

# State of South Dakota

SEVENTY-SIXTH SESSION  
LEGISLATIVE ASSEMBLY, 2001

707E0770

HOUSE STATE AFFAIRS COMMITTEE ENGROSSED

NO. **HB 1262** - 02/13/2001

**This bill has been extensively amended (hoghoused) and may no longer be consistent with the original intention of the sponsor.**

Introduced by: Representative Lange

1 FOR AN ACT ENTITLED, An Act to allow for reasonable attorney's fees in stockholder  
2 litigation.

3 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

4 Section 1. That § 47-7-34 be amended to read as follows:

5 47-7-34. The circuit court shall have full power to liquidate the assets and business of a  
6 corporation and grant or deny reasonable attorney's fees, whether or not the corporation is  
7 liquidated, in an action by a shareholder when it is established:

8 (1) That the directors are deadlocked in the management of the corporate affairs and the  
9 shareholders are unable to break the deadlock, and that irreparable injury to the  
10 corporation is being suffered or is threatened by reason thereof; or

11 (2) That the acts of the directors or those in control of the corporation are illegal,  
12 oppressive, or fraudulent; or

13 (3) That the shareholders are deadlocked in voting power, and have failed, for a period  
14 which included at least two consecutive annual meeting dates, to elect successors to

- 1 directors whose terms have expired or would have expired upon the election of their
- 2 successors; or
- 3 (4) That the corporate assets are being misapplied or wasted.