

17-7211. Management of close corporation by stockholders. The articles of incorporation of a close corporation may provide that the business of the corporation shall be managed by the stockholders of the corporation, rather than by a board of directors. So long as this provision continues in effect: (1) No meeting of stockholders need be called to elect directors; (2) unless the context clearly requires otherwise, the stockholders of the corporation shall be deemed to be directors for purposes of applying provisions of this act; (3) unless provided otherwise in the articles of incorporation or by agreement made between the stockholders, action by stockholders shall be taken by the voting of shares of stock in the same manner as provided in K.S.A. 17-6502(a); and (4) the stockholders of the corporation shall be subject to all liabilities of directors. Such a provision may be inserted in the articles of incorporation by amendment, if all incorporators and subscribers or all holders of record of all of the outstanding stock, whether or not having voting power, authorize such a provision. An amendment to the articles of incorporation to delete such a provision shall be adopted by a vote of the holders of a majority of all outstanding stock of the corporation, whether or not otherwise entitled to vote. If the articles of incorporation contain a provision authorized by this section, the existence of such provision shall be noted conspicuously on the face or back of every stock certificate issued by such corporation.

History: L. 1972, ch. 52, § 135; L. 1975, ch. 145, §1; July 1.