



Featured News

**CALIFORNIA CORPORATIONS MAY HOLD  
VIRTUAL MEETINGS THROUGH JUNE 30, 2022**

In 2021, in response to the COVID-19 pandemic, Assembly Bill 663 was adopted in order to permit California corporations to hold virtual shareholder, member and board of directors meetings in the event of an “emergency”, as defined in Corporations Code Section 207(i)(5). Under that statute, an "emergency" exists for so long as a quorum of the corporation's board cannot be readily convened for action.

Assembly Bill 769, enacted into law on March 25, 2022, now provides that California corporations, including general business corporations, nonprofit public benefit and mutual benefit corporations and religious and cooperative corporations, may conduct meetings of members or shareholders solely by electronic transmission by and to the corporation, regardless of whether or not an emergency exists, provided that such meetings are conducted on or before June 30, 2022. Electronic transmissions include electronic video screen communication, conference telephone or other means of remote communication.

Prior to Assembly Bill 663, California law had prohibited a California corporation from conducting a meeting of members or shareholders exclusively by electronic transmission, unless all of the shareholders or members consented or the board of the corporation determined that such a meeting was necessary or appropriate because of an emergency.

A corporation’s ability to conduct a solely virtual meeting of members or shareholders under AB 769 will expire with respect to meetings not conducted on or before June 30, 2022. Therefore, any corporation in a category listed above that wishes to hold an exclusively virtual meeting of members or shareholders within that time frame must consider all other statutory procedural requirements (record date, notice, etc.) in order to ensure that there is sufficient time to hold such meeting on or prior to June 30, 2022.

If you have questions or would like further information regarding corporate governance matters, please do not hesitate to contact us.



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