

HOUSE No. 4301

The Commonwealth of Massachusetts

HOUSE OF REPRESENTATIVES, October 15, 2007.

The committee on Economic Development and Emerging Technologies, to whom was referred the petition (accompanied by bill, House, No. 380) of William F. Galvin relative to technical corrections to the Massachusetts Business Corporation Act, reports recommending that the accompanying bill (House, No. 4301) ought to pass.

For the committee,

DANIEL E. BOSLEY.

The Commonwealth of Massachusetts

In the Year Two Thousand and Seven.

AN ACT RELATIVE TO TECHNICAL CORRECTIONS TO THE MASSACHUSETTS
BUSINESS CORPORATION ACT.

*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 1. Section 1.22 of Chapter 156D of the General
2 Laws, as appearing in the 2006 Official Edition, is hereby
3 amended by striking out the word “Act” in line 4, and inserting in
4 place thereof the following word:—chapter.

1 SECTION 2. Section 1.40 of Chapter 156D is hereby amended
2 by striking out the word “means” in line 4.

1 SECTION 3. Section 1.40 of Chapter 156D is hereby amended
2 by striking out the word “means” in line 8.

1 SECTION 4. Section 1.40 Chapter 156D is hereby amended by
2 striking out the words “includes authority, county, district, and
3 municipality” in lines 52-53 and inserting in place thereof the
4 following words:— an authority, county, district or municipality.

1 SECTION 5. Section 1.40 Chapter 156D is hereby amended by
2 striking out the words “apply to” in line 100 and inserting in place
3 thereof the following word:— applies.

1 SECTION 6. Section 1.40 of Chapter 156D is hereby further
2 amended by striking out the word “stock” in each place where it
3 appears and inserting in place thereof the following word:—
4 shares.

1 SECTION 7. Section 2.05 of Chapter 156D is hereby amended
2 by striking out the word “by-laws” in each place where it appears
3 and inserting in place thereof the following word:— bylaws.

1 SECTION 8. Section 2.05 of Chapter 156D is hereby amended
2 by striking out the word “and” in line 19 and inserting in place
3 thereof the following word:— or.

1 SECTION 9. Section 3.02 of Chapter 156D is hereby amended
2 by striking out the word “stock” in each place where it appears
3 and inserting in place thereof the following word:— shares.

1 SECTION 10. Clause (1) of subsection (a) of Section 4.01 of
2 Chapter 156D is hereby amended by striking out its text in its
3 entirety and inserting in place thereof the following words:—
4 shall contain the word “corporation,” “incorporated,” “company”
5 or “limited” or the abbreviation “corp,” “inc,” “co,” or “ltd,” or
6 words or abbreviations of like import in another language; and

1 SECTION 11. Section 4.01 of Chapter 156D is hereby amended
2 by striking out the words “Section 301” in line 7, and inserting in
3 place thereof the following words:— Section 3.01.

1 SECTION 12. Section 4.01 of Chapter 156D is hereby amended
2 by striking out the word “fictitious” in line 15, and inserting in
3 place thereof the following word:— fictitious.

1 SECTION 13. Section 5.02 of 156D is hereby amended by
2 striking out the words “(either manually or in facsimile) and
3 delivering to the secretary of state for filing a statement of change
4 that complies with the requirements of subsection (a) and recites
5 that corporation” and inserting in place thereof the following
6 words:— , either manually or in facsimile, and delivering to the
7 secretary of state for filing a statement of change that complies
8 with the requirements of subsection (a) and recites that the corpo-
9 ration.

1 SECTION 14. Section 6.02 of Chapter 156D is hereby amended
2 by striking out the word “recision” in line 40, and inserting in
3 place thereof the following word:— rescission.

1 SECTION 15. Section 6.23 of Chapter 156D is hereby amended
2 by striking out the words “the articles of organization so autho-

3 rized” in lines 7-8, and inserting in place thereof the following
4 words:— authorized by the articles of organization.

1 SECTION 16. Section 6.23 of Chapter 156D is hereby amended
2 by striking out the words “class of series” in line 9, and inserting
3 in place thereof the following words:— class or series.

1 SECTION 17. Section 6.23 of Chapter 156D is hereby amended
2 by striking out the words “with respect to distributions” in line 16,
3 and inserting in place thereof the following words:— with respect
4 to a distribution.

1 SECTION 18. Section 6.27 of Chapter 156D is hereby amended
2 by striking out the words “transfer of the holder if the restriction
3 is authorized by this section and its existence is noted conspicu-
4 ously on the front or back of the certificate or is contained in the
5 formation” in lines 14-17, and inserting in place thereof the
6 following words:— transferee of the holder if the restriction is
7 authorized by this section and its existence is noted conspicuously
8 on the front or back of the certificate or is contained in the infor-
9 mation.

1 SECTION 19. Section 6.27 of Chapter 156D is hereby amended
2 by striking out the word
3 “to transfer” in line 26, and inserting in place thereof the
4 following words:— of transfer.

1 SECTION 20. Section 6.30 of Chapter 156D is hereby amended
2 by striking out the words “‘share’ includes” in line 6, and
3 inserting in place thereof the following words:— shares include.

1 SECTION 21. Section 6.40 of Chapter 156D is hereby amended
2 by striking out the words “articles or organization” in line 16, and
3 inserting in place thereof the following words:— articles of orga-
4 nization.

1 SECTION 22. Section 6.40 of Chapter 156D is hereby amended
2 by striking out the word “than” in line 47, and inserting in place
3 thereof the following word:— then.

1 SECTION 23. Section 6.41 of Chapter 156D is hereby amended
2 by striking out the words “two-year period” in line 44, and
3 inserting in place thereof the following words:— three-year
4 period.

1 SECTION 24. Section 7.04 of Chapter 156D is hereby amended
2 by striking out the word “Act” in line 28, and inserting in place
3 thereof the following word:— chapter.

1 SECTION 25. Section 7.08 of Chapter 156D is hereby amended
2 by striking out the word “stockholder” in line 17, and inserting in
3 place thereof the following word:— shareholder.

1 SECTION 26. Section 7.08 of Chapter 156D is hereby amended
2 by striking out the word “stockholder” in line 23, and inserting in
3 place thereof the following word:— shareholder.

1 SECTION 27. Section 7.24 of Chapter 156D is hereby amended
2 by striking out the word “demutualization” in line 25, and
3 inserting in place thereof the following word:— cotenants.

1 SECTION 28. Section 7.25 of Chapter 156D is hereby amended
2 by striking out the word “Act” in line 5, and inserting in place
3 thereof the following word:— chapter.

1 SECTION 29. Section 7.47 said Chapter 156D is hereby
2 amended by striking out the word ”subchapter” in line 3, and
3 inserting in place thereof the following word:— subdivision.

1 SECTION 30. Section 8.06 of Chapter 156D is hereby amended
2 by striking out the word “stock” in line 38, and inserting in place
3 thereof the following word:— shares.

1 SECTION 31. Section 8.06 of Chapter 156D is hereby amended
2 by striking out the word “stock” in line 50, and inserting in place
3 thereof the following word:— shares.

1 SECTION 32. Section 8.06 of Chapter 156D is hereby amended
2 by striking out the words “shall, unless otherwise provided in the

3 vote, shall become” lines 53-54, and inserting in place thereof the
4 following words:— shall, unless otherwise provided in the vote,
5 become.

1 SECTION 33. Section 8.06 of Chapter 156D is hereby amended
2 by striking out the word “effect” in line 111, and inserting in place
3 thereof the following word:— affect.

1 SECTION 34. Section 8.10 of Chapter 156D is hereby amended
2 by striking out the word “by-laws” in line 12, and inserting in
3 place thereof the following word:—bylaws.

1 SECTION 35. Section 8.32 of Chapter 156D is hereby amended
2 by striking out the words “the obligation of a director of, the cor-
3 poration” in line 3, and inserting in place thereof the following
4 words:— the obligation of, a director of the corporation.

1 SECTION 36. Section 8.45 of Chapter 156D is hereby amended
2 by striking out the words “clerk or an assistant clerk” in line 6,
3 and inserting in place thereof the following words:— secretary or
4 an assistant secretary.

1 SECTION 37. Section 8.50 of Chapter 156D is hereby amended
2 by striking out the title “SUBCHAPTER DEFINITIONS” in line
3 1, and inserting in place thereof the following title:—
4 SUBDIVISION DEFINITIONS.

1 SECTION 38. Section 8.54 of Chapter 156D is hereby amended
2 by striking out the words “Sections 8.51 or 8.51” in lines 19-20,
3 and inserting in place thereof the following words:—
4 Section 8.51.

1 SECTION 39. Section 8.55 of Chapter 156D is hereby amended
2 by inserting, after the words “appointed by” in lines 11-12, the
3 following words:— such a.

1 SECTION 40. Subsection (a) of Section 8.56 of subdivision E
2 of PART 8 of said Chapter 156D, as so appearing, is hereby

3 amended by striking out the word “subchapter” and inserting in
4 place thereof the following word:— subdivision.

1 SECTION 41. Section 8.58 of Chapter 156D is hereby amended
2 by striking out the in title the word “SUBCHAPTER” in line 2,
3 and inserting in place thereof the following word:—

4 SUBDIVISION.

1 SECTION 42. Section 8.58 of Chapter 156D is hereby amended
2 by striking out the words “articles of incorporation” in line 20,
3 and inserting in place thereof the following words:— articles of
4 organization.

1 SECTION 43. Section 8.58 of Chapter 156D is hereby further
2 amended by striking out the words “clause (3) of subsection (a) of
3 Section 11.06” in line 24, and inserting in place thereof the
4 following words:— clause (4) of subsection (a) of Section 11.07.

1 SECTION 44. Section 8.58 of Chapter 156D is hereby amended
2 by striking out the word “subchapter” in line 27, and inserting in
3 place thereof the following word:— subdivision.

1 SECTION 45. Section 8.59 of Chapter 156D is hereby amended
2 by striking out, in the title, the word “SUBCHAPTER” in line 1,
3 and inserting in place thereof the following word:—

4 SUBDIVISION.

1 SECTION 46. Section 9.21 of Chapter 156D is hereby further
2 amended by striking out the words “subsection (c) of Section
3 9.21” in line 28, and inserting in place thereof the following
4 words:— subsection (3) of Section 9.21.

1 SECTION 47. Section 9.22 of Chapter 156D is hereby amended
2 by striking out the words “chapter 15” in line 33, and inserting in
3 place thereof the following words:—

4 PART 15.

1 SECTION 48. Section 9.30 of Chapter 156D is hereby amended
2 by striking out the word “subchapter” in line 10, and inserting in
3 place thereof the following word:— subdivision.

1 SECTION 49. Section 9.31 of Chapter 156D is hereby amended
2 by striking out the words “Section 10.22” in line 27, and inserting
3 in place thereof the following words:—
4 Section 10.21.

1 SECTION 50. Section 9.31 of Chapter 156D is hereby further
2 amended by striking out the words “plan of domestication” in line
3 30, and inserting in place thereof the following words:— plan of
4 nonprofit conversion.

1 SECTION 51. Section 9.31 of Chapter 156D is hereby further
2 amended by striking out the words “Section 9.31(c)” in line 35,
3 and inserting in place thereof the following words:— Section
4 9.31(3).

1 SECTION 52. Section 9.32 of Chapter 156D is hereby amended
2 by striking out the word “Act” in line 16, and inserting in place
3 thereof the following word:— chapter.

1 SECTION 53. Section 9.40 of Chapter 156D is hereby amended
2 by striking out the word “subchapter” in line 7, and inserting in
3 place thereof the following word:—subdivision.

1 SECTION 54. Section 9.52 of Chapter 156D is hereby amended
2 by striking out the words “organizational documents” in lines 16-
3 17, and inserting in place thereof the following words:— organic
4 documents.

1 SECTION 55. Section 9.52 of Chapter 156D is hereby further
2 amended by striking out the words “plan of domestication” in line
3 24, and inserting in place thereof the following words:— plan of
4 conversion.

1 SECTION 56. Section 9.52 of Chapter 156D is hereby further
2 amended by striking out the words “subsection (c) of this section”

3 in line 29, and inserting in place thereof the following words:—
4 subsection (3) of this section.

1 SECTION 57. Section 9.52 of Chapter 156D is hereby amended
2 by striking out subclauses (1) and (2) in lines 32-37, and inserting
3 in place thereof the following two subclauses:— (i) would have a
4 right to vote as a separate voting group on a provision in the plan
5 that, if contained in a proposed amendment to articles of organiza-
6 tion, would require action by separate voting groups under Section
7 10.04; or
8 (ii) is entitled under the articles of organization to vote as a
9 voting group to approve a plan of merger.

1 SECTION 58. Section 9.53 of Chapter 156D is hereby amended
2 by striking out the words “any other desired provisions that
3 Section 2.02 subsection (b) of permits” in lines 34-35, and
4 inserting in place thereof the following words:— any other
5 desired provisions that subsection (b) of Section 2.02 permits.

1 SECTION 59. Section 9.55 of Chapter 156D is hereby amended
2 by striking out the word “subchapter” in line 2, and inserting in
3 place thereof the following word :— subdivision.

1 SECTION 60. Clause (5) of subsection (a) of Section 9.55 of
2 Chapter 156D is hereby amended by striking out the words “orga-
3 nizational document” in each place it appears and inserting in
4 place thereof the following words:— organic document.

1 SECTION 61. Section 10.22 of chapter 156D is hereby
2 amended by striking out the word “Act” in line 5, and inserting in
3 place thereof the following word:—Chapter.

1 SECTION 62. Section 11.01 of Chapter 156D is hereby
2 amended by striking out the words “merger under a plan of
3 merger” in line 9, and inserting in place thereof the following
4 word:— merge under a plan of merger.

1 SECTION 63. Subsection (b) of Section 11.03 of Chapter 156D
2 is hereby amended by striking out the word “chapter”, each time it

3 appears, and inserting in place thereof, in each instance, the
4 following word:—
5 PART.

1 SECTION 64. Section 11.04 of Chapter 156D is hereby
2 amended by striking out the words “the Act” in line 35, and
3 inserting in place thereof the following words:—this Chapter.

1 SECTION 65. Section 11.04 of Chapter 156D is hereby further
2 amended by striking out the words “subsection (c) of Section
3 11.04” in lines 36-37, and inserting in place thereof the following
4 words:— subsection (3) of Section 11.04.

1 SECTION 66. Section 11.04 of Chapter 156D is hereby
2 amended by striking out the words “article of organization” in
3 lines 38-39, and inserting in place thereof the following words:—
4 articles of organization.

1 SECTION 67. Section 11.04 of Chapter 156D is hereby
2 amended by striking out the word “stock” in line 65, and inserting
3 in place thereof the following word:—shares.

1 SECTION 68. Section 11.06 of Chapter 156D is hereby
2 amended by striking out the words “organizational documents” in
3 line 28, and inserting in place thereof the following words:—
4 organic documents.

1 SECTION 69. Section 11.07 of Chapter 156D is hereby
2 amended by striking out the words “organizational documents” in
3 line 18, and inserting in place thereof the following words:—
4 organic documents.

1 SECTION 70. Subsection (e) of Section 12.02 of Chapter 156D
2 is hereby amended by striking out the words “subsection (c) of
3 Section 12.02” in each place it appears and inserting in place
4 thereof the following words:— subsection (b) of Section 12.02.

1 SECTION 71. Section 13.02 of Chapter 156D is hereby
2 amended by striking out the words “other than in his capacity as

3 (i) a shareholder of the corporation, (ii) a director, officer,
4 employee or consultant of either the merging or the surviving cor-
5 poration” in lines 14-17, and inserting in place thereof the
6 following words:— other than (i) in his capacity as a shareholder
7 of the corporation, (ii) in his capacity as a director, officer,
8 employee or consultant of either the merging or the surviving cor-
9 poration.

1 SECTION 72. Section 13.02 of Chapter 156D is hereby
2 amended by striking out the words “other than in his capacity as
3 (i) a shareholder of the corporation whose shares are to be
4 exchanged, (ii) a director, officer, employee or consultant of either
5 the corporation whose shares are to be exchanged or the acquiring
6 corporation” in lines 26-30, and inserting in place thereof the
7 following words:— other than (i) in his capacity as a shareholder
8 of the corporation, (ii) in his capacity as a director, officer,
9 employee or consultant of either the merging or the surviving cor-
10 poration.

1 SECTION 73. Section 13.02 of Chapter 156D is hereby
2 amended by striking out the words “other than in his capacity as
3 (i) a shareholder of the corporation, (ii) a director, officer,
4 employee or consultant of either the corporation or the acquiring
5 corporation” in lines 51-53, and inserting in place thereof the
6 following words:— other than (i) in his capacity as a shareholder
7 of the corporation, (ii) in his capacity as a director, officer,
8 employee or consultant of either the merging or the surviving cor-
9 poration.

1 SECTION 74. Section 13.02 of Chapter 156D is hereby
2 amended by striking out the words “transfer of registration or any
3 outstanding shares” in lines 79-80, and inserting in place thereof
4 the following words:— transfer of registration of any outstanding
5 shares.

1 SECTION 75. Subsection (a) of Section 13.20 of Chapter 156D
2 is hereby amended by striking out the word “chapter”, each time it
3 appears, and inserting in place thereof, in each instance, the
4 following word:—
5 PART.

1 SECTION 76. Section 13.21 of Chapter 156D is hereby
2 amended by striking out the word “chapter” in line 13, and
3 inserting in place thereof the following word:—PART.

1 SECTION 77. Section 13.22 of Chapter 156D is hereby
2 amended by striking out the word “chapter” in line 38, and
3 inserting in place thereof the following word:-PART.

1 SECTION 78. Section 13.25 of Chapter 156D is hereby
2 amended by striking out the word “deserved” in line 31, and
3 inserting in place thereof the following word:— described.

1 SECTION 79. Section 13.31 of Chapter 156D is hereby
2 amended by striking out the word “chapter” in line 20, and
3 inserting in place thereof the following word:—PART.

1 SECTION 80. Section 14.20 of Chapter 156D is hereby
2 amended by inserting immediately before the words “the General
3 Laws” in line 7, the following words:— Chapter 62C or Chapter
4 63 of.

1 SECTION 81. Section 14.30 of Chapter 156D is hereby
2 amended by striking out the word “stock” in line 11, and inserting
3 in place thereof the following word:— shares.

1 SECTION 82. Section 14.34 of Chapter 156D is hereby
2 amended by striking out the word “stock” in line 24, and inserting
3 in place thereof the following word:— shares.

1 SECTION 83. Section 15.01 of Chapter 156D is hereby
2 amended by striking out the word “corporations” in line 19, and
3 inserting in place thereof the following word:— corporation’s.

1 SECTION 84. Section 15.01 of Chapter 156D is hereby
2 amended by inserting after the word “with” in line 29, the
3 following word:— the.

1 SECTION 85. Section 15.03 of Chapter 156D is hereby
2 amended by striking out the word “agents” in line 14, and
3 inserting in place thereof the following word:— agent’s.

1 SECTION 86. Section 15.04 of Chapter 156D is hereby
2 amended by inserting after the word “information” in line 23, the
3 following word:— in.

1 SECTION 87. Section 15.05 of Chapter 156D is hereby
2 amended by striking out the word “corporations” in line 12, and
3 inserting in place thereof the following word:— corporation’s.

1 SECTION 88. Section 15.05 of Chapter 156D is hereby further
2 amended by striking out the word “stockholders” in line 13, and
3 inserting in place thereof the following word:— shareholders.

1 SECTION 89. Section 15.30 of chapter 156D is hereby
2 amended by inserting after the words “or chapter 63” in line 6, the
3 following words:— of the General Laws.

1 SECTION 90. Section 15.31 of Chapter 156D is hereby
2 amended by striking out the word “corporations” in line 13, and
3 inserting in place thereof the following word:— corporation’s.

1 SECTION 91. Section 15.31 of Chapter 156D is hereby
2 amended by striking out the word “corporations” in line 19, and
3 inserting in place thereof the following word:— corporation’s.

1 SECTION 92. Section 15.32 of Chapter 156D is hereby
2 amended by striking out the word “corporations” in line 10, and
3 inserting in place thereof the following word:— corporation’s.

1 SECTION 93. Section 16.21 of Chapter 156D is hereby
2 amended by striking out the title “BY-LAW AMENDMENTS” in
3 line 1, and inserting in place thereof the following title:—
4 BYLAW AMENDMENTS.