

September 1987 Spec. Sess.
Assembly Bill 1

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1987 Wisconsin Act 44

AN ACT to amend 180.155 of the statutes, relating to the conditions on stock rights and options.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

SECTION 1. Legislative declaration. It is declared that many corporations have issued stock rights or options which include conditions that, among other things, preclude the holder or holders of a specified percentage of the outstanding shares of the corporation from exercising those rights or options. The courts of this state have not determined the validity of these rights and options. The legislature intends to make clear that these rights and options, which provide important benefits to corporations chartered in this state and to the shareholders of those corporations, have been and continue to be valid under the laws of this state.

SECTION 2. 180.155 of the statutes is amended to read:

180.155 Stock rights and options. Subject to any provisions set forth in its articles of incorporation before the creation and issuance of the rights or options, a corporation may create and issue, whether or not in connection with the issuance and sale of any of its shares or other securities, rights or options entitling the holders thereof to purchase from the corporation shares of any class or classes. The rights or options may contain provisions which adjust the rights or options in the event of an acquisition of

shares or a reorganization, merger, consolidation, sale of assets or other occurrence. Such rights or options shall be evidenced in such manner as the board of directors shall approve and, subject to the provisions of the articles of incorporation, shall set forth the terms upon which, the time within which and the price at which such shares may be purchased from the corporation upon the exercise of any such right or option. In the absence of fraud in the transaction, the judgment of the board of directors as to the adequacy of the consideration received for such rights or options shall be conclusive. The price to be received for any shares having a par value, other than treasury shares to be issued upon the exercise of such rights or options, shall not be less than the par value thereof. Notwithstanding s. 180.12 (3) and any other provision of this chapter, and unless otherwise provided in the articles of incorporation before the creation or issuance of the rights or options, a corporation may before, on or after the effective date of this section [revisor inserts date], create and issue rights or options which include conditions that prevent the holder of a specified percentage of the outstanding shares of the corporation, including subsequent transferees of the holder, from exercising those rights or options.

SECTION 3. Effective date. This act takes effect retroactive to April 30, 1972.