

Article - Corporations and Associations

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§4-603.

(a) Any one or more stockholders who desire to continue the business of a close corporation may avoid the dissolution of the corporation or the appointment of a receiver by electing to purchase the stock owned by the petitioner at a price equal to its fair value.

(b) (1) If a stockholder who makes the election is unable to reach an agreement with the petitioner as to the fair value of the stock, then, if the electing stockholder gives bond or other security sufficient to assure payment to the petitioner of the fair value of the stock, the court shall stay the proceeding and determine the fair value of the stock.

(2) Fair value shall be determined in accordance with the procedure set forth in Title 3, Subtitle 2 of this article, as of the close of business on the day on which the petition for dissolution was filed.

(c) After the fair value of the stock is determined, the order of the court directing the purchase shall set the purchase price and the time within which payment shall be made. The court may order other appropriate terms and conditions of sale, including:

- (1) Payment of the purchase price in installments; and
- (2) The allocation of shares of stock among electing stockholders.

(d) The petitioner:

(1) Is entitled to interest on the purchase price of his stock from the date the petition is filed; and

(2) Ceases to have any other rights with respect to the stock, except the right to receive payment of its fair value.

(e) The costs of the proceeding, as determined by the court, shall be divided between the petitioner and the purchasing stockholder. The costs shall include the reasonable compensation and expenses of appraisers, but may not include fees and expenses of counsel or of other experts retained by a party.

(f) The petitioner shall transfer his shares of stock to the purchasing stockholder:

- (1) At a time set by the court; or
- (2) If the court sets no time, at the time the purchase price is paid in full.

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