

(A) DEFINITION.

(1) IN THIS SECTION, "TRANSFER" MEANS THE TRANSFER OF ANY INTEREST IN THE STOCK OF A CLOSE CORPORATION, EXCEPT:

(I) A TRANSFER BY OPERATION OF LAW TO A PERSONAL REPRESENTATIVE, TRUSTEE IN BANKRUPTCY, RECEIVER, GUARDIAN, OR SIMILAR LEGAL REPRESENTATIVE;

(II) THE ACQUISITION OF A LIEN OR POWER OF SALE BY AN ATTACHMENT, LEVY, OR SIMILAR PROCEDURE; OR

(III) THE CREATION OR ASSIGNMENT OF A SECURITY INTEREST.

(2) A FORECLOSURE SALE OR OTHER TRANSFER BY A PERSON WHO ACQUIRED HIS INTEREST OR POWER IN A TRANSACTION DESCRIBED IN PARAGRAPH (1) OF THIS SUBSECTION IS A TRANSFER SUBJECT TO ALL THE PROVISIONS OF THIS SECTION. FOR PURPOSES OF THE TRANSFER, THE PERSON EFFECTING THE FORECLOSURE SALE OR OTHER TRANSFER SHALL BE TREATED AS AND HAVE THE RIGHTS OF A HOLDER OF THE STOCK UNDER THIS SECTION AND §4-602(B) OF THIS TITLE.

(B) ENUMERATION OF RESTRICTIONS.

A TRANSFER OF THE STOCK OF A CLOSE CORPORATION IS INVALID UNLESS:

(1) EVERY STOCKHOLDER OF THE CORPORATION CONSENTS TO THE TRANSFER IN WRITING WITHIN THE 90 DAYS BEFORE THE DATE OF THE TRANSFER; OR

(2) THE TRANSFER IS MADE UNDER A PROVISION OF A UNANIMOUS STOCKHOLDERS' AGREEMENT PERMITTING THE TRANSFER TO THE CORPORATION OR TO OR IN TRUST FOR THE PRINCIPAL BENEFIT OF:

(I) ONE OR MORE OF THE STOCKHOLDERS OR SECURITY HOLDERS OF THE CORPORATION OR THEIR WIVES, CHILDREN, OR GRANDCHILDREN; OR

(II) ONE OR MORE PERSONS NAMED IN THE AGREEMENT.

REVISOR'S NOTE: This section presently appears as Art. 23, §101(a) and (c).

In subsection (a) (1) of this section, the term "personal representative" is substituted for "executor" and "administrator"; and the term "conservator" is deleted as archaic and unnecessary.