

BY: Economic Matters Committee

AMENDMENTS TO HOUSE BILL NO. 1107

(First Reading File Bill)

AMENDMENT NO. 1

On page 1, in line 12, after “successor;” insert “altering certain rights of certain stockholders under certain circumstances;”; and in line 16, after “3-105(a),” insert “3-202(a).”.

On page 3, in line 25, strike “ANY PROVISION” and substitute “RESTRICTIONS ON TRANSFERABILITY FOR ANY PURPOSE, INCLUDING RESTRICTIONS”; in line 26, after “AS” insert “:

(1)”;

in line 27, after “CODE” insert “OR REGULATIONS ADOPTED UNDER THE INTERNAL REVENUE CODE;”; in line 27, strike “AS” and substitute “(2)”; and in line 28, strike “THEREUNDER” and substitute “UNDER THE INVESTMENT COMPANY ACT OF 1940”.

AMENDMENT NO. 2

On page 4, in line 11, strike the period and substitute “; AND”; and after line 14, insert:
“3-202.

(a) Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of the stockholder's stock from the successor if:

(1) The corporation consolidates or merges with another corporation;

(2) The stockholder's stock is to be acquired in a share exchange;

(Over)

(3) The corporation transfers its assets in a manner requiring [corporate] action under § 3-105(D) of this title;

(4) The corporation amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock and substantially adversely affects the stockholder's rights, unless the right to do so is reserved by the charter of the corporation; or

(5) The transaction is governed by § 3-602 of this title or exempted by § 3-603(b) of this title.”.

On page 5, in line 1, strike “OF”; in line 14, after “liability” insert “COMPANY”; and in line 38, after “OF” insert “THE”.