

stock in the successor otherwise deliverable pursuant to the consolidation or merger in exchange for the shares so acquired shall, unless otherwise provided in the articles, have the status of authorized but unissued stock of the successor. No proceeding for reduction of the capital of the successor shall be necessary to effect retirement of shares so acquired or reduction in the capital of the successor represented thereby.

PARTIAL LIQUIDATION AND REORGANIZATION

70. (Distributions in Partial Liquidation.) (a) If authorized in the manner provided in subsection (b) of this section, any corporation of this State may, from time to time, declare a partial liquidating distribution to stockholders and in payment thereof may distribute a portion of its assets in cash or property, subject to the following restrictions:

(1) No such distribution shall be declared or made at a time when the corporation is insolvent or when the payment of such distribution would render the corporation insolvent. For the purposes of this section, a corporation shall be deemed to be insolvent if its debts exceed its assets taken at a fair valuation or if it is unable to meet its debts as they mature in the usual course of business.

(2) No such distribution shall be declared or made to any class of stockholders until all accumulated dividends on classes of shares entitled to cumulative preferential dividends have been fully paid or provided for, unless the distribution is made to the holders of shares having preferential rights in the order and to the extent of their respective priorities.

(3) No such distribution shall be declared or made to any class of stockholders, the payment of which would reduce the remaining net assets below the aggregate preferential amount payable in the event of voluntary liquidation to the holders of shares having preferential rights, unless the distribution is made to the holders of shares having preferential rights in the order and to the extent of their respective priorities.

(4) No such distribution shall be declared or made when the stated capital is impaired or when the payment thereof would impair the stated capital of the corporation, but subject to the limitations imposed by this section, such distributions may be declared and made out of surplus, including surplus arising from a reduction in the amount of the stated capital made pursuant to the provisions of this Article.

(5) Each such distribution, when made, shall be identified as a liquidating distribution and the amount per share as