

31. (Articles of Reduction.) (a) The articles of reduction shall set forth:

(1) The amount of stated capital prior to the reduction and, if divided by classes, the amount of each class.

(2) The amount of the reduction of the stated capital and, if divided by classes, the amount of each class.

(3) The method of effecting the reduction.

(4) The amount of stated capital as reduced and, if divided by classes, the amount of each class.

(5) A statement that the reduction has been authorized by the board of directors or advised by the board of directors and approved by the stockholders, as the case may be.

(b) Articles of reduction and amendment shall set forth the matters required to be set forth in articles of amendment and in articles of reduction.

(c) The articles of reduction, or articles of reduction and amendment, shall be signed and acknowledged in the name and on behalf of the corporation by the president or a vice-president, the corporate seal shall be affixed and attested by the secretary or assistant secretary, and the matters and facts set forth in said articles with respect to authorization or approval shall be verified under oath by the chairman or the secretary of the meeting at which the action was finally authorized or approved.

32. (Effect of Reduction of Stated Capital.) (a) Any stock retired by a corporation shall thereafter have the status of authorized but unissued stock and, until the classification thereof is changed, shall retain the classification obtaining before such retirement; provided, however, that if under the charter the stock so retired may not be re-issued, the authorized stock of the class of which such shares are a part, shall be deemed to have been decreased by the number of shares of such stock so retired.

(b) Any surplus arising from a reduction in the amount of the stated capital shall be deemed to be capital surplus and may be made the basis of distributions or payments to stockholders and of releases of the liability of stockholders whose shares have not been fully paid, provided the net assets of the corporation remaining after such distribution, payment or release are at least equal to the aggregate preferential amounts payable in the event of voluntary liquidation to the holders of all shares having rights preferred to the rights of holders of the shares receiving such distribution, payment or release.