

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied
(searchable text may contain some errors and/or omissions)

1
2

3
4
5
6

7
8
9
10

11
12

13
14

15
16
17
18
19
20
21
22
23
24
25
26
27
28
29
30

L.D. 1640

(Filing No. H-296)

STATE OF MAINE
HOUSE OF REPRESENTATIVES
111TH LEGISLATURE
FIRST REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1233,
L.D. 1640, Bill, "AN ACT to Amend the Maine Business
Corporation Act to Permit Preferred Stock Redeemable
with Property or Securities."

Amend the Bill by striking out all of section 3
and inserting in its place the following:

'Sec. 3. 13-A MRSA §519, sub-§3, as enacted by
PL 1971, c. 439, §1, is amended to read:

3. No redemption or purchase of redeemable
shares shall be made by a corporation if it is insol-
vent, or if such redemption or purchase would render
it insolvent, or would reduce the remaining net
assets of the corporation below the aggregate prefer-
ential amount payable in event of voluntary liquida-
tion to the holders of shares having preferential
rights to the assets of the corporation. Nothing in
this subsection may invalidate or otherwise affect a
note, debenture or other obligation of a corporation
given by it as consideration for its acquisition by
purchase, redemption or exchange of its redeemable
shares, if, at the time that note, debenture or obli-
gation was delivered by the corporation, its redeem-
able shares could have been redeemed or purchased by
it as provided in this subsection.'

COMMITTEE AMENDMENT "A" to H.P. 1233, L.D. 1640

1 STATEMENT OF FACT

2 The purpose of this amendment is to make a tech-
3 nical correction in the bill. The intent of section 3
4 is to add a new sentence to the existing law. As
5 printed, the bill would have repealed the existing
6 law and replaced it with only what is intended to be
7 the new sentence at the end of the existing subsec-
8 tion.

9 4109052583

Reported by the Committee on Business Legislation
Reproduced and distributed under the direction of the Clerk of
the House
5/26/83 (Filing No. H-296)