

**31A-5-306 Corporate repurchase of shares.**

- (1)
  - (a) To the extent of excess surplus, a stock corporation may repurchase its own shares 15 days after giving written notice to the commissioner.
  - (b) A stock corporation without excess surplus shall obtain written approval of the commissioner prior to repurchasing its own shares.
  - (c) Any repurchase of stock is subject to Section 16-10a-631.
  - (d) A stock corporation may not repurchase its own shares if it is hazardous or would become hazardous as a result of the repurchase.
- (2) Within 10 days after the end of any month in which it purchases more than 1% of any class of its outstanding shares, the corporation shall report the price and the names of the registered shareholders from whom the shares are acquired and of any other persons beneficially interested in those shares, so far as the latter are known to the corporation. The corporation shall make a similar report within 10 days after the end of any three-month period in which it purchases more than 2% of any class of its outstanding shares and within 10 days after the end of any 12-month period in which it purchases more than 5% of any class of its outstanding shares. Section 16-10a-631 applies to the corporation's acquisition of its outstanding shares.
- (3) Treasury shares may be disposed of by the corporation for their current market value or, if there is no market, for the consideration the board of directors determines to be the fair value of the shares.
- (4) Section 31A-17-407 applies to accounting for treasury shares.

Amended by Chapter 9, 1996 Special Session 2

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