even if the board of directors fails to recommend the proposal or declare it advisable or recommends that the stockholders reject it; defining certain terms; and generally relating to investment companies.

BY adding to
Article – Corporations and Associations
Section 2–112 and 2–310.2
Annotated Code of Maryland
(1993 Replacement Volume and 1998 Supplement)

BY repealing and reenacting, with amendments,
Article – Corporations and Associations
Section 2–604 and 3–403
Annotated Code of Maryland
(1993 Replacement Volume and 1998 Supplement)

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

Article – Corporations and Associations

2–112.

(A)   (1)   IN THIS SECTION THE FOLLOWING WORDS HAVE THE MEANINGS INDICATED.

(2)   "CLOSED–END INVESTMENT COMPANY" MEANS A CORPORATION REGISTERED AS A CLOSED–END INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940.

(3)   "OPEN–END INVESTMENT COMPANY" MEANS A CORPORATION REGISTERED AS AN OPEN–END INVESTMENT COMPANY UNDER THE INVESTMENT COMPANY ACT OF 1940.

(B)   UNLESS OTHERWISE PROVIDED IN THE CHARTER OR BYLAWS OF A CLOSED–END INVESTMENT COMPANY, A CLOSED–END INVESTMENT COMPANY, BUT NOT ITS STOCKHOLDERS, MAY NOTWITHSTANDING ANY REQUIREMENT OF § 2–604(B) OR § 2–607(A)(1) OF THIS TITLE OR § 3–403(B) OF THIS ARTICLE, THE CHARTER OF A CLOSED–END INVESTMENT COMPANY OR ANY PROSPECTUS FILED BY THE CLOSED–END INVESTMENT COMPANY PURSUANT TO THE FEDERAL INVESTMENT COMPANY ACT OF 1940 MAY REQUIRE THE COMPANY TO SUBMIT TO ITS STOCKHOLDERS, AT AN ANNUAL OR SPECIAL MEETING OF THE STOCKHOLDERS, A PROPOSAL TO AMEND ITS CHARTER TO CONVERT TO AN OPEN–END INVESTMENT COMPANY, TO DISSOLVE, TO REQUIRE THE CLOSED–END INVESTMENT COMPANY TO MAKE ONE OR MORE TENDER OFFERS FOR ITS SHARES, OR TO TAKE OTHER ACTION INTENDED TO ELIMINATE ANY TRADING DISCOUNT TO NET ASSET VALUE OF THE CLOSED–END INVESTMENT COMPANY'S SHARES, EVEN IF THE BOARD OF DIRECTORS FAILS TO RECOMMEND THE PROPOSAL OR DECLARE THE PROPOSAL ADVISABLE OR RECOMMENDS THAT THE STOCKHOLDERS REJECT IT.