

# HOUSE . . . . . No. 900

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By Mr. Businger of Brookline, petition of John A. Businger for legislation to clarify the law relative to shareholder derivative actions. Commerce and Labor.

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## The Commonwealth of Massachusetts

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In the Year One Thousand Nine Hundred and Ninety.

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AN ACT TO CLARIFY THE LAWS REGARDING SHAREHOLD DERIVATIVE ACTIONS.

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

1 Chapter 156 B of the General Laws is hereby amended by insert-  
2 ing after Section 45 the following section: —

3 Section 46A. In a derivative action brought by one or more  
4 shareholders or members to enforce a right of a corporation or  
5 other business organization, such shareholders or members shall  
6 be excused from making any demand on the remaining share-  
7 holders or members as a prerequisite to maintaining the suit  
8 whenever the total number of shareholders or members of the cor-  
9 poration exceed thirty.

