

1                   **HOUSE OF REPRESENTATIVES - FLOOR VERSION**

2                                   STATE OF OKLAHOMA

3                                   2nd Session of the 54th Legislature (2014)

4 COMMITTEE SUBSTITUTE  
5 FOR ENGROSSED  
6 SENATE BILL NO. 1799

By: Marlatt of the Senate

and

Echols of the House

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10                                   COMMITTEE SUBSTITUTE

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

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

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

19                   Section 1126.

20                   SHAREHOLDER'S DERIVATIVE ACTION; ALLEGATION OF STOCK OWNERSHIP

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

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

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

14 SECTION 2. This act shall become effective November 1, 2014.

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16 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 04/09/2014 - DO  
17 PASS, As Amended.

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