

§743. Compulsory acquisition of shares after death or disqualification of shareholder

1. Triggering events. A professional corporation must acquire or cause to be acquired by a qualified person the shares of its shareholder if:

A. The shareholder dies; [PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

B. The shareholder becomes a disqualified person, except as provided in subsection 4; or [PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. The shares are transferred by operation of law or court judgment to a disqualified person, except as provided in subsection 4. [PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

2. Agreements binding. If a professional corporation's articles of incorporation or bylaws or a private agreement provides the terms, price and other conditions for the acquisition of the shares of a shareholder upon the occurrence of an event described in subsection 1, then that article, bylaw or private agreement is binding on the parties and is specifically enforceable.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Corporate acquisition of shares. In the absence of an article provision, bylaw provision or private agreement described in subsection 2, a professional corporation shall acquire the shares in accordance with section 744; except that, if the disqualified person rejects the corporation's purchase offer, either the person or the corporation may commence a proceeding under section 745 to determine the fair value of the shares.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

4. Limited disqualification. In the absence of an article provision, bylaw provision or private agreement described in subsection 2, this section does not require the acquisition of shares in the event of a shareholder's becoming a disqualified person if the disqualification lasts no more than 5 months from the date the disqualification or the transfer of shares pursuant to subsection 1 occurs.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

5. Other benefits unaffected. Nothing in this section or section 744 prevents or relieves a professional corporation from paying pension benefits or other deferred compensation for services rendered to a former shareholder if otherwise permitted by law.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §B2 (NEW). PL 2001, c. 640, §B7 (AFF).

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