

WHEREAS, Section 240A of Article 16 of the Annotated Code of Maryland, as enacted by Chapter 1072 of the Acts of 1945, provides that no stockholder may bring suit in the right of the corporation, unless he was a stockholder of the corporation at the time of the transaction complained of, or unless his stock thereafter devolved upon him by operation of law; and

WHEREAS, the Courts of Maryland, in the exercise of their general equity powers, prior to the passage of said Section 240A, have announced and recognized this same general principle of law under the common law of the State, as more particularly set forth in such cases as *Eisler v. Eastern States Corp.*, 182 Md. 335 (1943) and *Matthews v. Headley Chocolate Co.*, 130 Md. 523 (1917); and

WHEREAS, in view of said decisions of the Court of Appeals of Maryland, said Section 240A is unnecessary, and may even prove unjust and inequitable in some cases, inasmuch as the proper balancing of the equities in cases of this type can be achieved only in the light of the particular set of facts of each case, and not through a rigid rule of law incorporated into the statute; now, therefore,

SECTION 1. *Be it enacted by the General Assembly of Maryland*, That Section 240A of Article 16 of the Annotated Code of Maryland (1947 Supplement), title "Chancery", sub-title "Pleadings, Practice and Process", be and it is hereby repealed.

SEC. 2. *And be it further enacted*, That this Act shall take effect on June 1, 1951.

Approved March 21, 1951.

CHAPTER 137

(Senate Bill 113)

AN ACT to repeal Sections 187-228, inclusive, of the Code of Public Local Laws of Prince George's County (Flack's Edition 1943), being part of Article 17 of

EXPLANATION: *Italics indicate new matter added to existing law.*
 [Brackets] indicate matter stricken from existing law.
 CAPITALS indicate amendments to bill.
~~Strike out~~ indicates matter stricken out of bill.