

## CHAPTER 689

(House Bill 18)

AN ACT to repeal and re-enact, with amendments, Sections 28, 44 (b), 65(a), 66(a), 67, 68(a)(6), 69(a)(5), 69(a)(6), 69(a)(9), 73(a), 101(a), and 105(a) of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume and ~~1968~~ 1969 Supplement), title "Corporations," subtitles "Capital Stock and Stockholders," "Consolidated Merger and Other Transfers of Property," and "Close Corporations"; and to add a new Section 44(e) thereto to follow immediately after Section 44(d) thereof, amending the corporation laws of this State with respect to "Capital Stock and Stockholders," "Consolidation Mergers and other Transfers of Property," and "Close Corporations," and generally amending the corporation laws of this State.

SECTION 1. *Be it enacted by the General Assembly of Maryland,* That Sections 28, 44(b), 65(a), 66(a), 67, 68(a)(6), 69(a)(5), 69(a)(6), 69(a)(9), 73(a), 101(a), and 105(a) of Article 23 of the Annotated Code of Maryland (1966 Replacement Volume and ~~1968~~ 1969 Supplement), title "Corporation," subtitles "Capital Stock and Stockholders," "Consolidation Merger and Other Transfers of Property," and "Close Corporations"; and to add a new Section 44(e) thereto to follow immediately after Section 44(d) thereof, and all to read as follows:

28.

[A corporation may, but shall not be obliged to, issue a certificate for a fractional share of stock, and by action of its board of directors, may issue in lieu thereof] *A corporation may, but shall not be obliged to, (i) issue fractions of a share, (ii) eliminate fractional interests by rounding off to full shares, (iii) arrange for the disposition of fractional interests by those entitled thereto, (iv) pay in cash the fair value of fractions of a share as of the time when those entitled to receive such fractions are determined, or (v) issue scrip or other evidence of ownership which shall entitle the holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the holder to exercise any voting right, or to receive dividends thereon or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become void if not exchanged for certificates representing full shares before a specified date or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the holders of such scrip or evidence of ownership, or subject to any other reasonable conditions which the board of directors deem advisable, including provision for forfeiture of such proceeds to the corporation if not claimed within a period of not less than three years after the date of the original issuance of the scrip certificates.*