

**ASSEMBLY BILL**

**No. 285**

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**Introduced by Assembly Member Tran**

February 13, 2009

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An act to amend Section 20 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 285, as introduced, Tran. Corporations: electronic transmissions.

Existing law provides requirements of an authorized electronic transmission by a corporation, including without limitation, that an electronic communication to an individual shareholder or member satisfies the federal Electronic Signatures in Global and National Commerce Act.

This bill would eliminate the requirement to satisfy that federal law and instead would require that electronic transmissions to an individual shareholder or member who is a natural person shall be preceded by or include a written statement containing specified information.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 20 of the Corporations Code is amended  
2 to read:  
3 20. "Electronic transmission by the corporation" means a  
4 communication (a) delivered by (1) facsimile telecommunication  
5 or electronic mail when directed to the facsimile number or  
6 electronic mail address, respectively, for that recipient on record

1 with the corporation, (2) posting on an electronic message board  
2 or network which the corporation has designated for those  
3 communications, together with a separate notice to the recipient  
4 of the posting, which transmission shall be validly delivered upon  
5 the later of the posting or delivery of the separate notice thereof,  
6 or (3) other means of electronic communication, (b) to a recipient  
7 who has provided an unrevoked consent to the use of those means  
8 of transmission for communications under or pursuant to this code,  
9 and (c) that creates a record that is capable of retention, retrieval,  
10 and review, and that may thereafter be rendered into clearly legible  
11 tangible form. However, an electronic transmission *under this code*  
12 by a corporation to an individual shareholder or member ~~under~~  
13 ~~this code~~ *who is a natural person, and if an officer or director of*  
14 *the corporation, only if communicated to the recipient in that*  
15 *person's capacity as a shareholder or member, is not authorized*  
16 unless, in addition to satisfying the requirements of this section,  
17 the transmission ~~satisfies the requirements applicable to consumer~~  
18 ~~consent to electronic records as set forth in the Electronic~~  
19 ~~Signatures in Global and National Commerce Act (15 U.S.C. Sec.~~  
20 ~~7001(e)(1))~~ *has been preceded by or includes a clear written*  
21 *statement to the recipient as to (a) any right of the recipient to*  
22 *have the record provided or made available on paper or in*  
23 *nonelectronic form, (b) whether the consent applies only to that*  
24 *transmission, to specified categories of communications, or to all*  
25 *communications from the corporation, and (c) the procedures the*  
26 *recipient must use to withdraw consent.*

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