
DIGEST

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HB 743 Original

2015 Regular Session

Foil

Abstract: Makes various changes to the Business Corporation Act.

Proposed law defines "votes entitled to be cast" as the number of votes in a voting group that will be cast at a meeting where all shares in the voting group are present and voting.

Present law provides for articles of incorporation to permit or obligate corporate indemnification of a director for "liability", as defined in present law, to any director for any action taken or failure to take any action as a director. Provides for exceptions. Proposed law retains present law and adds a corporate officer for whom the articles may permit or obligate indemnification.

Present law authorizes a registered agent to be a domestic or foreign corporation or other eligible entity. Further requires such registered agent to make certain filings with the secy. of state. Proposed law retains present law and adds the filing requirement of a statement setting forth the name of at least 2 individuals at the registered agent's address in the state of La., each of whom is authorized to receive process served on it as such agent.

Present law authorizes a corporation to change its registered office or the identity or address of its registered agent by requiring the corporation's filing of a statement with the secy. of state setting forth certain information. Proposed law retains present law and further requires such corporation to file with the secy. of state the name of at least 2 individuals at its address in the state of La., each of whom is authorized to receive process served on it as such agent.

Present law provides for a corporation's registered agent to be the corporation's agent for service of process. Proposed law retains present law and authorizes service of process to be made on an individual identified as authorized to receive service for the registered agent, if there is a statement to this effect filed with the secy. of state.

Present law provides for a director's or officer's protection against personal liability for monetary damages. Further deems articles of incorporation of a corporation formed before Jan. 1, 2015 to include a statement accepting the protection against liability provided for in present law, unless the corporation, in a provision of the articles in effect on Dec. 31, 2014, or in an amendment of the articles adopted after Dec. 31, 2014, tacitly or expressly fails to provide protection against a director's or officer's personal liability to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director or officer.

Present law provides for the right of shareholders and oppressed shareholders to withdraw from a

corporation. Present law (R.S. 12:1-1436) provides for judicial determination of a withdrawing shareholder's fair value of shares. Proposed law retains present law.

Proposed law provides for the fair value of a shareholder's or oppressed shareholder's shares to be determined as of the effective date of the shareholder's notice of withdrawal pursuant to present law (R.S. 12:1-1435(D)).

Present law provides for the context of transactions requiring appraisal as described in present law (R.S.12:1-1301(4)). Proposed law defines the context of transactions requiring appraisal as a sale of the entire corporation in an arm's length transaction between the corporation and a person owning all of the stock of a corporation.

Present law provides for the secy. of state to terminate the existence of a corporation by filing a certificate of termination stating the grounds for termination. Further requires the secy. of state to serve a copy of the certificate of termination to the corporation. Proposed law removes the service requirement of the secy. of state.

(Amends R.S. 12:1-202(B)(5)(intro. para.), 1-501(2)(b)(intro. para.) and (i), 1-502(A)(5), 1-504(A), 1-1435(C), 1-1436(D), (E)(intro. para.), (1)(intro. para.), and (2), and 1-1442(A)(2) and (C); Adds R.S. 12:1-140(25B), 1-501(2)(b)(ii), 1-502(A)(7), and 1-832(D))