



General Assembly

Substitute Bill No. 7311

January Session, 2017



**AN ACT CONCERNING LIMITED LIABILITY COMPANIES AND
BUSINESS CORPORATIONS.**

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

1 Section 1. (NEW) (*Effective October 1, 2018*) Sections 1 to 33,
2 inclusive, of this act may be cited as the Limited Liability Company
3 Protected Series Act.

4 Sec. 2. (NEW) (*Effective October 1, 2018*) As used in sections 1 to 33,
5 inclusive, of this act:

6 (1) "Asset" means property:

7 (A) In which a series limited liability company or protected series
8 has rights; or

9 (B) As to which the company or protected series has the power to
10 transfer rights.

11 (2) "Associated asset" means an asset that meets the requirements in
12 section 16 of this act.

13 (3) "Associated member" means, with respect to a protected series, a
14 member that meets the requirements in section 17 of this act.

15 (4) "Foreign protected series" means a protected series established

16 by a foreign limited liability company and having attributes
17 comparable to a protected series established under sections 1 to 33,
18 inclusive, of this act. The term applies whether or not the law under
19 which the foreign company is organized refers to protected series or
20 series.

21 (5) "Foreign series limited liability company" means a foreign
22 limited liability company having at least one foreign protected series.

23 (6) "Non-associated asset" means an asset of a series limited liability
24 company or protected series of the company which is not an associated
25 asset of the company or protected series.

26 (7) "Person" has the same meaning as provided in section 34-243a of
27 the general statutes, as amended by this act, except that "person"
28 includes a protected series, whether referred to as a protected series or
29 series.

30 (8) "Protected series", except in the phrase "foreign protected series",
31 means a protected series established under section 10 of this act.

32 (9) "Protected series manager" means a person under whose
33 authority the powers of a protected series are exercised and under
34 whose direction the activities and affairs of the protected series are
35 managed under the operating agreement, sections 1 to 33, inclusive, of
36 this act and sections 34-243 to 34-283d, inclusive, of the general
37 statutes.

38 (10) "Protected series transferable interest" means a right to receive a
39 distribution from a protected series.

40 (11) "Protected series transferee" means a person to which all or part
41 of a protected series transferable interest has been transferred. The
42 term includes a person that owns a protected series transferable
43 interest as a result of ceasing to be an associated member of a protected
44 series.

45 (12) "Series limited liability company", except in the phrase "foreign
46 series limited liability company", means a limited liability company
47 having at least one protected series.

48 Sec. 3. (NEW) (*Effective October 1, 2018*) (a) Subject to subsection (b)
49 of this section and for the purposes of applying subsection (c) of
50 section 7 of this act, section 8 of this act, subparagraph (A)(i) of
51 subdivision (4) of section 24 of this act and subsection (a) of section 25
52 of this act, the following rules apply:

53 (1) A protected series of a series limited liability company is deemed
54 to be a limited liability company, organized separately from the series
55 limited liability company that established the protected series and
56 distinct from the company and any other protected series of the
57 company;

58 (2) Any associated member of the protected series is deemed to be a
59 member of the company deemed to exist under subdivision (1) of this
60 subsection;

61 (3) Any protected series transferee of the protected series is deemed
62 to be a transferee of the company deemed to exist under subdivision
63 (1) of this subsection;

64 (4) Any protected series transferable interest of the protected series
65 is deemed to be a transferable interest of the company deemed to exist
66 under subdivision (1) of this subsection;

67 (5) A series manager of the protected series is deemed to be a person
68 managing the company deemed to exist under subdivision (1) of this
69 subsection;

70 (6) Any asset of the protected series is deemed to be an asset of the
71 company deemed to exist under subdivision (1) of this subsection,
72 whether or not the asset is an associated asset of the protected series;
73 and

74 (7) Any creditor or other obligee of the protected series is deemed to
75 be a creditor or obligee of the company deemed to exist under
76 subdivision (1) of this subsection.

77 (b) Subsection (a) of this section does not apply if its application
78 would:

79 (1) Vary the effect of section 8 of this act or section 34-243d of the
80 general statutes; or

81 (2) Require the Secretary of the State to:

82 (A) Accept for filing a type of record that neither sections 1 to 33,
83 inclusive, of this act nor sections 34-243 to 34-283d, inclusive, of the
84 general statutes authorize or require a person to deliver to the
85 Secretary of the State for filing; or

86 (B) Make or deliver a record that neither sections 1 to 33, inclusive,
87 of this act nor sections 34-243 to 34-283d, inclusive, of the general
88 statutes authorize or require the Secretary of the State to make or
89 deliver.

90 Sec. 4. (NEW) (*Effective October 1, 2018*) A protected series of a series
91 limited liability company is a person distinct from:

92 (1) The company, except as otherwise provided in subdivision (1) of
93 subsection (c) of section 5 of this act;

94 (2) Another protected series of the company;

95 (3) A member of the company, whether or not the member is an
96 associated member of the protected series;

97 (4) A protected series transferee of any protected series of the
98 company; or

99 (5) A transferee of a transferable interest of the company.

100 Sec. 5. (NEW) (*Effective October 1, 2018*) (a) A protected series has the
101 capacity to sue and be sued in its own name.

102 (b) Except as otherwise provided in subsection (c) of this section, a
103 protected series has the same powers that a limited liability company
104 has under section 34-243h of the general statutes, as amended by this
105 act.

106 (c) A protected series of a series limited liability company may not:

107 (1) Continue to exist after the series limited liability company that
108 established the protected series has completed its winding up;

109 (2) Be a member of the company;

110 (3) Establish a protected series;

111 (4) Have a protected series transferable interest, management or
112 voting right or any other right in another protected series of the
113 company;

114 (5) Be a party to a merger, interest exchange, conversion,
115 domestication or comparable transaction; or

116 (6) Except as permitted by law of this state other than sections 1 to
117 33, inclusive, of this act, do anything or have any purpose that the law
118 of this state other than sections 1 to 33, inclusive, of this act prohibit a
119 limited liability company from doing or having.

120 Sec. 6. (NEW) (*Effective October 1, 2018*) The law of this state governs:

121 (1) The internal affairs of a protected series;

122 (2) The relations between a protected series and:

123 (A) The series limited liability company that established the
124 protected series;

125 (B) Another protected series of the company;

126 (C) A member that is not an associated member of the protected
127 series;

128 (D) A protected series manager that is not a protected series
129 manager of the protected series; and

130 (E) A protected series transferee that is not a protected series
131 transferee of the protected series;

132 (3) The liability of a person for a debt, obligation or other liability of
133 a protected series if the debt, obligation or other liability is asserted
134 solely by reason of the person being or acting as:

135 (A) An associated member, protected series transferee or protected
136 series manager of the protected series;

137 (B) A member of the limited liability company that established the
138 protected series which is not an associated member of the protected
139 series;

140 (C) A protected series manager that is not a protected series
141 manager of the protected series;

142 (D) A protected series transferee that is not a protected series
143 transferee of the protected series;

144 (E) A person managing the company; or

145 (F) A transferee of a transferable interest of the company;

146 (4) The liability of a series limited liability company for a debt,
147 obligation or other liability of a protected series established by the
148 company if the debt, obligation or other liability is asserted solely by
149 reason of the company:

150 (A) Having established the protected series;

151 (B) Being or acting as a protected series manager of the protected

152 series;

153 (C) Having the protected series be or act as the person managing the
154 company; or

155 (D) Owning a protected series transferable interest of the protected
156 series; and

157 (5) The liability of a protected series for a debt, obligation or other
158 liability of the series limited liability company that established the
159 protected series or for a debt, obligation or other liability of another
160 protected series of the company if the debt, obligation or other liability
161 is asserted solely by reason of:

162 (A) The protected series:

163 (i) Being a protected series of the company or having as a protected
164 series manager the company or another protected series of the
165 company; or

166 (ii) Being or acting as a protected series manager of another
167 protected series of the company or as a person managing the company;
168 or

169 (B) The company owning a protected series transferable interest of
170 the protected series.

171 Sec. 7. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise
172 provided in this section and subject to sections 8 and 9 of this act, the
173 operating agreement of a series limited liability company governs:

174 (1) The internal affairs of a protected series;

175 (2) Relations among the protected series, the company and any
176 other protected series of the company; and

177 (3) Relations between the protected series, its protected series
178 manager, any associated member of the protected series or any

179 protected series transferee of the protected series and another person
180 in the other person's capacity as:

181 (A) A member of the company which is not an associated member
182 of the protected series;

183 (B) A protected series transferee or protected series manager of
184 another protected series; or

185 (C) A transferee of the company.

186 (b) If the operating agreement of a series limited liability company
187 does not provide for a matter described in subsection (a) of this
188 section, sections 1 to 33, inclusive, of this act govern the matter.

189 (c) If neither the operating agreement nor sections 1 to 33, inclusive,
190 of this act provides for a matter described in subsection (a) of this
191 section, sections 34-243 to 34-283d, inclusive, of the general statutes
192 govern the matter according to the rules in section 3 of this act.

193 (d) Subsection (c) of this section does not apply if its application
194 would:

195 (1) Vary the effect of section 8 or 9 of this act; or

196 (2) Require the Secretary of the State to:

197 (A) Accept for filing a type of record that neither sections 1 to 33,
198 inclusive, of this act nor sections 34-243 to 34-283d, inclusive, of the
199 general statutes expressly authorize or require a person to deliver to
200 the Secretary of the State for filing; or

201 (B) Make or deliver a record that neither sections 1 to 33, inclusive,
202 of this act nor sections 34-243 to 34-283d, inclusive, of the general
203 statutes expressly authorize or require the Secretary of the State to
204 make or deliver.

205 Sec. 8. (NEW) (*Effective October 1, 2018*) If any provision of

206 subsection (c) or (e) of section 34-243d of the general statutes or
207 subdivision (3) of subsection (d) of section 34-243d of the general
208 statutes prohibit an operating agreement from varying a provision of
209 sections 34-243 to 34-283d, inclusive, of the general statutes, limit the
210 extent to which the agreement may vary a provision or restrict the
211 agreement in any other way, the prohibition, limitation or restriction
212 applies to a matter under sections 1 to 33, inclusive, of this act
213 according to the rules in section 3 of this act.

214 Sec. 9. (NEW) (*Effective October 1, 2018*) An operating agreement
215 may not vary:

216 (1) This section;

217 (2) The nature of a protected series as stated in section 4 of this act;

218 (3) The capacity of a protected series to sue and be sued in its own
219 name under subsection (a) of section 5 of this act;

220 (4) Subsection (b) of section 5 of this act to provide a protected series
221 a power in addition to the powers provided to a limited liability
222 company under sections 34-243 to 34-283d, inclusive, of the general
223 statutes;

224 (5) The limitations in subsection (c) of section 5 of this act on the
225 powers of a protected series;

226 (6) The law applicable under section 6 of this act;

227 (7) The application under section 8 of this act of prohibitions,
228 limitations and restrictions on the operating agreement;

229 (8) The requirements and procedures under section 10 of this act for
230 establishing a protected series, except that the operating agreement
231 may vary the manner in which a limited liability company authorizes
232 the establishment of a protected series;

233 (9) The requirements in section 11 of this act for the name of a

234 protected series;

235 (10) The requirements and procedures in section 16 of this act for
236 making an asset an associated asset;

237 (11) The requirements under section 17 of this act that:

238 (A) A person be a member of a series limited liability company in
239 order to be an associated member of a protected series of the company;
240 and

241 (B) A person's dissociation as a member simultaneously causes the
242 person to cease to be an associated member of any protected series of
243 the company;

244 (12) The requirement under subsection (a) of section 18 of this act
245 that a protected series transferable interest must be owned initially by
246 an associated member of the protected series or the series limited
247 liability company that established the protected series;

248 (13) The principles identified in subsection (b) of section 21 of this
249 act as governing claims to disregard a limitation of liability in
250 subsection (a) of section 21 of this act;

251 (14) The procedures and requirements under section 22 of this act to
252 enforce claims against non-associated assets;

253 (15) The rights under section 23 of this act of a judgment creditor;

254 (16) The circumstances in subdivisions (1) and (4) of section 24 of
255 this act as causing dissolution of a protected series;

256 (17) Section 25 of this act, pertaining to winding up of a dissolved
257 protected series, except to designate a different person to manage
258 winding up;

259 (18) Sections 26 to 30, inclusive, of this act;

260 (19) Sections 31 to 33, inclusive, of this act;

261 (20) Any provision of sections 1 to 33, inclusive, of this act
262 pertaining to:

263 (A) Registered agents; or

264 (B) The Secretary of the State, including provisions pertaining to
265 records authorized or required to be delivered to the Secretary of the
266 State for filing under sections 1 to 33, inclusive, of this act; or

267 (21) The rights under sections 1 to 33, inclusive, of this act of a
268 person other than a series limited liability company, a protected series,
269 a protected series manager or a member, whether or not an associated
270 member of a protected series, to the prejudice of the person, except to
271 the extent that sections 34-243 to 34-283d, inclusive, of the general
272 statutes permits the operating agreement to vary the rights of a person
273 not a member or manager of a limited liability company.

274 Sec. 10. (NEW) (*Effective October 1, 2018*) (a) With the affirmative
275 vote or consent of all members of a limited liability company, the
276 company may establish a protected series.

277 (b) To establish a protected series, a limited liability company must
278 deliver to the Secretary of the State for filing a protected series
279 designation, signed by the company, stating the name of the company
280 and the name of the protected series to be established.

281 (c) A protected series is established when the protected series
282 designation becomes effective under section 34-247f of the general
283 statutes, as amended by this act.

284 (d) A series limited liability company may amend a protected series
285 designation by delivering to the Secretary of the State for filing a
286 statement of designation change that changes the name of the
287 company or the name of the protected series to which the designation
288 applies, or both. The change takes effect when the statement of

289 designation change becomes effective under section 34-247f of the
290 general statutes, as amended by this act.

291 Sec. 11. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise
292 provided in subsection (b) of this section, the name of a protected
293 series must comply with section 34-243k of the general statutes.

294 (b) The name of a protected series of a series limited liability
295 company must:

296 (1) Begin or end with the name of the company, including any word
297 or abbreviation required by subsection (a) of section 34-243k of the
298 general statutes to designate that the company is a limited liability
299 company; and

300 (2) Contain the phrase "Protected Series" or "protected series" or the
301 abbreviation "P.S." or "PS".

302 (c) If a series limited liability company changes its name, the
303 company shall deliver to the Secretary of the State for filing a
304 statement of designation change for each of the company's protected
305 series that changes the name of each protected series to comply with
306 this section.

307 Sec. 12. (NEW) (*Effective October 1, 2018*) (a) Unless otherwise
308 designated, the registered agent in this state for a series limited
309 liability company is the registered agent in this state for each protected
310 series of the company.

311 (b) Before delivering a protected series designation to the Secretary
312 of the State for filing, a limited liability company shall contract with a
313 registered agent for the agent to serve as the registered agent in this
314 state for both the company and the protected series.

315 (c) A person that signs a protected series designation delivered to
316 the Secretary of the State for filing affirms as a fact that the limited
317 liability company on whose behalf the designation is delivered has

318 complied with subsection (b) of this section.

319 (d) A person that ceases to be the registered agent for a series
320 limited liability company ceases to be the registered agent for each
321 protected series of the company.

322 (e) A person that ceases to be the registered agent for a protected
323 series of a series limited liability company ceases to be the registered
324 agent of the company and any other protected series of the company.

325 (f) Except as otherwise agreed by a series limited liability company
326 and its registered agent, the agent is not obligated to distinguish
327 between a process, notice, demand or other record concerning the
328 company and a process, notice, demand or other record concerning a
329 protected series of the company.

330 Sec. 13. (NEW) (*Effective October 1, 2018*) (a) A protected series may
331 be served with any process, notice, demand or other record required or
332 permitted by law by:

333 (1) Serving the series limited liability company that established the
334 protected series;

335 (2) Serving the registered agent of the protected series; or

336 (3) Other means authorized by law of this state other than sections 1
337 to 33, inclusive, of this act.

338 (b) Service of a summons and complaint on a series limited liability
339 company or foreign series limited liability company is notice to each
340 protected series of the company or foreign protected series of the
341 foreign company of service of the summons and complaint and the
342 contents of the complaint. Service of a summons and complaint on a
343 protected series of a series limited liability company or foreign
344 protected series of a foreign series limited liability company is notice to
345 the company and any other protected series of the company, or the
346 foreign company and any other foreign protected series of the foreign

347 company of service of the summons and complaint and the contents of
348 the complaint.

349 (c) Notice to a person under subsection (b) of this section is effective
350 whether or not the summons and complaint identify the person if the
351 summons and complaint name as a party and identify:

352 (1) The series limited liability company or a protected series of the
353 company; or

354 (2) The foreign series limited liability company or a foreign
355 protected series of the foreign company.

356 Sec. 14. (NEW) (*Effective October 1, 2018*) (a) On request of any
357 person, the Secretary of the State shall issue a certificate of good
358 standing for a protected series. The certificate shall state:

359 (1) The name of the protected series and the name of the series
360 limited liability company that established the protected series;

361 (2) That a certificate of designation pertaining to the protected series
362 has been filed and taken effect;

363 (3) The date the certificate took effect;

364 (4) If any statement of designation change pertaining to the
365 protected series has taken effect, the effective date and contents of the
366 statement;

367 (5) That no statement of termination of the protected series has been
368 filed;

369 (6) That all fees, taxes, interest and penalties owed to this state by
370 the protected series and collected through the Secretary of the State
371 have been paid; if:

372 (A) Payment is reflected in the records of the Secretary of the State;
373 and

374 (B) Nonpayment affects the good standing of the protected series;

375 (7) That the most recent annual report required by sections 34-243 to
376 34-283d, inclusive, of the general statutes includes the name of the
377 protected series and has been delivered to the Secretary of the State for
378 filing; and

379 (8) Other facts reflected in the records of the Secretary of the State
380 pertaining to the protected series which the person requesting the
381 certificate reasonably requests.

382 (b) Subject to any qualification stated in the certificate, a certificate
383 issued by the Secretary of the State under subsection (a) of this section
384 may be relied on as conclusive evidence of the facts stated in the
385 certificate.

386 Sec. 15. (NEW) (*Effective October 1, 2018*) The annual report required
387 under sections 34-243 to 34-283d, inclusive, of the general statutes to be
388 delivered to the Secretary of the State for filing must, in the case of a
389 series limited liability company, also include the name of each
390 protected series of the company. Failure of the company to include the
391 name of a protected series does not dissolve or otherwise affect the
392 protected series but does prevent issuance of a certificate of good
393 standing pertaining to the protected series.

394 Sec. 16. (NEW) (*Effective October 1, 2018*) (a) Only property that is an
395 asset of a protected series may be an associated asset of the protected
396 series. Only property that is an asset of a series limited liability
397 company may be an associated asset of the company.

398 (b) An asset of a protected series is an associated asset of the
399 protected series only if the series limited liability company that
400 established the protected series creates and maintains a record or set of
401 records that identifies the protected series and:

402 (1) Describes the asset with sufficient specificity to permit a
403 disinterested, reasonable individual to identify the asset and

404 distinguish it from:

405 (A) Other assets of the protected series, whether or not the other
406 assets are associated assets of the protected series;

407 (B) Assets of any other protected series of the series limited liability
408 company, whether or not the assets are associated assets of the other
409 protected series; and

410 (C) Assets of the company, whether or not the assets are associated
411 assets of the company;

412 (2) If the protected series transfers the asset, or any part of the asset,
413 states when and to what person the protected series made the transfer;
414 and

415 (3) If the protected series transferred the asset to the company or
416 another protected series of the company, states the consideration
417 received, the payee and the payer.

418 (c) To the extent permitted by law of this state other than sections 1
419 to 33, inclusive, of this act and subject to subsections (a) and (b) of this
420 section, a protected series may hold an associated asset directly or
421 indirectly, through a representative, nominee or otherwise, but may
422 not hold the asset in the name of the series limited liability company or
423 another protected series of the company.

424 (d) A series limited liability company may make an asset an
425 associated asset of the company in accordance with this section.

426 Sec. 17. (NEW) (*Effective October 1, 2018*) (a) Only a member of a
427 series limited liability company may be an associated member of a
428 protected series of the company. If a person is dissociated from a series
429 limited liability company, the person immediately ceases to be an
430 associated member of any protected series of the company.

431 (b) A member of a series limited liability company becomes an

432 associated member of a protected series of the company when the
433 operating agreement or a procedure established by the agreement: (1)
434 Identifies the member as an associated member of the protected series;
435 and (2) states what, if any, protected series transferable interest the
436 associated member has in connection with becoming or being an
437 associated member.

438 Sec. 18. (NEW) (*Effective October 1, 2018*) (a) A protected series
439 transferable interest of a protected series must be owned initially by an
440 associated member of the protected series or the series limited liability
441 company that established the protected series.

442 (b) If a protected series has no associated members when
443 established, the series limited liability company owns the protected
444 series transferable interests in the protected series.

445 (c) A series limited liability company may acquire a protected series
446 transferable interest through a transfer from another person or as
447 provided in the operating agreement.

448 Sec. 19. (NEW) (*Effective October 1, 2018*) (a) A protected series
449 manager in that capacity owes duties only to the protected series and
450 any associated members of the protected series. A protected series may
451 have simultaneously more than one protected series manager.

452 (b) Whenever a protected series has no associated members, the
453 series limited liability company is the protected series manager.

454 (c) An associated member of a protected series is by statute an agent
455 for the protected series with statutory power to bind the protected
456 series to the same extent, if any, that a member of a limited liability
457 company is by statute an agent for the company with statutory power
458 to bind the company.

459 Sec. 20. (NEW) (*Effective October 1, 2018*) (a) A member of a series
460 limited liability company which is not an associated member of a
461 protected series of the company has a right to information concerning

462 the protected series to the same extent, in the same manner and under
463 the same conditions that a nonmanager member of a manager-
464 managed limited liability company has a right to information
465 concerning the company under subdivisions (2) and (3) of subsection
466 (b) of section 34-255i of the general statutes.

467 (b) A person that was formerly an associated member of a protected
468 series has a right to information concerning the protected series to the
469 same extent, in the same manner and under the same conditions that a
470 person dissociated as a member of a limited liability company has a
471 right to information concerning the company under subsection (c) of
472 section 34-255i of the general statutes.

473 (c) If an associated member of the protected series dies, the legal
474 representative of the deceased associated member has a right to
475 information concerning the protected series to the same extent, in the
476 same manner and under the same conditions that the legal
477 representative of a deceased member has a right to information
478 concerning the company under section 34-259c of the general statutes.

479 Sec. 21. (NEW) (*Effective October 1, 2018*) (a) Subject to subsection (b)
480 of this section and section 22 of this act:

481 (1) A debt, obligation or other liability of a series limited liability
482 company is solely the debt, obligation or other liability of the
483 company;

484 (2) A debt, obligation or other liability of a protected series is solely
485 the debt, obligation or other liability of the protected series;

486 (3) A series limited liability company is not liable, directly or
487 indirectly, by way of contribution or otherwise, for a debt, obligation
488 or other liability of a protected series of the company solely by reason
489 of the company:

490 (A) Having established the protected series;

491 (B) Being or acting as a protected series manager of the protected
492 series;

493 (C) Having the protected series manage the company; or

494 (D) Owning a protected series transferable interest in the protected
495 series;

496 (4) A protected series is not liable, directly or indirectly, by way of
497 contribution or otherwise, for a debt, obligation or other liability of the
498 series limited liability company that established the protected series or
499 another protected series of the company solely by reason of:

500 (A) Being a protected series of the company;

501 (B) Being or acting as a person managing the company or a
502 protected series manager of another protected series of the company;
503 or

504 (C) Having the company or another protected series of the company
505 be or act as a protected series manager of the protected series; and

506 (5) A person is not liable, directly or indirectly, by way of
507 contribution or otherwise, for a debt, obligation or other liability of:

508 (A) A protected series solely by reason of being or acting as an
509 associated member of the protected series, a series manager of the
510 protected series, a member of the series limited liability company that
511 established the protected series or a person managing the company or
512 by having a protected series transferable interest in the protected
513 series; or

514 (B) A series limited liability company solely by reason of being or
515 acting as an associated member or protected series manager of a
516 protected series of the company.

517 (b) A claim to disregard a limitation under subsection (a) of this
518 section is governed by the principles of law and equity, including

519 principles providing rights to creditors or holding a person liable for a
520 debt, obligation or other liability of another person, which would
521 apply if each protected series of the series limited liability company
522 were a limited liability company, organized separately from the
523 company that established the protected series and distinct from the
524 company and any other protected series of the company.

525 Sec. 22. (NEW) (*Effective October 1, 2018*) (a) For the purposes of this
526 section, a claimant first seeks enforcement of a claim against an asset
527 when the claimant first serves process on the owner of the asset,
528 seeking enforcement of the claim under this section by attachment,
529 levy or the like.

530 (b) Subject to subsection (c) of this section, the following rules apply:

531 (1) A claim against a series limited liability company may be
532 enforced against an asset of a protected series of the company only if:

533 (A) When enforcement is first sought, the asset is a non-associated
534 asset of the protected series; or

535 (B) When the liability giving rise to the claim was incurred, the
536 protected series owned the asset but the asset was a non-associated
537 asset of the protected series.

538 (2) A claim against a protected series may be enforced against an
539 asset of the series limited liability company only if:

540 (A) When enforcement is first sought, the asset is a non-associated
541 asset of the company; or

542 (B) When the liability giving rise to the claim was incurred, the
543 company owned the asset but the asset was a non-associated asset of
544 the company.

545 (3) A claim against a protected series may be enforced against an
546 asset of another protected series of the company only if, when

547 enforcement is first sought, the asset is a non-associated asset of the
548 other protected series.

549 (c) In a proceeding under this section, the party asserting that an
550 asset is an associated asset of a series limited liability company or a
551 protected series of the company has the burden of proof on the issue.

552 (d) A proceeding under this section is an action to enforce a
553 judgment.

554 (e) This section supplements and does not displace the principles of
555 law and equity concerning:

556 (1) A fraudulent or voidable conveyance, transfer or transaction;

557 (2) A lien, mortgage, security interest or other encumbrance; or

558 (3) The determination of ownership of property.

559 Sec. 23. (NEW) (*Effective October 1, 2018*) Any provision of section
560 34-259b of the general statutes which provides or restricts remedies
561 available to a judgment creditor of a member of a limited liability
562 company or owner of a transferable interest of the company applies to
563 a judgment creditor of:

564 (1) An associated member or protected series transferee of a
565 protected series; or

566 (2) The series limited liability company, to the extent it owns a
567 protected series transferable interest of the protected series.

568 Sec. 24. (NEW) (*Effective October 1, 2018*) A protected series is
569 dissolved, and its activities and affairs must be wound up, upon:

570 (1) Dissolution of the series limited liability company that
571 established the protected series;

572 (2) Occurrence of an event or circumstance the operating agreement

573 states causes dissolution of the protected series;

574 (3) Affirmative vote or consent of all the members; or

575 (4) Entry by the Superior Court of an order dissolving the protected
576 series on application by:

577 (A) An associated member or protected series manager of the
578 protected series: (i) In accordance with the rules in section 3 of this act;
579 and (ii) to the same extent, in the same manner and on the same
580 grounds the court would enter an order dissolving a limited liability
581 company on application by a member of or a person managing the
582 company; or

583 (B) The company or a member of the company on the grounds that
584 the conduct of all or substantially all the activities and affairs of the
585 protected series is illegal.

586 Sec. 25. (NEW) (*Effective October 1, 2018*) (a) Subject to subsection (b)
587 of this section and in accordance with section 3 of this act:

588 (1) A dissolved protected series shall wind up its activities and
589 affairs in the same manner that a limited liability company winds up
590 its affairs under section 34-267a of the general statutes; and

591 (2) Judicial supervision or other judicial remedy is available in the
592 winding up of the protected series to the same extent, in the same
593 manner and under the same conditions that apply under sections 34-
594 243 to 34-283d, inclusive, of the general statutes in the winding up of a
595 limited liability company.

596 (b) When a protected series has completed winding up, the series
597 limited liability company that established the protected series may
598 deliver to the Secretary of the State for filing a statement of designation
599 cancellation stating the name of the protected series and that the
600 protected series is terminated.

601 (c) A series limited liability company does not complete its winding
602 up until each of its protected series has completed its winding up.

603 Sec. 26. (NEW) (*Effective October 1, 2018*) (a) The law of the
604 jurisdiction of formation of a foreign series limited liability company
605 governs:

606 (1) The internal affairs of a foreign protected series of the company;

607 (2) Relations between the protected series and: (A) The company; (B)
608 another protected series of the company; (C) a member of the company
609 which is not an associated member of the protected series; (D) a
610 protected series transferee of another protected series of the company;
611 (E) a transferee of a transferable interest of the company; and

612 (3) Subject to subsection (b) of this section and section 28 of this act:

613 (A) The liability of a person for a debt, obligation or other liability of
614 a foreign protected series of a foreign series limited liability company if
615 the debt, obligation or other liability is asserted solely by reason of the
616 person being or acting as:

617 (i) An associated member, series transferee or protected series
618 manager of the protected series;

619 (ii) A member of the company not an associated member of the
620 protected series;

621 (iii) A series transferee of another protected series of the company;

622 (iv) A protected series manager of another protected series of the
623 company;

624 (v) A person managing the company; or

625 (vi) A transferee of a transferable interest of the company;

626 (B) The liability of the company for a debt, obligation or other

627 liability of a protected series if the debt, obligation or other liability is
628 asserted solely by reason of the company:

629 (i) Having established the protected series;

630 (ii) Being or acting as a protected series manager of the protected
631 series;

632 (iii) Having the protected series manage the company; or

633 (iv) Owning a protected series transferable interest in the protected
634 series; and

635 (C) The liability of a foreign protected series for a debt, obligation or
636 other liability of the company or another protected series of the
637 company if the debt, obligation or other liability is asserted solely by
638 reason of the protected series:

639 (i) Being a protected series of the company or having the company
640 or another protected series of the company be or act as protected series
641 manager of the protected series; or

642 (ii) Managing the company or being or acting as a series manager of
643 another protected series of the company.

644 (b) In determining a claim under subparagraph (B) or (C) of
645 subdivision (3) of subsection (a) of this section, a court may apply the
646 law of this state instead of the law of the foreign jurisdiction of the
647 foreign series limited liability company if the court determines that
648 applying the law of the foreign jurisdiction advances a policy or
649 produces a result repugnant to the public policy of this state. In
650 making the determination, the court shall consider:

651 (1) The specificity, clarity and forcefulness with which the law of
652 this state reflects a contrary public policy;

653 (2) Whether the claimant is a resident of this state or for another
654 reason reasonably might expect the law of this state to apply; and

655 (3) Any relevant choice-of-law rule of law of this state.

656 Sec. 27. (NEW) (*Effective October 1, 2018*) In determining whether a
657 foreign limited liability company or foreign protected series of the
658 company has transacted business in this state or is subject to the
659 jurisdiction of the courts of this state:

660 (1) The activities and affairs of the company are not attributable to a
661 protected series of the company solely because the company
662 established the protected series; and

663 (2) The activities and affairs of a protected series are not attributable
664 to the company or another protected series of the company solely
665 because the company established the protected series or the other
666 protected series.

667 Sec. 28. (NEW) (*Effective October 1, 2018*) Sections 16 and 22 of this
668 act apply to any asset located in this state owned by a foreign series
669 limited liability company or foreign protected series subject to the
670 personal jurisdiction of the courts of this state.

671 Sec. 29. (NEW) (*Effective October 1, 2018*) (a) Except as otherwise
672 provided in this section and subject to section 27 of this act, the law of
673 this state governing the registration of a foreign limited liability
674 company to do business in this state applies to a foreign protected
675 series as if the foreign protected series were a foreign limited liability
676 company organized separately from the foreign series limited liability
677 company that established the foreign protected series and distinct from
678 the foreign company and any other foreign protected series of the
679 foreign company.

680 (b) An application by a foreign protected series for registration to do
681 business in this state must include:

682 (1) The name and jurisdiction of formation of the foreign series
683 limited liability company that established the foreign protected series
684 applying for registration; and

685 (2) If the company has other protected series, the name, street,
686 mailing and electronic mail address of an individual who knows the
687 name, street mailing and electronic mail address of each other foreign
688 protected series and the protected series manager of and agent for
689 process for each other foreign protected series.

690 (c) The name of a foreign protected series applying for registration
691 or registered to do business in this state must comply with section 11
692 of this act. A foreign protected series may comply with section 11 of
693 this act pursuant to section 34-275e of the general statutes.

694 (d) The requirement in section 34-275c of the general statutes, as
695 amended by this act, to amend a foreign registration certificate to
696 update information applies to the information required by subsection
697 (b) of this section.

698 Sec. 30. (NEW) (*Effective October 1, 2018*) (a) Not later than thirty
699 days after becoming a party to a proceeding before a civil, criminal,
700 administrative or other adjudicative tribunal of this state or a tribunal
701 of the United States located in this state:

702 (1) A foreign series limited liability company shall disclose to each
703 other party the name, street, mailing and electronic mail address of:

704 (A) Each foreign protected series of the company; and

705 (B) Each protected series manager of and an agent for service of
706 process for each foreign protected series of the company; and

707 (2) A foreign protected series shall disclose to each other party the
708 name, street, mailing and electronic mail address of:

709 (A) The foreign series limited liability company that established the
710 foreign protected series, each person managing the company and an
711 agent for service of process for the company; and

712 (B) Each other foreign protected series, if any, and the protected

713 series manager of and an agent for service of process for each other
714 protected series.

715 (b) The time to make disclosure under subsection (a) of this section
716 is tolled if the foreign series limited liability company or foreign
717 protected series challenges the personal jurisdiction of the tribunal. If
718 the tribunal rules in favor of its jurisdiction, the tolling ends.

719 (c) If a foreign series limited liability company or foreign protected
720 series does not comply with subsection (a) of this section, a party to the
721 proceeding may:

722 (1) Move the tribunal to treat the noncompliance as a failure to
723 comply with the tribunal's discovery rules; or

724 (2) Bring a separate proceeding in the Superior Court to enforce the
725 requirements in subsection (a) of this section.

726 Sec. 31. (NEW) (*Effective October 1, 2018*) In applying and construing
727 the provisions of sections 1 to 33, inclusive, of this act, consideration
728 must be given to the need to promote uniformity of the law with
729 respect to its subject matter among states that enact such provisions.

730 Sec. 32. (NEW) (*Effective October 1, 2018*) Sections 1 to 33, inclusive,
731 of this act modify, limit and supersede the Electronic Signatures in
732 Global and National Commerce Act, 15 USC Section 7001 et seq., but
733 do not modify, limit or supersede Section 101(c) of that act, 15 USC
734 Section 7001(c), or authorize electronic delivery of any of the notices
735 described in Section 103(b) of that act, 15 USC Section 7003 (b).

736 Sec. 33. (NEW) (*Effective October 1, 2018*) Sections 1 to 32, inclusive,
737 of this act do not affect an action commenced, proceeding brought or
738 right accrued before October 1, 2018.

739 Sec. 34. Section 33-756 of the general statutes is repealed and the
740 following is substituted in lieu thereof (*Effective October 1, 2017*):

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

748 [(b) In discharging his duties a director is entitled to rely on
749 information, opinions, reports or statements, including financial
750 statements and other financial data, if prepared or presented by: (1)
751 One or more officers or employees of the corporation whom the
752 director reasonably believes to be reliable and competent in the
753 matters presented; (2) legal counsel, public accountants or other
754 persons as to matters the director reasonably believes are within the
755 person's professional or expert competence; or (3) a committee of the
756 board of directors of which he is not a member if the director
757 reasonably believes the committee merits confidence.

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

761 (d) For purposes of sections 33-817, 33-830, 33-831, 33-841 and 33-
762 844, a director of a corporation which has a class of voting stock
763 registered pursuant to Section 12 of the Securities Exchange Act of
764 1934, as the same has been or hereafter may be amended from time to
765 time, in addition to complying with the provisions of subsections (a) to
766 (c), inclusive, of this section, may consider, in determining what he
767 reasonably believes to be in the best interests of the corporation, (1) the
768 long-term as well as the short-term interests of the corporation, (2) the
769 interests of the shareholders, long-term as well as short-term,
770 including the possibility that those interests may be best served by the
771 continued independence of the corporation, (3) the interests of the
772 corporation's employees, customers, creditors and suppliers, and (4)
773 community and societal considerations including those of any

774 community in which any office or other facility of the corporation is
775 located. A director may also in his discretion consider any other factors
776 he reasonably considers appropriate in determining what he
777 reasonably believes to be in the best interests of the corporation.

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

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

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

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

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

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

810 (f) A director is entitled to rely, in accordance with subsection (d) or
811 (e) of this section, on: (1) One or more officers or employees of the
812 corporation whom the director reasonably believes to be reliable and
813 competent in the functions performed or the information, opinions,
814 reports or statements provided; (2) legal counsel, public accountants or
815 other persons retained by the corporation as to matters involving skills
816 or expertise the director reasonably believes are matters (A) within the
817 particular person's professional or expert competence, or (B) as to
818 which the particular person merits confidence; or (3) a board
819 committee of which the director is not a member if the director
820 reasonably believes the committee merits confidence.

821 (g) For the purposes of sections 33-817, as amended by this act, 33-
822 830, 33-831, 33-841 and 33-844, a director of a corporation that has a
823 class of voting stock registered pursuant to Section 12 of the Securities
824 Exchange Act of 1934, as the same has been or hereafter may be
825 amended from time to time, in addition to complying with the
826 provisions of subsections (a) to (c), inclusive, of this section, may
827 consider, in determining what the director reasonably believes to be in
828 the best interests of the corporation, (1) the long-term as well as the
829 short-term interests of the corporation, (2) the interests of the
830 shareholders, long-term as well as short-term, including the possibility
831 that those interests may be best served by the continued independence
832 of the corporation, (3) the interests of the corporation's employees,
833 customers, creditors and suppliers, and (4) community and societal
834 considerations, including those of any community in which any office
835 or other facility of the corporation is located. A director may also
836 consider, in the discretion of such director, any other factors the
837 director reasonably considers appropriate in determining what the

838 director reasonably believes to be in the best interests of the
839 corporation.

840 Sec. 35. (NEW) (*Effective October 1, 2017*) (a) A director shall not be
841 liable to the corporation or its shareholders for any decision to take or
842 not to take action, or any failure to take any action, as a director, unless
843 the party asserting liability in a proceeding establishes that:

844 (1) No defense interposed by the director based on (A) any
845 provision in the certificate of incorporation authorized by subdivision
846 (4) or (6) of subsection (b) of section 33-636 of the general statutes, as
847 amended by this act, or (B) the protection afforded by section 33-782 of
848 the general statutes, for action taken in compliance with section 33-783
849 or 33-784 of the general statutes, as amended by this act, or (C) the
850 protection afforded by section 33-785 of the general statutes, as
851 amended by this act, precludes liability of the director; and

852 (2) The challenged conduct consisted of or was the result of (A) an
853 action not in good faith; (B) a decision (i) which the director did not
854 reasonably believe to be in the best interests of the corporation, or (ii)
855 as to which the director was not informed to an extent the director
856 reasonably believed appropriate in the circumstances; (C) a lack of
857 objectivity due to the director's familial, financial or business
858 relationship with, or a lack of independence due to the director's
859 domination or control by, another person having a material interest in
860 the challenged conduct (i) which relationship or which domination or
861 control could reasonably be expected to have affected the director's
862 judgment respecting the challenged conduct in a manner adverse to
863 the corporation, and (ii) after a reasonable expectation to such effect
864 has been established, the director has not established that the
865 challenged conduct was reasonably believed by the director to be in
866 the best interests of the corporation; (D) a sustained failure of the
867 director to devote attention to ongoing oversight of the business and
868 affairs of the corporation, or a failure to devote timely attention, by
869 making, or causing to be made, appropriate inquiry, when particular
870 facts and circumstances of significant concern materialize that would

871 alert a reasonably attentive director to the need for such inquiry; or (E)
872 the receipt of a financial benefit to which the director was not entitled
873 or any other breach of the director's duties to deal fairly with the
874 corporation and its shareholders that is actionable under applicable
875 law.

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

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

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

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

889 (c) Nothing in this section shall:

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

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

899 (3) Affect any rights to which the corporation or a shareholder may

900 be entitled under another chapter of the general statutes or a section of
901 the United States Code.

902 Sec. 36. (NEW) (*Effective October 1, 2017*) As used in this section and
903 sections 37 to 43, inclusive, of this act:

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

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

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

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

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

929 (6) "Putative shares" means the shares of any class or series,

930 including shares issued upon exercise of rights, options, warrants or
931 other securities convertible into shares of the corporation, or interests
932 with respect to such shares, that were created or issued as a result of a
933 defective corporate action, that (A) but for any failure of authorization
934 would constitute valid shares, or (B) cannot be determined by the
935 board of directors to be valid shares.

936 (7) "Valid shares" means the shares of any class or series that have
937 been duly authorized and validly issued in accordance with sections
938 33-600 to 33-998, inclusive, of the general statutes, including as a result
939 of ratification or validation under this section and sections 37 to 43,
940 inclusive, of this act.

941 (8) "Validation effective time" means, with respect to any defective
942 corporate action ratified under this section and sections 37 to 43,
943 inclusive, of this act, the later of (A) the time at which the ratification of
944 the defective corporate action is approved by the shareholders, or if
945 approval of shareholders is not required, the time at which the notice
946 required by section 40 of this act becomes effective in accordance with
947 section 33-603 of the general statutes; and (B) the time at which any
948 certificate of validation filed in accordance with section 42 of this act
949 becomes effective. The validation effective time shall not be affected by
950 the filing or pendency of a judicial proceeding under section 43 of this
951 act or any other provision of law, unless otherwise ordered by the
952 Superior Court.

953 Sec. 37. (NEW) (*Effective October 1, 2017*) (a) A defective corporate
954 action shall not be void or voidable if ratified in accordance with
955 section 38 of this act or validated in accordance with section 43 of this
956 act.

957 (b) Ratification under section 38 of this act or validation under
958 section 43 of this act shall not be deemed to be the exclusive means of
959 ratifying or validating any defective corporate action, and the absence
960 or failure of ratification in accordance with sections 36 to 43, inclusive,
961 of this act shall not, of itself, affect the validity or effectiveness of any

962 corporate action ratified under common law or otherwise, nor shall it
963 create a presumption that any such corporate action is or was a
964 defective corporate action or void or voidable.

965 (c) In the case of an overissue, putative shares shall be valid shares
966 effective as of the date originally issued or purportedly issued upon:
967 (1) The effectiveness under sections 36 to 43, inclusive, of this act, and
968 under sections 33-795 to 33-809, inclusive, of the general statutes of an
969 amendment to the certificate of incorporation authorizing, designating
970 or creating such shares; or (2) the effectiveness of any other corporate
971 action under sections 36 to 43, inclusive, of this act, ratifying the
972 authorization, designation or creation of such shares.

973 Sec. 38. (NEW) (*Effective October 1, 2017*) (a) To ratify a defective
974 corporate action under this section, other than the ratification of an
975 election of the initial board of directors under subsection (b) of this
976 section, the board of directors shall take action ratifying the action in
977 accordance with section 39 of this act, stating: (1) The defective
978 corporate action to be ratified and, if the defective corporate action
979 involved the issuance of putative shares, the number and type of
980 putative shares purportedly issued; (2) the date of the defective
981 corporate action; (3) the nature of the failure of authorization with
982 respect to the defective corporate action to be ratified; and (4) that the
983 board of directors approves the ratification of the defective corporate
984 action.

985 (b) In the event that a defective corporate action to be ratified relates
986 to the election of the initial board of directors of the corporation under
987 subdivision (2) of subsection (a) of section 33-639 of the general
988 statutes, a majority of the persons who, at the time of the ratification,
989 are exercising the powers of directors may take an action, stating: (1)
990 The name of the person or persons who first took action in the name of
991 the corporation as the initial board of directors of the corporation; (2)
992 the earlier of the date on which such persons first took such action or
993 were purported to have been elected as the initial board of directors;
994 and (3) that the ratification of the election of such person or persons as

995 the initial board of directors is approved.

996 (c) If any provision of sections 33-600 to 33-998, inclusive, of the
997 general statutes, the certificate of incorporation or bylaws, any
998 corporate resolution or any plan or agreement to which the
999 corporation is a party in effect at the time action under subsection (a)
1000 of this section is taken requires shareholder approval or would have
1001 required shareholder approval at the date of the defective corporate
1002 action, the ratification of the defective corporate action approved in the
1003 action taken by the directors under subsection (a) of this section shall
1004 be submitted to the shareholders for approval in accordance with
1005 section 39 of this act.

1006 (d) Unless otherwise provided in the action taken by the board of
1007 directors under subsection (a) of this section, after the action by the
1008 board of directors has been taken and, if required, approved by the
1009 shareholders, the board of directors may abandon the ratification at
1010 any time before the validation effective time without further action of
1011 the shareholders.

1012 Sec. 39. (NEW) (*Effective October 1, 2017*) (a) The quorum and voting
1013 requirements applicable to a ratifying action by the board of directors
1014 under subsection (a) of section 38 of this act shall be the quorum and
1015 voting requirements applicable to the corporate action proposed to be
1016 ratified at the time such ratifying action is taken.

1017 (b) If the ratification of the defective corporate action requires
1018 approval by the shareholders under subsection (c) of section 38 of this
1019 act, and if the approval is to be given at a meeting, the corporation
1020 shall notify each holder of valid and putative shares, regardless of
1021 whether entitled to vote, of the record date for notice of the meeting
1022 and of the date of the defective corporate action, except that notice
1023 shall not be required to be given to holders of valid or putative shares
1024 whose identities or addresses for notice cannot be determined from the
1025 records of the corporation. The notice must state that the purpose, or
1026 one of the purposes, of the meeting is to consider ratification of a

1027 defective corporate action and must be accompanied by (1) either a
1028 copy of the action taken by the board of directors in accordance with
1029 subsection (a) of section 38 of this act or the information required by
1030 subdivisions (1) to (4), inclusive, of subsection (a) of section 38 of this
1031 act, and (2) a statement that any claim that the ratification of such
1032 defective corporate action and any putative shares issued as a result of
1033 such defective corporate action should not be effective, or should be
1034 effective only on certain conditions, shall be brought not later than one
1035 hundred twenty days after the applicable validation effective time.

1036 (c) Except as provided in subsection (d) of this section with respect
1037 to the voting requirements to ratify the election of a director, the
1038 quorum and voting requirements applicable to the approval by the
1039 shareholders required by subsection (c) of section 38 of this act shall be
1040 the quorum and voting requirements applicable to the corporate action
1041 proposed to be ratified at the time of such shareholder approval.

1042 (d) The approval by shareholders to ratify the election of a director
1043 requires that the votes cast within the voting group favoring such
1044 ratification exceed the votes cast opposing such ratification of the
1045 election at a meeting at which a quorum is present.

1046 (e) Putative shares on the record date for determining the
1047 shareholders entitled to vote on any matter submitted to shareholders
1048 under subsection (c) of section 38 of this act, and without giving effect
1049 to any ratification of putative shares that becomes effective as a result
1050 of such vote, shall neither be entitled to vote nor counted for quorum
1051 purposes in any vote to approve the ratification of any defective
1052 corporate action.

1053 (f) If the approval under this section of putative shares would result
1054 in an overissue, in addition to the approval required by section 38 of
1055 this act, approval of an amendment to the certificate of incorporation
1056 under sections 33-795 to 33-809, inclusive, of the general statutes to
1057 increase the number of shares of an authorized class or series or to
1058 authorize the creation of a class or series of shares so there would be

1059 no overissue shall also be required.

1060 Sec. 40. (NEW) (*Effective October 1, 2017*) (a) Unless shareholder
1061 approval is required under subsection (c) of section 38 of this act,
1062 prompt notice of an action taken under said section shall be given to
1063 each holder of valid and putative shares, regardless of whether entitled
1064 to vote, as of (1) the date of such action by the board of directors, and
1065 (2) the date of the defective corporate action ratified under sections 36
1066 to 43, inclusive, of this act, provided notice shall not be required to be
1067 given to holders of valid and putative shares whose identities or
1068 addresses for notice cannot be determined from the records of the
1069 corporation.

1070 (b) The notice must contain (1) either a copy of the action taken by
1071 the board of directors in accordance with subsection (a) or (b) of
1072 section 38 of this act, or the information required by subdivisions (1) to
1073 (4), inclusive, of subsection (a) of said section or subdivisions (1) to (3),
1074 inclusive, of subsection (b) of said section, as applicable, and (2) a
1075 statement that any claim that the ratification of the defective corporate
1076 action and any putative shares issued as a result of such defective
1077 corporate action should not be effective, or should be effective only on
1078 certain conditions, shall be brought not later than one hundred twenty
1079 days after the applicable validation effective time.

1080 (c) No notice under this section is required with respect to any
1081 action required to be submitted to shareholders for approval under
1082 subsection (c) of section 38 of this act if notice is given in accordance
1083 with subsection (b) of section 39 of this act.

1084 (d) A notice required by this section may be given in any manner
1085 permitted by section 33-603 of the general statutes and, for any
1086 corporation subject to the reporting requirements of Section 13 or 15(d)
1087 of the Securities Exchange Act of 1934, as from time to time amended,
1088 may be given by means of a filing or furnishing of such notice with the
1089 United States Securities and Exchange Commission.

1090 Sec. 41. (NEW) (*Effective October 1, 2017*) From and after the
1091 validation effective time, and without regard to the one-hundred-
1092 twenty-day period during which a claim may be brought under
1093 section 43 of this act: (1) Each defective corporate action ratified in
1094 accordance with section 38 of this act shall not be void or voidable as a
1095 result of the failure of authorization identified in the action taken
1096 under subsection (a) or (b) of said section and shall be deemed a valid
1097 corporate action effective as of the date of the defective corporate
1098 action; (2) the issuance of each putative share or fraction of a putative
1099 share purportedly issued pursuant to a defective corporate action
1100 identified in the action taken under section 38 of this act shall not be
1101 void or voidable, and each such putative share or fraction of a putative
1102 share shall be deemed to be an identical share or fraction of a valid
1103 share as of the time it was purportedly issued; and (3) any corporate
1104 action taken subsequent to the defective corporate action ratified in
1105 accordance with sections 36 to 43, inclusive, of this act, in reliance on
1106 such defective corporate action having been validly effected and any
1107 subsequent defective corporate action resulting directly or indirectly
1108 from such original defective corporate action, shall be valid as of the
1109 time taken.

1110 Sec. 42. (NEW) (*Effective October 1, 2017*) (a) If the defective
1111 corporate action ratified under sections 36 to 43, inclusive, of this act
1112 would have required under any other provision of sections 33-600 to
1113 33-998, inclusive, of the general statutes a filing in accordance with
1114 sections 33-600 to 33-998, inclusive, of the general statutes, then,
1115 whether or not a filing was previously made in respect to such
1116 defective corporate action and in lieu of a filing otherwise required by
1117 said sections of the general statutes, the corporation shall file a
1118 certificate of validation in accordance with this section, and such
1119 certificate of validation shall serve to amend or substitute for any other
1120 filing with respect to such defective corporate action required by said
1121 sections of the general statutes.

1122 (b) The certificate of validation must set forth: (1) The defective

1123 corporate action that is the subject of the certificate of validation
1124 including, in the case of any defective corporate action involving the
1125 issuance of putative shares, the number and type of putative shares
1126 issued and the date or dates upon which such putative shares were
1127 purported to have been issued; (2) the date of the defective corporate
1128 action; (3) the nature of the failure of authorization in respect of the
1129 defective corporate action; (4) a statement that the defective corporate
1130 action was ratified in accordance with section 38 of this act, including
1131 the date on which the board of directors ratified such defective
1132 corporate action and the date, if any, on which the shareholders
1133 approved the ratification of such defective corporate action; and (5) the
1134 information required by subsection (c) of this section.

1135 (c) The certificate of validation must also contain the following
1136 information: (1) If a filing was previously made in respect to the
1137 defective corporate action and no changes to such filing are required to
1138 give effect to the ratification of such defective corporate action in
1139 accordance with section 38 of this act, the certificate of validation must
1140 set forth (A) the name, title and filing date of the filing previously
1141 made and any certificate of correction to that filing, and (B) a statement
1142 that a copy of the filing previously made, together with any certificate
1143 of correction to that filing, is attached as an exhibit to the certificate of
1144 validation; (2) if a filing was previously made in respect of the
1145 defective corporate action and such filing requires any change to give
1146 effect to the ratification of such defective corporate action in
1147 accordance with section 38 of this act, the certificate of validation must
1148 set forth (A) the name, title and filing date of the filing previously
1149 made and any certificate of correction to that filing, (B) a statement that
1150 a filing containing all of the information required to be included under
1151 the applicable provisions of sections 33-600 to 33-998, inclusive, of the
1152 general statutes to give effect to such defective corporate action is
1153 attached as an exhibit to the certificate of validation, and (C) the date
1154 and time that such filing is deemed to have become effective; or (3) if a
1155 filing was not previously made in respect of the defective corporate
1156 action and the defective corporate action ratified under section 38 of

1157 this act would have required a filing under any other provision of
1158 sections 33-600 to 33-998, inclusive, of the general statutes, the
1159 certificate of validation must set forth (A) a statement that a filing
1160 containing all of the information required to be included under the
1161 applicable provision or provisions of sections 33-600 to 33-998,
1162 inclusive, of the general statutes to give effect to such defective
1163 corporate action is attached as an exhibit to the certificate of validation,
1164 and (B) the date and time that such filing is deemed to have become
1165 effective.

1166 Sec. 43. (NEW) (*Effective October 1, 2017*) (a) Upon application by the
1167 corporation, any successor entity to the corporation, a director of the
1168 corporation, any shareholder, beneficial shareholder or unrestricted
1169 voting trust beneficial owner of the corporation, including any such
1170 shareholder, beneficial shareholder or unrestricted voting trust
1171 beneficial owner as of the date of the defective corporate action ratified
1172 under section 38 of this act, or any other person claiming to be
1173 substantially and adversely affected by a ratification under section 38
1174 of this act, the Superior Court may (1) determine the validity and
1175 effectiveness of any corporate action or defective corporate action; (2)
1176 determine the validity and effectiveness of any ratification under
1177 section 38 of this act; (3) determine the validity of any putative shares;
1178 and (4) modify or waive any of the procedures specified in sections 38
1179 and 39 of this act to ratify a defective corporate action.

1180 (b) In connection with an action under this section, the Superior
1181 Court may make such findings or orders, and take into account any
1182 factors or considerations, regarding such matters, as it deems proper
1183 under the circumstances.

1184 (c) Service of process of the application under subsection (a) of this
1185 section on the corporation may be made in any manner provided by
1186 any provision of the general statutes or by rule of the applicable court,
1187 and no other party need be joined in order for the Superior Court to
1188 adjudicate the matter. In an action filed by the corporation, the
1189 Superior Court may require notice of the action to be provided to other

1190 persons specified by the Superior Court and permit such other persons
1191 to intervene in the action.

1192 (d) Notwithstanding any provision of the general statutes, any
1193 action asserting that the ratification of any defective corporate action
1194 and any putative shares issued as a result of such defective corporate
1195 action should not be effective, or should be effective only on certain
1196 conditions, shall be brought not later than one hundred twenty days
1197 after the validation effective time.

1198 Sec. 44. Subsection (a) of section 33-605 of the general statutes is
1199 repealed and the following is substituted in lieu thereof (*Effective*
1200 *October 1, 2017*):

1201 (a) For purposes of sections 33-600 to 33-998, inclusive, a qualified
1202 director is a director who, at the time action is to be taken under:

1203 (1) Subdivision (6) of subsection (b) of section 33-636, as amended
1204 by this act, is not a director (A) to whom the limitation or elimination
1205 of the duty of an officer to offer potential business opportunities to the
1206 corporation would apply, or (B) who has a material relationship with
1207 any other person to whom the limitation or elimination would apply;

1208 ~~[(1)]~~ (2) Section 33-724, does not have (A) a material interest in the
1209 outcome of the proceeding, or (B) a material relationship with a person
1210 who has such an interest;

1211 ~~[(2)]~~ (3) Section 33-773 or 33-775, (A) is not a party to the proceeding,
1212 (B) is not a director [who sought approval for] as to whom the
1213 transaction is a director's conflicting interest transaction [under section
1214 33-783] or who sought a disclaimer of the corporation's interest in a
1215 business opportunity under section 33-785, as amended by this act,
1216 which [approval] transaction or disclaimer is challenged in the
1217 proceeding, and (C) does not have a material relationship with a
1218 director described in either subparagraph (A) or (B) of this
1219 subdivision;

1220 [(3)] (4) Section 33-783, is not a director (A) as to whom the
1221 transaction is a director's conflicting interest transaction, or (B) who
1222 has a material relationship with another director as to whom the
1223 transaction is a director's conflicting interest transaction; or

1224 [(4)] (5) Section 33-785, [would be a qualified director under
1225 subdivision (3) of this subsection if the business opportunity were a
1226 director's conflicting interest transaction] as amended by this act, is not
1227 a director who (A) pursues or takes advantage of the business
1228 opportunity, directly, or indirectly through or on behalf of another
1229 person, or (B) has a material relationship with a director or officer who
1230 pursues or takes advantage of the business opportunity, directly, or
1231 indirectly through or on behalf of another person.

1232 Sec. 45. Section 33-636 of the general statutes is repealed and the
1233 following is substituted in lieu thereof (*Effective October 1, 2017*):

1234 (a) The certificate of incorporation shall set forth: (1) A corporate
1235 name for the corporation that satisfies the requirements of section 33-
1236 655; (2) the number of shares the corporation is authorized to issue; (3)
1237 the street and mailing address of the corporation's initial registered
1238 office and the name of its initial registered agent at that office; and (4)
1239 the name and address of each incorporator.

1240 (b) The certificate of incorporation may set forth: (1) The names and
1241 addresses of the individuals who are to serve as the initial directors; (2)
1242 provisions not inconsistent with law regarding: (A) The purpose or
1243 purposes for which the corporation is organized; (B) managing the
1244 business and regulating the affairs of the corporation; (C) defining,
1245 limiting and regulating the powers of the corporation, its board of
1246 directors and shareholders; (D) a par value for authorized shares or
1247 classes of shares; or (E) the imposition of personal liability on
1248 shareholders for the debts of the corporation to a specified extent and
1249 upon specified conditions; (3) any provision that under sections 33-600
1250 to 33-998, inclusive, is required or permitted to be set forth in the
1251 bylaws; (4) a provision limiting the personal liability of a director to

1252 the corporation or its shareholders for [monetary] money damages for
1253 breach of duty as a director to an amount that is not less than the
1254 compensation received by the director for serving the corporation
1255 during the year of the violation if such breach did not (A) involve a
1256 knowing and culpable violation of law by the director, (B) enable the
1257 director or an associate, as defined in section 33-840, to receive an
1258 improper personal economic gain, (C) show a lack of good faith and a
1259 conscious disregard for the duty of the director to the corporation
1260 under circumstances in which the director was aware that his conduct
1261 or omission created an unjustifiable risk of serious injury to the
1262 corporation, (D) constitute a sustained and unexcused pattern of
1263 inattention that amounted to an abdication of the director's duty to the
1264 corporation, or (E) create liability under section 33-757, provided no
1265 such provision shall limit or preclude the liability of a director for any
1266 act or omission occurring prior to the effective date of such provision;
1267 [and] (5) a provision permitting or making obligatory indemnification
1268 of a director for liability, as defined in section 33-770, to any person for
1269 any action taken, or any failure to take any action, as a director, except
1270 liability that (A) involved a knowing and culpable violation of law by
1271 the director, (B) enabled the director or an associate, as defined in
1272 section 33-840, to receive an improper personal gain, (C) showed a lack
1273 of good faith and a conscious disregard for the duty of the director to
1274 the corporation under circumstances in which the director was aware
1275 that his conduct or omission created an unjustifiable risk of serious
1276 injury to the corporation, (D) constituted a sustained and unexcused
1277 pattern of inattention that amounted to an abdication of the director's
1278 duty to the corporation, or (E) created liability under section 33-757,
1279 provided no such provision shall affect the indemnification of or
1280 advance of expenses to a director for any liability stemming from acts
1281 or omissions occurring prior to the effective date of such provision;
1282 and (6) a provision limiting or eliminating any duty of a director or
1283 any other person to offer the corporation the right to have or
1284 participate in any, or one or more classes or categories of, business
1285 opportunities, before the pursuit or taking of the opportunity by the
1286 director or other person; provided that any application of such a

1287 provision to an officer or a related person of that officer (A) also
1288 requires approval of that application by the board of directors,
1289 subsequent to the effective date of the provision, by action of qualified
1290 directors taken in compliance with the same procedures as are set forth
1291 in section 33-783, and (B) may be limited by the authorizing action of
1292 the board. As used in this subsection "related person" has the same
1293 meaning as provided in section 33-781, as amended by this act.

1294 (c) The certificate of incorporation need not set forth any of the
1295 corporate powers enumerated in sections 33-600 to 33-998, inclusive.

1296 (d) Provisions of the certificate of incorporation may be made
1297 dependent upon facts objectively ascertainable outside the certificate of
1298 incorporation in accordance with subsection (l) of section 33-608.

1299 Sec. 46. Subdivision (5) of section 33-781 of the general statutes is
1300 repealed and the following is substituted in lieu thereof (*Effective*
1301 *October 1, 2017*):

1302 (5) "Related person" means: (A) The [director's] individual's spouse;
1303 [, or a parent or sibling thereof;] (B) a child, stepchild, grandchild,
1304 parent, [or] stepparent, grandparent, sibling, stepsibling, half-sibling,
1305 aunt, uncle, niece or nephew, or the spouse of any such person, of the
1306 [director, or the spouse of any thereof] individual or of the individual's
1307 spouse; (C) [an individual (i) living in the same home as the director,
1308 or (ii) a trust or estate of which a person specified in subparagraph (A)
1309 or (B) of this subdivision or clause (i) of this subparagraph is a
1310 substantial beneficiary] a natural person living in the same home as the
1311 individual; (D) an entity, other than the corporation or an entity
1312 controlled by the corporation, controlled by the [director] individual or
1313 any person specified in subparagraphs (A) to (C), inclusive, of this
1314 subdivision; (E) a domestic or foreign (i) business or [nonprofit]
1315 nonstock corporation, other than the corporation or an entity
1316 controlled by the corporation, of which the [director] individual is a
1317 director, (ii) unincorporated entity of which the [director] individual is
1318 a general partner or a member of the governing body, or (iii)

1319 individual, trust or estate for whom or of which the [director]
1320 individual is a trustee, guardian, personal representative or like
1321 fiduciary; or (F) a person that is, or an entity that is controlled by, an
1322 employer of the [director] individual.

1323 Sec. 47. Section 33-785 of the general statutes is repealed and the
1324 following is substituted in lieu thereof (*Effective October 1, 2017*):

1325 (a) [A director's taking] If a director or officer pursues or takes
1326 advantage [, directly or indirectly,] of a business opportunity directly,
1327 or indirectly through or on behalf of another person, that action may
1328 not be the subject of equitable relief, or give rise to an award of
1329 damages or other sanctions against the director, officer or other
1330 person, in a proceeding by or in the right of the corporation on the
1331 ground that such opportunity should have first been offered to the
1332 corporation, if (1) before [becoming] the director, officer or other
1333 person becomes legally obligated respecting the opportunity, the
1334 director or officer brings it to the attention of the corporation and
1335 either: [(1)] (A) Action by qualified directors disclaiming the
1336 corporation's interest in the opportunity is taken in compliance with
1337 the same procedures as are set forth in section 33-783; [as if the
1338 decision being made concerned a director's conflicting interest
1339 transaction;] or [(2)] (B) shareholders' action disclaiming the
1340 corporation's interest in the opportunity is taken in compliance with
1341 the procedures set forth in section 33-784, as amended by this act, in
1342 either case as if the decision being made concerned a director's
1343 conflicting interest transaction, [;] except that, rather than making
1344 required disclosure, as defined in section 33-781, as amended by this
1345 act, [in each case] the director or officer shall have made prior
1346 disclosure to those acting on behalf of the corporation of all material
1347 facts concerning the business opportunity [that are then] known to the
1348 director or officer; or (2) the duty to offer the corporation the business
1349 opportunity has been limited or eliminated pursuant to a provision of
1350 the certificate of incorporation adopted, and where required, made
1351 effective by action of qualified directors, in accordance with

1352 subdivision (6) of subsection (b) of section 33-636, as amended by this
1353 act.

1354 (b) In any proceeding seeking equitable relief or other remedies
1355 based upon an alleged improper pursuit or taking advantage of a
1356 business opportunity by a director or officer directly, or indirectly
1357 through or on behalf of another person, the fact that the director or
1358 officer did not employ the procedure described in subparagraph (A) or
1359 (B) of subdivision (1) of subsection (a) of this section before pursuing
1360 or taking advantage of the opportunity shall not create an [inference]
1361 implication that the opportunity should have been first presented to
1362 the corporation or alter the burden of proof otherwise applicable to
1363 establish that the director or officer breached a duty to the corporation
1364 in the circumstances.

1365 Sec. 48. Section 33-817 of the general statutes is repealed and the
1366 following is substituted in lieu thereof (*Effective October 1, 2017*):

1367 In the case of a domestic corporation that is a party to a merger or
1368 the acquired corporation in a share exchange, the plan of merger or
1369 share exchange shall be adopted in the following manner:

1370 (1) The plan of merger or share exchange [must] shall first be
1371 adopted by the board of directors.

1372 (2) Except as provided in [subdivision (7)] subdivisions (8), (10) and
1373 (12) of this section and section 33-818, [after adopting] the plan of
1374 merger or share exchange [, the board of directors must submit the
1375 plan to the shareholders for their approval. The board of directors
1376 must also transmit to the shareholders a recommendation] shall then
1377 be approved by the shareholders. In submitting the plan of merger or
1378 share exchange to the shareholders for approval, the board of directors
1379 shall recommend that the shareholders approve the plan, or, in the
1380 case of an offer referred to in subparagraph (B) of subdivision (10) of
1381 this section, that the shareholders tender their shares to the offeror in
1382 response to the offer, unless (A) the board of directors makes a

1383 determination that because of conflicts of interest or other special
1384 circumstances it should not make such a recommendation, or (B)
1385 section 33-754 applies. If either subparagraph (A) or (B) of this
1386 subdivision applies, the board of directors [must transmit to] shall
1387 inform the shareholders of the basis for its so proceeding.

1388 (3) The board of directors may [condition its submission] set
1389 conditions for the approval of the plan of merger or share exchange
1390 [to] by the shareholders [on any basis] or the effectiveness of the plan
1391 of merger or share exchange.

1392 (4) If the plan of merger or share exchange is required to be
1393 approved by the shareholders, and if the approval is to be given at a
1394 meeting, the corporation shall notify each shareholder, regardless of
1395 whether [or not] entitled to vote, of the meeting of shareholders at
1396 which the plan is to be submitted for approval. The notice [shall also]
1397 must state that the purpose, or one of the purposes, of the meeting is to
1398 consider the plan and [shall] must contain or be accompanied by a
1399 copy or summary of the plan. If the corporation is to be merged into an
1400 existing foreign or domestic corporation, the notice [shall] must also
1401 include or be accompanied by a copy or summary of the certificate of
1402 incorporation [of such existing] and bylaws of that corporation. If the
1403 corporation is to be merged [into a corporation that] with a domestic or
1404 foreign corporation and a new domestic or foreign corporation is to be
1405 created pursuant to the merger, the notice [shall] must include or be
1406 accompanied by a copy or a summary of the certificate of
1407 incorporation and bylaws of the new corporation.

1408 (5) [Unless sections 33-600 to 33-998, inclusive, the certificate of
1409 incorporation or the board of directors acting pursuant to subdivision
1410 (3) of this section requires a greater vote or a vote by voting groups,
1411 and except as provided in subdivision (9) of this section, the plan of
1412 merger or share exchange to be authorized must be approved by each
1413 voting group entitled to vote separately on the plan by a majority of all
1414 the votes entitled to be cast on the plan by that voting group.] Unless
1415 the certificate of incorporation, or the board of directors acting

1416 pursuant to subdivision (3) of this section, requires a greater vote or a
1417 greater quorum, approval of the plan of merger or share exchange
1418 requires the approval of the shareholders at a meeting at which a
1419 quorum exists consisting of a majority of the votes entitled to be cast
1420 on the plan, and, if any class or series of shares is entitled to vote as a
1421 separate group on the plan of merger or share exchange, the approval
1422 of each such separate voting group at a meeting at which a quorum of
1423 the voting group is present consisting of a majority of the votes
1424 entitled to be cast on the plan of merger or share exchange by that
1425 voting group.

1426 (6) [Separate] Subject to subdivision (7) of this section, separate
1427 voting by voting groups is required: (A) On a plan of merger, by each
1428 class or series of shares that: (i) [are] Are to be converted [, pursuant to
1429 the provisions of] under the plan of merger [,] into shares, [or] other
1430 securities, interests, obligations, rights to acquire shares or other
1431 securities or interests, cash, [or] other property, or any combination
1432 thereof; [,] or (ii) [would have a right] are entitled to vote as a separate
1433 group on a provision in the plan that, [if contained in] constitutes a
1434 proposed amendment to the certificate of incorporation [, would
1435 require] of a surviving corporation that requires action by separate
1436 voting groups under section 33-798; (B) on a plan of share exchange, by
1437 each class or series of shares included in the exchange, with each class
1438 or series constituting a separate voting group; and (C) on a plan of
1439 merger or share exchange, if the voting group is entitled under the
1440 certificate of incorporation to vote as a voting group to approve a plan
1441 of merger or share exchange, respectively.

1442 (7) The certificate of incorporation may expressly limit or eliminate
1443 the separate voting rights provided in subparagraph (A) (i) of
1444 subdivision (6) of this section and in subparagraph (B) of subdivision
1445 (6) of this section as to any class or series of shares, except when the
1446 plan of merger or share exchange (A) includes what is or would be in
1447 effect an amendment subject to subparagraph (A) (ii) of subdivision (6)
1448 of this section, and (B) will not effect a substantive business

1449 combination.

1450 ~~[(7)]~~ (8) Unless the certificate of incorporation otherwise provides,
1451 approval by the corporation's shareholders of a plan of merger [or
1452 share exchange] is not required if: (A) The corporation will [be the
1453 survivor in the merger or is the acquiring corporation in the share
1454 exchange] survive the merger; (B) except for amendments permitted
1455 by section 33-796, its certificate of incorporation will not be changed;
1456 and (C) each shareholder of the corporation whose shares were
1457 outstanding immediately before the effective date of the merger [or the
1458 share exchange] will hold the same number of shares, with identical
1459 preferences, rights and limitations, [and relative rights,] immediately
1460 after the effective date of the merger. [or the share exchange.]

1461 ~~[(8)]~~ (9) If, as a result of a merger or a share exchange, one or more
1462 shareholders of a domestic corporation would become subject to
1463 personal liability for the obligations or liabilities of any other person or
1464 entity, approval of the plan of merger or share exchange [shall require]
1465 requires the [execution] signing in connection with the transaction, by
1466 each such shareholder, of a separate written consent to become subject
1467 to such personal liability.

1468 (10) Unless the certificate of incorporation otherwise provides,
1469 approval by the shareholders of a plan of merger or share exchange is
1470 not required if: (A) The plan of merger or share exchange expressly (i)
1471 permits or requires the merger or share exchange to be effected under
1472 this subdivision, and (ii) provides that, if the merger or share exchange
1473 is to be effected under this subdivision, the merger or share exchange
1474 will be effected as soon as practicable following the satisfaction of the
1475 requirement set forth in subparagraph (F) of this subdivision; (B)
1476 another party to the merger, the acquiring corporation in the share
1477 exchange, or a parent of another party to the merger or the acquiring
1478 corporation in the share exchange, makes an offer to purchase, on the
1479 terms provided in the plan of merger or share exchange, any and all of
1480 the outstanding shares of the corporation that, absent the provisions of
1481 this subdivision, would be entitled to vote on the plan of merger or

1482 share exchange, except that the offer may exclude shares of the
1483 corporation that are owned at the commencement of the offer by the
1484 corporation, the offeror or any parent of the offeror, or by any wholly
1485 owned subsidiary of the corporation, the offeror or by any wholly
1486 owned subsidiary of any of them; (C) the offer discloses that the plan
1487 of merger or share exchange provides that the merger or share
1488 exchange will be effected as soon as practicable following the
1489 satisfaction of the requirement set forth in subparagraph (F) of this
1490 subdivision and that the shares of the corporation that are not
1491 tendered in response to the offer will be treated as set forth in
1492 subparagraph (H) of this subdivision; (D) the offer remains open for at
1493 least ten days; (E) the offeror purchases all shares properly tendered in
1494 response to the offer and not properly withdrawn; (F) the shares set
1495 forth in this subparagraph are collectively entitled to cast at least the
1496 minimum number of votes on the merger or share exchange that,
1497 absent the provisions of this subdivision, would be required by
1498 sections 33-814 to 33-821a, inclusive, as amended by this act, and by
1499 the certificate of incorporation for the approval of the merger or share
1500 exchange by the shareholders and by any other voting group entitled
1501 to vote on the merger or share exchange at a meeting at which all
1502 shares entitled to vote on the approval were present and voted: (i)
1503 Shares purchased by the offeror in accordance with the offer; (ii) shares
1504 otherwise owned by the offeror or by any parent of the offeror or any
1505 wholly owned subsidiary of the offeror or by any parent of the offeror;
1506 and (iii) shares subject to an agreement that are to be transferred,
1507 contributed or delivered to the offeror, any parent of the offeror or any
1508 wholly owned subsidiary of any of them in exchange for shares in such
1509 offeror, parent or subsidiary; (G) the offeror or a wholly owned
1510 subsidiary of the offeror merges with or into, or effects a share
1511 exchange in which it acquires shares of the corporation; and (H) each
1512 outstanding share of each class or series of shares of the corporation
1513 that the offeror is offering to purchase in accordance with the offer,
1514 and that is not purchased in accordance with the offer, is to be
1515 converted in the merger into, or into the right to receive, or is to be
1516 exchanged in the share exchange for, or for the right to receive, the

1517 same amount and kind of securities, interests, obligations, rights, cash
1518 or other property to be paid or exchanged in accordance with the offer
1519 for each share of that class or series of shares that is tendered in
1520 response to the offer, except that shares of the corporation that are
1521 owned by the corporation or that are described in subparagraph (F)(ii)
1522 or (iii) of this subdivision need not be converted into or exchanged for
1523 the consideration described in this subparagraph.

1524 (11) As used in subdivision (10) of this section, (A) "offer" means the
1525 offer referred to in subparagraph (B) of subdivision (10) of this section;
1526 (B) "offeror" means the person making the offer; (C) "parent" of a
1527 corporation means a person that owns, directly or indirectly, through
1528 one or more wholly owned subsidiaries, all of the outstanding shares
1529 of that corporation; (D) shares tendered in response to the offer shall
1530 be deemed to have been "purchased" in accordance with the offer at
1531 the earliest time as of which (i) the offeror has irrevocably accepted
1532 those shares for payment, and (ii) either (I) in the case of shares
1533 represented by certificates, the offeror, or the offeror's designated
1534 depository or other agent, has physically received the certificates
1535 representing those shares, or (II) in the case of shares without
1536 certificates, those shares have been transferred into the account of the
1537 offeror or its designated depository or other agent, or an agent's
1538 message relating to those shares has been received by the offeror or its
1539 designated depository or other agent; and (E) "wholly owned
1540 subsidiary" of a person means an entity of or in which that person
1541 owns, directly or indirectly, through one or more wholly owned
1542 subsidiaries, all of the outstanding shares or interests.

1543 (12) Unless the certificate of incorporation otherwise provides, (A)
1544 approval of a plan of share exchange by the shareholders of a domestic
1545 corporation is not required if the corporation is the acquiring
1546 corporation in the share exchange; and (B) shares not to be exchanged
1547 under the plan of share exchange are not entitled to vote on the plan.

1548 [(9)] (13) Notwithstanding any provision of subdivision (5) of this
1549 section, [to the contrary,] a plan of merger or share exchange of a

1550 corporation which was incorporated under the laws of this state,
1551 whether under chapter 599 of the general statutes, revision of 1958,
1552 revised to January 1, 1995, or any other general law or special act, prior
1553 to January 1, 1997, to be authorized by such corporation, shall be
1554 approved by (A) the affirmative vote of at least two-thirds of the
1555 voting power of each voting group entitled to vote thereon unless (i)
1556 the certificate of incorporation expressly provides otherwise, [provided
1557 if such corporation is the surviving corporation of such merger and
1558 such plan of merger will not effect any change in or amendment to the
1559 certificate of incorporation of such corporation and the shares to be
1560 issued under the plan of merger could have been issued by the board
1561 of directors of such corporation without further authorization of the
1562 shareholders of such corporation, then the provisions of this
1563 subdivision shall not require approval of such plan of merger or share
1564 exchange by the corporation's shareholders] or (ii) approval by the
1565 corporation's shareholders of the plan of merger or share exchange is
1566 not required under either subdivision (8) or (10) of this section, and (B)
1567 the affirmative vote of at least two-thirds of the voting power of each
1568 class of stock of such corporation outstanding prior to January 1, 1997,
1569 and not otherwise entitled to vote thereon, unless (i) the certificate of
1570 incorporation expressly provides otherwise; [provided if such
1571 corporation is the surviving corporation of such merger and such plan
1572 of merger or share exchange does not contain any provisions which, if
1573 contained in a proposed amendment to the certificate of incorporation
1574 of such corporation, would entitle any class or series of shareholders of
1575 such surviving corporation to vote as a class or series as provided in
1576 subsection (f) of section 33-797 or section 33-798, then the provisions of
1577 this subdivision shall not require approval of such plan of merger or
1578 share exchange by the holders of such class or series not otherwise
1579 entitled to vote thereon] or (ii) approval by the corporation's
1580 shareholders of the plan of merger or share exchange is not required
1581 under either subdivision (8) or (10) of this section.

1582 Sec. 49. Section 33-856 of the general statutes is repealed and the
1583 following is substituted in lieu thereof (*Effective October 1, 2017*):

1584 (a) A shareholder is entitled to appraisal rights, and to obtain
1585 payment of the fair value of that shareholder's shares, in the event of
1586 any of the following corporate actions:

1587 (1) Consummation of a merger to which the corporation is a party
1588 (A) if shareholder approval is required for the merger by section 33-
1589 817, [and the shareholder is entitled to vote on the merger] as amended
1590 by this act, or would be required but for the provisions of subdivision
1591 (10) of section 33-817, as amended by this act, except that appraisal
1592 rights shall not be available to any shareholder of the corporation with
1593 respect to shares of any class or series that remain outstanding after
1594 consummation of the merger, or (B) if the corporation is a subsidiary
1595 and the merger is governed by section 33-818;

1596 (2) Consummation of a share exchange to which the corporation is a
1597 party [as the corporation whose shares will be acquired, if the
1598 shareholder is entitled to vote on the exchange] the shares of which
1599 will be acquired, except that appraisal rights shall not be available to
1600 any shareholder of the corporation with respect to any class or series of
1601 shares of the corporation that is not [exchanged] acquired in the share
1602 exchange;

1603 (3) Consummation of a disposition of assets pursuant to section 33-
1604 831 if the shareholder is entitled to vote on the disposition, except that
1605 appraisal rights shall not be available to any shareholder of the
1606 corporation with respect to shares of any class or series if (A) under the
1607 terms of the corporate action approved by the shareholders there is to
1608 be distributed to shareholders in cash [its] the corporation's net assets,
1609 in excess of a reasonable amount reserved to meet claims of the type
1610 described in sections 33-886 and 33-887, (i) within one year after the
1611 shareholders' approval of the action, and (ii) in accordance with their
1612 respective interests determined at the time of such distribution, and (B)
1613 the disposition of assets is not an interested transaction;

1614 (4) An amendment of the certificate of incorporation with respect to
1615 a class or series of shares that reduces the number of shares of a class

1616 or series owned by the shareholder to a fraction of a share if the
1617 corporation has the obligation or right to repurchase the fractional
1618 share so created;

1619 (5) If the corporation is not a benefit corporation, as defined in
1620 section 33-1351, (A) an amendment of the certificate of incorporation to
1621 state that the corporation is a benefit corporation; (B) consummation of
1622 a merger to which the corporation is a party in which the surviving
1623 [entity] corporation will be a benefit corporation or in which shares in
1624 the corporation will be converted into a right to receive shares of a
1625 benefit corporation; or (C) consummation of a share exchange to which
1626 the corporation is a party and the shares of the corporation will be
1627 exchanged for shares of a benefit corporation; or

1628 (6) Any other merger, share exchange, disposition of assets or
1629 amendment to the certificate of incorporation; in each case to the
1630 extent provided by the certificate of incorporation, the bylaws or a
1631 resolution of the board of directors.

1632 (b) Notwithstanding subsection (a) of this section, the availability of
1633 appraisal rights under subdivisions (1) to (5), inclusive, of subsection
1634 (a) of this section shall be limited in accordance with the following
1635 provisions:

1636 (1) Appraisal rights shall not be available for the holders of shares of
1637 any class or series of shares which is:

1638 (A) A covered security under Section 18(b)(1)(A) or (B) of the
1639 Securities Act of 1933, as amended;

1640 (B) Traded in an organized market and has at least two thousand
1641 shareholders and a market value of at least twenty million dollars,
1642 exclusive of the value of such shares held by the corporation's
1643 subsidiaries, senior executives [,] and directors and by any beneficial
1644 shareholders and any voting trust beneficial owner owning more than
1645 ten per cent of such shares; or

1646 (C) Issued by an open-end management investment company
1647 registered with the Securities and Exchange Commission under the
1648 Investment Company Act of 1940 and which may be redeemed at the
1649 option of the holder at net asset value.

1650 (2) The applicability of subdivision (1) of this subsection shall be
1651 determined as of: (A) The record date fixed to determine the
1652 shareholders entitled to receive notice of the meeting of shareholders
1653 to act upon the corporate action requiring appraisal rights or, in the
1654 case of an offer made pursuant to subdivision (10) of section 33-817, as
1655 amended by this act, the date of such offer; or (B) [the day before the
1656 effective date of such corporate action if there is no meeting of
1657 shareholders] if there is no meeting of shareholders and no offer made
1658 pursuant to subdivision (10) of section 33-817, as amended by this act,
1659 the day before the consummation of the corporate action or effective
1660 date of the amendment of the certificate of incorporation, as applicable.

1661 (3) Subdivision (1) of this subsection shall not be applicable and
1662 appraisal rights shall be available pursuant to subsection (a) of this
1663 section for the holders of any class or series of shares (A) who are
1664 required by the terms of the corporate action requiring appraisal rights
1665 to accept for such shares anything other than cash or shares of any
1666 class or any series of shares of any corporation, or any other
1667 proprietary interest of any other entity, that satisfies the standards set
1668 forth in subdivision (1) of this subsection at the time the corporate
1669 action becomes effective, or (B) in the case of the consummation of a
1670 disposition of assets pursuant to section 33-831, unless [such] the cash,
1671 shares or proprietary interests received in the disposition are, under
1672 the terms of the corporate action approved by the shareholders, to be
1673 distributed to the shareholders, as part of a distribution to
1674 shareholders of the net assets of the corporation in excess of a
1675 reasonable amount to meet claims of the type described in sections 33-
1676 886 and 33-887, (i) not later than one year after the shareholders'
1677 approval of the action, and (ii) in accordance with their respective
1678 interests determined at the time of the distribution.

1679 (4) Subdivision (1) of this subsection shall not be applicable and
1680 appraisal rights shall be available pursuant to subsection (a) of this
1681 section for the holders of any class or series of shares where the
1682 corporate action is an interested transaction.

1683 (c) Notwithstanding any other provision of this section, the
1684 certificate of incorporation as originally filed or any amendment
1685 [thereto] to the certificate of incorporation may limit or eliminate
1686 appraisal rights for any class or series of preferred shares, [but] except
1687 that (1) no such limitation or elimination shall be effective if the class
1688 or series does not have the right to vote separately as a voting group,
1689 alone or as part of a group, on the action, and (2) any such limitation or
1690 elimination contained in an amendment to the certificate of
1691 incorporation that limits or eliminates appraisal rights for any of such
1692 shares that are outstanding immediately [prior to] before the effective
1693 date of such amendment or that the corporation is or may be required
1694 to issue or sell thereafter pursuant to any conversion, exchange or
1695 other right existing immediately before the effective date of such
1696 amendment shall not apply to any corporate action that becomes
1697 effective within one year of [that date] the effective date of such
1698 amendment if such action would otherwise afford appraisal rights.

1699 (d) Where the right to be paid the value of shares is made available
1700 to a shareholder by this section, such remedy shall be the exclusive
1701 remedy as holder of such shares against the corporate actions
1702 described in this section, whether or not the shareholder proceeds as
1703 provided in sections 33-855 to 33-872, inclusive, as amended by this
1704 act.

1705 Sec. 50. Section 33-860 of the general statutes is repealed and the
1706 following is substituted in lieu thereof (*Effective October 1, 2017*):

1707 (a) Where any corporate action specified in subsection (a) of section
1708 33-856, as amended by this act, is to be submitted to a vote at a
1709 shareholders' meeting, the meeting notice, or where no approval of
1710 such action is required pursuant to subdivision (10) of section 33-817,

1711 as amended by this act, the offer made pursuant to subdivision (10) of
1712 section 33-817, as amended by this act, must state that the corporation
1713 has concluded that the [shareholders] appraisal rights are, are not or
1714 may be [entitled to assert appraisal rights] available under sections 33-
1715 855 to 33-872, inclusive, as amended by this act. If the corporation
1716 concludes that appraisal rights are or may be available, a copy of
1717 sections 33-855 to 33-872, inclusive, as amended by this act, must
1718 accompany the meeting notice or offer sent to those record
1719 shareholders entitled to exercise appraisal rights.

1720 (b) In a merger pursuant to section 33-818, the parent corporation
1721 [must] shall notify in writing all record shareholders of the subsidiary
1722 who are entitled to assert appraisal rights that the corporate action
1723 became effective. Such notice [must] shall be sent within ten days after
1724 the corporate action became effective and include the materials
1725 described in section 33-862, as amended by this act.

1726 (c) Where any corporate action specified in subsection (a) of section
1727 33-856, as amended by this act, is to be approved by written consent of
1728 the shareholders pursuant to section 33-698:

1729 (1) Written notice that appraisal rights are, are not or may be
1730 available [must] shall be sent to each record shareholder from whom a
1731 consent is solicited at the time consent of such shareholder is first
1732 solicited and, if the corporation has concluded that appraisal rights are
1733 or may be available, the notice must be accompanied by a copy of
1734 sections 33-855 to 33-872, inclusive, as amended by this act; and

1735 (2) Written notice that appraisal rights are, are not or may be
1736 available must be delivered together with the notice to nonconsenting
1737 and nonvoting [and nonconsenting] shareholders required by
1738 subsections (e) and (f) of section 33-698, may include the materials
1739 described in section 33-862, as amended by this act, and, if the
1740 corporation has concluded that appraisal rights are or may be
1741 available, must be accompanied by a copy of sections 33-855 to 33-872,
1742 inclusive, as amended by this act.

1743 (d) Where [any] corporate action [specified] described in subsection
1744 (a) of section 33-856, as amended by this act, is proposed, or a merger
1745 pursuant to section 33-818 is effected, the notice referred to in
1746 subsection (a) or (c) of this section, if the corporation concludes that
1747 appraisal rights are or may be available, and in subsection (b) of this
1748 section, shall be accompanied by:

1749 (1) [The annual financial statements specified in subsection (a) of
1750 section 33-951] Financial statements of the corporation that issued the
1751 shares that may be subject to appraisal, [which shall be as of a date]
1752 consisting of a balance sheet as of the end of the fiscal year ending not
1753 more than sixteen months before the date of the notice, [and shall
1754 comply with subsection (b) of section 33-951, except that,] an income
1755 statement for that fiscal year and a cash flow statement for that fiscal
1756 year, provided if such [annual] financial statements are not reasonably
1757 available, the corporation shall provide reasonably equivalent financial
1758 information; and

1759 (2) The latest [available quarterly] interim financial statements of
1760 such corporation, if any.

1761 (e) The right to receive the information described in subsection (d)
1762 of this section may be waived in writing by a shareholder before or
1763 after the corporate action.

1764 Sec. 51. Section 33-861 of the general statutes is repealed and the
1765 following is substituted in lieu thereof (*Effective October 1, 2017*):

1766 (a) If a corporate action specified in subsection (a) of section 33-856,
1767 as amended by this act, is submitted to a vote at a shareholders'
1768 meeting, a shareholder who wishes to assert appraisal rights with
1769 respect to any class or series of shares: (1) [Must] Shall deliver to the
1770 corporation, before the vote is taken, written notice of the
1771 shareholder's intent to demand payment if the proposed action is
1772 effectuated, and (2) [must] shall not vote, or cause or permit to be
1773 voted, any shares of such class or series in favor of the proposed

1774 action.

1775 (b) If a corporate action specified in subsection (a) of section 33-856,
1776 as amended by this act, is to be approved by [less than unanimous]
1777 written consent, a shareholder who wishes to assert appraisal rights
1778 with respect to any class or series of shares [must] shall not sign a
1779 consent in favor of the proposed action with respect to that class or
1780 series of shares.

1781 (c) If a corporate action specified in subsection (a) of section 33-856,
1782 as amended by this act, does not require shareholder approval
1783 pursuant to subdivision (10) of section 33-817, as amended by this act,
1784 a shareholder who wishes to assert appraisal rights with respect to any
1785 class or series of shares (1) shall deliver to the corporation before the
1786 shares are purchased pursuant to the offer written notice of the
1787 shareholder's intent to demand payment if the proposed action is
1788 effected; and (2) shall not tender, or cause to permit to be tendered, any
1789 shares of such class or series in response to such offer.

1790 [(c)] (d) A shareholder who fails to satisfy the requirements of
1791 subsection (a), [or] (b) or (c) of this section is not entitled to payment
1792 under sections 33-855 to 33-872, inclusive, as amended by this act.

1793 Sec. 52. Section 33-862 of the general statutes is repealed and the
1794 following is substituted in lieu thereof (*Effective October 1, 2017*):

1795 (a) If [proposed] a corporate action requiring appraisal rights under
1796 subsection (a) of section 33-856, as amended by this act, becomes
1797 effective, the corporation [must send] shall deliver a written appraisal
1798 notice and the form required by [subdivision (1) of] subsection (b) of
1799 this section to all shareholders who [satisfied] satisfy the requirements
1800 of subsection (a), (b) or (c) of section 33-861, as amended by this act. In
1801 the case of a merger under section 33-818, the parent [must] shall
1802 deliver an appraisal notice and form to all record shareholders who
1803 may be entitled to assert appraisal rights.

1804 (b) The appraisal notice [must] shall be delivered no earlier than the

1805 date the corporate action specified in subsection (a) of section 33-856,
1806 as amended by this act, became effective and no later than ten days
1807 after such date, and [shall] must:

1808 (1) Supply a form that (A) specifies the first date of any
1809 announcement to shareholders made [prior to] before the date the
1810 corporate action became effective of the principal terms of the
1811 proposed corporate action, (B) if such announcement was made,
1812 requires the shareholder asserting appraisal rights to certify whether
1813 beneficial ownership of those shares for which appraisal rights are
1814 asserted was acquired before that date, and (C) requires the
1815 shareholder asserting appraisal rights to certify that such shareholder
1816 did not vote for or consent to the transaction as to the class or series of
1817 shares for which appraisal is sought;

1818 (2) State:

1819 (A) Where the form [must] shall be sent and where certificates for
1820 certificated shares [must] shall be deposited and the date by which
1821 those certificates must be deposited, which date may not be earlier
1822 than the date [for receiving] by which the corporation must receive the
1823 required form under subparagraph (B) of this subdivision;

1824 (B) A date by which the corporation must receive the form which
1825 date may not be fewer than forty nor more than sixty days after the
1826 date the appraisal notice under subsection (a) of this section is sent,
1827 and state that the shareholder shall have waived the right to demand
1828 appraisal with respect to the shares unless the form is received by the
1829 corporation by such specified date;

1830 (C) The corporation's estimate of the fair value of the shares;

1831 (D) That, if requested in writing, the corporation will provide, to the
1832 shareholder so requesting, within ten days after the date specified in
1833 subparagraph (B) of this subdivision, the number of shareholders who
1834 return the forms by the specified date and the total number of shares
1835 owned by them; and

1836 (E) The date by which the notice to withdraw under section 33-863
1837 must be received, which date must be within twenty days after the
1838 date specified in subparagraph (B) of this subdivision; and

1839 (3) Be accompanied by a copy of sections 33-855 to 33-872, inclusive,
1840 as amended by this act.

1841 Sec. 53. (NEW) (*Effective October 1, 2017*) (a) The certificate of
1842 incorporation or the bylaws of a corporation may require that any or
1843 all internal corporate claims be brought exclusively in any specified
1844 court or courts of this state and, if so specified, in any additional courts
1845 in this state or in any other jurisdictions with which the corporation
1846 has a reasonable relationship.

1847 (b) A provision of the certificate of incorporation or the bylaws
1848 adopted under subsection (a) of this section shall not have the effect of
1849 conferring jurisdiction on any court or over any person or claim, and
1850 shall not apply if none of the courts specified by such provision have
1851 the requisite personal and subject matter jurisdiction. If the court or
1852 courts of this state specified in a provision adopted under subsection
1853 (a) of this section do not have the requisite personal and subject matter
1854 jurisdiction and another court of this state does have such jurisdiction,
1855 then the internal corporate claim may be brought in such other court of
1856 this state, notwithstanding that such other court of this state is not
1857 specified in such provision, and in any other court specified in such
1858 provision that has the requisite jurisdiction.

1859 (c) No provision of the certificate of incorporation or the bylaws
1860 may prohibit bringing an internal corporate claim in the courts of this
1861 state or require such claims to be determined by arbitration.

1862 (d) As used in this section, "internal corporate claim" means, (1) any
1863 claim that is based upon a violation of a duty under the laws of this
1864 state by a current or former director, officer or shareholder in such
1865 capacity, (2) any derivative action or proceeding brought on behalf of
1866 the corporation, (3) any action asserting a claim arising pursuant to

1867 any provision of sections 33-600 to 33-998, inclusive, of the general
1868 statutes, or the certificate of incorporation or bylaws, or (4) any action
1869 asserting a claim governed by the internal affairs doctrine that is not
1870 included in subdivisions (1) to (3), inclusive, of this subsection.

1871 Sec. 54. Section 33-602 of the general statutes is repealed and the
1872 following is substituted in lieu thereof (*Effective October 1, 2017*):

1873 As used in sections 33-600 to 33-998, inclusive:

1874 (1) "Address" means location as described by the full street number,
1875 if any, street, city or town, state or country and not a mailing address
1876 such as a post office box.

1877 (2) "Authorized shares" means the shares of all classes a domestic or
1878 foreign corporation is authorized to issue.

1879 (3) "Beneficial shareholder" means a person who owns the beneficial
1880 interest in shares, which may be a record shareholder or a person on
1881 whose behalf shares are registered in the name of an intermediary or
1882 nominee.

1883 [(3)] (4) "Certificate of incorporation" means the original certificate
1884 of incorporation or restated certificate of incorporation, and all
1885 amendments thereto, and all certificates of merger or consolidation. In
1886 the case of a specially chartered corporation, "certificate of
1887 incorporation" means the special charter of the corporation, including
1888 any portions of the charters of its predecessor companies which have
1889 continuing effect, and any amendments to the charter made by special
1890 act or pursuant to general law. In the case of a corporation formed
1891 before January 1, 1961, or of a specially chartered corporation,
1892 "certificate of incorporation" includes those portions of any other
1893 corporate instruments or resolutions of current application in which
1894 are set out provisions of the sort which either (A) are required by
1895 sections 33-600 to 33-998, inclusive, to be embodied in the certificate of
1896 incorporation, or (B) are expressly permitted by sections 33-600 to 33-
1897 998, inclusive, to be operative only if included in the certificate of

1898 incorporation. It also includes what were, prior to January 1, 1961,
1899 designated at law as agreements of association, articles of
1900 incorporation, charters and other such terms.

1901 [(4)] (5) "Conspicuous" means so written, displayed or presented
1902 that a reasonable person against whom the writing is to operate should
1903 have noticed it. For example, text in italics, boldface, contrasting color,
1904 capitals or underlined is conspicuous.

1905 [(5)] (6) "Corporation" or "domestic corporation" means a stock
1906 corporation, [with capital stock,] which is not a foreign corporation,
1907 incorporated under the laws of this state, whether general law or
1908 special act and whether before or after January 1, 1997.

1909 [(6)] (7) "Deliver" or "delivery" means any method of delivery used
1910 in conventional commercial practice including delivery by hand, mail,
1911 commercial delivery and, if authorized in accordance with section 33-
1912 603, electronic transmission.

1913 [(7)] (8) "Distribution" means a direct or indirect transfer of money
1914 or other property, except its own shares, or incurrence of indebtedness
1915 by a corporation to or for the benefit of its shareholders in respect of
1916 any of its shares. A distribution may be in the form of a declaration or
1917 payment of a dividend; a purchase, redemption or other acquisition of
1918 shares; a distribution of indebtedness; or otherwise.

1919 [(8)] (9) "Document" means (A) any tangible medium on which
1920 information is inscribed, and includes any writing or written
1921 instrument, or (B) an electronic record.

1922 (10) "Domestic", with respect to an entity, means an entity governed
1923 as to its internal affairs by the law of this state.

1924 [(9)] (11) "Effective date of notice" is defined in section 33-603.

1925 [(10)] (12) (A) "Electronic" means relating to technology having
1926 electrical, digital, magnetic, wireless, optical, electromagnetic or

1927 similar capabilities.

1928 (B) "Electronic record" means information that is stored in an
1929 electronic or other medium and is retrievable in paper form through an
1930 automated process used in conventional commercial practice, unless
1931 otherwise authorized in accordance with subsection (j) of section 33-
1932 603.

1933 (C) "Electronic transmission" or "electronically transmitted" means
1934 any form or process of communication not directly involving the
1935 physical transfer of paper or another tangible medium, which (i) is
1936 suitable for the retention, retrieval and reproduction of information by
1937 the recipient, and (ii) is retrievable in paper form by the recipient
1938 through an automated process used in conventional commercial
1939 practice, unless otherwise authorized in accordance with subsection (j)
1940 of section 33-603.

1941 [(11)] (13) "Employee" includes an officer but not a director. A
1942 director may accept duties that make him also an employee.

1943 [(12)] (14) "Entity" includes a corporation and foreign corporation;
1944 nonprofit corporation; profit and nonprofit unincorporated
1945 association; business trust, estate, partnership, limited liability
1946 company, trust and two or more persons having a joint or common
1947 economic interest; and state, United States or foreign government.

1948 [(13)] (15) "Expenses" means reasonable expenses of any kind that
1949 are incurred in connection with a matter including, but not limited to,
1950 reasonable counsel fees.

1951 [(14)] (16) "Facts objectively ascertainable" outside of a plan or filed
1952 document is defined in subsection (l) of section 33-608.

1953 (17) "Foreign", with respect to an entity, means an entity governed
1954 as to its internal affairs by the laws of a jurisdiction other than this
1955 state.

1956 [(15)] ~~(18)~~ "Foreign corporation" means a corporation incorporated
1957 under a law other than the law of this state.

1958 [(16)] ~~(19)~~ "Governmental subdivision" includes authority, county,
1959 district and municipality.

1960 [(17)] ~~(20)~~ "Includes" denotes a partial definition.

1961 [(18)] ~~(21)~~ "Individual" includes the estate of an incompetent or
1962 deceased individual.

1963 [(19)] ~~(22)~~ "Means" denotes an exhaustive definition.

1964 (23) "Merger" means a transaction pursuant to section 33-815.

1965 [(20)] ~~(24)~~ "Notice" is defined in section 33-603.

1966 [(21)] ~~(25)~~ "Person" includes individual and entity.

1967 [(22)] ~~(26)~~ "Principal office" of a domestic corporation means the
1968 address of the principal office of such corporation in this state, if any,
1969 as the same appears in the last annual report, if any, filed by such
1970 corporation with the Secretary of the State. If no principal office so
1971 appears, the corporation's "principal office" means the address in this
1972 state of the corporation's registered agent for service as last shown on
1973 the records of the Secretary of the State. In the case of a domestic
1974 corporation which has not filed such an annual report or appointment
1975 of registered agent for service, the "principal office" means the address
1976 of the principal place of business of such corporation in this state, if
1977 any, and if such corporation has no place of business in this state, its
1978 "principal office" shall be the office of the Secretary of the State.

1979 [(23)] ~~(27)~~ "Proceeding" includes civil suit and criminal,
1980 administrative and investigatory action.

1981 [(24)] ~~(28)~~ "Public corporation" means a corporation that has shares
1982 listed on a national securities exchange or regularly traded in a market
1983 maintained by one or more members of a national or affiliated

1984 securities association.

1985 [(25)] (29) "Qualified director" is defined in section 33-605, as
1986 amended by this act.

1987 [(26)] (30) "Record date" means the date established under sections
1988 33-665 to 33-687, inclusive, or sections 33-695 to 33-727, inclusive, on
1989 which a corporation determines the identity of its shareholders and
1990 their shareholdings for purposes of sections 33-600 to 33-998, inclusive.
1991 The determinations shall be made as of the close of business on the
1992 record date unless another time for doing so is specified when the
1993 record date is fixed.

1994 [(27)] (31) "Secretary" means the corporate officer to whom under
1995 the bylaws or by the board of directors is delegated responsibility
1996 under subsection (c) of section 33-763 for custody of the minutes of the
1997 meetings of the board of directors and of the shareholders and for
1998 authenticating records of the corporation.

1999 [(28)] (32) "Secretary of the State" means the Secretary of the State of
2000 Connecticut.

2001 (33) "Share exchange" means a transaction pursuant to section 33-
2002 816.

2003 [(29) "Shares" means the units into which the proprietary interests in
2004 a corporation are divided.]

2005 [(30)] (34) "Shareholder" means the person in whose name shares are
2006 registered in the records of a corporation or the beneficial owner of
2007 shares to the extent of the rights granted by a nominee certificate on
2008 file with a corporation.

2009 (35) "Shares" means the units into which the proprietary interests in
2010 a corporation are divided.

2011 [(31)] (36) "Sign" or "signature" means, with present intent to

2012 authenticate or adopt a document: (A) To execute or adopt a tangible
2013 symbol to a document, and includes any manual, facsimile or
2014 conformed signature; or (B) to attach to or logically associate with an
2015 electronic transmission an electronic sound, symbol or process, and
2016 includes an electronic signature in an electronic transmission.

2017 [(32)] (37) "State", when referring to a part of the United States,
2018 includes a state and commonwealth, and their agencies and
2019 governmental subdivisions, and a territory and insular possession, and
2020 their agencies and governmental subdivisions, of the United States.

2021 [(33)] (38) "Subscriber" means a person who subscribes for shares in
2022 a corporation, whether before or after incorporation.

2023 [(34)] (39) "United States" includes any district, authority, bureau,
2024 commission, department and other agency of the United States.

2025 (40) "Unrestricted voting trust beneficial owner" means, with respect
2026 to any shareholder rights, a voting trust beneficial owner whose
2027 entitlement to exercise the shareholder right in question is not
2028 inconsistent with the voting trust agreement.

2029 [(35)] (41) "Voting group" means all shares of one or more classes or
2030 series that under the certificate of incorporation or sections 33-600 to
2031 33-998, inclusive, are entitled to vote and be counted together
2032 collectively on a matter at a meeting of shareholders. All shares
2033 entitled by the certificate of incorporation or said sections to vote
2034 generally on the matter are for that purpose a single voting group.

2035 [(36)] (42) "Voting power" means the current power to vote in the
2036 election of directors.

2037 (43) "Voting trust beneficial owner" means an owner of a beneficial
2038 interest in shares of the corporation held in a voting trust established
2039 pursuant to subsection (a) of section 33-715.

2040 [(37)] (44) "Writing" or "written" means any information in the form

2041 of a document.

2042 Sec. 55. Section 33-814 of the general statutes is repealed and the
2043 following is substituted in lieu thereof (*Effective October 1, 2017*):

2044 As used in this section and sections 33-815 to 33-821a, inclusive:

2045 (1) "Acquired corporation" means the domestic or foreign
2046 corporation that will have all of one or more classes or series of its
2047 shares acquired in a share exchange.

2048 (2) "Acquiring corporation" means the domestic or foreign
2049 corporation that will acquire all of one or more classes or series of
2050 shares of the acquired corporation in a share exchange.

2051 [(1)] (3) "Interests" means the proprietary interests in an other entity.

2052 [(2)] "Merger" means a business combination pursuant to section 33-
2053 815.]

2054 [(3)] (4) "Organizational documents" means the basic document or
2055 documents that create, or determine the internal governance of, an
2056 other entity.

2057 [(4)] (5) "Other entity" means any association or legal entity, other
2058 than a domestic or foreign corporation, organized to conduct business,
2059 including, but not limited to, a partnership, limited partnership,
2060 limited liability partnership, limited liability company, joint venture,
2061 joint stock company, business trust, statutory trust and real estate
2062 investment trust.

2063 [(5)] (6) "Party to a merger" means any domestic or foreign
2064 corporation or other entity that will merge under a plan of merger.

2065 [(6)] (7) "Party to a share exchange" means any domestic or foreign
2066 corporation or other entity that will: (A) Acquire shares or interests of
2067 another corporation or an other entity in a share exchange; or (B) have
2068 all of its shares or interests or all of one or more classes or series of its

2069 shares or interests acquired in a share exchange.

2070 [(7) "Share exchange" means a business combination pursuant to
2071 section 33-816.]

2072 (8) "Survivor" means, in a merger, the corporation or other entity
2073 into which one or more other corporations or other entities are merged.
2074 A survivor of a merger may preexist the merger or be created by the
2075 merger.

2076 Sec. 56. Section 33-855 of the general statutes is repealed and the
2077 following is substituted in lieu thereof (*Effective October 1, 2017*):

2078 As used in this section and sections [33-855] 33-856 to 33-872,
2079 inclusive, as amended by this act:

2080 (1) "Affiliate" means a person that directly or indirectly through one
2081 or more intermediaries controls, is controlled by or is under common
2082 control with another person or is a senior executive thereof. For
2083 purposes of subdivision (4) of subsection (b) of section 33-856, as
2084 amended by this act, a person is deemed to be an affiliate of its senior
2085 executives.

2086 [(2) "Beneficial shareholder" means a person who is the beneficial
2087 owner of shares held in a voting trust or by a nominee on the beneficial
2088 owner's behalf.]

2089 [(3)] (2) "Corporation" means the issuer of the shares held by a
2090 shareholder demanding appraisal and, for purposes of sections 33-862
2091 to 33-872, inclusive, as amended by this act, includes the surviving
2092 entity in a merger.

2093 [(4)] (3) "Fair value" means the value of the corporation's shares
2094 determined: (A) Immediately before the effectuation of the corporate
2095 action to which the shareholder objects, (B) using customary and
2096 current valuation concepts and techniques generally employed for
2097 similar businesses in the context of the transaction requiring appraisal,

2098 and (C) without discounting for lack of marketability or minority
2099 status except, if appropriate, for amendments to the certificate of
2100 incorporation pursuant to subdivision (5) of subsection (a) of section
2101 33-856, as amended by this act.

2102 [(5)] (4) "Interest" means interest from the effective date of the
2103 corporate action until the date of payment, at the rate of interest on
2104 judgments in this state on the effective date of the corporate action.

2105 [(6)] (5) "Interested transaction" means a corporate action specified
2106 in subsection (a) of section 33-856, as amended by this act, other than a
2107 merger pursuant to section 33-818, involving an interested person in
2108 which any of the shares or assets of the corporation are being acquired
2109 or converted. As used in this definition: (A) "Interested person" means
2110 a person, or an affiliate of a person, who at any time during the one-
2111 year period immediately preceding approval by the board of directors
2112 of the corporate action: (i) Was the beneficial owner of twenty per cent
2113 or more of the voting power of the corporation, excluding any shares
2114 acquired pursuant to an offer for all shares having voting power if the
2115 offer was made within one year prior to the corporate action for
2116 consideration of the same kind and of a value equal to or less than that
2117 paid in connection with the corporate action; (ii) had the power,
2118 contractually or otherwise, to cause the appointment or election of
2119 twenty-five per cent or more of the directors to the board of directors
2120 of the corporation; or (iii) was a senior executive or director of the
2121 corporation or a senior executive of any affiliate thereof, and that
2122 senior executive or director will receive, as a result of the corporate
2123 action, a financial benefit not generally available to other shareholders
2124 as such, other than: (I) Employment, consulting, retirement or similar
2125 benefits established separately and not as part of or in contemplation
2126 of the corporate action; or (II) employment, consulting, retirement or
2127 similar benefits established in contemplation of, or as part of, the
2128 corporate action that are not more favorable than those existing before
2129 the corporate action or, if more favorable, that have been approved on
2130 behalf of the corporation in the same manner as is provided in section

2131 33-783; or (III) in the case of a director of the corporation who will, in
2132 the corporate action, become a director of the acquiring entity in the
2133 corporate action or one of its affiliates, rights and benefits as a director
2134 that are provided on the same basis as those afforded by the acquiring
2135 entity generally to other directors of such entity or such affiliate; and
2136 (B) "beneficial owner" means any person who, directly or indirectly,
2137 through any contract, arrangement or understanding, other than a
2138 revocable proxy, has or shares the power to vote, or to direct the
2139 voting of, shares; except that a member of a national securities
2140 exchange is not deemed to be a beneficial owner of securities held
2141 directly or indirectly by it on behalf of another person solely because
2142 the member is the record holder of the securities if the member is
2143 precluded by the rules of the exchange from voting without instruction
2144 on contested matters or matters that may affect substantially the rights
2145 or privileges of the holders of the securities to be voted. When two or
2146 more persons agree to act together for the purpose of voting their
2147 shares of the corporation, each member of the group formed thereby is
2148 deemed to have acquired beneficial ownership, as of the date of the
2149 agreement, of all voting shares of the corporation beneficially owned
2150 by any member of the group.

2151 [(7)] (6) "Preferred shares" means a class or series of shares whose
2152 holders have preference over any other class or series with respect to
2153 distributions.

2154 [(8)] (7) "Record shareholder" means the person in whose name
2155 shares are registered in the records of the corporation or the beneficial
2156 owner of shares to the extent of the rights granted by a nominee
2157 certificate on file with the corporation.

2158 [(9)] (8) "Senior executive" means the chief executive officer, chief
2159 operating officer, chief financial officer and any individual in charge of
2160 a principal business unit or function.

2161 [(10)] (9) "Shareholder" means both a record shareholder and a
2162 beneficial shareholder.

2163 Sec. 57. Subdivision (2) of subsection (a) of section 33-1358 of the
2164 general statutes is repealed and the following is substituted in lieu
2165 thereof (*Effective October 1, 2017*):

2166 (2) May consider (A) in the circumstances described in subsection
2167 [(d)] (g) of section 33-756, as amended by this act, the interests referred
2168 to in said subsection, and (B) other pertinent factors or the interests of
2169 any other group that the board of directors, any committee of the
2170 board and the directors of the benefit corporation deem appropriate;
2171 and

2172 Sec. 58. Subdivision (12) of section 34-243a of the general statutes is
2173 repealed and the following is substituted in lieu thereof (*Effective July*
2174 *1, 2017*):

2175 (12) "limited liability company", except in the phrase "foreign
2176 limited liability company" and when used in sections 34-279 to 34-279i,
2177 inclusive, as amended by this act, means an entity formed under
2178 sections 34-243 to 34-283d, inclusive, or which becomes subject to said
2179 sections under the Connecticut Entity Transactions Act, or section 34-
2180 243i or 34-279h.

2181 Sec. 59. Subsection (g) of section 34-243h of the general statutes is
2182 repealed and the following is substituted in lieu thereof (*Effective July*
2183 *1, 2017*):

2184 (g) No limited liability company may be formed under the
2185 provisions of sections 34-243 to 34-283d, inclusive, for the purpose of
2186 transacting the business of an insurance company or a surety or
2187 indemnity company, unless (1) it is an affiliate of an insurance
2188 company chartered by, incorporated, organized or constituted within
2189 or under the laws of this state; and (2) at the time of the filing of its
2190 certificate of [formation] organization, there is also filed a certificate
2191 issued by the Insurance Commissioner, pursuant to section 33-646,
2192 authorizing the formation of the limited liability company. No limited
2193 liability company formed under the provisions of sections 34-243 to 34-

2194 283d, inclusive, shall have power to transact in this state the business
2195 of any insurance company or a surety or indemnity company until it
2196 has procured a license from the Insurance Commissioner in accordance
2197 with the provisions of section 38a-41.

2198 Sec. 60. Section 34-243p of the general statutes is repealed and the
2199 following is substituted in lieu thereof (*Effective July 1, 2017*):

2200 (a) A registered agent may resign as an agent for a limited liability
2201 company or registered foreign limited liability company by delivering
2202 to the Secretary of the State for filing a certificate of resignation that
2203 states: (1) The name of the limited liability company or registered
2204 foreign limited liability company; (2) the name of the agent; (3) that the
2205 agent resigns from serving as registered agent for the limited liability
2206 company or registered foreign limited liability company; and (4) the
2207 address of the limited liability company or registered foreign limited
2208 liability company to which the agent will send the notice required by
2209 subsection (c) of this section.

2210 (b) A certificate of resignation takes effect on the earlier of: (1) The
2211 thirty-first day after the day on which it is filed by the Secretary of the
2212 State; or (2) the date a new registered agent is designated for the
2213 limited liability company or registered foreign limited liability
2214 company.

2215 (c) A registered agent shall immediately furnish to the limited
2216 liability company or registered foreign limited liability company notice
2217 in a record of the date on which the certificate of resignation was filed.

2218 (d) When a certificate of resignation takes effect, the registered agent
2219 ceases to have responsibility under sections 34-243 to 34-283d,
2220 inclusive, for any matter thereafter tendered to it as agent for the
2221 limited liability company or registered foreign limited liability
2222 company. The resignation does not affect any contractual rights the
2223 limited liability company or registered foreign limited liability
2224 company has against the agent or that the agent has against the limited

2225 liability company or registered foreign limited liability company.

2226 [(e) A registered agent may resign with respect to a limited liability
2227 company or registered foreign limited liability company whether or
2228 not the limited liability company or registered foreign limited liability
2229 company is in good standing.]

2230 Sec. 61. Section 34-243u of the general statutes is repealed and the
2231 following is substituted in lieu thereof (*Effective July 1, 2017*):

2232 The Secretary of the State shall charge and collect the following fees
2233 and remit them to the Treasurer for the use of the state:

2234 (a) Fees for filing documents and issuing certificates: (1) Filing an
2235 application to reserve a limited liability company name or to cancel a
2236 reserved limited liability company name, sixty dollars; (2) filing a
2237 transfer of reserved limited liability company name, sixty dollars; (3)
2238 filing a certificate of organization, including appointment of registered
2239 agent, one hundred twenty dollars; (4) filing a change of address of
2240 agent certificate or change of agent certificate, fifty dollars; (5) filing a
2241 notice of resignation of registered agent, fifty dollars; (6) filing an
2242 amendment to certificate of organization, one hundred twenty dollars;
2243 (7) filing a restated certificate of organization, one hundred twenty
2244 dollars; (8) filing a certificate of merger, sixty dollars; (9) filing a
2245 certificate of interest exchange, sixty dollars; (10) filing a certificate of
2246 abandonment, fifty dollars; (11) filing a certificate of reinstatement, one
2247 hundred twenty dollars; (12) filing a foreign registration [statement]
2248 certificate by a foreign limited liability company to transact business in
2249 this state, one hundred twenty dollars; (13) filing an application of
2250 foreign limited liability company for amended foreign registration
2251 [statement] certificate, one hundred twenty dollars; (14) filing a
2252 [statement] certificate of withdrawal of [foreign limited liability
2253 company] registration under section 34-275h, as amended by this act,
2254 one hundred twenty dollars; (15) filing an annual report, twenty
2255 dollars; (16) filing an interim notice of change of manager or member,
2256 twenty dollars; (17) filing a registration of name or a [removal] renewal

2257 of registration of name, sixty dollars; (18) filing a statement of
2258 correction, one hundred dollars; and (19) filing a transfer of
2259 registration, sixty dollars plus the qualification fee.

2260 (b) Miscellaneous charges: (1) At the time of any service of process
2261 on the Secretary of the State as registered agent of a limited liability
2262 company, which amount may be recovered as taxable costs by the
2263 party to the suit or action causing such service to be made if such party
2264 prevails in the suit or action, the plaintiff in the process so served shall
2265 pay fifty dollars; (2) for preparing and furnishing a copy of any
2266 document, instrument or paper filed or recorded relating to a limited
2267 liability company: For each copy of each such document thereof
2268 regardless of the number of pages, forty dollars; for affixing his
2269 certification thereto, fifteen dollars; (3) for the issuance of a
2270 [certification] certificate of legal existence of a domestic or registered
2271 foreign limited liability company, fifty dollars; (4) for the issuance of a
2272 certificate of legal existence of a domestic or registered foreign limited
2273 liability company which certificate may reflect any and all changes of
2274 limited liability company names and the dates of filing thereof, fifty
2275 dollars; (5) for the issuance of a certificate of legal existence of a
2276 domestic limited liability company reflecting [articles] certificates
2277 effecting fundamental changes to certificate of organization and the
2278 date or dates of filing thereof, one hundred dollars; and (6) for other
2279 services for which fees are not provided by the general statutes, the
2280 Secretary of the State may charge such fees as will, in the judgment of
2281 the Secretary of the State, cover the cost of the services provided.

2282 (c) The tax imposed under chapter 219 shall not be imposed upon
2283 any transaction for which a fee is charged under the provisions of this
2284 section.

2285 Sec. 62. Subsection (c) of section 34-247 of the general statutes is
2286 repealed and the following is substituted in lieu thereof (*Effective July*
2287 *1, 2017*):

2288 (c) A certificate of organization may contain statements as to matters

2289 other than those required by subsection (b) of this section, but may not
2290 vary or otherwise affect the provisions specified in subsection (c) of
2291 section 34-243d in a manner inconsistent with said section. [However,
2292 a statement in a certificate of organization is not effective as a
2293 statement of authority.]

2294 Sec. 63. Subsection (a) of section 34-247d of the general statutes is
2295 repealed and the following is substituted in lieu thereof (*Effective July*
2296 *1, 2017*):

2297 (a) If a record delivered to the Secretary of the State for filing under
2298 sections 34-243 to 34-283d, inclusive, and filed by the Secretary of the
2299 State contains inaccurate information, a person that suffers loss by
2300 reliance on the information may recover damages for the loss from: (1)
2301 A person that signed the record or caused another to sign it on the
2302 person's behalf, and knew the information to be inaccurate at the time
2303 the record was signed; and (2) subject to subsection (b) of this section, a
2304 member of a member-managed limited liability company or the
2305 manager of a manager-managed limited liability company, if: (A) The
2306 record was delivered for filing on behalf of the company; and (B) the
2307 member or manager had notice of the inaccuracy for a reasonably
2308 sufficient time before the information was relied upon so that, before
2309 the reliance, the member or manager reasonably could have:

2310 (i) Effected an amendment under section 34-247a;

2311 (ii) Filed a petition under section 34-247c; or

2312 (iii) Delivered to the Secretary of the State for filing a [statement of]
2313 change of address of agent certificate or a change of agent certificate
2314 under section 34-243o or a statement of correction under section 34-
2315 247h.

2316 Sec. 64. Section 34-247f of the general statutes is repealed and the
2317 following is substituted in lieu thereof (*Effective July 1, 2017*):

2318 Except as provided in section 34-247g, as amended by this act, and

2319 subject to the provisions of subsection (c) of section 34-247h, a
2320 certificate of organization is effective and a foreign registration
2321 [statement] certificate is effective on the date and at the time of its
2322 filing by the Secretary of the State, as provided in section 34-247e. Each
2323 other record filed under sections 34-243 to 34-283d, inclusive, is
2324 effective on the later of:

2325 (1) On the date and at the time of its filing by the Secretary of the
2326 State, as provided in section 34-247e;

2327 (2) On the date of filing and at the time specified in the record as its
2328 effective time, if later than the time under subdivision (1) of this
2329 section;

2330 (3) At a specified delayed effective date and time, which may not be
2331 more than ninety days after the date of filing; or

2332 (4) If a delayed effective date is specified, but no time is specified, at
2333 12:01 a.m. on the date specified, which may not be more than ninety
2334 days after the date of filing.

2335 Sec. 65. Section 34-247g of the general statutes is repealed and the
2336 following is substituted in lieu thereof (*Effective July 1, 2017*):

2337 (a) A record delivered to the Secretary of the State for filing may be
2338 withdrawn before it takes effect by delivering to the Secretary of the
2339 State for filing a [statement] certificate of withdrawal.

2340 (b) A [statement] certificate of withdrawal must: (1) Identify the
2341 record to be withdrawn; and (2) if signed by fewer than all the persons
2342 that signed the record being withdrawn, state that the record is
2343 withdrawn in accordance with the agreement of all the persons that
2344 signed the record or as otherwise provided in the operating agreement
2345 of the limited liability company.

2346 (c) On filing by the Secretary of the State of a [statement] certificate
2347 of withdrawal, the action or transaction evidenced by the original

2348 record shall not take effect.

2349 Sec. 66. Section 34-247j of the general statutes is repealed and the
2350 following is substituted in lieu thereof (*Effective July 1, 2017*):

2351 [(a)] On request of any person, the Secretary of the State shall issue a
2352 certificate of [good standing] legal existence for a domestic or
2353 registered foreign limited liability company. [or a certificate of
2354 registration for a registered foreign limited liability company] A
2355 certificate issued by the Secretary of the State under this section may
2356 be relied upon as conclusive evidence of the facts set forth in the
2357 certificate.

2358 [(b) A certificate issued under subsection (a) of this section must
2359 state:

2360 (1) The limited liability company's name or the registered foreign
2361 limited liability company's name used in this state;

2362 (2) In the case of a limited liability company, that: (A) No statement
2363 of dissolution, statement of administrative dissolution or statement of
2364 termination has been filed; (B) the records of the Secretary of the State
2365 do not otherwise reflect that the company has been dissolved or
2366 terminated; (C) the limited liability company has filed all annual
2367 reports due through the date of the certificate in compliance with
2368 section 34-247k; and (D) a proceeding is not pending under section 34-
2369 267g; and

2370 (3) In the case of a registered foreign limited liability company, that:
2371 (A) It is registered to do business in this state; and (B) the registered
2372 foreign limited liability company has filed all annual reports due
2373 through the date of the certificate in compliance with section 34-247k.

2374 (c) A certificate issued by the Secretary of the State under subsection
2375 (a) of this section may be relied upon as conclusive evidence of the
2376 facts set forth in the certificate.]

2377 Sec. 67. Subdivision (5) of subsection (a) of section 34-247k of the
2378 general statutes is repealed and the following is substituted in lieu
2379 thereof (*Effective July 1, 2017*):

2380 (5) In the case of a foreign limited liability company, any alternate
2381 name adopted under section 34-275e, its governing jurisdiction and
2382 [any alternate name adopted under subsection (a) of section 34-275e] if
2383 the law of the governing jurisdiction requires the company to maintain
2384 an office in that jurisdiction, the street and mailing addresses of the
2385 required office.

2386 Sec. 68. Subsections (f) and (g) of section 34-275a of the general
2387 statutes are repealed and the following is substituted in lieu thereof
2388 (*Effective July 1, 2017*):

2389 (f) A foreign limited liability company, by transacting business in
2390 this state without a foreign registration [statement] certificate, appoints
2391 the Secretary of the State as its agent for service of process with respect
2392 to a cause of action arising out of the transaction of business in this
2393 state. Such foreign limited liability company may be served in the
2394 manner provided in subsection (b) of section 34-243r.

2395 (g) A foreign limited liability company which transacts business in
2396 this state without a valid foreign registration [statement] certificate
2397 shall be liable to this state, for each year or part thereof during which it
2398 transacted business in this state without such certificate, in an amount
2399 equal to: (1) All fees and taxes which would have been imposed by law
2400 upon such limited liability company had it duly applied for and
2401 received such registration to transact business in this state, and (2) all
2402 interest and penalties imposed by law for failure to pay such fees and
2403 taxes. A foreign limited liability company is further liable to this state,
2404 for each month or part thereof during which it transacted business in
2405 this state without a valid foreign registration [statement] certificate, in
2406 an amount equal to three hundred dollars, except that a foreign limited
2407 liability company which has registered with the Secretary of the State
2408 not later than ninety days after it has commenced transacting business

2409 in this state shall not be liable for such monthly penalty. Such fees and
2410 penalties may be levied by the Secretary of the State. The Attorney
2411 General may bring proceedings to recover all amounts due this state
2412 under the provisions of this subsection.

2413 Sec. 69. Section 34-275b of the general statutes is repealed and the
2414 following is substituted in lieu thereof (*Effective July 1, 2017*):

2415 To register to do business in this state, a foreign limited liability
2416 company must deliver a foreign registration [statement] certificate to
2417 the Secretary of the State for filing. The [statement] certificate shall set
2418 forth:

2419 (1) The name of the company and, if the name does not comply with
2420 section 34-243k, an alternate name adopted pursuant to subsection (a)
2421 of section 34-275e;

2422 (2) That the company is a foreign limited liability company;

2423 (3) The name of the company's governing jurisdiction;

2424 (4) The street and mailing addresses of the company's principal
2425 office and, if the law of the governing jurisdiction requires the
2426 company to maintain an office in that jurisdiction, the street and
2427 mailing addresses of the required office;

2428 (5) The name and address of the agent in this state for service of
2429 process on the foreign limited liability company required to be
2430 maintained by [subdivision (4) of subsection (b) of section 34-247]
2431 section 34-243n and an acceptance of such appointment signed by the
2432 agent appointed if other than the Secretary of the State;

2433 (6) The name and respective business and residence addresses of a
2434 manager or a member of the foreign limited liability company, except
2435 that, if good cause is shown, the Secretary of the State may accept a
2436 business address in lieu of business and residence addresses of such
2437 manager or member. For the purposes of this subdivision, a showing

2438 of good cause shall include, but need not be limited to, a showing that
2439 public disclosure of the residence address of the manager or member
2440 of the foreign limited liability company may expose the personal
2441 security of such manager or member to significant risk; and

2442 (7) The electronic mail address, if any, of the foreign limited liability
2443 company.

2444 Sec. 70. Section 34-275c of the general statutes is repealed and the
2445 following is substituted in lieu thereof (*Effective July 1, 2017*):

2446 A registered foreign limited liability company shall deliver to the
2447 Secretary of the State for filing an amendment to its foreign
2448 registration [statement] certificate if there is a change in: (1) The name
2449 of the company; or (2) the company's governing jurisdiction; (3) an
2450 address required by subdivision (4) of section 34-275b; or (4) the
2451 information required by subdivision (5) of section 34-275b.]

2452 Sec. 71. Section 34-275f of the general statutes is repealed and the
2453 following is substituted in lieu thereof (*Effective July 1, 2017*):

2454 (a) When a registered foreign limited liability company has merged
2455 into a foreign [entity] limited liability company that is not registered to
2456 transact business in this state, [or has converted to a foreign entity
2457 required to register with the Secretary of the State to transact business
2458 in this state,] the nonregistered foreign [entity] limited liability
2459 company shall deliver to the Secretary of the State for filing an
2460 application for transfer of registration. The application must state:

2461 (1) The name of the registered foreign limited liability company
2462 before the merger or conversion;

2463 (2) That before the merger or conversion the registration pertained
2464 to a foreign limited liability company;

2465 (3) The name of the applicant foreign [entity] limited liability
2466 company into which the foreign limited liability company has merged,

2467 [or to which it has been converted,] and, if the name does not comply
2468 with section 34-243k, an alternate name adopted pursuant to
2469 subsection (a) of section 34-275e;

2470 (4) The [type of entity of the applicant foreign entity and its]
2471 governing jurisdiction of the applicant foreign limited liability
2472 company;

2473 (5) The street and mailing addresses of the principal office of the
2474 applicant foreign [entity] limited liability company and, if the law of
2475 the [entity's] foreign limited liability company's governing jurisdiction
2476 requires the [entity] foreign limited liability company to maintain an
2477 office in that jurisdiction, the street and mailing addresses of that
2478 office;

2479 (6) The name and [street and mailing addresses of the applicant
2480 foreign entity's registered agent in this state] address of the agent in
2481 this state for service of process on the foreign limited liability company
2482 required to be maintained by subsection (b) of section 34-247;

2483 (7) The name and respective business and residence addresses of a
2484 manager or a member of the foreign limited liability company, except
2485 that, if good cause is shown, the Secretary of the State may accept a
2486 business address in lieu of business and residence addresses of such
2487 manager or member. For the purposes of this subdivision, a showing
2488 of good cause shall include, but need not be limited to, a showing that
2489 public disclosure of the residence address of the manager or member
2490 of the foreign limited liability company may expose the personal
2491 security of such manager or member to significant risk; and

2492 (8) The electronic mail address, if any, of the foreign limited liability
2493 company.

2494 (b) When an application for transfer of registration takes effect, the
2495 registration of the foreign limited liability company to transact
2496 business in this state is transferred without interruption to the foreign
2497 [entity] limited liability company into which the foreign company has

2498 merged. [or to which it has been converted.]

2499 Sec. 72. Section 34-275g of the general statutes is repealed and the
2500 following is substituted in lieu thereof (*Effective July 1, 2017*):

2501 (a) The foreign registration [statement] certificate of a foreign
2502 limited liability company to transact business in this state may be
2503 revoked by the Secretary of the State upon the conditions provided in
2504 this section when: (1) The foreign limited liability company has failed
2505 to file its annual report with the Secretary of the State; (2) a wilful
2506 misrepresentation has been made of any material matter in any
2507 application, report, affidavit or other document, submitted by such
2508 foreign limited liability company pursuant to sections 34-275 to 34-
2509 275i, inclusive; (3) the foreign limited liability company is exceeding
2510 the authority conferred upon it by said sections; or (4) the foreign
2511 limited liability company is without an agent upon whom process may
2512 be served in this state for sixty days or more.

2513 (b) On the happening of an event set forth in subdivision (1), (2), (3)
2514 or (4) of subsection (a) of this section, the Secretary of the State shall
2515 give not less than twenty days' written notice to the foreign limited
2516 liability company that the Secretary intends to revoke the foreign
2517 registration [statement] certificate of such foreign limited liability
2518 company for one of said causes, specifying the same. Such notice shall
2519 be given by registered or certified mail addressed to the foreign
2520 limited liability company at its address as last shown on the records of
2521 the Secretary of the State. If, before expiration of the time set forth in
2522 the notice, the foreign limited liability company establishes to the
2523 satisfaction of the Secretary of the State that the stated cause for the
2524 revocation of its foreign registration [statement] certificate did not exist
2525 at the time the notice was mailed or, if it did exist at said time, has
2526 been cured, the Secretary of the State shall take no further action.
2527 Otherwise, on the expiration of the time set forth in the notice, the
2528 Secretary shall revoke the foreign registration [statement] certificate of
2529 such foreign limited liability company to transact business in this state.

2530 (c) Upon revoking the foreign registration [statement] certificate of
2531 any foreign limited liability company, the Secretary of the State shall
2532 file a certificate of revocation in his office and shall: (1) Mail a copy
2533 thereof to such foreign limited liability company at its address as last
2534 shown on the Secretary's records; and (2) cause notice of the filing of
2535 such certificate of revocation to be posted on the office of the Secretary
2536 of the State's Internet web site for a period of sixty days following the
2537 date on which the Secretary of the State files the certificate of
2538 revocation. The filing of such certificate of revocation shall cause the
2539 authority of a foreign limited liability company to transact business in
2540 this state to cease. Notwithstanding the filing of the certificate of
2541 revocation, the appointment by a foreign limited liability company of
2542 [an attorney] a registered agent upon whom process may be served
2543 shall continue in force as long as any liability remains outstanding
2544 against the foreign limited liability company in this state.

2545 Sec. 73. Subsection (a) of section 34-275h of the general statutes is
2546 repealed and the following is substituted in lieu thereof (*Effective July*
2547 *1, 2017*):

2548 (a) A registered foreign limited liability company may withdraw its
2549 registration by delivering a [statement] certificate of withdrawal of
2550 registration to the Secretary of the State for filing. The [statement]
2551 certificate of withdrawal of registration must state: (1) The name of the
2552 company and its governing jurisdiction; (2) that the company is not
2553 transacting business in this state and that it withdraws its registration
2554 to transact business in this state; (3) that the company revokes the
2555 authority of its registered agent to accept service on its behalf in this
2556 state; (4) that the company surrenders its authority to transact business
2557 in this state; and (5) an address to which service of process may be
2558 made under subsection (b) of this section.

2559 Sec. 74. Section 34-279i of the general statutes is repealed and the
2560 following is substituted in lieu thereof (*Effective July 1, 2017*):

2561 (a) Unless otherwise provided in the certificate of organization or

2562 operating agreement of the limited liability company, a plan of merger
2563 must be consented to by two-thirds in interest of the members of the
2564 limited liability company.

2565 (b) Subject to any contractual rights, after a merger is approved, and
2566 at any time before [articles] a certificate of merger [are delivered to the
2567 Secretary of the State for filing under section 34-279j] becomes
2568 effective, a merging limited liability company may amend the plan of of
2569 merger or abandon the merger: (1) As provided in the plan; or (2)
2570 except as otherwise prohibited in the plan, with the same consent as
2571 was required to approve the plan.

2572 Sec. 75. Subsection (d) of section 34-279j of the general statutes is
2573 repealed and the following is substituted in lieu thereof (*Effective July*
2574 *1, 2017*):

2575 (d) [Each merging] The surviving limited liability company shall
2576 deliver the certificate of merger for filing in the office of the Secretary
2577 of the State.

2578 Sec. 76. Subsection (c) of section 33-784 of the general statutes is
2579 repealed and the following is substituted in lieu thereof (*Effective*
2580 *October 1, 2017*):

2581 (c) For purposes of this section: (1) "Holder" means, and "held by"
2582 refers to shares held by, both a record shareholder, as defined in
2583 subdivision (7) of section 33-855, as amended by this act, and a
2584 beneficial shareholder; [as defined in subdivision (2) of section 33-
2585 855;] and (2) "qualified shares" means all shares entitled to be voted
2586 with respect to the transaction except for shares that the secretary or
2587 other officer or agent of the corporation authorized to tabulate votes
2588 either knows, or under subsection (b) of this section is notified, are
2589 held by (A) a director who has a conflicting interest respecting the
2590 transaction, or (B) a related person of the director, excluding a person
2591 described in subparagraph (F) of subdivision (5) of section 33-781, as
2592 amended by this act.

2593 Sec. 77. Subsection (b) of section 33-896 of the general statutes is
 2594 repealed and the following is substituted in lieu thereof (*Effective*
 2595 *October 1, 2017*):

2596 (b) Subdivision (1) of subsection (a) of this section shall not apply in
 2597 the case of a corporation that, on the date of the filing of the
 2598 proceeding, has shares that are: (A) Listed on the New York Stock
 2599 Exchange, the American Stock Exchange or any exchange owned or
 2600 operated by the NASDAQ Stock Market LLC, or listed or quoted on a
 2601 system owned or operated by the National Association of Securities
 2602 Dealers, Inc.; or (B) not so listed or quoted, but are held by at least
 2603 three hundred shareholders and the shares outstanding have a market
 2604 value of at least twenty million dollars exclusive of the value of such
 2605 shares held by the corporation's subsidiaries, senior executives,
 2606 directors and beneficial shareholders owning more than ten per cent of
 2607 such shares. [As used in this subsection, "beneficial shareholder" has
 2608 the meaning specified in subdivision (2) of section 33-855.]

This act shall take effect as follows and shall amend the following sections:		
Section 1	<i>October 1, 2018</i>	New section
Sec. 2	<i>October 1, 2018</i>	New section
Sec. 3	<i>October 1, 2018</i>	New section
Sec. 4	<i>October 1, 2018</i>	New section
Sec. 5	<i>October 1, 2018</i>	New section
Sec. 6	<i>October 1, 2018</i>	New section
Sec. 7	<i>October 1, 2018</i>	New section
Sec. 8	<i>October 1, 2018</i>	New section
Sec. 9	<i>October 1, 2018</i>	New section
Sec. 10	<i>October 1, 2018</i>	New section
Sec. 11	<i>October 1, 2018</i>	New section
Sec. 12	<i>October 1, 2018</i>	New section
Sec. 13	<i>October 1, 2018</i>	New section
Sec. 14	<i>October 1, 2018</i>	New section
Sec. 15	<i>October 1, 2018</i>	New section
Sec. 16	<i>October 1, 2018</i>	New section
Sec. 17	<i>October 1, 2018</i>	New section

Sec. 18	<i>October 1, 2018</i>	New section
Sec. 19	<i>October 1, 2018</i>	New section
Sec. 20	<i>October 1, 2018</i>	New section
Sec. 21	<i>October 1, 2018</i>	New section
Sec. 22	<i>October 1, 2018</i>	New section
Sec. 23	<i>October 1, 2018</i>	New section
Sec. 24	<i>October 1, 2018</i>	New section
Sec. 25	<i>October 1, 2018</i>	New section
Sec. 26	<i>October 1, 2018</i>	New section
Sec. 27	<i>October 1, 2018</i>	New section
Sec. 28	<i>October 1, 2018</i>	New section
Sec. 29	<i>October 1, 2018</i>	New section
Sec. 30	<i>October 1, 2018</i>	New section
Sec. 31	<i>October 1, 2018</i>	New section
Sec. 32	<i>October 1, 2018</i>	New section
Sec. 33	<i>October 1, 2018</i>	New section
Sec. 34	<i>October 1, 2017</i>	33-756
Sec. 35	<i>October 1, 2017</i>	New section
Sec. 36	<i>October 1, 2017</i>	New section
Sec. 37	<i>October 1, 2017</i>	New section
Sec. 38	<i>October 1, 2017</i>	New section
Sec. 39	<i>October 1, 2017</i>	New section
Sec. 40	<i>October 1, 2017</i>	New section
Sec. 41	<i>October 1, 2017</i>	New section
Sec. 42	<i>October 1, 2017</i>	New section
Sec. 43	<i>October 1, 2017</i>	New section
Sec. 44	<i>October 1, 2017</i>	33-605(a)
Sec. 45	<i>October 1, 2017</i>	33-636
Sec. 46	<i>October 1, 2017</i>	33-781(5)
Sec. 47	<i>October 1, 2017</i>	33-785
Sec. 48	<i>October 1, 2017</i>	33-817
Sec. 49	<i>October 1, 2017</i>	33-856
Sec. 50	<i>October 1, 2017</i>	33-860
Sec. 51	<i>October 1, 2017</i>	33-861
Sec. 52	<i>October 1, 2017</i>	33-862
Sec. 53	<i>October 1, 2017</i>	New section
Sec. 54	<i>October 1, 2017</i>	33-602
Sec. 55	<i>October 1, 2017</i>	33-814
Sec. 56	<i>October 1, 2017</i>	33-855
Sec. 57	<i>October 1, 2017</i>	33-1358(a)(2)

Sec. 58	<i>July 1, 2017</i>	34-243a(12)
Sec. 59	<i>July 1, 2017</i>	34-243h(g)
Sec. 60	<i>July 1, 2017</i>	34-243p
Sec. 61	<i>July 1, 2017</i>	34-243u
Sec. 62	<i>July 1, 2017</i>	34-247(c)
Sec. 63	<i>July 1, 2017</i>	34-247d(a)
Sec. 64	<i>July 1, 2017</i>	34-247f
Sec. 65	<i>July 1, 2017</i>	34-247g
Sec. 66	<i>July 1, 2017</i>	34-247j
Sec. 67	<i>July 1, 2017</i>	34-247k(a)(5)
Sec. 68	<i>July 1, 2017</i>	34-275a(f) and (g)
Sec. 69	<i>July 1, 2017</i>	34-275b
Sec. 70	<i>July 1, 2017</i>	34-275c
Sec. 71	<i>July 1, 2017</i>	34-275f
Sec. 72	<i>July 1, 2017</i>	34-275g
Sec. 73	<i>July 1, 2017</i>	34-275h(a)
Sec. 74	<i>July 1, 2017</i>	34-279i
Sec. 75	<i>July 1, 2017</i>	34-279j(d)
Sec. 76	<i>October 1, 2017</i>	33-784(c)
Sec. 77	<i>October 1, 2017</i>	33-896(b)

Statement of Legislative Commissioners:

Sections 76 and 77 were added for consistency with the deletion of "beneficial shareholder" in section 56.

JUD *Joint Favorable Subst.*