

**PRELIMINARY STAFF MEASURE SUMMARY**

**House Committee On Consumer Protection and Government Effectiveness**

**Fiscal:** May have fiscal impact, but no statement yet issued

**Revenue:** No Revenue Impact

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**Action Date:**

**Action:**

**Meeting Dates:** 02/09

**Prepared By:** Victoria Cox, Committee Administrator

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**WHAT THE MEASURE DOES:**

Permits corporation with shares that are registered under Oregon or federal securities law to reject vote, consent, waiver or proxy authorization if shareholder has not complied with public disclosure requirements of Oregon or federal securities law. Declares emergency, effective on passage.

**ISSUES DISCUSSED:**

**EFFECT OF COMMITTEE AMENDMENT:**

Proposed -2 amendments establish that the corporation must reject actions of all shareholders not in compliance with disclosure requirements and must accept actions once shareholders become compliant.

**BACKGROUND:**

Disclosures required for securities transactions are set forth in ORS chapter 59 and 15 U.S.C. 78m(d). Transactions subject to federal regulation are generally exempt from the provisions of Oregon law. House Bill 4058 amends ORS 60.237 to allow corporations to reject specified actions if a shareholder has not complied with the relevant state or federal disclosure requirements. These actions include shareholder votes, consent, waivers and proxy authorizations. The measure is designed to protect Oregon chartered companies against hostile takeovers.