

16-709. Transfer of stock by stockholder of corporate licensee; effect. It shall be unlawful for any shareholder of a corporate licensee to transfer any stock in said corporation to any person who would be ineligible to receive a license as an individual, and any such transfer shall be null and void: Provided, That if any such stockholder of a corporate licensee shall become deceased, and his heirs or devisees to whom said stock descends by descent and distribution or by will shall be ineligible to receive a license hereunder, then the legal representatives of said deceased stockholder's estate, his heirs and devisees shall have fourteen (14) months from the date of the death of said stockholder within which to sell said stock to a person eligible to receive a license hereunder, with such sale to be made in accordance with the provisions of the probate code and any amendments thereto. If said legal representatives, heirs and devisees shall fail, refuse or neglect to so convey said stock within the time hereinbefore prescribed, then said stock shall revert to and become the property of the corporation, for which the corporation shall pay to said legal representatives, heirs or devisees the book value of such stock. If the stock in any corporation shall be the subject of any trust heretofore or hereafter created, the trustee or trustees and the beneficiaries of each trustee and beneficiary of said trust who is twenty-one (21) years of age or older must be a person who would be eligible to receive a license, or the trustee shall be and he is hereby authorized and required, within fourteen (14) months after the effective date of the trust, to sell said stock to a person eligible to receive a license under this act, and he shall hold and disburse the proceeds thereof in accordance with the terms of the trust, or the license of the corporation shall be forfeited.

During the fourteen-month periods hereinbefore mentioned, a corporation shall not be denied a license or have its license revoked if it meets all of the other requirements necessary to have a license as provided in this act.

History: L. 1972, ch. 51, § 4; July 1.