CHAPTER 567

(House Bill 842)

AN ACT concerning

Corporations – Open–End Investment Companies – Redemption of Stock

FOR the purpose of authorizing certain redemptions of shares of stock by open–end investment companies; establishing procedures for objecting to the redemption of shares; and generally relating to open–end investment companies.

BY adding to

Article – Corporations and Associations
Section 2–310.1
Annotated Code of Maryland
(1985 Replacement Volume and 1991 Supplement)

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

Article – Corporations and Associations

2–310.1.

(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 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:

(I) IS PERSONALLY DELIVERED OR MAILED BY REGISTERED OR CERTIFIED MAIL, POSTAGE PREPAID, <u>RESTRICTED DELIVERY,</u> RETURN RECEIPT REQUESTED;

(II) STATES THAT ALL OF THE SHARES WILL BE REDEEMED; ~~AND~~

(III) ESTABLISHES A DATE FOR THE REDEMPTION WHICH IS AT LEAST ~~30~~ <u>*45*</u> DAYS FROM THE DATE OF THE NOTICE<u>*; AND*</u>

<u>*(IV) CONTAINS A NOTICE OF THE RIGHT TO OBJECT AND THE PROCEDURES TO FOLLOW UNDER SUBSECTION (E) OF THIS SECTION.*</u>