

Act Number	Session	Bill Number	Total Number of Committee Pages	Total Number of House Pages	Total Number of Senate Pages
PA 71-360		904	2	4	2
<u>Committee Pages:</u> <ul style="list-style-type: none"> <i>Banking & Regulated Activities</i> 260-261 				<u>House Pages:</u> <ul style="list-style-type: none"> 3531-3534 	<u>Senate Pages:</u> <ul style="list-style-type: none"> 1933-1934

H-115

**CONNECTICUT
GENERAL ASSEMBLY
HOUSE**

**PROCEEDINGS
1971**

**VOL. 14
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3377-3877**

Friday, May 21, 1971

154.

MBS

MR. SPEAKER:

For the purpose of preparing the amendment indicated, this item will be passed retaining.

THE CLERK:

Calendar No. 1029, Substitute for House Bill No. 6385, An Act Concerning Duties of Municipal Directors of Health.

CARL R. AJELLO, 118th District:

Mr. Speaker, I move that Calendar No. 1029, Substitute for House Bill No. 6385 be placed at the foot of the calendar.

MR. SPEAKER:

Will you remark? Is there objection? Hearing none, so ordered.

THE CLERK:

Calendar No. 1030, Substitute for House Bill No. 6484, An Act Concerning Personal Property Liens in Favor of Municipalities.

CARL R. AJELLO, 118th District:

Mr. Speaker, may this item be passed retaining its place?

MR. SPEAKER:

Is there objection? Hearing none, so ordered.

THE CLERK:

Page 10, second from the bottom, Calendar No. 1061, Substitute for Senate Bill No. 0904, An Act Concerning Technical Amendments to the Stock and Nonstock Corporation Acts and Professional Service Corporations Act.

JAMES T. HEALEY, 87th District:

Mr. Speaker, I move acceptance of the joint committee's favorable report and passage of the bill.

MR. SPEAKER:

I'll say to the members again, we are considering Calendar No. 1061, next to last calendar item at the bottom of page 10.

JAMES T. HEALEY, 87th District:

Mr. Speaker, this is a relatively lengthy bill and somewhat complex. However, for the most part, it is exactly what it says in the title, technical amendments to the stock and nonstock corporation acts and professional service corporations act. It does, however, contain a few substantive changes. For instance, a board of directors meeting may be held by means of a telephone conference call, provided that all the participants are able to hear all the other participants. Under present law, stockholders meetings may be held in one of two ways, first, with the stockholders present either in person or by proxy and second, by circulating a writing containing the minutes of a meeting among the stockholders containing the signatures of each of them on the minutes. The bill provides one additional method. If the articles of incorporation so provide then with safeguarding provisions is notice of the action as proposed to be taken, having already been circulated among all stockholders, under certain time

Friday, May 21, 1971

156.

MBS

limits, then written consent by a designated proportion, which may not be less than an absolute majority of all the shares to the proposed action, constitute a legal meeting. A person who looks to a corporation for indemnification of certain legal expenses is permitted by present laws as required to give the corporation timely notice of the pendency of the litigation as to which he wishes this protection, a blank spot in the present law. Also, a time limitation is imposed with respects to grants with stock options to officers, directors and employees. There either must be stockholder approval of the specific grant of an option within one year of the grant or it must be made pursuant to a plan which must be approved by the stockholders within one year of the adoption of that plan. There are numerous housekeeping provisions such as permitting the designation of the new members of the executive committee, permitting the stock of a professional corporation to be held by the executor or administrator of a deceased stockholder, or the conservator of an incompetent stockholder. There is clarification of the provisions as to issue stock for property rather than cash and clarification of the provisions concerning the buy-out of a dissenting stockholder in a merger situation. The bill has the wholehearted approval of the corporation examiner in the office of the Secretary of State and the enthusiastic support of the appropriate committee of the State Bar Association. I move its passage.

Friday, May 21, 1971

157.

MBS

MR. SPEAKER:

Are there further remarks on the bill? If not, all those in favor indicate by saying aye, opposed? The bill is passed.

THE CLERK:

Bottom of the page, on page 10, Calendar No. 1062, Substitute for Senate Bill No. 937, An Act Concerning the Connecticut Industrial Building Commission Loans to Industry.

CARL R. AJELLO, 118th District:

Mr. Speaker, my calendar marking indicates that that was referred to Finance earlier but if it wasn't I now move that it be referred to the Committee on Finance.

MR. SPEAKER:

My record indicates the same and the Clerk's record now indicates the same, also.

THE CLERK:

On page 15, another Disagreeing Action, Calendar No. 760, Substitute for House Bill No. 8715, An Act Concerning Public Hearings on the Necessity for Sewer Installations, as amended by Senate Amendment Schedule "A", favorable report of the Committee on Environment.

FRANCIS W. CIAMPI, 89th District:

Mr. Speaker, I move the acceptance of the joint committee's favorable report and passage of the bill.

MR. SPEAKER:

Will you remark?

S-80
CONNECTICUT
GENERAL ASSEMBLY

SENATE

PROCEEDINGS
1971

VOL.14
PART 5
1921-2435

May 14, 1971

13.

S.B. 470 An Act Concerning the Issuance of Registrations Under the Securities Act.

THE CHAIR:

Senator Buckley.

SENATOR BUCKLEY:

Mr. President, I move acceptance of the joint committee's favorable report and passage.

THE CHAIR:

Will you remark?

SENATOR BUCKLEY:

The bill provides for a non-refundable \$25 application fee for Brokers and Dealers and Investment Council. And generally changes the payment schedule for licensing fees for , on a bi-annual basis. \$100 for the Broker and \$20 for Salesman, Investment Counselors. The other section is generally the same thing.

THE CHAIR:

The question is on passage. Will you remark further? If not all those in favor signify by saying aye. AYE. Opposed nay? The ayes have it. The bill is passed.

THE CLERK:

Cal. 639, File 889 Favorable report of the joint standing committee on Banks and Regulated Activities. Substitute S.B.904 An Act Concerning Technical Amendments to the Stock and Nonstock Corporation Acts and Professional Service Corporations Act.

THE CHAIR:

Senator Rimer.

SENATOR RIMER:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

Will you remark?

SENATOR RIMER:

Mr. President, this is a rather lengthy bill which was worked on for some time by the corporation section of the Conn.

May 14, 1971

14.

Bar Association. And has been reviewed by the Corporation Division of the Secretary of the State's Office. And it takes care of a number of technical changes in both the stock and non-stock corporations acts. And the professional service corporations act of the State of Connecticut. But I would like to just mention just two of the proposed changes, one takes place in Sec. 4 of the bill. Which would permit a Board of Directors to meet by Conference telephone and not require the physical presence of one or more of the Directors of the State of Connecticut. And the other change that I would like to refer to in Sec. 13, makes permissible a certificate of incorporation provision permitting action by share-holders by written consent of share holders holding less than all of the voting power. But not less than the majority. Except that the Directors may not be elected without a meeting unless there is a unanimous written consent.

In other words you could have share holder action without having a share holder meeting as such with the exception that you can't do it for electing Directors unless you have unanimous consent. I urge adoption.

THE CHAIR:

The question is on passage. Will you remark further? If not all those in favor of passage of the bill signify by saying aye. AYE. Opposed nay? The ayes have it. The bill is passed.

THE CLERK:

Cal. 645, File 683, favorable report joint standing committee on Public Health and safety on H.B. 5552. An Act the Issuance of Regulations by the Hospital Cost Commission.

THE CHAIR:

Senator Pac.

SENATOR PAC:

Mr. President, I move acceptance of the joint committee's favorable report and passage of the bill.

THE CHAIR:

Will you remark?

**JOINT
STANDING
COMMITTEE
HEARINGS**

BANKS

1-445

**1971
Index**

the other instance toward Fairfield. But that was many, many years ago and Westport is now a considerably more unified community in that sense and these people want Westport telephone service and want Westport telephone numbers. Therefore, I have introduced this bill which would require the telephone company to provide them with this service. With respect to the details of what it costs some of these people and some of the individual problems that are imposed, there are people from my community here today and they have indicated a willingness to speak and therefore I am going to leave that portion of my presentation to them. Thank you, I do have one letter that I want to leave with the committee from Mr. Gay Land who is the Treasurer of the Cedar Point Yacht Club which is located in one of these areas and which points out the problem that the Yacht Club faces. Thank you, Mr. Chairman.

Louis J. Stroffolino: Rep. 143rd District, also part of Westport. Mr. Chairman, committee members my colleague has covered the concept of this bill very well and I want to go on record as being in favor of it. I have the same problems in my district which is near the shores of Norwalk and Westport. Many of my constituents would like to have a number relating to Westport and billed in Westport. I hope you will give this bill favorable report. Thank you.

Chairman Blake: Are there any other members of the General Assembly who wish to be heard?

William W. Sullivan: I recognize that I am also a member of this committee but I feel called upon to make a statement frankly supporting SB number 3. This bill was introduced by Senator Petroni who is not present today. I have co-sponsored the bill and feel that in his absence I should present some testimony. This bill-----.

Chairman Blake: Rep. Sullivan, would you just simply indicate which bills you favor and save any additional testimony for the executive session of this committee, please.

William W. Sullivan: If you prefer that, sir. But I would, as I indicate, this is SB 3 if I can find it, I'm referring to HB introduced by Rep. Beck, where she recommended that the requirement of 50 houses being served be reduced to 25 then indicated that she had in addition made a mistake and really intended this to be 20. So I would support that particular bill, too, I'd like to go on record as a co-sponsor.

Chairman Blake: Thank you, Mr. Sullivan. Are there any other members of the General Assembly? At this time we will open the public portion of the presentations. It is our intention to take the bills as listed in the bulletin but we have two which I intend to take out of order. First of all, I would call anyone who wishes to speak in favor of bill 904, please come forward.

Samuel S. Cross: I'm Samuel S. Cross from Stamford, the chairman of the corporation law committee of the Conn. Bar Assoc. I see you have a number of policy matters before you today and this bill is a technical bill dealing with the general corporation statutes which Mr. Rimer has introduced at our behalf. I have prepared a written report on it which explains each section of the bill in each of the bienniums in the last several years.

Our committee has prepared such a bill related mainly to the stock and nonstock corporation acts, which were enacted in 1959. This is part of a continuing program of a group of professional lawyers to keep the corporation codes of Conn. current with contemporary business practices throughout the country. We constantly take advantage of ideas that crop up through the cases and through experience lawyers on the committee and corporations which give us ideas for new legislation. None of this legislation pertains to any particular client or corporate problem, it's all general legislation. We have not been before your committee before. In prior sessions the General Laws Committee or the Judiciary has handled this type of legislation.

For that reason I have prepared a more detailed report than I ordinarily prepare. I certainly am willing to go into any aspect of it you'd care to.

Since drafting a substitute for 904 we've had a few other suggestions so I've brought along with me today, as an -----, a final version which I've marked up at Mrs. Burns suggestion so it would be easier to follow. I'd like to leave the original with the clerk and I've brought a copy for each of the House and Senate Chairman. If there's anything anybody would care to ask with respect to this proposal, I'd be very happy to deal with it.

Chairman Blake: I personally have no questions on it and I'm sure that when this matter comes before the Executive Committee, Senator Rimers will be perfectly willing and capable to explain any questions which we might have.

Mr. Cross: He's fully capable, he's been very much interested in this type of legislation for many years and we are very appreciative of his efforts. Thankyou.

Chairman Blake: Anyone else wish to speak in favor of 904? If not, is there any opposed to it, any opposition to 904? Hearing none, the hearing will be concluded on SB 904. At this time we will move on to SB 102. please.

Morris Hershson: Thank you, Mr. Chairman. My name is Morris Hershson, I live in Birch Groves, a community on Candlewood Lake in the town of New Milford, Conn. I am president of the Birch Groves Assoc.

Chairman Blake: There seems to be a little confusion. We don't seem to have any copies of ~~120~~ here. Would you object to reading the bill to us since it's quite a simple one, I believe.

Morris Hershson: Not at all. This is a bill introduced by Senator Ives of the 32nd District in January of the year. It's an act concerning the Birch Groves Assoc., Inc. be it inacted by the Senate and House of Representatives in General Assembly convened, the Birch Groves Assoc., Inc. of New Milford, Conn. is hereby exempted from the provisions of title 16 of the General Statutes of the State of Conn. Statement of purpose: to exempt this nonprofit association managed company from the regulation of the PUC. The Birch Groves Assoc. is an association of some 72 house holders, in the Birch Groves community in the town of New Milford. We own our own water system. At this moment we are subject to the regulation of the