

STATE OF OKLAHOMA

1st Session of the 57th Legislature (2019)

SENATE BILL NO. 847

By: Dahm

AS INTRODUCED

An Act relating to corporations; defining terms; clarifying number of shareholders in corporation records; requiring certain written statement upon certain transfers; requiring corporations to prepare certain list for notice; providing contents of list; stating effect of certain shareholder information; stating effect of certain shareholder information when certain information does not correspond; providing certain method of determination; authorizing the formation of a voting trust; providing method of formation; stating requirements of corporate records; allowing for electronic administration; providing for codification; and providing an effective date.

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

SECTION 1. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2101 of Title 18, unless there is created a duplication in numbering, reads as follows:

As used in this act:

1. "Electronic transmission" or "transmitted electronically" means any process of communication that does not directly involve the physical transfer of paper, including a process of communication that uses one (1) or more distributed or other electronic networks

1 or databases, and that is suitable for the retention, retrieval and
2 reproduction of information by the recipient;

3 2. "Data address" means the string of alphanumeric characters
4 on one (1) or more distributed or other electronic networks or
5 databases that may only be accessed by knowledge or possession of a
6 private key in order to facilitate or record transactions on the
7 distributed or other electronic network or database;

8 3. "Identity" means the name of a shareholder or the data
9 address for which the shareholder has knowledge or possession of the
10 private key uniquely associated with the data address;

11 4. "Network signature" means a string of alphanumeric
12 characters that when broadcasted by a shareholder to the data
13 address's corresponding distributed or other electronic network or
14 database provides reasonable assurances to a corporation that the
15 shareholder has knowledge or possession of the private key uniquely
16 associated with the data address;

17 5. "Record of shareholders" means one (1) or more records
18 administered by or on behalf of a corporation that records the
19 identity of all the corporation's shareholders and the number and
20 class of shares held by each shareholder in accordance with current
21 law. Record of shareholders includes a record of all issuances and
22 transfers of shares of a corporation at the discretion of the
23 corporation;

1 6. "Shareholder" means the person in whose name shares are
2 registered in the records of a corporation, the beneficial owner of
3 shares to the extent of the rights granted by a nominee certificate
4 on file with a corporation or the owner of a private key that is
5 uniquely associated with a data address that facilitates or records
6 the sending and receiving of shares; and

7 7. "Sign" or "signature" includes any manual, facsimile,
8 conformed or electronic signature or a network signature.

9 SECTION 2. NEW LAW A new section of law to be codified
10 in the Oklahoma Statutes as Section 2102 of Title 18, unless there
11 is created a duplication in numbering, reads as follows:

12 Written notice by a domestic or foreign corporation to its
13 shareholder, if in a comprehensible form, is effective:

14 1. Upon deposit in the United States mail, if mailed postpaid
15 and correctly addressed to the shareholder's address shown in the
16 corporation's current record of the shareholders;

17 2. When an electronic transmission has been made to a data
18 address provided by the shareholder; or

19 3. When electronically transmitted to the shareholder in a
20 manner otherwise authorized by the shareholder.

21 SECTION 3. NEW LAW A new section of law to be codified
22 in the Oklahoma Statutes as Section 2103 of Title 18, unless there
23 is created a duplication in numbering, reads as follows:

1 For purposes of this act, the following identified as a
2 shareholder in a corporation's current record of shareholders
3 constitutes one (1) shareholder:

- 4 1. A corporation, partnership, trust, estate or other entity;
- 5 2. The trustees, guardians, custodians or other fiduciaries of
6 a single trust, estate or account; or
- 7 3. One (1) data address.

8 SECTION 4. NEW LAW A new section of law to be codified
9 in the Oklahoma Statutes as Section 2104 of Title 18, unless there
10 is created a duplication in numbering, reads as follows:

11 Within a reasonable time after the issue or transfer of shares
12 without certificates, the corporation shall send the shareholder a
13 written statement of the information required on certificates as
14 provided by law.

15 SECTION 5. NEW LAW A new section of law to be codified
16 in the Oklahoma Statutes as Section 2105 of Title 18, unless there
17 is created a duplication in numbering, reads as follows:

18 After fixing a record date for a meeting, a corporation shall
19 prepare an alphabetical or numerical list of the identities of all
20 its shareholders who are entitled to notice of a shareholders'
21 meeting. The list shall be arranged by voting group, and within
22 each voting group, by class or by series of shares, and show the
23 number of shares held by each shareholder. The list shall also show
24 each shareholder's physical mailing address, if the identity of a

1 shareholder on the list consists of the shareholder's name, and each
2 shareholder's authorized means of receipt for electronic
3 transmissions, if the identity of a shareholder on the list consists
4 of the shareholder's data address.

5 SECTION 6. NEW LAW A new section of law to be codified
6 in the Oklahoma Statutes as Section 2106 of Title 18, unless there
7 is created a duplication in numbering, reads as follows:

8 A. If the name or network signature signed on a vote, consent,
9 waiver or proxy appointment corresponds to the name or data address
10 of a shareholder, the corporation, if acting in good faith, is
11 entitled to accept the vote, consent, waiver or proxy appointment
12 and give it effect as the act of the shareholder.

13 B. If the name or network signature signed on a vote, consent,
14 waiver or proxy appointment does not correspond to the name or data
15 address of its shareholder, the corporation, if acting in good
16 faith, is nevertheless entitled to accept the vote, consent, waiver
17 or proxy appointment and give it effect as the act of the
18 shareholder if:

19 1. The shareholder is an entity and the name or network
20 signature signed purports to be that of an officer or agent of the
21 entity;

22 2. The name or network signature signed purports to be that of
23 an administrator, executor, guardian or conservator representing the
24 shareholder and, if the corporation requests, evidence of fiduciary

1 status acceptable to the corporation has been presented with respect
2 to the vote, consent, waiver or proxy appointment;

3 3. The name or network signature signed purports to be that of
4 a receiver or trustee in bankruptcy of the shareholder and, if the
5 corporation requests, evidence of this status acceptable to the
6 corporation has been presented with respect to the vote, consent,
7 waiver or proxy appointment;

8 4. The name or network signature signed purports to be that of
9 a pledgee, beneficial owner or attorney-in-fact of the shareholder
10 and, if the corporation requests, evidence acceptable to the
11 corporation of the signatory's authority to sign for the shareholder
12 has been presented with respect to the vote, consent, waiver or
13 proxy appointment; or

14 5. Two or more persons are the shareholder as cotenants or
15 fiduciaries and the name or network signature signed purports to be
16 the name or data address of at least one of the co-owners and the
17 person signing appears to be acting on behalf of all the co-owners.

18 SECTION 7. NEW LAW A new section of law to be codified
19 in the Oklahoma Statutes as Section 2107 of Title 18, unless there
20 is created a duplication in numbering, reads as follows:

21 One or more shareholders may create a voting trust, conferring
22 on a trustee the right to vote or otherwise act for them, by signing
23 an agreement setting out the provisions of the trust, which may
24 include anything consistent with its purpose, and transferring their
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1 shares to the trustee. When a voting trust agreement is signed, the
2 trustee shall prepare a list of the identities of all owners of
3 beneficial interests in the trust, together with the number and
4 class of shares each transferred to the trust. The list shall also
5 show each shareholder's physical mailing address, if the identity of
6 a shareholder on the list consists of the shareholder's name, and
7 each shareholder's authorized means of receipt for electronic
8 transmissions, if the identity of a shareholder on the list consists
9 of the shareholder's data address. Copies of the list and agreement
10 shall be delivered to the corporation's principal office.

11 SECTION 8. NEW LAW A new section of law to be codified
12 in the Oklahoma Statutes as Section 2108 of Title 18, unless there
13 is created a duplication in numbering, reads as follows:

14 A. A record of shareholders administered by or on behalf of a
15 corporation shall be kept in a form that permits preparation of a
16 list of the identities of all shareholders, in alphabetical or
17 numerical order by class of shares showing the number and class of
18 shares held by each. The list shall also show each shareholder's
19 physical mailing address, if the identity of a shareholder on the
20 list consists of the shareholder's name, and each shareholder's
21 authorized means of receipt for electronic transmissions, if the
22 identity of a shareholder on the list consists of the shareholder's
23 data address. A record of shareholders may show both the
24 shareholder's name and data address.

1 B. Records administered by or on behalf of, or maintained by, a
2 corporation may be kept on, or by means of, or be in the form of any
3 information storage device or method or any one or more distributed
4 or other electronic networks or databases provided that the records
5 are kept in written form or in another form capable of conversion
6 into written form within a reasonable time.

7 SECTION 9. This act shall become effective November 1, 2019.

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