S T A T E O F N E W Y O R K

8473

2009-2010 Regular Sessions

I N A S S E M B L Y

May 21, 2009

Introduced by M. of A. REILLY -- read once and referred to the Committee on Corporations, Authorities and Commissions

AN ACT to amend the business corporation law and the not-for-profit corporation law, in relation to the dissolution and the restraint of doing business in the state when a corporation, incorporated or foreign, has been convicted of more than three felonies

THE PEOPLE OF THE STATE OF NEW YORK, REPRESENTED IN SENATE AND ASSEMBLY, DO ENACT AS FOLLOWS:

Section 1. Section 1101 of the business corporation law is amended by adding a new paragraph (d) to read as follows:

(D) THE ATTORNEY-GENERAL SHALL BRING AN ACTION FOR THE DISSOLUTION OF A CORPORATION UPON THE FOURTH CONVICTION OF A FELONY BY SUCH CORPORATION.

S 2. Section 1303 of the business corporation law, as amended by chapter 198 of the laws of 1984, is amended to read as follows:

S 1303. Violations.

(A) The attorney-general may bring an action to restrain a foreign corporation from doing in this state without authority any business for the doing of which it is required to be authorized in this state, or from doing in this state any business not set forth in its application for authority or certificate of amendment filed by the department of state.

(B) The attorney-general may bring an action or special proceeding to annul the authority of a foreign corporation doing in this state any business not set forth in its application for authority or certificate of amendment or the authority of which was obtained through fraudulent misrepresentation or concealment of a material fact or to enjoin or annul the authority of any foreign corporation which within this state contrary to law has done or omitted any act which if done by a domestic corporation would be a cause for its dissolution under section 1101 (Attorney-general's action for judicial dissolution) or to annul the

EXPLANATION--Matter in ITALICS (underscored) is new; matter in brackets [ ] is old law to be omitted.

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authority of a foreign corporation that has been dissolved or had its authority or existence otherwise terminated or cancelled in the jurisdiction of its incorporation.

(C) THE ATTORNEY-GENERAL SHALL BRING AN ACTION TO RESTRAIN A FOREIGN CORPORATION FROM CONDUCTING BUSINESS IN THIS STATE UPON THE FOURTH CONVICTION OF A FELONY BY SUCH FOREIGN CORPORATION.

(D) (1) The attorney-general shall deliver a certified copy of the order of annulment to the department of state.

(2) Upon the filing thereof by the department of state the authority of the foreign corporation to do business in this state shall be annulled.

(3) The secretary of state shall continue as agent of the foreign corporation upon whom process against it may be served in any action or special proceeding based upon any liability or obligation incurred by the foreign corporation within the state prior to the filing of the certified copy of the order of annulment by the department of state.

S 3. Section 1101 of the not-for-profit corporation law is amended by adding a new paragraph (d) to read as follows:

(D) THE ATTORNEY-GENERAL SHALL BRING AN ACTION FOR THE DISSOLUTION OF A CORPORATION UPON THE FOURTH CONVICTION OF A FELONY BY SUCH CORPORATION.

S 4. Section 1303 of the not-for-profit corporation law, as amended by chapter 198 of the laws of 1984, is amended to read as follows:

S 1303. Violations.

(A) The attorney-general may bring an action to restrain a foreign corporation from conducting in this state without authority any activities for the conduct of which it is required to be authorized in the state, or from conducting in this state any activities not set forth in its application for authority or certificate of amendment filed by the department of state.

(B) The attorney-general may bring an action or special proceeding to annul the authority of a foreign corporation to conduct in this state any activities not set forth in its application for authority or certificate of amendment or the authority of which was obtained through fraudulent misrepresentation or concealment of a material fact or to enjoin or annul the authority of any foreign corporation which within this state contrary to law has done or omitted any act which if done by a domestic corporation would be a cause for its dissolution under section 1101 (Attorney-general's action for judicial dissolution) or to annul the authority of a foreign corporation that has been dissolved or has had its authority or existence otherwise terminated or cancelled in the jurisdiction of its incorporation.

(C) THE ATTORNEY-GENERAL SHALL BRING AN ACTION TO RESTRAIN A FOREIGN CORPORATION FROM CONDUCTING BUSINESS IN THIS STATE UPON THE FOURTH CONVICTION OF A FELONY BY SUCH FOREIGN CORPORATION.

(D) (1) The attorney-general shall deliver a certified copy of the order of annulment to the department of state.

(2) Upon the filing thereof by the department of state the authority of the foreign corporation to conduct activities in this state shall be annulled.

(3) The secretary of state shall continue as agent of the foreign corporation upon whom process against it may be served in any action or special proceeding based upon any liability or obligation incurred by the foreign corporation within the state prior to the filing of the certified copy of the order of annulment by the department of state.

S 5. This act shall take effect immediately.