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**TEMPORARY ADMINISTRATIVE ORDER**  
INCLUDING STATEMENT OF NEED & JUSTIFICATION

**FSR 19-2020**  
CHAPTER 441  
DEPARTMENT OF CONSUMER AND BUSINESS SERVICES  
FINANCE AND SECURITIES REGULATION

**FILED**  
03/27/2020 3:40 PM  
ARCHIVES DIVISION  
SECRETARY OF STATE  
& LEGISLATIVE COUNSEL

FILING CAPTION: Temporary authorization to allow for remote participation in annual stockholder meetings of Oregon-chartered banks

EFFECTIVE DATE: 03/27/2020 THROUGH 09/22/2020

AGENCY APPROVED DATE: 03/27/2020

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**NEED FOR THE RULE(S):**

The novel coronavirus (COVID-19) is a respiratory disease that can result in serious illness or death. It is caused by a new strain of coronavirus not previously identified in humans and easily spread from person to person. There is currently no approved vaccine or antiviral treatment for this disease. The Centers for Disease Control and Prevention strongly recommends the avoidance of any large gatherings until further notice.

On March 8, 2020, Governor Kate Brown declared a state of emergency in Oregon to address the spread of COVID-19. On March 12, Governor Brown announced new rules to slow the spread of the virus, including banning large gatherings of 250 people or more and implementing social distancing measures at worksites. On March 16, 2020, Governor Brown announced a statewide ban, effective immediately, of all public events of 25 people or more. Oregon Governor Kate Brown issued a stay-at-home order, effective March 23, 2020.

Additionally, many people are in self-quarantine after possible exposure to the virus to help slow the spread and several companies are considering precautions for employees by directing them to stay home.

**JUSTIFICATION OF TEMPORARY FILING:**

ORS 707.610 requires Oregon chartered commercial banks and savings banks to hold a stockholders' meeting within 120 days after the close of the fiscal year. Under ORS 707.610, the deadline for holding this meeting is April 29, 2020. The right to vote at the annual meeting is governed by ORS 707.623. ORS 707.623(1) states: "Unless otherwise provided in the articles of incorporation, a majority of the shares entitled to vote, represented in person or by proxy, shall constitute a quorum at a meeting of shareholders.

If a quorum is present, the affirmative vote of the majority of the shares represented at the meeting at the time the vote

is taken and entitled to vote on the subject matter shall be the act of the shareholders, unless the vote of a greater number or voting by classes is required by the Bank Act or the articles of incorporation." The term "in person" is not statutorily defined.

The current restrictions on public and private gatherings of individuals make it impossible for banks to comply with ORS 707.610 if shareholders must be physically in attendance at the annual stockholders meeting to be considered as being "present" at the meeting.

This rule temporarily authorizes Oregon chartered commercial banks and savings banks to conduct annual meetings remotely and to consider shareholders remotely attending the meeting as "present" for purposes of ORS 707.621 if the meeting is held by means of conference telephone or similar communications equipment that allows all persons participating in the meeting to hear each other, provided that participation is controlled and limited to those entitled to attend, and the identity of participants is determinable and reasonably verifiable.

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DOCUMENTS RELIED UPON, AND WHERE THEY ARE AVAILABLE:

<https://www.cdc.gov/coronavirus/2019-ncov/community/large-events/mass-gatherings-ready-for-covid-19.html>

[https://govsite-assets.s3.amazonaws.com/jkAULYKcSh6DoDF8wBM0\\_EO%2020-12.pdf](https://govsite-assets.s3.amazonaws.com/jkAULYKcSh6DoDF8wBM0_EO%2020-12.pdf)

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ADOPT: 441-505-2005

RULE SUMMARY: Adopted to allow Oregon chartered commercial banks and savings banks to conduct annual stockholder meetings.

CHANGES TO RULE:

441-505-2005

Conducting Annual Stockholder Meetings Remotely

Oregon chartered commercial banks and savings banks may conduct annual stockholder meetings required by ORS 707.610 remotely by means of telephone conference, video conference, or similar means of communications that allows all persons, physically or remotely participating in the meeting, to communicate with each other, provided that participation is controlled and limited to those entitled to attend, and the identity of participants is determinable and reasonably verifiable. Shareholders attending the annual meeting remotely in accordance with this rule shall be considered as "present" for purposes of ORS 707.621.

Statutory/Other Authority: ORS 706.790

Statutes/Other Implemented: ORS 707.610, 707.621