



Excerpt from IICLE® 2024 edition of *Business Law: Choice of Entity*
Chapter 6 "Corporate Operating and Maintenance Issues"

For more information or inquiries, please contact Todd Young and Connie Mayer.

Download their vCards here: [Todd's vCard](#) | [Connie's vCard](#).



The chapter from which this excerpt was taken was first published by IICLE® in the 2024 edition of Business Law: Choice of Entity and is posted or reprinted with permission.

The Book containing this chapter and any forms referenced herein is available for purchase at www.iicle.com or by calling 217-787-2080.

6

Corporate Operating and Maintenance Issues

TODD M. YOUNG
CONNIE M. MAYER
Hinshaw & Culbertson LLP
Chicago

I. Introduction

- A. [6.1] Scope of Chapter
- B. [6.2] Relevant State and Federal Agencies

II. Reports, Forms, Fees, and Basic Organizational Documents

- A. [6.3] Corporate Formalities Generally — The Corporate Veil
- B. [6.4] Reports and Forms
- C. [6.5] Annual Report
- D. [6.6] Report of Issuance of Shares and Other Reports
- E. [6.7] Penalties
- F. [6.8] Basic Organizational Documents
- G. [6.9] Assumed Corporate Name
- H. [6.10] Common Filing Mistakes

III. Shareholders' Meetings

- A. [6.11] General Scope
- B. [6.12] Need for Shareholders' Meetings
- C. [6.13] Call and Notice
- D. [6.14] Quorum and Vote Requirements
- E. [6.15] Inspectors of Election
- F. [6.16] Voting Rights of Shareholders; Voting by Proxy; Other Shareholder Rights
- G. [6.17] Election of Directors; Cumulative Voting; Staggered Board
- H. [6.18] Time and Place of Shareholders' Meetings
- I. [6.19] Electronic Meetings of Shareholders
- J. [6.20] Directors' Resolution Authorizing Annual Shareholders' Meeting
- K. [6.21] Call of Special Meeting
- L. [6.22] Notice of Meeting
- M. [6.23] Waiver of Notice
- N. [6.24] Agenda for Annual Shareholders' Meeting
- O. [6.25] Conduct of Annual Shareholders' Meeting
- P. [6.26] Certificate of Inspectors of Election
- Q. [6.27] Minutes of Shareholders' Meeting
- R. [6.28] Shareholders' Action by Written Consent
- S. [6.29] Solicitation of Proxies Generally; Proxies for Public Companies
 - 1. [6.30] Ballot-Type Proxy
 - 2. [6.31] General Proxy for Specific Meeting or Period of Time
 - 3. [6.32] Proxy with Limitation on Authority or for Particular Purpose
 - 4. [6.33] Revocation of Proxy

IV. Directors' Meetings

- A. [6.34] General Scope
- B. [6.35] Directors' Meetings; Quorum; Written Consents; Electronic Meetings
- C. [6.36] Legal Authority of Directors
- D. [6.37] Duties of Directors
- E. [6.38] Corporate Governance and Conflicts of Interest
- F. [6.39] Liabilities of Directors Under §8.65 of the Business Corporation Act of 1983
- G. [6.40] Indemnification and Insurance
- H. Forms for Directors' Meetings and Written Consents
 - 1. [6.41] Call of Meeting
 - 2. [6.42] Notice of Meeting
 - 3. [6.43] Waiver of Notice
 - 4. [6.44] Minutes of Directors' Meetings
 - 5. [6.45] Directors' Action by Written Consent
- I. [6.46] Directors' Resolutions
 - 1. [6.47] Form of Resolution
 - 2. [6.48] Certificate of Adoption of Resolution
 - 3. [6.49] Resolution Electing Officers and Establishing Salary
 - 4. [6.50] Resolution Approving Contract
 - 5. [6.51] Resolution Approving Contract with Interested Director
- J. [6.52] Advisory Directors

V. Amendment of Articles of Incorporation

- A. [6.53] Reasons for Amending Articles of Incorporation
- B. [6.54] Adoption and Approval
- C. [6.55] Preparing and Filing Articles of Amendment

VI. Dividends

- A. [6.56] In General
- B. [6.57] Declaration of Dividends
- C. Forms of Dividend Declaration
 - 1. [6.58] Cash Dividends
 - 2. [6.59] Property Dividends
 - 3. [6.60] Stock Dividends and Stock Splits

VII. Consolidations, Mergers, Share Exchanges, Asset Sales, and Basic Contracting

- A. [6.61] Types of Corporate Consolidations
- B. [6.62] Procedure for Consolidations, Mergers, and Share Exchanges and the Effects Thereof
- C. [6.63] Securities Law Requirements
- D. [6.64] Rights of Dissenting Shareholders
- E. [6.65] Business Combinations with Interested Shareholders
- F. [6.66] Asset Sale Transactions
- G. [6.67] Antitakeover Statute and Fair Price Statute
- H. [6.68] Basic Contracting

VIII. Dissolution

- A. [6.69] Purposes
- B. [6.70] Dissolution Procedures
- C. [6.71] Involuntary Dissolution
- D. [6.72] Effect of Dissolution
- E. [6.73] Post-Dissolution Survival of Actions by and Against Dissolved Corporations
- F. [6.74] Revocation of Dissolution

IX. Additional Operating Issues

- A. [6.75] Acquisition by a Corporation of Its Own Shares
- B. [6.76] Share Certificates and Share Transfers
- C. [6.77] Foreign Corporations
- D. [6.78] Shareholder Agreements
- E. [6.79] Resignations and Removals
 - 1. [6.80] Resignations of Directors and Officers
 - 2. [6.81] Removals of Directors and Officers
- F. [6.82] Shareholder Remedies Under §12.56 of the Business Corporation Act of 1983

X. Appendix — Sample Forms

- A. [6.83] Script for Annual Shareholders' Meeting
 - 1. [6.84] Responses to Disruptive Shareholder Conduct
 - a. [6.85] Request for Quiet
 - b. [6.86] Second Warning
 - c. [6.87] Removal of Shareholder
 - d. [6.88] Recess of Meeting

- 2. [6.89] Response to Shareholder Nomination of Additional Nominees
- 3. [6.90] Response to Shareholder Motion
- B. [6.91] Merger Resolutions
- C. [6.92] Plan of Merger
- D. [6.93] Directors' Resolution Authorizing Annual Shareholders' Meeting
- E. [6.94] Call of Special Meeting of Shareholders
- F. [6.95] Notice of Meeting of Shareholders and Affidavit of Mailing
- G. [6.96] Waiver of Notice of Shareholders' Meeting
- H. [6.97] Agenda for Annual Shareholders' Meeting
- I. [6.98] Certificate of Inspectors of Election for Shareholders' Meeting
- J. [6.99] Minutes of Shareholders' Meeting
- K. [6.100] Shareholders' Action by Written Consent
- L. [6.101] Ballot-Type Proxy
- M. [6.102] General Proxy for Specific Meeting or Period of Time
- N. [6.103] Proxy with Limitation on Authority or for Particular Purpose
- O. [6.104] Revocation of Proxy
- P. [6.105] Call of Meeting of Board of Directors
- Q. [6.106] Notice of Meeting of Board of Directors
- R. [6.107] Waiver of Notice of Meeting of Board of Directors
- S. [6.108] Minutes of Directors' Meeting
- T. [6.109] Directors' Action by Written Consent
- U. [6.110] Directors' Resolutions
- V. [6.111] Certificate of Adoption of Directors' Resolutions
- W. [6.112] Directors' Resolution Electing Officers and Establishing Salary
- X. [6.113] Directors' Resolution Approving Contract
- Y. [6.114] Directors' Resolution Approving Contract with Interested Director
- Z. [6.115] Directors' Resolution Declaring Cash Dividend
- AA. [6.116] Directors' Resolution Declaring Property Dividend
- BB. [6.117] Directors' Resolution Declaring Stock Dividend
- CC. [6.118] Director's Resignation Letter