ARTICLES:

(1) IF THE ARTICLES SO PROVIDE, BY MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS OF ANY ONE CORPORATION PARTY TO THE ARTICLES; OR

(2) UNLESS THE ARTICLES PROVIDE OTHERWISE, BY MAJORITY VOTE OF THE ENTIRE BOARD OF DIRECTORS OF EACH MARYLAND CORPORATION PARTY TO THE ARTICLES.

(B) NOTICE TO DEPARTMENT.

IF THE ARTICLES HAVE BEEN FILED WITH THE DEPARTMENT, NOTICE OF THE ABANDONMENT SHALL BE GIVEN PROMPTLY TO THE DEPARTMENT.

(C) EFFECT OF ABANDONMENT.

(1) IF THE PROPOSED CONSOLIDATION, MERGER, OR TRANSFER OF ASSETS IS ABANDONED AS PROVIDED IN THIS SECTION, NO LEGAL LIABILITY ARISES UNDER THE ARTICLES.

(2) AN ABANDONMENT DOES NOT PREJUDICE THE RIGHTS OF ANY PERSON UNDER ANY OTHER CONTRACT MADE BY A CORPORATION PARTY TO THE PROPOSED ARTICLES IN CONNECTION WITH THE PROPOSED CONSOLIDATION, MERGER, OR TRANSFER OF ASSETS.

REVISOR'S NOTE: This section presently appears as Art. 23, §66(h).

Subsection (a)(1) of this section has been broadened to permit a foreign as well as a Maryland corporation to call off a consolidation, merger, or transfer, if the articles so provide. This will avoid possible privileges and immunities problems, as well as the right to contract issues, should a foreign corporation attempt to abandon a transaction in accordance with a right granted to it by the articles.

The only other changes are in style.

There are several policy matters which should be considered with respect to subsection (a) of this section:

(1) With respect to subsection (a)(1) of this section, should a non-corporate transferee be permitted to call off a transfer if permitted by the articles? Under the present law and this revision, it appears that the transferee may not.