

**490.1301 Definitions.**

In this division, unless the context otherwise requires:

1. “*Affiliate*” means a person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common control with another person or is a senior executive thereof. For purposes of section 490.1302, subsection 2, paragraph “d”, a person is deemed to be an affiliate of its senior executives.

2. “*Beneficial shareholder*” means a person who is the beneficial owner of shares held in a voting trust or by a nominee on the beneficial owner’s behalf.

3. “*Corporation*” means the issuer of the shares held by a shareholder demanding appraisal. In addition, for matters covered in sections 490.1322 through 490.1331, “*corporation*” includes the surviving entity in a merger.

4. a. “*Fair value*” means the value of the corporation’s shares determined according to the following:

(1) Immediately before the effectuation of the corporate action to which the shareholder objects.

(2) Using customary and current valuation concepts and techniques generally employed for similar businesses in the context of the transaction requiring appraisal.

(3) Without discounting for lack of marketability or minority status except, if appropriate, for amendments to the articles pursuant to section 490.1302, subsection 1, paragraph “e”.

b. With respect to shares of a corporation that is a bank holding company as defined in section 524.1801, the factors identified in section 524.1406, subsection 3, paragraph “a”, shall also be considered in determining fair value.

5. “*Interest*” means interest from the effective date of the corporate action until the date of payment, at the rate of interest on judgments in this state on the effective date of the corporate action.

6. “*Preferred shares*” means a class or series of shares whose holders have preference over any other class or series with respect to distributions.

7. “*Record shareholder*” means the person in whose name shares are registered in the records of the corporation or the beneficial owner of shares to the extent of the rights granted by a nominee certificate on file with the corporation.

8. “*Senior executive*” means the chief executive officer, chief operating officer, chief financial officer, and anyone in charge of a principal business unit or function.

9. “*Shareholder*” means both a record shareholder and a beneficial shareholder.

89 Acts, ch 288, §131; 2000 Acts, ch 1211, §2; 2002 Acts, ch 1154, §78, 125; 2012 Acts, ch 1023, §157

Referred to in §524.1406

[T] Code editor directive applied