

STAND. COM. REP. NO.

2421

Honolulu, Hawaii

FEB 22 2012

RE: S.B. No. 3024
S.D. 1

Honorable Shan S. Tsutsui
President of the Senate
Twenty-Sixth State Legislature
Regular Session of 2012
State of Hawaii

Sir:

Your Committee on Commerce and Consumer Protection, to which was referred S.B. No. 3024 entitled:

"A BILL FOR AN ACT RELATING TO CORPORATIONS,"

begs leave to report as follows:

The purpose and intent of this measure is to modify the shareholder voting requirements for publicly traded corporations to adopt a plan of merger or share exchange.

Your Committee received testimony in support of this measure from Alexander & Baldwin, Inc. and Maui Land & Pineapple Company, Inc.

Your Committee finds that the Hawaii Revised Statutes require corporations incorporated in Hawaii before July 1, 1987, to obtain the affirmative vote of the holders of three-fourths of all issued and outstanding shares of stock prior to a merger or share exchange. Corporations incorporated in Hawaii on or after July 1, 1987, are only required to obtain the affirmative vote of the holders of a majority of each class of shares of stock prior to a merger or share exchange.

Your Committee finds that this measure should be limited to apply solely to mergers of wholly owned subsidiaries. This will enable Hawaii-based publicly traded corporations, regardless of when they were incorporated, to reorganize themselves within their family of related entities with the approval of a majority vote of shareholders.

2012-1032 SSCR SMA.doc



Your Committee has amended this measure by:

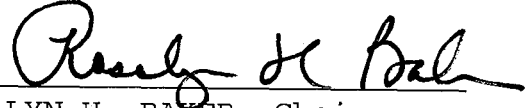
- (1) Combining the amendments to section 414-313(e) and (f), Hawaii Revised Statutes, into amendments only under section 414-313(f), Hawaii Revised Statutes, that apply the shareholder voting requirement for:
 - (A) Corporations incorporated on or after July 1, 1987 (affirmative vote of a majority of holders of each class of shares), to only those plans involving a merger of a publicly traded corporation with or into a direct or indirect subsidiary corporation, of which all the outstanding shares of each class are owned, directly or indirectly, by the parent corporation; and
 - (B) Corporations incorporated before July 1, 1987 (affirmative vote of holders of three-fourths of all issued and outstanding shares of stock), to plans involving all other publicly traded corporations; and
- (2) Making technical, nonsubstantive amendments for the purposes of clarity and consistency.

Your Committee notes that the amendments proposed by this measure would affect four corporations in Hawaii, namely Alexander & Baldwin, Inc., Central Pacific Bank, Hawaiian Electric Industries, Inc., and Maui Land & Pineapple Company, Inc. Based on testimony received by your Committee, the above corporations find these amendments acceptable.

As affirmed by the record of votes of the members of your Committee on Commerce and Consumer Protection that is attached to this report, your Committee is in accord with the intent and purpose of S.B. No. 3024, as amended herein, and recommends that it pass Second Reading in the form attached hereto as S.B. No. 3024, S.D. 1, and be placed on the calendar for Third Reading.



Respectfully submitted on
behalf of the members of the
Committee on Commerce and
Consumer Protection,




ROSALYN H. BAKER, Chair



The Senate
 Twenty-Sixth Legislature
 State of Hawai'i

Record of Votes
Committee on Commerce and Consumer Protection
CPN

Bill / Resolution No.:*	Committee Referral:	Date:		
SB 3024	CPN	2-9-12		
<input type="checkbox"/> The committee is reconsidering its previous decision on this measure. If so, then the previous decision was to: _____				
The Recommendation is:				
<input type="checkbox"/> Pass, unamended 2312 <input checked="" type="checkbox"/> Pass, with amendments 2311 <input type="checkbox"/> Hold 2310 <input type="checkbox"/> Recommit 2313				
Members	Aye	Aye (WR)	Nay	Excused
BAKER, Rosalyn H. (C)	✓			
TANIGUCHI, Brian T. (VC)	✓			
GALUTERIA, Brickwood	✓			
GREEN, M.D., Josh	✓			
NISHIHARA, Clarence K.	✓			
SOLOMON, Malama				✓
SLOM, Sam	✓			
TOTAL	6	0	0	1
Recommendation:				
<input checked="" type="checkbox"/> Adopted <input type="checkbox"/> Not Adopted				
Chair's or Designee's Signature:				
				
Distribution:				
Original File with Committee Report	Yellow Clerk's Office	Pink Drafting Agency	Goldenrod Committee File Copy	

*Only one measure per Record of Votes