

MAINE STATE LEGISLATURE

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FIRST REGULAR SESSION

ONE HUNDRED AND TENTH LEGISLATURE

Legislative Document

No. 180

S. P. 83

In Senate, January 12, 1981

Referred to the Committee on Business Legislation. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Devoe of Penobscot.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

AN ACT to Amend the Maine Business Corporation Act.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. 13-A MRSA § 604, sub-§ 1, ¶ A, as enacted by PL 1971, c. 439, § 1, is amended to read:

A. Not less than 10 nor more than ~~50~~ 60 days; or

Sec. 2. 13-A MRSA § 604, sub-§ 1, ¶ B, first sentence, as enacted by PL 1971, c. 439, § 1, is amended to read:

In the case of a close corporation, not less than 3 nor more than ~~50~~ 60 days, before the date of the meeting, either personally or by mail, by or at the direction of the president, the secretary, the clerk, or the officer or persons calling the meeting, to each shareholder of record entitled to vote at such meeting.

Sec. 3. 13-A MRSA § 604, sub-§ 2, ¶ A, as enacted by PL 1971, c. 439, § 1, is amended to read:

A. Not less than 10 nor more than ~~50~~ 60 days; or

Sec. 4. 13-A MRSA § 604, sub-§ 2, ¶ B, first sentence, as enacted by PL 1971, c. 439, § 1, is amended to read:

In the case of a close corporation, not less than 3 nor more than ~~50~~ 60 days, after receipt of such request.

Sec. 5. 13-A MRSA § 606, sub-§ 1, 2nd sentence, as enacted by PL 1971, c. 439, § 1, is amended to read:

Such date shall not in any case be more than ~~50~~ 60 days and, in the case of a meeting of shareholders:

Sec. 6. 13-A MRSA § 606, sub-§ 4, 2nd sentence, as enacted by PL 1971, c. 439, § 1, is amended to read:

Such period shall not in any case exceed ~~50~~ 60 days and, in case of a meeting of shareholders, the books shall be closed:

STATEMENT OF FACT

Corporations with large numbers of shareholders very often have stockholders whose stock is held of record in the name of a broker or a fiduciary. Additional time is needed for these stockholders to receive proxy materials and to return their proxies via the stockholder of record. The increase from 50 to 60 days in the allowable time for notice prior to the date of the meeting allows more time for brokers and fiduciaries to transmit and receive proxy materials to and from their principals, thus improving stock representation at the meeting.