

Assembly Bill No. 285

CHAPTER 96

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

[Approved by Governor August 5, 2009. Filed with
Secretary of State August 6, 2009.]

LEGISLATIVE COUNSEL'S DIGEST

AB 285, Tran. Corporations: electronic transmissions.

Existing law provides requirements for an authorized electronic transmission by a corporation, including without limitation, that the recipient has provided an unrevoked consent to the means of transmission and that an electronic transmission 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 would require that the consent to electronic transmissions to an individual shareholder or member of the corporation who is a natural person be preceded by or include a written statement to the recipient containing specified information.

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

SECTION 1. Section 20 of the Corporations Code is amended to read:

20. "Electronic transmission by the corporation" means a communication (a) delivered by (1) facsimile telecommunication or electronic mail when directed to the facsimile number or electronic mail address, respectively, for that recipient on record with the corporation, (2) posting on an electronic message board or network which the corporation has designated for those communications, together with a separate notice to the recipient of the posting, which transmission shall be validly delivered upon the later of the posting or delivery of the separate notice thereof, or (3) other means of electronic communication, (b) to a recipient who has provided an unrevoked consent to the use of those means of transmission for communications under or pursuant to this code, and (c) that creates a record that is capable of retention, retrieval, and review, and that may thereafter be rendered into clearly legible tangible form. However, an electronic transmission under this code by a corporation to an individual shareholder or member of the corporation who is a natural person, and if an officer or director of the corporation, only if communicated to the recipient in that person's capacity as a shareholder or member, is not authorized unless, in addition to satisfying the requirements of this section, the consent to the transmission has been

preceded by or includes a clear written statement to the recipient as to (a) any right of the recipient to have the record provided or made available on paper or in nonelectronic form, (b) whether the consent applies only to that transmission, to specified categories of communications, or to all communications from the corporation, and (c) the procedures the recipient must use to withdraw consent.