

**271B.6-020 Terms of class or series determined by board of directors -- Articles of amendment.**

- (1) If the articles of incorporation so provide, the board of directors may determine, in whole or in part, the preferences, limitations, and relative rights, within the limits set forth in KRS 271B.6-010, of:
  - (a) Any class of shares before the issuance of any shares of that class; or
  - (b) One (1) or more series within a class before the issuance of any shares of that series.
- (2) Each series of a class shall be given a distinguishing designation.
- (3) All shares of a series shall have preferences, limitations, and relative rights identical with those of other shares of the same series and, except to the extent otherwise provided in the description of the series, with those of other series of the same class.
- (4) Before issuing any shares of a class or series created under this section, the corporation shall deliver to the Secretary of State for filing articles of amendment, which are effective without shareholder action, that set forth:
  - (a) The name of the corporation;
  - (b) The text of the amendment determining the terms of the class or series of shares;
  - (c) The date it was adopted; and
  - (d) A statement that the amendment was duly adopted by the board of directors.
- (5) The board of directors may adopt articles of amendment without shareholder action to make any of the following changes to a class or series created under this section:
  - (a) Increase the number of shares of a series but not above the total number of authorized and unissued shares of the class;
  - (b) Decrease the number of shares of a series but not below the number of shares of the series then issued and outstanding;
  - (c) Amend the designation, preferences, limitations, or relative rights of the shares of a class or series if no shares of the class or series are then issued or outstanding; or
  - (d) Eliminate the designation of, and all references to, a series from the articles of incorporation if no shares of the series are then issued and outstanding.
- (6) If an amendment reduces the number of shares of a series, or eliminates a series, the shares previously subject to issuance in the series shall return to the status they had before the creation of the series.
- (7) Articles of amendment adopted pursuant to subsection (5) of this section shall be delivered to the Secretary of State for filing and shall state:
  - (a) The name of the corporation;
  - (b) The designation of the class or series subject to the amendment;
  - (c) The text of the amendment changing the class or series;
  - (d) The date the amendment was adopted; and

(e) A statement that the amendment was duly adopted by the board of directors.

**Effective:** July 15, 2002

**History:** Amended 2002 Ky. Acts ch. 102, sec. 8, effective July 15, 2002. -- Created 1988 Ky. Acts ch. 23, sec. 34, effective January 1, 1989.