

Article - Corporations and Associations
Section 2-301, 2-310, 2-311, 2-312, 2-313, 2-315, 2-316,
3-301, and 3-302
Annotated Code of Maryland
(1985 Replacement Volume and 1987 Supplement)

BY adding to

Article - Corporations and Associations
Section 2-301, 2-310, 2-311, and 2-312
Annotated Code of Maryland
(1985 Replacement Volume and 1987 Supplement)

BY renumbering

Article - Corporations and Associations
Section 2-314, 3-303, and 3-304, respectively
to be Section 2-313, 3-301, and 3-302, respectively
Annotated Code of Maryland
(1985 Replacement Volume and 1987 Supplement)

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

Article - Corporations and Associations

[2-301.

In this subtitle "insolvent" means that a corporation:

- (1) Has debts which exceed the fair value of its assets; or
- (2) Is unable to meet its debts as they mature in the ordinary course of its business.]

2-301.

(A) IN THIS SUBTITLE "DISTRIBUTION" MEANS:

- (1) A DIRECT OR INDIRECT TRANSFER OF MONEY OR OTHER PROPERTY, EXCEPT A CORPORATION'S OWN SHARES DECLARED OR PAID AS A STOCK DIVIDEND OR STOCK SPLIT; OR
- (2) AN INCURRENCE OR FORGIVENESS OF INDEBTEDNESS BY A CORPORATION TO OR FOR THE BENEFIT OF THE CORPORATION'S STOCKHOLDERS IN RESPECT OF ANY OF ITS SHARES.

(B) A DISTRIBUTION MAY BE IN THE FORM OF: