

17-1287. Same; control share acquisition, defined. (a) "Control share acquisition" means the acquisition, directly or indirectly, by any person of ownership of, or the power to direct the exercise of voting power with respect to, issued and outstanding control shares.

(b) For purposes of this act, all shares acquired within a 120-day period, and all shares acquired pursuant to a plan to make a control share acquisition, are deemed to have been acquired in the same acquisition.

(c) The acquisition of any shares of an issuing public corporation does not constitute a control share acquisition if the acquisition is consummated in any of the following circumstances:

- (1) An acquisition before, or pursuant to an agreement existing before the effective date of this act.
- (2) Pursuant to a will or other testamentary disposition, the laws of descent and distribution or by inter vivos gift when the gift is made in good faith and not for the purpose of circumventing this act.
- (3) Pursuant to the satisfaction of a pledge or other security interest created in good faith and not for the purpose of circumventing this act.
- (4) Pursuant to a merger or consolidation effected in compliance with K.S.A. 17-6701 et seq., and amendments thereto, if the issuing public corporation is a party to the agreement of merger or consolidation.
- (5) An acquisition from the issuing public corporation.
- (6) An acquisition for the benefit of others by a person acting in good faith and not for the purpose of circumventing this act to the extent that the person may not exercise or direct the exercise of the voting power or disposition of the shares except upon the instruction of others.
- (7) An acquisition by or from a person whose shares have been accorded voting rights in compliance with this act, or an acquisition from a person whose previous acquisition would have constituted a control share acquisition but for paragraphs (1) through (6) of this subsection if the acquisition entitles the person making the acquisition, directly or indirectly, alone or as part of a group, to exercise or direct the exercise of voting power of the corporation in the election of directors within a range not in excess of the range of voting power associated with the shares as previously held.

History: L. 1988, ch. 93, § 2; April 21.