

Topic: Corp-Ratify Defective Actions

Question by: Earl Weaver

Jurisdiction: Illinois

Date: April 29, 2021

| Jurisdiction | Question(s) |
|---------------------------------|--|
| | I would be interested in the number of jurisdictions that have corporate statutes that allow for the ratification and validation of defective corporate actions. Thereby authorizing corporations to correct actions taken without proper documentation or the over-issuance of shares. Provides that such actions are not void if ratified as provided. |
| Manitoba | |
| Corporations Canada | |
| Alabama | |
| Alaska | |
| Arizona | |
| Arkansas | |
| California | |
| Colorado | |
| Connecticut | |
| Delaware | |
| District of Columbia | |
| Florida | |
| Georgia | |
| Hawaii | |
| Idaho | |
| Illinois | |
| Indiana | |
| Iowa | |

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| Kansas | |
| Kentucky | |
| Louisiana | |
| Maine | |
| Maryland | |
| Massachusetts | |
| Michigan | |
| Minnesota | |
| Mississippi | |
| Missouri | |
| Montana | |
| Nebraska | I didn't get the original message but I did get Martha's reply so I wanted to share that Nebraska legislation for Articles of Validation takes effect 7/1/21. |
| Nevada | |
| New Hampshire | |
| New Jersey | |
| New Mexico | |
| New York | |
| North Carolina | North Carolina law regarding ratification of defective actions took effect in 2018. Not many filings have been made under this statute. A portion of Chapter 55A is attached below. http://lists.iaca.org/private.cgi/iaca-section-bos-iaca.org/attachments/20210429/8cb8132b/attachment.pdf |
| North Dakota | |
| Ohio | |
| Oklahoma | |
| Oregon | |

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| Pennsylvania | We don't have it yet in Pennsylvania, but the Bar Association committee that drafts much of Pennsylvania Association Code law is reviewing it. They have looked at what Delaware has done. Not sure how many other states have this. |
| Rhode Island | |
| South Carolina | |
| South Dakota | |
| Tennessee | |
| Texas | <p>The Texas Business Organizations Code allows for the ratification and validation of defective corporate actions. These provisions were first enacted for for-profit corporations in 2015. Since then, the provisions have been amended in subsequent legislative sessions. The provisions were originally modeled on Delaware law. After the effective date of the bill in 2019, we had a number of corporate entities seeking to file Certificates of Validation that related to the over issuance of shares. These documents take a little more time to review, and we don't receive a large number of these filings.</p> <p>Ratification provisions were enacted for nonprofit corporations in 2019.</p> <p>For for-profit corporation provisions see Texas Business Organizations Code, Section 21.901, et seq <https://statutes.capitol.texas.gov/Docs/BO/htm/BO.21.htm#21.901></p> <p>For the nonprofit corporate provisions see Texas Business Organizations Code, Section 22.501 <https://statutes.capitol.texas.gov/Docs/BO/htm/BO.22.htm#22.501>, et seq</p> |
| Utah | |
| Vermont | |
| Virginia | New ratification provisions that follow the Model Business Corporation Act become effective in Virginia on July 1, 2021. See Virginia Code Section 13.1-614.1 < https://law.lis.virginia.gov/vacode/13.1-614.1/ > et seq. A couple of adjustments were made to the Filings section (13.1-614.7). Articles of ratification are filed instead of articles of validation, and upon such filing, we issue a certificate of ratification. |
| Washington | |
| West Virginia | |
| Wisconsin | |
| Wyoming | |

Additional comments:

Full text of email:

Greetings from the great state of Illinois!

I would be interested in the number of jurisdictions that have corporate statutes that allow for the ratification and validation of defective corporate actions. Thereby authorizing corporations to correct actions taken without proper documentation or the over-issuance of shares. Provides that such actions are not void if ratified as provided.

Stay Safe.

Earl B. Weaver, Jr.
Director
Business Services Department
Illinois Secretary of State
69 W. Washington St., Suite 1240
Chicago, IL 60602
(312) 793-4939