

Maine Revised Statutes
Title 13-C: MAINE BUSINESS CORPORATION ACT
Chapter 11: MERGERS AND SHARE EXCHANGES

§1107. EFFECT OF MERGER OR SHARE EXCHANGE

1. Merger. When a merger becomes effective:

A. The corporation or eligible entity that is designated in the plan of merger as the survivor continues or comes into existence, as the case may be; [2003, c. 344, Pt. B, §103 (AMD).]

B. The separate existence of every corporation or eligible entity that is merged into the survivor ceases; [2003, c. 344, Pt. B, §103 (AMD).]

C. All property owned by and every contract right possessed by each corporation or eligible entity that merges into the survivor is vested in the survivor without reversion or impairment; [2003, c. 344, Pt. B, §103 (AMD).]

D. All liabilities of each corporation or eligible entity that is merged into the survivor are vested in the survivor; [2003, c. 344, Pt. B, §103 (AMD).]

E. The name of the survivor may but need not be substituted in any pending proceeding for the name of any party to the merger whose separate existence ceased in the merger; [2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF).]

F. The articles of incorporation or organizational documents of the survivor are amended to the extent provided in the plan of merger; [2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF).]

G. The articles of incorporation or organizational documents of a survivor that is created by the merger become effective; and [2003, c. 344, Pt. B, §103 (AMD).]

H. The shares of each corporation that is a party to the merger and the eligible interests in an eligible entity that is a party to a merger that are to be converted under the plan of merger into shares, eligible interests, obligations, rights to acquire shares, other securities or eligible interests, cash or other property or any combination thereof are converted, and the former holders of the shares or eligible interests are entitled only to the rights provided to them in the plan of merger or to any rights they may have under chapter 13 or the organic law of the eligible entity. [2003, c. 344, Pt. B, §103 (AMD).]

[2003, c. 344, Pt. B, §103 (AMD) .]

2. Share exchange. When a share exchange becomes effective, the shares of each domestic corporation that are to be exchanged for shares, other securities, eligible interests, obligations, rights to acquire shares or other securities or eligible interests, cash or other property or any combination thereof are entitled only to the rights provided to them in the plan of share exchange or to any rights they may have under chapter 13.

[2003, c. 344, Pt. B, §103 (AMD) .]

3. Shareholder's liabilities and obligations. A person who becomes subject to owner liability for some or all of the debts, liabilities or obligations of any entity as a result of a merger or share exchange has owner liability only to the extent provided in the organic law of the entity and only for those debts, liabilities and obligations that arise after the effective time of the articles of merger or share exchange.

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

4. Foreign corporation. When a merger becomes effective, a foreign corporation or a foreign eligible entity that is the survivor of the merger is deemed to:

A. Agree that service of process in a proceeding to enforce the rights of shareholders of each domestic corporation that is a party to the merger who exercise appraisal rights may be made in the manner provided in Title 5, section 113; and [2007, c. 323, Pt. C, §16 (AMD); 2007, c. 323, Pt. G, §4 (AFF).]

B. Agree to promptly pay the amount, if any, to which the shareholders under paragraph A are entitled under chapter 13. [2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF).]

[2007, c. 323, Pt. C, §16 (AMD); 2007, c. 323, Pt. G, §4 (AFF) .]

5. Effect of merger or share exchange on liability. The effect of a merger or share exchange on the owner liability of a person who had owner liability for some or all of the debts, obligations or liabilities of a party to the merger or share exchange is as follows.

A. The merger or share exchange does not discharge any liability under the organic law of the entity in which the person was a shareholder, member or interest holder to the extent any such owner liability arose before the effective time of the articles of merger or share exchange. [2003, c. 344, Pt. B, §103 (AMD).]

B. The person does not have owner liability under the organic law of the entity in which the person was a shareholder, member or interest holder prior to the merger or share exchange for any debt, obligation or liability that arises after the effective time of the articles of merger or share exchange. [2003, c. 344, Pt. B, §103 (AMD).]

C. The provisions of the organic law of any entity for which the person had owner liability before the merger or share exchange continue to apply to the collection or discharge of any owner liability preserved by paragraph A, as if the merger or share exchange had not occurred. [2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF).]

D. The person has whatever rights of contribution from other persons are provided by the organic law of the entity for which the person had owner liability with respect to any owner liability preserved by paragraph A, as if the merger or share exchange had not occurred. [2001, c. 640, Pt. A, §2 (NEW); 2001, c. 640, Pt. B, §7 (AFF).]

[2003, c. 344, Pt. B, §103 (AMD) .]

SECTION HISTORY

2001, c. 640, §A2 (NEW). 2001, c. 640, §B7 (AFF). 2003, c. 344, §B103 (AMD). 2007, c. 323, Pt. C, §16 (AMD). 2007, c. 323, Pt. G, §4 (AFF).

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