THIS SECTION IS BROUGHT TO THE ATTENTION OF THE DEPARTMENT, THE DEPARTMENT IMMEDIATELY SHALL CERTIFY THAT FACT TO THE ATTORNEY GENERAL FOR APPROPRIATE ACTION TO DISSOLVE THE CORPORATION.

REVISOR'S NOTE: This section presently appears as Art. 23, §438.

In subsection (a) of this section, a cross-reference to §1-203 of the Courts Article is added to make clear that this section is not intended to abrogate the right of an attorney to enter into a long-term pay-out agreement when he becomes a judge. In addition, it should be noted that the Commission believes that this section is not intended to prohibit long-term pay-out agreements to any other member of a professional corporation when severing his financial interest in the corporation.

In the introductory provisions of subsection (a), the words "to the public" are deleted as unnecessary in light of the definition of "professional service" in §5-101 of this subtitle. Also, in item (2) of this section, the phrase "assumes elected office" is substituted for "is elected to a public office." This eliminates the apparently unintended result of requiring severance immediately on election, even if the person will take office only months after the election. This change conforms to the present language "accepts employment" where the same result is intended.

The only other changes are in style.

As to the forfeiture of corporate charters in general, see Title 3, Subtitle 4 of this article.

5-116. TRANSFER AND ACQUISITION OF SHARES OF DECEASED OR DISQUALIFIED STOCKHOLDER.

(A) ACQUISITION OF STOCK BY THE CORPORATION.

WITHIN 120 DAYS AFTER THE DEATH OF A STOCKHOLDER OR HIS DISQUALIFICATION TO PERFORM THE PROFESSIONAL SERVICE, HIS STOCK SHALL BE TRANSFERRED TO AND ACQUIRED BY THE CORPORATION OR AN INDIVIDUAL QUALIFIED TO OWN THE STOCK.

(B) PURCHASE AND REDEMPTION AT BOOK VALUE.