

House Bill 2305

Ordered printed by the Speaker pursuant to House Rule 12.00A (5). Pre-session filed (at the request of House Interim Committee on Judiciary for Oregon State Bar Business Law Section)

SUMMARY

The following summary is not prepared by the sponsors of the measure and is not a part of the body thereof subject to consideration by the Legislative Assembly. It is an editor's brief statement of the essential features of the measure **as introduced**.

Requires two or more classes of stock otherwise entitled to vote as separate groups on amendment to articles of incorporation to vote as single group if amendment affects classes in same or substantially similar way, unless articles provide or board of directors requires otherwise.

A BILL FOR AN ACT

1
2 Relating to shareholder voting; creating new provisions; and amending ORS 60.441.

3 **Be It Enacted by the People of the State of Oregon:**

4 **SECTION 1.** ORS 60.441 is amended to read:

5 60.441. (1) The holders of the outstanding shares of a class are entitled to vote as a separate
6 voting group if shareholder voting is otherwise required by this chapter on a proposed amendment
7 if the amendment would:

8 (a) Increase or decrease the aggregate number of authorized shares of the class;

9 (b) Effect an exchange or reclassification of all or part of the shares of the class into shares of
10 another class;

11 (c) Effect an exchange or reclassification, or create the right of exchange, of all or part of the
12 shares of another class into shares of the class;

13 (d) Change the designation, rights, preferences or limitations of all or part of the shares of the
14 class;

15 (e) Change the shares of all or part of the class into a different number of shares of the same
16 class;

17 (f) Create a new class of shares having rights or preferences with respect to distributions or to
18 dissolution that are prior, superior or substantially equal to the shares of the class;

19 (g) Increase the rights, preferences or number of authorized shares of any class that, after giving
20 effect to the amendment, have rights or preferences with respect to distributions or to dissolution
21 that are prior, superior, or substantially equal to the shares of the class;

22 (h) Limit or deny an existing preemptive right of all or part of the shares of the class; or

23 (i) Cancel or otherwise affect rights to distributions or dividends that have accumulated but not
24 yet been declared on all or part of the shares of the class.

25 (2) If a proposed amendment would affect a series of a class of shares in one or more of the ways
26 described in subsection (1) of this section, the shares of that series are entitled to vote as a separate
27 voting group on the proposed amendment.

28 (3) If a proposed amendment that entitles two or more **classes or** series of shares to vote as
29 separate voting groups under this section would affect those two or more **classes or** series in the
30 same or a substantially similar way, the shares of all the **classes or** series so affected must vote

NOTE: Matter in **boldfaced** type in an amended section is new; matter *[italic and bracketed]* is existing law to be omitted. New sections are in **boldfaced** type.

1 together as a single voting group on the proposed amendment, **unless the articles of incorporation**
2 **provide or the board of directors requires otherwise.**

3 (4) A class or series is entitled to the voting rights granted by this section although the articles
4 of incorporation provide that the shares are nonvoting shares.

5 **SECTION 2. The amendments to ORS 60.441 by section 1 of this 2009 Act apply to**
6 **shareholder voting that occurs on or after the effective date of this 2009 Act.**

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