

Bill Summary
1st Session of the 58th Legislature

Bill No.:	SB 228
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Author:	Sen. Montgomery
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Bill Analysis

SB 228 modifies certain provisions of the Oklahoma General Corporation Act. The measure authorizes written notice to be provided in an electronic format as it applies to organization meetings of a corporate board and notification applying to the transfer of stock. The measure additionally authorizes members of a board to consent to an action that will be effective at a future time, provided the action occurs within 60 days. The measure also creates a new section of law governing the document form, signature requirements, and delivery requirements of electronic documents.

The measure provides for the issuance of capitol stock to be issued in one or more transactions in a manner outlined in a resolution passed by the board. The resolution must fix a maximum number of shares that may be issued and a schedule of issuance. Stock may be issued in a manner dependent upon facts ascertainable outside the formula adopted by the board, provided the manner in which such facts shall operate upon the formula is clearly and expressly set forth in the formula or in the resolution approving the formula.

The measure states that a corporation may not send defective corporate act to its shareholders for ratification provided there are no shares of valid stock outstanding and entitled to vote. The measure also defines a stock ledger to mean records administered by or on behalf of the corporation in which the names of all the corporation's shareholders of record, the address and number of shares registered in the name of each such shareholder, and all issuances and transfers of stock of the corporation are recorded. The measure removes outdated language relating to telegrams and replaces it with electronic transmissions as it relates to granting consent for certain actions.

The measure requires corporation merger agreements to clearly show any changes made to the certificate of incorporation of the surviving corporation or a statement showing that the merger shall not amend the certificate if the merger includes a domestic corporation. In cases of consolidation, the certificate must be as set forth in the consolidation agreement.

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