

61-6-2 "Control shares" defined.

- (1) As used in this chapter, "control shares" means shares that except for this chapter would have voting power with respect to shares of an issuing public corporation that, when added to all other shares of the issuing public corporation owned by a person or in respect to which that person may exercise or direct the exercise of voting power, would entitle that person, immediately after acquisition of the shares (directly or indirectly, alone or as a part of a group), to exercise or direct the exercise of the voting power, including voting power pursuant to a revocable proxy, of the issuing public corporation in the election of directors within any of the following ranges of voting power:
 - (a) $\frac{1}{5}$ or more but less than $\frac{1}{3}$ of all voting power;
 - (b) $\frac{1}{3}$ or more but less than a majority of all voting power; or
 - (c) a majority or more of all voting power.
- (2) Shares entitling a person, immediately after acquisition of the shares (directly or indirectly, including pursuant to a revocable proxy or as part of a group), to exercise or direct the exercise of less than $\frac{1}{5}$ of all voting power of the issuing public corporation in the election of directors shall not be control shares, even if acquired in a control share acquisition. Shares cease to be control shares upon their transfer to a person who is not an affiliate of the transferor or an affiliate or member of a group with which the applicable control share acquisition was made, except to the extent the shares become control shares as a result of their acquisition by the transferee.

Amended by Chapter 106, 2000 General Session