

WILLAMETTE VALLEY

VINEYARDS

February 9, 2016

TO: House Committee on Consumer Protection and Government Effectiveness

FROM: Willamette Valley Vineyards

RE: -2 Amendments to HB 4058

Several questions and issues have been identified in our conversation with both members of the House Committee on Consumer Protection and Government Effectiveness and representatives of the Oregon State Bar. The 2- amendments have been crafted to address those items and Willamette Valley Vineyards supports the adoption of those amendments which include:

- 1) Clarifying that the disclosure requirements should relate specifically to the company that is exercising the right to reject the votes of the non-disclosing shareholders and narrowing the scope of the disclosure to include only the following two requirements:

Section 16(a) of the Securities Exchange Act requires officers, directors and 10% shareholders to report on Forms 3, 4 and 5 their beneficial ownership and transactions. The primary purpose of this disclosure being to facilitate enforcement of "short-swing profit disgorgement".

Section 13(d) of the Securities Exchange Act requires shareholders that beneficially own more than 5% of a registered class of a public company's stock to report on either Schedule 13D or Schedule 13G. The purposed of this is to ensure disclosure of the accumulation of significant blocks of publicly traded equity securities.

- 2) Requiring a board of directors to treat all shareholders who fail to comply the same in terms of discounting votes of any and all shareholders who fail to comply with the disclosure requirements mentioned above.
- 3) Adding language that once a non-compliant stockholder files the disclosure reports with SEC, the shareholder would no longer be prevented from voting.