

1 ENGROSSED HOUSE AMENDMENT
TO
2 ENGROSSED SENATE BILL NO. 1799 By: Marlatt of the Senate
3 and
4 Echols of the House
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7 An Act relating to derivative actions; amending 18
8 O.S. 2011, Sections 1126 and 2053, which relate to
9 derivative actions; authorizing award of certain
10 expenses and fees; updating language; making language
gender-neutral; modifying requirements for award of
certain expenses and fees; and providing an effective
date.

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13 AMENDMENT NO. 1. Strike the title, enacting clause and entire bill
14 and insert

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16 "An Act relating to derivative actions; amending 18
17 O.S. 2011, Section 1126, which relates to derivative
18 actions; making language gender-neutral; authorizing
award of certain costs and fees; requiring
19 nonprevailing party to pay expenses incurred by
prevailing party; and providing an effective date.

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21 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

22 SECTION 1. AMENDATORY 18 O.S. 2011, Section 1126, is
23 amended to read as follows:

24 Section 1126.

1 SHAREHOLDER'S DERIVATIVE ACTION; ALLEGATION OF STOCK OWNERSHIP

2 A. In any derivative suit instituted by a shareholder of a
3 corporation, it shall be averred in the petition that the plaintiff
4 was a shareholder of the corporation at the time of the transaction
5 of which ~~he~~ the plaintiff complains or that ~~his~~ the plaintiff's
6 stock thereafter devolved upon him or her by operation of law.

7 B. If a derivative action confers a substantial benefit upon
8 the corporation as a result of a compromise or settlement of an
9 action or claim, the court may award the plaintiff reasonable costs,
10 including reasonable attorney fees, and shall direct the plaintiff
11 to remit to the corporation the remainder of all proceeds received.

12 C. In any derivative action instituted by a shareholder of a
13 domestic or foreign corporation, the court having jurisdiction, upon
14 final judgment, shall require the nonprevailing party or parties to
15 pay the prevailing party or parties the reasonable expenses,
16 including attorney fees, taxable as costs, incurred as a result of
17 such action.

18 SECTION 2. This act shall become effective November 1, 2014."
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1 Passed the House of Representatives the 23rd day of April, 2014.

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4 Presiding Officer of the House of
5 Representatives

6 Passed the Senate the ____ day of _____, 2014.

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9 Presiding Officer of the Senate

1 ENGROSSED SENATE
2 BILL NO. 1799

By: Marlatt of the Senate

3 and

4 Echols of the House

5
6 An Act relating to derivative actions; amending 18
7 O.S. 2011, Sections 1126 and 2053, which relate to
8 derivative actions; authorizing award of certain
9 expenses and fees; updating language; making language
gender-neutral; modifying requirements for award of
certain expenses and fees; and providing an effective
date.

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12 BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

13 SECTION 3. AMENDATORY 18 O.S. 2011, Section 1126, is
14 amended to read as follows:

15 Section 1126.

16 SHAREHOLDER'S DERIVATIVE ACTION; ALLEGATION OF STOCK OWNERSHIP

17 A. In any derivative suit instituted by a shareholder of a
18 corporation, it shall be averred in the petition that the plaintiff
19 was a shareholder of the corporation at the time of the transaction
20 of which ~~he~~ the plaintiff complains or that ~~his~~ the plaintiff's
21 stock thereafter devolved upon him or her by operation of law.

22 B. If a derivative action is successful, in whole or in part,
23 or if anything is received by the plaintiff as a result of a
24 compromise or settlement of an action or claim, the court may award

1 the plaintiff reasonable expenses, including reasonable attorney
2 fees, and shall direct the plaintiff to remit to the corporation the
3 remainder of those proceeds received.

4 C. In any action instituted in the right of any domestic or
5 foreign corporation by one or more shareholders thereof, the court
6 having jurisdiction, upon final judgment, may require the non-
7 prevailing party or parties to pay the prevailing party or parties
8 the reasonable expenses, including attorney fees, taxable as costs,
9 incurred by them in the defense of such action.

10 SECTION 4. AMENDATORY 18 O.S. 2011, Section 2053, is
11 amended to read as follows:

12 Section 2053. A. If a derivative action is successful, in
13 whole or in part, or if anything is received by the plaintiff as a
14 result of a ~~judgment~~, compromise or settlement of an action or
15 claim, the court may award the plaintiff reasonable expenses,
16 including reasonable ~~attorneys'~~ attorney fees, and shall direct ~~him~~
17 the plaintiff to remit to the limited liability company the
18 remainder of those proceeds received ~~by him~~.

19 B. In any action ~~hereafter~~ instituted in the right of any
20 domestic or foreign limited liability company by a member or members
21 thereof, the court having jurisdiction, upon final judgment ~~and a~~
22 ~~finding that the action was brought without reasonable cause~~, may
23 require the ~~plaintiff or plaintiffs to pay to the parties named as~~
24 ~~defendants~~ non-prevailing party or parties to pay the prevailing

1 party or parties the reasonable expenses, including ~~attorneys'~~
2 attorney fees, incurred by them in the defense of such action.

3 SECTION 5. This act shall become effective November 1, 2014.

4 Passed the Senate the 11th day of March, 2014.

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Presiding Officer of the Senate

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8 Passed the House of Representatives the ____ day of _____,
9 2014.

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Presiding Officer of the House
of Representatives

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