

## 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;~~;~~  
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.**

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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 July 1, 2018.

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19

(END)