

Approved *Clyde D. Graeber* March 15, 1988
Date

MINUTES OF THE HOUSE COMMITTEE ON COMMERCIAL AND FINANCIAL INSTITUTIONS

The meeting was called to order by Dick Eckert at
Vice Chairperson

3:30 ~~am~~ p.m. on March 1, 1988 in room 527-S of the Capitol.

All members were present except: Clyde D. Graeber, Chairperson, Fred Gatlin, J. C. Long, L. V. Roper and Jim Russell, Excused.

Committee staff present: Bill Wolff, Research Department
Myrta Anderson, Research Department
Bruce Kinzie, Revisor of Statutes
June Evans, Secretary

Conferees appearing before the committee: Representative James E. Lowther

Vice Chairman Dick Eckert brought the meeting to order.

Representative Wilbert moved and Representative Sand seconded the approval of the minutes of the February 23 and 25th meetings.

The hearing was opened on House Bill No. 2752, an act concerning corporations; relating to indemnification; amending K.S.A. 1987 Supp. 17-6305 and repealing the existing section.

Representative Lowther introduced the bill. Representative Lowther testified for the bill stating this amendment notifies stockholders in a reasonable length of time after payment is made. Indemnification is making a compensation to someone for loss or damage. Some states have this stated but it was omitted from the indemnification bill last year and feel this amendment needs to be added.

The amendment reads: "(h) If any expenses or other amounts are paid by way of indemnification, not later than the next annual meeting of stockholders, unless such meeting is held within three months after the date of such payment, and in any event, within 15 months after the date of such payment, the corporation shall send in accordance with the manner specified in K.S.A. 6512, and amendments thereto, to its stockholders of record a statement specifying the persons paid, the amounts paid and the nature and status at the time of such payment of litigation or threatened litigation."

Representative Lowther introduced Jerry Bedner, Emporia, who stated he felt this amendment was needed; his son started a bank in Georgia last year and this is in their indemnification bill.

After discussion the hearing was closed.

The meeting adjourned at 3:45 p.m.

