



California Corporate & Securities Law

California May No Longer Send Corporate Felons To Prison

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The California legislature went into recess on July 15. Several bills that would amend the California Corporations Code await action when the legislators return on August 15. However, the legislature has already enacted and the Governor has signed a bill amending numerous provisions of the Corporations Code.

Numerous Corporations Code Sections Are Amended

AB 109 was introduced in January and included one section that provided in its entirety: "It is the intent of the Legislature to enact statutory changes relating to the Budget Act of 2011." It was later amended so that it now amends, among numerous other codes, Sections 2255, 2256, 6811, 6814, 8812, 8815, 12672, 12675, 22002, 25540, 27202, 28880, 29102, 29550, 31410, 31411, and 35301 of the Corporations Code. Each of these sections criminalizes specified misconduct.

Go Directly To Jail (Not Prison)

The purpose of AB 109 appears to be to provide the state with more options in terms of incarcerating felons – *i.e.*, sending them to county jail rather than state prison. The change is more a product of California's fiscal woes than any broad policy vis-a-vis corporate felons. You can read Governor Brown's bill signing message [here](#).

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A Tribute To Asa Gray

My college degree is in Biology but my primary interest was in Botany. At Harvard, I studied vascular plant taxonomy, plant physiology and economic botany. In the course of my studies, I spent time in the [Gray Herbarium](#) which is named after the "Father of American Botany," Asa Gray. Thus, I was pleased to see that the U.S. Postal Service has issued this stamp honoring Asa Gray:



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