

SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect July 1, 1985.

Approved May 28, 1985.

CHAPTER 657

(House Bill 819)

AN ACT concerning

Corporations - Share Exchanges

FOR the purpose of designating a corporation acquired in a share exchange as the successor against whom dissenting stockholders may assert appraisal rights; and clarifying that the right to demand payment is against the successor, as defined in certain actions of a corporation.

BY repealing and reenacting, with amendments,

Article - Corporations and Associations
Section 3-201 and 3-202(a)
Annotated Code of Maryland
(1975 Volume and 1984 Supplement)

SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF MARYLAND, That the Laws of Maryland read as follows:

Article - Corporations and Associations

3-201.

(A) In this subtitle, EXCEPT AS PROVIDED IN SUBSECTION (B) OF THIS SECTION, "successor" includes a corporation which amends its charter in a way which alters the contract rights, as expressly set forth in the charter, of any outstanding stock, unless the right to do so is reserved by the charter of the corporation.

(B) WHEN USED WITH REFERENCE TO A SHARE EXCHANGE, "SUCCESSOR" MEANS THE CORPORATION THE STOCK OF WHICH WAS ACQUIRED IN THE SHARE EXCHANGE.

3-202.

(a) Except as provided in subsection (c) of this section, a stockholder of a Maryland corporation has the right to demand and receive payment of the fair value of [his stock] THE STOCKHOLDER'S STOCK FROM THE SUCCESSOR if: