



Substitute House Bill No. 7311

Public Act No. 17-108

AN ACT CONCERNING LIMITED LIABILITY COMPANIES AND BUSINESS CORPORATIONS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 33-756 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) [A director shall discharge his duties as a director, including his duties as a member of a committee] Each member of the board of directors, when discharging the duties of a director, shall act: (1) In good faith; [(2) with the care an ordinarily prudent person in a like position would exercise under similar circumstances; and (3)] and (2) in a manner [he] the director reasonably believes to be in the best interests of the corporation.

[(b) In discharging his duties a director is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, if prepared or presented by: (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the matters presented; (2) legal counsel, public accountants or other persons as to matters the director reasonably believes are within the person's professional or expert competence; or (3) a committee of the

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board of directors of which he is not a member if the director reasonably believes the committee merits confidence.

(c) A director is not acting in good faith if he has knowledge concerning the matter in question that makes reliance otherwise permitted by subsection (b) of this section unwarranted.

(d) For purposes of sections 33-817, 33-830, 33-831, 33-841 and 33-844, a director of a corporation which has a class of voting stock registered pursuant to Section 12 of the Securities Exchange Act of 1934, as the same has been or hereafter may be amended from time to time, in addition to complying with the provisions of subsections (a) to (c), inclusive, of this section, may consider, in determining what he reasonably believes to be in the best interests of the corporation, (1) the long-term as well as the short-term interests of the corporation, (2) the interests of the shareholders, long-term as well as short-term, including the possibility that those interests may be best served by the continued independence of the corporation, (3) the interests of the corporation's employees, customers, creditors and suppliers, and (4) community and societal considerations including those of any community in which any office or other facility of the corporation is located. A director may also in his discretion consider any other factors he reasonably considers appropriate in determining what he reasonably believes to be in the best interests of the corporation.

(e) A director is not liable for any action taken as a director, or any failure to take any action, if he performed the duties of his office in compliance with this section.

(f) A director is not liable under this section for any act or omission in the course of performing the duties of a director under subsection (a) of section 33-1358 if the director performed such duties in compliance with this section and section 33-1358.]

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(b) The members of the board of directors or a board committee, when becoming informed in connection with their decision-making function or devoting attention to their oversight function, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.

(c) In discharging board or committee duties, a director shall disclose, or cause to be disclosed, to the other board or committee members information not already known by them but known by the director to be material to the discharge of their decision-making or oversight functions, except that disclosure is not required to the extent that the director reasonably believes that doing so would violate a duty imposed under law, a legally enforceable obligation of confidentiality, or a professional ethics rule.

(d) In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on the performance by any of the persons specified in subdivision (1) or (3) of subsection (f) of this section to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one or more of the board's functions that are delegable under applicable law.

(e) In discharging board or committee duties, a director who does not have knowledge that makes reliance unwarranted is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in subsection (f) of this section.

(f) A director is entitled to rely, in accordance with subsection (d) or (e) of this section, on: (1) One or more officers or employees of the corporation whom the director reasonably believes to be reliable and competent in the functions performed or the information, opinions, reports or statements provided; (2) legal counsel, public accountants or

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other persons retained by the corporation as to matters involving skills or expertise the director reasonably believes are matters (A) within the particular person's professional or expert competence, or (B) as to which the particular person merits confidence; or (3) a board committee of which the director is not a member if the director reasonably believes the committee merits confidence.

(g) For the purposes of sections 33-817, as amended by this act, 33-830, 33-831, 33-841 and 33-844, a director of a corporation that has a class of voting stock registered pursuant to Section 12 of the Securities Exchange Act of 1934, as the same has been or hereafter may be amended from time to time, in addition to complying with the provisions of subsections (a) to (c), inclusive, of this section, may consider, in determining what the director reasonably believes to be in the best interests of the corporation, (1) the long-term as well as the short-term interests of the corporation, (2) the interests of the shareholders, long-term as well as short-term, including the possibility that those interests may be best served by the continued independence of the corporation, (3) the interests of the corporation's employees, customers, creditors and suppliers, and (4) community and societal considerations, including those of any community in which any office or other facility of the corporation is located. A director may also consider, in the discretion of such director, any other factors the director reasonably considers appropriate in determining what the director reasonably believes to be in the best interests of the corporation.

Sec. 2. (NEW) (*Effective October 1, 2017*) (a) A director shall not be liable to the corporation or its shareholders for any decision to take or not to take action, or any failure to take any action, as a director, unless the party asserting liability in a proceeding establishes that:

(1) No defense interposed by the director based on (A) any provision in the certificate of incorporation authorized by subdivision

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(4) or (6) of subsection (b) of section 33-636 of the general statutes, as amended by this act, or (B) the protection afforded by section 33-782 of the general statutes, for action taken in compliance with section 33-783 or 33-784 of the general statutes, as amended by this act, or (C) the protection afforded by section 33-785 of the general statutes, as amended by this act, precludes liability of the director; and

(2) The challenged conduct consisted of or was the result of (A) an action not in good faith; (B) a decision (i) which the director did not reasonably believe to be in the best interests of the corporation, or (ii) as to which the director was not informed to an extent the director reasonably believed appropriate in the circumstances; (C) a lack of objectivity due to the director's familial, financial or business relationship with, or a lack of independence due to the director's domination or control by, another person having a material interest in the challenged conduct (i) which relationship or which domination or control could reasonably be expected to have affected the director's judgment respecting the challenged conduct in a manner adverse to the corporation, and (ii) after a reasonable expectation to such effect has been established, the director has not established that the challenged conduct was reasonably believed by the director to be in the best interests of the corporation; (D) a sustained failure of the director to devote attention to ongoing oversight of the business and affairs of the corporation, or a failure to devote timely attention, by making, or causing to be made, appropriate inquiry, when particular facts and circumstances of significant concern materialize that would alert a reasonably attentive director to the need for such inquiry; or (E) the receipt of a financial benefit to which the director was not entitled or any other breach of the director's duties to deal fairly with the corporation and its shareholders that is actionable under applicable law.

(b) The party seeking to hold the director liable:

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(1) For money damages, shall also have the burden of establishing that (A) harm to the corporation or its shareholders has been suffered, and (B) the harm suffered was proximately caused by the director's challenged conduct;

(2) For other money payment under a legal remedy, such as compensation for the unauthorized use of corporate assets, shall also have whatever persuasion burden may be called for to establish that the payment sought is appropriate in the circumstances; or

(3) For other money payment under an equitable remedy, such as profit recovery by or disgorgement to the corporation, shall also have whatever persuasion burden may be called for to establish that the equitable remedy sought is appropriate in the circumstances.

(c) Nothing in this section shall:

(1) In any instance where fairness is at issue, such as consideration of the fairness of a transaction to the corporation under subdivision (3) of subsection (b) of section 33-782 of the general statutes, alter the burden of proving the fact or lack of fairness otherwise applicable;

(2) Alter the fact or lack of liability of a director under any provision in sections 33-600 to 33-998, inclusive, of the general statutes such as the provisions governing the consequences of an unlawful distribution under section 33-757 of the general statutes or a transactional interest under section 33-782 of the general statutes; or

(3) Affect any rights to which the corporation or a shareholder may be entitled under another chapter of the general statutes or a section of the United States Code.

Sec. 3. (NEW) (*Effective October 1, 2017*) As used in this section and sections 4 to 10, inclusive, of this act:

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(1) "Corporate action" means any action taken by or on behalf of the corporation, including any action taken by the incorporator, the board of directors, a committee of the board of directors, an officer or agent of the corporation or the shareholders.

(2) "Date of the defective corporate action" means the date, or the approximate date if the exact date is unknown, the defective corporate action was purported to have been taken.

(3) "Defective corporate action" means (A) any corporate action purportedly taken that is, and at the time such corporate action was purportedly taken would have been, within the power of the corporation, but that is void or voidable due to a failure of authorization, and (B) an overissue.

(4) "Failure of authorization" means the failure to authorize, approve or otherwise effect a corporate action in compliance with the provisions of sections 33-600 to 33-998, inclusive, of the general statutes, the certificate of incorporation or bylaws of the corporation, a corporate resolution or any plan or agreement to which the corporation is a party, if and to the extent such failure would render such corporate action void or voidable.

(5) "Overissue" means the purported issuance of: (A) Shares of a class or series in excess of the number of shares of a class or series the corporation has the power to issue under section 33-665 of the general statutes at the time of such issuance; or (B) shares of any class or series that is not then authorized for issuance by the certificate of incorporation.

(6) "Putative shares" means the shares of any class or series, including shares issued upon exercise of rights, options, warrants or other securities convertible into shares of the corporation, or interests with respect to such shares, that were created or issued as a result of a

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defective corporate action, that (A) but for any failure of authorization would constitute valid shares, or (B) cannot be determined by the board of directors to be valid shares.

(7) "Valid shares" means the shares of any class or series that have been duly authorized and validly issued in accordance with sections 33-600 to 33-998, inclusive, of the general statutes, including as a result of ratification or validation under this section and sections 4 to 10, inclusive, of this act.

(8) "Validation effective time" means, with respect to any defective corporate action ratified under this section and sections 4 to 10, inclusive, of this act, the later of (A) the time at which the ratification of the defective corporate action is approved by the shareholders, or if approval of shareholders is not required, the time at which the notice required by section 7 of this act becomes effective in accordance with section 33-603 of the general statutes; and (B) the time at which any certificate of validation filed in accordance with section 9 of this act becomes effective. The validation effective time shall not be affected by the filing or pendency of a judicial proceeding under section 10 of this act or any other provision of law, unless otherwise ordered by the Superior Court.

Sec. 4. (NEW) (*Effective October 1, 2017*) (a) A defective corporate action shall not be void or voidable if ratified in accordance with section 5 of this act or validated in accordance with section 10 of this act.

(b) Ratification under section 5 of this act or validation under section 10 of this act shall not be deemed to be the exclusive means of ratifying or validating any defective corporate action, and the absence or failure of ratification in accordance with sections 3 to 10, inclusive, of this act shall not, of itself, affect the validity or effectiveness of any corporate action ratified under common law or otherwise, nor shall it

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create a presumption that any such corporate action is or was a defective corporate action or void or voidable.

(c) In the case of an overissue, putative shares shall be valid shares effective as of the date originally issued or purportedly issued upon: (1) The effectiveness under sections 3 to 10, inclusive, of this act, and under sections 33-795 to 33-809, inclusive, of the general statutes of an amendment to the certificate of incorporation authorizing, designating or creating such shares; or (2) the effectiveness of any other corporate action under sections 3 to 10, inclusive, of this act, ratifying the authorization, designation or creation of such shares.

Sec. 5. (NEW) (*Effective October 1, 2017*) (a) To ratify a defective corporate action under this section, other than the ratification of an election of the initial board of directors under subsection (b) of this section, the board of directors shall take action ratifying the action in accordance with section 6 of this act, stating: (1) The defective corporate action to be ratified and, if the defective corporate action involved the issuance of putative shares, the number and type of putative shares purportedly issued; (2) the date of the defective corporate action; (3) the nature of the failure of authorization with respect to the defective corporate action to be ratified; and (4) that the board of directors approves the ratification of the defective corporate action.

(b) In the event that a defective corporate action to be ratified relates to the election of the initial board of directors of the corporation under subdivision (2) of subsection (a) of section 33-639 of the general statutes, a majority of the persons who, at the time of the ratification, are exercising the powers of directors may take an action, stating: (1) The name of the person or persons who first took action in the name of the corporation as the initial board of directors of the corporation; (2) the earlier of the date on which such persons first took such action or were purported to have been elected as the initial board of directors;

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and (3) that the ratification of the election of such person or persons as the initial board of directors is approved.

(c) If any provision of sections 33-600 to 33-998, inclusive, of the general statutes, the certificate of incorporation or bylaws, any corporate resolution or any plan or agreement to which the corporation is a party in effect at the time action under subsection (a) of this section is taken requires shareholder approval or would have required shareholder approval at the date of the defective corporate action, the ratification of the defective corporate action approved in the action taken by the directors under subsection (a) of this section shall be submitted to the shareholders for approval in accordance with section 6 of this act.

(d) Unless otherwise provided in the action taken by the board of directors under subsection (a) of this section, after the action by the board of directors has been taken and, if required, approved by the shareholders, the board of directors may abandon the ratification at any time before the validation effective time without further action of the shareholders.

Sec. 6. (NEW) (*Effective October 1, 2017*) (a) The quorum and voting requirements applicable to a ratifying action by the board of directors under subsection (a) of section 5 of this act shall be the quorum and voting requirements applicable to the corporate action proposed to be ratified at the time such ratifying action is taken.

(b) If the ratification of the defective corporate action requires approval by the shareholders under subsection (c) of section 5 of this act, and if the approval is to be given at a meeting, the corporation shall notify each holder of valid and putative shares, regardless of whether entitled to vote, of the record date for notice of the meeting and of the date of the defective corporate action, except that notice shall not be required to be given to holders of valid or putative shares

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whose identities or addresses for notice cannot be determined from the records of the corporation. The notice must state that the purpose, or one of the purposes, of the meeting is to consider ratification of a defective corporate action and must be accompanied by (1) either a copy of the action taken by the board of directors in accordance with subsection (a) of section 5 of this act or the information required by subdivisions (1) to (4), inclusive, of subsection (a) of section 5 of this act, and (2) a statement that any claim that the ratification of such defective corporate action and any putative shares issued as a result of such defective corporate action should not be effective, or should be effective only on certain conditions, shall be brought not later than one hundred twenty days after the applicable validation effective time.

(c) Except as provided in subsection (d) of this section with respect to the voting requirements to ratify the election of a director, the quorum and voting requirements applicable to the approval by the shareholders required by subsection (c) of section 5 of this act shall be the quorum and voting requirements applicable to the corporate action proposed to be ratified at the time of such shareholder approval.

(d) The approval by shareholders to ratify the election of a director requires that the votes cast within the voting group favoring such ratification exceed the votes cast opposing such ratification of the election at a meeting at which a quorum is present.

(e) Putative shares on the record date for determining the shareholders entitled to vote on any matter submitted to shareholders under subsection (c) of section 5 of this act, and without giving effect to any ratification of putative shares that becomes effective as a result of such vote, shall neither be entitled to vote nor counted for quorum purposes in any vote to approve the ratification of any defective corporate action.

(f) If the approval under this section of putative shares would result

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in an overissue, in addition to the approval required by section 5 of this act, approval of an amendment to the certificate of incorporation under sections 33-795 to 33-809, inclusive, of the general statutes to increase the number of shares of an authorized class or series or to authorize the creation of a class or series of shares so there would be no overissue shall also be required.

Sec. 7. (NEW) (*Effective October 1, 2017*) (a) Unless shareholder approval is required under subsection (c) of section 5 of this act, prompt notice of an action taken under said section shall be given to each holder of valid and putative shares, regardless of whether entitled to vote, as of (1) the date of such action by the board of directors, and (2) the date of the defective corporate action ratified under sections 3 to 10, inclusive, of this act, provided notice shall not be required to be given to holders of valid and putative shares whose identities or addresses for notice cannot be determined from the records of the corporation.

(b) The notice must contain (1) either a copy of the action taken by the board of directors in accordance with subsection (a) or (b) of section 5 of this act, or the information required by subdivisions (1) to (4), inclusive, of subsection (a) of said section or subdivisions (1) to (3), inclusive, of subsection (b) of said section, as applicable, and (2) a statement that any claim that the ratification of the defective corporate action and any putative shares issued as a result of such defective corporate action should not be effective, or should be effective only on certain conditions, shall be brought not later than one hundred twenty days after the applicable validation effective time.

(c) No notice under this section is required with respect to any action required to be submitted to shareholders for approval under subsection (c) of section 5 of this act if notice is given in accordance with subsection (b) of section 6 of this act.

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(d) A notice required by this section may be given in any manner permitted by section 33-603 of the general statutes and, for any corporation subject to the reporting requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, as from time to time amended, may be given by means of a filing or furnishing of such notice with the United States Securities and Exchange Commission.

Sec. 8. (NEW) (*Effective October 1, 2017*) From and after the validation effective time, and without regard to the one-hundred-twenty-day period during which a claim may be brought under section 10 of this act: (1) Each defective corporate action ratified in accordance with section 5 of this act shall not be void or voidable as a result of the failure of authorization identified in the action taken under subsection (a) or (b) of said section and shall be deemed a valid corporate action effective as of the date of the defective corporate action; (2) the issuance of each putative share or fraction of a putative share purportedly issued pursuant to a defective corporate action identified in the action taken under section 5 of this act shall not be void or voidable, and each such putative share or fraction of a putative share shall be deemed to be an identical share or fraction of a valid share as of the time it was purportedly issued; and (3) any corporate action taken subsequent to the defective corporate action ratified in accordance with sections 3 to 10, inclusive, of this act, in reliance on such defective corporate action having been validly effected and any subsequent defective corporate action resulting directly or indirectly from such original defective corporate action, shall be valid as of the time taken.

Sec. 9. (NEW) (*Effective October 1, 2017*) (a) If the defective corporate action ratified under sections 3 to 10, inclusive, of this act would have required under any other provision of sections 33-600 to 33-998, inclusive, of the general statutes a filing in accordance with sections 33-600 to 33-998, inclusive, of the general statutes, then, whether or not a

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filing was previously made in respect to such defective corporate action and in lieu of a filing otherwise required by said sections of the general statutes, the corporation shall file a certificate of validation in accordance with this section, and such certificate of validation shall serve to amend or substitute for any other filing with respect to such defective corporate action required by said sections of the general statutes.

(b) The certificate of validation must set forth: (1) The defective corporate action that is the subject of the certificate of validation including, in the case of any defective corporate action involving the issuance of putative shares, the number and type of putative shares issued and the date or dates upon which such putative shares were purported to have been issued; (2) the date of the defective corporate action; (3) the nature of the failure of authorization in respect of the defective corporate action; (4) a statement that the defective corporate action was ratified in accordance with section 5 of this act, including the date on which the board of directors ratified such defective corporate action and the date, if any, on which the shareholders approved the ratification of such defective corporate action; and (5) the information required by subsection (c) of this section.

(c) The certificate of validation must also contain the following information: (1) If a filing was previously made in respect to the defective corporate action and no changes to such filing are required to give effect to the ratification of such defective corporate action in accordance with section 5 of this act, the certificate of validation must set forth (A) the name, title and filing date of the filing previously made and any certificate of correction to that filing, and (B) a statement that a copy of the filing previously made, together with any certificate of correction to that filing, is attached as an exhibit to the certificate of validation; (2) if a filing was previously made in respect of the defective corporate action and such filing requires any change to give

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effect to the ratification of such defective corporate action in accordance with section 5 of this act, the certificate of validation must set forth (A) the name, title and filing date of the filing previously made and any certificate of correction to that filing, (B) a statement that a filing containing all of the information required to be included under the applicable provisions of sections 33-600 to 33-998, inclusive, of the general statutes to give effect to such defective corporate action is attached as an exhibit to the certificate of validation, and (C) the date and time that such filing is deemed to have become effective; or (3) if a filing was not previously made in respect of the defective corporate action and the defective corporate action ratified under section 5 of this act would have required a filing under any other provision of sections 33-600 to 33-998, inclusive, of the general statutes, the certificate of validation must set forth (A) a statement that a filing containing all of the information required to be included under the applicable provision or provisions of sections 33-600 to 33-998, inclusive, of the general statutes to give effect to such defective corporate action is attached as an exhibit to the certificate of validation, and (B) the date and time that such filing is deemed to have become effective.

Sec. 10. (NEW) (*Effective October 1, 2017*) (a) Upon application by the corporation, any successor entity to the corporation, a director of the corporation, any shareholder, beneficial shareholder or unrestricted voting trust beneficial owner of the corporation, including any such shareholder, beneficial shareholder or unrestricted voting trust beneficial owner as of the date of the defective corporate action ratified under section 5 of this act, or any other person claiming to be substantially and adversely affected by a ratification under section 5 of this act, the Superior Court may (1) determine the validity and effectiveness of any corporate action or defective corporate action; (2) determine the validity and effectiveness of any ratification under section 5 of this act; (3) determine the validity of any putative shares; and (4) modify or waive any of the procedures specified in sections 5

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and 6 of this act to ratify a defective corporate action.

(b) In connection with an action under this section, the Superior Court may make such findings or orders, and take into account any factors or considerations, regarding such matters, as it deems proper under the circumstances.

(c) Service of process of the application under subsection (a) of this section on the corporation may be made in any manner provided by any provision of the general statutes or by rule of the applicable court, and no other party need be joined in order for the Superior Court to adjudicate the matter. In an action filed by the corporation, the Superior Court may require notice of the action to be provided to other persons specified by the Superior Court and permit such other persons to intervene in the action.

(d) Notwithstanding any provision of the general statutes, any action asserting that the ratification of any defective corporate action and any putative shares issued as a result of such defective corporate action should not be effective, or should be effective only on certain conditions, shall be brought not later than one hundred twenty days after the validation effective time.

Sec. 11. Subsection (a) of section 33-605 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) For purposes of sections 33-600 to 33-998, inclusive, a qualified director is a director who, at the time action is to be taken under:

(1) Subdivision (6) of subsection (b) of section 33-636, as amended by this act, is not a director (A) to whom the limitation or elimination of the duty of an officer to offer potential business opportunities to the corporation would apply, or (B) who has a material relationship with any other person to whom the limitation or elimination would apply;

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[(1)] (2) Section 33-724, does not have (A) a material interest in the outcome of the proceeding, or (B) a material relationship with a person who has such an interest;

[(2)] (3) Section 33-773 or 33-775, (A) is not a party to the proceeding, (B) is not a director [who sought approval for] as to whom the transaction is a director's conflicting interest transaction [under section 33-783] or who sought a disclaimer of the corporation's interest in a business opportunity under section 33-785, as amended by this act, which [approval] transaction or disclaimer is challenged in the proceeding, and (C) does not have a material relationship with a director described in either subparagraph (A) or (B) of this subdivision;

[(3)] (4) Section 33-783, is not a director (A) as to whom the transaction is a director's conflicting interest transaction, or (B) who has a material relationship with another director as to whom the transaction is a director's conflicting interest transaction; or

[(4)] (5) Section 33-785, [would be a qualified director under subdivision (3) of this subsection if the business opportunity were a director's conflicting interest transaction] as amended by this act, is not a director who (A) pursues or takes advantage of the business opportunity, directly, or indirectly through or on behalf of another person, or (B) has a material relationship with a director or officer who pursues or takes advantage of the business opportunity, directly, or indirectly through or on behalf of another person.

Sec. 12. Section 33-636 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) The certificate of incorporation shall set forth: (1) A corporate name for the corporation that satisfies the requirements of section 33-655; (2) the number of shares the corporation is authorized to issue; (3)

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the street and mailing address of the corporation's initial registered office and the name of its initial registered agent at that office; and (4) the name and address of each incorporator.

(b) The certificate of incorporation may set forth: (1) The names and addresses of the individuals who are to serve as the initial directors; (2) provisions not inconsistent with law regarding: (A) The purpose or purposes for which the corporation is organized; (B) managing the business and regulating the affairs of the corporation; (C) defining, limiting and regulating the powers of the corporation, its board of directors and shareholders; (D) a par value for authorized shares or classes of shares; or (E) the imposition of personal liability on shareholders for the debts of the corporation to a specified extent and upon specified conditions; (3) any provision that under sections 33-600 to 33-998, inclusive, is required or permitted to be set forth in the bylaws; (4) a provision limiting the personal liability of a director to the corporation or its shareholders for [monetary] money damages for breach of duty as a director to an amount that is not less than the compensation received by the director for serving the corporation during the year of the violation if such breach did not (A) involve a knowing and culpable violation of law by the director, (B) enable the director or an associate, as defined in section 33-840, to receive an improper personal economic gain, (C) show a lack of good faith and a conscious disregard for the duty of the director to the corporation under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, (D) constitute a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the corporation, or (E) create liability under section 33-757, provided no such provision shall limit or preclude the liability of a director for any act or omission occurring prior to the effective date of such provision; [and] (5) a provision permitting or making obligatory indemnification of a director for liability, as defined in section 33-770, to any person for

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any action taken, or any failure to take any action, as a director, except liability that (A) involved a knowing and culpable violation of law by the director, (B) enabled the director or an associate, as defined in section 33-840, to receive an improper personal gain, (C) showed a lack of good faith and a conscious disregard for the duty of the director to the corporation under circumstances in which the director was aware that his conduct or omission created an unjustifiable risk of serious injury to the corporation, (D) constituted a sustained and unexcused pattern of inattention that amounted to an abdication of the director's duty to the corporation, or (E) created liability under section 33-757, provided no such provision shall affect the indemnification of or advance of expenses to a director for any liability stemming from acts or omissions occurring prior to the effective date of such provision; and (6) a provision limiting or eliminating any duty of a director or any other person to offer the corporation the right to have or participate in any, or one or more classes or categories of, business opportunities, before the pursuit or taking of the opportunity by the director or other person; provided that any application of such a provision to an officer or a related person of that officer (A) also requires approval of that application by the board of directors, subsequent to the effective date of the provision, by action of qualified directors taken in compliance with the same procedures as are set forth in section 33-783, and (B) may be limited by the authorizing action of the board. As used in this subsection "related person" has the same meaning as provided in section 33-781, as amended by this act.

(c) The certificate of incorporation need not set forth any of the corporate powers enumerated in sections 33-600 to 33-998, inclusive.

(d) Provisions of the certificate of incorporation may be made dependent upon facts objectively ascertainable outside the certificate of incorporation in accordance with subsection (l) of section 33-608.

Sec. 13. Subdivision (5) of section 33-781 of the general statutes is

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repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(5) "Related person" means: (A) The [director's] individual's spouse; [, or a parent or sibling thereof;] (B) a child, stepchild, grandchild, parent, [or] stepparent, grandparent, sibling, stepsibling, half-sibling, aunt, uncle, niece or nephew, or the spouse of any such person, of the [director, or the spouse of any thereof] individual or of the individual's spouse; (C) [an individual (i) living in the same home as the director, or (ii) a trust or estate of which a person specified in subparagraph (A) or (B) of this subdivision or clause (i) of this subparagraph is a substantial beneficiary] a natural person living in the same home as the individual; (D) an entity, other than the corporation or an entity controlled by the corporation, controlled by the [director] individual or any person specified in subparagraphs (A) to (C), inclusive, of this subdivision; (E) a domestic or foreign (i) business or [nonprofit] nonstock corporation, other than the corporation or an entity controlled by the corporation, of which the [director] individual is a director, (ii) unincorporated entity of which the [director] individual is a general partner or a member of the governing body, or (iii) individual, trust or estate for whom or of which the [director] individual is a trustee, guardian, personal representative or like fiduciary; or (F) a person that is, or an entity that is controlled by, an employer of the [director] individual.

Sec. 14. Section 33-785 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) [A director's taking] If a director or officer pursues or takes advantage [, directly or indirectly,] of a business opportunity directly, or indirectly through or on behalf of another person, that action may not be the subject of equitable relief, or give rise to an award of damages or other sanctions against the director, officer or other person, in a proceeding by or in the right of the corporation on the

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ground that such opportunity should have first been offered to the corporation, if (1) before [becoming] the director, officer or other person becomes legally obligated respecting the opportunity, the director or officer brings it to the attention of the corporation and either: [(1)] (A) Action by qualified directors disclaiming the corporation's interest in the opportunity is taken in compliance with the same procedures as are set forth in section 33-783; [as if the decision being made concerned a director's conflicting interest transaction;] or [(2)] (B) shareholders' action disclaiming the corporation's interest in the opportunity is taken in compliance with the procedures set forth in section 33-784, as amended by this act, in either case as if the decision being made concerned a director's conflicting interest transaction, [;] except that, rather than making required disclosure, as defined in section 33-781, as amended by this act, [in each case] the director or officer shall have made prior disclosure to those acting on behalf of the corporation of all material facts concerning the business opportunity [that are then] known to the director or officer; or (2) the duty to offer the corporation the business opportunity has been limited or eliminated pursuant to a provision of the certificate of incorporation adopted, and where required, made effective by action of qualified directors, in accordance with subdivision (6) of subsection (b) of section 33-636, as amended by this act.

(b) In any proceeding seeking equitable relief or other remedies based upon an alleged improper pursuit or taking advantage of a business opportunity by a director or officer directly, or indirectly through or on behalf of another person, the fact that the director or officer did not employ the procedure described in subparagraph (A) or (B) of subdivision (1) of subsection (a) of this section before pursuing or taking advantage of the opportunity shall not create an [inference] implication that the opportunity should have been first presented to the corporation or alter the burden of proof otherwise applicable to

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establish that the director or officer breached a duty to the corporation in the circumstances.

Sec. 15. Section 33-817 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

In the case of a domestic corporation that is a party to a merger or the acquired corporation in a share exchange, the plan of merger or share exchange shall be adopted in the following manner:

(1) The plan of merger or share exchange [must] shall first be adopted by the board of directors.

(2) Except as provided in [subdivision (7)] subdivisions (8), (10) and (12) of this section and section 33-818, [after adopting] the plan of merger or share exchange [, the board of directors must submit the plan to the shareholders for their approval. The board of directors must also transmit to the shareholders a recommendation] shall then be approved by the shareholders. In submitting the plan of merger or share exchange to the shareholders for approval, the board of directors shall recommend that the shareholders approve the plan, or, in the case of an offer referred to in subparagraph (B) of subdivision (10) of this section, that the shareholders tender their shares to the offeror in response to the offer, unless (A) the board of directors makes a determination that because of conflicts of interest or other special circumstances it should not make such a recommendation, or (B) section 33-754 applies. If either subparagraph (A) or (B) of this subdivision applies, the board of directors [must transmit to] shall inform the shareholders of the basis for its so proceeding.

(3) The board of directors may [condition its submission] set conditions for the approval of the plan of merger or share exchange [to] by the shareholders [on any basis] or the effectiveness of the plan of merger or share exchange.

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(4) If the plan of merger or share exchange is required to be approved by the shareholders, and if the approval is to be given at a meeting, the corporation shall notify each shareholder, regardless of whether [or not] entitled to vote, of the meeting of shareholders at which the plan is to be submitted for approval. The notice [shall also] must state that the purpose, or one of the purposes, of the meeting is to consider the plan and [shall] must contain or be accompanied by a copy or summary of the plan. If the corporation is to be merged into an existing foreign or domestic corporation, the notice [shall] must also include or be accompanied by a copy or summary of the certificate of incorporation [of such existing] and bylaws of that corporation. If the corporation is to be merged [into a corporation that] with a domestic or foreign corporation and a new domestic or foreign corporation is to be created pursuant to the merger, the notice [shall] must include or be accompanied by a copy or a summary of the certificate of incorporation and bylaws of the new corporation.

(5) [Unless sections 33-600 to 33-998, inclusive, the certificate of incorporation or the board of directors acting pursuant to subdivision (3) of this section requires a greater vote or a vote by voting groups, and except as provided in subdivision (9) of this section, the plan of merger or share exchange to be authorized must be approved by each voting group entitled to vote separately on the plan by a majority of all the votes entitled to be cast on the plan by that voting group.] Unless the certificate of incorporation, or the board of directors acting pursuant to subdivision (3) of this section, requires a greater vote or a greater quorum, approval of the plan of merger or share exchange requires the approval of the shareholders at a meeting at which a quorum exists consisting of a majority of the votes entitled to be cast on the plan, and, if any class or series of shares is entitled to vote as a separate group on the plan of merger or share exchange, the approval of each such separate voting group at a meeting at which a quorum of the voting group is present consisting of a majority of the votes

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entitled to be cast on the plan of merger or share exchange by that voting group.

(6) [Separate] Subject to subdivision (7) of this section, separate voting by voting groups is required: (A) On a plan of merger, by each class or series of shares that: (i) [are] Are to be converted [, pursuant to the provisions of] under the plan of merger [,] into shares, [or] other securities, interests, obligations, rights to acquire shares or other securities or interests, cash, [or] other property, or any combination thereof; [,] or (ii) [would have a right] are entitled to vote as a separate group on a provision in the plan that, [if contained in] constitutes a proposed amendment to the certificate of incorporation [, would require] of a surviving corporation that requires action by separate voting groups under section 33-798; (B) on a plan of share exchange, by each class or series of shares included in the exchange, with each class or series constituting a separate voting group; and (C) on a plan of merger or share exchange, if the voting group is entitled under the certificate of incorporation to vote as a voting group to approve a plan of merger or share exchange, respectively.

(7) The certificate of incorporation may expressly limit or eliminate the separate voting rights provided in subparagraph (A)(i) of subdivision (6) of this section and in subparagraph (B) of subdivision (6) of this section as to any class or series of shares, except when the plan of merger or share exchange (A) includes what is or would be in effect an amendment subject to subparagraph (A)(ii) of subdivision (6) of this section, and (B) will not effect a substantive business combination.

[(7)] (8) Unless the certificate of incorporation otherwise provides, approval by the corporation's shareholders of a plan of merger [or share exchange] is not required if: (A) The corporation will [be the survivor in the merger or is the acquiring corporation in the share exchange] survive the merger; (B) except for amendments permitted

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by section 33-796, its certificate of incorporation will not be changed; and (C) each shareholder of the corporation whose shares were outstanding immediately before the effective date of the merger [or the share exchange] will hold the same number of shares, with identical preferences, rights and limitations, [and relative rights,] immediately after the effective date of the merger. [or the share exchange.]

[(8)] (9) If, as a result of a merger or a share exchange, one or more shareholders of a domestic corporation would become subject to personal liability for the obligations or liabilities of any other person or entity, approval of the plan of merger or share exchange [shall require] requires the [execution] signing in connection with the transaction, by each such shareholder, of a separate written consent to become subject to such personal liability.

(10) Unless the certificate of incorporation otherwise provides, approval by the shareholders of a plan of merger or share exchange is not required if: (A) The plan of merger or share exchange expressly (i) permits or requires the merger or share exchange to be effected under this subdivision, and (ii) provides that, if the merger or share exchange is to be effected under this subdivision, the merger or share exchange will be effected as soon as practicable following the satisfaction of the requirement set forth in subparagraph (F) of this subdivision; (B) another party to the merger, the acquiring corporation in the share exchange, or a parent of another party to the merger or the acquiring corporation in the share exchange, makes an offer to purchase, on the terms provided in the plan of merger or share exchange, any and all of the outstanding shares of the corporation that, absent the provisions of this subdivision, would be entitled to vote on the plan of merger or share exchange, except that the offer may exclude shares of the corporation that are owned at the commencement of the offer by the corporation, the offeror or any parent of the offeror, or by any wholly owned subsidiary of the corporation, the offeror or by any wholly

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owned subsidiary of any of them; (C) the offer discloses that the plan of merger or share exchange provides that the merger or share exchange will be effected as soon as practicable following the satisfaction of the requirement set forth in subparagraph (F) of this subdivision and that the shares of the corporation that are not tendered in response to the offer will be treated as set forth in subparagraph (H) of this subdivision; (D) the offer remains open for at least ten days; (E) the offeror purchases all shares properly tendered in response to the offer and not properly withdrawn; (F) the shares set forth in this subparagraph are collectively entitled to cast at least the minimum number of votes on the merger or share exchange that, absent the provisions of this subdivision, would be required by sections 33-814 to 33-821a, inclusive, as amended by this act, and by the certificate of incorporation for the approval of the merger or share exchange by the shareholders and by any other voting group entitled to vote on the merger or share exchange at a meeting at which all shares entitled to vote on the approval were present and voted: (i) Shares purchased by the offeror in accordance with the offer; (ii) shares otherwise owned by the offeror or by any parent of the offeror or any wholly owned subsidiary of the offeror or by any parent of the offeror; and (iii) shares subject to an agreement that are to be transferred, contributed or delivered to the offeror, any parent of the offeror or any wholly owned subsidiary of any of them in exchange for shares in such offeror, parent or subsidiary; (G) the offeror or a wholly owned subsidiary of the offeror merges with or into, or effects a share exchange in which it acquires shares of the corporation; and (H) each outstanding share of each class or series of shares of the corporation that the offeror is offering to purchase in accordance with the offer, and that is not purchased in accordance with the offer, is to be converted in the merger into, or into the right to receive, or is to be exchanged in the share exchange for, or for the right to receive, the same amount and kind of securities, interests, obligations, rights, cash or other property to be paid or exchanged in accordance with the offer

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for each share of that class or series of shares that is tendered in response to the offer, except that shares of the corporation that are owned by the corporation or that are described in subparagraph (F)(ii) or (iii) of this subdivision need not be converted into or exchanged for the consideration described in this subparagraph.

(11) As used in subdivision (10) of this section, (A) "offer" means the offer referred to in subparagraph (B) of subdivision (10) of this section; (B) "offeror" means the person making the offer; (C) "parent" of a corporation means a person that owns, directly or indirectly, through one or more wholly owned subsidiaries, all of the outstanding shares of that corporation; (D) shares tendered in response to the offer shall be deemed to have been "purchased" in accordance with the offer at the earliest time as of which (i) the offeror has irrevocably accepted those shares for payment, and (ii) either (I) in the case of shares represented by certificates, the offeror, or the offeror's designated depository or other agent, has physically received the certificates representing those shares, or (II) in the case of shares without certificates, those shares have been transferred into the account of the offeror or its designated depository or other agent, or an agent's message relating to those shares has been received by the offeror or its designated depository or other agent; and (E) "wholly owned subsidiary" of a person means an entity of or in which that person owns, directly or indirectly, through one or more wholly owned subsidiaries, all of the outstanding shares or interests.

(12) Unless the certificate of incorporation otherwise provides, (A) approval of a plan of share exchange by the shareholders of a domestic corporation is not required if the corporation is the acquiring corporation in the share exchange; and (B) shares not to be exchanged under the plan of share exchange are not entitled to vote on the plan.

[(9)] (13) Notwithstanding any provision of subdivision (5) of this section, [to the contrary,] a plan of merger or share exchange of a

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corporation which was incorporated under the laws of this state, whether under chapter 599 of the general statutes, revision of 1958, revised to January 1, 1995, or any other general law or special act, prior to January 1, 1997, to be authorized by such corporation, shall be approved by (A) the affirmative vote of at least two-thirds of the voting power of each voting group entitled to vote thereon unless (i) the certificate of incorporation expressly provides otherwise, [provided if such corporation is the surviving corporation of such merger and such plan of merger will not effect any change in or amendment to the certificate of incorporation of such corporation and the shares to be issued under the plan of merger could have been issued by the board of directors of such corporation without further authorization of the shareholders of such corporation, then the provisions of this subdivision shall not require approval of such plan of merger or share exchange by the corporation's shareholders] or (ii) approval by the corporation's shareholders of the plan of merger or share exchange is not required under either subdivision (8) or (10) of this section, and (B) the affirmative vote of at least two-thirds of the voting power of each class of stock of such corporation outstanding prior to January 1, 1997, and not otherwise entitled to vote thereon, unless (i) the certificate of incorporation expressly provides otherwise; [provided if such corporation is the surviving corporation of such merger and such plan of merger or share exchange does not contain any provisions which, if contained in a proposed amendment to the certificate of incorporation of such corporation, would entitle any class or series of shareholders of such surviving corporation to vote as a class or series as provided in subsection (f) of section 33-797 or section 33-798, then the provisions of this subdivision shall not require approval of such plan of merger or share exchange by the holders of such class or series not otherwise entitled to vote thereon] or (ii) approval by the corporation's shareholders of the plan of merger or share exchange is not required under either subdivision (8) or (10) of this section.

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Sec. 16. Section 33-856 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) A shareholder is entitled to appraisal rights, and to obtain payment of the fair value of that shareholder's shares, in the event of any of the following corporate actions:

(1) Consummation of a merger to which the corporation is a party (A) if shareholder approval is required for the merger by section 33-817, [and the shareholder is entitled to vote on the merger] as amended by this act, or would be required but for the provisions of subdivision (10) of section 33-817, as amended by this act, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares of any class or series that remain outstanding after consummation of the merger, or (B) if the corporation is a subsidiary and the merger is governed by section 33-818;

(2) Consummation of a share exchange to which the corporation is a party [as the corporation whose shares will be acquired, if the shareholder is entitled to vote on the exchange] the shares of which will be acquired, except that appraisal rights shall not be available to any shareholder of the corporation with respect to any class or series of shares of the corporation that is not [exchanged] acquired in the share exchange;

(3) Consummation of a disposition of assets pursuant to section 33-831 if the shareholder is entitled to vote on the disposition, except that appraisal rights shall not be available to any shareholder of the corporation with respect to shares of any class or series if (A) under the terms of the corporate action approved by the shareholders there is to be distributed to shareholders in cash [its] the corporation's net assets, in excess of a reasonable amount reserved to meet claims of the type described in sections 33-886 and 33-887, (i) within one year after the shareholders' approval of the action, and (ii) in accordance with their

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respective interests determined at the time of such distribution, and (B) the disposition of assets is not an interested transaction;

(4) An amendment of the certificate of incorporation with respect to a class or series of shares that reduces the number of shares of a class or series owned by the shareholder to a fraction of a share if the corporation has the obligation or right to repurchase the fractional share so created;

(5) If the corporation is not a benefit corporation, as defined in section 33-1351, (A) an amendment of the certificate of incorporation to state that the corporation is a benefit corporation; (B) consummation of a merger to which the corporation is a party in which the surviving [entity] corporation will be a benefit corporation or in which shares in the corporation will be converted into a right to receive shares of a benefit corporation; or (C) consummation of a share exchange to which the corporation is a party and the shares of the corporation will be exchanged for shares of a benefit corporation; or

(6) Any other merger, share exchange, disposition of assets or amendment to the certificate of incorporation; in each case to the extent provided by the certificate of incorporation, the bylaws or a resolution of the board of directors.

(b) Notwithstanding subsection (a) of this section, the availability of appraisal rights under subdivisions (1) to (5), inclusive, of subsection (a) of this section shall be limited in accordance with the following provisions:

(1) Appraisal rights shall not be available for the holders of shares of any class or series of shares which is:

(A) A covered security under Section 18(b)(1)(A) or (B) of the Securities Act of 1933, as amended;

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(B) Traded in an organized market and has at least two thousand shareholders and a market value of at least twenty million dollars, exclusive of the value of such shares held by the corporation's subsidiaries, senior executives [,] and directors and by any beneficial shareholders and any voting trust beneficial owner owning more than ten per cent of such shares; or

(C) Issued by an open-end management investment company registered with the Securities and Exchange Commission under the Investment Company Act of 1940 and which may be redeemed at the option of the holder at net asset value.

(2) The applicability of subdivision (1) of this subsection shall be determined as of: (A) The record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to act upon the corporate action requiring appraisal rights or, in the case of an offer made pursuant to subdivision (10) of section 33-817, as amended by this act, the date of such offer; or (B) [the day before the effective date of such corporate action if there is no meeting of shareholders] if there is no meeting of shareholders and no offer made pursuant to subdivision (10) of section 33-817, as amended by this act, the day before the consummation of the corporate action or effective date of the amendment of the certificate of incorporation, as applicable.

(3) Subdivision (1) of this subsection shall not be applicable and appraisal rights shall be available pursuant to subsection (a) of this section for the holders of any class or series of shares (A) who are required by the terms of the corporate action requiring appraisal rights to accept for such shares anything other than cash or shares of any class or any series of shares of any corporation, or any other proprietary interest of any other entity, that satisfies the standards set forth in subdivision (1) of this subsection at the time the corporate action becomes effective, or (B) in the case of the consummation of a disposition of assets pursuant to section 33-831, unless [such] the cash,

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shares or proprietary interests received in the disposition are, under the terms of the corporate action approved by the shareholders, to be distributed to the shareholders, as part of a distribution to shareholders of the net assets of the corporation in excess of a reasonable amount to meet claims of the type described in sections 33-886 and 33-887, (i) not later than one year after the shareholders' approval of the action, and (ii) in accordance with their respective interests determined at the time of the distribution.

(4) Subdivision (1) of this subsection shall not be applicable and appraisal rights shall be available pursuant to subsection (a) of this section for the holders of any class or series of shares where the corporate action is an interested transaction.

(c) Notwithstanding any other provision of this section, the certificate of incorporation as originally filed or any amendment [thereto] to the certificate of incorporation may limit or eliminate appraisal rights for any class or series of preferred shares, [but] except that (1) no such limitation or elimination shall be effective if the class or series does not have the right to vote separately as a voting group, alone or as part of a group, on the action, and (2) any such limitation or elimination contained in an amendment to the certificate of incorporation that limits or eliminates appraisal rights for any of such shares that are outstanding immediately [prior to] before the effective date of such amendment or that the corporation is or may be required to issue or sell thereafter pursuant to any conversion, exchange or other right existing immediately before the effective date of such amendment shall not apply to any corporate action that becomes effective within one year of [that date] the effective date of such amendment if such action would otherwise afford appraisal rights.

(d) Where the right to be paid the value of shares is made available to a shareholder by this section, such remedy shall be the exclusive remedy as holder of such shares against the corporate actions

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described in this section, whether or not the shareholder proceeds as provided in sections 33-855 to 33-872, inclusive, as amended by this act.

Sec. 17. Section 33-860 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) Where any corporate action specified in subsection (a) of section 33-856, as amended by this act, is to be submitted to a vote at a shareholders' meeting, the meeting notice, or where no approval of such action is required pursuant to subdivision (10) of section 33-817, as amended by this act, the offer made pursuant to subdivision (10) of section 33-817, as amended by this act, must state that the corporation has concluded that the [shareholders] appraisal rights are, are not or may be [entitled to assert appraisal rights] available under sections 33-855 to 33-872, inclusive, as amended by this act. If the corporation concludes that appraisal rights are or may be available, a copy of sections 33-855 to 33-872, inclusive, as amended by this act, must accompany the meeting notice or offer sent to those record shareholders entitled to exercise appraisal rights.

(b) In a merger pursuant to section 33-818, the parent corporation [must] shall notify in writing all record shareholders of the subsidiary who are entitled to assert appraisal rights that the corporate action became effective. Such notice [must] shall be sent within ten days after the corporate action became effective and include the materials described in section 33-862, as amended by this act.

(c) Where any corporate action specified in subsection (a) of section 33-856, as amended by this act, is to be approved by written consent of the shareholders pursuant to section 33-698:

(1) Written notice that appraisal rights are, are not or may be available [must] shall be sent to each record shareholder from whom a

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consent is solicited at the time consent of such shareholder is first solicited and, if the corporation has concluded that appraisal rights are or may be available, the notice must be accompanied by a copy of sections 33-855 to 33-872, inclusive, as amended by this act; and

(2) Written notice that appraisal rights are, are not or may be available must be delivered together with the notice to nonconsenting and nonvoting [and nonconsenting] shareholders required by subsections (e) and (f) of section 33-698, may include the materials described in section 33-862, as amended by this act, and, if the corporation has concluded that appraisal rights are or may be available, must be accompanied by a copy of sections 33-855 to 33-872, inclusive, as amended by this act.

(d) Where [any] corporate action [specified] described in subsection (a) of section 33-856, as amended by this act, is proposed, or a merger pursuant to section 33-818 is effected, the notice referred to in subsection (a) or (c) of this section, if the corporation concludes that appraisal rights are or may be available, and in subsection (b) of this section, shall be accompanied by:

(1) [The annual financial statements specified in subsection (a) of section 33-951] Financial statements of the corporation that issued the shares that may be subject to appraisal, [which shall be as of a date] consisting of a balance sheet as of the end of the fiscal year ending not more than sixteen months before the date of the notice, [and shall comply with subsection (b) of section 33-951, except that,] an income statement for that fiscal year and a cash flow statement for that fiscal year, provided if such [annual] financial statements are not reasonably available, the corporation shall provide reasonably equivalent financial information; and

(2) The latest [available quarterly] interim financial statements of such corporation, if any.

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(e) The right to receive the information described in subsection (d) of this section may be waived in writing by a shareholder before or after the corporate action.

Sec. 18. Section 33-861 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) If a corporate action specified in subsection (a) of section 33-856, as amended by this act, is submitted to a vote at a shareholders' meeting, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares: (1) [Must] shall deliver to the corporation, before the vote is taken, written notice of the shareholder's intent to demand payment if the proposed action is effectuated, and (2) [must] shall not vote, or cause or permit to be voted, any shares of such class or series in favor of the proposed action.

(b) If a corporate action specified in subsection (a) of section 33-856, as amended by this act, is to be approved by [less than unanimous] written consent, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares [must] shall not sign a consent in favor of the proposed action with respect to that class or series of shares.

(c) If a corporate action specified in subsection (a) of section 33-856, as amended by this act, does not require shareholder approval pursuant to subdivision (10) of section 33-817, as amended by this act, a shareholder who wishes to assert appraisal rights with respect to any class or series of shares (1) shall deliver to the corporation before the shares are purchased pursuant to the offer written notice of the shareholder's intent to demand payment if the proposed action is effected; and (2) shall not tender, or cause to be tendered, any shares of such class or series in response to such offer.

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~~[(c)]~~ (d) A shareholder who fails to satisfy the requirements of subsection (a), ~~[or] (b) or (c)~~ of this section is not entitled to payment under sections 33-855 to 33-872, inclusive, as amended by this act.

Sec. 19. Section 33-862 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(a) If ~~[proposed]~~ a corporate action requiring appraisal rights under subsection (a) of section 33-856, as amended by this act, becomes effective, the corporation ~~[must send]~~ shall deliver a written appraisal notice and the form required by ~~[subdivision (1) of]~~ subsection (b) of this section to all shareholders who ~~[satisfied]~~ satisfy the requirements of subsection (a), (b) or (c) of section 33-861, as amended by this act. In the case of a merger under section 33-818, the parent ~~[must]~~ shall deliver an appraisal notice and form to all record shareholders who may be entitled to assert appraisal rights.

(b) The appraisal notice ~~[must]~~ shall be delivered no earlier than the date the corporate action specified in subsection (a) of section 33-856, as amended by this act, became effective and no later than ten days after such date, and ~~[shall]~~ must:

(1) Supply a form that (A) specifies the first date of any announcement to shareholders made ~~[prior to]~~ before the date the corporate action became effective of the principal terms of the proposed corporate action, (B) if such announcement was made, requires the shareholder asserting appraisal rights to certify whether beneficial ownership of those shares for which appraisal rights are asserted was acquired before that date, and (C) requires the shareholder asserting appraisal rights to certify that such shareholder did not vote for or consent to the transaction as to the class or series of shares for which appraisal is sought;

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(A) Where the form [must] shall be sent and where certificates for certificated shares [must] shall be deposited and the date by which those certificates must be deposited, which date may not be earlier than the date [for receiving] by which the corporation must receive the required form under subparagraph (B) of this subdivision;

(B) A date by which the corporation must receive the form which date may not be fewer than forty nor more than sixty days after the date the appraisal notice under subsection (a) of this section is sent, and state that the shareholder shall have waived the right to demand appraisal with respect to the shares unless the form is received by the corporation by such specified date;

(C) The corporation's estimate of the fair value of the shares;

(D) That, if requested in writing, the corporation will provide, to the shareholder so requesting, within ten days after the date specified in subparagraph (B) of this subdivision, the number of shareholders who return the forms by the specified date and the total number of shares owned by them; and

(E) The date by which the notice to withdraw under section 33-863 must be received, which date must be within twenty days after the date specified in subparagraph (B) of this subdivision; and

(3) Be accompanied by a copy of sections 33-855 to 33-872, inclusive, as amended by this act.

Sec. 20. (NEW) (*Effective October 1, 2017*) (a) The certificate of incorporation or the bylaws of a corporation may require that any or all internal corporate claims be brought exclusively in any specified court or courts of this state and, if so specified, in any additional courts in this state or in any other jurisdictions with which the corporation has a reasonable relationship.

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(b) A provision of the certificate of incorporation or the bylaws adopted under subsection (a) of this section shall not have the effect of conferring jurisdiction on any court or over any person or claim, and shall not apply if none of the courts specified by such provision have the requisite personal and subject matter jurisdiction. If the court or courts of this state specified in a provision adopted under subsection (a) of this section do not have the requisite personal and subject matter jurisdiction and another court of this state does have such jurisdiction, then the internal corporate claim may be brought in such other court of this state, notwithstanding that such other court of this state is not specified in such provision, and in any other court specified in such provision that has the requisite jurisdiction.

(c) No provision of the certificate of incorporation or the bylaws may prohibit bringing an internal corporate claim in the courts of this state or require such claims to be determined by arbitration.

(d) As used in this section, "internal corporate claim" means, (1) any claim that is based upon a violation of a duty under the laws of this state by a current or former director, officer or shareholder in such capacity, (2) any derivative action or proceeding brought on behalf of the corporation, (3) any action asserting a claim arising pursuant to any provision of sections 33-600 to 33-998, inclusive, of the general statutes, or the certificate of incorporation or bylaws, or (4) any action asserting a claim governed by the internal affairs doctrine that is not included in subdivisions (1) to (3), inclusive, of this subsection.

Sec. 21. Section 33-602 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

As used in sections 33-600 to 33-998, inclusive:

(1) "Address" means location as described by the full street number, if any, street, city or town, state or country and not a mailing address

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such as a post office box.

(2) "Authorized shares" means the shares of all classes a domestic or foreign corporation is authorized to issue.

(3) "Beneficial shareholder" means a person who owns the beneficial interest in shares, which may be a record shareholder or a person on whose behalf shares are registered in the name of an intermediary or nominee.

[(3)] (4) "Certificate of incorporation" means the original certificate of incorporation or restated certificate of incorporation, and all amendments thereto, and all certificates of merger or consolidation. In the case of a specially chartered corporation, "certificate of incorporation" means the special charter of the corporation, including any portions of the charters of its predecessor companies which have continuing effect, and any amendments to the charter made by special act or pursuant to general law. In the case of a corporation formed before January 1, 1961, or of a specially chartered corporation, "certificate of incorporation" includes those portions of any other corporate instruments or resolutions of current application in which are set out provisions of the sort which either (A) are required by sections 33-600 to 33-998, inclusive, to be embodied in the certificate of incorporation, or (B) are expressly permitted by sections 33-600 to 33-998, inclusive, to be operative only if included in the certificate of incorporation. It also includes what were, prior to January 1, 1961, designated at law as agreements of association, articles of incorporation, charters and other such terms.

[(4)] (5) "Conspicuous" means so written, displayed or presented that a reasonable person against whom the writing is to operate should have noticed it. For example, text in italics, boldface, contrasting color, capitals or underlined is conspicuous.

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[(5)] (6) "Corporation" or "domestic corporation" means a stock corporation, [with capital stock,] which is not a foreign corporation, incorporated under the laws of this state, whether general law or special act and whether before or after January 1, 1997.

[(6)] (7) "Deliver" or "delivery" means any method of delivery used in conventional commercial practice including delivery by hand, mail, commercial delivery and, if authorized in accordance with section 33-603, electronic transmission.

[(7)] (8) "Distribution" means a direct or indirect transfer of money or other property, except its own shares, or incurrence of indebtedness by a corporation to or for the benefit of its shareholders in respect of any of its shares. A distribution may be in the form of a declaration or payment of a dividend; a purchase, redemption or other acquisition of shares; a distribution of indebtedness; or otherwise.

[(8)] (9) "Document" means (A) any tangible medium on which information is inscribed, and includes any writing or written instrument, or (B) an electronic record.

(10) "Domestic", with respect to an entity, means an entity governed as to its internal affairs by the law of this state.

[(9)] (11) "Effective date of notice" is defined in section 33-603.

[(10)] (12) (A) "Electronic" means relating to technology having electrical, digital, magnetic, wireless, optical, electromagnetic or similar capabilities.

(B) "Electronic record" means information that is stored in an electronic or other medium and is retrievable in paper form through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with subsection (j) of section 33-603.

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(C) "Electronic transmission" or "electronically transmitted" means any form or process of communication not directly involving the physical transfer of paper or another tangible medium, which (i) is suitable for the retention, retrieval and reproduction of information by the recipient, and (ii) is retrievable in paper form by the recipient through an automated process used in conventional commercial practice, unless otherwise authorized in accordance with subsection (j) of section 33-603.

[(11)] (13) "Employee" includes an officer but not a director. A director may accept duties that make him also an employee.

[(12)] (14) "Entity" includes a corporation and foreign corporation; nonprofit corporation; profit and nonprofit unincorporated association; business trust, estate, partnership, limited liability company, trust and two or more persons having a joint or common economic interest; and state, United States or foreign government.

[(13)] (15) "Expenses" means reasonable expenses of any kind that are incurred in connection with a matter including, but not limited to, reasonable counsel fees.

[(14)] (16) "Facts objectively ascertainable" outside of a plan or filed document is defined in subsection (l) of section 33-608.

(17) "Foreign", with respect to an entity, means an entity governed as to its internal affairs by the laws of a jurisdiction other than this state.

[(15)] (18) "Foreign corporation" means a corporation incorporated under a law other than the law of this state.

[(16)] (19) "Governmental subdivision" includes authority, county, district and municipality.

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[(17)] (20) "Includes" denotes a partial definition.

[(18)] (21) "Individual" includes the estate of an incompetent or deceased individual.

[(19)] (22) "Means" denotes an exhaustive definition.

(23) "Merger" means a transaction pursuant to section 33-815.

[(20)] (24) "Notice" is defined in section 33-603.

[(21)] (25) "Person" includes individual and entity.

[(22)] (26) "Principal office" of a domestic corporation means the address of the principal office of such corporation in this state, if any, as the same appears in the last annual report, if any, filed by such corporation with the Secretary of the State. If no principal office so appears, the corporation's "principal office" means the address in this state of the corporation's registered agent for service as last shown on the records of the Secretary of the State. In the case of a domestic corporation which has not filed such an annual report or appointment of registered agent for service, the "principal office" means the address of the principal place of business of such corporation in this state, if any, and if such corporation has no place of business in this state, its "principal office" shall be the office of the Secretary of the State.

[(23)] (27) "Proceeding" includes civil suit and criminal, administrative and investigatory action.

[(24)] (28) "Public corporation" means a corporation that has shares listed on a national securities exchange or regularly traded in a market maintained by one or more members of a national or affiliated securities association.

[(25)] (29) "Qualified director" is defined in section 33-605, as amended by this act.

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[(26)] (30) "Record date" means the date established under sections 33-665 to 33-687, inclusive, or sections 33-695 to 33-727, inclusive, on which a corporation determines the identity of its shareholders and their shareholdings for purposes of sections 33-600 to 33-998, inclusive. The determinations shall be made as of the close of business on the record date unless another time for doing so is specified when the record date is fixed.

[(27)] (31) "Secretary" means the corporate officer to whom under the bylaws or by the board of directors is delegated responsibility under subsection (c) of section 33-763 for custody of the minutes of the meetings of the board of directors and of the shareholders and for authenticating records of the corporation.

[(28)] (32) "Secretary of the State" means the Secretary of the State of Connecticut.

(33) "Share exchange" means a transaction pursuant to section 33-816.

[(29) "Shares" means the units into which the proprietary interests in a corporation are divided.]

[(30)] (34) "Shareholder" means the person in whose name shares are registered in the records of a corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with a corporation.

(35) "Shares" means the units into which the proprietary interests in a corporation are divided.

[(31)] (36) "Sign" or "signature" means, with present intent to authenticate or adopt a document: (A) To execute or adopt a tangible symbol to a document, and includes any manual, facsimile or conformed signature; or (B) to attach to or logically associate with an

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electronic transmission an electronic sound, symbol or process, and includes an electronic signature in an electronic transmission.

[(32)] (37) "State", when referring to a part of the United States, includes a state and commonwealth, and their agencies and governmental subdivisions, and a territory and insular possession, and their agencies and governmental subdivisions, of the United States.

[(33)] (38) "Subscriber" means a person who subscribes for shares in a corporation, whether before or after incorporation.

[(34)] (39) "United States" includes any district, authority, bureau, commission, department and other agency of the United States.

(40) "Unrestricted voting trust beneficial owner" means, with respect to any shareholder rights, a voting trust beneficial owner whose entitlement to exercise the shareholder right in question is not inconsistent with the voting trust agreement.

[(35)] (41) "Voting group" means all shares of one or more classes or series that under the certificate of incorporation or sections 33-600 to 33-998, inclusive, are entitled to vote and be counted together collectively on a matter at a meeting of shareholders. All shares entitled by the certificate of incorporation or said sections to vote generally on the matter are for that purpose a single voting group.

[(36)] (42) "Voting power" means the current power to vote in the election of directors.

(43) "Voting trust beneficial owner" means an owner of a beneficial interest in shares of the corporation held in a voting trust established pursuant to subsection (a) of section 33-715.

[(37)] (44) "Writing" or "written" means any information in the form of a document.

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Sec. 22. Section 33-814 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

As used in this section and sections 33-815 to 33-821a, inclusive:

(1) "Acquired corporation" means the domestic or foreign corporation that will have all of one or more classes or series of its shares acquired in a share exchange.

(2) "Acquiring corporation" means the domestic or foreign corporation that will acquire all of one or more classes or series of shares of the acquired corporation in a share exchange.

[(1)] (3) "Interests" means the proprietary interests in an other entity.

[(2)] "Merger" means a business combination pursuant to section 33-815.]

[(3)] (4) "Organizational documents" means the basic document or documents that create, or determine the internal governance of, an other entity.

[(4)] (5) "Other entity" means any association or legal entity, other than a domestic or foreign corporation, organized to conduct business, including, but not limited to, a partnership, limited partnership, limited liability partnership, limited liability company, joint venture, joint stock company, business trust, statutory trust and real estate investment trust.

[(5)] (6) "Party to a merger" means any domestic or foreign corporation or other entity that will merge under a plan of merger.

[(6)] (7) "Party to a share exchange" means any domestic or foreign corporation or other entity that will: (A) Acquire shares or interests of another corporation or an other entity in a share exchange; or (B) have all of its shares or interests or all of one or more classes or series of its

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shares or interests acquired in a share exchange.

[(7) "Share exchange" means a business combination pursuant to section 33-816.]

(8) "Survivor" means, in a merger, the corporation or other entity into which one or more other corporations or other entities are merged. A survivor of a merger may preexist the merger or be created by the merger.

Sec. 23. Section 33-855 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

As used in this section and sections [33-855] 33-856 to 33-872, inclusive, as amended by this act:

(1) "Affiliate" means a person that directly or indirectly through one or more intermediaries controls, is controlled by or is under common control with another person or is a senior executive thereof. For purposes of subdivision (4) of subsection (b) of section 33-856, as amended by this act, a person is deemed to be an affiliate of its senior executives.

[(2) "Beneficial shareholder" means a person who is the beneficial owner of shares held in a voting trust or by a nominee on the beneficial owner's behalf.]

[(3)] (2) "Corporation" means the issuer of the shares held by a shareholder demanding appraisal and, for purposes of sections 33-862 to 33-872, inclusive, as amended by this act, includes the surviving entity in a merger.

[(4)] (3) "Fair value" means the value of the corporation's shares determined: (A) Immediately before the effectuation of the corporate action to which the shareholder objects, (B) using customary and

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current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal, and (C) without discounting for lack of marketability or minority status except, if appropriate, for amendments to the certificate of incorporation pursuant to subdivision (5) of subsection (a) of section 33-856, as amended by this act.

[(5)] (4) "Interest" means interest from the effective date of the corporate action until the date of payment, at the rate of interest on judgments in this state on the effective date of the corporate action.

[(6)] (5) "Interested transaction" means a corporate action specified in subsection (a) of section 33-856, as amended by this act, other than a merger pursuant to section 33-818, involving an interested person in which any of the shares or assets of the corporation are being acquired or converted. As used in this definition: (A) "Interested person" means a person, or an affiliate of a person, who at any time during the one-year period immediately preceding approval by the board of directors of the corporate action: (i) Was the beneficial owner of twenty per cent or more of the voting power of the corporation, excluding any shares acquired pursuant to an offer for all shares having voting power if the offer was made within one year prior to the corporate action for consideration of the same kind and of a value equal to or less than that paid in connection with the corporate action; (ii) had the power, contractually or otherwise, to cause the appointment or election of twenty-five per cent or more of the directors to the board of directors of the corporation; or (iii) was a senior executive or director of the corporation or a senior executive of any affiliate thereof, and that senior executive or director will receive, as a result of the corporate action, a financial benefit not generally available to other shareholders as such, other than: (I) Employment, consulting, retirement or similar benefits established separately and not as part of or in contemplation of the corporate action; or (II) employment, consulting, retirement or

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similar benefits established in contemplation of, or as part of, the corporate action that are not more favorable than those existing before the corporate action or, if more favorable, that have been approved on behalf of the corporation in the same manner as is provided in section 33-783; or (III) in the case of a director of the corporation who will, in the corporate action, become a director of the acquiring entity in the corporate action or one of its affiliates, rights and benefits as a director that are provided on the same basis as those afforded by the acquiring entity generally to other directors of such entity or such affiliate; and (B) "beneficial owner" means any person who, directly or indirectly, through any contract, arrangement or understanding, other than a revocable proxy, has or shares the power to vote, or to direct the voting of, shares; except that a member of a national securities exchange is not deemed to be a beneficial owner of securities held directly or indirectly by it on behalf of another person solely because the member is the record holder of the securities if the member is precluded by the rules of the exchange from voting without instruction on contested matters or matters that may affect substantially the rights or privileges of the holders of the securities to be voted. When two or more persons agree to act together for the purpose of voting their shares of the corporation, each member of the group formed thereby is deemed to have acquired beneficial ownership, as of the date of the agreement, of all voting shares of the corporation beneficially owned by any member of the group.

[(7)] (6) "Preferred shares" means a class or series of shares whose holders have preference over any other class or series with respect to distributions.

[(8)] (7) "Record shareholder" means the person in whose name shares are registered in the records of the corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with the corporation.

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[(9)] (8) "Senior executive" means the chief executive officer, chief operating officer, chief financial officer and any individual in charge of a principal business unit or function.

[(10)] (9) "Shareholder" means both a record shareholder and a beneficial shareholder.

Sec. 24. Subdivision (2) of subsection (a) of section 33-1358 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(2) May consider (A) in the circumstances described in subsection [(d)] (g) of section 33-756, as amended by this act, the interests referred to in said subsection, and (B) other pertinent factors or the interests of any other group that the board of directors, any committee of the board and the directors of the benefit corporation deem appropriate; and

Sec. 25. Subdivision (12) of section 34-243a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(12) "Limited liability company", except in the phrase "foreign limited liability company" and when used in sections 34-279 to 34-279i, inclusive, as amended by this act, means an entity formed under sections 34-243 to 34-283d, inclusive, or which becomes subject to said sections under the Connecticut Entity Transactions Act, or section 34-243i or 34-279h.

Sec. 26. Subsection (g) of section 34-243h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(g) No limited liability company may be formed under the provisions of sections 34-243 to 34-283d, inclusive, for the purpose of

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transacting the business of an insurance company or a surety or indemnity company, unless (1) it is an affiliate of an insurance company chartered by, incorporated, organized or constituted within or under the laws of this state; and (2) at the time of the filing of its certificate of [formation] organization, there is also filed a certificate issued by the Insurance Commissioner, pursuant to section 33-646, authorizing the formation of the limited liability company. No limited liability company formed under the provisions of sections 34-243 to 34-283d, inclusive, shall have power to transact in this state the business of any insurance company or a surety or indemnity company until it has procured a license from the Insurance Commissioner in accordance with the provisions of section 38a-41.

Sec. 27. Section 34-243p of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) A registered agent may resign as an agent for a limited liability company or registered foreign limited liability company by delivering to the Secretary of the State for filing a certificate of resignation that states: (1) The name of the limited liability company or registered foreign limited liability company; (2) the name of the agent; (3) that the agent resigns from serving as registered agent for the limited liability company or registered foreign limited liability company; and (4) the address of the limited liability company or registered foreign limited liability company to which the agent will send the notice required by subsection (c) of this section.

(b) A certificate of resignation takes effect on the earlier of: (1) The thirty-first day after the day on which it is filed by the Secretary of the State; or (2) the date a new registered agent is designated for the limited liability company or registered foreign limited liability company.

(c) A registered agent shall immediately furnish to the limited

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liability company or registered foreign limited liability company notice in a record of the date on which the certificate of resignation was filed.

(d) When a certificate of resignation takes effect, the registered agent ceases to have responsibility under sections 34-243 to 34-283d, inclusive, for any matter thereafter tendered to it as agent for the limited liability company or registered foreign limited liability company. The resignation does not affect any contractual rights the limited liability company or registered foreign limited liability company has against the agent or that the agent has against the limited liability company or registered foreign limited liability company.

[(e) A registered agent may resign with respect to a limited liability company or registered foreign limited liability company whether or not the limited liability company or registered foreign limited liability company is in good standing.]

Sec. 28. Section 34-243u of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

The Secretary of the State shall charge and collect the following fees and remit them to the Treasurer for the use of the state:

(a) Fees for filing documents and issuing certificates: (1) Filing an application to reserve a limited liability company name or to cancel a reserved limited liability company name, sixty dollars; (2) filing a transfer of reserved limited liability company name, sixty dollars; (3) filing a certificate of organization, including appointment of registered agent, one hundred twenty dollars; (4) filing a change of address of agent certificate or change of agent certificate, fifty dollars; (5) filing a notice of resignation of registered agent, fifty dollars; (6) filing an amendment to certificate of organization, one hundred twenty dollars; (7) filing a restated certificate of organization, one hundred twenty dollars; (8) filing a certificate of merger, sixty dollars; (9) filing a

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certificate of interest exchange, sixty dollars; (10) filing a certificate of abandonment, fifty dollars; (11) filing a certificate of reinstatement, one hundred twenty dollars; (12) filing a foreign registration [statement] certificate by a foreign limited liability company to transact business in this state, one hundred twenty dollars; (13) filing an application of foreign limited liability company for amended foreign registration [statement] certificate, one hundred twenty dollars; (14) filing a [statement] certificate of withdrawal of [foreign limited liability company] registration under section 34-275h, as amended by this act, one hundred twenty dollars; (15) filing an annual report, twenty dollars; (16) filing an interim notice of change of manager or member, twenty dollars; (17) filing a registration of name or a [removal] renewal of registration of name, sixty dollars; (18) filing a statement of correction, one hundred dollars; and (19) filing a transfer of registration, sixty dollars plus the qualification fee.

(b) Miscellaneous charges: (1) At the time of any service of process on the Secretary of the State as registered agent of a limited liability company, which amount may be recovered as taxable costs by the party to the suit or action causing such service to be made if such party prevails in the suit or action, the plaintiff in the process so served shall pay fifty dollars; (2) for preparing and furnishing a copy of any document, instrument or paper filed or recorded relating to a limited liability company: For each copy of each such document thereof regardless of the number of pages, forty dollars; for affixing his certification thereto, fifteen dollars; (3) for the issuance of a [certification] certificate of legal existence of a domestic or registered foreign limited liability company, fifty dollars; (4) for the issuance of a certificate of legal existence of a domestic or registered foreign limited liability company which certificate may reflect any and all changes of limited liability company names and the dates of filing thereof, fifty dollars; (5) for the issuance of a certificate of legal existence of a domestic limited liability company reflecting [articles] certificates

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effecting fundamental changes to certificate of organization and the date or dates of filing thereof, one hundred dollars; and (6) for other services for which fees are not provided by the general statutes, the Secretary of the State may charge such fees as will, in the judgment of the Secretary of the State, cover the cost of the services provided.

(c) The tax imposed under chapter 219 shall not be imposed upon any transaction for which a fee is charged under the provisions of this section.

Sec. 29. Subsection (c) of section 34-247 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(c) A certificate of organization may contain statements as to matters other than those required by subsection (b) of this section, but may not vary or otherwise affect the provisions specified in subsection (c) of section 34-243d in a manner inconsistent with said section. [However, a statement in a certificate of organization is not effective as a statement of authority.]

Sec. 30. Subsection (a) of section 34-247d of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) If a record delivered to the Secretary of the State for filing under sections 34-243 to 34-283d, inclusive, and filed by the Secretary of the State contains inaccurate information, a person that suffers loss by reliance on the information may recover damages for the loss from: (1) A person that signed the record or caused another to sign it on the person's behalf, and knew the information to be inaccurate at the time the record was signed; and (2) subject to subsection (b) of this section, a member of a member-managed limited liability company or the manager of a manager-managed limited liability company, if: (A) The

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record was delivered for filing on behalf of the company; and (B) the member or manager had notice of the inaccuracy for a reasonably sufficient time before the information was relied upon so that, before the reliance, the member or manager reasonably could have:

(i) Effected an amendment under section 34-247a;

(ii) Filed a petition under section 34-247c; or

(iii) Delivered to the Secretary of the State for filing a [statement of] change of address of agent certificate or a change of agent certificate under section 34-243o or a statement of correction under section 34-247h.

Sec. 31. Section 34-247f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

Except as provided in section 34-247g, as amended by this act, and subject to the provisions of subsection (c) of section 34-247h, a certificate of organization is effective and a foreign registration [statement] certificate is effective on the date and at the time of its filing by the Secretary of the State, as provided in section 34-247e. Each other record filed under sections 34-243 to 34-283d, inclusive, is effective on the later of:

(1) On the date and at the time of its filing by the Secretary of the State, as provided in section 34-247e;

(2) On the date of filing and at the time specified in the record as its effective time, if later than the time under subdivision (1) of this section;

(3) At a specified delayed effective date and time, which may not be more than ninety days after the date of filing; or

(4) If a delayed effective date is specified, but no time is specified, at

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12:01 a.m. on the date specified, which may not be more than ninety days after the date of filing.

Sec. 32. Section 34-247g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) A record delivered to the Secretary of the State for filing may be withdrawn before it takes effect by delivering to the Secretary of the State for filing a [statement] certificate of withdrawal.

(b) A [statement] certificate of withdrawal must: (1) Identify the record to be withdrawn; and (2) if signed by fewer than all the persons that signed the record being withdrawn, state that the record is withdrawn in accordance with the agreement of all the persons that signed the record or as otherwise provided in the operating agreement of the limited liability company.

(c) On filing by the Secretary of the State of a [statement] certificate of withdrawal, the action or transaction evidenced by the original record shall not take effect.

Sec. 33. Section 34-247j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

[(a)] On request of any person, the Secretary of the State shall issue a certificate of [good standing] legal existence for a domestic or registered foreign limited liability company. [or a certificate of registration for a registered foreign limited liability company] A certificate issued by the Secretary of the State under this section may be relied upon as conclusive evidence of the facts set forth in the certificate.

[(b)] A certificate issued under subsection (a) of this section must state:

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(1) The limited liability company's name or the registered foreign limited liability company's name used in this state;

(2) In the case of a limited liability company, that: (A) No statement of dissolution, statement of administrative dissolution or statement of termination has been filed; (B) the records of the Secretary of the State do not otherwise reflect that the company has been dissolved or terminated; (C) the limited liability company has filed all annual reports due through the date of the certificate in compliance with section 34-247k; and (D) a proceeding is not pending under section 34-267g; and

(3) In the case of a registered foreign limited liability company, that: (A) It is registered to do business in this state; and (B) the registered foreign limited liability company has filed all annual reports due through the date of the certificate in compliance with section 34-247k.

(c) A certificate issued by the Secretary of the State under subsection (a) of this section may be relied upon as conclusive evidence of the facts set forth in the certificate.]

Sec. 34. Subdivision (5) of subsection (a) of section 34-247k of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(5) In the case of a foreign limited liability company, any alternate name adopted under section 34-275e, its governing jurisdiction and [any alternate name adopted under subsection (a) of section 34-275e] if the law of the governing jurisdiction requires the company to maintain an office in that jurisdiction, the street and mailing addresses of the required office.

Sec. 35. Subsections (f) and (g) of section 34-275a of the general statutes are repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

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(f) A foreign limited liability company, by transacting business in this state without a foreign registration [statement] certificate, appoints the Secretary of the State as its agent for service of process with respect to a cause of action arising out of the transaction of business in this state. Such foreign limited liability company may be served in the manner provided in subsection (b) of section 34-243r.

(g) A foreign limited liability company which transacts business in this state without a valid foreign registration [statement] certificate shall be liable to this state, for each year or part thereof during which it transacted business in this state without such certificate, in an amount equal to: (1) All fees and taxes which would have been imposed by law upon such limited liability company had it duly applied for and received such registration to transact business in this state, and (2) all interest and penalties imposed by law for failure to pay such fees and taxes. A foreign limited liability company is further liable to this state, for each month or part thereof during which it transacted business in this state without a valid foreign registration [statement] certificate, in an amount equal to three hundred dollars, except that a foreign limited liability company which has registered with the Secretary of the State not later than ninety days after it has commenced transacting business in this state shall not be liable for such monthly penalty. Such fees and penalties may be levied by the Secretary of the State. The Attorney General may bring proceedings to recover all amounts due this state under the provisions of this subsection.

Sec. 36. Section 34-275b of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

To register to do business in this state, a foreign limited liability company must deliver a foreign registration [statement] certificate to the Secretary of the State for filing. The [statement] certificate shall set forth:

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(1) The name of the company and, if the name does not comply with section 34-243k, an alternate name adopted pursuant to subsection (a) of section 34-275e;

(2) That the company is a foreign limited liability company;

(3) The name of the company's governing jurisdiction;

(4) The street and mailing addresses of the company's principal office and, if the law of the governing jurisdiction requires the company to maintain an office in that jurisdiction, the street and mailing addresses of the required office;

(5) The name and address of the agent in this state for service of process on the foreign limited liability company required to be maintained by [subdivision (4) of subsection (b) of section 34-247] section 34-243n and an acceptance of such appointment signed by the agent appointed if other than the Secretary of the State;

(6) The name and respective business and residence addresses of a manager or a member of the foreign limited liability company, except that, if good cause is shown, the Secretary of the State may accept a business address in lieu of business and residence addresses of such manager or member. For the purposes of this subdivision, a showing of good cause shall include, but need not be limited to, a showing that public disclosure of the residence address of the manager or member of the foreign limited liability company may expose the personal security of such manager or member to significant risk; and

(7) The electronic mail address, if any, of the foreign limited liability company.

Sec. 37. Section 34-275c of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

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A registered foreign limited liability company shall deliver to the Secretary of the State for filing an amendment to its foreign registration [statement] certificate if there is a change in: (1) The name of the company; or (2) the company's governing jurisdiction. [; (3) an address required by subdivision (4) of section 34-275b; or (4) the information required by subdivision (5) of section 34-275b.]

Sec. 38. Section 34-275f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) When a registered foreign limited liability company has merged into a foreign [entity] limited liability company that is not registered to transact business in this state, [or has converted to a foreign entity required to register with the Secretary of the State to transact business in this state,] the nonregistered foreign [entity] limited liability company shall deliver to the Secretary of the State for filing an application for transfer of registration. The application must state:

(1) The name of the registered foreign limited liability company before the merger; [or conversion;]

(2) That before the merger [or conversion] the registration pertained to a foreign limited liability company;

(3) The name of the applicant foreign [entity] limited liability company into which the foreign limited liability company has merged, [or to which it has been converted,] and, if the name does not comply with section 34-243k, an alternate name adopted pursuant to subsection (a) of section 34-275e;

(4) The [type of entity of the applicant foreign entity and its] governing jurisdiction of the applicant foreign limited liability company;

(5) The street and mailing addresses of the principal office of the

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applicant foreign [entity] limited liability company and, if the law of the [entity's] foreign limited liability company's governing jurisdiction requires the [entity] foreign limited liability company to maintain an office in that jurisdiction, the street and mailing addresses of that office;

(6) The name and [street and mailing addresses of the applicant foreign entity's registered agent in this state] address of the agent in this state for service of process on the foreign limited liability company required to be maintained by subsection (b) of section 34-247;

(7) The name and respective business and residence addresses of a manager or a member of the foreign limited liability company, except that, if good cause is shown, the Secretary of the State may accept a business address in lieu of business and residence addresses of such manager or member. For the purposes of this subdivision, a showing of good cause shall include, but need not be limited to, a showing that public disclosure of the residence address of the manager or member of the foreign limited liability company may expose the personal security of such manager or member to significant risk; and

(8) The electronic mail address, if any, of the foreign limited liability company.

(b) When an application for transfer of registration takes effect, the registration of the foreign limited liability company to transact business in this state is transferred without interruption to the foreign [entity] limited liability company into which the foreign company has merged, [or to which it has been converted.]

Sec. 39. Section 34-275g of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) The foreign registration [statement] certificate of a foreign limited liability company to transact business in this state may be

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revoked by the Secretary of the State upon the conditions provided in this section when: (1) The foreign limited liability company has failed to file its annual report with the Secretary of the State; (2) a wilful misrepresentation has been made of any material matter in any application, report, affidavit or other document, submitted by such foreign limited liability company pursuant to sections 34-275 to 34-275i, inclusive; (3) the foreign limited liability company is exceeding the authority conferred upon it by said sections; or (4) the foreign limited liability company is without an agent upon whom process may be served in this state for sixty days or more.

(b) On the happening of an event set forth in subdivision (1), (2), (3) or (4) of subsection (a) of this section, the Secretary of the State shall give not less than twenty days' written notice to the foreign limited liability company that the Secretary intends to revoke the foreign registration [statement] certificate of such foreign limited liability company for one of said causes, specifying the same. Such notice shall be given by registered or certified mail addressed to the foreign limited liability company at its address as last shown on the records of the Secretary of the State. If, before expiration of the time set forth in the notice, the foreign limited liability company establishes to the satisfaction of the Secretary of the State that the stated cause for the revocation of its foreign registration [statement] certificate did not exist at the time the notice was mailed or, if it did exist at said time, has been cured, the Secretary of the State shall take no further action. Otherwise, on the expiration of the time set forth in the notice, the Secretary shall revoke the foreign registration [statement] certificate of such foreign limited liability company to transact business in this state.

(c) Upon revoking the foreign registration [statement] certificate of any foreign limited liability company, the Secretary of the State shall file a certificate of revocation in his office and shall: (1) Mail a copy thereof to such foreign limited liability company at its address as last

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shown on the Secretary's records; and (2) cause notice of the filing of such certificate of revocation to be posted on the office of the Secretary of the State's Internet web site for a period of sixty days following the date on which the Secretary of the State files the certificate of revocation. The filing of such certificate of revocation shall cause the authority of a foreign limited liability company to transact business in this state to cease. Notwithstanding the filing of the certificate of revocation, the appointment by a foreign limited liability company of [an attorney] a registered agent upon whom process may be served shall continue in force as long as any liability remains outstanding against the foreign limited liability company in this state.

Sec. 40. Subsection (a) of section 34-275h of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) A registered foreign limited liability company may withdraw its registration by delivering a [statement] certificate of withdrawal of registration to the Secretary of the State for filing. The [statement] certificate of withdrawal of registration must state: (1) The name of the company and its governing jurisdiction; (2) that the company is not transacting business in this state and that it withdraws its registration to transact business in this state; (3) that the company revokes the authority of its registered agent to accept service on its behalf in this state; (4) that the company surrenders its authority to transact business in this state; and (5) an address to which service of process may be made under subsection (b) of this section.

Sec. 41. Section 34-279i of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(a) Unless otherwise provided in the certificate of organization or operating agreement of the limited liability company, a plan of merger must be consented to by two-thirds in interest of the members of the

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limited liability company.

(b) Subject to any contractual rights, after a merger is approved, and at any time before [articles] a certificate of merger [are delivered to the Secretary of the State for filing under section 34-279j] becomes effective, a merging limited liability company may amend the plan of merger or abandon the merger: (1) As provided in the plan; or (2) except as otherwise prohibited in the plan, with the same consent as was required to approve the plan.

Sec. 42. Subsection (d) of section 34-279j of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2017*):

(d) [Each merging] The surviving limited liability company shall deliver the certificate of merger for filing in the office of the Secretary of the State.

Sec. 43. (*Effective from passage*) Not later than January 1, 2018, the Secretary of the State shall report, in accordance with the provisions of section 11-4a of the general statutes, to the joint standing committee of the General Assembly having cognizance of matters relating to the judiciary on potential funding sources that may be available to the Secretary for modifications and updates to, or replacement of, the Secretary of the State's CONCORD commercial records database in order to promote and enhance implementation of business friendly initiatives.

Sec. 44. Subsection (c) of section 33-784 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(c) For purposes of this section: (1) "Holder" means, and "held by" refers to shares held by, both a record shareholder, as defined in subdivision (7) of section 33-855, as amended by this act, and a

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beneficial shareholder; [, as defined in subdivision (2) of section 33-855;] and (2) "qualified shares" means all shares entitled to be voted with respect to the transaction except for shares that the secretary or other officer or agent of the corporation authorized to tabulate votes either knows, or under subsection (b) of this section is notified, are held by (A) a director who has a conflicting interest respecting the transaction, or (B) a related person of the director, excluding a person described in subparagraph (F) of subdivision (5) of section 33-781, as amended by this act.

Sec. 45. Subsection (b) of section 33-896 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective October 1, 2017*):

(b) Subdivision (1) of subsection (a) of this section shall not apply in the case of a corporation that, on the date of the filing of the proceeding, has shares that are: (A) Listed on the New York Stock Exchange, the American Stock Exchange or any exchange owned or operated by the NASDAQ Stock Market LLC, or listed or quoted on a system owned or operated by the National Association of Securities Dealers, Inc.; or (B) not so listed or quoted, but are held by at least three hundred shareholders and the shares outstanding have a market value of at least twenty million dollars exclusive of the value of such shares held by the corporation's subsidiaries, senior executives, directors and beneficial shareholders owning more than ten per cent of such shares. [As used in this subsection, "beneficial shareholder" has the meaning specified in subdivision (2) of section 33-855.]

Approved July 5, 2017