

1 **SENATE FLOOR VERSION**

2 February 20, 2014

3 COMMITTEE SUBSTITUTE
4 FOR

5 SENATE BILL NO. 1799

6 By: Marlatt of the Senate

7 and

8 Echols of the House

9 An Act relating to derivative actions; amending 18
10 O.S. 2011, Sections 1126 and 2053, which relate to
11 derivative actions; authorizing award of certain
12 expenses and fees; updating language; making language
13 gender-neutral; modifying requirements for award of
14 certain expenses and fees; and providing an effective
15 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
24 of which ~~he~~ the plaintiff complains or that ~~his~~ the plaintiff's
stock thereafter devolved upon him or her by operation of law.

1 B. If a derivative action is successful, in whole or in part,
2 or if anything is received by the plaintiff as a result of a
3 compromise or settlement of an action or claim, the court may award
4 the plaintiff reasonable expenses, including reasonable attorney
5 fees, and shall direct the plaintiff to remit to the corporation the
6 remainder of those proceeds received.

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

13 SECTION 2. AMENDATORY 18 O.S. 2011, Section 2053, is
14 amended to read as follows:

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

22 B. In any action ~~hereafter~~ instituted in the right of any
23 domestic or foreign limited liability company by a member or members
24 thereof, the court having jurisdiction, upon final judgment ~~and a~~

1 ~~finding that the action was brought without reasonable cause, may~~
2 ~~require the plaintiff or plaintiffs to pay to the parties named as~~
3 ~~defendants~~ non-prevailing party or parties to pay the prevailing
4 party or parties the reasonable expenses, including attorneys'
5 attorney fees, incurred by them in the defense of such action.

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

7 COMMITTEE REPORT BY: COMMITTEE ON BUSINESS AND COMMERCE
8 February 20, 2014 - DO PASS AS AMENDED
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