



General Assembly

**Amendment**

January Session, 2017

LCO No. 7632



Offered by:

REP. TONG, 147<sup>th</sup> Dist.  
REP. REBIMBAS, 70<sup>th</sup> Dist.  
REP. STAFSTROM, 129<sup>th</sup> Dist.

REP. CUMMINGS, 74<sup>th</sup> Dist.  
SEN. DOYLE, 9<sup>th</sup> Dist.  
SEN. KISSEL, 7<sup>th</sup> Dist.

To: Subst. House Bill No. 7311

File No. 688

Cal. No. 455

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

1 Strike everything after the enacting clause and substitute the  
2 following in lieu thereof:

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 Section 33-756 of the general statutes is repealed and the  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

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

12 [(b) In discharging his duties a director is entitled to rely on

13 information, opinions, reports or statements, including financial  
14 statements and other financial data, if prepared or presented by: (1)  
15 One or more officers or employees of the corporation whom the  
16 director reasonably believes to be reliable and competent in the  
17 matters presented; (2) legal counsel, public accountants or other  
18 persons as to matters the director reasonably believes are within the  
19 person's professional or expert competence; or (3) a committee of the  
20 board of directors of which he is not a member if the director  
21 reasonably believes the committee merits confidence.

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

25 (d) For purposes of sections 33-817, 33-830, 33-831, 33-841 and 33-  
26 844, a director of a corporation which has a class of voting stock  
27 registered pursuant to Section 12 of the Securities Exchange Act of  
28 1934, as the same has been or hereafter may be amended from time to  
29 time, in addition to complying with the provisions of subsections (a) to  
30 (c), inclusive, of this section, may consider, in determining what he  
31 reasonably believes to be in the best interests of the corporation, (1) the  
32 long-term as well as the short-term interests of the corporation, (2) the  
33 interests of the shareholders, long-term as well as short-term,  
34 including the possibility that those interests may be best served by the  
35 continued independence of the corporation, (3) the interests of the  
36 corporation's employees, customers, creditors and suppliers, and (4)  
37 community and societal considerations including those of any  
38 community in which any office or other facility of the corporation is  
39 located. A director may also in his discretion consider any other factors  
40 he reasonably considers appropriate in determining what he  
41 reasonably believes to be in the best interests of the corporation.

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

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

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

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

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

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

74 (f) A director is entitled to rely, in accordance with subsection (d) or  
75 (e) of this section, on: (1) One or more officers or employees of the  
76 corporation whom the director reasonably believes to be reliable and

77 competent in the functions performed or the information, opinions,  
78 reports or statements provided; (2) legal counsel, public accountants or  
79 other persons retained by the corporation as to matters involving skills  
80 or expertise the director reasonably believes are matters (A) within the  
81 particular person's professional or expert competence, or (B) as to  
82 which the particular person merits confidence; or (3) a board  
83 committee of which the director is not a member if the director  
84 reasonably believes the committee merits confidence.

85 (g) For the purposes of sections 33-817, as amended by this act, 33-  
86 830, 33-831, 33-841 and 33-844, a director of a corporation that has a  
87 class of voting stock registered pursuant to Section 12 of the Securities  
88 Exchange Act of 1934, as the same has been or hereafter may be  
89 amended from time to time, in addition to complying with the  
90 provisions of subsections (a) to (c), inclusive, of this section, may  
91 consider, in determining what the director reasonably believes to be in  
92 the best interests of the corporation, (1) the long-term as well as the  
93 short-term interests of the corporation, (2) the interests of the  
94 shareholders, long-term as well as short-term, including the possibility  
95 that those interests may be best served by the continued independence  
96 of the corporation, (3) the interests of the corporation's employees,  
97 customers, creditors and suppliers, and (4) community and societal  
98 considerations, including those of any community in which any office  
99 or other facility of the corporation is located. A director may also  
100 consider, in the discretion of such director, any other factors the  
101 director reasonably considers appropriate in determining what the  
102 director reasonably believes to be in the best interests of the  
103 corporation.

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

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

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

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

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

141 (1) For money damages, shall also have the burden of establishing  
142 that (A) harm to the corporation or its shareholders has been suffered,

143 and (B) the harm suffered was proximately caused by the director's  
144 challenged conduct;

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

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

153 (c) Nothing in this section shall:

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

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

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

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

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

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

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

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

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

193 (6) "Putative shares" means the shares of any class or series,  
194 including shares issued upon exercise of rights, options, warrants or  
195 other securities convertible into shares of the corporation, or interests  
196 with respect to such shares, that were created or issued as a result of a  
197 defective corporate action, that (A) but for any failure of authorization  
198 would constitute valid shares, or (B) cannot be determined by the  
199 board of directors to be valid shares.

200 (7) "Valid shares" means the shares of any class or series that have  
201 been duly authorized and validly issued in accordance with sections  
202 33-600 to 33-998, inclusive, of the general statutes, including as a result  
203 of ratification or validation under this section and sections 4 to 10,

204 inclusive, of this act.

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

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

221 (b) Ratification under section 5 of this act or validation under  
222 section 10 of this act shall not be deemed to be the exclusive means of  
223 ratifying or validating any defective corporate action, and the absence  
224 or failure of ratification in accordance with sections 3 to 10, inclusive,  
225 of this act shall not, of itself, affect the validity or effectiveness of any  
226 corporate action ratified under common law or otherwise, nor shall it  
227 create a presumption that any such corporate action is or was a  
228 defective corporate action or void or voidable.

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



236 authorization, designation or creation of such shares.

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

249 (b) In the event that a defective corporate action to be ratified relates  
250 to the election of the initial board of directors of the corporation under  
251 subdivision (2) of subsection (a) of section 33-639 of the general  
252 statutes, a majority of the persons who, at the time of the ratification,  
253 are exercising the powers of directors may take an action, stating: (1)  
254 The name of the person or persons who first took action in the name of  
255 the corporation as the initial board of directors of the corporation; (2)  
256 the earlier of the date on which such persons first took such action or  
257 were purported to have been elected as the initial board of directors;  
258 and (3) that the ratification of the election of such person or persons as  
259 the initial board of directors is approved.

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

269 section 6 of this act.

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

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

281 (b) If the ratification of the defective corporate action requires  
282 approval by the shareholders under subsection (c) of section 5 of this  
283 act, and if the approval is to be given at a meeting, the corporation  
284 shall notify each holder of valid and putative shares, regardless of  
285 whether entitled to vote, of the record date for notice of the meeting  
286 and of the date of the defective corporate action, except that notice  
287 shall not be required to be given to holders of valid or putative shares  
288 whose identities or addresses for notice cannot be determined from the  
289 records of the corporation. The notice must state that the purpose, or  
290 one of the purposes, of the meeting is to consider ratification of a  
291 defective corporate action and must be accompanied by (1) either a  
292 copy of the action taken by the board of directors in accordance with  
293 subsection (a) of section 5 of this act or the information required by  
294 subdivisions (1) to (4), inclusive, of subsection (a) of section 5 of this  
295 act, and (2) a statement that any claim that the ratification of such  
296 defective corporate action and any putative shares issued as a result of  
297 such defective corporate action should not be effective, or should be  
298 effective only on certain conditions, shall be brought not later than one  
299 hundred twenty days after the applicable validation effective time.

300 (c) Except as provided in subsection (d) of this section with respect

301 to the voting requirements to ratify the election of a director, the  
302 quorum and voting requirements applicable to the approval by the  
303 shareholders required by subsection (c) of section 5 of this act shall be  
304 the quorum and voting requirements applicable to the corporate action  
305 proposed to be ratified at the time of such shareholder approval.

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

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

317 (f) If the approval under this section of putative shares would result  
318 in an overissue, in addition to the approval required by section 5 of  
319 this act, approval of an amendment to the certificate of incorporation  
320 under sections 33-795 to 33-809, inclusive, of the general statutes to  
321 increase the number of shares of an authorized class or series or to  
322 authorize the creation of a class or series of shares so there would be  
323 no overissue shall also be required.

324 Sec. 7. (NEW) (*Effective October 1, 2017*) (a) Unless shareholder  
325 approval is required under subsection (c) of section 5 of this act,  
326 prompt notice of an action taken under said section shall be given to  
327 each holder of valid and putative shares, regardless of whether entitled  
328 to vote, as of (1) the date of such action by the board of directors, and  
329 (2) the date of the defective corporate action ratified under sections 3 to  
330 10, inclusive, of this act, provided notice shall not be required to be  
331 given to holders of valid and putative shares whose identities or  
332 addresses for notice cannot be determined from the records of the

333 corporation.

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

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

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

354 Sec. 8. (NEW) (*Effective October 1, 2017*) From and after the  
355 validation effective time, and without regard to the one-hundred-  
356 twenty-day period during which a claim may be brought under  
357 section 10 of this act: (1) Each defective corporate action ratified in  
358 accordance with section 5 of this act shall not be void or voidable as a  
359 result of the failure of authorization identified in the action taken  
360 under subsection (a) or (b) of said section and shall be deemed a valid  
361 corporate action effective as of the date of the defective corporate  
362 action; (2) the issuance of each putative share or fraction of a putative  
363 share purportedly issued pursuant to a defective corporate action  
364 identified in the action taken under section 5 of this act shall not be

365 void or voidable, and each such putative share or fraction of a putative  
366 share shall be deemed to be an identical share or fraction of a valid  
367 share as of the time it was purportedly issued; and (3) any corporate  
368 action taken subsequent to the defective corporate action ratified in  
369 accordance with sections 3 to 10, inclusive, of this act, in reliance on  
370 such defective corporate action having been validly effected and any  
371 subsequent defective corporate action resulting directly or indirectly  
372 from such original defective corporate action, shall be valid as of the  
373 time taken.

374 Sec. 9. (NEW) (*Effective October 1, 2017*) (a) If the defective corporate  
375 action ratified under sections 3 to 10, inclusive, of this act would have  
376 required under any other provision of sections 33-600 to 33-998,  
377 inclusive, of the general statutes a filing in accordance with sections 33-  
378 600 to 33-998, inclusive, of the general statutes, then, whether or not a  
379 filing was previously made in respect to such defective corporate  
380 action and in lieu of a filing otherwise required by said sections of the  
381 general statutes, the corporation shall file a certificate of validation in  
382 accordance with this section, and such certificate of validation shall  
383 serve to amend or substitute for any other filing with respect to such  
384 defective corporate action required by said sections of the general  
385 statutes.

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

399 (c) The certificate of validation must also contain the following  
400 information: (1) If a filing was previously made in respect to the  
401 defective corporate action and no changes to such filing are required to  
402 give effect to the ratification of such defective corporate action in  
403 accordance with section 5 of this act, the certificate of validation must  
404 set forth (A) the name, title and filing date of the filing previously  
405 made and any certificate of correction to that filing, and (B) a statement  
406 that a copy of the filing previously made, together with any certificate  
407 of correction to that filing, is attached as an exhibit to the certificate of  
408 validation; (2) if a filing was previously made in respect of the  
409 defective corporate action and such filing requires any change to give  
410 effect to the ratification of such defective corporate action in  
411 accordance with section 5 of this act, the certificate of validation must  
412 set forth (A) the name, title and filing date of the filing previously  
413 made and any certificate of correction to that filing, (B) a statement that  
414 a filing containing all of the information required to be included under  
415 the applicable provisions of sections 33-600 to 33-998, inclusive, of the  
416 general statutes to give effect to such defective corporate action is  
417 attached as an exhibit to the certificate of validation, and (C) the date  
418 and time that such filing is deemed to have become effective; or (3) if a  
419 filing was not previously made in respect of the defective corporate  
420 action and the defective corporate action ratified under section 5 of this  
421 act would have required a filing under any other provision of sections  
422 33-600 to 33-998, inclusive, of the general statutes, the certificate of  
423 validation must set forth (A) a statement that a filing containing all of  
424 the information required to be included under the applicable provision  
425 or provisions of sections 33-600 to 33-998, inclusive, of the general  
426 statutes to give effect to such defective corporate action is attached as  
427 an exhibit to the certificate of validation, and (B) the date and time that  
428 such filing is deemed to have become effective.

429 Sec. 10. (NEW) (*Effective October 1, 2017*) (a) Upon application by the  
430 corporation, any successor entity to the corporation, a director of the  
431 corporation, any shareholder, beneficial shareholder or unrestricted  
432 voting trust beneficial owner of the corporation, including any such

433 shareholder, beneficial shareholder or unrestricted voting trust  
434 beneficial owner as of the date of the defective corporate action ratified  
435 under section 5 of this act, or any other person claiming to be  
436 substantially and adversely affected by a ratification under section 5 of  
437 this act, the Superior Court may (1) determine the validity and  
438 effectiveness of any corporate action or defective corporate action; (2)  
439 determine the validity and effectiveness of any ratification under  
440 section 5 of this act; (3) determine the validity of any putative shares;  
441 and (4) modify or waive any of the procedures specified in sections 5  
442 and 6 of this act to ratify a defective corporate action.

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

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

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

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

464 (a) For purposes of sections 33-600 to 33-998, inclusive, a qualified

465 director is a director who, at the time action is to be taken under:

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

471 [(1)] (2) Section 33-724, does not have (A) a material interest in the  
472 outcome of the proceeding, or (B) a material relationship with a person  
473 who has such an interest;

474 [(2)] (3) Section 33-773 or 33-775, (A) is not a party to the proceeding,  
475 (B) is not a director [who sought approval for] as to whom the  
476 transaction is a director's conflicting interest transaction [under section  
477 33-783] or who sought a disclaimer of the corporation's interest in a  
478 business opportunity under section 33-785, as amended by this act,  
479 which [approval] transaction or disclaimer is challenged in the  
480 proceeding, and (C) does not have a material relationship with a  
481 director described in either subparagraph (A) or (B) of this  
482 subdivision;

483 [(3)] (4) Section 33-783, is not a director (A) as to whom the  
484 transaction is a director's conflicting interest transaction, or (B) who  
485 has a material relationship with another director as to whom the  
486 transaction is a director's conflicting interest transaction; or

487 [(4)] (5) Section 33-785, [would be a qualified director under  
488 subdivision (3) of this subsection if the business opportunity were a  
489 director's conflicting interest transaction] as amended by this act, is not  
490 a director who (A) pursues or takes advantage of the business  
491 opportunity, directly, or indirectly through or on behalf of another  
492 person, or (B) has a material relationship with a director or officer who  
493 pursues or takes advantage of the business opportunity, directly, or  
494 indirectly through or on behalf of another person.

495 Sec. 12. Section 33-636 of the general statutes is repealed and the



496 following is substituted in lieu thereof (*Effective October 1, 2017*):

497 (a) The certificate of incorporation shall set forth: (1) A corporate  
498 name for the corporation that satisfies the requirements of section 33-  
499 655; (2) the number of shares the corporation is authorized to issue; (3)  
500 the street and mailing address of the corporation's initial registered  
501 office and the name of its initial registered agent at that office; and (4)  
502 the name and address of each incorporator.

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

530 [and] (5) a provision permitting or making obligatory indemnification  
531 of a director for liability, as defined in section 33-770, to any person for  
532 any action taken, or any failure to take any action, as a director, except  
533 liability that (A) involved a knowing and culpable violation of law by  
534 the director, (B) enabled the director or an associate, as defined in  
535 section 33-840, to receive an improper personal gain, (C) showed a lack  
536 of good faith and a conscious disregard for the duty of the director to  
537 the corporation under circumstances in which the director was aware  
538 that his conduct or omission created an unjustifiable risk of serious  
539 injury to the corporation, (D) constituted a sustained and unexcused  
540 pattern of inattention that amounted to an abdication of the director's  
541 duty to the corporation, or (E) created liability under section 33-757,  
542 provided no such provision shall affect the indemnification of or  
543 advance of expenses to a director for any liability stemming from acts  
544 or omissions occurring prior to the effective date of such provision;  
545 and (6) a provision limiting or eliminating any duty of a director or  
546 any other person to offer the corporation the right to have or  
547 participate in any, or one or more classes or categories of, business  
548 opportunities, before the pursuit or taking of the opportunity by the  
549 director or other person; provided that any application of such a  
550 provision to an officer or a related person of that officer (A) also  
551 requires approval of that application by the board of directors,  
552 subsequent to the effective date of the provision, by action of qualified  
553 directors taken in compliance with the same procedures as are set forth  
554 in section 33-783, and (B) may be limited by the authorizing action of  
555 the board. As used in this subsection "related person" has the same  
556 meaning as provided in section 33-781, as amended by this act.

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

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

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

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

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

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

588 (a) [A director's taking] If a director or officer pursues or takes  
589 advantage [, directly or indirectly,] of a business opportunity directly,  
590 or indirectly through or on behalf of another person, that action may  
591 not be the subject of equitable relief, or give rise to an award of  
592 damages or other sanctions against the director, officer or other  
593 person, in a proceeding by or in the right of the corporation on the  
594 ground that such opportunity should have first been offered to the  
595 corporation, if (1) before [becoming] the director, officer or other

596 person becomes legally obligated respecting the opportunity, the  
597 director or officer brings it to the attention of the corporation and  
598 either: [(1)] (A) Action by qualified directors disclaiming the  
599 corporation's interest in the opportunity is taken in compliance with  
600 the same procedures as are set forth in section 33-783; [as if the  
601 decision being made concerned a director's conflicting interest  
602 transaction;] or [(2)] (B) shareholders' action disclaiming the  
603 corporation's interest in the opportunity is taken in compliance with  
604 the procedures set forth in section 33-784, as amended by this act, in  
605 either case as if the decision being made concerned a director's  
606 conflicting interest transaction, [;] except that, rather than making  
607 required disclosure, as defined in section 33-781, as amended by this  
608 act, [in each case] the director or officer shall have made prior  
609 disclosure to those acting on behalf of the corporation of all material  
610 facts concerning the business opportunity [that are then] known to the  
611 director or officer; or (2) the duty to offer the corporation the business  
612 opportunity has been limited or eliminated pursuant to a provision of  
613 the certificate of incorporation adopted, and where required, made  
614 effective by action of qualified directors, in accordance with  
615 subdivision (6) of subsection (b) of section 33-636, as amended by this  
616 act.

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

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

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

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

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

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

655 (4) If the plan of merger or share exchange is required to be  
656 approved by the shareholders, and if the approval is to be given at a  
657 meeting, the corporation shall notify each shareholder, regardless of  
658 whether [or not] entitled to vote, of the meeting of shareholders at  
659 which the plan is to be submitted for approval. The notice [shall also]  
660 must state that the purpose, or one of the purposes, of the meeting is to  
661 consider the plan and [shall] must contain or be accompanied by a

662 copy or summary of the plan. If the corporation is to be merged into an  
663 existing foreign or domestic corporation, the notice [shall] must also  
664 include or be accompanied by a copy or summary of the certificate of  
665 incorporation [of such existing] and bylaws of that corporation. If the  
666 corporation is to be merged [into a corporation that] with a domestic or  
667 foreign corporation and a new domestic or foreign corporation is to be  
668 created pursuant to the merger, the notice [shall] must include or be  
669 accompanied by a copy or a summary of the certificate of  
670 incorporation and bylaws of the new corporation.

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

689 (6) [Separate] Subject to subdivision (7) of this section, separate  
690 voting by voting groups is required: (A) On a plan of merger, by each  
691 class or series of shares that: (i) [are] Are to be converted [, pursuant to  
692 the provisions of] under the plan of merger [,] into shares, [or] other  
693 securities, interests, obligations, rights to acquire shares or other  
694 securities or interests, cash, [or] other property, or any combination  
695 thereof; [,] or (ii) [would have a right] are entitled to vote as a separate

696 group on a provision in the plan that, [if contained in] constitutes a  
697 proposed amendment to the certificate of incorporation [, would  
698 require] of a surviving corporation that requires action by separate  
699 voting groups under section 33-798; (B) on a plan of share exchange, by  
700 each class or series of shares included in the exchange, with each class  
701 or series constituting a separate voting group; and (C) on a plan of  
702 merger or share exchange, if the voting group is entitled under the  
703 certificate of incorporation to vote as a voting group to approve a plan  
704 of merger or share exchange, respectively.

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

713 ~~[(7)]~~ (8) Unless the certificate of incorporation otherwise provides,  
714 approval by the corporation's shareholders of a plan of merger [or  
715 share exchange] is not required if: (A) The corporation will [be the  
716 survivor in the merger or is the acquiring corporation in the share  
717 exchange] survive the merger; (B) except for amendments permitted  
718 by section 33-796, its certificate of incorporation will not be changed;  
719 and (C) each shareholder of the corporation whose shares were  
720 outstanding immediately before the effective date of the merger [or the  
721 share exchange] will hold the same number of shares, with identical  
722 preferences, rights and limitations, [and relative rights,] immediately  
723 after the effective date of the merger. [or the share exchange.]

724 ~~[(8)]~~ (9) If, as a result of a merger or a share exchange, one or more  
725 shareholders of a domestic corporation would become subject to  
726 personal liability for the obligations or liabilities of any other person or  
727 entity, approval of the plan of merger or share exchange [shall require]  
728 requires the [execution] signing in connection with the transaction, by

729 each such shareholder, of a separate written consent to become subject  
730 to such personal liability.

731 (10) Unless the certificate of incorporation otherwise provides,  
732 approval by the shareholders of a plan of merger or share exchange is  
733 not required if: (A) The plan of merger or share exchange expressly (i)  
734 permits or requires the merger or share exchange to be effected under  
735 this subdivision, and (ii) provides that, if the merger or share exchange  
736 is to be effected under this subdivision, the merger or share exchange  
737 will be effected as soon as practicable following the satisfaction of the  
738 requirement set forth in subparagraph (F) of this subdivision; (B)  
739 another party to the merger, the acquiring corporation in the share  
740 exchange, or a parent of another party to the merger or the acquiring  
741 corporation in the share exchange, makes an offer to purchase, on the  
742 terms provided in the plan of merger or share exchange, any and all of  
743 the outstanding shares of the corporation that, absent the provisions of  
744 this subdivision, would be entitled to vote on the plan of merger or  
745 share exchange, except that the offer may exclude shares of the  
746 corporation that are owned at the commencement of the offer by the  
747 corporation, the offeror or any parent of the offeror, or by any wholly  
748 owned subsidiary of the corporation, the offeror or by any wholly  
749 owned subsidiary of any of them; (C) the offer discloses that the plan  
750 of merger or share exchange provides that the merger or share  
751 exchange will be effected as soon as practicable following the  
752 satisfaction of the requirement set forth in subparagraph (F) of this  
753 subdivision and that the shares of the corporation that are not  
754 tendered in response to the offer will be treated as set forth in  
755 subparagraph (H) of this subdivision; (D) the offer remains open for at  
756 least ten days; (E) the offeror purchases all shares properly tendered in  
757 response to the offer and not properly withdrawn; (F) the shares set  
758 forth in this subparagraph are collectively entitled to cast at least the  
759 minimum number of votes on the merger or share exchange that,  
760 absent the provisions of this subdivision, would be required by  
761 sections 33-814 to 33-821a, inclusive, as amended by this act, and by  
762 the certificate of incorporation for the approval of the merger or share



763 exchange by the shareholders and by any other voting group entitled  
764 to vote on the merger or share exchange at a meeting at which all  
765 shares entitled to vote on the approval were present and voted: (i)  
766 Shares purchased by the offeror in accordance with the offer; (ii) shares  
767 otherwise owned by the offeror or by any parent of the offeror or any  
768 wholly owned subsidiary of the offeror or by any parent of the offeror;  
769 and (iii) shares subject to an agreement that are to be transferred,  
770 contributed or delivered to the offeror, any parent of the offeror or any  
771 wholly owned subsidiary of any of them in exchange for shares in such  
772 offeror, parent or subsidiary; (G) the offeror or a wholly owned  
773 subsidiary of the offeror merges with or into, or effects a share  
774 exchange in which it acquires shares of the corporation; and (H) each  
775 outstanding share of each class or series of shares of the corporation  
776 that the offeror is offering to purchase in accordance with the offer,  
777 and that is not purchased in accordance with the offer, is to be  
778 converted in the merger into, or into the right to receive, or is to be  
779 exchanged in the share exchange for, or for the right to receive, the  
780 same amount and kind of securities, interests, obligations, rights, cash  
781 or other property to be paid or exchanged in accordance with the offer  
782 for each share of that class or series of shares that is tendered in  
783 response to the offer, except that shares of the corporation that are  
784 owned by the corporation or that are described in subparagraph (F)(ii)  
785 or (iii) of this subdivision need not be converted into or exchanged for  
786 the consideration described in this subparagraph.

787 (11) As used in subdivision (10) of this section, (A) "offer" means the  
788 offer referred to in subparagraph (B) of subdivision (10) of this section;  
789 (B) "offeror" means the person making the offer; (C) "parent" of a  
790 corporation means a person that owns, directly or indirectly, through  
791 one or more wholly owned subsidiaries, all of the outstanding shares  
792 of that corporation; (D) shares tendered in response to the offer shall  
793 be deemed to have been "purchased" in accordance with the offer at  
794 the earliest time as of which (i) the offeror has irrevocably accepted  
795 those shares for payment, and (ii) either (I) in the case of shares  
796 represented by certificates, the offeror, or the offeror's designated

797 depository or other agent, has physically received the certificates  
798 representing those shares, or (II) in the case of shares without  
799 certificates, those shares have been transferred into the account of the  
800 offeror or its designated depository or other agent, or an agent's  
801 message relating to those shares has been received by the offeror or its  
802 designated depository or other agent; and (E) "wholly owned  
803 subsidiary" of a person means an entity of or in which that person  
804 owns, directly or indirectly, through one or more wholly owned  
805 subsidiaries, all of the outstanding shares or interests.

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

811 [(9)] (13) Notwithstanding any provision of subdivision (5) of this  
812 section, [to the contrary,] a plan of merger or share exchange of a  
813 corporation which was incorporated under the laws of this state,  
814 whether under chapter 599 of the general statutes, revision of 1958,  
815 revised to January 1, 1995, or any other general law or special act, prior  
816 to January 1, 1997, to be authorized by such corporation, shall be  
817 approved by (A) the affirmative vote of at least two-thirds of the  
818 voting power of each voting group entitled to vote thereon unless (i)  
819 the certificate of incorporation expressly provides otherwise, [provided  
820 if such corporation is the surviving corporation of such merger and  
821 such plan of merger will not effect any change in or amendment to the  
822 certificate of incorporation of such corporation and the shares to be  
823 issued under the plan of merger could have been issued by the board  
824 of directors of such corporation without further authorization of the  
825 shareholders of such corporation, then the provisions of this  
826 subdivision shall not require approval of such plan of merger or share  
827 exchange by the corporation's shareholders] or (ii) approval by the  
828 corporation's shareholders of the plan of merger or share exchange is  
829 not required under either subdivision (8) or (10) of this section, and (B)  
830 the affirmative vote of at least two-thirds of the voting power of each

831 class of stock of such corporation outstanding prior to January 1, 1997,  
832 and not otherwise entitled to vote thereon, unless (i) the certificate of  
833 incorporation expressly provides otherwise; [provided if such  
834 corporation is the surviving corporation of such merger and such plan  
835 of merger or share exchange does not contain any provisions which, if  
836 contained in a proposed amendment to the certificate of incorporation  
837 of such corporation, would entitle any class or series of shareholders of  
838 such surviving corporation to vote as a class or series as provided in  
839 subsection (f) of section 33-797 or section 33-798, then the provisions of  
840 this subdivision shall not require approval of such plan of merger or  
841 share exchange by the holders of such class or series not otherwise  
842 entitled to vote thereon] or (ii) approval by the corporation's  
843 shareholders of the plan of merger or share exchange is not required  
844 under either subdivision (8) or (10) of this section.

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

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

850 (1) Consummation of a merger to which the corporation is a party  
851 (A) if shareholder approval is required for the merger by section 33-  
852 817, [and the shareholder is entitled to vote on the merger] as amended  
853 by this act, or would be required but for the provisions of subdivision  
854 (10) of section 33-817, as amended by this act, except that appraisal  
855 rights shall not be available to any shareholder of the corporation with  
856 respect to shares of any class or series that remain outstanding after  
857 consummation of the merger, or (B) if the corporation is a subsidiary  
858 and the merger is governed by section 33-818;

859 (2) Consummation of a share exchange to which the corporation is a  
860 party [as the corporation whose shares will be acquired, if the  
861 shareholder is entitled to vote on the exchange] the shares of which  
862 will be acquired, except that appraisal rights shall not be available to

863 any shareholder of the corporation with respect to any class or series of  
864 shares of the corporation that is not [exchanged] acquired in the share  
865 exchange;

866 (3) Consummation of a disposition of assets pursuant to section 33-  
867 831 if the shareholder is entitled to vote on the disposition, except that  
868 appraisal rights shall not be available to any shareholder of the  
869 corporation with respect to shares of any class or series if (A) under the  
870 terms of the corporate action approved by the shareholders there is to  
871 be distributed to shareholders in cash [its] the corporation's net assets,  
872 in excess of a reasonable amount reserved to meet claims of the type  
873 described in sections 33-886 and 33-887, (i) within one year after the  
874 shareholders' approval of the action, and (ii) in accordance with their  
875 respective interests determined at the time of such distribution, and (B)  
876 the disposition of assets is not an interested transaction;

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

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

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

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

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

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

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

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

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

924 (3) Subdivision (1) of this subsection shall not be applicable and  
925 appraisal rights shall be available pursuant to subsection (a) of this

926 section for the holders of any class or series of shares (A) who are  
927 required by the terms of the corporate action requiring appraisal rights  
928 to accept for such shares anything other than cash or shares of any  
929 class or any series of shares of any corporation, or any other  
930 proprietary interest of any other entity, that satisfies the standards set  
931 forth in subdivision (1) of this subsection at the time the corporate  
932 action becomes effective, or (B) in the case of the consummation of a  
933 disposition of assets pursuant to section 33-831, unless [such] the cash,  
934 shares or proprietary interests received in the disposition are, under  
935 the terms of the corporate action approved by the shareholders, to be  
936 distributed to the shareholders, as part of a distribution to  
937 shareholders of the net assets of the corporation in excess of a  
938 reasonable amount to meet claims of the type described in sections 33-  
939 886 and 33-887, (i) not later than one year after the shareholders'  
940 approval of the action, and (ii) in accordance with their respective  
941 interests determined at the time of the distribution.

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

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

960 effective within one year of [that date] the effective date of such  
961 amendment if such action would otherwise afford appraisal rights.

962 (d) Where the right to be paid the value of shares is made available  
963 to a shareholder by this section, such remedy shall be the exclusive  
964 remedy as holder of such shares against the corporate actions  
965 described in this section, whether or not the shareholder proceeds as  
966 provided in sections 33-855 to 33-872, inclusive, as amended by this  
967 act.

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

970 (a) Where any corporate action specified in subsection (a) of section  
971 33-856, as amended by this act, is to be submitted to a vote at a  
972 shareholders' meeting, the meeting notice, or where no approval of  
973 such action is required pursuant to subdivision (10) of section 33-817,  
974 as amended by this act, the offer made pursuant to subdivision (10) of  
975 section 33-817, as amended by this act, must state that the corporation  
976 has concluded that the [shareholders] appraisal rights are, are not or  
977 may be [entitled to assert appraisal rights] available under sections 33-  
978 855 to 33-872, inclusive, as amended by this act. If the corporation  
979 concludes that appraisal rights are or may be available, a copy of  
980 sections 33-855 to 33-872, inclusive, as amended by this act, must  
981 accompany the meeting notice or offer sent to those record  
982 shareholders entitled to exercise appraisal rights.

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

989 (c) Where any corporate action specified in subsection (a) of section  
990 33-856, as amended by this act, is to be approved by written consent of  
991 the shareholders pursuant to section 33-698:

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

998 (2) Written notice that appraisal rights are, are not or may be  
999 available must be delivered together with the notice to nonconsenting  
1000 and nonvoting [and nonconsenting] shareholders required by  
1001 subsections (e) and (f) of section 33-698, may include the materials  
1002 described in section 33-862, as amended by this act, and, if the  
1003 corporation has concluded that appraisal rights are or may be  
1004 available, must be accompanied by a copy of sections 33-855 to 33-872,  
1005 inclusive, as amended by this act.

1006 (d) Where [any] corporate action [specified] described in subsection  
1007 (a) of section 33-856, as amended by this act, is proposed, or a merger  
1008 pursuant to section 33-818 is effected, the notice referred to in  
1009 subsection (a) or (c) of this section, if the corporation concludes that  
1010 appraisal rights are or may be available, and in subsection (b) of this  
1011 section, shall be accompanied by:

1012 (1) [The annual financial statements specified in subsection (a) of  
1013 section 33-951] Financial statements of the corporation that issued the  
1014 shares that may be subject to appraisal, [which shall be as of a date]  
1015 consisting of a balance sheet as of the end of the fiscal year ending not  
1016 more than sixteen months before the date of the notice, [and shall  
1017 comply with subsection (b) of section 33-951, except that,] an income  
1018 statement for that fiscal year and a cash flow statement for that fiscal  
1019 year, provided if such [annual] financial statements are not reasonably  
1020 available, the corporation shall provide reasonably equivalent financial  
1021 information; and

1022 (2) The latest [available quarterly] interim financial statements of  
1023 such corporation, if any.



1024 (e) The right to receive the information described in subsection (d)  
1025 of this section may be waived in writing by a shareholder before or  
1026 after the corporate action.

1027 Sec. 18. Section 33-861 of the general statutes is repealed and the  
1028 following is substituted in lieu thereof (*Effective October 1, 2017*):

1029 (a) If a corporate action specified in subsection (a) of section 33-856<sub>2</sub>  
1030 as amended by this act, is submitted to a vote at a shareholders'  
1031 meeting, a shareholder who wishes to assert appraisal rights with  
1032 respect to any class or series of shares: (1) [Must] Shall deliver to the  
1033 corporation, before the vote is taken, written notice of the  
1034 shareholder's intent to demand payment if the proposed action is  
1035 effectuated, and (2) [must] shall not vote, or cause or permit to be  
1036 voted, any shares of such class or series in favor of the proposed  
1037 action.

1038 (b) If a corporate action specified in subsection (a) of section 33-856<sub>2</sub>  
1039 as amended by this act, is to be approved by [less than unanimous]  
1040 written consent, a shareholder who wishes to assert appraisal rights  
1041 with respect to any class or series of shares [must] shall not sign a  
1042 consent in favor of the proposed action with respect to that class or  
1043 series of shares.

1044 (c) If a corporate action specified in subsection (a) of section 33-856,  
1045 as amended by this act, does not require shareholder approval  
1046 pursuant to subdivision (10) of section 33-817, as amended by this act,  
1047 a shareholder who wishes to assert appraisal rights with respect to any  
1048 class or series of shares (1) shall deliver to the corporation before the  
1049 shares are purchased pursuant to the offer written notice of the  
1050 shareholder's intent to demand payment if the proposed action is  
1051 effected; and (2) shall not tender, or cause to permit to be tendered, any  
1052 shares of such class or series in response to such offer.

1053 [(c)] (d) A shareholder who fails to satisfy the requirements of  
1054 subsection (a), [or] (b) or (c) of this section is not entitled to payment  
1055 under sections 33-855 to 33-872, inclusive, as amended by this act.

1056 Sec. 19. Section 33-862 of the general statutes is repealed and the  
1057 following is substituted in lieu thereof (*Effective October 1, 2017*):

1058 (a) If [proposed] a corporate action requiring appraisal rights under  
1059 subsection (a) of section 33-856, as amended by this act, becomes  
1060 effective, the corporation [must send] shall deliver a written appraisal  
1061 notice and the form required by [subdivision (1) of] subsection (b) of  
1062 this section to all shareholders who [satisfied] satisfy the requirements  
1063 of subsection (a), (b) or (c) of section 33-861, as amended by this act. In  
1064 the case of a merger under section 33-818, the parent [must] shall  
1065 deliver an appraisal notice and form to all record shareholders who  
1066 may be entitled to assert appraisal rights.

1067 (b) The appraisal notice [must] shall be delivered no earlier than the  
1068 date the corporate action specified in subsection (a) of section 33-856,  
1069 as amended by this act, became effective and no later than ten days  
1070 after such date, and [shall] must:

1071 (1) Supply a form that (A) specifies the first date of any  
1072 announcement to shareholders made [prior to] before the date the  
1073 corporate action became effective of the principal terms of the  
1074 proposed corporate action, (B) if such announcement was made,  
1075 requires the shareholder asserting appraisal rights to certify whether  
1076 beneficial ownership of those shares for which appraisal rights are  
1077 asserted was acquired before that date, and (C) requires the  
1078 shareholder asserting appraisal rights to certify that such shareholder  
1079 did not vote for or consent to the transaction as to the class or series of  
1080 shares for which appraisal is sought;

1081 (2) State:

1082 (A) Where the form [must] shall be sent and where certificates for  
1083 certificated shares [must] shall be deposited and the date by which  
1084 those certificates must be deposited, which date may not be earlier  
1085 than the date [for receiving] by which the corporation must receive the  
1086 required form under subparagraph (B) of this subdivision;

1087 (B) A date by which the corporation must receive the form which  
1088 date may not be fewer than forty nor more than sixty days after the  
1089 date the appraisal notice under subsection (a) of this section is sent,  
1090 and state that the shareholder shall have waived the right to demand  
1091 appraisal with respect to the shares unless the form is received by the  
1092 corporation by such specified date;

1093 (C) The corporation's estimate of the fair value of the shares;

1094 (D) That, if requested in writing, the corporation will provide, to the  
1095 shareholder so requesting, within ten days after the date specified in  
1096 subparagraph (B) of this subdivision, the number of shareholders who  
1097 return the forms by the specified date and the total number of shares  
1098 owned by them; and

1099 (E) The date by which the notice to withdraw under section 33-863  
1100 must be received, which date must be within twenty days after the  
1101 date specified in subparagraph (B) of this subdivision; and

1102 (3) Be accompanied by a copy of sections 33-855 to 33-872, inclusive,  
1103 as amended by this act.

1104 Sec. 20. (NEW) (*Effective October 1, 2017*) (a) The certificate of  
1105 incorporation or the bylaws of a corporation may require that any or  
1106 all internal corporate claims be brought exclusively in any specified  
1107 court or courts of this state and, if so specified, in any additional courts  
1108 in this state or in any other jurisdictions with which the corporation  
1109 has a reasonable relationship.

1110 (b) A provision of the certificate of incorporation or the bylaws  
1111 adopted under subsection (a) of this section shall not have the effect of  
1112 conferring jurisdiction on any court or over any person or claim, and  
1113 shall not apply if none of the courts specified by such provision have  
1114 the requisite personal and subject matter jurisdiction. If the court or  
1115 courts of this state specified in a provision adopted under subsection  
1116 (a) of this section do not have the requisite personal and subject matter  
1117 jurisdiction and another court of this state does have such jurisdiction,

1118 then the internal corporate claim may be brought in such other court of  
1119 this state, notwithstanding that such other court of this state is not  
1120 specified in such provision, and in any other court specified in such  
1121 provision that has the requisite jurisdiction.

1122 (c) No provision of the certificate of incorporation or the bylaws  
1123 may prohibit bringing an internal corporate claim in the courts of this  
1124 state or require such claims to be determined by arbitration.

1125 (d) As used in this section, "internal corporate claim" means, (1) any  
1126 claim that is based upon a violation of a duty under the laws of this  
1127 state by a current or former director, officer or shareholder in such  
1128 capacity, (2) any derivative action or proceeding brought on behalf of  
1129 the corporation, (3) any action asserting a claim arising pursuant to  
1130 any provision of sections 33-600 to 33-998, inclusive, of the general  
1131 statutes, or the certificate of incorporation or bylaws, or (4) any action  
1132 asserting a claim governed by the internal affairs doctrine that is not  
1133 included in subdivisions (1) to (3), inclusive, of this subsection.

1134 Sec. 21. Section 33-602 of the general statutes is repealed and the  
1135 following is substituted in lieu thereof (*Effective October 1, 2017*):

1136 As used in sections 33-600 to 33-998, inclusive:

1137 (1) "Address" means location as described by the full street number,  
1138 if any, street, city or town, state or country and not a mailing address  
1139 such as a post office box.

1140 (2) "Authorized shares" means the shares of all classes a domestic or  
1141 foreign corporation is authorized to issue.

1142 (3) "Beneficial shareholder" means a person who owns the beneficial  
1143 interest in shares, which may be a record shareholder or a person on  
1144 whose behalf shares are registered in the name of an intermediary or  
1145 nominee.

1146 [(3)] (4) "Certificate of incorporation" means the original certificate  
1147 of incorporation or restated certificate of incorporation, and all

1148 amendments thereto, and all certificates of merger or consolidation. In  
1149 the case of a specially chartered corporation, "certificate of  
1150 incorporation" means the special charter of the corporation, including  
1151 any portions of the charters of its predecessor companies which have  
1152 continuing effect, and any amendments to the charter made by special  
1153 act or pursuant to general law. In the case of a corporation formed  
1154 before January 1, 1961, or of a specially chartered corporation,  
1155 "certificate of incorporation" includes those portions of any other  
1156 corporate instruments or resolutions of current application in which  
1157 are set out provisions of the sort which either (A) are required by  
1158 sections 33-600 to 33-998, inclusive, to be embodied in the certificate of  
1159 incorporation, or (B) are expressly permitted by sections 33-600 to 33-  
1160 998, inclusive, to be operative only if included in the certificate of  
1161 incorporation. It also includes what were, prior to January 1, 1961,  
1162 designated at law as agreements of association, articles of  
1163 incorporation, charters and other such terms.

1164 [(4)] (5) "Conspicuous" means so written, displayed or presented  
1165 that a reasonable person against whom the writing is to operate should  
1166 have noticed it. For example, text in italics, boldface, contrasting color,  
1167 capitals or underlined is conspicuous.

1168 [(5)] (6) "Corporation" or "domestic corporation" means a stock  
1169 corporation, [with capital stock,] which is not a foreign corporation,  
1170 incorporated under the laws of this state, whether general law or  
1171 special act and whether before or after January 1, 1997.

1172 [(6)] (7) "Deliver" or "delivery" means any method of delivery used  
1173 in conventional commercial practice including delivery by hand, mail,  
1174 commercial delivery and, if authorized in accordance with section 33-  
1175 603, electronic transmission.

1176 [(7)] (8) "Distribution" means a direct or indirect transfer of money  
1177 or other property, except its own shares, or incurrence of indebtedness  
1178 by a corporation to or for the benefit of its shareholders in respect of  
1179 any of its shares. A distribution may be in the form of a declaration or

1180 payment of a dividend; a purchase, redemption or other acquisition of  
1181 shares; a distribution of indebtedness; or otherwise.

1182 ~~[(8)]~~ (9) "Document" means (A) any tangible medium on which  
1183 information is inscribed, and includes any writing or written  
1184 instrument, or (B) an electronic record.

1185 (10) "Domestic", with respect to an entity, means an entity governed  
1186 as to its internal affairs by the law of this state.

1187 ~~[(9)]~~ (11) "Effective date of notice" is defined in section 33-603.

1188 ~~[(10)]~~ (12) (A) "Electronic" means relating to technology having  
1189 electrical, digital, magnetic, wireless, optical, electromagnetic or  
1190 similar capabilities.

1191 (B) "Electronic record" means information that is stored in an  
1192 electronic or other medium and is retrievable in paper form through an  
1193 automated process used in conventional commercial practice, unless  
1194 otherwise authorized in accordance with subsection (j) of section 33-  
1195 603.

1196 (C) "Electronic transmission" or "electronically transmitted" means  
1197 any form or process of communication not directly involving the  
1198 physical transfer of paper or another tangible medium, which (i) is  
1199 suitable for the retention, retrieval and reproduction of information by  
1200 the recipient, and (ii) is retrievable in paper form by the recipient  
1201 through an automated process used in conventional commercial  
1202 practice, unless otherwise authorized in accordance with subsection (j)  
1203 of section 33-603.

1204 ~~[(11)]~~ (13) "Employee" includes an officer but not a director. A  
1205 director may accept duties that make him also an employee.

1206 ~~[(12)]~~ (14) "Entity" includes a corporation and foreign corporation;  
1207 nonprofit corporation; profit and nonprofit unincorporated  
1208 association; business trust, estate, partnership, limited liability  
1209 company, trust and two or more persons having a joint or common

1210 economic interest; and state, United States or foreign government.

1211 [(13)] (15) "Expenses" means reasonable expenses of any kind that  
1212 are incurred in connection with a matter including, but not limited to,  
1213 reasonable counsel fees.

1214 [(14)] (16) "Facts objectively ascertainable" outside of a plan or filed  
1215 document is defined in subsection (l) of section 33-608.

1216 (17) "Foreign", with respect to an entity, means an entity governed  
1217 as to its internal affairs by the laws of a jurisdiction other than this  
1218 state.

1219 [(15)] (18) "Foreign corporation" means a corporation incorporated  
1220 under a law other than the law of this state.

1221 [(16)] (19) "Governmental subdivision" includes authority, county,  
1222 district and municipality.

1223 [(17)] (20) "Includes" denotes a partial definition.

1224 [(18)] (21) "Individual" includes the estate of an incompetent or  
1225 deceased individual.

1226 [(19)] (22) "Means" denotes an exhaustive definition.

1227 (23) "Merger" means a transaction pursuant to section 33-815.

1228 [(20)] (24) "Notice" is defined in section 33-603.

1229 [(21)] (25) "Person" includes individual and entity.

1230 [(22)] (26) "Principal office" of a domestic corporation means the  
1231 address of the principal office of such corporation in this state, if any,  
1232 as the same appears in the last annual report, if any, filed by such  
1233 corporation with the Secretary of the State. If no principal office so  
1234 appears, the corporation's "principal office" means the address in this  
1235 state of the corporation's registered agent for service as last shown on  
1236 the records of the Secretary of the State. In the case of a domestic

1237 corporation which has not filed such an annual report or appointment  
1238 of registered agent for service, the "principal office" means the address  
1239 of the principal place of business of such corporation in this state, if  
1240 any, and if such corporation has no place of business in this state, its  
1241 "principal office" shall be the office of the Secretary of the State.

1242 [(23)] (27) "Proceeding" includes civil suit and criminal,  
1243 administrative and investigatory action.

1244 [(24)] (28) "Public corporation" means a corporation that has shares  
1245 listed on a national securities exchange or regularly traded in a market  
1246 maintained by one or more members of a national or affiliated  
1247 securities association.

1248 [(25)] (29) "Qualified director" is defined in section 33-605, as  
1249 amended by this act.

1250 [(26)] (30) "Record date" means the date established under sections  
1251 33-665 to 33-687, inclusive, or sections 33-695 to 33-727, inclusive, on  
1252 which a corporation determines the identity of its shareholders and  
1253 their shareholdings for purposes of sections 33-600 to 33-998, inclusive.  
1254 The determinations shall be made as of the close of business on the  
1255 record date unless another time for doing so is specified when the  
1256 record date is fixed.

1257 [(27)] (31) "Secretary" means the corporate officer to whom under  
1258 the bylaws or by the board of directors is delegated responsibility  
1259 under subsection (c) of section 33-763 for custody of the minutes of the  
1260 meetings of the board of directors and of the shareholders and for  
1261 authenticating records of the corporation.

1262 [(28)] (32) "Secretary of the State" means the Secretary of the State of  
1263 Connecticut.

1264 (33) "Share exchange" means a transaction pursuant to section 33-  
1265 816.

1266 [(29) "Shares" means the units into which the proprietary interests in



1267 a corporation are divided.]

1268 [(30)] (34) "Shareholder" means the person in whose name shares are  
1269 registered in the records of a corporation or the beneficial owner of  
1270 shares to the extent of the rights granted by a nominee certificate on  
1271 file with a corporation.

1272 (35) "Shares" means the units into which the proprietary interests in  
1273 a corporation are divided.

1274 [(31)] (36) "Sign" or "signature" means, with present intent to  
1275 authenticate or adopt a document: (A) To execute or adopt a tangible  
1276 symbol to a document, and includes any manual, facsimile or  
1277 conformed signature; or (B) to attach to or logically associate with an  
1278 electronic transmission an electronic sound, symbol or process, and  
1279 includes an electronic signature in an electronic transmission.

1280 [(32)] (37) "State", when referring to a part of the United States,  
1281 includes a state and commonwealth, and their agencies and  
1282 governmental subdivisions, and a territory and insular possession, and  
1283 their agencies and governmental subdivisions, of the United States.

1284 [(33)] (38) "Subscriber" means a person who subscribes for shares in  
1285 a corporation, whether before or after incorporation.

1286 [(34)] (39) "United States" includes any district, authority, bureau,  
1287 commission, department and other agency of the United States.

1288 (40) "Unrestricted voting trust beneficial owner" means, with respect  
1289 to any shareholder rights, a voting trust beneficial owner whose  
1290 entitlement to exercise the shareholder right in question is not  
1291 inconsistent with the voting trust agreement.

1292 [(35)] (41) "Voting group" means all shares of one or more classes or  
1293 series that under the certificate of incorporation or sections 33-600 to  
1294 33-998, inclusive, are entitled to vote and be counted together  
1295 collectively on a matter at a meeting of shareholders. All shares  
1296 entitled by the certificate of incorporation or said sections to vote

1297 generally on the matter are for that purpose a single voting group.

1298 [(36)] (42) "Voting power" means the current power to vote in the  
1299 election of directors.

1300 (43) "Voting trust beneficial owner" means an owner of a beneficial  
1301 interest in shares of the corporation held in a voting trust established  
1302 pursuant to subsection (a) of section 33-715.

1303 [(37)] (44) "Writing" or "written" means any information in the form  
1304 of a document.

1305 Sec. 22. Section 33-814 of the general statutes is repealed and the  
1306 following is substituted in lieu thereof (*Effective October 1, 2017*):

1307 As used in this section and sections 33-815 to 33-821a, inclusive:

1308 (1) "Acquired corporation" means the domestic or foreign  
1309 corporation that will have all of one or more classes or series of its  
1310 shares acquired in a share exchange.

1311 (2) "Acquiring corporation" means the domestic or foreign  
1312 corporation that will acquire all of one or more classes or series of  
1313 shares of the acquired corporation in a share exchange.

1314 [(1)] (3) "Interests" means the proprietary interests in an other entity.

1315 [(2) "Merger" means a business combination pursuant to section 33-  
1316 815.]

1317 [(3)] (4) "Organizational documents" means the basic document or  
1318 documents that create, or determine the internal governance of, an  
1319 other entity.

1320 [(4)] (5) "Other entity" means any association or legal entity, other  
1321 than a domestic or foreign corporation, organized to conduct business,  
1322 including, but not limited to, a partnership, limited partnership,  
1323 limited liability partnership, limited liability company, joint venture,  
1324 joint stock company, business trust, statutory trust and real estate

1325 investment trust.

1326 [(5)] (6) "Party to a merger" means any domestic or foreign  
1327 corporation or other entity that will merge under a plan of merger.

1328 [(6)] (7) "Party to a share exchange" means any domestic or foreign  
1329 corporation or other entity that will: (A) Acquire shares or interests of  
1330 another corporation or an other entity in a share exchange; or (B) have  
1331 all of its shares or interests or all of one or more classes or series of its  
1332 shares or interests acquired in a share exchange.

1333 [(7) "Share exchange" means a business combination pursuant to  
1334 section 33-816.]

1335 (8) "Survivor" means, in a merger, the corporation or other entity  
1336 into which one or more other corporations or other entities are merged.  
1337 A survivor of a merger may preexist the merger or be created by the  
1338 merger.

1339 Sec. 23. Section 33-855 of the general statutes is repealed and the  
1340 following is substituted in lieu thereof (*Effective October 1, 2017*):

1341 As used in this section and sections [33-855] 33-856 to 33-872,  
1342 inclusive, as amended by this act:

1343 (1) "Affiliate" means a person that directly or indirectly through one  
1344 or more intermediaries controls, is controlled by or is under common  
1345 control with another person or is a senior executive thereof. For  
1346 purposes of subdivision (4) of subsection (b) of section 33-856, as  
1347 amended by this act, a person is deemed to be an affiliate of its senior  
1348 executives.

1349 [(2) "Beneficial shareholder" means a person who is the beneficial  
1350 owner of shares held in a voting trust or by a nominee on the beneficial  
1351 owner's behalf.]

1352 [(3)] (2) "Corporation" means the issuer of the shares held by a  
1353 shareholder demanding appraisal and, for purposes of sections 33-862

1354 to 33-872, inclusive, as amended by this act, includes the surviving  
1355 entity in a merger.

1356 [(4)] (3) "Fair value" means the value of the corporation's shares  
1357 determined: (A) Immediately before the effectuation of the corporate  
1358 action to which the shareholder objects, (B) using customary and  
1359 current valuation concepts and techniques generally employed for  
1360 similar businesses in the context of the transaction requiring appraisal,  
1361 and (C) without discounting for lack of marketability or minority  
1362 status except, if appropriate, for amendments to the certificate of  
1363 incorporation pursuant to subdivision (5) of subsection (a) of section  
1364 33-856, as amended by this act.

1365 [(5)] (4) "Interest" means interest from the effective date of the  
1366 corporate action until the date of payment, at the rate of interest on  
1367 judgments in this state on the effective date of the corporate action.

1368 [(6)] (5) "Interested transaction" means a corporate action specified  
1369 in subsection (a) of section 33-856, as amended by this act, other than a  
1370 merger pursuant to section 33-818, involving an interested person in  
1371 which any of the shares or assets of the corporation are being acquired  
1372 or converted. As used in this definition: (A) "Interested person" means  
1373 a person, or an affiliate of a person, who at any time during the one-  
1374 year period immediately preceding approval by the board of directors  
1375 of the corporate action: (i) Was the beneficial owner of twenty per cent  
1376 or more of the voting power of the corporation, excluding any shares  
1377 acquired pursuant to an offer for all shares having voting power if the  
1378 offer was made within one year prior to the corporate action for  
1379 consideration of the same kind and of a value equal to or less than that  
1380 paid in connection with the corporate action; (ii) had the power,  
1381 contractually or otherwise, to cause the appointment or election of  
1382 twenty-five per cent or more of the directors to the board of directors  
1383 of the corporation; or (iii) was a senior executive or director of the  
1384 corporation or a senior executive of any affiliate thereof, and that  
1385 senior executive or director will receive, as a result of the corporate  
1386 action, a financial benefit not generally available to other shareholders

1387 as such, other than: (I) Employment, consulting, retirement or similar  
1388 benefits established separately and not as part of or in contemplation  
1389 of the corporate action; or (II) employment, consulting, retirement or  
1390 similar benefits established in contemplation of, or as part of, the  
1391 corporate action that are not more favorable than those existing before  
1392 the corporate action or, if more favorable, that have been approved on  
1393 behalf of the corporation in the same manner as is provided in section  
1394 33-783; or (III) in the case of a director of the corporation who will, in  
1395 the corporate action, become a director of the acquiring entity in the  
1396 corporate action or one of its affiliates, rights and benefits as a director  
1397 that are provided on the same basis as those afforded by the acquiring  
1398 entity generally to other directors of such entity or such affiliate; and  
1399 (B) "beneficial owner" means any person who, directly or indirectly,  
1400 through any contract, arrangement or understanding, other than a  
1401 revocable proxy, has or shares the power to vote, or to direct the  
1402 voting of, shares; except that a member of a national securities  
1403 exchange is not deemed to be a beneficial owner of securities held  
1404 directly or indirectly by it on behalf of another person solely because  
1405 the member is the record holder of the securities if the member is  
1406 precluded by the rules of the exchange from voting without instruction  
1407 on contested matters or matters that may affect substantially the rights  
1408 or privileges of the holders of the securities to be voted. When two or  
1409 more persons agree to act together for the purpose of voting their  
1410 shares of the corporation, each member of the group formed thereby is  
1411 deemed to have acquired beneficial ownership, as of the date of the  
1412 agreement, of all voting shares of the corporation beneficially owned  
1413 by any member of the group.

1414 [(7)] (6) "Preferred shares" means a class or series of shares whose  
1415 holders have preference over any other class or series with respect to  
1416 distributions.

1417 [(8)] (7) "Record shareholder" means the person in whose name  
1418 shares are registered in the records of the corporation or the beneficial  
1419 owner of shares to the extent of the rights granted by a nominee  
1420 certificate on file with the corporation.

1421        [(9)] (8) "Senior executive" means the chief executive officer, chief  
1422 operating officer, chief financial officer and any individual in charge of  
1423 a principal business unit or function.

1424        [(10)] (9) "Shareholder" means both a record shareholder and a  
1425 beneficial shareholder.

1426        Sec. 24. Subdivision (2) of subsection (a) of section 33-1358 of the  
1427 general statutes is repealed and the following is substituted in lieu  
1428 thereof (*Effective October 1, 2017*):

1429        (2) May consider (A) in the circumstances described in subsection  
1430 [(d)] (g) of section 33-756, as amended by this act, the interests referred  
1431 to in said subsection, and (B) other pertinent factors or the interests of  
1432 any other group that the board of directors, any committee of the  
1433 board and the directors of the benefit corporation deem appropriate;  
1434 and

1435        Sec. 25. Subdivision (12) of section 34-243a of the general statutes is  
1436 repealed and the following is substituted in lieu thereof (*Effective July*  
1437 *1, 2017*):

1438        (12) "Limited liability company", except in the phrase "foreign  
1439 limited liability company" and when used in sections 34-279 to 34-279i,  
1440 inclusive, as amended by this act, means an entity formed under  
1441 sections 34-243 to 34-283d, inclusive, or which becomes subject to said  
1442 sections under the Connecticut Entity Transactions Act, or section 34-  
1443 243i or 34-279h.

1444        Sec. 26. Subsection (g) of section 34-243h of the general statutes is  
1445 repealed and the following is substituted in lieu thereof (*Effective July*  
1446 *1, 2017*):

1447        (g) No limited liability company may be formed under the  
1448 provisions of sections 34-243 to 34-283d, inclusive, for the purpose of  
1449 transacting the business of an insurance company or a surety or  
1450 indemnity company, unless (1) it is an affiliate of an insurance

1451 company chartered by, incorporated, organized or constituted within  
1452 or under the laws of this state; and (2) at the time of the filing of its  
1453 certificate of [formation] organization, there is also filed a certificate  
1454 issued by the Insurance Commissioner, pursuant to section 33-646,  
1455 authorizing the formation of the limited liability company. No limited  
1456 liability company formed under the provisions of sections 34-243 to 34-  
1457 283d, inclusive, shall have power to transact in this state the business  
1458 of any insurance company or a surety or indemnity company until it  
1459 has procured a license from the Insurance Commissioner in accordance  
1460 with the provisions of section 38a-41.

1461 Sec. 27. Section 34-243p of the general statutes is repealed and the  
1462 following is substituted in lieu thereof (*Effective July 1, 2017*):

1463 (a) A registered agent may resign as an agent for a limited liability  
1464 company or registered foreign limited liability company by delivering  
1465 to the Secretary of the State for filing a certificate of resignation that  
1466 states: (1) The name of the limited liability company or registered  
1467 foreign limited liability company; (2) the name of the agent; (3) that the  
1468 agent resigns from serving as registered agent for the limited liability  
1469 company or registered foreign limited liability company; and (4) the  
1470 address of the limited liability company or registered foreign limited  
1471 liability company to which the agent will send the notice required by  
1472 subsection (c) of this section.

1473 (b) A certificate of resignation takes effect on the earlier of: (1) The  
1474 thirty-first day after the day on which it is filed by the Secretary of the  
1475 State; or (2) the date a new registered agent is designated for the  
1476 limited liability company or registered foreign limited liability  
1477 company.

1478 (c) A registered agent shall immediately furnish to the limited  
1479 liability company or registered foreign limited liability company notice  
1480 in a record of the date on which the certificate of resignation was filed.

1481 (d) When a certificate of resignation takes effect, the registered agent  
1482 ceases to have responsibility under sections 34-243 to 34-283d,

1483 inclusive, for any matter thereafter tendered to it as agent for the  
1484 limited liability company or registered foreign limited liability  
1485 company. The resignation does not affect any contractual rights the  
1486 limited liability company or registered foreign limited liability  
1487 company has against the agent or that the agent has against the limited  
1488 liability company or registered foreign limited liability company.

1489 [(e) A registered agent may resign with respect to a limited liability  
1490 company or registered foreign limited liability company whether or  
1491 not the limited liability company or registered foreign limited liability  
1492 company is in good standing.]

1493 Sec. 28. Section 34-243u of the general statutes is repealed and the  
1494 following is substituted in lieu thereof (*Effective July 1, 2017*):

1495 The Secretary of the State shall charge and collect the following fees  
1496 and remit them to the Treasurer for the use of the state:

1497 (a) Fees for filing documents and issuing certificates: (1) Filing an  
1498 application to reserve a limited liability company name or to cancel a  
1499 reserved limited liability company name, sixty dollars; (2) filing a  
1500 transfer of reserved limited liability company name, sixty dollars; (3)  
1501 filing a certificate of organization, including appointment of registered  
1502 agent, one hundred twenty dollars; (4) filing a change of address of  
1503 agent certificate or change of agent certificate, fifty dollars; (5) filing a  
1504 notice of resignation of registered agent, fifty dollars; (6) filing an  
1505 amendment to certificate of organization, one hundred twenty dollars;  
1506 (7) filing a restated certificate of organization, one hundred twenty  
1507 dollars; (8) filing a certificate of merger, sixty dollars; (9) filing a  
1508 certificate of interest exchange, sixty dollars; (10) filing a certificate of  
1509 abandonment, fifty dollars; (11) filing a certificate of reinstatement, one  
1510 hundred twenty dollars; (12) filing a foreign registration [statement]  
1511 certificate by a foreign limited liability company to transact business in  
1512 this state, one hundred twenty dollars; (13) filing an application of  
1513 foreign limited liability company for amended foreign registration  
1514 [statement] certificate, one hundred twenty dollars; (14) filing a



1515 [statement] certificate of withdrawal of [foreign limited liability  
1516 company] registration under section 34-275h, as amended by this act,  
1517 one hundred twenty dollars; (15) filing an annual report, twenty  
1518 dollars; (16) filing an interim notice of change of manager or member,  
1519 twenty dollars; (17) filing a registration of name or a [removal] renewal  
1520 of registration of name, sixty dollars; (18) filing a statement of  
1521 correction, one hundred dollars; and (19) filing a transfer of  
1522 registration, sixty dollars plus the qualification fee.

1523 (b) Miscellaneous charges: (1) At the time of any service of process  
1524 on the Secretary of the State as registered agent of a limited liability  
1525 company, which amount may be recovered as taxable costs by the  
1526 party to the suit or action causing such service to be made if such party  
1527 prevails in the suit or action, the plaintiff in the process so served shall  
1528 pay fifty dollars; (2) for preparing and furnishing a copy of any  
1529 document, instrument or paper filed or recorded relating to a limited  
1530 liability company: For each copy of each such document thereof  
1531 regardless of the number of pages, forty dollars; for affixing his  
1532 certification thereto, fifteen dollars; (3) for the issuance of a  
1533 [certification] certificate of legal existence of a domestic or registered  
1534 foreign limited liability company, fifty dollars; (4) for the issuance of a  
1535 certificate of legal existence of a domestic or registered foreign limited  
1536 liability company which certificate may reflect any and all changes of  
1537 limited liability company names and the dates of filing thereof, fifty  
1538 dollars; (5) for the issuance of a certificate of legal existence of a  
1539 domestic limited liability company reflecting [articles] certificates  
1540 effecting fundamental changes to certificate of organization and the  
1541 date or dates of filing thereof, one hundred dollars; and (6) for other  
1542 services for which fees are not provided by the general statutes, the  
1543 Secretary of the State may charge such fees as will, in the judgment of  
1544 the Secretary of the State, cover the cost of the services provided.

1545 (c) The tax imposed under chapter 219 shall not be imposed upon  
1546 any transaction for which a fee is charged under the provisions of this  
1547 section.

1548 Sec. 29. Subsection (c) of section 34-247 of the general statutes is  
1549 repealed and the following is substituted in lieu thereof (*Effective July*  
1550 *1, 2017*):

1551 (c) A certificate of organization may contain statements as to matters  
1552 other than those required by subsection (b) of this section, but may not  
1553 vary or otherwise affect the provisions specified in subsection (c) of  
1554 section 34-243d in a manner inconsistent with said section. [However,  
1555 a statement in a certificate of organization is not effective as a  
1556 statement of authority.]

1557 Sec. 30. Subsection (a) of section 34-247d of the general statutes is  
1558 repealed and the following is substituted in lieu thereof (*Effective July*  
1559 *1, 2017*):

1560 (a) If a record delivered to the Secretary of the State for filing under  
1561 sections 34-243 to 34-283d, inclusive, and filed by the Secretary of the  
1562 State contains inaccurate information, a person that suffers loss by  
1563 reliance on the information may recover damages for the loss from: (1)  
1564 A person that signed the record or caused another to sign it on the  
1565 person's behalf, and knew the information to be inaccurate at the time  
1566 the record was signed; and (2) subject to subsection (b) of this section, a  
1567 member of a member-managed limited liability company or the  
1568 manager of a manager-managed limited liability company, if: (A) The  
1569 record was delivered for filing on behalf of the company; and (B) the  
1570 member or manager had notice of the inaccuracy for a reasonably  
1571 sufficient time before the information was relied upon so that, before  
1572 the reliance, the member or manager reasonably could have:

1573 (i) Effected an amendment under section 34-247a;

1574 (ii) Filed a petition under section 34-247c; or

1575 (iii) Delivered to the Secretary of the State for filing a [statement of]  
1576 change of address of agent certificate or a change of agent certificate  
1577 under section 34-243o or a statement of correction under section 34-  
1578 247h.

1579 Sec. 31. Section 34-247f of the general statutes is repealed and the  
1580 following is substituted in lieu thereof (*Effective July 1, 2017*):

1581 Except as provided in section 34-247g, as amended by this act, and  
1582 subject to the provisions of subsection (c) of section 34-247h, a  
1583 certificate of organization is effective and a foreign registration  
1584 [statement] certificate is effective on the date and at the time of its  
1585 filing by the Secretary of the State, as provided in section 34-247e. Each  
1586 other record filed under sections 34-243 to 34-283d, inclusive, is  
1587 effective on the later of:

1588 (1) On the date and at the time of its filing by the Secretary of the  
1589 State, as provided in section 34-247e;

1590 (2) On the date of filing and at the time specified in the record as its  
1591 effective time, if later than the time under subdivision (1) of this  
1592 section;

1593 (3) At a specified delayed effective date and time, which may not be  
1594 more than ninety days after the date of filing; or

1595 (4) If a delayed effective date is specified, but no time is specified, at  
1596 12:01 a.m. on the date specified, which may not be more than ninety  
1597 days after the date of filing.

1598 Sec. 32. Section 34-247g of the general statutes is repealed and the  
1599 following is substituted in lieu thereof (*Effective July 1, 2017*):

1600 (a) A record delivered to the Secretary of the State for filing may be  
1601 withdrawn before it takes effect by delivering to the Secretary of the  
1602 State for filing a [statement] certificate of withdrawal.

1603 (b) A [statement] certificate of withdrawal must: (1) Identify the  
1604 record to be withdrawn; and (2) if signed by fewer than all the persons  
1605 that signed the record being withdrawn, state that the record is  
1606 withdrawn in accordance with the agreement of all the persons that  
1607 signed the record or as otherwise provided in the operating agreement  
1608 of the limited liability company.

1609 (c) On filing by the Secretary of the State of a [statement] certificate  
1610 of withdrawal, the action or transaction evidenced by the original  
1611 record shall not take effect.

1612 Sec. 33. Section 34-247j of the general statutes is repealed and the  
1613 following is substituted in lieu thereof (*Effective July 1, 2017*):

1614 [(a)] On request of any person, the Secretary of the State shall issue a  
1615 certificate of [good standing] legal existence for a domestic or  
1616 registered foreign limited liability company. [or a certificate of  
1617 registration for a registered foreign limited liability company] A  
1618 certificate issued by the Secretary of the State under this section may  
1619 be relied upon as conclusive evidence of the facts set forth in the  
1620 certificate.

1621 [(b) A certificate issued under subsection (a) of this section must  
1622 state:

1623 (1) The limited liability company's name or the registered foreign  
1624 limited liability company's name used in this state;

1625 (2) In the case of a limited liability company, that: (A) No statement  
1626 of dissolution, statement of administrative dissolution or statement of  
1627 termination has been filed; (B) the records of the Secretary of the State  
1628 do not otherwise reflect that the company has been dissolved or  
1629 terminated; (C) the limited liability company has filed all annual  
1630 reports due through the date of the certificate in compliance with  
1631 section 34-247k; and (D) a proceeding is not pending under section 34-  
1632 267g; and

1633 (3) In the case of a registered foreign limited liability company, that:  
1634 (A) It is registered to do business in this state; and (B) the registered  
1635 foreign limited liability company has filed all annual reports due  
1636 through the date of the certificate in compliance with section 34-247k.

1637 (c) A certificate issued by the Secretary of the State under subsection  
1638 (a) of this section may be relied upon as conclusive evidence of the

1639 facts set forth in the certificate.]

1640 Sec. 34. Subdivision (5) of subsection (a) of section 34-247k of the  
1641 general statutes is repealed and the following is substituted in lieu  
1642 thereof (*Effective July 1, 2017*):

1643 (5) In the case of a foreign limited liability company, any alternate  
1644 name adopted under section 34-275e, its governing jurisdiction and  
1645 [any alternate name adopted under subsection (a) of section 34-275e] if  
1646 the law of the governing jurisdiction requires the company to maintain  
1647 an office in that jurisdiction, the street and mailing addresses of the  
1648 required office.

1649 Sec. 35. Subsections (f) and (g) of section 34-275a of the general  
1650 statutes are repealed and the following is substituted in lieu thereof  
1651 (*Effective July 1, 2017*):

1652 (f) A foreign limited liability company, by transacting business in  
1653 this state without a foreign registration [statement] certificate, appoints  
1654 the Secretary of the State as its agent for service of process with respect  
1655 to a cause of action arising out of the transaction of business in this  
1656 state. Such foreign limited liability company may be served in the  
1657 manner provided in subsection (b) of section 34-243r.

1658 (g) A foreign limited liability company which transacts business in  
1659 this state without a valid foreign registration [statement] certificate  
1660 shall be liable to this state, for each year or part thereof during which it  
1661 transacted business in this state without such certificate, in an amount  
1662 equal to: (1) All fees and taxes which would have been imposed by law  
1663 upon such limited liability company had it duly applied for and  
1664 received such registration to transact business in this state, and (2) all  
1665 interest and penalties imposed by law for failure to pay such fees and  
1666 taxes. A foreign limited liability company is further liable to this state,  
1667 for each month or part thereof during which it transacted business in  
1668 this state without a valid foreign registration [statement] certificate, in  
1669 an amount equal to three hundred dollars, except that a foreign limited  
1670 liability company which has registered with the Secretary of the State

1671 not later than ninety days after it has commenced transacting business  
1672 in this state shall not be liable for such monthly penalty. Such fees and  
1673 penalties may be levied by the Secretary of the State. The Attorney  
1674 General may bring proceedings to recover all amounts due this state  
1675 under the provisions of this subsection.

1676 Sec. 36. Section 34-275b of the general statutes is repealed and the  
1677 following is substituted in lieu thereof (*Effective July 1, 2017*):

1678 To register to do business in this state, a foreign limited liability  
1679 company must deliver a foreign registration [statement] certificate to  
1680 the Secretary of the State for filing. The [statement] certificate shall set  
1681 forth:

1682 (1) The name of the company and, if the name does not comply with  
1683 section 34-243k, an alternate name adopted pursuant to subsection (a)  
1684 of section 34-275e;

1685 (2) That the company is a foreign limited liability company;

1686 (3) The name of the company's governing jurisdiction;

1687 (4) The street and mailing addresses of the company's principal  
1688 office and, if the law of the governing jurisdiction requires the  
1689 company to maintain an office in that jurisdiction, the street and  
1690 mailing addresses of the required office;

1691 (5) The name and address of the agent in this state for service of  
1692 process on the foreign limited liability company required to be  
1693 maintained by [subdivision (4) of subsection (b) of section 34-247]  
1694 section 34-243n and an acceptance of such appointment signed by the  
1695 agent appointed if other than the Secretary of the State;

1696 (6) The name and respective business and residence addresses of a  
1697 manager or a member of the foreign limited liability company, except  
1698 that, if good cause is shown, the Secretary of the State may accept a  
1699 business address in lieu of business and residence addresses of such  
1700 manager or member. For the purposes of this subdivision, a showing

1701 of good cause shall include, but need not be limited to, a showing that  
1702 public disclosure of the residence address of the manager or member  
1703 of the foreign limited liability company may expose the personal  
1704 security of such manager or member to significant risk; and

1705 (7) The electronic mail address, if any, of the foreign limited liability  
1706 company.

1707 Sec. 37. Section 34-275c of the general statutes is repealed and the  
1708 following is substituted in lieu thereof (*Effective July 1, 2017*):

1709 A registered foreign limited liability company shall deliver to the  
1710 Secretary of the State for filing an amendment to its foreign  
1711 registration [statement] certificate if there is a change in: (1) The name  
1712 of the company; or (2) the company's governing jurisdiction; [; (3) an  
1713 address required by subdivision (4) of section 34-275b; or (4) the  
1714 information required by subdivision (5) of section 34-275b.]

1715 Sec. 38. Section 34-275f of the general statutes is repealed and the  
1716 following is substituted in lieu thereof (*Effective July 1, 2017*):

1717 (a) When a registered foreign limited liability company has merged  
1718 into a foreign [entity] limited liability company that is not registered to  
1719 transact business in this state, [or has converted to a foreign entity  
1720 required to register with the Secretary of the State to transact business  
1721 in this state,] the nonregistered foreign [entity] limited liability  
1722 company shall deliver to the Secretary of the State for filing an  
1723 application for transfer of registration. The application must state:

1724 (1) The name of the registered foreign limited liability company  
1725 before the merger; [or conversion;]

1726 (2) That before the merger [or conversion] the registration pertained  
1727 to a foreign limited liability company;

1728 (3) The name of the applicant foreign [entity] limited liability  
1729 company into which the foreign limited liability company has merged,  
1730 [or to which it has been converted,] and, if the name does not comply

1731 with section 34-243k, an alternate name adopted pursuant to  
1732 subsection (a) of section 34-275e;

1733 (4) The [type of entity of the applicant foreign entity and its]  
1734 governing jurisdiction of the applicant foreign limited liability  
1735 company;

1736 (5) The street and mailing addresses of the principal office of the  
1737 applicant foreign [entity] limited liability company and, if the law of  
1738 the [entity's] foreign limited liability company's governing jurisdiction  
1739 requires the [entity] foreign limited liability company to maintain an  
1740 office in that jurisdiction, the street and mailing addresses of that  
1741 office;

1742 (6) The name and [street and mailing addresses of the applicant  
1743 foreign entity's registered agent in this state] address of the agent in  
1744 this state for service of process on the foreign limited liability company  
1745 required to be maintained by subsection (b) of section 34-247;

1746 (7) The name and respective business and residence addresses of a  
1747 manager or a member of the foreign limited liability company, except  
1748 that, if good cause is shown, the Secretary of the State may accept a  
1749 business address in lieu of business and residence addresses of such  
1750 manager or member. For the purposes of this subdivision, a showing  
1751 of good cause shall include, but need not be limited to, a showing that  
1752 public disclosure of the residence address of the manager or member  
1753 of the foreign limited liability company may expose the personal  
1754 security of such manager or member to significant risk; and

1755 (8) The electronic mail address, if any, of the foreign limited liability  
1756 company.

1757 (b) When an application for transfer of registration takes effect, the  
1758 registration of the foreign limited liability company to transact  
1759 business in this state is transferred without interruption to the foreign  
1760 [entity] limited liability company into which the foreign company has  
1761 merged. [or to which it has been converted.]



1762 Sec. 39. Section 34-275g of the general statutes is repealed and the  
1763 following is substituted in lieu thereof (*Effective July 1, 2017*):

1764 (a) The foreign registration [statement] certificate of a foreign  
1765 limited liability company to transact business in this state may be  
1766 revoked by the Secretary of the State upon the conditions provided in  
1767 this section when: (1) The foreign limited liability company has failed  
1768 to file its annual report with the Secretary of the State; (2) a wilful  
1769 misrepresentation has been made of any material matter in any  
1770 application, report, affidavit or other document, submitted by such  
1771 foreign limited liability company pursuant to sections 34-275 to 34-  
1772 275i, inclusive; (3) the foreign limited liability company is exceeding  
1773 the authority conferred upon it by said sections; or (4) the foreign  
1774 limited liability company is without an agent upon whom process may  
1775 be served in this state for sixty days or more.

1776 (b) On the happening of an event set forth in subdivision (1), (2), (3)  
1777 or (4) of subsection (a) of this section, the Secretary of the State shall  
1778 give not less than twenty days' written notice to the foreign limited  
1779 liability company that the Secretary intends to revoke the foreign  
1780 registration [statement] certificate of such foreign limited liability  
1781 company for one of said causes, specifying the same. Such notice shall  
1782 be given by registered or certified mail addressed to the foreign  
1783 limited liability company at its address as last shown on the records of  
1784 the Secretary of the State. If, before expiration of the time set forth in  
1785 the notice, the foreign limited liability company establishes to the  
1786 satisfaction of the Secretary of the State that the stated cause for the  
1787 revocation of its foreign registration [statement] certificate did not exist  
1788 at the time the notice was mailed or, if it did exist at said time, has  
1789 been cured, the Secretary of the State shall take no further action.  
1790 Otherwise, on the expiration of the time set forth in the notice, the  
1791 Secretary shall revoke the foreign registration [statement] certificate of  
1792 such foreign limited liability company to transact business in this state.

1793 (c) Upon revoking the foreign registration [statement] certificate of  
1794 any foreign limited liability company, the Secretary of the State shall

1795 file a certificate of revocation in his office and shall: (1) Mail a copy  
1796 thereof to such foreign limited liability company at its address as last  
1797 shown on the Secretary's records; and (2) cause notice of the filing of  
1798 such certificate of revocation to be posted on the office of the Secretary  
1799 of the State's Internet web site for a period of sixty days following the  
1800 date on which the Secretary of the State files the certificate of  
1801 revocation. The filing of such certificate of revocation shall cause the  
1802 authority of a foreign limited liability company to transact business in  
1803 this state to cease. Notwithstanding the filing of the certificate of  
1804 revocation, the appointment by a foreign limited liability company of  
1805 [an attorney] a registered agent upon whom process may be served  
1806 shall continue in force as long as any liability remains outstanding  
1807 against the foreign limited liability company in this state.

1808 Sec. 40. Subsection (a) of section 34-275h of the general statutes is  
1809 repealed and the following is substituted in lieu thereof (*Effective July*  
1810 *1, 2017*):

1811 (a) A registered foreign limited liability company may withdraw its  
1812 registration by delivering a [statement] certificate of withdrawal of  
1813 registration to the Secretary of the State for filing. The [statement]  
1814 certificate of withdrawal of registration must state: (1) The name of the  
1815 company and its governing jurisdiction; (2) that the company is not  
1816 transacting business in this state and that it withdraws its registration  
1817 to transact business in this state; (3) that the company revokes the  
1818 authority of its registered agent to accept service on its behalf in this  
1819 state; (4) that the company surrenders its authority to transact business  
1820 in this state; and (5) an address to which service of process may be  
1821 made under subsection (b) of this section.

1822 Sec. 41. Section 34-279i of the general statutes is repealed and the  
1823 following is substituted in lieu thereof (*Effective July 1, 2017*):

1824 (a) Unless otherwise provided in the certificate of organization or  
1825 operating agreement of the limited liability company, a plan of merger  
1826 must be consented to by two-thirds in interest of the members of the

1827 limited liability company.

1828 (b) Subject to any contractual rights, after a merger is approved, and  
1829 at any time before [articles] a certificate of merger [are delivered to the  
1830 Secretary of the State for filing under section 34-279j] becomes  
1831 effective, a merging limited liability company may amend the plan of  
1832 merger or abandon the merger: (1) As provided in the plan; or (2)  
1833 except as otherwise prohibited in the plan, with the same consent as  
1834 was required to approve the plan.

1835 Sec. 42. Subsection (d) of section 34-279j of the general statutes is  
1836 repealed and the following is substituted in lieu thereof (*Effective July*  
1837 *1, 2017*):

1838 (d) [Each merging] The surviving limited liability company shall  
1839 deliver the certificate of merger for filing in the office of the Secretary  
1840 of the State.

1841 Sec. 43. (*Effective from passage*) Not later than January 1, 2018, the  
1842 Secretary of the State shall report, in accordance with the provisions of  
1843 section 11-4a of the general statutes, to the joint standing committee of  
1844 the General Assembly having cognizance of matters relating to the  
1845 judiciary on potential funding sources that may be available to the  
1846 Secretary for modifications and updates to, or replacement of, the  
1847 Secretary of the State's CONCORD commercial records database in  
1848 order to promote and enhance implementation of business friendly  
1849 initiatives.

1850 Sec. 44. Subsection (c) of section 33-784 of the general statutes is  
1851 repealed and the following is substituted in lieu thereof (*Effective*  
1852 *October 1, 2017*):

1853 (c) For purposes of this section: (1) "Holder" means, and "held by"  
1854 refers to shares held by, both a record shareholder, as defined in  
1855 subdivision (7) of section 33-855, as amended by this act, and a  
1856 beneficial shareholder; [, as defined in subdivision (2) of section 33-  
1857 855;] and (2) "qualified shares" means all shares entitled to be voted

1858 with respect to the transaction except for shares that the secretary or  
 1859 other officer or agent of the corporation authorized to tabulate votes  
 1860 either knows, or under subsection (b) of this section is notified, are  
 1861 held by (A) a director who has a conflicting interest respecting the  
 1862 transaction, or (B) a related person of the director, excluding a person  
 1863 described in subparagraph (F) of subdivision (5) of section 33-781, as  
 1864 amended by this act.

1865 Sec. 45. Subsection (b) of section 33-896 of the general statutes is  
 1866 repealed and the following is substituted in lieu thereof (*Effective*  
 1867 *October 1, 2017*):

1868 (b) Subdivision (1) of subsection (a) of this section shall not apply in  
 1869 the case of a corporation that, on the date of the filing of the  
 1870 proceeding, has shares that are: (A) Listed on the New York Stock  
 1871 Exchange, the American Stock Exchange or any exchange owned or  
 1872 operated by the NASDAQ Stock Market LLC, or listed or quoted on a  
 1873 system owned or operated by the National Association of Securities  
 1874 Dealers, Inc.; or (B) not so listed or quoted, but are held by at least  
 1875 three hundred shareholders and the shares outstanding have a market  
 1876 value of at least twenty million dollars exclusive of the value of such  
 1877 shares held by the corporation's subsidiaries, senior executives,  
 1878 directors and beneficial shareholders owning more than ten per cent of  
 1879 such shares. [As used in this subsection, "beneficial shareholder" has  
 1880 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, 2017</i> | 33-756      |
| Sec. 2  | <i>October 1, 2017</i> | New section |
| Sec. 3  | <i>October 1, 2017</i> | New section |
| Sec. 4  | <i>October 1, 2017</i> | New section |
| Sec. 5  | <i>October 1, 2017</i> | New section |
| Sec. 6  | <i>October 1, 2017</i> | New section |
| Sec. 7  | <i>October 1, 2017</i> | New section |
| Sec. 8  | <i>October 1, 2017</i> | New section |

|         |                        |                    |
|---------|------------------------|--------------------|
| Sec. 9  | <i>October 1, 2017</i> | New section        |
| Sec. 10 | <i>October 1, 2017</i> | New section        |
| Sec. 11 | <i>October 1, 2017</i> | 33-605(a)          |
| Sec. 12 | <i>October 1, 2017</i> | 33-636             |
| Sec. 13 | <i>October 1, 2017</i> | 33-781(5)          |
| Sec. 14 | <i>October 1, 2017</i> | 33-785             |
| Sec. 15 | <i>October 1, 2017</i> | 33-817             |
| Sec. 16 | <i>October 1, 2017</i> | 33-856             |
| Sec. 17 | <i>October 1, 2017</i> | 33-860             |
| Sec. 18 | <i>October 1, 2017</i> | 33-861             |
| Sec. 19 | <i>October 1, 2017</i> | 33-862             |
| Sec. 20 | <i>October 1, 2017</i> | New section        |
| Sec. 21 | <i>October 1, 2017</i> | 33-602             |
| Sec. 22 | <i>October 1, 2017</i> | 33-814             |
| Sec. 23 | <i>October 1, 2017</i> | 33-855             |
| Sec. 24 | <i>October 1, 2017</i> | 33-1358(a)(2)      |
| Sec. 25 | <i>July 1, 2017</i>    | 34-243a(12)        |
| Sec. 26 | <i>July 1, 2017</i>    | 34-243h(g)         |
| Sec. 27 | <i>July 1, 2017</i>    | 34-243p            |
| Sec. 28 | <i>July 1, 2017</i>    | 34-243u            |
| Sec. 29 | <i>July 1, 2017</i>    | 34-247(c)          |
| Sec. 30 | <i>July 1, 2017</i>    | 34-247d(a)         |
| Sec. 31 | <i>July 1, 2017</i>    | 34-247f            |
| Sec. 32 | <i>July 1, 2017</i>    | 34-247g            |
| Sec. 33 | <i>July 1, 2017</i>    | 34-247j            |
| Sec. 34 | <i>July 1, 2017</i>    | 34-247k(a)(5)      |
| Sec. 35 | <i>July 1, 2017</i>    | 34-275a(f) and (g) |
| Sec. 36 | <i>July 1, 2017</i>    | 34-275b            |
| Sec. 37 | <i>July 1, 2017</i>    | 34-275c            |
| Sec. 38 | <i>July 1, 2017</i>    | 34-275f            |
| Sec. 39 | <i>July 1, 2017</i>    | 34-275g            |
| Sec. 40 | <i>July 1, 2017</i>    | 34-275h(a)         |
| Sec. 41 | <i>July 1, 2017</i>    | 34-279i            |
| Sec. 42 | <i>July 1, 2017</i>    | 34-279j(d)         |
| Sec. 43 | <i>from passage</i>    | New section        |
| Sec. 44 | <i>October 1, 2017</i> | 33-784(c)          |
| Sec. 45 | <i>October 1, 2017</i> | 33-896(b)          |