

737

2015-2016 Regular Sessions

I N A S S E M B L Y

January 7, 2015

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

AN ACT to amend the business corporation law, in relation to the applicability of provisions relating to liability of shareholders for wages due to laborers, servants or employees for certain foreign corporations

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

1 Section 1. Paragraph (a) of section 630 of the business corporation
2 law, as amended by chapter 212 of the laws of 1984, is amended to read
3 as follows:
4 (a) The ten largest shareholders, as determined by the fair value of
5 their beneficial interest as of the beginning of the period during which
6 the unpaid services referred to in this section are performed, of every
7 DOMESTIC corporation (other than an investment company registered as
8 such under an act of congress entitled "Investment Company Act of
9 1940"), OR OF ANY FOREIGN CORPORATION, WHEN THE UNPAID SERVICES WERE
10 PERFORMED IN THE STATE, no shares of which are listed on a national
11 securities exchange or regularly quoted in an over-the-counter market by
12 one or more members of a national or an affiliated securities associ-
13 ation, shall jointly and severally be personally liable for all debts,
14 wages or salaries due and owing to any of its laborers, servants or
15 employees other than contractors, for services performed by them for
16 such corporation. Before such laborer, servant or employee shall charge
17 such shareholder for such services, he shall give notice in writing to
18 such shareholder that he intends to hold him liable under this section.
19 Such notice shall be given within one hundred and eighty days after
20 termination of such services, except that if, within such period, the
21 laborer, servant or employee demands an examination of the record of
22 shareholders under paragraph (b) of section 624 (Books and records;
23 right of inspection, prima facie evidence) OF THIS ARTICLE, such notice

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

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1 may be given within sixty days after he has been given the opportunity
2 to examine the record of shareholders. An action to enforce such
3 liability shall be commenced within ninety days after the return of an
4 execution unsatisfied against the corporation upon a judgment recovered
5 against it for such services.

6 S 2. This act shall take effect on the sixtieth day after it shall
7 have become a law.