

(d) Except for an acquisition under § 2-310 (c) of this subtitle or subsection (a) or (b) of this section, a corporation may purchase or redeem its stock only out of surplus.

(e) If a corporation acquires by gift, legacy, or purchase stock which is not full paid, the acquisition may not be made the basis of a reduction of any liability of the stockholder unless the assets of the corporation immediately after the reduction, are not less than the total amount of the corporation's debts plus its stated capital.

(f) This section does not prevent a corporation from issuing or exchanging shares of one class of stock for shares of another class of stock.]

2-311.

(A) NO DISTRIBUTION MAY BE MADE IF, AFTER GIVING EFFECT TO THE DISTRIBUTION:

(1) THE CORPORATION WOULD NOT BE ABLE TO PAY DEBTS OF THE CORPORATION AS THE DEBTS BECOME DUE IN THE USUAL COURSE OF BUSINESS; OR

(2) THE CORPORATION'S TOTAL ASSETS WOULD BE LESS THAN THE SUM OF THE CORPORATION'S TOTAL LIABILITIES PLUS, UNLESS THE CHARTER PERMITS OTHERWISE, THE AMOUNT THAT WOULD BE NEEDED, IF THE CORPORATION WERE TO BE DISSOLVED AT THE TIME OF THE DISTRIBUTION, TO SATISFY THE PREFERENTIAL RIGHTS UPON DISSOLUTION OF STOCKHOLDERS WHOSE PREFERENTIAL RIGHTS ON DISSOLUTION ARE SUPERIOR TO THOSE RECEIVING THE DISTRIBUTION.

(B) THE BOARD OF DIRECTORS MAY BASE A DETERMINATION THAT A DISTRIBUTION IS NOT PROHIBITED UNDER SUBSECTION (A) OF THIS SECTION EITHER ON:

(1) FINANCIAL STATEMENTS PREPARED ON THE BASIS OF ACCOUNTING PRACTICES AND PRINCIPLES THAT ARE REASONABLE IN THE CIRCUMSTANCES; OR

(2) A FAIR VALUATION OR OTHER METHOD THAT IS REASONABLE IN THE CIRCUMSTANCES.

(C) EXCEPT AS PROVIDED IN SUBSECTION (E) OF THIS SECTION, THE EFFECT OF A DISTRIBUTION UNDER SUBSECTION (A) OF THIS SECTION IS MEASURED:

(1) IN THE CASE OF DISTRIBUTION BY PURCHASE, REDEMPTION, OR OTHER ACQUISITION OF THE CORPORATION'S SHARES, AS OF THE EARLIER OF:

(I) THE DATE MONEY OR OTHER PROPERTY IS TRANSFERRED OR DEBT INCURRED BY THE CORPORATION; OR