

REVENUE: No revenue impact

FISCAL: No fiscal impact

Action:	Do Pass and Be Placed on the Consent Calendar
Vote:	10 - 0 - 0
Yeas:	Barton, Cameron, Garrett, Krieger, Olson, Shields, Smith J., Stiegler, Whisnant, Barker
Nays:	0
Exc.:	0
Prepared By:	Shannon Sivell, Counsel
Meeting Dates:	2/2

WHAT THE MEASURE DOES: Requires two or more classes of stock affected by an amendment to vote as a single group. Conforms ORS 60.441 with the Model Business Corporation Act. Deletes the disparity between series and class voting.

ISSUES DISCUSSED:

- Provisions of the measure

EFFECT OF COMMITTEE AMENDMENT: No amendment.

BACKGROUND: ORS 60.441 requires series and class voting on certain amendments to a corporation's articles of incorporation. ORS 60.441(3) provides that if an amendment would "affect two or more series in the same or a substantially similar way" the series vote together as a single group. In other words, if the amendment does not have a particular affect on a particular series, that series does not have a veto right over the proposed amendment. ORS 60.441(3) is mandatory with respect to stock series.

Although ORS 60.441(3) requires a single voting group for similarly affected series of stock, ORS 60.441 does not provide that similarly affected *classes* of stock vote together as a group. ORS 60.441(3) draws a distinction between classes and series of stock, and provides a veto right over amendments to separate classes even where the classes are similarly treated to all other classes and therefore need no statutory protection.

The Model Business Corporation Act (MBCA), which is the basis for ORS 60.441, was amended to correct this disparity. This proposal would conform Oregon's statute with the MBCA.