

open-end investment companies; repealing certain provisions of law which permit stockholders of open-end investment companies whose shares are being redeemed to object to the redemption in a certain manner; and generally relating to the redemption of shares of open-end investment companies.

BY repealing and reenacting, with amendments,

Article - Corporations and Associations

Section 2-310.1

Annotated Code of Maryland

(1993 Replacement Volume)

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

Article - Corporations and Associations

2-310.1.

~~(a) Subject to the provisions of § 2-311 of this subtitle, [unless prohibited by its charter, and] if authorized by its board of directors, a corporation registered as an open-end company under the Investment Company Act of 1940 may redeem shares of its stock from any stockholder if:~~

~~(1) THE CORPORATION'S CHARTER EXPRESSLY PROVIDES FOR THE REDEMPTION OF SHARES OF ITS STOCK FROM ANY STOCKHOLDER; OR~~

~~(2) UNLESS PROHIBITED BY ITS CHARTER, IN THE CASE OF A CORPORATION WHOSE CHARTER DOES NOT EXPRESSLY PROVIDE FOR THE REDEMPTION OF SHARES OF ITS STOCK, THE FOLLOWING CONDITIONS ARE MET:~~

~~(A) THIS SECTION APPLIES ONLY TO A CORPORATION REGISTERED AS AN OPEN-END COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940.~~

~~(B) SUBJECT TO THE PROVISIONS OF § 2-311 OF THIS SUBTITLE, IF AUTHORIZED BY ITS BOARD OF DIRECTORS, A CORPORATION MAY REDEEM SHARES OF ITS STOCK FROM ANY STOCKHOLDER IF THE CORPORATION'S CHARTER EXPRESSLY PROVIDES FOR THE REDEMPTION OF SHARES OF ITS STOCK FROM ANY STOCKHOLDER.~~

~~(C) SUBJECT TO THE PROVISIONS OF § 2-311 OF THIS SUBTITLE, UNLESS PROHIBITED BY ITS CHARTER, IN THE CASE OF A CORPORATION WHOSE CHARTER DOES NOT EXPRESSLY PROVIDE FOR THE REDEMPTION OF SHARES OF ITS STOCK, THE CORPORATION MAY REDEEM SHARES OF ITS STOCK FROM ANY STOCKHOLDER IF THE FOLLOWING CONDITIONS ARE MET:~~

~~†(1)† (†) The aggregate net asset value of the shares to be redeemed from the stockholder is, as of the date of the redemption, \$500 or less; and~~

~~†(2)† (†) Written notice of the redemption is given to the stockholder of record that:~~