

HOUSE No. 3290

The Commonwealth of Massachusetts

PRESENTED BY:

Carmine Lawrence Gentile

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act to revise Massachusetts corporate charter revocation.

PETITION OF:

NAME:

Carmine Lawrence Gentile

DISTRICT/ADDRESS:

13th Middlesex

HOUSE No. 3290

By Mr. Gentile of Sudbury, a petition (accompanied by bill, House, No. 3290) of Carmine Lawrence Gentile relative to the revocation of corporate charters. The Judiciary.

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 816 OF 2017-2018.]

The Commonwealth of Massachusetts

**In the One Hundred and Ninety-First General Court
(2019-2020)**

An Act to revise Massachusetts corporate charter revocation.

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

1 SECTION 1. Section 8.02 of chapter 156D of the General Laws, as appearing in the 2014
2 Official Edition, is hereby amended by adding at the end there of, the following:- No person may
3 serve as a director who has, within the past ten years, been a director or officer of a corporation
4 that was found to exceed or abuse the authority conferred upon it by law in a proceeding under
5 section 14.30, 15.30-31, or 15.33 of this chapter.

6 SECTION 2. Section 14.30 of chapter 156D of the General Laws, as appearing in the
7 2014 Official Edition, is hereby amended by adding after subsection (4) the following
8 subsection:-

9 (5) In a proceeding by any citizen of the state, or by a shareholder, if it is established that
10 the corporation has continued to exceed or abuse the authority conferred upon it by law. Any

11 complaint initiating a proceeding under this subsection must allege at least 3 criminal felonies,
12 arising from three or more separate acts or omissions within the same 10 year period, and each of
13 which concluded with the corporation receiving or entering one or more of the following:

14 (i) conviction, including by default;

15 (ii) plea of guilt, nolo contendere, or no contest;

16 (iii) entry into a non-prosecution or deferred prosecution agreement to resolve the charge,
17 if the terms and conditions of the agreement include a requirement that the corporation make a
18 payment equal to or greater than \$1,000,000 to resolve criminal charges.

19 SECTION 3. Section 15.30 of chapter 156D of the general laws, as appearing in the 2014
20 Official Edition, is hereby amended by inserting after "more consecutive years" the following:- ,
21 or if the foreign corporation has continued to exceed or abuse the authority conferred upon it by
22 law. The secretary may determine that such exceedance or abuse has occurred based on the
23 criteria set forth in section 14.30(a)(5) of this chapter, if the acts demonstrating the exceedance
24 or abuse of authority have occurred at least partly in this state

25 SECTION 4. Chapter 156D of the general laws, as appearing in the 2014 Official
26 Edition, is hereby amended by adding after Section 15.32 the following section:-

27 Section 15.3X. CITIZEN ACTION FOR REVOCATION

28 (a) Any citizen of the commonwealth may commence an action in the superior court of
29 Suffolk county to revoke the certificate of authority of a foreign corporation authorized to
30 transact business in the commonwealth if the foreign corporation has continued to exceed or
31 abuse the authority conferred upon it by law. Any complaint initiating a proceeding under this

32 subsection must satisfy the requirements set forth in section 14.30(a)(5) of this chapter, and
33 furthermore allege that the acts demonstrating the exceedance or abuse of authority have
34 occurred at least partly in the commonwealth.

35 (b) The court may order the secretary to revoke the certificate of authority or may take
36 any other action the court considers appropriate.

37 (c) The court's final decision may be appealed as in other civil proceedings.