

17-1297. Same; control shares, voting rights; affiliate and associate, defined. (a) As used in this section "affiliate" means a person that directly or indirectly controls, is controlled by, or is under common control with, a specified person.

(b) As used in this section "associate," when used to indicate a relationship with any person, means any of the following:

(1) Any corporation or organization of which the person is an officer, director or partner or is, directly or indirectly, the beneficial owner of 10% or more of any class or series of shares entitled to vote or other equity interest.

(2) Any trust or estate in which the person has a substantial beneficial interest or as to which the person serves as trustee or personal representative or in a similar fiduciary capacity.

(3) Any relative or spouse of the person, or any relative of the spouse, residing in the house of the person.

(c) Control shares acquired in a control share acquisition that do not have voting rights accorded them by approval of a resolution of shareholders shall regain their voting rights on transfer to a person other than the acquiring person or affiliate or associate of the acquiring person, unless the acquisition of the shares by the other person constitutes a control share acquisition, in which case the voting rights of the shares acquired by such other person are subject to the provisions of this act.

History: L. 1988, ch. 93, § 12; April 21.