



OFFICE OF

No. HB 1964

THE GOVERNOR
STATE OF OKLAHOMA

OKLAHOMA CITY, OKLA.,

June 4, 2015

TIME SIGNED: 4:43pm

TO THE HONORABLE SPEAKER OF THE HOUSE
AND MEMBERS OF THE HOUSE OF REPRESENTATIVES
FIRST SESSION OF THE
FIFTY FIFTH OKLAHOMA LEGISLATURE

ENROLLED HOUSE BILL NO. 1964:

This is to advise you that on this date, pursuant to the authority vested in me by Section 11 of Article VI of the Oklahoma Constitution to approve or object to legislation presented to me, I have VETOED House Bill 1964.

House Bill 1964 subjects receivers to personal liability for punitive damages should they engage in willful or grossly negligent misconduct in performing their duties. Receivers are appointed by the judiciary to safeguard and manage property when that property is currently or is likely to become the subject of dispute—for example, when a corporation is facing insolvency or has been dissolved. 12 O.S. §§ 1551 and 1554. This Bill, in essence, seeks to hold receivers responsible for any harm they might cause to the property they are entrusted with.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

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OKLAHOMA SECRETARY
OF STATE



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However, this Bill contains serious defects that undercut what it is trying to achieve. First, the Bill does not distinguish between a receiver's acts that are unauthorized, and those that are in fact ordered by the court. Second, the Bill incorporates a standard of conduct (willful misconduct or gross negligence) that is different from the one used in the Oklahoma statute controlling the award of punitive damages for non-contractual breaches of obligation (intentional malice or reckless disregard) (23 O.S. § 9.1). The Bill's choice of language thereby introduces unnecessary ambiguity into the overarching analytical framework. Third, and most importantly, the Bill's inclusion of punitive damages are inappropriate because compensatory (or actual) damages would make aggrieved parties in this context whole. By contrast, punitive damages are likely to discourage service, incentivize needless litigation, provide windfalls to plaintiffs, and weaken tort reform.

Although a remedy should exist against receivers who are bad actors, that remedy must be clear, consistent with existing statute, and in keeping with Oklahoma's recent strides in achieving meaningful tort reform. Because this Bill does not satisfy the aforementioned requirements, I cannot approve it.

BY THE GOVERNOR OF THE STATE OF OKLAHOMA

Mary Fallin

By Collette A. Hauck
Date/Time 6/4/15 5:19pm