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HOUSE BILL 2301

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State of Washington                      57th Legislature                      2002 Regular Session

By Representatives Lantz, Esser, Anderson, Benson, Upthegrove and Kagi

Read first time 01/14/2002. Referred to Committee on Judiciary.

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

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

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

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

17            (2) The secretary of state may permit records to be filed through  
18 electronic transmission. The secretary of state may adopt rules  
19 varying from these requirements to facilitate electronic filing. These

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

7 ~~((3))~~ (3) This title must require or permit filing the ~~((document))~~  
8 record in the office of the secretary of state.

9 ~~((4))~~ (4) The ~~((document))~~ record must contain the information  
10 required by this title. It may contain other information as well.

11 ~~((5))~~ (5) The ~~((document))~~ record must: (a) Be typewritten or  
12 printed, and must meet such legibility or other standards as may be  
13 prescribed by the secretary of state; or (b) meet the standards for  
14 electronic filing as may be prescribed by the secretary of state.

15 ~~((6))~~ (6) The ~~((document))~~ record must be in the English  
16 language. A corporate name need not be in English if written in  
17 English letters or Arabic or Roman numerals, and the certificate of  
18 existence required of foreign corporations need not be in English if  
19 accompanied by a reasonably authenticated English translation.

20 ~~((7))~~ (7) Unless otherwise indicated in this title, all  
21 ~~((documents))~~ records submitted for filing must be executed:

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

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

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

28 ~~((8))~~ (8) The person executing the ~~((document))~~ record shall sign  
29 it and state beneath or opposite the signature the name of the person  
30 and the capacity in which the person signs. The ~~((document))~~ record  
31 may but need not contain: (a) The corporate seal; (b) an attestation  
32 by the secretary or an assistant secretary; or (c) an acknowledgment,  
33 verification, or proof.

34 ~~((9))~~ (9) If the secretary of state has prescribed a mandatory  
35 form for the ~~((document))~~ record under RCW 23B.01.210, the ~~((document))~~  
36 record must be in or on the prescribed form.

37 ~~((10))~~ (10) The ~~((document))~~ record must be ~~((delivered to))~~  
38 received by the office of the secretary of state for filing and must be  
39 accompanied by one exact or conformed copy, the correct filing fee or

1 charge, including license fee, penalty and service fee, and any  
2 attachments which are required for the filing.

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

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

7 (a) Fees for filing (~~documents~~) records and issuing certificates;

8 (b) Miscellaneous charges;

9 (c) License fees as provided in RCW 23B.01.500 through 23B.01.550;

10 (d) Penalty fees; and

11 (e) Other fees as the secretary of state may establish by rule  
12 adopted under chapter 34.05 RCW.

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

16 One hundred seventy-five dollars, pursuant to RCW 23B.01.520 and  
17 23B.01.540, for:

18 (a) Articles of incorporation; and

19 (b) Application for certificate of authority.

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

22 (a) Application for reinstatement;

23 (b) Articles of correction;

24 (c) Amendment of articles of incorporation;

25 (d) Restatement of articles of incorporation, with or without  
26 amendment;

27 (e) Articles of merger or share exchange;

28 (f) Articles of revocation of dissolution;

29 (g) Application for amended certificate of authority;

30 (h) Application for reservation, registration, or assignment of  
31 reserved name;

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

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

38 (k) Initial report; and

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

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

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

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

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

10 (c) Articles of dissolution;

11 (d) Certificate of judicial dissolution;

12 (e) Application for certificate of withdrawal; and

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

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

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

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

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

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

29 (8) For annual license fees for domestic and foreign corporations,  
30 see RCW 23B.01.500, 23B.01.510, 23B.01.530, and 23B.01.550. For  
31 penalties for nonpayment of annual license fees and failure to complete  
32 annual report, see RCW 23B.01.570.

33 **Sec. 3.** RCW 23B.01.230 and 1989 c 165 s 6 are each amended to read  
34 as follows:

35 (1) Except as provided in subsection (2) of this section and RCW  
36 23B.01.240(3), a ((document)) record accepted for filing is effective  
37 on the date it is filed by the secretary of state and at the time on  
38 that date specified in the ((document)) record. If no time is

1 specified in the ((document)) record, the ((document)) record is  
2 effective at the close of business on the date it is filed by the  
3 secretary of state.

4 (2) If a ((document)) record specifies a delayed effective time and  
5 date, the ((document)) record becomes effective at the time and date  
6 specified. If a ((document)) record specifies a delayed effective date  
7 but no time is specified, the ((document)) record is effective at the  
8 close of business on that date. A delayed effective date for a  
9 ((document)) record may not be later than the ninetieth day after the  
10 date it is filed.

11 (3) When a ((document)) record is received for filing by the  
12 secretary of state in a form which complies with the requirements of  
13 this title and which would entitle the ((document)) record to be filed  
14 on receipt, but the secretary of state's approval action occurs  
15 subsequent to the date of receipt, the secretary of state's filing date  
16 shall relate back to and be shown as the date on which the secretary of  
17 state first received the ((document)) record in acceptable form.

18 **Sec. 4.** RCW 23B.01.240 and 1989 c 165 s 7 are each amended to read  
19 as follows:

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

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

25 (a) By preparing articles of correction that (i) describe the  
26 ((document)) record, including its filing date, or attach a copy of it  
27 to the articles of correction, (ii) specify the incorrect statement and  
28 the reason it is incorrect or the manner in which the execution was  
29 defective, and (iii) correct the incorrect statement or defective  
30 execution; and

31 (b) By delivering the articles of correction to the secretary of  
32 state for filing.

33 (3) Articles of correction are effective on the effective date of  
34 the ((document)) record they correct except as to persons relying on  
35 the uncorrected ((document)) record and adversely affected by the  
36 correction. As to those persons, articles of correction are effective  
37 when filed.

1       **Sec. 5.** RCW 23B.01.250 and 1989 c 165 s 8 are each amended to read  
2 as follows:

3       (1) If a ~~((document))~~ record delivered to the office of the  
4 secretary of state for filing satisfies the requirements of RCW  
5 23B.01.200, the secretary of state shall file it.

6       (2)(a) The secretary of state files a ~~((document))~~ record: (i) In  
7 the case of a record in a tangible medium, by stamping or otherwise  
8 endorsing "Filed," together with the secretary of state's name and  
9 official title and the date of filing, on both the original and the  
10 ~~((document))~~ record copy(~~(. After filing a document))~~); and (ii) in the  
11 case of an electronically transmitted record, by the electronic  
12 processes as may be prescribed by the secretary of state from time to  
13 time that result in the information required by (a)(i) of this  
14 subsection being permanently attached to or associated with such  
15 electronically transmitted record.

16       (b) After filing a record, the secretary of state shall deliver  
17 ~~((the document copy))~~ a record of the filing to the domestic or foreign  
18 corporation or its representative either: (i) In a written copy of the  
19 filing; or (ii) if the corporation has designated an address, location,  
20 or system to which the record may be electronically transmitted and the  
21 secretary of state elects to provide the record by electronic  
22 transmission, in an electronically transmitted record of the filing.

23       (3) If the secretary of state refuses to file a ~~((document))~~  
24 record, the secretary of state shall return it to the domestic or  
25 foreign corporation or its representative, together with a brief  
26 ~~((written))~~ explanation of the reason for the refusal. The explanation  
27 shall be either: (a) In a written record or (b) if the corporation has  
28 designated an address, location, or system to which the consent may be  
29 electronically transmitted and the secretary of state elects to provide  
30 the explanation by electronic transmission, in an electronically  
31 transmitted record.

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

35       (a) Affect the validity or invalidity of the ~~((document))~~ record in  
36 whole or part;

37       (b) Relate to the correctness or incorrectness of information  
38 contained in the ~~((document))~~ record; or

1 (c) Create a presumption that the ((document)) record is valid or  
2 invalid or that information contained in the ((document)) record is  
3 correct or incorrect.

4 **Sec. 6.** RCW 23B.01.260 and 1989 c 165 s 9 are each amended to read  
5 as follows:

6 If the secretary of state refuses to file a ((document)) record  
7 delivered to the office for filing, the person submitting the  
8 ((document)) record, in addition to any other legal remedy which may be  
9 available, shall have the right to judicial review of such refusal  
10 pursuant to the provisions of chapter 34.05 RCW.

11 **Sec. 7.** RCW 23B.01.270 and 1989 c 165 s 10 are each amended to  
12 read as follows:

13 A certificate bearing the manual or facsimile signature of the  
14 secretary of state and the seal of the state, when attached to or  
15 located on a ((document)) record or a copy of a ((document)) record  
16 filed by the secretary of state, is conclusive evidence that the  
17 original ((document)) record is on file with the secretary of state.

18 **Sec. 8.** RCW 23B.01.400 and 2000 c 168 s 1 are each amended to read  
19 as follows:

20 Unless the context clearly requires otherwise, the definitions in  
21 this section apply throughout this title.

22 (1) "Articles of incorporation" include amended and restated  
23 articles of incorporation and articles of merger.

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

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

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

33 (5) "Deliver" includes (a) mailing ((and)), (b) for purposes of  
34 delivering a demand, consent, notice, or waiver to the corporation or  
35 one of its officers, directors, or shareholders, transmission by  
36 facsimile equipment, and (c) for purposes of delivering a demand,

1 consent, notice, or waiver to the corporation or one of its officers,  
2 directors, or shareholders under RCW 23B.01.410 or chapter 23B.07,  
3 23B.08, 23B.11, 23B.13, or 23B.14 RCW delivery by electronic  
4 transmission.

5 (6) "Distribution" means a direct or indirect transfer of money or  
6 other property, except its own shares, or incurrence of indebtedness by  
7 a corporation to or for the benefit of its shareholders in respect to  
8 any of its shares. A distribution may be in the form of a declaration  
9 or payment of a dividend; a distribution in partial or complete  
10 liquidation, or upon voluntary or involuntary dissolution; a purchase,  
11 redemption, or other acquisition of shares; a distribution of  
12 indebtedness; or otherwise.

13 (7) "Effective date of notice" has the meaning provided in RCW  
14 23B.01.410.

15 (8) "Electronic transmission" (~~((or "electronically transmitted"))~~)  
16 means (~~((any process of))~~) an electronic communication (a) not directly  
17 involving the physical transfer of ((paper)) a record in a tangible  
18 medium and (b) that ((is suitable for the retention, retrieval, and  
19 reproduction of the transmitted information by the recipient)) may be  
20 retained, retrieved, and reviewed by the sender and the recipient  
21 thereof, and that may be directly reproduced in a tangible medium by  
22 such a sender and recipient.

23 (9) "Electronically transmitted" means the initiation of an  
24 electronic transmission.

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

27 (~~((10))~~) (11) "Entity" includes a corporation and foreign  
28 corporation, not-for-profit corporation, (~~((profit and not-for-profit~~  
29 ~~unincorporated association,))~~) business trust, estate, (~~((partnership,))~~)  
30 trust, (~~((and))~~) partnership, limited liability company, association,  
31 joint venture, two or more persons having a joint or common economic  
32 interest, ((and)) the state, United States, and a foreign  
33 ((government)) governmental subdivision, agency, or instrumentality, or  
34 any other legal or commercial entity.

35 (~~((11))~~) (12) "Execute," "executes," or "executed" means (a) signed  
36 with respect to a written record or (b) electronically transmitted  
37 along with sufficient information to determine the sender's identity  
38 with respect to an electronic transmission, or (c) with respect to a  
39 record to be filed with the secretary of state, in compliance with the



1 standards for filing with the office of the secretary of state as  
2 prescribed by the secretary of state.

3 ~~(13)~~ (13) "Foreign corporation" means a corporation for profit  
4 incorporated under a law other than the law of this state.

5 ~~((12))~~ (14) "Foreign limited partnership" means a partnership  
6 formed under laws other than of this state and having as partners one  
7 or more general partners and one or more limited partners.

8 ~~((13))~~ (15) "Governmental subdivision" includes authority,  
9 county, district, and municipality.

10 ~~((14))~~ (16) "Includes" denotes a partial definition.

11 ~~((15))~~ (17) "Individual" includes the estate of an incompetent or  
12 deceased individual.

13 ~~((16))~~ (18) "Limited partnership" or "domestic limited  
14 partnership" means a partnership formed by two or more persons under  
15 the laws of this state and having one or more general partners and one  
16 or more limited partners.

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

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

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

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

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

25 ~~((22))~~ (24) "Public company" means a corporation that has a class  
26 of shares registered with the federal securities and exchange  
27 commission pursuant to section 12 or 15 of the securities exchange act  
28 of 1934, or section 8 of the investment company act of 1940, or any  
29 successor statute.

30 ~~((23))~~ (25) "Record" means information inscribed on a tangible  
31 medium or contained in an electronic transmission.

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

37 ~~((24))~~ (27) "Secretary" means the corporate officer to whom the  
38 board of directors has delegated responsibility under RCW 23B.08.400(3)  
39 for custody of the minutes of the meetings of the board of directors

1 and of the shareholders and for authenticating records of the  
2 corporation.

3 ~~((+25+))~~ (28) "Shares" means the units into which the proprietary  
4 interests in a corporation are divided.

5 ~~((+26+))~~ (29) "Shareholder" means the person in whose name shares  
6 are registered in the records of a corporation or the beneficial owner  
7 of shares to the extent of the rights granted by a nominee certificate  
8 on file with a corporation.

9 ~~((+27+))~~ (30) "State," when referring to a part of the United  
10 States, includes a state and commonwealth, and their agencies and  
11 governmental subdivisions, and a territory and insular possession, and  
12 their agencies and governmental subdivisions, of the United States.

13 ~~((+28+))~~ (31) "Subscriber" means a person who subscribes for shares  
14 in a corporation, whether before or after incorporation.

15 ~~((+29+))~~ (32) "Tangible medium" means a writing, copy of a writing,  
16 or facsimile, or a physical reproduction, each on paper or on other  
17 tangible material.

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

20 ~~((+30+))~~ (34) "Voting group" means all shares of one or more  
21 classes or series that under the articles of incorporation or this  
22 title are entitled to vote and be counted together collectively on a  
23 matter at a meeting of shareholders. All shares entitled by the  
24 articles of incorporation or this title to vote generally on the matter  
25 are for that purpose a single voting group.

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

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

28 **Sec. 9.** RCW 23B.01.410 and 1991 c 72 s 29 are each amended to read  
29 as follows:

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

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

36 (a) Oral notice. Oral notice may be communicated in person, by  
37 telephone, wire, or wireless equipment which does not transmit a  
38 facsimile of the notice, or by any electronic means which does not

1 create a record. If these forms of oral notice are impracticable, oral  
2 notice may be communicated by radio, television, or other form of  
3 public broadcast communication.

4 (b) Notice provided in a tangible medium. Notice may be provided  
5 in a tangible medium and be transmitted by mail, private carrier, or  
6 personal delivery; telegraph or teletype; or telephone, wire, or  
7 wireless equipment which transmits a facsimile of the notice. If these  
8 forms of ((written)) notice in a tangible medium are impracticable,  
9 ((written)) notice in a tangible medium may be transmitted by an  
10 advertisement in a newspaper of general circulation in the area where  
11 published. ((Oral notice may be communicated in person or by  
12 telephone, wire or wireless equipment which does not transmit a  
13 facsimile of the notice. If these forms of oral notice are  
14 impracticable, oral notice may be communicated by radio, television, or  
15 other form of public broadcast communication.

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

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

22 (i) Notice may be provided in an electronic transmission and be  
23 electronically transmitted.

24 (ii) Notice to shareholders or directors in an electronic  
25 transmission is effective only with respect to shareholders and  
26 directors that have consented, in the form of a record, to receive  
27 electronically transmitted notices under this title and designated in  
28 the consent the address, location, or system to which these notices may  
29 be electronically transmitted and with respect to a notice that  
30 otherwise complies with any other requirements of this title and  
31 applicable federal law.

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

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

37 (C) The consent of any shareholder or director is revoked if (I)  
38 the corporation is unable to electronically transmit two consecutive  
39 notices given by the corporation in accordance with the consent, and

1 (II) this inability becomes known to the secretary of the corporation,  
2 the transfer agent, or any other person responsible for giving the  
3 notice. The inadvertent failure by the corporation to treat this  
4 inability as a revocation does not invalidate any meeting or other  
5 action.

6 (iii) Notice to shareholders or directors who have consented to  
7 receipt of electronically transmitted notices may be provided by (A)  
8 posting the notice on an electronic network and (B) delivering to the  
9 shareholder or director a separate record of the posting, together with  
10 comprehensible instructions regarding how to obtain access to the  
11 posting on the electronic network.

12 (iv) Notice to a domestic or foreign corporation, authorized to  
13 transact business in this state, (~~may be addressed to its registered~~  
14 agent at its registered office or to the corporation or its secretary  
15 at its principal office shown in its most recent annual report or, in  
16 the case of a foreign corporation that has not yet delivered an annual  
17 report, in its application for a certificate of authority.

18 (~~5~~) ~~Written notice~~) in an electronic transmission is effective  
19 only with respect to a corporation that has designated in a record an  
20 address, location, or system to which the notices may be electronically  
21 transmitted.

22 (3) Effective time and date of notice.

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

24 (b) Notice provided in a tangible medium.

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

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

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

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

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

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

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

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

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

9       (iii) Notice in a tangible medium to a domestic or foreign  
10 corporation, authorized to transact business in this state, may be  
11 addressed to the corporation's registered agent at its registered  
12 office or to the corporation or its secretary at its principal office  
13 shown in its most recent annual report, or in the case of a foreign  
14 corporation that has not yet delivered its annual report in its  
15 application for a certificate of authority.

16       (c) Notice provided in an electronic transmission. Notice provided  
17 in an electronic transmission, if in comprehensible form, is effective  
18 when it: (i) Is electronically transmitted to an address, location, or  
19 system designated by the recipient for that purpose; or (ii) has been  
20 posted on an electronic network and a separate record of the posting  
21 has been delivered to the recipient together with comprehensible  
22 instructions regarding how to obtain access to the posting on the  
23 electronic network.

24       (4) If this title prescribes notice requirements for particular  
25 circumstances, those requirements govern. If articles of incorporation  
26 or bylaws prescribe notice requirements, not inconsistent with this  
27 section or other provisions of this title, those requirements govern.

28       **Sec. 10.** RCW 23B.02.020 and 1997 c 19 s 1 are each amended to read  
29 as follows:

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

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

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

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

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

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

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

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

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

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

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

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

21 (f) If more than one class of shares is authorized, all shares of  
22 a class must have preferences, limitations, and relative rights  
23 identical to those of other shares of the same class under RCW  
24 23B.06.010;

25 (g) If the board of directors is authorized to designate the number  
26 of shares in a series, the board may, after the issuance of shares in  
27 that series, reduce the number of authorized shares of that series  
28 under RCW 23B.06.020;

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

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

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

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

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

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

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

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

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

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

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

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

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

28 (u) Action on a matter, other than election of directors, by a  
29 voting group is approved if the votes cast within the voting group  
30 favoring the action exceed the votes cast opposing the action, unless  
31 this title requires a greater number of affirmative votes under RCW  
32 23B.07.250;

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

36 (w) Directors are elected by cumulative voting under RCW  
37 23B.07.280;

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

1 (y) A corporation must have a board of directors under RCW  
2 23B.08.010;

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

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

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

10 (cc) A corporation shall indemnify a director who was wholly  
11 successful in the defense of any proceeding to which the director was  
12 a party because the director is or was a director of the corporation  
13 against reasonable expenses incurred by the director in connection with  
14 the proceeding under RCW 23B.08.520;

15 (dd) A director of a corporation who is a party to a proceeding may  
16 apply for indemnification of reasonable expenses incurred by the  
17 director in connection with the proceeding to the court conducting the  
18 proceeding or to another court of competent jurisdiction under RCW  
19 23B.08.540;

20 (ee) An officer of the corporation who is not a director is  
21 entitled to mandatory indemnification under RCW 23B.08.520, and is  
22 entitled to apply for court-ordered indemnification under RCW  
23 23B.08.540, in each case to the same extent as a director under RCW  
24 23B.08.570;

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

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

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

36 (ii) Unless this title or the board of directors requires a greater  
37 vote or a vote by voting groups, an amendment to the corporation's  
38 articles of incorporation must be approved by each voting group  
39 entitled to vote on the proposed amendment by two-thirds, or, in the



1 case of a public company, a majority, of all the votes entitled to be  
2 cast by that voting group under RCW 23B.10.030;

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

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

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

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

21 (nn) Unless the board of directors requires a greater vote or a  
22 vote by voting groups, a sale, lease, exchange, or other disposition of  
23 all or substantially all of the corporation's property, other than in  
24 the usual and regular course of business, must be approved by each  
25 voting group entitled to vote on such transaction by two-thirds of all  
26 votes entitled to be cast by that voting group under RCW 23B.12.020;  
27 and

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

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

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

37 (b) A corporation that is not a public company shall hold a special  
38 meeting of shareholders if the holders of at least ten percent of the

1 votes entitled to be cast on any issue proposed to be considered at the  
2 meeting demand a meeting under RCW 23B.07.020;

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

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

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

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

14 (g) Regular meetings of the board of directors may be held without  
15 notice of the date, time, place, or purpose of the meeting under RCW  
16 23B.08.220;

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

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

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

26 (k) A board of directors may create one or more committees and  
27 appoint members of the board of directors to serve on them under RCW  
28 23B.08.250; and

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

34 (5) The articles of incorporation may contain the following  
35 provisions:

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

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

1 (c) Provisions not inconsistent with law related to the management  
2 of the business and the regulation of the affairs of the corporation;  
3 (d) Any provision that under this title is required or permitted to  
4 be set forth in the bylaws;  
5 (e) Provisions not inconsistent with law defining, limiting, and  
6 regulating the powers of the corporation, its board of directors, and  
7 shareholders;  
8 (f) Provisions authorizing shareholder action to be taken by  
9 (~~written~~) consent of less than all of the shareholders entitled to  
10 vote on the action, in accordance with RCW 23B.07.040;  
11 (g) If the articles of incorporation authorize dividing shares into  
12 classes, the election of all or a specified number of directors may be  
13 effected by the holders of one or more authorized classes of shares  
14 under RCW 23B.08.040;  
15 (h) The terms of directors may be staggered under RCW 23B.08.060;  
16 (i) Shares may be redeemable or convertible (i) at the option of  
17 the corporation, the shareholder, or another person, or upon the  
18 occurrence of a designated event; (ii) for cash, indebtedness,  
19 securities, or other property; or (iii) in a designated amount or in an  
20 amount determined in accordance with a designated formula or by  
21 reference to extrinsic data or events under RCW 23B.06.010; and  
22 (j) A director's personal liability to the corporation or its  
23 shareholders for monetary damages for conduct as a director may be  
24 eliminated or limited under RCW 23B.08.320.  
25 (6) The articles of incorporation or the bylaws may contain the  
26 following provisions:  
27 (a) A restriction on the transfer or registration of transfer of  
28 the corporation's shares under RCW 23B.06.270;  
29 (b) Shareholders may participate in a meeting of shareholders by  
30 any means of communication by which all persons participating in the  
31 meeting can hear each other under RCW 23B.07.080;  
32 (c) A quorum of the board of directors may consist of as few as  
33 one-third of the number of directors under RCW 23B.08.240;  
34 (d) If the corporation is registered as an investment company under  
35 the investment company act of 1940, a provision limiting the  
36 requirement to hold an annual meeting of shareholders as provided in  
37 RCW 23B.07.010(2); and  
38 (e) If the corporation is registered as an investment company under  
39 the investment company act of 1940, a provision establishing terms of

1 directors which terms may be longer than one year as provided in RCW  
2 23B.05.050.

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

5 **Sec. 11.** RCW 23B.02.050 and 1991 c 72 s 31 are each amended to  
6 read as follows:

7 (1) After incorporation:

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

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

16 (i) To elect directors and complete the organization of the  
17 corporation; or

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

20 (2) Action required or permitted by this title to be taken by  
21 incorporators at an organizational meeting may be taken without a  
22 meeting if the action taken is evidenced by ~~((one or more written  
23 consents))~~ the consent of each of the incorporators in the form of a  
24 record describing the action taken and ~~((signed))~~ executed by each  
25 incorporator.

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

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

31 **Sec. 12.** RCW 23B.04.035 and 1998 c 23 s 7 are each amended to read  
32 as follows:

33 For those corporations that have a certificate of authority, are  
34 applying for, or intend to apply for a certificate of authority from  
35 the insurance commissioner as an insurance company under chapter 48.05  
36 RCW, whenever under this chapter incorporate ~~((documents))~~ records are  
37 required to be filed with the secretary of state, the ~~((documents))~~

1 records shall be filed with the insurance commissioner rather than the  
2 secretary of state.

3 **Sec. 13.** RCW 23B.05.010 and 1989 c 165 s 40 are each amended to  
4 read as follows:

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

6 (a) A registered office that may be the same as any of its places  
7 of business. The registered office shall be at a specific geographic  
8 location in this state, and be identified by number, if any, and  
9 street, or building address or rural route, or, if a commonly known  
10 street or rural route address does not exist, by legal description. A  
11 registered office may not be identified by post office box number or  
12 other nongeographic address. For purposes of communicating by mail,  
13 the secretary of state may permit the use of a post office address (~~in~~  
14 ~~the same city as the registered office~~) in conjunction with the  
15 registered office address if the corporation also maintains on file the  
16 specific geographic address of the registered office where personal  
17 service of process may be made;

18 (b) A registered agent that may be:

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

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

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

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

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

31 (2) A registered agent shall not be appointed without having given  
32 prior (~~written~~) consent in a record to the appointment. The  
33 (~~written~~) consent shall be filed with the secretary of state in such  
34 form as the secretary of state may prescribe. The (~~written~~) consent  
35 shall be filed with or as a part of the (~~document~~) record first  
36 appointing a registered agent. In the event any individual (~~or~~),  
37 corporation, or limited liability corporation has been appointed agent  
38 without consent, that person (~~or~~), corporation, or limited liability

1 corporation may file a notarized statement attesting to that fact, and  
2 the name shall (~~forthwith~~) immediately be removed from the records of  
3 the secretary of state.

4 **Sec. 14.** RCW 23B.05.020 and 1989 c 165 s 41 are each amended to  
5 read as follows:

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

9 (a) The name of the corporation;

10 (b) If the current registered office is to be changed, the street  
11 address of the new registered office in accord with RCW  
12 23B.05.010(1)(a);

13 (c) If the current registered agent is to be changed, the name of  
14 the new registered agent and the new agent's (~~written~~) consent in a  
15 record, either on the statement or attached to it in a manner and form  
16 as the secretary of state may prescribe, to the appointment; and

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

20 (2) If a registered agent changes the street address of the agent's  
21 business office, the registered agent may change the street address of  
22 the registered office of any corporation for which the agent is the  
23 registered agent by notifying the corporation (~~in writing of the~~  
24 ~~change and signing, either manually or in facsimile,~~) of the change  
25 either (a) in a written record, or (b) if the corporation has  
26 designated an address, location, or system to which the notices may be  
27 electronically transmitted and the registered agent electronically  
28 transmits the notice to the corporation at the designated address,  
29 location, or system, in an electronically transmitted record and  
30 delivering to the secretary of state for filing a statement that  
31 complies with the requirements of subsection (1) of this section and  
32 recites that the corporation has been notified of the change.

33 **Sec. 15.** RCW 23B.06.030 and 1989 c 165 s 46 are each amended to  
34 read as follows:

35 (1) A corporation may issue the number of shares of each class or  
36 series authorized by the articles of incorporation. Shares that are

1 issued are outstanding shares until they are reacquired, redeemed,  
2 converted, or canceled.

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

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

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

16 **Sec. 16.** RCW 23B.06.260 and 1989 c 165 s 54 are each amended to  
17 read as follows:

18 (1) Unless the articles of incorporation or bylaws provide  
19 otherwise, the board of directors of a corporation may authorize the  
20 issue of some or all of the shares of any or all of its classes or  
21 series without certificates. The authorization does not affect shares  
22 already represented by certificates until they are surrendered to the  
23 corporation.

24 (2) Within a reasonable time after the issue or transfer of shares  
25 without certificates, the corporation shall send the shareholder a  
26 (~~written statement of~~) record containing the information required on  
27 certificates by RCW 23B.06.250 (2) and (3), and, if applicable, RCW  
28 23B.06.270.

29 **Sec. 17.** RCW 23B.06.300 and 1989 c 165 s 57 are each amended to  
30 read as follows:

31 (1) Unless the articles of incorporation provide otherwise, and  
32 subject to the limitations in subsections (3) and (4) of this section,  
33 the shareholders of a corporation have a preemptive right, granted on  
34 uniform terms and conditions prescribed by the board of directors to  
35 provide a fair and reasonable opportunity to exercise the right, to  
36 acquire proportional amounts of the corporation's unissued shares upon  
37 the decision of the board of directors to issue them.

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

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

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

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

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

14 (d) Shares sold otherwise than for money.

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

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

19 (b) Holders of shares of any class with general voting rights but  
20 without preferential rights to distributions or assets have no  
21 preemptive rights with respect to shares of any class with preferential  
22 rights to distributions or assets unless the shares with preferential  
23 rights are convertible into or carry a right to subscribe for or  
24 acquire shares without preferential rights.

25 (5) Unless the articles of incorporation provide otherwise, shares  
26 subject to preemptive rights that are not acquired by shareholders may  
27 be issued to any person for a period of one year after being offered to  
28 shareholders at a consideration set by the board of directors that is  
29 not lower than the consideration set for the exercise of preemptive  
30 rights. An offer at a lower consideration or after the expiration of  
31 one year is subject to the shareholders' preemptive rights.

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

35 **Sec. 18.** RCW 23B.07.010 and 1994 c 256 s 28 are each amended to  
36 read as follows:

37 (1) Except as provided in subsections (2) and (5) of this section,  
38 a corporation shall hold a meeting of shareholders annually for the



1 election of directors at a time stated in or fixed in accordance with  
2 the bylaws.

3 (2)(a) If the articles of incorporation or the bylaws of a  
4 corporation registered as an investment company under the investment  
5 company act of 1940 so provide, the corporation is not required to hold  
6 an annual meeting of shareholders in any year in which the election of  
7 directors is not required by the investment company act of 1940.

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

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

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

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

22 **Sec. 19.** RCW 23B.07.020 and 1989 c 165 s 61 are each amended to  
23 read as follows:

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

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

27 (b) Except as set forth in subsections (2) and (3) of this section,  
28 if the holders of at least ten percent of all the votes entitled to be  
29 cast on any issue proposed to be considered at the proposed special  
30 meeting (~~(sign, date, and)~~) deliver to the corporation's secretary one  
31 or more (~~written~~) demands set forth in an executed and dated record  
32 for the meeting describing the purpose or purposes for which it is to  
33 be held, which demands shall be set forth either (i) in an executed  
34 record or (ii) if the corporation has designated an address, location,  
35 or system to which the demands may be electronically transmitted and  
36 the demands are electronically transmitted to that designated address,  
37 location, or system, in an executed electronically transmitted record.

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

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

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

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

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

20 **Sec. 20.** RCW 23B.07.030 and 1989 c 165 s 62 are each amended to  
21 read as follows:

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

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

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

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

35 (ii) The special meeting was not held in accordance with the  
36 notice.

37 (2) The court may, after notice to the corporation, fix the time  
38 and place of the meeting, determine the shares and shareholders

1 entitled to participate in the meeting, specify a record date for  
2 determining shareholders entitled to notice of and to vote at the  
3 meeting, prescribe the manner, form, and content of the meeting notice,  
4 fix the quorum required for specific matters to be considered at the  
5 meeting, or direct that the votes represented at the meeting constitute  
6 a quorum for action on those matters, and enter other orders necessary  
7 to accomplish the purpose or purposes of the meeting.

8       **Sec. 21.** RCW 23B.07.040 and 1997 c 19 s 2 are each amended to read  
9 as follows:

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

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

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

23       (b) The taking of action by shareholders without a meeting or vote  
24 must be evidenced by one or more (~~written~~) consents, each in the form  
25 of a record describing the action taken, (~~signed~~) executed by  
26 shareholders holding of record or otherwise entitled to vote in the  
27 aggregate not less than the minimum number of votes necessary in order  
28 to take such action by (~~written~~) consent under (a)(i) or (ii) of this  
29 subsection, and delivered to the corporation for inclusion in the  
30 minutes or filing with the corporate records, which consent shall be  
31 set forth either (i) in an executed record or (ii) if the corporation  
32 has designated an address, location, or system to which the consent may  
33 be electronically transmitted and the consent is electronically  
34 transmitted to the designated address, location, or system, in an  
35 executed electronically transmitted record.

36       (2) If not otherwise fixed under RCW 23B.07.030 or 23B.07.070, the  
37 record date for determining shareholders entitled to take action  
38 without a meeting is the date on which the first shareholder consent is

1 ((signed)) executed under subsection (1) of this section. Every  
2 ((written)) consent shall bear the date of ((signature)) execution of  
3 each shareholder who ((signs)) executes the consent. A ((written))  
4 consent is not effective to take the action referred to in the consent  
5 unless, within sixty days of the earliest dated consent delivered to  
6 the corporation, ((written)) consents ((signed)) executed by a  
7 sufficient number of shareholders to take action are delivered to the  
8 corporation.

9 (3) A shareholder may withdraw consent only by delivering a  
10 ((written)) notice of withdrawal in the form of a record to the  
11 corporation prior to the time when consents sufficient to authorize  
12 taking the action have been delivered to the corporation.

13 (4) Unless the ((written)) shareholder consent specifies a later  
14 effective date, action taken under this section is effective when: (a)  
15 Consents sufficient to authorize taking the action have been delivered  
16 to the corporation; and (b) the period of advance notice required by  
17 the corporation's articles of incorporation to be given to any  
18 nonconsenting shareholders has been satisfied.

19 (5) A consent ((signed)) executed under this section has the effect  
20 of a meeting vote and may be described as such in any ((document))  
21 record, except that, if the action requires the filing of a certificate  
22 under any other section of this title, the certificate so filed shall  
23 state, in lieu of any statement required by that section concerning any  
24 vote of shareholders, that ((written)) consent has been obtained in  
25 accordance with this section and that ((written)) notice to any  
26 nonconsenting shareholders has been given as provided in this section.

27 (6) Notice of the taking of action by shareholders without a  
28 meeting by less than unanimous ((written)) consent of all shareholders  
29 entitled to vote on the action shall be given, before the date on which  
30 the action becomes effective, to those shareholders entitled to vote on  
31 the action who have not consented ((in writing)) and, if this title  
32 would otherwise require that notice of a meeting of shareholders to  
33 consider the action be given to nonvoting shareholders, to all  
34 nonvoting shareholders of the corporation. The general or limited  
35 authorization in the corporation's articles of incorporation  
36 authorizing shareholder action by less than unanimous ((written))  
37 consent shall specify the amount and form of notice required to be  
38 given to nonconsenting shareholders before the effective date of the  
39 action. In the case of action of a type that would constitute a

1 significant business transaction under RCW 23B.19.020(15), the notice  
2 shall be given no fewer than twenty days before the effective date of  
3 the action. The notice shall be in ~~((writing))~~ the form of a record  
4 and shall contain or be accompanied by the same material that, under  
5 this title, would have been required to be ~~((sent))~~ delivered to  
6 nonconsenting or nonvoting shareholders in a notice of meeting at which  
7 the proposed action would have been submitted for shareholder action.  
8 If the action taken is of a type that would entitle shareholders to  
9 exercise dissenters' rights under RCW 23B.13.020(1), then the notice  
10 must comply with RCW 23B.13.220(2), RCW 23B.13.210 shall not apply, and  
11 all shareholders who have not ~~((signed))~~ executed the consent taking  
12 the action are entitled to receive the notice, demand payment under RCW  
13 23B.13.230, and assert other dissenters' rights as prescribed in  
14 chapter 23B.13 RCW.

15 **Sec. 22.** RCW 23B.07.060 and 1991 c 72 s 34 are each amended to  
16 read as follows:

17 (1) A shareholder may waive any notice required by this title, the  
18 articles of incorporation, or bylaws before or after the date and time  
19 of the meeting that is the subject of such notice, or in the case of  
20 notice required by RCW 23B.07.040(6), before or after the action to be  
21 taken by ~~((written))~~ executed consent is effective. Except as provided  
22 by subsections (2) and (3) of this section, the waiver must be ~~((in~~  
23 ~~writing, be signed by the shareholder entitled to the notice, and be))~~  
24 delivered by the shareholder entitled to notice to the corporation for  
25 inclusion in the minutes or filing with the corporate records, which  
26 waiver shall be set forth either (a) in an executed and dated record or  
27 (b) if the corporation has designated an address, location, or system  
28 to which the waiver may be electronically transmitted and the waiver is  
29 electronically transmitted to the designated address, location, or  
30 system, in an executed and dated electronically transmitted record.

31 (2) A shareholder's attendance at a meeting waives objection to  
32 lack of notice or defective notice of the meeting, unless the  
33 shareholder at the beginning of the meeting objects to holding the  
34 meeting or transacting business at the meeting.

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

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

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

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

7       (a) Executing a writing authorizing another person or persons to  
8 act for the shareholder as proxy. Execution may be accomplished by the  
9 shareholder or the shareholder's authorized officer, director,  
10 employee, or agent signing the writing or causing his or her signature  
11 to be affixed to the writing by any reasonable means including, but not  
12 limited to, by facsimile signature; or

13       (b) Authorizing another person or persons to act for the  
14 shareholder as proxy by transmitting or authorizing the transmission of  
15 ~~((an))~~ a recorded telephone call, voice mail, or other electronic  
16 transmission to the person who will be the holder of the proxy or to a  
17 proxy solicitation firm, proxy support service organization, or like  
18 agent duly authorized by the person who will be the holder of the proxy  
19 to receive the transmission, provided that the ~~((electronic))~~  
20 transmission must either set forth or be submitted with information,  
21 including any security or validation controls used, from which it can  
22 reasonably be determined that the ~~((electronic))~~ transmission was  
23 authorized by the shareholder. If it is determined that the  
24 ~~((electronic))~~ transmission is valid, the inspectors of election or, if  
25 there are no inspectors, any officer or agent of the corporation making  
26 that determination on behalf of the corporation shall specify the  
27 information upon which they relied. The corporation shall require the  
28 holders of proxies received by ~~((electronic))~~ transmission to provide  
29 to the corporation copies of the ~~((electronic))~~ transmission and the  
30 corporation shall retain copies of the ~~((electronic))~~ transmission for  
31 a reasonable period of time after the election provided that they are  
32 retained for at least sixty days.

33       (3) An appointment of a proxy is effective when a signed  
34 appointment form or telegram, cablegram, recorded telephone call,  
35 voicemail, or other ~~((electronic))~~ transmission of the appointment is  
36 received by the inspectors of election or the officer or agent of the  
37 corporation authorized to tabulate votes. An appointment is valid for  
38 eleven months unless a longer period is expressly provided in the  
39 appointment.

1 (4) An appointment of a proxy is revocable by the shareholder  
2 unless the appointment indicates that it is irrevocable and the  
3 appointment is coupled with an interest. Appointments coupled with an  
4 interest include the appointment of:

5 (a) A pledgee;

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

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

9 (d) An employee of the corporation whose employment contract  
10 requires the appointment; or

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

12 (5) The death or incapacity of the shareholder appointing a proxy  
13 does not affect the right of the corporation to accept the proxy's  
14 authority unless notice of the death or incapacity is received by the  
15 officer or agent of the corporation authorized to tabulate votes before  
16 the proxy exercises the proxy's authority under the appointment.

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

20 (7) A transferee for value of shares subject to an irrevocable  
21 appointment may revoke the appointment if the transferee did not know  
22 of its existence when the transferee acquired the shares and the  
23 existence of the irrevocable appointment was not noted conspicuously on  
24 the certificate representing the shares or on the information statement  
25 for shares without certificates.

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

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

33 **Sec. 24.** RCW 23B.07.240 and 2000 c 168 s 3 are each amended to  
34 read as follows:

35 (1) If the name (~~(signed)~~) executed on a vote, consent, waiver, or  
36 proxy appointment corresponds to the name of a shareholder, the  
37 corporation, if acting in good faith, is entitled to accept the vote,

1 consent, waiver, or proxy appointment and give it effect as the act of  
2 the shareholder.

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

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

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

15 (c) The name ((~~signed~~)) executed purports to be that of a receiver  
16 or trustee in bankruptcy of the shareholder and, if the corporation  
17 requests, evidence of this status acceptable to the corporation has  
18 been presented with respect to the vote, consent, waiver, or proxy  
19 appointment;

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

25 (e) Two or more persons are the shareholder as cotenants or  
26 fiduciaries and the name ((~~signed~~)) executed purports to be the name of  
27 at least one of the coowners and the person signing appears to be  
28 acting on behalf of all the coowners.

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

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



1 (5) Corporate action based on the acceptance or rejection of a  
2 vote, consent, waiver, or proxy appointment under this section, or RCW  
3 23B.07.220(2) is valid unless a court of competent jurisdiction  
4 determines otherwise.

5 **Sec. 25.** RCW 23B.08.030 and 1994 c 256 s 29 are each amended to  
6 read as follows:

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

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

15 **Sec. 26.** RCW 23B.08.070 and 1989 c 165 s 86 are each amended to  
16 read as follows:

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

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

22 **Sec. 27.** RCW 23B.08.210 and 1989 c 165 s 92 are each amended to  
23 read as follows:

24 (1) Unless the articles of incorporation or bylaws provide  
25 otherwise, action required or permitted by this title to be taken at a  
26 board of directors' meeting may be taken without a meeting if the  
27 action is taken by all members of the board. The action must be  
28 evidenced by one or more (~~written~~) consents describing the action  
29 taken, (~~signed~~) executed by each director either before or after the  
30 action taken, and delivered to the corporation for inclusion in the  
31 minutes or filing with the corporate records, each of which consents  
32 shall be set forth either (a) in an executed record or (b) if the  
33 corporation has designated an address, location, or system to which the  
34 consents may be electronically transmitted and the consent is  
35 electronically transmitted to the designated address, location, or  
36 system, in an executed electronically transmitted record.

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

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

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

8 (1) A director may waive any notice required by this title, the  
9 articles of incorporation, or bylaws before or after the date and time  
10 stated in the notice, and such waiver shall be equivalent to the giving  
11 of such notice. Except as provided by subsection (2) of this section,  
12 the waiver must be (~~((in writing, signed))~~) delivered by the director  
13 entitled to the notice(~~((, and delivered))~~) to the corporation for  
14 inclusion in the minutes or filing with the corporate records, which  
15 waiver shall be set forth either (a) in an executed record or (b) if  
16 the corporation has designated an address, location, or system to which  
17 the waiver may be electronically transmitted and the waiver has been  
18 electronically transmitted to the designated address, location, or  
19 system, in an executed electronically transmitted record.

20 (2) A director's attendance at or participation in a meeting waives  
21 any required notice to the director of the meeting unless the director  
22 at the beginning of the meeting, or promptly upon the director's  
23 arrival, objects to holding the meeting or transacting business at the  
24 meeting and does not thereafter vote for or assent to action taken at  
25 the meeting.

26 **Sec. 29.** RCW 23B.08.240 and 1991 c 72 s 35 are each amended to  
27 read as follows:

28 (1) Unless the articles of incorporation or bylaws require a  
29 greater or lesser number, a quorum of a board of directors consists of  
30 a majority of the number of directors specified in or fixed in  
31 accordance with the articles of incorporation or bylaws.

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

36 (3) If a quorum is present when a vote is taken, the affirmative  
37 vote of a majority of directors present is the act of the board of

1 directors unless the articles of incorporation or bylaws require the  
2 vote of a greater number of directors.

3 (4) A director who is present at a meeting of the board of  
4 directors when action is taken is deemed to have assented to the action  
5 taken unless: (a) The director objects at the beginning of the  
6 meeting, or promptly upon the director's arrival, to holding it or  
7 transacting business at the meeting; (b) the director's dissent or  
8 abstention from the action taken is entered in the minutes of the  
9 meeting; or (c) the director delivers (~~written~~) notice of the  
10 director's dissent or abstention to the presiding officer of the  
11 meeting before its adjournment or to the corporation within a  
12 reasonable time after adjournment of the meeting. The right of dissent  
13 or abstention is not available to a director who votes in favor of the  
14 action taken.

15 **Sec. 30.** RCW 23B.08.600 and 1989 c 165 s 115 are each amended to  
16 read as follows:

17 If a corporation indemnifies or advances expenses to a director  
18 under RCW 23B.08.510, 23B.08.520, 23B.08.530, 23B.08.540, or 23B.08.560  
19 in connection with a proceeding by or in the right of the corporation,  
20 the corporation shall report the indemnification or advance in  
21 (~~writing~~) the form of a notice to the shareholders delivered with or  
22 before the notice of the next shareholders' meeting.

23 **Sec. 31.** RCW 23B.10.012 and 1998 c 23 s 9 are each amended to read  
24 as follows:

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

32 **Sec. 32.** RCW 23B.11.040 and 1989 c 165 s 134 are each amended to  
33 read as follows:

34 (1) A parent corporation owning at least ninety percent of the  
35 outstanding shares of each class of a subsidiary corporation may merge

1 the subsidiary into itself without approval of the shareholders of the  
2 parent or subsidiary.

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

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

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

9 (3) Within ten days after the corporate action is taken, the parent  
10 shall ~~((mail a copy of the plan of merger))~~ deliver a notice to each  
11 shareholder of the subsidiary, which notice shall include a copy of the  
12 plan of merger.

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

16 **Sec. 33.** RCW 23B.13.030 and 1989 c 165 s 142 are each amended to  
17 read as follows:

18 (1) A record shareholder may assert dissenters' rights as to fewer  
19 than all the shares registered in the shareholder's name only if the  
20 shareholder dissents with respect to all shares beneficially owned by  
21 any one person and ~~((notifies))~~ delivers to the corporation ~~((in~~  
22 ~~writing))~~ a notice of the name and address of each person on whose  
23 behalf the shareholder asserts dissenters' rights. The rights of a  
24 partial dissenter under this subsection are determined as if the shares  
25 as to which the dissenter dissents and the dissenter's other shares  
26 were registered in the names of different shareholders.

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

29 (a) The beneficial shareholder submits to the corporation the  
30 record shareholder's ~~((written))~~ consent to the dissent not later than  
31 the time the beneficial shareholder asserts dissenters' rights, which  
32 consent shall be set forth either (i) in a record or (ii) if the  
33 corporation has designated an address, location, or system to which the  
34 consent may be electronically transmitted and the consent is  
35 electronically transmitted to the designated address, location, or  
36 system, in an electronically transmitted record; and

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

4 **Sec. 34.** RCW 23B.13.200 and 1989 c 165 s 143 are each amended to  
5 read as follows:

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

11 (2) If corporate action creating dissenters' rights under RCW  
12 23B.13.020 is taken without a vote of shareholders, the corporation,  
13 within ten days after (~~{the}~~) the effective date of such corporate  
14 action, shall (~~(notify in writing)~~) deliver a notice to all  
15 shareholders entitled to assert dissenters' rights that the action was  
16 taken and send them the (~~(dissenters')~~) notice described in RCW  
17 23B.13.220.

18 **Sec. 35.** RCW 23B.13.210 and 1989 c 165 s 144 are each amended to  
19 read as follows:

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

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

30 **Sec. 36.** RCW 23B.13.220 and 1989 c 165 s 145 are each amended to  
31 read as follows:

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

1 (2) The ((dissenters<sup>L</sup>)) notice must be sent within ten days after  
2 the effective date of the corporate action, and must:

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

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

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

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

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

17 **Sec. 37.** RCW 23B.13.230 and 1989 c 165 s 146 are each amended to  
18 read as follows:

19 (1) A shareholder sent a ((dissenters<sup>L</sup>)) notice described in RCW  
20 23B.13.220 must demand payment, certify whether the shareholder  
21 acquired beneficial ownership of the shares before the date required to  
22 be set forth in the ((dissenters<sup>L</sup>)) notice pursuant to RCW  
23 23B.13.220(2)(c), and deposit the shareholder's certificates, all in  
24 accordance with the terms of the notice.

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

29 (3) A shareholder who does not demand payment or deposit the  
30 shareholder's share certificates where required, each by the date set  
31 in the ((dissenters<sup>L</sup>)) notice, is not entitled to payment for the  
32 shareholder's shares under this chapter.

33 **Sec. 38.** RCW 23B.13.280 and 1989 c 165 s 151 are each amended to  
34 read as follows:

35 (1) A dissenter may ((notify)) deliver a notice to the corporation  
36 informing the corporation ((in writing)) of the dissenter's own  
37 estimate of the fair value of the dissenter's shares and amount of

1 interest due, and demand payment of the dissenter's estimate, less any  
2 payment under RCW 23B.13.250, or reject the corporation's offer under  
3 RCW 23B.13.270 and demand payment of the dissenter's estimate of the  
4 fair value of the dissenter's shares and interest due, if:

5 (a) The dissenter believes that the amount paid under RCW  
6 23B.13.250 or offered under RCW 23B.13.270 is less than the fair value  
7 of the dissenter's shares or that the interest due is incorrectly  
8 calculated;

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

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

15 (2) A dissenter waives the right to demand payment under this  
16 section unless the dissenter notifies the corporation of the  
17 dissenter's demand (~~((in writing))~~) under subsection (1) of this section  
18 within thirty days after the corporation made or offered payment for  
19 the dissenter's shares.

20 **Sec. 39.** RCW 23B.14.392 and 1998 c 23 s 10 are each amended to  
21 read as follows:

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

29 **Sec. 40.** RCW 23B.15.032 and 1998 c 23 s 11 are each amended to  
30 read as follows:

31 For those corporations that have a certificate of authority, are  
32 applying for, or intend to apply for a certificate of authority from  
33 the insurance commissioner as an insurance company under chapter 48.05  
34 RCW, whenever under this chapter corporate (~~((documents))~~) records are  
35 required to be filed with the secretary of state, the (~~((documents))~~)  
36 records shall be filed with the insurance commissioner rather than the  
37 secretary of state.

1       **Sec. 41.** RCW 23B.15.070 and 1989 c 165 s 175 are each amended to  
2 read as follows:

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

5       (a) A registered office which may be, but need not be, the same as  
6 its place of business in this state. The registered office shall be at  
7 a specific geographic location in this state, and be identified by  
8 number, if any, and street, building address, or rural route, or, if a  
9 commonly known street or rural route address does not exist, by legal  
10 description. A registered office may not be identified by post office  
11 box number or other nongeographic address. For purposes of  
12 communicating by mail, the secretary of state may permit the use of a  
13 post office address in the same city as the registered office to be  
14 used in conjunction with the registered office address if the  
15 corporation also maintains on file the specific geographic address of  
16 the registered office where personal service of process may be made.

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

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

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

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

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

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

30       (2) A registered agent shall not be appointed without having given  
31 prior ~~((written))~~ consent in a record to the appointment. The  
32 ~~((written))~~ consent shall be filed with the secretary of state in such  
33 form as the secretary of state may prescribe. The ~~((written))~~ consent  
34 shall be filed with or as a part of the ~~((document))~~ record first  
35 appointing a registered agent. In the event any individual or  
36 corporation has been appointed agent without consent, that person or  
37 corporation may file a notarized statement attesting to that fact, and  
38 the name shall forthwith be removed from the records.



1       **Sec. 42.** RCW 23B.15.080 and 1989 c 165 s 176 are each amended to  
2 read as follows:

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

7       (a) Its name;

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

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

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

17       (2) If a registered agent changes the street address of the agent's  
18 business office, the registered agent may change the street address of  
19 the registered office of any foreign corporation for which the agent is  
20 the registered agent by notifying the corporation (~~in writing of the~~  
21 ~~change and signing, either manually or in facsimile,~~) of the change  
22 either (a) in a record or (b) if the corporation has designated an  
23 address, location, or system to which the notices may be electronically  
24 transmitted and the registered agent electronically transmits the  
25 notice to the corporation at the designated address, location, or  
26 system, in an electronically transmitted record, and delivering to the  
27 secretary of state for filing a statement of change that complies with  
28 the requirements of subsection (1) of this section and recites that the  
29 corporation has been notified of the change.

30       **Sec. 43.** RCW 23B.16.010 and 1991 c 72 s 40 are each amended to  
31 read as follows:

32       (1) A corporation shall keep as permanent records minutes of all  
33 meetings of its shareholders and board of directors, a record of all  
34 actions taken by the shareholders or board of directors without a  
35 meeting, and a record of all actions taken by a committee of the board  
36 of directors exercising the authority of the board of directors on  
37 behalf of the corporation.

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

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

5 (4) A corporation shall maintain its records in written form or in  
6 another form capable of conversion into written form within a  
7 reasonable time.

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

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

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

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

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

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

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

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

25 **Sec. 44.** RCW 23B.16.020 and 1989 c 165 s 183 are each amended to  
26 read as follows:

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

33 (2) A shareholder of a corporation is entitled to inspect and copy,  
34 during regular business hours at a reasonable location specified by the  
35 corporation, any of the following records of the corporation if the  
36 shareholder meets the requirements of subsection (3) of this section  
37 and gives the corporation (~~written~~) notice of the shareholder's

1 demand at least five business days before the date on which the  
2 shareholder wishes to inspect and copy:

3 (a) Excerpts from minutes of any meeting of the board of directors,  
4 records of any action of a committee of the board of directors while  
5 exercising the authority of the board of directors, minutes of any  
6 meeting of the shareholders, and records of action taken by the  
7 shareholders or board of directors without a meeting, to the extent not  
8 subject to inspection under subsection (1) of this section;

9 (b) Accounting records of the corporation; and

10 (c) The record of shareholders.

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

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

15 (b) The shareholder describes with reasonable particularity the  
16 shareholder's purpose and the records the shareholder desires to  
17 inspect; and

18 (c) The records are directly connected with the shareholder's  
19 purpose.

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

23 (5) This section does not affect:

24 (a) The right of a shareholder to inspect records under RCW  
25 23B.07.200 or, if the shareholder is in litigation with the  
26 corporation, to the same extent as any other litigant; or

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

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

32 **Sec. 45.** RCW 23B.16.200 and 1989 c 165 s 186 are each amended to  
33 read as follows:

34 (1) Not later than four months after the close of each fiscal year,  
35 and in any event prior to the annual meeting of shareholders, each  
36 corporation shall prepare (a) a balance sheet showing in reasonable  
37 detail the financial condition of the corporation as of the close of  
38 its fiscal year, and (b) an income statement showing the results of its

1 operation during its fiscal year. Such statements may be consolidated  
2 or combined statements of the corporation and one or more of its  
3 subsidiaries, as appropriate. If financial statements are prepared by  
4 the corporation for any purpose on the basis of generally accepted  
5 accounting principles, the annual statements must also be prepared, and  
6 disclose that they are prepared, on that basis. If financial  
7 statements are prepared only on a basis other than generally accepted  
8 accounting principles, they must be prepared, and disclose that they  
9 are prepared, on the same basis as other reports and statements  
10 prepared by the corporation for the use of others.

11 (2) Upon (~~written~~) request, the corporation shall promptly  
12 (~~mail~~) deliver to any shareholder a copy of the most recent balance  
13 sheet and income statement, which request shall be set forth either (a)  
14 in a record or (b) if the corporation has designated an address,  
15 location, or system to which the request may be electronically  
16 transmitted and the request is electronically transmitted to the  
17 corporation at the designated address, location, or system, in an  
18 electronically transmitted record. If prepared for other purposes, the  
19 corporation shall also furnish upon (~~written~~) the request a statement  
20 of sources and applications of funds, and a statement of changes in  
21 shareholders' equity, for the most recent fiscal year.

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

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

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

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

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