

CHAPTER 989.

(Senate Bill 612)

AN ACT to repeal and re-enact, with amendments, Section 195 of Article 16 of the Annotated Code of Maryland (1939 Edition), title "Chancery," sub-title "Pleadings, Practice and Process," relating to costs and security for expenses in chancery cases.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Section 195 of Article 16 of the Annotated Code of Maryland (1939 Edition), title "Chancery," sub-title "Pleadings, Practice and Process," be and it is hereby repealed and re-enacted, with amendments, to read as follows:

195. In all cases in chancery, a rule security for costs may be laid at any time before a final decree is passed, by any defendant, against a plaintiff, non-resident at the time of filing the bill, or becoming so after the filing thereof. In any action instituted or maintained in the right of any foreign or domestic corporation by the holder or holders of less than five per centum of the outstanding shares of any class of such corporation's stock or voting trust certificates, unless the shares or voting trust certificates held by such holder or holders have a market value in excess of twenty-five thousand dollars, the corporation in whose right such action is brought shall be entitled at any stage of the proceedings before final judgment to require the plaintiff or plaintiffs to give security for the reasonable expenses, excluding attorney's fees, which may be incurred by it in connection with such action, and which may be incurred by the other parties defendant in connection therewith for which it may in anywise become legally liable, to which the corporation shall have recourse in such amount as the court having jurisdiction shall determine upon the termination of such action. The amount of such security may thereafter from time to time be increased or decreased in the discretion of the court having jurisdiction of such action upon showing that the security provided has or may become inadequate or is excessive.

SEC. 2. *And be it further enacted,* That this Act shall take effect June 1, 1945.

Approved May 4, 1945.