

A Bill for an Act Relating to Shares Without Par Value.

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

SECTION 1. Section 416-59, Hawaii Revised Statutes, is amended by amending subsection (a) to read as follows:

“(a) Any corporation organized under the laws of the State, except as provided in subsection (i) of this section, may issue shares of stock with par value or shares of stock without par value or both, of any class or classes, to the extent that the articles of association so permit; provided, that no corporation may have shares of a class with par value and also shares of the same class without par value. In case of the issue of two or more classes of stock without par value or the issue of any series of any class without par value, then the preferences, voting powers, restrictions, and qualifications thereof shall be set forth in the articles of association or shall be determined as provided in section 416-58. Where the articles of association permit the issuance of shares without par value, the statement in the articles of association of the amount of the capital stock of the corporation and of the limit of the extension thereof shall state the number of shares of stock without par value and the limit of the extension of the number of shares, and may but need not contain provisions relating to the consideration or considerations for which shares without par value may be issued and relating to the capital to be attributable to shares without par value.”

SECTION 2. Section 416-59, Hawaii Revised Statutes, is amended by amending subsection (e) to read as follows:

“(e) Rights on dividends and assets, etc. All fully paid shares of stock without par value of the same series of any class shall be entitled to the same dividends and to the same assets upon dissolution and shall have the same preferences, voting powers, restrictions and qualifications, notwithstanding that some of the shares may have been issued for different considerations than others.”

SECTION 3. Statutory material to be repealed is bracketed. New material is underscored.*

SECTION 4. This Act shall take effect upon its approval.

(Approved April 22, 1980.)

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