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# A BILL FOR AN ACT

RELATING TO CORPORATIONS.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1 SECTION 1. Section 414-313, Hawaii Revised Statutes, is  
2 amended by amending subsection (f) to read as follows:

3 "(f) With respect to corporations incorporated before July  
4 1, 1987, at [~~such~~] a meeting[~~7~~] subject to subsection (d), a  
5 vote of the shareholders shall be taken on the proposed plan.

6 The plan shall be approved upon receiving the affirmative  
7 vote of the holders of three-fourths of all the issued and  
8 outstanding shares of stock having voting power even though  
9 their right to vote is otherwise restricted or denied by the  
10 articles, bylaws, or resolutions of any such corporation. The  
11 articles of incorporation may be amended by the vote set forth  
12 in the preceding sentence to provide for a lesser proportion of  
13 shares, or of any class or series thereof, than is provided in  
14 the preceding sentence, in which case the articles of  
15 incorporation shall control; provided that the lesser proportion  
16 shall be not less than the proportion set forth in subsection  
17 (e).



1        Notwithstanding any provision to the contrary in this  
2 section, if the plan involves a merger of a parent corporation  
3 that is a publicly traded corporation with or into a direct or  
4 indirect subsidiary corporation, of which all of the outstanding  
5 shares of each class are owned, directly or indirectly, by the  
6 parent, subsection (e) shall apply as if each party to the  
7 merger were incorporated on or after July 1, 1987.

8        As used in this subsection, "publicly traded corporation"  
9 means any corporation listed on a national securities exchange."

10       SECTION 2. Statutory material to be repealed is bracketed  
11 and stricken. New statutory material is underscored.

12       SECTION 3. This Act shall take effect upon its approval.



**Report Title:**

Corporations; Merger and Share Exchange Plans; Publicly Traded Corporations

**Description:**

Requires a majority vote of shareholders to approve a corporate merger or exchange plan for publicly traded corporations incorporated after June 30, 1987, or incorporated before July 1, 1987, if it is a merger between a parent corporation and a wholly owned corporate subsidiary. (HB2658 HD1)

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