

§1303. Limitations on appraisal rights

Notwithstanding section 1302, the availability of appraisal rights under section 1302, subsections 1 to 4, 6 and 8 is limited in accordance with this section. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

1. National listing; specific market value. Appraisal rights are not available for the holders of shares of any class or series of shares that:

A. Is a covered security under Section 18(b)(1)(A) or (B) of the federal Securities Act of 1933, as amended; [PL 2007, c. 289, §32 (AMD).]

B. Is traded in an organized market and has at least 2,000 shareholders and the outstanding shares of such class or series have a market value of at least \$20,000,000 exclusive of the value of such shares held by a corporation's subsidiaries, senior executives, directors and beneficial shareholders owning more than 10% of such shares; or [PL 2007, c. 289, §32 (AMD).]

C. Is issued by an open end management investment company registered with the United States Securities and Exchange Commission under the federal Investment Company Act of 1940 and may be redeemed at the option of the holder at net asset value. [PL 2007, c. 289, §32 (NEW).]

[PL 2007, c. 289, §32 (AMD).]

2. Date of determination. The applicability of subsection 1 is determined as of:

A. The record date fixed to determine the shareholders entitled to receive notice of the meeting of shareholders to act upon a corporate action requiring appraisal rights; or [PL 2011, c. 274, §63 (AMD).]

B. The day before the effective date of a corporate action that requires appraisal rights if there is no meeting of shareholders. [PL 2001, c. 640, Pt. A, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2011, c. 274, §63 (AMD).]

3. Exception. Notwithstanding subsection 1, appraisal rights are available pursuant to section 1302 for the shareholders of any class or series of shares:

A. Who are required by the terms of a corporate action requiring appraisal rights to accept for such shares anything other than cash or shares of any class or any series of shares of a corporation, or any other proprietary interest of any other entity, that satisfies the standards set forth in subsection 1 at the time the corporate action becomes effective; [PL 2011, c. 274, §64 (RPR).]

B. In the case of the consummation of a disposition of assets pursuant to section 1202, the cash, shares or proprietary interests under paragraph A are, under the terms of the corporate action approved by the shareholders, to be distributed to the shareholders as part of the distribution to shareholders of the net assets of the corporation in excess of a reasonable amount to meet claims of the type described in sections 1407 and 1408:

(1) Within one year after the shareholders' approval of the action; and

(2) In accordance with their respective interests determined at the time of the distribution; or [PL 2011, c. 274, §64 (RPR).]

C. When any of the shares or assets of a corporation are being acquired or converted, whether by merger, share exchange or otherwise, pursuant to a corporate action that is an interested transaction. [PL 2011, c. 274, §64 (RPR).]

[PL 2011, c. 274, §64 (RPR).]

SECTION HISTORY

PL 2001, c. 640, §A2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2005, c. 302, §§4,5 (AMD). PL 2007, c. 289, §32 (AMD). PL 2011, c. 274, §§63, 64 (AMD).

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