

2015 Regular Session

HOUSE RESOLUTION NO. 136

BY REPRESENTATIVE LORUSSO

CORPORATIONS: Requests the Louisiana State Law Institute to study and make recommendations with respect to the implementation of laws relative to minority shareholders in closely held corporations

1 A RESOLUTION

2 To urge and request the Louisiana State Law Institute to study and make recommendations
3 with respect to laws to be made applicable to minority shareholders in closely held
4 corporations.

5 WHEREAS, Louisiana state laws are minimal with respect to minority shareholders
6 in closely held corporations; and

7 WHEREAS, in a typical corporation, governing authority is found within an elected
8 board of directors; and

9 WHEREAS, majority shareholders may have voting power to control the board
10 which may adversely affect the rights of minority shareholders, including the rights of such
11 shareholders to be elected to the board, their receipt of dividend payments, employment
12 contracts within the corporation, and other actions that may affect participation or financial
13 rights; and

14 WHEREAS, in a closely held corporation, these actions may be particularly adverse
15 to minority shareholders because their investment in the corporation may be almost
16 exclusively affected by majority shareholders; and

17 WHEREAS, in an effort to increase fairness to minority shareholders in closely held
18 corporations, it is necessary to implement additional laws in this state relative to minority
19 shareholders, particularly including such shareholders' right of first refusal to purchase
20 property owned by a closely held corporation, the right to inspect the corporate records of

1 a closely held corporation, and the right to receive written notice from a closely held
2 corporation as it pertains to the purchase, sale, or lease of corporate property.

3 THEREFORE, BE IT RESOLVED that the House of Representatives of the
4 Legislature of Louisiana does hereby urge and request the Louisiana State Law Institute to
5 study and make recommendations with
6 respect to laws to be made applicable to minority shareholders in closely held corporations
7 and to report its findings and recommendations to the legislature.

8 BE IT FURTHER RESOLVED that the Louisiana State Law Institute may evaluate
9 laws and procedures of other states relative to minority shareholders' rights of first refusal
10 to purchase property owned by the closely held corporation, rights and processes with
11 respect to the inspection of corporate records of a closely held corporation, and the right to
12 receive written notice from the closely held corporation as it pertains to the purchase, sale,
13 or lease of corporate property.

14 BE IT FURTHER RESOLVED that a copy of this Resolution be transmitted to the
15 Louisiana State Law Institute.

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

HR 136 Original

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Lorusso

Requests the La. State Law Institute to study and make recommendations with respect to laws to be made applicable to minority shareholders in closely held corporations. Requests a report of findings and recommendations to be made to the legislature.