
By: **Delegates Frank and Doory**

Introduced and read first time: January 30, 1998

Assigned to: Economic Matters

A BILL ENTITLED

1 AN ACT concerning

2 **Corporations - Investment Companies - Directors**

3 FOR the purpose of providing that certain directors of certain investment companies
4 shall be deemed to be independent and disinterested for purposes of performing
5 their duties; and generally relating to corporations.

6 BY adding to

7 Article - Corporations and Associations

8 Section 2-405.3

9 Annotated Code of Maryland

10 (1993 Replacement Volume and 1997 Supplement)

11 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF
12 MARYLAND, That the Laws of Maryland read as follows:

13 **Article - Corporations and Associations**

14 2-405.3.

15 (A) THIS SECTION APPLIES TO A CORPORATION THAT IS AN INVESTMENT
16 COMPANY, AS DEFINED BY THE INVESTMENT COMPANY ACT OF 1940.

17 (B) A DIRECTOR OF A CORPORATION WHO WITH RESPECT TO THE
18 CORPORATION IS NOT AN INTERESTED PERSON, AS DEFINED BY THE INVESTMENT
19 COMPANY ACT OF 1940, SHALL BE DEEMED TO BE INDEPENDENT AND
20 DISINTERESTED WHEN MAKING ANY DETERMINATION OR TAKING ANY ACTION AS A
21 DIRECTOR.

22 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect
23 October 1, 1998.