



California Corporate & Securities Law

“Hello, Newman” – E-Mail Bill May Add To Post Office Woes

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On Valentine’s Day, the United States Postal Service [announced](#) that it had begun its 2011 fiscal year with a loss of \$329 million. In announcing these results, the USPS cited “electronic diversion” as implying “long term structural changes in demand”. If that is the case, the USPS’ revenue picture won’t be helped if AB 657 is enacted.

Assembly Member [Richard Gordon](#) introduced [AB 657](#) on February 16 with Assembly Member [Joan Buchanan](#) as a co-author. The bill would require the Secretary of State to “provide” notices to corporations of their obligations to file an annual report pursuant to Corporations Code § 1502 (California corporations) and 2117 (foreign corporations qualified to transact intrastate business). Currently, the Secretary of State is required to mail these notices. The form of annual notices would also be changed to require corporations to include a “valid electronic mail address, if available”, and a statement, if applicable, that “the corporation chooses to receive renewal notices and any other notifications from the Secretary of State by electronic mail instead of by United States mail”. Similar changes would be made to analogous statutes governing common interest developments and credit unions.

Oddly, the bill doesn’t say whose valid email address must be provided – it simply requires a valid email address “if available”. Presumably, the author intends that the corporation provide its email address. However, it is unclear whether the corporation must provide the email address of an officer, employee or other agent if the corporation doesn’t have an email address itself. Notably, the bill appears to require corporations to provide a valid email address regardless of whether the corporation chooses to receive notifications from the Secretary of State by email.

I have submitted my comments on AB 657 to Assemblyman Gordon in this [letter](#).

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