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STATE REPRESENTATIVE
DISTRICT 19



To: House Committee Consumer Protection and Government Effectiveness
From: Representative Jodi Hack
Date: February 9, 2016

HB 4058-Shareholders & Compliance with Public Disclosure Laws

Good Afternoon,

Chair Fagan, members of the Committee: for the record, my name is Jodi Hack, I am the Representative for House District 19, which includes south Salem, Aumsville, and Turner. I am here on behalf of House Bill 4058. This bill would permit publically held corporations, to reject the vote, consent, waiver or proxy authorizaiton of a shareholder if they are not in compliance with the public disclosure requirements of Oregon securities law or federal securities law. Overall this bill is a helpful tool that provides increased transparency for publically held companies in Oregon, by holding its shareholders accountable to public disclosure requirements.

House Bill 4058 comes before you with proposed -2 ammendments. I will allow my associate Jim Berneau of Willamette Valley Vineyards to describe these changes in more detail and answer any questions concerning the ammendments, but I will breifly summarize the -2 ammendements which, in short, makes three important changes.

First, under the -2 ammendments the board of directors is required to treat all shareholders in violation of public discolser laws described in this measure equally in regards to rejection of vote, consent, waiver or proxy authorizatrion. Second, it stipulates that if and when a shareholder becomes compliant with the necessary public disclosure requirements, they will then be granted the ability to renew the privledges previously denied them during non-compliance. Finally, the -2 ammendments states that certain requirements for disclosure should be determined by the individual corporation that is regecting the vote of the non-compliant shareholder.

Thank you for your time and consideration, unless you have any questions, I will pass it over to my colleague: Jim Berneau.

Representative Jodi Hack
House District 19