

# D R A F T

## SUMMARY

Permits corporation with shares that are registered under securities law of this state or under federal securities law to reject vote, consent, waiver or proxy authorization if shareholder has not complied with public disclosure requirements of securities law of this state or federal securities law.

Declares emergency, effective on passage.

## A BILL FOR AN ACT

Relating to permissible corporate action when a shareholder fails to comply with public disclosure laws; amending ORS 60.237; and declaring an emergency.

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

**SECTION 1.** ORS 60.237 is amended to read:

60.237. (1) If the name signed on a vote, consent, waiver or proxy authorization corresponds to the name of a shareholder, *[the]* **a** corporation, if acting in good faith, *[is entitled to]* **may** accept the vote, consent, waiver or proxy authorization and give *[it]* **the vote, consent, waiver or proxy authorization** effect as the act of the shareholder.

(2) If the name signed on a vote, consent, waiver or proxy authorization does not correspond to the name of *[its]* **a** shareholder, the corporation, if acting in good faith, *[is]* **may** nevertheless *[entitled to]* accept the vote, consent, waiver or proxy authorization and give *[it]* **the vote, consent, waiver or proxy authorization** effect as the act of the shareholder if:

(a) The shareholder is an entity and the name signed purports to be that of an officer or agent of the entity;

(b) The name signed purports to be that of an administrator, executor,

guardian or conservator representing the shareholder and, if the corporation requests, evidence of fiduciary status acceptable to the corporation has been presented with respect to the vote, consent, waiver or proxy authorization;

(c) The name signed purports to be that of a receiver or trustee in bankruptcy of the shareholder and, if the corporation requests, evidence of this status acceptable to the corporation has been presented with respect to the vote, consent, waiver or proxy authorization;

(d) The name signed purports to be that of a pledgee, beneficial owner or attorney-in-fact of the shareholder and, if the corporation requests, evidence acceptable to the corporation of the signatory's authority to sign for the shareholder has been presented with respect to the vote, consent, waiver or proxy authorization; or

(e) Two or more persons are the shareholder as cotenants or fiduciaries and the name signed purports to be the name of at least one of the co-owners and the person signing appears to be acting on behalf of all co-owners.

(3) The corporation is entitled to reject a vote, consent, waiver or proxy authorization if:

(a) The secretary or other officer or agent authorized to tabulate votes, acting in good faith, has a reasonable basis for doubt about the validity of the signature on *[it]* **the vote, consent, waiver or proxy authorization** or about the signatory's authority to sign for the shareholder[.]; or

**(b) The shares of the corporation are registered under ORS chapter 59 or under federal securities law and the shareholder has failed to comply with the public disclosure requirements of ORS chapter 59 or of federal securities law including, but not limited to, the public disclosure requirements set forth in 15 U.S.C. 78m(d).**

(4) *[The]* **A** corporation and *[its]* **the corporation's** officer or agent who accepts or rejects a vote, consent, waiver or proxy authorization in good faith and in accordance with the standards of this section are not liable in damages to the shareholder for the consequences of the acceptance or rejection.

1 (5) Corporate action based on the acceptance or rejection of a vote, con-  
2 sent, waiver or proxy authorization under this section is valid unless a court  
3 of competent jurisdiction determines otherwise.

4 **SECTION 2. This 2016 Act being necessary for the immediate pres-**  
5 **ervation of the public peace, health and safety, an emergency is de-**  
6 **clared to exist, and this 2016 Act takes effect on its passage.**