

A Bill for an Act Relating to Corporations.

*Be It Enacted by the Legislature of the State of Hawaii:*

SECTION 1. Section 417-16, Hawaii Revised Statutes, is amended to read as follows:

**“Sec. 417-16 Merger or consolidation of domestic corporations with foreign corporations.** Notwithstanding section 417-15, the merger or consolidation of any number of domestic corporations with any number of foreign corporations may be effected if the foreign corporations are authorized to effect such a merger or consolidation by the laws of the jurisdiction under which they are formed; provided, that if the surviving or consolidated corporation is a foreign corporation no merger or consolidation agreement shall be effected as to any domestic corporations unless the authorization and approval have been obtained from the holders of not less than [nine-tenths] three-fourths of the issued and outstanding shares of each domestic corporation even though their right to vote is otherwise restricted or denied by the charter, articles, bylaws, or resolution of the domestic corporation.

In the merger or consolidation agreement, the laws of any jurisdiction under which one of the constituent corporations was organized may be selected as the laws which govern the merger or consolidation and the surviving or consolidated corporation; provided, that the dissenting stockholders of any domestic corporation shall in any event have the right to have their compensation determined under sections 417-19 to 417-30 upon compliance with all of the terms and conditions of these sections.

To become effective in the State, the merger or consolidation agreement shall be filed in the office of the director of regulatory agencies in the manner required in section 417-8, and if any domestic corporation, being a party to a merger or consolidation agreement, is a fiduciary company, or subject to examination of the bank examiner under any provisions of law, or a public utility company, before the agreement is filed in the office of the director, the agreement shall require the approval of the bank examiner or the public utilities commission in the same manner that it would be required if the merger or consolidation of the corporation were effected under this part.

Upon the merger or consolidation becoming effective in the State, the property and corporate existence of the domestic constituent corporations shall in all respects be subject to section 417-13.”

SECTION 2. Statutory material to be repealed is bracketed. New material is underscored.

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

(Approved May 26, 1979.)