

yamashita1- Kathy

From: Jim Mayfield [jim@islandbusinessbrokers.com]
Sent: Friday, March 13, 2009 9:47 AM
To: LABtestimony
Subject: SB 1622
Attachments: James Mayfield.vcf

This testimony is in opposition to this bill. My reasons are as follows:

- 1) Attorneys working on behalf of business buyers are already aware of the possibility of this bill passing. They have already started inserting language into business purchase contracts requiring Sellers to "release" all employees prior to the completion of the sale. Similar moves by other attorneys will probably be attempted to circumvent this statute and give the business buyer the flexibility to manage their company in the manner they believe best for the success of the company.
- 2) It is not unusual in Hawaii for a number of the oldest and longest employees to have very strong ties, if not be blood relatives, to the Seller(s). It is also not unusual for the salary/wages paid to these employees to be substantially above the level typically required for employees with their skills and backgrounds. Forcing the Buyer to keep these employees, even if only for 90 days, will be viewed by the Buyers in a negative manner resulting in a decrease in offering prices and possibly preventing the purchase and sale from occurring.

Please keep in mind the law of unintended consequences.

Aloha!

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From: crobbins@cochawaii.org
Sent: Friday, March 13, 2009 8:00 AM
To: LABtestimony
Subject: Take Action Now

Chris Robbins
1132 Bishop Street, Suite 402
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Testimony to the House Labor & Public Employment Committee Friday, March 13, 2009 at 10:00 a.m.
State Capitol - Room 309

Re: SB 1622 and SB 688

Chair Rhoads, Vice Chair Yamashita and members of the committee:

Aloha, I am against the Successor Employer bill.

One reason, is that at least some of the companies that might be in need of a change in ownership may be due to the fact that the company is not operating well and the company needs to have a turn-around executed by new owners in order to survive. If the company fails to make appropriate changes to survive then they will go out of business and all of the employees will lose their jobs!

If the company is in a situation where they are losing money every week then why would a new owner want to come in and buy the company without being able to make any personnel changes for 90-days? It gets worse for the new owner if they are required to go by "seniority" rather than performance when trying to make personnel changes later.

This proposed Successor Bill will add an undue burdens on any new owners that will make it unlikely that any prospective investors would consider buying a struggling business with the hopes of turning it around if they cannot implement changes to their personnel. So these struggling businesses will fail and go out-of-business instead of being saved. So the end result will be a big loss of jobs!

Thank you for the opportunity to submit written testimony.

Sincerely, Christopher Robbins