

HOUSE No. 2970

The Commonwealth of Massachusetts

PRESENTED BY:

Leonard Mirra

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to corporate disclosure.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Leonard Mirra</i>	<i>2nd Essex</i>	<i>1/20/2017</i>
<i>James R. Miceli</i>	<i>19th Middlesex</i>	<i>1/26/2017</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>	<i>2/3/2017</i>
<i>Chris Walsh</i>	<i>6th Middlesex</i>	<i>2/2/2017</i>

HOUSE No. 2970

By Mr. Mirra of West Newbury, a petition (accompanied by bill, House, No. 2970) of Leonard Mirra and others relative to corporate disclosures. Financial Services.

The Commonwealth of Massachusetts

**In the One Hundred and Ninetieth General Court
(2017-2018)**

An Act relative to corporate disclosure.

Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

1 Section 22 of Chapter 155 of the General Laws, as appearing in the 2014 Official Edition,
2 is hereby amended by inserting, after the last paragraph, the following new sections:-

3 In matters concerning the inspection of records, shareholders of a corporation shall:

4 (1) Be entitled to inspect and copy, during regular business hours at the corporation’s
5 principal office, any of the records of the corporation described in Section 16.01 of Chapter
6 156D of the M.G.L., if the shareholder gives the corporation written notice of his or her demand
7 at least 5 business days before the date on which he or she wishes to inspect and copy;

8 (2) Be entitled to inspect and copy, during regular business hours at a reasonable location
9 specified by the corporation, any of the following records of the corporation if the shareholder
10 meets the requirements of subsection (3) and gives the corporation written notice of his or her
11 demand at least 5 business days before the date on which he or she wishes to inspect and copy:

12 (a) Excerpts from minutes of any meeting of the board of directors, records of any
13 action of a committee of the board of directors while acting in place of the board of directors on
14 behalf of the corporation, minutes of any meeting of the shareholders, and records of action
15 taken by the shareholders or board of directors without a meeting, to the extent not subject to
16 inspection under subsection (1);

17 (b) Accounting records of the corporation;

18 (c) The record of shareholders; and

19 (d) Any other books and records.

20 (3) Be entitled to inspect and copy the records described in subsection (2) only if:

21 (a) The shareholder's demand is made in good faith and for a proper purpose;

22 (b) The shareholder describes with reasonable particularity his or her purpose and the
23 records he or she desires to inspect; and

24 (c) The records are directly connected with the shareholder's purpose.

25 (4) A shareholder of a Massachusetts corporation, or a shareholder of a foreign
26 corporation authorized to transact business in this state who resides in this state, is entitled to
27 inspect and copy, during regular business hours at a reasonable location in this state specified by
28 the corporation, a copy of the records of the corporation's bylaws or restated bylaws and all
29 amendments to them currently in effect and a list of the names and business street addresses of
30 its current directors and officers, if the shareholder gives the corporation written notice of his or
31 her demand at least 15 business days before the date on which he or she wishes to inspect and
32 copy.

33 A corporation may deny any demand for inspection made pursuant to subsection (2) if the
34 demand was made for an improper purpose, or if the demanding shareholder has within 2 years
35 preceding his or her demand sold or offered for sale any list of shareholders of the corporation or
36 any other corporation, has aided or abetted any person in procuring any list of shareholders for
37 any such purpose, or has improperly used any information secured through any prior
38 examination of the records of the corporation or any other corporation.

39 A shareholder may not sell or otherwise distribute any information or records inspected
40 under this section, except to the extent that such use is for a proper purpose. Any person who
41 violates this provision shall be subject to a civil penalty of \$5,000.

42 For the purpose of this section:

43 (a) The term “shareholder” includes a beneficial owner whose shares are held in a
44 voting trust or by a nominee on his or her behalf;

45 (b) A “proper purpose” means a purpose reasonably related to such person’s interest
46 as a shareholder.

47 Nothing in this section is intended affect the power of a court, independently of this act,
48 to compel the production of corporate records for examination.