

HOUSE No. 4411

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

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Ninety-Two.

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 156B of the General Laws is hereby amended by
2 inserting 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
7 shareholders or members as a prerequisite to maintaining the suit
8 whenever the total number of shareholders or members of the
9 corporation exceed thirty.

