

HOUSE BILL NO. 249

INTRODUCED BY S. FITZPATRICK

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A BILL FOR AN ACT ENTITLED: "AN ACT LIMITING THE PERSONAL LIABILITY OF A CORPORATE SHAREHOLDER FOR THE ACTS AND DEBTS OF THE CORPORATION; AND AMENDING SECTION 35-1-534, MCA."

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MONTANA:

Section 1. Section 35-1-534, MCA, is amended to read:

"35-1-534. Liability of shareholders. (1) A purchaser from a corporation of its own shares is not liable to the corporation or its creditors with respect to the shares except to pay the consideration for which the shares were authorized to be issued as provided in 35-1-623 or specified in the subscription agreement as provided in 35-1-622.

(2) Unless otherwise provided in the articles of incorporation, a shareholder of WHO IS:

(A) ACTIVE IN a corporation is not personally liable for the acts or debts of the corporation ~~except that a shareholder may become personally liable by reason of that shareholder's own acts or conduct~~ EXCEPT THAT A SHAREHOLDER MAY BECOME PERSONALLY LIABLE BY REASON OF THAT SHAREHOLDER'S OWN ACTS OR CONDUCT;

(B) NOT ACTIVE IN THE CORPORATION IS NOT PERSONALLY LIABLE unless the corporate veil is pierced or the shareholder agrees in writing to assume personal liability."

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