or
24 affect a corporation's right to resell, under subsection C of

1 Section 1034 of this title, any of its shares ~~theretofore~~ purchased
2 or redeemed out of surplus and which have not been, or are not
3 required by the certificate of incorporation to be, retired, ~~for~~
4 ~~consideration fixed by the board of directors or by the shareholders~~
5 ~~if the certificate of incorporation so provides.~~

6 C. Shares of a corporation's capital stock shall neither be
7 entitled to vote nor be counted for quorum purposes if the shares
8 belong to:

9 1. The corporation;

10 2. Another corporation, if a majority of the shares entitled to
11 vote in the election of directors of the other corporation is held,
12 directly or indirectly; or

13 3. Any other entity, if a majority of the voting power of such
14 other entity is held directly or indirectly by the corporation, or
15 if such other entity is otherwise controlled directly or indirectly
16 by the corporation.

17 Nothing in this section shall be construed as limiting the right
18 of any corporation to vote stock including, but not limited to, its
19 own stock, held by it in a fiduciary capacity.

20 D. Shares which have been called for redemption shall not be
21 deemed to be outstanding shares for the purpose of voting or
22 determining the total number of shares entitled to vote on any
23 matter on and after the date on which written notice of redemption
24 has been sent to holders thereof and a sum sufficient to redeem

1 those shares has been irrevocably deposited or set aside to pay the
2 redemption price to the holders of the shares upon surrender of the
3 certificates.

4 SECTION 11. AMENDATORY 18 O.S. 2021, Section 1055.1, is
5 amended to read as follows:

6 Section 1055.1.

7 RATIFICATION OF DEFECTIVE CORPORATE ACTS AND STOCK

8 A. Subject to subsection F of this section, no defective
9 corporate act or putative stock shall be void or voidable solely as
10 a result of a failure of authorization if ratified as provided in
11 this section or validated by the District Court in a proceeding
12 brought under Section 1055.2 of this title.

13 B. 1. In order to ratify one or more defective corporate acts
14 pursuant to this section, other than the ratification of an election
15 of the initial board of directors pursuant to paragraph 2 of this
16 subsection, the board of directors of the corporation shall adopt
17 resolutions stating:

- 18 a. the defective corporate act or acts to be ratified,
- 19 b. the date of each defective corporate act or acts,
- 20 c. if such defective corporate act or acts involved the
21 issuance of shares of putative stock, the number and
22 type of shares of putative stock issued and the date
23 or dates upon which such putative shares were
24 purported to have been issued,

- 1 d. the nature of the failure of authorization in respect
2 of each defective corporate act to be ratified, and
3 e. that the board of directors approves the ratification
4 of the defective corporate act or acts.

5 The resolutions may also provide that, at any time before the
6 validation effective time for the defective act or acts,
7 notwithstanding approval of the ratification by shareholders, the
8 board of directors may abandon the ratification without further
9 action of the shareholders. The quorum and voting requirements
10 applicable to the ratification by the board of directors shall be
11 the quorum and voting requirements applicable at the time to the
12 type of defective corporate act proposed to be ratified when the
13 board adopts the resolutions ratifying the defective corporate act;
14 provided, that if the certificate of incorporation or bylaws of the
15 corporation, any plan or agreement to which the corporation was a
16 party or any provision of this title, in each case as in effect as
17 of the time of the defective corporate act, would have required a
18 larger number or portion of directors or of specified directors for
19 a quorum to be present or to approve the defective corporate act,
20 such larger number or portion of such directors or such specified
21 directors shall be required for a quorum to be present or to adopt
22 the ratifying resolutions, as applicable, except that the presence
23 or approval of any director elected, appointed or nominated by
24 holders of any class or series of which no shares are then

1 outstanding, or by any person that is no longer a shareholder, shall
2 not be required.

3 2. To ratify a defective corporate act in respect of the
4 election of the initial board of directors of the corporation, a
5 majority of the persons who, at the time the resolutions required by
6 this paragraph are adopted, are exercising the powers of directors
7 under claim and color of an election or appointment as such may
8 adopt resolutions stating:

9 a. the name of the person or persons who first took
10 action in the name of the corporation as the initial
11 board of directors of the corporation,

12 b. the earlier of the date on which such persons first
13 took such action or were purported to have been
14 elected as the initial board of directors, and

15 c. that the ratification of the election of such person
16 or persons as the initial board of directors is
17 approved.

18 C. Each defective corporate act ratified pursuant to paragraph
19 1 of subsection B of this section shall be submitted to shareholders
20 for approval as provided in subsection D of this section, unless:

21 1. a. No other provision of this title, and no provision of
22 the certificate of incorporation or bylaws of the
23 corporation, or of any plan or agreement to which the
24 corporation is a party, would have required

1 shareholder approval of the defective corporate act to
2 be ratified, either at the time of the defective
3 corporate act or at the time the board of directors
4 adopts the resolutions ratifying the defective
5 corporate act pursuant to paragraph 1 of subsection B
6 of this section.

- 7 b. The defective corporate act did not result from a
8 failure to comply with Section 1090.3 of this title;
9 or

10 2. As of the ~~record date for determining the shareholders~~
11 ~~entitled to vote on the ratification of the defective corporate act~~
12 adoption of the resolutions of the board of directors adopted
13 pursuant to paragraph 1 of subsection B of this section, there are
14 no shares of valid stock outstanding and entitled to vote thereon,
15 regardless of whether there then exist any shares of putative stock.

16 D. 1. If ratification of a defective corporate act is required
17 to be submitted to shareholders for approval pursuant to subsection
18 C of this section, due notice of the time, place, if any, and
19 purpose of the meeting shall be given at least twenty (20) days
20 before the date of the meeting to each holder of valid stock and
21 putative stock, whether voting or nonvoting, at the address of such
22 holder as it appears or most recently appeared, as appropriate, on
23 the records of the corporation.

1 2. The notice shall also be given to the holders of record of
2 valid stock and putative stock, whether voting or nonvoting, as of
3 the time of the defective corporate act, or, in the case of any
4 defective corporate act that involved the establishment of a record
5 date for notice of or voting at any meeting of shareholders, for
6 action by written consent of shareholders in lieu of a meeting, or
7 for any other purpose, as of the record date for notice of or voting
8 at such meeting, the record date for action by written consent, or
9 the record date for such other action, as the case may be, except
10 that no notice need be given to holders whose identities or
11 addresses cannot be determined from the records of the corporation.

12 3. The notice shall contain a copy of the resolutions adopted
13 by the board of directors pursuant to paragraph 1 of subsection B of
14 this section or the information required by ~~paragraphs~~ subparagraphs
15 a through e of paragraph 1 of subsection B of this section and a
16 statement that any claim that the defective corporate act or
17 putative stock ratified hereunder is void or voidable due to the
18 failure of authorization, or that the District Court should declare
19 in its discretion that a ratification in accordance with this
20 section not be effective or be effective only on certain conditions
21 must be brought within one hundred twenty (120) days from the
22 validation effective time.

23 4. At such meeting the quorum and voting requirements
24 applicable to the ratification of such defective corporate act shall

1 be the quorum and voting requirements applicable to the type of
2 defective corporate act proposed to be ratified at the time of the
3 approval of the ratification, except that:

4 ~~1. If~~

5 a. if the certificate of incorporation or bylaws of the
6 corporation, any plan or agreement to which the
7 corporation was a party or any provision of this title
8 in effect as of the time of the defective corporate
9 act would have required a larger number or portion of
10 stock or of any class or series thereof or of
11 specified shareholders for a quorum to be present or
12 to approve the defective corporate act, the presence
13 or approval of such larger number or portion of stock
14 or of such class or series thereof or of such
15 specified shareholders shall be required for a quorum
16 to be present or to approve the ratification of the
17 defective corporate act, as applicable, except that
18 the presence or approval of shares of any class or
19 series of which no shares are then outstanding, or of
20 any person that is no longer a shareholder, shall not
21 be required~~+~~l

22 ~~2. The~~

23 b. the approval by shareholders of the ratification of
24 the election of a director shall require the

1 affirmative vote of the majority of shares present at
2 the meeting and entitled to vote on the election of
3 such director, except that if the certificate of
4 incorporation or bylaws of the corporation then in
5 effect or in effect at the time of the defective
6 election require or required a larger number or
7 portion of stock or of any class or series thereof or
8 of specified shareholders to elect such director, the
9 affirmative vote of such larger number or portion of
10 stock or of any class or series thereof or of
11 specified shareholders shall be required to ratify the
12 election of such director, except that the presence or
13 approval of shares of any class or series of which no
14 shares are then outstanding, or of any person that is
15 no longer a shareholder, shall not be required~~7,~~ and

16 ~~3.~~ In

17 c. in the event of a failure of authorization resulting
18 from failure to comply with the provisions of Section
19 1090.3 of this title, the ratification of the
20 defective corporate act shall require the vote set
21 forth in paragraph 3 of subsection A of Section 1090.3
22 of this title, regardless of whether such vote would
23 have otherwise been required.

1 5. Shares of putative stock ~~on the record date for determining~~
2 ~~shareholders entitled to vote on any matter submitted to~~
3 ~~shareholders pursuant to subsection C of this section~~ as of adoption
4 by the board of directors of resolutions pursuant to paragraph 1 of
5 subsection B of this section, and without giving effect to any
6 ratification that becomes effective after such ~~record date~~ adoption,
7 shall neither be entitled to vote nor counted for quorum purposes in
8 any vote to ratify any defective corporate act.

9 E. 1. If a defective corporate act ratified pursuant to this
10 section would have required under any other section of this title
11 the filing of a certificate in accordance with Section 1007 of this
12 title, ~~then, whether or not~~ and either such certificate requires any
13 change to give effect to the defective corporate act in accordance
14 with this section, including a change to the date and time of the
15 effectiveness of such certificate, or a certificate was not
16 previously filed pursuant to Section 1007 of this title in respect
17 of such defective corporate act ~~and, then,~~ in lieu of filing the
18 certificate otherwise required by this title, the corporation shall
19 file a certificate of validation with respect to such defective
20 corporate act in accordance with Section 1007 of this title.

21 2. A separate certificate of validation shall be required for
22 each defective corporate act requiring the filing of a certificate
23 of validation under this section, except that: ~~(i)~~

24

1 a. two or more defective corporate acts may be included
2 in a single certificate of validation if the
3 corporation filed, or to comply with this title would
4 have filed, a single certificate under another
5 provision of this title to effect such acts, and ~~(ii)~~

6 b. two or more overissues of shares of any class,
7 classes or series of stock may be included in a
8 single certificate of validation, provided that the
9 increase in the number of authorized shares of each
10 such class or series set forth in the certificate of
11 validation shall be effective as of the date of the
12 first such overissue.

13 3. The certificate of validation shall set forth:

14 ~~1. Each~~

15 a. that the corporation has ratified one or more
16 defective corporate ~~act~~ acts that ~~is the subject of~~
17 ~~the certificate of validation including, in the case~~
18 ~~of any defective corporate act involving the issuance~~
19 ~~of shares of putative stock, the number and type of~~
20 ~~shares of putative stock issued and the date or dates~~
21 ~~upon which such putative shares were purported to have~~
22 ~~been issued, the date of such defective corporate act~~
23 ~~and the nature of the failure of authorization in~~
24 ~~respect of such defective corporate act;~~ would have

1 required the filing of a certificate pursuant to
2 Section 1007 of this title,

3 ~~2. A statement~~

4 b. that each such defective corporate act ~~was~~ has been
5 ratified in accordance with this section ~~including the~~
6 ~~date on which the board of directors ratified such~~
7 ~~defective corporate act and the date, if any, on which~~
8 ~~the shareholders approved the ratification of such~~
9 ~~defective corporate act,~~ and

10 ~~3. The~~

11 c. the information required by one of the following
12 paragraphs:

13 ~~a.~~

14 (1) if a certificate was previously filed under
15 Section 1007 of this title in respect of such
16 defective corporate act and no changes to such
17 certificate are required to give effect to such
18 defective corporate act in accordance with this
19 section, the certificate of validation shall set
20 forth ~~(1)~~ the name, title, and filing date of the
21 certificate previously filed, and of any
22 certificate of correction thereto, and ~~(2)~~ a
23 statement that a copy of the certificate
24 previously filed, together with any certificate

1 of correction thereto, is attached as an exhibit
2 to the certificate of validation,

3 ~~b.~~

4 (2) if a certificate was previously filed under
5 Section 1007 of this title in respect of the
6 defective corporate act and such certificate
7 requires any change to give effect to the
8 defective corporate act in accordance with this
9 section, including a change to the date and time
10 of the effectiveness of such certificate, the
11 certificate of validation shall set forth ~~(1)~~ the
12 name, title, and filing date of the certificate
13 so previously filed and of any certificate of
14 correction thereto, ~~(2)~~ a statement that a
15 certificate containing all of the information
16 required to be included under the applicable
17 section or sections of this title to give effect
18 to the defective corporate act is attached as an
19 exhibit to the certificate of validation, and ~~(3)~~
20 the date and time that such certificate shall be
21 deemed to have become effective pursuant to this
22 section, or

23 ~~c.~~

24

1 (3) if a certificate was not previously filed under
2 Section 1007 of this title in respect of the
3 defective corporate act and the defective
4 corporate act ratified pursuant to this section
5 would have required under any other section of
6 this title the filing of a certificate in
7 accordance with Section 1007 of this title, the
8 certificate of validation shall set forth ~~(1)~~ a
9 statement that a certificate containing all of
10 the information required to be included under the
11 applicable section or sections of this title to
12 give effect to the defective corporate act is
13 attached as an exhibit to the certificate of
14 validation, and ~~(2)~~ the date and time that such
15 certificate shall be deemed to have become
16 effective pursuant to this section.

17 4. A certificate attached to a certificate of validation
18 ~~pursuant to subparagraph b or c of paragraph 3 of this subsection~~
19 need not be separately executed and acknowledged and need not
20 include any statement required by any other section of this title
21 that such instrument has been approved and adopted in accordance
22 with the provisions of such other section.

1 F. From and after the validation effective time, unless
2 otherwise determined in an action brought pursuant to Section 1055.2
3 of this title:

4 1. Subject to the last sentence of subsection D of this
5 section, each defective corporate act ratified in accordance with
6 this section shall no longer be deemed void or voidable as a result
7 of the failure of authorization described in the adopted resolutions
8 and such effect shall be retroactive to the time of the defective
9 corporate act; and

10 2. Subject to the last sentence of subsection D of this
11 section, each share or fraction of a share of putative stock issued
12 or purportedly issued pursuant to any such defective corporate act
13 shall no longer be deemed void or voidable and shall be deemed to be
14 an identical share or fraction of a share of outstanding stock as of
15 the time it was purportedly issued.

16 G. In respect of each defective corporate act ratified by the
17 board of directors pursuant to subsection B of this section, prompt
18 notice of the ratification shall be given to all holders of valid
19 stock and putative stock, whether voting or nonvoting, as of the
20 date the board of directors adopts the resolutions approving such
21 defective corporate act, or as of a date within sixty (60) days
22 after the date of adoption, as established by the board of
23 directors, at the address of such holder as it appears or most
24 recently appeared, as appropriate, on the records of the

1 corporation. The notice shall also be given to the holders of
2 record of valid stock and putative stock, whether voting or
3 nonvoting, as of the time of the defective corporate act, other than
4 holders whose identities or addresses cannot be determined from the
5 records of the corporation. The notice shall contain a copy of the
6 resolutions adopted pursuant to subsection B of this section or the
7 information specified in subparagraphs a through e of paragraph 1 of
8 subsection B of this section or subparagraphs a through c of
9 paragraph 2 of subsection B of this section, as applicable, and a
10 statement that any claim that the defective corporate act or
11 putative stock ratified hereunder is void or voidable due to the
12 failure of authorization, or that the district court should declare
13 in its discretion that a ratification in accordance with this
14 section not be effective or be effective only on certain conditions
15 must be brought within one hundred twenty (120) days from the later
16 of the validation effective time or the time at which the notice
17 required by this subsection is given. Notwithstanding the
18 foregoing, no such notice shall be required if notice of the
19 ratification of the defective corporate act is to be given in
20 accordance with subsection D of this section, and in the case of a
21 corporation that has a class of stock listed on a national
22 securities exchange, the notice required by this subsection and
23 subsection D of this section may be deemed given if disclosed in a
24 document publicly filed by the corporation with the Securities and

1 Exchange Commission pursuant to Sections 13, 14 or 15(d) of the
2 Securities Exchange Act of 1934, as amended, and the rules and
3 regulations promulgated thereunder, or the corresponding provisions
4 of any subsequent United States federal securities laws, rules or
5 regulations. If any defective corporate act has been approved by
6 shareholders acting pursuant to Section 1073 of this title, the
7 notice required by this subsection may be included in any notice
8 required to be given pursuant to subsection ~~F~~ E of Section 1073 of
9 this title and, if so given, shall be sent to the shareholders
10 entitled to notice under subsection ~~F~~ E of Section 1073 of this
11 title and to all holders of valid and putative stock to whom notice
12 would be required under this subsection if the defective corporate
13 act had been approved at a meeting and the record date for
14 determining the shareholders entitled to notice of such meeting had
15 been the date for determining the shareholders entitled to notice
16 under this subsection other than any shareholder who approved the
17 action by consent in lieu of a meeting pursuant to Section 1073 of
18 this title or any holder of putative stock who otherwise consented
19 thereto in writing. Solely for purposes of subsection D of this
20 section and this subsection, notice to holders of putative stock,
21 and notice to holders of valid stock and putative stock as of the
22 time of the defective corporate act, shall be treated as notice to
23 holders of valid stock for purposes of Sections 1067, 1073, 1074,
24 1075, 1075.2 and 1075.3 of this title.

1 H. As used in this section and in Section 1055.2 of this title
2 only, the term:

3 1. "Defective corporate act" means an overissue, an election or
4 appointment of directors that is void or voidable due to a failure
5 of authorization, or any act or transaction purportedly taken by or
6 on behalf of the corporation that is, and at the time such act or
7 transaction was purportedly taken would have been, within the power
8 of a corporation under this title, without regard to the failure of
9 authorization identified in subparagraph d of paragraph 1 of
10 subsection B of this section, but is void or voidable due to a
11 failure of authorization;

12 2. "Failure of authorization" means:

13 a. the failure to authorize or effect an act or
14 transaction in compliance with:

15 (1) the provisions of this title,

16 (2) the certificate of incorporation or bylaws of the
17 corporation, or

18 (3) any plan or agreement to which the corporation is
19 a party or the disclosure set forth in any proxy
20 or consent solicitation statement, if and to the
21 extent such failure would render such act or
22 transaction void or voidable, or

23 b. the failure of the board of directors or any officer
24 of the corporation to authorize or approve any act or

1 transaction taken by or on behalf of the corporation
2 that would have required for its due authorization the
3 approval of the board of directors or such officer;

4 3. "Overissue" means the purported issuance of:

5 ~~(a)~~

6 a. shares of capital stock of a class or series in excess
7 of the number of shares of such class or series the
8 corporation has the power to issue under Section 1042
9 of this title at the time of such issuance, or

10 ~~(b)~~

11 b. shares of any class or series of capital stock that is
12 not then authorized for issuance by the certificate of
13 incorporation of the corporation;

14 4. "Putative stock" means the shares of any class or series of
15 capital stock of the corporation, including shares issued upon
16 exercise of options, rights, warrants or other securities
17 convertible into shares of capital stock of the corporation, or
18 interests with respect thereto that were created or issued pursuant
19 to a defective corporate act, that:

20 ~~(a)~~

21 a. but for any failure of authorization, would constitute
22 valid stock, or

23 ~~(b)~~

24

1 b. cannot be determined by the board of directors to be
2 valid stock;

3 5. "Time of the defective corporate act" means the date and
4 time the defective corporate act was purported to have been taken;

5 6. "Valid stock" means the shares of any class or series of
6 capital stock of the corporation that have been duly authorized and
7 validly issued in accordance with this title; and

8 7. "Validation effective time" with respect to any defective
9 corporate act ratified pursuant to this section means the latest of:

10 ~~(a)~~

11 a. the time at which the defective act submitted to the
12 shareholders for approval pursuant to subsection C of
13 this section is approved by such shareholders, or if
14 no such vote of shareholders is required to approve
15 the ratification, immediately following the time at
16 which the board of directors adopts the resolutions
17 required by paragraphs 1 or 2 of subsection B of this
18 section,

19 ~~(b)~~

20 b. where no certificate of validation is required to be
21 filed pursuant to subsection E of this section, the
22 time, if any, specified by the board of directors in
23 the resolutions adopted pursuant to paragraphs 1 or 2
24 of subsection B of this section, which time shall not

1 precede the time at which such resolutions are
2 adopted~~+,~~ and

3 ~~(e)~~

4 c. the time at which any certificate of validation filed
5 pursuant to subsection E of this section shall become
6 effective in accordance with Section 1007 of this
7 title.

8 In the absence of actual fraud in the transaction, the judgment
9 of the board of directors that shares of stock are valid stock or
10 putative stock shall be conclusive, unless otherwise determined by
11 the District Court in a proceeding brought pursuant to Section
12 1055.2 of this title.

13 I. Ratification under this section or validation under Section
14 1055.2 of this title shall not be deemed to be the exclusive means
15 of ratifying or validating any act or transaction taken by or on
16 behalf of the corporation, including any defective corporate act, or
17 any issuance of stock, including any putative stock, or of adopting
18 or endorsing any act or transaction taken by or in the name of the
19 corporation ~~prior to~~ before the commencement of its existence, and
20 the absence or failure of ratification in accordance with either
21 this section or validation under Section 1055.2 of this title shall
22 not, of itself, affect the validity or effectiveness of any act or
23 transaction or the issuance of any stock properly ratified under
24 common law or otherwise, nor shall it create a presumption that any

1 such act or transaction is or was a defective corporate act or that
2 such stock is void or voidable.

3 SECTION 12. AMENDATORY 18 O.S. 2021, Section 1065, is
4 amended to read as follows:

5 Section 1065.

6 INSPECTION OF BOOKS AND RECORDS

7 A. As used in this section:

8 1. "Books and records" means all of the following:

- 9 a. the certificate of incorporation, as defined in
10 Section 1008 of this title, including a copy of any
11 agreement or other instrument incorporated by
12 reference in the certificate of incorporation,
- 13 b. the bylaws then in effect, including a copy of any
14 agreement or other instrument incorporated by
15 reference in the bylaws,
- 16 c. minutes of all meetings of shareholders and the signed
17 consents evidencing all action taken by shareholders
18 without a meeting, in each case for the three (3)
19 years preceding the date of the demand under
20 subsection B of this section,
- 21 d. all communications in writing or by electronic
22 transmission to shareholders generally within the past
23 three (3) years preceding the date of the demand under
24 subsection B of this section,

1 e. minutes of any meeting of the board of directors or
2 any committee of the board of directors and records of
3 any action of the board of directors or any such
4 committee,

5 f. materials provided to the board of directors or any
6 committee of the board of directors in connection with
7 actions taken by the board of directors or any such
8 committee,

9 g. annual financial statements of the corporation for the
10 three (3) years preceding the date of the demand under
11 subsection B of this section,

12 h. any agreement entered into under paragraph 18 of
13 Section 1016 of this title, and

14 i. director and officer independence questionnaires;

15 2. "Proper purpose" means a purpose reasonably related to a
16 shareholder's interest as a shareholder;

17 3. "Shareholder" means a shareholder of record in a stock
18 corporation, or a person who is the beneficial owner of shares of
19 stock held either in a voting trust or by a nominee on behalf of a
20 person;

21 ~~2. "Under oath" includes statements the declarant affirms to be~~
22 ~~true under penalty of perjury under the laws of the United States or~~
23 ~~any state; and~~

1 ~~3.~~ 4. "Subsidiary" means any entity directly or indirectly
2 owned, in whole or in part, by the corporation of which the
3 shareholder is a shareholder and over the affairs of which the
4 corporation directly or indirectly exercises control, and includes
5 but is not limited to corporations, partnerships, limited
6 partnerships, limited liability partnerships, limited liability
7 companies, statutory trusts, and joint ventures; and

8 5. "Under oath" includes statements the declarant affirms to be
9 true under penalty of perjury under the laws of the United States or
10 any state.

11 B. Any 1. Subject to paragraph 2 of this subsection, any
12 shareholder, in person or by attorney or other agent, upon written
13 demand under oath ~~stating the purpose thereof,~~ shall have the right
14 during the usual hours for business to inspect for any proper
15 purpose, and to make copies and extracts from:

16 ~~1. The~~

17 a. the corporation's stock ledger, a list of
18 shareholders, and its other books and records~~;~~ and

19 ~~2. A~~

20 b. a subsidiary's books and records, to the extent that:

21 ~~a.~~

22 (1) the corporation has actual possession and control
23 of the records of the subsidiary, or

24 ~~b.~~

1 (2) the corporation could obtain the records through
2 the exercise of control over the subsidiary,
3 provided that as of the date of the making of the
4 demand:

5 ~~(1)~~

6 (a) shareholder inspection of the books and
7 records of the subsidiary would not
8 constitute a breach of an agreement between
9 the corporation or the subsidiary and a
10 person or person not affiliated with the
11 corporation, and

12 ~~(2)~~

13 (b) the subsidiary would not have the right
14 under the law applicable to it to deny the
15 corporation access to the books and records
16 upon demand by the corporation.

17 2. A shareholder may inspect and copy the corporation's books
18 and records only if all of the following apply:

19 a. the shareholder's demand is made in good faith and for
20 a proper purpose,

21 b. the shareholder's demand describes with reasonable
22 particularity the shareholder's purpose and the books
23 and records the shareholder seeks to inspect, and
24

1 c. the books and records sought are specifically related
2 to the shareholder's purpose.

3 3. The corporation may impose reasonable restrictions on the
4 confidentiality, use, or distribution of books and records and may
5 require, as a condition to producing books and records to a
6 shareholder under any demand under this subsection, that the
7 shareholder agree that any information included in the corporation's
8 books and records is deemed incorporated by reference in any
9 complaint filed by or at the direction of the shareholder in
10 relation to the subject matter referenced in the demand. The
11 corporation may redact portions of any books and records produced to
12 such shareholder under this subsection to the extent the portions so
13 redacted are not specifically related to the shareholder's purpose.

14 4. This section does not affect:

15 a. the right of a shareholder to seek discovery of books
16 and records if the shareholder is in litigation with
17 the corporation, to the same extent as any other
18 litigant, or

19 b. the power of a court, independently of this section,
20 to compel the production of corporate records for
21 inspection and to impose reasonable restrictions as
22 provided in paragraph 3 of this subsection, provided
23 that, in the case of production of books and records
24 defined in paragraph 1 of subsection A of this section

1 at the request of a shareholder, the shareholder has
2 met the requirements of this subsection.

3 5. In every instance where the shareholder is other than a
4 record holder of stock in a stock corporation, or a member of a
5 nonstock corporation, the demand under oath shall state the person's
6 status as a shareholder or member, be accompanied by documentary
7 evidence of beneficial ownership of the stock or beneficial
8 membership, and state that the documentary evidence is a true and
9 correct copy of what it purports to be. ~~A proper purpose shall mean~~
10 ~~a purpose reasonably related to a person's interest as a shareholder~~
11 ~~or member.~~

12 6. In every instance where an attorney or other agent shall be
13 the person who seeks the right to inspection, the demand under oath
14 shall be accompanied by a power of attorney or other writing which
15 authorizes the attorney or other agent to so act on behalf of the
16 shareholder.

17 7. The demand under oath shall be directed to the corporation
18 at its registered office in this state or at its principal place of
19 business.

20 C. 1. If the corporation or an officer or agent thereof
21 refuses to permit an inspection sought by a shareholder or attorney
22 or other agent acting for the shareholder pursuant to the provisions
23 of subsection B of this section or does not reply to the demand
24 within five (5) business days after the demand has been made, the

1 shareholder may apply to the district court for an order to compel
2 an inspection. The court may summarily order the corporation to
3 permit the shareholder to inspect the corporation's stock ledger, an
4 existing list of shareholders, and its other books and records, and
5 to make copies or extracts therefrom; or the court may order the
6 corporation to furnish to the shareholder a list of its shareholders
7 as of a specific date on condition that the shareholder first pay to
8 the corporation the reasonable cost of obtaining and furnishing the
9 list and on other conditions as the court deems appropriate.

10 2. Where the shareholder seeks to inspect the corporation's
11 books and records, other than its stock ledger or list of
12 shareholders, the shareholder shall first establish that:

- 13 a. the shareholder is a shareholder,
- 14 b. the shareholder has complied with the provisions of
15 this section respecting the form and manner of making
16 demand for inspection of the documents, and
- 17 c. the inspection the shareholder seeks is for a proper
18 purpose.

19 3. Where the shareholder seeks to inspect the corporation's
20 stock ledger or list of shareholders and has complied with the
21 provisions of this section respecting the form and manner of making
22 demand for inspection of the documents, the burden of proof shall be
23 upon the corporation to establish that the inspection the
24 shareholder seeks is for an improper purpose. The court may, in its

1 discretion, prescribe any limitations or conditions upon the
2 inspection, or award other or further relief as the court may deem
3 just and proper. The court may order books, documents, and records,
4 pertinent extracts therefrom, or duly authenticated copies thereof,
5 to be brought within this state and kept in this state upon such
6 terms and conditions as the order may prescribe.

7 D. Any director shall have the right to examine the
8 corporation's stock ledger, a list of its shareholders, ~~and its~~
9 ~~other~~ books and records, and other corporate records for a purpose
10 reasonably related to his or her position as a director. The
11 district court may summarily order the corporation to permit the
12 director to inspect ~~any and all books and records,~~ the stock ledger,
13 ~~and the list of shareholders,~~ the books and records, and other
14 corporate records and to make copies ~~or extracts therefrom~~. The
15 court, in its discretion, may prescribe any limitations or
16 conditions with reference to the inspection, or award other or
17 further relief as the court may deem just and proper. The burden of
18 proof shall be upon the corporation to establish that the inspection
19 the director seeks is for an improper purpose.

20 E. Except as otherwise expressly provided in subsection F or
21 subsection G of this section, in any proceeding brought by a
22 shareholder under subsection B of this section to compel the
23 inspection of books and records, the district court shall not order
24 the corporation to produce any records of the corporation other than

1 the books and records set forth in paragraph 1 of subsection A of
2 this section.

3 F. If the corporation does not have any of the books and
4 records described in subparagraphs c, e, or g in paragraph 1 of
5 subsection A of this section or, in the case of a corporation that
6 has a class of stock listed on a national securities exchange,
7 subparagraph I of paragraph 1 of subsection A of this section, the
8 district court may order the corporation to produce additional
9 records of the corporation constituting the functional equivalent of
10 any such books and records in response to a demand for inspection
11 brought by a shareholder under subsection B of this section only if,
12 and to the extent, the shareholder has met the requirements of
13 subsection B of this section, and only to the extent necessary and
14 essential to fulfill the shareholder's proper purpose.

15 G. In any proceeding brought by a shareholder under subsection
16 B of this section to compel the inspection of books and records, the
17 district court may order the corporation to produce, in addition to
18 any books and records or other records ordered to be produced under
19 subsection E of this section, other specific records of the
20 corporation only if and to the extent:

21 1. Such shareholder has met the requirements of subsection B of
22 this section;

23

24

1 a meeting at which all shares entitled to vote thereon were present
2 and voted and shall be delivered to the corporation in the manner
3 required by this section.

4 B. Unless otherwise provided for in the certificate of
5 incorporation, any action required by the provisions of the Oklahoma
6 General Corporation Act to be taken at a meeting of the members of a
7 nonstock corporation, or any action which may be taken at any
8 meeting of the members of a nonstock corporation, may be taken
9 without a meeting, without prior notice and without a vote, if a
10 consent or consents, setting forth the action taken, shall be signed
11 by members having not less than the minimum number of votes that
12 would be necessary to authorize or take such action at a meeting at
13 which all members having a right to vote thereon were present and
14 voted and shall be delivered to the corporation in the manner
15 required by this section.

16 C. A consent must be set forth in writing or in an electronic
17 transmission. No consent shall be effective to take the corporate
18 action referred to therein unless consent signed by a sufficient
19 number of holders or members to take action is delivered to the
20 corporation in the manner required by this section within sixty (60)
21 days of the first date on which a consent is so delivered to the
22 corporation. Any person executing a consent may provide, whether
23 through instruction to an agent or otherwise, that such a consent
24 will be effective at a future time including a time determined upon

1 the happening of an event, no later than sixty (60) days after such
2 instruction is given or such provision is made if evidence of such
3 instruction or provision is provided to the corporation. If the
4 person is not a shareholder or member of record when the consent is
5 executed, the consent shall not be valid unless the person is a
6 shareholder or member of record as of the record date for
7 determining shareholders or members entitled to consent to the
8 action. Unless otherwise provided, any such consent shall be
9 revocable ~~prior to~~ before its becoming effective. All references to
10 a "consent" in this section mean a consent permitted by this
11 section.

12 D. A consent permitted by this section shall be delivered:

13 1. To the principal place of business of the corporation;

14 2. To an officer or agent of the corporation who has custody of
15 the book in which proceedings of meetings of shareholders or members
16 are recorded;

17 3. To the registered office of the corporation in this state in
18 person or by certified or registered mail, return receipt requested;
19 or

20 4. In accordance with Section 1014.3 of this title to an
21 information processing system, if any, designated by the corporation
22 for receiving such consents. Consent delivered under this paragraph
23 shall set forth or be delivered with information that enables the
24 corporation to determine the date of delivery of such consent and

1 the identity of the person giving such consent. If such consent is
2 given by a person authorized to act for a shareholder or member as
3 proxy, such consent shall comply with the applicable provisions of
4 paragraphs 2 and 3 of subsection C of Section 1075.2 of this title.

5 Any copy, facsimile, or other reliable reproduction of a consent
6 in writing may be substituted or used in lieu of the original
7 writing for any purposes for which the original writing could be
8 used, provided that the copy, facsimile, or other reliable
9 reproduction shall be a complete reproduction of the entire original
10 writing. A consent may be documented and signed in accordance with
11 Section 1014.3 of this title, and when so documented and signed
12 shall be deemed to be in writing for purposes of this title. If
13 such consent is delivered under paragraph 1, 2, or 3 of this
14 subsection, such consent must be reproduced and delivered in paper
15 form.

16 E. ~~Prompt~~ If an action by consent under subsections A or B of
17 this section has been taken by shareholders or members by less than
18 unanimous consent, prompt notice of the taking of ~~the corporate~~
19 action without a meeting by less than unanimous consent the action
20 by consent shall be given to those shareholders or members as of the
21 record date for the action by consent who have not consented and
22 who, ~~if the action had been taken at a meeting,~~ would have been
23 entitled to notice of the meeting if the action had been taken at a
24 meeting and the record date for the notice of the meeting ~~had been~~

1 ~~the date that consents signed by a sufficient number of shareholders~~
2 ~~or members to take the action were delivered to the corporation as~~
3 ~~provided in this section~~ were the record date for the action by
4 consent. The notice required by this subsection may be provided by
5 a notice which constitutes a notice of internet availability of
6 proxy materials authorized by rules promulgated pursuant to the
7 Securities Exchange Act of 1934. In the event that the action for
8 which consent is given is an action that would have required the
9 filing of a certificate under any other section of this title if the
10 action had been voted on by shareholders or by members at a meeting
11 thereof the certificate filed under the other section shall state,
12 in lieu of any statement required by the section concerning any vote
13 of shareholders or members, that consent has been given in
14 accordance with the provisions of this section.

15 SECTION 14. AMENDATORY 18 O.S. 2021, Section 1075.2, as
16 amended by Section 29, Chapter 120, O.S.L. 2025 (18 O.S. Supp. 2025,
17 Section 1075.2), is amended to read as follows:

18 Section 1075.2.

19 ELECTRONIC NOTICE; EFFECTIVENESS; REVOCATION OF CONSENT

20 A. Without limiting the manner of which notice otherwise may be
21 given effectively to shareholders, any notice to shareholders given
22 by the corporation under any provision of the Oklahoma General
23 Corporation Act, the certificate of incorporation, or the bylaws may
24 be given in writing directed to the shareholder's mailing address or

1 by electronic transmission directed to the shareholder's electronic
2 mail address, as applicable, as it appears on the records of the
3 corporation, and shall be given:

4 1. If mailed, when the notice is deposited with the United
5 States Postal Service, postage prepaid;

6 2. If delivered by courier service, the earlier of when the
7 notice is received or left at the shareholder's address; or

8 3. If given by electronic mail, when directed to such
9 shareholder's electronic mail address unless the shareholder has
10 notified the corporation in writing or by electronic transmission of
11 an objection to receiving notice by electronic mail, or if such
12 notice is prohibited by subsection E of this section. A notice by
13 electronic mail must include a prominent legend that the
14 communication is an important notice regarding the corporation.

15 B. Without limiting the manner by which notice otherwise may be
16 given effectively to shareholders, but subject to subsection ~~E~~ D of
17 this section, any notice to shareholders given by the corporation
18 under any provision of this title, the certificate of incorporation,
19 or the bylaws shall be effective if given by a form of electronic
20 transmission consented to by the shareholder to whom the notice is
21 given. Any such consent shall be revocable by the shareholder by
22 written notice or electronic transmission to the corporation. A
23 corporation may give a notice by electronic mail in accordance with

24

1 subsection A of this section without obtaining the consent required
2 by this subsection.

3 C. Notice given pursuant to subsection ~~A~~ B of this section
4 shall be deemed given if by:

5 1. Facsimile telecommunication, when directed to a number at
6 which the shareholder has consented to receive notice;

7 2. A posting on an electronic network together with separate
8 notice to the shareholder of the specific posting, upon the later
9 of:

10 a. the posting, and

11 b. the giving of the separate notice; and

12 3. Any other form of electronic transmission, when directed to
13 the shareholder.

14 D. Notwithstanding the provisions of this section, a notice may
15 not be given by an electronic transmission from and after the time
16 that:

17 1. The corporation is unable to deliver by electronic
18 transmission two consecutive notices given by the corporation; and

19 2. The inability becomes known to the secretary or assistant
20 secretary of the corporation or to the transfer agent, or other
21 person responsible for the giving of notice; provided, however, the
22 inadvertent failure to discover such inability shall not invalidate
23 any meeting or other action.

24

1 E. An affidavit of the secretary or an assistant secretary or
2 of the transfer agent or other agent of the corporation that the
3 notice has been given by a form of electronic transmission shall, in
4 the absence of fraud, be prima facie evidence of the facts stated
5 therein.

6 F. For purposes of the Oklahoma General Corporation Act:

7 1. "Electronic mail" means an electronic transmission directed
8 to a unique electronic mail address. Electronic mail shall be
9 deemed to include any files attached thereto and any information
10 hyperlinked to a website if such electronic mail includes the
11 contact information of an officer or agent of the corporation who is
12 available to assist with accessing such files and information;

13 2. "Electronic mail address" means a destination, commonly
14 expressed as a string of characters, consisting of a unique user
15 name or mailbox, commonly referred to as the local part of the
16 address, and a reference to an internet domain, commonly referred to
17 as the domain part of the address, whether or not displayed, to
18 which electronic mail can be sent or delivered; and

19 3. "Electronic transmission" means any form of communication,
20 not directly involving the physical transmission of paper including
21 the use of, or participation in, one or more electronic networks or
22 databases including one or more distributed electronic networks or
23 databases, that creates a record that may be retained, retrieved and
24

1 reviewed by a recipient thereof, and that may be directly reproduced
2 in paper form by such a recipient through an automated process.

3 G. If a notice is given pursuant to paragraph 1 or 2 of
4 subsection A of this section, each document enclosed, annexed, or
5 appended shall be deemed part of the notice solely for purposes of
6 determining whether notice was fully given under this title, the
7 certificate of incorporation, or bylaws.

8 H. No provision of this section, except for paragraph 1 of
9 subsection A or paragraphs 1 and 2 of subsection D of this section,
10 shall apply to Sections 1045, 1111, 1119, or 1123 of this title.

11 SECTION 15. AMENDATORY 18 O.S. 2021, Section 1077, is
12 amended to read as follows:

13 Section 1077.

14 AMENDMENT OF CERTIFICATE OF INCORPORATION AFTER RECEIPT OF PAYMENT
15 FOR STOCK - NONSTOCK CORPORATIONS

16 A. 1. After a corporation has received payment for any of its
17 capital stock, or after a nonstock corporation has members, it may
18 amend its certificate of incorporation, from time to time, in any
19 and as many respects as may be desired, so long as its certificate
20 of incorporation as amended would contain only such provisions as it
21 would be lawful and proper to insert in an original certificate of
22 incorporation filed at the time of the filing of the amendment; and
23 if a change in stock or the rights of shareholders, or an exchange,
24 reclassification, subdivision, combination, or cancellation of stock

1 or rights of shareholders is to be made, such provisions as may be
2 necessary to effect such change, exchange, reclassification,
3 subdivision, combination, or cancellation. In particular, and
4 without limitation upon the general power of amendment, a
5 corporation may amend its certificate of incorporation, from time to
6 time, so as:

- 7 a. to change its corporate name,
- 8 b. to change, substitute, enlarge or diminish the nature
9 of its business or its corporate powers and purposes,
- 10 c. to increase or decrease its authorized capital stock
11 or to reclassify the same, by changing the number, par
12 value, designations, preferences, or relative,
13 participating, optional, or other special rights of
14 the shares, or the qualifications, limitations or
15 restrictions of such rights, or by changing shares
16 with par value into shares without par value, or
17 shares without par value into shares with par value
18 either with or without increasing or decreasing the
19 number of shares or by subdividing or combining the
20 ~~outstanding~~ issued shares of any class or series of a
21 class of shares into a greater or lesser number of
22 ~~outstanding~~ issued shares,

1 d. to cancel or otherwise affect the right of the holders
2 of the shares of any class to receive dividends which
3 have accrued but have not been declared,

4 e. to create new classes of stock having rights and
5 preferences either prior and superior or subordinate
6 and inferior to the stock of any class then
7 authorized, whether issued or unissued,

8 f. to change the period of its duration, or

9 g. to delete:

10 (1) such provisions of the original certificate of
11 incorporation which named the incorporator or
12 incorporators, the initial board of directors
13 and the original subscribers for shares, and

14 (2) such provisions contained in any amendment to
15 the certificate of incorporation as were
16 necessary to effect a change, exchange,
17 reclassification, subdivision, combination or
18 cancellation of stock, if such change, exchange,
19 reclassification, subdivision, combination or
20 cancellation has become effective.

21 2. Any or all changes or alterations provided for in paragraph
22 1 of this subsection may be effected by one certificate of
23 amendment.
24

1 B. Every amendment authorized by the provisions of subsection A
2 of this section shall be made and effected in the following manner:
3 1. If the corporation has capital stock, its board of directors
4 shall adopt a resolution setting forth the amendment proposed,
5 declaring its advisability, and either calling a special meeting of
6 the shareholders entitled to vote in respect thereof for the
7 consideration of the amendment or directing that the amendment
8 proposed be considered at the next annual meeting of shareholders,
9 ~~provided, however, that unless otherwise expressly required by the~~
10 ~~certificate of incorporation, no meeting or vote of shareholders~~
11 ~~shall be required to adopt an amendment that effects only changes~~
12 ~~described in paragraph (a) or (g) of subsection A of this section.~~
13 The special or annual meeting shall be called and held upon notice
14 in accordance with the provisions of Section 1067 of this title.
15 The notice shall set forth the amendment in full or a brief summary
16 of the changes to be effected thereby, unless such notice
17 constitutes a notice of Internet availability of proxy materials
18 under the rules promulgated under the Securities Exchange Act of
19 1934. At the meeting a vote of the shareholders entitled to vote
20 thereon shall be taken for and against any proposed amendment that
21 requires adoption by shareholders. If no vote of shareholders is
22 required to effect such amendment, or if a majority of the
23 outstanding stock entitled to vote thereon, and a majority of the
24 outstanding stock of each class entitled to vote thereon as a class,

1 has been voted in favor of the amendment, a certificate setting
2 forth the amendment and certifying that the amendment has been duly
3 adopted in accordance with the provisions of this section shall be
4 executed, acknowledged and filed and shall become effective in
5 accordance with the provisions of Section 1007 of this title.

6 2. The holders of the outstanding shares of a class shall be
7 entitled to vote as a class upon a proposed amendment, whether or
8 not entitled to vote thereon by the provisions of the certificate of
9 incorporation, if the amendment would increase or decrease the
10 aggregate number of authorized shares of the class, increase or
11 decrease the par value of the shares of the class, or alter or
12 change the powers, preferences or special rights of the shares of
13 the class so as to affect them adversely. If any proposed amendment
14 would alter or change the powers, preferences or special rights of
15 one or more series of any class so as to affect them adversely, but
16 shall not so affect the entire class, then only the shares of the
17 series so affected by the amendment shall be considered a separate
18 class for the purposes of this paragraph. The number of authorized
19 shares of any such class or classes of stock may be increased or
20 decreased, but not below the number of shares thereof then
21 outstanding, by the affirmative vote of the holders of a majority of
22 the stock of the corporation entitled to vote irrespective of the
23 provisions of this paragraph, if so provided in the original
24 certificate of incorporation, in any amendment thereto which created

1 the class or classes of stock or which was adopted ~~prior to~~ before
2 the issuance of any shares of the class or classes of stock, or in
3 any amendment thereto which was authorized by a resolution or
4 resolutions adopted by the affirmative vote of the holders of a
5 majority of the class or classes of stock.

6 3. If the corporation is a nonstock corporation, then the
7 governing body thereof shall adopt a resolution setting forth the
8 amendment proposed and declaring its advisability. If a majority of
9 all the members of the governing body shall vote in favor of the
10 amendment, a certificate thereof shall be executed, acknowledged and
11 filed and shall become effective in accordance with the provisions
12 of Section 1007 of this title. The certificate of incorporation of
13 any nonstock corporation may contain a provision requiring an
14 amendment thereto to be approved by a specified number or percentage
15 of the members or of any specified class of members of the
16 corporation in which event the proposed amendment shall be submitted
17 to the members or to any specified class of members of the
18 corporation in the same manner, so far as applicable, as is provided
19 for in this section for an amendment to the certificate of
20 incorporation of a stock corporation; and in the event of the
21 adoption thereof by the members, a certificate evidencing the
22 amendment shall be executed, acknowledged and filed and shall become
23 effective in accordance with the provisions of Section 1007 of this
24 title.

1 4. Whenever the certificate of incorporation shall require
2 action by the board of directors of a corporation other than a
3 nonstock corporation or by the governing body of a nonstock
4 corporation, by the holders of any class or series of shares or by
5 the members, or by the holders of any other securities having voting
6 power, the vote of a greater number or proportion than is required
7 by the provisions of the Oklahoma General Corporation Act, the
8 provision of the certificate of incorporation requiring a greater
9 vote shall not be altered, amended, or repealed except by a greater
10 vote.

11 C. The resolution authorizing a proposed amendment to the
12 certificate of incorporation may provide that at any time ~~prior to~~
13 before the effectiveness of the filing of the amendment with the
14 Secretary of State, notwithstanding authorization of the proposed
15 amendment by the shareholders of the corporation or by the members
16 of a nonstock corporation, the board of directors or governing body
17 may abandon the proposed amendment without further action by the
18 shareholders or members.

19 D. Notwithstanding the provisions of subsection B of this
20 section, unless otherwise expressly required by the certificate of
21 incorporation:

22 1. No meeting or vote of shareholders shall be required to
23 adopt an amendment that:

24

- 1 a. affects only changes described in subparagraphs a or g
2 of paragraph 1 of subsection A of this section, or
3 b. reclassifies by subdividing the issued shares of a
4 class of stock into a greater number of issued shares
5 of the same class of stock and, in connection
6 therewith, such amendment may increase the number of
7 authorized shares of such class of stock up to an
8 amount proportionate to the subdivision, provided the
9 corporation has only one class of stock outstanding
10 and such class is not divided into series; and

11 2. An amendment to increase or decrease the authorized number
12 of shares of a class of capital stock or an amendment to reclassify
13 by combining the issued shares of a class of capital stock into a
14 lesser number of issued shares of the same class of stock may be
15 made and effected, without obtaining the vote or votes of
16 shareholders otherwise required by subsection B of this section if:

- 17 a. the shares of such class are listed on a national
18 securities exchange immediately before such amendment
19 becomes effective and meet the listing requirements of
20 such national securities exchange relating to the
21 minimum number of holders immediately after such
22 amendment becomes effective,
23 b. at a meeting called in accordance with paragraph 1 of
24 subsection B of this section, a vote of the

1 shareholders entitled to vote thereon, voting as a
2 single class, is taken for and against the proposed
3 amendment, and the votes cast for the amendment exceed
4 the votes cast against the amendment, and

5 c. if the amendment increases or decreases the authorized
6 number of shares of a class of capital stock for which
7 no provision has been made under the last sentence of
8 paragraph 2 of subsection B of this section, the votes
9 cast for the amendment by the holders of such class
10 exceed the votes cast against the amendment by the
11 holders of such class.

12 SECTION 16. AMENDATORY 18 O.S. 2021, Section 1089, is
13 amended to read as follows:

14 Section 1089.

15 POWERS OF CORPORATION SURVIVING OR RESULTING FROM MERGER
16 OR CONSOLIDATION OR UPON CONVERSION; ISSUANCE OF STOCK, BONDS OR
17 OTHER INDEBTEDNESS

18 A. When two or more corporations are merged or consolidated, or
19 an entity is covered to a domestic corporation, the corporation
20 surviving or resulting from the merger or consolidation or upon
21 conversion may issue bonds or other obligations, negotiable or
22 otherwise, and with or without coupons or interest certificates
23 thereto attached, to an amount sufficient with its capital stock to
24 provide for all payments it will be required to make, or obligations

1 it will be required to assume, in order to effect the merger, ~~or~~
2 consolidation, or conversion.

3 B. For the purpose of securing the payment of any ~~such~~ bonds
4 and obligations, ~~it shall be lawful~~ issued pursuant to subsection A
5 of this section for the surviving, ~~or~~ resulting, or converted
6 corporation ~~to~~ may mortgage its corporate franchise, rights,
7 privileges, and property, real, personal or mixed.

8 C. The surviving, ~~or~~ resulting, or converted corporation may
9 ~~issue certificates~~ take any of the following actions in order to
10 effect the merger or consolidation in the manner and on the terms
11 specified in the agreement or in order to effect the conversion in
12 the manner and on the terms, under a plan of conversion, approved by
13 the other entity, as applicable:

14 1. Issue shares of its capital stock ~~or uncertificated stock if~~
15 ~~authorized to do so and other securities to the shareholders of the~~
16 ~~constituent corporations in exchange or payment for the original~~
17 ~~shares, in such amount as shall be necessary in accordance with the~~
18 ~~terms of the agreement of merger or consolidation in order to effect~~
19 ~~such merger or consolidation in the manner and on the terms~~
20 ~~specified in the agreement~~ and other securities upon conversion or
21 for the shares, rights, or securities of or interests in any
22 constituent corporation or converting other entity, or

23 2. Cancel any shares, rights, securities, or interests.

24

1 SECTION 17. AMENDATORY 18 O.S. 2021, Section 1090, is
2 amended to read as follows:

3 Section 1090.

4 REMEDIES; APPOINTMENT OF SHAREHOLDER REPRESENTATIVES; EFFECT OF
5 MERGER UPON PENDING ACTIONS

6 A. Except for a merger effected under subsection G of Section
7 1081 of this title, any agreement of merger or consolidation
8 governed by Sections 1081, 1082, 1084, 1085, 1086, 1087, 1090.1, or
9 1090.2 of this title may provide:

10 1. That:

11 a. a party to the agreement that fails to perform its
12 obligations under the agreement in accordance with the
13 terms and conditions of the agreement, or that
14 otherwise fails to comply with the terms and
15 conditions of the agreement, in each case, required to
16 be performed or complied with before the time the
17 merger or consolidation becomes effective, or that
18 otherwise fails to consummate, or fails to cause the
19 consummation of, the merger or consolidation, whether
20 before a specified date, upon satisfaction or, to the
21 extent permitted by law, waiver of all conditions to
22 the consummation set forth in the agreement, or
23 otherwise, shall be subject, in addition to any other
24 remedies available at law or in equity, to such

1 penalties or consequences as are set forth in the
2 agreement of merger or consolidation, which penalties
3 or consequences may include an obligation to pay to
4 the other party or parties to the agreement an amount
5 representing, or based on the loss of, any premium or
6 other economic entitlement the shareholders of the
7 other party would be entitled to receive under the
8 terms of the agreement if the merger or consolidation
9 were consummated in accordance with the terms of the
10 agreement, and

11 b. if, under the terms of the agreement, a corporation is
12 entitled to receive payment from another party to an
13 agreement of merger or consolidation of any amount
14 representing a penalty or consequence, as specified in
15 subparagraph a of paragraph 1 of this subsection, the
16 corporation shall be entitled to enforce the other
17 party's payment obligation and, upon receipt of any
18 payment, shall be entitled to retain the amount of the
19 payment so received; and

20 2.

21 a. For the appointment, at or after the time at which the
22 agreement of merger or consolidation is adopted by the
23 shareholders of a constituent corporation to the
24 merger or consolidation in accordance with the

1 requirements of the Oklahoma General Corporation Act,
2 of one or more persons, which may include the
3 surviving or resulting entity or any officer, manager,
4 representative or agent thereof, as representative of
5 the shareholders of a constituent corporation of this
6 state, including those whose shares of capital stock
7 shall be cancelled, converted, or exchanged in the
8 merger or consolidation and for the delegation to such
9 person or persons of the sole and exclusive authority
10 to take action on behalf of the shareholders under the
11 agreement, including taking such actions as the
12 representative determines to enforce, including by
13 entering into settlements with respect to, the rights
14 of the shareholders under the agreement of merger or
15 consolidation, on the terms and subject to the
16 conditions set forth in the agreement,

17 b. that any appointment under subparagraph a of this
18 paragraph shall be irrevocable and binding on all the
19 shareholders from and after the adoption of the
20 agreement of merger or consolidation by the requisite
21 vote of the shareholders under the Oklahoma General
22 Corporation Act, and

23 c. that any provision adopted under this paragraph may
24 not be amended after the merger or consolidation has

1 become effective or may be amended only with the
2 consent or approval of persons specified in the
3 agreement of merger or consolidation.

4 B. Any provision of the agreement of merger or consolidation
5 adopted under subsection A of this section may be made dependent
6 upon facts including, but not limited to, the occurrence of any
7 event, including a determination or action by any person or body,
8 including the corporation, ascertainable outside of the agreement,
9 provided that the manner in which the facts shall operate upon the
10 terms of the agreement is clearly and expressly set forth in the
11 agreement of merger or consolidation.

12 C. Any action or proceeding, whether civil, criminal or
13 administrative, pending by or against any corporation which is a
14 party to a merger or consolidation shall be prosecuted as if such
15 merger or consolidation had not taken place, or the corporation
16 surviving or resulting from such merger or consolidation may be
17 substituted in such action or proceeding.

18 SECTION 18. AMENDATORY 18 O.S. 2021, Section 1090.4, as
19 amended by Section 31, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
20 Section 1090.4), is amended to read as follows:

21 Section 1090.4.

22 CONVERSION OF AN ENTITY TO A DOMESTIC CORPORATION

23 A. As used in this section, the term "entity" means a domestic
24 or foreign partnership, whether general or limited and including a

1 limited liability partnership and a limited liability limited
2 partnership, a foreign corporation including a public benefit
3 corporation, a domestic or foreign limited liability company
4 including a public benefit limited liability company, and any
5 unincorporated nonprofit or for-profit association, trust or
6 enterprise having members or having outstanding shares of stock or
7 other evidences of financial, beneficial or membership interest
8 therein, whether formed by agreement or under statutory authority or
9 otherwise and whether formed or organized under the laws of this
10 state or the laws of any other jurisdiction.

11 B. Any entity may convert to a domestic corporation by
12 complying with subsection G of this section and filing in the office
13 of the Secretary of State a certificate of conversion that has been
14 executed in accordance with subsection H of this section and filed
15 in accordance with Section 1007 of this title, to which shall be
16 attached, a certificate of incorporation that has been prepared,
17 executed and acknowledged in accordance with Section 1007 of this
18 title. Each of the certificates required by this subsection shall
19 be filed simultaneously in the office of the Secretary of State and,
20 if such certificates are not to become effective upon their filing
21 as permitted by Section 1007 of this title, then each such
22 certificate shall provide for the same effective date or time in
23 accordance with Section 1007 of this title.

24 C. The certificate of conversion to a corporation shall state:

1 1. The date on which the entity was first formed;

2 2. The name, jurisdiction of formation or organization, and
3 type of entity of the entity when formed and, if changed, its name,
4 jurisdiction and type of entity immediately before the filing of the
5 certificate of conversion;

6 3. The name of the corporation as set forth in its certificate
7 of incorporation filed in accordance with subsection B of this
8 section; and

9 4. The future effective date or time, which shall be a date or
10 time certain not later than ninety (90) days after the filing, of
11 the conversion to a corporation if the conversion is not to be
12 effective upon the filing of the certificate of conversion and the
13 certificate of incorporation provides for the same future effective
14 date as authorized in subsection D of Section 1007 of this title.

15 D. Upon the effective date or time of the certificate of
16 conversion and the certificate of incorporation, the entity shall be
17 converted to a domestic corporation and the corporation shall
18 thereafter be subject to all of the provisions of this title, except
19 that notwithstanding Section 1007 of this title, the existence of
20 the corporation shall be deemed to have commenced on the date the
21 entity commenced its existence.

22 E. The conversion of any entity to a domestic corporation shall
23 not be deemed to affect any obligations or liabilities of the entity
24

1 incurred before its conversion to a domestic corporation or the
2 personal liability of any person incurred before such conversion.

3 F. When an entity has converted to a domestic corporation under
4 this section, the domestic corporation shall be deemed to be the
5 same entity as the converting entity. All of the rights, privileges
6 and powers of the entity that has converted, and all property, real,
7 personal and mixed, and all debts due to the entity, as well as all
8 other things and causes of action belonging to the entity, shall
9 remain vested in the domestic corporation to which the entity has
10 converted and shall be the property of the domestic corporation and
11 the title to any real property vested by deed or otherwise in the
12 entity shall not revert or be in any way impaired by reason of the
13 conversion; but all rights of creditors and all liens upon any
14 property of the entity shall be preserved unimpaired, and all debts,
15 liabilities and duties of the entity that has converted shall remain
16 attached to the domestic corporation to which the entity has
17 converted, and may be enforced against it to the same extent as if
18 the debts, liabilities and duties had originally been incurred or
19 contracted by it in its capacity as a domestic corporation. The
20 rights, privileges, powers and interests in property of the entity,
21 as well as the debts, liabilities and duties of the entity, shall
22 not be deemed, as a consequence of the conversion, to have been
23 transferred to the domestic corporation to which the entity has
24 converted for any purpose of the laws of this state.

1 G. Unless otherwise agreed or otherwise provided by any laws of
2 this state applicable to the converting entity, the converting
3 entity shall not be required to wind up its affairs or pay its
4 liabilities and distribute its assets, and the conversion shall not
5 be deemed to constitute a dissolution of such entity and shall
6 constitute a continuation of the existence of the converting entity
7 in the form of a domestic corporation.

8 H. Before the time a certificate of conversion becomes
9 effective in accordance with Section 1007 of this title, the
10 conversion shall be approved in the manner provided for by the
11 document, instrument, agreement or other writing, as the case may
12 be, governing the internal affairs of the entity and the conduct of
13 its business or by applicable law, as appropriate, and a certificate
14 of incorporation shall be approved by the same authorization
15 required to approve the conversion.

16 I. The certificate of conversion to a corporation shall be
17 signed by an officer, director, trustee, manager, partner or other
18 person performing functions equivalent to those of an officer or
19 director of a domestic corporation, however named or described, and
20 who is authorized to sign the certificate of conversion on behalf of
21 the entity.

22 J. In a conversion of an entity to a domestic corporation under
23 this section, rights or securities of, or memberships or membership,
24 economic or ownership interests in, the entity which is to be

1 converted to a domestic corporation may be exchanged for or
2 converted into cash, property or shares of stock, rights or
3 securities of the domestic corporation or, in addition to or in lieu
4 thereof, may be exchanged for or converted into cash, property or
5 shares of stock, rights or securities of or interests in another
6 domestic corporation or entity or may be canceled.

7 K. In connection with a conversion under this section, the
8 converting other entity may adopt a plan of conversion that may
9 state:

10 1. The terms and conditions of the conversion;

11 2. That the certificate of incorporation of the converted
12 corporation of this state shall be as set forth in attachment to the
13 plan of conversion;

14 3. The manner, if any, of exchanging or converting shares of
15 stock, rights or securities of, or interests in, the other entity
16 that is to be converted to a corporation of this state, in
17 accordance with subsection J of this section;

18 4. Any corporate action to be taken by the converted
19 corporation of this state in connection with the conversion of the
20 other entity, each of which shall require approval in accordance
21 with all law applicable to the other entity, including any approval
22 required under such applicable law for the authorization of the type
23 of corporate action specified in the plan of conversion;

24 5. Any details or provisions as are deemed desirable; and

1 6. Such other provisions or facts as shall be required to be
2 set forth in a plan of conversion by the laws applicable to the
3 other entity. Any of the terms of the plan of conversion may be
4 made dependent upon facts ascertainable outside of such plan,
5 provided that the manner in which such facts shall operate upon the
6 terms of the plan of conversion is clearly and expressly set forth
7 in the plan of conversion. As used in this paragraph, the word
8 "facts" includes, but is not limited to, the occurrence of any
9 event, including a determination, or action by any person or body,
10 including the other entity or the converted corporation.

11 L. Any corporate action to be taken by the converted
12 corporation of this state in connection with the conversion of the
13 other entity that is set forth in a plan of conversion approved in
14 the manner provided for by subsection K of this section and that is
15 within the power of a corporation under the Oklahoma General
16 Corporation Act shall be deemed authorized, adopted and approved, as
17 applicable, by the converted corporation of this state and the board
18 of directors, shareholders, or members of the corporation, as
19 applicable, and shall not require any further action of the board of
20 directors, shareholders, or members of the corporation under the
21 Oklahoma General Corporation Act. In the event that any such action
22 requires the filing of a certificate under any other section of the
23 Oklahoma General Corporation Act, the certificate shall state that
24 in accordance with this section, no action by the board of

1 directors, shareholders, members, or as otherwise required by such
2 other section of the Oklahoma General Corporation Act, is required.

3 SECTION 19. AMENDATORY 18 O.S. 2021, Section 1090.5, as
4 amended by Section 32, Chapter 120, O.S.L. 2024 (18 O.S. Supp. 2025,
5 Section 1090.5), is amended to read as follows:

6 Section 1090.5.

7 CONVERSION OF DOMESTIC CORPORATION TO AN ENTITY

8 A. A domestic corporation may, upon the authorization of such
9 conversion in accordance with this section, convert to an entity.
10 As used in this section, the term "entity" means a domestic or
11 foreign partnership, whether general or limited, and including a
12 limited liability partnership and a limited liability limited
13 partnership, a foreign corporation including a public benefit
14 corporation, a domestic or foreign limited liability company
15 including a public benefit limited liability company, and any
16 unincorporated nonprofit or for-profit association, trust or
17 enterprise having members or having outstanding shares of stock or
18 other evidences of financial, beneficial or membership interest
19 therein, whether formed by agreement or under statutory authority or
20 otherwise and whether formed or organized under the laws of this
21 state or the laws of any other jurisdiction.

22 B. The board of directors of the corporation which desires to
23 convert under this section shall adopt a resolution approving such
24 conversion, specifying the type of entity into which the corporation

1 shall be converted and recommending the approval of the conversion
2 by the shareholders of the corporation. If a plan of conversion is
3 to be adopted in accordance with subsection K of this section, such
4 plan shall be approved together with the resolution approving the
5 conversion. The resolution shall be submitted to the shareholders
6 of the corporation at an annual or special meeting. Due notice of
7 the time and purpose of the meeting shall be mailed to each holder
8 of shares, whether voting or nonvoting, of the corporation at the
9 address of the shareholder as it appears on the records of the
10 corporation, at least twenty (20) days prior to the date of the
11 meeting. At the meeting, the resolution shall be considered and a
12 vote taken for its adoption or rejection. If a majority of the
13 outstanding shares of stock of the corporation entitled to vote
14 shall vote for the adoption of the resolution, the conversion shall
15 be authorized provided that, if the corporation is converting to a
16 partnership having one or more general partners, then in addition to
17 such approval, authorization of the conversion shall require
18 approval of each shareholder of the corporation who will become a
19 general partner of such partnership as a result of the conversion.

20 C. If the corporation has converted in accordance with this
21 ~~section and the governing act of the domestic entity to which the~~
22 ~~corporation is converting does not provide for the filing of a~~
23 ~~conversion notice with the Secretary of State or the corporation is~~
24 ~~converting~~ to a foreign entity, the corporation shall file with the

1 Secretary of State a certificate of conversion executed in
2 accordance with Section 1007 of this title which certifies:

3 1. The name of the corporation and, if it has been changed, the
4 name under which it was originally incorporated;

5 2. The date of filing of its original certificate of
6 incorporation with the Secretary of State;

7 3. The name of the entity to which the corporation shall be
8 converted, its jurisdiction of formation if a foreign entity, and
9 the type of entity;

10 4. That the conversion has been approved in accordance with the
11 provisions of this section;

12 5. The future effective date or time of the conversion to an
13 entity, which shall be a date or time certain not later than ninety
14 (90) days after the filing, if it is not to be effective upon the
15 filing of the certificate of conversion;

16 6. The agreement of the foreign entity that it may be served
17 with process in this state in any action, suit or proceeding for
18 enforcement of any obligation of the foreign entity arising while it
19 was a domestic corporation and for enforcement of any obligation of
20 such other entity arising from the conversion including any suit or
21 other proceeding to enforce the right of any shareholders as
22 determined in appraisal proceedings under Section 1091 of this
23 title, and that it irrevocably appoints the Secretary of State as
24

1 its agent to accept service of process in any such action, suit or
2 proceeding;

3 7. The address to which a copy of the process referred to in
4 this subsection shall be mailed by the Secretary of State. In the
5 event of such service upon the Secretary of State in accordance with
6 the provisions of Section 2004 of Title 12 of the Oklahoma Statutes,
7 the Secretary of State shall immediately notify such corporation
8 that has converted out of this state by letter, certified mail,
9 return receipt requested, directed to the corporation at the address
10 specified unless the corporation shall have designated in writing to
11 the Secretary of State a different address for this purpose, in
12 which case it shall be mailed to the last address so designated.
13 The notice shall include a copy of the process and any other papers
14 served on the Secretary of State pursuant to the provisions of this
15 subsection. It shall be the duty of the plaintiff in the event of
16 such service to serve process and any other papers in duplicate, to
17 notify the Secretary of State that service is being effected
18 pursuant to the provisions of this subsection, and to pay the
19 Secretary of State the fee provided for in paragraph 7 of subsection
20 A of Section 1142 of this title, which fee shall be taxed as part of
21 the costs in the proceeding. The Secretary of State shall maintain
22 an alphabetical record of any such service setting forth the name of
23 the plaintiff and the defendant, the title, docket number, and
24 nature of the proceeding in which process has been served upon the

1 Secretary of State, the fact that service has been effected pursuant
2 to the provisions of this subsection, the return date thereof, and
3 the date service was made. The Secretary of State shall not be
4 required to retain such information longer than five (5) years from
5 receipt of the service of process by the Secretary of State; and

6 8. ~~If the entity to which the corporation is converting was~~
7 ~~required to make a filing with the Secretary of State as a condition~~
8 ~~of its formation, the type and date of such filing~~ If a plan of
9 conversion is adopted in accordance with subsection K of this
10 section, that all provisions of the plan of conversion shall be
11 approved in accordance with this section.

12 D. Upon the filing of a certificate of conversion ~~notice~~ with
13 the Secretary of State, whether under subsection C of this section
14 or under the governing act of the domestic entity to which the
15 corporation is converting, the filing of any formation document
16 required by the governing act of the domestic entity to which the
17 corporation is converting, and payment to the Secretary of State of
18 all prescribed fees, the corporation shall cease to exist as a
19 domestic corporation at the time the certificate of conversion
20 becomes effective in accordance with Section 1007 of this title. A
21 copy of the certificate of conversion issued by the Secretary of
22 State shall be prima facie evidence of the conversion by the
23 corporation.

24

1 E. The conversion of a domestic corporation under this section
2 and the resulting cessation of its existence as a domestic
3 corporation shall not be deemed to affect any obligations or
4 liabilities of the corporation incurred before such conversion or
5 the personal liability of any person incurred before the conversion,
6 nor shall it be deemed to affect the choice of law applicable to the
7 corporation with respect to matters arising before the conversion.

8 F. Unless otherwise provided in a resolution of conversion
9 adopted in accordance with this section, the converting corporation
10 shall not be required to wind up its affairs or pay its liabilities
11 and distribute its assets, and the conversion shall not constitute a
12 dissolution of such corporation.

13 G. In a conversion of a domestic corporation to an entity under
14 this section, shares of stock of the converting domestic corporation
15 may be exchanged for or converted into cash, property, shares of
16 stock, rights or securities of, or memberships or membership,
17 economic or ownership interests in, the entity to which the domestic
18 corporation is being converted or, in addition to or in lieu
19 thereof, may be exchanged for or converted into cash, property,
20 shares of stock, rights or securities of, or interests in, another
21 corporation or entity or may be canceled.

22 H. When a corporation has converted to an entity under this
23 section, the entity shall be deemed to be the same entity as the
24 corporation. All of the rights, privileges and powers of the

1 corporation that has converted, and all property, real, personal and
2 mixed, and all debts due to the corporation, as well as all other
3 things and causes of action belonging to the corporation, shall
4 remain vested in the entity to which the corporation has converted
5 and shall be the property of the entity, and the title to any real
6 property vested by deed or otherwise in the corporation shall not
7 revert or be in any way impaired by reason of the conversion; but
8 all rights of creditors and all liens upon any property of the
9 corporation shall be preserved unimpaired, and all debts,
10 liabilities and duties of the corporation that has converted shall
11 remain attached to the entity to which the corporation has
12 converted, and may be enforced against it to the same extent as if
13 the debts, liabilities and duties had originally been incurred or
14 contracted by it in its capacity as the entity. The rights,
15 privileges, powers and interest in property of the corporation that
16 has converted, as well as the debts, liabilities and duties of the
17 corporation, shall not be deemed, as a consequence of the
18 conversion, to have been transferred to the entity to which the
19 corporation has converted for any purpose of the laws of this state.

20 I. No vote of shareholders of a corporation shall be necessary
21 to authorize a conversion if no shares of the stock of the
22 corporation shall have been issued before the adoption by the board
23 of directors of the resolution approving the conversion.

24

1 J. Nothing in this section shall be deemed to authorize the
2 conversion of a charitable nonstock corporation into another entity,
3 if the charitable status of such charitable nonstock corporation
4 would thereby be lost or impaired.

5 K. In connection with a conversion under this section, the
6 converting corporation may adopt a plan of conversion that may
7 state:

8 1. The terms and conditions of the conversion;

9 2. That the document, instrument, agreement, or other writing
10 governing the internal affairs of the entity to which the converting
11 corporation is being converted to and the conduct of its business
12 shall be as set forth in an attachment to the plan of conversion;

13 3. The manner, if any, of exchanging or converting shares of
14 stock of the converting corporation which are to be exchanged for or
15 converted into cash, property, shares of stock, rights, or
16 securities of, or interests in, the entity to which the corporation
17 of this state is being converted or, in addition to or in lieu
18 thereof, cash, property, shares of stock, rights, or securities of,
19 or interests in, another domestic corporation or other entity or
20 cancelling such shares, in accordance with subsection G of this
21 section;

22 4. Any details or provisions as are deemed desirable; and

23 5. Such other provisions or facts as shall be required to be
24 set forth in a plan of conversion by the laws applicable to the

1 entity to which the domestic corporation is being converted. Any of
2 the terms of the plan of conversion may be made dependent upon facts
3 ascertainable outside of such plan, provided that the manner in
4 which such facts shall operate upon the terms of the plan of
5 conversion is clearly and expressly set forth in the plan of
6 conversion. As used in this paragraph, "facts" include, but are not
7 limited to, the occurrence of any event, including determination or
8 action by any person or body, including the entity to which the
9 domestic corporation is being converted or the converting
10 corporation.

11 SECTION 20. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 1090.6 of Title 18, unless there
13 is created a duplication in numbering, reads as follows:

14 AMENDMENTS TO CERTIFICATE OF INCORPORATION OF THE SURVIVING
15 CORPORATION; DISCLOSURE SCHEDULES

16 A. If an agreement of merger entered into under any provision
17 of the Oklahoma General Corporation Act, other than subsection G of
18 Section 1081 of Title 18 of the Oklahoma Statutes, provides, with
19 respect to any constituent corporation, that all of the shares of
20 capital stock of the constituent corporation issued and outstanding
21 immediately before the time at which the merger becomes effective
22 shall be converted into or exchanged for cash, property, rights, or
23 securities, excluding stock of the surviving corporation, then,
24

1 notwithstanding any other provision of the Oklahoma General
2 Corporation Act, with respect to the constituent corporation:

3 1. The agreement of merger as approved by the board of
4 directors shall not be required to include any provision regarding
5 the certificate of incorporation of the surviving corporation in
6 order for the agreement of merger to be considered in final form or
7 substantially final form;

8 2. Any amendment or amendment and restatement of the
9 certificate of incorporation of the surviving corporation may be
10 adopted by the board of directors of the constituent corporation or
11 any person acting at the direction thereof, or if under the terms of
12 the agreement of merger the shares or equity interests of a
13 constituent entity are to be converted into all of the shares of
14 capital stock of the surviving corporation, the board of directors
15 or governing body of the constituent entity or other person acting
16 at the direction thereof, and

17 3. No alteration or change of the certificate of incorporation
18 shall be deemed to constitute an amendment to the agreement of
19 merger.

20 B. Unless otherwise expressly provided by an agreement of
21 merger or consolidation, any disclosure letter, disclosure
22 schedules, or similar documents or instruments delivered in
23 connection with the agreement that modify, supplement, qualify, or
24 make exceptions to representations, warranties, covenants, or

1 conditions contained in the agreement shall not be deemed part of
2 the agreement for purposes of any provision of the Oklahoma General
3 Corporation Act but shall have the effects provided in the
4 agreement.

5 SECTION 21. AMENDATORY 18 O.S. 2021, Section 1093, is
6 amended to read as follows:

7 Section 1093.

8 MORTGAGE OR PLEDGE OF ASSETS

9 A. The authorization or consent of shareholders to the mortgage
10 or pledge of a corporation's property and assets shall not be
11 necessary, except to the extent that the certificate of
12 incorporation otherwise provides.

13 B. Without limiting the rights of a secured party under
14 applicable law, no resolution by shareholders shall be required by
15 subsection A of Section 1092 of this title for a sale, lease, or
16 exchange of property or assets if such property or assets are
17 collateral that secures a mortgage or are pledged to a secured party
18 and either:

19 1. The secured party exercises its rights under the law
20 governing such mortgage or pledge or other applicable law, whether
21 under the Uniform Commercial Code - Secured Transactions, a real
22 property law or other law, to effect such sale, lease, or exchange
23 without the consent of the corporation; or

24

1 2. In lieu of the secured party exercising such rights, the
2 board of directors of the corporation authorizes an alternative
3 sale, lease, or exchange of such property or assets, whether with
4 the secured party or with another person, that results in the
5 reduction or elimination of the total liabilities or obligations
6 secured by such property or assets, provided that:

7 a. the value of such property or assets is less than or
8 equal to the total amount of such liabilities or
9 obligations being eliminated or reduced, and

10 b. such sale, lease or exchange is not prohibited by the
11 law governing the mortgage or pledge.

12 The provision of consideration to the corporation or to its
13 shareholders shall not create a presumption that the value of such
14 property or assets is greater than the total amount of such
15 liabilities or obligations being eliminated or reduced.

16 C. A failure to satisfy the requirements in subparagraph a of
17 paragraph 2 of subsection B of this section shall not result in the
18 invalidation of a sale, lease, or exchange if the transferee of the
19 property or assets provided value therefor, which may include the
20 reduction or elimination of the total liabilities or obligations
21 secured by such property or assets, and acted in good faith, as
22 defined in paragraph (20) of subsection (b) of Section 1-201 of
23 Title 12A. This subsection shall not apply to a proceeding against
24 the corporation and any other necessary parties to enjoin such sale,

1 lease, or exchange before the consummation thereof and shall not
2 eliminate any liability for monetary damages for any claim,
3 including a claim in the right of the corporation, based upon a
4 violation of fiduciary duty by a current or former director,
5 officer, or shareholder.

6 D. Any provision of a certificate of incorporation that
7 requires the authorization or consent of shareholders for a sale,
8 lease, or exchange of property or assets shall not apply to a
9 transaction permitted by subsection B of this section unless such
10 provision expressly so requires. This subsection shall apply only
11 to certificates of incorporation provisions that become effective on
12 or after the effective date of this act.

13 SECTION 22. AMENDATORY 18 O.S. 2021, Section 2001, as
14 amended by Section 2, Chapter 121, O.S.L. 2024 (18 O.S. Supp. 2025,
15 Section 2001), is amended to read as follows:

16 Section 2001.

17 DEFINITIONS

18 As used in the Oklahoma Limited Liability Company Act, unless
19 the context otherwise requires:

20 1. "Articles of organization" means documents filed for the
21 purpose of forming a limited liability company, and the articles as
22 amended;

23 2. "Bankrupt" means bankrupt under the United States Bankruptcy
24 Code, as amended, or insolvent under any state insolvency act;

1 3. "Business" means any trade, occupation, profession or other
2 activity regardless of whether engaged in for gain, profit or
3 livelihood;

4 4. "Capital contribution" means anything of value that a person
5 contributes to the limited liability company as a prerequisite for,
6 or in connection with, membership including cash, property, services
7 rendered or a promissory note or other binding obligation to
8 contribute cash or property or to perform services;

9 5. "Capital interest" means the fair market value as of the
10 date contributed of a member's capital contribution as adjusted for
11 any additional capital contributions or withdrawals, a person's
12 share of the profits and losses of a limited liability company and a
13 person's right to receive distributions of the limited liability
14 company's assets;

15 6. "Charitable entity" means any nonprofit limited liability
16 company or other entity that is exempt from taxation under Section
17 501(c)(3) of the United States Internal Revenue Code, 26 U.S.C.,
18 Section 501(c)(3), or any successor provisions;

19 7. "Corporation" means a corporation organized under the laws
20 of this state or the laws of any jurisdiction other than this state;

21 8. "Court" includes every court and judge having jurisdiction
22 in the case. A reference or grant of jurisdiction in this act,
23 including a grant of exclusive jurisdiction, to a district court
24 constitutes a reference or grant of concurrent jurisdiction to a

1 business court created in Section 91.7 of Title 20 of the Oklahoma
2 Statutes, if the business court has authority and jurisdiction
3 pursuant to Sections 91.7 through 91.7f of Title 20 of the Oklahoma
4 Statutes, to adjudicate the action or claim;

5 9. "Document" means:

- 6 a. any tangible medium on which information is inscribed
- 7 including handwritten, typed, printed, or similar
- 8 instruments and copies of such instruments, and
- 9 b. an electronic transmission;

10 10. "Electronic transmission" means any form of communication
11 not directly involving the physical transmission of paper including
12 the use of or participation in one or more electronic networks or
13 databases, including one or more distributed electronic networks or
14 databases, that creates a record that may be retained, retrieved,
15 and reviewed by a recipient thereof and that may be directly
16 reproduced in paper form by such a recipient through an automated
17 process;

18 11. "Foreign corporation" means a corporation organized under
19 the laws of any jurisdiction other than this state;

20 12. "Foreign limited liability company" means:

- 21 a. an unincorporated association,
- 22 b. formed under the laws of any jurisdiction other than
- 23 this state, and

24

1 c. formed under a statute pursuant to which an
2 association may be formed that affords to each of its
3 members limited liability with respect to the
4 liabilities of the entity;

5 13. "Foreign limited partnership" means a limited partnership
6 formed under the laws of any jurisdiction other than this state;

7 14. "Jurisdiction", when used to refer to a political entity,
8 means the United States, a state, a tribal government, a foreign
9 country or a political subdivision of a foreign country;

10 15. "Limited liability company" or "domestic limited liability
11 company" means an entity formed under the Oklahoma Limited Liability
12 Company Act and existing under the laws of this state;

13 16. "Limited partnership" means a limited partnership formed
14 under the laws of this state or a foreign limited partnership as
15 defined in this section;

16 17. "Manager" or "managers" means a person or persons
17 designated by the members of a limited liability company to manage
18 the limited liability company as provided in the articles of
19 organization or an operating agreement and includes a manager of the
20 limited liability company generally and a manager associated with a
21 series of the limited liability company. Unless the context
22 otherwise requires, references in this act to a manager shall be
23 deemed to be references to a manager of the limited liability
24

1 company generally and to a manager associated with a series with
2 respect to such series;

3 18. "Member" means a person with an ownership interest in a
4 limited liability company, with the rights and obligations specified
5 under ~~the Oklahoma Limited Liability Company Act~~ this act and
6 includes a member of the limited liability company generally and a
7 member associated with a series of the limited liability company.
8 Unless the context otherwise requires, references in this act to a
9 member shall be deemed to be references to a member of the limited
10 liability company generally and to a member associated with a series
11 with respect to such series;

12 19. "Membership interest" or "interest" means a member's rights
13 in the limited liability company, collectively including the
14 member's share of the profits and losses of the limited liability
15 company, the right to receive distributions of the limited liability
16 company's assets and capital interest, any right to vote or
17 participate in management and such other rights accorded to members
18 under the articles of organization, operating agreement or ~~the~~
19 ~~Oklahoma Limited Liability Company Act~~ this act;

20 20. "Operating agreement", regardless of whether referred to as
21 an operating agreement and whether oral, in a record, implied or in
22 any combination thereof, means any agreement of the members,
23 including a sole member, as to the affairs of a limited liability
24 company including any protected series or registered series thereof

1 and the conduct of its business including the agreement as amended
2 or restated;

3 21. "Person" means an individual, a general partnership, a
4 limited partnership, a limited liability company, a trust, an
5 estate, an association, a corporation or any other legal or
6 commercial entity;

7 22. "Protected series" means a designated series of members,
8 managers, membership interests, or assets that is established in
9 accordance with Section 2054.4 of this title;

10 23. "Registered series" means a designated series of members,
11 managers, membership interests, or assets that is formed in
12 accordance with Section ~~14~~ 2054.4 of this ~~act~~ title; and

13 24. "State" means a state, territory or possession of the
14 United States, the District of Columbia or the Commonwealth of
15 Puerto Rico.

16 SECTION 23. AMENDATORY Section 17, Chapter 121, O.S.L.
17 2024 (18 O.S. Supp. 2025, Section 2054.8), is amended to read as
18 follows:

19 Section 2054.8.

20 MERGER AND CONSOLIDATION OF REGISTERED SERIES

21 A. Under an agreement of merger or consolidation, one or more
22 registered series may merge or consolidate with or into one or more
23 other registered series of the same limited liability company with
24 such registered series as the agreement shall provide being the

1 surviving or resulting registered series. Unless otherwise provided
2 in the operating agreement, an agreement of merger or consolidation
3 shall be approved by each registered series which is to merge or
4 consolidate by members of the registered series who own a majority
5 of the then current percentage or other interest in the profits of
6 the registered series owned by all of the members of the registered
7 series. In connection with a merger or consolidation hereunder,
8 rights or securities of, or interests in, a registered series which
9 is a constituent party to the merger or consolidation may be
10 exchanged for or converted into cash, property, rights, or
11 securities of, or interests in, the surviving or resulting
12 registered series or, in addition to or in lieu thereof, may be
13 exchanged for or converted into cash, property, rights, or
14 securities of, or interests in, a domestic limited liability company
15 or other business entity which is not the surviving or resulting
16 registered series in the merger or consolidation, may remain
17 outstanding, or may be canceled. Notwithstanding prior approval, an
18 agreement of merger or consolidation may be terminated or amended
19 under a provision for such termination or amendment contained in the
20 agreement of merger or consolidation.

21 B. If a registered series is merging or consolidating under
22 this section, the registered series surviving or resulting in or
23 from the merger or consolidation shall file articles of merger or
24 consolidation of registered series executed by one or more

1 authorized persons on behalf of the registered series when it is the
2 surviving or resulting registered series in the Office of the
3 Secretary of State. The articles of merger or consolidation of
4 registered series shall state:

5 1. The name of each registered series which is to merge or
6 consolidate and the name of the limited liability company that
7 formed the registered series;

8 2. That an agreement of merger or consolidation has been
9 approved and executed by or on behalf of each registered series
10 which is to merge or consolidate;

11 3. The name of the surviving or resulting registered series;

12 4. Such ~~amendment~~ amendments, if any, to the articles of
13 registered series ~~of the registered series~~ that is the surviving
14 registered series ~~to change the name of the surviving registered~~
15 ~~series,~~ as ~~is~~ are desired to be effected by the merger. Such
16 amendments may amend and restate the articles of registered series
17 of the surviving registered series in its entirety;

18 5. The future effective date or time, which shall be a date or
19 time certain, of the merger or consolidation if it is not to be
20 effective upon the filing of the articles of merger or consolidation
21 of registered series;

22 6. That the agreement of merger or consolidation is on file at
23 a place of business of the surviving or resulting registered series
24

1 or the limited liability company that formed such registered series,
2 and shall state the address thereof; and

3 7. That a copy of the agreement of merger or consolidation will
4 be furnished by the surviving or resulting registered series, on
5 request and without cost, to any member of any registered series
6 which is to merge or consolidate.

7 C. Unless a future effective date or time is provided in
8 articles of merger or consolidation of registered series, a merger
9 or consolidation under this section shall be effective upon the
10 filing in the Office of the Secretary of State of articles of merger
11 or consolidation of registered series.

12 D. Articles of merger or consolidation of registered series
13 cancel the articles of registered series of the registered series
14 which is not the surviving or resulting registered series in the
15 merger or consolidation. Articles of merger or consolidation of
16 registered series that set forth any amendment in accordance with
17 paragraph 4 of subsection B of this section is deemed to be an
18 amendment to the articles of registered series of the surviving
19 registered series, and no further action shall be required to amend
20 the articles of registered series of the surviving registered series
21 under Section ~~14~~ 2054.5 of this ~~act~~ title with respect to such
22 amendments set forth in such articles of merger or consolidation.
23 Whenever this section requires the filing of articles of merger or
24 consolidation of registered series, such requirement is deemed

1 satisfied by the filing of an agreement of merger or consolidation
2 containing the information required by this section to be set forth
3 in such articles of merger or consolidation.

4 E. An agreement of merger or consolidation approved in
5 accordance with subsection A of this section may effect any
6 amendment to the operating agreement relating solely to the
7 registered series that are constituent parties to the merger or
8 consolidation. Any amendment to an operating agreement relating
9 solely to the registered series that are constituent parties to the
10 merger or consolidation made under this subsection shall be
11 effective at the effective time or date of the merger or
12 consolidation and shall be effective notwithstanding any provision
13 of the operating agreement relating to amendment of the operating
14 agreement, other than a provision that by its terms applies to an
15 amendment to the operating agreement in connection with a merger or
16 consolidation. The provisions of this subsection shall not be
17 construed to limit the accomplishment of a merger or of any of the
18 matters referred to herein by any other means provided for in an
19 operating agreement or other agreement or as otherwise permitted by
20 law, including that the operating agreement relating to any
21 constituent registered series to the merger or consolidation,
22 including a registered series formed for the purpose of consummating
23 a merger or consolidation, shall be the operating agreement of the
24 surviving or resulting registered series.

1 F. When any merger or consolidation shall have become effective
2 under this section, for all purposes of the laws of this state, all
3 of the rights, privileges, and powers of each of the registered
4 series that have merged or consolidated, and all property, real,
5 personal, and mixed, and all debts due to any of the registered
6 series, as well as all other things and causes of action belonging
7 to each of the registered series, shall be vested in the surviving
8 or resulting registered series, and shall thereafter be the property
9 of the surviving or resulting registered series as they were of each
10 of the registered series that have merged or consolidated. The
11 title to any real property vested by deed or otherwise, under the
12 laws of this state, in any of the registered series, shall not
13 revert or be in any way impaired by reason of this act; but all
14 rights of creditors and all liens upon any property of any of the
15 registered series shall be preserved unimpaired, and all debts,
16 liabilities, and duties of each of the registered series that have
17 merged or consolidated shall remain attached to the surviving or
18 resulting registered series, and may be enforced against it to the
19 same extent as if the debts, liabilities, and duties had been
20 incurred or contracted by it. Unless otherwise agreed, a merger or
21 consolidation of a registered series of a limited liability company,
22 including a registered series which is not the surviving or
23 resulting registered series in the merger or consolidation, shall
24 not require the registered series to wind up its affairs under

1 Section ~~14~~ 2054.5 of this ~~act~~ title, or pay its liabilities and
2 distribute its assets under Section ~~14~~ 2054.5 of this ~~act~~ title, and
3 the merger or consolidation shall not constitute a dissolution of
4 the registered series.

5 G. An operating agreement may provide that a registered series
6 of a limited liability company shall not have the power to merge or
7 consolidate as set forth in this section.

8 SECTION 24. AMENDATORY Section 18, Chapter 121, O.S.L.
9 2024 (18 O.S. Supp. 2025, Section 2054.9), is amended to read as
10 follows:

11 Section 2054.9.

12 DIVISION OF A LIMITED LIABILITY COMPANY

13 A. As used in this act:

14 1. "Dividing company" means the domestic limited liability
15 company that is effecting a division in the manner provided in this
16 section;

17 2. "Division" means the division of a dividing company into two
18 or more domestic limited liability companies in accordance with this
19 section;

20 3. "Division company" means a surviving company, if any, and
21 each resulting company;

22 4. "Division contact" means, in connection with any division, a
23 natural person who is a resident of this state, any division company
24 in the division or any other domestic limited liability company, or

1 other entity as defined in Section 2054 of ~~Title 18 of the Oklahoma~~
2 ~~Statutes~~ this title formed or organized under the laws of this
3 state, which division contact shall maintain a copy of the plan of
4 division for a period of six (6) years from the effective date of
5 the division and shall comply with paragraph 3 of subsection G of
6 this section;

7 5. "Organizational documents" means the articles of
8 organization and operating agreement of a domestic limited liability
9 company;

10 6. "Resulting company" means a domestic limited liability
11 company formed as a consequence of a division; and

12 7. "Surviving company" means a dividing company that survives
13 the division.

14 B. Under a plan of division, any domestic limited liability
15 company may, in the manner provided in this section, be divided into
16 two or more domestic limited liability companies. The division of a
17 domestic limited liability company in accordance with this section
18 and, if applicable, the resulting cessation of the existence of the
19 dividing company under articles of division shall not be deemed to
20 affect the personal liability of any person incurred before the
21 division with respect to matters arising before the division, nor
22 shall it be deemed to affect the validity or enforceability of any
23 obligations or liabilities of the dividing company incurred before
24 the division; provided, that the obligations and liabilities of the

1 dividing company shall be allocated to and vested in, and valid and
2 enforceable obligations of, the division company or companies to
3 which the obligations and liabilities have been allocated under the
4 plan of division, as provided in subsection H of this section. Each
5 resulting company in a division shall be formed in compliance with
6 the requirements of this act and subsection H of this section.

7 C. If the operating agreement of the dividing company specifies
8 the manner of adopting a plan of division, the plan of division
9 shall be adopted as specified in the operating agreement. If the
10 operating agreement of the dividing company does not specify the
11 manner of adopting a plan of division and does not prohibit a
12 division of the limited liability company, the plan of division
13 shall be adopted in the same manner as is specified in the operating
14 agreement for authorizing a merger or consolidation that involves
15 the limited liability company as a constituent party to the merger
16 or consolidation. If the operating agreement of the dividing
17 company does not specify the manner of adopting a plan of division
18 or authorizing a merger or consolidation that involves the limited
19 liability company as a constituent party and does not prohibit a
20 division of the limited liability company, the adoption of a plan of
21 division shall be authorized by the approval of members who own a
22 majority of the then current percentage or other interest in the
23 profits of the dividing company owned by all of the members.
24 Notwithstanding prior approval, a plan of division may be terminated

1 or amended under a provision for the termination or amendment
2 contained in the plan of division.

3 D. Unless otherwise provided in a plan of division, the
4 division of a domestic limited liability company under this section
5 shall not require the limited liability company to wind up its
6 affairs under Section 2039 of ~~Title 18 of the Oklahoma Statutes~~ this
7 title or pay its liabilities and distribute its assets under Section
8 2040 of ~~Title 18 of the Oklahoma Statutes~~ this title, and the
9 division shall not constitute a dissolution of the limited liability
10 company.

11 E. In connection with a division under this section, rights or
12 securities of, or interests in, the dividing company may be
13 exchanged for or converted into cash, property, rights, or
14 securities of, or interests in, the surviving company or any
15 resulting company or, in addition to or in lieu thereof, may be
16 exchanged for or converted into cash, property, rights, or
17 securities of, or interests in, a domestic limited liability company
18 or any other business entity which is not a division company or may
19 be canceled or remain outstanding, if the dividing company is a
20 surviving company.

21 F. A plan of division adopted in accordance with subsection C
22 of this section:

23 1. May effect any amendment to the operating agreement of the
24 dividing company if it is a surviving company in the division; or

1 2. May effect the adoption of a new operating agreement for the
2 dividing company if it is a surviving company in the division; and

3 3. Shall effect the adoption of an operating agreement for each
4 resulting company. Any amendment to an operating agreement or
5 adoption of a new operating agreement for the dividing company, if
6 it is a surviving company in the division, or adoption of an
7 operating agreement for each resulting company made under the
8 foregoing sentence shall be effective at the effective time or date
9 of the division. Any amendment to an operating agreement or
10 adoption of an operating agreement for the dividing company, if it
11 is a surviving company in the division, shall be effective
12 notwithstanding any provision in the operating agreement of the
13 dividing company relating to amendment or adoption of a new
14 operating agreement, other than a provision that by its terms
15 applies to an amendment to the operating agreement or the adoption
16 of a new operating agreement, in either case, in connection with a
17 division, merger, or consolidation.

18 G. If a domestic limited liability company is dividing under
19 this section, the dividing company shall adopt a plan of division
20 which shall set forth:

21 1. The terms and conditions of the division, including:

22 a. any conversion or exchange of the membership interests
23 of the dividing company into or for membership
24 interests or other securities or obligations of any

1 division company or cash, property, or rights or
2 securities or obligations of or interests in any other
3 business entity or domestic limited liability company
4 which is not a division company, or that the
5 membership interests of the dividing company shall
6 remain outstanding or be canceled, or any combination
7 of the foregoing, and

8 b. the allocation of assets, property, rights, series,
9 debts, liabilities, and duties of the dividing company
10 among the division companies;

11 2. The name of each resulting company and, if the dividing
12 company will survive the division, the name of the surviving
13 company;

14 3. The name and business address of a division contact which
15 shall have custody of a copy of the plan of division. The division
16 contact, or any successor division contact, shall serve for a period
17 of six (6) years following the effective date of the division.
18 During the six-year period the division contact shall provide,
19 without cost, to any creditor of the dividing company, within thirty
20 (30) days following the division contact's receipt of a written
21 request from any creditor of the dividing company, the name and
22 business address of the division company to which the claim of the
23 creditor was allocated under the plan of division; and

1 4. Any other matters that the dividing company determines to
2 include therein.

3 H. If a domestic limited liability company divides under this
4 section, the dividing company shall file articles of division
5 executed by one or more authorized persons on behalf of the dividing
6 company in the Office of the Secretary of State in accordance with
7 Section 2006 of Title 18 of the Oklahoma Statutes and articles of
8 organization that comply with Section 2005 of ~~Title 18 of the~~
9 ~~Oklahoma Statutes~~ this title for each resulting company executed by
10 one or more authorized persons in accordance with Section 2006 of
11 ~~Title 18 of the Oklahoma Statutes~~ this title. The articles of
12 division shall state:

13 1. The name of the dividing company and, if it has been
14 changed, the name under which its articles of organization were
15 originally filed and whether the dividing company is a surviving
16 company;

17 2. The date of filing of the dividing company's original
18 articles of organization with the Secretary of State;

19 3. The name of each division company;

20 4. The amendments, if any, to the articles of organization of
21 the surviving company that are desired to be effected in the
22 division. Such amendments may amend and restate the articles of
23 organization of the surviving company in their entirety;

1 5. The name and business address of the division contact
2 required by paragraph 3 of subsection G of this section;

3 ~~5.~~ 6. The future effective date or time, which shall be a date
4 or time certain, of the division if it is not to be effective upon
5 the filing of the articles of division;

6 ~~6.~~ 7. That the division has been approved in accordance with
7 this section;

8 ~~7.~~ 8. That the plan of division is on file at a place of
9 business of the division company as is specified therein, and shall
10 state the address thereof;

11 ~~8.~~ 9. That a copy of the plan of division will be furnished by
12 the division company as is specified therein, on request and without
13 cost, to any member of the dividing company; and

14 ~~9.~~ 10. Any other information the dividing company determines to
15 include therein.

16 I. The articles of division and each of the articles of
17 organization for each resulting company required by subsection H of
18 this section shall be filed simultaneously in the Office of the
19 Secretary of State and, if the articles are not to become effective
20 upon their filing as permitted by subsection C of Section 2007 of
21 ~~Title 18 of the Oklahoma Statutes~~ this title, then each of the
22 articles shall provide for the same effective date or time in
23 accordance with subsection C of Section 2007 of ~~Title 18 of the~~
24 ~~Oklahoma Statutes~~ this title. Concurrently with the effective date

1 or time of a division, the operating agreement of each resulting
2 company shall become effective.

3 J. The articles of division shall act as a cancellation of the
4 articles of organization for a dividing company which is not a
5 surviving company.

6 K. An operating agreement may provide that a domestic limited
7 liability company shall not have the power to divide as set forth in
8 this section.

9 L. Upon the division of a domestic limited liability company
10 becoming effective:

11 1. The dividing company shall be divided into the distinct and
12 independent resulting companies named in the plan of division, and,
13 if the dividing company is not a surviving company, the existence of
14 the dividing company shall cease;

15 2. For all purposes of the laws of this state, all of the
16 rights, privileges, and powers, and all the property, real,
17 personal, and mixed, of the dividing company and all debts due on
18 whatever account to it, and all other things and other causes of
19 action belonging to it, shall without further action be allocated to
20 and vested in the applicable division company in the manner and
21 basis and with the effect as is specified in the plan of division,
22 and the title to any real property or interest therein allocated to
23 and vested in any division company shall not revert or be in any way
24 impaired by reason of the division;

1 3. Each division company shall, from and after effectiveness of
2 the articles of division, be liable as a separate and distinct
3 domestic limited liability company for the debts, liabilities, and
4 duties of the dividing company as are allocated to the division
5 company under the plan of division in the manner and on the basis
6 provided in subparagraph b of paragraph 1 of subsection G of this
7 section;

8 4. Each of the debts, liabilities, and duties of the dividing
9 company shall without further action be allocated to and be the
10 debts, liabilities, and duties of the division company as is
11 specified in the plan of division as having the debts, liabilities,
12 and duties allocated to it, in the manner and basis and with the
13 effect as is specified in the plan of division, and no other
14 division company shall be liable therefor, so long as the plan of
15 division does not constitute a fraudulent transfer under applicable
16 law, and all liens upon any property of the dividing company shall
17 be preserved unimpaired, and all debts, liabilities, and duties of
18 the dividing company shall remain attached to the division company
19 to which the debts, liabilities, and duties have been allocated in
20 the plan of division, and may be enforced against the division
21 company to the same extent as if the debts, liabilities, and duties
22 had originally been incurred or contracted by it in its capacity as
23 a domestic limited liability company;

24

1 5. In the event that any allocation of assets, debts,
2 liabilities, and duties to division companies in accordance with a
3 plan of division is determined by a court of competent jurisdiction
4 to constitute a fraudulent transfer, each division company shall be
5 jointly and severally liable on account of the fraudulent transfer
6 notwithstanding the allocations made in the plan of division;
7 provided, however, the validity and effectiveness of the division
8 are not otherwise affected thereby;

9 6. Debts and liabilities of the dividing company that are not
10 allocated by the plan of division shall be the joint and several
11 debts and liabilities of all of the division companies;

12 7. It shall not be necessary for a plan of division to list
13 each individual asset, property, right, series, debt, liability, or
14 duty of the dividing company to be allocated to a division company
15 so long as the assets, property, rights, series, debts, liabilities,
16 or duties so allocated are reasonably identified by any method where
17 the identity of the assets, property, rights, series, debts,
18 liabilities, or duties is objectively determinable;

19 8. The rights, privileges, powers, and interests in property of
20 the dividing company that have been allocated to a division company,
21 as well as the debts, liabilities, and duties of the dividing
22 company that have been allocated to the division company under a
23 plan of division, shall remain vested in the division company and
24 shall not be deemed, as a result of the division, to have been

1 assigned or transferred to the division company for any purpose of
2 the laws of this state; and

3 9. Any action or proceeding pending against a dividing company
4 may be continued against the surviving company as if the division
5 did not occur, but subject to paragraph 4 of subsection L of this
6 section and against any resulting company to which the asset,
7 property, right, series, debt, liability, or duty associated with
8 the action or proceeding was allocated under the plan of division by
9 adding or substituting the resulting company as a party in the
10 action or proceeding.

11 M. In applying the provisions of this act on distributions, a
12 direct or indirect allocation of property or liabilities in a
13 division is not deemed a distribution for purposes of this act.

14 N. The provisions of this section shall not be construed to
15 limit the means of accomplishing a division by any other means
16 provided for in an operating agreement or other agreement or as
17 otherwise permitted by this act or as otherwise permitted by law.

18 O. All limited liability companies formed on or after November
19 1, 2023, shall be governed by this section. All limited liability
20 companies formed before November 1, 2023, shall be governed by this
21 section; provided, that if the dividing company is a party to any
22 written contract, indenture, or other agreement entered into before
23 November 1, 2023, that, by its terms, restricts, conditions, or
24 prohibits the consummation of a merger or consolidation by the

1 dividing company with or into another party, or the transfer of
2 assets by the dividing company to another party, then the
3 restriction, condition, or prohibition is deemed to apply to a
4 division as if it were a merger, consolidation, or transfer of
5 assets, as applicable.

6 SECTION 25. This act shall become effective November 1, 2026.

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8 COMMITTEE REPORT BY: COMMITTEE ON COMMERCE AND ECONOMIC DEVELOPMENT
9 OVERSIGHT, dated 02/24/2026 - DO PASS, As Coauthored.

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