

HOUSE BILL NO. HB0101

Electronic corporate records.

Sponsored by: Representative(s) Lindholm, Blackburn, Brown, Clem, Harshman, Larsen, Miller, Olsen, Salazar and Zwonitzer and Senator(s) Agar, Bebout, Driskill, Nethercott and Rothfuss

A BILL

for

1 AN ACT relating to the Wyoming Business Corporations Act;
2 authorizing corporations to use electronic networks or
3 databases for the creation or maintenance of corporate
4 records; authorizing the use of a network address to
5 identify a corporation's shareholder; authorizing
6 corporations to accept shareholder votes if signed by a
7 network signature that corresponds to a network address;
8 specifying requirements for use of electronic networks or
9 databases; requiring the secretary of state to review its
10 rules for consistency with this act; and providing for an
11 effective date.

12

13 *Be It Enacted by the Legislature of the State of Wyoming:*

14

1 **Section 1.** W.S. 17-16-140(a)(ix), (xxxvii), (xxxix),
2 by creating new paragraphs (xlvi) through (xlix) and by
3 amending and renumbering (xlvi) as (l), 17-16-141(c)(i), by
4 creating a new paragraph (ii) and by amending and
5 renumbering (ii) as (iii), 17-16-142(a)(ii), (iii) and by
6 creating a new paragraph (iv), 17-16-626(b), 17-16-720(a),
7 17-16-724(a) and (b), 17-16-730(a) and 17-16-1601(c) and
8 (d) are amended to read:

9

10 **17-16-140. Definitions.**

11

12 (a) In this act:

13

14 (ix) "Electronic transmission" or "transmitted
15 electronically" means any process of communication that
16 does not directly ~~involving~~ involve the physical transfer
17 of paper, including a process of communication that uses
18 one (1) or more distributed or other electronic networks or
19 databases, and that is suitable for the retention,
20 retrieval and reproduction of information by the recipient;

21

22 (xxxvii) "Shareholder" means the person in whose
23 name shares are registered in the records of a corporation,

1 ~~or~~ the beneficial owner of shares to the extent of the
2 rights granted by a nominee certificate on file with a
3 corporation or the owner of a private key that is uniquely
4 associated with a network address that facilitates or
5 records the sending and receiving of shares;

6
7 (xxxix) "Sign" or "signature" includes any
8 manual, facsimile, conformed or electronic signature or a
9 network signature;

10
11 (xlvi) "Identity" means the name of a
12 shareholder or the network address for which the
13 shareholder has knowledge or possession of the private key
14 uniquely associated with the network address;

15
16 (xlvii) "Network address" means the string of
17 alphanumeric characters on one (1) or more distributed or
18 other electronic networks or databases that may only be
19 accessed by knowledge or possession of a private key in
20 order to facilitate or record transactions on the
21 distributed or other electronic network or database;

22

1 (xlvi) "Network signature" means a string of
2 alphanumeric characters that when broadcasted by a
3 shareholder to the network address's corresponding
4 distributed or other electronic network or database
5 provides reasonable assurances to a corporation that the
6 shareholder has knowledge or possession of the private key
7 uniquely associated with the network address;

8
9 (xlix) "Record of shareholders" means one (1) or
10 more records administered by or on behalf of a corporation
11 that records the identity of all the corporation's
12 shareholders and the number and class of shares held by
13 each shareholder in accordance with W.S. 17-16-1601.
14 "Record of shareholders" includes a record of all issuances
15 and transfers of shares of a corporation at the discretion
16 of the corporation;

17
18 ~~(xli)~~ (1) "This act" means W.S. 17-16-101
19 through ~~17-16-1820~~ 17-16-1810.

20
21 **17-16-141. Notice.**

22

1 (c) Written notice by a domestic or foreign
2 corporation to its shareholder, if in a comprehensible
3 form, is effective:
4

5 (i) Upon deposit in the United States mail, if
6 mailed postpaid and correctly addressed to the
7 shareholder's address shown in the corporation's current
8 record of ~~the~~ shareholders; ~~or~~

9
10 (ii) When an electronic transmission has been
11 made to a network address provided by the shareholder; or
12

13 ~~(ii)~~ (iii) When electronically transmitted to the
14 shareholder in a manner otherwise authorized by the
15 shareholder.
16

17 **17-16-142. Number of shareholders.**
18

19 (a) For purposes of this act, the following
20 identified as a shareholder in a corporation's current
21 record of shareholders constitutes one (1) shareholder:
22

1 (ii) A corporation, partnership, trust, estate,
2 or other entity;~~or~~

3
4 (iii) The trustees, guardians, custodians, or
5 other fiduciaries of a single trust, estate, or account;~~or~~
6 or

7
8 (iv) One (1) network address.

9
10 **17-16-626. Shares without certificates.**

11
12 (b) Within a reasonable time after the issue or
13 transfer of shares without certificates, the corporation
14 shall ~~send~~give the shareholder a written statement of the
15 information required on certificates by W.S. 17-16-625(b)
16 and (c), and, if applicable, W.S. 17-16-627.

17
18 **17-16-720. Shareholders' list for meeting.**

19
20 (a) After fixing a record date for a meeting, a
21 corporation shall prepare an alphabetical or numerical list
22 of the ~~names~~identities of all its shareholders who are
23 entitled to notice of a shareholders' meeting. The list

1 shall be arranged by voting group, and within each voting
2 group by class or series of shares, and show the ~~address of~~
3 ~~and~~ number of shares held by each shareholder. The list
4 shall also show each shareholder's physical mailing
5 address, if the identity of a shareholder on the list
6 consists of the shareholder's name, and each shareholder's
7 authorized means of receipt for electronic transmissions,
8 if the identity of a shareholder on the list consists of
9 the shareholder's network address.

10

11 **17-16-724. Corporation's acceptance of votes.**

12

13 (a) If the name or network signature signed on a
14 vote, consent, waiver, or proxy appointment corresponds to
15 the name or network address of a shareholder, the
16 corporation if acting in good faith is entitled to accept
17 the vote, consent, waiver, or proxy appointment and give it
18 effect as the act of the shareholder.

19

20 (b) If the name or network signature signed on a
21 vote, consent, waiver, or proxy appointment does not
22 correspond to the name or network address of its
23 shareholder, the corporation if acting in good faith is

1 nevertheless entitled to accept the vote, consent, waiver,
2 or proxy appointment and give it effect as the act of the
3 shareholder if:

4

5 (i) The shareholder is an entity and the name or
6 network signature signed purports to be that of an officer
7 or agent of the entity;

8

9 (ii) The name or network signature signed
10 purports to be that of an administrator, executor,
11 guardian, or conservator representing the shareholder and,
12 if the corporation requests, evidence of fiduciary status
13 acceptable to the corporation has been presented with
14 respect to the vote, consent, waiver, or proxy appointment;

15

16 (iii) The name or network signature signed
17 purports to be that of a receiver or trustee in bankruptcy
18 of the shareholder and, if the corporation requests,
19 evidence of this status acceptable to the corporation has
20 been presented with respect to the vote, consent, waiver,
21 or proxy appointment;

22

1 (iv) The name or network signature signed
2 purports to be that of a pledgee, beneficial owner, or
3 attorney-in-fact of the shareholder and, if the corporation
4 requests, evidence acceptable to the corporation of the
5 signatory's authority to sign for the shareholder has been
6 presented with respect to the vote, consent, waiver, or
7 proxy appointment; or

8
9 (v) Two (2) or more persons are the shareholder
10 as cotenants or fiduciaries and the name or network
11 signature signed purports to be the name or network address
12 of at least one (1) of the coowners and the person signing
13 appears to be acting on behalf of all the coowners.

14

15 **17-16-730. Voting trusts.**

16

17 (a) One (1) or more shareholders may create a voting
18 trust, conferring on a trustee the right to vote or
19 otherwise act for them, by signing an agreement setting out
20 the provisions of the trust, which may include anything
21 consistent with its purpose, and transferring their shares
22 to the trustee. When a voting trust agreement is signed,
23 the trustee shall prepare a list of the ~~names and addresses~~

1 identities of all owners of beneficial interests in the
2 trust, together with the number and class of shares each
3 transferred to the trust. ~~and deliver~~ The list shall also
4 show each shareholder's physical mailing address, if the
5 identity of a shareholder on the list consists of the
6 shareholder's name, and each shareholder's authorized means
7 of receipt for electronic transmissions, if the identity of
8 a shareholder on the list consists of the shareholder's
9 network address. Copies of the list and agreement shall be
10 delivered to the corporation's principal office.

11

12 **17-16-1601. Corporate records.**

13

14 (c) A record of shareholders administered by or on
15 behalf of a corporation ~~or its agent~~ shall ~~maintain a~~
16 ~~record of its shareholders,~~ be kept in a form that permits
17 preparation of a list of the ~~names and addresses~~ identities
18 of all shareholders, in alphabetical or numerical order by
19 class of shares showing the number and class of shares held
20 by each. The list shall also show each shareholder's
21 physical mailing address, if the identity of a shareholder
22 on the list consists of the shareholder's name, and each
23 shareholder's authorized means of receipt for electronic

1 transmissions, if the identity of a shareholder on the list
2 consists of the shareholder's network address. A record of
3 shareholders may show both the shareholder's name and
4 network address.

5
6 (d) Records administered by or on behalf of, or
7 maintained by, a corporation shall maintain its may be kept
8 on, or by means of, or be in the form of any information
9 storage device or method or any one (1) or more distributed
10 or other electronic networks or databases provided that the
11 records are kept in written form or in another form capable
12 of conversion into written form within a reasonable time.

13
14 **Section 2.** The secretary of state shall review its
15 rules for consistency with this act.

16
17 **Section 3.** This act is effective immediately upon
18 completion of all acts necessary for a bill to become law
19 as provided by Article 4, Section 8 of the Wyoming
20 Constitution.

21
22 (END)