

Article 23 - Corporations
Annotated Code of Maryland
(1973 Replacement Volume and 1975 Supplement)

to be

Article 23 - Miscellaneous Companies
Annotated Code of Maryland
(1973 Replacement Volume and 1975 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That Sections 2-416 and 2-417 of Article - Corporations and Associations, of the Annotated Code of Maryland (1975 Volume and 1975 Supplement) be and they are hereby repealed:

Article - Corporations and Associations

2-416.

[(a) All directors and officers of a corporation who make, vote for, or assent to the making of a loan by the corporation to any officer or director of the corporation are jointly and severally liable to the corporation for the amount of the loan until it is repaid.

(b) This section does not apply to:

(1) An installment loan made to an officer, director, or employee of the corporation for the purchase of stock under an option plan authorized under § 2-207 of this title;

(2) A loan made by a savings and loan association in the ordinary course of business on usual and customary terms;

(3) A loan made by a corporation the principal business of which is to lend money;

(4) A loan made by a corporation receiving and authorized to receive money on deposit;

(5) A loan made by an insurance company if the loan is not prohibited by this article or the Insurance Code; or

(6) An advance against indemnification made to a person entitled to it under § 2-418 of this subtitle.]

2-417.

[All directors and officers who are held liable on a claim asserted with respect to an unauthorized dividend, distribution, or redemption under § 2-315 of this title or on a claim asserted with respect to a loan to an officer or director under § 2-416 of this subtitle are: