

FOR the purpose of clarifying ambiguities in, and expanding, certain existing provisions prohibiting the making of a take-over offer for equity securities of certain corporations while certain administrative actions, including investigations, by the Securities Commissioner of this State are pending; providing for the making of fair and accurate disclosure of an offeror's intentions concerning certain matters prior to owning a certain percent or more of any class of equity securities of certain corporations, as a condition to making a take-over offer within a certain time of such purchases, or before the effective date of this Act, whichever is later; providing that the Commissioner of Securities of the State of Maryland shall make certain investigations upon request of certain target companies which are the subject to take-over offers; and generally relating to take-over offers.

BY repealing and reenacting, with amendments,

Article - Corporations and Associations
Section 11-905(e) and 11-906
Annotated Code of Maryland
(1975 Volume and 1977 Supplement)

BY adding to

Article - Corporations and Associations
Section 11-905(g)
Annotated Code of Maryland
(1975 Volume and 1977 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That section(s) of the Annotated Code of Maryland be repealed, amended, or enacted to read as follows:

Article - Corporations and Associations

11-905.

(e) An offeror may not make a take-over offer involving a target company, or acquire any equity securities of a target company pursuant to the offer, at any time when an administrative INVESTIGATION OR PROCEEDING or injunctive proceeding has been [brought] INSTITUTED by the Commissioner against the offeror for violation of this subtitle and has not been COMPLETED IN THE CASE OF AN INVESTIGATION OR finally determined IN THE CASE OF A PROCEEDING.

(G) AN OFFEROR MAY NOT MAKE A TAKE-OVER OFFER IF THE OFFEROR OWNS 5 PERCENT OR MORE OF THE ISSUED AND OUTSTANDING EQUITY SECURITIES OF ANY CLASS OF THE TARGET COMPANY, ANY OF WHICH WERE PURCHASED WITHIN 1 YEAR BEFORE THE PROPOSED TAKE-OVER OFFER, AND THE OFFEROR BEFORE MAKING ANY SUCH PURCHASE, OR BEFORE JULY 1, 1978, WHICHEVER IS LATER,