

**ASSEMBLY BILL**

**No. 1471**

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**Introduced by Assembly Member Perea**

February 27, 2015

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An act to amend Section 201 of the Corporations Code, relating to corporations.

LEGISLATIVE COUNSEL'S DIGEST

AB 1471, as introduced, Perea. Business entity name reservations.

Existing law, the General Corporations law, authorizes the Secretary of State, upon payment of a fee by the applicant, to issue a certificate of reservation of any name, not otherwise prohibited.

The bill would make a nonsubstantive change.

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 201 of the Corporations Code is amended  
2 to read:  
3 201. (a) The Secretary of State shall not file articles setting  
4 forth a name in which “bank,” “trust,” “trustee,” or related words  
5 appear, unless the certificate of approval of the Commissioner of  
6 Business Oversight is attached thereto. This subdivision does not  
7 apply to the articles of any corporation subject to the Banking Law  
8 on which is endorsed the approval of the Commissioner of Business  
9 Oversight.  
10 (b) The Secretary of State shall not file articles which set forth  
11 a name which is likely to mislead the public or which is the same

1 as, or resembles so closely as to tend to deceive, the name of a  
 2 domestic corporation, the name of a foreign corporation which is  
 3 authorized to transact intrastate business or has registered its name  
 4 pursuant to Section 2101, a name which a foreign corporation has  
 5 assumed under subdivision (b) of Section 2106, a name which will  
 6 become the record name of a domestic or foreign corporation upon  
 7 the effective date of a filed corporate instrument where there is a  
 8 delayed effective date pursuant to subdivision (c) of Section 110  
 9 or subdivision (c) of Section 5008, or a name which is under  
 10 reservation for another corporation pursuant to this title, except  
 11 that a corporation may adopt a name that is substantially the same  
 12 as an existing domestic corporation or foreign corporation which  
 13 is authorized to transact intrastate business or has registered its  
 14 name pursuant to Section 2101, upon proof of consent by such  
 15 domestic or foreign corporation and a finding by the Secretary of  
 16 State that under the circumstances the public is not likely to be  
 17 misled.

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19 (c) *The* use by a corporation of a name in violation of this section  
 20 may be enjoined notwithstanding the filing of its articles by the  
 21 Secretary of State.

22 (e)

23 (d) Any applicant may, upon payment of the fee prescribed  
 24 therefor in *Article 3 (commencing with Section 12180) of Chapter*  
 25 *3 of Part 2 of Division 3 of Title 2 of the Government Code*, obtain  
 26 from the Secretary of State a certificate of reservation of any name  
 27 not prohibited by subdivision (b), and upon the issuance of the  
 28 certificate the name stated therein shall be reserved for a period  
 29 of 60 days. The Secretary of State shall not, however, issue  
 30 certificates reserving the same name for two or more consecutive  
 31 60-day periods to the same applicant or for the use or benefit of  
 32 the same person, partnership, firm or corporation; nor shall  
 33 consecutive reservations be made by or for the use or benefit of  
 34 the same person, partnership, firm or corporation of names so  
 35 similar as to fall within the prohibitions of subdivision (b).