

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
10 gender-neutral; modifying requirements for award of
11 certain expenses and fees; and providing an effective
12 date.

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

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

16 Section 1126.

17 SHAREHOLDER'S DERIVATIVE ACTION; ALLEGATION OF STOCK OWNERSHIP

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

23 B. If a derivative action is successful, in whole or in part,
24 or if anything is received by the plaintiff as a result of a
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 2. 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 3. 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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