
By: **Delegates Frank and Doory**

Introduced and read first time: January 30, 1998

Assigned to: Economic Matters

Committee Report: Favorable with amendments

House action: Adopted

Read second time: March 25, 1998

CHAPTER_____

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; providing for the application of this Act; and generally relating to
6 corporations.

7 BY adding to
8 Article - Corporations and Associations
9 Section 2-405.3
10 Annotated Code of Maryland
11 (1993 Replacement Volume and 1997 Supplement)

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

14 **Article - Corporations and Associations**

15 2-405.3.

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

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

1 SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall be
2 construed retroactively and shall be applied to and interpreted to affect only those
3 cases filed on or after January 30, 1998.

4 SECTION ~~2.~~ 3. AND BE IT FURTHER ENACTED, That this Act shall take
5 effect October 1, 1998.