

**Fiscal:** No fiscal impact

**Revenue:** No Revenue Impact

---

**Action Date:** 02/22/16

**Action:** Do Pass The A-Eng Bill.

**Meeting Dates:** 02/22

**Vote:**

Yeas: 5 - Beyer, Girod, Monroe, Riley, Thomsen

**Prepared By:** Patrick Brennan, Committee Administrator

---

**WHAT THE MEASURE DOES:**

Permits corporations with shares that are registered under Oregon or federal securities law to reject vote, consent, waiver, or proxy authorization if a shareholder has not complied with public disclosure requirements of Oregon or federal securities law. Provides that corporation must reject actions of all shareholders not in compliance with disclosure requirements and accept actions once shareholders become compliant.

**ISSUES DISCUSSED:**

- Application to small and large corporations
- Whether measure would stifle minority and opposing viewpoints
- How to determine whether compliance has occurred

**EFFECT OF COMMITTEE AMENDMENT:**

No amendment.

**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. Disclosure requirements provide boards of directors with information about the identity of individuals (or corporations) purchasing blocks of publicly traded stock.

House Bill 4058-A 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 requires corporations to reject the actions of all shareholders that are not in compliance with disclosure requirements and to accept actions once the shareholders have complied.