

ACT 223

H.B. NO. 1661

A Bill for an Act Relating to Corporations.

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

SECTION 1. Section 416-4, Hawaii Revised Statutes, is amended to read:

“Sec. 416-4 Directors, qualifications of. The directors of every corporation shall be one or more in number, if the corporation has only one stockholder. If the corporation has two stockholders, the corporation shall have two or more directors. If the corporation has three or more stockholders, the corporation shall have three or more directors. In any event, at least one member of every board of directors shall be a resident of the State. In the absence of one such member, no board of directors shall function.

An act done in derogation of the above shall be void in any action brought by any stockholder.”

SECTION 2. Section 416-13, Hawaii Revised Statutes, is amended to read:

“**Sec. 416-13 Reservation of name.** The exclusive right to the use of a corporate name may be reserved by any person intending to organize a corporation under this chapter, by any domestic corporation intending to change its name, by any foreign corporation intending to do or carry on any business in the State or to take, hold, sell, demise, or convey real estate or any other property therein, by any foreign corporation authorized to do or carry on any business in the State or to take, hold, sell, demise, or convey real estate or any other property therein and intending to change its name, or by any person intending to organize a foreign corporation and intending to have the corporation authorized to do or carry on any business in the State or to take, hold, sell, demise, or convey real estate or any other property therein. Reservation shall be made by filing with the director of regulatory agencies an application in such form as the director may prescribe to reserve a specified corporate name, and payment to the director of a fee of \$2. If he finds that the name is available for corporate use, he shall reserve the name for the exclusive use of the applicant for a period of sixty days. The right to the exclusive use of a specified corporate name so reserved may be transferred to any other person or corporation by filing in the office of the director a notice of the transfer executed by the applicant for whom the name was reserved and specifying the name and address of the transferee.”

SECTION 3. Section 416-127, Hawaii Revised Statutes, is amended to read:

“**Sec. 416-127 Reinstatement of involuntarily dissolved corporations.** Within ninety days after the involuntary dissolution of a corporation under section 416-122, the corporation may be reinstated by the director of regulatory agencies upon application executed and verified by the president and secretary or other authorized officers of the corporation setting forth such information as the director may require, and the payment of all delinquent fees, penalties, assessments, and taxes, and costs of involuntary dissolution, and the filing of all exhibits due and unfiled. Within said ninety-day period, should the name of the corporation, or a name so nearly similar thereto as to lead to confusion and uncertainty, be registered or reserved by another corporation or partnership, or should such name or a name so similar thereto as to lead to confusion, be registered as a trade name, then reinstatement shall be allowed only upon the registration of a new name by the involuntarily dissolved corporation pursuant to the amendment provisions of section 416-23.”

SECTION 4. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 5. This Act shall take effect upon its approval.

(Approved June 21, 1979.)

*The text has been edited pursuant to HRS §23G-16.5, authorizing omission of the brackets, bracketed material, and underscoring.