



# STATE OF MINNESOTA

## Office of Governor Mark Dayton

130 State Capitol ♦ 75 Rev. Dr. Martin Luther King Jr. Boulevard ♦ Saint Paul, MN 55155

April 9, 2012

The Honorable Michelle L. Fischbach  
President of the Senate  
226 State Capitol  
St. Paul, Minnesota 55155

Dear Madam President:

I am vetoing and returning Chapter 168, SF 1236, legislation which fundamentally and unfairly alters Minnesota's law regarding corporate successor liability. I am convinced that this legislation will have a broad scope and will set a dangerous precedent for future efforts to shield corporate defendants from liability.

Senate File 1236 overturns Minnesota law on corporate successor liability as it relates to gravely serious asbestos related injuries -- and inappropriately places the Legislature in the position of both judge and jury on constitutionally protected remedies.

The Minnesota Legislature and our Courts have long established rules of liability for corporate mergers, transfers and acquisitions. The Legislature has been careful to protect the public and injured parties from corporate gamesmanship and fraudulent transfers created merely to escape liability. At the same time, our statute and common law provides corporations great flexibility to purchase business assets without incurring liabilities beyond those acquired by contract.

SF 1236 creates an exception to corporate successor liability that Minnesota and other Courts have refused to adopt. It is contradictory to define an "innocent successor" as a corporation that has done nothing wrong and yet subsequently absolve it of its "known" liabilities.

Other states have rejected this legislation over well founded objections that providing this immunity to corporations that merged prior to 1972 will simply increase the financial exposure of remaining responsible parties, or deny any remedy to asbestos victims in certain cases. This is unfair to other asbestos defendants, injured Minnesotans, and insurance companies that would all shoulder a greater burden as a result of this legislation. I share this legitimate concern and find such a result unacceptable.

The true impact of this legislation should not go without comment. Workplace and other injuries related to asbestos manufacturing and exposure are staggering. Over 100,000 Americans have fallen victim to asbestosis and mesothelioma. The cancer causing nature of asbestos has long been known, and it will continue to claim lives across Minnesota and the country for years to come. I opposed efforts in the United States Senate to limit exposure of asbestos manufactures

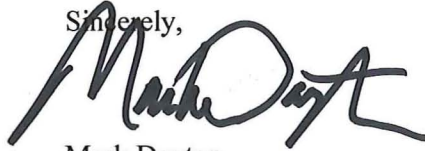
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and to shift the costs of these injuries to taxpayers and others. My opposition to SF 1236 continues my longstanding support for victims and their families to be compensated for their suffering from those responsible.

Minnesotans should expect fairness in the courtroom and demand legislation that does not change the course of litigation when potential injuries are known to exist. Having met with many Minnesota families and workers who have suffered from deadly asbestos-related illnesses, I will not allow that outcome.

For those reasons I am vetoing this bill.

Sincerely,

A handwritten signature in black ink that reads "Mark Dayton". The signature is stylized and cursive, with the first name "Mark" and last name "Dayton" clearly legible.

Mark Dayton  
Governor

cc: Senator David H. Senjem, Senate Majority Leader  
Senator Thomas M. Bakk, Senate Minority Leader  
Senator Mike Parry  
Representative Kurt Zellers, Speaker of the House  
Representative Paul Thissen, House Minority Leader  
Representative Kelby Woodard  
The Honorable Mark Ritchie, Secretary of State  
Mr. Cal R. Ludeman, Secretary of the Senate  
Mr. Albin A. Mathiowetz, Chief Clerk of the House of Representatives