

Office of the Governor of Guahan

P.O. Box 2950 Hagåtña, GU 96932 Tel: (671) 472-8931 • Fax: (671) 477-4826 • Email: governor@guam.gov

Felix P. Camacho Governor

Michael W. Cruz, M.D. Lieutenant Governor 27 M 10: 25 5 2010

MAY 26 2010

Office of the Speaker Judith T. Won Pat, Ed. D.

The Honorable Judith T. Won Pat, Ed.D. Speaker

Mina' Trenta Na Liheslaturan Guahan
155 Hessler Street
Hagåtña, GU 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 325-30 (COR) "AN ACT TO AMEND §281601(b), AND TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5, DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCLUDING DIRECTORS' LIABILITY AN CONFLICT PROVISIONS IN THE REVISED MODEL BUSINESS, CORPORATION ACT" which was signed into law on April 1, 2010 as **Public Law 30-124.**

Date

Time

Sinseru yan Magåhet,

MICHAEL W. CRUZ, M.D.

I Maga'låhen Guahan para pa'go Acting Governor of Guahan

Attachment: copy of Bill

I MINA'TRENTA NA LIHESLATURAN GUÅHAN 2010 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO I MAGA'LAHEN GUÅHAN

This is to certify that Bill No. 325-30 (COR), "AN ACT TO AMEND §281601(b), AND TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5, DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCLUDING DIRECTORS' LIABILITY AND CONFLICT PROVISIONS IN THE REVISED MODEL BUSINESS CORPORATION ACT," was on the 19th day of March, 2010, duly and regularly passed.

| | Judith T. Won Pat, Ed. D. Speaker |
|--|-----------------------------------|
| Tina Rose Muña Barnes Legislative Secretary | |
| This Act was received by I Maga'lahen Guåhar | . — |
| | Assistant Staff Officer |
| APPROVED: | Maga'lahi's Office |

FELIX P. CAMACHO I Maga'lahen Guåhan

Public Law No. ______ **P.L. 30–124**

Date:

APR 01 2010

I MINA'TRENTA NA LIHESLATURAN GUAHAN 2010 (SECOND) Regular Session

Bill No. 325-30 (COR)

As amended on the Floor.

Introduced by:

1

v. c. pangelinan
T. C. Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
R. J. Respicio
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

AN ACT TO AMEND §281601(b), AND TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5, DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED, RELATIVE TO INCLUDING DIRECTORS' LIABILITY AND CONFLICT PROVISIONS IN THE REVISED MODEL BUSINESS CORPORATION ACT.

BE IT ENACTED BY THE PEOPLE OF GUAM:

- 2 Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan finds
- 3 that the addition of a new Part 5 to Title 18 of the Guam Code Annotated, which is
- 4 designated as Public Law 29-144, and known as the Guam Corporation Business
- 5 Act, was substantively patterned after the Revised Model Business Corporation

| 1 | Act (RMBCA). T | The Gu | am Corporation Business Act omitted certain provisions of |
|----|----------------------|----------|--|
| 2 | the RMBCA, incl | uding | provisions governing the standards of liability for directors |
| 3 | and directors' co | nflicti | ng interest transactions. I Liheslaturan Guåhan further |
| 4 | finds that it is n | ecessa | ry to amend §28817 which contained technical drafting |
| 5 | errors. It is the in | itent of | I Liheslaturan Guåhan to empower the Compiler of Laws |
| 6 | to assign Chapte | r and | subchapter headings consistent with the Revised Model |
| 7 | Business Corpora | tion A | ct. |
| 8 | Section 2. | A ne | w §28817A is hereby added to Chapter 28, Part 5, Division |
| 9 | 1 of Title 18, of th | ie Gua | m Code Annotated, to read as follows: |
| 10 | " §28 | 817A. | Standards of Liability for Directors. (a) A director |
| 11 | shall not be | e liable | e to the corporation or its shareholders for any decision to |
| 12 | take or not | to tak | e actions, or any failure to take any action, as a director, |
| 13 | unless the p | arty a | sserting liability in a proceeding establishes that: |
| 14 | (1) | any | provision in the Articles of Incorporation authorized by |
| 15 | | §282 | 02(b)(4) or protection afforded by §28861 for action taken |
| 16 | | in co | mpliance with §§28862 or 28863, if interposed as a bar to |
| 17 | | the p | roceeding by the director, does not preclude liability; and |
| 18 | (2) | the c | hallenged conduct consisted or was the result of: |
| 19 | | (A) | action not in good faith; or |
| 20 | | (B) | a decision |
| 21 | | | (i) which the director did <i>not</i> reasonably believe to be |
| 22 | | | in the best interest of the corporation, or |
| 23 | | | (ii) as to which the director was not informed to an |
| 24 | | | extent the director reasonably believed appropriate |
| 25 | | | in the circumstances; or |
| 26 | | (C) | a lack of objectivity due to the director's familial, |
| 27 | | | financial or business relationship with, or a lack of |

| 1 | , | independence due to the director's domination or control |
|----|-----------|--|
| 2 | | by, another person having a material interest in the |
| 3 | | challenged conduct |
| 4 | | (i) which relationship or which domination or control |
| 5 | | could reasonably be expected to have affected the |
| 6 | | director's judgment respecting the challenged |
| 7 | | conduct in a manner adverse to the corporation, |
| 8 | | and |
| 9 | | (ii) after a reasonable expectation to such effect has |
| 10 | | been established, the director shall not have |
| 11 | | established that the challenged conduct was |
| 12 | | reasonably believed by the director to be in the |
| 13 | | best interest of the corporation, or |
| 14 | (D) | a sustained failure of the director to devote attention to |
| 15 | | ongoing oversight of the business and affairs of the |
| 16 | | corporation, or a failure to devote timely attention, by |
| 17 | | making (or causing to be made) appropriate inquiry, |
| 18 | | when particular facts and circumstances of significant |
| 19 | | concern materialize that would alert a reasonably |
| 20 | | attentive director to the need therefore; or |
| 21 | (E) | receipt of a financial benefit to which the director was |
| 22 | | not entitled or any other breach of the director's duties to |
| 23 | | deal fairly with the corporation and its shareholders that |
| 24 | | is actionable under applicable law. |
| 25 | (b) The 1 | party seeking to hold the director liable: |
| 26 | (1) | for money damages, shall also have the burden of |
| 27 | | establishing that: |

| 1 | | (A) | harm to the corporation or its shareholders has |
|---------------------------------|-------|------------|---|
| 2 | | | been suffered, and |
| 3 | | (B) | the harm suffered was proximately caused by the |
| 4 | | | director's challenged conduct; |
| 5 | (| 2) for o | ther money payment under a legal remedy, such as |
| 6 | | comp | pensation for the unauthorized use of corporate |
| 7 | | asset | s, shall also have whatever persuasion burden may |
| 8 | | be c | alled for to establish that the payment sought is |
| 9 | | appro | opriate in the circumstances; or |
| 10 | (2 | 3) for 6 | ther money payment under an equitable remedy, |
| 11 | | such | as profit recovery by or disgorgement to the |
| 12 | | corpo | oration, shall also have whatever persuasion burden |
| 13 | | may | be called for to establish that the equitable remedy |
| 14 | | soug | nt is appropriate in the circumstances. |
| 15 | (c) N | Nothing co | ntained in this Section shall |
| 16 | (| 1) in a | ny instance where fairness is at issue, such as |
| 17 | | consi | deration of the fairness of a transaction to the |
| 18 | | corpo | oration under §28861(b)(3), alter the burden of |
| 19 | | provi | ng the fact or lack of fairness otherwise applicable, |
| 20 | (2 | 2) alter | the fact or lack of liability of a director under |
| 21 | | anoth | er section of this Act, such as the provisions |
| 22 | | gove | rning the consequences of an unlawful distribution |
| 23 | | unde | §28818 or a transactional interest under §28861, or |
| | C | 3) affec | t any rights to which the corporation or a share |
| 24 | (- | , | any rights to which the corporation of a share |
| 2425 | (- | • | er may be entitled under another statute of this |

.

| 1 | Section 3. A new SubArticle B is hereby added to Chapter 28, Part 5, |
|----|---|
| 2 | Division 1 of Title 18 of the Guam Code Annotated to read as follows: |
| 3 | "SubArticle B |
| 4 | Directors' Conflicting Interest Transactions |
| 5 | §28860. SubArticle Definitions. |
| 6 | §28861. Judicial Action. |
| 7 | §28862. Directors' Action. |
| 8 | §28863. Shareholders' Action. |
| 9 | §28860. SubArticle Definitions. For this SubArticle the |
| 10 | following definitions apply: |
| 11 | (a) Conflicting interest with respect to a corporation, means the |
| 12 | interest a director of the corporation has respecting a transaction effected or |
| 13 | proposed to be effected by the corporation (or by a subsidiary of the |
| 14 | corporation or any other entity in which the corporation has a controlling |
| 15 | interest) if |
| 16 | (1) whether or not the transaction is brought before the board |
| 17 | of directors of the corporation for action, the director knows at the |
| 18 | time of commitment that he or a related person is a party to the |
| 19 | transaction or has a beneficial financial interest in or so closely linked |
| 20 | to the transaction and of such financial significance to the director or a |
| 21 | related person that the interest would reasonably be expected to exert |
| 22 | an influence on the director's judgment if he were called upon to vote |
| 23 | on the transaction; or |
| 24 | (2) the transaction is brought (or is of such character and |
| 25 | significance to the corporation that it would in the normal course be |
| 26 | brought) before the board of directors of the corporation for action, |
| 27 | and the director knows at the time of commitment that any of the |

following persons is either a party to the transaction or has a beneficial financial interest in or so closely linked to transaction and of such financial significance to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he were called upon to vote on the transaction:

- (i) an entity (other than the corporation) of which the director is a director, general partner, agent, or employee;
- (ii) a person that controls one or more of the entities specified in sub-clause (i) or an entity that is controlled by, or is under common control with, one or more of the entities specified in sub-clause (i); or
- (iii) an individual who is a general partner, principal, or employer of the Director.
- (b) Directors conflicting interest transaction, with respect to a corporation, means a transaction effected or proposed to be effected by the corporation (or by a subsidiary of the corporation or any other entity in which the corporation has a controlling interest) respecting which a director of the corporation has a conflicting interest.
 - (c) Related person of a director means:
 - (1) the spouse (or a parent or sibling thereof) of the director, or a child, grandchild, sibling, parent (or spouse of any thereof) of the director, or an individual having the same home as the director, or a trust or estate of which an individual specified in this clause (1) is a substantial beneficiary; or
 - (2) a trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary.

(d) Required disclosure means disclosure by the director who has a conflicting interest of

- (1) the existence and nature of his conflicting interest; and
- (2) all facts known to him respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction.
- (e) *Time of commitment* respecting a transaction means the time when the transaction is consummated or, if made pursuant to contract, the time when the corporation (or its subsidiary or the entity in which it has controlling interest) becomes contractually obligated so that its unilateral withdrawal from the transaction would entail significant loss, liability, or other damage.
- **§28861. Judicial Action**. (a) A transaction effected or proposed to be effected by a corporation (or by a subsidiary of the corporation or any other entity in which the corporation has a controlling interest) that is not a director's conflicting interest transaction may not be enjoined, set aside, or give rise to an award of damages or other sanctions, in a proceeding by a shareholder or by or in the right of the corporation, because a director of the corporation, or any person with whom or which he has personal, economic, or other association, has an interest in the transaction.
- (b) A director's conflicting interest transaction may not be enjoined, set aside, or give rise to an award of damages or other sanctions, in a proceeding by a shareholder or by or in the right of the corporation, because the director, or any person with whom or which he has a personal, economic, or other association, has an interest in the transaction, if;

(1) directors' action respecting the transaction was at any time taken in compliance with §28862;

- shareholders' action respecting the transaction was at any time taken in compliance with §28863; or
- (3) the transaction, judged according to the circumstances at the time of commitment, is established to have been fair to the corporation.
- **§28862. Directors' Action**. (a) Directors' action respecting a transaction is effective for purposes of §28861(b)(1) if the transaction received the affirmative vote of a majority but no fewer than two (2) of those qualified directors on the board of directors or on a duly empowered committee of the board who voted on the transaction after either required disclosure to them (to the extent the information was not known by them) or compliance with Subsection (b); provided that action by a committee is so effective only if:
 - (1) all its members are qualified directors, and
 - (2) its members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board.
- (b) If a director has a conflicting interest respecting a transaction, but neither he nor a related person of the director specified in §28860(c)(1) is a party to the transaction, and if the director has a duty under law or professional canon, or a duty of confidentiality to another person, respecting information relating to the transaction such that the director may not make the disclosure described in §28860(d)(2), then disclosure is sufficient for purposes of Subsection (a) if the director:

- 1 (1) discloses to the directors voting on the transaction the 2 existence and nature of his conflicting interest and informs 3 them of the character and limitations imposed by that duty 4 before their vote on the transaction, and plays no part, directly or indirectly, in their deliberations or 5 **(2)** 6 vote. 7 A majority (but no fewer than two (2) of all the qualified (c) directors on the board of directors, or on the committee, constitutes a 8 9 quorum for purposes of action that complies with this Section. Directors' action that otherwise complies with this Section is not affected by the 10 11 presence or vote of a director who is not a qualified director. For purposes of this Section, "qualified director" means, with 12 (d) respect to a director's conflicting interest transaction, any director who does 13 not have either 14 a conflicting interest respecting the transaction, or 15 (1) 16 a familial, financial, professional, or employment relationship (2) with a second director who does have a conflicting interest 17 18 respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on 19 the first director's judgment when voting on the transaction. 20 21 Shareholders' Action. (a) Shareholders' action **§28863.** respecting a transaction is effective for purposes of §28861(b)(2) if a 22 majority of the votes entitled to be cast by the holders of all qualified shares 23
 - (1) notice to shareholders describing the director's conflicting interest transaction,

were cast in favor of the transaction after

24

25

26

27

(2) provision of the information referred to in Subsection (d), and

(3) required disclosure to the shareholders who voted on the transaction (to the extent the information was not known by them).

- (b) For purposes of this Section, "qualified shares" means any shares entitled to vote with respect to the director's conflicting interest transaction except shares that, to the knowledge, before the vote, of the secretary (or other officer or agent of the corporation authorized to tabulate votes), are beneficially owned (or the voting of which is controlled) by a director who has a conflicting interest respecting the transaction or by a related person of the director, or both.
- (c) A majority of the votes entitled to be cast by the holders of all qualified shares constitutes a quorum for purposes of action that complies with this Section. Subject to the provisions of Subsections (d) and (e), shareholders' action that otherwise complies with this Section is not affected by the presence of holders, or the voting, of shares that are not qualified shares.
- (d) For purposes of compliance with Subsection (a), a director who has a conflicting interest respecting the transaction shall, before the shareholders' vote, inform the secretary (or other officer or agent of the corporation authorized to tabulate votes) of the number, and the identity of persons holding or controlling the vote, of all shares that the director knows are beneficially owned (or the voting of which is controlled) by the director or by a related person of the director or both.
- (e) If a shareholders' vote does not comply with Subsection (a) solely because of a failure of a director to comply with Subsection (d), and if the director establishes that his failure did not determine and was not intended by him to influence the outcome of the vote, the court may, with or

- without further proceedings respecting §28861(b)(3), take such action respecting the transaction and the director, and give such effect, if any, to the shareholders' vote, as it considers appropriate in the circumstances."
 - **Section 4.** §28817 of Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated is hereby *amended* to read as follows:
 - "§28817. Standards of Conduct for Directors. (a) Each member of the board of directors, when discharging the duties of a director, shall act
 - (1) in good faith; and

- in a manner the director reasonably believes to be in the best interests of the corporation.
- (b) The members of the board of directors or a committee of the board, when becoming informed in connection with their decision-making function or devoting attention to their oversight function, shall discharge their duties with the care that a person in a like position would reasonably believe appropriate under similar circumstances.
- (c) In discharging board or committee duties, a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on the performance by any of the persons specified in Subsection (e)(1) or Subsection (e)(3) to whom the board may have delegated, formally or informally by course of conduct, the authority or duty to perform one (1) or more of the board's functions that are delegable under applicable law.
- (d) In discharging board or committee duties, a director, who does not have knowledge that makes reliance unwarranted, is entitled to rely on information, opinions, reports or statements, including financial statements and other financial data, prepared or presented by any of the persons specified in Subsection (e).

| 1 | (e) | A director is entitled to rely, in accordance with Subsection (c) |
|----|-------------------|--|
| 2 | or (d), on: | |
| 3 | | (1) one (1) or more officers or employees of the corporation |
| 4 | | whom the director reasonably believes to be reliable and |
| 5 | | competent in the functions performed or the information, |
| 6 | | opinions, reports or statements provided; |
| 7 | | (2) legal counsel, public accountants, or other persons |
| 8 | | retained by the corporation as to matters involving skills |
| 9 | | or expertise the director reasonably believes are matters |
| 10 | | (i) within the particular person's professional or |
| 11 | | expert competence, or |
| 12 | | (ii) as to which the particular person merits |
| 13 | | confidence; or |
| 14 | | (3) a committee of the board of directors of which the |
| 15 | | director is not a member if the director reasonably |
| 16 | | believes the committee merits confidence." |
| 17 | Section 5. | Empowerment. The Compiler of Laws is empowered to |
| 18 | assign chapter as | nd subchapter headings consistent with the Revised Model |
| 19 | Business Corporat | tion Act. |
| 20 | Section 6. | Subsection (b) of §281601 of Article 16 of Chapter 28, Title 18, |
| 21 | Guam Code Anno | stated, is hereby amended to read: |
| 22 | "(b) | If the corporation, or an officer or agent thereof, refuses to |
| 23 | permit an i | inspection sought by a stockholder or attorney or other agent |
| 24 | acting for the | he stockholder pursuant to Subsection (a) of this Section, or does |
| 25 | not reply to | the demand within ten (10) business days after the demand has |
| 26 | been made, | the stockholder may apply to the Superior Court of Guam for an |
| 27 | order to con | npel such inspection." |

1 Section 7. Effective Date. This Act shall be effective upon its enactment.



I MINA' TRENTA NA LIHESLATURAN GUÅHAN

2010 (SECOND) Regular Session

Date: 3/19/10

VOTING SHEET

| Bill No. 3.33-30 (Cor) | | | | | |
|---|------|------|-------------------------------------|---------------------------------|--------|
| Resolution No. | | | | | |
| Question: | | | | | |
| | | | | | |
| NAME | YEAS | NAYS | NOT VOTING <u>/</u> ABSTAINED | OUT DURING ROLL CALL | ABSENT |
| ADA, Thomas C. | V | | | | |
| AGUON, Frank B., Jr. | V | | | | |
| BLAS, Frank F., Jr. // | W | | | | |
| CALVO, Edward J.B. | | | | | |
| CRUZ, Benjamin J. F. | V | | | | |
| ESPALDON, James V. // | V | | | | |
| GUTHERTZ, Judith Paulette | V | | | | |
| MUNA-BARNES, Tina Rose | V | | | | |
| PALACIOS, Adolpho Borja, Sr. | | | | | |
| PANGELINAN, vicente (ben) cabrera | V | | | | |
| RESPICIO, Rory J. | V | | | | |
| TAITAGUE, Telo | V | | | | |
| TENORIO, Ray | V | | | | |
| WON PAT, Judith T. | | | | | |
| TOTAL | 14 | | | | |
| CERTIFIED TRUE AND CORRECT: Clerk of the Legislature | | | * E | 3 Passes = No A = Excused Al | |



The People

Chairman Committee on Appropriations, Taxation, Banking, Insurance, and Land

Member Committee on Education

Member Committee on Municipal Affairs, Aviation, Housing, and Recreation

Member Committee on Labor, the Public Structure, Public Libraries, and Technology

Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

March 15, 2010

The Honorable Judith T. Won Pat, Ed.D.

Speaker

I Mina'trenta na Liheslaturan Guåhan 155 Hesler Place

Hagåtña, Guam 96910

VIA: The Honorable Rory J. Respicio

Chairperson, Committee on Rules

RE: Committee Report on Bill No. 325-30 (COR)

Dear Speaker Won Pat:

Transmitted herewith is the Committee Report on Bill No. 325-30 (COR) "An act to add a new §28817A and a new subarticle B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes" and which was referred to the Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land.

Committee votes are as follows:

2 TO PASS

NOT TO PASS

十 TO REPORT OUT ONLY

____ TO ABSTAIN

____ TO PLACE IN INACTIVE FILE

Si Yu'us Ma'åse,

vicepte c. pangelinan

Senator

COMMITTEE REPORT ON

BILL NO.325-30 (COR)

"AN ACT TO ADD A NEW §28817A

AND A NEW SUBARTICLE B TO

CHAPTER 28, PART 5, DIVISION 1 OF

TITLE 18 OF THE GUAM CODE

ANNOTATED AND FOR OTHER

PURPOSES"



Chairman

Committee on Appropriations, Taxation,

Banking, Insurance, and Land

Member

Committee on Education

Member

Committee on

Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

March 15, 2010

MEMORANDUM

To:

All Members

Committee on Appropriations, Taxation, Banking, Insurance,

Retirement, and Land

From:

Senator vicente "ben" c. pangelinan

Committee Chairperson

Subject: Committee Report on Bill No.325-30 (COR)

Transmitted herewith for your consideration is the Committee Report on Bill No.325-30 (COR) "An act to add a new \$28817A and a new subarticle B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes" sponsored by Senator vicente "ben" c. pangelinan

This report includes the following:

Municipal Affairs, Aviation, Housing, and Recreation

Member Committee on Labor, the Public Structure, Public Libraries, and Technology

- Committee Voting Sheet
- Committee Report Narrative
- Copy of Bill No.325-30 (COR)
- Public Hearing Sign-in Sheet
- Copies of Submitted Testimony & Supporting Documents
- Copy of COR Referral of Bill No.325-30 (COR)
- Notices of Public Hearing
- Copy of the Public Hearing Agenda

Please take the appropriate action on the attached voting sheet. Your attention to this matter is greatly appreciated. Should you have any questions or concerns, please do not hesitate to contact my office.

Si Yu'us Ma'ase,

vicente e. pangelinan

Senator

I MINA' TRENTA NA LIHESLATURAN GUÅHAN

Committee Voting Sheet Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land

Bill No.325-30 (COR):

"An act to add a new §28817A and a new subarticle B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes"

| | Committee Members | To Pass | Not To Pass | Report Out | Abstain | Inactive Files |
|---|---|---------|-------------|------------|---------|----------------|
| | Senator vicente c. pangelinan Chairperson | | | | | |
| | Speaker Judith T. Won Pat, Ed. | .D | | | | |
| \ | Vice Chairperson Vice Speaker Benjamin J.F Cru Member | | | 4 | | |
| | Senator Tina Rose Muña-Barne Member | es — | | i | | |
| | Senator Frank B. Aguon Jr. | | | | | |
| | Senator Judich P. Guthertz Member | | | <u>v</u> n | | |
| | Senator James V. Espaldon | | - | | | |
| | Member | | | yæ. | | |
| | Senator Telo T. Taitague Member | | | | | |
| | Senator Frank Blas, Jr. | | - | | | |
| | vicuite! | | | | | |



Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

Committee Report

Bill No.325-30 (COR): "An act to add a new §28817A and a new SubArticle

B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated
and for other purposes"

I. OVERVIEW

The Committee on Appropriations, Taxation, Banking, Insurance, Retirement, and Land convened a public hearing on March 10, 2010 at 8:30 am in *I Liheslatura's* Public Hearing Room.

Public Notice Requirements

Notices were disseminated via hand-delivery and e-mail to all senators and all main media broadcasting outlets on <u>March 3</u> (5-Day Notice), and again on <u>March 8</u> (48 Hour Notice).

(a) Committee Members and Senators Present

Senator vicente "ben" pangelinan, Chairman Senator Telo Taitague, member Senator Ada Senator Adolpho B. Palacios, Sr.

(b) Appearing before the Committee

None

(c) Written Testimonies Submitted

Department of Revenue and Taxation William J. Blair

II. COMMITTEE PROCEEDINGS

(a) Bill Sponsor Summary

Senator vicente pangelinan: The next Bill on the agenda that was published and announced for a public hearing is Bill 325-30(COR) An Act to Add a New §28817A and a New SubArticle B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes.

This bill would amend the Business Corporations Law, which I authored which clearly defines the conflicts of interest and duties and responsibilities of Directors of

Chairman Committee on Appropriations, Taxation, Banking, Insurance, and Land

Member Committee on Education

Member Committee on Municipal Affairs, Aviation, Housing, and Recreation

Member Committee on Labor, the Public Structure, Public Libraries, and Technology corporations. It is based upon the revised model business code and while the conflicts of interest statute are most commonly found in what we term common law, the model business code has endeavored to be more specific in those areas and the bill would enact that what is normally practiced and placed into law in statute rather than relying on just common law for those companies that domicile and decide to do business in our territory. For the record, the Department of Revenue and Taxation has submitted written testimony on Bill No. 325 in favor of the bill.

If there is anybody else that wishes to testify we remain open to receiving public testimony either in writing or via email. Once again, Bill 325 being no further testimony to be presented has duly received its public hearing.

III. FINDINGS & RECOMMENDATIONS

The Committee on Appropriation, Taxation, Banking, Insurance, Retirement, and Land, hereby reports Bill No.325-30 (COR) by the Committee, with the recommendation TO REPORT OUT ONLY.

MINA' TRENTA NA LIHESLATURAN GUÅHAN

2010 (SECOND) REGULAR SESSION

BILL NO. 335 -30(COR)

Introduced by:



AN ACT TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5, DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan finds that the addition of a new Part 5 to Title 18 of the Guam Code Annotated, which is designated as Public Law 29-144 and known as the Guam Corporation Business Act, was substantively patterned after the Revised Model Business Corporation Act (RMBCA). The Guam Corporation Business Act omitted certain provisions of the RMBCA, including provisions governing the standards of liability for directors and directors' conflicting interest transactions. I Liheslaturan Guåhan further finds that it is necessary to amend §28817 which contained technical drafting errors. It is the intent of I Liheslaturan Guåhan to empower the Compiler of Laws to assign chapter and subchapter headings consistent with the Revised Model Business Corporation Act.

Section 2. Addition of new §28817A. A new §28817A is hereby added to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated to read as follows:

"§28817A. Standards of Liability for Directors. (a) A director shall not be liable to the corporation or its shareholders for any decision to take or not to take actions, or any failure to take any action, as a director, unless the party asserting liability in a proceeding establishes that:

1) any provision in the articles of incorporation authorized by §28202(b)(4) or protection afforded by §28861 for action taken in compliance with §§ 28862 or 28863, if interposed as a bar to the proceeding by the director, does not preclude liability; and

| 1 | 2) the challenged conduct consisted or was the result of: |
|----|---|
| 2 | (i) action not in good faith; or |
| 3 | (ii) a decision |
| 4 | (A) which the director did not reasonably believe |
| 5 | to be in the best interest of the corporation, or |
| 6 | (B) as to which the director was not informed to |
| 7 | an extent the director reasonably believed |
| 8 | appropriate in the circumstances; or |
| 9 | (iii) a lack of objectivity due to the director's familial, |
| 10 | financial or business relationship with, or a lack of |
| 11 | independence due to the director's domination or |
| 12 | control by, another person having a material interest |
| 13 | in the challenged conduct |
| 14 | (A) which relationship or which domination or |
| 15 | control could reasonably be expected to have |
| 16 | affected the director's judgment respecting |
| 17 | the challenged conduct in a manner adverse to |
| 18 | the corporation, and |
| 19 | (B) after a reasonable expectation to such effect |
| 20 | has been established, the director shall not |
| 21 | have established that the challenged conduct |
| 22 | was reasonably believed by the director to be |
| 23 | in the best interest of the corporation, or |
| 24 | (iv) a sustained failure of the director to devote attention |
| 25 | to ongoing oversight of the business and affairs of |
| 26 | the corporation, or a failure to devote timely |
| 27 | attention, by making (or causing to be made) |
| 28 | appropriate inquiry, when particular facts and |
| 29 | circumstances of significant concern materialize |
| 30 | that would alert a reasonably attentive director to |
| 31 | that would alert a reasonably attentive director to |
| 32 | |
| 33 | (v) receipt of a financial benefit to which the director was not entitled or any other breach of the director's |
| 34 | duties to deal fairly with the corporation and its |
| 35 | · |
| 36 | shareholders that is actionable under applicable law. |
| 37 | (h) the most resolving to hold the discrete lighter |
| 38 | (b) the party seeking to hold the director liable: |
| 39 | (1) for monor demands about also have the hunder of establishing |
| | (1) for money damages, shall also have the burden of establishing |
| 40 | that: |
| 41 | (i) harm to the corporation or its shareholders has |
| 42 | been suffered, and |
| 43 | (ii) the harm suffered was proximately caused by the |
| 44 | director's challenged conduct; |
| 45 | |

| 1 | (2) for other money payment under a legal remedy, such as |
|-----------------------|---|
| 2 3 4 5 6 | compensation for the unauthorized use of corporate assets, |
| 3 | shall also have whatever persuasion burden may be called for |
| 4 | to establish that the payment sought is appropriate in the |
| 5 | circumstances; or |
| | |
| 7 | (3) for other money payment under an equitable remedy, such as |
| 8 | profit recovery by or disgorgement to the corporation, shall |
| 9 | also have whatever persuasion burden may be called for to |
| 10 | establish that the equitable remedy sought is appropriate in the |
| 11 | circumstances. |
| 12 | (a) Neathing a sustained in this protion shall |
| 13 | (c) Nothing contained in this section shall |
| 14 | (1) in any instance where formers is at issue, such as consideration |
| 15 16 | (1) in any instance where fairness is at issue, such as consideration of the fairness of a transaction to the corporation under |
| 17 | §28861(b)(3), alter the burden of proving the fact or lack of |
| 18 | fairness otherwise applicable, |
| 19 | familiess outer wise applicable, |
| 20 | (2) alter the fact or lack of liability of a director under another |
| 21 | section of this Act, such as the provisions governing the |
| 22 | consequences of an unlawful distribution under §28818 or a |
| 23 | transactional interest under §28861, or |
| 24 | transactional interest and gasoot, or |
| 25 | (3) affect any rights to which the corporation or a share holder may |
| 26 | be entitled under another statute of this territory or the United |
| 27 | States." |
| 28 | |
| 29 | Section 3. Addition of new SubArticle B. A new SubArticle B is hereby |
| 30 | added to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated |
| 31 | to read as follows: |
| 32 | |
| 33 | "SUBARTICLE B |
| 34 | DIRECTORS' CONFLICTING INTEREST TRANSACTIONS |
| 35 | |
| 36 | §28860. SubArticle Definitions. |
| 37 | §28861. Judicial Action. |
| 38 | §28862. Directors' Action. |
| 39 | §28863. Shareholders' Action. |
| 40 | |
| 41 | §28860. SubArticle Definitions. For this SubArticle the following |
| 42 | definitions apply: |
| 43 | |
| 44 | (a) "Conflicting Interest" with respect to a corporation means the |
| 45 | interest a director of the corporation has respecting a transaction |
| 46 | effected or proposed to be effected by the corporation (or by a |

1 subsidiary of the corporation or any other entity in which the 2 corporation has a controlling interest) if 3 4 (1) whether or not the transaction is brought before the board of 5 directors of the corporation for action, the director knows at the time of commitment that he or a related person is a party to the 6 transaction or has a beneficial financial interest in or so closely 7 8 linked to the transaction and of such financial significance to 9 the director or a related person that the interest would reasonably be expected to exert an influence on the director's 10 11 judgment if he were called upon to vote on the transaction; or 12 13 (2) the transaction is brought (or is of such character and 14 significance to the corporation that it would in the normal course be brought) before the board of directors of the 15 corporation for action, and the director knows at the time of 16 17 commitment that any of the following persons is either a party 18 to the transaction or has a beneficial financial interest in or so closely linked to transaction and of such financial significance 19 20 to the person that the interest would reasonably be expected to exert an influence on the director's judgment if he were called 21 22 upon to vote on the transaction: 23 (i) an entity (other than the corporation) of which the director is a director, general partner, agent, or 24 25 employee; 26 (ii) a person that controls one o more of the entities specified in sub-clause (i) or an entity that is 27 controlled by, or is under common control with, one 28 29 or more of the entities specified in sub-clause (i); or 30 an individual who is a general partner, principal, (iii) 31 or employer of the director. 32 33 (b) "Directors conflicting interest transaction" with respect to a 34 corporation means a transaction effected or proposed to be effected by the corporation (or by a subsidiary of the corporation or any other 35 entity in which the corporation has a controlling interest) respecting 36 37 which a director of the corporation has a conflicting interest. 38 39 "Related person" of a director means: 40 41 (1) the spouse (or a parent or sibling thereof) of the director, or a 42 child, grandchild, sibling, aren't (or spouse of any thereof) of 43 the director, or an individual having the same home as the 44 director, or a trust or estate of which an individual specified in 45 this clause(1) is a substantial beneficiary' or; 46

| 1 2 | (2) a trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary. |
|------------------|--|
| 3 | · |
| 2 3 4 5 | (d) "Required disclosure" means disclosure by the director who has a conflicting interest of |
| 6 7 8 | (1) the existence and nature of his conflicting interest, and |
| 9 | (2) all facts because to him assessing the military and a Call |
| | (2) all facts known to him respecting the subject matter of the |
| 10 | transaction that an ordinarily prudent person would reasonably |
| 11 | believe to be material to a judgment about whether or not to |
| 12 | proceed with the transaction. |
| 13 | |
| 14 | (e) "Time of commitment" respecting a transaction means the time |
| 15 | when the transaction is consummated or, if made pursuant to |
| 16 | contract, the time when the corporation (or its subsidiary or the |
| 17 | entity in which it has controlling interest) becomes contractually |
| 18 | obligated so that its unilateral withdrawal from the transaction would |
| 19 | entail significant loss, liability, or other damage. |
| 20 | |
| 21 | §28861. Judicial Action. (a) A transaction effected or proposed to be |
| 22 | effected by a corporation (or by a subsidiary of the corporation or |
| 23 | any other entity in which the corporation has a controlling interest) |
| 24 | that is not a director's conflicting interest transaction may not be |
| 25 | enjoined, set aside, or give rise to an award of damages or other |
| 26 | sanctions, in a proceeding by a shareholder or by or in the right of |
| 27 | the corporation, because a director of the corporation, or any person |
| 28 | with whom or which he has personal, economic, or other association, |
| 29 | has an interest in the transaction. |
| 30 | |
| 31 | (b) A director's conflicting interest transaction may not be enjoined, set |
| 32 | aside, or give rise to an award of damages or other sanctions, in a |
| 33 | proceeding by a shareholder or by or in the right of the corporation, |
| 34 | because the director, or any person with whim or which he has a |
| 35 | personal, economic, or other association, has an interest n the |
| 36 | transaction, if; |
| 37 | (1) directors' action respecting the transaction was at any time |
| 38 | taken in compliance with §28862; |
| 39 | (2) shareholders' action respecting the transaction was at any time |
| 40 | taken in compliance with §28863; or |
| 41 | (3) the transaction, judged according to the circumstances at the |
| 42 | time of commitment, is established to have been fair to the |
| 43 | corporation. |
| 44 | |
| 45 | §28862. Directors' Action. (a) Directors' action respecting a transaction |
| 46 | is effective for purposes of §28861(b)(1) if the transaction received |

the affirmative vote of a majority (but no fewer than two) of those qualified directors on the board of directors or on a duly empowered committee of the board who voted on the transaction after either required disclosure to them (to the extent the information was not known by them) or compliance with subsection (b); provided that action by a committee is so effective only if:

- (1) all its members are qualified directors, and
- (2) its members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board.
- (b) If a director has a conflicting interest respecting a transaction, but neither he nor a related person of the director specified in §28860(c)(1) is a party to the transaction, and if the director has a duty under law or professional canon, or a duty of confidentiality to another person, respecting information relating to the transaction such that the director may not make the disclosure described in §28860(d)(2), then disclosure is sufficient for purposes of subsection (a) if the director:
 - (1) discloses to the directors voting on the transaction the existence and nature of his conflicting interest and informs them of the character and limitations imposed by that duty before their vote on the transaction, and
 - (2) plays no part, directly or indirectly, in their deliberations or vote.
- (c) A majority (but no fewer than two) of all the qualified directors on the board of directors, or on the committee, constitutes a quorum for purposes of action that complies with this section. Directors' action that otherwise complies with this section is not affected by the presence or vote of a director who is not a qualified director.
- (d) For purposes of this section, "qualified director" means, with respect to a director's conflicting interest transaction, any director who does not have either
 - (1) a conflicting interest respecting the transaction, or
 - (2) a familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction.

1 §28863. Shareholders' Action. (a) Shareholders' action respecting a 2 transaction is effective for purposes of §28861(b)(2) if a majority of the 3 votes entitled to be cast by the holders of all qualified shares were cast in favor of the transaction after 4 5 6 (1) notice to shareholders describing the director's conflicting 7 interest transaction, 8 9 (2) provision of the information referred to in subsection (d), and 10 11 (3) required disclosure to the shareholders who voted on the 12 transaction (to the extent the information was not known by 13 them). 14 15 (b) For purposes of this section, "qualified shares" means any shares entitled to vote with respect to the director's conflicting interest 16 transaction except shares that, to the knowledge, before the vote, of the 17 18 secretary (or other officer or agent of the corporation authorized to 19 tabulate votes), are beneficially owned (or the voting of which is 20 controlled) by a director who has a conflicting interest respecting the 21 transaction or by a related person of the director, or both. 22 23 (c) A majority of the votes entitled to be cast by the holders of all qualified 24 shares constitutes a quorum for purposes of action that complies with this section. Subject to the provisions of subsections (d) and (e), 25 shareholders' action that otherwise complies with this section is not 26 27 affected by the presence of holders, or the voting, of shares that are not qualified shares. 28 29 30 (d) For purposes of compliance with subsection (a), a director who has a conflicting interest respecting the transaction shall, before the 31 32 shareholders' vote, inform the secretary (or other officer or agent of the corporation authorized to tabulate votes) of the number, and the 33 identity of persons holding or controlling the vote, of all shares that the 34 35 director knows are beneficially owned (or the voting of which is controlled) by the director or by a related person of the director or 36 37 both. 38 39 (e) If a shareholders' vote does not comply with subsection (a) solely because of a failure of a director to comply with subsection (d), and if 40 41 the director establishes that his failure did not determine and was not 42 intended by him to influence the outcome of the vote, the court may, 43 with or without further proceedings respecting §28861(b)(3), take such 44 action respecting the transaction and the director, and give such effect, 45 if any, to the shareholders' vote, as it considers appropriate in the 46 circumstances."

| 1 2 | Section 4. Amendment of §28817. Section 28817 of Chapter 28, Part 5, |
|--------|--|
| 3 | Division 1 of Title 18 of the Guam Code Annotated is hereby amended to read as |
| | follows: |
| 4 | follows. |
| 5 6 | "\$19917 Standards of Conduct for Directors (a) Each member of the |
| 7 | "§28817. Standards of Conduct for Directors. (a) Each member of the board of directors, when discharging the A director shall discharge the director's |
| 8 | |
| 9 | duties of as a director, shall act including the director's duties as a member of a committee: |
| 10 | |
| 11 | (1) In good faith; (2)With the care and ordinarily prudent person in a like position would |
| 12 | exercise under similar circumstances; and |
| 13 | (2) (3) In a manner the director reasonably believes to be in the best |
| 13 | interest of the corporation. |
| 15 | (b) In determining the best interest of the corporation, a director, in |
| 16 | addition to considering the interest of the corporation's shareholder, |
| 17 | may consider, in the director's discretion, any of the following factors: |
| 18 | (1) The interest of the corporation's employees, customers, suppliers, |
| 19 | and creditors: |
| 20 | (2) The economy of Guam and the nation; |
| 21 | (3) Community and societal considerations, including, without |
| 22 | limitations, the impact of any action upon the communities in or |
| 23 | near which the corporation has offices or operations, and |
| 24 | (4) The long term as well as short-term interests of the corporation and |
| 25 | its shareholders, including, without limitation, the possibility that |
| 26 | these interests may be best served by the continued independence |
| 27 | of the corporation. |
| 28 | (c) In discharging duties as a director, the director is entitled to rely on |
| 29 | information, opinions, reports, or statements, including financial |
| 30 | statements and other financial data, if prepared or presented by: |
| 31 | (1) One or more officers or employees of the corporation whom the |
| 32 | director reasonably believes to be reliable and competent in the |
| 33 | matters presented; |
| 34 | (2) Legal counsel, public accountants, or other persons as to matters |
| 35 | the director reasonably believes are within the person's |
| 36 | professional or expert competence; or |
| 37 | (3) A committee of the board of directors of which the director is <i>not</i> a |
| 38 | member if the director reasonably believes the committee merits |
| 39 | confidence. |
| 40 | (d) A director is not acting in good faith if the director has knowledge |
| 41 | concerning the matter in question that makes reliance otherwise |
| 42 | permitted by subsection (c) unwarranted. |
| 43 | (e) A director in <i>not</i> liable for any action taken as a director, or any failure |
| 44 | to take any action, if the director performed the duties of the director's |
| 45 | office in compliance with this section. |
| | one a serie formand a common series series |

| 1 | (b) The members of the board of directors or a committee of the board |
|----|--|
| 2 | when becoming informed in connection with their decision-making |
| 3 | function or devoting attention to their oversight function shall |
| 4 | discharge their duties with the care that a person in a like position |
| 5 | would reasonably believe appropriate under similar circumstances. |
| 6 | |
| 7 | (c) In discharging board or committee duties a director, who does not have |
| 8 | knowledge that makes reliance unwarranted, is entitled to rely on the |
| 9 | performance by any of the persons specified in subsection (e)(1) or |
| 10 | subsection (e)(3) to whom the board may have delegated, formally or |
| 11 | informally by course of conduct, the authority or duty to perform one |
| 12 | or more of the board's functions that are delegable under applicable |
| 13 | law. |
| 14 | |
| 15 | (d) In discharging board or committee duties a director, who does not have |
| 16 | knowledge that makes reliance unwarranted, is entitled to rely on |
| 17 | information, opinions, reports or statements, including financial |
| 18 | statements and other financial data, prepared or presented by any of |
| 19 | the persons specified in subsection (e). |
| 20 | |
| 21 | (e) A director is entitled to rely, in accordance with subsection (c) or (d), |
| 22 | on: |
| 23 | |
| 24 | (1) one or more officers or employees of the corporation whom the |
| 25 | director reasonably believes to be reliable and competent in the |
| 26 | functions performed or the information, opinions, reports or |
| 27 | statements provided; |
| 28 | |
| 29 | (2) legal counsel, pubic accountants, or other persons retained by the |
| 30 | corporation as to matters involving skills or expertise the |
| 31 | director reasonably believes are matters |
| 32 | (i) within the particular person's professional or expert |
| 33 | competence or |
| 34 | (ii) as to which the particular person merits confidence; |
| 35 | or |
| 36 | |
| 37 | (3) a committee of the board of directors of which the director is not |
| 38 | a member if the director reasonably believes the committee |
| 39 | merits confidence." |
| 40 | |
| 41 | Section 5. Empowerment. The Compiler of Laws is empowered to |
| 42 | assign chapter and subchapter headings consistent with the Revised Model |
| 43 | Business Corporation Act. |
| 44 | |
| 45 | Section 6. Effective Date. This Act shall be effective upon enactment. |
| | ~ or with the part of the first of the original of the original or the original or |



Mina' Trenta Na Liheslaturan Guahan THIRTIETH GUAM LEGISLATURE

Senator vicente "ben" c. pangelinan

COMMITTEE ON APPROPRIATIONS, TAXATION, BANKING, INSURANCE, RETUREMENT AND LAND PUBLIC HEARING

Wednesday, March 10, 2010 BILL NO. 325-30 (COR)

SIGN UP SHEET

| WRITTEN ORAL SUPPORT Yes No | | |
|-----------------------------|--|--|
| ORAL | | |
| WRITTEN | | |
| EMAIL | | |
| PHONE | | |
| ADDRESS PHONE | | |
| NAME | | |

324 W. Soledad Ave. Hagaina, Guam 96910 Ph. 473-4236 Fax. 473-4238 Email: senbenp@guam.net ----Original Message----

From: "William J. Blair" < wjblair@kbsjlaw.com>

Date: Mon, 15 Mar 2010 09:07:45

To: 'Ben Pangelinan'<senbenp@guamlegislature.org>

Cc: <compiler@guamsupremecourt.com>

Subject: Bill 325-30

Ben,

I was off-island for the public hearing on Bill 325. Please accept these belated comments.

The bill, as drafted, is fine. There may be some additional technical glitches in the original law. Attached are some comments I received from the Compiler of Laws, Serge Quenga. I don't know if Serge provided these to you already.

There are some incorrect cross references in the existing statute that should be corrected:

1. The cross references in 18 GCA 28401, 28402 and 28403 should be to 18

GCA 2110, 2110.1 and 2110.2, not 11 GCA etc. (See PL27-57:11-13)

2. The cross reference in 18 GCA 281602 to 11 GCA 4304 should be to 18 GCA 4304.

A concern has been raised as to whether the statutory business judgment rule

provisions should also be made applicable to old corporations still subject to the old law which do not elect to opt in to the new statute. My belief is that courts would find that the business judgment rule, as it has evolved in the common law and which is generally codified in the new language would

be the applicable standard, but that would have to be battled out in litigation. To avoid any uncertainty, it might be good policy to either make that law also applicable to existing corporations or include some legislative finding that the statute reflects the codification of the common law which the Legislature would expect the courts to apply to existing corporations. On the other hand, the inclusion of this provision provides an incentive to opt in that you might want to offer. Reasonable persons

could differ on this policy call.

I again express my gratitude for your attention to this un-sexy, but very important area of Guam law.

Bill

BLAIR STERLING JOHNSON
MARTINEZ & LEON GUERRERO
A Professional Corporation
Suite 1008 DNA Building
238 Archbishop F.C. Flores Street
Hagåtña, Guam 96910-5205
Telephone: (671) 477-7857

Facsimile: (671) 472-4290 Mobile: (671) 687-5957

E-mail: wjblair@kbsjlaw.com

REVENUE AND TAXATION

GOVERNMENT OF GUAM

Gubetnamenton Guahan

ARTEMIO B. ILAGAN, Director Paul J. Pablo, Deputy Director Segundo Direktot

March 10, 2010

The Honorable Vicente C. Pangelinan Chairman, Committee on Appropriations, Taxation, Banking, Insurance and Land Thirtieth Guam Legislature 324 West Soledad Avenue, Suite 100 Hagatna, Guam 96910

Bill No. 325-30 "AN ACT TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5 DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED AND FOR OTHER PURPOSES".

Dear Senator Pangelinan:

My name is Artemio B. Ilagan. I am the director of the Department of Revenue and Taxation. I am in favor of Bill No. 325 for the following reasons:

- 1. This bill appears to have been developed substantially from the Revised Model Business Corporation Act (RMBCA).
- 2. It establishes standards of liability for directors and requires any party seeking to hold a director liable to establish harm to the corporation or its shareholder and the harm was proximately caused by the director's challenged conduct.
- 3. It defines conflicting interest and related person with respect to an interest of a director to a transaction proposed to be effected or effected. In this regard, our office invites the attention of the Committee to some words that appears to be typographical errors:

Page 4, line 42, the word "aren't" should be written as "parent".

Page 5, line 34, the word "whim" should be written as "whom".

With the provisions that are contained in this bill, both the directors and shareholders of the corporation are given clear and transparent directions for corporate governance. In summary, I am in favor of Bill No. 325.

Sincerely,

Director



BUREAU OF BUDGET & MANAGEMENT RESEARCH

OFFICE OF THE GOVERNOR
Post Office Box 2950, Hagatha Guam 96932

BERTHA M. DUENAS DIRECTOR

MICHAEL W. CRUZ, M.D. LIEUTENANT GOVERNOR

FEB 26 2010

The Bureau requests that Bill No(s). 325-30 (COR) be granted a waiver pursuant to Public Law 12-229 as amended for the following reason(s):

The Bill proposes to add a new §28817A and Sub-Article B to Chapter 28, Part 5, Division 1 of the Guam Code Annotated relative to the Revised Model Business Corporation Act.

The intent of the Bill is administrative in nature, as submitted for Legislative consideration.

BERTHA M. DUENAS Director

COMMITTEE ON RULES I Mina'Trenta na Liheslaturan Guåhan • 30th Guam Legislature

155 Hesler Place, Hagatña, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

SENATOR RORY J. RESPICIO CHAIRPERSON

Senator Judith P. Guthertz Vice Chairperson

> MAJORITY MEMBERS:

Judith T. Won Pat SPEAKER

Benjamin J. F. Cruz Vice Speaker

Tina Rose Muña Barnes LEGISLATIVE SECRETARY

> Thomas C. Ada Senator

Frank B. Aguon, Jr. SENATOR

Adolpho B. Palacios, Sr. SENATOR

Vicente C. Pangelinan Senator

> Matthew Rector SENATOR

> > MINORITY MEMBERS:

Frank F. Blas, Jr. Senator

James V. Espaldon Senator February 9, 2010

MEMORANDUM

To:

Pat Santos

Clerk of the Legislature

Attorney Therese M. Terlaje

Legislative Legal Counsel

From:

Senator Rory J. Respicio

Chairperson, Committee on Kules

Subject:

Referral of Bill No. 325-30 (COR)

As Chairperson of the Committee on Rules, I am forwarding my referral of Bill No. 325-30 (COR).

Please ensure that the subject bill is referred, in my name, to the respective committee, as shown on the attachment. I also request that the same be forwarded to all Senators of I Mina' Trenta Na Liheslaturan Guåhan.

Should you have any questions, please contact Stephanie Mendiola or Elaine Tajalle at 472-7679.

Si Yu'os Ma'ase'!

(1) Attachment

Sent the VEST 198



COMMITTEE ON RULES

I Mina'Trenta na Liheslaturan Guåhan • 30th Guam Legislature

155 Hesler Place, Hagatha, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

SENATOR RORY J. RESPICIO CHAIRPERSON

Senator Judith P. Guthertz Vice Chairperson

> MAJORITY MEMBERS:

Judith T. Won Pat SPEAKER

Benjamin J. F. Cruz Vice Speaker

Tina Rose Muña Barnes LEGISLATIVE SECRETARY

> Thomas C. Ada Senator

Frank B. Aguon, Jr. SENATOR

Adolpho B. Palacios, Sr. SENATOR

Vicente C. Pangelinan SENATOR

MINORITY MEMBERS:

Frank F. Blas, Jr. SENATOR

James V. Espaldon Senator March 3, 2010

The Honorable vicente c. pangelinan (Mina' Trenta na Liheslaturan Guåhan 324 W. Soledad Ave., Ste. 100 Hagåtña, Guam 96910

RE: Referral of Bill No. 325-30 (COR)

Hafa Adai Scnator pangelinan:

Thank you for your letter dated March 2, 2010 requesting the reconsideration of the referral of **Bill No. 325-30 (COR)** – "An act to add a new §28817a and a new Subarticle B to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Λnnotated and for other purposes."

As this bill relates to how a corporation is created, it falls under the Civil Code and was accordingly referred to Senator Frank B. Aguon, Jr.'s Committee on Economic Development, Health & Human Services, and Judiciary. This referral is upheld.

Please contact me should you wish to discuss this matter further.

Very Truly Yours,

Rory J. Respicio

cc: Senator Frank B. Aguon, Jr.

COMMITTEE ON RULES

I Mina'Trenta na Liheslaturan Gudhan • 30th Guam Legislature

155 Hesler Place, Hagatha, Guam 96910 • tel: (671)472-7679 • fax: (671)472-3547 • roryforguam@gmail.com

SENATOR RORY J. RESPICIO CHAIRPERSON

March 5, 2010

Senator Judith P. Guthertz Vice <u>MEMORANDUM</u>

CHAIRPERSON

Clerk of the Legislature

Pat Santos

MAJORITY MEMBERS:

SPEAKER

Attorney Therese M. Terlaje

Legislative Legal Counsel

MEMBERS:
Judith T. Won Pat

From:

To:

Senator Rory J. Respicio

Chairperson, Committee on Rules

Benjamin J. F. Cruz Vice Speaker

Subject:

Re-Referral of Bill No. 325-30 (COR)

Tina Rose Muña Barnes Legislative Secretary

> Thomas C. Ada SENATOR

Frank B. Aguon, Jr. SENATOR

Adolpho B. Palacios, Sr. Senator

Vicente C. Pangelinan SENATOR

MINORITY MEMBERS:

Frank F. Blas, Jr. Senator

James V. Espaldon SENATOR As Chairperson of the Committee on Rules, I am forwarding my re-referral of Bill No. 325-30(COR). This will replace the original referral transmitted on February 9, 2010.

-==

VЛ

Please ensure that the subject bill is re-referred in my name to the respective committee as shown on the attachment. I also request that the same be forwarded to all Senators of I Mina' Trenta Na Liheslaturan Guåhan.

Should you have any questions, please contact Stephanie Mendiola or Elaine Tajalle at 472-7679.

Si Yu'os Ma'åse'!

(1) Attachment

I Mina'Trenta Na Liheslaturan Guåhan Bill Log Sheet Page 1 of 1

| c. An act to add a new \$28817a and a new Subarticle b to Chanter |
|---|
| 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for |
| other purposes |
| |
| a daga da a a a a a a a a a a a a a a a |
| |
| |



Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

March 3, 2010

Memorandum

To:

All Senators

From:

Senator vicente c. pangelinan

Re:

Public Hearing

Member Committee on Education

Chairman Committee on

Appropriations, Taxation,

Banking, Insurance, and Land

Member Committee on Municipal Affairs, Aviation, Housing, and Recreation

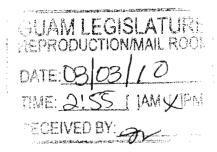
Member Committee on Labor, the Public Structure, Public Libraries, and Technology The Committee on Appropriations, Taxation, Banking, Insurance and Land will conduct a public hearing on numerous bills beginning at 8:30am on Wednesday, March 10, 2010 and at 3:00pm will conduct an oversight of the Chamorro Land Trust Commission at the Guam Legislature's Public Hearing Room.

On Thursday, March 11, 2010, the Committee will receive testimonies for the Official Zoning Map and Amendments of the "Dos Amantes" Planning Area, Municipality beginning at 5:30pm in the Guam Legislature Public Hearing Room.

Copies of the Agenda for March 10 and March 11 are attached for your review.

For copies of the bill, you can log onto www.guamlegislature.com or www.senbenp.com

Si Yu'os Ma'ase.



cipo@guamlegislature.org | Settings | Help | Sign ou Mall Calendar Documents Contacts Search Mail Search the Web Compose Mail ج ی تا ایک بدیر Inbox (5) « Back to Sent Mail Archive Report spam Move to Inbox More actions Newer 2 of 2179 Older New window **Drafts** First Notice - Public Hearing Indox X Print all Dos Amantes hide details 3:35 PM (23 minutes ago) Reply Lisa Cipollone Expand all **Grants** (206) Forward all Military Buildup Tom Ada <tom@senatorada.org>, PR fbaguon.guam@hotmail.com, More about... Retirement Fund "Frank F. Blas, Jr." Setup New Email Account » <frank.blasjr@gmail.com>, senben pics Circle Google Social Search » 7 more ▼ "Edward J.B. Calvo" SMTP Connector » Download Messenger Yahoo MSN » <sencalvo@gmail.com>, Contacts BJ Cruz <senadotbjcruz@aol.com>, Tasks Jimmy Espaldon <senator@espaldon.com>, Lisa Cipollone Senator Judi Guthertz <judiguthertz@pticom.com>, Tina Muna Barnes <tinamunabarnes@gmail.com>, ABPalacios@gmail.com, "Rory J. Respicio" <roryforguam@gmail.com>, Ray Tenorio <ray@raytenorio.com>, Telo Taitague <senatortelo@gmail.com>, Judi Won Pat <info@judiwonpat.com> Stephanie Mendiola <sem@guamlegislature.org>. Bill Phillips <phillipsguam@gmail.com>, fbtorres@yahoo.com, feaburgos@gmail.com, jamespcastro@gmail.com, juliette@senatorada.org, patrick cepeda <patrickcepeda@hotmail.com>, rjquitugua@gmail.com, phill@raytenorio.com, epgogue@hotmail.com, roberto.phil@gmail.com, Yong Pak <yong@guamlegislature.org>, psantos@guamlegislature.org, malo@guamlegislature.org, sergeant-at-arms@guamlegislature.org, tunsiog@guamlegislature.org Wed, Mar 3, 2010 at 3:35 PM First Notice - Public Hearing guamlegislature.org Please see attached. 3 attachments — Download all attachments SensPHNotice_031010_031110.pdf 773K View Download Agenda031001.pdf 91K View Download Agenda031101.pdf
71K View Download Reply Reply to all Forward

show details 3:35 PM (22 minutes ago)

Reply

Mail Delivery Subsystem

Mail Delivery Subsystem to me

malo@guamlegislature.org

Delivery to the following recipient failed permanently

| - Show quoted text - - Show quoted text - | | | | | | |
|--|---------|-------------|--------|---------------|--------|--------------|
| Reply Forw | ard | | | | | |
| | | | | | | |
| 1 | | | | 2. | | |
| « Back to Sent Mail | Archive | Report spam | Delete | Move to Inbox | Labels | More actions |

(Newer 2 of 2179 Older)

Visit <u>settings</u> to save time with **keyboard shortcuts**!

You are currently using 1441 MB (19%) of your 7424 MB.

Last account activity 2 hours ago on this computer Details

Guam Legislature Mail view standard | turn off.chat | older version | basic HTML Learn more

©2010 Google - Terms of Service - Privacy Policy - Program Policies - Google Home

Powered by Congle

Mail Calendar Documents Contacts

cipo@guamlegislature.org | Settings | Help | Sign o

New window

Print all

Expand all

Forward all

Search Mail

Search the Web

Show search options Create a filter

Compose Mail

Inbox (5)

Drafts

« Back to Sent Mail Archive

Report spam

Move to Inbox

Labels

More actions

(Newer 4 of 2177 Older >

First Notice - Public Hearing Inbox X

Dos Amantes Grants (206)

Military Buildup

Retirement Fund senben pics 7 more v

Contacts Tasks

Lisa Cipolione

Lisa Cipollone

hide details 2:59 PM (30 minutes ago)

Reply

Sponsored Links

Roth Vs. Traditional IRA Which works better for you?

www.IRAsolutions.com **H&R Block Tax Calculators**

Use Our Calculators To Ensure Accurate Deductions & Credits www.HRBlock.com

College for Military Earn a college degree online. Respected. Affordable. Accredited www.AMUOnline.com/Military

The VA Loan Center Get a Quote in 2 Minutes! VA Loans now up to to \$729,000 with \$0 Down. www.VAMortgageCenter.com

Reverse Mortgage Guidance & Tools to Help You Make The Choice That is Right For You. bankofamerica.com/reversemortgage

Military Life Insurance Affordable coverage with benefits for active duty, veterans, & family www.militarybenefit.org/

Secure Your IRA with Gold 40%+ Yearly, Rollover Your IRA/401K Free Investor Kit. \$10,000 Minimum. ImperialMetalsIRA.com

Fly Cheap to Guam 70% off Guam Air Fare Compare Guam Flights - Save Guam.Air.Asia.com

More about...

Bill of Sale » Dream Act Bill » Federal Budget » Car Title Loans »

About these links

news@guampdn.com, news@k57.com.

news@kuam.com.

news@spbguam.com,

news@hitradio100.com,

msilva@pacificnewscenter.com.

msilva@spbguam.com,

jtyquiengco@spbguam.com,

clynt@spbguam.com,

Kevin Kerrigan <kevin@spbquam.com>.

Sabrina Salas <sabrina@kuam.com>,

jason@kuam.com,

janjeera@kuam.com,

heather@kuam.com,

mindy@kuam.com,

nick@kuam.com

gerry@mvguam.com,

marvic@mvguam.com,

managingeditor@glimpsesofguam.com,

rgibson@k57.com,

ALICIA PEREZ

<aliciaperez69@hotmail.com>,

Alicia Perez <perezksto@gmail.com>

Wed, Mar 3, 2010 at 2:59 PM

First Notice - Public Hearing

guamlegislature.org

Office of Senator ben pangelinan will hold a public hearing on Wednesday, March 10, 2010 beginning at 8:30am

Public Hearing Notice Wednesday, March 10, 2010 Guam Legislature Public Hearing Room

Agenda

8:30am

Bill No. 239-30(COR): An Act to approprlate Two Hundred Fifty Five Thousand Nine Hundred Thirty Dollars (\$255,930) from the General Fund to the University of Guam for the purpose of funding the local portion of the start-up plan of the Farmer's Cooperative Association of

Bill No. 244-30 (COR): An Act to reenact Section 6649(c) of Chapter 66 of Title 21, Guam Code Annotated relative to restoring the "DPW Building and Design Fee Account" for the purporse of funding the operations of the Division of Engineering-Capital Improvement Project Building Permits and Inspection Section of the Department of Public Works and making an appropriation for FY2010.

Bill No. 249-30 (COR): An act to amend §52430 of Chapter 22 of 5 GCA relative to use of government funds for disseminating public information.

Bill No. 261-30 (COR): An act relative to transferring Lot Nos 20 and 21 of Block 11 Tract 268 located in the Municipality of Yona to the Yona Mayor's Office for the benefit of the residents of the village and the

Bill No. Bill No. 283-30 (COR): An act to amend Section 9102 of 2GCA relative to ensuring the rights of the members of I Liheslaturan Guahan to obtain a fiscal note on legislation placed on its session agenda.

Bill No. 298-30 (COR): An act to Amend §7120.2 of Chapter 7 Title 16 of Guam Code Annotated relative to Vehicle Registration Fees for Veterans rated at a 100% permanent and total disability

Bill No. 303-30 (COR); An act to add a New Article 10 to Chapter 51 of 10 GCA relative to recognizing the village of Inarajan as the Host Community for accommodating the Solid Waste Disposal needs of the entire island of Guam resulting from the operation of the Leyon Landfill and the Ordot Dump in their backyards.

Bill No. 316-30 (COR): An act to add new definitions (j), (k), and (jj) to §1102 of Chapter 1, Title 16; to add a new §3102.2, §3102.3, §3102.4 to Chapter 3, Title 16, to add a new §6233 of Article 2, Chapter 6, Title 4; all of Guam Code Annotated relative to establishing charges and compensation for Department of Revenue and Taxation examiners who perform off-duty examinations.

Bill No. 319-30 (COR): An Act to Amend Section 30103 of Chapter 30, 22 Guam Code Annotated to Amend Section 104203 and Section 104208 and to Repeal Section 104210 of Chapter 104, 21 Guam Code Annotated Relative to Real Estate Broker Licensing Requirements and other purposes.

Bill No. 321-30 (COR): An act to appropriate One Hundred Fifty Two Thousand One Hundred and Three Dollars (\$152,103.00) and Two Hundred Forty Five Thousand Eight Hundred and Two Dollars (\$245,802.00) from the unappropriated Fiscal Year 2008 and 2009 ManPower Development Fund (MDF) Revenues to the Guam Department of Labor (GDOL) and to authorize use of MDF Fuds to hire unclassified workers.

Bill No. 325-30 (COR): An Act to add a new §28817a and a new Subarticle b to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes.

Bill No. 327-30 (COR): An act to amend §§2301(e) and 2303(b), and to add a new §2303(g) to Article 3, Chapter 2 of Title 11 Guam Code Annotated relative to petroleum sale, accounting and inspection of petroleum products.

3:00pm

Oversight of Chamorro Land Trust Commission

For copies of bills, you can log onto https://guamlegislature.com
If you require any special accommodations, please contact the Office of Senator ben pangelinan at 473-4236, email at senbenp@guam.net or log onto www.senbenp.com

Lisa Cipollone Chief of Staff Office of Senator ben c. pangelinan (671) 473-4236 cipo@guamlegislature.org

Mail Delivery Subsystem

Mail Delivery Subsystem to me

Reply to all

show details 2:59 PM (29 minutes ago)

Reply

Delivery to the following recipient failed permanently:

news@kuam.com

Reply

Technical details of permanent failure:

Google tried to deliver your message, but it was rejected by the recipient domain. We recommend contacting the other email provider for further information about the cause of this error. The error that the other server returned was: 550 550-5.1.1 The email account that you tried to reach does not exist. Please try

550-5.1.1 double-checking the recipient's email address for typos or

Forward

550-5.1.1 unnecessary spaces. Learn more at

550 5.1.1 http://mail.google.com/support/bin/answer.py?answer=6596 30si12449027yxe.125 (state 17).

---- Original message -----

MIME-Version: 1.0

Received: by 10.150.254.9 with SMTP id b9mr574052ybi.273.1267592386690; Tue,

02 Mar 2010 20:59:46 -0800 (PST)

Date: Wed, 3 Mar 2010 14:59:46 +1000

Message-ID: <98a9b3e21003022059h1addca91nb351c9f57de6b624@mail.gmail.com>

Subject: First Notice - Public Hearing

From: Lisa Cipollone < cipo@guamlegislature.org >

To: news@k57.com, news@guampdn.com, news@guampdn.com, news@guampdn.com, msilva@spbguam.com, msilva@spbguam

Kevin Kerrigan < kevin@spbguam.com >, Sabrina Salas < sabrina@kuam.com >, jason@kuam.com , janjeera@kuam.com ,

heather@kuam.com, mindy@kuam.com, nick@kuam.com, gerry@mvguam.com, marvic@mvguam.com, managingeditor@glimpsesofguam.com, rgibson@k57.com, ALICIA PEREZ <aliciaperez69@hotmail.com>, Alicia Perez <perezksto@gmail.com>

Content-Type: multipart/alternative; boundary=000e0cd23caeedc2850480de59c9

- Show quoted tex

GCA relative to recognizing the village of Inarajan as the Host Community **

| Re | ply | Forward | Invite Mail Delivery Subsystem to chat |
|----|-----|---------|--|
| | | | |
| ; | | | |
| : | | | |
| | | | |
| : | | | |
| } | | | 2 |

« Back to Sent Mail Archive Report spam Delete Move to Inbox Labels More actions

Newer 4 of 2177 Older

Visit <u>settings</u> to save time with **keyboard shortcuts**!

You are currently using 1439 MB (19%) of your 7424 MB.

Last account activity: 1.5 hours ago on this computer Details

Guam Legislature Mail view standard | tum off chat | older version | basic HTML Learn more

©2010 Google - Terms of Service - Privacy Policy - Program Policies - Google Home

Powered by Co. glo

FUVYER OF SALE contained in the above mortgage. The property described below will be sold, WITHOUT WARRANTY BEING GIVEN, express or implied, regarding title, possession, rights of redemption or encumbrances, to the highest bidder at public auction, to be held at the Mayor's office in Mangilao, Guam at 3:00 p.m. on March 10, 2010, in order to satisfy the amount due on the mortgage and its promissory note at the time of the sale. Terms of the sale are cash, certified check or other terms deemed acceptable by Mortgagee. The Mortgagee reserves the right to bid all or part of the amount due on the mortgage at the time of the sale; to reject any bid made at the sale and to withdraw this notice and postpone the sale from time to time. The property subject to the mortgage and to be sold at sale is as follows:

Unit No. D-6, Villa De Oro Condominium, situated on Lot No. 5370-1-2-R3, Mangilao (formerly Barrigada), Guam, as said lot is marked and designated on Map Drawing No. ES-9235, recorded in the Department of Land Management. Government of Guam on March 11, 1993 under Document No. 485643.

The amount due the Mortgagee is for the sum of \$114,885.60. accrued interest as of October 20, 2009 of \$3,129.01. interest at the rate of 7.21% from October 20, 2009 to the date of full payment, attorney fees, and costs of this sale. The undersigned are the attorneys for the Mortgagee and hereby give notice that they are attempting to collect a debt and any information that is obtained will be used for that purpose.

> Dated this 11th day of February, 2010. McCULLY & BEGGS, P.C., Attorneys for Citibank, N.A. By /s/MARK S. BEGGS GUAM

On this 11th day of February, 2010, before me, the undersigned Notary, personally appeared, MARK S. BEGGS, the person whose name is signed on the preceding document. and acknowledged to me that he signed it voluntarily for its stated purpose, as attorney for Citibank, N.A.

/s/MAUREEN E. TAITANO

NOTARY PUBLIC In and for Guam, U.S.A. My Commission Expires: Aug. 15, 2010 Ste. 200, 139 Murray Blvd., Hagåtña

Mina' Trenta Na Liheslaturan Guahan THIRTIETH GUAM LEGISLATURE

Senator vicente "ben" c. pangelinan

Public Hearing Notice Wednesday, March 10, 2010, Guam Legislature Public Hearing Room Agenda

Bill No. 239-30 (COR): An Act to appropriate Two Hundred Fifty Five Thousand Nine Hundred Thirty Dollars (\$255,930) from the General Fund to the University of Guam for the purpose of funding the local portion of the start-up plan of the Farmer's Cooperative Association of Guam.

Bill No. 244-30 (COR): An Act to regnact Section 6649(c) of Chapter 66 of Title 21, Guarn Code Annotated relative to restoring the "DPW Building and Design Fee Account" for the purpose of funding the operations of the Division of Engineering Capital Improvement Project Building Permits and Inspection Section of the Department of Public Works and making an appropriation for FY2010.

Bill No. 249-30 (COR): An act to amend §52430 of Chapter 22 of 5 GCA relative to use of government funds for disseminating public information.

Bill No. 261-30 (COR): An act relative to transferring Lot Nos 20 and 21 of Block 11 Tract 268 located in the Municipality of Yona to the Yona Mayor's Office for the benefit of the residents of the village and the island community.

Bill No. Bill No. 283-30 (COR): An act to amend Section 9102 of 2GCA relative to ensuring the rights of the members of I Liheslaturan Guahan to obtain a fiscal note on legislation placed on its session agenda.

Bill No. 298-30 (COR): An act to Amend §7120.2 of Chapter 7 Title 16 of Guam Code Annotated relative to Vehicle Registration Fees for Veterans rated at a 100% permanent and total disability.

Bill No. 303-30 (COR): An act to add a New Article 10 to Chapter 51 of 10 GCA relative to recognizing the village of Inarajan as the Host Community for accommodating the Solid Waste Disposal needs of the entire island of Guam resulting from the operation of the Leyon Landfill and the Ordot Dump in their backyards.

Bill No. 316-30 (COR): An act to add new definitions (j), (k), and (jj) to §1102 of Chapter 1, Title 16; to add a new §3102.2, §3102.3, §3102.4 to Chapter 3, Title 16, to add a new §6233 of Article 2, Chapter 6, Title 4; all of Guam Code Annotated relative to establishing charges and compensation for Department of Revenue and Taxation examiners who perform off-duty examinations.

Bill No. 319-30 (COR): An Act to Amend Section 30103 of Chapter 30, 22 Guam Code Annotated to Amend Section 104203 and Section 104208 and to Repeal Section 104210 of Chapter 104, 21 Guam Code Annotated Relative to Real Estate Broker Licensing Requirements and other purposes.

Bill No. 321-30 (COR): An act to appropriate One Hundred Fifty Two Thousand One Hundred and Three Dollars ((\$152,103,00) and Two Hundred Forty Five Thousand Eight Hundred and Two Dollars (\$245,802,00) from the unappropriated Fiscal Year 2008 and 2009 ManPower Development Fund Revenues to the Guam Department of Labor (GDOL) and to authorize use of MDF Funds to hire unclassified workers.

Bill No. 325-30 (COR): An Act to add a new §28817a and a new Subarticle b to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and

Bill No. 327-30 (COR): An act to amend §§2301(e) and 2303(b), and to add a new §2303(g) to Article 3, Chapter 2 of Title 11 Guam Code Annotated relative to petroleum sale, accounting and inspection of petroleum products.

3:00pm Oversight of Chamorro Land Trust Commission

For copies of bills, you can log onto http://guamlegislature.com

If you require any special accommodations, please contact the Office of Senator ben pangelinan at 473-4236, email at senbenp@quam.net or log onto www.senbenp.com

This ad paid for with government funds.

ω



Chairman Committee on Appropriations, Taxation, Banking, Insurance, and Land

Member Committee on Education

Member Committee on Municipal Affairs, Aviation, Housing, and Recreation

Member Committee on Labor, the Public Structure, Public Libraries, and Technology

Mina'Trenta Na Liheslaturan Guåhan

Senator vicente (ben) c. pangelinan (D)

March 8, 2010

Memorandum

To:

All Senators

From:

Senator vicente c. pangelinan

Re:

SECOND NOTICE Public Hearing

The Committee on Appropriations, Taxation, Banking, Insurance and Land will conduct a public hearing on numerous bills beginning at 8:30am on Wednesday, March 10, 2010 and at 3:00pm will conduct an oversight of the Chamorro Land Trust Commission at the Guam Legislature's Public Hearing Room.

On Thursday, March 11, 2010, the Committee will receive testimonies for the Official Zoning Map and Amendments of the "Dos Amantes" Planning Area, Municipality beginning at 5:30pm in the Guam Legislature Public Hearing Room.

Copies of the Agenda for March 10 and March 11 are attached for your review.

For copies of the bill, you can log onto www.guamlegislature.com or www.senbenp.com

Si Yu'os Ma'ase.



Angelica Okada <aokada@guamlegislature.org>

Second Public Hearing Notice_All Senators

Anjelica Kulani Okada <aokada@guamlegislature.org>

Mon, Mar 8, 2010 at 8:50 AM
To: "Senator Tom C. Ada" <tom@senatorada.org>, "Senator Frank B. Aguon, Jr." <aguon4guam@gmail.com>,
"Senator Frank F. Blas, Jr." <frank.blasjr@gmail.com>, "Senator Edward J.B. Calvo" <sencalvo@gmail.com>,
"Vice-Speaker Benjamin J. Cruz" <senadotbjcruz@gmail.com>, "Senator James V. Espaldon"
<senator@espaldon.com>, "Senator Juith T. Guthertz, DPA" <judiguthertz@pticom.com>, "Senator Tina R.
Muna-Barnes" <tinamunabarnes@gmail.com>, "Senator Adolpho B. Palacios" <ABPalacios@gmail.com>,
"Senator Rory J. Respicio" <roryforguam@gmail.com>, Senator Ray Tenorio <ray@raytenorio.com>, Senator
Telo Taitague <senatortelo@gmail.com>, "Speaker Judith T. Won Pat" <info@judiwonpat.com>, Senator ben
pangelinan <senbenp@guam.net>

Cc: COS - Frank Torres <fbtorres@yahoo.com>, Lisa Cipollone <cipo@guamlegislature.org>

Please see attached.

Anjelica Kulani I. Okada
Policy Research Analyst
I MINA'TRENTA NA LIHESLATURAN GUAHAN
senator vicente "ben" c. pangelinan
Committee on Appropriations, Taxation, Retirement, Banking, Insurance, and Land.
(671) 473-4236 (office)
(671) 473-4238 (fax)
senbenp.com
www.guamlegislature.org

SecondNoticePH_031010.pdf 759K



Angelica Okada <aokada@guamleglslature.org>

Second Notice of Public Hearing_Media

Anjelica Kulani Okada <aokada@guamlegislature.org>
Mon, Mar 8, 2010 at 8:43 AM To: news@guampdn.com, news@k57.com, news@kuam.com, news@spbguam.com, msilva@pacificnewscenter.com, msilva@spbguam.com, jtyquiengco@spbguam.com, clynt@spbguam.com, kevin@spbguam.com, sabrina@kuam.com, jason@kuam.com, nick@kuam.com, heather@kuam.com, mindy@kuam.com, janjeera@kuam.com, gerry@mvguam.com, marvic@mvguam.com, marvic@mvguam.com, marvic@glimpsesofuguam.com, rgibson@k57.com, aliciaperez69@hotmail.com, perezksto@gmail.com

Wednesday, March 10, 2010 Guam Legislature Public Hearing Room Agenda

8:30am

Bill No. 239-30(COR): An Act to appropriate Two Hundred Fifty Five Thousand Nine Hundred Thirty Dollars (\$255,930) from the General Fund to the University of Guam for the purpose of funding the local portion of the start-up plan of the Farmer's Cooperative Association of Guam.

Bill No. 244-30 (COR): An Act to reenact Section 6649(c) of Chapter 66 of Title 21, Guam Code Annotated relative to restoring the "DPW Building and Design Fee Account" for the purporse of funding the operations of the Division of Engineering-Capital Improvement Project Building Permits and Inspection Section of the Department of Public Works and making an appropriation for FY2010.

Bill No. 249-30 (COR): An act to amend §52430 of Chapter 22 of 5 GCA relative to use of government funds for disseminating public information.

Bill No. 261-30 (COR): An act relative to transferring Lot Nos 20 and 21 of Block 11 Tract 268 located in the Municipality of Yona to the Yona Mayor's Office for the benefit of the residents of the village and the island community.

Bill No. Bill No. 283-30 (COR): An act to amend Section 9102 of 2GCA relative to ensuring the rights of the members of *I Liheslaturan Guahan* to obtain a fiscal note on legislation placed on its session agenda.

Bill No. 298-30 (COR): An act to Amend §7120.2 of Chapter 7 Title 16 of Guam Code Annotated relative to Vehicle Registration Fees for Veterans rated at a 100% permanent and total disability.

Bill No. 303-30 (COR): An act to add a New Article 10 to Chapter 51 of 10 GCA relative to recognizing the village of Inarajan as the *Host Community* for accommodating the Solid Waste Disposal needs of the entire island of Guam resulting from the operation of the Leyon Landfill and the Ordot

Dump in their backyards.

Bill No. 316-30 (COR): An act to add *new* definitions (j), (k), and (jj) to §1102 of Chapter 1, Title 16; to *add* a new §3102.2, §3102.3, §3102.4 to Chapter 3, Title 16, to *add* a new §6233 of Article 2, Chapter 6, Title 4; all of Guam Code Annotated relative to establishing charges and compensation for Department of Revenue and Taxation examiners who perform off-duty examinations.

Bill No. 319-30 (COR): An Act to Amend Section 30103 of Chapter 30, 22 Guam Code Annotated to Amend Section 104203 and Section 104208 and to Repeal Section 104210 of Chapter 104, 21 Guam Code Annotated Relative to Real Estate Broker Licensing Requirements and other purposes.

Bill No. 321-30 (COR): An act to appropriate One Hundred Fifty Two Thousand One Hundred and Three Dollars (\$152,103.00) and Two Hundred Forty Five Thousand Eight Hundred and Two Dollars (\$245,802.00) from the unappropriated Fiscal Year 2008 and 2009 ManPower Development Fund (MDF) Revenues to the Guam Department of Labor (GDOL) and to authorize use of MDF Fuds to hire unclassified workers.

Bill No. 325-30 (COR): An Act to add a new §28817a and a new Subarticle b to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes.

Bill No. 327-30 (COR): An act to amend §§2301(e) and 2303(b), and to add a new §2303(g) to Article 3, Chapter 2 of Title 11 Guam Code Annotated relative to petroleum sale, accounting and inspection of petroleum products.

3:00pm

Oversight of Chamorro Land Trust Commission

Thursday, March 11, 2010 Guam Legislature Public Hearing Room Agenda

5:30pm

Official Zoning Map and Amendments of the "Dos Amantes Planning Area, Municipality of Dededo

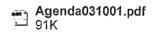
For copies of bills, you can log onto http://guamlegislature.com
If you require any special accommodations, please contact the Office of Senator ben pangelinan at 473-4236, email at senbenp@guam.net or log onto www.senbenp.com
This ad paid for with government funds.

Anjelica Kulani I. Okada Policy Research Analyst

I MINA'TRENTA NA LIHESLATURAN GUAHAN

senator vicente "ben" c. pangelinan
Committee on Appropriations, Taxation, Retirement, Banking, Insurance, and Land.
(671) 473-4236 (office)
(671) 473-4238 (fax)
senbenp.com
www.guamlegislature.org

2 attachments





Author to visit schools

By Therese Hart therese@mvguam.com Variety News Steff

ERIC Ode, an award-winning songwriter and author of children's books, will be visiting public and private schools on Guam this week and the next. presenting his program, "Catch a Song, Stretch a Song, Turn it Inside Out."

Ode uses music and poetry to open doors to the writing process, according to his website.

Fourteen schools participated in the 2009 Read-A-Thon to raise the funds for his visit, according to a press release from the International Reading Association.

Ode will be IRA's guest at its general membership meeting on Saturday, March 13 at the Guam Reef Hotel from 8 to II a.m.

Parents and teachers are invited to buy books and browse teacher materials at 8 a.m. The meeting begins at 9 a.m., according to the

Admission is free for members and there is a \$5 charge for non-members.

Ode will also visit the Hagaina Public Library for Story Hour on Saturday, March 20, from 10-11 a.m.

For older children be will have a songwriting workshop at the IP Cafe in Mangiláo from 2 to 4 p.m. the same day.

Ode is a children's author, award-winning songwriter, and widely published poet from Washington State near the Seattle and Tecoma area.

A former elementary teacher. Eric shares concerts, music and poetry assemblies. He also writes workshops for schools, libraries, and festivals.

▼ Eric Ode, an award-winning congwriter and outhor of children's books, will be visiting public and private schools on



Mina' Trenta Na Libeslaturan Guahan THIRTIETH GUAM LEGISLATURE

Senator vicente "beu" c. pangelinan

Public Hearing Nutice Wednesday, March 10, 2010 Gaam Legislature Public Hearing I Agenda

DP-PMCORIT AS As the appropriate Two Minished Fifty Files Throwall New Husseld There De Again 11 (Arm the Concell Find in the University or Glassifich also group sect Garding the local position of the Read of the Famer's Corp points of Amazines of Glassifich also group sect Garding Fifty MALSH (CORTY As Inc. of or points As Section of Amazine Concept to the Title 21, Glassific Section as a 100-100 and Performance of Amazine Concept for Assault for the purpose of Garding the operation of 100-100 and Performance of Amazine Concept for Assault for the Performance of Amazine for Experimental Purpose Basis for the Performance of Amazine for the Concept for the Performance of Amazine Concept for the Performance

180,00 mCOBm Annata in Americal Society Visits of Chapter 51, 22 feature Code Annational PARTS and Society (1904) had be Regical Society (1907) and Society (1904) had be Regical Society (1907) and Society (1904) had be Regical Society (1907) and Society (1904) had be regical Society (1904) and soc

of Chargery Land Treet Commission

gal at Commerce Land 11 to Commerce Land 11 to Commerce Land 11 for copies of hills, you can log onto http://gwmlegidantee.com
If you require any special accommodations, prace contact the
Officer of Separor been paragreed

destances received the Approximate parts for while propagation in the contract of the second

'Stories of Women Entrepreneurs

(UOG) - The publication International Journal of Entrepreneurship which features "Stories of Women Entrepreneurs" will be released today at 2 p.m. at the University of Guarn's School of Business and Public Administration, IT&E Lecture Hall. ...

Edited by UOG professor Maria Claret M. Ruane, Ph.D. and sponsored by the University of Guarn School of Business and Public Administration, the issue features challenges, perseverance and successes by women entrepreneurs from Guam, New York, the Philippines and an emerging Asian country.

Each paper highlights the universality of the women entrepreneur's persistent and untiring spirit and the rewards for her hard work

The papers in this issue highlight a number of important themes, including

► How another entrepreneur in the family provides the inspiration to become women entrepreneurs as in the cases of Ms. Del Agahan, the evolving entrepreneur: Ms. Victoria Bello-Jardiolin, the fair lady entrepreneur, and one unidentified entrepreneur in "Spirit Inherited."

► How niche marketing can be an effective business strategy in the cases of Ms. María

Cecilia Tamura, Ms. Victoria Bello-Jardiolin, the fair lady entrepreneur, Ms. Nícole Kawabata; Ms. Stacy Evans; and one unidentified

► How some women entrepreneurs like Ms. Sharon Davidson and Dr. Audrey Claire Lucero Camacho were prepared by their education and work experience to seize the entrepreneurial opportunity, while others like Lee (Ms. Librada Angoco Sablan Boria) and Nene (Ms. Nemesia Magbuhar) did not have any preparation at all and yet took the chance to become women entrepreneurs as a means toward financial independence

► How a woman entrepreneur faced common challenges but responded to them with perseverance as in the case of Ms. Denise Mendiola-Hertslet

The Dean at the School of Business and Public Administration at the University of Guam, Dr. Anita Borja Enriquez, supported this journal issue and contributed one paper in this journal issue.

"I am also grateful to the Academy for providing us with the outler through which we can share this issue with scholars, educators, students and entrepreneurs around the world. Special thanks are due to the members of my Editorial Review Board for their collegiality and service to our profession," Ruanc said.

Consistent with the editorial practice of the Academy on all 17 journals it publishes, each paper in this issue has undergone a double-blind, peer-review process.

Information about the Allied Academies, the IJE, and the other journals published by the Academy, as well as calls for conferences, are published at www.alliedacademies.org





March is Developmental Disabilities Awareness Month. The Guam Tri-Agency on **Developmental Disabilities** is proud to present the **FIRST EVER Developmental** Disabilities Film Festival!

Broadcast Schedule

All films will air Wednesdays and Saturdays this March on PBS Guam KGTF Channel 12

Including Samuel 7pm, Wednesday, March 10 5pm, Saturday, March 13

Body & Soul 7pm, Wednesday, March 17 5pm, Saturday, March 20

The Key of G 7pm, Wednesday, March 24 Spm, Saturday, March 27

featuring

A DOCUMENTARY FILM BY DAN HABIB

PBS Guarn Channel 12 7pm, Wednesday, March 10 Rebroadcast Spm, Saturday, March 13

Before his son Samuel was diagnosed with cerebral palsy, photojournalist Dan Habib rarely thought about the inclusion of people with disabilities. Now he thinks about inclusion every day. Shot and produced over four years, Habib's award-winning documentary film, including Samuel, chronicles the Habib family's efforts to include Samuel in every facet of their lives. Synopsis from http://www.includingsamuel.com

For more information, call 735-2477 or 477-9811.







NOTES

TODAY

A Continued from Page 30

Champion Sporting Goods, Hog Wild, Big-Hook, All thurmarray hees must be plaid at the Gosen Enterment's Cocor to for-er than March 20, Official notes and or-thous at well-country land, on their Con-al 462-7451, even a 568-1421 or Pay the Commission of their Commission of Michaeling. Department of Parisa and Recharteling the Allowers switzerboles dissess indications.

& kuners swinneding skiss registration 8 & M. to 2 p.m. March 3 through Masch

ON THE AIR

A NASCAR: Atlanta Motor

Speedway, 3 a.m. on FOX6. ▲ College haskethaft: Florida at Kentucky, 3 a.m.; Missouri

Valley Conference chamol-

onship game, 5 a.m.; and

Michigan at Michigan State, 7

▲ NHL: Detroit at Chicago, 3:30

▲ Bull riding: Built Ford Tough

NOTICE OF TEMPORARY JOB OPPORTUNITIES

Processing applicates should apply a Guard Enrodomate Service on Over Store information applicates who did apply a Guard Enrodomate Service on Over Store the Control of the Control of C

a.m. on TV11.

On TV8

12 at the Hagilita pool Figs is SSO per analysis. Unit 10 stationist per casci.
Classes are fluenting and Tentrolity in Merita 15 classes for 5- and 6-year-class 20 of particular states for 5- and 6-year-class 20 of particular states for 10-6 purit, and diseases for 10-6 process for 20-2 per cascility in 6- particular states for 10-6 purity in 42-8716.

International States for 10-6 purity in 42-8716.

International States for 10-6 purity in 42-8716.

is 472-8718.
payrithment of Pherics and Postreortiem (Ne-guard design engigination & a.m. to 2 g.m. to 2 g.m. & a.m. to 2 g.m. to 2 g.m. & a.m. to 2 g.m. & a.m. to 2 g.m. & a.m. to 3 g.m. & a.

Invisational, 11 a.m. on GLoTV Channels 42/452

Boston Celtics, 11 a.m., and Portland Irali Blazers at Den-ver Nuggets, 1:30 p.m. on GUITV Channels 30/400.

MHL: Dalks at Washington, 10 a.m. on GUdTV Charmels 42/452.

Information for On the Air is provided by ABC7, FOX6, GUGTV. K-57, KUAM and MCV. The Pacific Daily News is not responsible for any changes in scheduling.

WANTED Construction Estimator Needed Apply at AIC Int'l in Ages or Call AIC @ 565-9142 EEO

Miner Tranto No Libesiaturan Gush THINTIETH BUAM LEGISLATURE Senator vicente "ten" L. pangelliren

Public Hearing Notice Wednesday, March 10, 2010, Guam Lag Islahma Public Hearing Room Agenda

sections.

Bill No. 239-30 (COR); An Act to appropriate Two fibration Fifty Fix
Thousand Alina Hundred Thirty Dollars (\$255,530) from the General Fund to
the University of Generic for the purpose of districting the local portion of the
seart up plan of the Farmer's Cooperative Association of Guern.

Bill No. 244-39 (COR): An Act to research Section 6649(c) of Chapter 66 of Title 21 Gaster Code Annotation reside to reasoning the The Backing rate Gaster Fee Account? Its office produces of Annotation resides to reside the operations of the Cheston of Engineering Coardia Improvement Project Building Permits and Impaction Section of the December of Pacific Works and Indian of The December 10 April Works a

1999 No. 249-30 (COR); An act to enternal \$52430 of Orapher 22 of 5 GC/ relative to use of government funds for dissembleating bubils information.

retence to use or government transit for assuminging public institutions. Bill Mo. 255-00 (COB): An act (elabre to marshring LO Mas 20 and 21 of Block in Tract 268 located in in the Municipality of None to the York Meyor's Office for the benefit of the residence of the Visign and the seath community. Bill Mo. 281-00 (COB): An act to amend Section 9102 of 202-relative to mainting the rights of the members of I /Linesaturan Castern to obtain a focal role on legislation placed on its season against a Castern to communication.

BRI No. 288-30 (COR): An act to Amend \$7720.2 of Chapter 7 The 16 of Geam Code Annotated relative to Venice Registration Fees for Veterars rated at a 100% permanent and total disability.

and a Unity permission and read opacities. Bill No. 303-300 (CORP): An all to add a New Article 10 to Display 51 of 10 GCA relative to recognizing the Visigo of Intendent to the Astal Community for accommodating the South Waster Decognities reserved the artists about of Gastim resulting from the operation of the Legent Canada and the Orbit Curro in their backpards.

BBI No. 318-30 (COR); An act in solar new definitions (i), (A), and (f) to \$100.0 (Chapter 1, Talle 15; to act of new \$570.22, \$570.23, \$510.04 to Chepter 3, Talle 15; to act of new \$570.22, \$570.23, \$510.04 to Chepter 3, Talle 15; to act of new \$673.00 A facility (2) Preparation for Chapter 3, Annotated reliables to isstabilishing chapter and compression for Department of Reviewur and Talleston constitutions who perform off duty extenditions.

38 No. 319-30 (COR1): An Act to Amend Section 30(03 of Originar 30, 22 Suum Code Annotated in Amend Section (VEXIX) and Section (VEXIX) and Section (VEXIX) and section (VEXIX) and represed Section (VEXIX) of Conject (VEXIX) (VEXIX) and Section (VEXIX).

Plant Estate Broke: Cleansing Requirements and other purposes.

288 No. 32-249 (CDR): An exit to appropriate One Hundred Entry Two Thousand Clinic Hundred and Three Distant (1575,819,00) and Two Hundred Forty Five Thousand Estat Hundred and Two Oblass (1524,819,00) and Two Hundred Forty Five Thousand Estat Hundred and Two Oblass (1524,8812,00) for the transpropriate of East That 2008 and 2009 (Nath-Power Development Fond (NATH) Revenues to the Gearth Department of Labort (160CL) and to authorities of NATH Founds to hire undestried whether (160CL) and to authorities of NATH Founds to hire undestried whether (160CL) and to authorities of NATH Founds to hire undestried to the Chapter 26 Part 5. Division to diffice 8 oil the Guarn Code Annotated and for other purposes.

per out purposes.

Ball Mo. 327-80 (COR): An act to amend §§2301(a) and 2303(b), and to add
a new §2203(g) to Arthrie 3, Chapter 2 of Title 11 Guarn Code Anodated
relative to petroleum sale, accounting and inspection of petroleum products. 3:00 pm Oversight of Chamoro Land Trust Commission

For copies of bills, you can log ongo http://guarnilegistature.com If you require any special accommodations, please consist the Office of Sendor bein pulpedimen at 473-4256, email at sentent/celegoritiset of log into yoursephenocom. This ad paid for with government funds.

Leithe

Pacific Daily News

Classifieds Work

for YOU.

Pacific Haily Assus

GULLES CONTES

www.guampdn.tom

Call 472-1PDN

for more information

ĞŌC

Guarri Community College Planning & Development Office Sosame Street - Mangleo, Guarri 96913 Phone: (671)735-6514/735-6617 - Fax (671)735-5514 - TDD: (671)734-8324

NOTICE OF FUNDING AVALABILITY
For the Program Year 2010
Wondonce Investment Act, Tife III Actal Chucation & Family Literacy Act
Carl D. Persina Act of 2006, Career & Technical Education

Carl D. Perkins Act of 2006, Career & Technical Education

The State Agency for Acute and Career & Technical Education (Guan Community College) is artificipating the amnouncement of the availability of Redatal Indication During from the Implantation of:

Adult Education Programs described in the Guant State Plan for Workforce Investment Act, Title 10 Aquit Education & Ferrity Literacy Act, July 1, 2009-June 30, 2013 (MAI 998) (CFIX A4002) as attended.

Career and Technical Education Programs described in Guant's Career and Technical Education State Plan, July 1, 2008-June 30, 2013 (MAI 998) (CFIX A4002) as attended.

Career and Technical Education Programs described in Guant's Career and Technical Education State Plan, July 1, 2008-June 30, 2013 (MAI 998) (CFIX A4002) as tended.

The State Agency Office (GCC-Planning & Development Office) is inviting elliptible providers/ recipients, as defined policy, to submit applications.

- Eligible provider (MIA, Title & \$2,0015)) is cuffined as (A) local educational appency, (B) a community-based organization of demonstrated effectiveness; (C) an acettostion of higher education, (E) a public or private recipient (Lin A) and rest the artifly to provide Blancy services to autifly and familias and (B) a constraint disease, (F) a familiary (G) a public housing Blancy services to autifly and familias and (B) accessification of your of the above (A) (A)-(B).

Eligible recipient (Carl D. Partins, Career & Technical Education Empowerment Act of 2006) is defined as (A) a constraint agency, or a consortium, eligible to receive assistance under rection (S) or (B) an eligible institution or consortium of eligible institutions eligible to receive assistance under rection (E) or (B) an eligible institution or consortium of eligible (Entities) and control of associations agency, or a consortium of association agency, or a consortium of eligible (Entitle) and control of associations agency or a consortium of association agency and control associations agency or an access and access and

Estimated total program funds: \$700,000, Estimated number of awards: 10 cost of Sharing or Matching requirement: N/λ

The State Agency Office (Perming and Development) will conduct two Technical Assistance (Workshops for eligible providers intreased in applying, for affilt education and family staracy program funds (WMA, Title III) applicants, workshop with the field on Titlesday, March 16, 2010 from 800 a.m. to 1200 noon. For casered & technical education program funds (Permin M) applicants, workshop will be field of 1000 for field of 10

interested aligible providers/recipients should pick up application forms at 60°Cs Planning & Development Office, floom 200 or 22°G, Student Services and Agmitistration Balating beginning March 3, 20°C. The ideadtine for submission of application is 5:00 p.m., April 15, 20°Co at the Planning & Development Office. The application is subject to evaluation and evaluation of research floors.

This advertisament may also be viewed electronically at <u>ywwy.c.ampoc.edu</u> (What's New). If electronic accase problems occur, please contact Ms, York Chambesten at (671)/35-55M or 5-meil <u>amphiculambertein/@oraniniccedu.</u>

This advertisement is paid for with WA/Perions hads provided by the U.S. Department of Education. Is/Cements Series for AAST A.Y. DAADA, E.D. D.

Dirt Doktor General Contractors Earth Movers John (671) 688-7991 ramacho@gnamcell.net/

www.dirtdokturguam.com

THE PARTY OF THE P

VEHICLES FOR BID 2006 Mitsubishi Lancer 031782 UNITED PACIFIC COLLECTION AGENCY 646-8163

48 hr Notice Pow

Assistant Sports Editor (Full Time)

The Assistant Sports Editor sairts the Sports Editor in canaging the operations of the sports section of the Profile Duly News, plans, designs, paginates, edits and produces sports news and information in print, online and other platforms on a duly basis. Excellent writing, grammar and ponetration skills required. Journalism education and/or sports experience preferred. Must be able to work flexible hours, including nigher and weekende.

If interested, please drop off your application and/or recurse at our office, fex it to (671) 472-1512 or email it to enery@ynampdu.com

Pick up application forms from:

Pacific Baily Reiss GUANTS CONQUE SOURCE www.guampdn.com

244 Archividop Flores Surer, Hagatola, GU 99310
from Monday - Endry, Sein - Spin or download from jeter passingles, cent.
Federal law requires data superse where be legally endeaded or employment in the U.S.
We comply with this law on a secretar minimizer own.

artunity employer and stoperists the rather of a discuss curies



ROOF REPAIR

KLS.A. CONSTRUCTION Tel: 477-5500 Cel: 888-2942 New & General Construction - Regain Warehouse • Yon Frame • All Repair Construction • Demoillion

SSCASHSS SSCASHSS CALL 929-7437

Rainbow Shiassu
New Hanasshem
Sack Door - Will Service
2 4 His Open
6 46-669
Grand Paca

NEW LADIES Next to Limbers Health Service Daily

THERAPEUTIC MASSAGE Apple Message Met Locat In Vigo Flippino 2 CHAMOARO LADES TO 1 A LOCAT TO 1 477-6096

Hours of Operation

Mon-Sat 7am-5pm Daily / Closed Sunday

Mobil Gaick Lube Oil Change \$23.95

Tel: 646-40(L(4646) or 888-3715 Demountry, Martin Carps Dr. 2 Airport Rd. Intersection



▲ NBA: Washington Wizards at

WORROWOT

878-0644 / 456-8630

Waterblasting Paint · Roof Repair 482-4321

-Interior Maintenairea THERAPEUTIC MASSAGE

Apple Massage

OEZTIRE 8 LUBE

Special Auto Care Package \$59.95

▲ PGA Teur: Honda Classic, 6 a.m. on TV8.



Mina' Trenta Na Liheslaturan Guahan THIRTIETH GUAM LEGISLATURE

Senator vicente "ben" c. pangelinan

Public Hearing Notice Wednesday, March 10, 2010 Guam Legislature Public Hearing Room

Agenda

8:30am

Bill No. 239-30(COR): An Act to appropriate Two Hundred Fifty Five Thousand Nine Hundred Thirty Dollars (\$255,930) from the General Fund to the University of Guam for the purpose of funding the local portion of the start-up plan of the Farmer's Cooperative Association of Guam.

Bill No. 244-30 (COR): An Act to reenact Section 6649(c) of Chapter 66 of Title 21, Guam Code Annotated relative to restoring the "DPW Building and Design Fee Account" for the purporse of funding the operations of the Division of Engineering-Capital Improvement Project Building Permits and Inspection Section of the Department of Public Works and making an appropriation for FY2010.

Bill No. 249-30 (COR): An act to amend §52430 of Chapter 22 of 5 GCA relative to use of government funds for disseminating public information.

Bill No. 261-30 (COR): An act relative to transferring Lot Nos 20 and 21 of Block 11 Tract 268 located in the Municipality of Yona to the Yona Mayor's Office for the benefit of the residents of the village and the island community.

Bill No. Bill No. 283-30 (COR): An act to amend Section 9102 of 2GCA relative to ensuring the rights of the members of *I Liheslaturan Guahan* to obtain a fiscal note on legislation placed on its session agenda.

Bill No. 298-30 (COR): An act to Amend §7120.2 of Chapter 7 Title 16 of Guam Code Annotated relative to Vehicle Registration Fees for Veterans rated at a 100% permanent and total disability.

Bill No. 303-30 (COR): An act to add a New Article 10 to Chapter 51 of 10 GCA relative to recognizing the village of Inarajan as the *Host Community* for accommodating the Solid Waste Disposal needs of the entire island of Guam resulting from the operation of the Leyon Landfill and the Ordot Dump in their backyards.

Bill No. 316-30 (COR): An act to add *new* definitions (j), (k), and (jj) to §1102 of Chapter 1, Title 16; to *add* a new §3102.2, §3102.3, §3102.4 to Chapter 3, Title 16, to *add* a new §6233 of Article 2, Chapter 6, Title 4; all of Guam Code Annotated relative to establishing charges and compensation for Department of Revenue and Taxation examiners who perform off-duty examinations.

Bill No. 319-30 (COR): An Act to Amend Section 30103 of Chapter 30, 22 Guam Code Annotated to Amend Section 104203 and Section 104208 and to Repeal Section 104210 of Chapter 104, 21 Guam Code Annotated Relative to Real Estate Broker Licensing Requirements and other purposes.

Bill No. 321-30 (COR): An act to appropriate One Hundred Fifty Two Thousand One Hundred and Three Dollars (\$152,103.00) and Two Hundred Forty Five Thousand Eight Hundred and Two Dollars (\$245,802.00) from the unappropriated Fiscal Year 2008 and 2009 ManPower Development Fund (MDF) Revenues to the Guam Department of Labor (GDOL) and to authorize use of MDF Fuds to hire unclassified workers.

Bill No. 325-30 (COR): An Act to add a new §28817a and a new Subarticle b to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated and for other purposes.

Bill No. 327-30 (COR): An act to amend §§2301(e) and 2303(b), and to add a new §2303(g) to Article 3, Chapter 2 of Title 11 Guam Code Annotated relative to petroleum sale, accounting and inspection of petroleum products.

3:00pm

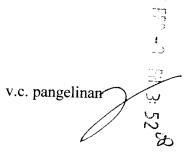
Oversight of Chamorro Land Trust Commission

MINA' TRENTA NA LIHESLATURAN GUÅHAN

| 2010 (SECOND) | REGULAR | SESSION |
|---------------|---------|---------|
|---------------|---------|---------|

BILL NO. 325 -30(COR)

Introduced by:



AN ACT TO ADD A NEW §28817A AND A NEW SUBARTICLE B TO CHAPTER 28, PART 5, DIVISION 1 OF TITLE 18 OF THE GUAM CODE ANNOTATED AND FOR OTHER PURPOSES.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. I Liheslaturan Guåhan finds that the addition of a new Part 5 to Title 18 of the Guam Code Annotated, which is designated as Public Law 29-144 and known as the Guam Corporation Business Act, was substantively patterned after the Revised Model Business Corporation Act (RMBCA). The Guam Corporation Business Act omitted certain provisions of the RMBCA, including provisions governing the standards of liability for directors and directors' conflicting interest transactions. I Liheslaturan Guåhan further finds that it is necessary to amend §28817 which contained technical drafting errors. It is the intent of I Liheslaturan Guåhan to empower the Compiler of Laws to assign chapter and subchapter headings consistent with the Revised Model Business Corporation Act.

Section 2. Addition of new §28817A. A new §28817A is hereby added to Chapter 28, Part 5, Division 1 of Title 18 of the Guam Code Annotated to read as follows:

"§28817A. Standards of Liability for Directors. (a) A director shall not be liable to the corporation or its shareholders for any decision to take or not to take actions, or any failure to take any action, as a director, unless the party asserting liability in a proceeding establishes that:

1) any provision in the articles of incorporation authorized by §28202(b)(4) or protection afforded by §28861 for action taken in compliance with §§ 28862 or 28863, if interposed as a bar to the proceeding by the director, does not preclude liability; and

| 1 | 2) the challenged conduct consisted or was the result of: |
|-----|---|
| 2 | (i) action not in good faith; or |
| 3 | (ii) a decision |
| 4 | (A) which the director did not reasonably believe |
| 5 | to be in the best interest of the corporation, or |
| 6 | (B) as to which the director was not informed to |
| 7 | an extent the director reasonably believed |
| 8 | appropriate in the circumstances; or |
| 9 | (iii) a lack of objectivity due to the director's familial, |
| 10 | financial or business relationship with, or a lack of |
| 11 | independence due to the director's domination or |
| 12 | control by, another person having a material interest |
| 13 | in the challenged conduct |
| 14 | (A) which relationship or which domination or |
| 15 | control could reasonably be asset at the |
| 16 | control could reasonably be expected to have |
| 17 | affected the director's judgment respecting |
| 18 | the challenged conduct in a manner adverse to the corporation, and |
| 19 | (B) after a reasonable amount it |
| 20 | (B) after a reasonable expectation to such effect |
| 21 | has been established, the director shall not |
| 22 | have established that the challenged conduct |
| 23 | was reasonably believed by the director to be |
| 24 | in the best interest of the corporation, or (iv) a sustained failure of the director to devote attention |
| 25 | and the director to devote alignmon |
| 26 | to ongoing oversight of the business and affairs of |
| 27 | the corporation, or a failure to devote timely |
| 28 | attention, by making (or causing to be made) |
| 29 | appropriate inquiry, when particular facts and |
| 30 | circumstances of significant concern materialize |
| 31 | that would alert a reasonably attentive director to |
| 32 | the need therefore; or (v) receipt of a financial benefit to which the director |
| 33 | i south to which the differing |
| 34 | was not entitled or any other breach of the director's |
| 35 | duties to deal fairly with the corporation and its |
| 36 | shareholders that is actionable under applicable law. |
| 37 | (h) the party goaling to be 11.1. |
| 38 | (b) the party seeking to hold the director liable: |
| 39 | (1) for many 1 |
| 40 | (1) for money damages, shall also have the burden of establishing |
| 41 | mat. |
| 42 | (i) harm to the corporation or its shareholders has |
| 43 | been suffered, and |
| 44 | (ii) the harm suffered was proximately caused by the |
| 45 | director's challenged conduct; |
| r J | |

| 1 | \-/ \\\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \\ \ |
|----------|--|
| 2 | compensation for the unauthorized use of corporate assets |
| 4 | William Dilliam Hav be called to- |
| 5 | to establish that the payment sought is appropriate in the |
| 6 | circumstances; or |
| 7 | |
| 8 | (3) for other money payment under an equitable remedy, such as profit recovery by or disgorgement to the corporation, shall |
| 9 | also have whatever persuasion burden may be called for to |
| 10 | establish that the equitable remedy sought is appropriate in the |
| 11 | circumstances. |
| 12 | |
| 13 14 | (c) Nothing contained in this section shall |
| 15 | (1) in one in the state of the |
| 16 | (1) in any instance where fairness is at issue, such as consideration |
| 17 | of the fairness of a transaction to the corporation under |
| 18 | §28861(b)(3), alter the burden of proving the fact or lack of fairness otherwise applicable, |
| 19 | and the applicable, |
| 20 | (2) alter the fact or lack of liability of a director under another |
| 21 | section of this Act, such as the provisions governing the |
| 22 | consequences of an unlawful distribution under 828818 or a |
| 23 24 | transactional interest under §28861, or |
| 25 | (3) affect any violation of the state of the |
| 26 | (3) affect any rights to which the corporation or a share holder may |
| 27 | be entitled under another statute of this territory or the United States." |
| 28 | |
| 29 | Section 3. Addition of new SubArticle B. A new SubArticle B is hereby |
| 30 | added to Chapter 26, Part 5, Division 1 of Title 18 of the Guam Code Appointed |
| 31 | to read as follows: |
| 32 33 | |
| 34 | "SUBARTICLE B |
| 35 | Directors' Conflicting Interest Transactions |
| 36 | §28860. SubArticle Definitions. |
| 37 | §28861. Judicial Action. |
| 38 | §28862. Directors' Action. |
| 39 | §28863. Shareholders' Action. |
| 40 | |
| 41 | §28860. SubArticle Definitions. For this SubArticle the following |
| 42 43 | definitions apply: |
| 43 44 | (a) "Conflicting Interest" with respect to a corporation |
| 45 | |
| 46 | interest a director of the corporation has respecting a transaction effected or proposed to be effected by the corporation (or by a |

1 subsidiary of the corporation or any other entity in which the 2 corporation has a controlling interest) if 3 4 (1) whether or not the transaction is brought before the board of 5 directors of the corporation for action, the director knows at the 6 time of commitment that he or a related person is a party to the 7 transaction or has a beneficial financial interest in or so closely 8 linked to the transaction and of such financial significance to 9 the director or a related person that the interest would 10 reasonably be expected to exert an influence on the director's 11 judgment if he were called upon to vote on the transaction; or 12 13 (2) the transaction is brought (or is of such character and 14 significance to the corporation that it would in the normal 15 course be brought) before the board of directors of the 16 corporation for action, and the director knows at the time of 17 commitment that any of the following persons is either a party 18 to the transaction or has a beneficial financial interest in or so 19 closely linked to transaction and of such financial significance to the person that the interest would reasonably be expected to 20 21 exert an influence on the director's judgment if he were called 22 upon to vote on the transaction: 23 (i) an entity (other than the corporation) of which the 24 director is a director, general partner, agent, or 25 employee: 26 (ii) a person that controls one o more of the entities 27 specified in sub-clause (i) or an entity 28 controlled by, or is under common control with, one 29 or more of the entities specified in sub-clause (i); or 30 an individual who is a general partner, principal, (iii) 31 or employer of the director. 32 33 "Directors conflicting interest transaction" with respect to a (b) 34 corporation means a transaction effected or proposed to be effected 35 by the corporation (or by a subsidiary of the corporation or any other 36 entity in which the corporation has a controlling interest) respecting 37 which a director of the corporation has a conflicting interest. 38 39 (c) "Related person" of a director means: 40 (1) the spouse (or a parent or sibling thereof) of the director, or a grandchild, sibling, aren't (or spouse of any thereof) of the director, or an individual having the same home as the director, or a trust or estate of which an individual specified in this clause(1) is a substantial beneficiary' or;

41

42

43

44

45

46

| 1 2 | (2) a trust, estate, incompetent, conservatee, or minor of which the director is a fiduciary. |
|--|--|
| 3 | and the deficiency. |
| 4 5 | (d) "Required disclosure" means disclosure by the director who has a conflicting interest of |
| 6 7 8 | (1) the existence and nature of his conflicting interest, and |
| 9 10 11 12 | (2) all facts known to him respecting the subject matter of the transaction that an ordinarily prudent person would reasonably believe to be material to a judgment about whether or not to proceed with the transaction. |
| 13 14 15 16 17 18 19 20 | (e) "Time of commitment" respecting a transaction means the time when the transaction is consummated or, if made pursuant to contract, the time when the corporation (or its subsidiary or the entity in which it has controlling interest) becomes contractually obligated so that its unilateral withdrawal from the transaction would entail significant loss, liability, or other damage. |
| 21 22 23 24 25 26 27 28 29 30 | §28861. Judicial Action. (a) A transaction effected or proposed to be effected by a corporation (or by a subsidiary of the corporation or any other entity in which the corporation has a controlling interest) that is not a director's conflicting interest transaction may not be enjoined, set aside, or give rise to an award of damages or other sanctions, in a proceeding by a shareholder or by or in the right of the corporation, because a director of the corporation, or any person with whom or which he has personal, economic, or other association, has an interest in the transaction. |
| | (b) A director's conflicting interest transaction may not be enjoined, set aside, or give rise to an award of damages or other sanctions, in a proceeding by a shareholder or by or in the right of the corporation, because the director, or any person with whim or which he has a personal, economic, or other association, has an interest n the transaction, if; (1) directors' action respecting the transaction was at any time taken in compliance with §28862; (2) shareholders' action respecting the transaction was at any time taken in compliance with §28863; or (3) the transaction, judged according to the circumstances at the time of commitment, is established to have been fair to the corporation. |
| | §28862. Directors' Action. (a) Directors' action respecting a transaction is effective for purposes of §28861(b)(1) if the transaction received |

the affirmative vote of a majority (but no fewer than two) of those qualified directors on the board of directors or on a duly empowered committee of the board who voted on the transaction after either required disclosure to them (to the extent the information was not known by them) or compliance with subsection (b); provided that action by a committee is so effective only if:

- (1) all its members are qualified directors, and
- (2) its members are either all the qualified directors on the board or are appointed by the affirmative vote of a majority of the qualified directors on the board.
- (b) If a director has a conflicting interest respecting a transaction, but neither he nor a related person of the director specified in §28860(c)(1) is a party to the transaction, and if the director has a duty under law or professional canon, or a duty of confidentiality to another person, respecting information relating to the transaction such that the director may not make the disclosure described in §28860(d)(2), then disclosure is sufficient for purposes of subsection (a) if the director:
 - (1) discloses to the directors voting on the transaction the existence and nature of his conflicting interest and informs them of the character and limitations imposed by that duty before their vote on the transaction, and
 - (2) plays no part, directly or indirectly, in their deliberations or vote.
- (c) A majority (but no fewer than two) of all the qualified directors on the board of directors, or on the committee, constitutes a quorum for purposes of action that complies with this section. Directors' action that otherwise complies with this section is not affected by the presence or vote of a director who is not a qualified director.
- (d) For purposes of this section, "qualified director" means, with respect to a director's conflicting interest transaction, any director who does not have either
 - (1) a conflicting interest respecting the transaction, or
 - (2) a familial, financial, professional, or employment relationship with a second director who does have a conflicting interest respecting the transaction, which relationship would, in the circumstances, reasonably be expected to exert an influence on the first director's judgment when voting on the transaction.

27 28

29 30

31

32

33

34

35

36

37

38 39

40

41

42

43 44

45

46

§28863. Shareholders' Action. (a) Shareholders' action respecting a transaction is effective for purposes of §28861(b)(2) if a majority of the votes entitled to be cast by the holders of all qualified shares were cast in favor of the transaction after

- (1) notice to shareholders describing the director's conflicting interest transaction,
- (2) provision of the information referred to in subsection (d), and
- (3) required disclosure to the shareholders who voted on the transaction (to the extent the information was not known by them).
- (b) For purposes of this section, "qualified shares" means any shares entitled to vote with respect to the director's conflicting interest transaction except shares that, to the knowledge, before the vote, of the secretary (or other officer or agent of the corporation authorized to tabulate votes), are beneficially owned (or the voting of which is controlled) by a director who has a conflicting interest respecting the transaction or by a related person of the director, or both.
- (c) A majority of the votes entitled to be cast by the holders of all qualified shares constitutes a quorum for purposes of action that complies with this section. Subject to the provisions of subsections (d) and (e), shareholders' action that otherwise complies with this section is not affected by the presence of holders, or the voting, of shares that are not qualified shares.
- (d) For purposes of compliance with subsection (a), a director who has a conflicting interest respecting the transaction shall, before the shareholders' vote, inform the secretary (or other officer or agent of the corporation authorized to tabulate votes) of the number, and the identity of persons holding or controlling the vote, of all shares that the director knows are beneficially owned (or the voting of which is controlled) by the director or by a related person of the director or
- (e) If a shareholders' vote does not comply with subsection (a) solely because of a failure of a director to comply with subsection (d), and if the director establishes that his failure did not determine and was not intended by him to influence the outcome of the vote, the court may, with or without further proceedings respecting §28861(b)(3), take such action respecting the transaction and the director, and give such effect, if any, to the shareholders' vote, as it considers appropriate in the circumstances."

| 1 | |
|----|--|
| 2 | Soction 4 Av. 1 |
| 3 | Section 4. Amendment of §28817. Section 28817 of Chapter 28, Part 5, |
| 4 | Division 1 of Title 18 of the Guam Code Annotated is hereby amended to read as follows: |
| 5 | ionows. |
| 6 | "\$79017 CA |
| 7 | "§28817. Standards of Conduct for Directors. (a) Each member of the |
| 8 | 2 directors, which discharge in the A director chall discharge it |
| 9 | duties of as a director, shall act including the director's duties as a member of a committee: |
| 10 | committee. |
| 11 | (1) In good faith; |
| 12 | (2) With the care and ordinarily prudent person in a like position would |
| 13 | Choreise under Silling circumstances, and |
| 14 | (2) (3) In a manner the director reasonably believes to be in the best |
| 15 | interest of the corporation |
| 16 | (b) In determining the best interest of the corporation, a director, in |
| 17 | addition to considering the interest of the corporation's about 11 |
| 18 | may consider, in the director's discretion, any of the following factors |
| 19 | (1) The interest of the corporation's employees, customers, suppliers, and creditors; |
| 20 | , |
| 21 | (2) The economy of Guam and the nation; |
| 22 | (3) Community and societal considerations, including, without |
| 23 | minutions, the impact of any action upon the communities in an |
| 24 | near which the corporation has offices or operations, and |
| 25 | (4) The long-term as well as short-term interests of the corporation and |
| 26 | its shareholders, including, without limitation, the possibility that |
| 27 | these interests may be best served by the continued independence of the corporation. |
| 28 | (c) In discharging duties as a director 41. 1 |
| 29 | (c) In discharging duties as a director, the director is entitled to rely on information, opinions, reports, or status |
| 30 | information, opinions, reports, or statements, including financial statements and other financial data, if prepared or presented by: |
| 31 | (1) One or more officers or employees of the corporation whom the |
| 32 | director reasonably believes to be reliable and competent in the |
| 33 | matters presented; |
| 34 | (2) Legal counsel, public accountants, or other persons as to matters |
| 35 | the director reasonably believes are within the person's |
| 36 | professional or expert competence; or |
| 37 | (3) A committee of the board of directors of which the director is not a |
| 38 | member if the director reasonably believes the committee merits |
| 39 | confidence. |
| 40 | (d) A director is not acting in good faith if the director has knowledge |
| 41 | concerning the matter in question that makes reliance otherwise |
| 42 | permitted by subsection (c) unwarranted |
| 43 | (e) A director in not liable for any action taken as a director, or any 5.1 |
| 44 | to take any action, if the director performed the duties of the director's |
| 45 | office in compliance with this section. |

| | (b) The members of the board of directors or a committee of the board, when becoming informed in cornection is the board. |
|----------|--|
| | when becoming informed in connection with their decision-making function or devoting attention at the standard of directors or a committee of the board, when becoming informed in connection with their decision-making |
| | |
| | |
| | would reasonably believe appropriate under similar circumstances. |
| (| 6 de la circumstances. |
| 7 | \\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\\ |
| 8 | knowledge that makes reliance unwarranted, is entitled to rely on the |
| 9 | |
| 10 | subsection (e)(3) to whom the board may have delegated, formally or |
| 11 | informally by course of conduct, the authority or duty to perform one |
| 12 | or more of the board's functions that are delegable under applicable |
| 13 | law. |
| 14 | |
| 15 | (d) In discharging board or committee duties a director, who does not have |
| 16 | knowledge that makes reliance unwarranted, is entitled to rely on |
| 17 | information, opinions, reports or statements, including financial |
| 18 | statements and other financial data, prepared or presented by any of |
| 19 | the persons specified in subsection (e). |
| 20 | resident subsection (e). |
| 21 | (e) A director is entitled to rely, in accordance with subsection (c) or (d), |
| 22 | on: |
| 23 | |
| 24 | (1) one or more officers or employees of the corporation whom the |
| 25 | director reasonably believes to be reliable and competent in the |
| 26 | functions performed or the information, opinions, reports or |
| 27 | statements provided; |
| 28 | |
| 29 | (2) legal counsel, pubic accountants, or other persons retained by the |
| 30 | portation as to matters involving skills or annual. |
| 31 | director reasonably believes are matters |
| 32 | (i) within the particular person's professional or expert |
| 33 | competence or |
| 34 | (ii) as to which the particular person merits confidence; |
| 35 | or |
| 36 | |
| 37 | (3) a committee of the board of directors of which the director is not |
| 38 | a member if the director reasonably believes the committee |
| 39 | merits confidence." |
| 40 41 | |
| 41 42 | Section 5. Empowerment. The Compiler of Laws is empowered to |
| | o start and subcliqued licallings consistent with the D |
| 43 | Business Corporation Act. |
| 44 45 | |
| 43 | Section 6. Effective Date. This Act shall be effective upon enactment. |
| | apon enacment. |