
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1571 Session of
1986

INTRODUCED BY FISHER, ZEMPRELLI, JUBELIRER, STAUFFER, STAPLETON,
LEWIS, O'PAKE, ROSS, ANDREZESKI, SCANLON, WILLIAMS,
BRIGHTBILL, LOEPER, PETERSON, BODACK, STOUT, KRATZER, MELLOW,
KELLEY, HELFRICK, HOPPER, SALVATORE, MADIGAN, CORMAN,
SHUMAKER AND GREENLEAF, JUNE 18, 1986

REFERRED TO JUDICIARY, JUNE 18, 1986

AN ACT

1 Relating to associations, including corporations, partnerships
2 and unincorporated associations; revising and expanding
3 certain provisions of Title 15 (Corporations and
4 Unincorporated Associations); reconfirming and expanding the
5 abolition of the doctrine of de facto mergers and other
6 fundamental transactions; making related, conforming,
7 redesignation, editorial and other changes to the
8 Pennsylvania Consolidated Statutes; separately enacting
9 certain related provisions of law; and repealing certain acts
10 and parts of acts supplied by the act or otherwise obsolete.

11 TABLE OF CONTENTS

12 DIVISION I. ASSOCIATIONS GENERALLY

13 Section 101. Short title of act.

14 Section 102. Repeal of 1972 text of Part I of Title 15.

15 Section 103. Amendment of Title 15.

16 PART I. PRELIMINARY PROVISIONS

17 Chapter 1. General Provisions

18 Subchapter A. Preliminary Provisions

19 § 101. Short title and application of title.

20 § 102. Definitions.

1 § 103. Subordination of title to regulatory laws.
2 § 104. Equitable remedies.
3 § 105. Fees.
4 § 106. Effect of filing papers required to be filed.
5 § 107. Form of records.
6 § 108. Change in location or status of registered office
7 provided by agent.
8 § 109. Name of commercial registered office provider in lieu of
9 registered address.
10 § 110. Supplementary general principles of law applicable.
11 Subchapter B. Functions and Powers of Department of State
12 § 131. Application of subchapter.
13 § 132. Functions of Department of State.
14 § 133. Powers of Department of State.
15 § 134. Docketing statement.
16 § 135. Requirements to be met by filed documents.
17 § 136. Processing of documents by Department of State.
18 § 137. Court to pass upon rejection of documents by Department
19 of State.
20 § 138. Statement of correction.
21 § 139. Tax clearance of certain fundamental transactions.
22 Subchapter C. Definitive and Contingent Domestication of
23 Foreign Associations
24 § 151. Domestication of certain foreign associations.
25 § 152. Contingent domestication of certain foreign
26 associations.
27 PART II. CORPORATIONS
28 SUBPART A. CORPORATIONS GENERALLY
29 Chapter 5. Corporations
30 Subchapter A. In General

1 § 501. Reserved power of General Assembly.

2 § 502. Application of chapter.

3 § 503. Actions to revoke corporate franchises.

4 § 504. Validation of certain defective corporations.

5 § 505. Validation of certain defective corporate acts.

6 § 506. Scope and duration of certain franchises.

7 Subchapter B. Provisions Applicable to Particular Types
8 of Corporations

9 § 521. Pensions and allowances.

10 § 522. Indemnification of authorized representatives.

11 § 523. Actions by shareholders or members to enforce a
12 secondary right.

13 SUBPART B. BUSINESS CORPORATIONS

14 ARTICLE A. PRELIMINARY PROVISIONS

15 Chapter 11. General Provisions

16 § 1101. Short titles.

17 § 1102. Application of subpart.

18 § 1103. Definitions.

19 § 1104. Other general provisions.

20 § 1105. Restriction on equitable relief.

21 § 1106. Uniform application of subpart.

22 § 1107. Limitation on incorporation.

23 § 1108. Execution of documents.

24 ARTICLE B. DOMESTIC BUSINESS CORPORATIONS GENERALLY

25 Chapter 13. Incorporation

26 Subchapter A. Incorporation Generally

27 § 1301. Purposes.

28 § 1302. Number and qualifications of incorporators.

29 § 1303. Corporate name.

30 § 1304. Required name changes by senior corporations.

1 § 1305. Reservation of corporate name.
2 § 1306. Articles of incorporation.
3 § 1307. Advertisement.
4 § 1308. Filing of articles.
5 § 1309. Effect of filing of articles of incorporation.
6 § 1310. Organization meeting.
7 § 1311. Filing of statement of summary of record by certain
8 corporations.

9 Subchapter B. Revival

10 § 1341. Statement of revival.

11 Chapter 15. Corporate Powers, Duties and Safeguards

12 Subchapter A. General Provisions

13 § 1501. Corporate capacity.
14 § 1502. General powers.
15 § 1503. Defense of ultra vires.
16 § 1504. Adoption, amendment and contents of bylaws.
17 § 1505. Persons bound by bylaws.
18 § 1506. Form of execution of instruments.
19 § 1507. Registered office.
20 § 1508. Corporate records; inspection.
21 § 1509. Bylaws and other powers in emergency.
22 § 1510. Usury not a defense.
23 § 1511. Additional powers of certain public utility
24 corporations.

25 Subchapter B. Shares and Other Securities

26 § 1521. Authorized shares.
27 § 1522. Issuance of shares in classes or series; board action.
28 § 1523. Pricing and issuance of shares.
29 § 1524. Payment for shares.
30 § 1525. Stock rights and options.

1 § 1526. Liability of subscribers and shareholders.
2 § 1527. Issuance of fractional shares or scrip.
3 § 1528. Shares represented by certificates and uncertificated
4 shares.
5 § 1529. Transfer of securities; restrictions.
6 § 1530. Preemptive rights of shareholders.
7 § 1531. Voting powers and other rights of certain
8 securityholders and other entities.
9 § 1532. Effect of failure to surrender securities converted by
10 reorganization.

11 Subchapter C. Corporate Finance

12 § 1551. Distributions to shareholders.
13 § 1552. Power of corporation to acquire its own shares.
14 § 1553. Liability for unlawful dividends and other
15 distributions.
16 § 1554. Financial reports to shareholders.

17 Subchapter D. Dissenters Rights

18 § 1571. Application and effect of subchapter.
19 § 1572. Definitions.
20 § 1573. Record and beneficial holders and owners.
21 § 1574. Notice of intention to dissent.
22 § 1575. Notice to demand payment.
23 § 1576. Failure to comply with notice to demand payment, etc.
24 § 1577. Release of restrictions or payment for shares.
25 § 1578. Estimate by dissenter of fair value of shares.
26 § 1579. Valuation proceedings generally.
27 § 1580. Costs and expenses of valuation proceedings.

28 Chapter 17. Officers, Directors and Shareholders

29 Subchapter A. Notice and Meetings Generally

30 § 1701. Applicability of subchapter.

- 1 § 1702. Manner of giving notice.
- 2 § 1703. Place and notice of meetings of board of directors.
- 3 § 1704. Place and notice of meetings of shareholders.
- 4 § 1705. Waiver of notice.
- 5 § 1706. Modification of proposal contained in notice.
- 6 § 1707. Exception to requirement of notice.
- 7 § 1708. Use of conference telephone and similar equipment.

8 Subchapter B. Directors and Officers

- 9 § 1721. Board of directors.
- 10 § 1722. Qualifications of directors.
- 11 § 1723. Number of directors.
- 12 § 1724. Term of office of directors.
- 13 § 1725. Selection of directors.
- 14 § 1726. Removal of directors.
- 15 § 1727. Quorum of and action by directors.
- 16 § 1728. Interested directors or officers; quorum.
- 17 § 1729. Voting rights of directors.
- 18 § 1730. Compensation of directors.
- 19 § 1731. Executive and other committees of the board.
- 20 § 1732. Officers.
- 21 § 1733. Removal of officers and agents.

22 Subchapter C. Indemnification

- 23 § 1741. Third party actions.
- 24 § 1742. Derivative actions.
- 25 § 1743. Mandatory indemnification.
- 26 § 1744. Procedure for effecting indemnification.
- 27 § 1745. Advancing expenses.
- 28 § 1746. Scope of subchapter.
- 29 § 1747. Power to purchase insurance.
- 30 § 1748. Application to surviving or new corporations.

1 § 1749. Application to employee benefit plans.

2 Subchapter D. Shareholders

3 § 1754. Matters subject to shareholder action.

4 § 1755. Time of holding meetings of shareholders.

5 § 1756. Quorum.

6 § 1757. Action by shareholders.

7 § 1758. Voting rights of shareholders.

8 § 1759. Voting and other action by proxy.

9 § 1760. Voting by fiduciaries and pledgees.

10 § 1761. Voting by joint holders of shares.

11 § 1762. Voting by corporations.

12 § 1763. Determination of shareholders of record.

13 § 1764. Voting lists.

14 § 1765. Judges of election.

15 § 1766. Consent of shareholders in lieu of meeting.

16 § 1767. Appointment of custodian of corporation on deadlock or
17 other cause.

18 § 1768. Voting trusts and other agreements among shareholders.

19 § 1769. Minors as securityholders.

20 § 1770. Interested shareholders.

21 Subchapter E. Derivative Actions

22 § 1781. Institution of derivative actions by shareholders.

23 § 1782. Actions against directors and officers.

24 § 1783. Access to corporate confidences.

25 Subchapter F. Judicial Supervision of Corporate Action

26 § 1791. Corporate action subject to subchapter.

27 § 1792. Proceedings prior to corporate action.

28 § 1793. Review of contested corporate action.

29 Chapter 19. Fundamental Changes

30 Subchapter A. Preliminary Provisions

- 1 § 1901. Omission of certain provisions from filed plans.
2 § 1902. Statement of termination.
3 § 1903. Bankruptcy or insolvency proceedings.
4 § 1904. De facto transaction doctrine abolished.
5 § 1905. Proposal of fundamental transactions.
6 § 1906. Disparate treatment of holders of shares of same class
7 or series.

8 Subchapter B. Amendment of Articles

- 9 § 1911. Amendment of articles authorized.
10 § 1912. Proposal of amendments.
11 § 1913. Notice of meeting of shareholders.
12 § 1914. Adoption of amendments.
13 § 1915. Articles of amendment.
14 § 1916. Filing and effectiveness of articles of amendment.
15 § 1917. Dissenters rights upon certain amendments.

16 Subchapter C. Merger, Consolidation, Share Exchanges and
17 Sale of Assets

- 18 § 1921. Merger and consolidation authorized.
19 § 1922. Plan of merger or consolidation.
20 § 1923. Notice of meeting of shareholders.
21 § 1924. Adoption of plan.
22 § 1925. Authorization by foreign corporations.
23 § 1926. Articles of merger or consolidation.
24 § 1927. Filing of articles of merger or consolidation.
25 § 1928. Effective date of merger or consolidation.
26 § 1929. Effect of merger or consolidation.
27 § 1930. Dissenters rights.
28 § 1931. Share exchanges.
29 § 1932. Voluntary transfer of corporate assets.

30 Subchapter D. Division

1 § 1951. Division authorized.

2 § 1952. Proposal and adoption of plan of division.

3 § 1953. Division without shareholder approval.

4 § 1954. Articles of division.

5 § 1955. Filing of articles of division.

6 § 1956. Effective date of division.

7 § 1957. Effect of division.

8 Subchapter E. Conversion

9 § 1961. Conversion authorized.

10 § 1962. Proposal and adoption of plan of conversion.

11 § 1963. Articles of conversion.

12 § 1964. Filing of articles of conversion.

13 § 1965. Effective date of conversion.

14 § 1966. Effect of conversion.

15 Subchapter F. Voluntary Dissolution and Winding Up

16 § 1971. Voluntary dissolution by shareholders or incorporators.

17 § 1972. Proposal of voluntary dissolution.

18 § 1973. Notice of meeting of shareholders.

19 § 1974. Adoption of proposal.

20 § 1975. Winding up in voluntary dissolution proceedings.

21 § 1976. Judicial supervision of proceedings.

22 § 1977. Articles of dissolution.

23 § 1978. Winding up of corporation upon the expiration of its
24 period of duration.

25 § 1979. Survival of remedies and rights after dissolution.

26 § 1980. Dissolution by domestication.

27 Subchapter G. Involuntary Liquidation and Dissolution

28 § 1981. Proceedings upon application of shareholder or
29 director.

30 § 1982. Proceedings upon application of creditor.

1 § 1983. (Reserved).

2 § 1984. Appointment of receiver pendente lite and other interim
3 powers.

4 § 1985. Liquidating receiver.

5 § 1986. Qualifications of receivers.

6 § 1987. Proof of claims.

7 § 1988. Discontinuance of proceedings; reorganization.

8 § 1989. Involuntary articles of dissolution.

9 ARTICLE C. DOMESTIC BUSINESS CORPORATION ANCILLARIES

10 Chapter 21. Nonstock Corporations

11 Subchapter A. Preliminary Provisions

12 § 2101. Application and effect of chapter.

13 § 2102. Formation of nonstock corporations.

14 § 2103. Contents of articles and other documents of nonstock
15 corporations.

16 § 2104. Election of an existing business corporation to become
17 a nonstock corporation.

18 § 2105. Termination of nonstock corporation status.

19 Subchapter B. Powers, Duties and Safeguards

20 § 2121. Corporate name of nonstock corporations.

21 § 2122. Classes of membership.

22 § 2123. Evidence of membership; liability of members.

23 § 2124. Voting rights of members.

24 § 2125. Inapplicability of certain provisions to nonstock
25 corporations.

26 § 2126. Dissolution of nonstock corporations.

27 Chapter 23. Statutory Close Corporations

28 Subchapter A. Preliminary Provisions

29 § 2301. Application and effect of chapter.

30 § 2302. Definition of minimum vote.

1 § 2303. Formation of statutory close corporations.
2 § 2304. Additional contents of articles of statutory close
3 corporations.
4 § 2305. Election of an existing business corporation to become
5 a statutory close corporation.
6 § 2306. Limitations on continuation of statutory close
7 corporation status.
8 § 2307. Voluntary termination of statutory close corporation
9 status by amendment of articles.
10 § 2308. Issuance or transfer of shares of a statutory close
11 corporation in breach of qualifying conditions.
12 § 2309. Involuntary termination of statutory close corporation
13 status; proceeding to prevent loss of status.
14 Subchapter B. Shares
15 § 2321. Shares.
16 § 2322. Share transfer restrictions.
17 § 2323. Transfer of shares in breach of transfer restrictions.
18 § 2324. Corporation option where a restriction on transfer of a
19 security is held invalid.
20 § 2325. Sale option of estate of shareholder.
21 Subchapter C. Powers, Duties and Safeguards
22 § 2331. Directors.
23 § 2332. Management by shareholders.
24 § 2333. Appointment of custodian for statutory close
25 corporation.
26 § 2334. Appointment of provisional director in certain cases.
27 § 2335. Operating corporation as partnership.
28 § 2336. Fundamental changes.
29 § 2337. Option of shareholder to dissolve corporation.

30 Chapter 25. Registered Corporations

Subchapter A. Preliminary Provisions

§ 2501. Application and effect of chapter.

§ 2502. Registered corporation status.

§ 2503. Acquisition of registered corporation status.

§ 2504. Termination of registered corporation status.

Subchapter B. Powers, Duties and Safeguards

§ 2511. Financial reports to shareholders.

§ 2512. Dissenters rights procedure.

Subchapter C. Directors and Shareholders

§ 2521. Call of special meetings of shareholders.

§ 2522. Adjournment of meetings of shareholders.

§ 2523. Quorum at shareholder meetings.

§ 2524. Consent of shareholders in lieu of meeting.

Subchapter D. Fundamental Changes

§ 2535. Proposal of amendment to articles.

§ 2536. Application by director for involuntary dissolution.

§ 2537. Dissenters rights in asset transfers.

§ 2538. Right of shareholders to receive payment for shares
following a control transaction.

Chapter 27. Management Corporations

Subchapter A. Preliminary Provisions

§ 2701. Application and effect of chapter.

§ 2702. Election to become a management corporation.

§ 2703. Date and duration of election.

§ 2704. Dissenters rights upon election.

Subchapter B. Powers, Duties and Safeguards.

§ 2711. Bylaw and fundamental change procedures.

Subchapter C. Directors and Shareholders.

§ 2721. Selection and removal of directors.

§ 2722. Shareholder meetings unnecessary.

1 Chapter 29. Professional Corporations

2 Subchapter A. Preliminary Provisions

3 § 2901. Application and effect of chapter.

4 § 2902. Definitions.

5 § 2903. Formation of professional corporations.

6 § 2904. Election of an existing business corporation to become
7 a professional corporation.

8 § 2905. Election of professional associations to become
9 professional corporations.

10 § 2906. Termination of professional corporation status.

11 § 2907. Proceedings to terminate breach of qualifying
12 conditions.

13 Subchapter B. Powers, Duties and Safeguards

14 § 2921. Corporate name.

15 § 2922. Stated purposes.

16 § 2923. Issuance and retention of shares.

17 § 2924. Rendering professional services.

18 § 2925. Professional relationship retained.

19 ARTICLE D. FOREIGN BUSINESS CORPORATIONS

20 Chapter 41. Foreign Business Corporations

21 Subchapter A. Preliminary Provisions

22 § 4101. Application of article.

23 § 4102. Foreign domiciliary corporations.

24 § 4103. Acquisition of foreign domiciliary corporation status.

25 § 4104. Termination of foreign domiciliary corporation status.

26 Subchapter B. Qualification

27 § 4121. Admission of foreign corporations.

28 § 4122. Excluded activities.

29 § 4123. Requirements for foreign corporation names.

30 § 4124. Application for a certificate of authority.

- 1 § 4125. Issuance of certificate of authority.
2 § 4126. Amended certificate of authority.
3 § 4127. Merger, consolidation or division of qualified foreign
4 corporations.
5 § 4128. Revocation of certificate of authority.
6 § 4129. Application for termination of authority.
7 § 4130. Change of address after withdrawal.
8 § 4131. Registration of name.

9 Subchapter C. Powers, Duties and Liabilities

- 10 § 4141. Penalty for doing business without certificate of
11 authority.
12 § 4142. General powers and duties of qualified foreign
13 corporations.
14 § 4143. General powers and duties of nonqualified foreign
15 corporations.
16 § 4144. Registered office of qualified foreign corporations.
17 § 4145. Applicability of certain safeguards to foreign
18 domiciliary corporations.
19 § 4146. Provisions applicable to all foreign corporations.

20 Subchapter D. Domestication

- 21 § 4161. Domestication.
22 § 4162. Effect of domestication.
23 Section 104. Legislative findings as to acceptance of
24 Constitution of Pennsylvania.
25 Section 105. (Reserved).
26 Section 106. Additional filing fees.
27 Section 107. (Reserved).
28 Section 108. Study of transfer of local corporate records.
29 Section 109. Optional effective date.

30 DIVISION II. (Reserved)

1 DIVISION III. CONFORMING AMENDMENTS

2 Section 301. (Reserved).

3 Section 302. (Reserved).

4 Section 303. (Reserved).

5 Section 304. (Reserved).

6 Section 305. Conforming amendment to Title 42.

7 Section 306. Conforming amendments to Title 54.

8 Section 307. Conforming amendment to Title 66.

9 Section 308. Conforming cross references in unconsolidated
10 statutes.

11 DIVISION IV. MISCELLANEOUS PROVISIONS

12 Section 401. Repeals.

13 Section 402. Effective date and applicability.

14 Section 403. Preparation of act for printing.

15 The General Assembly of the Commonwealth of Pennsylvania
16 hereby enacts as follows:

17 DIVISION I

18 ASSOCIATIONS GENERALLY

19 Section 101. Short title of act.

20 This act shall be known and may be cited as the Corporation
21 Act of 1986.

22 Section 102. Repeal of 1972 text of Part I of Title 15.

23 Part I of Title 15 of the Pennsylvania Consolidated Statutes
24 as existing on May 1, 1986, is repealed.

25 Section 103. Amendment of Title 15.

26 Title 15 of the Pennsylvania Consolidated Statutes is amended
27 by adding provisions to read:

28 PART I

29 PRELIMINARY PROVISIONS

30 Chapter

1 1. General Provisions

2 CHAPTER 1

3 GENERAL PROVISIONS

4 Subchapter

5 A. Preliminary Provisions

6 B. Functions and Powers of Department of State

7 SUBCHAPTER A

8 PRELIMINARY PROVISIONS

9 Sec.

10 101. Short title and application of title.

11 102. Definitions.

12 103. Subordination of title to regulatory laws.

13 104. Equitable remedies.

14 105. Fees.

15 106. Effect of filing papers required to be filed.

16 107. Form of records.

17 108. Change in location or status of registered office provided
18 by agent.

19 109. Name of commercial registered office provider in lieu
20 of registered address.

21 110. Supplementary general principles of law applicable.

22 § 101. Short title and application of title.

23 (a) Short title of title.--This title shall be known and may
24 be cited as the Associations Code.

25 (b) Application of title.--Except as otherwise provided in
26 subsection (d) or the scope provisions of subsequent provisions
27 of this title, this title shall apply to every association
28 heretofore or hereafter incorporated or otherwise organized.

29 (c) References to prior statutes.--A reference in the
30 articles or bylaws or other organic documents of an association

1 to any provision of law supplied or repealed by this title shall
2 be deemed to be a reference to the superseding provision of this
3 title.

4 (d) Exclusions.--Except as otherwise expressly provided in
5 this title, no provision of this title shall apply to, and the
6 word "association" in this title shall not include:

7 (1) A cooperative corporation, which for purposes of
8 section 102 (relating to definitions) shall be deemed to mean
9 a corporation organized on the cooperative principle.

10 (2) A partnership.

11 (3) An unincorporated association.

12 § 102. Definitions.

13 Subject to additional or inconsistent definitions contained
14 in subsequent provisions of this title which are applicable to
15 specific provisions of this title, the following words and
16 phrases when used in this title shall have, unless the context
17 clearly indicates otherwise, the meanings given to them in this
18 section:

19 "Association." A corporation, a partnership or two or more
20 persons associated in a common enterprise or undertaking. The
21 term does not include a business trust organized under the laws
22 of this Commonwealth.

23 "Banking institution." A banking institution as defined in
24 section 1103 (relating to definitions).

25 "Cooperative corporation." A corporation which is subject to
26 Subpart D of Part II (relating to cooperative corporations).

27 "Court." Subject to any inconsistent general rule prescribed
28 by the Supreme Court of Pennsylvania:

29 (1) the court of common pleas of the judicial district
30 embracing the county where the registered office of the

1 corporation or other association is or is to be located; or

2 (2) where an association results from a merger,
3 consolidation, division or other transaction without
4 establishing a registered office in this Commonwealth or
5 withdraws as a foreign corporation, the court of common pleas
6 in which venue would have been laid immediately prior to the
7 transaction or withdrawal.

8 "Credit union." A credit union as defined in section 1103.

9 "Department." The Department of State of the Commonwealth.

10 "Domestic corporation for profit." A corporation for profit
11 incorporated under the laws of this Commonwealth.

12 "Domestic corporation not-for-profit." A corporation not-
13 for-profit incorporated under the laws of this Commonwealth.

14 "Foreign corporation for profit." A corporation for profit
15 incorporated under any laws other than those of this
16 Commonwealth.

17 "Foreign corporation not-for-profit." A corporation not-for-
18 profit incorporated under any laws other than those of this
19 Commonwealth.

20 "Insurance corporation." An insurance corporation as defined
21 in section 1103.

22 "Savings association." A savings association as defined in
23 section 1103.

24 § 103. Subordination of title to regulatory laws.

25 (a) Regulatory laws unaffected.--This title is not intended
26 to authorize any corporation or other association to do any act
27 prohibited by any statute regulating the business of the
28 association or by any rule or regulation validly promulgated
29 thereunder by any department, board or commission of this
30 Commonwealth. Except as otherwise provided by the statutes and

1 rules and regulations promulgated thereunder applicable to the
2 business of the association, the issuance by the Department of
3 State of any certificate evidencing the incorporation of a
4 corporation or the qualification of an association under this
5 title or any amendment to its articles or other change in its
6 status or other action under this title shall not be effective
7 to exempt the association from any of the requirements of those
8 statutes or rules and regulations.

9 (b) Compliance with regulatory laws condition precedent to
10 effectiveness of corporate or other action.--Any document filed
11 in the Department of State or any bylaw adopted or other
12 corporate or other action taken under the authority of this
13 title or other action pursuant thereto in violation of any
14 statutes or rules or regulations regulating the business of the
15 association shall be ineffective as against the Commonwealth,
16 including the departments, boards and commissions thereof,
17 unless and until the violation is cured.

18 (c) Structural provisions in regulatory statutes
19 controlling.--If and to the extent that a statute regulating the
20 business of a corporation or other association sets forth
21 provisions relating to the government and regulation of the
22 affairs of associations which are inconsistent with the
23 provisions of this title on the same subject, the provisions of
24 the other statute shall control.

25 § 104. Equitable remedies.

26 Except to the extent otherwise provided in this title in
27 cases where a statutory remedy is provided by this title, the
28 court shall have the powers of a court of equity or chancery
29 insofar as those powers relate to the supervision and control of
30 corporations and other associations.

1 § 105. Fees.

2 Any department, board, commission or officer of this
3 Commonwealth shall be entitled to receive for services
4 performed, as required by this title, such fees as are or may be
5 lawfully charged for those or similar services.

6 § 106. Effect of filing papers required to be filed.

7 The filing of articles or of any other papers or documents
8 pursuant to the provisions of this title is required for the
9 purpose of affording all persons the opportunity of acquiring
10 knowledge of the contents thereof, but no person shall be
11 charged with constructive notice of the contents of any
12 articles, papers or documents by reason of the filing.

13 § 107. Form of records.

14 Any records maintained by a corporation or other association
15 in the regular course of its business, including shareholder or
16 membership records, books of account and minute books, may be
17 kept on, or be in the form of, punch cards, magnetic storage
18 media, photographs, microphotographs or any other information
19 storage device if the records so kept can be converted into
20 reasonably legible written form within a reasonable time. Any
21 corporation or other association shall so convert any records so
22 kept upon the request of any person entitled to inspect the
23 records. Where records are kept in this manner, a reasonably
24 legible written form produced from the information storage
25 device which accurately portrays the record shall be admissible
26 in evidence, and shall be accepted for all other purposes, to
27 the same extent as an original written record of the same
28 information would have been.

29 § 108. Change in location or status of registered office
30 provided by agent.

1 (a) General rule.--Where the registered office of a
2 corporation or other association is stated to be in care of or
3 is in fact in care of an agent who maintains the registered
4 office for the corporation or other association and the agent
5 changes its name or the location of its office in a county from
6 one address to another within the county or ceases to provide a
7 registered office for one or more associations, the agent may,
8 in the manner provided in this section, reflect such change of
9 name or effect a corresponding change in the registered office
10 address of or cease to provide a registered office for one or
11 more or all of the associations represented by it. The agent
12 shall execute and file in the Department of State with respect
13 to each association represented by it a statement of change of
14 registered office by agent, setting forth:

15 (1) The name of the association represented.

16 (2) The address, including street and number, if any, of
17 its then registered office.

18 (3) The address, including street and number, if any, of
19 the new registered office of the association if the
20 registered office of the association is to be changed.

21 (4) The name of the person in care of the office and a
22 statement that the person has been designated in fact as the
23 agent in care of the registered office of the association in
24 this Commonwealth and that the change in registered office
25 reflects a change of name of the agent, the removal of the
26 place of business of the agent to a new location within the
27 county or a termination of the status of the agent as the
28 provider of the registered office of the association, as the
29 case may be.

30 If the status of an agent as a provider of a registered office

1 is terminated under this section, the location of the registered
2 office of the association shall not be affected, but the person
3 formerly in care of the office shall no longer have any
4 responsibility with respect to matters tendered to the office in
5 the name of the association.

6 (b) Action by and notice to association.--It is not
7 necessary for the association to take any action in order to
8 effect a termination of status of agent or other change of
9 registered office under this section but the person representing
10 the association shall promptly furnish the association with a
11 copy of the statement of change of registered office by agent as
12 filed in the Department of State.

13 § 109. Name of commercial registered office provider in lieu
14 of registered address.

15 (a) General rule.--Where any provision of this title
16 authorizes or requires the inclusion of a registered office
17 address in any document filed in the Department of State, the
18 person filing the document may substitute in lieu thereof the
19 term "c/o" followed by:

20 (1) The name of a corporation or a division thereof,
21 which has filed in the department, and not withdrawn, a
22 statement of address of commercial registered office.

23 (2) The name of any county of this Commonwealth and a
24 statement that the registered office of the association shall
25 be deemed for venue and official publication purposes to be
26 located in the county so named. For venue and official
27 publication purposes, the county so named shall control over
28 the address contained in the currently applicable statement
29 filed under subsection (b).

30 (b) Statement of address of commercial registered office.--A

1 domestic business corporation or qualified foreign business
2 corporation engaged in the business of maintaining registered
3 offices in this Commonwealth for corporations or other
4 associations may file in the department a statement of address
5 of commercial registered office executed by the corporation or a
6 division thereof and setting forth:

7 (1) The name of the corporation.

8 (2) A statement that it is in the business of
9 maintaining registered offices in this Commonwealth for
10 corporations or other associations.

11 (3) The address, including street and number, if any, of
12 a place of business of the corporation in this Commonwealth
13 to which communications and other matters directed to each
14 person represented by it may be delivered.

15 (c) Change or withdrawal.--A corporation which has effected
16 a filing in the department under subsection (b) may:

17 (1) Amend the filing by filing in the department a
18 superseding statement of address of commercial registered
19 office.

20 (2) Withdraw its filing under subsection (b) and cease
21 to provide registered office service by filing in the
22 department a statement of address of commercial registered
23 office setting forth, in lieu of the information required by
24 subsection (b)(2) and (3), a statement that it has ceased to
25 be in the business of maintaining registered offices in this
26 Commonwealth for corporations and other associations and the
27 statements required by section 108 (relating to change in
28 location or status of registered office provided by agent).

29 (d) Action by and notice to association.--It is not
30 necessary for an association to take any action in connection

1 with a change or withdrawal effected under subsection (c), but a
2 corporation which has effected a filing under subsection (c)
3 shall promptly furnish each affected association with a copy of
4 the filing. If the status of an agent as a provider of a
5 registered office is terminated under this section, the location
6 of the registered office of the association shall not be
7 affected, but the person formerly in care of the office shall no
8 longer have any responsibility with respect to matters tendered
9 to the office in the name of the association.

10 § 110. Supplementary general principles of law applicable.

11 Unless displaced by the particular provisions of this title,
12 the principles of law and equity, including the law relative to
13 principal and agent, estoppel, waiver, fraud, misrepresentation,
14 duress, coercion, mistake, bankruptcy or other validating or
15 invalidating cause, shall supplement its provisions.

16 SUBCHAPTER B

17 FUNCTIONS AND POWERS OF DEPARTMENT OF STATE

18 Sec.

19 131. Application of subchapter.

20 132. Functions of Department of State.

21 133. Powers of Department of State.

22 134. Docketing statement.

23 135. Requirements to be met by filed documents.

24 136. Processing of documents by Department of State.

25 137. Court to pass upon rejection of documents by Department
26 of State.

27 138. Statement of correction.

28 139. Tax clearance of certain fundamental transactions.

29 § 131. Application of subchapter.

30 As used in this subchapter the term "this title" includes

1 Title 54 (relating to names) and any other provision of law
2 which makes reference to the powers and procedures of this
3 subchapter.

4 § 132. Functions of Department of State.

5 (a) General rule.--The function of the Department of State
6 under this title is to act in a manner comparable to the offices
7 of recorder of deeds under former provisions of law as an office
8 of public record wherein articles and other papers relating to
9 association affairs may be filed to establish the permanent and
10 definitive text thereof and to afford all persons the
11 opportunity of acquiring knowledge of the contents thereof.

12 (b) Names and marks.--The department shall supervise and
13 administer the provisions of this title and of Title 54
14 (relating to names) concerning names and marks.

15 (c) Collection of taxes and charges imposed by statute.--
16 Nothing in this subchapter shall limit the power and duty of the
17 department to assess and collect taxes and charges now or
18 hereafter imposed or authorized by statute.

19 (d) Notice of decennial filings.--Whenever a decennial
20 filing is required by Title 54 to be made in the department, the
21 department shall, not earlier than the November 1 prior to the
22 commencement of the decennial year wherever practicable, give
23 notice by mail to the registrant or other party of the decennial
24 filing requirement, which notice shall be accompanied by
25 appropriate application blanks or forms.

26 § 133. Powers of Department of State.

27 (a) General rule.--The Department of State shall have the
28 power and authority reasonably necessary to enable it to
29 administer this subchapter efficiently and to perform the
30 functions specified in section 132 (relating to functions of

1 Department of State).

2 (b) Language and content of documents.--Except to the extent
3 required in order to determine whether the document complies
4 with section 135 (relating to requirements to be met by filed
5 documents), the department shall not examine articles and other
6 documents authorized or required to be filed in the department
7 under this title to determine whether the language or content
8 thereof conforms to the provisions of this title.

9 (c) Meaning of term "conform to law".--A document delivered
10 to the department for the purpose of filing in the department
11 shall be deemed to be in accordance with law and to conform to
12 law, as those terms are used in existing statutes relating to
13 the powers and duties of the department, if the document
14 conforms to section 135.

15 (d) Physical characteristics and copies of documents.--All
16 articles and other documents authorized or required to be filed
17 in the department under this title shall be in such format as to
18 size, shape and other physical characteristics as shall be
19 prescribed by regulations promulgated by the department. The
20 regulations may require the submission of not to exceed three
21 conformed copies of any document in addition to the original and
22 any copies thereof otherwise required by law. All formats
23 promulgated by the department for use under this title shall
24 include a statement of the number of copies required to be filed
25 and shall be published in the Pennsylvania Code.

26 (e) Engrossed certificate.--Whenever the department has
27 taken any action under this title, the Secretary of the
28 Commonwealth shall, upon request and payment of the fee or
29 additional fee therefor fixed by regulation of the department,
30 issue to any person entitled thereto an engrossed certificate

1 evidencing the action, executed by the Secretary of the
2 Commonwealth under the seal of the Commonwealth.

3 § 134. Docketing statement.

4 (a) General rule.--The Department of State may prescribe by
5 regulation one or more official docketing statement forms
6 designed to elicit from a person effecting a filing under this
7 title information which the department has found to be necessary
8 or desirable in connection with the processing of a filing. In
9 the case of a docketing statement submitted with the articles of
10 incorporation or division of a proposed domestic corporation for
11 profit or not-for-profit, the articles of domestication or
12 application for a certificate of authority of a foreign
13 corporation for profit or not-for-profit or the certificate of
14 election of an electing partnership, the docketing statement
15 shall set forth, inter alia, the kind or kinds of business in
16 which the association actually intends to engage in this
17 Commonwealth within one year of the execution of the docketing
18 statement. In the case of a docketing statement submitted with
19 articles of incorporation, consolidation or division of a
20 domestic corporation not-for-profit or an application for a
21 certificate of authority of a foreign corporation not-for-
22 profit, the docketing statement shall set forth with respect to
23 the new corporation or corporations resulting therefrom, inter
24 alia, the statute by or under which it was incorporated, the
25 date of incorporation, the name of its chief executive officer,
26 secretary and treasurer, regardless of the names or titles by
27 which they may be designated, the address of its principal place
28 of business and the amount, if any, of its authorized and issued
29 capital stock. A form of docketing statement prescribed under
30 this subsection:

1 (1) Shall be published in the Pennsylvania Code.

2 (2) Shall not be integrated into a single document
3 covering the requirements of the filing and its related
4 docketing statement.

5 (3) May be required by the department in connection with
6 a filing only if notice of the requirement appears on the
7 official format for the filing prescribed under section
8 133(d) (relating to physical characteristics and copies of
9 documents).

10 (4) Shall not be required to be submitted on department-
11 furnished forms.

12 (5) Shall not constitute a document filed in, with or by
13 the department for the purposes of this title or any other
14 provision of law except 18 Pa.C.S. § 4904 (relating to
15 unsworn falsification to authorities).

16 (b) Transmission to Department of Revenue.--The department
17 shall note the fact and date of the filing of articles of
18 incorporation, consolidation, merger, division, conversion or
19 domestication or certificate of election or issuance of the
20 certificate of authority, as the case may be, upon the docketing
21 statement and shall transmit a copy of it to the Department of
22 Revenue.

23 (c) Transmission to other agencies.--If the docketing
24 statement delivered to the Department of State sets forth any
25 kind of business in which a corporation, partnership or other
26 association may not engage without the approval of or a license
27 from any department, board or commission of the Commonwealth,
28 the Department of State shall, upon the filing of articles of
29 incorporation, consolidation, division or domestication or
30 certificate of election or issuance of the certificate of

1 authority, promptly transmit a copy of the docketing statement
2 to each such department, board or commission.

3 § 135. Requirements to be met by filed documents.

4 (a) General rule.--A document shall be accepted for filing
5 by the Department of State if it satisfies the following
6 requirements:

7 (1) The document purports on its face to relate to
8 matters authorized or required to be filed under this title
9 or contains a caption indicating that relationship and, if no
10 applicable statement has been prescribed under section 134
11 (relating to docketing statement), contains sufficient
12 information to permit the department to prepare a docket
13 record entry:

14 (i) Identifying the name of the association or other
15 person to which the document relates.

16 (ii) Identifying the association or associations, if
17 any, the existence of which is to be created, extended,
18 limited or terminated by reason of the filing and the
19 duration of existence of any such association.

20 (iii) Specifying the date upon which the creation or
21 termination of existence, if any, of the association or
22 associations effected by the filing will take effect.

23 (2) The document complies with any regulations
24 promulgated by the department pursuant to section 133(d)
25 (relating to physical characteristics and copies of
26 documents) and is accompanied by any applicable statement
27 prescribed under section 134.

28 (3) In the case of a document which creates a new
29 association or effects or reflects a change in name:

30 (i) the document is accompanied by evidence that the

1 proposed name has been reserved by or on behalf of the
2 applicant; or

3 (ii) the proposed name is available for use under
4 the applicable standard established by this title and any
5 other applicable provision of law.

6 (4) In the case of any other document which sets forth a
7 name or mark, the proposed name or mark is available for use
8 under the applicable standard established by law.

9 (5) All fees, taxes and certificates or statements
10 relating thereto required by section 139 (relating to tax
11 clearance of certain fundamental transactions) or otherwise
12 have been tendered therewith.

13 (6) All certificates and other instruments required by
14 statute evidencing the consent or approval of any department,
15 board, commission or other agency of this Commonwealth as a
16 prerequisite to the filing of the document in the Department
17 of State have been incorporated into, attached to or
18 otherwise tendered with the document.

19 (b) Attorney-in-fact.--Any person, other than an
20 incorporator or officer of a corporation, as such, may sign a
21 document by an attorney-in-fact or fiduciary. It shall not be
22 necessary to present to or file in the department the original
23 or a copy of any document evidencing the authority of an
24 attorney-in-fact or fiduciary.

25 (c) Addresses.--Whenever any provision of this title or of
26 Title 54 (relating to names) requires that any person set forth
27 an address in any document, such provision shall be construed to
28 require the submission of an actual street address or rural
29 route box number, and the department shall refuse to receive or
30 file any document which sets forth only a post office box

1 address.

2 § 136. Processing of documents by Department of State.

3 (a) Filing of documents.--If a document conforms to section
4 135 (relating to requirements to be met by filed documents) the
5 Department of State shall forthwith or on such date as is
6 requested by the person delivering the document, whichever is
7 later, file the document, certify that the document has been
8 filed by endorsing upon the document the fact and date of
9 filing, make and retain a copy thereof and return the document
10 or a copy thereof so endorsed to or upon the order of the person
11 who delivered the document to the department.

12 (b) Immediate certified copy.--

13 (1) If a duplicate copy, which may be either a signed or
14 conformed copy, of any articles or other document authorized
15 or required by this title to be filed in the department is
16 delivered to the department with the original signed
17 document, the department shall compare the duplicate copy
18 with the original signed document and, if it finds that they
19 are identical, shall certify the duplicate copy by making
20 upon it the same endorsement which is required to appear upon
21 the original, together with a further endorsement that the
22 duplicate copy is a true copy of the original signed
23 document, and return the duplicate copy to the person who
24 delivered it to the department. If the duplicate copy is
25 delivered by hand to the office of the department at the seat
26 of government at least four hours before the close of
27 business on any day not a holiday and relates to a matter
28 other than a label or other mark requiring examination under
29 Title 54 (relating to names), the department before the close
30 of business on that day shall either:

1 (i) Certify the duplicate copy as required by this
2 subsection and make such certified copy available at the
3 office of the department to or upon the order of the
4 person who delivered it to the department.

5 (ii) Make available at the office of the department
6 to or upon the order of the person who delivered it to
7 the department a brief statement in writing of the
8 reasons of the department for refusing to certify such
9 duplicate copy.

10 (2) In lieu of comparing the duplicate copy with the
11 original signed document as provided in paragraph (1), the
12 department may make a copy of the original signed document at
13 the cost of the person who delivered it to the department.

14 (c) Effective date.--Except as otherwise provided in this
15 title, a document shall become effective upon the filing thereof
16 in the department.

17 (d) Copies.--The department may make a copy, on microfilm or
18 otherwise, of any document filed in, with or by it pursuant to
19 this title, or any statute hereby supplied or repealed, and
20 thereafter destroy the document or return it to or upon the
21 order of the person who delivered the document to the
22 department.

23 § 137. Court to pass upon rejection of documents by Department
24 of State.

25 (a) General rule.--Whenever the Department of State rejects
26 a document delivered for filing under this title or fails to
27 make available a certified duplicate copy within the time
28 provided by section 136(b) (relating to immediate certified
29 copy):

30 (1) the original document or copies thereof;

1 (2) the statement, if any, of the department made under
2 section 136(b)(1)(ii); and
3 (3) any other papers relating thereto;
4 may be delivered to the prothonotary or clerk of the court
5 vested by or pursuant to Title 42 (relating to judiciary and
6 judicial procedure) with jurisdiction of appeals from the
7 department. Immediately the prothonotary or clerk shall transmit
8 the papers to the court without formality or expense to the
9 person who delivered the original document to the department.
10 The question of the eligibility of the document for filing in
11 the department shall thereupon, at the earliest possible time,
12 be heard by a judge of the court, without jury, in the court or
13 in chambers. The finding of the court, or any judge thereof,
14 that the document is eligible for filing in the department shall
15 be final and the department shall act in accordance therewith.
16 The true intent of this section is to secure for applicants an
17 immediate hearing in court without delay or expense on the part
18 of the applicants.

19 (b) Further appellate review.--The corporation or any
20 incorporator of a proposed corporation or other aggrieved
21 applicant may within the time and in the manner provided by law
22 seek judicial review of an adverse order of court entered
23 pursuant to subsection (a). The department shall not have any
24 right in the exercise of its functions under this title to seek
25 judicial review of an adverse order entered pursuant to
26 subsection (a) and any such right which the department might
27 otherwise enjoy under the Constitution of Pennsylvania or
28 otherwise is hereby waived, but any department, board or
29 commission of the Commonwealth which contends that the document
30 fails to comply with section 135(a)(6) (relating to requirements

1 to be met by filed documents) may seek judicial review of the
2 order.

3 (c) Exceptions.--

4 (1) Nothing in this section shall impair the right of
5 any person to proceed under section 138 (relating to
6 statement of correction) or of the Attorney General to
7 institute proceedings under section 503 (relating to actions
8 to revoke corporate franchises).

9 (2) A determination by the department with respect to
10 the registrability of a label or other mark under Title 54
11 (relating to names) or otherwise affecting the status of a
12 label or other mark shall be subject to judicial review under
13 Title 2 (relating to administrative law and procedure) and
14 not under this section.

15 § 138. Statement of correction.

16 (a) Filing of statement.--Whenever any document authorized
17 or required to be filed in the Department of State by any
18 provision of this title has been so filed and is an inaccurate
19 record of the corporate or other action therein referred to or
20 was defectively or erroneously executed, the document may be
21 corrected by filing in the department a statement of correction
22 of the document. The statement of correction, except as provided
23 in subsection (c), shall be executed by the association or other
24 person which effected the defective or erroneous filing and
25 shall set forth:

26 (1) The name of the association or other person and,
27 subject to section 109 (relating to name of commercial
28 registered office provider in lieu of registered address),
29 the location, including street and number, if any, of its
30 registered or other office.

1 (2) The statute by or under which the corporation was
2 incorporated, or the preceding filing was made, in the case
3 of a filing which does not constitute a part of the articles
4 of incorporation of a corporation.

5 (3) The inaccuracy or defect to be corrected.

6 (4) The portion of the document requiring correction in
7 corrected form or, if the document was erroneously executed,
8 a statement that the original document shall be deemed
9 reexecuted or stricken from the records of the department, as
10 the case may be.

11 (b) Effect of filing.--

12 (1) The corrected document shall be effective:

13 (i) Upon filing in the department, as to those
14 persons who are substantially and adversely affected by
15 the correction.

16 (ii) As of the date the original document was
17 effective, as to all other persons.

18 (2) No filing under this section shall have the effect
19 of causing original articles of incorporation to be stricken
20 from the records of the department but the articles may be
21 corrected under this section.

22 (c) Filing pursuant to court order.--If the association or
23 other person refuses to file an appropriate statement of
24 correction under this section within ten business days after any
25 person adversely affected has made a written demand therefor,
26 the affected person may apply to the court for an order to
27 compel the filing. If the court finds that a document on file in
28 the department is inaccurate or defective, it may direct the
29 association or other person who effected the defective or
30 erroneous filing to file an appropriate statement of correction

1 in the department or it may order the clerk to execute the
2 statement under the seal of the court and cause the statement to
3 be filed in the department. In the absence of fraud, an
4 application may not be made to a court under this subsection
5 with respect to a document more than one year after the date on
6 which it was originally filed in the department.

7 § 139. Tax clearance of certain fundamental transactions.

8 No domestic corporation shall file articles of merger or
9 consolidation effecting a merger or consolidation into a
10 nonqualified foreign corporation or articles of dissolution or a
11 statement of revival, no qualified foreign corporation shall
12 file an application for termination of authority or similar
13 document in the Department of State and no corporation shall
14 file articles of division dividing solely into nonqualified
15 foreign corporations unless the articles, application or other
16 document are accompanied by:

17 (1) clearance certificates from the Department of
18 Revenue and the Office of Employment Security of the
19 Department of Labor and Industry, evidencing the payment by
20 the corporation of all taxes and charges due the Commonwealth
21 required by law;

22 (2) a statement of assumption of tax liability:

23 (i) executed by the surviving, resulting or
24 withdrawing corporation or accompanying and incorporated
25 by reference into the plan of merger, consolidation or
26 division, stating that the surviving, resulting,
27 withdrawing or new corporation agrees to be liable for
28 payment of all taxes and charges due to the Commonwealth
29 of any and all nonsurviving domestic or qualified foreign
30 corporations or of the withdrawing corporation; or

(ii) executed by one or more of the directors or shareholders, or their attorneys-in-fact, of a dissolving corporation, stating that the signatories agree to be jointly and severally liable for payment of all taxes and charges due to the Commonwealth of the dissolving corporation up to the full amount of the net assets of the corporation available for distribution on dissolution;

if in either case the statement of assumption of tax liability shall have been approved by the Department of Revenue and by the Office of Employment Security of the Department of Labor and Industry, as adequately securing the public revenues; or

(3) evidence of such other arrangement agreed to by the corporation and approved by the Department of Revenue and by the Office of Employment Security of the Department of Labor and Industry, as will adequately secure the public revenues.

SUBCHAPTER C

DEFINITIVE AND CONTINGENT DOMESTICATION OF FOREIGN ASSOCIATIONS

Sec.

151. Domestication of certain foreign associations.

152. Contingent domestication of certain foreign associations.

§ 151. Domestication of certain foreign associations.

(a) General rule.--Except as restricted by subsection (e), any association as defined in subsection (f) may become a domestic association by filing in the Department of State a statement of domestication.

(b) Statement of domestication.--The statement of domestication shall be executed by the association and shall set

1 forth in the English language:

2 (1) The name of the association. If it is in a foreign
3 language, it shall be set forth in Roman letters or
4 characters or Arabic or Roman numerals.

5 (2) The name of the jurisdiction under the laws of which
6 and the date on which it was first formed, incorporated or
7 otherwise came into being.

8 (3) The name of the jurisdiction that constituted the
9 seat, siege social or principal place of business or control
10 administration of the association, or any equivalent under
11 applicable law, immediately prior to the filing of the
12 statement.

13 (4) A statement that upon domestication the association
14 will be a domestic association under the laws of this
15 Commonwealth.

16 (5) A statement that the filing of the statement of
17 domestication and the renunciation of the prior domicile has
18 been authorized (unless its charter or other organic
19 documents require a greater vote) by a majority in interest
20 of the shareholders, members or other proprietors of the
21 association.

22 (c) Execution.--The statement shall be signed on behalf of
23 the association by any authorized person.

24 (d) Effect of domestication.--Upon the filing of the
25 statement of domestication, the association shall be
26 domesticated in this Commonwealth and the association shall
27 thereafter be subject to any applicable provisions of this
28 title, except Subpart B of Part II (relating to business
29 corporations), and to any other provisions of law applicable to
30 associations existing under the laws of this Commonwealth. The

1 domestication of any association in this Commonwealth pursuant
2 to this section shall not be deemed to affect any obligations or
3 liabilities of the association incurred prior to its
4 domestication.

5 (e) Exclusion.--No association which might be domesticated
6 under section 4161 (relating to domestication) shall be
7 domesticated under this section.

8 (f) Definition.--As used in this section the term
9 "association," except as restricted by subsection (e), includes
10 any incorporated organization, private law corporation (whether
11 or not organized for business purposes), public law corporation,
12 partnership, proprietorship, joint venture, foundation, trust,
13 association or similar organization or entity.

14 (g) Cross reference.--See section 134 (relating to docketing
15 statement).

16 § 152. Contingent domestication of certain foreign associations.

17 (a) General rule.--Any association as defined in subsection
18 (i) may become a contingent domestic association by filing in
19 the Department of State a statement of contingent domestication.
20 The statement of contingent domestication and all papers and
21 information relating thereto shall remain confidential and shall
22 not be available for public inspection until and unless the
23 association files a notice of consummation of domestication as
24 provided in subsection (c).

25 (b) Statement of contingent domestication.--The statement of
26 contingent domestication shall be executed by the association
27 and shall set forth in the English language:

28 (1) In the case of a corporation subject to section 4161
29 (relating to domestication), the statements required to be
30 set forth in articles of domestication (except the statement

1 required by section 4161(b)(6)).

2 (2) In the case of any other association, the statements
3 required by section 151(b) (relating to statement of
4 domestication) to be set forth in a statement of
5 domestication (except the statement required by section
6 151(b)(5)).

7 (3) A statement that the effectiveness of the statement
8 is contingent upon the subsequent filing of a notice of
9 consummation of domestication.

10 (4) A statement that the filing of the statement of
11 contingent domestication and the delegation of authority to
12 file a notice of consummation of domestication has been
13 authorized (unless its charter or other organic documents
14 require a greater vote):

15 (i) by a majority vote of the votes cast by all
16 shareholders entitled to vote thereon and, if any class
17 of shares is entitled to vote thereon as a class, a
18 majority of the votes cast in each class vote, in the
19 case of a corporation subject to section 4161; or

20 (ii) by a majority in interest of the shareholders,
21 members or other proprietors of the association in any
22 other case.

23 (c) Notice of consummation of domestication.--At any time
24 after the filing of a statement of contingent domestication, the
25 association may file in the department a notice of consummation
26 of domestication which shall be executed by the association and
27 shall set forth:

28 (1) The name of the association. If it is in a foreign
29 language, it shall be set forth in Roman letters or
30 characters or Arabic or Roman numerals.

1 (2) A statement that either:

2 (i) an emergency condition exists in the
3 jurisdiction the law of which governs the internal
4 affairs of the association and that in the judgment of
5 the management of the association a temporary transfer of
6 the domicile of the association to this Commonwealth is
7 warranted by the circumstances; or

8 (ii) an event has occurred which, under the law of
9 the jurisdiction governing the internal affairs of the
10 association, permits the association to transfer its
11 domicile.

12 (d) Statement of termination of domestication.--At any time
13 after the filing of a notice of consummation of domestication,
14 the association may file in the department a statement of
15 termination of domestication which shall be executed by the
16 association and shall set forth:

17 (1) The name of the association in the form set forth in
18 the prior filings under this section.

19 (2) A statement that the association elects to terminate
20 its domicile in this Commonwealth.

21 (3) A statement that either:

22 (i) the statement of contingent domestication is
23 reinstated pending the filing in the department of a new
24 notice of consummation of domestication; or

25 (ii) the statement of contingent domestication is
26 withdrawn.

27 (e) Method of filing.--Documents may be filed in the
28 department under this section by electronic mail, telecopy,
29 telex or other form of writing, but such filing shall expire if
30 a duly executed duplicate is not filed in the usual format

1 within 30 days after the initial filing. All documents filed
2 under this section shall be signed on behalf of the association
3 by any authorized person.

4 (f) Effect of filing notice of consummation of
5 domestication.--Upon the filing of a notice of consummation of
6 domestication, and until the filing of a notice of revocation of
7 domestication, the association shall have the status under the
8 law of this Commonwealth of:

9 (1) a business corporation domesticated under section
10 4161, in the case of a corporation subject to that section;
11 or

12 (2) an association domesticated under section 151, in
13 any other case.

14 (g) Effect of filing a statement of termination of
15 domestication.--Upon the filing of a statement of termination of
16 domestication, the association shall under the law of this
17 Commonwealth revert to the status it held prior to the filing
18 of:

19 (1) the notice of consummation of domestication, if the
20 statement of termination of domestication states that the
21 statement of contingent domestication is reinstated; or

22 (2) the statement of contingent domestication, if the
23 statement of termination of domestication states that the
24 statement of contingent domestication is withdrawn.

25 (h) Filing fee and annual renewal.--In addition to the
26 filing fees otherwise provided by law, an additional fee of
27 \$1,000 per year or portion thereof shall be payable annually by
28 any association which has in effect any contingent or temporary
29 domiciliary status under this section. A renewal application may
30 be filed between October 1 and December 31 in each year and

shall extend the applicability of this section for the following calendar year. Otherwise the association shall not be entitled to any of the benefits of this section.

(i) Definition.--As used in this section the term "association" includes any incorporated organization, private law corporation (whether or not organized for business purposes), public law corporation, partnership, proprietorship, joint venture, foundation, trust, association or similar organization or entity if such association or entity immediately prior to effecting an initial filing under this section is an association or entity governed by the law of any jurisdiction other than the United States or any state, Puerto Rico or any possession or territory of the United States.

(j) Cross reference.--See section 134 (relating to docketing statement).

PART II

CORPORATIONS

Subpart

A. Corporations Generally

B. Business Corporations

C. (Reserved)

D. (Reserved)

SUBPART A

CORPORATIONS GENERALLY

Chapter

5. Corporations

CHAPTER 5

CORPORATIONS

Subchapter

A. In General

B. Provisions Applicable to Particular Types of
Corporations

SUBCHAPTER A

IN GENERAL

Sec.

501. Reserved power of General Assembly.

502. Application of chapter.

503. Actions to revoke corporate franchises.

504. Validation of certain defective corporations.

505. Validation of certain defective corporate acts.

506. Scope and duration of certain franchises.

§ 501. Reserved power of General Assembly.

(a) General rule.--All charters of private corporations and all present and future common or statutory law with respect to the formation or regulation of private corporations or prescribing powers, rights, duties or liabilities of private corporations or their officers, directors or shareholders may be revoked, amended or repealed.

(b) Scope.--Subsection (a) is applicable to all corporations incorporated under the authority of the Commonwealth or of the late Proprietaries of the Province of Pennsylvania, the General Assembly having found in section 104 of the act of , 1986 (P.L. , No.), known as the Corporation Act of 1986, that all corporations incorporated prior to October 14, 1857, which purported to register under the act of January 18, 1966 (1965 P.L.1443, No.521), referred to as the Registry Act of 1966, or companion statutes, either failed to register effectively or accepted the benefit of a law or laws passed by the General Assembly after 1873 governing the affairs of corporations.

§ 502. Application of chapter.

1 (a) General rule.--Except as otherwise provided in the scope
2 provisions of subsequent provisions of this chapter, this
3 chapter shall apply to and the word "corporation" in this
4 chapter shall mean:

5 (1) A domestic or foreign corporation for profit.

6 (2) A domestic or foreign corporation not-for-profit.

7 (b) Corporations claiming exemption from power of the
8 General Assembly.--Any provision of this chapter otherwise
9 applicable to a corporation claiming exemption from the power of
10 the General Assembly shall be inapplicable to such corporation
11 to the extent, and only to the extent, required by the
12 Constitution of the United States or the Constitution of
13 Pennsylvania, or both.

14 § 503. Actions to revoke corporate franchises.

15 (a) General rule.--The Attorney General may institute
16 proceedings to revoke the articles and franchises of a
17 corporation if it:

18 (1) misused or failed to use its powers, privileges or
19 franchises;

20 (2) procured its articles by fraud; or

21 (3) should not have been incorporated under the
22 statutory authority relied upon.

23 (b) Powers of court.--In every action instituted under
24 subsection (a) the court shall have power to wind up the affairs
25 of and to dissolve the corporation in the manner provided in
26 this part or as otherwise provided by law.

27 § 504. Validation of certain defective corporations.

28 Where heretofore or hereafter any act has been or may be done
29 or any transfer or conveyance of any property has been or may be
30 made to or by any corporation created or intended to be created

1 under any statute hereby supplied or repealed, in good faith,
2 after the approval of the articles or application for a charter
3 or issuance of letters patent but without the actual recording
4 of the original papers with the endorsements thereon, or a
5 certified copy thereof, in the office of any recorder of deeds,
6 as provided in such statutes then in force, the acts, transfers
7 and conveyances shall nevertheless be deemed and taken to be
8 valid and effectual for all purposes, regardless of the omission
9 to record the original papers with the endorsements thereon, or
10 a certified copy thereof, as heretofore required by such
11 statutes. Every such corporation shall be deemed and taken to
12 have been incorporated on the date of approval of its articles
13 or application for a charter or on the date of issuance of its
14 letters patent, whichever event shall have last occurred.

15 § 505. Validation of certain defective corporate acts.

16 Where any corporation governed by this part or created or
17 intended to be created or governed by any statute hereby
18 supplied or repealed has, in good faith, extended its territory
19 or term of existence, changed its name, merged, consolidated or
20 otherwise altered or amended its charter or articles under any
21 statute hereby supplied or repealed but without the actual
22 recording of a document or documents evidencing the corporate
23 action in the office of any recorder of deeds, as provided in
24 such statutes then in force, and a record of the corporate
25 action is on file in the office of the clerk of any court of
26 this Commonwealth or in the Department of State, the corporate
27 action shall nevertheless be deemed and taken to be valid for
28 all purposes, regardless of the omission to record the document
29 or documents as heretofore required by such statutes, and every
30 such corporate action shall be deemed and taken to have been

1 effected upon the filing of the corporate action in the office
2 of the clerk of any court or in the department, or upon the
3 approval of the action, if required, by a court, or by the
4 Governor, Secretary of the Commonwealth or other officer
5 performing corresponding functions with respect to corporate
6 affairs, whichever event has last occurred.

7 § 506. Scope and duration of certain franchises.

8 (a) General rule.--Except as provided in subsection (b),
9 whenever any corporation has sold, assigned, disposed of and
10 conveyed all or any part of its franchises and all or any part
11 of its property, real, personal and mixed, to any other
12 corporation, and the franchises and property have vested in the
13 vendee corporation, or whenever any corporation has heretofore
14 merged or may hereafter merge with and into or consolidate into
15 a surviving or new corporation, the vendee, surviving or new
16 corporation or its successor corporation shall be deemed to
17 possess as a constituent of its own charter, and not as a direct
18 or indirect acquisition from the vendor or nonsurviving
19 corporation, franchise rights of identical scope and character
20 as those originally acquired by it and any of its predecessors
21 in interest from every vendor or nonsurviving predecessor
22 corporation regardless of the fact, if such is the case, that
23 the franchises of any vendor or nonsurviving predecessor
24 corporation, had they been separately existing, would have
25 theretofore expired of their own limitations. The charter of any
26 vendee, surviving, new or successor corporation to which this
27 section may become applicable and all franchise rights thereof
28 attributable under this section or otherwise to or acquired from
29 any vendor or nonsurviving predecessor corporation shall expire
30 upon the same date, which date shall be the later of the dates

1 on which the charter or the most remotely limited of the
2 franchise rights would otherwise expire, and every renewal,
3 extension or change in the term of existence of the vendee,
4 surviving, new or successor corporation by merger, consolidation
5 or otherwise shall inure to the franchise rights attributable to
6 or acquired from all such vendor or nonsurviving predecessor
7 corporations.

8 (b) Exception.--Nothing in this section shall operate to
9 revive any franchise rights heretofore or hereafter expressly
10 surrendered by the affirmative action of any such vendee,
11 surviving, new or successor corporation.

12 SUBCHAPTER B

13 PROVISIONS APPLICABLE TO PARTICULAR

14 TYPES OF CORPORATIONS

15 Sec.

16 521. Pensions and allowances.

17 522. Indemnification of authorized representatives.

18 523. Actions by shareholders or members to enforce a
19 secondary right.

20 § 521. Pensions and allowances.

21 A banking institution, a credit union, an insurance
22 corporation or a savings association may grant allowances or
23 pensions to officers, directors and employees for faithful and
24 long-continued services and, after the death of the officer,
25 director or employee either while in the service of the
26 corporation or after retirement, pensions or allowances may be
27 granted or continued to their dependents. The allowances to
28 dependents shall be reasonable in amount and paid only for a
29 limited time and, unless part of an employee benefit plan or
30 employment contract in effect at the time of retirement or death

1 of the officer, director or employee, shall not exceed in total
2 the amount of the compensation paid to the officer, director or
3 employee during the 12 months preceding retirement or death.

4 § 522. Indemnification of authorized representatives.

5 A banking institution, a credit union, an insurance
6 corporation or a savings association shall be governed by the
7 provisions of Subchapter C of Chapter 17 (relating to
8 indemnification).

9 § 523. Actions by shareholders or members to enforce a
10 secondary right.

11 (a) General rule.--In any action brought to enforce a
12 secondary right on the part of one or more shareholders or
13 members against any officer or director or former officer or
14 director of a banking institution, a credit union, an insurance
15 corporation or a savings association, because the corporation
16 refuses to enforce rights which may properly be asserted by it,
17 the plaintiff or plaintiffs must aver and it must be made to
18 appear that the plaintiff or each plaintiff was a shareholder or
19 was a member of the corporation at the time of the transaction
20 of which he complains or that his stock or membership devolved
21 upon him by operation of law from a person who was a shareholder
22 or member at that time.

23 (b) Security for costs.--In any such action instituted or
24 maintained by a holder or holders of less than 5% of the
25 outstanding shares of any class of the corporation or voting
26 trust certificates therefor, or by a member or members of a
27 corporation organized without capital stock which has
28 outstanding contracts or accounts with its members if the value
29 of the contracts or accounts held or owned by the member or
30 members instituting or maintaining the suit is less than 5% of

1 the value of all the contracts or accounts outstanding, the
2 corporation in whose right the action is brought shall be
3 entitled, at any stage of the proceedings, to require the
4 plaintiff or plaintiffs to give security for the reasonable
5 expenses, including attorneys' fees, which may be incurred by it
6 in connection therewith and for which it may become liable
7 pursuant to section 522 (relating to indemnification of
8 authorized representatives) (but only insofar as relates to
9 mandatory indemnification in actions by or in the right of the
10 corporation) to which security the corporation shall have
11 recourse in such amount as the court having jurisdiction shall
12 determine upon the termination of the action. The amount of the
13 security may, from time to time, be increased or decreased in
14 the discretion of the court having jurisdiction of the action
15 upon showing that the security provided has or may become
16 inadequate or excessive.

17 (c) Definitions.--As used in this section the following
18 words and phrases shall have the meanings given to them in this
19 subsection:

20 "Director." Includes any individual performing the function
21 of director, regardless of title.

22 "Member." Includes depositors in a mutual banking
23 institution.

24 SUBPART B

25 BUSINESS CORPORATIONS

26 Article

27 A. Preliminary Provisions

28 B. Domestic Business Corporations Generally

29 C. Domestic Business Corporation Ancillaries

30 D. Foreign Business Corporations

1 ARTICLE A
2 PRELIMINARY PROVISIONS

3 Chapter

4 11. General Provisions

5 CHAPTER 11

6 GENERAL PROVISIONS

7 Sec.

8 1101. Short titles.

9 1102. Application of subpart.

10 1103. Definitions.

11 1104. Other general provisions.

12 1105. Restriction on equitable relief.

13 1106. Uniform application of subpart.

14 1107. Limitation on incorporation.

15 1108. Execution of documents.

16 § 1101. Short titles.

17 (a) Title of subpart.--This subpart shall be known and may
18 be cited as the Business Corporation Law of 1986.

19 (b) Prior law.--The act of May 5, 1933 (P.L.364, No.106)
20 shall be known and may be cited as the Business Corporation Law
21 of 1933.

22 § 1102. Application of subpart.

23 (a) General rule.--Except as otherwise provided in this
24 section, in the scope provisions of subsequent provisions of
25 this subpart or where the context clearly indicates otherwise,
26 this subpart shall apply to and the words "corporation" or
27 "business corporation" in this subpart shall mean a domestic
28 corporation for profit. See section 101(b) (relating to
29 application of title).

30 (b) Exclusions.--This subpart shall not apply to any of the

1 following corporations, whether proposed or existing, except as
2 otherwise expressly provided in this subpart or as otherwise
3 provided by statute applicable to the corporation:

4 (1) A banking institution.

5 (2) A credit union.

6 (3) A domestic or foreign insurance corporation.

7 (4) A savings association.

8 (c) Cooperative corporations.--This subpart shall apply to a
9 domestic corporation for profit organized on the cooperative
10 principle only to the extent, if any, provided by Subpart D
11 (relating to cooperative corporations).

12 (d) Business corporation ancillaries.--The domestic
13 corporation provisions of this subpart shall apply to any of the
14 following corporations, whether proposed or existing, except as
15 otherwise expressly provided by statute applicable to the
16 corporation:

17 (1) A business development credit corporation.

18 (2) Any other domestic corporation for profit
19 incorporated under or subject to a statute which provides
20 that the corporate affairs of the corporation shall be
21 governed by the laws applicable to domestic business
22 corporations.

23 § 1103. Definitions.

24 Subject to additional definitions contained in subsequent
25 provisions of this subpart which are applicable to specific
26 provisions of this subpart, the following words and phrases when
27 used in this subpart shall have the meanings given to them in
28 this section unless the context clearly indicates otherwise:

29 "Amendment." An amendment of the articles.

30 "Articles." The original articles of incorporation, all

1 amendments thereof, and any other articles, statements or
2 certificates permitted or required to be filed in the Department
3 of State by sections 108 (relating to change in location or
4 status of registered office provided by agent) and 138 (relating
5 to statement of correction) or this subpart and including what
6 have heretofore been designated by law as certificates of
7 incorporation or charters. If an amendment of the articles or
8 articles of merger or division made in the manner permitted by
9 this subpart restates articles in their entirety or if there are
10 articles of consolidation, conversion or domestication,
11 thenceforth the "articles" shall not include any prior documents
12 and any certificate issued by the department with respect
13 thereto shall so state.

14 "Authorized shares." The shares of all classes which the
15 corporation is authorized to issue.

16 "Banking institution" or "domestic banking institution." A
17 domestic corporation for profit which is an institution as
18 defined in the act of November 30, 1965 (P.L.847, No.356), known
19 as the Banking Code of 1965.

20 "Board of directors" or "board." The persons selected under
21 section 1725 (relating to selection of directors) irrespective
22 of the name by which the group is designated in the articles.
23 See section 1731(c) (relating to status of committee action).

24 "Business corporation" or "domestic business corporation." A
25 domestic corporation for profit which is not excluded from the
26 scope of this subpart by section 1102 (relating to application
27 of subpart).

28 "Business development credit corporation." A domestic
29 corporation for profit which is a corporation as defined in the
30 act of December 1, 1959 (P.L.1647, No.606), known as the

1 Business Development Credit Corporation Law.

2 "Bylaws." See section 1504(c) (relating to bylaw provisions
3 in articles).

4 "Closely-held corporation." A business corporation which:

5 (1) has not more than 30 shareholders; or

6 (2) is a statutory close corporation.

7 Shares that are held jointly or in common or in trust by two or
8 more persons, as fiduciaries or otherwise, or that are held by
9 spouses shall be deemed to be held by one shareholder for the
10 purposes of this definition.

11 "Corporation for profit." A corporation incorporated for a
12 purpose or purposes involving pecuniary profit, incidental or
13 otherwise, to its shareholders or members.

14 "Corporation not-for-profit." A corporation not incorporated
15 for a purpose or purposes involving pecuniary profit, incidental
16 or otherwise.

17 "Court." Subject to any inconsistent general rule prescribed
18 by the Supreme Court of Pennsylvania:

19 (1) the court of common pleas of the judicial district
20 embracing the county where the registered office of the
21 corporation is or is to be located; or

22 (2) where a corporation results from a merger,
23 consolidation, division or other transaction without
24 establishing a registered office in this Commonwealth or
25 withdraws as a foreign corporation, the court of common pleas
26 in which venue would have been laid immediately prior to the
27 transaction or withdrawal.

28 "Credit union" or "domestic credit union." A domestic
29 corporation for profit which is a credit union as defined in the
30 act of September 20, 1961 (P.L.1548, No.658), known as the

1 Credit Union Act.

2 "Department." The Department of State of the Commonwealth.

3 "Directors." The term, when used in relation to any power or
4 duty requiring collective action, shall be construed to mean
5 "board of directors."

6 "Disparate treatment." A provision of an amendment or plan
7 permitted by section 1906 (relating to disparate treatment of
8 holders of shares of same class or series).

9 "Dissenters rights." The rights and remedies provided by
10 Subchapter D of Chapter 15 (relating to dissenters rights).

11 "Distribution." A direct or indirect transfer of money or
12 other property (except its own shares) or incurrence of
13 indebtedness by a corporation to or for the benefit of any of
14 its shareholders in respect of any of its shares whether by
15 dividend or by purchase, redemption or other acquisition of its
16 shares or otherwise.

17 "Domestic corporation for profit." A corporation for profit
18 incorporated under the laws of this Commonwealth.

19 "Domestic corporation not-for-profit." A corporation not-
20 for-profit incorporated under the laws of this Commonwealth.

21 "Employee." Includes officers but not directors, as such.
22 See section 1730 (relating to compensation of directors) as to
23 acceptance by a director of duties which make him also an
24 employee.

25 "Entitled to vote." Those persons entitled at the time to
26 vote on the matter under the articles or bylaws of the
27 corporation, any applicable controlling provision of law, or a
28 plan or the terms of a fundamental transaction where dissenters
29 rights are not available under section 1571(b)(2)(ii) (relating
30 to exceptions).

1 "Fair value." In the case of shares, fair value as
2 determined under the standards and procedures provided by
3 Subchapter D of Chapter 15 (relating to dissenters rights).

4 "Foreign business corporation." A foreign corporation for
5 profit subject to Chapter 41 (relating to foreign business
6 corporations), whether or not required to qualify thereunder.

7 "Foreign corporation for profit." A corporation for profit
8 incorporated under any laws other than those of this
9 Commonwealth.

10 "Foreign corporation not-for-profit." A corporation not-for-
11 profit incorporated under any laws other than those of this
12 Commonwealth.

13 "Foreign domiciliary corporation." A foreign business
14 corporation defined in section 4102 (relating to foreign
15 domiciliary corporations).

16 "Foreign insurance corporation." A corporation for profit
17 incorporated under any laws other than those of this
18 Commonwealth which is qualified to do business in this
19 Commonwealth under the act of May 17, 1921 (P.L.682, No.284),
20 known as The Insurance Company Law of 1921.

21 "Full age." Of the age of 18 years or older.

22 "Incorporator." A signer of the original articles of
23 incorporation.

24 "Insurance corporation" or "domestic insurance corporation."
25 A domestic corporation for profit which is incorporated under or
26 subject to The Insurance Company Law of 1921 or any statute
27 relating to the incorporation or reincorporation of limited life
28 insurance companies.

29 "Issue." Includes sale or other disposition of a security
30 previously issued by the corporation and thereafter acquired by

1 it.

2 "Management corporation." A business corporation which has
3 elected to become subject to Chapter 27 (relating to management
4 corporations) and whose status as a management corporation has
5 not been terminated as provided in Chapter 27.

6 "Nonprofit corporation." A domestic corporation not-for-
7 profit defined in section 7103 (relating to definitions).

8 "Nonqualified foreign business corporation." A foreign
9 business corporation which is not a qualified foreign business
10 corporation as defined in this section.

11 "Nonstock corporation." A business corporation which has
12 elected to become subject to Chapter 21 (relating to nonstock
13 corporations) and whose status as a nonstock corporation has not
14 been terminated as provided in Chapter 21.

15 "Obligation." Includes a note or other form of indebtedness,
16 whether secured or unsecured.

17 "Officer." If a corporation is in the hands of a custodian,
18 receiver, trustee or like official, the term includes that
19 official or any person appointed by that official to act as an
20 officer for any purpose under this subpart.

21 "Officially publish." Publish in two newspapers of general
22 circulation in the English language in the county in which the
23 registered office of the corporation is located, or in the case
24 of a proposed corporation is to be located, one of which shall
25 be the legal newspaper, if any, designated by the rules of court
26 for the publication of legal notices or, if there is no legal
27 newspaper, in two newspapers of general circulation in the
28 county. When there is but one newspaper of general circulation
29 in any county, advertisement in that newspaper shall be
30 sufficient. Where no other frequency is specified, the notice

1 shall be published one time in the appropriate newspaper or
2 newspapers. See section 109(a)(2) (relating to name of
3 commercial registered office provider in lieu of registered
4 address).

5 "Plan." A plan of reclassification, merger, consolidation,
6 exchange, asset transfer, division or conversion.

7 "Preference." A right in one class or series of shares which
8 is senior to any right in a junior class or series of shares:

9 (1) as to the right to payment of dividends;

10 (2) as to the right to distribution of assets upon
11 redemption of shares or upon the voluntary or involuntary
12 liquidation of the corporation; or

13 (3) as to both dividends and assets.

14 "Professional corporation." A business corporation which has
15 elected to become subject to Chapter 29 (relating to
16 professional corporations) and whose status as a professional
17 corporation has not been terminated as provided in Chapter 29.

18 "Public utility corporation." Any domestic or foreign
19 corporation for profit which:

20 (1) is subject to regulation as a public utility by the
21 Pennsylvania Public Utility Commission or an officer or
22 agency of the United States; or

23 (2) was subject to such regulation on December 31, 1980
24 or would have been so subject if it had been then existing.

25 "Qualified foreign business corporation." A foreign business
26 corporation authorized under Chapter 41 (relating to foreign
27 business corporations) to do business in this Commonwealth.

28 "Reclassification." A change in the number, voting rights,
29 designations, preferences, limitations, special rights or par
30 value of shares, or a conversion or exchange of one class or

1 series of shares into or for another class or series of shares
2 of the same corporation, or the cancellation of shares. The term
3 does not include a stock dividend or split effected by
4 distribution of its own previously authorized shares pro rata to
5 the holders of shares of the same or any other class or series
6 pursuant to action solely of the board of directors.

7 "Registered corporation." A corporation defined in section
8 2502 (relating to registered corporation status).

9 "Registered office." That office maintained by a corporation
10 in this Commonwealth, the address of which is filed with the
11 Department of State. See section 109 (relating to name of
12 commercial registered office provider in lieu of registered
13 address).

14 "Representative." When used with respect to an association,
15 joint venture, trust or other enterprise, means a director,
16 officer, employee or agent thereof. The term does not imply that
17 a director, as such, is an agent of a corporation.

18 "Savings association" or "domestic savings association." A
19 domestic corporation for profit which is an association as
20 defined in the act of December 14, 1967 (P.L.746, No.345), known
21 as the Savings Association Code of 1967.

22 "Share certificate." A written instrument signed on behalf
23 of the corporation evidencing the fact that the person therein
24 named is the record owner of the shares therein described.

25 "Shareholder." A record holder or record owner of shares of
26 a corporation, including a subscriber to shares. The term, when
27 used in relation to the taking of corporate action, includes the
28 proxy of a shareholder. If and to the extent the articles confer
29 rights of shareholders upon holders of obligations of the
30 corporation or governmental or other entities pursuant to any

1 provision of this subpart or other provision of law, the term
2 shall be construed to include those holders and governmental or
3 other entities.

4 "Shares." The units into which the rights of the
5 shareholders to participate in the control of a corporation, in
6 its profits or in the distribution of its assets are divided.

7 "Statutory close corporation." A business corporation which
8 has elected to become subject to Chapter 23 (relating to
9 statutory close corporations) and whose status as a statutory
10 close corporation has not been terminated as provided in Chapter
11 23.

12 "Subscriber." One who subscribes for or otherwise takes
13 shares by agreement from the issuing corporation, whether before
14 or after incorporation.

15 "Subscription." The promise to pay a consideration or the
16 agreement fixing the amount of the consideration paid or to be
17 paid for shares by a subscriber.

18 "Unless (or "except as") otherwise provided." When used to
19 introduce or modify a rule, implies that the alternative
20 provisions contemplated may either relax or restrict the stated
21 rule.

22 "Unless (or "except as") otherwise restricted." When used to
23 introduce or modify a rule, implies that the alternative
24 provisions contemplated may further restrict, but may not relax,
25 the stated rule.

26 "Voting" or "casting a vote." The term does not include
27 either recording the fact of abstention or failing to vote for a
28 candidate or for approval or disapproval of a matter, whether or
29 not the person entitled to vote characterizes the conduct as
30 voting or casting a vote.

1 § 1104. Other general provisions.

2 The following provisions of this title are applicable to
3 corporations subject to this subpart:

4 Section 101 (relating to short title and application of
5 title).

6 Section 102 (relating to definitions).

7 Section 103 (relating to subordination of title to
8 regulatory laws).

9 Section 104 (relating to equitable remedies).

10 Section 105 (relating to fees).

11 Section 106 (relating to effect of filing papers required
12 to be filed).

13 Section 107 (relating to form of records).

14 Section 108 (relating to change in location or status of
15 registered office provided by agent).

16 Section 109 (relating to name of commercial registered
17 office provider in lieu of registered address).

18 Section 110 (relating to supplementary general principles
19 of law applicable).

20 Section 132 (relating to functions of Department of
21 State).

22 Section 133 (relating to powers of Department of State).

23 Section 134 (relating to docketing statement).

24 Section 135 (relating to requirements to be met by filed
25 documents).

26 Section 136 (relating to processing of documents by
27 Department of State).

28 Section 137 (relating to court to pass upon rejection of
29 documents by Department of State).

30 Section 138 (relating to statement of correction).

1 Section 139 (relating to tax clearance of certain
2 fundamental transactions).

3 Section 152 (relating to contingent domestication of
4 certain foreign associations).

5 Section 501 (relating to reserved power of General
6 Assembly).

7 Section 503 (relating to actions to revoke corporate
8 franchises).

9 Section 504 (relating to validation of certain defective
10 corporations).

11 Section 505 (relating to validation of certain defective
12 corporate acts).

13 Section 506 (relating to scope and duration of certain
14 franchises).

15 § 1105. Restriction on equitable relief.

16 A shareholder of a business corporation shall not have any
17 right to obtain, in the absence of fraud or fundamental
18 unfairness, an injunction against any proposed plan or amendment
19 of articles authorized under any provision of this subpart, nor
20 to claim the right to valuation and payment of the fair value of
21 his shares because of the plan or amendment, except that he may
22 dissent and claim payment if and to the extent provided in
23 Subchapter D of Chapter 15 (relating to dissenters rights) where
24 this subpart expressly provides that dissenting shareholders
25 shall have the rights and remedies provided in that subchapter.
26 The rights and remedies so provided shall, in the absence of
27 fraud or fundamental unfairness, be exclusive. Structuring a
28 plan or transaction for the purpose or with the effect of
29 eliminating or avoiding the application of dissenters rights is
30 not fraud or fundamental unfairness within the meaning of this

1 section.

2 § 1106. Uniform application of subpart.

3 (a) General rule.--Except as provided in subsection (b),
4 this subpart and its amendments are intended to provide uniform
5 rules for the government and regulation of the affairs of
6 business corporations and of their officers, directors and
7 shareholders regardless of the date or manner of incorporation
8 or qualification, or of the issuance of any shares thereof.

9 (b) Exceptions.--

10 (1) Unless expressly provided otherwise in any amendment
11 to this subpart, the amendment shall take effect only
12 prospectively.

13 (2) An existing corporation lawfully using a name or, as
14 part of its name, a word which could not be used as or
15 included in the name of a corporation hereafter incorporated
16 or qualified under this subpart may continue to use the name
17 or word as part of its name if the use or inclusion of the
18 word or name was lawful when first adopted by the corporation
19 in this Commonwealth.

20 (3) Nothing in subsection (a) shall adversely affect the
21 rights specifically provided for or saved in this subpart
22 including, without limiting the generality of the foregoing,
23 the following:

24 (i) The provisions of section 1524(e) (relating to
25 transitional provision).

26 (ii) The provisions of section 1554(b) (relating to
27 transitional provision).

28 (iii) The cumulative voting rights set forth in
29 section 1758(c)(2) (relating to cumulative voting).

30 (iv) The class voting rights upon certain amendments

1 of articles set forth in section 1914(b)(3) (relating to
2 statutory voting rights).

3 (v) The special voting requirements specified in
4 section 1952(h) (relating to special requirements).

5 (vi) The provisions of section 2301(d) (relating to
6 transitional provisions).

7 (vii) The provisions of section 2501(c) (relating to
8 effect of a contrary bylaw).

9 (viii) The provisions of section 2538(a)(1), (g) and
10 (h)(3) (relating to right of shareholders to receive
11 payment for shares following a control transaction).

12 § 1107. Limitation on incorporation.

13 A corporation which can be incorporated under this subpart
14 shall not be incorporated hereafter except under the provisions
15 of this subpart.

16 § 1108. Execution of documents.

17 (a) General rule.--Any document filed in the Department of
18 State under this title by a domestic or foreign business
19 corporation subject to this subpart may be executed on behalf of
20 the corporation by any one duly authorized officer thereof. The
21 corporate seal may be affixed and attested but the affixation or
22 attestation of the corporate seal shall not be necessary for the
23 due execution of any filing by a corporation under this title.

24 (b) Cross reference.--See section 135 (relating to
25 requirements to be met by filed documents).

26 ARTICLE B

27 DOMESTIC BUSINESS CORPORATIONS GENERALLY

28 Chapter

29 13. Incorporation

30 15. Corporate Powers, Duties and Safeguards

1 17. Officers, Directors and Shareholders

2 19. Fundamental Changes

3 CHAPTER 13

4 INCORPORATION

5 Subchapter

6 A. Incorporation Generally

7 B. Revival

8 SUBCHAPTER A

9 INCORPORATION GENERALLY

10 Sec.

11 1301. Purposes.

12 1302. Number and qualifications of incorporators.

13 1303. Corporate name.

14 1304. Required name changes by senior corporations.

15 1305. Reservation of corporate name.

16 1306. Articles of incorporation.

17 1307. Advertisement.

18 1308. Filing of articles.

19 1309. Effect of filing of articles of incorporation.

20 1310. Organization meeting.

21 1311. Filing of statement of summary of record by certain

22 corporations.

23 § 1301. Purposes.

24 Corporations may be incorporated under this subpart for any

25 lawful purpose or purposes. Unless otherwise restricted in its

26 articles, every business corporation has as its corporate

27 purpose the engaging in all lawful business for which

28 corporations may be incorporated under this subpart.

29 § 1302. Number and qualifications of incorporators.

30 One or more corporations for profit or not-for-profit or

1 natural persons of full age may incorporate a business
2 corporation under the provisions of this subpart.

3 § 1303. Corporate name.

4 (a) General rule.--The corporate name may be in any
5 language, but must be expressed in Roman letters or characters
6 or Arabic or Roman numerals, and shall contain:

7 (1) the word "corporation," "company," "incorporated" or
8 "limited" or an abbreviation thereof;

9 (2) the word "association," "fund" or "syndicate"; or

10 (3) words or abbreviations of like import in languages
11 other than English.

12 (b) Duplicate use of names.--The corporate name shall not be
13 the same as or confusingly similar to:

14 (1) The name of any other domestic corporation for
15 profit or not-for-profit, or of any foreign corporation for
16 profit or not-for-profit authorized to do business in this
17 Commonwealth, or of any domestic or foreign limited
18 partnership which has filed a certificate or qualified under
19 59 Pa.C.S. Ch. 5 (relating to limited partnerships), or the
20 name of any association registered at any time under 54
21 Pa.C.S. Ch. 5 (relating to corporate and other association
22 names), unless:

23 (i) where the name is the same or confusingly
24 similar, the other association:

25 (A) has stated that it is about to change its
26 name, or to cease to do business, or is being wound
27 up, or is a foreign association about to withdraw
28 from doing business in this Commonwealth, and the
29 statement and the written consent of the other
30 association to the adoption of the name is filed in

1 the Department of State;

2 (B) has filed with the Department of Revenue a
3 certificate of out of existence, or has failed for a
4 period of three successive years to file with the
5 Department of State or the Department of Revenue a
6 report or return required by law, and in the case of
7 a failure to file with the Department of Revenue, the
8 fact of such failure has been certified by the
9 Department of Revenue to the Department of State;

10 (C) has abandoned its name under the laws of its
11 jurisdiction of incorporation, by amendment, merger,
12 consolidation, division, expiration, dissolution or
13 otherwise, without its name being adopted by a
14 successor in a merger, consolidation, division or
15 otherwise, and an official record of that fact,
16 certified as provided by 42 Pa.C.S. § 5328 (relating
17 to proof of official records), is presented by any
18 person to the department; or

19 (D) has had the registration of its name under
20 54 Pa.C.S. Ch. 5 terminated and, if the termination
21 was effected by operation of 54 Pa.C.S. § 504
22 (relating to effect of failure to make decennial
23 filings), the application for the use of the name is
24 accompanied by a verified statement stating that at
25 least 30 days' written notice of intention to
26 appropriate the name was given to the delinquent
27 association at its registered office and that, after
28 diligent search by the affiant, the affiant believes
29 the association to be out of existence; or

30 (ii) where the name is confusingly similar, the

1 consent of the other association to the adoption of the
2 name is filed in the Department of State.

3 The consent of the association shall be evidenced by a
4 certificate to that effect executed by the association.

5 (2) A name the exclusive right to which is at the time
6 reserved by any other person whatsoever in the manner
7 provided by statute. A name shall be rendered unavailable for
8 corporate use by reason of the filing in the Department of
9 State of any assumed or fictitious name required by 54
10 Pa.C.S. Ch. 3 (relating to fictitious names) to be filed in
11 the department only if and to the extent expressly so
12 provided in that chapter.

13 (c) Required approvals or conditions.--

14 (1) The corporate name shall not imply that the
15 corporation is:

16 (i) A governmental agency of the Commonwealth or of
17 the United States.

18 (ii) A bank, bank and trust company, savings bank,
19 private bank or trust company, as defined in the act of
20 November 30, 1965 (P.L.847, No.356), known as the Banking
21 Code of 1965, unless the corporation or proposed
22 corporation is a Pennsylvania bank holding company or is
23 otherwise authorized by statute to use its proposed name.

24 (iii) An insurance company which could be
25 incorporated under the act of May 17, 1921 (P.L.682,
26 No.284), known as The Insurance Company Law of 1921.

27 (iv) A public utility corporation furnishing
28 electric or gas service to the public, unless the
29 corporation or proposed corporation has as an express
30 corporate purpose the furnishing of service subject to

1 the jurisdiction of the Pennsylvania Public Utility
2 Commission or the Federal Energy Regulatory Commission.

3 (2) The corporate name shall not contain:

4 (i) The word "college," "university" or "seminary"
5 when used in such a way as to imply that it is an
6 educational institution conforming to the standards and
7 qualifications prescribed by the State Board of
8 Education, unless there is submitted a certificate from
9 the Department of Education certifying that the
10 corporation or proposed corporation is entitled to use
11 that designation.

12 (ii) Words that constitute blasphemy, profane
13 cursing or swearing or that profane the Lord's name.

14 (iii) The words "engineer" or "engineering" or
15 "surveyor" or "surveying" or any other word implying that
16 any form of the practice of engineering or surveying as
17 defined in the act of May 23, 1945 (P.L.913, No.367),
18 known as the Professional Engineers Registration Law, is
19 provided unless at least one of the incorporators of a
20 proposed corporation or the directors of the existing
21 corporation has been properly registered with the State
22 Registration Board for Professional Engineers in the
23 practice of engineering or surveying and there is
24 submitted to the department a certificate from the board
25 to that effect.

26 (iv) The word "cooperative" or an abbreviation
27 thereof unless the corporation is a cooperative
28 corporation.

29 (d) Other rights unaffected.--This section shall not
30 abrogate or limit the law as to unfair competition or unfair

1 practices nor derogate from the common law, the principles of
2 equity or the provisions of Title 54 (relating to names) with
3 respect to the right to acquire and protect trade names.

4 Subsection (b) shall not apply if the applicant files in the
5 department a certified copy of a final order of a court of
6 competent jurisdiction establishing the prior right of the
7 applicant to the use of a name in this Commonwealth.

8 (e) Remedies for violation of section.--The use of a name in
9 violation of this section shall not vitiate or otherwise affect
10 the corporate existence but any court of competent jurisdiction,
11 upon the application of:

12 (1) the Attorney General, acting on his own motion or at
13 the instance of any administrative department, board or
14 commission of this Commonwealth; or

15 (2) any person adversely affected;
16 may enjoin the corporation from using or continuing to use a
17 name in violation of this section.

18 § 1304. Required name changes by senior corporations.

19 (a) Adoption of new name upon reactivation.--Where a
20 corporate name is made available on the basis that the
21 corporation or other association which formerly registered the
22 name has failed to file in the Department of Revenue or in the
23 Department of State a report or a return required by law or
24 where the corporation or other association has filed in the
25 Department of Revenue a certificate of out of existence, the
26 corporation or other association shall cease to have by virtue
27 of its prior registration any right to the use of the name. The
28 corporation or other association, upon withdrawal of the
29 certificate of out of existence or upon the removal of its
30 delinquency in the filing of the required reports or returns,

1 shall make inquiry with the Department of State with regard to
2 the availability of its name and, if the name has been made
3 available to another domestic or foreign corporation for profit
4 or not-for-profit or other association by virtue of these
5 conditions, shall adopt a new name in accordance with law before
6 resuming its activities.

7 (b) Enforcement of undertaking to release name.--If a
8 corporation has used a name the same as or confusingly similar
9 to the name of another corporation or other association as
10 permitted by section 1303(b)(1)(i) (relating to duplicate use of
11 names) and the other corporation or other association continues
12 to use its name in this Commonwealth and does not change its
13 name, cease to do business, be wound up or withdraw as it
14 proposed to do in its consent or change its name as required by
15 subsection (a), any court of competent jurisdiction, upon the
16 application of:

17 (1) the Attorney General, acting on his own motion or at
18 the instance of any administrative department, board or
19 commission of this Commonwealth; or

20 (2) any person adversely affected;
21 may enjoin the other corporation or other association from
22 continuing to use its name or a confusingly similar name.

23 § 1305. Reservation of corporate name.

24 (a) General rule.--The exclusive right to the use of a
25 corporate name may be reserved by any person. The reservation
26 shall be made by delivering to the Department of State an
27 application to reserve a specified corporate name, executed by
28 the applicant. If the department finds that the name is
29 available for corporate use, it shall reserve the name for the
30 exclusive use of the applicant for a period of 120 days.

1 (b) Transfer of reservation.--The right to exclusive use of
2 a specified corporate name reserved under subsection (a) may be
3 transferred to any other person by delivering to the department
4 a notice of the transfer, executed by the person who reserved
5 the name, and specifying the name and address of the transferee.

6 (c) Cross references.--See sections 134 (relating to
7 docketing statement) and 4131 (relating to registration of
8 name).

9 § 1306. Articles of incorporation.

10 (a) General rule.--Articles of incorporation shall be signed
11 by each of the incorporators and shall set forth in the English
12 language:

13 (1) The name of the corporation, unless the name is in a
14 foreign language in which case it shall be set forth in Roman
15 letters or characters or Arabic or Roman numerals.

16 (2) Subject to section 109 (relating to name of
17 commercial registered office provider in lieu of registered
18 address), the address, including street and number, if any,
19 of its initial registered office in this Commonwealth.

20 (3) A statement that the corporation is incorporated
21 under the provisions of the Business Corporation Law of 1986.

22 (4) A statement that the corporation is to be organized
23 upon a nonstock basis, or if it is to be organized on a stock
24 share basis:

25 (i) The aggregate number of shares which the
26 corporation shall have authority to issue. It shall not
27 be necessary to set forth in the articles the
28 designations of the classes of shares of the corporation,
29 or the maximum number of shares of each class which may
30 be issued.

1 (ii) A statement of the voting rights, designations,
2 preferences, limitations and special rights in respect of
3 the shares of any class or any series of any class, to
4 the extent that they have been determined.

5 (iii) A statement of any authority vested in the
6 board of directors to divide the shares into classes or
7 series, or both, and to determine or change for any class
8 or series its voting rights, designations, preferences,
9 limitations and special rights.

10 (5) The name and address, including street and number,
11 if any, of each of the incorporators.

12 (6) The term for which the corporation is to exist, if
13 not perpetual.

14 (7) If the articles are to be effective on a specified
15 date, the hour, if any, and the month, day and year of the
16 effective date.

17 (8) Any other provisions which the incorporators may
18 choose to insert if:

19 (i) any provision of this subpart authorizes or
20 requires provisions pertaining to the subject matter
21 thereof to be set forth in the articles or bylaws of a
22 business corporation or in an agreement or other
23 instrument; or

24 (ii) the provisions, whether or not specifically
25 authorized by this subpart, relate to the purpose or
26 purposes of the corporation, the management of its
27 business or affairs or the rights, powers or duties of
28 its securityholders, directors or officers.

29 The articles may but need not set forth a par value for any
30 authorized shares or class of shares.

1 (b) Written consent to naming directors.--The naming of
2 directors in articles of incorporation shall constitute an
3 affirmation that the directors have consented in writing to
4 serve as such.

5 § 1307. Advertisement.

6 The incorporators or the corporation shall officially publish
7 a notice of intention to file or of the filing of articles of
8 incorporation. The notice may appear prior to or after the day
9 the articles of incorporation are filed in the Department of
10 State and shall set forth briefly:

11 (1) The name of the proposed corporation.

12 (2) A statement that the corporation is to be or has
13 been incorporated under the provisions of the Business
14 Corporation Law of 1986.

15 § 1308. Filing of articles.

16 (a) General rule.--The articles of incorporation shall be
17 filed in the Department of State.

18 (b) Cross reference.--See section 134 (relating to docketing
19 statement).

20 § 1309. Effect of filing of articles of incorporation.

21 Upon the filing of the articles of incorporation in the
22 Department of State or upon the effective date specified in the
23 articles of incorporation, whichever is later, the corporate
24 existence shall begin. Subject to the provisions of section 503
25 (relating to actions to revoke corporate franchises), the
26 articles of incorporation filed in the department, or recorded
27 in the office of the recorder of deeds under the former
28 provisions of law, shall be conclusive evidence of the fact that
29 the corporation has been incorporated.

30 § 1310. Organization meeting.

1 (a) General rule.--After the corporate existence begins, an
2 organization meeting of the initial directors or, if directors
3 are not named in the articles, of the incorporator or
4 incorporators shall be held, within or without this
5 Commonwealth, for the purpose of adopting bylaws which they
6 shall have authority to do at the meeting, of electing
7 directors, if directors are not named in the articles, and the
8 transaction of such other business as may come before the
9 meeting. A bylaw adopted at the organization meeting of
10 directors or incorporators shall be deemed to be a bylaw adopted
11 by the shareholders for the purposes of this subpart and of any
12 other provision of law.

13 (b) Call of and action at meeting.--The meeting may be held
14 at the call of any director or, if directors are not named in
15 the articles, of any incorporator, who shall give at least five
16 days' written notice thereof to each other director or
17 incorporator, which notice shall set forth the time and place of
18 the meeting. For the purposes of this section, any incorporator
19 may act in person, by written consent or by proxy signed by him
20 or his attorney-in-fact.

21 (c) Death or incapacity of directors or incorporators.--If a
22 designated director or an incorporator dies or is for any reason
23 unable to act at the meeting, the other or others may act. If
24 there is no other designated director or incorporator able to
25 act, any person for whom an incorporator was acting as agent may
26 act or appoint another to act in his stead.

27 § 1311. Filing of statement of summary of record by certain
28 corporations.

29 (a) General rule.--Any business corporation, any of the
30 valid charter documents of which are not on file in the

1 Department of State and which desires to file any document in
2 the department under any other provision of this subpart or
3 which desires to secure from the department any certificate to
4 the effect that the corporation is a corporation duly
5 incorporated and existing under the laws of this Commonwealth or
6 a certified copy of the articles of the corporation, shall file
7 in the department a statement of summary of record which shall
8 be executed by the corporation and shall set forth:

9 (1) The name of the corporation and, subject to section
10 109 (relating to name of commercial registered office
11 provider in lieu of registered address), the location,
12 including street and number, if any, of its registered
13 office.

14 (2) The statute by or under which the corporation was
15 incorporated.

16 (3) The name under which, the manner in which and the
17 date on which the corporation was originally incorporated,
18 including the date when and the place where the original
19 articles were recorded.

20 (4) The place or places, including volume and page
21 numbers or their equivalent, where the documents constituting
22 the currently effective articles are filed or recorded, the
23 date or dates of each filing or recording and the text of the
24 currently effective articles. The information specified in
25 this paragraph may be omitted in a statement of summary of
26 record which is delivered to the department contemporaneously
27 with amended and restated articles of the corporation filed
28 under this subpart.

29 (5) Each name by which the corporation was known, if
30 any, other than its original name and its current name, and

1 the date or dates on which each change of name of the
2 corporation became effective.

3 (6) In the case of any entity brought within the scope
4 of Chapter 29 (relating to professional corporations) by or
5 pursuant to section 2905 (relating to election of
6 professional associations to become professional
7 corporations), amended and restated articles of incorporation
8 which shall include all of the information required to be set
9 forth in restated articles of a professional corporation.

10 A corporation shall be required to make only one filing under
11 this subsection.

12 (b) Validation of prior defects in incorporation.--Upon the
13 filing of a statement under this section, the corporation named
14 in the statement shall be deemed to be a validly subsisting
15 corporation to the same extent as if it had been duly
16 incorporated and was existing under this subpart and the
17 department shall so certify regardless of any absence of or
18 defect in the prior proceedings relating to incorporation.

19 (c) Cross reference.--See section 134 (relating to docketing
20 statement).

21 SUBCHAPTER B

22 REVIVAL

23 Sec.

24 1341. Statement of revival.

25 § 1341. Statement of revival.

26 (a) General rule.--Any business corporation whose charter or
27 articles have been forfeited by proclamation of the Governor
28 pursuant to section 1704 of the act of April 9, 1929 (P.L.343,
29 No.176), known as The Fiscal Code, or otherwise, or whose
30 corporate existence has expired by reason of any limitation

1 contained in its charter or articles and the failure to effect a
2 timely renewal or extension of its corporate existence, may at
3 any time by filing a statement of revival procure a revival of
4 its charter or articles, together with all the rights,
5 franchises, privileges and immunities and subject to all of its
6 duties, debts and liabilities which had been vested in and
7 imposed upon the corporation by its charter or articles as last
8 in effect.

9 (b) Contents of statement.--The statement of revival shall
10 be executed in the name of the forfeited or expired corporation
11 and shall, subject to section 109 (relating to name of
12 commercial registered office provider in lieu of registered
13 address), set forth:

14 (1) The name of the corporation at the time its charter
15 or articles were forfeited or expired and the address,
16 including street and number, if any, of its last registered
17 office.

18 (2) The statute by or under which the corporation was
19 incorporated and the date of incorporation.

20 (3) The name which the corporation adopts as its new
21 name if the adoption of a new name is required by section
22 1304 (relating to required name changes by senior
23 corporations).

24 (4) The address, including street and number, if any, of
25 its registered office in this Commonwealth.

26 (5) A reference to the proclamation or other action by
27 which its charter or articles were forfeited or a reference
28 to the limitation contained in its expired charter or
29 articles.

30 (6) A statement that the corporate existence of the

1 corporation shall be revived.

2 (7) A statement that the filing of the statement of
3 revival has been authorized by the corporation. Every
4 forfeited or expired corporation may act by its last
5 directors or may elect directors and officers in the manner
6 provided by this subpart for the limited purpose of effecting
7 a filing under this section.

8 (c) Filing and effect.--The statement of revival and, in the
9 case of a forfeited corporation, the clearance certificates
10 required by section 139 (relating to tax clearance of certain
11 fundamental transactions) shall be filed in the Department of
12 State. Upon the filing of the statement of revival, the
13 corporation shall be revived with the same effect as if its
14 charter or articles had not been forfeited or expired by
15 limitation. The revival shall validate all contracts and other
16 transactions made and effected within the scope of the articles
17 of the corporation by its representatives during the time when
18 its charter or articles were forfeited or expired to the same
19 effect as if its charter or articles had not been forfeited or
20 expired.

21 (d) Cross reference.--See section 134 (relating to docketing
22 statement).

23 CHAPTER 15

24 CORPORATE POWERS, DUTIES AND SAFEGUARDS

25 Subchapter

26 A. General Provisions

27 B. Shares and Other Securities

28 C. Corporate Finance

29 D. Dissenters Rights

30 SUBCHAPTER A

1 GENERAL PROVISIONS

2 Sec.

3 1501. Corporate capacity.

4 1502. General powers.

5 1503. Defense of ultra vires.

6 1504. Adoption, amendment and contents of bylaws.

7 1505. Persons bound by bylaws.

8 1506. Form of execution of instruments.

9 1507. Registered office.

10 1508. Corporate records; inspection.

11 1509. Bylaws and other powers in emergency.

12 1510. Usury not a defense.

13 1511. Additional powers of certain public utility corporations.

14 § 1501. Corporate capacity.

15 Except as provided in section 103 (relating to subordination
16 of title to regulatory laws), a business corporation shall have
17 the capacity of natural persons to act.

18 § 1502. General powers.

19 (a) General rule.--Subject to the limitations and
20 restrictions imposed by statute or contained in its articles,
21 every business corporation shall have power:

22 (1) To have perpetual succession by its corporate name
23 unless a limited period of duration is specified in its
24 articles, subject to the power of the Attorney General under
25 section 503 (relating to actions to revoke corporate
26 franchises) and to the power of the General Assembly under
27 the Constitution of Pennsylvania.

28 (2) To sue and be sued, complain and defend and
29 participate as a party or otherwise in any judicial,
30 administrative, arbitratative or other proceeding in its

1 corporate name.

2 (3) To have a corporate seal, which may be altered at
3 pleasure, and to use the seal by causing it or a facsimile
4 thereof to be impressed or affixed or in any other manner
5 reproduced.

6 (4) To acquire, own and utilize any real or personal
7 property, or any interest therein, wherever situated.

8 (5) To sell, convey, mortgage, pledge, lease, exchange
9 or otherwise dispose of all or any part of its property and
10 assets, or any interest therein, wherever situated.

11 (6) To guarantee, become surety for, acquire, own and
12 dispose of obligations, capital stock and other securities
13 including, regardless of the stated purposes of the
14 corporation, but subject to any express restriction in its
15 articles, the power to make contracts of guaranty and
16 suretyship which are necessary or convenient to the conduct,
17 promotion or attainment of the business of:

18 (i) a corporation all or part of the outstanding
19 shares of which are owned, directly or indirectly, by the
20 business corporation;

21 (ii) a corporation which owns, directly or
22 indirectly, all or part of the outstanding shares of the
23 business corporation;

24 (iii) a corporation all or part of the outstanding
25 shares of which are owned, directly or indirectly, by a
26 person who owns, directly or indirectly, all or part of
27 the outstanding shares of the business corporation; or

28 (iv) any other person.

29 (7) To borrow money, issue or incur its obligations and
30 secure any of its obligations by mortgage on or pledge of or

1 security interest in all or any part of its property and
2 assets, wherever situated, franchises or income, or any
3 interest therein.

4 (8) To invest its funds, lend money and take and hold
5 real and personal property as security for the repayment of
6 funds so invested or loaned.

7 (9) To make contributions and donations.

8 (10) To use abbreviations, words, logos or symbols upon
9 the records of the corporation, and in connection with the
10 registration of, and inscription of ownership or entitlement
11 on, certificates evidencing shares in or other securities or
12 obligations of the corporation, or upon any notice such as
13 the notice provided by section 1528(f) (relating to
14 uncertificated shares), and upon checks, proxies, notices and
15 other instruments and documents relating to the foregoing,
16 which abbreviations, words, logos or symbols shall have the
17 same force and effect as though the respective words and
18 phrases for which they stand were set forth in full for the
19 purposes of all statutes of this Commonwealth and all other
20 purposes.

21 (11) To be a promoter, partner, member, associate or
22 manager of any partnership, enterprise or venture or in any
23 transaction, undertaking or arrangement which the corporation
24 would have power to conduct itself, whether or not its
25 participation involves sharing or delegation of control with
26 or to others.

27 (12) To transact any lawful business which the board of
28 directors finds will aid governmental policy.

29 (13) To continue the salaries of such of its employees
30 as may be serving in the active or reserve armed forces of

1 the United States, or in the National Guard or in any other
2 organization established for the protection of the lives and
3 property of citizens of the United States, during the term of
4 that service or during such part thereof as the employees, by
5 reason of that service, may be unable to perform their duties
6 as employees of the corporation.

7 (14) To pay pensions and establish pension plans,
8 pension trusts, profit sharing plans, share bonus plans,
9 share option plans, incentive and deferred compensation plans
10 and other plans or trusts for any or all of its present or
11 former representatives and, after their death, to grant
12 allowances or pensions to their dependents or beneficiaries,
13 whether or not the grant was made during their lifetime.

14 (15) To conduct its business, carry on its operations,
15 have offices and exercise the powers granted by this article
16 in any jurisdiction within or without the United States.

17 (16) To elect or appoint and remove officers, employees
18 and agents of the corporation, define their duties, fix their
19 compensation and the compensation of directors, including,
20 without limitation, compensation payable upon termination of
21 employment, to lend any of the foregoing money and credit and
22 to pay bonuses or other additional compensation for past
23 services.

24 (17) To enter into any obligation appropriate for the
25 transaction of its affairs, including contracts or other
26 agreements with its shareholders.

27 (18) To accept, reject, respond to or take no action in
28 respect of an actual or proposed acquisition, divestiture,
29 tender offer, takeover or other fundamental change under
30 Chapter 19 (relating to fundamental changes) or otherwise.

1 (19) To have and exercise all of the powers and means
2 appropriate to effect the purpose or purposes for which the
3 corporation is incorporated.

4 (20) To have and exercise all other powers enumerated
5 elsewhere in this subpart or otherwise vested by law in the
6 corporation.

7 (b) Enumeration unnecessary.--It shall not be necessary to
8 set forth in the articles of the corporation the powers
9 enumerated in subsection (a).

10 (c) Board to exercise.--See section 1721 (relating to board
11 of directors).

12 § 1503. Defense of ultra vires.

13 (a) General rule.--A limitation upon the business, purposes
14 or powers of a business corporation, expressed or implied in its
15 articles or bylaws or implied by law, shall not be asserted in
16 order to defend any action at law or in equity between the
17 corporation and a third person, or between a shareholder and a
18 third person, involving any contract to which the corporation is
19 a party or any right of property or any alleged liability of
20 whatsoever nature, but the limitation may be asserted:

21 (1) In an action by a shareholder against the
22 corporation to enjoin the doing of unauthorized acts or the
23 transaction or continuation of unauthorized business. If the
24 unauthorized acts or business sought to be enjoined are being
25 transacted pursuant to any contract to which the corporation
26 is a party, the court may, if all of the parties to the
27 contract are parties to the action and if it deems the result
28 to be equitable, set aside and enjoin the performance of the
29 contract, and in so doing shall allow to the corporation, or
30 to the other parties to the contract, as the case may be,

1 such compensation as may be appropriate for the loss or
2 damage sustained by any of them from the action of the court
3 in setting aside and enjoining the performance of the
4 contract, but anticipated profits to be derived from the
5 performance of the contract shall not be awarded by the court
6 as a loss or damage sustained.

7 (2) In any action by or in the right of the corporation
8 to procure a judgment in its favor against an incumbent or
9 former officer or director of the corporation for loss or
10 damage due to his unauthorized acts.

11 (3) In a proceeding by the Commonwealth under section
12 503 (relating to actions to revoke corporate franchises) or
13 in a proceeding by the Commonwealth to enjoin the corporation
14 from the doing of unauthorized or unlawful business.

15 (b) Conveyances of property by or to a corporation.--No
16 conveyance or transfer by or to a business corporation of
17 property, real or personal, of any kind or description, shall be
18 invalid or fail because in making the conveyance or transfer, or
19 in acquiring the property, real or personal, any representative
20 of the corporation acting within the scope of the actual or
21 apparent authority given to him by the corporation has exceeded
22 any of the purposes or powers of the corporation.

23 (c) Cross reference.--See section 4146 (relating to
24 provisions applicable to all foreign corporations).

25 § 1504. Adoption, amendment and contents of bylaws.

26 (a) General rule.--The shareholders entitled to vote shall
27 have the power to adopt, amend and repeal the bylaws of a
28 business corporation but, except as provided in subsection (b),
29 the authority to adopt, amend and repeal bylaws may be expressly
30 vested by the bylaws in the board of directors, subject to the

1 power of the shareholders to change such action. The bylaws may
2 contain any provisions for managing the business and regulating
3 the affairs of the corporation not inconsistent with law or the
4 articles. In the case of a meeting of shareholders, written
5 notice shall be given to each shareholder that the purpose, or
6 one of the purposes, of a meeting is to consider the adoption,
7 amendment or repeal of the bylaws. There shall be included in,
8 or enclosed with, the notice a copy of the proposed amendment or
9 a summary of the changes to be effected thereby. Any change in
10 the bylaws shall take effect when adopted unless otherwise
11 provided in the resolution effecting the change.

12 (b) Exception.--Except as provided in section 1310(a)
13 (relating to organization meeting), the board of directors shall
14 not have the authority to adopt or change a bylaw on any subject
15 which is committed expressly to the shareholders by any of the
16 provisions of this subpart. See:

17 Section 1521 (relating to authorized shares).

18 Section 1721 (relating to board of directors).

19 Section 1726 (relating to removal of directors).

20 Section 1729 (relating to voting rights of directors).

21 Section 1756 (relating to quorum).

22 Section 1757 (relating to action by shareholders).

23 Section 1765 (relating to judges of election).

24 Section 2105 (relating to termination of nonstock
25 corporation status).

26 Section 2122 (relating to classes of membership).

27 Section 2124 (relating to voting rights of members).

28 Section 2302 (relating to definition of minimum vote).

29 Section 2321 (relating to shares).

30 Section 2322 (relating to share transfer restrictions).

1 Section 2325 (relating to sale option of estate of
2 shareholder).

3 Section 2332 (relating to management by shareholders).

4 Section 2334 (relating to appointment of provisional
5 director in certain cases).

6 Section 2337 (relating to option of shareholder to
7 dissolve corporation).

8 Section 2923 (relating to issuance and retention of
9 shares).

10 (c) Bylaw provisions in articles.--Where any provision of
11 this subpart refers to a rule as set forth in the bylaws of a
12 corporation, the reference shall be construed to include and be
13 satisfied by any rule on the same subject as set forth in the
14 articles of the corporation.

15 (d) Amendment of voting provisions.--A provision in the
16 bylaws that requires for the taking of any action by the
17 shareholders or a class of shareholders a specific number or
18 percentage of votes may, unless otherwise provided in a bylaw
19 adopted by the shareholders, be amended or repealed in the same
20 manner and by the same vote as is required to amend or repeal
21 any other provision in the bylaws.

22 § 1505. Persons bound by bylaws.

23 The bylaws of a business corporation shall operate merely as
24 regulations among the shareholders of the corporation and shall
25 not affect contracts or other dealings with other persons unless
26 those persons have actual knowledge of the bylaws.

27 § 1506. Form of execution of instruments.

28 (a) General rule.--Any form of execution provided in the
29 articles or bylaws to the contrary notwithstanding, any note,
30 mortgage, evidence of indebtedness, contract or other document,

1 or any assignment or endorsement thereof, executed or entered
2 into between any business corporation and any other person, when
3 signed by one or more officers or agents having actual or
4 apparent authority to sign it, or by the president or vice
5 president and secretary or assistant secretary or treasurer or
6 assistant treasurer of the corporation, shall be held to have
7 been properly executed for and in behalf of the corporation.

8 (b) Seal unnecessary.--The affixation of the corporate seal
9 shall not be necessary to the valid execution, assignment or
10 endorsement by a corporation of any instrument or other
11 document.

12 (c) Cross reference.--See section 4146 (relating to
13 provisions applicable to all foreign corporations).
14 § 1507. Registered office.

15 (a) General rule.--Every business corporation shall have and
16 continuously maintain in this Commonwealth a registered office
17 which may, but need not, be the same as its place of business.

18 (b) Statement of change of registered office.--After
19 incorporation, a change of the location of the registered office
20 may be authorized at any time by the board of directors. Before
21 the change of location becomes effective, the corporation either
22 shall amend its articles under the provisions of this subpart to
23 reflect the change in location or shall file in the Department
24 of State a statement of change of registered office executed by
25 the corporation setting forth:

26 (1) The name of the corporation.

27 (2) The address, including street and number, if any, of
28 its then registered office.

29 (3) The address, including street and number, if any, to
30 which the registered office is to be changed.

1 (4) A statement that the change was authorized by the
2 board of directors.

3 (c) Alternative procedure.--A corporation may satisfy the
4 requirements of this subpart concerning the maintenance of a
5 registered office in this Commonwealth by setting forth in any
6 document filed in the department under any provision of this
7 subpart which permits or requires the statement of the address
8 of its then registered office, in lieu of that address, the
9 statement authorized by section 109(a) (relating to name of
10 commercial registered office provider in lieu of registered
11 address).

12 (d) Cross reference.--See section 134 (relating to docketing
13 statement).

14 § 1508. Corporate records; inspection.

15 (a) Required records.--Every business corporation shall keep
16 complete and accurate books and records of account, minutes of
17 the proceedings of the incorporators, shareholders and directors
18 and a share register giving the names and addresses of all
19 shareholders and the number and class of shares held by each.
20 The share register shall be kept at either the registered office
21 of the corporation in this Commonwealth or at its principal
22 place of business wherever situated or at the office of its
23 registrar or transfer agent. Any books, minutes or other records
24 may be in written form or any other form capable of being
25 converted into written form within a reasonable time.

26 (b) Right of inspection.--Every shareholder shall, upon
27 written verified demand stating the purpose thereof, have a
28 right to examine, in person or by agent or attorney, during the
29 usual hours for business for any proper purpose, the share
30 register, books and records of account, and records of the

1 proceedings of the incorporators, shareholders and directors and
2 to make copies or extracts therefrom. A proper purpose shall
3 mean a purpose reasonably related to the interest of the person
4 as a shareholder. In every instance where an attorney or other
5 agent is the person who seeks the right of inspection, the
6 demand shall be accompanied by a verified power of attorney or
7 other writing which authorizes the attorney or other agent to so
8 act on behalf of the shareholder. The demand shall be directed
9 to the corporation at its registered office in this Commonwealth
10 or at its principal place of business wherever situated.

11 (c) Proceedings for the enforcement of inspection.--If the
12 corporation, or an officer or agent thereof, refuses to permit
13 an inspection sought by a shareholder or attorney or other agent
14 acting for the shareholder pursuant to subsection (b) or does
15 not reply to the demand within five business days after the
16 demand has been made, the shareholder may apply to the court for
17 an order to compel the inspection. The court shall determine
18 whether or not the person seeking inspection is entitled to the
19 inspection sought. The court may summarily order the corporation
20 to permit the shareholder to inspect the share register and the
21 other books and records of the corporation and to make copies or
22 extracts therefrom or the court may order the corporation to
23 furnish to the shareholder a list of its shareholders as of a
24 specific date on condition that the shareholder first pay to the
25 corporation the reasonable cost of obtaining and furnishing the
26 list and on such other conditions as the court deems
27 appropriate. Where the shareholder seeks to inspect the books
28 and records of the corporation, other than its share register or
29 list of shareholders, he shall first establish:

30 (1) That he has complied with the provisions of this

1 section respecting the form and manner of making demand for
2 inspection of the document.

3 (2) That the inspection he seeks is for a proper
4 purpose.

5 Where the shareholder seeks to inspect the share register or
6 list of shareholders of the corporation and he has complied with
7 the provisions of this section respecting the form and manner of
8 making demand for inspection of the documents, the burden of
9 proof shall be upon the corporation to establish that the
10 inspection he seeks is for an improper purpose. The court may,
11 in its discretion, prescribe any limitations or conditions with
12 reference to the inspection or award such other or further
13 relief as the court deems just and proper. The court may order
14 books, documents and records, pertinent extracts therefrom, or
15 duly authenticated copies thereof, to be brought into this
16 Commonwealth and kept in this Commonwealth upon such terms and
17 conditions as the order may prescribe.

18 § 1509. Bylaws and other powers in emergency.

19 (a) General rule.--Except as otherwise restricted in the
20 bylaws, the board of directors of any business corporation may
21 adopt emergency bylaws, subject to repeal or change by action of
22 the shareholders, which shall, notwithstanding any different
23 provisions of law or of the articles or bylaws, be effective
24 during any emergency resulting from an attack on the United
25 States, a nuclear disaster or another catastrophe as a result of
26 which a quorum of the board cannot readily be assembled. The
27 emergency bylaws may make any provision that may be appropriate
28 for the circumstances of the emergency including:

29 (1) Procedures for calling meetings of the board.

30 (2) Quorum requirements for meetings.

1 (3) Procedures for designating additional or substitute
2 directors.

3 (b) Lines of succession; head office.--The board of
4 directors, either before or during any emergency, may provide,
5 and from time to time modify, lines of succession in the event
6 that during the emergency any or all officers or agents of the
7 corporation shall for any reason be rendered incapable of
8 discharging their duties and may, effective in the emergency,
9 change the head offices or designate several alternative head
10 offices or regional offices of the corporation or authorize the
11 officers to do so.

12 (c) Personnel not liable.--No representative of the
13 corporation:

14 (1) Acting in accordance with any emergency bylaws shall
15 be liable except for willful misconduct.

16 (2) Shall be liable for any action taken by him in good
17 faith in an emergency in furtherance of the ordinary business
18 affairs of the corporation even though not authorized by the
19 emergency or other bylaws then in effect.

20 (d) Effect on regular bylaws.--To the extent not
21 inconsistent with any emergency bylaws so adopted, the bylaws of
22 the corporation shall remain in effect during any emergency and,
23 upon its termination, the emergency bylaws shall cease to be
24 effective.

25 (e) Procedure in absence of emergency bylaws.--Unless
26 otherwise provided in emergency bylaws, notice of any meeting of
27 the board of directors during an emergency shall be given only
28 to those directors it is feasible to reach at the time and by
29 such means as are feasible at the time, including publication or
30 radio. To the extent required to constitute a quorum at any

1 meeting of the board of directors during any emergency, the
2 officers of the corporation who are present shall, unless
3 otherwise provided in emergency bylaws, be deemed, in order of
4 rank and within the same rank in order of seniority, directors
5 for the meeting.

6 § 1510. Usury not a defense.

7 (a) General rule.--A business corporation shall not plead or
8 set up usury, or the taking of more than the lawful rate of
9 interest, or the taking of any finance, service or default
10 charge in excess of the maximum rate therefor provided or
11 prescribed by law, as a defense to any action brought against it
12 to recover damages on, or to enforce payment of, or to enforce
13 any other remedy on, any obligation executed or effected by the
14 corporation.

15 (b) Definition.--As used in this section the term
16 "obligation" includes an installment sale contract.

17 (c) Cross reference.--See section 4146 (relating to
18 provisions applicable to all foreign corporations).

19 § 1511. Additional powers of certain public utility
20 corporations.

21 (a) General rule.--A public utility corporation shall, in
22 addition to any other power of eminent domain conferred by any
23 other statute, have the right to take, occupy and condemn
24 property for one or more of the following principal purposes and
25 ancillary purposes reasonably necessary or appropriate for the
26 accomplishment of the principal purposes:

27 (1) The transportation of passengers or property or both
28 as a common carrier by means of elevated street railway,
29 ferry, inclined plane railway, railroad, street railway or
30 underground street railway, trackless-trolley omnibus or by

1 any combination of such means.

2 (2) The transportation of artificial or natural gas,
3 electricity, petroleum or petroleum products or water or any
4 combination of such substances for the public.

5 (3) The production, generation, manufacture,
6 transmission, storage, distribution or furnishing of natural
7 or artificial gas, electricity, steam, air conditioning or
8 refrigerating service or any combination thereof to or for
9 the public.

10 (4) The diverting, developing, pumping, impounding,
11 distributing or furnishing of water from either surface or
12 subsurface sources to or for the public.

13 (5) The collection, treatment or disposal of sewage for
14 the public.

15 (6) The conveyance or transmission of messages or
16 communications by telephone or telegraph for the public.

17 (7) The diverting, pumping or impounding of water for
18 the development or furnishing of hydroelectric power to or
19 for the public.

20 (8) The transportation of oxygen or nitrogen, or both,
21 by pipeline or conduit for the public.

22 (b) Restrictions.--The powers conferred by subsection (a)
23 shall not be exercised:

24 (1) To condemn for the purpose of constructing any
25 street railway, trackless-trolley omnibus, petroleum or
26 petroleum products transportation or aerial electric
27 transmission, aerial telephone or aerial telegraph lines:

28 (i) Any dwelling house or, except in the case of any
29 condemnation for petroleum or petroleum products
30 transportation lines, any part of the reasonable

1 curtilage of a dwelling house within 100 meters therefrom
2 and not within the limits of any street, highway, water
3 or other public way or place.

4 (ii) Any place of public worship or burying ground.

5 (2) To condemn any place of public worship or burying
6 ground for the purpose of constructing any elevated street
7 railway, sewer or underground street railway line.

8 (c) Public Utility Commission approval.--The powers
9 conferred by subsection (a) may be exercised to condemn property
10 outside the limits of any street, highway, water or other public
11 way or place for the purpose of erecting poles or running wires
12 or other aerial electric, intrastate aerial telephone or
13 intrastate aerial telegraph facilities only after the
14 Pennsylvania Public Utility Commission, upon application of the
15 public utility corporation, has found and determined, after
16 notice and opportunity for hearing, that the service to be
17 furnished by the corporation through the exercise of those
18 powers is necessary or proper for the service, accommodation,
19 convenience or safety of the public. The power of the public
20 utility corporation to condemn the subject property or the
21 procedure followed by it shall not be an issue in the commission
22 proceedings held under this subsection and no court shall
23 entertain any proceeding questioning the jurisdiction of the
24 commission under this subsection. A final order of the
25 commission approving or denying an application under this
26 subsection, including an order involving a question of
27 jurisdiction under this subsection, may be made the subject of
28 any appeal in the manner provided or prescribed by law.

29 (d) Base fee interests.--The estate in property condemned
30 and taken by a public utility corporation shall be in fee simple

1 absolute unless the resolution of condemnation specifies a
2 lesser estate. Whenever it is necessary for any public utility
3 corporation to condemn by authority of subsection (a) the
4 freehold in the surface of any tract of property or the right to
5 the exclusive possession for any indefinite period of the
6 surface of any tract of property, the public utility corporation
7 shall condemn a fee simple absolute and no less estate in the
8 tract or the surface thereof.

9 (e) Streets and other public places.--A public utility
10 corporation shall have the right to enter upon and occupy
11 streets, highways, waters and other public ways and places for
12 one or more of the principal purposes specified in subsection
13 (a) and ancillary purposes reasonably necessary or appropriate
14 for the accomplishment of the principal purposes, including the
15 placement, maintenance and removal of aerial, surface and
16 subsurface public utility facilities thereon or therein. Before
17 entering upon any street, highway or other public way the public
18 utility corporation shall obtain such permits as may be required
19 by law and shall comply with the lawful and reasonable
20 regulations of the governmental authority having responsibility
21 for the maintenance thereof.

22 (f) Effect on other statutes.--Nothing in subsections (a)
23 through (e) shall be construed to eliminate the exemption by
24 statute of certain historical lands from liability to
25 condemnation or entry nor to affect or modify any of the
26 provisions of the act of December 19, 1984 (P.L.1140, No.223),
27 known as the Oil and Gas Act, or of 66 Pa.C.S. § 1104 (relating
28 to certain appropriations by the right of eminent domain
29 prohibited) or 2702 (relating to construction, relocation,
30 suspension and abolition of crossings), nor to permit the

1 acquisition of water rights, water or land underlying them by
2 any public utility corporation which has not received from the
3 Department of Environmental Resources a limited power permit,
4 limited water supply permit, order of confirmation or permit for
5 acquisition of water rights authorizing the acquisition.

6 (g) Procedure.--

7 (1) The act of June 22, 1964 (Sp.Sess., P.L.84, No.6),
8 known as the Eminent Domain Code, shall be applicable to
9 proceedings for the condemnation and taking of property
10 conducted pursuant to this section.

11 (2) Notwithstanding paragraph (1), a public utility
12 corporation which condemns for occupation by electric, gas,
13 oil or petroleum products lines used directly or indirectly
14 in furnishing service to the public an interest (other than a
15 fee) for right-of-way purposes or an easement for such
16 purposes may elect to proceed as follows in lieu of the
17 procedures specified in sections 402, 403, 405 and 406 of the
18 Eminent Domain Code:

19 (i) If the corporation and any interested party
20 cannot agree on the amount of damages sustained, or if
21 any interested party is an unincorporated association, or
22 is absent, unknown, not of full age or otherwise
23 incompetent or unavailable to contract with the
24 corporation, or in the case of disputed, doubtful or
25 defective title, the corporation may make a verified
26 application to the appropriate court for an order
27 directing the filing of a bond to the Commonwealth, in an
28 amount and with security to be approved by the court, for
29 the use of the person or persons who may be found to be
30 entitled to the damages sustained. The application shall

1 be accompanied by the bond and a certified copy of the
2 resolution of condemnation. The resolution shall describe
3 the nature and extent of the taking.

4 (ii) If the address of such interested party is
5 known to the corporation, written notice of the filing of
6 the application under subparagraph (i) shall be sent to
7 such party by mail, or otherwise, at least ten days prior
8 to the consideration thereof by the court. Otherwise the
9 corporation shall officially publish such notice in the
10 county or counties where the property is situated twice a
11 week for two weeks prior to consideration by the court
12 and shall give such supplemental or alternative notice as
13 the court may direct.

14 (iii) Upon entry by the court of an order approving
15 the bond and directing that it be filed, the title which
16 the corporation acquires in the right-of-way or easement
17 described in the resolution of condemnation shall pass to
18 the corporation and the corporation shall be entitled to
19 possession. If a condemnee thereafter refuses to deliver
20 possession or permit right of entry, the office of the
21 clerk of the court of common pleas upon petition filed by
22 the condemnor shall issue a rule as of course, returnable
23 in five days after service, requiring the condemnee to
24 show cause why a writ of possession should not issue.
25 Thereafter, the court may issue a writ of possession
26 conditioned on such terms as the court may direct.

27 (iv) The papers filed by the corporation with the
28 court under this paragraph shall constitute the
29 declaration of taking for the purposes of sections 404,
30 408, 409 and Articles V through VIII of the Eminent

1 Domain Code.

2 SUBCHAPTER B

3 SHARES AND OTHER SECURITIES

4 Sec.

5 1521. Authorized shares.

6 1522. Issuance of shares in classes of series; board action.

7 1523. Pricing and issuance of shares.

8 1524. Payment for shares.

9 1525. Stock rights and options.

10 1526. Liability of subscribers and shareholders.

11 1527. Issuance of fractional shares or scrip.

12 1528. Shares represented by certificates and uncertificated
13 shares.

14 1529. Transfer of securities; restrictions.

15 1530. Preemptive rights of shareholders.

16 1531. Voting powers and other rights of certain
17 securityholders and other entities.

18 1532. Effect of failure to surrender securities converted by
19 reorganization.

20 § 1521. Authorized shares.

21 (a) General rule.--Every business corporation shall have
22 power to create and issue the number of shares stated in its
23 articles. The shares may consist of one class or be divided into
24 two or more classes and one or more series within any class
25 thereof, which classes or series may have full, limited,
26 multiple or fractional or no voting rights and such
27 designations, preferences, limitations and special rights as may
28 be desired. Shares which are not entitled to a preference, even
29 if identified by a class or other designation, shall not be
30 designated as preference or preferred shares.

1 (b) Provisions specifically authorized.--

2 (1) Without limiting the authority contained in
3 subsection (a), a corporation, when so authorized in its
4 articles, may issue classes or series of shares:

5 (i) Subject to the right or obligation of the
6 corporation to redeem any of the shares for the
7 consideration, if any, fixed by or in the manner provided
8 by the articles for the redemption thereof. Unless
9 otherwise provided in the articles, any shares subject to
10 redemption shall be redeemable only pro rata or by lot or
11 by such other equitable method as may be selected by the
12 corporation.

13 (ii) Entitling the holders thereof to cumulative,
14 noncumulative or partially cumulative dividends.

15 (iii) Having preference over any other shares as to
16 dividends or assets or both.

17 (iv) Convertible into shares of any other class or
18 series, obligations of the corporation or shares or
19 obligations of any other person.

20 (2) Any of the terms of a class or series of shares may
21 be made dependent upon:

22 (i) Facts ascertainable outside of the articles if
23 the manner in which the facts will operate upon the terms
24 of the class or series is set forth in the articles.

25 (ii) Terms incorporated by reference to an existing
26 agreement between the corporation and one or more other
27 parties, or to another document of independent
28 significance, if the articles state that the full text of
29 the agreement or other document is on file at the
30 principal place of business of the corporation and state

1 the address thereof. A corporation which takes advantage
2 of this subparagraph shall furnish a copy of the full
3 text of the agreement or other document, on request and
4 without cost, to any shareholder and, unless it is a
5 closely-held corporation, on request and at cost, to any
6 other person.

7 (3) The articles may expressly confer upon a shareholder
8 a specifically enforceable right to the declaration and
9 payment of dividends, the redemption of shares or the making
10 of any other form of distribution if the distribution is at
11 the time of enforcement then permitted by section 1551
12 (relating to distributions to shareholders).

13 (c) Additional restrictions upon exercise of corporate
14 powers.--Additional provisions regulating or restricting the
15 exercise of corporate powers, including provisions requiring the
16 votes of classes or series of shares as conditions to the
17 exercise thereof, may be specified in a bylaw adopted by the
18 shareholders.

19 (d) Status and rights.--Shares of a business corporation
20 shall be deemed personal property. Except as otherwise provided
21 by the articles or, when so permitted by subsection (c), by one
22 or more bylaws adopted by the shareholders, each share shall be
23 in all respects equal to every other share.

24 § 1522. Issuance of shares in classes or series; board action.

25 (a) General rule.--The division of shares into classes and
26 into series within any class, the determination of the
27 designation and the number of shares of any class or series and
28 the determination of the voting rights, preferences, limitations
29 and special rights, if any, of the shares of any class or series
30 of a business corporation may be accomplished by the original

1 articles or by any amendment thereof. The amendment may be made
2 by the board of directors as provided in subsection (b).

3 (b) Divisions and determinations by the board.--An amendment
4 of articles described in subsection (a) may be made solely by
5 action of the board if the articles authorize the board to make
6 the divisions and determinations. Unless otherwise restricted in
7 the articles:

8 (1) Authority granted to the board to determine the
9 number of shares of any class or series shall be deemed to
10 include the power to increase the previously determined
11 number of shares of the class or series to a number not
12 greater than that provided by the articles and to decrease
13 the previously determined number of shares of a class or
14 series to a number not less than that then outstanding. Upon
15 any such decrease under this section, the affected shares
16 shall continue as part of the authorized shares.

17 (2) Authority granted to the board to determine the
18 voting rights, preferences, limitations and special rights of
19 any class or series shall be deemed to include the power to
20 determine preferences as to dividends or assets which are
21 prior, subordinate or on a parity with the rights of any
22 other class or series and to determine voting rights,
23 limitations and special rights which are greater or lesser
24 than or equal to the rights and limitations of any other
25 class or series, whether or not the other shares are issued
26 or outstanding at the time when the board acts to determine
27 them.

28 (c) Changes in outstanding classes or series.--The articles
29 may authorize the board to amend the articles to change the
30 designation or the voting rights, preferences, limitations and

1 special rights of any outstanding class or series of shares.
2 Prompt notice of any action by the board making the changes
3 shall be given to the holders of all shares affected by the
4 action.

5 (d) Statement with respect to shares.--Whenever the board
6 acts under subsection (b) or (c), it shall adopt a resolution
7 setting forth its actions and stating the designation and number
8 of shares and, if not theretofore determined, the voting rights,
9 preferences, limitations and special rights of each class or
10 series thereby created or with respect to which it has made a
11 determination or change. Before any business corporation issues
12 any shares of any class or any series of any class with respect
13 to which the board has acted under subsection (b) and before a
14 change adopted pursuant to subsection (c) shall become
15 effective, the corporation shall file in the Department of State
16 a statement with respect to shares executed by the corporation,
17 setting forth:

18 (1) The name of the corporation.

19 (2) The resolution of the board required by this
20 subsection.

21 (3) The aggregate number of shares of the class or
22 series established and designated by:

23 (i) The resolution.

24 (ii) All prior statements, if any, filed under this
25 section or corresponding provisions of prior law with
26 respect thereto.

27 (iii) Any other provision of the articles.

28 (4) The date of the adoption of the resolution.

29 (5) If the resolution is to be effective on a specified
30 date, the hour, if any, and the month, day and year of the

1 effective date.

2 (e) Effect of filing statement.--Upon the filing of the
3 statement in the department or upon the effective date specified
4 in the statement, whichever is later, the resolution shall
5 become effective and shall operate as an amendment of the
6 articles.

7 (f) Termination of proposal.--Prior to the time when a
8 resolution required by subsection (d) becomes effective, the
9 amendment to be effected thereby may be terminated by the board
10 or pursuant to the provisions therefor, if any, set forth in the
11 resolution. If a statement with respect to shares has been filed
12 in the department prior to the termination, a statement under
13 section 1902 (relating to statement of termination) shall be
14 filed in the department.

15 § 1523. Pricing and issuance of shares.

16 Except as otherwise restricted in the bylaws, shares of a
17 business corporation may be issued at a price determined by the
18 board of directors or the board may set a minimum price or
19 establish a formula or method by which the price may be
20 determined.

21 § 1524. Payment for shares.

22 (a) General rule.--Consideration for shares, unless
23 otherwise restricted in the bylaws:

24 (1) May consist of money, obligations (including an
25 obligation of a shareholder), services performed whether or
26 not contracted for, contracts for services to be performed or
27 any other tangible or intangible property. If shares are
28 issued for other than money, the value of the consideration
29 shall be determined by or in the manner provided by the board
30 of directors.

1 (2) Shall be paid to or as ordered by the business
2 corporation.

3 (b) Issuance without consideration.--Except as otherwise
4 restricted in the bylaws, upon authorization by the board of
5 directors, the corporation may issue its own shares in exchange
6 for or in conversion of its outstanding shares, or distribute
7 its own shares, pro rata to its shareholders or the shareholders
8 of one or more classes or series, to effectuate stock dividends
9 or splits and any such transaction shall not require payment of
10 consideration.

11 (c) Status of issued shares.--All issued shares of a
12 business corporation shall be deemed fully paid regardless of
13 failure to pay in full the agreed consideration therefor and,
14 except as otherwise provided by a regulatory statute controlling
15 under section 103(c) (relating to structural provisions in
16 regulatory statutes controlling), shall be nonassessable. This
17 subsection shall not affect the personal obligation of a
18 subscriber for shares of a corporation to pay the agreed
19 consideration for the shares.

20 (d) Rights of subscribing shareholder.--Notwithstanding any
21 other provision of this subpart, the right to vote, to receive
22 dividends and to have and exercise the other rights of a
23 shareholder prior to payment in full of the agreed consideration
24 for the shares of a shareholder who has acquired his shares by
25 subscription may be denied or limited as provided in the
26 subscription agreement. Any such denial or limitation of rights
27 shall be noted conspicuously on the face or back of the share
28 certificate, if any, or in the notice provided by section
29 1528(f) (relating to uncertificated shares). Unless so noted,
30 such denial or limitation (even though permitted by this

1 section) is ineffective except against a person with actual
2 knowledge of the denial or limitation.

3 (e) Transitional provision.--A corporation may enforce calls
4 on partly paid shares outstanding on January 1, 1986, in the
5 same manner and to the same extent as if this subpart had not
6 been enacted.

7 § 1525. Stock rights and options.

8 (a) General rule.--Unless otherwise provided in its bylaws,
9 a business corporation may create and issue, whether or not in
10 connection with the issuance of any of its shares or other
11 securities, rights or options entitling the holders thereof to
12 purchase shares of any class or series, obligations of the
13 corporation or shares or obligations of any other person. The
14 rights or options shall be evidenced in such manner as the
15 corporation may determine.

16 (b) Pricing and payment.--The provisions of this subchapter
17 applicable to the pricing of and payment for shares shall be
18 applicable to the pricing of and payment for rights and options
19 except that the rights and options may be issued to
20 representatives of the corporation or any of its affiliates,
21 with or without consideration, as an incentive to service or
22 continued service with the corporation and its affiliates or for
23 such other purpose and upon such other terms as its directors,
24 who may benefit by their action, deem advantageous to the
25 corporation.

26 § 1526. Liability of subscribers and shareholders.

27 A subscriber to, or holder or owner of, shares of a business
28 corporation shall not be under any liability to the corporation
29 or any creditor thereof with respect to the shares other than
30 the personal obligation of a shareholder who has acquired his

1 shares by subscription to comply with the terms of the
2 subscription.

3 § 1527. Issuance of fractional shares or scrip.

4 (a) General rule.--A business corporation may but shall not
5 be required to create and issue fractions of a share, either
6 represented by a certificate or uncertificated, which, unless
7 otherwise provided in the articles, shall represent proportional
8 interests in all the voting rights, preferences, limitations and
9 special rights of full shares. If the corporation creates but
10 does not provide for the issuance of fractions of a share, it
11 shall:

12 (1) arrange for the disposition of fractional interests
13 by those entitled thereto;

14 (2) pay in money the fair value of fractions of a share
15 determined at the time and in the manner provided in the
16 plan, amendment or resolution of the board providing for the
17 creation of the fractional interests; or

18 (3) issue scrip or other evidence of ownership, in
19 registered form (either represented by a certificate or
20 uncertificated) or in bearer form (represented by a
21 certificate), entitling the holder to receive a full share
22 upon the surrender of the scrip or other evidence of
23 ownership aggregating a full share, but which shall not,
24 unless otherwise provided therein, entitle the holder to
25 exercise any voting right, to receive dividends or to
26 participate in any of the assets of the corporation in the
27 event of liquidation.

28 (b) Elimination of shares or scrip.--The scrip or other
29 evidence of ownership may be issued subject to the condition
30 that it shall become void if not exchanged for full shares

1 before a specified date, or subject to the condition that the
2 shares for which the scrip or evidence of ownership is
3 exchangeable may be sold and the proceeds thereof distributed to
4 the holders of the scrip or evidence of ownership, or subject to
5 any other conditions which the corporation deems advisable.

6 § 1528. Shares represented by certificates and uncertificated
7 shares.

8 (a) General rule.--The shares of a business corporation
9 shall be represented by certificates or shall be uncertificated
10 shares.

11 (b) Issue of certificates.--Every shareholder shall, except
12 as otherwise provided in a bylaw adopted pursuant to subsection
13 (f) or in the terms of a subscription which has not been fully
14 performed by the subscriber, be entitled to a share certificate
15 representing the shares owned by him.

16 (c) Form of certificate.--Share certificates shall state:

17 (1) That the corporation is incorporated under the laws
18 of this Commonwealth.

19 (2) The name of the person to whom issued.

20 (3) The number and class of shares and the designation
21 of the series, if any, which the certificate represents.

22 (d) Notice of variations in rights.--Every certificate
23 representing shares issued by a business corporation which is
24 authorized to issue shares of more than one class or series
25 shall set forth upon the face or back of the certificate (or
26 shall state on the face or back of the certificate that the
27 corporation will furnish to any shareholder upon request and
28 without charge), a full or summary statement of the
29 designations, voting rights, preferences, limitations and
30 special rights of the shares of each class or series authorized

1 to be issued so far as they have been fixed and determined and
2 the authority of the board of directors to fix and determine the
3 designations, voting rights, preferences, limitations and
4 special rights of the classes and series of shares of the
5 corporation. See also sections 1529(f) (relating to notice to
6 transferee) and 2321(c) (relating to notice of statutory close
7 corporation status).

8 (e) Execution.--Every share certificate shall be executed,
9 by facsimile or otherwise, by or on behalf of the corporation
10 issuing the shares in such manner as it may determine.

11 (f) Uncertificated shares.--The bylaws may provide that any
12 or all classes and series of shares, or any part thereof, shall
13 be uncertificated shares except that such a provision shall not
14 apply to shares represented by a certificate until the
15 certificate is surrendered to the corporation. Within a
16 reasonable time after the issuance or transfer of uncertificated
17 shares, the corporation shall send to the registered owner
18 thereof a written notice containing the information required to
19 be set forth or stated on certificates by subsections (c) and
20 (d). Except as otherwise expressly provided by law, the rights
21 and obligations of the holders of shares represented by
22 certificates and the rights and obligations of the holders of
23 uncertificated shares of the same class and series shall be
24 identical.

25 § 1529. Transfer of securities; restrictions.

26 (a) General rule.--The transfer of securities of a business
27 corporation may be regulated by the bylaws if the bylaws are not
28 inconsistent with 13 Pa.C.S. Div. 8 (relating to investment
29 securities) and other provisions of law.

30 (b) Transfer restrictions generally.--A restriction on the

1 transfer or registration of transfer of securities of a business
2 corporation may be imposed by the bylaws or by an agreement
3 among any number of securityholders or among them and the
4 corporation. No restriction so imposed shall be binding with
5 respect to securities issued prior to the adoption of the
6 restriction unless the holders of the securities are parties to
7 the agreement or voted in favor of the restriction.

8 (c) Restrictions specifically authorized.--A restriction on
9 the transfer of securities of a business corporation is
10 permitted by this section if it:

11 (1) obligates the holder of the restricted securities to
12 offer to the corporation or to any other holders of
13 securities of the corporation or to any other person or to
14 any combination of the foregoing a prior opportunity, to be
15 exercised within a reasonable time, to acquire the restricted
16 securities;

17 (2) obligates the corporation or any holder of
18 securities of the corporation or any other person or any
19 combination of the foregoing, to purchase the securities
20 which are the subject of an agreement respecting the purchase
21 and sale of the restricted securities;

22 (3) requires the corporation or the holders of any class
23 of securities of the corporation to consent to any proposed
24 transfer of the restricted securities or to approve the
25 proposed transferee of the restricted securities; or

26 (4) prohibits the transfer of the restricted securities
27 to designated persons or classes of persons and the
28 designation is not manifestly unreasonable.

29 (d) Subchapter S restrictions.--Any restriction on the
30 transfer of the shares of a business corporation for the purpose

1 of maintaining its status as an electing small business
2 corporation under Subchapter S of the Internal Revenue Code of
3 1954 or a comparable provision under state law shall be
4 conclusively presumed to be for a reasonable purpose.

5 (e) Other restrictions.--Any other lawful restriction on
6 transfer or registration of transfer of securities is permitted
7 by this section.

8 (f) Notice to transferee.--A written restriction on the
9 transfer or registration of transfer of a share or other
10 security of a business corporation, if permitted by this section
11 and noted conspicuously on the face or back of the security or
12 in the notice provided by section 1528(f) (relating to
13 uncertificated shares) or in an equivalent notice with respect
14 to another uncertificated security, may be enforced against the
15 holder of the restricted security or any successor or transferee
16 of the holder, including an executor, administrator, trustee,
17 guardian or other fiduciary entrusted with like responsibility
18 for the person or estate of the holder. Unless noted
19 conspicuously on the security or in the notice provided by
20 section 1528(f) or in an equivalent notice with respect to
21 another uncertificated security, a restriction, even though
22 permitted by this section, is ineffective except against a
23 person with actual knowledge of the restriction.

24 § 1530. Preemptive rights of shareholders.

25 Except as otherwise provided in the articles, a business
26 corporation may issue shares, option rights or securities having
27 conversion or option rights without first offering them to
28 shareholders of any class or classes.

29 § 1531. Voting powers and other rights of certain
30 securityholders and other entities.

1 The power to vote in respect to the corporate affairs and
2 management of a business corporation and other shareholder
3 rights as may be provided in the articles may be conferred upon:

4 (1) Registered holders of obligations issued or to be
5 issued by the corporation.

6 (2) The Commonwealth or any political subdivision
7 thereof or other entity prohibited by law from becoming a
8 shareholder of a corporation.

9 § 1532. Effect of failure to surrender securities converted by
10 reorganization.

11 Whenever any outstanding securities of a business corporation
12 are converted into new shares or other securities or property by
13 any merger, consolidation, reclassification, amendment of
14 articles, division or otherwise, the plan or other instrument
15 effecting the conversion may fix a period of not less than two
16 years within which the outstanding securities must be
17 surrendered for exchange and provide that, in the event any
18 outstanding securities are not surrendered for exchange within
19 that period, the shares, securities or property which would
20 otherwise have been issued or delivered in exchange for the
21 unsurrendered outstanding securities shall be sold and the net
22 proceeds of the sale shall be held for the holders of the
23 unsurrendered outstanding securities to be paid to them upon
24 surrender of their outstanding securities. From and after the
25 sale, the sole right of the holders of the unsurrendered
26 outstanding securities shall be the right to collect the net
27 sales proceeds held for their account.

28 SUBCHAPTER C

29 CORPORATE FINANCE

30 Sec.

1 1551. Distributions to shareholders.

2 1552. Power of corporation to acquire its own shares.

3 1553. Liability for unlawful dividends and other distributions.

4 1554. Financial reports to shareholders.

5 § 1551. Distributions to shareholders.

6 (a) General rule.--Unless otherwise restricted in the
7 bylaws, the board of directors may authorize and a business
8 corporation may make distributions.

9 (b) Limitation.--No distribution may be made if, after
10 giving effect thereto, the corporation would be unable to pay
11 its debts as they become due in the usual course of its
12 business.

13 (c) Date of distribution.--In the case of a purchase,
14 redemption or other acquisition of its own shares by a
15 corporation, the effect of a distribution shall be measured as
16 of the date money or other property is transferred or debt is
17 incurred by the corporation or as of the date the shareholder
18 ceases to be a shareholder of the corporation with respect to
19 the shares, whichever is earlier. In all other cases, the effect
20 of a distribution shall be measured as of the date of its
21 authorization if payment occurs 120 days or less following the
22 date of authorization or as of the date of payment if payment
23 occurs more than 120 days following the date of authorization.

24 (d) Redemption related and similar debt.--Indebtedness of a
25 corporation incurred or issued to a shareholder in a
26 distribution in accordance with this section shall be on a
27 parity with the indebtedness of the corporation to its general
28 unsecured creditors except to the extent subordinated by
29 agreement.

30 § 1552. Power of corporation to acquire its own shares.

1 (a) General rule.--A business corporation shall have the
2 power to acquire its own shares. If the articles provide that
3 they shall not be reissued, the authorized shares of the class
4 shall be reduced by the number of shares acquired. In any other
5 case the shares acquired shall be deemed to be issued but not
6 outstanding, except that unless otherwise restricted in the
7 bylaws, the board may, by resolution, restore any or all of the
8 previously issued shares of the corporation owned by it to the
9 status of authorized but unissued shares of the class or series
10 originally issued.

11 (b) Cross reference.--See section 1914(c)(2) (relating to
12 adoption by board of directors).

13 § 1553. Liability for unlawful dividends and other
14 distributions.

15 (a) Directors.--A director who votes for or assents to any
16 dividend or other distribution contrary to the provisions of
17 this subpart or contrary to any restrictions contained in the
18 bylaws shall, if he has not complied with the standard provided
19 in section 1721(b) (relating to standard of care; justifiable
20 reliance), be liable to the corporation, jointly and severally
21 with all other directors so voting or assenting, for the amount
22 of the dividend which is paid or the value of the other
23 distribution in excess of the amount of the dividend or other
24 distribution which could have been made without a violation of
25 the provisions of this subpart or the restrictions in the
26 bylaws.

27 (b) Contribution by shareholders.--Any director against whom
28 a claim is asserted under or pursuant to this section for the
29 making of a distribution and who is held liable thereon shall be
30 entitled to contribution from the shareholders who accepted or

1 received any such distribution, knowing the distribution to have
2 been made in violation of this subpart, in proportion to the
3 amounts received by them.

4 (c) Contribution by other directors.--Any director against
5 whom a claim is asserted under or pursuant to this section shall
6 be entitled to contribution from any other director who voted
7 for or assented to the action upon which the claim is asserted
8 and who did not comply with the standard provided in this
9 subpart for the performance of the duties of directors.

10 (d) Limitation of actions.--See 42 Pa.C.S. § 5524(5)
11 (relating to two year limitation).

12 § 1554. Financial reports to shareholders.

13 (a) General rule.--Unless otherwise agreed between a
14 business corporation and a shareholder, every corporation shall
15 furnish to its shareholders annual financial statements,
16 including at least a balance sheet as of the end of each fiscal
17 year and a statement of income for the fiscal year. The
18 agreement shall be set forth in a writing which is separate from
19 the articles, bylaws and share certificate or notice provided
20 pursuant to section 1528(f) (relating to uncertificated shares).
21 The financial statements shall be prepared on the basis of
22 generally accepted accounting principles, if the corporation
23 prepares financial statements for the fiscal year on that basis
24 for any purpose, and may be consolidated statements of the
25 corporation and one or more of its subsidiaries. The financial
26 statements shall be mailed by the corporation to each of its
27 shareholders entitled thereto within 120 days after the close of
28 each fiscal year and, after the mailing and upon written
29 request, shall be mailed by the corporation to any shareholder
30 or beneficial owner entitled thereto to whom a copy of the most

1 recent annual financial statements has not previously been
2 mailed. In the case of statements audited or reviewed by a
3 public accountant, each copy shall be accompanied by the report
4 of the accountant; in other cases, each copy shall be
5 accompanied by a statement of the person in charge of the
6 financial records of the corporation:

7 (1) Stating his reasonable belief as to whether or not
8 the financial statements were prepared in accordance with
9 generally accepted accounting principles and, if not,
10 describing the basis of presentation.

11 (2) Describing any material respects in which the
12 financial statements were not prepared on a basis consistent
13 with those prepared for the previous year.

14 (b) Transitional provision.--A bylaw adopted on or before
15 December 31, 1986, shall be deemed a separate written agreement
16 between the corporation and each holder of shares outstanding on
17 that date for the purposes of subsection (a).

18 (c) Cross references.--See section 4145 (relating to
19 applicability of certain safeguards to foreign domiciliary
20 corporations) and 42 Pa.C.S. § 2503(7) (relating to right of
21 participants to receive counsel fees).

22 SUBCHAPTER D

23 DISSENTERS RIGHTS

24 Sec.

25 1571. Application and effect of subchapter.

26 1572. Definitions.

27 1573. Record and beneficial holders and owners.

28 1574. Notice of intention to dissent.

29 1575. Notice to demand payment.

30 1576. Failure to comply with notice to demand payment, etc.

1 1577. Release of restrictions or payment for shares.

2 1578. Estimate by dissenter of fair value of shares.

3 1579. Valuation proceedings generally.

4 1580. Costs and expenses of valuation proceedings.

5 § 1571. Application and effect of subchapter.

6 (a) General rule.--Except as otherwise provided in
7 subsection (b), any shareholder of a business corporation shall
8 have the right to dissent from, and to obtain payment of the
9 fair value of his shares in the event of, any corporate action,
10 or to otherwise obtain fair value for his shares, where this
11 subpart expressly provides that a shareholder shall have the
12 rights and remedies provided in this subchapter. See:

13 Section 1906(c) (relating to dissenters rights upon
14 disparate treatment).

15 Section 1917 (relating to dissenters rights upon certain
16 amendments).

17 Section 1930 (relating to dissenters rights).

18 Section 1931(d) (relating to dissenters rights in share
19 exchanges).

20 Section 1932(c) (relating to dissenters rights in asset
21 transfers).

22 Section 1952(d) (relating to dissenters rights in
23 division).

24 Section 1962(c) (relating to dissenters rights in
25 conversion).

26 Section 2104(b) (relating to procedure).

27 Section 2324 (relating to corporation option where a
28 restriction on transfer of a security is held invalid).

29 Section 2325(b) (relating to minimum vote requirement).

30 Section 2704 (relating to dissenters rights upon

election).

Section 2907(a) (relating to proceedings to terminate breach of qualifying conditions).

(b) Exceptions.--

(1) Except as otherwise provided in paragraph (2), the holders of the shares of any class or series of shares which, at the record date fixed to determine the shareholders entitled to notice of and to vote at the meeting at which a plan specified in any of section 1930, 1931(d), 1932(c) or 1952(d) is to be voted on, are either:

(i) listed on a national securities exchange; or

(ii) held of record by more than 2,000 shareholders; shall not have the right to obtain payment of the fair value of any such shares under this subchapter.

(2) Paragraph (1) shall not apply to and dissenters rights shall be available without exception in the case of:

(i) Shares converted by a plan if the shares are not converted solely into shares of the acquiring, surviving, new or other corporation or solely into such shares and money in lieu of fractional shares.

(ii) Shares of any preferred or special class unless the articles, the plan or the terms of the transaction entitle all shareholders of the class to vote thereon and require for the adoption of the plan or the effectuation of the transaction the affirmative vote of a majority of the votes cast by all shareholders of the class.

(3) The shareholders of a corporation which acquires by purchase, lease, exchange or other disposition all or substantially all of the shares, property or assets of another corporation by the issuance of shares, obligations or

otherwise, with or without assuming the liabilities of the other corporation and with or without the intervention of another corporation or other person, shall not be entitled to the rights and remedies of dissenting shareholders provided in this subchapter regardless of the fact, if it be the case, that the acquisition was accomplished by the issuance of voting shares of the corporation to be outstanding immediately after the acquisition sufficient to elect a majority or more of the directors of the corporation or that the acquiring corporation is smaller than the acquired corporation.

(c) Grant of optional dissenters rights.--The bylaws or a resolution of the board of directors may direct that all or a part of the shareholders shall have dissenters rights in connection with any corporate action or other transaction which would otherwise not entitle such shareholders to dissenters rights.

(d) Notice of dissenters rights.--Unless otherwise provided by statute, if a proposed corporate action which would give rise to dissenters rights under this subpart is submitted to a vote at a meeting of shareholders, there shall be included in or enclosed with the notice of meeting:

(1) a statement that the shareholders have a right to dissent and obtain payment of the fair value of their shares by complying with the terms of this subchapter; and

(2) a copy of this subchapter.

(e) Other statutes.--The procedures of this subchapter shall also be applicable to any transaction described in any statute other than this title which makes reference to this subchapter for the purpose of granting dissenters rights.

1 (f) Cross references.--See sections 1105 (relating to
2 restriction on equitable relief) and 1904 (relating to de facto
3 transaction doctrine abolished).

4 § 1572. Definitions.

5 The following words and phrases when used in this subchapter
6 shall have the meanings given to them in this section unless the
7 context clearly indicates otherwise:

8 "Corporation." The issuer of the shares held or owned by the
9 dissenter before the corporate action or the successor by
10 merger, consolidation, division, conversion or otherwise of that
11 issuer.

12 "Dissenter." A shareholder or beneficial owner who is
13 entitled to and does assert dissenters rights under this
14 subchapter and who has performed every act required up to the
15 time involved for the assertion of those rights.

16 "Fair value." The fair value of shares immediately before
17 the effectuation of the corporate action to which the dissenter
18 objects taking into account all relevant factors, but excluding
19 any appreciation or depreciation in anticipation of the
20 corporate action.

21 "Interest." Interest from the effective date of the
22 corporate action until the date of payment at such rate as is
23 fair and equitable under all the circumstances, taking into
24 account all relevant factors including the average rate
25 currently paid by the corporation on its principal bank loans.

26 § 1573. Record and beneficial holders and owners.

27 (a) Record holders of shares.--A record holder of shares of
28 a business corporation may assert dissenters rights as to fewer
29 than all of the shares registered in his name only if he
30 dissents with respect to all the shares beneficially owned by

1 any one person and discloses the name and address of the person
2 or persons on whose behalf he dissents. In that event, his
3 rights shall be determined as if the shares as to which he has
4 dissented and his other shares were registered in the names of
5 different shareholders.

6 (b) Beneficial owners of shares.--A beneficial owner of
7 shares of a business corporation who is not the record holder
8 may assert dissenters rights with respect to shares held on his
9 behalf and shall be treated as a dissenting shareholder under
10 the terms of this subchapter if he submits to the corporation
11 not later than the time of the assertion of dissenters rights a
12 written consent of the record holder. A beneficial owner may not
13 dissent with respect to some but less than all shares of the
14 same class or series owned by the owner, whether or not the
15 shares so owned by him are registered in his name.

16 § 1574. Notice of intention to dissent.

17 If the proposed corporate action is submitted to a vote at a
18 meeting of shareholders of a business corporation, any person
19 who wishes to dissent and obtain payment of the fair value of
20 his shares must file with the corporation, prior to the vote, a
21 written notice of intention to demand that he be paid the fair
22 value for his shares if the proposed action is effectuated and
23 refrain from voting his shares in approval of such action. A
24 dissenter who fails in either respect shall acquire no right to
25 payment of the fair value of his shares under this subchapter.
26 Neither a proxy nor a vote against the proposed corporate action
27 shall constitute the written notice required by this section.

28 § 1575. Notice to demand payment.

29 (a) General rule.--If the proposed corporate action is
30 approved by the required vote at a meeting of shareholders of a

1 business corporation, the corporation shall mail a further
2 notice to all dissenters who gave due notice of intention to
3 demand payment of the fair value of their shares and who
4 refrained from voting in favor of the proposed action. If the
5 proposed corporate action is to be taken without a vote of
6 shareholders, the corporation shall send to all shareholders who
7 are entitled to dissent and demand payment of the fair value of
8 their shares a notice of the adoption of the plan or other
9 corporate action. In either case, the notice shall:

10 (1) State where and when a demand for payment must be
11 sent and certificates for certificated shares must be
12 deposited in order to obtain payment.

13 (2) Inform holders of uncertificated shares to what
14 extent transfer of shares will be restricted from the time
15 that demand for payment is received.

16 (3) Supply a form for demanding payment which includes a
17 request for certification of the date on which the
18 shareholder, or the person on whose behalf the shareholder
19 dissents, acquired beneficial ownership of the shares.

20 (4) Be accompanied by a copy of this subchapter.

21 (b) Time for receipt of demand for payment.--The time set
22 for receipt of the demand and deposit of certificated shares
23 shall be not less than 30 days from the mailing of the notice.

24 § 1576. Failure to comply with notice to demand payment, etc.

25 (a) Effect of failure of shareholder to act.--A shareholder
26 who fails to demand payment, or fails (in the case of
27 certificated shares) to deposit certificates, as required by a
28 notice pursuant to section 1575 (relating to notice to demand
29 payment) shall have no right under this subchapter to receive
30 payment of the fair value of his shares.

1 (b) Restriction on uncertificated shares.--If the shares are
2 not represented by certificates, the business corporation may
3 restrict their transfer from the time of receipt of demand for
4 payment until effectuation of the proposed corporate action or
5 the release of restrictions under the terms of section 1577(a)
6 (relating to failure to effectuate corporate action).

7 (c) Rights retained by shareholder.--The dissenter shall
8 retain all other rights of a shareholder until those rights are
9 modified by effectuation of the proposed corporate action.

10 § 1577. Release of restrictions or payment for shares.

11 (a) Failure to effectuate corporate action.--Within 60 days
12 after the date set for demanding payment and depositing
13 certificates, if the business corporation has not effectuated
14 the proposed corporate action, it shall return any certificates
15 that have been deposited and release uncertificated shares from
16 any transfer restrictions imposed by reason of the demand for
17 payment.

18 (b) Renewal of notice to demand payment.--When
19 uncertificated shares have been released from transfer
20 restrictions and deposited certificates have been returned, the
21 corporation may at any later time send a new notice conforming
22 to the requirements of section 1575 (relating to notice to
23 demand payment), with like effect.

24 (c) Payment of fair value of shares.--Promptly after
25 effectuation of the proposed corporate action, or upon timely
26 receipt of demand for payment if the corporate action has
27 already been effectuated, the corporation shall either remit to
28 dissenters who have made demand and (if their shares are
29 certificated) have deposited their certificates the amount which
30 the corporation estimates to be the fair value of the shares, or

1 give written notice that no remittance under this section will
2 be made. The remittance or notice shall be accompanied by:

3 (1) The closing balance sheet and statement of income of
4 the issuer of the shares held or owned by the dissenter for a
5 fiscal year ending not more than 16 months before the date of
6 remittance together with the latest available interim
7 financial statements.

8 (2) A statement of the corporation's estimate of the
9 fair value of the shares.

10 (3) A notice of the right of the dissenter to demand
11 supplemental payment accompanied by a copy of this
12 subchapter.

13 (d) Failure to make payment.--If the corporation does not
14 remit the amount of its estimate of the fair value of the shares
15 as provided by subsection (c), it shall return any certificates
16 that have been deposited and release uncertificated shares from
17 any transfer restrictions imposed by reason of the demand for
18 payment. The corporation may make a notation on any such
19 certificate or on the records of the corporation relating to any
20 uncertificated shares that such demand has been made. If shares
21 with respect to which notation has been so made shall be
22 transferred, each new certificate issued therefor or the records
23 relating to any transferred uncertificated shares shall bear a
24 similar notation, together with the name of the original
25 dissenting holder or owner of such shares. A transferee of such
26 shares shall not acquire by such transfer any rights in the
27 corporation other than those which the original dissenter had
28 after making demand for payment of their fair value.

29 (e) Cross reference.--See section 1581 (relating to rights
30 of persons not beneficial owners when corporate action first

1 announced).

2 § 1578. Estimate by dissenter of fair value of shares.

3 (a) General rule.--If the business corporation gives notice
4 of its estimate of the fair value of the shares, without
5 remitting such amount, or remits payment of its estimate of the
6 fair value of a dissenter's shares as permitted by section
7 1577(c) (relating to payment of fair value of shares) and the
8 dissenter believes that the amount stated or remitted is less
9 than the fair value of his shares, he may send the corporation
10 his own estimate of the fair value of the shares, which shall be
11 deemed a demand for payment of the amount or the deficiency.

12 (b) Effect of failure to file estimate.--Where a corporation
13 has remitted payment of its estimated value of a dissenter's
14 shares, and the dissenter does not file his own estimate within
15 30 days after the mailing by the corporation of its remittance,
16 the dissenter shall be entitled to no more than the amount
17 remitted to him by the corporation.

18 § 1579. Valuation proceedings generally.

19 (a) General rule.--Within 60 days after the latest of:

20 (1) effectuation of the proposed corporate action;

21 (2) timely receipt of any demands for payment under
22 section 1575 (relating to notice to demand payment); or

23 (3) timely receipt of any estimates pursuant to section
24 1578 (relating to estimate by dissenter of fair value of
25 shares);

26 if any demands for payment remain unsettled, the business
27 corporation may file in court an application for relief
28 requesting that the fair value of the shares be determined by
29 the court.

30 (b) Mandatory joinder of dissenters.--All dissenters,

1 wherever residing, whose demands have not been settled shall be
2 made parties to the proceeding as in an action against their
3 shares. A copy of the application shall be served on each such
4 dissenter. If a dissenter is a nonresident, the copy may be
5 served on him in the manner provided or prescribed by or
6 pursuant to 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
7 and interstate and international procedure).

8 (c) Jurisdiction of the court.--The jurisdiction of the
9 court shall be plenary and exclusive. The court may appoint an
10 appraiser to receive evidence and recommend a decision on the
11 issue of fair value. The appraiser shall have such power and
12 authority as may be specified in the order of appointment or in
13 any amendment thereof.

14 (d) Measure of recovery.--Each dissenter who is made a party
15 shall be entitled to recover the amount by which the fair value
16 of his shares is found to exceed the amount, if any, previously
17 remitted, plus interest.

18 (e) Effect of corporation's failure to file application.--If
19 the corporation fails to file an application as provided in
20 subsection (a), any dissenter who made a demand and who has not
21 already settled his claim against the corporation may do so in
22 the name of the corporation at any time within 30 days after the
23 expiration of the 60-day period. If a dissenter does not file an
24 application within the 30-day period, each dissenter entitled to
25 file an application shall be paid the corporation's estimate of
26 the fair value of the shares and no more, and may bring an
27 action therefor in any court of competent jurisdiction for any
28 amount not previously remitted.

29 § 1580. Costs and expenses of valuation proceedings.

30 (a) General rule.--The costs and expenses of any proceeding

1 under section 1579 (relating to valuation proceedings
2 generally), including the reasonable compensation and expenses
3 of the appraiser appointed by the court, shall be determined by
4 the court and assessed against the business corporation except
5 that any part of the costs and expenses may be apportioned and
6 assessed as the court deems appropriate against all or some of
7 the dissenters who are parties and whose action in demanding
8 supplemental payment under section 1578 (relating to estimate by
9 dissenter of fair value of shares) the court finds to be
10 arbitrary, vexatious or in bad faith.

11 (b) Assessment of counsel fees and expert fees where lack of
12 good faith appears.--Fees and expenses of counsel and of experts
13 for the respective parties may be assessed as the court deems
14 appropriate against the corporation and in favor of any or all
15 dissenters if the corporation failed to comply substantially
16 with the requirements of this subchapter and may be assessed
17 against either the corporation or a dissenter, in favor of any
18 other party, if the court finds that the party against whom the
19 fees and expenses are assessed acted in a dilatory, obdurate or
20 vexatious manner in respect to the rights provided by this
21 subchapter.

22 (c) Award of fees for benefits to other dissenters.--If the
23 court finds that the services of counsel for any dissenter were
24 of substantial benefit to other dissenters similarly situated
25 and should not be assessed against the corporation, it may award
26 to those counsel reasonable fees to be paid out of the amounts
27 awarded to the dissenters who were benefited.

28 CHAPTER 17
29 OFFICERS, DIRECTORS AND SHAREHOLDERS
30 Subchapter

1 corporation or, in the case of directors, supplied by him to the
2 corporation for the purpose of notice. If the notice is sent by
3 mail or by telegraph, it shall be deemed to have been given to
4 the person entitled thereto when deposited in the United States
5 mail or with a telegraph office for transmission to that person.
6 A notice of meeting shall specify the place, day and hour of the
7 meeting and any other information required by any other
8 provision of this subpart.

9 (b) Adjourned shareholder meetings.--When a meeting of
10 shareholders is adjourned, it shall not be necessary to give any
11 notice of the adjourned meeting or of the business to be
12 transacted at an adjourned meeting, other than by announcement
13 at the meeting at which the adjournment is taken, unless the
14 board fixes a new record date for the adjourned meeting.

15 § 1703. Place and notice of meetings of board of directors.

16 (a) Place.--Meetings of the board of directors may be held
17 at such place within or without this Commonwealth as the board
18 of directors may from time to time appoint or as may be
19 designated in the notice of the meeting.

20 (b) Notice.--Meetings of the board of directors may be held
21 upon such notice, if any, as the bylaws may prescribe. Unless
22 otherwise provided in the bylaws, written notice of every
23 meeting of the board of directors shall be given to each
24 director at least five days before the day named for the
25 meeting. Neither the business to be transacted at, nor the
26 purpose of, any regular or special meeting of the board need be
27 specified in the notice of the meeting.

28 § 1704. Place and notice of meetings of shareholders.

29 (a) Place.--Meetings of shareholders may be held at such
30 place within or without this Commonwealth as may be provided in

1 or fixed pursuant to the bylaws. Unless otherwise provided in or
2 pursuant to the bylaws, all meetings of the shareholders shall
3 be held in this Commonwealth at the registered office of the
4 corporation.

5 (b) Notice.--Written notice of every meeting of the
6 shareholders shall be given by, or at the direction of, the
7 secretary or other authorized person to each shareholder of
8 record entitled to vote at the meeting at least ten days prior
9 to the day named for the meeting. If the secretary or other
10 authorized person neglects or refuses to give notice of a
11 meeting, the person or persons calling the meeting may do so. In
12 the case of a special meeting of shareholders, the notice shall
13 specify the general nature of the business to be transacted.
14 § 1705. Waiver of notice.

15 (a) Written waiver.--Whenever any written notice is required
16 to be given under the provisions of this subpart or the articles
17 or bylaws of any business corporation, a waiver thereof in
18 writing, signed by the person or persons entitled to the notice,
19 whether before or after the time stated therein, shall be deemed
20 equivalent to the giving of the notice. Except as otherwise
21 required by this subsection, neither the business to be
22 transacted at, nor the purpose of, a meeting need be specified
23 in the waiver of notice of the meeting. In the case of a special
24 meeting of shareholders, the waiver of notice shall specify the
25 general nature of the business to be transacted.

26 (b) Waiver by attendance.--Attendance of a person at any
27 meeting shall constitute a waiver of notice of the meeting
28 except where a person attends a meeting for the express purpose
29 of objecting, at the beginning of the meeting, to the
30 transaction of any business because the meeting was not lawfully

1 called or convened.

2 § 1706. Modification of proposal contained in notice.

3 Whenever the language of a proposed resolution is included in
4 a written notice of a meeting required to be given under the
5 provisions of this subpart or the articles or bylaws of any
6 business corporation, the meeting considering the resolution may
7 without further notice adopt it with such clarifying or other
8 amendments as do not enlarge its original purpose.

9 § 1707. Exception to requirement of notice.

10 (a) General rule.--Whenever any notice or communication is
11 required to be given to any person under the provisions of this
12 subpart or by the articles or bylaws of any business corporation
13 or by the terms of any agreement or other instrument or as a
14 condition precedent to taking any corporate action and
15 communication with that person is then unlawful, the giving of
16 the notice or communication to that person shall not be required
17 and there shall be no duty to apply for a license or other
18 permission to do so. Any action or meeting which is taken or
19 held without notice or communication to that person shall have
20 the same validity as if the notice or communication had been
21 duly given. If the action taken is such as to require the filing
22 of any document with respect thereto under any provision of law
23 or any agreement or other instrument, it shall be sufficient, if
24 such is the fact and if notice or communication is required, to
25 state therein that notice or communication was given to all
26 persons entitled to receive notice or communication except
27 persons with whom communication was unlawful. See section 1701
28 (relating to applicability of subchapter).

29 (b) Shareholders without forwarding addresses.--Subsection
30 (a) shall also be applicable to any shareholder with whom the

1 corporation has been unable to communicate for more than 24
2 consecutive months because communications to the shareholder are
3 returned unclaimed or the shareholder has otherwise failed to
4 provide the corporation with a current address. Whenever the
5 shareholder provides the corporation with a current address,
6 subsection (a) shall cease to be applicable to the shareholder
7 under this subsection.

8 § 1708. Use of conference telephone and similar equipment.

9 One or more persons may participate in a meeting of the
10 incorporators, the board or shareholders of a business
11 corporation by means of conference telephone or similar
12 communications equipment by means of which all persons
13 participating in the meeting can hear each other. Participation
14 in a meeting pursuant to this section shall constitute presence
15 in person at the meeting.

16 SUBCHAPTER B

17 DIRECTORS AND OFFICERS

18 Sec.

19 1721. Board of directors.

20 1722. Qualifications of directors.

21 1723. Number of directors.

22 1724. Term of office of directors.

23 1725. Selection of directors.

24 1726. Removal of directors.

25 1727. Quorum of and action by directors.

26 1728. Interested directors or officers; quorum.

27 1729. Voting rights of directors.

28 1730. Compensation of directors.

29 1731. Executive and other committees of the board.

30 1732. Officers.

1 1733. Removal of officers and agents.

2 § 1721. Board of directors.

3 (a) General rule.--Unless otherwise provided by statute or
4 in a bylaw adopted by the shareholders, all powers enumerated in
5 section 1502 (relating to general powers) and elsewhere in this
6 subpart or otherwise vested by law in a business corporation
7 shall be exercised by or under the authority of, and the
8 business and affairs of every business corporation shall be
9 managed under the direction of, a board of directors. If any
10 such provision is made in the bylaws, the powers and duties
11 conferred or imposed upon the board of directors by this subpart
12 shall be exercised or performed to such extent and by such
13 person or persons as shall be provided in the bylaws.

14 (b) Standard of care; justifiable reliance.--A director
15 shall perform his duties as a director, including his duties as
16 a member of any committee of the board upon which he may serve,
17 in good faith, in a manner he believes to be in the best
18 interests of the corporation and with such care as a person of
19 ordinary prudence in a like position would use under similar
20 circumstances. In performing his duties, a director shall be
21 entitled to rely in good faith on information, opinions, reports
22 or statements, including financial statements and other
23 financial data, in each case prepared or presented by:

24 (1) one or more officers or employees of the corporation
25 whom the director believes to be reliable and competent in
26 the matters presented;

27 (2) counsel, public accountants or other persons as to
28 matters which the director believes to be within the
29 professional or expert competence of such person; or

30 (3) a committee of the board upon which he does not

1 serve, duly designated in accordance with section 1731
2 (relating to executive and other committees of the board), as
3 to matters within its designated authority.

4 A person who so performs his duties shall have no liability by
5 reason of being or having been a director of the corporation.

6 (c) Notation of dissent.--A director of a corporation who is
7 present at a meeting of its board of directors, or of a
8 committee of the board, at which action on any corporate matter
9 is taken shall be presumed to have assented to the action taken
10 unless his dissent is entered in the minutes of the meeting or
11 unless he files his written dissent to the action with the
12 secretary of the meeting before the adjournment thereof or
13 transmits the dissent in writing to the secretary of the
14 corporation immediately after the adjournment of the meeting.
15 The right to dissent shall not apply to a director who voted in
16 favor of the action.

17 (d) Consideration of all pertinent factors.--In discharging
18 the duties of their respective positions, the board of
19 directors, committees of the board, individual directors and
20 individual officers may, in considering the best interests of
21 the corporation, consider the effects of any action upon
22 employees, suppliers and customers of the corporation,
23 communities in which offices or other establishments of the
24 corporation are located and all other pertinent factors. The
25 consideration of those factors shall not constitute a violation
26 of subsection (b), nor be a basis for relief under section
27 1767(a)(2) (relating to appointment of custodian of corporation
28 on deadlock or other cause) or 1981 (relating to proceedings
29 upon petition of shareholder or director). The weight to be
30 given those factors in determining the best interests of the

1 corporation may be determined within the business judgment of
2 the directors.

3 § 1722. Qualifications of directors.

4 Each director of a business corporation shall be a natural
5 person of full age who, unless otherwise restricted in the
6 bylaws, need not be a resident of this Commonwealth or a
7 shareholder of the corporation. Except as otherwise provided in
8 this section, the qualifications of directors may be prescribed
9 in the bylaws.

10 § 1723. Number of directors.

11 The board of directors of a business corporation shall
12 consist of one or more members. The number of directors shall be
13 fixed by, or in the manner provided in, the bylaws. If not so
14 fixed, the number of directors shall be the same as that stated
15 in the articles or three if no number is so stated.

16 § 1724. Term of office of directors.

17 (a) General rule.--Each director of a business corporation
18 shall hold office until the expiration of the term for which he
19 was selected and until his successor has been selected and
20 qualified or until his earlier death, resignation or removal.
21 Any director may resign at any time upon written notice to the
22 corporation. The resignation shall be effective upon receipt
23 thereof by the corporation or at such subsequent time as shall
24 be specified in the notice of resignation. Each director shall
25 be selected for the term of office provided in the bylaws, which
26 shall be one year and until his successor has been selected and
27 qualified or until his earlier death, resignation or removal,
28 unless the board is classified as provided by subsection (b). A
29 decrease in the number of directors shall not have the effect of
30 shortening the term of any incumbent director.

1 (b) Classified board of directors.--If the directors are
2 classified in respect of the time for which they shall severally
3 hold office:

4 (1) Each class shall be as nearly equal in number as
5 possible.

6 (2) The term of office of at least one class shall
7 expire in each year.

8 (3) The members of a class shall not be elected for a
9 longer period than four years.

10 § 1725. Selection of directors.

11 (a) General rule.--Except as otherwise provided in this
12 section, directors of a business corporation, other than those
13 constituting the first board of directors, shall be elected by
14 the shareholders.

15 (b) Other methods.--If the articles so provide, directors
16 may be elected, appointed, designated or otherwise selected by
17 such person or persons or by such method or methods as shall be
18 fixed by, or in the manner provided in, the articles, and the
19 directors may be classified as to the shareholders, other
20 securityholders or governmental or other entities who exercise
21 the power to select directors.

22 (c) Vacancies.--

23 (1) Except as otherwise provided in the bylaws:

24 (i) Vacancies in the board of directors, including
25 vacancies resulting from an increase in the number of
26 directors, may be filled by a majority vote of the
27 remaining members of the board though less than a quorum,
28 or by a sole remaining director, and each person so
29 selected shall be a director to serve for the balance of
30 the unexpired term unless otherwise restricted in the

1 bylaws.

2 (ii) When one or more directors resign from the
3 board effective at a future date, the directors then in
4 office, including those who have so resigned, shall have
5 power by the applicable vote to fill the vacancies, the
6 vote thereon to take effect when the resignations become
7 effective.

8 (2) In the case of a corporation having a classified
9 board of directors, any director chosen to fill a vacancy,
10 including a vacancy resulting from an increase in the number
11 of directors, shall hold office until the next selection of
12 the class for which such director has been chosen, and until
13 his successor has been selected and qualified or until his
14 earlier death, resignation or removal.

15 (d) Alternate directors.--If the bylaws so provide, a person
16 or group of persons entitled to elect, appoint, designate or
17 otherwise select one or more directors may select one or more
18 alternates for each director. In the absence of a director from
19 a meeting of the board, one of his alternates may, in the manner
20 and upon such notice, if any, as may be provided in the bylaws,
21 attend the meeting and exercise at the meeting such of the
22 powers of the absent director as may be specified by, or in the
23 manner provided in, the bylaws. When so exercising the powers of
24 the absent director, the alternate shall be subject in all
25 respects to the provisions of this subpart relating to
26 directors.

27 § 1726. Removal of directors.

28 (a) Removal by the shareholders.--

29 (1) Unless otherwise provided in a bylaw adopted by the
30 shareholders or by paragraph (2), the entire board of

1 directors, or a class of the board where the board is
2 classified with respect to the power to select directors, or
3 any individual director of a business corporation may be
4 removed from office without assigning any cause by the vote
5 of shareholders, or of the holders of a class or series of
6 shares, entitled to elect directors, or the class of
7 directors. In case the board or a class of the board or any
8 one or more directors are so removed, new directors may be
9 elected at the same meeting.

10 (2) Unless otherwise provided in the articles, the
11 entire board of directors, or any class of the board, or any
12 individual director of a corporation having a board
13 classified as permitted by section 1724(b) (relating to
14 classified board of directors), may be removed from office by
15 vote of the shareholders entitled to vote thereon only for
16 cause.

17 (3) The repeal of a provision of the articles or bylaws
18 prohibiting, or the addition of a provision of the articles
19 or bylaws permitting, the removal by the shareholders of the
20 board, a class of the board or a director without assigning
21 any cause shall not apply to any incumbent director during
22 the balance of the term for which he was selected.

23 (4) An individual director shall not be removed (unless
24 the entire board or class of the board is removed) from the
25 board of a corporation in which shareholders are entitled to
26 vote cumulatively for the board or a class of the board if
27 sufficient votes are cast against the resolution for his
28 removal which, if cumulatively voted at an annual or other
29 regular election of directors, would be sufficient to elect
30 one or more directors to the board or to the class.

(5) The board of directors may be removed at any time with or without cause by the unanimous vote or consent of shareholders entitled to vote thereon.

(b) Removal by the board.--Unless otherwise provided in a bylaw adopted by the shareholders, the board of directors may declare vacant the office of a director if he is declared of unsound mind by an order of court or is convicted of an offense punishable by imprisonment for a term of more than one year or for any other proper cause which the bylaws may specify or if, within 60 days or such other time as the bylaws may specify after notice of his selection, he does not accept the office either in writing or by attending a meeting of the board of directors and fulfill such other requirements of qualification as the bylaws may specify.

(c) Removal by the court.--Upon application of any shareholder or director, the court may remove from office any director in case of fraudulent or dishonest acts, or gross abuse of authority or discretion with reference to the corporation, or for any other proper cause, and may bar from office any director so removed for a period prescribed by the court. The corporation shall be made a party to the action and as a prerequisite to the maintenance of an action under this subsection a shareholder shall comply with Subchapter E (relating to derivative actions).

(d) Effect of reinstatement.--An act of the board done during the period when a director has been suspended or removed for cause shall not be impugned or invalidated if the suspension or removal is thereafter rescinded by the shareholders or by the board or by the final judgment of a court.

§ 1727. Quorum of and action by directors.

(a) General rule.--Unless otherwise provided in the bylaws,

1 a majority of the directors in office of a business corporation
2 shall be necessary to constitute a quorum for the transaction of
3 business and the acts of a majority of the directors present and
4 voting at a meeting at which a quorum is present shall be the
5 acts of the board of directors.

6 (b) Action by written consent.--Unless otherwise restricted
7 in the bylaws, any action required or permitted to be taken at a
8 meeting of the directors may be taken without a meeting if,
9 prior or subsequent to the action, a consent or consents thereto
10 by all of the directors in office is filed with the secretary of
11 the corporation.

12 § 1728. Interested directors or officers; quorum.

13 (a) General rule.--A contract or transaction between a
14 business corporation and one or more of its directors or
15 officers or between a business corporation and another domestic
16 or foreign corporation for profit or not-for-profit,
17 partnership, joint venture, trust or other enterprise in which
18 one or more of its directors or officers are directors or
19 officers or have a financial or other interest, shall not be
20 void or voidable solely for that reason, or solely because the
21 director or officer is present at or participates in the meeting
22 of the board of directors which authorizes the contract or
23 transaction, or solely because his or their votes are counted
24 for that purpose, if:

25 (1) the material facts as to the relationship or
26 interest and as to the contract or transaction are disclosed
27 or are known to the board of directors and the board
28 authorizes the contract or transaction by the affirmative
29 votes of a majority of the disinterested directors even
30 though the disinterested directors are less than a quorum;

1 (2) the material facts as to his relationship or
2 interest and as to the contract or transaction are disclosed
3 or are known to the shareholders entitled to vote thereon and
4 the contract or transaction is specifically approved in good
5 faith by vote of those shareholders; or

6 (3) the contract or transaction is fair as to the
7 corporation as of the time it is authorized, approved or
8 ratified by the board of directors or the shareholders.

9 (b) Quorum.--Common or interested directors may be counted
10 in determining the presence of a quorum at a meeting of the
11 board which authorizes a contract or transaction specified in
12 subsection (a).

13 (c) Applicability.--The provisions of this section shall be
14 applicable except as otherwise restricted in the bylaws, but
15 shall not apply to a decision to indemnify a representative of
16 the corporation under section 1744 (relating to procedure for
17 effecting indemnification).

18 § 1729. Voting rights of directors.

19 (a) General rule.--Unless otherwise provided in a bylaw
20 adopted by the shareholders, every director of a business
21 corporation shall be entitled to one vote.

22 (b) Multiple and fractional voting.--Any requirement of this
23 subpart for the presence of or vote or other action by a
24 specified percentage of directors shall be satisfied by the
25 presence of or vote or other action by directors entitled to
26 cast the specified percentage of the votes which all voting
27 directors in office are entitled to cast.

28 § 1730. Compensation of directors.

29 Except as otherwise restricted in the bylaws, the board of
30 directors of a business corporation shall have the authority to

1 fix the compensation of directors for their services as
2 directors and a director may be a salaried officer of the
3 corporation.

4 § 1731. Executive and other committees of the board.

5 (a) Establishment and powers.--Unless otherwise restricted
6 in the bylaws:

7 (1) The board of directors of a business corporation
8 may, by resolution adopted by a majority of the directors in
9 office, establish one or more committees to consist of one or
10 more directors of the corporation. Any committee, to the
11 extent provided in the resolution of the board of directors
12 or in the bylaws, shall have and may exercise all of the
13 powers and authority of the board of directors except that no
14 committee shall have any power or authority as to the
15 following:

16 (i) The submission to shareholders of any action
17 requiring approval of shareholders under this subpart.

18 (ii) The creation or filling of vacancies in the
19 board of directors.

20 (iii) The adoption, amendment or repeal of the
21 bylaws.

22 (iv) The amendment or repeal of any resolution of
23 the board which by its terms is amendable or repealable
24 only by the board.

25 (v) Action on matters committed by the bylaws or
26 resolution of the board of directors to another committee
27 of the board.

28 (2) The board may designate one or more directors as
29 alternate members of any committee who may replace any absent
30 or disqualified member at any meeting of the committee. In

1 the absence or disqualification of a member and alternate
2 member or members of a committee, the member or members
3 thereof present at any meeting and not disqualified from
4 voting, whether or not he or they constitute a quorum, may
5 unanimously appoint another director to act at the meeting in
6 the place of the absent or disqualified member.

7 (b) Term.--Each committee of the board shall serve at the
8 pleasure of the board.

9 (c) Status of committee action.--The term "board of
10 directors" or "board," when used in any provision of this
11 subpart relating to the organization or procedures of or the
12 manner of taking action by the board of directors, shall be
13 construed to include and refer to any executive or other
14 committee of the board. Any provision of this subpart relating
15 or referring to action to be taken by the board of directors or
16 the procedure required therefor shall be satisfied by the taking
17 of corresponding action by a committee of the board of directors
18 to the extent authority to take the action has been delegated to
19 the committee pursuant to this section.

20 § 1732. Officers.

21 (a) General rule.--Every business corporation shall have a
22 president, a secretary and a treasurer, or persons who shall act
23 as such, regardless of the name or title by which they may be
24 designated, elected or appointed and may have such other
25 officers and assistant officers as it may authorize from time to
26 time. The bylaws may prescribe special qualifications for the
27 officers. The president and secretary shall be natural persons
28 of full age. The treasurer may be a corporation, but if a
29 natural person shall be of full age. Unless otherwise restricted
30 in the bylaws, it shall not be necessary for the officers to be

1 directors and any number of offices may be held by the same
2 person. The officers and assistant officers shall be elected or
3 appointed at such time, in such manner and for such terms as may
4 be fixed by or pursuant to the bylaws. Unless otherwise provided
5 by or pursuant to the bylaws, each officer shall hold office for
6 a term of one year and until his successor has been selected and
7 qualified or until his earlier death, resignation or removal.
8 Any officer may resign at any time upon written notice to the
9 corporation. The resignation shall be effective upon receipt
10 thereof by the corporation or at such subsequent time as may be
11 specified in the notice of resignation. The corporation may
12 secure the fidelity of any or all of the officers by bond or
13 otherwise.

14 (b) Authority.--Unless otherwise provided in the bylaws, all
15 officers of the corporation, as between themselves and the
16 corporation, shall have such authority and perform such duties
17 in the management of the corporation as may be provided by or
18 pursuant to the bylaws or, in the absence of controlling
19 provisions in the bylaws, as may be determined by or pursuant to
20 resolutions or orders of the board of directors.

21 § 1733. Removal of officers and agents.

22 Unless otherwise provided in the bylaws, any officer or agent
23 of a business corporation may be removed by the board of
24 directors with or without cause. The removal shall be without
25 prejudice to the contract rights, if any, of any person so
26 removed. Election or appointment of an officer or agent shall
27 not of itself create contract rights.

28 SUBCHAPTER C

29 INDEMNIFICATION

30 Sec.

- 1 1741. Third party actions.
- 2 1742. Derivative actions.
- 3 1743. Mandatory indemnification.
- 4 1744. Procedure for effecting indemnification.
- 5 1745. Advancing expenses.
- 6 1746. Scope of subchapter.
- 7 1747. Power to purchase insurance.
- 8 1748. Application to surviving or new corporations.
- 9 1749. Application to employee benefit plans.

10 § 1741. Third party actions.

11 Unless otherwise restricted in its bylaws, a business
12 corporation shall have power to indemnify any person who was or
13 is a party or is threatened to be made a party to any
14 threatened, pending or completed action or proceeding, whether
15 civil, criminal, administrative or investigative (other than an
16 action by or in the right of the corporation), by reason of the
17 fact that he is or was a representative of the corporation, or
18 is or was serving at the request of the corporation as a
19 representative of another domestic or foreign corporation for
20 profit or not-for-profit, partnership, joint venture, trust or
21 other enterprise, against expenses (including attorneys' fees),
22 judgments, fines and amounts paid in settlement actually and
23 reasonably incurred by him in connection with the action or
24 proceeding if he acted in good faith and in a manner he
25 reasonably believed to be in, or not opposed to, the best
26 interests of the corporation and, with respect to any criminal
27 proceeding, had no reasonable cause to believe his conduct was
28 unlawful. The termination of any action or proceeding by
29 judgment, order, settlement or conviction or upon a plea of nolo
30 contendere or its equivalent shall not of itself create a

1 presumption that the person did not act in good faith and in a
2 manner which he reasonably believed to be in, or not opposed to,
3 the best interests of the corporation and, with respect to any
4 criminal proceeding, had reasonable cause to believe that his
5 conduct was unlawful.

6 § 1742. Derivative actions.

7 Unless otherwise restricted in its bylaws, a business
8 corporation shall have power to indemnify any person who was or
9 is a party, or is threatened to be made a party, to any
10 threatened, pending or completed action by or in the right of
11 the corporation to procure a judgment in its favor by reason of
12 the fact that he is or was a representative of the corporation
13 or is or was serving at the request of the corporation as a
14 representative of another domestic or foreign corporation for
15 profit or not-for-profit, partnership, joint venture, trust or
16 other enterprise, against expenses (including attorneys' fees)
17 actually and reasonably incurred by him in connection with the
18 defense or settlement of the action if he acted in good faith
19 and in a manner he reasonably believed to be in, or not opposed
20 to, the best interests of the corporation. No indemnification
21 shall be made in respect of any claim, issue or matter as to
22 which the person has been adjudged to be liable for negligence
23 or misconduct in the performance of his duty to the corporation
24 unless and only to the extent that the court of common pleas of
25 the judicial district embracing the county in which the
26 registered office of the corporation is located or the court in
27 which the action was brought determines upon application that,
28 despite the adjudication of liability but in view of all the
29 circumstances of the case, the person is fairly and reasonably
30 entitled to indemnity for the expenses which the court of common

1 pleas or other court deems proper.

2 § 1743. Mandatory indemnification.

3 Notwithstanding any contrary provision of its articles or
4 bylaws, to the extent that a representative of a business
5 corporation has been successful on the merits or otherwise in
6 defense of any action or proceeding referred to in section 1741
7 (relating to third party actions) or 1742 (relating to
8 derivative actions) or in defense of any claim, issue or matter
9 therein, he shall be indemnified against expenses (including
10 attorneys' fees) actually and reasonably incurred by him in
11 connection therewith.

12 § 1744. Procedure for effecting indemnification.

13 Unless ordered by a court, any indemnification under section
14 1741 (relating to third party actions) or 1742 (relating to
15 derivative actions) shall be made by the business corporation
16 only as authorized in the specific case upon a determination
17 that indemnification of the representative is proper in the
18 circumstances because he has met the applicable standard of
19 conduct set forth in those sections. The determination shall be
20 made:

21 (1) by the board of directors by a majority vote of a
22 quorum consisting of directors who were not parties to the
23 action or proceeding;

24 (2) if such a quorum is not obtainable or if obtainable
25 and a majority vote of a quorum of disinterested directors so
26 directs, by independent legal counsel in a written opinion;
27 or

28 (3) by the shareholders.

29 § 1745. Advancing expenses.

30 Expenses (including attorneys' fees) incurred in defending a

1 civil action or criminal proceeding may be paid by a business
2 corporation in advance of the final disposition of the action or
3 proceeding as authorized by the board of directors in a specific
4 case upon receipt of an undertaking by or on behalf of the
5 representative to repay the amount unless it is ultimately
6 determined that he is entitled to be indemnified by the
7 corporation as authorized in this subchapter.

8 § 1746. Scope of subchapter.

9 The indemnification provided by this subchapter shall not be
10 deemed exclusive of any other rights to which a person seeking
11 indemnification may be entitled under any bylaw, agreement, vote
12 of shareholders or disinterested directors or otherwise, both as
13 to action in his official capacity and as to action in another
14 capacity while holding that office, and shall continue as to a
15 person who has ceased to be a representative and shall inure to
16 the benefit of the heirs and personal representative of that
17 person.

18 § 1747. Power to purchase insurance.

19 Unless otherwise restricted in its bylaws, a business
20 corporation shall have power to purchase and maintain insurance
21 on behalf of any person who is or was a representative of the
22 corporation or is or was serving at the request of the
23 corporation as a representative of another domestic or foreign
24 corporation for profit or not-for-profit, partnership, joint
25 venture, trust or other enterprise against any liability
26 asserted against him and incurred by him in any such capacity,
27 or arising out of his status as such, whether or not the
28 corporation would have the power to indemnify him against that
29 liability under the provisions of this subchapter. Such
30 insurance is declared to be consistent with the public policy of

1 this Commonwealth.

2 § 1748. Application to surviving or new corporations.

3 For the purposes of this subchapter, references to "the
4 corporation" include all constituent corporations absorbed in a
5 consolidation, merger or division, as well as the surviving or
6 new corporations surviving or resulting therefrom, so that any
7 person who is or was a representative of the constituent,
8 surviving or new corporation, or is or was serving at the
9 request of the constituent, surviving or new corporation as a
10 representative of another domestic or foreign corporation for
11 profit or not-for-profit, partnership, joint venture, trust or
12 other enterprise, shall stand in the same position under the
13 provisions of this subchapter with respect to the surviving or
14 new corporation as he would if he had served the surviving or
15 new corporation in the same capacity.

16 § 1749. Application to employee benefit plans.

17 For purposes of this subchapter:

18 (1) References to "other enterprises" shall include
19 employee benefit plans and references to "serving at the
20 request of the corporation" shall include any service as a
21 representative of the business corporation which imposes
22 duties on, or involves services by, the representative with
23 respect to an employee benefit plan, its participants or
24 beneficiaries.

25 (2) Excise taxes assessed on a person with respect to an
26 employee benefit plan pursuant to applicable law shall be
27 deemed "fines."

28 (3) Action with respect to an employee benefit plan
29 taken or omitted in good faith by a representative of the
30 corporation in a manner he reasonably believed to be in the

1 interest of the participants and beneficiaries of the plan
2 shall be deemed to be action in a manner which is not opposed
3 to the best interests of the corporation.

4 SUBCHAPTER D

5 SHAREHOLDERS

6 Sec.

7 1754. Matters subject to shareholder action.

8 1755. Time of holding meetings of shareholders.

9 1756. Quorum.

10 1757. Action by shareholders.

11 1758. Voting rights of shareholders.

12 1759. Voting and other action by proxy.

13 1760. Voting by fiduciaries and pledgees.

14 1761. Voting by joint holders of shares.

15 1762. Voting by corporations.

16 1763. Determination of shareholders of record.

17 1764. Voting lists.

18 1765. Judges of election.

19 1766. Consent of shareholders in lieu of meeting.

20 1767. Appointment of custodian of corporation on deadlock or
21 other cause.

22 1768. Voting trusts and other agreements among shareholders.

23 1769. Minors as securityholders.

24 1770. Interested shareholders.

25 § 1754. Matters subject to shareholder action.

26 (a) General rule.--The voting rights of the shareholders of
27 a business corporation shall be exercised only with respect to
28 the following matters:

29 (1) Action under section 1504 (relating to adoption,
30 amendment and contents of bylaws).

1 (2) Election or removal of directors.

2 (3) Approval or disapproval of any matter which under
3 Chapter 19 (relating to fundamental changes) or any other
4 provision of this subpart or under the articles or a bylaw
5 adopted pursuant to section 1521(c) (relating to additional
6 restrictions upon exercise of corporate powers) is required
7 to be submitted for action by the shareholders.

8 (4) Exercise of any power or duty conferred or imposed
9 upon the shareholders pursuant to section 1721(a) (relating
10 to board of directors).

11 (5) Any other matter which in the sole discretion of the
12 board of directors may be referred to the shareholders for
13 consideration and action, which reference may be advisory or
14 dispositive in nature.

15 (b) Procedure in reference matters.--In making a reference
16 under subsection (a)(5) the board may specify quorum, requisite
17 vote and other conditions and restrictions notwithstanding any
18 contrary provision of this article.

19 § 1755. Time of holding meetings of shareholders.

20 (a) Regular meetings.--The bylaws of a business corporation
21 may provide for the number and the time of meetings of
22 shareholders, but at least one meeting of the shareholders shall
23 be held in each calendar year for the election of directors at
24 such time as shall be provided in or fixed pursuant to authority
25 granted by the bylaws. Failure to hold the annual or other
26 regular meeting at the designated time shall not work a
27 dissolution of the corporation or affect otherwise valid
28 corporate acts. If the annual or other regular meeting is not
29 called and held within six months after the designated time, any
30 shareholder may call the meeting at any time thereafter.

1 (b) Special meetings.--Special meetings of the shareholders
2 may be called at any time:

3 (1) by the board of directors;

4 (2) unless otherwise provided in the articles, by
5 shareholders entitled to cast at least 20% of the votes which
6 all shareholders are entitled to cast at the particular
7 meeting; or

8 (3) by such other officers or persons as may be provided
9 in the bylaws.

10 At any time, upon written request of any person who has called a
11 special meeting, it shall be the duty of the secretary to fix
12 the time of the meeting which, if the meeting is called pursuant
13 to a statutory right, shall be held not more than 60 days after
14 the receipt of the request. If the secretary neglects or refuses
15 to fix the time of the meeting, the person or persons calling
16 the meeting may do so.

17 (c) Adjournments.--Adjournments of any regular or special
18 meeting may be taken but any meeting at which directors are to
19 be elected shall be adjourned only from day to day, or for such
20 longer periods not exceeding 15 days each as the shareholders
21 present and entitled to vote shall direct, until the directors
22 have been elected.

23 § 1756. Quorum.

24 (a) General rule.--A meeting of shareholders of a business
25 corporation duly called shall not be organized for the
26 transaction of business unless a quorum is present. Unless
27 otherwise provided in a bylaw adopted by the shareholders:

28 (1) The presence of shareholders entitled to cast at
29 least a majority of the votes which all shareholders are
30 entitled to cast on a particular matter to be acted upon at

1 the meeting shall constitute a quorum for the purposes of
2 consideration and action on the matter.

3 (2) The shareholders present at a duly organized meeting
4 can continue to do business until adjournment notwithstanding
5 the withdrawal of enough shareholders to leave less than a
6 quorum.

7 (3) If a meeting cannot be organized because a quorum
8 has not attended, those present may, except as otherwise
9 provided in this article, adjourn the meeting to such time
10 and place as they may determine.

11 (b) Exception.--Unless otherwise restricted in the articles,
12 those shareholders entitled to vote who attend a meeting of
13 shareholders which has been previously adjourned for one or more
14 periods aggregating at least 15 days because of an absence of a
15 quorum, although less than a quorum as fixed in this section or
16 in the bylaws, shall nevertheless constitute a quorum for the
17 purpose of acting upon any matter set forth in the notice of the
18 meeting if the notice states that those shareholders who attend
19 the adjourned meeting shall nevertheless constitute a quorum for
20 the purpose of acting upon the matter.

21 § 1757. Action by shareholders.

22 (a) General rule.--Except as otherwise provided in this
23 subpart or in a bylaw adopted by the shareholders, whenever any
24 corporate action is to be taken by vote of the shareholders of a
25 business corporation, it shall be authorized by a majority of
26 the votes cast at a duly organized meeting of shareholders by
27 the holders of shares entitled to vote thereon.

28 (b) Changes in required vote.--Whenever a provision of this
29 subpart, other than section 2538 (relating to right of
30 shareholders to receive payment for shares following a control

1 transaction), requires a specified number or percentage of votes
2 of shareholders or of a class of shareholders for the taking of
3 any action, a business corporation may prescribe in a bylaw
4 adopted by the shareholders that a different number or
5 percentage of votes shall be required for the action.

6 (c) Expenses.--Unless otherwise restricted in the articles,
7 the corporation shall pay the reasonable expenses of
8 solicitation of votes, proxies or consents of shareholders by or
9 on behalf of the board of directors or its nominees for election
10 to the board, including solicitation by professional proxy
11 solicitors and otherwise, and may pay the reasonable expenses of
12 a solicitation by or on behalf of other persons.

13 § 1758. Voting rights of shareholders.

14 (a) General rule.--Unless otherwise provided in the
15 articles, every shareholder of a business corporation shall be
16 entitled to one vote for every share standing in his name on the
17 books of the corporation. The articles may restrict the number
18 of votes which a single holder or beneficial owner, or such a
19 group of holders or owners as the bylaws may define, of shares
20 of any class or series may directly or indirectly cast in the
21 aggregate for the election of directors or on any other matter
22 coming before the shareholders.

23 (b) Procedures.--If the bylaws provide a fair and reasonable
24 procedure for the nomination of candidates for any office, only
25 candidates who have been duly nominated in accordance therewith
26 shall be eligible for election. Unless otherwise restricted in
27 the bylaws, in elections for directors, voting need not be by
28 ballot, except upon demand made by a shareholder entitled to
29 vote at the election and before the voting begins. The
30 candidates receiving the highest number of votes from each class

1 or group of classes, if any, entitled to elect directors
2 separately up to the number of directors to be elected by the
3 class or group of classes shall be elected. If at any meeting of
4 shareholders, directors of more than one class are to be
5 elected, each class of directors shall be elected in a separate
6 election.

7 (c) Cumulative voting.--

8 (1) If the articles so provide, in each election of
9 directors of a business corporation every shareholder
10 entitled to vote shall have the right to multiply the number
11 of votes to which he may be entitled by the total number of
12 directors to be elected in the same election by the holders
13 of the class or classes of shares of which his shares are a
14 part and he may cast the whole number of his votes for one
15 candidate or he may distribute them among any two or more
16 candidates.

17 (2) If the shareholders of a corporation were entitled
18 to cumulate their votes for the election of directors at the
19 date the corporation became or becomes subject to this
20 subpart, these rights shall continue until otherwise
21 restricted in the articles.

22 (d) Redeemable shares.--Unless otherwise provided in the
23 articles, redeemable shares which have been called for
24 redemption shall not be entitled to vote on any matter and shall
25 not be deemed outstanding shares after written notice has been
26 mailed to holders thereof that the shares have been called for
27 redemption and that a sum sufficient to redeem the shares has
28 been deposited with a specified financial institution with
29 irrevocable instruction and authority to pay the redemption
30 price to the holders of the shares on the redemption date, in

1 the case of uncertificated shares, or upon surrender of
2 certificates therefor in the case of certificated shares, and
3 the sum has been so deposited.

4 § 1759. Voting and other action by proxy.

5 (a) General rule.--

6 (1) Every shareholder entitled to vote at a meeting of
7 shareholders or to express consent or dissent to corporate
8 action in writing without a meeting may authorize another
9 person to act for him by proxy.

10 (2) The presence of, or vote or other action at a
11 meeting of shareholders, or the expression of consent or
12 dissent to corporate action in writing, by a proxy of a
13 shareholder shall constitute the presence of, or vote or
14 action by, or written consent or dissent of the shareholder
15 for the purposes of this subpart.

16 (3) Where two or more proxies of a shareholder are
17 present, the corporation shall, unless otherwise expressly
18 provided in the proxy, accept as the vote of all shares
19 represented thereby the vote cast by a majority of them and,
20 if a majority of the proxies cannot agree whether the shares
21 represented shall be voted or upon the manner of voting the
22 shares, the voting of the shares shall be divided equally
23 among those persons.

24 (b) Minimum requirements.--Every proxy shall be executed in
25 writing by the shareholder or by his duly authorized attorney-
26 in-fact and filed with the secretary of the corporation. A
27 proxy, unless coupled with an interest, shall be revocable at
28 will, notwithstanding any other agreement or any provision in
29 the proxy to the contrary, but the revocation of a proxy shall
30 not be effective until written notice thereof has been given to

1 the secretary of the corporation. An unrevoked proxy shall not
2 be valid after 11 months from the date of its execution unless a
3 longer time is expressly provided therein. A proxy shall not be
4 revoked by the death or incapacity of the maker unless, before
5 the vote is counted or the authority is exercised, written
6 notice of the death or incapacity is given to the secretary of
7 the corporation.

8 (c) Proxy coupled with interest.--As used in this section
9 the term "proxy coupled with an interest" includes:

10 (1) a vote pooling or similar arrangement among
11 shareholders;

12 (2) an agreement permitted by section 1768(b) (relating
13 to other agreements); and

14 (3) an unrevoked proxy in favor of a creditor of a
15 shareholder and the proxy shall be valid so long as the debt
16 owed by him to the creditor remains unpaid.

17 § 1760. Voting by fiduciaries and pledgees.

18 Shares of a business corporation standing in the name of a
19 trustee or other fiduciary and shares held by an assignee for
20 the benefit of creditors or by a receiver may be voted by the
21 trustee, fiduciary, assignee or receiver. A shareholder whose
22 shares are pledged shall be entitled to vote the shares until
23 the shares have been transferred into the name of the pledgee,
24 or a nominee of the pledgee, but nothing in this section shall
25 affect the validity of a proxy given to a pledgee or nominee.

26 § 1761. Voting by joint holders of shares.

27 (a) General rule.--Where shares of a business corporation
28 are held jointly or as tenants in common by two or more persons,
29 as fiduciaries or otherwise:

30 (1) if only one or more of such persons is present in

1 person or by proxy, all of the shares standing in the names
2 of such persons shall be deemed to be represented for the
3 purpose of determining a quorum and the corporation shall
4 accept as the vote of all the shares the vote cast by him or
5 a majority of them; and

6 (2) if, in any case the persons are equally divided upon
7 whether the shares held by them shall be voted or upon the
8 manner of voting the shares, the voting of the shares shall
9 be divided equally among the persons without prejudice to the
10 rights of the joint owners or the beneficial owners thereof
11 among themselves.

12 (b) Exception.--If there has been filed with the secretary
13 of the corporation a copy, certified by an attorney at law to be
14 correct, of the relevant portions of the agreement under which
15 the shares are held or the instrument by which the trust or
16 estate was created or the order of court appointing them or of
17 an order of court directing the voting of the shares, the
18 persons specified as having such voting power in the latest
19 document so filed, and only those persons, shall be entitled to
20 vote the shares but only in accordance therewith.

21 § 1762. Voting by corporations.

22 (a) Voting in business corporation matters.--Any other
23 domestic or foreign corporation for profit or not-for-profit
24 which is a shareholder of a business corporation may vote by any
25 of its officers or agents, or by proxy appointed by any officer
26 or agent, unless some other person, by resolution of the board
27 of directors of the other corporation or a provision of its
28 articles or bylaws, a copy of which resolution or provision
29 certified to be correct by one of its officers has been filed
30 with the secretary of the business corporation, is appointed its

1 general or special proxy in which case that person shall be
2 entitled to vote the shares.

3 (b) Voting by business corporations.--Shares of or
4 memberships in a domestic or foreign corporation for profit or
5 not-for-profit other than a business corporation, standing in
6 the name of a shareholder or member which is a business
7 corporation, may be voted by the persons and in the manner
8 provided for in the case of business corporations by subsection
9 (a) unless the laws of the jurisdiction in which the issuer of
10 the shares or memberships is incorporated require the shares or
11 memberships to be voted by some other person or persons or in
12 some other manner in which case, to the extent that those laws
13 are inconsistent herewith, this subsection shall not apply.

14 (c) Controlled shares.--Shares of a business corporation
15 owned, directly or indirectly, by it and controlled, directly or
16 indirectly, by the board of directors of the corporation, as
17 such, shall not be voted at any meeting and shall not be counted
18 in determining the total number of outstanding shares for voting
19 purposes at any given time.

20 § 1763. Determination of shareholders of record.

21 (a) Fixing record date.--Unless otherwise restricted in the
22 bylaws, the board of directors of a business corporation may fix
23 a time prior to the date of any meeting of shareholders as a
24 record date for the determination of the shareholders entitled
25 to notice of, or to vote at, the meeting, which time, except in
26 the case of an adjourned meeting, shall be not more than 90 days
27 prior to the date of the meeting of shareholders. Only
28 shareholders of record on the date fixed shall be so entitled
29 notwithstanding any transfer of shares on the books of the
30 corporation after any record date fixed as provided in this

1 subsection. Unless otherwise provided in the bylaws, the board
2 of directors may similarly fix a record date for the
3 determination of shareholders of record for any other purpose.
4 When a determination of shareholders of record has been made as
5 provided in this section for purposes of a meeting, the
6 determination shall apply to any adjournment thereof unless
7 otherwise restricted in the bylaws or unless the board fixes a
8 new record date for the adjourned meeting.

9 (b) Determination when no record date fixed.--Unless
10 otherwise restricted in the bylaws, if no record date is fixed:

11 (1) The record date for determining shareholders
12 entitled to notice of or to vote at a meeting of shareholders
13 shall be at the close of business on the day next preceding
14 the day on which notice is given or, if notice is waived, at
15 the close of business on the day immediately preceding the
16 day on which the meeting is held.

17 (2) The record date for determining shareholders
18 entitled to express consent or dissent to corporate action in
19 writing without a meeting, when no prior action by the board
20 of directors is necessary, shall be the day on which the
21 first written consent or dissent is expressed.

22 (3) The record date for determining shareholders for any
23 other purpose shall be at the close of business on the day on
24 which the board of directors adopts the resolution relating
25 thereto.

26 (c) Certification by nominee.--If the bylaws so provide, the
27 board of directors may adopt a procedure whereby a shareholder
28 of the corporation may certify in writing to the corporation
29 that all or a portion of the shares registered in the name of
30 the shareholder are held for the account of a specified person

1 or persons. The resolution of the board may set forth:

2 (1) The classification of shareholder who may certify.

3 (2) The purpose or purposes for which the certification
4 may be made.

5 (3) The form of certification and information to be
6 contained therein.

7 (4) If the certification is with respect to a record
8 date, the time after the record date within which the
9 certification must be received by the corporation.

10 (5) Such other provisions with respect to the procedure
11 as are deemed necessary or desirable.

12 Upon receipt by the corporation of a certification complying
13 with the procedure, the persons specified in the certification
14 shall be deemed, for the purposes set forth in the
15 certification, to be the holders of record of the number of
16 shares specified in place of the shareholder making the
17 certification.

18 § 1764. Voting lists.

19 (a) General rule.--The officer or agent having charge of the
20 transfer books for shares of a business corporation shall make a
21 complete list of the shareholders entitled to vote at any
22 meeting of shareholders, arranged in alphabetical order, with
23 the address of and the number of shares held by each. The list
24 shall be produced and kept open at the time and place of the
25 meeting and shall be subject to the inspection of any
26 shareholder during the whole time of the meeting for the
27 purposes thereof except that, if a business corporation has
28 5,000 or more shareholders, in lieu of the making of the list
29 the corporation may make the information therein available at
30 the meeting by any other means.

(b) Effect of list.--Failure to comply with the requirements of this section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in this Commonwealth, shall be prima facie evidence as to who are the shareholders entitled to examine the list or share register or transfer book or to vote at any meeting of shareholders.

§ 1765. Judges of election.

Unless otherwise provided in a bylaw adopted by the shareholders:

(1) Appointment.--In advance of any meeting of shareholders of a business corporation, the board of directors may appoint judges of election, who need not be shareholders, to act at the meeting or any adjournment thereof. If judges of election are not so appointed, the presiding officer of the meeting may, and on the request of any shareholder shall, appoint judges of election at the meeting. The number of judges shall be one or three. No person who is a candidate for office shall act as a judge.

(2) Vacancies.--In case any person appointed as a judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting or at the meeting by the presiding officer thereof.

(3) Duties.--The judges of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity and effect of proxies,

1 receive votes or ballots, hear and determine all challenges
2 and questions in any way arising in connection with the right
3 to vote, count and tabulate all votes, determine the result
4 and do such acts as may be proper to conduct the election or
5 vote with fairness to all shareholders. The judges of
6 election shall perform their duties impartially, in good
7 faith, to the best of their ability and as expeditiously as
8 is practical. If there are three judges of election, the
9 decision, act or certificate of a majority shall be effective
10 in all respects as the decision, act or certificate of all.

11 (4) Report.--On request of the presiding officer of the
12 meeting, or of any shareholder, the judges shall make a
13 report in writing of any challenge or question or matter
14 determined by them, and execute a certificate of any fact
15 found by them. Any report or certificate made by them shall
16 be prima facie evidence of the facts stated therein.

17 § 1766. Consent of shareholders in lieu of meeting.

18 (a) Unanimous consent.--Unless otherwise restricted in the
19 bylaws, any action required or permitted to be taken at a
20 meeting of the shareholders or of a class of shareholders of a
21 business corporation may be taken without a meeting if, prior or
22 subsequent to the action, a consent or consents thereto by all
23 of the shareholders who would be entitled to vote at a meeting
24 for such purpose shall be filed with the secretary of the
25 corporation.

26 (b) Partial written consent.--If the bylaws so provide, any
27 action required or permitted to be taken at a meeting of the
28 shareholders or of a class of shareholders may be taken without
29 a meeting upon the written consent of shareholders who would
30 have been entitled to cast the minimum number of votes which

1 would be necessary to authorize the action at a meeting at which
2 all shareholders entitled to vote thereon were present and
3 voting. The consents shall be filed with the secretary of the
4 corporation. The action shall not become effective until after
5 at least ten days' written notice of the action has been given
6 to each shareholder entitled to vote thereon who has not
7 consented thereto.

8 § 1767. Appointment of custodian of corporation on deadlock
9 or other cause.

10 (a) General rule.--Upon application of any shareholder, the
11 court may appoint one or more persons to be custodians of and
12 for any business corporation when it is made to appear that:

13 (1) at any meeting for the election of directors, the
14 shareholders are so divided that they have failed to elect
15 successors to directors whose terms have expired or would
16 have expired upon the qualification of their successors;

17 (2) in the case of a closely-held corporation, the
18 directors or those in control of the corporation have acted
19 illegally, oppressively or fraudulently toward one or more
20 holders or owners of 5% or more of the outstanding shares of
21 any class of the corporation in their capacities as
22 shareholders, directors, officers or employees; or

23 (3) the conditions specified in section 1981(1), (2) or
24 (3) (relating to proceedings upon application of shareholder
25 or director), other than that is beneficial to the interests
26 of the shareholders that the corporation be wound up and
27 dissolved, exist with respect to the corporation.

28 (b) Exception.--The court shall not appoint a custodian to
29 resolve a deadlock if the shareholders by agreement or otherwise
30 have provided for the appointment of a provisional director or

1 other means for the resolution of the deadlock, but the court
2 shall enforce the remedy so provided if appropriate.

3 (c) Power and title of custodian.--A custodian appointed
4 under this section shall have all the power and title of a
5 receiver appointed under Subchapter G of Chapter 19 (relating to
6 involuntary liquidation and dissolution) but the authority of
7 the custodian shall be to continue the business of the
8 corporation and not to liquidate its affairs and distribute its
9 assets except when the court shall otherwise order.

10 § 1768. Voting trusts and other agreements among shareholders.

11 (a) Voting trusts.--One or more shareholders of any business
12 corporation may, by agreement in writing, transfer all or part
13 of their shares to any person for the purpose of vesting in the
14 transferee voting or other rights pertaining to the shares upon
15 the terms and conditions and for the period stated in the
16 agreement.

17 (b) Other agreements.--Agreements among shareholders, or
18 among or between the corporation and one or more shareholders,
19 regarding the voting of their shares shall be valid and
20 enforceable in accordance with their terms.

21 § 1769. Minors as securityholders.

22 (a) General rule.--A business corporation may treat a minor
23 who holds shares or obligations of the corporation as having
24 capacity to receive and to empower others to receive dividends,
25 interest, principal and other payments or distributions, to vote
26 or express consent or dissent and to make elections and exercise
27 rights relating to such shares or obligations unless, in the
28 case of payments or distributions on shares, the corporate
29 officer responsible for maintaining the list of shareholders or
30 the transfer agent of the corporation or, in the case of

1 payments or distributions on obligations, the treasurer or
2 paying officer or agent has received written notice that the
3 holder is a minor.

4 (b) Disaffirmance limited.--A minor who holds shares or
5 obligations of a corporation and who has received or who has
6 empowered others to receive dividends, interest, principal and
7 other payments or distributions, voted or expressed consent or
8 dissent or made an election or exercised a right relating to the
9 shares or obligations shall have no right thereafter to
10 disaffirm or avoid, as against the corporation, any such act on
11 his part.

12 (c) Other statutes unaffected.--This section does not limit
13 any other statute which authorizes any corporation to deal with
14 a minor or limits the right of a minor to disaffirm his acts.
15 § 1770. Interested shareholders.

16 (a) General rule.--Any transaction authorized under
17 Subchapter C of Chapter 19 (relating to merger, consolidation,
18 share exchanges and sale of assets) between a business
19 corporation or subsidiary thereof and a shareholder of the
20 business corporation, or any transaction authorized under
21 Subchapter F of Chapter 19 (relating to voluntary dissolution
22 and winding up) in which a shareholder is treated differently
23 from other shareholders of the same class (other than any
24 dissenting shareholders under Subchapter D of Chapter 15
25 (relating to dissenters rights)), shall require the affirmative
26 vote of the shareholders entitled to cast at least a majority of
27 the votes which all shareholders other than the interested
28 shareholder are entitled to cast with respect to the
29 transaction, without counting the vote of the interested
30 shareholder. For the purposes of the preceding sentence,

1 interested shareholder shall include the shareholder who is a
2 party to the transaction or who is treated differently from
3 other shareholders and any person, or group of persons, that is
4 acting jointly or in concert with the interested shareholder and
5 any person who, directly or indirectly, controls, is controlled
6 by, or is under common control with, the interested shareholder.
7 An interested shareholder shall not include any person who, in
8 good faith and not for the purpose of circumventing this
9 section, is an agent, bank, broker, nominee or trustee for one
10 or more other persons, to the extent that the other person or
11 persons are not interested shareholders.

12 (b) Exceptions.--Subsection (a) shall not apply to a
13 transaction:

14 (1) which has been approved by a majority vote of the
15 board of directors without counting the vote of directors
16 who:

17 (i) are directors or officers of, or have a material
18 equity interest in, the interested shareholder; or

19 (ii) were nominated for election as a director by
20 the interested shareholder, and first elected as a
21 director, within 24 months of the date of the vote on the
22 proposed transaction; or

23 (2) in which the consideration to be received by the
24 shareholders for shares of any class of which shares are
25 owned by the interested shareholder is not less than the
26 highest amount paid by the interested shareholder in
27 acquiring shares of the same class.

28 (c) Additional approvals.--The approvals required by this
29 section shall be in addition to, and not in lieu of, any other
30 approval required by this subpart, the articles of the

1 corporation, the bylaws of the corporation, or otherwise.

2 SUBCHAPTER E

3 DERIVATIVE ACTIONS

4 Sec.

5 1781. Institution of derivative actions by shareholders.

6 1782. Actions against directors and officers.

7 1783. Access to corporate confidences.

8 § 1781. Institution of derivative actions by shareholders.

9 (a) General rule.--Before one or more shareholders of a
10 business corporation may institute an action in the right of a
11 corporation, the shareholder must serve upon the board of
12 directors a written demand that the action be instituted by the
13 corporation. Failure to serve the demand shall not be excused
14 for any reason. Following receipt of the demand, the board of
15 directors shall determine whether the action would be in the
16 best interests of the corporation. In making that determination,
17 the board of directors may appoint a committee of disinterested
18 directors, or other disinterested individuals if sufficient
19 disinterested directors are not available, to inquire into the
20 allegations raised by the demand and make a determination on
21 behalf of the corporation as to whether or not an action should
22 be commenced or other corrective action be taken. Within 60 days
23 of its receipt of the demand, the board of directors shall
24 communicate to the shareholder any final decision concerning the
25 demand or any decision to appoint a committee to conduct an
26 inquiry. Should a committee be appointed to conduct an inquiry,
27 a report of its final conclusions, and any actions taken with
28 respect thereto, shall be communicated to the shareholder.

29 (b) Waiting period.--

30 (1) An action may not be commenced by a shareholder in

1 the right of the corporation until the earlier of:

2 (i) Receipt by the shareholder of final notification
3 from the board of directors indicating that no further
4 action will be taken by the corporation concerning the
5 matter.

6 (ii) Where a committee has been appointed to conduct
7 an inquiry, notification from the corporation of the
8 final action taken by the committee.

9 (iii) The expiration of 180 days following receipt
10 of the demand by the board of directors.

11 (2) Paragraph (1) shall not apply to any application for
12 a temporary restraining order or preliminary injunction where
13 imminent and irreparable harm to the corporation is
14 threatened or to the filing of a protective action within 30
15 days of the expiration of the statute of limitations.

16 (c) Control of action by corporation.--Any action instituted
17 by any shareholder in the right of the corporation may be
18 dismissed on motion by the corporation on the ground that the
19 board of directors, or a committee designated by the board of
20 directors, has determined that the action is not in the best
21 interests of the corporation. If it is shown that the
22 determination that the action is not in the best interests of
23 the corporation was made by the affirmative votes of a majority
24 of the disinterested directors, even though the disinterested
25 directors are less than a quorum, or of a committee of
26 disinterested directors or other disinterested individuals
27 appointed pursuant to subsection (a), the motion shall be
28 granted unless it is shown that the persons making the
29 determination have not satisfied the standard of section 1721(b)
30 (relating to standard of care; justifiable reliance).

(d) Cross reference.--See section 4146 (relating to provisions applicable to all foreign corporations).

§ 1782. Actions against directors and officers.

(a) General rule.--Except as provided in subsection (b), in any action brought to enforce a secondary right on the part of one or more shareholders of a business corporation against any present or former officer or director of the corporation because the corporation refuses to enforce rights which may properly be asserted by it, the plaintiff must aver and it must be made to appear that the plaintiff or each plaintiff was a shareholder of the corporation or owner of a beneficial interest in the shares at the time of the transaction of which he complains, or that his shares or beneficial interest in the shares devolved upon him by operation of law from a person who was a shareholder or owner of a beneficial interest in the shares at that time.

(b) Exception.--Any shareholder or person beneficially interested in shares of the corporation who, except for the provisions of subsection (a), would be entitled to maintain the action and who does not meet such requirements may, nevertheless in the discretion of the court, be allowed to maintain the action on preliminary showing to the court, by application and upon such verified statements and depositions as may be required by the court, that there is a strong prima facie case in favor of the claim asserted on behalf of the corporation and that without the action serious injustice will result.

(c) Security for costs.--In any action instituted or maintained by holders or owners of less than 5% of the outstanding shares of any class of the corporation, unless the shares held or owned by the holders or owners have an aggregate fair market value in excess of \$200,000, the corporation in

1 whose right the action is brought shall be entitled at any stage
2 of the proceedings to require the plaintiffs to give security
3 for the reasonable expenses, including attorneys' fees, which
4 may be incurred by it in connection therewith or for which it
5 may become liable pursuant to section 1743 (relating to
6 mandatory indemnification) (but only insofar as relates to
7 actions by or in the right of the corporation) to which security
8 the corporation shall have recourse in such amount as the court
9 having jurisdiction determines upon the termination of the
10 action. The amount of security may, from time to time, be
11 increased or decreased in the discretion of the court having
12 jurisdiction of the action upon showing that the security
13 provided has or may become inadequate or excessive. The security
14 may be denied or limited in the discretion of the court upon
15 preliminary showing to the court, by application and upon such
16 verified statements and depositions as may be required by the
17 court, establishing prima facie that the requirement of full or
18 partial security would impose undue hardship on plaintiffs and
19 serious injustice would result.

20 § 1783. Access to corporate confidences.

21 In any action brought by a shareholder of a business
22 corporation as permitted by section 1781 (relating to
23 institution of derivative actions by shareholders), the
24 plaintiff may not compel disclosure concerning communications
25 between any representative of the corporation and legal counsel
26 representing, or reasonably believed by the representative to be
27 then representing, the corporation if the communications were
28 made for the purpose of seeking, obtaining or rendering legal
29 advice on behalf of the corporation.

30

SUBCHAPTER F

JUDICIAL SUPERVISION OF CORPORATE ACTION

Sec.

1791. Corporate action subject to subchapter.

1792. Proceedings prior to corporate action.

1793. Review of contested corporate action.

§ 1791. Corporate action subject to subchapter.

This subchapter shall apply to and the term "corporate action" in this subchapter shall mean any of the following actions:

(1) The election, appointment, designation or other selection and the suspension or removal of directors or officers of a business corporation.

(2) The taking of any action on any matter which is required under this subpart or under any other provision of law to be, or which under the bylaws may be, submitted for action to the shareholders, directors or officers of a business corporation.

§ 1792. Proceedings prior to corporate action.

(a) General rule.--Where under applicable law or the bylaws of a business corporation there has been a failure to hold a meeting to take corporate action and the failure has continued for 30 days after the date designated or appropriate therefor, the court may summarily order a meeting to be held upon the application of any person entitled, either alone or in conjunction with other persons similarly seeking relief under this section, to call a meeting to consider the corporate action in issue.

(b) Conduct of meeting.--The court may determine the right to vote at the meeting of persons claiming that right, may appoint a master to hold the meeting under such orders and

1 powers as the court deems proper and may take such action as may
2 be required to give due notice of the meeting and to convene and
3 conduct the meeting in the interests of justice.

4 § 1793. Review of contested corporate action.

5 (a) General rule.--Upon application of any person aggrieved
6 by any corporate action, the court may hear and determine the
7 validity of the corporate action.

8 (b) Powers and procedures.--The court may make such orders
9 in any such case as may be just and proper, with power to
10 enforce the production of any books, papers and records of the
11 corporation and other relevant evidence which may relate to the
12 issue. The court shall provide for notice of the pendency of the
13 proceedings under this section to all persons affected thereby.
14 If it is determined that no valid corporate action has been
15 taken, the court may order a meeting to be held in accordance
16 with section 1792 (relating to proceedings prior to corporate
17 action).

18 CHAPTER 19

19 FUNDAMENTAL CHANGES

20 Subchapter

21 A. Preliminary Provisions

22 B. Amendment of Articles

23 C. Merger, Consolidation, Share Exchanges and Sale of
24 Assets

25 D. Division

26 E. Conversion

27 F. Voluntary Dissolution and Winding Up

28 G. Involuntary Liquidation and Dissolution

29 SUBCHAPTER A

30 PRELIMINARY PROVISIONS

1 Sec.

2 1901. Omission of certain provisions from filed plans.

3 1902. Statement of termination.

4 1903. Bankruptcy or insolvency proceedings.

5 1904. De facto transaction doctrine abolished.

6 1905. Proposal of fundamental transactions.

7 1906. Disparate treatment of holders of shares of same class or
8 series.

9 § 1901. Omission of certain provisions from filed plans.

10 A plan as filed in the Department of State under any
11 provision of this chapter may omit all provisions of the plan
12 except provisions, if any, which are intended to amend or
13 constitute the operative provisions of the articles of a
14 corporation as in effect subsequent to the effective date of the
15 plan, if the articles of merger, consolidation, exchange,
16 division or conversion state that the full text of the plan is
17 on file at the principal place of business of the surviving or
18 new or a resulting corporation and state the address thereof. A
19 corporation which takes advantage of this section shall furnish
20 a copy of the full text of the plan, on request and without
21 cost, to any shareholder of any corporation which was a party to
22 the plan and, unless all parties to the plan were closely-held
23 corporations, on request and at cost to any other person.

24 § 1902. Statement of termination.

25 (a) General rule--If a statement with respect to shares,
26 articles of amendment or articles of merger, consolidation,
27 exchange, division or conversion of a business corporation or to
28 which it is a party have been filed in the Department of State
29 prior to the termination of the amendment or plan pursuant to
30 provisions therefor set forth in the resolution or petition

1 relating to the amendment or in the plan, the termination shall
2 not be effective unless the corporation shall, prior to the time
3 the amendment or plan is to become effective, file in the
4 department a statement of termination, which shall be executed
5 by the corporation which filed the amendment or by each
6 corporation which is a party to the plan, unless the plan
7 permits termination by less than all of the corporations, in
8 which case the statement shall be executed on behalf of the
9 corporation or corporations exercising the right to terminate,
10 and shall set forth:

11 (1) A copy of the statement with respect to shares,
12 articles of amendment or articles of merger, consolidation,
13 exchange, division or conversion relating to the amendment or
14 plan which is terminated.

15 (2) A statement that the amendment or plan has been
16 terminated in accordance with the provisions therefor set
17 forth therein.

18 (b) Cross references--See sections 134 (relating to
19 docketing statement) and 138 (relating to statement of
20 correction).

21 § 1903. Bankruptcy or insolvency proceedings.

22 (a) General rule.--Whenever a business corporation is
23 insolvent or in financial difficulty, the board of directors
24 may, by resolution and without the consent of the shareholders,
25 authorize and designate the officers of the corporation to
26 execute a deed of assignment for the benefit of creditors, or
27 file a voluntary petition in bankruptcy, or file an answer
28 consenting to the appointment of a receiver upon a complaint in
29 the nature of equity filed by creditors or shareholders, or, if
30 insolvent, file an answer to an involuntary petition in

1 bankruptcy admitting the insolvency of the corporation and its
2 willingness to be adjudged a bankrupt on that ground.

3 (b) Bankruptcy proceedings.--A business corporation may
4 participate in proceedings under and in the manner provided by
5 the Bankruptcy Code (11 U.S.C. § 101 et seq.) notwithstanding
6 any contrary provision of this subpart or of its articles or
7 bylaws.

8 § 1904. De facto transaction doctrine abolished.

9 The doctrine of de facto mergers, consolidations and other
10 fundamental transactions is abolished and the rules laid down by
11 Bloch v. Baldwin Locomotive Works, 75 Pa. D. & C. 24 (C.P. Del.
12 Cty. 1950), and Marks v. The Autocar Co., 153 F.Supp. 768 (E.D.
13 Pa. 1954), and similar cases are overruled. A transaction which
14 in form satisfies the requirements of this subpart may be
15 challenged by reason of its substance only to the extent
16 permitted by section 1105 (relating to restriction on equitable
17 relief).

18 § 1905. Proposal of fundamental transactions.

19 Where any provision of this chapter requires that an
20 amendment of the articles or a plan be proposed by action of the
21 board of directors, that requirement shall be construed to
22 authorize and be satisfied by the written agreement of all of
23 the shareholders of a closely-held corporation.

24 § 1906. Disparate treatment of holders of shares of same class
25 or series.

26 (a) General rule.--An amendment or plan may contain a
27 provision classifying the holders of shares of a class or series
28 into one or more separate groups by reference to any facts or
29 circumstances which are not manifestly unreasonable and
30 providing mandatory treatment for shares of the class or series

1 held by particular shareholders or groups of shareholders which
2 differs materially from the treatment accorded other
3 shareholders or groups of shareholders holding shares of the
4 same class or series.

5 (b) Statutory voting rights upon disparate treatment.--
6 Except as provided in subsection (c), if an amendment or plan
7 contains a provision for disparate treatment, the holders of any
8 outstanding shares of a class or series receiving the same
9 disparate treatment shall be entitled to vote as a class in
10 respect to the plan regardless of any limitations stated in the
11 articles or bylaws on the voting rights of any class or series.

12 (c) Dissenters rights upon disparate treatment.--If any
13 amendment or plan contains a provision for disparate treatment
14 without requiring for the adoption of the amendment or plan the
15 statutory class vote required by subsection (b), the holder of
16 any outstanding shares the statutory class voting rights of
17 which are so denied, who objects to the amendment or plan and
18 complies with Subchapter D of Chapter 15 (relating to dissenters
19 rights), shall be entitled to the rights and remedies of
20 dissenting shareholders provided in that subchapter.

21 SUBCHAPTER B

22 AMENDMENT OF ARTICLES

23 Sec.

24 1911. Amendment of articles authorized.

25 1912. Proposal of amendments.

26 1913. Notice of meeting of shareholders.

27 1914. Adoption of amendments.

28 1915. Articles of amendment.

29 1916. Filing and effectiveness of articles of amendment.

30 1917. Dissenters rights upon certain amendments.

1 § 1911. Amendment of articles authorized.

2 (a) General rule.--A business corporation, in the manner
3 provided in this subchapter, may from time to time amend its
4 articles for one or more of the following purposes:

5 (1) To adopt a new name, subject to the restrictions
6 provided in this subpart.

7 (2) To modify any provision of the articles relating to
8 its term of existence.

9 (3) To change, add to or diminish its purposes or to set
10 forth different or additional purposes.

11 (4) To cancel or otherwise affect the right of holders
12 of the shares of any class or series to receive dividends
13 which have accrued but have not been declared or to otherwise
14 effect a reclassification of or otherwise affect the
15 substantial rights of the holders of any shares.

16 (5) To restate the articles in their entirety.

17 (6) In any and as many other respects as desired.

18 (b) Exceptions.--No amendment adopted under this section
19 shall amend articles in such a way that as so amended they would
20 not be authorized by this subpart as original articles of
21 incorporation except that:

22 (1) Restated articles shall, subject to section 109
23 (relating to name of commercial registered office provider in
24 lieu of registered address), state the address of the current
25 instead of the initial registered office of the corporation
26 in this Commonwealth and need not state the names and
27 addresses of the incorporators.

28 (2) The corporation shall not be required to revise any
29 other provision of its articles if the provision is valid and
30 operative immediately prior to the filing of the amendment in

1 the Department of State.

2 § 1912. Proposal of amendments.

3 (a) General rule.--Every amendment of the articles of a
4 business corporation shall be proposed:

5 (1) by the adoption by the board of directors of a
6 resolution setting forth the proposed amendment; or

7 (2) unless otherwise provided in the articles, by
8 petition of shareholders entitled to cast at least 10% of the
9 votes which all shareholders are entitled to cast thereon,
10 setting forth the proposed amendment, which petition shall be
11 directed to the board of directors and filed with the
12 secretary of the corporation.

13 Except where the approval of the shareholders is unnecessary
14 under this subchapter, the board of directors shall direct that
15 the proposed amendment be submitted to a vote of the
16 shareholders entitled to vote thereon. In the case of an
17 amendment proposed pursuant to paragraph (2), the amendment
18 shall be submitted to a vote either at the next annual meeting
19 held not earlier than 120 days after the amendment is proposed
20 or at a special meeting of the shareholders called for that
21 purpose by the shareholders.

22 (b) Form of amendment.--The resolution or petition shall
23 contain the language of the proposed amendment of the articles
24 by providing that the articles shall be amended so as to read as
25 therein set forth in full, or that any provision thereof be
26 amended so as to read as therein set forth in full, or that the
27 matter stated in the resolution or petition be added to or
28 stricken from the articles. The resolution or petition may set
29 forth the manner and basis of reclassifying the shares of the
30 corporation. Any of the terms of a plan of reclassification or

1 other action contained in an amendment may be made dependent
2 upon facts ascertainable outside of the amendment if the manner
3 in which the facts will operate upon the terms of the amendment
4 is set forth in the amendment.

5 § 1913. Notice of meeting of shareholders.

6 Written notice of the meeting of shareholders of a business
7 corporation called for the purpose of considering the proposed
8 amendment shall be given to each shareholder entitled to vote
9 thereon. There shall be included in, or enclosed with, the
10 notice a copy of the proposed amendment or a summary of the
11 changes to be effected thereby and, if Subchapter D of Chapter
12 15 (relating to dissenters rights) is applicable, a copy of the
13 subchapter and of section 1917 (relating to dissenters rights
14 upon certain amendments).

15 § 1914. Adoption of amendments.

16 (a) General rule.--A proposed amendment of the articles of a
17 business corporation shall be adopted upon receiving a majority
18 of the votes cast by all shareholders entitled to vote thereon
19 and, if any class or series of shares is entitled to vote
20 thereon as a class, a majority of the votes cast in each such
21 class vote. Any number of amendments may be submitted to the
22 shareholders and voted upon by them at one meeting. Except as
23 provided in section 1912(a)(2) (relating to proposal of
24 amendments), a proposed amendment of the articles shall not be
25 deemed to have been adopted by the corporation unless it has
26 also been approved by the board of directors, regardless of the
27 fact that the board has directed or suffered the submission of
28 the amendment to the shareholders for action.

29 (b) Statutory voting rights.--Except as provided in
30 subsection (c) or in section 1917 (relating to dissenters rights

upon certain amendments), if a proposed amendment would:

(1) authorize the board of directors to fix and determine the relative rights and preferences, as between series, of any preferred or special class;

(2) make any change in the preferences, limitations or special rights of the shares of a class or series adverse to the class or series;

(3) increase the number of authorized shares of a class or series unless otherwise provided in original articles of incorporation filed after January 1, 1969, or in an amendment to the articles which created the class or series filed after January 1, 1969, or in any amendment to the articles which was adopted by a majority of the votes cast by all shareholders of the class or series;

(4) authorize a new class or series of shares having a preference as to dividends or assets which is senior to the shares of a class or series; or

(5) increase the number of authorized shares of any class or series having a preference as to dividends or assets which is senior in any respect to the shares of a class or series;

then the holders of the outstanding shares of the class or series shall be entitled to vote as a class in respect to the amendment regardless of any limitations stated in the articles or bylaws on the voting rights of any class.

(c) Adoption by board of directors.--Unless otherwise restricted in the articles, an amendment of articles shall not require the approval of the shareholders of the corporation if:

(1) no shares have been issued;

(2) the amendment is restricted to a change in the

1 corporate name or to provide for perpetual existence or to
2 reflect a reduction in authorized shares effected by
3 operation of section 1552(a) (relating to power of
4 corporation to acquire its own shares);

5 (3) the corporation has only one class of shares
6 outstanding and the amendment is effective solely to:

7 (i) increase the number of authorized shares to the
8 extent necessary to permit the board of directors to
9 effectuate a stock dividend in the shares of the
10 corporation; or

11 (ii) effectuate a split and, if desired, increase
12 the number of shares or change the par value of the
13 authorized shares, or both, in proportion thereto;

14 (4) the amendment is effective solely to increase the
15 number of authorized shares as required to reserve for or to
16 effectuate conversion or option rights previously authorized
17 by shareholder action;

18 (5) to the extent the amendment has not been approved by
19 the shareholders, it restates without change all of the
20 operative provisions of the articles as theretofore amended
21 or as amended thereby;

22 (6) any provision of this subpart permits the board of
23 directors, without shareholder approval, to authorize the
24 filing of any statement, certificate, plan or other document
25 in the Department of State which this subpart provides shall
26 operate as an amendment of the articles; or

27 (7) the amendment accomplishes any combination of
28 purposes specified in this subsection.

29 The amendment of articles shall be deemed adopted by the
30 corporation when it has been adopted by the board of directors

1 pursuant to section 1912 (relating to proposal of amendments).

2 (d) Termination of proposal.--Prior to the time when an
3 amendment becomes effective, the amendment may be terminated
4 pursuant to provisions therefor, if any, set forth in the
5 resolution or petition. If articles of amendment have been filed
6 in the Department of State prior to the termination, a statement
7 under section 1902 (relating to statement of termination) shall
8 be filed in the department.

9 (e) Amendment of voting provisions.--Unless otherwise
10 provided in a bylaw adopted by the shareholders, whenever the
11 articles require for the taking of any action by the
12 shareholders or a class of shareholders a specific number or
13 percentage of votes, the provision of the articles setting forth
14 that requirement shall not be amended or repealed by any lesser
15 number or percentage of votes of the shareholders or of the
16 class of shareholders.

17 § 1915. Articles of amendment.

18 Upon the adoption of an amendment by a business corporation,
19 as provided in this subchapter, articles of amendment shall be
20 executed by the corporation and shall set forth:

21 (1) The name of the corporation and, subject to section
22 109 (relating to name of commercial registered office
23 provider in lieu of registered address), the address,
24 including street and number, if any, of its registered
25 office.

26 (2) The statute under which the corporation was
27 incorporated and the date of incorporation.

28 (3) If the amendment is to be effective on a specified
29 date, the hour, if any, and the month, day and year of the
30 effective date.

1 (4) The manner in which the amendment was adopted by the
2 corporation.

3 (5) The amendment adopted by the corporation, which
4 shall be set forth in full.

5 (6) If the amendment effects a restatement of the
6 articles, a statement that the restated articles supersede
7 the original articles and all amendments thereto.

8 § 1916. Filing and effectiveness of articles of amendment.

9 (a) Filing.--The articles of amendment of a business
10 corporation shall be filed in the Department of State. See
11 section 134 (relating to docketing statement).

12 (b) Effectiveness.--Upon the filing of the articles of
13 amendment in the department or upon the effective date specified
14 in the articles of amendment, whichever is later, the amendment
15 shall become effective and the articles of incorporation shall
16 be deemed to be amended accordingly. No amendment shall affect
17 any existing cause of action in favor of or against the
18 corporation, or any pending action to which the corporation is a
19 party, or the existing rights of persons other than
20 shareholders. In the event the corporate name is changed by the
21 amendment, no action brought by or against the corporation under
22 its former name shall be abated for that reason.

23 § 1917. Dissenters rights upon certain amendments.

24 If any amendment of the articles of a business corporation
25 shall effect any amendment of articles which under section
26 1914(b) (relating to statutory voting rights) would otherwise
27 entitle the holders of outstanding shares of any affected class
28 or series to vote as a class in respect of the amendment,
29 without requiring for the adoption of the amendment such
30 statutory class vote, the holder of any outstanding shares the

1 rights of which are so affected or the statutory class voting
2 rights of which are so denied, who objects to the amendment and
3 complies with Subchapter D of Chapter 15 (relating to dissenters
4 rights), shall be entitled to the rights and remedies of
5 dissenting shareholders provided in that subchapter. See also
6 section 1906(c) (relating to dissenters rights upon disparate
7 treatment).

8 SUBCHAPTER C

9 MERGER, CONSOLIDATION, SHARE EXCHANGES AND

10 SALE OF ASSETS

11 Sec.

12 1921. Merger and consolidation authorized.

13 1922. Plan of merger or consolidation.

14 1923. Notice of meeting of shareholders.

15 1924. Adoption of plan.

16 1925. Authorization by foreign corporations.

17 1926. Articles of merger or consolidation.

18 1927. Filing of articles of merger or consolidation.

19 1928. Effective date of merger or consolidation.

20 1929. Effect of merger or consolidation.

21 1930. Dissenters rights.

22 1931. Share exchanges.

23 1932. Voluntary transfer of corporate assets.

24 § 1921. Merger and consolidation authorized.

25 (a) Domestic surviving or new corporation.--Any two or more
26 domestic business corporations, or any two or more foreign
27 business corporations, or any one or more domestic business
28 corporations and any one or more foreign business corporations,
29 may, in the manner provided in this subchapter, be merged into
30 one of the domestic business corporations, designated in this

1 subchapter as the surviving corporation, or consolidated into a
2 new corporation to be formed under this article, if the foreign
3 business corporations are authorized by the laws of the
4 jurisdiction under which they are incorporated to effect a
5 merger or consolidation with a corporation of another
6 jurisdiction.

7 (b) Foreign surviving or new corporation.--Any one or more
8 domestic business corporations, and any one or more foreign
9 business corporations, may, in the manner provided in this
10 subchapter, be merged into one of such foreign business
11 corporations, designated in this subchapter as the surviving
12 corporation, or consolidated into a new corporation to be
13 incorporated under the laws of the jurisdiction under which one
14 of the foreign business corporations is incorporated, if the
15 laws of that jurisdiction authorize a merger with or
16 consolidation into a corporation of another jurisdiction.

17 (c) Associations and business trusts.--The provisions of
18 this subchapter applicable to domestic and foreign business
19 corporations shall also be applicable to a domestic or foreign
20 business trust and a domestic or foreign association other than
21 a partnership. The powers and duties vested in and imposed upon
22 the board of directors in this subchapter shall be exercised and
23 performed by the group of persons under the direction of whom
24 the business and affairs of the trust or association are managed
25 irrespective of the name by which the group is designated.

26 § 1922. Plan of merger or consolidation.

27 (a) Preparation of plan.--A plan of merger or consolidation,
28 as the case may be, shall be prepared, setting forth:

29 (1) The terms and conditions of the merger or
30 consolidation.

1 (2) If the surviving or new corporation is or is to be a
2 domestic business corporation:

3 (i) any changes desired to be made in the articles,
4 which may include a restatement of the articles in the
5 case of a merger; or

6 (ii) in the case of a consolidation, all of the
7 statements required by this subpart to be set forth in
8 restated articles.

9 (3) The manner and basis of converting the shares of
10 each corporation into shares or other securities or
11 obligations of the surviving or new corporation, as the case
12 may be, and, if any of the shares of any of the corporations
13 which are parties to the plan are not to be converted solely
14 into shares or other securities or obligations of the
15 surviving or new corporation, the shares or other securities
16 or obligations of any other person or cash, property or
17 rights which the holders of such shares are to receive in
18 exchange for, or upon conversion of, such shares, and the
19 surrender of any certificates evidencing them, which
20 securities or obligations, if any, of any other person or
21 cash, property or rights may be in addition to or in lieu of
22 the shares or other securities or obligations of the
23 surviving or new corporation.

24 (4) Any provisions desired providing disparate treatment
25 of shares held by any shareholder or group of shareholders.

26 (5) Such other provisions as are deemed desirable.

27 Any of the terms of the plan may be made dependent upon facts
28 ascertainable outside of the plan if the manner in which the
29 facts will operate upon the terms of the plan is set forth in
30 the plan.

1 (b) Post-adoption amendment.--A plan of merger or
2 consolidation may contain a provision that the boards of
3 directors of the constituent corporations may amend the plan at
4 any time prior to its effective date, except that an amendment
5 made subsequent to the adoption of the plan by the shareholders
6 of any constituent corporation shall not change:

7 (1) The amount or kind of shares, obligations, cash,
8 property or rights to be received in exchange for or on
9 conversion of all or any of the shares of the constituent
10 corporation.

11 (2) Any term of the articles of the surviving or new
12 corporation to be effected by the merger or consolidation.

13 (3) Any of the terms and conditions of the plan if the
14 change would adversely affect the holders of any shares of
15 the constituent corporation.

16 (c) Proposal.--Every merger or consolidation shall be
17 proposed in the case of each domestic business corporation by
18 the adoption by the board of directors of a resolution approving
19 the plan of merger or consolidation. Except where the approval
20 of the shareholders is unnecessary under this subchapter, the
21 board of directors shall direct that the plan be submitted to a
22 vote of the shareholders entitled to vote thereon at a regular
23 or special meeting of the shareholders.

24 (d) Party to plan.--A corporation which approves a plan in
25 its capacity as a shareholder or creditor of a merging or
26 consolidating corporation, or which furnishes all or a part of
27 the consideration contemplated by a plan, does not thereby
28 become a party to the plan for the purposes of this subchapter.

29 § 1923. Notice of meeting of shareholders.

30 Written notice of the meeting of shareholders called for the

1 purpose of considering the proposed plan shall be given to each
2 shareholder of record, whether or not entitled to vote thereon
3 of each domestic business corporation which is a party to the
4 plan. There shall be included in, or enclosed with, the notice a
5 copy of the proposed plan or a summary thereof and, if
6 Subchapter D of Chapter 15 (relating to dissenters rights) is
7 applicable, a copy of that subchapter and of section 1930
8 (relating to dissenters rights).

9 § 1924. Adoption of plan.

10 (a) General rule.--The plan of merger or consolidation shall
11 be adopted upon receiving a majority of the votes cast by all
12 shareholders entitled to vote thereon of each of the domestic
13 business corporations which is a party to the plan and, if any
14 class or series of shares is entitled to vote thereon as a
15 class, a majority of the votes cast in each class vote. The
16 holders of any class or series of shares of a domestic
17 corporation which is a party to the plan shall be entitled to
18 vote as a class on the plan if they would have been entitled to
19 a class vote under the provisions of section 1914 (relating to
20 adoption of amendments) had the change been accomplished under
21 Subchapter B (relating to amendment of articles). A proposed
22 plan of merger or consolidation shall not be deemed to have been
23 adopted by the corporation unless it has also been approved by
24 the board of directors, regardless of the fact that the board
25 has directed or suffered the submission of the plan to the
26 shareholders for action.

27 (b) Adoption by board of directors.--

28 (1) Unless otherwise required by its bylaws, a plan of
29 merger or consolidation shall not require the approval of the
30 shareholders of a corporation if:

1 (i) (A) the plan, whether or not the corporation is
2 the surviving corporation, does not alter the status
3 of the corporation as a domestic business corporation
4 or alter in any respect the provisions of its
5 articles, except changes which under section 1914(c)
6 (relating to adoption by board of directors) may be
7 made without shareholder action; and

8 (B) each share of the corporation outstanding
9 immediately prior to the effective date of the merger
10 or consolidation is to continue as or to be converted
11 into, except as may be otherwise agreed by the holder
12 thereof, an identical share of the surviving or new
13 corporation after the effective date of the merger or
14 consolidation; or

15 (ii) immediately prior to the adoption of the plan
16 and at all times thereafter prior to its effective date,
17 another corporation which is a party to the plan owns
18 directly or indirectly 90% or more of the outstanding
19 shares of each class of the corporation.

20 (2) In the case of a merger or consolidation pursuant to
21 paragraph (1)(i), the plan of merger or consolidation shall
22 be deemed adopted by the corporation when it has been adopted
23 by the board of directors pursuant to section 1922 (relating
24 to plan of merger or consolidation).

25 (3) In the case of a merger or consolidation of a
26 subsidiary corporation with a parent corporation pursuant to
27 paragraph (1)(ii), the plan of merger or consolidation shall
28 be deemed adopted by the subsidiary corporation when it has
29 been adopted by the board of the parent corporation and
30 execution of articles of merger or consolidation by the

1 subsidiary corporation shall not be necessary.

2 (c) Termination of plan.--Prior to the time when a merger or
3 consolidation becomes effective, the merger or consolidation may
4 be terminated pursuant to provisions therefor, if any, set forth
5 in the plan. If articles of merger or consolidation have been
6 filed in the Department of State prior to the termination, a
7 statement under section 1902 (relating to statement of
8 termination) shall be filed in the department.

9 § 1925. Authorization by foreign corporations.

10 The plan of merger or consolidation shall be authorized,
11 adopted or approved by each foreign business corporation which
12 desires to merge or consolidate in accordance with the laws of
13 the jurisdiction in which it is incorporated.

14 § 1926. Articles of merger or consolidation.

15 Upon the adoption of the plan of merger or consolidation by
16 the corporations desiring to merge or consolidate, as provided
17 in this subchapter, articles of merger or articles of
18 consolidation, as the case may be, shall, except as provided by
19 section 1924(b)(3) (relating to adoption by board of directors),
20 be executed by each corporation and shall, subject to section
21 109 (relating to name of commercial registered office provider
22 in lieu of registered address), set forth:

23 (1) The name and the location of the registered office,
24 including street and number, if any, of the domestic
25 surviving or new corporation or, in the case of a foreign
26 surviving or new corporation, the name of the corporation and
27 its jurisdiction of incorporation, together with either:

28 (i) If a qualified foreign business corporation, the
29 address, including street and number, if any, of its
30 registered office in this Commonwealth.

(ii) If a nonqualified foreign business corporation, the address, including street and number, if any, of its principal office under the laws of the jurisdiction in which it is incorporated.

(2) The name and address, including street and number, if any, of the registered office of each other domestic business corporation and qualified foreign business corporation which is a party to the plan.

(3) If the plan is to be effective on a specified date, the hour, if any, and the month, day and year of the effective date.

(4) The manner in which the plan was adopted by each domestic corporation and, if one or more foreign corporations are parties to the plan, the fact that the plan was authorized, adopted or approved, as the case may be, by each of the foreign corporations in accordance with the laws of the jurisdiction in which it is incorporated.

(5) Except as provided in section 1901 (relating to omission of certain provisions from filed plans), the plan of merger or consolidation.

§ 1927. Filing of articles of merger or consolidation.

(a) General rule.--The articles of merger or articles of consolidation, as the case may be, and the certificates or statement, if any, required by section 139 (relating to tax clearance of certain fundamental transactions) shall be filed in the Department of State.

(b) Cross reference.--See section 134 (relating to docketing statement).

§ 1928. Effective date of merger or consolidation.

Upon the filing of the articles of merger or the articles of

1 consolidation in the Department of State or upon the effective
2 date specified in the plan of merger or consolidation, whichever
3 is later, the merger or consolidation shall be effective. The
4 merger or consolidation of one or more domestic business
5 corporations into a foreign business corporation shall be
6 effective according to the provisions of law of the jurisdiction
7 in which the foreign corporation is incorporated, but not until
8 articles of merger or articles of consolidation have been
9 adopted and filed, as provided in this subchapter.

10 § 1929. Effect of merger or consolidation.

11 (a) Single surviving or new corporation.--Upon the merger or
12 consolidation becoming effective, the several corporations
13 parties to the plan of merger or consolidation shall be a single
14 corporation which, in the case of a merger, shall be the
15 corporation designated in the plan of merger as the surviving
16 corporation and, in the case of a consolidation, shall be the
17 new corporation provided for in the plan of consolidation. The
18 separate existence of all corporations parties to the plan of
19 merger or consolidation shall cease, except that of the
20 surviving corporation, in the case of a merger. The surviving or
21 new corporation, as the case may be, if it is a domestic
22 business corporation, shall not thereby acquire authority to
23 engage in any business or exercise any right which a corporation
24 may not be incorporated under this subpart to engage in or
25 exercise.

26 (b) Property rights.--All the property, real, personal and
27 mixed, and franchises of each of the corporations parties to the
28 plan of merger or consolidation, and all debts due on whatever
29 account to any of them, including subscriptions for shares and
30 other choses in action belonging to any of them, shall be deemed

1 to be transferred to and vested in the surviving or new
2 corporation, as the case may be, without further action and the
3 title to any real estate, or any interest therein, vested in any
4 of the corporations shall not revert or be in any way impaired
5 by reason of the merger or consolidation. The surviving or new
6 corporation shall thenceforth be responsible for all the
7 liabilities of each of the corporations so merged or
8 consolidated. No liens upon the property of the merging or
9 consolidating corporations shall be impaired by the merger or
10 consolidation and any claim existing or action or proceeding
11 pending by or against any of the corporations may be prosecuted
12 to judgment as if the merger or consolidation had not taken
13 place or the surviving or new corporation may be proceeded
14 against or substituted in its place.

15 (c) Taxes.--Any taxes, penalties and public accounts of the
16 Commonwealth, claimed against any of the merging or
17 consolidating corporations but not settled, assessed or
18 determined prior to the merger or consolidation, shall be
19 settled, assessed or determined against the surviving or new
20 corporation and, together with interest thereon, shall be a lien
21 against the franchises and property, both real and personal, of
22 the surviving or new corporation.

23 (d) Articles of incorporation.--In the case of a merger, the
24 articles of incorporation of the surviving domestic business
25 corporation, if any, shall be deemed to be amended to the
26 extent, if any, that changes in its articles are stated in the
27 plan of merger. In the case of a consolidation into a domestic
28 business corporation, the statements which are set forth in the
29 plan of consolidation, or articles of incorporation set forth
30 therein, shall be deemed to be the articles of incorporation of

1 the new corporation.

2 § 1930. Dissenters rights.

3 (a) General rule.--If any shareholder of a domestic business
4 corporation which becomes a party to a plan of merger or
5 consolidation objects to the plan of merger or consolidation and
6 complies with the provisions of Subchapter D of Chapter 15
7 (relating to dissenters rights), the shareholder shall be
8 entitled to the rights and remedies of dissenting shareholders
9 therein provided, if any. The holders of any class of shares of
10 a merging or consolidating corporation to be affected by a plan
11 shall also be entitled to dissenters rights with respect to the
12 plan if they would have been entitled to dissenters rights under
13 the provisions of section 1917 (relating to dissenters rights
14 upon certain amendments) had the change been accomplished under
15 Subchapter B (relating to amendment of articles). See also
16 section 1906(c) (relating to dissenters right upon disparate
17 treatment).

18 (b) Plans adopted by directors only.--Except as otherwise
19 provided pursuant to section 1571(c) (relating to grant of
20 optional dissenters rights), Subchapter D of Chapter 15 shall
21 not apply to any of the shares of a corporation which is a party
22 to a plan of merger or consolidation pursuant to section
23 1924(b)(1)(i) (relating to adoption by board of directors).

24 (c) Cross references.--See sections 1571(b) (relating to
25 exceptions) and 1904 (relating to de facto transaction doctrine
26 abolished).

27 § 1931. Share exchanges.

28 (a) General rule.--All the outstanding shares of one or more
29 classes or series of a domestic business corporation, designated
30 in this section as the exchanging corporation, may, in the

1 manner provided in this section, be acquired by any person,
2 designated in this section as the acquiring person, through an
3 exchange of all the shares pursuant to, and other securities of
4 the exchanging corporation not so acquired may be reclassified
5 or otherwise affected by, a plan of exchange. The procedure
6 authorized by this section shall not be deemed to limit the
7 power of any person to acquire all or part of the shares or
8 other securities of any class or series of a corporation through
9 a voluntary exchange or otherwise by agreement with the holders
10 of the shares or other securities.

11 (b) Plan of exchange.--A plan of exchange shall be prepared,
12 setting forth:

13 (1) The terms and conditions of the exchange.

14 (2) The manner and basis of converting the shares or
15 other securities of the exchanging corporation into shares or
16 other securities or obligations of the acquiring person and,
17 if any of the shares or other securities of the exchanging
18 corporation are not to be converted solely into shares or
19 other securities or obligations of the acquiring person, the
20 shares or other securities or obligations of any other person
21 or cash, property or rights which the holders of the shares
22 or other securities of the exchanging corporation are to
23 receive in exchange for, or upon conversion of, the shares or
24 other securities, and the surrender of any certificates or
25 instruments evidencing them, which securities or obligations,
26 if any, of any other person or cash, property and rights may
27 be in addition to or in lieu of the shares or other
28 securities or obligations of the acquiring person.

29 (3) Any changes desired to be made in the articles of
30 the exchanging corporation, which may include a restatement

of the articles.

(4) Any provisions desired providing disparate treatment of shares held by any shareholder or group of shareholders.

(5) Such other provisions as are deemed desirable.

Any of the terms of the plan may be made dependent upon facts ascertainable outside of the plan if the manner in which the facts will operate upon the terms of the plan is set forth in the plan.

(c) Proposal and adoption.--The plan of exchange shall be proposed and adopted and may be terminated by the exchanging corporation in the manner provided by this subchapter for the proposal, adoption and termination of a plan of merger except section 1924(b) (relating to adoption by board of directors). There shall be included in, or enclosed with, the notice of the meeting of shareholders to act on the plan a copy or a summary of the plan and, if Subchapter D of Chapter 15 (relating to dissenters rights) is applicable, a copy of the subchapter and of subsection (d). The holders of any class of shares to be acquired pursuant to the plan of exchange shall be entitled to vote as a class on the plan if they would have been entitled to vote on a plan of merger which affects the class in substantially the same manner as the plan of exchange.

(d) Dissenters rights in share exchanges.--If any holder of shares which are to be acquired pursuant to a plan of exchange objects to the plan and complies with the provisions of Subchapter D of Chapter 15, the holder shall be entitled to the rights and remedies of dissenting shareholders therein provided, if any. See section 1906(c) (relating to dissenter rights upon disparate treatment).

(e) Articles of exchange.--Upon adoption of a plan of

1 exchange, as provided in this section, articles of exchange
2 shall be executed by the exchanging corporation and shall set
3 forth:

4 (1) The name and, subject to section 109 (relating to
5 name of commercial registered office provider in lieu of
6 registered address), the location of the registered office,
7 including street and number, if any, of the exchanging
8 corporation.

9 (2) If the plan is to be effective on a specified date,
10 the hour, if any, and the month, day and year of the
11 effective date.

12 (3) The manner in which the plan was adopted by the
13 exchanging corporation.

14 (4) Except as provided in section 1901 (relating to
15 omission of certain provisions from filed plans), the plan of
16 exchange.

17 The articles of exchange shall be filed in the Department of
18 State. See section 134 (relating to docketing statement).

19 (f) Effective date.--Upon the filing of articles of exchange
20 in the department or upon the effective date specified in the
21 plan of exchange, whichever is later, the plan shall become
22 effective.

23 (g) Effect of plan.--Upon the plan of exchange becoming
24 effective, the shares of the exchanging corporation that are,
25 under the terms of the plan, to be converted or exchanged shall
26 cease to exist or shall be exchanged. The former holders of the
27 shares shall thereafter be entitled only to the shares, other
28 securities or obligations or cash, property or rights into which
29 they have been converted or for which they have been exchanged
30 in accordance with the plan, and the acquiring person shall be

1 the holder of the shares of the exchanging corporation stated in
2 the plan to be acquired by such person. The articles of
3 incorporation of the exchanging corporation shall be deemed to
4 be amended to the extent, if any, that changes in its articles
5 are stated in the plan of exchange.

6 § 1932. Voluntary transfer of corporate assets.

7 (a) Shareholder approval not required.--

8 (1) The sale, lease, exchange or other disposition of
9 all, or substantially all, the property and assets of a
10 business corporation, when made in the usual and regular
11 course of the business of the corporation, or for the purpose
12 of relocating all, or substantially all, of the business of
13 the corporation, may be made upon such terms and conditions,
14 and for such consideration, as shall be authorized by its
15 board of directors.

16 (2) Except as otherwise restricted by the bylaws, no
17 authorization or consent of the shareholders shall be
18 required for such a transaction.

19 (b) Shareholder approval required.--A sale, lease, exchange
20 or other disposition of all, or substantially all, the property
21 and assets, with or without the goodwill, of a business
22 corporation, if not made pursuant to subsection (a) or (d) or to
23 section 1551 (relating to distributions to shareholders) or
24 Subchapter D (relating to division), may be made only pursuant
25 to a plan of asset transfer. The property or assets of a direct
26 or indirect subsidiary corporation which is controlled by a
27 parent corporation shall be deemed the property or assets of the
28 parent corporation for the purposes of this subsection and of
29 subsection (c). The plan of asset transfer shall set forth the
30 terms and conditions of the sale, lease, exchange or other

1 disposition or may authorize the board of directors to fix any
2 or all of the terms and conditions, including the consideration
3 to be received by the corporation therefor. Any of the terms of
4 the plan may be made dependent upon facts ascertained outside of
5 the plan if the manner in which the facts will operate upon the
6 terms of the plan is set forth in the plan. The plan of asset
7 transfer shall be proposed and adopted, and may be terminated,
8 by a business corporation in the manner provided in this
9 subchapter for the proposal, adoption and termination of a plan
10 of merger, except section 1924(b) (relating to adoption by board
11 of directors). There shall be included in, or enclosed with, the
12 notice of the meeting of the shareholders to act on the plan a
13 copy or a summary of the plan and, if Subchapter D of Chapter 15
14 (relating to dissenters rights) is applicable, a copy of the
15 subchapter and of subsection (c). In order to make effective the
16 plan of asset transfer so adopted, it shall not be necessary to
17 file any articles or other documents in the Department of State.

18 (c) Dissenters rights in asset transfers.--

19 (1) If a shareholder of a corporation which adopts a
20 plan of asset transfer objects to the plan and complies with
21 Subchapter D of Chapter 15, the shareholder shall be entitled
22 to the rights and remedies of dissenting shareholders therein
23 provided, if any.

24 (2) Paragraph (1) shall not apply to a sale pursuant to
25 an order of a court having jurisdiction in the premises or a
26 sale for money on terms requiring that all or substantially
27 all of the net proceeds of sale be distributed to the
28 shareholders in accordance with their respective interests
29 within one year after the date of sale.

30 (3) See section 1906(c) (relating to dissenters rights

upon disparate treatment).

(d) Exceptions.--Subsections (b) and (c)(1) shall not apply to a sale, lease, exchange or other disposition of all, or substantially all, of the property and assets of a business corporation:

(1) which directly or indirectly owns all of the outstanding shares of another corporation to the other corporation if the voting rights, preferences, limitations or relative rights, granted to or imposed upon the shares of any class of the parent corporation are not altered by the sale, lease, exchange or other disposition;

(2) when made in connection with the dissolution or liquidation of the corporation, which transaction shall be governed by the provisions of Subchapter F (relating to voluntary dissolution and winding up) or G (relating to involuntary liquidation and dissolution), as the case may be; or

(3) when made in connection with a transaction pursuant to which all the assets sold, leased, exchanged or otherwise disposed of are simultaneously leased back to the corporation.

(e) Mortgage.--A mortgage, pledge, grant of a security interest or dedication of property to the repayment of indebtedness (with or without recourse) shall not be deemed a sale, lease, exchange or other disposition for the purposes of this section.

(f) Restrictions.--Nothing in this section shall be construed to authorize the conversion or exchange of property or assets in fraud of corporate creditors or in violation of law.

DIVISION

Sec.

1951. Division authorized.

1952. Proposal and adoption of plan of division.

1953. Division without shareholder approval.

1954. Articles of division.

1955. Filing of articles of division.

1956. Effective date of division.

1957. Effect of division.

§ 1951. Division authorized.

(a) Division of domestic corporation.--Any domestic business corporation may, in the manner provided in this subchapter, be divided into two or more domestic business corporations incorporated or to be incorporated under this article, or into one or more domestic business corporations and one or more foreign business corporations to be incorporated under the laws of another jurisdiction or jurisdictions, or into two or more foreign business corporations, if the laws of the other jurisdictions authorize the division.

(b) Division of foreign corporation.--Any foreign business corporation may, in the manner provided in this subchapter, be divided into one or more domestic business corporations to be incorporated under this subpart and one or more foreign business corporations incorporated or to be incorporated under the laws of another jurisdiction or jurisdictions, or into two or more domestic business corporations, if the foreign business corporation is authorized under the laws of the jurisdiction under which it is incorporated to effect a division.

(c) Surviving and new corporations.--The corporation effecting a division, if it survives the division, is designated

1 in this subchapter as the surviving corporation. All
2 corporations originally incorporated by a division are
3 designated in this subchapter as new corporations. The surviving
4 corporation, if any, and the new corporation or corporations are
5 collectively designated in this subchapter as the resulting
6 corporations.

7 § 1952. Proposal and adoption of plan of division.

8 (a) Preparation of plan.--A plan of division shall be
9 prepared, setting forth:

10 (1) The terms and conditions of the division, including
11 the manner and basis of:

12 (i) The reclassification of the shares of the
13 surviving corporation, if there be one, and, if any of
14 the shares of the dividing corporation are not to be
15 converted solely into shares or other securities or
16 obligations of one or more of the resulting corporations,
17 the shares or other securities or obligations of any
18 other person, or cash, property or rights which the
19 holders of such shares are to receive in exchange for or
20 upon conversion of such shares, and the surrender of any
21 certificates evidencing them, which securities or
22 obligations, if any, of any other person or cash,
23 property or rights may be in addition to or in lieu of
24 shares or other securities or obligations of one or more
25 of the resulting corporations.

26 (ii) The disposition of the shares and other
27 securities or obligations, if any, of the new corporation
28 or corporations resulting from the division.

29 (2) A statement that the dividing corporation will, or
30 will not, survive the division.

1 (3) Any changes desired to be made in the articles of
2 the surviving corporation, if there be one, including a
3 restatement of the articles.

4 (4) The articles of incorporation required by subsection
5 (b).

6 (5) Any provisions desired providing disparate treatment
7 of shares held by any shareholder or group of shareholders.

8 (6) Such other provisions as are deemed desirable.

9 Any of the terms of the plan may be made dependent upon facts
10 ascertainable outside of the plan if the manner in which the
11 facts will operate upon the terms of the plan is set forth in
12 the plan.

13 (b) Articles of new corporations.--There shall be included
14 in or annexed to the plan of division:

15 (1) Articles of incorporation, which shall contain all
16 of the statements required by this subpart to be set forth in
17 restated articles, for each of the new domestic business
18 corporations, if any, resulting from the division.

19 (2) Articles of incorporation, certificates of
20 incorporation or other charter documents for each of the new
21 foreign business corporations, if any, resulting from the
22 division.

23 (c) Proposal and adoption.--Except as otherwise provided in
24 section 1953 (relating to division without shareholder
25 approval), the plan of division shall be proposed and adopted,
26 and may be terminated, by a domestic business corporation in the
27 manner provided for the proposal, adoption and termination of a
28 plan of merger in Subchapter C (relating to merger,
29 consolidation, share exchanges and sale of assets), except
30 section 1924(b) (relating to adoption by board of directors),

1 or, if the dividing corporation is a foreign business
2 corporation, in accordance with the laws of the jurisdiction in
3 which it is incorporated. There shall be included in, or
4 enclosed with, the notice of the meeting of shareholders to act
5 on the plan a copy or a summary of the plan and, if Subchapter D
6 of Chapter 15 (relating to dissenters rights) is applicable, a
7 copy of the subchapter and of subsection (d).

8 (d) Dissenters rights in division.--

9 (1) Except as otherwise provided in paragraph (2), if
10 any shareholder of a business corporation which adopts a plan
11 of division objects to the plan and complies with the
12 provisions of Subchapter D of Chapter 15, the shareholder
13 shall be entitled to the rights and remedies of dissenting
14 shareholders therein provided, if any. See section 1906(c)
15 (relating to dissenters rights upon disparate treatment).

16 (2) Except as otherwise provided pursuant to section
17 1571(c) (relating to grant of optional dissenters rights),
18 Subchapter D of Chapter 15 shall not apply to any of the
19 shares of a corporation which is party to a plan of division
20 pursuant to section 1953 (relating to division without
21 shareholder approval).

22 (e) Restrictions on certain distributions.--A plan of
23 division may not be made effective if the effect of the plan is
24 to make a distribution to the holders of any class or series of
25 shares of the dividing corporation unless the distribution is
26 permitted by section 1551 (relating to distributions to
27 shareholders).

28 (f) Action by holders of preferred or special shares.--If
29 the dividing corporation has outstanding any shares of any
30 preferred or special class or series, the holders of the

1 outstanding shares of the class or series shall be entitled to
2 vote as a class on the plan regardless of any limitations stated
3 in the articles or bylaws on the voting rights of the class or
4 series if the plan of division:

5 (1) provides that the dividing corporation will not
6 survive the division; or

7 (2) amends the articles or bylaws of the surviving
8 corporation in a manner which would entitle the holders of
9 such preferred or special shares to a class vote thereon
10 under the articles, bylaws or section 1914(b) (relating to
11 statutory voting rights).

12 (g) Action by holders of indebtedness.--Unless otherwise
13 provided by an indenture or other contract by which the dividing
14 corporation is bound, a plan of division shall not require the
15 approval of the holders of any debt securities or other
16 obligations of the dividing corporation or of any representative
17 of the holders, if the transfer of assets effected by the
18 division, if effected by means of a sale, lease, exchange or
19 other disposition, and any related distribution, would not
20 require the approval of the holders or representatives thereof.

21 (h) Special requirements.--If any provision of the articles
22 or bylaws of a dividing domestic business corporation adopted
23 before January 1, 1986, requires for the adoption of a plan of
24 merger, consolidation or asset transfer a specific number or
25 percentage of votes of directors or shareholders or other
26 special procedures, the plan of division shall not be adopted by
27 the directors or (if adoption by the shareholders is otherwise
28 required by this subchapter) by the shareholders without that
29 number or percentage of votes or compliance with the other
30 special procedures.

§ 1953. Division without shareholder approval.

Unless otherwise required by its bylaws or by section 1952(f) (relating to action by holders of preferred or special shares), a plan of division which does not alter the state of incorporation of a business corporation, provide for disparate treatment nor amend in any respect the provisions of its articles (except amendments which under section 1914(c) (relating to adoption by board of directors) may be made without shareholder action) shall not require the approval of the shareholders of the corporation if:

(1) the dividing corporation has only one class of shares outstanding and the shares and other securities, if any, of each corporation resulting from the plan are distributed pro rata to the shareholders of the dividing corporation;

(2) the dividing corporation survives the division and all the shares and other securities and obligations, if any, of all new corporations resulting from the plan are owned solely by the surviving corporation; or

(3) the transfers of assets effected by the division, if effected by means of a sale, lease, exchange or other disposition, would not require the approval of shareholders under section 1932(b) (relating to shareholder approval required).

§ 1954. Articles of division.

Upon the adoption of a plan of division by the corporation desiring to divide, as provided in this subchapter, articles of division shall be executed by the corporation and shall, subject to section 109 (relating to name of commercial registered office provider in lieu of registered address), set forth:

1 (1) The name and the location of the registered office,
2 including street and number, if any, of the dividing domestic
3 business corporation or, in the case of a dividing foreign
4 business corporation, the name of the corporation and the
5 jurisdiction in which it is incorporated, together with
6 either:

7 (i) If a qualified foreign business corporation, the
8 address, including street and number, if any, of its
9 registered office in this Commonwealth.

10 (ii) If a nonqualified foreign business corporation,
11 the address, including street and number, if any, of its
12 principal office under the laws of that jurisdiction.

13 (2) The statute under which the dividing corporation was
14 incorporated and the date of incorporation.

15 (3) A statement that the dividing corporation will, or
16 will not, survive the division.

17 (4) The name and the address, including street and
18 number, if any, of:

19 (i) the registered office of each new domestic
20 business corporation or qualified foreign business
21 corporation resulting from the division; and

22 (ii) the principal office under the laws of the
23 jurisdiction in which it is incorporated of each new
24 nonqualified foreign business corporation resulting from
25 the division.

26 (5) If the plan is to be effective on a specific date,
27 the hour, if any, and the month, day and year of the
28 effective date.

29 (6) The manner in which the plan was adopted by the
30 corporation.

(7) Except as provided in section 1901 (relating to omission of certain provisions from filed plans), the plan of division.

§ 1955. Filing of articles of division.

(a) General rule.--The articles of division, and the certificates or statement, if any, required by section 139 (relating to tax clearance of certain fundamental transactions) shall be filed in the Department of State.

(b) Cross reference.--See section 134 (relating to docketing statement).

§ 1956. Effective date of division.

Upon the filing of articles of division in the Department of State or upon the effective date specified in the plan of division, whichever is later, the division shall become effective. The division of a domestic business corporation into one or more foreign business corporations or the division of a foreign business corporation shall be effective according to the laws of the jurisdictions where the foreign corporations are or are to be incorporated, but not until articles of division have been adopted and filed as provided in this subchapter.

§ 1957. Effect of division.

(a) Multiple resulting corporations.--Upon the division becoming effective, the dividing corporation shall be subdivided into the distinct and independent resulting corporations named in the plan of division and, if the dividing corporation is not to survive the division, the existence of the dividing corporation shall cease. The resulting corporations, if they are domestic business corporations, shall not thereby acquire authority to engage in any business or exercise any right which a corporation may not be incorporated under this subpart to

engage in or exercise. Any resulting foreign business corporation which is stated in the articles of division to be a qualified foreign business corporation shall be a qualified foreign business corporation under Article D (relating to foreign business corporations) and the articles of division shall be deemed to be the application for a certificate of authority and the certificate of authority issued thereon of the corporation.

(b) Property rights.--

(1) All the property, real, personal and mixed, and franchises of the dividing corporation, and all debts due on whatever account to it, including subscriptions for shares and other choses in action belonging to it, shall (except as otherwise provided in paragraph (2)), to the extent transfers of assets are contemplated by the plan of division, be deemed without further action to be transferred to and vested in the resulting corporations on such a manner and basis and with such effect as is specified in the plan, or per capita among the resulting corporations, as tenants in common, if no specification is made in the plan, and the title to any real estate, or interest therein, vested in any of the corporations shall not revert or be in any way impaired by reason of the division. The resulting corporations shall each thenceforth be responsible as separate and distinct corporations only for such liabilities as each corporation may undertake or incur in its own name but shall be liable inter se for the liabilities of the dividing corporation in the manner and on the basis specified in the plan of division. No liens upon the property of the dividing corporation shall be impaired by the division. One or more,

1 but less than all, of the resulting corporations shall be
2 free of the liabilities of the dividing corporation to the
3 extent, if any, specified in the plan, if no fraud of
4 corporate creditors, or of minority shareholders or
5 shareholders without voting rights or violation of law shall
6 be effected thereby, and if all applicable provisions of 13
7 Pa.C.S. Div. 6 (relating to bulk transfers) and all other
8 applicable provisions of law are complied with. Otherwise,
9 the liability of the dividing corporation shall not be
10 affected by the division nor shall the rights of creditors
11 thereof or of any person dealing with the corporation be
12 impaired by the division and, except as otherwise provided in
13 this section, any claim existing or action or proceeding
14 pending by or against the corporation may be prosecuted to
15 judgment as if the division had not taken place, or the
16 resulting corporations may be proceeded against or
17 substituted in its place as joint and several obligors on
18 such liability, regardless of any provision of the plan of
19 division apportioning the liabilities of the dividing
20 corporation.

21 (2) (i) The transfer of any fee or freehold interest in
22 any tract or parcel of real property situate in this
23 Commonwealth owned by a dividing corporation (including
24 property owned by a foreign business corporation dividing
25 solely under the law of another jurisdiction) to a new
26 corporation resulting from the division shall not be
27 effective until one of the following documents is filed
28 in the office for the recording of deeds of the county,
29 or each of them, in which the tract or parcel is
30 situated:

1 (A) A deed or other instrument of confirmation
2 describing the tract or parcel.

3 (B) A duly executed duplicate original copy of
4 the articles of division.

5 (C) A copy of the articles of division certified
6 by the Department of State.

7 (ii) The provisions of 75 Pa.C.S. § 1114 (relating
8 to transfer of vehicle by operation of law) shall not be
9 applicable to a transfer of ownership of any motor
10 vehicle, trailer or semitrailer from a dividing
11 corporation to a new corporation under this section or
12 under a similar law of any other jurisdiction but any
13 such transfer shall be effective only upon compliance
14 with the requirements of 75 Pa.C.S. § 1116 (relating to
15 issuance of new certificate following transfer).

16 (c) Taxes.--Any taxes, penalties and public accounts of the
17 Commonwealth, claimed against the dividing corporation but not
18 settled, assessed or determined prior to the division, shall be
19 settled, assessed or determined against any of the resulting
20 corporations and, together with interest thereon, shall be a
21 lien against the franchises and property, both real and
22 personal, of all the corporations. Upon the application of the
23 dividing corporation, the Department of Revenue, with the
24 concurrence of the Office of Employment Security of the
25 Department of Labor and Industry, shall release one or more, but
26 less than all, of the resulting corporations from liability and
27 liens for all taxes, penalties and public accounts of the
28 dividing corporation due the Commonwealth for periods prior to
29 the effective date of the division if those departments are
30 satisfied that the public revenues will be adequately secured.

(d) Articles of surviving corporation.--The articles of incorporation of the surviving corporation, if there be one, shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the plan of division.

(e) Articles of new corporations.--The statements which are set forth in the plan of division with respect to each new domestic business corporation and which are required or permitted to be set forth in restated articles of incorporation of corporations incorporated under this subpart, or the articles of incorporation of each new corporation set forth therein, shall be deemed to be the articles of incorporation of each new corporation.

(f) Directors and officers.--Unless otherwise provided in the plan, the directors and officers of the dividing corporation shall be the initial directors and officers of each of the resulting corporations.

SUBCHAPTER E

CONVERSION

Sec.

1961. Conversion authorized.

1962. Proposal and adoption of plan of conversion.

1963. Articles of conversion.

1964. Filing of articles of conversion.

1965. Effective date of conversion.

1966. Effect of conversion.

§ 1961. Conversion authorized.

(a) General rule.--Any business corporation may, in the manner provided in this subchapter, be converted into a nonprofit corporation, designated in this subchapter as the resulting corporation.

(b) Exceptions.--This subchapter shall not authorize any conversion involving:

(1) Beneficial, benevolent, fraternal or fraternal benefit societies having a lodge system and a representative form of government, or transacting any type of insurance whatsoever.

(2) Any corporation which by the laws of this Commonwealth is subject to the supervision of the Department of Banking, the Insurance Department or the Pennsylvania Public Utility Commission, unless the agency expressly approves the transaction in writing.

§ 1962. Proposal and adoption of plan of conversion.

(a) Preparation of plan.--A plan of conversion shall be prepared, setting forth:

(1) The terms and conditions of the conversion.

(2) A restatement of the articles of the resulting corporation, which articles shall comply with the requirements of Subpart C (relating to nonprofit corporations).

(3) Any provisions desired providing disparate treatment of shares held by any shareholder or group of shareholders.

(4) Such other provisions as are deemed desirable.

Any of the terms of the plan may be made dependent upon facts ascertainable outside of the plan if the manner in which the facts will operate upon the terms of the plan is set forth in the plan.

(b) Proposal and adoption.--The plan of conversion shall be proposed and adopted, and may be terminated, by the business corporation in the manner provided for the proposal, adoption and termination of a plan of merger in Subchapter C (relating to

1 merger, consolidation, share exchanges and sale of assets),
2 except section 1924(b) (relating to adoption by board of
3 directors). There shall be included in, or enclosed with, the
4 notice of meeting of shareholders of the business corporation
5 called to act upon the plan a copy or a summary of the plan and
6 of Subchapter D of Chapter 15 (relating to dissenters rights)
7 and of subsection (c).

8 (c) Dissenters rights in conversion.--If any shareholder of
9 a business corporation which adopts a plan of conversion into a
10 nonprofit corporation objects to the plan of conversion and
11 complies with the provisions of Subchapter D of Chapter 15, the
12 shareholder shall be entitled to the rights and remedies of
13 dissenting shareholders therein provided.

14 § 1963. Articles of conversion.

15 Upon the adoption of a plan of conversion by the business
16 corporation desiring to convert, as provided in this subchapter,
17 articles of conversion shall be executed by the corporation and
18 shall set forth:

19 (1) The name of the corporation and, subject to section
20 109 (relating to name of commercial registered office
21 provider in lieu of registered address), the address,
22 including street and number, if any, of its registered
23 office.

24 (2) The statute under which the corporation was
25 incorporated and the date of incorporation.

26 (3) If the plan is to be effective on a specified date,
27 the hour, if any, and the month, day and year of the
28 effective date.

29 (4) The manner in which the plan was adopted by the
30 corporation.

(5) Except as provided in section 1901 (relating to omission of certain provisions from filed plans), the plan of conversion.

§ 1964. Filing of articles of conversion.

(a) General rule.--The articles of conversion shall be filed in the Department of State.

(b) Cross reference.--See section 134 (relating to docketing statement).

§ 1965. Effective date of conversion.

Upon the filing of articles of conversion in the Department of State or upon the effective date specified in the plan of conversion, whichever is later, the conversion shall become effective.

§ 1966. Effect of conversion.

Upon the conversion becoming effective, the converting business corporation shall be deemed to be a nonprofit corporation subject to Subpart C (relating to nonprofit corporations) for all purposes, shall cease to be a business corporation and shall not thereafter operate in any manner resulting in pecuniary profit, incidental or otherwise, to its members or shareholders. The corporation shall remain liable for all existing obligations, public or private, and taxes due the Commonwealth or any other taxing authority for periods prior to the effective date of the conversion and, as a nonprofit corporation, it shall continue to be entitled to all assets theretofore pertaining to it as a business corporation.

SUBCHAPTER F

VOLUNTARY DISSOLUTION AND WINDING UP

Sec.

1971. Voluntary dissolution by shareholders or incorporators.

1 1972. Proposal of voluntary dissolution.
2 1973. Notice of meeting of shareholders.
3 1974. Adoption of proposal.
4 1975. Winding up in voluntary dissolution proceedings.
5 1976. Judicial supervision of proceedings.
6 1977. Articles of dissolution.
7 1978. Winding up of corporation upon the expiration of its
8 period of duration.
9 1979. Survival of remedies and rights after dissolution.
10 1980. Dissolution by domestication.

11 § 1971. Voluntary dissolution by shareholders or incorporators.

12 (a) General rule.--The shareholders or incorporators of a
13 business corporation which has not commenced business may effect
14 the dissolution of the corporation by filing articles of
15 dissolution in the Department of State. The articles of
16 dissolution shall be executed in the name of the corporation by
17 a majority of the incorporators or a majority in interest of the
18 shareholders and shall set forth:

19 (1) The name of the corporation and, subject to section
20 109 (relating to name of commercial registered office
21 provider in lieu of registered address), the address,
22 including street and number, if any, of its registered
23 office.

24 (2) The statute under which the corporation was
25 incorporated and the date of incorporation.

26 (3) That the corporation has not commenced business.

27 (4) That the amount, if any, actually paid in on
28 subscriptions for its shares, less any part thereof disbursed
29 for necessary expenses, has been returned to those entitled
30 thereto.

1 (5) That no liabilities of the corporation remain unpaid
2 or that adequate provision has been made therefor.

3 (6) That a majority of the incorporators or a majority
4 in interest of the shareholders elect that the corporation be
5 dissolved.

6 (b) Filing.--The articles of dissolution shall be filed in
7 the Department of State. See section 134 (relating to docketing
8 statement).

9 (c) Effect.--Upon the filing of the articles of dissolution,
10 the existence of the corporation shall cease.

11 § 1972. Proposal of voluntary dissolution.

12 Any business corporation which has commenced business may
13 elect to dissolve voluntarily, and wind up its affairs in the
14 manner provided in this subchapter. Voluntary dissolution shall
15 be proposed by the adoption by the board of directors of a
16 resolution recommending that the corporation be dissolved
17 voluntarily. The board of directors shall direct that the
18 question of dissolution be submitted to a vote of the
19 shareholders of the corporation entitled to vote thereon at a
20 regular or special meeting of the shareholders.

21 § 1973. Notice of meeting of shareholders.

22 Written notice of the meeting of shareholders called for the
23 purpose of considering the advisability of voluntarily
24 dissolving a business corporation shall be given to each
25 shareholder of record entitled to vote thereon and the purpose
26 shall be included in the notice of the meeting.

27 § 1974. Adoption of proposal.

28 (a) General rule.--The resolution shall be adopted upon
29 receiving a majority of the votes cast by all shareholders of
30 the business corporation entitled to vote thereon and, if any

1 class of shares is entitled to vote thereon as a class, a
2 majority of the votes cast in each class vote. A proposal for
3 the voluntary dissolution of a corporation shall not be deemed
4 to have been adopted by the corporation unless it has also been
5 recommended by resolution of the board of directors, regardless
6 of the fact that the board has directed or suffered the
7 submission of such a proposal to the shareholders for action.

8 (b) Termination of proposal.--Prior to the time when
9 articles of dissolution are filed in the Department of State,
10 the proposal may be terminated pursuant to provisions therefor,
11 if any, set forth in the resolution.

12 (c) Action rescinding election to dissolve.--Prior to the
13 time when articles of dissolution are filed in the department,
14 any business corporation may rescind its election to dissolve in
15 the same manner and by the same procedure as that provided in
16 this subchapter for the election of a corporation to dissolve
17 voluntarily.

18 § 1975. Winding up in voluntary dissolution proceedings.

19 (a) Powers of board.--The board of directors of a business
20 corporation shall have full power to wind up and settle the
21 affairs of a business corporation in the event of a voluntary
22 dissolution proceeding.

23 (b) Notice to creditors and taxing authorities.--After the
24 approval by the shareholders of the proposal that the
25 corporation dissolve voluntarily, the corporation shall
26 immediately cause notice of the winding up proceedings to be
27 officially published and to be mailed by certified or registered
28 mail to each known creditor and claimant and to each municipal
29 corporation in which its registered office or principal place of
30 business in this Commonwealth is located.

1 (c) Winding up and distribution.--The corporation shall, as
2 speedily as possible, proceed to collect all sums due it,
3 convert into cash all corporate assets the conversion of which
4 into cash is required to discharge its liabilities and, out of
5 the assets of the corporation, discharge or make adequate
6 provision for the discharge of all liabilities of the
7 corporation, according to their respective priorities. Any
8 surplus remaining after paying or providing for all liabilities
9 of the corporation shall be distributed to the shareholders
10 according to their respective rights and preferences.

11 § 1976. Judicial supervision of proceedings.

12 A business corporation, at any time during the winding up
13 proceedings, may apply to the court to have the proceedings
14 continued under the supervision of the court and thereafter the
15 proceedings shall continue under the supervision of the court as
16 provided in Subchapter G (relating to involuntary liquidation
17 and dissolution).

18 § 1977. Articles of dissolution.

19 (a) Preparation of articles.--When all liabilities of the
20 business corporation have been discharged, or adequate provision
21 has been made therefor, and all of the remaining assets of the
22 corporation have been distributed as provided in this
23 subchapter, or in case its assets are not sufficient to
24 discharge its liabilities, when all the assets have been fairly
25 and equitably applied, as far as they will go, to the payment of
26 such liabilities, articles of dissolution shall be executed by
27 the corporation and shall set forth:

28 (1) The name of the corporation and, subject to section
29 109 (relating to name of commercial registered office
30 provider in lieu of registered address), the address,

1 including street and number, if any, of its registered
2 office.

3 (2) The statute under which the corporation was
4 incorporated and the date of incorporation.

5 (3) The names and respective addresses, including street
6 and number, if any, of its directors and officers.

7 (4) The manner in which the proposal to dissolve
8 voluntarily was adopted by the corporation.

9 (5) A statement:

10 (i) that all liabilities of the corporation have
11 been discharged or that adequate provision has been made
12 therefor; or

13 (ii) that the assets of the corporation are not
14 sufficient to discharge its liabilities, and that all the
15 assets of the corporation have been fairly and equitably
16 applied, as far as they will go, to the payment of such
17 liabilities.

18 (6) A statement that all the remaining assets of the
19 corporation, if any, have been distributed as provided in the
20 Business Corporation Law of 1986.

21 (7) A statement that there are no actions pending
22 against the corporation in any court, or that adequate
23 provision has been made for the satisfaction of any judgment
24 or decree which may be obtained against the corporation in
25 each pending action.

26 (8) A statement that notice of the winding-up
27 proceedings of the corporation was mailed by certified or
28 registered mail to each known creditor and claimant and to
29 each municipal corporation in which the registered office or
30 principal place of business of the corporation in this

Commonwealth is located.

(b) Filing.--The articles of dissolution and the certificates or statement required by section 139 (relating to tax clearance of certain fundamental transactions) shall be filed in the Department of State. See section 134 (relating to docketing statement).

(c) Effect.--Upon the filing of the articles of dissolution in the department, the existence of the corporation shall cease. § 1978. Winding up of corporation upon the expiration of its period of duration.

Every business corporation which is dissolved by expiration of its period of duration shall, nevertheless, continue to exist for the purpose of winding up its affairs, prosecuting and defending actions by or against it, collecting and discharging obligations, disposing of and conveying its property and collecting and dividing its assets, but not for the purpose of continuing business except insofar as necessary for the winding up of the corporation. The board of directors of the corporation shall continue as such and shall have full power to wind up the affairs of the corporation.

§ 1979. Survival of remedies and rights after dissolution.

(a) General rule.--The dissolution of a business corporation, either under this subchapter or under Subchapter G (relating to involuntary liquidation and dissolution) or by expiration of its period of duration, shall not take away or impair any remedy available to or against the corporation or its directors, officers or shareholders for any right or claim existing, or liability incurred, prior to the dissolution, if an action thereon is brought on behalf of:

(1) the corporation within the time otherwise limited by

1 law; or

2 (2) any other person before or within two years after
3 the date of the dissolution or within the time otherwise
4 limited by law, whichever is less.

5 The actions may be prosecuted against and defended by the
6 corporation in its corporate name.

7 (b) Rights and assets.--The dissolution of a business
8 corporation shall not affect the limited liability of a
9 shareholder of the corporation theretofore existing with respect
10 to transactions occurring or acts or omissions done or omitted
11 in the name of or by the corporation except that each
12 shareholder shall be liable for his pro rata portion of the
13 unpaid liabilities of the corporation up to the amount of the
14 net assets of the corporation distributed to the shareholder in
15 connection with the dissolution. Should any property right of a
16 corporation be discovered after the dissolution of the
17 corporation, the surviving member or members of the board of
18 directors which wound up the affairs of the corporation, or a
19 receiver appointed by the court, shall have authority to enforce
20 the property right and to collect and divide the assets so
21 discovered among the persons entitled thereto and to prosecute
22 actions in the corporate name of the corporation. Any assets so
23 collected shall be distributed and disposed of in accordance
24 with the applicable order of court, if any, and otherwise in
25 accordance with this subchapter.

26 § 1980. Dissolution by domestication.

27 Whenever a domestic business corporation has domesticated
28 itself under the laws of another jurisdiction by action similar
29 to that provided by section 4161 (relating to domestication) and
30 has authorized that action by the vote required by this

1 subchapter for the approval of a proposal that the corporation
2 dissolve voluntarily, the corporation may surrender its charter
3 under the laws of this Commonwealth by filing in the Department
4 of State articles of dissolution under this subchapter
5 containing the statements specified by section 1977(a)(1)
6 through (4) (relating to preparation of articles).

7 SUBCHAPTER G

8 INVOLUNTARY LIQUIDATION AND DISSOLUTION

9 Sec.

10 1981. Proceedings upon application of shareholder or director.

11 1982. Proceedings upon application of creditor.

12 1983. (Reserved).

13 1984. Appointment of receiver pendente lite and other interim
14 powers.

15 1985. Liquidating receiver.

16 1986. Qualifications of receivers.

17 1987. Proof of claims.

18 1988. Discontinuance of proceedings; reorganization.

19 1989. Involuntary articles of dissolution.

20 § 1981. Proceedings upon application of shareholder or director.

21 Upon application filed by a shareholder or director of a
22 business corporation, the court may entertain proceedings for
23 the involuntary winding up and dissolution of the corporation
24 when any one of the following is made to appear:

25 (1) The acts of the directors, or those in control of
26 the corporation, are illegal, oppressive or fraudulent and
27 that it is beneficial to the interests of the shareholders
28 that the corporation be wound up and dissolved.

29 (2) The corporate assets are being misapplied or wasted
30 and that it is beneficial to the interests of the

1 shareholders that the corporation be wound up and dissolved.

2 (3) The directors are deadlocked in the direction of the
3 management of the business and affairs of the corporation and
4 the shareholders are unable to break the deadlock and that
5 irreparable injury to the corporation is being suffered or is
6 threatened by reason thereof. The court shall not appoint a
7 receiver or grant other similar relief under this paragraph
8 if the shareholders by agreement or otherwise have provided
9 for the appointment of a provisional director or other means
10 for the resolution of a deadlock but the court shall enforce
11 the remedy so provided if appropriate.

12 § 1982. Proceedings upon application of creditor.

13 The court may, upon application filed by a creditor of a
14 business corporation whose claim has either been reduced to
15 judgment and an execution thereon returned unsatisfied or whose
16 claim is admitted by the corporation, entertain proceedings for
17 the involuntary winding up and dissolution of the corporation
18 when, in either case, it is made to appear that the corporation
19 is unable to discharge its liabilities in the regular course of
20 business, as they mature, or is unable to afford reasonable
21 security to those who may deal with it.

22 § 1983. (Reserved).

23 § 1984. Appointment of receiver pendente lite and other interim
24 powers.

25 Upon the filing of an application under this subchapter, the
26 court shall have all the powers of a court of equity to issue
27 injunctions, to appoint a receiver pendente lite with such
28 powers and duties as the court from time to time may direct and
29 to take such other proceedings as may be requisite to preserve
30 the corporate assets wherever situated and to carry on the

1 business of the corporation until a full hearing can be had.

2 § 1985. Liquidating receiver.

3 Upon a hearing, after such notice as the court may direct to
4 be given to all parties to the proceeding and to any other
5 parties in interest designated by the court, the court may
6 appoint a liquidating receiver with authority to collect the
7 assets of the corporation. The liquidating receiver shall have
8 authority, subject to the order of the court, to dispose of all
9 or any part of the assets of the corporation wherever situated,
10 either at public or private sale. The assets of the corporation,
11 or the proceeds resulting from a disposition thereof, shall be
12 applied to the expenses of the liquidation and to the payment of
13 the liabilities of the corporation and any remaining assets or
14 proceeds shall be distributed by the court in the manner
15 provided by Subchapter F (relating to voluntary dissolution and
16 winding up). The order appointing the liquidating receiver shall
17 state his powers and duties. The powers and duties may be
18 increased or diminished at any time during the proceedings. A
19 receiver of a corporation appointed under this section shall
20 have authority to sue and defend in all courts in his own name
21 as receiver of the corporation. The court appointing the
22 receiver shall have exclusive jurisdiction of the corporation
23 and its property wherever situated.

24 § 1986. Qualifications of receivers.

25 A receiver shall in all cases be a natural person of full age
26 or a corporation authorized to act as receiver, which
27 corporation, if so authorized, may be a domestic corporation for
28 profit or not-for-profit or a foreign corporation for profit or
29 non-for-profit authorized to do business in this Commonwealth,
30 and shall give such bond, if any, as the court may direct, with

1 such sureties, if any, as the court may require.

2 § 1987. Proof of claims.

3 (a) General rule.--In a proceeding under this subchapter,
4 the court may require all creditors of the business corporation
5 to file with the office of the clerk of the court of common
6 pleas or with the receiver, in such form as the court may
7 prescribe, verified proofs of their respective claims. If the
8 court requires the filing of claims, it shall fix a date, which
9 shall not be less than four months from the date of the order,
10 as the last day for filing of claims and shall prescribe the
11 notice that shall be given to creditors and claimants of the
12 date so fixed. Prior to or after the date so fixed, the court
13 may extend the time for the filing of claims. Creditors and
14 claimants failing to file proofs of claim on or before the date
15 so fixed may be barred, by order of court, from participating in
16 the distribution of the assets of the corporation.

17 (b) Cross reference.--See section 1979 (relating to survival
18 of remedies and rights after dissolution).

19 § 1988. Discontinuance of proceedings; reorganization.

20 The proceedings under this subchapter may be discontinued at
21 any time when it is established that cause for liquidation no
22 longer exists. In that event, the court shall dismiss the
23 proceedings and direct the receiver to redeliver to the business
24 corporation all its remaining property and assets.

25 § 1989. Involuntary articles of dissolution.

26 (a) General rule.--The court, in a proceeding under this
27 subchapter, shall enter an order dissolving the business
28 corporation when the costs and expenses of the proceeding and
29 all liabilities of the corporation have been discharged, and all
30 of its remaining assets have been distributed to its

1 shareholders or, in case its assets are not sufficient to
2 discharge such costs, expenses and liabilities, when all the
3 assets have been applied, as far as they will go, to the payment
4 of such costs, expenses and liabilities.

5 (b) Filing.--After the court has entered an order of
6 dissolution, it shall be the duty of the office of the clerk of
7 the court of common pleas to prepare and execute articles of
8 dissolution substantially in the form provided by section 1977
9 (relating to articles of dissolution), to attach thereto a
10 certified copy of the order and to transmit the articles and
11 attached order to the Department of State. No certificate or
12 statement provided for by section 139 (relating to tax clearance
13 of certain fundamental transactions) shall be required and no
14 fee shall be charged by the department in connection with the
15 filing of articles of dissolution under this section. See
16 section 134 (relating to docketing statement).

17 (c) Effect.--Upon the filing of the articles of dissolution
18 in the department, the existence of the corporation shall cease.

19 ARTICLE C

20 DOMESTIC BUSINESS CORPORATION ANCILLARIES

21 Chapter

22 21. Nonstock Corporations

23 23. Statutory Close Corporations

24 25. Registered Corporations

25 27. Management Corporations

26 29. Professional Corporations

27 CHAPTER 21

28 NONSTOCK CORPORATIONS

29 Subchapter

30 A. Preliminary Provisions

1 B. Powers, Duties and Safeguards

2 SUBCHAPTER A

3 PRELIMINARY PROVISIONS

4 Sec.

5 2101. Application and effect of chapter.

6 2102. Formation of nonstock corporations.

7 2103. Contents of articles and other documents of nonstock
8 corporations.

9 2104. Election of an existing business corporation to become a
10 nonstock corporation.

11 2105. Termination of nonstock corporation status.

12 § 2101. Application and effect of chapter.

13 (a) General rule.--This chapter shall be applicable to:

14 (1) A business corporation which elects to become a
15 nonstock corporation in the manner provided by this chapter.

16 (2) A domestic corporation for profit subject to Subpart
17 D (relating to cooperative corporations) organized on a
18 nonstock basis.

19 (b) Application to business corporations generally.--The
20 existence of a provision of this chapter shall not of itself
21 create any implication that a contrary or different rule of law
22 is or would be applicable to a business corporation which is not
23 a nonstock corporation and this chapter shall not affect any
24 statute or rule of law which is or would be applicable to a
25 business corporation which is not a nonstock corporation.

26 (c) Laws applicable to nonstock corporations.--Except as
27 otherwise provided in this chapter, this subpart shall be
28 generally applicable to all nonstock corporations. The specific
29 provisions of this chapter shall control over the general
30 provisions of this subpart. In the case of a nonstock

1 corporation references in this subpart to "shares,"
2 "shareholder," "share register," "share ledger," "transfer book
3 for shares," "number of shares entitled to vote" or "class of
4 shares" shall mean memberships, member, membership register,
5 membership ledger, membership transfer book, number of votes
6 entitled to be cast or class of members, respectively. Except as
7 otherwise provided in this article, a nonstock corporation may
8 be simultaneously subject to this chapter and one or more other
9 chapters of this article.

10 § 2102. Formation of nonstock corporations.

11 (a) General rule.--A nonstock corporation shall be formed in
12 accordance with Article B (relating to domestic business
13 corporations generally) except that its articles shall contain:

14 (1) A heading stating the name of the corporation and
15 that it is a nonstock corporation.

16 (2) The provisions required by section 2103 (relating to
17 contents of articles and other documents of nonstock
18 corporations).

19 (b) Initial members.--Upon the filing of articles of a
20 nonstock corporation, the subscribers to the minimum guaranteed
21 capital of the corporation, if any, and the incorporators shall
22 be the initial members of the corporation.

23 § 2103. Contents of articles and other documents of nonstock
24 corporations.

25 A nonstock corporation shall, in lieu of required statements
26 relating to shares or share structure, set forth in any document
27 permitted or required to be filed under this subpart the fact
28 that the corporation is organized on a nonstock basis. A
29 nonstock corporation may, but need not, have a minimum
30 guaranteed capital which shall be furnished by the subscribers

1 thereto in such proportions as they may agree.

2 § 2104. Election of an existing business corporation to become
3 a nonstock corporation.

4 (a) General rule.--Any business corporation may become a
5 nonstock corporation under this chapter by:

6 (1) Adopting a plan of conversion providing for the
7 redemption by the corporation of all of its shares whether or
8 not redeemable by the terms of its articles and adjusting its
9 affairs so as to comply with the requirements of this chapter
10 applicable to nonstock corporations.

11 (2) Filing articles of amendment which shall contain, in
12 addition to the requirements of section 1915 (relating to
13 articles of amendment):

14 (i) A heading stating the name of the corporation
15 and that it is a nonstock corporation.

16 (ii) A statement that it elects to become a nonstock
17 corporation.

18 (iii) A statement that the corporation is organized
19 on a nonstock basis.

20 (iv) Such other changes, if any, which may be
21 desired in the articles.

22 (b) Procedure.--The plan of conversion of the corporation
23 into a nonstock corporation (which plan shall include the
24 amendment of the articles required by subsection (a)) shall be
25 adopted in accordance with the requirements of Subchapter B of
26 Chapter 19 (relating to amendment of articles) except that:

27 (1) The holders of shares of every class shall be
28 entitled to vote on the plan regardless of any limitations
29 stated in the articles or bylaws on the voting rights of any
30 class.

1 (2) The plan must be approved by two-thirds of the votes
2 cast by all shares of each class.

3 (3) If any shareholder of a business corporation which
4 adopts a plan of conversion into a nonstock corporation
5 objects to the plan of conversion and complies with the
6 provisions of Subchapter D of Chapter 15 (relating to
7 dissenters rights), the shareholder shall be entitled to the
8 rights and remedies of dissenting shareholders therein
9 provided. There shall be included in, or enclosed with, the
10 notice of the meeting of shareholders called to act upon the
11 plan of conversion a copy or a summary of the plan and a copy
12 of this subsection and of Subchapter D of Chapter 15.

13 (4) The plan shall not impose any additional liability
14 upon any existing patron of the business of the corporation,
15 whether or not that person becomes a member of the
16 corporation pursuant to the plan, unless the patron expressly
17 assumes such liability.

18 § 2105. Termination of nonstock corporation status.

19 (a) General rule.--A nonstock corporation may terminate its
20 status as such and cease to be subject to this chapter by:

21 (1) Adopting a plan of conversion providing for the
22 issue of appropriate shares to its members and adjusting its
23 affairs so as to comply with the requirements of this subpart
24 applicable to business corporations which are not nonstock
25 corporations.

26 (2) Amending its articles to delete therefrom the
27 additional provisions required or permitted by sections
28 2102(a)(1) (relating to formation of nonstock corporations)
29 and 2103 (relating to contents of articles and other
30 documents of nonstock corporations) to be stated in the

1 articles of a nonstock corporation. The plan of conversion
2 (which plan shall include the amendment of the articles
3 required by this section) shall be adopted in accordance with
4 Subchapter B of Chapter 19 (relating to amendment of
5 articles) except that:

6 (i) The members of every class shall be entitled to
7 vote on the plan regardless of any limitations stated in
8 the articles or bylaws, or in a document evidencing
9 membership, on the voting rights of any class.

10 (ii) The plan must be approved by a majority of the
11 votes cast by the members of each class.

12 (b) Increased vote requirements.--The bylaws of a nonstock
13 corporation adopted by the members may provide that on any
14 amendment to terminate its status as a nonstock corporation, a
15 vote greater than that specified in subsection (a) shall be
16 required. If the bylaws contain such a provision, that provision
17 shall not be amended, repealed or modified by any vote less than
18 that required to terminate the status of the corporation as a
19 nonstock corporation.

20 SUBCHAPTER B

21 POWERS, DUTIES AND SAFEGUARDS

22 Sec.

23 2121. Corporate name of nonstock corporations.

24 2122. Classes of membership.

25 2123. Evidence of membership; liability of members.

26 2124. Voting rights of members.

27 2125. Inapplicability of certain provisions to nonstock
28 corporations.

29 2126. Dissolution of nonstock corporations.

30 § 2121. Corporate name of nonstock corporations.

1 (a) General rule.--The corporate name of a nonstock
2 corporation may contain the word "mutual."

3 (b) Insurance names.--A nonstock corporation shall not use a
4 name containing any of the words "annuity," "assurance,"
5 "beneficial," "bond," "casualty," "endowment," "fidelity,"
6 "fraternal," "guaranty," "indemnity," "insurance," "surety" or
7 "title" when used in such a way as to imply that the corporation
8 is engaged in the business of writing insurance as principal, or
9 any other words of like purport, unless there is submitted a
10 certificate from the Insurance Department certifying that the
11 department has no objection to the use by the corporation or
12 proposed corporation of such designation.

13 § 2122. Classes of membership.

14 The bylaws of a nonstock corporation adopted by the members
15 may vest in the board of directors the power to establish
16 classes of membership and to fix the several rights and
17 liabilities thereof.

18 § 2123. Evidence of membership; liability of members.

19 (a) General rule.--Every member of record of a nonstock
20 corporation shall be entitled to a written document evidencing
21 his membership in the corporation. The document shall set forth
22 the rights and liabilities of membership or shall state that the
23 corporation will furnish to any member, upon request and without
24 charge, a full or summary statement of the rights and
25 liabilities of membership and, if the membership of the
26 corporation is divided into classes, the variations in the
27 rights and liabilities of membership between classes. If a
28 membership is not fully paid or if the member is otherwise
29 liable to assessment, the document evidencing the membership
30 shall so state.

1 (b) Liability.--A subscriber to the minimum guaranteed
2 capital of or member of a nonstock corporation shall not be
3 under any liability to the corporation or any creditor thereof
4 other than the obligations of complying with the terms of the
5 subscription to the minimum guaranteed capital, if any, and with
6 the terms of the document evidencing his membership.

7 (c) Dissenters rights.--The document evidencing membership
8 shall constitute a share certificate for the purposes of
9 Subchapter D of Chapter 15 (relating to dissenters rights).

10 § 2124. Voting rights of members.

11 Except as otherwise provided in a bylaw adopted by the
12 members or in a written document evidencing membership, every
13 member of record of a nonstock corporation shall have the right,
14 at every meeting of members, to one vote.

15 § 2125. Inapplicability of certain provisions to nonstock
16 corporations.

17 (a) Share structure.--The provisions of Subchapter B of
18 Chapter 15 (relating to shares and other securities) shall not
19 be applicable to a nonstock corporation. A nonstock corporation
20 shall not create or issue shares.

21 (b) Corporate finance.--A patronage rebate or dividend which
22 is, or is equivalent to, a reduction in the charge made by a
23 nonstock corporation to a member for goods or services shall not
24 constitute a dividend or distribution within the meaning of
25 section 1551 (relating to distributions to shareholders).

26 § 2126. Dissolution of nonstock corporations.

27 If at the time of dissolution of a nonstock corporation the
28 articles, bylaws and documents evidencing membership fail to
29 define the respective rights and preferences of the members upon
30 dissolution, the surplus of cash or property remaining after

1 discharging all liabilities of the corporation shall be paid to
2 or distributed among the members according to such a plan of
3 distribution as the members may adopt. The plan shall be adopted
4 in accordance with Subchapter F of Chapter 19 (relating to
5 voluntary dissolution and winding up) except that:

6 (1) The members of every class shall be entitled to vote
7 on the plan regardless of any limitations stated in the
8 articles or bylaws, or in a document evidencing membership,
9 on the voting rights of any class.

10 (2) The plan must be approved by a majority of the votes
11 cast by the members of each class.

12 CHAPTER 23

13 STATUTORY CLOSE CORPORATIONS

14 Subchapter

15 A. Preliminary Provisions

16 B. Shares

17 C. Powers, Duties and Safeguards

18 SUBCHAPTER A

19 PRELIMINARY PROVISIONS

20 Sec.

21 2301. Application and effect of chapter.

22 2302. Definition of minimum vote.

23 2303. Formation of statutory close corporations.

24 2304. Additional contents of articles of statutory close
25 corporations.

26 2305. Election of an existing business corporation to become
27 a statutory close corporation.

28 2306. Limitations on continuation of statutory close
29 corporation status.

30 2307. Voluntary termination of statutory close corporation

1 status by amendment of articles.

2 2308. Issuance or transfer of shares of a statutory close
3 corporation in breach of qualifying conditions.

4 2309. Involuntary termination of statutory close corporation
5 status; proceeding to prevent loss of status.

6 § 2301. Application and effect of chapter.

7 (a) General rule.--This chapter shall be applicable to a
8 business corporation, other than a management corporation,
9 which:

10 (1) had elected to become a close corporation subject to
11 Chapter B of Article III of the act of May 5, 1933 (P.L.364,
12 No.106), known as the Business Corporation Law of 1933
13 (relating to close corporations) and which, as of the
14 effective date of this chapter, had not terminated that
15 election in the manner prescribed by statute; or

16 (2) elects to become a statutory close corporation in
17 the manner provided by this chapter.

18 (b) Application of business corporation law generally.--The
19 existence of a provision of this chapter shall not of itself
20 create any implication that a contrary or different rule of law
21 is or would be applicable to a business corporation which is not
22 a statutory close corporation and this chapter shall not affect
23 any statute or rule of law which is or would be applicable to a
24 business corporation which is not a statutory close corporation.

25 (c) Laws applicable to statutory close corporations.--Except
26 as otherwise provided in this chapter, this subpart shall be
27 generally applicable to all statutory close corporations. The
28 specific provisions of this chapter shall control over the
29 general provisions of this subpart. Except as otherwise provided
30 in this article, a statutory close corporation may be

1 simultaneously subject to this chapter and one or more other
2 chapters of this article.

3 (d) Transitional provisions.--The following provisions of
4 this chapter shall not apply to a statutory close corporation
5 existing on January 1, 1987, unless otherwise provided in a
6 bylaw adopted in the manner provided by section 2332(b)
7 (relating to procedure):

8 Section 2321(b) (relating to preemptive rights) insofar
9 as such provision authorizes the shareholders to adopt a
10 bylaw eliminating or limiting the preemptive rights provided
11 in that subsection.

12 Section 2322 (relating to share transfer restrictions).

13 Section 2323 (relating to transfer of shares in breach of
14 transfer restrictions). If section 2323 is not applicable to
15 the corporation, transfer restrictions (including a
16 restriction which is held not to be authorized by section
17 1529 (relating to transfer of securities; restrictions))
18 shall be enforced in the same manner as if this article had
19 not been enacted.

20 Section 2325 (relating to sale option of estate of
21 shareholder).

22 Section 2336 (relating to fundamental changes).

23 (e) Cross reference.--See the definition of "closely-held
24 corporation" in section 1103 (relating to definitions).

25 § 2302. Definition of minimum vote.

26 (a) General rule.--As used in this chapter the term "minimum
27 vote" as applied to corporate action means that:

28 (1) The holders of shares of every class shall be
29 entitled to vote on the corporate action regardless of any
30 limitations stated in the articles or bylaws on the voting

rights of any class.

(2) The corporate action must be approved by vote of the shareholders of each class entitled to cast at least two-thirds of the votes which all shareholders of the class are entitled to cast thereon.

(b) Increased vote requirements.--The bylaws of a statutory close corporation adopted by the shareholders may provide that on any corporate action subject to the minimum vote requirement of subsection (a) a vote greater than two-thirds or a vote of all shares of any class shall be required. If the bylaws contain such a provision, that provision shall not be amended, repealed or modified by any vote less than that required to effect such corporation action.

§ 2303. Formation of statutory close corporations.

A statutory close corporation shall be formed in accordance with Article B (relating to domestic business corporations generally) except that its articles shall contain:

(1) A heading stating the name of the corporation and that it is a statutory close corporation.

(2) The provisions required by section 2304 (relating to additional contents of articles of statutory close corporations).

§ 2304. Additional contents of articles of statutory close corporations.

(a) General rule.--The articles of a statutory close corporation, in addition to the provisions otherwise required by this subpart, shall provide that the corporation shall make no offering of any of its shares of any class which would constitute a "public offering" within the meaning of the Securities Act of 1933 (15 U.S.C. § 77a et seq.).

(b) Number or qualifications of shareholders.--The articles of a statutory close corporation may set forth:

(1) The maximum number of persons who are entitled to be record holders or beneficial owners of its shares.

(2) The qualifications of shareholders, either by specifying classes of persons who shall be entitled to be holders of record of shares of any class or by specifying classes of persons who shall not be entitled to be holders of shares of any class or both.

(c) Aggregation of holdings.--Except as otherwise provided in the articles, for purposes of determining the number of holders of record or beneficial owners of the shares of a statutory close corporation, shares which are held jointly or in common or in a trust, by two or more persons, as fiduciaries or otherwise, or which are held by spouses, shall be treated as held by one shareholder.

§ 2305. Election of an existing business corporation to become a statutory close corporation.

(a) General rule.--A business corporation may become a statutory close corporation under this chapter by amending its articles so that they shall contain, in addition to the requirements of section 1911(b) (relating to exceptions):

(1) A heading stating the name of the corporation and that it is a statutory close corporation.

(2) A statement that it elects to become a statutory close corporation.

(3) The provisions required by section 2304 (relating to additional contents of articles of statutory close corporations).

(b) Procedure.--The amendment shall not be effective unless

1 it is adopted by at least the minimum vote.

2 § 2306. Limitations on continuation of statutory close
3 corporation status.

4 A statutory close corporation continues to be such and to be
5 subject to this chapter until:

6 (1) it terminates its status as a statutory close
7 corporation pursuant to section 2307 (relating to voluntary
8 termination of statutory close corporation status by
9 amendment of articles); or

10 (2) the provisions required or permitted by section 2304
11 (relating to additional contents of articles of statutory
12 close corporations) to be stated in the articles to qualify a
13 business corporation as a statutory close corporation have in
14 fact been breached and neither the corporation nor any of its
15 shareholders takes the steps required by section 2309
16 (relating to involuntary termination of statutory close
17 corporation status; proceeding to prevent loss of status) to
18 prevent such loss of status or to remedy such breach.

19 § 2307. Voluntary termination of statutory close corporation
20 status by amendment of articles.

21 (a) General rule.--A statutory close corporation may
22 voluntarily terminate its status as such and cease to be subject
23 to this chapter by amending its articles to delete therefrom the
24 additional provisions required or permitted by sections 2303(1)
25 (relating to formation of statutory close corporations) and 2304
26 (relating to additional contents of articles of statutory close
27 corporations) to be stated in the articles of a statutory close
28 corporation.

29 (b) Procedure.--The amendment shall not be effective unless
30 it is adopted by at least the minimum vote.

1 § 2308. Issuance or transfer of shares of a statutory close
2 corporation in breach of qualifying conditions.

3 (a) Notice of qualifications.--If shares of a statutory
4 close corporation are issued or transferred to any person who is
5 not entitled under any provision of the articles permitted by
6 section 2304(b) (relating to number or qualifications of
7 shareholders) to be a holder of record of shares of the
8 corporation and if the certificate for the shares complies with
9 section 2321(c) (relating to notice of statutory close
10 corporation status) or conspicuously notes the existence of such
11 a provision of the articles, that person shall be conclusively
12 presumed to have notice of the fact of his ineligibility to be a
13 shareholder.

14 (b) Notice of size restrictions.--If the articles of a
15 statutory close corporation state the number of persons who are
16 entitled to be holders or owners of its shares and if the
17 certificate for the shares complies with section 2321(c) or
18 conspicuously notes the existence of such a provision of the
19 articles and if the issuance or transfer of shares to any person
20 would cause the shares to be held by more than that number of
21 persons, the person to whom the shares are issued or transferred
22 shall be conclusively presumed to have notice of that fact.

23 (c) Refusal to register.--Whenever any person to whom shares
24 of a statutory close corporation have been issued or transferred
25 has, or is conclusively presumed under this section to have,
26 notice either:

27 (1) that he is a person not eligible to be a holder of
28 shares of the corporation; or

29 (2) that the transfer of shares to him would cause the
30 shares of the corporation to be held by more than the number

of persons permitted by its articles to hold shares of the corporation;

the corporation may, at its option, refuse to register the transfer of the shares into the name of the transferee.

(d) Exception.--The provisions of subsection (c) shall not be applicable if the transfer of shares, even though otherwise contrary to subsection (a) or (b), has been consented to by all the shareholders of the statutory close corporation or if the statutory close corporation has amended its articles in accordance with section 2307 (relating to voluntary termination of statutory close corporation status by amendment of articles).

(e) Rescission rights unaffected.--The provisions of this section do not impair any right of a transferee to rescind the transaction or to recover under any applicable warranty express or implied.

(f) Definition.--As used in this section the term "transfer" is not limited to a transfer for value.

§ 2309. Involuntary termination of statutory close corporation status; proceeding to prevent loss of status.

(a) General rule.--If any event occurs as a result of which the provisions included in the articles of a statutory close corporation pursuant to section 2304 (relating to additional contents of articles of statutory close corporations) to qualify it as a statutory close corporation have been breached, the status of the business corporation as a statutory close corporation under this chapter shall terminate unless:

(1) Within 30 days after the occurrence of the event or within 30 days after the event has been discovered, whichever is later, the corporation:

(i) Files in the Department of State a certificate

1 executed by the corporation setting forth:

2 (A) The name of the corporation and, subject to
3 section 109 (relating to name of commercial
4 registered office provider in lieu of registered
5 address), the address, including street and number,
6 if any, of its registered office.

7 (B) A statement that a provision included in its
8 articles pursuant to section 2304 to qualify it as a
9 statutory close corporation has been breached.

10 (ii) Furnishes a copy of the certificate to each
11 shareholder.

12 (2) The corporation concurrently with the filing of the
13 certificate takes such steps as are necessary to correct the
14 situation which threatens its status as a statutory close
15 corporation including, without limitation, the refusal to
16 register the transfer of shares which have been wrongfully
17 transferred as provided by section 2308 (relating to issuance
18 or transfer of shares of a statutory close corporation in
19 breach of qualifying conditions) or initiation of a
20 proceeding under subsection (b).

21 (b) Proceeding to cure breach.--Upon the application of the
22 corporation or of any shareholder, the court may issue all
23 orders necessary to prevent the corporation from losing its
24 status as a statutory close corporation or to restore its status
25 as a statutory close corporation by enjoining or setting aside
26 any act or threatened act on the part of the corporation or a
27 shareholder which would be inconsistent with any of the
28 provisions required or permitted by section 2304 to be stated in
29 the articles of a statutory close corporation unless it is an
30 act approved in accordance with section 2308(d) (relating to

1 exception). The court may enjoin or set aside any transfer or
2 threatened transfer of shares of a statutory close corporation
3 which is contrary to any of the terms of its articles and may
4 enjoin any public offering, as defined in section 2304(a), or
5 threatened public offering of shares of the statutory close
6 corporation.

7 (c) Notice of cure of breach.--When the situation which
8 threatened the status of the corporation as a statutory close
9 corporation has been remedied and if the corporation has not
10 amended its articles in accordance with section 2307 (relating
11 to voluntary termination of statutory close corporation status
12 by amendment of articles), the corporation shall file in the
13 department a certificate executed by the corporation, setting
14 forth:

15 (1) The name of the corporation and, subject to section
16 109 (relating to name of commercial registered office
17 provider in lieu of registered address), the address,
18 including street and number, if any, of its registered
19 office.

20 (2) A statement that no breach of any of the provisions
21 included in its articles pursuant to section 2304 exists.
22 Upon the filing of the certificate, the status of the
23 corporation as a statutory close corporation under this chapter,
24 if theretofore terminated by reason of subsection (a), shall be
25 restored.

26 (d) Cross reference.--See section 134 (relating to docketing
27 statement).

28 SUBCHAPTER B

29 SHARES

30 Sec.

1 2321. Shares.
2 2322. Share transfer restrictions.
3 2323. Transfer of shares in breach of transfer restrictions.
4 2324. Corporation option where a restriction on transfer of a
5 security is held invalid.
6 2325. Sale option of estate of shareholder.

7 § 2321. Shares.

8 (a) General rule.--A statutory close corporation shall not
9 issue uncertificated shares.

10 (b) Preemptive rights.--

11 (1) Unless otherwise provided in a bylaw adopted by the
12 shareholders, the holders of any class of voting shares of a
13 statutory close corporation shall have a preemptive right to
14 subscribe for or purchase any voting shares (or any option
15 rights or securities having conversion or option rights with
16 respect to any voting shares) issued or sold by the
17 corporation for any form of consideration.

18 (2) Paragraph (1) shall not apply to any issue of voting
19 shares (or of any option rights or securities having
20 conversion or option rights with respect to such voting
21 shares) pursuant to a plan to which Subchapter D of Chapter
22 15 (relating to dissenters rights) is applicable.

23 (c) Notice of statutory close corporation status.--A legend
24 in substantially the following form shall be set forth
25 conspicuously on each share certificate issued by a statutory
26 close corporation:

27 The rights of shareholders in a statutory close
28 corporation may differ materially from the rights of
29 shareholders in other corporations. Copies of the articles of
30 incorporation and bylaws, agreements among shareholders or

1 other documents, which may restrict transfers and affect
2 voting and other rights, may be obtained by a shareholder on
3 written request to the corporation.

4 This notice shall satisfy all requirements of this subpart that
5 notice of transfer or other restrictions or relative rights be
6 given. All persons claiming an interest in shares of a statutory
7 close corporation:

8 (1) Complying with the notice requirement of this
9 section shall be bound by the documents referred to in the
10 notice.

11 (2) Not complying with the requirement of this section
12 shall be bound only by any documents of which they, or any
13 person through whom they claim, have knowledge or notice.

14 § 2322. Share transfer restrictions.

15 (a) General rule.--Unless otherwise provided in a bylaw
16 adopted by the shareholders, no interest in shares of a
17 statutory close corporation may be transferred, by operation of
18 law or otherwise, whether voluntary or involuntary.

19 (b) Exception.--Subsection (a) shall not apply to a
20 transfer:

21 (1) To the corporation or to any other shareholder of
22 the same class of shares.

23 (2) To members of the immediate family of a shareholder
24 or to a trust all of whose beneficiaries are members of the
25 immediate family of a shareholder. The immediate family of a
26 shareholder shall include only his spouse, parents, brothers,
27 sisters, lineal descendants (including descendants related by
28 adoption) and spouses of any lineal descendants.

29 (3) Which has been approved by the unanimous vote of the
30 holders of the most junior shares of the corporation having

1 voting rights for the election of directors.

2 (4) To an executor or administrator upon the death of a
3 shareholder or to a trustee or receiver as the result of a
4 bankruptcy, insolvency, dissolution or similar proceeding
5 brought by or against a shareholder.

6 (5) By merger, consolidation or share exchange that
7 becomes effective pursuant to section 2336 (relating to
8 fundamental changes) or a share exchange of existing shares
9 for other shares of a different class or series in the
10 corporation.

11 (6) By a pledge as collateral for a loan that does not
12 grant the pledgee any voting rights possessed by the pledgor.

13 (7) Made after termination of the status of the
14 corporation as a statutory close corporation.

15 (8) Permitted by subsection (h).

16 (c) Offer by nonexempt purchaser.--Any person desiring to
17 transfer shares in a transaction not exempt under subsection
18 (b)(1) through (7) shall obtain an offer from a third party who
19 meets the requirements of subsection (d) to purchase the shares
20 for cash and shall deliver written notice of the third party
21 offer to the corporation at its registered office stating the
22 number and kind of shares, the offering price, the other terms
23 of the offer and the name and address of the third party
24 offeror.

25 (d) Qualifications of transferee.--A transfer shall not be
26 made to a third party unless:

27 (1) The third party is eligible to become a qualified
28 shareholder under the provisions of any Federal or State tax
29 statute that the corporation has elected to be subject to and
30 the third party agrees in writing not to take any action to

1 terminate the election without the approval of the remaining
2 shareholders.

3 (2) The transfer to the third party will not result in
4 the imposition of the personal holding company tax or any
5 similar Federal or State penalty tax on the corporation.

6 (3) The third party is eligible to be a shareholder
7 under section 2304(b) (relating to number or qualifications
8 of shareholders).

9 (e) Action on offer by corporation.--The notice specified in
10 subsection (c) shall constitute an offer by the shareholder to
11 sell the shares to the corporation on the terms of the third
12 party offer. Within 20 days after receipt of the notice by the
13 corporation, the secretary shall call a special meeting of
14 shareholders, which shall be held not more than 40 days after
15 the call, for the purpose of determining whether to purchase all
16 (but not less than all) of the offered shares. Approval of
17 action to purchase shall be by a majority of the votes of all
18 shareholders entitled to vote thereon, excluding the holders of
19 offered shares. With the consent of all the shareholders
20 entitled to vote for the approval, the corporation may allocate
21 some or all of the shares to one or more shareholders, or to
22 other persons, but if the corporation has more than one class of
23 shares, the remaining holders of the class of shares being
24 offered for sale shall have a first option to purchase the
25 shares that are not purchased by the corporation in proportion
26 to their shareholdings or in such proportion as shall be
27 agreeable to those desiring to participate in the purchase.

28 (f) Notice of action by corporation.--Within 75 days after
29 receipt of the offer, written notice of the acceptance of the
30 offer of the shareholder shall be delivered or sent to the

1 offering shareholder at the address specified in his notice to
2 the corporation or, in the absence of any specification, at his
3 last known address as reflected in the records of the
4 corporation. If the notice contains terms of purchase different
5 from those contained in the offer of the shareholder, the
6 different terms shall be deemed a counteroffer and unless the
7 shareholder wishing to transfer his shares accepts in writing
8 the counteroffer or the shareholder and the corporation or other
9 purchaser otherwise resolve by written agreement the difference
10 between the offer and counteroffer within 15 days of receipt by
11 the shareholder of the qualified notice of acceptance, the
12 notice containing the counteroffer shall be ineffective as an
13 acceptance.

14 (g) Delivery and payment.--If a contract to sell is created
15 under subsection (f), the shareholder shall make delivery of all
16 the certificates for the shares so sold, duly endorsed, within
17 20 days of receipt of the notice of acceptance. Breach of any of
18 the terms of the contract shall entitle the nonbreaching party
19 to any remedy at law or equity allowed for breach of a contract
20 including, without limitation, specific performance.

21 (h) Limited release from restrictions.--If the offer to sell
22 is not accepted pursuant to subsections (e) and (f), the
23 shareholder shall be entitled to transfer to the third party
24 offeror all (but not less than all) of the offered shares within
25 120 days after delivery of the notice specified in subsection
26 (c) in accordance with the terms specified therein.

27 § 2323. Transfer of shares in breach of transfer restrictions.

28 Any attempted transfer of shares of a statutory close
29 corporation in violation of any transfer restriction binding on
30 the transferee shall be ineffective. Any attempted transfer of

1 shares of a statutory close corporation in violation of any
2 transfer restriction not binding on the transferee shall give
3 the corporation the option, exercisable by notice and payment
4 within 30 days after presentation of the shares for registration
5 in the name of the transferee, to purchase the shares from the
6 transferee for the same price and terms.

7 § 2324. Corporation option where a restriction on transfer of a
8 security is held invalid.

9 If the bylaws contain provisions pursuant to section 2322(a)
10 (relating to share transfer restrictions) and a restriction on
11 transfer of a security of a statutory close corporation is held
12 not to be authorized by section 1529 (relating to transfer of
13 securities; restrictions), the corporation shall nevertheless
14 have an option, for a period of 30 days after the judgment
15 setting aside the restriction becomes final, to acquire the
16 restricted security at a price which is agreed upon by the
17 parties or, if no agreement is reached, at the fair value as
18 determined under Subchapter D of Chapter 15 (relating to
19 dissenters rights).

20 § 2325. Sale option of estate of shareholder.

21 (a) General rule.--Unless otherwise provided in a bylaw
22 adopted by the shareholders, the personal representative of any
23 deceased holder or owner of shares shall have the right to
24 require a statutory close corporation to elect either to
25 purchase or cause the purchase of all, but not less than all, of
26 the shares owned by the decedent pursuant to subsections (c)
27 through (e) or to be dissolved.

28 (b) Minimum vote requirement.--An amendment to the bylaws to
29 provide that this section shall apply or to delete or modify the
30 provisions of this section shall require at least the minimum

1 vote for approval. Any shareholder who votes against an
2 amendment to delete or modify the provisions of this section
3 shall, if the amendment terminates or substantially alters the
4 existing rights of the shareholder pursuant to this section to
5 have his shares purchased, be entitled to receive the fair value
6 of his shares upon compliance with the provisions of Subchapter
7 D of Chapter 15 (relating to dissenters rights).

8 (c) Initial procedure.--The personal representative shall,
9 within six months after the death of the holder or owner of
10 shares, deliver a written notice to the corporation at its
11 registered office specifying the number and class of all shares
12 beneficially owned by the deceased shareholder and stating that
13 an offer by the corporation to purchase the shares is being
14 solicited pursuant to this section. Within 20 days after receipt
15 of the notice by the corporation, the secretary shall call a
16 special meeting of shareholders, which shall be held not more
17 than 40 days after the call, for the purpose of determining
18 whether to offer to purchase the shares. Approval of action to
19 offer to purchase the shares shall be by vote of a majority of
20 the shares entitled to vote, excluding the shares covered by the
21 notice. With the consent of all the shareholders entitled to
22 vote for the approval, the corporation may allocate some or all
23 of the shares to one or more shareholders, or to other persons,
24 but if the corporation has more than one class of shares, the
25 remaining holders of the class of shares being offered for sale
26 shall have a first option to purchase the shares that are not
27 purchased by the corporation in proportion to their
28 shareholdings or in such proportion as shall be agreeable to
29 those desiring to participate in the purchase.

30 (d) Notice of action by corporation.--Written notice of the

1 approval by the shareholders of an offer to purchase, or that no
2 offer to purchase was approved, shall be delivered or sent to
3 the personal representative within 75 days after receipt of the
4 notice soliciting the offer to purchase. Any offer to purchase
5 shall be accompanied by copies of the balance sheets as of the
6 end of, and profit and loss statements for, the preceding two
7 fiscal years of the corporation and any available interim
8 balance sheet and profit and loss statement. Any offer to
9 purchase shall be accepted or rejected in writing within 15
10 days.

11 (e) Price and other terms of purchase.--To the extent the
12 price and other terms for purchasing the shares by the
13 corporation or remaining shareholders are fixed or are to be
14 determined pursuant to provisions in the bylaws or in a written
15 agreement, those provisions shall be binding except that, in the
16 event of a default in any payment due, subsection (i) shall
17 apply and the person exercising his rights under this section
18 shall have the right to petition for dissolution of the
19 corporation.

20 (f) Judicial proceedings in absence of agreement to
21 purchase.--If an offer to purchase is rejected, or if no offer
22 to purchase is made under this section, the personal
23 representative may commence an action in court under this
24 subsection. The jurisdiction of the court shall be plenary and
25 exclusive. The corporation shall be made a party defendant in
26 the action and shall, at its expense, give notice of the
27 commencement of the action to all shareholders and to such other
28 persons as the court may direct. The court shall proceed to
29 determine the fair value of the shares considering the going
30 concern value of the corporation, any agreement among some or

1 all of the shareholders fixing a price or specifying a formula
2 for determining the value of shares of the corporation for any
3 purpose, the recommendations of any appraiser appointed by the
4 court, any legal constraint on the ability of the corporation to
5 acquire the shares and other relevant evidence. The court shall
6 enter an order requiring the corporation to cause the purchase
7 of the shares at fair value including such provisions as are
8 deemed proper concerning payment of the purchase price in two or
9 more installments, payment of interest on the installments,
10 subordination of the obligation to the rights of other creditors
11 of the corporation and security for the deferred purchase price.

12 (g) Costs and expenses.--Except as otherwise prescribed by
13 general rules:

14 (1) If the fair value of the shares as determined by the
15 court does not materially exceed the last offer made by the
16 corporation prior to the commencement of an action pursuant
17 to subsection (f) and the court finds that the failure of the
18 personal representative to accept the last offer of the
19 corporation was arbitrary, vexatious or in bad faith, the
20 court may assess all or a portion of the costs and expenses
21 of the action against the estate of the deceased shareholder.

22 (2) If the fair value of the shares as determined by the
23 court materially exceeds the amount of the last offer made by
24 the corporation prior to the time an action was commenced
25 pursuant to subsection (f) and the court finds that the last
26 offer of the corporation was dilatory, obdurate or vexatious,
27 the court may assess all or a portion of the costs and
28 expenses of the action against the corporation.

29 (3) Expenses assessable under paragraphs (1) and (2)
30 shall include reasonable compensation for and reasonable

1 expenses of any appraiser appointed by the court and the
2 reasonable fees and expenses of counsel for and experts
3 employed by any party.

4 (4) Except as provided in paragraphs (1) and (2), the
5 costs of an action commenced pursuant to subsection (f) shall
6 be assessed on an equal basis between the corporation and the
7 estate of the deceased shareholder and all other fees and
8 expenses shall be borne by the party incurring the fees and
9 expenses.

10 (h) Subsequent modification of order.--Upon the petition of
11 the corporation, the court may modify its order to change the
12 terms of payment if it finds that the changed financial or legal
13 ability of the corporation or other purchasers of the shares to
14 complete the purchase justifies a modification. Any person
15 making a payment in order to prevent or cure any default by any
16 purchaser shall be entitled to recover the excess payment from
17 the defaulting person.

18 (i) Failure to make payment.--If the corporation or other
19 purchaser fails for any reason to make any payment specified in
20 the order within 30 days after the due date for the payment, the
21 court shall, upon the petition of the person to whom the payment
22 is due and in the absence of good cause shown by the
23 corporation, enter an order directing that the corporation be
24 dissolved.

25 (j) Waiver.--Any shareholder may waive in writing the rights
26 of his personal representative under this section.

27 (k) Section nonexclusive.--This section shall not be
28 construed to prohibit any other agreement not prohibited by law
29 that provides for the purchase of shares of the corporation nor
30 shall it prevent a shareholder from enforcing any other remedy

1 he may have.

2 SUBCHAPTER C

3 POWERS, DUTIES AND SAFEGUARDS

4 Sec.

5 2331. Directors.

6 2332. Management by shareholders.

7 2333. Appointment of custodian for statutory close
8 corporation.

9 2334. Appointment of provisional director in certain cases.

10 2335. Operating corporation as partnership.

11 2336. Fundamental changes.

12 2337. Option of shareholder to dissolve corporation.

13 § 2331. Directors.

14 (a) Cumulative voting.--Notwithstanding section 1758(c)
15 (relating to cumulative voting), cumulative voting for directors
16 shall be applicable to every statutory close corporation, unless
17 otherwise provided in the articles.

18 (b) Agreements restricting discretion of directors.--A
19 written agreement among the shareholders of a statutory close
20 corporation entitled to cast at least a majority of the votes
21 which all shareholders are entitled to cast for the election of
22 directors, whether solely among themselves or with a party not a
23 shareholder, is not invalid, as between the parties to the
24 agreement or the shareholders of the corporation, on the ground
25 that it so relates to the conduct of the business and affairs of
26 the corporation as to restrict or interfere with the discretion
27 or powers of the board of directors.

28 (c) Effect of agreement.--The effect of any such agreement
29 shall be to relieve the directors and impose upon the
30 shareholders who are parties to the agreement the liability for

1 acts or omissions which is imposed by law on directors to the
2 extent and so long as the discretion or powers of the board in
3 its direction of the management of corporate affairs is
4 controlled by the agreement.

5 § 2332. Management by shareholders.

6 (a) General rule.--A bylaw of a statutory close corporation
7 adopted by the shareholders may provide that the business and
8 affairs of the corporation shall be managed by or under the
9 direction of the shareholders of the corporation rather than by
10 or under the direction of a board of directors. So long as such
11 a provision continues in effect:

12 (1) No meeting of shareholders need be called to elect
13 directors.

14 (2) Unless the context clearly requires otherwise, the
15 shareholders of the corporation shall be deemed to be
16 directors for purposes of applying provisions of this
17 subpart.

18 (3) The shareholders of the corporation shall be subject
19 to all liabilities imposed by law on directors.

20 (b) Procedure.--Such a provision may be inserted in the
21 articles or bylaws by amendment if all incorporators or all
22 shareholders, regardless of any limitations stated in the
23 articles or bylaws on the voting rights of any class, authorize
24 the provision. An amendment to the articles or bylaws to delete
25 the provision shall be adopted and shall become effective in
26 accordance with Subchapter B of Chapter 19 (relating to
27 amendment of articles) or section 1504 (relating to adoption,
28 amendment and contents of bylaws) except that the holders of
29 shares of every class shall be entitled to vote on the amendment
30 regardless of any limitations stated in the articles or bylaws

1 on the voting rights of any class.

2 (c) Notice on shares.--If the articles or bylaws contain a
3 provision authorized by this section, the existence of the
4 provision shall be noted conspicuously on every share
5 certificate issued by the corporation unless the certificate
6 complies with section 2321(c) (relating to notice of statutory
7 close corporation status).

8 § 2333. Appointment of custodian for statutory close
9 corporation.

10 (a) General rule.--In addition to the provisions of section
11 1767 (relating to appointment of custodian of corporation on
12 deadlock or other cause) the court, upon application of any
13 shareholder, may appoint one or more persons to be custodians
14 and, if the corporation is insolvent, to be receivers of any
15 statutory close corporation when:

16 (1) pursuant to section 2332 (relating to management by
17 shareholders) the business and affairs of the corporation are
18 managed by or under the direction of the shareholders and
19 they are so divided that the business of the corporation is
20 suffering or is threatened with immediate and irreparable
21 injury and any remedy with respect to such deadlock provided
22 in the bylaws or in any written agreement of the shareholders
23 has failed; or

24 (2) the applicant shareholder has the right to the
25 dissolution of the corporation under a provision of the
26 articles permitted by section 2337 (relating to option of
27 shareholder to dissolve corporation).

28 A custodian appointed under paragraph (2) shall have the
29 authority to liquidate the affairs of the corporation and
30 distribute its assets.

1 (b) Provisional director.--In lieu of appointing a custodian
2 for a statutory close corporation under subsection (a)(1) or
3 section 1767 or a receiver under Subchapter G of Chapter 19
4 (relating to involuntary liquidation and dissolution), the court
5 may appoint a provisional director, whose powers and status
6 shall be as provided in section 2334 (relating to appointment of
7 provisional director in certain cases), if the court determines
8 that it would be in the best interest of the corporation. The
9 appointment shall not preclude any subsequent order of the court
10 appointing a custodian or receiver for the corporation.

11 § 2334. Appointment of provisional director in certain cases.

12 (a) General rule.--Notwithstanding any contrary provision of
13 the articles or the bylaws or agreement of the shareholders, the
14 court may appoint a provisional director for a statutory close
15 corporation if the directors are so divided respecting the
16 management of the business and affairs of the corporation that
17 the votes required for action by the board of directors cannot
18 be obtained with the consequence that the business and affairs
19 of the corporation can no longer be conducted to the advantage
20 of the shareholders generally.

21 (b) Application for relief.--

22 (1) An application for relief under this section must be
23 filed:

24 (i) by at least one-half of the number of directors
25 then in office;

26 (ii) by the holders of shares entitled to cast at
27 least one-third of the votes which all shareholders are
28 entitled to cast for the election of directors; or

29 (iii) if there is more than one class of shares then
30 entitled to elect one or more directors, by shareholders

1 entitled to cast at least two-thirds of the votes which
2 all shareholders of the class are entitled to cast for
3 the election of directors.

4 A bylaw of a statutory close corporation adopted by the
5 shareholders may provide that a lesser proportion of the
6 directors or of the shareholders or of a class of
7 shareholders may apply for relief under this section.

8 (2) Even though the requirements of paragraph (1) are
9 not satisfied, the court may nevertheless appoint a
10 provisional director if permitted by section 2333(b)
11 (relating to provisional director).

12 (c) Qualifications.--A provisional director shall be an
13 impartial individual who is neither a shareholder nor a creditor
14 of the corporation or of any subsidiary or affiliate of the
15 corporation and whose further qualifications, if any, may be
16 determined by the court.

17 (d) Status and powers.--A provisional director is not a
18 receiver of a corporation and does not have the title and powers
19 of a custodian or receiver appointed under section 1767
20 (relating to appointment of custodian of corporation on deadlock
21 or other cause) or Subchapter G of Chapter 19 (relating to
22 involuntary liquidation and dissolution). A provisional director
23 shall have all the rights and powers of a duly elected director
24 of the corporation, including the right to notice of and to vote
25 at meetings of directors, until such time as he is removed by
26 order of the court or by the shareholders entitled to cast at
27 least two-thirds of the votes which all shareholders of that
28 class of voting shares which filed the application for
29 appointment of a provisional director are entitled to cast for
30 directors, or by the shareholders entitled to cast at least a

1 majority of the votes which all shareholders are entitled to
2 cast for the election of directors, in any other case.

3 (e) Compensation.--The compensation of the provisional
4 director shall be determined by agreement between him and the
5 corporation subject to approval of the court which may fix his
6 compensation in the absence of agreement or in the event of
7 disagreement between the provisional director and the
8 corporation.

9 § 2335. Operating corporation as partnership.

10 No written agreement among shareholders of a statutory close
11 corporation, nor any provision of the articles or bylaws of the
12 corporation, which agreement or provision relates to any phase
13 of the affairs of such corporation, including but not limited to
14 the management of its business or declaration and payment of
15 dividends or other division of profits or the election of
16 directors or officers or the employment of shareholders by the
17 corporation or the arbitration of disputes, shall be invalid on
18 the ground that it is an attempt by the parties to the agreement
19 or by the shareholders of the corporation to treat the
20 corporation as if it were a partnership or to arrange relations
21 among the shareholders or between the shareholders and the
22 corporation in a manner that would be appropriate only among
23 partners and shall not be grounds for imposing personal
24 liability on the shareholders for obligations of the
25 corporation.

26 § 2336. Fundamental changes.

27 Except as permitted or required by this chapter, a statutory
28 close corporation shall not effect any corporate action which
29 under Chapter 19 (relating to fundamental changes) requires the
30 approval of shareholders unless the action is adopted by at

1 least the minimum vote.

2 § 2337. Option of shareholder to dissolve corporation.

3 (a) General rule.--A bylaw of a statutory close corporation
4 adopted by the shareholders may include a provision granting to
5 any shareholder, or to the holders of any specified number or
6 percentage of shares of any class of shares, an option to have
7 the corporation dissolved at will or upon the occurrence of any
8 specified event or contingency. Whenever the option to dissolve
9 is exercised, the shareholders exercising the option shall give
10 written notice thereof to all other shareholders. After the
11 expiration of 30 days following the sending of the notice, the
12 dissolution of the corporation shall proceed as if the required
13 number of shareholders having voting rights had consented in
14 writing to dissolution of the corporation as provided by
15 Subchapter F of Chapter 19 (relating to voluntary dissolution
16 and winding up).

17 (b) Amendment adding option.--If the bylaws do not contain a
18 provision authorized by subsection (a), the bylaws may be
19 amended to include such a provision if adopted by the unanimous
20 vote of all the shareholders, regardless of any limitations
21 stated in the bylaws on the voting rights of any class, unless
22 the original bylaws, or bylaws adopted by such a unanimous vote,
23 specifically authorize such an amendment to be adopted by a
24 specified vote of shareholders, which shall not be less than the
25 minimum vote.

26 (c) Notice on shares.--If the bylaws contain a provision
27 authorized by this section, the existence of the provision shall
28 be noted conspicuously on every share certificate issued by the
29 corporation unless the certificate complies with section 2321(c)
30 (relating to notice of statutory close corporation status).

CHAPTER 25

REGISTERED CORPORATIONS

Subchapter

A. Preliminary Provisions

B. Powers, Duties and Safeguards

C. Directors and Shareholders

D. Fundamental Changes

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

2501. Application and effect of chapter.

2502. Registered corporation status.

2503. Acquisition of registered corporation status.

2504. Termination of registered corporation status.

§ 2501. Application and effect of chapter.

(a) General rule.--This chapter shall be applicable to any business corporation which is a registered corporation as defined in section 2502 (relating to registered corporation status).

(b) Laws applicable to registered corporations.--Except as otherwise provided in this chapter, this subpart shall be generally applicable to all registered corporations. The specific provisions of this chapter shall control over the general provisions of this subpart. Except as otherwise provided in this article, a registered corporation may be simultaneously subject to this chapter and one or more other chapters of this article.

(c) Effect of a contrary bylaw.--The bylaws of a registered corporation may provide either expressly or by necessary implication that any one or more of the provisions of this

1 chapter, except this subchapter and (unless the bylaw was
2 adopted on or before March 22, 1984) section 2538 (relating to
3 right of shareholders to receive payment for shares following a
4 control transaction), shall not be applicable in whole or in
5 part, to the corporation.

6 § 2502. Registered corporation status.

7 As used in this chapter, the term "registered corporation"
8 shall mean:

9 (1) A domestic business corporation:

10 (i) having a class or series of equity securities
11 registered under the Securities Exchange Act of 1934 (15
12 U.S.C. § 78a et seq.); or

13 (ii) subject to the reporting obligations imposed by
14 section 13 of the Securities Exchange Act of 1934 (15
15 U.S.C. § 78m) by reason of having filed a registration
16 statement under the Securities Act of 1933 (15 U.S.C. §
17 77a et seq.) relating to shares of a class or series of
18 its equity securities.

19 (2) A domestic business corporation all of the shares of
20 which are owned, directly or indirectly, by one or more
21 registered corporations or foreign corporations for profit
22 described in section 4102(b) (relating to exclusions).

23 § 2503. Acquisition of registered corporation status.

24 (a) Registered corporations.--This chapter shall apply to a
25 registered corporation described in section 2502(1) (relating to
26 registered corporation status) on the day following the day on
27 which the corporation becomes a registered corporation.

28 (b) Subsidiary corporations.--This chapter shall apply to a
29 registered corporation described in section 2502(2) immediately
30 upon the happening of any event whereby all of the shares of the

1 corporation are owned, directly or indirectly, by one or more
2 registered corporations or foreign corporations for profit
3 described in section 4102(b) (relating to exclusions).

4 § 2504. Termination of registered corporation status.

5 (a) Registered corporations.--The applicability of this
6 chapter to a registered corporation described in section 2502(1)
7 (relating to registered corporation status) shall terminate
8 immediately upon the termination of the status of the
9 corporation as a registered corporation.

10 (b) Subsidiary corporations.--The applicability of this
11 chapter to a registered corporation described in section 2502(2)
12 shall terminate immediately upon the happening of any event
13 whereby all of the shares of the corporation are no longer
14 owned, directly or indirectly, by one or more registered
15 corporations or foreign corporations for profit described in
16 section 4102(b) (relating to exclusions).

17 SUBCHAPTER B

18 POWERS, DUTIES AND SAFEGUARDS

19 Sec.

20 2511. Financial reports to shareholders.

21 2512. Dissenters rights procedure.

22 § 2511. Financial reports to shareholders.

23 The requirements of section 1554 (relating to financial
24 reports to shareholders) shall not apply to a registered
25 corporation.

26 § 2512. Dissenters rights procedure.

27 (a) General rule.--A registered corporation, except one
28 described in section 2502(1)(ii) (relating to registered
29 corporation status), shall not be required by statute to supply
30 a copy of Subchapter D of Chapter 15 (relating to dissenters

1 rights) to any of its shareholders entitled to dissenters rights
2 in connection with a proposed corporate action from whom the
3 corporation solicits a proxy relating to approval of, or to whom
4 it sends an information statement relating to, the proposed
5 corporate action.

6 (b) Exception.--Subsection (a) does not apply to notice
7 given under sections 1575(a)(4) (relating to notice to demand
8 payment) and 1577(c)(3) (relating to payment of fair value of
9 shares).

10 SUBCHAPTER C

11 DIRECTORS AND SHAREHOLDERS

12 Sec.

13 2521. Call of special meetings of shareholders.

14 2522. Adjournment of meetings of shareholders.

15 2523. Quorum at shareholder meetings.

16 2524. Consent of shareholders in lieu of meeting.

17 § 2521. Call of special meetings of shareholders.

18 The shareholders of a registered corporation shall not be
19 entitled by statute to call a special meeting of the
20 shareholders.

21 § 2522. Adjournment of meetings of shareholders.

22 Any regular or special meeting of the shareholders of a
23 registered corporation, including one at which directors are to
24 be elected, may be adjourned for such period as the shareholders
25 present and entitled to vote shall direct.

26 § 2523. Quorum at shareholder meetings.

27 The board of directors of a registered corporation may adopt
28 or change a bylaw on any subject otherwise expressly committed
29 to the shareholders by section 1756(a) (relating to quorum).

30 § 2524. Consent of shareholders in lieu of meeting.

1 An action authorized by the shareholders of a registered
2 corporation by less than unanimous written consent, if action by
3 less than unanimous written consent is permitted by its bylaws,
4 may become effective immediately upon its authorization, but
5 prompt notice of the action shall be given to those shareholders
6 entitled to vote thereon who have not consented.

7 SUBCHAPTER D

8 FUNDAMENTAL CHANGES

9 Sec.

10 2535. Proposal of amendment to articles.

11 2536. Application by director for involuntary dissolution.

12 2537. Dissenters rights in asset transfers.

13 2538. Right of shareholders to receive payment for shares
14 following a control transaction.

15 § 2535. Proposal of amendment to articles.

16 The shareholders of a registered corporation shall not be
17 entitled by statute to propose an amendment to the articles.

18 § 2536. Application by director for involuntary dissolution.

19 A director of a registered corporation, as such, shall not be
20 entitled to file an application seeking involuntary winding up
21 and dissolution of the corporation.

22 § 2537. Dissenters rights in asset transfers.

23 The shareholders of a registered corporation that adopts a
24 plan of asset transfer shall not be entitled to dissenters
25 rights except as provided by section 1906(c) (relating to
26 dissenters rights upon disparate treatment) or unless the board
27 of directors or the bylaws so provide pursuant to section
28 1571(c) (relating to grant of optional dissenters rights).

29 § 2538. Right of shareholders to receive payment for shares
30 following a control transaction.

1 (a) General rule.--Unless:

2 (1) the bylaws, by amendment adopted on or before March
3 22, 1984 and not subsequently rescinded by an amendment of
4 the articles; or

5 (2) the articles;

6 explicitly provide that this section shall not be applicable to
7 the corporation, any holder of voting shares of a registered
8 corporation that becomes the subject of a control transaction
9 described in subsection (h) who shall object to the transaction
10 shall be entitled to the rights and remedies provided in this
11 section. The adoption of an amendment to the bylaws as permitted
12 by this subsection shall not be void or voidable by reason of
13 the participation of any director affiliated with any
14 shareholder and no director shall be held liable for taking or
15 omitting to take such action. Subject to a requirement in the
16 articles or a bylaw adopted by the shareholders of a higher
17 required vote, a proposed amendment of the articles adding the
18 provision contemplated by paragraph (2) shall be adopted upon
19 receiving the affirmative votes of the shareholders entitled to
20 cast at least a majority of the votes which all shareholders are
21 entitled to cast thereon, and if any class or series of shares
22 is entitled to vote thereon as a class, the affirmative vote of
23 the holders of at least a majority of the outstanding shares of
24 each class or series of shares entitled to vote as a class
25 thereon.

26 (b) Notice of control transaction.--Prompt notice that a
27 control transaction has occurred shall be given by the
28 controlling person or group to each shareholder of record of the
29 corporation holding voting shares. If the person or group so
30 requests, the corporation shall, at the option of the

1 corporation and at the expense of the person or group, either
2 furnish a list of all such shareholders to the person or group
3 or mail the notice to all such shareholders. There shall be
4 included in, or enclosed with, the notice a copy of this section
5 and Subchapter D of Chapter 15 (relating to dissenters rights).

6 (c) Demand for payment.--After the occurrence of the control
7 transaction, any holder of voting shares of the corporation may,
8 prior to or within a reasonable time after the notice required
9 by subsection (b) is given, which time period may be specified
10 in the notice, make written demand on the controlling person or
11 group for payment of the amount provided in subsection (e) with
12 respect to the voting shares of the corporation held by the
13 shareholder, and the controlling person or group shall agree to
14 pay that amount to the shareholder upon surrender of the share
15 certificate or certificates representing the shares or upon the
16 transfer of uncertificated shares. The demand of the shareholder
17 shall state the number and class or series, if any, of the
18 shares owned by him with respect to which the demand is made.

19 (d) Effect of section.--Nothing contained in this section
20 shall preclude a controlling person or group subject to this
21 section from offering, whether in a notice or otherwise, to
22 purchase voting shares of the corporation at a price other than
23 that provided in subsection (e), and nothing contained in this
24 section shall preclude any shareholder from agreeing to sell his
25 voting shares at that or any other price to any person.

26 (e) Valuation of shares.--A shareholder making written
27 demand under subsection (c) shall be entitled to receive cash
28 for each of his shares in an amount equal to the fair value of
29 each voting share as of the day prior to the date on which the
30 control transaction occurs, taking into account all relevant

1 factors, including an increment representing a proportion of any
2 value payable for acquisition of control of the corporation.
3 Either the controlling person or group or the shareholder may
4 proceed under sections 1579 (relating to valuation proceedings
5 generally) and 1580 (relating to costs and expenses of valuation
6 proceedings) for a determination of the fair value of such share
7 as defined in this subsection. The written demand made by the
8 shareholder shall be deemed to be the estimate pursuant to
9 section 1578 (relating to estimate by dissenter of fair value
10 for shares), the shareholders who make written demand shall be
11 deemed to be the dissenters, and the controlling person or group
12 shall be deemed to be the corporation for the purposes of those
13 sections.

14 (f) Conditional compliance.--

15 (1) A person or group that proposes to engage in a
16 control transaction may comply with the requirements of this
17 section in connection with the control transaction, and the
18 effectiveness of the rights afforded in this section to
19 shareholders may be conditioned upon the consummation of the
20 control transaction.

21 (2) The person or group shall give prompt written notice
22 of the satisfaction of any such condition to each shareholder
23 who has made demand as provided in this section.

24 (g) Exclusions.--Subsections (a) through (f) shall not apply
25 to any person or group that inadvertently becomes a controlling
26 person or group if that controlling person or group, as soon as
27 practicable, divests itself of a sufficient amount of its voting
28 shares so that it is no longer a controlling person or group, or
29 to any corporation that on December 23, 1983 was a subsidiary of
30 any other corporation.

1 (h) Definitions.--As used in this section the following
2 words and phrases shall have the meanings given to them in this
3 subsection:

4 (1) For purposes of this section a registered
5 corporation shall be a domestic business corporation which is
6 a registered corporation by reason of section 2502(1)(i)
7 (relating to registered corporation status).

8 (2) A controlling person or group shall mean for the
9 purposes of this section a person who has, or a group of
10 persons acting in concert that has, voting power over voting
11 shares of the corporation that would entitle the holders
12 thereof to cast at least 30% of the votes that all
13 shareholders would be entitled to cast in an election of
14 directors of the corporation.

15 (3) Notwithstanding paragraph (2), a person or group
16 which would otherwise be a controlling person or group within
17 the meaning of this section shall not be deemed such a
18 controlling person or group unless, subsequent to December
19 23, 1983, that person or group increases the percentage of
20 outstanding voting shares of the corporation over which it
21 has voting power to in excess of the percentage of
22 outstanding voting shares of the corporation over which that
23 person or group had voting power on December 23, 1983, and to
24 at least the amount specified in paragraph (2), as the result
25 of forming or enlarging a group, or acquiring by purchase
26 voting power over voting shares of the corporation.

27 (4) (i) A person shall not be a controlling person
28 under paragraph (2) if such person holds voting power, in
29 good faith and not for the purpose of circumventing this
30 section, as an agent, bank, broker, nominee or trustee

1 for one or more beneficial owners who do not individually
2 or, if they are a group acting in concert, as a group
3 have the voting power specified in paragraph (2) or who
4 are not deemed a controlling person or group under
5 paragraph (3).

6 (ii) For the purposes of this section, a person has
7 voting power over a voting share if that person has or
8 shares, directly or indirectly, through any option,
9 contract, arrangement, understanding, conversion right or
10 relationship, or by acting jointly or in concert, or
11 otherwise, the power to vote, or to direct the voting of,
12 the voting share.

13 (5) A control transaction shall mean, for the purposes
14 of this section, the acquisition by a person or group of the
15 status of a controlling person or group.

16 (6) For purposes of subsection (g), subsidiary shall
17 mean any corporation as to which any other corporation has or
18 has the right to acquire, directly or indirectly, through the
19 exercise of all warrants, options and rights and the
20 conversion of all convertible securities, whether issued or
21 granted by the subsidiary or otherwise, voting power over
22 voting shares of the subsidiary that would entitle the
23 holders thereof to cast in excess of 50% of the votes that
24 all shareholders would be entitled to cast in the election of
25 directors of such subsidiary, except that a subsidiary will
26 not be deemed to cease being a subsidiary so long as the
27 corporation remains a controlling person or group within the
28 meaning of this subsection.

29 CHAPTER 27

30 MANAGEMENT CORPORATIONS

1 Subchapter

2 A. Preliminary Provisions

3 B. Powers, Duties and Safeguards

4 SUBCHAPTER A

5 PRELIMINARY PROVISIONS

6 Sec.

7 2701. Application and effect of chapter.

8 2702. Election to become a management corporation.

9 2703. Date and duration of election.

10 2704. Dissenters rights upon election.

11 § 2701. Application and effect of chapter.

12 (a) General rule.--This chapter shall be applicable to a
13 business corporation, other than a closely-held corporation or a
14 professional corporation, which elects to become a management
15 corporation in the manner provided by this chapter, if the
16 corporation is a management company required to be registered
17 and so registered under the Investment Company Act of 1940 (54
18 Stat. 789, 15 U.S.C. § 80a-1 et seq.).

19 (b) Laws applicable to management corporations.--Except as
20 otherwise provided in this chapter, this subpart shall be
21 generally applicable to all management corporations. The
22 specific provisions of this chapter shall control over the
23 general provisions of this subpart. Except as otherwise provided
24 in this article, a management corporation may be simultaneously
25 subject to this chapter and one or more other chapters of this
26 article. The bylaws of a management corporation may provided
27 either expressly or by necessary implication that any one or
28 more of the provisions of this chapter, except this subchapter,
29 shall not be applicable, in whole or in part, to the
30 corporation.

1 § 2702. Election to become a management corporation.

2 (a) General rule.--A business corporation may become a
3 management corporation under this chapter by filing articles of
4 amendment which shall contain in addition to the requirements of
5 section 1915 (relating to articles of amendment):

6 (1) A heading stating the name of the corporation and
7 that it is a management corporation.

8 (2) A statement that it elects to become a management
9 corporation.

10 (3) A statement that all shareholders of the corporation
11 have been accorded dissenters rights under this chapter in
12 connection with the election.

13 (b) Procedure.--An election to become subject to this
14 chapter shall be proposed by a resolution adopted by the board
15 of directors and shall be adopted in accordance with the
16 requirements of Subchapter B of Chapter 19 (relating to
17 amendment of articles).

18 (c) Cross reference.--See section 134 (relating to docketing
19 statement).

20 § 2703. Date and duration of election.

21 (a) Date of election.--If an effective date is not stated in
22 the articles of amendment, this chapter shall become applicable
23 to the management corporation on the date the articles of
24 amendment are filed in the Department of State.

25 (b) Duration of election.--A management corporation shall be
26 subject to this chapter for three years after the effective date
27 of its most recent articles of amendment filed under section
28 2702 (relating to election to become a management corporation).
29 An election to be subject to this chapter may be renewed by
30 complying with the provisions of this subchapter in the same

1 manner as an initial election.

2 § 2704. Dissenters rights upon election.

3 If any shareholder of a management corporation which adopts
4 or renews an election under this chapter to become or continue
5 as a management corporation objects to that action and complies
6 with the provisions of Subchapter D of Chapter 15 (relating to
7 dissenters rights), the dissenting shareholder shall be entitled
8 to the rights and remedies of dissenting shareholders therein
9 provided, unless as to any class or series of shares the
10 corporation in the ordinary course of business redeems such
11 shares at the option of a shareholder at net asset value or at
12 another agreed method or amount of value.

13 SUBCHAPTER B

14 POWERS, DUTIES AND SAFEGUARDS

15 Sec.

16 2711. Bylaw and fundamental change procedures.

17 § 2711. Bylaw and fundamental change procedures.

18 Except as otherwise provided in the express terms of any
19 class or series of any preferred or preference shares, so long
20 as a business corporation is a management corporation subject to
21 this chapter:

22 (1) The board of directors shall have the full authority
23 vested by this subpart in the shareholders to adopt or change
24 the bylaws, and a bylaw adopted by the board of directors
25 pursuant to this section may continue in effect as long as
26 the corporation remains subject to this chapter.

27 (2) No plan or amendment shall be adopted under Chapter
28 19 (relating to fundamental changes), and no bylaw shall be
29 adopted or changed by the shareholders, without the approval
30 of the board of directors.

1 SUBCHAPTER C

2 DIRECTORS AND SHAREHOLDERS

3 Sec.

4 2721. Selection and removal of directors.

5 2722. Shareholder meetings unnecessary.

6 § 2721. Selection and removal of directors.

7 The bylaws of a management corporation may specify the manner
8 in which and the persons by whom the directors of the
9 corporation shall be selected and may be removed.

10 § 2722. Shareholder meetings unnecessary.

11 Annual or other regular meetings of the shareholders of a
12 management corporation need not be held.

13 CHAPTER 29

14 PROFESSIONAL CORPORATIONS

15 Subchapter

16 A. Preliminary Provisions

17 B. Powers, Duties and Safeguards

18 SUBCHAPTER A

19 PRELIMINARY PROVISIONS

20 Sec.

21 2901. Application and effect of chapter.

22 2902. Definitions.

23 2903. Formation of professional corporations.

24 2904. Election of an existing business corporation to become a
25 professional corporation.

26 2905. Election of professional associations to become
27 professional corporations.

28 2906. Termination of professional corporation status.

29 2907. Proceedings to terminate breach of qualifying conditions.

30 § 2901. Application and effect of chapter.

(a) General rule.--This chapter shall be applicable to a business corporation, other than a management corporation, which:

(1) on the effective date of this chapter was subject to the act of July 9, 1970 (P.L.461, No.160), known as the Professional Corporation Law; or

(2) elects to become a professional corporation in the manner provided by this chapter.

(b) Application to business corporations generally.--The existence of a provision of this chapter shall not of itself create any implication that a contrary or different rule of law is or would be applicable to a business corporation which is not a professional corporation and this chapter shall not affect any statute or rule of law which is or would be applicable to a business corporation which is not a professional corporation. Nothing contained in this chapter shall alter or affect any right or privilege existing under any statute or general rule heretofore or hereafter enacted by the General Assembly or (with respect to attorneys at law) prescribed by the Supreme Court of Pennsylvania:

(1) not prohibiting; or

(2) in terms permitting;

performance of professional services in corporate form by a corporation which is not a professional corporation.

(c) Laws applicable to professional corporations.--Except as otherwise provided in this chapter, this subpart shall be generally applicable to all professional corporations. The specific provisions of this chapter shall control over the general provisions of this subpart. Except as otherwise provided in this article, a professional corporation may be

1 simultaneously subject to this chapter and one or more other
2 chapters of this article.

3 § 2902. Definitions.

4 The following words and phrases when used in this chapter
5 shall have the meanings given to them in this section unless the
6 context clearly indicates otherwise:

7 "Disqualified person." A licensed person who for any reason
8 is or becomes legally disqualified (temporarily or permanently)
9 to render the same professional services which the particular
10 professional corporation of which he is an officer, director,
11 shareholder or employee is or was rendering.

12 "Licensed person." Any natural person who is duly licensed
13 or admitted to practice his profession by a court, department,
14 board, commission or other agency to render a professional
15 service which is or will be rendered by the professional
16 corporation of which he is, or intends to become, an officer,
17 director, shareholder, employee or agent.

18 "Profession." Includes the performance of any type of
19 personal service to the public which requires as a condition
20 precedent to the performance of the service the obtaining of a
21 license or admission to practice or other legal authorization,
22 including all personal services which prior to the enactment of
23 the act of July 9, 1970 (P.L.461, No.160), known as the
24 Professional Corporation Law, could not lawfully be rendered by
25 means of a corporation. By way of example, and without limiting
26 the generality of the foregoing, the term includes for the
27 purposes of this chapter personal services rendered as an
28 architect, chiropractor, dentist, funeral director, osteopath,
29 podiatrist, physician, professional engineer, veterinarian,
30 certified public accountant or surgeon and, except as otherwise

1 prescribed by general rules, an attorney at law. The definition
2 specified in this paragraph shall be applicable to this chapter
3 only and shall not affect the interpretation of any other
4 statute or any local zoning ordinance or other official document
5 heretofore or hereafter enacted or promulgated.

6 "Professional services." Any type of services which may be
7 rendered by the member of any profession within the purview of
8 his profession.

9 § 2903. Formation of professional corporations.

10 (a) General rule.--A professional corporation shall be
11 formed in accordance with Article B (relating to domestic
12 business corporations generally) except that its articles shall
13 contain a heading stating the name of the corporation and that
14 it is a professional corporation.

15 (b) Legislative intent.--It is the intent of the General
16 Assembly to authorize by this chapter licensed persons to render
17 professional services by means of a professional corporation in
18 all cases.

19 (c) Single purpose corporations.--Except as provided in
20 subsection (d) a professional corporation may be incorporated
21 only for the purpose of rendering one specific kind of
22 professional service.

23 (d) Multiple purpose corporations.--

24 (1) A professional corporation may be incorporated to
25 render two or more specific kinds of professional services to
26 the extent that:

27 (i) the several shareholders of the professional
28 corporation, if organized as a partnership, could conduct
29 a combined practice of such specific kinds of
30 professional services; or

(ii) the court, department, board, commission or other government unit regulating each profession involved in the professional corporation has by rule or regulation applicable to professional corporations expressly authorized the combined practice of the profession with each other profession involved in the corporation.

Except as otherwise provided by statute, the government unit may promulgate regulations authorizing combined practice to the extent consistent with the public interest or required by the public health or welfare.

(2) The provisions of paragraph (1) shall not create any vested rights. If by reason of a change in law, rule or regulation the right to practice professions in any particular combination is terminated, all existing professional corporations rendering a combination of professional services shall promptly reduce the specific kinds of professional services rendered by the corporations or shall otherwise reconstitute themselves so as to comply with the currently applicable restrictions applicable to all professions involved.

§ 2904. Election of an existing business corporation to become a professional corporation.

(a) General rule.--A business corporation may become a professional corporation under this chapter by filing articles of amendment which shall contain, in addition to the requirements of section 1915 (relating to articles of amendment):

(1) A heading stating the name of the corporation and that it is a professional corporation.

(2) A statement that it elects to become a professional

1 corporation.

2 (3) Such other changes, if any, which may be desired in
3 the articles, including any changes necessary to conform to
4 section 2903(c) and (d) (relating to formation of
5 professional corporations).

6 (b) Procedure.--The amendment shall be adopted in accordance
7 with the requirements of Subchapter B of Chapter 19 (relating to
8 amendment of articles) except that the amendment must be
9 approved by the unanimous consent of all shareholders of the
10 corporation regardless of any limitations on voting rights
11 stated in the articles or bylaws.

12 § 2905. Election of professional associations to become
13 professional corporations.

14 (a) General rule.--This chapter applies to every
15 professional association subject to Chapter 93 (relating to
16 professional associations) which elects to accept the provisions
17 of this chapter in the manner set forth in subsection (c).

18 (b) Procedure for election.--A professional association may
19 elect to accept this chapter by filing in the Department of
20 State a statement of election of professional corporation status
21 which shall be executed by all of the associates of the
22 professional association and shall set forth:

23 (1) The name of the professional association and,
24 subject to section 109 (relating to name of commercial
25 registered office provider in lieu of registered address),
26 the address, including street and number, if any, of its
27 proposed registered office.

28 (2) The name of the county in the office of the
29 prothonotary of which the initial articles of association of
30 the association were filed.

1 (3) A statement that the associates of the professional
2 association have elected to accept the provisions of this
3 chapter for the government and regulation of the affairs of
4 the association.

5 See section 134 (relating to docketing statement).

6 (c) Date of incorporation.--This chapter shall become
7 applicable to the professional association, and it shall be
8 deemed incorporated, on the date the statement of election is
9 filed in the department.

10 § 2906. Termination of professional corporation status.

11 A professional corporation may terminate its status as such
12 and cease to be subject to this chapter by amending its articles
13 to delete therefrom the additional provisions required by
14 section 2903(a) (relating to formation of professional
15 corporations). The amendment shall be adopted in accordance with
16 Subchapter B of Chapter 19 (relating to amendment of articles).

17 § 2907. Proceedings to terminate breach of qualifying
18 conditions.

19 (a) General rule.--If the corporation does not otherwise
20 have the right to acquire all the shares of a shareholder who
21 becomes a disqualified person or of a deceased shareholder, the
22 corporation shall nevertheless have an option to acquire the
23 shares, subject to the provisions of subsection (c), at a price
24 which is agreed upon by the parties or, if no agreement is
25 reached, at their fair value as determined under Subchapter D of
26 Chapter 15 (relating to dissenters rights).

27 (b) Dissolution of corporation.--If the corporation or a
28 licensed person fails to acquire, or if the corporation fails to
29 commence proceedings under subsection (a) to acquire, all of the
30 shares of a shareholder who becomes a disqualified person or of

1 a deceased shareholder within 90 days following the date of
2 disqualification or within 13 months following the date of death
3 of the shareholder, as the case may be, then that failure shall
4 constitute a ground for the forfeiture of the charter of the
5 corporation and its dissolution. When the failure of a
6 professional corporation to comply with this section is brought
7 to the attention of the court, department, board, commission or
8 other government unit regulating the profession in which the
9 corporation is engaged the government unit shall certify that
10 fact to the Attorney General for institution of appropriate
11 proceedings to dissolve the corporation.

12 (c) Nominal consideration transactions.--If section 1551
13 (relating to distributions to shareholders) would otherwise
14 prohibit an acquisition of shares under this section, a
15 professional corporation shall have the right to purchase its
16 own shares for a nominal consideration.

17 SUBCHAPTER B

18 POWERS, DUTIES AND SAFEGUARDS

19 Sec.

20 2921. Corporate name.

21 2922. Stated purposes.

22 2923. Issuance and retention of shares.

23 2924. Rendering professional services.

24 2925. Professional relationship retained.

25 § 2921. Corporate name.

26 (a) General rule.--A professional corporation may adopt any
27 name which is not prohibited by law or the ethics of the
28 profession in which the corporation is engaged or by a rule or
29 regulation of the court, department, board, commission or other
30 government unit regulating the profession.

(b) Additional names permitted.--The provisions of the first sentence of section 1303(a) (relating to corporate name) shall not prohibit the use of a name of a professional corporation if the name contains and is restricted to the name or the last name of one or more of the present, prospective or former shareholders or of individuals who were associated with a predecessor or whose individual name or names appeared in the name of the predecessor. The name may also contain:

- (1) the word "and" or any symbol or substitute therefor;
- (2) the word "associates";
- (3) the term "P.C."; or
- (4) any or all of the words or terms in paragraphs (1), (2) and (3).

§ 2922. Stated purposes.

(a) General rule.--No professional corporation shall engage in any business other than the rendering of the professional service or services for which it was specifically incorporated except that a professional corporation may own real and personal property necessary for, or appropriate or desirable in, the fulfillment or rendering of its specific professional service or services and it may invest its funds in real estate, mortgages, stocks, bonds or any other type of investment.

(b) Additional powers.--A professional corporation may be a partner in or a shareholder of a partnership or corporation engaged in the business of rendering the professional service or services for which the professional corporation was incorporated.

§ 2923. Issuance and retention of shares.

(a) General rule.--Shares in a professional corporation may be owned, directly or indirectly, only by one or more licensed

1 persons and any shares issued in violation of this restriction
2 shall be void. No shareholder of a professional corporation
3 shall enter into a voting trust, proxy or any other arrangement
4 vesting another person (other than another licensed person who
5 is a direct or indirect shareholder of the same corporation)
6 with the authority to exercise the voting power of any or all of
7 his shares and any such purported voting trust, proxy or other
8 arrangement shall be void.

9 (b) Transfer of shares.--Shares in a professional
10 corporation may be transferred only to or on behalf of a
11 licensed person or to the professional corporation and any
12 transfer in violation of this restriction shall be void.

13 (c) Ownership by estate.--Unless a lesser period of time is
14 provided in a bylaw of the corporation adopted by the
15 shareholders or in a written agreement among the shareholders of
16 the corporation, the estate of a deceased shareholder may
17 continue to hold shares of the professional corporation for a
18 reasonable period of administration of the estate but the
19 personal representative of the estate shall not by reason of the
20 retention of shares be authorized to participate in any
21 decisions concerning the rendering of professional service.

22 (d) Interstate application.--Where the activities in this
23 Commonwealth of a person who is a licensed person under the laws
24 of another jurisdiction would be unlawful unless that person
25 were also a licensed person under the laws of this Commonwealth,
26 no shares of a professional corporation shall be issued to or
27 retained by or on behalf of him unless he is also a licensed
28 person under the laws of this Commonwealth. Except as provided
29 in the preceding sentence, nothing in this chapter shall be
30 construed to require that any proportion or number of the

1 holders or beneficial owners of a professional corporation who
2 are licensed persons shall be licensed persons under the laws of
3 this Commonwealth.

4 § 2924. Rendering professional services.

5 (a) General rule.--A professional corporation may lawfully
6 render professional services only through officers, employees or
7 agents who are licensed persons. The corporation may employ
8 persons not so licensed but those persons shall not render any
9 professional services rendered or to be rendered by it.

10 (b) Supporting staff.--This section shall not be interpreted
11 to preclude the use of clerks, secretaries, nurses,
12 administrators, bookkeepers, technicians and other assistants
13 who are not usually and ordinarily considered by law, custom and
14 practice to be rendering the professional service or services
15 for which the professional corporation was incorporated nor to
16 preclude the use of any other person who performs all his
17 employment under the direct supervision and control of a
18 licensed person. No person shall, under the guise of employment,
19 render professional services unless duly licensed or admitted to
20 practice as required by law.

21 (c) Charges.--Notwithstanding any other provision of law, a
22 professional corporation may charge for the professional
23 services of its officers, employees and agents, may collect
24 those charges and may compensate those who render the
25 professional services.

26 § 2925. Professional relationship retained.

27 (a) General rule.--Nothing in this subpart shall affect the
28 law of this Commonwealth applicable to the professional
29 relationship and the contract, tort and other legal rights,
30 duties and liabilities between the person furnishing

1 professional services and the person receiving professional
2 services and to the standards for professional conduct,
3 including the law of this Commonwealth applicable to the
4 confidential relationship, if any, between the person rendering
5 professional services and the person receiving professional
6 services, and all confidential relationships enjoyed under
7 statutes heretofore or hereafter enacted shall remain inviolate.

8 (b) Liability unaffected.--Any officer, shareholder,
9 employee or agent of a professional corporation shall remain
10 personally and fully liable and accountable for any negligent or
11 wrongful acts or misconduct committed by him or by any person
12 under his direct supervision and control while rendering
13 professional services on behalf of the corporation to the person
14 for whom the professional services were being rendered. The
15 professional corporation shall be liable up to the full value of
16 its property for any negligent or wrongful acts or misconduct
17 committed by any of its officers, shareholders, employees or
18 agents while they are engaged on behalf of the corporation in
19 rendering professional services. Unless otherwise provided in
20 its articles, shares of a professional corporation shall be
21 nonassessable and a holder or owner of shares of a professional
22 corporation shall not be under any liability to the professional
23 corporation or any creditor thereof with respect to the shares.

24 (c) Disciplinary jurisdiction unaffected.--A professional
25 corporation shall be subject to the applicable rules and
26 regulations adopted by, and all the disciplinary powers of, the
27 court, department, board, commission or other government unit
28 regulating the profession in which the corporation is engaged.
29 The court, department, board or other government unit may
30 require that a professional corporation include in its articles

1 provisions which conform to any rule or regulation heretofore or
2 hereafter promulgated for the purpose of enforcing the ethics of
3 a profession but, unless otherwise provided by statute, no rule
4 or regulation shall require the issuance by the corporation of
5 assessable shares or require the inclusion of any provision in
6 the articles which is inconsistent with the provisions of
7 Article B (relating to domestic business corporations generally)
8 as modified by this chapter. Nothing in this chapter shall
9 affect or impair the disciplinary powers of the court,
10 department, board, commission or other government unit over
11 licensed persons or any law, rule or regulation pertaining to
12 the standards for professional conduct of licensed persons or to
13 the professional relationship between any licensed person
14 rendering professional services and the person receiving
15 professional services.

16 ARTICLE D

17 FOREIGN BUSINESS CORPORATIONS

18 Chapter

19 41. Foreign Business Corporations

20 CHAPTER 41

21 FOREIGN BUSINESS CORPORATIONS

22 Subchapter

23 A. Preliminary Provisions

24 B. Qualification

25 C. Powers, Duties and Liabilities

26 D. Domestication

27 SUBCHAPTER A

28 PRELIMINARY PROVISIONS

29 Sec.

30 4101. Application of article.

1 4102. Foreign domiciliary corporations.

2 4103. Acquisition of foreign domiciliary corporation status.

3 4104. Termination of foreign domiciliary corporation status.

4 § 4101. Application of article.

5 (a) General rule.--Except as otherwise provided in this
6 section or in subsequent provisions of this article, this
7 article shall apply to and the words "corporation" or "foreign
8 business corporation" in this article shall include every
9 foreign corporation for profit, including a corporation that, if
10 a domestic corporation for profit, would be a banking
11 institution, credit union, insurance corporation or savings
12 association.

13 (b) Domestic Federal financial institution exclusion.--
14 Except as permitted by act of Congress, no provision of this
15 article shall apply to:

16 (1) Any of the following institutions or similar
17 institutions engaged in this Commonwealth in activities
18 similar to those conducted by banking institutions, saving
19 associations or credit unions:

20 (i) National banking associations organized under
21 The National Bank Act (13 Stat. 99, 12 U.S.C. § 1 et
22 seq.).

23 (ii) Federal savings and loan associations and
24 Federal mutual savings banks organized under the Home
25 Owners' Loan Act of 1933 (48 Stat. 128, 12 U.S.C. § 1461
26 et seq.).

27 (iii) Federal credit unions organized under the
28 Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751
29 et seq.).

30 (2) Any other Federal corporation intended by the

1 Congress to be treated for state law purposes as a domestic
2 corporation of this Commonwealth.

3 (c) Qualified insurance corporation exclusion.--This article
4 shall not apply to any foreign corporation for profit qualified
5 to do business in this Commonwealth under the act of May 17,
6 1921 (P.L.682, No.284), known as The Insurance Company Law of
7 1921, except as otherwise expressly provided by statute
8 applicable to the corporation.

9 § 4102. Foreign domiciliary corporations.

10 (a) General rule.--Except as provided in subsection (b), a
11 foreign business corporation is a foreign domiciliary
12 corporation if it has as record holders of its shares persons
13 having addresses in this Commonwealth who in the aggregate hold
14 shares:

15 (1) representing 60% or more in interest of its
16 outstanding shares whether or not entitled to vote; or

17 (2) entitled to cast at least 60% of the votes which
18 all holders of outstanding shares are entitled to cast in an
19 election of directors.

20 (b) Exclusions.--None of the following is a foreign
21 domiciliary corporation for the purposes of this subpart:

22 (1) Foreign corporation with registered securities.--A
23 foreign business corporation that, if a domestic business
24 corporation, would be a registered corporation.

25 (2) Subsidiary of registered corporation.--A foreign
26 business corporation all of the shares of which are owned,
27 directly or indirectly, by one or more registered
28 corporations or corporations described in paragraph (1).

29 (c) Determination of outstanding shares.--For the purposes
30 of subsection (a):

1 (1) Except as provided in paragraphs (2) and (3), any
2 securities held to the knowledge of the corporation in the
3 names of broker-dealers or nominees for broker-dealers shall
4 not be considered outstanding.

5 (2) Persons who are identified as owners of shares
6 pursuant to procedures equivalent to section 1763(c)
7 (relating to certification by nominee) shall be deemed record
8 holders of the shares owned.

9 (3) (i) Securities held to the knowledge of the
10 corporation for the direct or indirect benefit of
11 individuals who to the knowledge of the corporation have
12 a principal residence in this Commonwealth shall be
13 deemed held by record holders having addresses in this
14 Commonwealth.

15 (ii) A statement by the corporation in any notice of
16 meeting or other document transmitted to shareholders in
17 connection with any corporate action of the type
18 described in section 1791 (relating to corporate action
19 subject to subchapter) to the effect that it has no
20 knowledge or only specified knowledge for the purposes of
21 subparagraph (i) shall, except as provided in
22 subparagraph (iii), be conclusive if there shall be
23 included in or enclosed with such document a brief
24 explanation of the effect upon such corporate action of a
25 determination that the corporation is a foreign
26 domiciliary corporation.

27 (iii) If, prior to the convening of a meeting of
28 shareholders to consider the proposed corporate action,
29 or prior to the expiration of 20 days after the
30 transmission of the document to shareholders, in any

1 other case, any person shall give the corporation written
2 notice of facts relevant under this paragraph, the
3 corporation shall have knowledge of such facts for the
4 purposes of subparagraph (i).

5 § 4103. Acquisition of foreign domiciliary corporation status.

6 (a) Shareholding test.--A foreign corporation shall become a
7 foreign domiciliary corporation under section 4102(a) (relating
8 to foreign domiciliary corporations) on the first day of the
9 sixth month following the month in which the corporation first
10 has knowledge that the test has been met.

11 (b) Newly incorporated corporations.--Where the test under
12 section 4102(a) is met at the time of initial issuance of shares
13 of the corporation and continuously thereafter, foreign
14 domiciliary corporation status when established shall be
15 retroactive to the incorporation of the corporation.

16 (c) Foreign corporations with registered securities.--The
17 exemption provided by section 4102(b)(1) shall terminate
18 immediately upon the termination of the status of the
19 corporation as a corporation described in that provision.

20 (d) Subsidiary corporations.--The exemption provided by
21 section 4102(b)(2) shall terminate immediately upon the
22 happening of any event whereby all of the shares of the
23 corporation are no longer owned, directly or indirectly, by one
24 or more registered corporations or corporations described in
25 section 4102(b)(1).

26 § 4104. Termination of foreign domiciliary corporation status.

27 (a) Shareholding test.--A foreign domiciliary corporation
28 shall cease to be such on the first day of the sixth month
29 following the month in which the corporation first has knowledge
30 that the test of section 4102(a) (relating to foreign

1 domiciliary corporations) is no longer met.

2 (b) Foreign corporations with registered securities.--The
3 exemption provided by section 4102(b)(1) shall take effect on
4 the day following the day on which the corporation becomes a
5 corporation described in that provision.

6 (c) Subsidiary corporations.--The exemption provided by
7 section 4102(b)(2) shall take effect immediately upon the
8 acquisition, directly or indirectly, of the last outstanding
9 share of the corporation by one or more registered corporations
10 or corporations described in section 4102(b)(1).

11 SUBCHAPTER B

12 QUALIFICATION

13 Sec.

14 4121. Admission of foreign corporations.

15 4122. Excluded activities.

16 4123. Requirements for foreign corporation names.

17 4124. Application for a certificate of authority.

18 4125. Issuance of certificate of authority.

19 4126. Amended certificate of authority.

20 4127. Merger, consolidation or division of qualified foreign
21 corporations.

22 4128. Revocation of certificate of authority.

23 4129. Application for termination of authority.

24 4130. Change of address after withdrawal.

25 4131. Registration of name.

26 § 4121. Admission of foreign corporations.

27 (a) General rule.--A foreign business corporation, before
28 doing business in this Commonwealth, shall procure a certificate
29 of authority to do so from the Department of State, in the
30 manner provided in this subchapter. A foreign business

1 corporation shall not be denied a certificate of authority by
2 reason of the fact that the laws of the jurisdiction governing
3 its incorporation and internal affairs differ from the laws of
4 this Commonwealth.

5 (b) Qualification under former statutes.--If a foreign
6 corporation for profit was on March 19, 1966 admitted to do
7 business in this Commonwealth by the filing of a power of
8 attorney and statement under the act of June 8, 1911 (P.L.710,
9 No. 283), the power of attorney and statement shall be deemed an
10 approved application for a certificate of authority issued under
11 this subchapter and the corporation shall be deemed a holder of
12 the certificate. The corporation shall include in its initial
13 application, if any, for an amended certificate of authority
14 under this subchapter the information required by this
15 subchapter to be set forth in an application for a certificate
16 of authority. A certificate of authority issued under the former
17 provisions of the act of May 5, 1933 (P.L.364, No.106), known as
18 the Business Corporation Law of 1933, shall be deemed to be
19 issued under this subchapter and the certificate of authority
20 shall be deemed not to contain any reference to the kind of
21 business which the corporation proposes to do in this
22 Commonwealth.

23 § 4122. Excluded activities.

24 (a) General rule.--Without excluding other activities which
25 may not constitute doing business in this Commonwealth, a
26 foreign business corporation shall not be considered to be doing
27 business in this Commonwealth for the purposes of this
28 subchapter by reason of carrying on in this Commonwealth any one
29 or more of the following acts:

30 (1) Maintaining or defending any action or

1 administrative or arbitration proceeding or effecting the
2 settlement thereof or the settlement of claims or disputes.

3 (2) Holding meetings of its directors or shareholders or
4 carrying on other activities concerning its internal affairs.

5 (3) Maintaining bank accounts.

6 (4) Maintaining offices or agencies for the transfer,
7 exchange and registration of its securities or appointing and
8 maintaining trustees or depositaries with relation to its
9 securities.

10 (5) Effecting sales through independent contractors.

11 (6) Soliciting or procuring orders, whether by mail or
12 through employees or agents or otherwise, and maintaining
13 offices therefor, where the orders require acceptance without
14 this Commonwealth before becoming binding contracts.

15 (7) Creating as borrower or lender, acquiring or
16 incurring, obligations or mortgages or other security
17 interests in real or personal property.

18 (8) Securing or collecting debts or enforcing any rights
19 in property securing them.

20 (9) Transacting any business in interstate or foreign
21 commerce.

22 (10) Conducting an isolated transaction completed within
23 a period of 30 days and not in the course of a number of
24 repeated transactions of like nature.

25 (11) Inspecting, appraising and acquiring real estate
26 and mortgages and other liens thereon and personal property
27 and security interests therein, and holding, leasing,
28 conveying and transferring them, as fiduciary or otherwise.

29 (b) Exceptions.--The specification of activities in
30 subsection (a) does not establish a standard for activities

1 which may subject a foreign business corporation to:

2 (1) Service of process under any statute or general
3 rule.

4 (2) Taxation by the Commonwealth or any political
5 subdivision thereof.

6 § 4123. Requirements for foreign corporation names.

7 (a) General rule.--The Department of State shall not issue a
8 certificate of authority to any foreign business corporation
9 which, except as provided in subsection (b), has a name which is
10 rendered unavailable for use by a domestic business corporation
11 by any provision of section 1303(a), (b) or (c) (relating to
12 corporate name), except subsections (c)(1)(ii) or (iii) thereof
13 (relating to banking and insurance names).

14 (b) Exception; name.--The provisions of section 1303(b)
15 (relating to duplicate use of names) shall not prevent the
16 issuance of a certificate of authority to a foreign business
17 corporation setting forth a name which is confusingly similar to
18 the name of any other domestic or foreign corporation for profit
19 or corporation not-for-profit, or of any domestic or foreign
20 limited partnership which has filed a certificate or qualified
21 under Chapter 85 (relating to limited partnerships) or
22 corresponding provisions of prior law, or of any corporation or
23 other association then registered under 54 Pa.C.S. Ch. 5
24 (relating to corporate and other association names) or to any
25 name reserved or registered as provided in this part, if the
26 foreign business corporation applying for a certificate of
27 authority files in the department one of the following:

28 (1) A resolution of its board of directors adopting a
29 fictitious name for use in transacting business in this
30 Commonwealth which fictitious name is not confusingly similar

1 to the name of the other corporation or other association or
2 to any name reserved or registered as provided in this part.

3 (2) The written consent of the other corporation or
4 other association or holder of a reserved or registered name
5 to use the same or confusingly similar name and one or more
6 words are added to make the name applied for distinguishable
7 from the other name.

8 § 4124. Application for a certificate of authority.

9 (a) General rule.--An application for a certificate of
10 authority shall be executed by the foreign business corporation
11 and shall set forth:

12 (1) The name of the corporation.

13 (2) The name of the jurisdiction under the laws of which
14 it is incorporated.

15 (3) The address, including street and number, if any, of
16 its principal office under the laws of the jurisdiction in
17 which it is incorporated.

18 (4) Subject to section 109 (relating to name of
19 commercial registered office provider in lieu of registered
20 address), the address, including street and number, if any,
21 of its proposed registered office in this Commonwealth.

22 (5) A statement that it is a corporation incorporated
23 for a purpose or purposes involving pecuniary profit,
24 incidental or otherwise.

25 (b) Advertisement.--A foreign business corporation shall
26 officially publish notice of its intention to apply or its
27 application for a certificate of authority. The notice may
28 appear prior to or after the day on which application is made to
29 the Department of State and shall set forth briefly:

30 (1) A statement that the corporation will apply or has

1 applied for a certificate of authority under the provisions
2 of the Business Corporation Law of 1986.

3 (2) The name of the corporation and of the jurisdiction
4 under the laws of which it is incorporated.

5 (3) The address, including street and number, if any, of
6 its principal office under the laws of the jurisdiction in
7 which it is incorporated.

8 (4) Subject to section 109, the address, including
9 street and number, if any, of its proposed registered office
10 in this Commonwealth.

11 (c) Filing.--The application for a certificate of authority
12 shall be filed in the Department of State.

13 (d) Cross reference.--See section 134 (relating to docketing
14 statement).

15 § 4125. Issuance of certificate of authority.

16 Upon the filing of the application for a certificate of
17 authority, the Department of State shall issue to the foreign
18 business corporation a certificate of authority to do business
19 in this Commonwealth. The certificate of authority shall be
20 annexed to or endorsed upon the application for a certificate of
21 authority and shall state that, subject to the Constitution and
22 laws of this Commonwealth, the corporation named in the
23 application is authorized to do business in this Commonwealth.

24 § 4126. Amended certificate of authority.

25 (a) General rule.--After receiving a certificate of
26 authority, a qualified foreign business corporation may, subject
27 to the provisions of this subchapter, change the name under
28 which it is authorized to transact business in this Commonwealth
29 by filing in the Department of State an application for an
30 amended certificate of authority. The application shall be

1 executed by the corporation and shall state:

2 (1) The name under which the applicant corporation
3 currently holds a certificate of authority to do business in
4 this Commonwealth.

5 (2) The name of the jurisdiction under the laws of which
6 the corporation is incorporated.

7 (3) The address, including street and number, if any, of
8 its principal office under the laws of the jurisdiction in
9 which it is incorporated.

10 (4) Subject to section 109 (relating to name of
11 commercial registered office provider in lieu of registered
12 address), the address, including street and number, if any,
13 of its registered office in this Commonwealth, which may
14 constitute a change in the address of its registered office.

15 (5) The new name of the corporation and a statement that
16 either:

17 (i) the change of name reflects a change effected in
18 the jurisdiction of incorporation; or

19 (ii) documents complying with section 4123(b)
20 (relating to exception; name) accompany the application.

21 (b) Issuance of amended certificate of authority.--Upon the
22 filing of the application, the department shall issue to the
23 applicant corporation an amended certificate of authority. The
24 amended certificate of authority shall be annexed to or endorsed
25 upon the application for an amended certificate of authority and
26 shall state that the certificate of authority of the corporation
27 named in the application is amended to reflect the change of
28 name specified in the application.

29 (c) Cross reference.--See section 134 (relating to docketing
30 statement).

1 § 4127. Merger, consolidation or division of qualified foreign
2 corporations.

3 (a) General rule.--Whenever a qualified foreign business
4 corporation is a nonsurviving party to a statutory merger,
5 consolidation or division permitted by the laws of the
6 jurisdiction under which it is incorporated, the corporation
7 surviving the merger, or the new corporation resulting from the
8 consolidation or division, as the case may be, shall file in the
9 Department of State a statement of merger, consolidation or
10 division, which shall be executed by the surviving or new
11 corporation and shall set forth:

12 (1) The name of each nonsurviving qualified foreign
13 business corporation.

14 (2) The name of the jurisdictions under the laws of
15 which each nonsurviving qualified foreign business
16 corporation was incorporated.

17 (3) The date on which each nonsurviving qualified
18 foreign business corporation received a certificate of
19 authority to do business in this Commonwealth.

20 (4) A statement that the corporate existence of each
21 nonsurviving qualified foreign business corporation has been
22 terminated by merger, consolidation or division, as the case
23 may be.

24 (5) In the case of a consolidation or division or if the
25 surviving corporation was a nonqualified foreign business
26 corporation prior to the merger, the statements on the part
27 of the surviving or new corporation required by section
28 4124(a) (relating to application for a certificate of
29 authority).

30 (b) Effect of filing.--The filing of the statement shall

1 operate, as of the effective date of the merger, consolidation
2 or division, to cancel the certificate of authority of each
3 nonsurviving constituent corporation which was a qualified
4 foreign business corporation and to qualify the surviving or new
5 corporation under this subchapter. If the surviving or new
6 corporation does not desire to continue as a qualified foreign
7 business corporation, it may thereafter withdraw in the manner
8 provided by section 4129 (relating to application for
9 termination of authority).

10 (c) Surviving qualified foreign corporations.--It shall not
11 be necessary for a surviving corporation which was a qualified
12 foreign business corporation to effect any filing under this
13 subchapter with respect to a merger or division or to procure an
14 amended certificate of authority to do business in this
15 Commonwealth unless the name of the corporation is changed by
16 the merger or division.

17 (d) Cross reference.--See section 134 (relating to docketing
18 statement).

19 § 4128. Revocation of certificate of authority.

20 (a) General rule.--Whenever the Department of State finds
21 that a qualified foreign business corporation has failed to
22 secure an amended certificate of authority as required by this
23 subchapter after changing its name, or has failed or refused to
24 appear by its proper representatives, or otherwise to comply
25 with any subpoena issued by any court having jurisdiction of the
26 subject matter, or to produce books, papers, records or
27 documents as required by a subpoena, or is violating any of the
28 laws of this Commonwealth, or that its articles have been
29 revoked or voided by its jurisdiction of incorporation, the
30 department shall give notice and opportunity for hearing by

1 registered or certified mail to the corporation that the default
2 exists and that its certificate of authority, including any
3 amendments thereof, will be revoked unless the default is cured
4 within 30 days after the mailing of the notice. If the default
5 is not cured within the period of 30 days, the department shall
6 revoke the certificate of authority, including any amendments
7 thereof, of the foreign business corporation. Upon revoking the
8 certificate of authority, the department shall mail to the
9 corporation, at its registered office in this Commonwealth, a
10 certificate of revocation.

11 (b) Effect of revocation.--Upon the issuance of the
12 certificate of revocation, the authority of the corporation to
13 do business in this Commonwealth shall cease and the corporation
14 shall not thereafter do any business in this Commonwealth unless
15 it applies for and receives a new certificate of authority.
16 § 4129. Application for termination of authority.

17 (a) General rule.--Any qualified foreign business
18 corporation may withdraw from doing business in this
19 Commonwealth and surrender its certificate of authority by
20 filing in the Department of State an application for termination
21 of authority, executed by the corporation, which shall set
22 forth:

23 (1) The name of the corporation and, subject to section
24 109 (relating to name of commercial registered office
25 provider in lieu of registered address), the address,
26 including street and number, if any, of its last registered
27 office in this Commonwealth.

28 (2) The name of the jurisdiction under the laws of which
29 it is incorporated.

30 (3) The date on which it received a certificate of

1 authority to do business in this Commonwealth.

2 (4) A statement that it surrenders its certificate of
3 authority to do business in this Commonwealth.

4 (5) A statement that notice of its intention to withdraw
5 from doing business in this Commonwealth was mailed by
6 certified or registered mail to each municipal corporation in
7 which the registered office or principal place of business of
8 the corporation in this Commonwealth is located.

9 (6) The post office address, including street and
10 number, if any, to which process may be sent in an action
11 upon any liability incurred before the filing of the
12 application for termination of authority.

13 (b) Advertisement.--A qualified foreign business corporation
14 shall, before filing an application for termination of
15 authority, officially publish and mail a notice of its intention
16 to withdraw from doing business in this Commonwealth in a manner
17 similar to that required by section 1975(b) (relating to notice
18 to creditors and taxing authorities). The notice shall set forth
19 briefly:

20 (1) The name of the corporation and the jurisdiction
21 under the laws of which it is incorporated.

22 (2) The address, including street and number, if any, of
23 its principal office under the laws of its jurisdiction of
24 incorporation.

25 (3) Subject to section 109, the address, including
26 street and number, if any, of its last registered office in
27 this Commonwealth.

28 (c) Filing.--The application for termination of authority
29 and the certificates or statement required by section 139
30 (relating to tax clearance of certain fundamental transactions)

1 shall be filed in the department. See section 134 (relating to
2 docketing statement).

3 (d) Effect of filing.--Upon the filing of the application
4 for termination of authority, the authority of the corporation
5 to do business in this Commonwealth shall cease. The termination
6 of authority shall not affect any action pending at the time
7 thereof or affect any right of action arising with respect to
8 the corporation before the filing of the application for
9 termination of authority. Process against the corporation in an
10 action upon any liability incurred before the filing of the
11 application for termination of authority may be served as
12 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
13 and interstate and international procedure) or as otherwise
14 provided or prescribed by law.

15 § 4130. Change of address after withdrawal.

16 (a) General rule.--Any foreign business corporation which
17 has withdrawn from doing business in this Commonwealth, or its
18 successor in interest, may, from time to time, change the
19 address to which process may be sent in an action upon any
20 liability incurred before the filing of an application for
21 termination of authority by filing in the Department of State of
22 a statement of change of address by withdrawn corporation
23 executed by the corporation, setting forth:

24 (1) The name of the withdrawn corporation and, if the
25 statement is filed by a successor in interest, the name and
26 capacity of the successor.

27 (2) The name of the jurisdiction under the laws of which
28 the corporation filing the statement is incorporated.

29 (3) The former post office address, including street and
30 number, if any, of the withdrawn corporation as of record in

1 the department.

2 (4) The new post office address, including street and
3 number, if any, of the withdrawn corporation or its
4 successor.

5 (b) Cross reference.--See section 134 (relating to docketing
6 statement).

7 § 4131. Registration of name.

8 (a) General rule.--A nonqualified foreign business
9 corporation may register its name under 54 Pa.C.S. Ch. 5
10 (relating to corporate and other association names) if the name
11 is available for use by a qualified foreign business corporation
12 under section 4123 (relating to requirements for foreign
13 corporation names), by filing in the Department of State an
14 application for registration of name, executed by the
15 corporation, which shall set forth:

16 (1) The name of the corporation.

17 (2) The address, including street and number, if any, of
18 the corporation.

19 (b) Annual renewal.--A corporation which has in effect a
20 registration of its corporate name may renew the registration
21 from year to year by annually filing an application for renewal
22 setting forth the facts required to be set forth in an original
23 application for registration. A renewal application may be filed
24 between October 1 and December 31 in each year and shall extend
25 the registration for the following calendar year.

26 (c) Cross reference.--See section 134 (relating to docketing
27 statement).

28 SUBCHAPTER C

29 POWERS, DUTIES AND LIABILITIES

30 Sec.

1 4141. Penalty for doing business without certificate of
2 authority.
3 4142. General powers and duties of qualified foreign
4 corporations.
5 4143. General powers and duties of nonqualified foreign
6 corporations.
7 4144. Registered office of qualified foreign corporations.
8 4145. Applicability of certain safeguards to foreign
9 domiciliary corporations.

10 4146. Provisions applicable to all foreign corporations.

11 § 4141. Penalty for doing business without certificate of
12 authority.

13 (a) Right to bring actions suspended.--A nonqualified
14 foreign business corporation doing business in this Commonwealth
15 within the meaning of Subchapter B (relating to qualification)
16 shall not be permitted to maintain any action in any court of
17 this Commonwealth until the corporation has obtained a
18 certificate of authority. Nor, except as provided in subsection
19 (b), shall any action be maintained in any court of this
20 Commonwealth by any successor or assignee of the corporation on
21 any right, claim or demand arising out of the doing of business
22 by the corporation in this Commonwealth until a certificate of
23 authority has been obtained by the corporation or by a
24 corporation which has acquired all or substantially all of its
25 assets.

26 (b) Contracts and property unaffected.--The failure of a
27 foreign business corporation to obtain a certificate of
28 authority to transact business in this Commonwealth shall not
29 impair the validity of any contract or act of the corporation,
30 shall not prevent the corporation from defending any action in

1 any court of this Commonwealth and shall not render escheatable
2 any of its real or personal property.

3 § 4142. General powers and duties of qualified foreign
4 corporations.

5 (a) General rule.--A qualified foreign business corporation,
6 so long as its certificate of authority is not revoked, shall
7 enjoy the same rights and privileges as a domestic business
8 corporation, but no more, and, except as in this subpart
9 otherwise provided, shall be subject to the same liabilities,
10 restrictions, duties and penalties now in force or hereafter
11 imposed upon domestic business corporations, to the same extent
12 as if it had been incorporated under this subpart.

13 (b) Agricultural lands.--Interests in agricultural land
14 shall be subject to the restrictions of, and escheatable as
15 provided by, the act of April 6, 1980 (P.L.102, No.39), referred
16 to as the Agricultural Land Acquisition by Aliens Law.

17 § 4143. General powers and duties of nonqualified foreign
18 corporations.

19 (a) Acquisition of real and personal property.--Every
20 nonqualified foreign business corporation may acquire, hold,
21 mortgage, lease and transfer real and personal property in this
22 Commonwealth in the same manner and subject to the same
23 limitations as a qualified foreign business corporation.

24 (b) Duties.--Except as provided in section 4141(a) (relating
25 to right to bring actions suspended), a nonqualified foreign
26 business corporation doing business in this Commonwealth within
27 the meaning of Subchapter B (relating to qualification) shall be
28 subject to the same liabilities, restrictions, duties and
29 penalties now or hereafter imposed upon a qualified foreign
30 business corporation.

1 § 4144. Registered office of qualified foreign corporations.

2 (a) General rule.--Subject to the provisions of section
3 1507(c) (relating to alternative procedure), every qualified
4 foreign business corporation shall have, and continuously
5 maintain, in this Commonwealth a registered office, which may
6 but need not be the same as its place of business in this
7 Commonwealth.

8 (b) Change.--A qualified foreign business corporation may,
9 from time to time, change the address of its registered office
10 in the manner provided by section 1507(b) (relating to statement
11 of change of registered office).

12 § 4145. Applicability of certain safeguards to foreign
13 domiciliary corporations.

14 (a) General rule.--The General Assembly hereby finds and
15 determines that foreign domiciliary corporations substantially
16 affect this Commonwealth. No court of this Commonwealth shall
17 hereafter dismiss or stay any action or proceeding by a
18 shareholder or representative of a foreign domiciliary
19 corporation, as such, against the corporation or any one or more
20 of the shareholders or representatives thereof, as such, on the
21 ground that the corporation is a foreign corporation for profit
22 or that the cause of action relates to the internal affairs
23 thereof, but every such action shall proceed with like effect as
24 if the corporation were a domestic corporation. Except as
25 provided in subsection (b), the court having jurisdiction of the
26 action or proceeding shall apply the law of the jurisdiction
27 under which the foreign domiciliary corporation was
28 incorporated.

29 (b) Provision of financial reports.--The provisions of
30 section 1554 (relating to financial reports to shareholders)

1 shall be applicable to foreign domiciliary corporations to the
2 same extent as if they were domestic business corporations.

3 (c) Required changes in organic law.--For the purposes of
4 subsection (b), corporate action shall not be deemed to be
5 impossible under the laws of the jurisdiction in which a foreign
6 domiciliary corporation is incorporated merely because
7 prohibited or restricted by the terms of the articles,
8 certificate of incorporation, bylaws or other organic law of the
9 corporation but the court may require the corporation to amend
10 the organic law so as to be consistent with the minimum
11 safeguards prescribed by subsection (b).

12 (d) Section exclusive.--No provisions of this subpart, other
13 than the provisions of this section and section 4146 (relating
14 to provisions applicable to all foreign corporations), shall be
15 construed to regulate the incorporation or internal affairs of a
16 foreign corporation for profit.

17 § 4146. Provisions applicable to all foreign corporations.

18 The following provisions of this subpart shall, except as
19 otherwise provided in this section, be applicable to every
20 foreign corporation for profit, whether or not required to
21 procure a certificate of authority under this chapter:

22 Section 1503 (relating to defense of ultra vires), as to
23 contracts and conveyances made in this Commonwealth and
24 conveyances affecting real property situated in this
25 Commonwealth.

26 Section 1506 (relating to form of execution of
27 instruments), as to instruments or other documents made or to
28 be performed in this Commonwealth or affecting real property
29 situated in this Commonwealth.

30 Section 1510 (relating to usury not a defense), as to

obligations (as defined in the section) executed or effected in this Commonwealth or affecting real property situated in this Commonwealth.

Subchapter E of Chapter 17 (relating to derivative actions), except that section 1781 (relating to institution of derivative actions by shareholders) shall apply to a corporation which is not a foreign domiciliary corporation only if so provided by the law of its jurisdiction of incorporation.

SUBCHAPTER D

DOMESTICATION

Sec.

4161. Domestication.

4162. Effect of domestication.

§ 4161. Domestication.

(a) General rule.--Any qualified foreign business corporation may become a domestic business corporation by filing in the Department of State articles of domestication. The articles of domestication, upon being filed in the department, shall constitute the articles of the domesticated foreign corporation and it shall thereafter continue as a corporation which shall be a domestic business corporation subject to this subpart.

(b) Articles of domestication.--The articles of domestication shall be executed by the corporation and shall set forth in the English language:

(1) The name of the corporation. If the name is in a foreign language, it shall be set forth in Roman letters or characters or Arabic or Roman numerals.

(2) Subject to section 109 (relating to name of

1 commercial registered office provider in lieu of registered
2 address), the address, including street and number, if any,
3 of its registered office in this Commonwealth.

4 (3) A statement that upon domestication the corporation
5 will be subject to the domestic corporation provisions of the
6 Business Corporation Law of 1986 and, if desired, a brief
7 statement of the purpose or purposes for which it is to be
8 domesticated which shall be a purpose or purposes for which a
9 domestic business corporation may be incorporated under
10 Article B (relating to domestic business corporations
11 generally) and which may consist of or include a statement
12 that the corporation shall have unlimited power to engage in
13 and to do any lawful act concerning any or all lawful
14 business for which corporations may be incorporated under the
15 Business Corporation Law of 1986.

16 (4) The term for which upon domestication it is to
17 exist, if not perpetual.

18 (5) Any desired provisions relating to the manner and
19 basis of reclassifying the shares of the corporation.

20 (6) A statement that the filing of articles of
21 domestication and the renunciation of the original charter or
22 articles of the corporation has been authorized (unless its
23 charter or other organic documents require a greater vote) by
24 a majority of the votes cast by all shareholders entitled to
25 vote thereon and, if any class of shares is entitled to vote
26 thereon as a class, a majority of the votes cast in each
27 class vote.

28 (7) Any provisions desired providing disparate treatment
29 of shares held by any shareholder or group of shareholders if
30 the laws of the jurisdiction under which the corporation was

1 incorporated prior to its domestication permit such disparate
2 treatment.

3 (8) Any other provisions authorized by Article B to be
4 set forth in the original articles.

5 (c) Cross reference.--See section 134 (relating to docketing
6 statement).

7 § 4162. Effect of domestication.

8 As a domestic business corporation, the domesticated
9 corporation shall no longer be a foreign business corporation
10 for the purposes of this subpart and shall have all the powers
11 and privileges and be subject to all the duties and limitations
12 granted and imposed upon domestic business corporations. The
13 property, franchises, debts, liens, estates, taxes, penalties
14 and public accounts due the Commonwealth shall continue to be
15 vested in and imposed upon the corporation to the same extent as
16 if it were the successor by merger of the domesticating
17 corporation with and into a domestic business corporation under
18 Subchapter C of Chapter 19 (relating to merger, consolidation,
19 share exchanges and sale of assets). The shares of the
20 domesticated corporation shall be unaffected by the
21 domestication except to the extent, if any, reclassified in the
22 articles of domestication.

23 Section 104. Legislative findings as to acceptance of
24 Constitution of Pennsylvania.

25 (a) General rule.--The General Assembly finds and determines
26 as follows for the purpose of section 3B of the act of May 5,
27 1933 (P.L.289 No.105), known as the Nonprofit Corporation Law of
28 1933, as added by the act of January 18, 1966 (1965 P.L.1406,
29 No.520), section 3B of the act of May 5, 1933 (P.L.364, No.106),
30 known as the Business Corporation Law of 1933, as added by the

2 and 5 of the act of January 18, 1966 (1965 P.L.1443, No.521)
3 (referred to collectively in this section as the Registry Acts
4 of 1966):

5 (1) The corporation incorporated by the act of February
6 24, 1846 (P.L.56, No.47) is subject to the Constitution of
7 Pennsylvania by reason of the enactment and acceptance of the
8 act of April 8, 1867 (P.L.916, No.836).

9 (2) The corporation incorporated by the act signed March
10 27, 1855 (1857 P.L.729, No.732) is subject to the
11 Constitution of Pennsylvania by reason of having its charter
12 enrolled under the act of April 16, 1845 (P.L.532, No.348)
13 after the enactment of the act of May 3, 1855 (P.L.423,
14 No.448).

15 (3) The Cedar Grove Cemetery Association, incorporated
16 pursuant to the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
17 Stat. 50), referred to as the Corporation Act of 1791, as
18 supplemented by the act of October 13, 1840 (1841 P.L.1,
19 No.258), is subject to the Constitution of Pennsylvania by
20 reason of the reserved power contained in the proviso to
21 section 3 of the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
22 Stat. 50).

23 (4) The corporation incorporated by the act of May 11,
24 1751 (1 Sm.L.208, Ch.390, 5 Stat. 128) is subject to the
25 Constitution of Pennsylvania by reason of the acceptance of
26 the benefits of laws passed by the General Assembly after
27 1873 governing the affairs of corporations, as evidenced by a
28 written acknowledgment of that fact filed by the corporation
29 in the Department of State on December 17, 1981.

30 (5) As reported by the Department of State, no

1 corporations other than those mentioned in paragraphs (1)
2 through (4) filed in the Department of State under the
3 Registry Acts of 1966 on or before January 1, 1967, a
4 certificate declining to accept the provisions of the
5 Constitution of Pennsylvania.

6 (6) All corporations incorporated prior to October 14,
7 1857, under the authority of the Commonwealth or of the late
8 Proprietaries of the Province of Pennsylvania are now subject
9 to the Constitution of Pennsylvania and the general
10 legislative jurisdiction of the General Assembly.

11 (b) Proceedings to challenge findings.--Unless a person
12 adversely affected by the findings set forth in subsection (a)
13 commences a declaratory judgment proceeding against the
14 Commonwealth under 42 Pa.C.S. Ch. 75, Subch. C (relating to
15 declaratory judgments), challenging such findings and
16 determinations within one year after the enactment of this act,
17 the findings and determinations shall be final and conclusive.
18 In any such proceeding the Commonwealth may assert any proper
19 ground, whether or not specified in this section, in support of
20 the determination that the objecting corporation is subject to
21 the Constitution of Pennsylvania and the general legislative
22 jurisdiction of the General Assembly.

23 Section 105. (Reserved).

24 Section 106. Additional filing fees.

25 The fee payable for filing a statement of change of
26 registered office by agent under 15 Pa.C.S. § 108 (relating to
27 change in location or status of registered office provided by
28 agent) shall be \$3.

29 Section 107. (Reserved).

30 Section 108. Study of transfer of local corporate records.

1 The Department of State shall study the feasibility and cost
2 of transferring to the custody or control of the department all
3 corporate records in the possession of the offices of the clerk
4 of the courts of common pleas and recorders of deeds and
5 officers serving similar functions in home rule charter counties
6 under repealed statutes, and the present and prospective
7 condition, integrity and availability of those records, and
8 shall report the results of the study to the General Assembly
9 within one year after the enactment of this act.

10 Section 109. Optional effective date.

11 (a) General rule.--A business corporation as defined in 15
12 Pa.C.S. § 1103 (relating to definitions) that would otherwise be
13 subject to 15 Pa.C.S. Pt. II, Subpt. B (relating to business
14 corporations) on the effective date of this act, may elect to
15 delay the effectiveness of that subpart as to it by filing in
16 the Department of State, within 30 days after the general
17 effective date of this act, a statement of delayed effective
18 date executed by the corporation and setting forth:

19 (1) The name of the corporation.

20 (2) A statement that the corporation elects to have the
21 effectiveness of 15 Pa.C.S. Pt. II, Subpt. B delayed as to
22 it.

23 (3) A statement that the election of the delayed
24 effective date was authorized by the board of directors.

25 (b) Effect of filing.--The provisions of 15 Pa.C.S. Pt. II,
26 Subpt. B shall become applicable to a corporation filing a
27 statement of delayed effective date under subsection (a) 15
28 months after the general effective date of this act. Until the
29 corporation becomes subject to that subpart, it shall continue
30 to be governed by the corporation laws applicable to it

1 immediately before the general effective date of this act,
2 notwithstanding the repeal of any of those laws by this act.

3 DIVISION II

4 (Reserved)

5 DIVISION III

6 CONFORMING AMENDMENTS

7 Section 301. (Reserved).

8 Section 302. (Reserved).

9 Section 303. (Reserved).

10 Section 304. (Reserved).

11 Section 305. Conforming amendment to Title 42.

12 Section 2524 of Title 42 is amended to read:

13 § 2524. Penalty for unauthorized practice of law.

14 Any person who within this Commonwealth shall practice law,
15 or who shall hold himself out to the public as being entitled to
16 practice law, or use or advertise the title of lawyer, attorney
17 at law, attorney and [counsellor] counselor at law, [counsellor]
18 counselor, or the equivalent in any language, in such a manner
19 as to convey the impression that he is a practitioner of the law
20 of any jurisdiction, without being an attorney at law or a
21 corporation complying with [the act of July 9, 1970 (P.L.461,
22 No.160), known as the "Professional Corporation Law,"] 15
23 Pa.C.S. Ch. 29 (relating to professional corporations), commits
24 a misdemeanor of the third degree.

25 Section 306. Conforming amendments to Title 54.

26 Sections 101, 103, 303(b)(2), 311(a)(3), (b)(1), (d), (e)(1),
27 (f)(1), (g) and (h), 312(d), 313(c) and 321(d), Chapter 5
28 heading and sections 501, 502, 503, 506, 1112(c), 1114, 1115(c),
29 1116, 1311(d), 1312(c), 1313, 1314(d), 1511(d), 1512, 1513, 1514
30 and 1515(d) of Title 54 are amended or added to read:

1 § 101. Definitions.

2 Subject to additional definitions contained in subsequent
3 provisions of this title which are applicable to specific
4 provisions of this title, the following words and phrases when
5 used in this title shall have, unless the context clearly
6 indicates otherwise, the meanings given to them in this section:

7 ["Corporation not-for-profit." A corporation not-for-profit
8 as defined in Title 15 (relating to corporations and
9 unincorporated associations).]

10 "Department." The Department of State of the Commonwealth.

11 "Domestic corporation." A corporation incorporated under the
12 laws of this Commonwealth.

13 "Domestic corporation not-for-profit." A domestic
14 corporation not-for-profit as defined in 15 Pa.C.S. § 1103
15 (relating to definitions).

16 "Officially publish." The meaning specified in 15 Pa.C.S. §
17 [102] 1103 (relating to definitions) except that the county of
18 publication shall be as specified in this title.

19 "Qualified foreign corporation." A corporation incorporated
20 under any laws other than those of this Commonwealth that is
21 authorized to do business in this Commonwealth under either 15
22 Pa.C.S. Ch. 41 (relating to foreign business corporations) or
23 Ch. 81 (relating to foreign nonprofit corporations).

24 "Verified statement." A document field under this title
25 containing statements of fact and a statement by the signatory
26 that it is made subject to the penalties of 18 Pa.C.S. § 4904
27 (relating to falsification to authorities).

28 § 103. Execution of documents.

29 (a) General rule.--Any document filed in the Department of
30 State under this title by a corporation may be executed on

1 behalf of the corporation by any one duly authorized officer
2 thereof. The corporate seal may be affixed and attested but the
3 affixation and attestation of the corporate seal shall not be
4 necessary for the due execution of any filing by a corporation
5 under this title.

6 (b) Cross reference.--See 15 Pa.C.S. § 135 (relating to
7 requirements to be met by filed documents).

8 § 303. Scope of chapter.

9 * * *

10 (b) Mandatory registration.--

11 * * *

12 (2) Paragraph (1) shall not apply to any:

13 (i) Nonprofit or professional activities.

14 (ii) Activities which are expressly or impliedly
15 prohibited by law from being carried on under a
16 fictitious name.

17 (iii) Limited partnership which is registered in the
18 department pursuant to Chapter 5 of Title 59 (relating to
19 limited partnerships) or under corresponding provisions
20 of prior law. The preceding sentence shall not apply to
21 any entity which includes the limited partnership as a
22 participant unless the entity is itself such a limited
23 partnership.

24 (iv) [An unincorporated] Unincorporated association.

25 (v) Electing partnership existing under 59 Pa.C.S.
26 Ch. 7 (relating to electing partnerships).

27 * * *

28 § 311. Registration.

29 (a) General rule.--A fictitious name may be registered under
30 this chapter by filing in the department an application for

1 registration of fictitious name, which shall be executed as
2 provided in subsection (d), and shall set forth:

3 * * *

4 (3) The address, including street and number, if any, of
5 the principal place of business of the business or other
6 activity to be carried on under or through the fictitious
7 name.

8 * * *

9 (b) Use of corporate designators.--A fictitious name
10 registered under this chapter:

11 (1) May not contain a corporate designator such as
12 "corporation," "incorporated" or "limited" or any derivation
13 or abbreviation thereof unless the entity or at least one
14 entity named in the application for registration of
15 fictitious name is a corporation. The use of the word
16 "company" or any derivation or abbreviation thereof by a sole
17 proprietorship, a partnership or a corporation is
18 permissible.

19 * * *

20 (d) Execution.--

21 (1) Where the application for registration relates to an
22 entity which includes one or more participants which are
23 partnerships or other entities composed of two or more
24 parties, it shall not be necessary for each ultimate party to
25 be named in and to execute the application, but only the
26 constituent participants shall be named in the application
27 and a partner or other authorized representative of a
28 participant may execute the application on behalf of the
29 participant.

30 (2) Where the application for registration relates to a

1 trust or similar entity, it shall not be necessary for each
2 beneficial owner or similar ultimate party to be named in and
3 to execute the application, but only the trustees of the
4 trust or the governing body of the similar entity shall be
5 named in and shall execute the application.

6 (3) Otherwise, the application for registration shall be
7 executed by each individual party thereto and, in the case of
8 any other entity, by [two duly authorized officers thereof
9 under the seal, if any, of] the entity. See section 103
10 (relating to execution of documents).

11 (4) The application of any party may be executed by the
12 attorney-in-fact of the party [accompanied by written
13 evidence of the authority of the attorney-in-fact].

14 (e) Duplicate use of names.--The fictitious name shall not
15 be the same as or [deceptively] confusingly similar to:

16 (1) The name of any domestic corporation, or any foreign
17 corporation authorized to do business in this Commonwealth,
18 or the name of any [nonprofit unincorporated] corporation or
19 other association registered at any time under Chapter 5
20 (relating to corporate and other association names) unless
21 such name is available or is made available for use under the
22 provisions or procedures of 15 Pa.C.S. § 7313(b)(1)(i) or
23 (ii) (relating to duplicate use of names) or the equivalent.

24 * * *

25 (f) Required approvals.--The fictitious name shall not
26 contain:

27 (1) [The] Except in the case of the use of the word
28 "seminary" by a nonprofit corporation or other association
29 exempt from 24 Pa.C.S. Ch. 65 (relating to private colleges,
30 universities and seminaries) by reason of 24 Pa.C.S. §

1 6501(b)(1) (relating to exceptions), the words "college,"
2 "university" or "seminary" when used in such a way as to
3 imply that the entity is an educational institution
4 conforming to the standards and qualifications prescribed by
5 the State Board of Education unless there is submitted a
6 certificate from the Department of Education certifying that
7 the entity is entitled to use such designation.

8 * * *

9 (g) Advertisement.--An entity which includes an individual
10 party shall officially publish in the county in which the
11 principal office or place of business of the entity is, or in
12 the case of a proposed entity is to be, located, notice of its
13 intention to file or the filing of an application for
14 registration of a fictitious name under this chapter. The notice
15 may appear prior to or after the day upon which the application
16 is filed in the department and shall be kept with the permanent
17 records of the business and shall set forth briefly:

18 (1) The fictitious name.

19 (2) The address, including street and number, if any, of
20 the principal office or place of business of the business to
21 be carried on under or through the fictitious name.

22 (3) The names and respective addresses, including street
23 and number, if any, of all persons who are parties to the
24 registration.

25 (4) A statement that an application for registration of
26 a fictitious name is to be or was filed under the Fictitious
27 Names Act.

28 [(5) A date on or before which the application will be
29 filed in the Department of State or the date when the
30 application was filed.]

corporate use by other corporations by reason of any filing in the department by such domestic or qualified foreign corporation [not-for-profit].

(4) A name registered under 15 Pa.C.S. § 4131 (relating to registration of name).

(5) A name registered under 15 Pa.C.S. § 6131 (relating to registration of name).

(b) Subsequent availability of certain names.--Whenever, by reason of change in name, withdrawal or dissolution of a domestic or qualified foreign corporation [not-for-profit], failure to renew a registration of its name by a nonqualified foreign corporation, or for any other cause, its name is no longer rendered unavailable by the express provisions of Title 15 (relating to corporations and unincorporated associations), such name shall no longer be deemed to be registered under subsection (a)(3), (4) or (5) on the register established by this chapter.

§ 502. Certain additions to register.

(a) Corporations.--A domestic corporation not-for-profit incorporated prior to May 16, 1923 may register its name with the department under this chapter by effecting the filing specified in 15 Pa.C.S. 7321 (relating to filing of certificate of summary of record by corporations incorporated prior to 1973.

(b) Unincorporated associations.--A nonprofit unincorporated association may register with the department the name under which it is doing business or operating by filing an application for registration, which shall be executed by [two duly authorized officers of] the association, and shall set forth:

(1) The name to be registered.

(2) The address, including street and number, if any, of

1 the association.

2 (3) The length of time, if any, during which the name
3 has been used by the applicant.

4 (4) Such other information necessary to the
5 administration of this chapter as the department may specify
6 by regulation.

7 (c) Limitation on names which may be registered.--

8 Notwithstanding subsections (a) and (b), no new name shall be
9 registered or deemed to be registered under this section which
10 is the same as or [deceptively] confusingly similar to any other
11 name then registered or deemed to be registered under this
12 chapter, without the consent of the senior registrant.

13 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
14 docketing statement).

15 § 503. Decennial filings required.

16 (a) General rule.--Every corporation [not-for-profit] or
17 [nonprofit] other association whose name is registered under
18 this chapter shall decennially, during the year 1990 and each
19 year thereafter divisible by ten, file in the department a
20 report, which shall be executed by [two duly authorized officers
21 under the seal, if any, of] the corporation or other
22 association, and shall set forth:

23 (1) The name of the corporation or other association.

24 (2) The address, including street and number, if any, of
25 its registered or other office.

26 (3) A statement that the corporation or other
27 association continues to exist.

28 (4) Such other information necessary to the
29 administration of this chapter as the department may specify
30 by regulation.

(b) [Requirement satisfied by other filings] Exceptions.--

Subsection (a) shall not apply to:

(1) a corporation or other association which during the preceding ten years has made any filing in the department a permanent record of which is retained by the department; or

(2) a corporation whose name is registered pursuant to section 501(a)(4) or (5) (relating to register established).

(c) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 506. Voluntary termination of registration by [nonprofit] corporations and other associations.

(a) General rule.--Any [nonprofit] corporation or other association which has its name registered under this chapter may terminate such registration by filing in the department a statement of termination of registration of name, which shall be executed by [two duly authorized officers under the seal, if any, of] the corporation or other association, and shall set forth:

(1) The name of the corporation or other association.

(2) The address, including street and number, if any, of the corporation or other association.

(3) The date on which and the statute under which the name of the corporation or other association was registered.

(4) A statement that the registration of the name of the corporation or other association under this chapter is terminated.

(5) Such other information necessary to the administration of this chapter as the department may specify by regulation.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to

1 docketing statement).

2 § 1112. Application for registration.

3 * * *

4 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
5 docketing statement).

6 § 1114. Duration and renewal.

7 (a) General rule.--Registration of a mark under this chapter
8 shall be effective for a term of ten years from the date of
9 registration, and upon application for renewal filed within six
10 months prior to the expiration of such term the registration may
11 be renewed for a like term. A mark registration may be renewed
12 for successive periods of ten years in like manner. All
13 applications for renewals shall include a statement that the
14 mark is still in use in this Commonwealth.

15 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
16 docketing statement).

17 § 1115. Assignment.

18 * * *

19 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
20 docketing statement).

21 § 1116. Cancellation.

22 (a) General rule.--The department shall cancel from the
23 register under this chapter:

24 (1) All registrations under this chapter which are more
25 than ten years old and not renewed in accordance with this
26 chapter.

27 (2) Any registration concerning which the department
28 shall receive an application for cancellation thereof from
29 the registrant or the assignee of record.

30 (3) Any registration concerning which a court of

1 competent jurisdiction shall find:

2 (i) That the registered mark has been abandoned.

3 (ii) That the registrant is not the owner of the
4 mark.

5 (iii) That the registration was granted improperly.

6 (iv) That the registration was obtained
7 fraudulently.

8 (v) That the registered mark is so similar, as to be
9 likely to cause confusion or mistake or to deceive, to a
10 mark registered by another person in the United States
11 Patent and Trademark Office, prior to the date of the
12 filing of the application for registration by the
13 registrant under this chapter or former provisions of law
14 and not abandoned, except that if the registrant proves
15 that the registrant is the owner of a concurrent
16 registration of the mark in the United States Patent and
17 Trademark Office, covering an area including this
18 Commonwealth, the registration under this chapter shall
19 not be cancelled.

20 (4) When a court of competent jurisdiction shall order
21 cancellation of a registration on any ground.

22 (5) Any registration in the following circumstances:

23 (i) Where an applicant, by verified statement or
24 other good and sufficient evidence, shall prove to the
25 satisfaction of the department that the applicant is
26 entitled by virtue of prior adoption and use to any mark
27 theretofore registered in the department.

28 (ii) In the case of a corporation having filed
29 articles of dissolution or a decree of dissolution, any
30 person may, at any time at least three years thereafter,

1 present a petition to the department setting forth such
2 fact.

3 (iii) In the case of a person not having filed
4 articles of dissolution or a decree of dissolution, but
5 having discontinued or gone out of the business to which
6 such registration is pertinent.

7 (iv) When a registered mark has been abandoned or
8 discontinued for a period of at least five years
9 subsequent to registration and such abandonment and
10 nonuse still persists.

11 In all circumstances enumerated in this paragraph, any person
12 may present a petition for cancellation to the department.

13 The petition shall set forth the pertinent facts relative
14 thereto, and shall contain proof of service of notice of the
15 petition on the person in whose name the registration is
16 recorded, and asking that such registration be cancelled. The
17 department shall fix a time to hear the parties concerned in
18 the matter, and shall send, by certified mail, a notice of
19 hearing to the person in whose name such registration is
20 recorded. If, after hearing, the department is satisfied of
21 the truth of the facts alleged in the petition in accordance
22 with the provisions of this paragraph, it shall cancel the
23 registration.

24 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
25 docketing statement).

26 § 1311. Registration of insignia.

27 * * *

28 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
29 docketing statement).

30 § 1312. Amendment.

* * *

(c) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 1313. Cancellation.

(a) General rule.--The registration under this chapter of the insignia of an organization may be cancelled by the organization by filing in the department a statement of cancellation of insignia registration, which shall set forth:

(1) The name of the organization and its address, including street and number, if any.

(2) An identification of the last preceding filing in the department with respect to the insignia.

(3) A statement that the registration of the insignia is cancelled.

(4) Such other information necessary to the administration of this chapter as the department may specify by regulation.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 1314. Decennial filings required.

* * *

(d) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 1511. Registration of articles or supplies.

* * *

(d) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 1512. Amendment.

(a) General rule.--The registration under this chapter of a mark may be amended by the registrant by filing in the

department of an application for amendment of mark used with
articles or supplies, which shall set forth:

(1) The name and address, including street and number,
if any, of the registrant.

(2) An identification of the last preceding filing in
the department with respect to the mark.

(3) The amendment, which shall revise any information
set forth in the preceding filing which has become inaccurate
and shall restate in full all such information as so revised.

(4) Such other information necessary to the
administration of this chapter as the department may specify
by regulation.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1513. Assignment.

(a) General rule.--Any mark and its registration under this
chapter shall be assignable with the sale of the articles or
supplies on which the mark is produced and used. Assignments
shall be by instruments in writing, duly executed, and may be
recorded with the department.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1514. Cancellation of registration.

(a) General rule.--The department shall cancel from the
register under this chapter:

(1) Any registration concerning which the department
shall receive an application for cancellation thereof from
the registrant or from the assignee of record.

(2) Any registration in respect of which a court of
competent jurisdiction shall order cancellation.

1 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
2 docketing statement).

3 § 1515. Decennial filings required.

4 * * *

5 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
6 docketing statement).

7 Section 307. Conforming amendment to Title 66.

8 Section 3103 of Title 66 is repealed.

9 Section 308. Conforming cross references in unconsolidated
10 statutes.

11 (a) Business Corporation Law of 1933.--References in the
12 following acts and parts of acts enacted prior to July 1, 1971
13 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
14 regulations)) to the act of May 5, 1933 (P.L.364, No.106), known
15 as the Business Corporation Law, shall be deemed to be a
16 reference to 15 Pa.C.S. Pt. II, Subpt. B, known as the Business
17 Corporation Law of 1986, and all such acts and parts of acts are
18 repealed to the extent inconsistent with this subsection:

19 Sections 3, 7 and 13 of the act of April 8, 1937 (P.L.262,
20 No.66), known as the Consumer Discount Company Act.

21 Section 8(b) of the act of January 14, 1952 (1951 P.L.1898,
22 No.522), known as the Funeral Director Law.

23 Sections 4 and 8 of the act of December 1, 1959 (P.L.1647,
24 No.606), known as the Business Development Credit Corporation
25 Law.

26 Sections 1204, 1207 and 1222 of the act of November 30, 1965
27 (P.L.847, No.356), known as the Banking Code of 1965.

28 (b) Section 202B of the Business Corporation Law of 1933.--
29 References in the following act enacted prior to July 1, 1971
30 (see 1 Pa.C.S. § 1937 (relating to references to statutes and

1 regulations)) to section 202B of the act of May 5, 1933
2 (P.L.364, No.106), known as the Business Corporation Law, shall
3 be deemed to be a reference to 15 Pa.C.S. § 1303(b) (relating to
4 duplicate use of names) and such act is repealed to the extent
5 inconsistent with this subsection: section 802 of the act of
6 November 30, 1965 (P.L.847, No.356), known as the Banking Code
7 of 1965.

8 (c) Article VIII of the Business Corporation Law of 1933.--
9 References in the following act enacted prior to July 1, 1971
10 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
11 regulations)) to Article VIII of the act of May 5, 1933
12 (P.L.364, No.106), known as the Business Corporation Law, shall
13 be deemed to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A
14 (relating to preliminary provisions) and B (relating to
15 amendment of articles) and such act is repealed to the extent
16 inconsistent with this subsection: section 9.1 of the act of
17 December 1, 1959 (P.L.1647, No.606), known as the Business
18 Development Credit Corporation Act.

19 (d) Article IX of the Business Corporation Law of 1933.--
20 References in the following act enacted prior to July 1, 1971
21 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
22 regulations)) to Article IX of the act of May 5, 1933 (P.L.364,
23 No.106), known as the Business Corporation Law, shall be deemed
24 to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A (relating to
25 preliminary provisions) and C (relating to merger,
26 consolidation, share exchanges and sale of assets) and such act
27 is repealed to the extent inconsistent with this subsection:
28 section 751(a) of the act of May 17, 1921 (P.L.682, No.284),
29 known as The Insurance Company Law of 1921.

30 (e) Professional Corporation Law.--References in the

1 following acts and parts of acts enacted prior to July 1, 1971
2 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
3 regulations)) to the act of July 9, 1970 (P.L.461, No.160),
4 known as the Professional Corporation Law, shall be deemed to be
5 a reference to 15 Pa.C.S. Ch. 29 (relating to professional
6 corporations) and all such acts and parts of acts are repealed
7 to the extent inconsistent with this subsection:

8 Sections 2, 8.4 and 8.6 of the act of May 26, 1947 (P.L.318,
9 No.140), known as The C.P.A. Law.

10 Section 8(d) of the act of January 14, 1952 (1951 P.L.1898,
11 No.522), known as the Funeral Director Law.

12 (f) Professional Association Act.--References in the
13 following act enacted prior to July 1, 1971 (see 1 Pa.C.S. §
14 1937 (relating to references to statutes and regulations)) to
15 the act of of August 7, 1961 (P.L.941, No.416), known as the
16 Professional Association Act, shall be deemed to be a reference
17 to 15 Pa.C.S. Ch. 93 (relating to professional associations) and
18 such act is repealed to the extent inconsistent with this
19 subsection: sections 2, 8.4 and 8.6 of the act of May 26, 1947
20 (P.L.318, No.140), known as The C.P.A. Law.

21 (g) (Reserved).

22 DIVISION IV

23 MISCELLANEOUS PROVISIONS

24 Section 401. Repeals.

25 (a) Except as otherwise expressly provided in this
26 subsection, the following acts and parts of acts are repealed:

27 Resolution of April 17, 1838 (P.L.694, No.22), entitled "A
28 resolution relative to changing the lots attached to certain
29 lock houses on the Juniata division of the Pennsylvania canal,
30 and relative to other purposes."

1 Act of March 28, 1840 (P.L.196, No.91), entitled "A
2 supplement to the act entitled 'An act regulating Lateral Rail
3 Roads.' "

4 Act of February 12, 1842 (P.L.18, No.14), entitled "A further
5 supplement to the act entitled 'an act regulating Lateral Rail
6 Roads.' "

7 Section 10 of the act of April 24, 1843 (P.L.359, No.173),
8 entitled "An act to incorporate the Butler County Mutual
9 Insurance Company, and for other purposes."

10 Act of April 11, 1845 (P.L.364, No.243), entitled "An act to
11 relieve canal and railroad companies from penalties for not
12 performing certain acts on the Sabbath day."

13 Act of March 13, 1847 (P.L.333, No.273), entitled "An act
14 relating to certain corporations."

15 Act of March 13, 1847 (P.L. 337, No.276), entitled "An act in
16 reference to running of locomotive engines and cars on
17 connecting railroads."

18 Act of January 6, 1848 (P.L.1, No.1), entitled "A supplement
19 to the act of fifth of May, one thousand eight hundred and
20 thirty-two, entitled 'An Act regulating lateral railroads.' "

21 Act of April 11, 1848 (P.L.516, No.363), entitled "An act to
22 authorize Margaret Parthemore, administratrix with the will
23 annexed of John Parthemore, deceased, to collect certain
24 outstanding taxes of the North ward of the borough of
25 Harrisburg, in the county of Dauphin, relative to school taxes
26 in Manor township, Lancaster county, to the appeal of the Easton
27 Bank, and relative to lateral railroads, and the accounts of
28 John Foresman, of Lycoming county."

29 Act of February 19, 1849 (P.L.79, No.76), entitled "An act
30 regulating railroad companies."

1 Act of April 11, 1853 (P.L.366, No.239), entitled "An act
2 repealing the acts regulating the gauge of the track of
3 railroads."

4 Act of February 25, 1856 (P.L.61, No.74), entitled "An act
5 declaratory of the construction of the eleventh section of an
6 act passed on the twenty-sixth day of July, Anno Domini one
7 thousand eight hundred and forty-two."

8 Act of May 16, 1857 (P.L.538, No.595), entitled "An act
9 relative to Assignees and Trustees of Railroad Companies."

10 Act of May 20, 1857 (P.L.629, No.664), entitled "A supplement
11 to the act Regulating Railroads."

12 Act of April 20, 1858 (P.L.361, No.402), entitled "A further
13 supplement to the act, entitled 'An Act regulating Lateral
14 Railroads,' passed May fifth, one thousand eight hundred and
15 thirty-two."

16 Act of March 29, 1859 (P.L.290, No.293), entitled "A
17 supplement to an act in reference to running of Locomotive
18 Engines and Cars on Connecting Railroads, approved thirteenth
19 March, one thousand eight hundred forty-seven."

20 Act of January 9, 1861 (P.L.2, No.3), entitled "An act to
21 enable citizens to hold title which had been held by Aliens and
22 Corporations." Except as otherwise provided by statute, a
23 nonresident or an alien may hold title to property located in
24 this Commonwealth to the same extent as a resident citizen.

25 Act of April 8, 1861 (P.L.259, No.262), entitled "An act
26 concerning the Sale of Railroads, Canals, Turnpikes, Bridges and
27 Plank Roads."

28 Act of April 23, 1861 (P.L.410, No.379), entitled "An act
29 relating to certain Corporations."

30 Act of May 1, 1861 (P.L.433, No.405), entitled "A supplement

1 to an act relating to Corporations, passed the twenty-sixth day
2 of April, one thousand eight hundred and fifty-five."

3 Act of May 1, 1861 (P.L.485, No.453), entitled "A further
4 supplement to an act in reference to running of Locomotive
5 Engines and Cars on Connecting Railroads, approved thirteenth
6 March, one thousand eight hundred and forty-seven."

7 Act of May 16, 1861 (P.L.702, No.657), entitled "An act
8 relating to Railroad Companies."

9 Act of March 21, 1862 (P.L.149, No.148), entitled "An act to
10 encourage the development of Coal and Mineral Lands in the
11 counties of Huntingdon, Cambria and Bedford."

12 Act of April 11, 1862 (P.L.497, No.490), entitled "An act
13 authorizing Railroad Companies to re-locate their Roads in
14 certain cases."

15 Act of April 22, 1863 (P.L.534, No.530), entitled "An act to
16 regulate railroad gauges."

17 Act of March 23, 1865 (P.L.33, No.18), entitled "An act to
18 authorize railroad companies, whose lines reach navigable
19 streams, to erect docks, piers or wharves therein, and to take
20 private property for such public use, on compensation, and
21 ratifying the purchase of the same."

22 Act of March 24, 1865 (P.L.43, No.28), entitled "A supplement
23 to the general law relating to railroad companies, approved
24 nineteenth February, one thousand eight hundred and forty-nine."

25 Act of March 24, 1865 (P.L.49, No.35), entitled "An act
26 supplementary to an act, regulating railroad companies, approved
27 the nineteenth day of February, Anno Domini one thousand eight
28 hundred and forty-nine."

29 Section 2 of the act of March 23, 1865 (P.L.631, No.626),
30 entitled "A supplement to an act, approved the first day of May,

1 Anno Domini one thousand eight hundred and sixty-one, entitled
2 'A supplement to an act relating to corporations, passed the
3 twenty-sixth day of April, Anno Domini one thousand eight
4 hundred and fifty-five,' and to extend the benefit of the said
5 act to purchases, or sales, of real estate, for, or by, aliens,
6 before that date."

7 Act of May 20, 1865 (P.L.847, No.837), entitled "An act to
8 entitle the stockholders of any railroad company, incorporated
9 by this commonwealth, accepting this act, to one vote for each
10 share of stock."

11 Act of June 21, 1865 (P.L.849, No.839), entitled "An act
12 relating to the use of tunnels and bridges by railroad
13 companies."

14 Act of June 21, 1865 (P.L.852, No.841), entitled "An act
15 authorizing the purchase, by railroad companies, of branch, or
16 connecting, roads."

17 Act of March 23, 1866 (P.L.299, No.273), entitled "An act
18 supplementary to an act to incorporate the city of Philadelphia,
19 authorizing the improvement of Broad street, in said city."

20 Act of April 17, 1866 (P.L.106, No.95), entitled "An act
21 relating to railroads."

22 Act of January 7, 1867 (P.L.1368, No.1283), entitled "An act
23 relating to the qualifications of directors of railroad
24 companies."

25 Act of April 10, 1867 (P.L.61, No.40), entitled "An act to
26 authorize the president and directors of any railroad company to
27 determine, by resolution, the manner in which, and the persons
28 to whom, the increased capital thereof may be sold, and the
29 amounts of the instalments thereon, and the times and manner of
30 their payment."

1 Act of February 14, 1868 (P.L.40, No.4), entitled "A
2 supplement to an act, entitled 'An Act relating to certain
3 corporations,' approved March thirteenth, Anno Domini one
4 thousand eight hundred and forty-seven, authorizing the governor
5 to appoint directors for certain corporations in certain cases."

6 Act of March 10, 1868 (P.L.294, No.267), entitled "A
7 supplement to an act, entitled 'An Act concerning the sale of
8 railroads, canals, turnpikes, bridges and plank roads,' approved
9 the eighth day of April, Anno Domini one thousand eight hundred
10 and sixty-one, so far as relates to certain counties.'"

11 Act of March 18, 1868 (P.L.372, No.335), entitled "A
12 supplement to an act, entitled 'An Act to authorize the sale of
13 the property of any incorporated company, upon the bonds secured
14 by a mortgage given by it with like effect as if sold upon the
15 mortgage,' approved the tenth day of April, Anno Domini one
16 thousand eight hundred and sixty-seven, extending the same to
17 incorporated coal companies in the county of Luzerne,
18 authorizing the purchasers of the same to organize new
19 corporations."

20 Act of March 31, 1868 (P.L.50, No.17), entitled "An act to
21 authorize incorporated companies to invest and re-invest surplus
22 funds in mortgages, stocks and other securities, and fixing the
23 time for holding elections for directors."

24 Act of April 2, 1868 (P.L.53, No.20), entitled "An act
25 relating to the consolidation of railroad companies."

26 Act of April 14, 1868 (P.L.62, No.29), entitled "An act to
27 authorize the formation and regulation of railroad
28 corporations."

29 Act of April 14, 1868 (P.L.100, No.61), entitled "An act to
30 authorize railroad companies leasing or using other railroads to

1 provide for the payment of liens thereon."

2 Act of March 17, 1869 (P.L.11, No.9), entitled "An act
3 supplementary to an act relating to certain corporations,
4 approved the twenty-third day of April, Anno Domini one thousand
5 eight hundred and sixty-one."

6 Act of March 17, 1869 (P.L.11, No.10), entitled "An act to
7 authorize an increase in the number of directors or managers of
8 railroad companies, and to give stockholders the power to locate
9 the general office of such companies."

10 Act of March 17, 1869 (P.L.12, No.11), entitled "An act to
11 enable railroad, canal and slack-water navigation companies to
12 straighten, widen, deepen and otherwise improve their lines of
13 railroads, canals and slack-water navigation, and the bridges,
14 aqueducts, piers and structures thereof."

15 Act of April 6, 1869 (P.L.17, No.16), entitled "A further
16 supplement to an act regulating lateral railroads, approved the
17 fifth day of May, Anno Domini one thousand eight hundred and
18 thirty-two."

19 Act of April 10, 1869 (P.L.24, No.24), entitled "An act
20 supplementary to an act relating to railroad companies, approved
21 May sixteenth, Anno Domini one thousand eight hundred and sixty-
22 one."

23 Act of April 15, 1869 (P.L.31, No.33), entitled "An act to
24 authorize railroad and canal companies to aid in the development
25 of the coal, iron, lumber and other material interests of this
26 Commonwealth."

27 Act of April 26, 1869 (P.L.96, No.70), entitled "A further
28 supplement to the act, entitled 'An act to enable citizens to
29 hold title which had been held by aliens and corporations,'
30 approved the ninth day of January, Anno Domini one thousand

1 eight hundred and sixty-one."

2 Act of February 17, 1870 (P.L.31, No.8), entitled "An act to
3 authorize railroad companies to lease or become lessees, and to
4 make contracts with other railroad companies, corporations and
5 parties."

6 Act of April 1, 1870 (P.L.45, No.26), entitled "An act to
7 authorize and direct the Attorney General, upon complaint made
8 by parties whose interests are thereby affected, to institute
9 proceedings, according to law, against corporations alleged to
10 have violated duties imposed upon them by law."

11 Act of April 14, 1870 (P.L.73, No.46), entitled "A supplement
12 to an act regulating railroad companies, approved February
13 nineteenth, one thousand eight hundred and forty-nine."

14 Resolution of April 14, 1870 (P.L.1334, No.13), entitled "A
15 Joint Resolution for the protection of the rights of
16 corporations chartered by the Commonwealth."

17 Act of April 14, 1870 (P.L.75, No.48), entitled "A supplement
18 to an act, entitled 'An Act relating to railroad and canal
19 companies,' approved April eleventh, one thousand eight hundred
20 and sixty-four."

21 Act of April 26, 1870 (P.L.1274, No.1170), entitled "An act
22 further supplementary to an act regulating railroad companies,
23 approved the nineteenth day of February, Anno Domini one
24 thousand eight hundred and forty-nine."

25 Act of February 17, 1871 (P.L.56, No.61), entitled "An act
26 supplementary to the acts relating to lateral railroads."

27 Act of April 28, 1871 (P.L.246, No.232), entitled "A
28 supplement to the act of April fourth, one thousand eight
29 hundred and sixty-eight, relative to the formation and
30 regulation of railroad corporations."

1 Act of May 2, 1871 (P.L.248, No.234), entitled "A supplement
2 to an act to enable railroad, canal and slack-water navigation
3 companies to straighten, widen, deepen and otherwise improve
4 their lines of railroads, canals and slack-water navigation, and
5 the bridges, aqueducts, piers and structures thereof, approved
6 the seventeenth day of March, Anno Domini one thousand eight
7 hundred and sixty-nine."

8 Act of May 18, 1871 (P.L.942, No.830), entitled "An act
9 relating to certain railroad, canal and incorporated companies
10 authorized to construct railroads, and authorizing such
11 companies to purchase and hold stock and bonds, to lease roads
12 and property of and consolidate with each other, in the counties
13 of Susquehanna, Wyoming, Wayne and Luzerne."

14 Act of June 2, 1871 (P.L.283, No.263), entitled "An act to
15 authorize married women owning capital stock of any railroad
16 company to sell and transfer the same."

17 Act of April 3, 1872 (P.L.35, No.25), entitled "An act
18 relating to straightened or improved lines of railroad."

19 Act of April 4, 1872 (P.L.46, No.39), entitled "An act for
20 the appointment of a receiver in cases where corporations have
21 been dissolved by judgment of ouster, upon proceedings of quo
22 warranto."

23 Act of February 7, 1873 (P.L.126, No.95), entitled "An act
24 extending the time for the completion of the Pittsburg, Virginia
25 and Charleston Railway."

26 Act of March 27, 1873 (P.L.435, No.450), entitled "An act
27 providing for the surrender by the Thirteenth and Fifteenth
28 Streets Passenger Railway Company of the city of Philadelphia,
29 of certain corporate rights upon Broad street, and in
30 consideration thereof, confirming the merger with the Navy Yard,

1 Broad Street and Fairmount Railway Company, and granting and
2 confirming unto said Thirteenth and Fifteenth Streets Passenger
3 Railway Company, certain rights as to laying tracks upon said
4 Broad street and Thirteenth and Fifteenth streets, and excluding
5 all other persons or bodies corporate from hereafter laying
6 tracks upon any of said streets."

7 Act of June 5, 1873 (1874 P.L.331, No.219), entitled "An act
8 authorizing directors of railroad companies to elect vice
9 president."

10 Act of June 6, 1873 (1874 P.L.417, No.303), entitled "A
11 supplement to an act, entitled 'An Act regulating lateral
12 railroads,' approved the fifth day of May, Anno Domini one
13 thousand eight hundred and thirty-two, in the county of
14 Armstrong."

15 Act of April 1, 1874 (P.L.51, No.13), entitled "An act to
16 validate acts done by corporations created by the courts before
17 the recording of their charters."

18 Act of April 29, 1874 (P.L.73, No.32), entitled "An act to
19 provide for the incorporation and regulation of certain
20 corporations." The repeal of clause 7 of section 34 of the act
21 shall not affect any pending proceeding thereunder before the
22 Pennsylvania Public Utility Commission or any court of this
23 Commonwealth or otherwise.

24 Act of April 20, 1874 (P.L.110, No.36), entitled, as amended,
25 "An act to enable the officers of dissolved corporations to
26 convey real estate held by such corporations."

27 Act of May 11, 1874 (P.L.133, No.64), entitled "An act
28 relating to the validity of the charters of certain
29 incorporations."

30 Act of May 15, 1874 (P.L.185, No.117), entitled "An act to

1 provide for the adjustment, settlement and collection of
2 compensation from railroad companies, for railroads located or
3 that may be located on county bridges, and to empower county
4 commissioners to make contracts relating thereto."

5 Act of June 8, 1874 (P.L.277, No.162), entitled "A supplement
6 to an act, entitled 'An Act to authorize the formation and
7 regulation of railroad corporations.'"

8 Act of June 9, 1874 (P.L.282, No.169), entitled "An act to
9 authorize the counties, cities, towns or townships of this
10 state, respectively, to enter into contracts with railroad
11 companies whose roads enter their limits, whereby said companies
12 may re-locate, change or elevate their railroads."

13 Act of June 15, 1874 (P.L.289, No.175), entitled "An act
14 requiring every railroad or canal corporation, organized in this
15 state, to maintain an office therein for the transaction of its
16 business."

17 Act of March 17, 1875 (P.L.7, No.9), entitled "An act to
18 extend the time for the completion of railroads authorized to be
19 constructed by railroad or railway corporations of this
20 commonwealth under any general law."

21 Act of March 18, 1875 (P.L.28, No.30), entitled "A supplement
22 to an act to authorize the formation and regulation of railroad
23 corporations, approved April four, Anno Domini one thousand
24 eight hundred and sixty-eight."

25 Act of April 25, 1876 (P.L.47, No.36), entitled "An act
26 supplementary to the act, entitled 'An Act to provide for the
27 incorporation and regulation of certain corporations,' approved
28 the twenty-ninth day of April, Anno Domini eighteen hundred and
29 seventy-four, extending its provisions to all who may have the
30 right to vote at elections for directors, managers or trustees."

1 Act of April 28, 1876 (P.L.53, No.45), entitled "An act
2 relieving members of beneficial societies from individual
3 liability for lodge indebtedness."

4 Act of May 1, 1876 (P.L.90, No.52), entitled "An act
5 supplementary to an act, entitled 'An Act to provide for the
6 incorporation and regulation of certain corporations,' approved
7 April twenty-ninth, one thousand eight hundred and seventy-four,
8 relative to the incorporation and powers of telegraph companies
9 for the use of individuals, firms and corporations, and for fire
10 alarm, police and messenger business."

11 Act of May 1, 1876 (P.L.93, No.57), entitled "An act defining
12 the rights and obligations of corporations formed under the laws
13 of other states, and under the said laws succeeding to or
14 becoming invested with the rights of purchasers or mortgagees
15 under mortgages executed by railroad companies of other states,
16 but authorized or confirmed by the laws of this state, where
17 such mortgages extend to or include railroads partly within this
18 and partly within another or other state or states, and where
19 foreclosures or sales of the mortgaged premises have been
20 decreed by courts of the states within which the said last named
21 companies were incorporated, and such decrees of sale or
22 foreclosure have been confirmed or enforced by confirmatory or
23 ancillary decrees rendered by state or federal courts of or in
24 this commonwealth."

25 Act of May 8, 1876 (P.L.127, No.93), entitled "An act to
26 enable citizens of the United States and corporations chartered
27 under the laws of this commonwealth, and authorized to hold real
28 estate, to hold and convey title which had been held by aliens
29 and corporations not authorized by law to hold the same."

30 Act of May 13, 1876 (P.L.157, No.128), entitled "A further

1 supplement to an act, entitled 'An Act to authorize the
2 formation and regulation of railroad corporations,' approved
3 April fourth, Anno Domini one thousand eight hundred and sixty-
4 eight, authorizing articles of association to be filed and
5 recorded in the office of the secretary of the commonwealth, and
6 companies to organize, when two thousand dollars of stock is
7 subscribed and ten per centum thereon paid in good faith, in
8 cash, to the directors, for roads not exceeding fifteen miles in
9 length."

10 Act of May 22, 1878 (P.L.85, No.108), entitled "A supplement
11 to an act, entitled 'An act to enable citizens to hold title
12 which has been held by aliens and corporations,' approved the
13 ninth day of January, Anno Domini one thousand eight hundred and
14 sixty-one."

15 Act of May 25, 1878 (P.L.145, No.184), entitled "A supplement
16 to an act, entitled 'An act concerning the sale of railroads,
17 canals, turnpikes, bridges and plank roads,' approved the eighth
18 day of April, Anno Domini one thousand eight hundred and sixty-
19 one, extending the provisions of said act to coal, iron, steel,
20 lumber, or oil or mining, manufacturing, transportation and
21 telegraph companies, in this commonwealth."

22 Act of June 12, 1878 (P.L.183, No.224), entitled "A
23 supplement to an act to authorize railroad corporations to
24 secure the payment of their bonds and obligations, by a mortgage
25 upon their property, rights and franchises,' approved the
26 thirteenth day of March, Anno Domini one thousand eight hundred
27 and seventy-three, applying the provisions thereof to mortgages
28 upon certain personal property of such corporations."

29 Act of April 22, 1879 (P.L.31, No.26), entitled "An act to
30 extend the time for the completion of public works by

1 corporations chartered for the construction thereof, and
2 authorizing such corporations to borrow money for that purpose."

3 Act of April 8, 1881 (P.L.9, No.8), entitled "A supplement to
4 the act, entitled, 'An act to enable citizens of the United
5 States and corporations chartered under the laws of this
6 commonwealth, and authorized to hold real estate, to hold and
7 convey title, which had been held by aliens and corporations not
8 authorized by law to hold the same,' approved the eighth day of
9 May, Anno Domini one thousand eight hundred and seventy-six."

10 Act of May 21, 1881 (P.L.27, No.31), entitled "A further
11 supplement to an act, entitled 'An act to authorize the
12 formation and regulation of railroad corporations' approved the
13 fourth day of April, Anno Domini one thousand eight hundred and
14 sixty-eight, authorizing railroad companies incorporated under
15 said act, and supplements thereto, not exceeding fifteen miles
16 in length, to extend their lines."

17 Act of May 24, 1881 (P.L.27, No.30), entitled "An act to
18 extend the time for the completion of railroads in this
19 commonwealth."

20 Act of June 1, 1883 (P.L.49, No.40), entitled "An act to
21 extend the time for the completion of railroads in this
22 Commonwealth."

23 Act of June 1, 1883 (P.L.57, No.52), entitled "An act
24 relating to the terminal points to which railroads may be
25 constructed."

26 Act of June 2, 1883 (P.L.61, No.54), entitled "An act
27 supplementary to an act, entitled 'An act for the incorporation
28 and regulation of corporations,' approved April twenty-ninth,
29 one thousand eight hundred and seventy-four, authorizing the
30 incorporation of pipe lines for the transportation of petroleum,

1 and providing for the exercise of the right of eminent domain in
2 taking lands and property for such purposes."

3 Act of June 13, 1883 (P.L.122, No.108), entitled "A
4 supplement to an act, entitled 'An act to provide for the
5 incorporation and regulation of certain corporations,' approved
6 April twenty-ninth, one thousand eight hundred and seventy-four,
7 providing for the improvement, amendment and alteration of the
8 charters of corporations of the second class, and authorizing
9 the incorporation of traction motor companies."

10 Act of July 5, 1883 (P.L.176, No.165), entitled "A supplement
11 to an act, entitled 'An act regulating lateral railroads,'
12 approved the fifth day of May, Anno Domini one thousand eight
13 hundred and thirty-two, authorizing the owners or lessees of
14 iron ore or coal mines to construct lateral railroads from said
15 mines to any railroad, public road or navigable stream, within
16 the county in which such mines are situated."

17 Act of May 29, 1885 (P.L.29, No.32), entitled "An act to
18 provide for the incorporation and regulation of natural gas
19 companies."

20 Act of June 25, 1885 (P.L.186, No.155), entitled "An act
21 limiting the time for the completion of railroads by
22 corporations organized by purchasers at judicial sales."

23 Act of May 7, 1887 (P.L.94, No.44), entitled "An act to
24 enforce against railroad corporations the provisions of section
25 seven of Article sixteen, of the Constitution."

26 Act of May 31, 1887 (P.L.275, No.162), entitled "A supplement
27 to an act, entitled 'An act to authorize the formation and
28 regulation of railroad corporations,' approved the fourth day of
29 April, Anno Domini one thousand eight hundred and sixty-eight."

30 Act of June 6, 1887 (P.L.350, No.242), entitled "An act to

1 enable the citizens of the United States and corporations,
2 chartered under the laws of this Commonwealth and authorized to
3 hold real estate, to hold and convey title which had been held
4 by aliens and corporations not authorized by law to hold the
5 same."

6 Act of May 7, 1889 (P.L.102, No.108), entitled "An act
7 defining evidence of stock ownership in corporations and for
8 determining the right to vote thereon."

9 Act of May 8, 1889 (P.L.136, No.153), entitled "An act to
10 amend an act, entitled 'An act to provide for the incorporation
11 and regulation of certain corporations,' approved the twenty-
12 ninth day of April, Anno Domini one thousand eight hundred and
13 seventy-four, providing for the incorporation and regulation of
14 electric light, heat and power companies."

15 Act of May 13, 1889 (P.L.205, No.223), entitled "An act
16 prescribing the amount of stock and bonds which may be issued by
17 railroad companies heretofore or hereafter consolidated and
18 merged."

19 Act of June 16, 1891 (P.L.301, No.231), entitled "An act
20 authorizing the extension of the corporate existence of any
21 railroad corporation organized under either a special or general
22 law of this Commonwealth."

23 Act of May 26, 1893 (P.L.141, No.90), entitled "An act
24 amending an act, entitled 'An act defining evidence of stock
25 ownership in corporations, and for determining the right to vote
26 thereon,' approved May seventh, one thousand eight hundred and
27 eighty-nine, further defining evidence of stock ownership and
28 the right to vote thereon."

29 Act of May 26, 1893 (P.L.158, No.103), entitled "An act
30 authorizing water companies to re-locate roads destroyed, and to

1 acquire land to preserve water supply from contamination."

2 Act of June 8, 1893 (P.L.355, No.289), entitled "An act to
3 regulate the change of location of the principal office, the
4 place of annual and other meetings of stockholders, and the time
5 of such annual meeting of corporations of this Commonwealth."

6 Act of June 18, 1895 (P.L.195, No.116), entitled "An act
7 validating purchases or leases heretofore made or acquired by
8 water companies of lands to preserve their water supply from
9 contamination."

10 Act of June 24, 1895 (P.L.258, No.172), entitled "An act
11 relating to and regulating the issue and transfer of
12 certificates of stock by companies incorporated under the laws
13 of this Commonwealth."

14 Act of June 24, 1895 (P.L.264, No.176), entitled "An act to
15 enable the citizens of the United States, and corporations
16 chartered under the laws of this Commonwealth and authorized to
17 hold real estate, to hold and convey title which had been held
18 by aliens and corporations not authorized by law to hold the
19 same."

20 Act of July 2, 1895 (P.L.425, No.302), entitled "An act
21 granting to water power companies, and other corporations owning
22 or controlling water power, authority to develop and distribute
23 electric power by means of their water power, and to erect,
24 construct and maintain the necessary buildings, plant and
25 apparatus for that purpose."

26 Act of July 2, 1895 (P.L.432, No.309), entitled "An act being
27 a further supplement to an act, entitled 'An act to provide for
28 the incorporation and regulation of certain corporations,'
29 approved the twenty-ninth day of April, one thousand eight
30 hundred and seventy-four, to further provide for the

1 incorporation and regulation of corporations heretofore or
2 hereafter incorporated for the purpose of the supply, storage or
3 transportation of water and water power for commercial and
4 manufacturing purposes."

5 Act of February 9, 1901 (P.L.3, No.1), entitled "An act to
6 provide for increasing the capital stock and indebtedness of
7 corporations."

8 Act of February 9, 1901 (P.L.6, No.2), entitled "An act to
9 permit the classification by railroad, railway and
10 transportation corporations of their boards of directors or
11 managers."

12 Act of March 22, 1901 (P.L.53, No.20), entitled "An act to
13 authorize and empower any railroad corporation of this
14 Commonwealth, which shall own at least two-thirds of the whole
15 capital stock of any other like corporation of this
16 Commonwealth, and shall have a railroad connecting with the
17 railroad of the latter, to acquire the franchises, property,
18 rights and credits of the latter."

19 Act of April 4, 1901 (P.L.63, No.29), entitled "An act to
20 authorize railroads, heretofore or hereafter constructed to any
21 river forming the boundary between this and any adjoining State,
22 to be built by means of a bridge and its approaches to the
23 middle of such river, and there connect with any railroad of
24 such adjoining State, heretofore or hereafter constructed."

25 Act of April 4, 1901 (P.L.67, No.36), entitled "An act to
26 validate changes heretofore made in the names of corporations by
27 the several courts of common pleas of this Commonwealth."

28 Act of May 21, 1901 (P.L.270, No.177), entitled "An act
29 granting certain rights and privileges to regularly organized
30 and incorporated water companies."

1 Act of May 29, 1901 (P.L.326, No.207), entitled "A supplement
2 to an act, entitled 'An act to provide for the incorporation and
3 regulation of certain corporations,' approved April twenty-
4 ninth, one thousand eight hundred and seventy-four; authorizing
5 formation of corporations for profit by voluntary association of
6 three or more persons, one of whom, at least, must be a citizen
7 of this Commonwealth."

8 Act of July 10, 1901 (P.L.651, No.329), entitled "An act to
9 validate acts done by corporations before the recording of their
10 charters."

11 Act of March 19, 1903 (P.L.34, No.41), entitled "An act to
12 prevent the multiplication of poles, wires, and conduits for
13 electrical purposes, by authorizing corporations, manufacturing
14 or using electrical current for any purposes, to enter into
15 contracts with each other relating to the exchange of current,
16 the joint use of poles, wires, and conduits, or the lease or
17 operation of each others systems."

18 Act of March 24, 1903 (P.L.50, No.52), entitled "An act
19 relating to the taking of stock votes, upon subjects presented
20 to stockholders of corporations of this Commonwealth for their
21 action."

22 Act of April 22, 1903 (P.L.251, No.185), entitled "An act
23 regulating the change of corporate titles."

24 Act of April 23, 1903 (P.L.280, No.208), entitled "A further
25 supplement to the act approved April fourth, Anno Domini one
26 thousand eight hundred and sixty-eight, entitled 'An act to
27 authorize the formation and regulation of railroad
28 corporations.'"

29 Act of March 24, 1905 (P.L.56, No.39), entitled "A supplement
30 to an act, entitled 'A supplement to an act, entitled "An act to

1 provide for the incorporation and regulation of certain
2 corporations," approved the twenty-ninth day of April, Anno
3 Domini one thousand eight hundred and seventy-four, further
4 amending the twelfth section thereof so as to permit
5 corporations organized thereunder, either for the purpose of
6 carrying on any manufacturing business, or for the supply of
7 water, or for the manufacture or supplying of light, to purchase
8 bonds or stock of other corporations of the same character, or
9 to guarantee the payment of interest and principal of such
10 bonds, or either principal or interest, or to lease and operate
11 corporate property,' approved the twenty-sixth day of June, Anno
12 Domini one thousand eight hundred and ninety-five, correcting
13 errors therein and validating all acts done in pursuance
14 thereof."

15 Act of April 22, 1905 (P.L.264, No.184), entitled "An act to
16 authorize railroad companies of this Commonwealth, in order to
17 secure an adequate supply of water for their corporate purpose,
18 to acquire, hold, dispose of, and guarantee the stock and
19 securities of water companies."

20 Act of June 6, 1907 (P.L.417, No.287), entitled "An act
21 requiring that all water, gas, or electric light corporations,
22 before entering upon or occupying any public street or highway
23 in any township of the first class of this Commonwealth, shall
24 first make application to the proper authorities of such
25 township of the first class and obtain its consent to such entry
26 or occupancy."

27 Act of April 27, 1909 (P.L.244, No.154), entitled "An act to
28 validate acts done by corporations before the recording of their
29 charter."

30 Act of May 3, 1909 (P.L.408, No.229), entitled, as amended,

1 "An act authorizing the merger or consolidation of certain
2 corporations."

3 Act of March 15, 1911 (P.L.17, No.15), entitled "An act to
4 validate acts done and conveyances made by or to corporations
5 after letters patent are issued, and before the recording of
6 their charters."

7 Act of May 11, 1911 (P.L.261, No.165), entitled "An act
8 relating to Receivers' Sales."

9 Act of June 3, 1911 (P.L.635, No.243), entitled "An act to
10 further amend the eighteenth paragraph of the second section of
11 an act, entitled 'An act to provide for the incorporation and
12 regulation of certain corporations,' approved the twenty-ninth
13 day of April, Anno Domini one thousand eight hundred and
14 seventy-four, so as to compel corporations heretofore or
15 hereafter incorporated for the purpose of the storage,
16 transportation and furnishing of water for manufacturing and
17 other purposes, and for the creation, establishing, furnishing,
18 transmission and using of water-power therefrom, to furnish such
19 power for public purposes."

20 Act of April 24, 1913 (P.L.114, No.77), entitled "An act to
21 validate receiver's sales of real estate, held subsequent to the
22 passage of an act, entitled 'An act relating to receiver's
23 sales,' approved the eleventh day of May, Anno Domini one
24 thousand nine hundred and eleven, in all cases where notices of
25 said sales have been mailed within the time specified in said
26 act."

27 Act of May 15, 1913 (P.L.213, No.149), entitled "An act to
28 validate certain charters issued by the Governor of the
29 Commonwealth to electric light companies, for districts
30 comprising two or more municipalities or townships, under the

1 thirty-fourth section of the act approved April twenty-nine, one
2 thousand eight hundred seventy-four, entitled 'An act to provide
3 for the incorporation and regulation of certain corporations,'
4 and its supplements."

5 Act of June 6, 1913 (P.L.458, No.304), entitled "An act
6 providing for the making valid of the charters of certain
7 corporations, heretofore incorporated for the purpose of
8 supplying heat, light, and power, by means of electricity, to
9 the public, upon the filing of certain certificates with the
10 Secretary of the Commonwealth."

11 Act of April 26, 1917 (P.L.102, No.61), entitled "A
12 supplement to an act, entitled 'An act to provide for the
13 incorporation and regulation of natural gas companies,' approved
14 the twenty-ninth day of May, one thousand eight hundred and
15 eighty-five; providing that corporations engaged in the business
16 of supplying natural gas may manufacture or purchase, and
17 transport and supply, manufactured fuel gas."

18 Act of May 3, 1917 (P.L.146, No.78), entitled "An act to
19 validate acts done by corporations before the recording of their
20 charters."

21 Act of May 17, 1917 (P.L.228, No.126), entitled "An act to
22 authorize the payment by corporations to their directors of
23 compensation for services rendered by them."

24 Act of July 5, 1917 (P.L.698, No.258), entitled "An act to
25 authorize corporations organized for profit, under the laws of
26 Pennsylvania, to continue the salaries of employes enlisting or
27 enrolling in any branch of the military or naval service of the
28 United States, or other protective organization."

29 Act of July 19, 1917 (P.L.1123, No.382), entitled "An act to
30 authorize the construction of branches by railroad companies."

1 Act of April 18, 1919 (P.L.67, No.52), entitled "An act to
2 give to women, married and single, the same right as men to be
3 corporators, and, in furtherance of their interests as
4 stockholders, to serve as directors and officers of corporations
5 for profit."

6 Act of May 23, 1919 (P.L.240, No.132), entitled "An act
7 validating the holding, ownership, and exercise of material,
8 rolling stock, property, and franchises, sold and conveyed under
9 and by virtue of any process or decree of any court or under or
10 by virtue of a power of sale contained in any mortgage or deed
11 of trust, as the property of any gas, water, coal, iron, steel,
12 lumber, oil or mining or manufacturing, transportation or
13 telegraph company, or any railroad, canal, turnpike, bridge, or
14 plank road or any corporation, notwithstanding the failure of
15 the owner or owners thereof to reorganize said company or
16 corporation in accordance with the act of Assembly, entitled 'An
17 act concerning the sale of railroads, canals, turnpikes,
18 bridges, and plank roads,' approved the eighth day of April,
19 Anno Domini one thousand eight hundred sixty-one, and the
20 supplements and amendments thereto."

21 Act of May 23, 1919 (P.L.253, No.135), entitled "A supplement
22 to the act, approved the twenty-ninth day of May, one thousand
23 eight hundred and eighty-five (Pamphlet Laws, twenty-nine),
24 entitled 'An act to provide for the incorporation and regulation
25 of natural gas companies,' authorizing corporations created
26 under said act to renew their charters which are about to expire
27 or have already expired, and providing a procedure therefor, and
28 for the payment of fees and bonus."

29 Act of June 20, 1919 (P.L.509, No.249), entitled "A
30 supplement to an act, approved the eighth day of May, one

1 thousand eight hundred and eighty-nine (Pamphlet Laws, one
2 hundred and thirty-six), entitled 'An act to amend an act,
3 entitled "An act to provide for the incorporation and regulation
4 of certain corporations," approved the twenty-ninth day of
5 April, Anno Domini one thousand eight hundred and seventy-four,
6 providing for the incorporation and regulation of electric
7 light, heat and power companies,' granting electric light, heat,
8 and power companies the right to exercise their charter powers
9 in adjoining States."

10 Act of July 22, 1919 (P.L.1123, No.456), entitled "A
11 supplement to an act, entitled 'An act to provide for the
12 incorporation and regulation of certain corporations,' approved
13 the twenty-ninth day of April, Anno Domini one thousand eight
14 hundred and seventy-four; providing for the incorporation and
15 regulation of telephone companies; defining the rights, powers,
16 and privileges of such corporations; authorizing and regulating
17 the purchase, acquisition, and leasing the whole or any part of
18 the properties, systems, capital stock, and securities of other
19 corporations, associations, and persons engaged in the telephone
20 business; and authorizing existing telegraph corporations to
21 accept the provisions of this act."

22 Act of May 20, 1921 (P.L.949, No.334), entitled "An act
23 authorizing certain telephone companies and certain telephone
24 and telegraph companies to acquire all or any part of the
25 capital stock, franchises, property, rights, and credits of each
26 other, and to purchase, lease, or otherwise acquire all or any
27 part of the lines, systems, rights, privileges, municipal
28 consents, and corporate franchises of each other."

29 Act of May 25, 1921 (P.L.1159, No.426), entitled "An act
30 authorizing certain corporations to issue preferred or common

1 stock of one or more classes; providing for the manner of
2 issuance, restrictions and regulations in the manner of voting
3 thereof, and the rights and privileges of the holders thereof;
4 validating certain acts of corporations not participated in by
5 the holders of non-voting stock; and repealing all acts and
6 parts of acts inconsistent therewith."

7 Act of March 20, 1923 (P.L.27, No.19), entitled "An act to
8 validate acts done by or rights accrued to corporations before
9 the recording of their charters."

10 Act of May 21, 1923 (P.L.288, No.185), entitled "An act
11 authorizing certain corporations to authorize, create, and issue
12 capital stock of any class or kind without nominal or par value,
13 and to change or convert their authorized or outstanding capital
14 stock of any class or kind into shares of any class or kind,
15 either with or without nominal or par value; and validating the
16 creations and issues of stock heretofore made by corporations in
17 accordance with the provisions hereof."

18 Act of March 3, 1925 (P.L.9, No.7), entitled "An act to
19 validate acts done by corporations before the recording of their
20 charters."

21 Section 2 of the act of April 7, 1925 (P.L.183, No.131),
22 entitled "An act providing that certificates of association and
23 articles of incorporation or of any improvements, amendments, or
24 alterations thereto may be acknowledged and sworn or affirmed to
25 before a notary public or justice of the peace; validating such
26 acknowledgments made prior to the approval of this act."

27 Act of March 22, 1927 (P.L.51, No.32), entitled "An act to
28 validate acts done by corporations before the recording of their
29 charters."

30 Act of April 6, 1927 (P.L.126, No.97), entitled "A supplement

1 to an act, entitled 'An act to provide for the incorporation and
2 regulation of certain corporations,' approved the twenty-ninth
3 day of April, one thousand eight hundred and seventy-four,
4 providing that companies incorporated for the manufacture and
5 supply of gas, or the supply of light or heat to the public by
6 any other means, or for the manufacture and supply of light,
7 heat, and fuel or any of them by any process of manufacture,
8 shall, in addition to the powers heretofore granted, be
9 authorized and empowered to produce, deal in, transport, convey,
10 and distribute natural gas or gas formed by mixing natural gas
11 with manufactured gas."

12 Act of April 14, 1927 (P.L.297, No.169), entitled "An act
13 authorizing any natural gas company, or any manufactured gas
14 company, incorporated under the laws of this Commonwealth, to
15 sell, assign, dispose of, convey, or lease to any natural gas
16 company, or to any manufactured gas company, incorporated under
17 the laws of this Commonwealth, its franchises and property or
18 any part thereof; providing the manner in which such sales,
19 conveyances, or leases, shall be consummated; and requiring the
20 payment of all taxes due the Commonwealth before the returns
21 authorizing such sales, conveyances, and leases shall be filed
22 in the office of the Secretary of the Commonwealth."

23 Act of April 28, 1927 (P.L.503, No.327), entitled "An act
24 authorizing churches, cemetery companies, and burial
25 associations to lease or convey coal and other minerals;
26 providing for the use and expenditure of the funds derived
27 therefrom and for the support of the overlying surface."

28 Act of March 27, 1929 (P.L.74, No.84), entitled "An act
29 amending section one of an act entitled 'An act authorizing
30 corporations, organized for profit, to purchase, hold, sell,

1 assign, transfer, mortgage, pledge, or otherwise dispose of, the
2 shares of capital stock of, or any bonds, securities or
3 evidences of indebtedness created by, any other corporation,'
4 approved the second day of July, Anno Domini one thousand nine
5 hundred and one (Pamphlet Laws, six hundred and three), so as to
6 include corporations, either public or private, of this or any
7 other State or of the United States of America, or of any
8 territory or dependency thereof, or of any foreign country or
9 any subdivision or agency thereof; and to validate all
10 purchases, sales, assignments, transfers, mortgages, pledges, or
11 other disposition thereof at any time heretofore made."

12 As much as reads "examine and" and all of the proviso of
13 section 805 of the act of April 9, 1929 (P.L.177, No.175), known
14 as The Administrative Code of 1929.

15 Section 730 (except as to corporations specified in 15
16 Pa.C.S. § 1102(b) (relating to exclusions) and joint stock
17 associations) and the penultimate sentence of section 1401,
18 insofar as it relates to the release of lien as provided by 15
19 Pa.C.S. §§ 1957(c) (relating to taxes) and 5957(c) (relating to
20 taxes), of the act of April 9, 1929 (P.L.364, No.176), known as
21 The Fiscal Code.

22 Act of April 11, 1929 (P.L.482, No.200), entitled "An act to
23 validate acts done by corporations before the recording of their
24 charters."

25 Act of April 17, 1929 (P.L.531, No.234), entitled "An act
26 authorizing the courts of common pleas to direct the filing by
27 corporations of bonds to the Commonwealth, to secure payment of
28 damages for the taking of lands, waters, materials, or other
29 property or rights, or for injury thereto, in cases where there
30 is a disputed, doubtful, or defective title, or where any party

1 interested is absent, unknown, not of full age, of unsound mind,
2 or is an unincorporated association, or, from any cause, cannot
3 be bargained with or be served with notice or tendered a bond
4 within the county, and to appoint guardians ad litem or trustees
5 for such persons."

6 Act of April 18, 1929 (P.L.544, No.241), entitled "An act to
7 amend the act, approved the second day of July, one thousand
8 nine hundred and one (Pamphlet Laws, six hundred three) entitled
9 'An act authorizing corporations, organized for profit, to
10 purchase, hold, sell, assign, transfer, mortgage, pledge, or
11 otherwise dispose of, the shares of capital stock of, or any
12 bonds, securities, or evidences of indebtedness created by, any
13 other corporation' by extending the provisions thereof so as to
14 apply to all corporations, and validating past transactions of
15 such character."

16 Act of June 25, 1931 (P.L.1366, No.338), entitled "An act to
17 authorize any corporation of this Commonwealth, created by
18 virtue of any special act of Assembly, and possessing under such
19 act, or supplements thereto, franchises for various purposes,
20 including the right to construct and operate railroads for
21 public use, to segregate its railroad lines and franchises by
22 the sale and conveyance thereof to any duly organized railroad
23 corporation of this Commonwealth which owns or controls a line
24 or lines of railroad connecting therewith not parallel or
25 competing."

26 Act of April 13, 1933 (P.L.34, No.28), entitled "An act to
27 validate acts done by corporations before the recording of their
28 charters."

29 Act of May 3, 1933 (P.L.227, No.80), entitled "An act
30 authorizing stock corporations, with certain exceptions, to make

1 provision for, and to issue, shares of capital stock of any
2 class or classes, or to change shares of authorized or
3 outstanding capital stock of any class into one or more classes,
4 with or without nominal or par value, and with such
5 designations, terms, relative rights, powers, privileges,
6 preferences, limitations, restrictions and qualifications as may
7 be specified; regulating such corporations and the liabilities
8 of their directors; making other provisions relating to the
9 capital and capital stock of such corporations; and repealing
10 all acts or parts of acts inconsistent herewith."

11 Act of May 5, 1933 (P.L.364, No.106), known as the Business
12 Corporation Law of 1933, except that the provisions and
13 requirements of sections 2, 206, 909 and 1004 relating to
14 registry statements shall continue to be applicable until the
15 Department of State adopts initial regulations under 15 Pa.C.S.
16 § 134 (relating to docketing statement) and such regulations
17 become effective.

18 Act of May 25, 1937 (P.L.794, No.219), entitled "An act
19 authorizing the election of officers of certain corporations of
20 this Commonwealth, created by special act of Assembly prior to
21 January 1, 1874, to be held in accordance with the provisions of
22 by-laws duly adopted by their shareholders."

23 Act of July 2, 1937 (P.L.2859, No.600), entitled "An act
24 concerning proxies authorizing representation and voting of
25 capital stock of railroad corporations, at meetings and
26 elections thereof."

27 Act of June 9, 1939 (P.L.313, No.170), entitled "An act
28 permitting railroad corporations to fix in their by-laws the
29 time for annual and other meetings and the election of
30 directors."

1 Act of June 9, 1939 (P.L.313, No.171), entitled "An act to
2 provide for increasing the indebtedness of railroad
3 corporations, with the privilege of converting the same into
4 capital stock."

5 Act of April 18, 1945 (P.L.253, No.114), entitled "An act
6 relating to suits by shareholders against officers or directors
7 in a corporation, domestic or foreign, to enforce a secondary
8 right because the corporation refuses to enforce rights, which
9 may be asserted by it, requiring that plaintiff be a shareholder
10 at the time of the transaction of which he complains, or that
11 his shares thereafter devolved upon him by operation of law;
12 requiring security for defendant's expenses, including
13 attorneys' fees; and providing for the assessment and recovery
14 of such expenses, including attorney's fees."

15 Act of May 8, 1947 (P.L.178, No.79), entitled "An act to
16 authorize railroad corporations, incorporated in this
17 Commonwealth, to hold directors' meetings at such place within
18 this Commonwealth or elsewhere as appointed by a majority of the
19 directors."

20 Act of May 23, 1947 (P.L.307, No.136), entitled "An act
21 providing for and regulating the merger and consolidation of
22 corporations organized for the transportation and storage of oil
23 or any petroleum products by means of pipe lines and tanks;
24 defining the rights and powers of the surviving or new
25 corporation; providing for the service of process on foreign
26 corporations and defining the rights of dissenting
27 stockholders."

28 Act of June 5, 1947 (P.L.424, No.196), entitled "A further
29 supplement to the act, approved the twenty-ninth day of April,
30 one thousand eight hundred seventy-four (Pamphlet Laws 73),

1 entitled 'An act to provide for the incorporation and regulation
2 of certain corporations,' granting to every corporation
3 heretofore or hereafter incorporated for the purpose of engaging
4 in the telephone or telegraph business the power to appropriate
5 private property, in certain cases, and, subject to approval by
6 the Public Utility Commission, for the construction, maintenance
7 and operation of its lines and facilities, and providing for the
8 assessment of damages arising from such appropriation and the
9 method of appropriation."

10 Act of June 10, 1947 (P.L.534, No.243), entitled "An act
11 validating the charters and the registration of the corporate
12 name of certain nonprofit corporations."

13 Act of March 10, 1949 (P.L.307, No.17), entitled "An act
14 making it lawful for the board of directors of any railroad
15 company to elect a chairman of said board, in such manner and
16 with such powers and duties and compensation, including
17 pensions, as may be fixed by said board; making it lawful for
18 the board of directors of any such company to select from among
19 their number or from the stockholders, a president and one or
20 more vice-presidents, in such manner and with such powers and
21 duties and compensation, including pensions, as may be fixed by
22 said board; making it lawful for the board of directors of any
23 such company to provide for the number of directors thereof, not
24 less than three; and providing for the effectiveness of action
25 taken by any such board in accordance herewith, without further
26 corporate action and notwithstanding any contrary or
27 inconsistent provision in any previously enacted act or in any
28 existing charter or by-laws of any such company; and for other
29 purposes."

30 Act of August 17, 1951 (P.L.1267, No.302), entitled "An act

1 to amend the title and the act, approved the third day of May,
2 one thousand nine hundred and nine (Pamphlet Laws 408), entitled
3 'An act authorizing the merger and consolidation of certain
4 corporations,' by permitting the merger or consolidation of
5 certain foreign and domestic corporations; prescribing the
6 procedure for and the effect of a merger or consolidation;
7 providing for payment of certain fees, taxes and bonus; and
8 defining the rights, powers and privileges of dissenting
9 stockholders and the surviving corporation in the case of a
10 merger and of the new corporation in the case of a
11 consolidation."

12 Sections 2, 3 and 4 of the act of August 19, 1953 (P.L.1075,
13 No.280), entitled "An act authorizing corporations to grant
14 stock options, pensions and allowances, under certain
15 circumstances; and validating stock options, pensions and
16 allowances heretofore granted."

17 Act of June 14, 1957 (P.L.321, No.169), entitled "An act
18 authorizing corporations subject to the Corporation Amendment
19 Act of one thousand eight hundred and eighty-three, to restate
20 their articles of incorporation in their entirety."

21 Act of July 11, 1957 (P.L.691, No.366), entitled "An act to
22 eliminate the requirement of certificates evidencing payment of
23 bonus taxes and charges in cases of merger or consolidation of
24 certain corporations whenever the surviving or new corporation
25 is a domestic corporation or a foreign corporation duly
26 authorized to do business in Pennsylvania."

27 Act of July 11, 1957 (P.L.707, No.368), entitled "An act
28 relating to the form and manner of service of corporate notices
29 required to be given by certain corporations organized or
30 existing under the laws of the Commonwealth of Pennsylvania, and

1 authorizing the waiver of such notices and consent to corporate
2 action without a meeting."

3 Act of November 10, 1959 (P.L.1461, No.508), entitled "An act
4 authorizing the board of directors of railroad companies to
5 constitute an executive committee from among their number, and
6 conferring such authority upon the committee as the board shall
7 provide."

8 Act of November 10, 1959 (P.L.1461, No.509), entitled "An act
9 concerning the right of stockholders of record of railroad
10 corporations to vote at meetings and elections thereof;
11 providing for the voting in person, or by proxy, of shares of
12 capital stock of railroad corporations held of record by
13 fiduciaries or by two or more persons and for voting shares
14 pledged by the holder thereof; and repealing certain acts and
15 parts of acts relating to railroad corporations."

16 As much as follows the words "act of June 1, 1945 (P.L.1242),
17 as amended," of section 901 of the act of June 22, 1964 (P.L.84,
18 No.6), known as the Eminent Domain Code. A court may issue a
19 writ of possession to the condemnor prior to the disposition of
20 preliminary objections which challenge the validity of a
21 condemnation of rights-of-way or easements for occupation by
22 water, electric, gas, oil and/or petroleum products, telephone
23 or telegraph lines used directly or indirectly in furnishing
24 service to the public, and if it shall be determined finally
25 that the condemnation is invalid in whole or in part, the
26 affected owners may recover damages for any injuries sustained
27 thereby and shall be entitled to such equitable relief as may be
28 appropriate in the circumstances.

29 Act of September 30, 1965 (P.L.569, No.293), entitled "An act
30 amending the act of May 5, 1933 (P.L.364), entitled 'An act

1 relating to business corporations; defining and providing for
2 the organization, merger, consolidation, reorganization, winding
3 up and dissolution of such corporations; conferring certain
4 rights, powers, duties and immunities upon them and their
5 officers and shareholders; prescribing the conditions on which
6 such corporations may exercise their powers; providing for the
7 inclusion of certain existing corporations of the second class
8 within the provisions of this act; prescribing the terms and
9 conditions upon which foreign business corporations may be
10 admitted, or may continue, to do business within the
11 Commonwealth; conferring powers and imposing duties on the
12 courts of common pleas, and certain State departments,
13 commissions, and officers; authorizing certain State
14 departments, boards, commissions, or officers to collect fees
15 for services required to be rendered by this act; imposing
16 penalties; and repealing certain acts and parts of acts relating
17 to corporations,' requiring approval by the State Registration
18 Board for Professional Engineers prior to the use of certain
19 words in corporate names."

20 Act of January 18, 1966 (1965 P.L.1443, No.521), entitled "An
21 act for the registratio of certain pre-1858 corporations;
22 providing that such corporations shall be conclusively deemed to
23 have accepted the Constitution of Pennsylvania unless such
24 corporations file a certificate of nonacceptance with the
25 Department of State."

26 Act of January 25, 1966 (1965 P.L.1587, No.556), entitled "An
27 act relating to railroad corporations and other corporations
28 subject to the jurisdiction of the Pennsylvania Public Utility
29 Commission which have shareholders outside of Pennsylvania,
30 eliminating any requirement that any members of the board of

1 directors be residents of this Commonwealth, validating certain
2 corporate action, and repealing inconsistent legislation."

3 Act of November 18, 1968 (P.L.1050, No.321), entitled "An act
4 providing for the exercise of the right of eminent domain by
5 certain corporations for the transportation of oxygen or
6 nitrogen with certain restrictions, exceptions and limitations,
7 and preserving the jurisdiction of the Pennsylvania Public
8 Utility Commission."

9 Act of July 9, 1970 (P.L.461, No.160), known as the
10 Professional Corporation Law.

11 As much as reads "Incorporation" of the section heading, the
12 entire text of subsections (a) and (b) and as much as reads
13 "organized under this act" of the first sentence of subsection
14 (c) of section 203 of the act of December 17, 1981 (P.L.435,
15 No.135), known as the Race Horse Industry Reform Act. A
16 corporation licensed under the act shall be incorporated by not
17 less than five persons and the number of its directors shall be
18 not less than five nor more than 13.

19 Act of December 23, 1983 (P.L.395, No.92), entitled "An act
20 amending the act of May 5, 1933 (P.L.364, No.106), entitled, as
21 amended, 'An act relating to corporations; defining and
22 providing for the organization, merger, consolidation,
23 reorganization, winding up and dissolution of certain
24 corporations for profit; conferring certain rights, powers,
25 duties and immunities upon them and their officers and
26 shareholders; prescribing the conditions on which such
27 corporations may exercise their powers; providing for the
28 inclusion of certain existing corporations and associations
29 within the provisions of this act; prescribing the terms and
30 conditions upon which certain foreign corporations may be

1 admitted, or may continue, to do business within the
2 Commonwealth; conferring powers and imposing duties on the
3 courts of common pleas, and certain State departments,
4 commissions, and officers; authorizing certain State
5 departments, boards, commissions, or officers to collect fees
6 for services required to be rendered by this act; imposing
7 penalties; and repealing certain acts and parts of acts relating
8 to corporations and other entities,' clarifying the right of
9 directors and officers to consider the effects of corporate
10 actions upon employees, suppliers, customers and communities;
11 providing for interested shareholder transactions; and
12 conferring certain rights on noncontrolling shareholders."

13 (b) The following acts and parts of acts are repealed but
14 shall continue to be applicable to corporations incorporated
15 under or subject to the act of May 17, 1921 (P.L.682, No.284),
16 known as The Insurance Company Law of 1921, or any other statute
17 relating to the incorporation or reincorporation of limited life
18 insurance companies:

19 Act of November 27, 1865 (1866 P.L.1228, No.1119), entitled
20 "An act relating to the organization and meetings of certain
21 corporations, incorporated under the laws of this commonwealth."

22 Act of April 15, 1869 (P.L.29, No.30), entitled "An act
23 requiring a majority of the directors or managers of
24 corporations to constitute a quorum."

25 Act of May 15, 1874 (P.L.186, No.118), entitled "An act to
26 authorize the issuing of letters patent to certain
27 corporations."

28 Act of June 17, 1887 (P.L.411, No.274), entitled "A further
29 supplement to an act, entitled 'An act to provide for the
30 incorporation and regulation of certain corporations,' approved

1 April twenty-ninth, one thousand eight hundred and seventy-four,
2 providing for the further regulation of such corporations."

3 Act of May 20, 1891 (P.L.101, No.77), entitled "An act
4 authorizing salaried officers of private or business
5 corporations to concurrently serve as directors therein."

6 Act of April 19, 1901 (P.L.80, No.51), entitled "An act to
7 regulate the number of directors in corporations chartered under
8 the laws of this Commonwealth."

9 Act of July 2, 1901 (P.L.603, No.298), entitled "An act
10 authorizing corporations, organized for profit, to purchase,
11 hold, sell, assign, transfer, mortgage, pledge, or otherwise
12 dispose of, the shares of capital stock of, or any bonds,
13 securities or evidences of indebtedness created by, any other
14 corporation."

15 Act of March 5, 1903 (P.L.14, No.17), entitled "An act
16 concerning proxies, authorizing representation and voting of
17 shares of capital stock of corporations at meetings and
18 elections thereof."

19 Act of March 16, 1905 (P.L.42, No.26), entitled "An act
20 providing for the voting of shares of stock in corporations in
21 this Commonwealth, held by executors, administrators, guardians,
22 and trustees, and the manner of voting the same."

23 Act of May 28, 1913 (P.L.336, No.222), entitled "An act
24 authorizing corporations of this Commonwealth to declare, at any
25 time or times, dividends out of net profits; and prescribing the
26 time within which the same shall be paid."

27 Act of March 30, 1921 (P.L.54, No.28), entitled "An act
28 permitting corporations to change the date of their annual
29 meeting as fixed by its charter."

30 Act of March 15, 1923 (P.L.10, No.8), entitled "An act

1 relating to the recording of certificates of incorporation of
2 domestic corporations; providing for the recording of certified
3 copies thereof in certain cases; validating the recording of
4 such certified copies heretofore recorded; and making the record
5 of such certified copies competent evidence for all purposes."

6 Act of July 12, 1923 (P.L.1083, No.443), entitled "An act
7 authorizing corporations to issue stock at a price in excess of
8 the par value thereof."

9 Act of April 7, 1925 (P.L.183, No.131), entitled "An act
10 providing that certificates of association and articles of
11 incorporation or of any improvements, amendments, or alterations
12 thereto may be acknowledged and sworn or affirmed to before a
13 notary public or justice of the peace; validating such
14 acknowledgments made prior to the approval of this act."

15 Act of May 12, 1925 (P.L.615, No.329), entitled "An act
16 pertaining to corporations organized or doing business within
17 the Commonwealth; limiting the operation of their by-laws; and
18 providing for the execution of contracts, notes, mortgages, et
19 cetera, by such corporations."

20 Act of May 13, 1925 (P.L.679, No.368), entitled, as amended,
21 "An act authorizing corporations to issue stock to their
22 employes and to employes of their subsidiaries, and authorizing
23 such an issue without first offering such shares to the
24 stockholders, subject to certain limitations."

25 Act of April 27, 1927 (P.L.404, No.260), entitled "An act
26 prohibiting corporations from pleading usury as a defense."

27 Act of April 30, 1929 (P.L.903, No.401), entitled "An act
28 relating to corporations; providing methods of determining what
29 stockholders shall be entitled to vote at meetings, or to
30 receive dividends, or allotments of rights, or to exercise

1 rights; and the effect thereon of transfers of stock within
2 sixty days of any election or meeting."

3 Act of May 16, 1945 (P.L.594, No.249), entitled, as amended,
4 "An act authorizing and empowering any corporation for profit,
5 and any mutual insurance company, mutual savings bank, or other
6 corporation on a mutual plan heretofore or hereafter organized
7 under any general or special law of this Commonwealth, by action
8 of its board of directors to make contributions for public and
9 charitable purposes; and ratifying certain contributions."

10 Section 1 of the act of August 19, 1953 (P.L.1075, No.280),
11 entitled "An act authorizing corporations to grant stock
12 options, pensions and allowances, under certain circumstances;
13 and validating stock options, pensions and allowances heretofore
14 granted."

15 (c) The following acts and parts of acts are repealed
16 absolutely as of the effective date of the act of January 18,
17 1966 (1965 P.L.1406, No.520):

18 Section 5 of the act of April 26, 1855 (P.L.328, No.347),
19 entitled "An act relating to Corporations and to Estates held
20 for Corporate, Religious and Charitable uses."

21 Act of May 23, 1887 (P.L.176, No.112), entitled "An act to
22 authorize certain corporations, incorporated and existing under
23 the laws of any other State of the United States, to purchase
24 certain real estate at judicial sales, and to hold and convey
25 the same under certain conditions."

26 Act of May 3, 1909 (P.L.386, No.215, entitled "An act to
27 provide that notice, whenever required by law, in connection
28 with the formation, amendment, increase or reduction of capital
29 stock, conduct of business, merger, transfer of franchises, or
30 dissolution of corporations, joint-stock companies, limited

1 partnerships or partnership association, shall be published in
2 the legal journal, of the proper county, in which court notices
3 usually appear."

4 Act of June 8, 1911 (P.L.710, No.283), entitled "An act to
5 regulate the doing of business in this Commonwealth by foreign
6 corporations; the registration thereof and service of process
7 thereon; and providing punishment and penalties for the
8 violation of its provisions; and repealing previous legislation
9 on the subject."

10 Act of June 23, 1911 (P.L.1114, No.840), entitled "An act
11 enabling corporations, not authorized by law to hold real estate
12 in Pennsylvania, to convey and make title to such real estate as
13 may have been purchased and held by them prior to the passage of
14 this act."

15 Act of May 13, 1915 (P.L.296, No.179), entitled "An act
16 validating contracts, bonds, or obligations of or belonging to
17 corporations of other States, made, entered into, or acquired
18 prior to the passage of an act, entitled 'An act to regulate the
19 doing of business in this Commonwealth by foreign corporations;
20 the registration thereof and service of process thereon; and
21 providing punishment and penalties for the violation of its
22 provisions; and repealing previous legislation on the subject,'
23 approved the eighth day of June, Anno Domini one thousand nine
24 hundred and eleven (Pamphlet Laws, seven hundred and ten),
25 without such corporations first having established known places
26 of business and designated authorized agents for the transaction
27 of their business within this Commonwealth, and providing for
28 the enforcement of such contracts, bonds, or obligations upon
29 the payment of a penalty and taxes to the Commonwealth."

30 Act of May 24, 1923 (P.L.438, No.232), entitled "An act

1 authorizing corporations incorporated under the laws of any
2 other State of the United States to acquire, use, encumber, and
3 dispose of such real estate, and rights, and interests in, in
4 the nature of or in respect to real estate, in Pennsylvania, as
5 may be necessary and proper for the exercise of such of their
6 corporate purposes as it may be lawful for them to exercise in
7 this State; defining certain of their powers, rights, and
8 liabilities in connection therewith; regulating the exercise of
9 said rights by foreign public service corporations; repealing
10 certain acts; and validating certain titles, rights, and
11 interests heretofore acquired."

12 Act of June 15, 1939 (P.L.344, No.201), entitled "An act to
13 validate mortgages on real estate in this Commonwealth given by
14 a foreign corporation unauthorized to hold title to the said
15 real estate."

16 Act of January 14, 1952 (1951 P.L.1946, No.546), entitled "An
17 act to validate and quiet the title to real estate in this
18 Commonwealth held by a foreign corporation not authorized to
19 transact business in Pennsylvania, and heretofore conveyed to a
20 citizen or citizens of the United States or a corporation
21 authorized to hold such real estate."

22 Act of November 19, 1959 (P.L.1541, No.549), entitled "An act
23 to validate and quiet the title to real estate in this
24 Commonwealth held by a foreign corporation not authorized to
25 transact business in Pennsylvania and heretofore conveyed to a
26 citizen or citizens of the United States or a corporation
27 authorized to hold such real estate."

28 (d) The following acts and parts of acts are repealed
29 insofar as they are inconsistent with 15 Pa.C.S. § 1511
30 (relating to additional powers of certain public utility

1 corporations):

2 Section 3 of the act of April 16, 1838 (P.L.626, No.96),
3 entitled "An act granting certain powers to the Authorities of
4 the cities of Lancaster and Philadelphia, and for other
5 purposes."

6 Last paragraph of section 18 of the act of May 11, 1911
7 (P.L.244, No.158), entitled "An act providing for the original
8 location, laying out and construction of public roads or
9 highways in the several counties of this Commonwealth, and for
10 the permanent improvement of certain public roads or highways
11 therein; making such originally constructed or improved roads
12 and highways county roads; authorizing the relocation, opening,
13 straightening, widening, extension and alteration of the same,
14 and the vacation of so much of any road as may thereby become
15 unnecessary; providing that the county commissioners of any
16 county may prescribe rules regulating the use of roads
17 constructed or maintained by the various counties, and
18 prescribing penalties for the violation thereof; providing for
19 the taking of property for such improvement, the compensation to
20 be paid therefor, and the payment of damages resulting from such
21 taking, and the manner in which such damages may be determined;
22 providing for the payment of the costs and expenses of such
23 construction or improvement and in thereafter repairing and
24 maintaining said roads; authorizing the levy of a tax or the
25 issuing of bonds to provide a fund for the expense thereof;
26 prescribing a method for improving a county road lying within or
27 traversing a borough, and apportioning the cost of such
28 improvement; and authorizing the vacation of any county road."

29 Section 1057 of the act of June 23, 1931 (P.L.932, No.317),
30 known as The Third Class City Code.

1 Clause LVII of section 1502 and section 2084 of the act of
2 June 24, 1931 (P.L.1206, No.331), known as The First Class
3 Township Code.

4 Section 1156 of the act of May 1, 1933 (P.L.103, No.69),
5 known as The Second Class Township Code.

6 Section 1202 of the act of February 1, 1966 (1965 P.L.1656,
7 No.581), known as The Borough Code.

8 (e) (Reserved).

9 (f) All other parts of those acts which are specified in
10 this section and all other acts and parts of acts are repealed
11 insofar as they are in any manner inconsistent with this act.

12 (g) If the act of , 1986 (P.L. , No.), known
13 as the General Association Act of 1986, is enacted, 15 Pa.C.S. §
14 101(d) as added by said act and 15 Pa.C.S. § 101(d) as added by
15 this act are repealed.

16 Section 402. Effective date and applicability.

17 This act shall take effect in 90 days except that:

18 (1) (Reserved).

19 (2) The sixth sentence of 15 Pa.C.S. § 1724(a) relating
20 to term of office of directors), 15 Pa.C.S. § 1726(a)
21 (relating to removal by the shareholders), 15 Pa.C.S. § 1745
22 (relating to advancing expenses), 15 Pa.C.S. § 2522(b)
23 (relating to removal), 15 Pa.C.S. § 2521 (relating to call of
24 special meetings of shareholders), 15 Pa.C.S. § 2535
25 (relating to proposal of amendment to articles) and as much
26 of the act as may be necessary to make these provisions
27 operative shall take effect immediately.

28 (3) (Reserved).

29 (4) (Reserved).

30 (5) The amendment to 54 Pa.C.S. § 311(b)(1) (relating to

use of corporate designators) shall take effect immediately
and shall be retroactive to March 16, 1983.

Section 403. Preparation of act for printing.

In editing and preparing this act for printing in the Laws of
Pennsylvania, or pursuant to 1 Pa.C.S. Ch. 5 (relating to
official publication of the Consolidated Statutes), the Director
of the Legislative Reference Bureau shall insert the date of
enactment, pamphlet law page number and act number of this act
and, if enacted, of the General Association Act of 1986 in the
appropriate blanks of the enrolled bill version of this act,
without obtaining the approvals or marking the notations
required under 1 Pa.C.S. § 1105 (relating to editing statutes
for printing).

SOURCE NOTES

PREPARED BY THE PENNSYLVANIA BAR ASSOCIATION

Derivation Note: This bill is derived verbatim from 1985
S.B. 599 (P.N.671) except for the change of dates from 1985 to
1986, the change of the name of this act and the following
changes:

Section 102: Repeal of existing Title 15 limited to existing
1972 text of Part I.

15 Pa.C.S. § 101(d): New.

15 Pa.C.S. § 1103: Definition of "nonprofit corporation"
revised.

15 Pa.C.S. §§5101 - 9319: Omitted.

Section 105: Omitted.

Section 107: Omitted.

Division II: Omitted.

1 Section 301: Omitted.
2 Section 302: Omitted.
3 Section 303: Omitted.
4 Section 304: Omitted.
5 Section 306: Conforming changes made to certain citations and
6 provision on names of cooperatives.
7 Section 308(g): Omitted.
8 Section 401(e): Omitted.
9 Section 401(g): New.
10 Section 402(1), (3) and (4): Omitted.

11 DIVISION I

12 Section 101: New.
13 Section 102: The provisions repealed by this section are
14 supplied by this act as follows:

	Official	Superseding
	<u>Citation</u>	<u>Provision</u>
17	15 Pa.C.S. §101(a)	15 Pa.C.S. §502
18	(b)	15 Pa.C.S. §1102(b)
19	(c)	Section 104 of Act
20	15 Pa.C.S. §102	15 Pa.C.S. §§102,
21		1103, 5103
22	15 Pa.C.S. §103	15 Pa.C.S. §103
23	15 Pa.C.S. §104	15 Pa.C.S. §104
24	15 Pa.C.S. §105	15 Pa.C.S. §105
25	15 Pa.C.S. §106	15 Pa.C.S. §501(a)
26	15 Pa.C.S. §108	15 Pa.C.S. §106
27	15 Pa.C.S. §109	15 Pa.C.S. §504

1	15 Pa.C.S. §110	15 Pa.C.S. §505
2	15 Pa.C.S. §111	15 Pa.C.S. §107
3	15 Pa.C.S. §112	15 Pa.C.S. §108
4	15 Pa.C.S. §131	15 Pa.C.S. §132(a)-(c)
5	15 Pa.C.S. §132	15 Pa.C.S. §133(a)-(d)
6	15 Pa.C.S. §133	15 Pa.C.S. §135(a)
7	15 Pa.C.S. §134	15 Pa.C.S. §136
8	15 Pa.C.S. §135	15 Pa.C.S. §137
9	15 Pa.C.S. §136	15 Pa.C.S. §138

10 Section 103: The source notes for the affected provisions of
11 Title 15 are as follows (references to "new" 15 Pa.C.S. §§ 5101-
12 9319 are to such provisions as set forth in S.B. 599 (P.N.671)):

13 15 Pa.C.S. §101: Compare new 15 Pa.C.S. §§502, 1102, 2101,
14 2301, 2501, 2701, 2901, 4101, 5102, 6101, 7101, 7302, 7502,
15 8301, 8502, 8701 and 9302. As to subsection (c), compare 1
16 Pa.C.S. §1937.

17 15 Pa.C.S. §102: Derived from former 15 Pa.C.S. §102. The
18 definition of "court" is revised and made subject to general
19 rules. The definitions of "association" and "credit union" are
20 new. The definitions of "business corporation" and "foreign
21 insurance corporation" appear in new 15 Pa.C.S. §1103. The
22 definitions of "corporation for profit" and "corporation not-
23 for-profit" appear in new 15 Pa.C.S. §§1103 and 5103. The
24 definition of "nonprofit corporation" appears in new 15 Pa.C.S.
25 §5103. The definition of "officially publish" appears in new 15
26 Pa.C.S. §§1103 and 5103. The definition of "written" is supplied
27 by 1 Pa.C.S. §1991. The definitions of "foreign business
28 corporation" and "unconsolidated utility corporation" are
29 omitted from this section as a result of the clarification and
30 redefinition of the applicability of the various provisions of

1 new Title 15.

2 15 Pa.C.S. §103: Generalization of former 15 Pa.C.S. §103.

3 See act of May 5, 1933 (P.L.364, No.106), §6D (15 P.S. §1006D).

4 15 Pa.C.S. §104: Derived from act of May 5, 1933 (P.L.364,

5 No.106), §6D (last sentence) (15 P.S. §1006D (last sentence)),

6 and former 15 Pa.C.S. §104. As to jurisdiction of courts, see 42

7 Pa.C.S. §931.

8 15 Pa.C.S. §105: Reenactment of former 15 Pa.C.S. §105.

9 Derived from act of May 5, 1933 (P.L.364, No.106), §7 (15 P.S.

10 §1007).

11 15 Pa.C.S. §106: Reenactment of former 15 Pa.C.S. §108.

12 Derived from act of May 5, 1933 (P.L.364, No.106), §9 (15 P.S.

13 §1009).

14 15 Pa.C.S. §107: Generalization of former 15 Pa.C.S. §111.

15 15 Pa.C.S. §108: Generalization of former 15 Pa.C.S. §112.

16 Provision is made for the termination of registered office

17 address provided by agent, relieving the agent of responsibility

18 for matters tendered to the office, but the old address

19 continues in effect for venue and other purposes. Provision on

20 change of name of agent is patterned in general after Delaware

21 General Corporation Law §134(b).

22 15 Pa.C.S. §109: New.

23 15 Pa.C.S. §110: Patterned in part after 13 Pa.C.S. §1103.

24 Compare new 15 Pa.C.S. §§8304, 8305, 8504 and 9101.

25 15 Pa.C.S. §131: Derived from 54 Pa.C.S. §102.

26 15 Pa.C.S. §132: Subsections (a), (b) and (c) are a

27 generalization of former 15 Pa.C.S. §131. Subsection (d) is a

28 reenactment of section 5(a) of the act of December 16, 1982

29 (P.L.1309, No.295).

30 15 Pa.C.S. §133: Subsections (a)-(d) are substantially a

1 reenactment of former 15 Pa.C.S. §132, except for the
2 penultimate sentence of subsection (d). Subsection (e) is a
3 generalization of section 5(c) of the act of December 16, 1982
4 (P.L.1309, No.295).

5 15 Pa.C.S. §134: Derived from act of May 5, 1933 (P.L.364,
6 No.406), §206B and C (15 P.S. §1206B and C). See new 15 Pa.C.S.
7 §5111.

8 15 Pa.C.S. §135: Subsection (a) is a generalization of
9 former 15 Pa.C.S. §133. References to the docketing statement
10 required by new 15 Pa.C.S. §134 and the provision on documents
11 setting forth a name or mark have been added. Reference to
12 submission of proofs of publication to the Department of State
13 omitted as obsolete. Subsection (b) is intended to abrogate 19
14 Pa. Code §13.8(b). Subsection (c) is a generalization of section
15 5(b) of the act of December 16, 1982 (P.L.1309, No.295).

16 15 Pa.C.S. §136: Substantially a reenactment of former 15
17 Pa.C.S. §134.

18 15 Pa.C.S. §137: Generalization of former 15 Pa.C.S. §135.

19 15 Pa.C.S. §138: Generalization of former 15 Pa.C.S. §136.
20 The description of the document to be filed is changed from a
21 "certificate" to a "statement." Execution of the statement by
22 corporations is governed by new 15 Pa.C.S. §§1108 and 5108.

23 15 Pa.C.S. §139: Derived from act of July 11, 1957 (P.L.691,
24 No.366) (15 P.S. §§806 and 807). A formal assumption of tax
25 liability by a surviving, new or withdrawing corporation, or by
26 one or more of the directors or shareholders of a dissolving
27 corporation, or evidence of some other approved arrangement, is
28 made acceptable in lieu of tax clearance certificates.

29 15 Pa.C.S. §151: Patterned in part after Delaware General
30 Corporation Law §388. Compare 15 Pa.C.S. §4161.

1 15 Pa.C.S. §152: Patterned in part after Delaware General
2 Corporation Law §389.

3 15 Pa.C.S. §501: Derived from Constitution, Article 10, §§2
4 and 3; former 15 Pa.C.S. §106; act of January 18, 1966 (1965
5 P.L.1443, No.521), §3 (15 P.S. §3); act of May 3, 1855 (P.L.423,
6 No.448), §1 (15 P.S. §101); and act of May 5, 1933 (P.L.364,
7 No.106), §§3B and 211 (15 P.S. §§1003B and 1211). See also act
8 of May 5, 1933 (P.L.289, No.105), §3B, as added by act of
9 January 18, 1966 (1965 P.L.1406, No.520) (former 15 P.S.
10 §7003B), and act of May 17, 1921 (P.L.682, No.284), §106 (40
11 P.S. §366).

12 15 Pa.C.S. §502: Derived from former 15 Pa.C.S. §101. Former
13 subsection (b) is omitted from this section as a result of the
14 clarification and redefinition of the applicability of new 15
15 Pa.C.S. Part II, Subpart B.

16 15 Pa.C.S. §503: Generalization of former 15 Pa.C.S. §7990
17 and act of May 5, 1933 (P.L.364, No.106), §1112 (15 P.S. §2112).

18 15 Pa.C.S. §504: Reenactment of former 15 Pa.C.S. §109. See
19 also act of May 5, 1933 (P.L.364, No.106), §12 (15 P.S. §1012).

20 15 Pa.C.S. §505: Substantially a reenactment of former 15
21 Pa.C.S. §110. See also act of May 5, 1933 (P.L.364, No.106), §13
22 (15 P.S. §1013).

23 15 Pa.C.S. §506: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), §14 (15 P.S. §1014). Section 15 of
25 the act of May 5, 1933 (P.L.364, No.106) (15 P.S. §1015) which
26 limited the applicability of this section is omitted.

27 15 Pa.C.S. §521: Substantially a reenactment of act of
28 August 19, 1953 (P.L.1075, No.280), §2 (15 P.S. §113).

29 15 Pa.C.S. §522: Derived from act of April 18, 1945
30 (P.L.253, No.114) §4 (15 P.S. §410).

1 15 Pa.C.S. §523: Derived from act of April 18, 1945
2 (P.L.253, No.114), §§1, 2 and 3 (15 P.S. §§432, 433 and 434).

3 15 Pa.C.S. §1101: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §1 (15 P.S. §1001). Patterned after former 15 Pa.C.S.
5 §7301. Compare new 15 Pa.C.S. §5101.

6 15 Pa.C.S. §1102: Subsections (a), (c) and (d) are derived
7 from act of May 5, 1933 (P.L.364, No.106), §§3 and 4 (15 P.S.
8 §§1003 and 1004). Former subsections 3B and 4C and D are omitted
9 as supplied by section 104 of the act of _____, 1986 (P.L.____,
10 No.____), known as the Corporation Act of 1986 (15 P.S. §____),
11 and otherwise obsolete. Subsection (b) is derived from former 15
12 Pa.C.S. §101(b). Former unconsolidated utility corporations are
13 made subject exclusively to new Title 15. Subsection (a) is
14 patterned after former 15 Pa.C.S. §7102. Compare new 15 Pa.C.S.
15 §5102.

16 15 Pa.C.S. §1103: Derived from act of May 5, 1933 (P.L.364,
17 No.106), §2 (15 P.S. §1002), and former 15 Pa.C.S. §102.
18 Patterned in part after former 15 Pa.C.S. §7103. The definitions
19 of "amendment," "articles," "authorized shares," "board of
20 directors," "business corporation," "business development credit
21 corporation," "bylaws," "closely-held corporation,"
22 "corporation-not-for-profit," "court," "credit union,"
23 "directors," "disparate treatment," "dissenters rights,"
24 "distribution," "employee," "entitled to vote," "fair value,"
25 "foreign business corporation," "foreign domiciliary
26 corporation," "full age," "issue," "management corporation,"
27 "nonqualified foreign corporation," "nonstock corporation,"
28 "obligation," "officer," "officially publish," "plan,"
29 "preference," "professional corporation," "public utility
30 corporation," "qualified foreign business corporation,"

1 "reclassification," "registered corporation," "representative,"
2 "share certificate," "shareholder," "shares," "statutory close
3 corporation," "subscriber," "unless (or "except as") otherwise
4 provided," "unless (or "except as") otherwise restricted," and
5 "voting" are new or revised. The terms "assets," "capital
6 surplus," "earned surplus," "insolvency," "net assets," "open-
7 end investment company," "stated capital," "surplus," "treasury
8 shares," "unreserved," and "unrestricted" are omitted. The term
9 "close corporation" is supplied by "statutory close
10 corporation." The definitions of "cooperative corporation" and
11 "unconsolidated utility corporation" are omitted from this
12 section as a result of the clarification and redefinition of the
13 applicability of new Title 15. The definition of "distribution"
14 is patterned after Model Business Corporation Act §2(i) (1979).
15 The definition of "reclassification" codifies existing law. The
16 definitions of "person" and "written" are supplied by 1 Pa.C.S.
17 §1991. The term "unlisted corporation" is supplied by
18 "registered corporation." Compare new 15 Pa.C.S. §5103.

19 15 Pa.C.S. §1104: New. Compare new 15 Pa.C.S. §5104.

20 15 Pa.C.S. §1105: Substantially a reenactment of act of May
21 5, 1933 (P.L.364, No.106), §§5E and 515K (15 P.S. §1005E and
22 1515K), except last sentence which is new. See new 15 Pa.C.S.
23 §1904. See also new 15 Pa.C.S. Subch. 17F. Compare new 15
24 Pa.C.S. §5105.

25 15 Pa.C.S. §1106: Generalization of act of May 5, 1933
26 (P.L.364, No.106), §5D (15 P.S. §1005D). Patterned after former
27 15 Pa.C.S. §7105. Former paragraphs (3)(ii) and (iv) and (4) are
28 omitted. Subsection (b)(3)(i), (ii) and (v)-(viii) is new.
29 Compare new 15 Pa.C.S. §5106.

30 15 Pa.C.S. §1107: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §6C (15 P.S. §1006C). Patterned after former 15 Pa.C.S.
2 §7107. The concurrent incorporation of unconsolidated utility
3 corporations is abolished. Compare new 15 Pa.C.S. §5107.

4 15 Pa.C.S. §1108: New. Compare new 15 Pa.C.S. §5108.

5 15 Pa.C.S. §1301: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §201 (15 P.S. §1201). Patterned after former 15 Pa.C.S.
7 §7311. Compare new 15 Pa.C.S. §5301.

8 15 Pa.C.S. §1302: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §201 (15 P.S. §1201). Patterned after former 15 Pa.C.S.
10 §7312. Compare new 15 Pa.C.S. §5302.

11 15 Pa.C.S. §1303: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §202A, B, C, D and F (15 P.S. §1202A, B, C, D and F).
13 Patterned after former 15 Pa.C.S. §7313. Subsection (a) is
14 patterned in part after N.J.S.A. §14A:1-6(1)(a). Restrictions on
15 use of the terms "company" and "Co." are omitted. Subsection
16 (a)(3) is patterned after Delaware General Corporation Law
17 §102(a)(1). "Confusingly" substituted for "deceptively" to avoid
18 any implication that the provisions of subsection (b) are
19 operative only in cases of deceit (see N.J.S.A. §14A:2-2(1)(b)).
20 References to domestic and qualified foreign limited
21 partnerships are added to subsection (b)(1). Reference to the
22 former bonus reports is omitted from subsection (b)(1)(i)(B).
23 Subsection (b)(1)(i)(C) is new. The reference to bank holding
24 companies in subsection (c)(1)(ii) is derived from section
25 805(b)(vii) of the Banking Code of 1965, as added by the act of
26 July 6, 1984 (P.L.621, No.128), §8. The word "seminary" is added
27 to subsection (c)(2)(i). Subsection (c)(2)(iv) is new (see new
28 15 Pa.C.S. §7102). The last sentence of subsection (d) is
29 patterned after Model Business Corporation Act §8(c)(2) (1971).
30 See new 15 Pa.C.S. §1106(b)(2) as to the status of certain

nonconforming names of existing corporations. Compare new 15 Pa.C.S. §5303.

15 Pa.C.S. §1304: Substantially a reenactment of act of May 5, 1933 (P.L.364, No.106), §202E and G (15 P.S. §1202E and G), after giving effect to the enactment of new 15 Pa.C.S. Ch. 85. Patterned after former 15 Pa.C.S. §7314. The three-year period for filing reports appears in new 15 Pa.C.S. §1303(b)(1)(i)(B). "Confusingly" substituted for "deceptively" to avoid any implication that the provisions are operative only in cases of deceit (see N.J.S.A. §14A:2-2(1)(b)). Compare new 15 Pa.C.S. §5304.

15 Pa.C.S. §1305: Derived from act of May 5, 1933 (P.L.364, No.106), §203 (15 P.S. §1203). Patterned after former 15 Pa.C.S. §7315. The restrictions on who may reserve a name are omitted. The reservation period is increased to 120 days (see N.J.S.A. §14A:2-3(2) and Model Business Corporation Act §9, second paragraph (1971)). Compare new 15 Pa.C.S. §5305.

15 Pa.C.S. §1306: Derived from act of May 5, 1933 (P.L.364, No.106), §204 (15 P.S. §1204). Patterned after former 15 Pa.C.S. §7316. Subsection (a)(1) is patterned in part after N.J.S.A. §14A:1-6(1)(a). The reference in subsection (a)(4) to organization upon a nonstock basis is new (see new 15 Pa.C.S. §2101). The second sentence of subsection (a)(4)(i) is new. A reference to "voting rights" is added to subsection (a)(4)(ii) and (iii). Subsection (a)(4)(iii) is patterned in part after N.J.S.A. §14A:2-7(1)(e). In subsection (a)(6) the duration of a corporation is made perpetual in the absence of a provision in the articles to the contrary. Subsection (a)(7) is new.

Provisions on par value and the purpose of the corporation are made optional by transfer to subsection (a)(8). The requirement

1 that the incorporators subscribe for shares is omitted. Compare
2 new 15 Pa.C.S. §5306.

3 15 Pa.C.S. §1307: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §205 (15 P.S. §1205). Patterned after former 15 Pa.C.S.
5 §7317. The requirements that the advertisement state the date
6 that the articles will be or were filed with the Department of
7 State and the purpose of the corporation are omitted. Compare
8 new 15 Pa.C.S. §5307.

9 15 Pa.C.S. §1308: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §206A (15 P.S. §1206A). Patterned after former 15
11 Pa.C.S. §7318. The requirement for issuance of a certificate of
12 incorporation is supplied by new 15 Pa.C.S. §133(e). Compare new
13 15 Pa.C.S. §5308.

14 15 Pa.C.S. §1309: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §207 (15 P.S. §1207). Patterned after former 15 Pa.C.S.
16 §7319. Reference to subscribers automatically becoming
17 shareholders is omitted. Subscribers, however, are shareholders
18 under the definition of the latter term in 15 Pa.C.S. §1103.
19 Reference to effective date specified in the articles is new
20 (see new 15 Pa.C.S. §1306(a)(7)). Compare new 15 Pa.C.S. §5309.

21 15 Pa.C.S. §1310: Subsections (a) and (b) are derived from
22 act of May 5, 1933 (P.L.364, No.106), §210 (15 P.S. §1210). The
23 last sentences of subsections (a) and (b) and all of subsection
24 (c) are new. Patterned after former 15 Pa.C.S. §7320. In
25 subsection (b) the number of persons required to call a meeting
26 is reduced to any one director or incorporator. Compare new 15
27 Pa.C.S. §5310.

28 15 Pa.C.S. §1311: Generalization of act of July 9, 1970
29 (P.L.461, No.160), §4(d) (15 P.S. §2904(d)). Patterned after
30 former 15 Pa.C.S. §7321. The last sentence of subsection (a)(4)

1 and subsections (b) and (c) are new. The designation of the
2 document is changed from "certificate" to "statement." Execution
3 of the statement of summary of record is governed by new 15
4 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5311.

5 15 Pa.C.S. §1341: Patterned in part after Delaware General
6 Corporation Law §312. Compare new 15 Pa.C.S. §5341.

7 15 Pa.C.S. §1501: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §301 (15 P.S. §1301). Patterned after former 15 Pa.C.S.
9 §7501. The limitation on corporate capacity to acts necessary to
10 accomplish the corporation's purposes is omitted as obsolete
11 (cf. new 15 Pa.C.S. §1301). Compare new 15 Pa.C.S. §5501.

12 15 Pa.C.S. §1502: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §§302, 314, 315, 316 and 613B (15 P.S. §§1302, 1314,
14 1315, 1316 and 1613B). Patterned after former 15 Pa.C.S. §7502.
15 Subsection (a)(1) is patterned in part after Model Business
16 Corporation Act §4(a) (1971). References to "evidences of
17 indebtedness" are supplied by the definition of "obligation" in
18 new 15 Pa.C.S. §1103. The limitations in former paragraph 302(8)
19 on the consideration receivable for the issuance of debt
20 obligations are omitted as obsolete, and those on the
21 reacquisition of shares are supplied by new 15 Pa.C.S. §1551.

22 The power to make, alter, amend and repeal bylaws appears in new
23 15 Pa.C.S. §1504. Subsection (a)(5) is patterned in part after
24 proposed 1983 Revised Model Business Corporation Act §3.02(6)
25 (exposure draft, March 1983). Subsection (a)(6) is patterned in
26 part after Delaware General Corporation Law §122(13). Subsection
27 (a)(9) is patterned in general after proposed 1983 Revised Model
28 Business Corporation Act §3.02(14) (exposure draft, March 1983).
29 Subsection (a)(14) is patterned in part after Model Business
30 Corporation Act §4(o) (1971). The express statement in

1 subsection (a)(16) of the power to lend money and credit to
2 representatives of the corporation is patterned after proposed
3 1983 Revised Model Business Corporation Act §3.02(12) (exposure
4 draft, March 1983). The express statement in subsection (a)(16)
5 of the power to pay bonuses or other additional compensation for
6 past services by representatives of the corporation is intended
7 as a codification of existing law. The power to dissolve and
8 wind up appears in new 15 Pa.C.S. §§1971 and 1972. The first
9 sentence of the final paragraph of former section 302 is omitted
10 as obsolete. Former section 613B is supplied by new subsection
11 (a)(15) and (16), the general principles of agency incorporated
12 by new 15 Pa.C.S. §110 and new 15 Pa.C.S. §1508. Subsection
13 (a)(18) is new and is intended as a codification of existing law
14 and practice. Compare new 15 Pa.C.S. §5502.

15 15 Pa.C.S. §1503: Derived from act of May 5, 1933 (P.L.364,
16 No.106), § 303 (15 P.S. §1303). Patterned after former 15
17 Pa.C.S. §7503. Subsection (a) expanded to include limitations on
18 the business, purpose or powers of the corporation contained in
19 the bylaws. Subsection (b) expanded to include conveyances or
20 transfers made by employees or agents. Compare new 15 Pa.C.S.
21 §5503.

22 15 Pa.C.S. §1504: The first three sentences of subsection
23 (a) and subsection (d) are derived from act of May 5, 1933
24 (P.L.364, No.106), §304 (15 P.S. §1304). The balance of
25 subsection (a) and subsections (b) and (c) are new. Requirement
26 that notice be given that a purpose of a meeting is to change
27 the bylaws has been limited to meetings of the shareholders.
28 Patterned after former 15 Pa.C.S. §7504. Compare new 15 Pa.C.S.
29 §5504.

30 15 Pa.C.S. §1505: Reenactment of act of May 5, 1933

1 (P.L.364, No.106), §305 (first sentence) (15 P.S. §1305 (first
2 sentence)). Patterned after former 15 Pa.C.S. §7505. Compare new
3 15 Pa.C.S. §5505.

4 15 Pa.C.S. §1506: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §305 (except first sentence) (15 P.S. §1305 (except
6 first sentence)). Patterned after former 15 Pa.C.S. §7506.

7 Subsection (a) is extended to execution by one or more officers
8 or agents having actual or apparent authority. In subsection (b)
9 the exception relating to inconsistent statutes is omitted (cf.
10 new 15 Pa.C.S. §1108). Compare new 15 Pa.C.S. §5506.

11 15 Pa.C.S. §1507: Subsections (a) and (b) are derived from
12 act of May 5, 1933 (P.L.364, No.106), §§306 and 307 (15 P.S.
13 §§1306 and 1307), and are patterned after former 15 Pa.C.S.
14 §7507. The second sentence of former section 306 is supplied by
15 new 15 Pa.C.S. §1306(a)(2). Requirement of an absolute majority
16 vote of the board of directors to change the registered office
17 is supplied by new 15 Pa.C.S. §1727. The reference in subsection
18 (b) to change of registered office by amendment of the articles
19 has been added. Execution of the statement of change of
20 registered office is governed by new 15 Pa.C.S. §1108. The final
21 paragraph of former section 307 is supplied by new 15 Pa.C.S.
22 §136(c). Subsections (c) and (d) are new. Compare new 15 Pa.C.S.
23 §5507.

24 15 Pa.C.S. §1508: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §308 (15 P.S. §1308). Patterned after former 15 Pa.C.S.
26 §7508. Specific reference to text of the bylaws, and requirement
27 that corporate records, other than the share register, be kept
28 at the registered office or principal place of business of the
29 corporation, are omitted. The last sentence of subsection (a) is
30 patterned after the last sentence of Model Business Corporation

1 Act §52, first paragraph (1971) (see also N.J.S.A. §14A:5-
2 28(1)). The reference in prior law to venue is supplied by the
3 definition of "court" in new 15 Pa.C.S. §1103. See also new 15
4 Pa.C.S. §1554. Compare new 15 Pa.C.S. §5508.

5 15 Pa.C.S. §1509: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §321 (15 P.S. §1321). Regular bylaws may restrict the
7 adoption of emergency bylaws, and offices of the corporation may
8 be changed. Subsection (a) is patterned in part after 1983
9 Revised Model Business Corporation Act §3.03(d) (exposure draft,
10 March 1983). Subsection (c)(2) is patterned after the last
11 sentence of Model Business Corporation Act §27A, last paragraph
12 (1971) (see also N.J.S.A. §14A:2-10(7)). Compare new 15 Pa.C.S.
13 §5509.

14 15 Pa.C.S. §1510: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §313 (15 P.S. §1313). Patterned after former 15
16 Pa.C.S. §7544. The general reference to the lawful rate of
17 interest (rather than 6%) is added. The reference in subsection
18 (a) to finance, service and default charges and subsection (b)
19 are intended, inter alia, to make clear that the policy of this
20 section applies to installment sale contracts subject to the act
21 of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle
22 Sales Finance Act (69 P.S. §§601 et seq.) and all other economic
23 regulation of interest paid or incurred by bona fide
24 corporations. Compare new 15 Pa.C.S. §5510.

25 15 Pa.C.S. §1511: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §322 (15 P.S. §1322), as supplemented as to oxygen or
27 nitrogen pipeline transportation by the act of November 18, 1968
28 (P.L.1050, No.321), §2 (15 P.S. §4382). Reference in subsection
29 (e) to "other statutes" eliminated as obsolete. Subsection
30 (g)(2) is derived from act of April 29, 1874 (P.L.73, No.32),

1 §41 (15 P.S. §§3021-3) and act of April 17, 1929 (P.L.531,
2 No.234) §§1 and 2 (15 P.S. §§115 and 116) (see 40 P.S. §§831 and
3 835). The distance in subsection (b)(1)(i) is converted from 300
4 feet to 100 meters. The Eminent Domain Code procedure is made
5 available as an alternative to the "lines" condemnation
6 procedure of the Corporation Act of 1874 as to electric, gas,
7 oil and petroleum products condemnations, and as a substitute
8 for the 1874 Act procedure in the case of water, telephone and
9 telegraph condemnations.

10 15 Pa.C.S. §1521: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §601 (15 P.S. §1601). The fourth sentence of former
12 section 601 is omitted. Whether or not a class vote will be
13 available to a series of shares will depend on the substantive
14 effect of any particular fundamental transaction on the series.
15 The penultimate sentence of former section 601 is omitted in
16 light of 15 Pa.C.S. §1721(a). The last sentence of former
17 section 601 is omitted as redundant. The last sentence of
18 subsection (a) is patterned after New York Business Corporation
19 Law §803(b). Subsection (b)(1) is new and, except for the second
20 sentence of subsection (b)(1)(i), is patterned after Model
21 Business Corporation Act §15, second paragraph (1979). The
22 second sentence of subsection (b)(1)(i) is substantially a
23 reenactment of act of May 5, 1933 (P.L.364, No.106), §701A
24 (second sentence) (15 P.S. §1701A (second sentence)). Subsection
25 (b)(2) is new (cf. similar provisions added in new 15 Pa.C.S.
26 Ch.19). Subsection (b)(3) is intended as a codification of
27 existing law. West Chester and Philadelphia R.R. Co. v. Jackson,
28 77 Pa. 321 (1875) (dividends); Warren v. Queen & Co., 240 Pa.
29 154, 87 At. 595 (1913) (redemption). Subsection (c) is new (cf.
30 new 15 Pa.C.S §1504(b)).

1 15 Pa.C.S. §1522: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §602 (15 P.S. §1602). Patterned after N.J.S.A. §14A:7-
3 2. See new 15 Pa.C.S. §1914(c). Execution of the statement with
4 respect to shares is governed by new 15 Pa.C.S. §1108.

5 Subsections (d)(5) and (f) are new.

6 15 Pa.C.S. §1523: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §603 (15 P.S. §1603). Provisions on the payment of
8 subscriptions are supplied by new 15 Pa.C.S. §1524. Reference to
9 treasury shares omitted since the sale or other disposition of
10 treasury shares is included in the definition of "issue" in 15
11 Pa.C.S. §1103 and is therefore covered by this section. Under
12 new 15 Pa.C.S. §1524(c), all shares are deemed fully paid.

13 Former subsections B and C are omitted as obsolete.

14 15 Pa.C.S. §1524: Subsections (a) and (c) are derived from
15 act of May 5, 1933 (P.L.364, No.106), §§604, 605, 606 and 610
16 (15 P.S. §§1604, 1605, 1606 and 1610). The references to future
17 services or the note or obligation of a shareholder as good
18 consideration are new. Calls on shares are abolished and all
19 shares are deemed fully paid, except against the subscriber, but
20 shares may be assessable only if and to the extent provided by a
21 regulatory law. Subsection (b) is derived from act of May 5,
22 1933 (P.L.364, No.106), §702.1 (15 P.S. §1702.1) and is intended
23 as a codification of existing law. Subsection (d) is new (cf.
24 the definitions of "shareholder" and "subscriber" in new 15
25 Pa.C.S. §1103). Subsection (e) is new.

26 15 Pa.C.S. §1525: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §612 (15 P.S. §1612). Subsection (a) is patterned in
28 part after Model Business Corporation Act §20 (first and second
29 sentences) (1971).

30 15 Pa.C.S. §1526: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §609 (first sentence) (15 P.S. §1609 (first sentence)).
2 The balance of former section 609 is omitted as obsolete.
3 Compare new 15 Pa.C.S. §5553.

4 15 Pa.C.S. §1527: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §608 (15 P.S. §1608). Provision for uncertificated
6 fractions of a share has been added (cf. new 15 Pa.C.S.
7 §1528(f)). Subsection (a) is patterned after Delaware General
8 Corporation Law §155 (first three sentences). Reference to "fair
9 value" in subsection (a)(2) is not intended to imply that the
10 procedures of new Subchapter 15D are available since fair value
11 is to be determined in the manner provided in the plan,
12 amendment or resolution of the board providing for the creation
13 of the fractional interests, but it is intended that the
14 standard for fair value in new 15 Pa.C.S. §1572 will apply.
15 Subsection (b) is substantially a reenactment of the last
16 sentence of former section 608. See 15 Pa.C.S. §1502(c).

17 15 Pa.C.S. §1528: Subsection (a) is new. Subsections (b) -
18 (e) are derived from act of May 5, 1933 (P.L.364, No.106), §607
19 (15 P.S. §1607). Former subsection A(4) and former subsection C
20 are omitted as obsolete. Reference to voting rights in
21 subsection (d) and the use of any form of execution of a share
22 certificate in subsection (e) are new. Subsection (f) is
23 patterned after the last paragraph of Model Business Corporation
24 Act §23 (1977).

25 15 Pa.C.S. §1529: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §§613A and 613.1 (15 P.S. §§1613A and 1613.1).
27 Provisions regarding uncertificated securities in subsection (f)
28 are new (cf. new 15 Pa.C.S. §1528(f)).

29 15 Pa.C.S. §1530: Substantially a reenactment of act of May
30 5, 1933 (P.L.364, No.106), §611A (15 P.S. §1611A). Former

1 subsections 611B and C are omitted, and preemptive rights are
2 made exclusively a matter of contract set forth in the articles.

3 15 Pa.C.S. §1531: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §309.1 (15 P.S. §1309.1). Patterned
5 after former 15 Pa.C.S. §7768. See new 15 Pa.C.S. §1725(b).
6 Compare new 15 Pa.C.S. §5767.

7 15 Pa.C.S. §1532: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), §615 (15 P.S. §1615), except that the
9 applicability to divisions is new (cf. new 15 Pa.C.S. Ch.19D).

10 15 Pa.C.S. §1551: Patterned in part after Model Business
11 Corporation Act §45 (1979). Compare act of May 5, 1933 (P.L.364,
12 No.106), §§702 and 703 (15 P.S. §§1702 and 1703). Subsections
13 (c) and (d) are intended to overrule In re Trimble Co., 339 F.2d
14 838 (3d Cir. 1964).

15 15 Pa.C.S. §1552: Patterned in part after Model Business
16 Corporation Act §6, first paragraph (1979). Compare act of May
17 5, 1933 (P.L.364, No.106), §§701, 708 and 709 5 P.S. §§1701,
18 1708 and 1709).

19 15 Pa.C.S. §1553: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §707 (15 P.S. §1707). Patterned in part after Model
21 Business Corporation Act §48 (1979), except that a restriction
22 on the declaration of distributions by the directors may be
23 contained in the bylaws.

24 15 Pa.C.S. §1554: Subsection (a) is derived from act of May
25 5, 1933 (P.L.364, No.106), §318 (15 P.S. §1318); and is
26 patterned in part after Model Business Corporation Act §52,
27 final paragraph (1978). Subsections (b) and (c) are new. Compare
28 new 15 Pa.C.S. §5554.

29 15 Pa.C.S. §1571: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§311F and 515A, L and M (15 P.S. §§1311F and 1515A, L

1 and M). Subsection (a) is patterned in part after Model Business
2 Corporation Act §80(a) (1978). Subsection (b)(1) reflects the
3 expansion of the exclusion in the Delaware General Corporation
4 Law to cover all national securities exchanges and to reduce the
5 number of shareholders from 2,500 to 2,000. See Delaware General
6 Corporation Law §262(b)(1). Subsection (b)(3) is broadened to
7 eliminate dissenters rights on all "de facto merger" purchases
8 of shares, property or assets, and is intended to overrule
9 footnote seven of Terry v. Penn Central Corp. 668 F.2d 188, 194
10 (3rd Cir. 1981) (see new 15 Pa.C.S. §1904).

11 15 Pa.C.S. §1572: Patterned after Model Business Corporation
12 Act §81(a) (1978). The reference to consideration of all
13 relevant factors in the definition of "fair value" is patterned
14 after Delaware General Corporation Law §262(h), and is intended
15 as a codification of Weinberger v. UOP, Inc., ___ Del. ___, 457
16 A.2d 701 (1983). The definition of "interest" is patterned after
17 Delaware General Corporation Law §262(h).

18 15 Pa.C.S. §1573: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §515B (fourth sentence) (15 P.S. §1515B (fourth
20 sentence)). Patterned after Model Business Corporation Act
21 §80(b) (1978).

22 15 Pa.C.S. §1574: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §515B (15 P.S. §1515B). Patterned in part after Model
24 Business Corporation Act §81(c) (1980).

25 15 Pa.C.S. §1575: Patterned after Model Business Corporation
26 Act §81(d) (1978).

27 15 Pa.C.S. §1576: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §515I (15 P.S. §1515I). Patterned after Model Business
29 Corporation Act §81(e) (1978).

30 15 Pa.C.S. §1577: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §515D, E and I (15 P.S. §1515D, E and I). Patterned in
2 part after Model Business Corporation Act §81(f) (1978) and
3 Delaware General Corporation Law §262.

4 15 Pa.C.S. §1578: Patterned in part after Model Business
5 Corporation Act §81(g) (1978).

6 15 Pa.C.S. §1579: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §§515C, F and G (15 P.S. §§1515C, F and G). Patterned
8 in part after Model Business Corporation Act §81(h) (1978).
9 Subsection (h)(2) of the Model Act is supplied by the definition
10 of "court" in new 15 Pa.C.S. §1103, and the provision on
11 discovery has been omitted.

12 15 Pa.C.S. §1580: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §515H (15 P.S. §1515H) and 42 Pa.C.S. §2503. Patterned
14 after Model Business Corporation Act §81(i) (1978).

15 15 Pa.C.S. §1701: Patterned after former 15 Pa.C.S. §7701.
16 Compare new 15 Pa.C.S. §5701.

17 15 Pa.C.S. §1702: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §§8A, 404 (last sentence) and 502 (last sentence) (15
19 P.S. §§1008A, 1404 (last sentence) and 1502 (last sentence)).
20 Patterned after former 15 Pa.C.S. §7702. The last clause of
21 subsection (b) is patterned in part after Delaware General
22 Corporation Law §222(c). Compare new 15 Pa.C.S. §5702.

23 15 Pa.C.S. §1703: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), §§402(4) and 404 (except last
25 sentence) (15 P.S. §§1402(4) and 1404 (except last sentence)).
26 Patterned after former 15 Pa.C.S. §7704. The last sentence of
27 subsection (b) is intended as a codification of existing law.
28 Compare new 15 Pa.C.S. §5703.

29 15 Pa.C.S. §1704: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§8A (last sentence), 501A, 501C (except first

1 sentence) and 502 (first sentence) (15 P.S. §§1008A (last
2 sentence), 1501A, 1501C (except first sentence) and 1502 (first
3 sentence)). Patterned after former 15 Pa.C.S. §7705. The minimum
4 period for giving notice of meetings of shareholders is
5 increased by five days. Compare new 15 Pa.C.S. §5704.

6 15 Pa.C.S. §1705: Substantially a reenactment of act of May
7 5, 1933 (P.L.364, No.106), §8B and C (15 P.S. §1008B and C).
8 Patterned after former 15 Pa.C.S. §7706. Reference to attendance
9 by proxy appears in new 15 Pa.C.S. §1759(a)(2). The requirement
10 in subsection (b) that objection be made at the beginning of the
11 meeting is new. Compare new 15 Pa.C.S. §5705.

12 15 Pa.C.S. §1706: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §8D (15 P.S. §1008D). Patterned after former 15 Pa.C.S.
14 §7707. Compare new 15 Pa.C.S. §5706.

15 15 Pa.C.S. §1707: Subsection (a) is patterned after former
16 15 Pa.C.S. §7708. Subsection (b) is new. Compare new 15 Pa.C.S.
17 §5707.

18 15 Pa.C.S. §1708: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §8E (15 P.S. §1008E). The reference in former section
20 8E to committees of the board has been deleted in light of new
21 15 Pa.C.S. §1731(c). Patterned after former 15 Pa.C.S. §7709.
22 The requirement of an enabling bylaw provision is omitted. The
23 second sentence is intended as a codification of existing law.
24 Compare new 15 Pa.C.S. §5708.

25 15 Pa.C.S. §1721: Subsection (a) is derived from the act of
26 May 5, 1933 (P.L.364, No.106), §401 (first sentence) (15 P.S.
27 §1401 (first sentence)), and patterned after Model Business
28 Corporation Act §35, first subsection (1974). Subsections (b)
29 and (c) are derived from act of May 5, 1933 (P.L.364, No.106),
30 §408A (15 P.S. §1408A); and patterned after Model Business

1 Corporation Act §35, second and third paragraphs (1974),
2 California Corporations Code §309 and New York Business
3 Corporation Law §717. The first sentence of subsection (d) is a
4 reenactment of act of May 5, 1933 (P.L.364, No.106), § 408B (15
5 P.S. § 1408B), as added by act of December 23, 1983 (P.L.395,
6 No.92), § 1. The balance of subsection (d) is new. See 1981 S.B.
7 1361 (P.N.2239). Once the board of directors has considered the
8 interests it deems relevant, it is intended that the board be
9 free to take any lawful action it deems appropriate, including
10 in the content of a tender offer or takeover attempt. Compare
11 new 15 Pa.C.S. §5721 and Section 208 of the act of _____, 1986
12 (P.L._____, No.____), known as the Corporation Act of 1986 (15
13 P.S. §____).

14 15 Pa.C.S. §1722: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §§401 (first sentence) and 402 (first sentence) (15
16 P.S. §§1401 (first sentence) and 1402 (first sentence)).
17 Patterned after former 15 Pa.C.S. §7722. Compare new 15 Pa.C.S.
18 §5722.

19 15 Pa.C.S. §1723: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §402 (second sentence and paragraph (2)) (15 P.S. §1402
21 (second sentence and paragraph (2))). Patterned after former 15
22 Pa.C.S. §7723. The requirement of a minimum size of the board is
23 omitted. Compare new 15 Pa.C.S. §5723.

24 15 Pa.C.S. §1724: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §§401 (second sentence), 402(1) and 403 (except first
26 and last sentences) (15 P.S. §§1401 (second sentence), 1402(1)
27 and 1403 (except first and last sentences)). Patterned after
28 former 15 Pa.C.S. §7724. The second and third sentences of
29 subsection (a) are intended as a codification of existing law
30 and practice. The restrictions that the first directors may

1 serve only until the first annual meeting and that members of a
2 class of directors shall not be elected for a period shorter
3 than one year are omitted. The last sentence of subsection (a)
4 is patterned after Model Business Corporation Act §36 (third
5 sentence) (1971). See section 402(2) of the act of ,
6 1986 (P.L. , No.), known as the Corporation Act of 1986
7 (15 P.S. §). Compare new 15 Pa.C.S. §5724.

8 15 Pa.C.S. §1725: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §§401 (third sentence), 402 (first sentence), 402(3)
10 and 403 (first sentence) (15 P.S. §§1401 (third sentence), 1402
11 (first sentence), 1402(3) and 1403 (first sentence)). Patterned
12 after former 15 Pa.C.S. §7725. The reference to a sole remaining
13 director in subsection (c)(1)(i) is new. The last clause of
14 subsection (c)(1)(i) reverses the prior law. Subsection
15 (c)(1)(ii) and subsection (d) are new. Subsection (c)(2) is
16 patterned after Delaware General Corporation Law §223(b).
17 Compare new 15 Pa.C.S. §5725.

18 15 Pa.C.S. §1726: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §405 (15 P.S. §1405). Patterned after former 15 Pa.C.S.
20 §7726. The introductory clauses of subsections (a)(1) and (b)
21 and subsection (a)(3) and (5) are added. Provision in subsection
22 (a)(1) that directors may be removed by vote of the series of
23 shares entitled to elect them is patterned after Delaware
24 General Corporation Law §141(k). See also Md. Corps. and Ass'ns
25 Code Ann. §2-406(b). Subsection (a)(2) is patterned after
26 Delaware General Corporation Law §141(k)(i). In subsection (b)
27 conviction of a crime punishable by imprisonment for more than
28 one year is substituted for conviction of a felony (cf. 18
29 Pa.C.S. §106), and a requirement for cause specified in the
30 bylaws is added. In subsection (c) the references to petition by

1 a director and to removal for other proper cause are new. The
2 last clause of subsection (c) substitutes for the prior
3 requirement that a petitioning shareholder hold at least a 10%
4 stock interest. The reference in prior law to venue is supplied
5 by the definition of "court" in new 15 Pa.C.S. §1103. Subsection
6 (d) is patterned after N.J.S.A. §14A:6-6(5). Compare new 15
7 Pa.C.S. §5726.

8 15 Pa.C.S. §1727: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §402(5) and 402(7) (15 P.S. §1402(5) and (7)).
10 Patterned after former 15 Pa.C.S. §7727. The introductory
11 clauses of subsections (a) and (b) are added. The words "and
12 voting" in subsection (a) are added. The reference in subsection
13 (b) to consents prior or subsequent to an action is added. The
14 reference to action by a committee of the board appears in new
15 15 Pa.C.S. §1731(c). Compare new 15 Pa.C.S. §5727.

16 15 Pa.C.S. §1728: Subsections (a) and (b) are substantially
17 a reenactment of act of May 5, 1933 (P.L.364, No.106), §409.1
18 (15 P.S. §1409.1), and are patterned after former 15 Pa.C.S.
19 §7728(a) and (b), except that the reference in subsection (a) to
20 an "other" interest is added, and the voting procedure in
21 subsection (a)(1) is clarified. The standard of conduct for the
22 board appears in new 15 Pa.C.S. §1721(b). Subsection (c) is
23 patterned in part after former 15 Pa.C.S. §7728(c). Compare new
24 15 Pa.C.S. §5728.

25 15 Pa.C.S. §1729: Patterned after former 15 Pa.C.S. §7729.
26 Compare new 15 Pa.C.S. §5729.

27 15 Pa.C.S. §1730: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §401 (penultimate and last sentences)
29 (15 P.S. §1401 (penultimate and last sentences)). Patterned
30 after former 15 Pa.C.S. §7730. Compare new 15 Pa.C.S. §5730.

1 15 Pa.C.S. §1731: Subsection (a) is derived from act of May
2 5, 1933 (P.L.364, No.106), §402(6) (15 P.S. §1402(6)), and is
3 patterned after former 15 Pa.C.S. §7731(a). The requirement that
4 committees must be established by at least the specified
5 majority of the directors is added. The restrictions in
6 subsection (a)(1) are added. Subsection (b) is patterned after
7 former 15 Pa.C.S. §7731(b). Subsection (c) is patterned after
8 the penultimate and last sentences of the definition of "board
9 of directors" in former 15 Pa.C.S. §7103. Compare new 15 Pa.C.S.
10 §5731.

11 15 Pa.C.S. §1732: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §406 (15 P.S. §1406). Patterned after former 15 Pa.C.S.
13 §7732. The requirement that a corporation have a president,
14 secretary and treasurer, by name, is omitted. The reference in
15 the sixth sentence of subsection (a) to election or appointment
16 in a manner or for a term fixed pursuant to the bylaws is added.
17 The seventh, eighth and ninth sentences of subsection (a) are
18 new. The powers of the board of directors to elect and fix the
19 compensation of officers and fill vacancies appear in new 15
20 Pa.C.S. §1502(a)(16). Compare new 15 Pa.C.S. §5732.

21 15 Pa.C.S. §1733: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §407 (15 P.S. §1407). Patterned after former 15 Pa.C.S.
23 §7733. The standard of conduct of the board of directors appears
24 in new 15 Pa.C.S. §1721. The last sentence is patterned after
25 Model Business Corporation Act §51 (last sentence) (1971).
26 Compare new 15 Pa.C.S. §5733.

27 15 Pa.C.S. §1741: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §410A (15 P.S. §1410A), except that
29 the introductory clause is new (but see new 15 Pa.C.S. §1743).
30 Patterned after former 15 Pa.C.S. §7741. Compare new 15 Pa.C.S.

1 §5741.

2 15 Pa.C.S. §1742: Substantially a reenactment of act of May
3 5, 1933 (P.L.364, No.106), §410B (15 P.S. §1410B), except that
4 the introductory clause is new (but see new 15 Pa.C.S. §1743).
5 Patterned after former 15 Pa.C.S. §7742. Compare new 15 Pa.C.S.
6 §5742.

7 15 Pa.C.S. §1743: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), §410C (15 P.S. §1410C). Patterned
9 after former 15 Pa.C.S. §7743. The first clause is intended as a
10 codification of existing law. Compare new 15 Pa.C.S. §5743.

11 15 Pa.C.S. §1744: Substantially a reenactment of act of May
12 5, 1933 (P.L.364, No.106), §410D (15 P.S. §1410D). Patterned
13 after former 15 Pa.C.S. §7744. Compare new 15 Pa.C.S. §5744.

14 15 Pa.C.S. §1745: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §410E (15 P.S. §1410E). Patterned after former 15
16 Pa.C.S. §7745 and Delaware General Corporation Law §145(e). The
17 reference to attorneys' fees is intended as a codification of
18 existing law. The determination to advance expenses may be made
19 by the board, subject to the generally applicable standard of
20 care (see new 15 Pa.C.S. §1721). See section 402(2) of the act
21 of , 1986 (P.L. , No.), known as the Corporation
22 Act of 1986 (15 P.S. §). Compare new 15 Pa.C.S. §5745.

23 15 Pa.C.S. §1746: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), §410F (15 P.S. §1410F). Patterned
25 after former 15 Pa.C.S. §7746. Compare new 15 Pa.C.S. §5746.

26 15 Pa.C.S. §1747: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §410G (15 P.S. §1410G). Patterned after former 15
28 Pa.C.S. §7747. The introductory clause is new. The final
29 sentence is intended to overrule Nationwide Mutual Ins. Co. v.
30 Hassinger, Pa. Super. , 473 A.2d 171 (1984), insofar as it

1 relates to the purchase and maintenance of insurance coverage
2 under this section against intentional acts. Compare new 15
3 Pa.C.S. §5747.

4 15 Pa.C.S. §1748: Patterned after former 15 Pa.C.S. §7748.
5 Compare new 15 Pa.C.S. §5748.

6 15 Pa.C.S. §1749: Patterned after Delaware General
7 Corporation Law §145(i). Compare new 15 Pa.C.S. §5749.

8 15 Pa.C.S. §1754: Intended as a codification of existing
9 law.

10 15 Pa.C.S. §1755: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §501B, C and D (15 P.S. §1501B, C and D). Patterned
12 after former 15 Pa.C.S. §7755. The right of a shareholder to
13 call the annual meeting as set forth in the text is substituted
14 for the right to call the meeting during the next calendar year.
15 The right of the president to call a special meeting is omitted.
16 Requirements on notice of special meetings appear in new 15
17 Pa.C.S. §1704(b). Compare new 15 Pa.C.S. §5755.

18 15 Pa.C.S. §1756: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §503A (15 P.S. §1503A). Patterned in part after former
20 15 Pa.C.S. §7756. Subsection (b) is added. Compare new 15
21 Pa.C.S. §5756.

22 15 Pa.C.S. §1757: Subsections (a) and (b) are derived from
23 act of May 5, 1933 (P.L.364, No.106), §503A(1) and B (15 P.S.
24 §1503A(1) and B), and are patterned after former 15 Pa.C.S.
25 §7757. Subsection (c) is intended as a codification of existing
26 law and practice. Compare new 15 Pa.C.S. §5757.

27 15 Pa.C.S. §1758: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §§403 (last sentence), 504A (first sentence), 504B and
29 505 (15 P.S. §1403 (last sentence), 1504A (first sentence),
30 1504B and 1505). Patterned in part after former 15 Pa.C.S.

1 §7758. The last sentence of subsection (a) is intended as a
2 codification of existing law. Detwiler v. Commonwealth ex rel.
3 Dickinson, 131 Pa. 614, 18 At. 990 (1890); Providence &
4 Worcester Co. v. Baker, ___ Del. ___, 378 A.2d 121 (1977).
5 Compare, e.g., act of June 16, 1836 (P.L.799, No.193), §3 and
6 act of April 7, 1849 (P.L.563, No.368), §4, which mandated such
7 provisions. Subsection (c)(1) reverses the rule of the prior law
8 requiring language in the articles eliminating cumulative
9 voting. As to cumulative voting in statutory close corporations,
10 see new 15 Pa.C.S. §2331(a). The provision of prior law relating
11 to sale of votes has been omitted as uncertain and inappropriate
12 in the context of a modern corporation for profit. Compare new
13 15 Pa.C.S. §5758.

14 15 Pa.C.S. §1759: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §504A (15 P.S. §1504A). Patterned in part after former
16 15 Pa.C.S. §7759. Subsection (a)(2) and (3) is intended as a
17 codification of existing law and practice. Durational limits on
18 proxies eliminated. The reference in subsection (b) to written
19 notice of revocation of a proxy is new. Subsection (c)(1) and
20 (2) is intended as a codification of existing law and practice.
21 Compare new 15 Pa.C.S. §5759.

22 15 Pa.C.S. §1760: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §506 (15 P.S. §1506). The last clause is intended as a
24 codification of existing law. See new 15 Pa.C.S. §1759 as to
25 proxy voting.

26 15 Pa.C.S. §1761: Substantially a reenactment of act of May
27 5, 1933 (P.L.364, No.106), §507 (15 P.S. §1507).

28 15 Pa.C.S. §1762: Subsections (a) and (b) are derived from
29 act of May 5, 1933 (P.L.364, No.106), §508 (15 P.S. §1508), and
30 are patterned after former 15 Pa.C.S. §7760. The reference in

1 subsection (a) to a proxy appointed by an officer or agent is
2 intended as a codification of existing law and practice.
3 Provision on voting treasury shares is omitted and subsection
4 (c) is added in view of the elimination of references to
5 treasury shares (cf. new 15 Pa.C.S. §1552). Compare new 15
6 Pa.C.S. §5760.

7 15 Pa.C.S. §1763: Subsection (a) is derived from act of May
8 5, 1933 (P.L.364, No.106), §509 (15 P.S. §1509), and is
9 patterned after former 15 Pa.C.S. §7761(a). The concept of the
10 closing of the transfer books is omitted as obsolete. The
11 introductory clause of subsection (a) is added and the maximum
12 record date period is extended. The last sentence of subsection
13 (a) is patterned after Delaware General Corporation Law §213(c).
14 Subsection (b) is patterned after former 15 Pa.C.S. §7761(b) and
15 Delaware General Corporation Law §213(b). Subsection (c) is
16 patterned after the definition of "shareholder" in Model
17 Business Corporation Act §2(f) (1973). Compare new 15 Pa.C.S.
18 §5761.

19 15 Pa.C.S. §1764: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §510 (15 P.S. §1510). Subsection (a) is patterned in
21 part after Model Business Corporation Act §31, first paragraph
22 (1971). The first sentence of subsection (b) is patterned after
23 N.J.S.A. §14A:5-8(2) (last sentence). See new 15 Pa.C.S. §1759
24 as to voting by proxy. Compare new 15 Pa.C.S. §5758(e).

25 15 Pa.C.S. §1765: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §512 (15 P.S. §1512). Patterned after former 15 Pa.C.S.
27 §7762. Required vote for shareholder action appears in new 15
28 Pa.C.S. §1757(a) and reference to attendance by proxy appears in
29 new 15 Pa.C.S. §1759. Compare new 15 Pa.C.S. §5762.

30 15 Pa.C.S. §1766: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §513 (15 P.S. §1513). Patterned after former 15 Pa.C.S.
2 §7763. The reference in subsection (a) to consents prior or
3 subsequent to action is added. Subsection (b) is patterned after
4 Delaware General Corporation Law §228 and N.J.S.A. §14A:5-6(2).
5 The reference to authorization in the bylaws is added. Compare
6 new 15 Pa.C.S. §5763.

7 15 Pa.C.S. §1767: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §513.1. Patterned after former 15 Pa.C.S. §7764.
9 Subsection (a)(2) is patterned in part after N.J.S.A. §14A:12-
10 7(1)(c). Subsection (b) is new. The reference in prior law to
11 venue is supplied by the definition of "court" in new 15 Pa.C.S.
12 §1103. As to the right of a custodian of a statutory close
13 corporation to liquidate notwithstanding subsection (c), see new
14 15 Pa.C.S. §2333(a)(2). See the definition of "officer" in new
15 15 Pa.C.S. §1103. Compare new 15 Pa.C.S. §5764.

16 15 Pa.C.S. §1768: Derived from act of May 5, 1933 (P.L.364,
17 No.106), §511 (15 P.S. §1511). Subsection (b) is intended as a
18 codification of existing law and practice. It is intended that
19 voting trusts shall be limited only by the Rule Against
20 Perpetuities or analogous considerations. Compare 20 Pa.C.S.
21 §6104.

22 15 Pa.C.S. §1769: Patterned in part after N.J.S.A. §14A:5-
23 22. Compare new 15 Pa.C.S. §5768.

24 15 Pa.C.S. §1770: Reenactment of act of May 5, 1933
25 (P.L.364, No.106), § 409.1C (15 P.S. § 1409.1C), as added by act
26 of December 23, 1983 (P.L.395, No.92), § 2.

27 15 Pa.C.S. §1781: New. Subsection (c) is derived from
28 Auerbach v. Bennett, 47 N.Y.2d 619, 419 N.Y.S.2d 920, 393 N.E.2d
29 994(1979). Compare new 15 Pa.C.S. §5781.

30 15 Pa.C.S. §1782: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §516 (15 Pa.C.S. §1516). Patterned after former 15
2 Pa.C.S. §7765. The reference in prior law to voting trust
3 certificates is omitted in light of the extension of subsection
4 (c) to beneficial owners, and the \$50,000 threshold of prior law
5 is increased to the amount set forth in the text. Compare new 15
6 Pa.C.S. §5782.

7 15 Pa.C.S. §1783: New. Compare new 15 Pa.C.S. §5783.

8 15 Pa.C.S. §1791: Patterned after former 15 Pa.C.S. §7781.
9 Compare new 15 Pa.C.S. §5791.

10 15 Pa.C.S. §1792: Patterned after former 15 Pa.C.S. §7782.
11 See Delaware General Corporation Law §211(c). Compare new 15
12 Pa.C.S. §5792.

13 15 Pa.C.S. §1793: Patterned after former 15 Pa.C.S. §7783.
14 See new 15 Pa.C.S. §1105. Compare new 15 Pa.C.S. §5793.

15 15 Pa.C.S. §1901: New. See Delaware General Corporation Law
16 §251(c). Compare new 15 Pa.C.S. §5901.

17 15 Pa.C.S. §1902: New. Compare new 15 Pa.C.S. §5902.

18 15 Pa.C.S. §1903: Subsection (a) is a reenactment of act of
19 May 5, 1933 (P.L.364, No.106), §319 (15 P.S. §1319). Subsection
20 (b) is a generalization of act of May 5, 1933 (P.L.364, No.106),
21 §320 (15 P.S. §1320). Compare new 15 Pa.C.S. §5903.

22 15 Pa.C.S. §1904: Generalization of act of November 10, 1959
23 (P.L.1406, No.502), title, and codification and expansion to
24 fundamental transactions generally of Terry v. Penn Central
25 Corp., 527 F.Supp. 118 (E.D. Pa. 1981), aff'd, 668 F.2d 188 (3rd
26 Cir. 1981). See new 15 Pa.C.S. §§1105 and 1571(b)(3). No
27 provision comparable to new 15 Pa.C.S. §1904 is required in new
28 15 Pa.C.S. Ch. 59 since members of a nonprofit corporation, by
29 reason of the absence of any expectation of gain from the
30 activities of the corporation, have never been considered to

1 enjoy the vested rights which triggered common law dissenters
2 rights.

3 15 Pa.C.S. §1905: Generalization of act of May 5, 1933
4 (P.L.364, No.106), §1102 (first sentence) (15 P.S. §2102 (first
5 sentence)).

6 15 Pa.C.S. §1906: New. Subsection (c) is patterned after new
7 15 Pa.C.S. §1917.

8 15 Pa.C.S. §1911: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), §801 (15 P.S. §1801), except that
10 subsection (b)(2) is added as a codification of existing law.
11 Patterned after former 15 Pa.C.S. §7901. Compare new 15 Pa.C.S.
12 §5911.

13 15 Pa.C.S. §1912: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §802 (15 P.S. §1802). Patterned after former 15 Pa.C.S.
15 §7902. The introductory clauses of paragraph (a)(2) and the
16 penultimate sentence of subsection (a) and the last sentence of
17 subsection (a) are new. The last sentence of subsection (b) is
18 intended as a codification of existing law and practice, and is
19 patterned in part after Delaware General Corporation Law §251(b)
20 (last sentence). Compare new 15 Pa.C.S. §5912.

21 15 Pa.C.S. §1913: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §803 (15 P.S. §1803). Patterned after former 15 Pa.C.S.
23 §7903. The requirement of minimum notice to shareholders appears
24 at new 15 Pa.C.S. §1704(b). Compare new 15 Pa.C.S. §5913.

25 15 Pa.C.S. §1914: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §§804 and 805 (15 P.S. §§1804 and 1805). Patterned
27 after former 15 Pa.C.S. §7904. The last sentence of subsection
28 (a) is added. The special voting rights requirements of prior
29 law relating to revocation of the authority of the board to fix
30 the relative rights and preferences of series and on changes in

1 the par value of shares are omitted. Subsection (c) is patterned
2 in part after Delaware General Corporation Law §241, and in part
3 after Model Business Corporation Act §§59(a) (1979) and 64
4 (1971). The reference in subsection (c)(3)(ii) to a split of
5 shares is not intended to include a combination of shares
6 although such a combination is sometimes referred to as a
7 "reverse split." Compare new 15 Pa.C.S. §§1504(a) and 5914.

8 15 Pa.C.S. §1915: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §§806 and 809 (15 P.S. §§1806 and 1809). Patterned
10 after former 15 Pa.C.S. §7905. Execution of the articles of
11 amendment is governed by new 15 Pa.C.S. §1108. Former paragraphs
12 (3), (4) and (5) are supplied by new paragraph (4). Paragraph
13 (6) is patterned in general after Model Business Corporation Act
14 §64 (1971). Compare new 15 Pa.C.S. §5915.

15 15 Pa.C.S. §1916: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §§808 and 809 (15 P.S. §§1808 and 1809). Patterned in
17 part after former 15 Pa.C.S. §7906. The requirement of prior law
18 that a certificate of amendment be issued is omitted (cf. new 15
19 Pa.C.S. 133(e)). The limitation in prior law on attack on the
20 validity of an amendment of articles appears in new 15 Pa.C.S.
21 §138(c). Compare new 15 Pa.C.S. §5916.

22 15 Pa.C.S. §1917: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §810 (15 P.S. §1810). Dissenters rights on the
24 elimination of cumulative voting or accrued dividends on
25 preferred shares are omitted.

26 15 Pa.C.S. §1921: Subsections (a) and (b) are substantially
27 a reenactment of act of May 5, 1933 (P.L.364, No.106), §901 (15
28 P.S. §1901), and are patterned after former 15 Pa.C.S. §7921.
29 The last clauses of subsections (a) and (b) are patterned after
30 Delaware General Corporation Law §252(a). Subsection (c) is

1 patterned in general after Delaware General Corporation Law
2 §254. See the definitions of "shareholder" and "shares" in new
3 15 Pa.C.S. §1103. Compare new 15 Pa.C.S. §5921.

4 15 Pa.C.S. §1922: Subsections (a) and (c) are derived from
5 act of May 5, 1933 (P.L.364, No.106), §902A and B (first
6 sentence) (15 P.S. §1902A and B (first sentence)), and are
7 patterned after former 15 Pa.C.S. §7922. The references in
8 subsection (a)(3) to "property or rights" are added. Provision
9 with respect to cash in lieu of the issuance of fractional
10 shares appears in new 15 Pa.C.S. §1527. The last sentence of
11 subsection (a) is patterned after Delaware General Corporation
12 Law §251(b) (last sentence). Subsection (b) is patterned after
13 Delaware General Corporation Law §251(d) (last sentence).
14 Subsection (d) is new. Compare new 15 Pa.C.S. §5922.

15 15 Pa.C.S. §1923: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §902B (except first sentence) (15 P.S. §1902B (except
17 first sentence)). Patterned after former 15 Pa.C.S. §7923. The
18 requirement of minimum notice to shareholders appears in new 15
19 Pa.C.S. §1704(b). The penultimate sentence of former subsection
20 902B appears in new 15 Pa.C.S. §§1702(a) and 1704. Compare new
21 15 Pa.C.S. §5923.

22 15 Pa.C.S. §1924: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §§902C and 902.1 (15 P.S. §§1902C and 1902.1).
24 Patterned after former 15 Pa.C.S. §7924. The last two sentences
25 of subsection (a) and the introductory clause of subsection
26 (b)(1) are added. The 15% limitation of the prior law is
27 omitted. Subsection (b)(1)(i) is patterned in part after
28 Delaware General Corporation Law §251(f). Subsection (b)(2) is
29 new. Subsection (b)(1)(ii) and subsection (b)(3) are patterned
30 in general after Delaware General Corporation Law §253. The

1 provision of subsection (c) relating to termination of a plan of
2 merger or consolidation at any time prior to its effective date,
3 regardless of whether articles of merger or consolidation have
4 been filed, is new. Former subsection 902.1B appears in new 15
5 Pa.C.S. §1926(4). Compare new 15 Pa.C.S. §5924.

6 15 Pa.C.S. §1925: Substantially a reenactment of act of May
7 5, 1933 (P.L.364, No.106), §902D (15 P.S. §1902D). Patterned
8 after former 15 Pa.C.S. §7925. Compare new 15 Pa.C.S. §5925.

9 15 Pa.C.S. §1926: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §903 (15 P.S. §1903). Patterned after former 15 Pa.C.S.
11 §7926. Execution of the articles of merger or consolidation is
12 governed by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5926.

13 15 Pa.C.S. §1927: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §905 (15 P.S. §1905). Patterned after former 15 Pa.C.S.
15 §7927. The requirement of prior law that a certificate of merger
16 or consolidation be issued is omitted (cf. new 15 Pa.C.S.
17 §133(e)). Compare new 15 Pa.C.S. §5927.

18 15 Pa.C.S. §1928: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §906 (15 P.S. §1906). Patterned after former 15 Pa.C.S.
20 §7928. The limitation in prior law on attack on the validity of
21 the transaction appears in new 15 Pa.C.S. §138(c). Compare new
22 15 Pa.C.S. §5928.

23 15 Pa.C.S. §1929: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), §907 (15 P.S. §1907). Patterned after
25 former 15 Pa.C.S. §7929. The last clause of the first sentence
26 of subsection (b) is intended as a codification of existing law
27 and is patterned after Model Business Corporation Act §76(d)
28 (1971) and N.J.S.A. §14A:10-6(d). Provisions of prior law to the
29 effect that the liabilities of shareholders, directors and
30 officers and the rights of creditors cannot be affected by a

1 merger or consolidation are omitted. Compare new 15 Pa.C.S. §
2 5929.

3 15 Pa.C.S. §1930: The first sentence of subsection (a) is
4 substantially a reenactment of act of May 5, 1933 (P.L.364,
5 No.106), §908A (15 P.S. §1908A). The second and third sentences
6 of subsection (a) are added. The subject matter of former
7 subsection 908B is supplied by new 15 Pa.C.S. §1571(b)(3).
8 Subsections (b) and (c) are new.

9 15 Pa.C.S. §1931: New. Subsections (a) and (b) are
10 patterned in general after Model Business Corporation Act §72-A
11 (1976).

12 15 Pa.C.S. §1932: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §311A-E (15 P.S. §1311A-E). The final two sentences of
14 former subsection 311A are supplied by new 15 Pa.C.S. Chs. 19F
15 and 19G. The introductory clause of subsection (a)(2) is added.
16 The reference in subsection (b) to transactions involving
17 distributions or division is added. The requirement for a "plan
18 of asset transfer" is new. The fourth sentence of subsection (b)
19 is patterned in part after Delaware General Corporation Law
20 §251(b) (last sentence). The last sentence of subsection (b) and
21 subsection (c)(2) are new. Subsection (d)(3) is intended as a
22 codification of existing law. Jennings v. Pittsburgh Mercantile
23 Co., 112 P.L.J. 84 (C.P. Allegh. Cty. 1963), rev'd on other
24 grounds, 414 Pa. 641 (1964). References in subsection (e) to the
25 treatment of security interests and the dedication of property
26 to the repayment of indebtedness are intended as a codification
27 of existing law. Compare new 15 Pa.C.S. §5930.

28 15 Pa.C.S. §1951: Patterned after former 15 Pa.C.S. §7941.
29 Compare new 15 Pa.C.S. §5951.

30 15 Pa.C.S. §1952: Patterned after former 15 Pa.C.S. §7942.

1 The last sentence of subsection (a) is patterned in part after
2 Delaware General Corporation Law §251(b) (last sentence).
3 Compare new 15 Pa.C.S. §5952.

4 15 Pa.C.S. §1953: New. Compare new 15 Pa.C.S. §5953.
5 15 Pa.C.S. §1954: Patterned after former 15 Pa.C.S. §7943.
6 Compare new 15 Pa.C.S. §5954.

7 15 Pa.C.S. §1955: Patterned after former 15 Pa.C.S. §7944.
8 Compare new 15 Pa.C.S. §5955.

9 15 Pa.C.S. §1956: Patterned after former 15 Pa.C.S. §7945.
10 Compare new 15 Pa.C.S. §5956.

11 15 Pa.C.S. §1957: Patterned after former 15 Pa.C.S. §7946.
12 The last clause of the first sentence of subsection (b)(1) is
13 patterned in part after Model Business Corporation Act §76(d)
14 (1971) and N.J.S.A. §14A:10-6(d). Compare new 15 Pa.C.S. §5957.

15 15 Pa.C.S. §1961: Derived from former 15 Pa.C.S. §7951(a)
16 and (c). Compare new 15 Pa.C.S. §5961.

17 15 Pa.C.S. §1962: Derived from former 15 Pa.C.S. §7952. The
18 last sentence of subsection (a) is patterned in part after
19 Delaware General Corporation Law §251(b) (last sentence).
20 Compare new 15 Pa.C.S. §5962.

21 15 Pa.C.S. §1963: Substantially a reenactment of former 15
22 Pa.C.S. §7953. Execution of the articles of conversion is
23 governed by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5963.

24 15 Pa.C.S. §1964: Subsection (a) is a reenactment of former
25 15 Pa.C.S. §7954. Compare new 15 Pa.C.S. §5964.

26 15 Pa.C.S. §1965: Reenactment of former 15 Pa.C.S. §7955.
27 Compare new 15 Pa.C.S. §5965.

28 15 Pa.C.S. §1966: Substantially a reenactment of former 15
29 Pa.C.S. §7956(a). Compare new 15 Pa.C.S. §5966.

30 15 Pa.C.S. §1971: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §1101 (15 P.S. §2101). Patterned after former 15
2 Pa.C.S. §7961. The first clause of subsection (a)(2) is added.
3 In subsection (a)(6) the unanimous consent requirement of the
4 prior law is reduced to the vote set forth in the text. Compare
5 new 15 Pa.C.S. §5971.

6 15 Pa.C.S. §1972: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §1102 (first sentence) (15 P.S. §2102 (first
8 sentence)). Patterned after former 15 Pa.C.S. §7962. Compare new
9 15 Pa.C.S. §5972.

10 15 Pa.C.S. §1973: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §1102 (second and third sentences) (15 P.S. §2102
12 (second and third sentences)). Patterned after former 15 Pa.C.S.
13 §7963. The requirement of prior law that notice be given to
14 shareholders not entitled to vote is omitted. Compare new 15
15 Pa.C.S. §5973.

16 15 Pa.C.S. §1974: Derived from act of May 5, 1933 (P.L.364,
17 No.106), §§1102 (last sentence) and 1103.1 (15 P.S. §§2102 (last
18 sentence) and 2103.1). Patterned after former 15 Pa.C.S. §7964.
19 The last sentence of subsection (a) and subsection (b) are
20 added. The provisions of prior law relating to certificate of
21 election to dissolve are omitted. Compare new 15 Pa.C.S. §5974.

22 15 Pa.C.S. §1975: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §1104A, B and C (15 P.S. §2104A, B and C). Patterned
24 after former 15 Pa.C.S. §7967. Reference to collection of unpaid
25 subscriptions is supplied by new 15 Pa.C.S. §1979(b). Compare
26 new 15 Pa.C.S. §5975.

27 15 Pa.C.S. §1976: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §1104D (15 P.S. §2104D). Patterned
29 after former 15 Pa.C.S. §7968(a). The reference in prior law to
30 venue is supplied by the definition of "court" in new 15 Pa.C.S.

1 §1103. Compare new 15 Pa.C.S. §5976.

2 15 Pa.C.S. §1977: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§1103 and 1105 (15 P.S. §§2103 and 2105). Patterned
4 after former 15 Pa.C.S. §7969. Execution of the articles of
5 dissolution is governed by new 15 Pa.C.S. §1108. The requirement
6 of prior law that proofs of publication be filed is omitted. The
7 requirement that a certificate of dissolution be issued is
8 omitted (cf. new 15 Pa.C.S. §133(e)). Compare new 15 Pa.C.S.
9 §5977.

10 15 Pa.C.S. §1978: Substantially a reenactment of act of May
11 5, 1933 (P.L.364, No.106), §1106 (15 P.S. §2106). Patterned
12 after former 15 Pa.C.S. §7970. Compare new 15 Pa.C.S. §5978.

13 15 Pa.C.S. §1979: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §1111 (15 P.S. §2111). Patterned after former 15
15 Pa.C.S. §7971. The first and last sentences of subsection (b)
16 are added. The reference in prior law to venue is supplied by
17 the definition of "court" in new 15 Pa.C.S. §1103. Compare new
18 15 Pa.C.S. §5979.

19 15 Pa.C.S. §1980: New. Compare new 15 Pa.C.S. §5980.

20 15 Pa.C.S. §1981: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §1107A (15 P.S. §2107A). Patterned after former 15
22 Pa.C.S. §7981. The reference to a director in the introductory
23 clause is added. Former paragraph A(1) is omitted. The last
24 sentence of paragraph (3) is added (cf. 15 Pa.C.S. §1767(b)).
25 Compare new 15 Pa.C.S. §5981.

26 15 Pa.C.S. §1982: Substantially a reenactment of act of May
27 5, 1933 (P.L.364, No.106), §1107B (15 P.S. §2107B). Patterned
28 after former 15 Pa.C.S. §7982. The venue as set forth in prior
29 law is restricted by the definition of "court" in new 15 Pa.C.S.
30 §1103. Compare new 15 Pa.C.S. §5982.

1 15 Pa.C.S. §1984: Substantially a reenactment of act of May
2 5, 1933 (P.L.364, No.106), §1108A (15 P.S. §2108A). Patterned
3 after former 15 Pa.C.S. §7984. The reference to assets wherever
4 situated is added. Compare new 15 Pa.C.S. §5984.

5 15 Pa.C.S. §1985: Substantially a reenactment of act of May
6 5, 1933 (P.L.364, No.106), §1108B (15 P.S. §2108B). Patterned
7 after former 15 Pa.C.S. §7985. Reference in prior law to the
8 power of a liquidating receiver to collect any unpaid
9 consideration for shares is supplied by new 15 Pa.C.S. §1526.
10 The references to the disposition of corporate assets and to
11 jurisdiction of the corporation and its property, wherever
12 situated, are added. The former last sentence is supplied by 42
13 Pa.C.S. §912. See the definition of "officer" in new 15 Pa.C.S.
14 §1103. Compare new 15 Pa.C.S. §5985.

15 15 Pa.C.S. §1986: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §1108C (15 P.S. §2108C). Patterned after former 15
17 Pa.C.S. §7986. Reference in prior law to residence as a
18 qualification is omitted. Compare new 15 Pa.C.S. §5986.

19 15 Pa.C.S. §1987: Substantially a reenactment of act of May
20 5, 1933 (P.L.364, No.106), §1108D (15 P.S. §2108D), except that
21 references to prescription of the form of proofs of claim and to
22 bar date extensions by the court are added. Patterned after
23 former 15 Pa.C.S. §7987. Compare new 15 Pa.C.S. §5987.

24 15 Pa.C.S. §1988: Patterned after Model Business Corporation
25 Act §101 (1971). Compare act of May 5, 1933 (P.L.364, No.106),
26 §1109 (15 P.S. §2109); and new 15 Pa.C.S. §5988.

27 15 Pa.C.S. §1989: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §1110 (15 P.S. §2110). Patterned after former 15
29 Pa.C.S. §7989. Dissolution is postponed from issuance of the
30 decree, as provided by the prior law, to the time set forth in

1 the text. Compare new 15 Pa.C.S. §5989.

2 15 Pa.C.S. §2101: New. Compare new 15 Pa.C.S. §§2301, 2501,
3 2701 and 2901.

4 15 Pa.C.S. §2102: New. Compare new 15 Pa.C.S. §§2303 and
5 2903.

6 15 Pa.C.S. §2103: New. Compare new 15 Pa.C.S. §2304.

7 15 Pa.C.S. §2104: New. Compare new 15 Pa.C.S. §§2305, 2702
8 and 2905.

9 15 Pa.C.S. §2105: New. Compare new 15 Pa.C.S. §§2307 and
10 2906.

11 15 Pa.C.S. §2121: New.

12 15 Pa.C.S. §2122: New.

13 15 Pa.C.S. §2123: New.

14 15 Pa.C.S. §2124: New.

15 15 Pa.C.S. §2125: New.

16 15 Pa.C.S. §2126: New.

17 15 Pa.C.S. §2301: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §371 (15 P.S. §1371). The prohibition against a
19 management corporation electing statutory close corporation
20 status is new. Compare new 15 Pa.C.S. §§2101, 2501, 2701 and
21 2901.

22 15 Pa.C.S. §2302: Subsection (a) is patterned in part after
23 the Statutory Close Corporation Supplement to the Model Business
24 Corporation Act (1982). See, 37 Bus. Law. 269, 278-9 (1981).
25 Subsection (b) is a generalization of act of May 5, 1933
26 (P.L.364, No.106), §376B (15 P.S. §1376B).

27 15 Pa.C.S. §2303: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §373 (15 P.S. §1373). Patterned in
29 part after the Statutory Close Corporation Supplement to the
30 Model Business Corporation Act §3(a) (1982). Compare new 15

1 Pa.C.S. §§2102 and 2903.

2 15 Pa.C.S. §2304: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §372 (15 P.S. §1372). Statutory limitation on the
4 number of shareholders omitted. Cf., Comment 1 to section 3 of
5 the Proposed Statutory Close Corporation Supplement to the Model
6 Business Corporation Act (1981), 37 Bus. Law. 269, 277-8 (1981).
7 Subsection (c) is new except as to record holders in joint or
8 common tenancy or by the entirety. Compare new 15 Pa.C.S.
9 §2103.

10 15 Pa.C.S. §2305: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §374 (15 P.S. §1374). Patterned in part after the
12 Statutory Close Corporation Supplement to the Model Business
13 Corporation Act §3(b) (1982). Compare new 15 Pa.C.S. §§2104,
14 2702 and 2905.

15 15 Pa.C.S. §2306: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), §375 (15 P.S. §1375).

17 15 Pa.C.S. §2307: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §376A (15 P.S. §1376A). Patterned in part after the
19 Statutory Close Corporation Supplement to the Model Business
20 Corporation Act §8(a) (1982). Compare new 15 Pa.C.S. §§2105 and
21 2906.

22 15 Pa.C.S. §2308: Substantially a reenactment of act of May
23 5, 1933 (P.L.364, No.106), §377 (15 P.S. §1377). The reference
24 in subsection (a) to section 2321(c) is added. Former subsection
25 C and paragraph (3) of subsection D are supplied by new 15
26 Pa.C.S. §2323.

27 15 Pa.C.S. §2309: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §378 (15 P.S. §1378). Execution of
29 the certificates filed in the Department of State is governed by
30 new 15 Pa.C.S. §1108. The reference in prior law to venue is

1 supplied by the definition of "court" in new 15 Pa.C.S. §1103.
2 The reference to enjoining or setting aside a transfer which is
3 in breach of a transfer restriction is supplied by new 15
4 Pa.C.S. §2323.

5 15 Pa.C.S. §2321: Subsection (a) is new (cf. new 15 Pa.C.S.
6 §1528). Subsection (b) is derived from act of May 5, 1933
7 (P.L.364, No.106), §379 (15 P.S. §1379). The reference in the
8 introductory clause of subsection (b)(1) to a bylaw adopted by
9 the shareholders is added. Reference to issuing or selling
10 treasury shares is omitted (cf. new 15 Pa.C.S. §1552).
11 Subsection (c) is patterned after the Statutory Close
12 Corporation Supplement to the Model Business Corporation Act §5
13 (1982).

14 15 Pa.C.S. §2322: Patterned after the Statutory Close
15 Corporation Supplement to the Model Business Corporation Act §4
16 (1982).

17 15 Pa.C.S. §2323: Patterned after the Statutory Close
18 Corporation Supplement to the Model Business Corporation Act §6
19 (1982).

20 15 Pa.C.S. §2324: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §380 (15 P.S. §1380). The references to new 15 Pa.C.S.
22 §2322(a) and new 15 Pa.C.S. Ch. 15D are added.

23 15 Pa.C.S. §2325: Patterned after the Statutory Close
24 Corporation Supplement to the Model Business Corporation Act §14
25 (1982).

26 15 Pa.C.S. §2331: Subsection (a) is new. Subsections (b) and
27 (c) are substantially a reenactment of act of May 5, 1933
28 (P.L.364, No.106), §381 (15 P.S. §1381).

29 15 Pa.C.S. §2332: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §382 (15 P.S. §1382). References to the bylaws are

1 added.

2 15 Pa.C.S. §2333: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §383 (15 P.S. §1383). The reference in prior law to
4 venue is supplied by the definition of "court" in new 15 Pa.C.S.
5 §1103. The last sentence of subsection (a) is added. See the
6 definition of "officer" in new 15 Pa.C.S. §1103.

7 15 Pa.C.S. §2334: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), §384 (15 P.S. §1384), except that
9 reference in subsection (b)(1) to a bylaw is added. The
10 reference in prior law to venue is supplied by the definition of
11 "court" in new 15 Pa.C.S. §1103.

12 15 Pa.C.S. §2335: Substantially a reenactment of act of May
13 5, 1933 (P.L.364, No.106), §385 (15 P.S. §1385). The final
14 clause is patterned after the Statutory Close Corporation
15 Supplement to the Model Business Corporation Act §17 (1982).

16 15 Pa.C.S. §2336: Patterned in part after the Statutory
17 Close Corporation Supplement to the Model Business Corporation
18 Act §7 (1982).

19 15 Pa.C.S. §2337: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §386 (15 P.S. §1386). References to the bylaws are
21 added. Patterned after the Statutory Close Corporation
22 Supplement to the Model Business Corporation Act §15 (1982).

23 15 Pa.C.S. §2501: New. Compare new 15 Pa.C.S. §§2101, 2301,
24 2701 and 2901.

25 15 Pa.C.S. §2502: New.

26 15 Pa.C.S. §2503: New.

27 15 Pa.C.S. §2504: New.

28 15 Pa.C.S. §2511: Codification of existing law as to
29 registered corporations. Compare new 15 Pa.C.S. §1554.

30 15 Pa.C.S. §2512: New.

1 15 Pa.C.S. §2521: New. Compare new 15 Pa.C.S. §1755(b). See
2 new 15 Pa.C.S. §2535. See also section 402(2) of the act of
3 , 1986 (P.L. , No.), known as the Corporation Act
4 of 1986 (15 P.S. §).
5 15 Pa.C.S. §2522: New. Compare new 15 Pa.C.S. §1755(c).
6 15 Pa.C.S. §2523: New.
7 15 Pa.C.S. §2524: Patterned in general after Delaware
8 General Corporation Law §228. Compare new 15 Pa.C.S. §1766(b).
9 15 Pa.C.S. §2535: New. Compare new 15 Pa.C.S. §1912(a)(2).
10 See new 15 Pa.C.S. §2521. See also section 402(2) of the act of
11 , 1986 (P.L. , No.), known as the Corporation Act
12 of 1986 (15 P.S. §).
13 15 Pa.C.S. §2536: New. Compare new 15 Pa.C.S. §1981.
14 15 Pa.C.S. §2537: New. Compare new 15 Pa.C.S. §1932(c)(1).
15 15 Pa.C.S. §2538: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), § 910 (15 P.S. § 1910), as added by
17 act of December 23, 1983 (P.L.395, No.92), § 4. The penultimate
18 sentence of subsection (a) is a reenactment of act of December
19 23, 1983 (P.L.395, No.92), § 5. Subsection (h)(1) is new.
20 15 Pa.C.S. §2701: New. Compare new 15 Pa.C.S. §§2101, 2301,
21 2501 and 2901.
22 15 Pa.C.S. §2702: New. Compare new 15 Pa.C.S. §§2104, 2305
23 and 2905.
24 15 Pa.C.S. §2703: New.
25 15 Pa.C.S. §2704: New.
26 15 Pa.C.S. §2711: New.
27 15 Pa.C.S. §2721: New. The provisions of new 15 Pa.C.S.
28 Subchapter 27C are intended to provide enabling legislation
29 consistent with the proposals for mutual fund governance in
30 S.E.C. Investment Company Act Release 12,888 (December 10, 1982)

1 (CCH Fed. Sec. L. Rep. Par. 83,303). See new 15 Pa.C.S. §2722.

2 15 Pa.C.S. §2722: New. See new 15 Pa.C.S. §2721.

3 15 Pa.C.S. §2901: Derived from act of July 9, 1970 (P.L.461,
4 No.160), §§5(a) and 6(a) (15 P.S. §§2905(a) and 2906(a)). The
5 prohibition against a management corporation electing
6 professional corporation status is new. Compare new 15 Pa.C.S.
7 §§2101, 2301, 2501 and 2701.

8 15 Pa.C.S. §2902: Derived from act of July 9, 1970 (P.L.461,
9 No.160), §2 (15 P.S. §2902). The definitions of "business
10 corporation" and "professional corporation" appear in new 15
11 Pa.C.S. §1103.

12 15 Pa.C.S. §2903: Substantially a reenactment of act of July
13 9, 1970 (P.L.461, No.160), §§3 (first paragraph), 6(a) and 7
14 (except last sentence of subsection (a)) (15 P.S. §§2903 (first
15 paragraph), 2906(a) and 2907 (except last sentence of subsection
16 (a))), except that the reference in subsection (a) to a heading
17 is added. Compare new 15 Pa.C.S. §§2102 and 2303.

18 15 Pa.C.S. §2904: Derived from act of July 9, 1970 (P.L.461,
19 No.160), §5(b) (15 P.S. §2905(b)). Articles of amendment
20 substituted for certificate of acceptance under prior law.
21 Compare new 15 Pa.C.S. §§2305 and 2702.

22 15 Pa.C.S. §2905: Substantially a reenactment of act of July
23 9, 1970 (P.L.461, No.160), §4(a), (b) and (c) (15 P.S. §2904(a),
24 (b) and (c)). The designation of the document filed is changed
25 from "certificate" to "statement." Former subsection (d) appears
26 as new 15 Pa.C.S. §1311(a)(6).

27 15 Pa.C.S. §2906: New. Compare new 15 Pa.C.S. §§2105 and
28 2307.

29 15 Pa.C.S. §2907: Substantially a reenactment of act of July
30 9, 1970 (P.L.461, No.160), §11(b), (c) and (d). (15 P.S.

1 §2911(b), (c) and (d)). The reference in prior law to venue is
2 supplied by the definition of "court" in new 15 Pa.C.S. §1103.

3 15 Pa.C.S. §2921: Substantially a reenactment of act of July
4 9, 1970 (P.L.461, No.160), §8(a) and (b) (15 P.S. §2908 (a) and
5 (b)), except that reference to the term "P.C." is added.

6 15 Pa.C.S. §2922: Subsection (a) is a reenactment of act of
7 July 9, 1970 (P.L.461, No.160), §7(a) (third sentence) (15 P.S.
8 §2907(a) (third sentence)). Subsection (b) is derived from act
9 of July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701 note) and
10 is otherwise intended as a codification of existing law.

11 15 Pa.C.S. §2923: Derived from act of July 9, 1970 (P.L.461,
12 No.160), §§10 and 11(a) (15 P.S. §§2910 and 2911(a)), and act of
13 July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701 note).

14 15 Pa.C.S. §2924: Reenactment of act of July 9, 1970
15 (P.L.461, No.160), §12 (15 P.S. §2912).

16 15 Pa.C.S. §2925: Substantially a reenactment of act of July
17 9, 1970 (P.L.461, No.160), §13 (15 P.S. §2913). As to the
18 nonassessability of shares in subsections (b) and (c), see new
19 15 Pa.C.S. §1524(c).

20 15 Pa.C.S. §4101: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §§3 and 4B(3) (15 P.S. §§1003 and 1004B(3)). Subsection
22 (a) is patterned after former 15 Pa.C.S. §8101. Compare new 15
23 Pa.C.S. §6101.

24 15 Pa.C.S. §4102: Patterned in part after California General
25 Corporation Law §2115(a) and (e). See former 15 Pa.C.S. §8145(a)
26 and new 15 Pa.C.S. §2502. Compare new 15 Pa.C.S. §6102.

27 15 Pa.C.S. §4103: Patterned in part after California General
28 Corporation Law §2115(c). See new 15 Pa.C.S. §2503. Compare new
29 15 Pa.C.S. §6103.

30 15 Pa.C.S. §4104: Patterned in part after California General

1 Corporation Law §2115(d). See new 15 Pa.C.S. §2504. Compare new
2 15 Pa.C.S. §6104.

3 15 Pa.C.S. §4121: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §§3C and 1001A (15 P.S. §§1003C and 2001A). Patterned
5 after former 15 Pa.C.S. §8121. The last sentence of subsection
6 (b) is added. Compare new 15 Pa.C.S. §6121.

7 15 Pa.C.S. §4122: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §1001B (15 P.S. §2001B). Patterned after former 15
9 Pa.C.S. §8122. Subsection (a)(7) and (8) is patterned in part
10 after Model Business Corporation Act §106(g) and (h) (1973).
11 Compare new 15 Pa.C.S. §6122.

12 15 Pa.C.S. §4123: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §1002 (15 P.S. §2002). Patterned after former 15
14 Pa.C.S. §8123. Subsection (b)(1) is added. The requirement of
15 prior law that the application for a certificate of authority
16 contain a statement of the business that the applicant
17 corporation proposes to transact in this Commonwealth appears in
18 new 15 Pa.C.S. §134(a). Compare new 15 Pa.C.S. §6123.

19 15 Pa.C.S. §4124: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §§1003 and 1004 (15 P.S. §§2003 and 2004). Patterned
21 after former 15 Pa.C.S. §8124. The requirements of prior law
22 that a current subsistence certificate be submitted in order to
23 qualify, that the official publication of notice of
24 qualification include the character and nature of the business
25 to be done and the date of qualification, and that the
26 application for a certificate of authority state the business
27 proposed to be done and that such business is authorized by the
28 articles are omitted. Execution of the application for a
29 certificate of authority is governed by new 15 Pa.C.S. §1108.
30 Provisions regarding the corporate name are supplied by new 15

1 Pa.C.S. §4123. Compare new 15 Pa.C.S. §6124.

2 15 Pa.C.S. §4125: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §1005 (15 P.S. §2005). Patterned after former 15
4 Pa.C.S. §8125. Compare new 15 Pa.C.S. §6125.

5 15 Pa.C.S. §4126: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §1007 (15 P.S. §2007). Patterned after former 15
7 Pa.C.S. §8126. Former subsection B is omitted. The requirement
8 of prior law that a current subsistence certificate be submitted
9 with an application for an amended certificate of authority
10 reflecting a change of name is omitted. Execution of the
11 application for an amended certificate of authority is governed
12 by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §6126.

13 15 Pa.C.S. §4127: Compare act of May 5, 1933 (P.L.364,
14 No.106), §1009 (15 P.S. §2009). Patterned after former 15
15 Pa.C.S. §8127. Execution of the statement of merger,
16 consolidation or division is governed by new 15 Pa.C.S. §1108.
17 Compare new 15 Pa.C.S. §6127.

18 15 Pa.C.S. §4128: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §§1013 and 1016 (15 P.S. §§2013 and 2016). Patterned
20 after former 15 Pa.C.S. §8128. Compare new 15 Pa.C.S. §6128.

21 15 Pa.C.S. §4129: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §1015 (15 P.S. §2015). Patterned after former 15
23 Pa.C.S. §8129. Subsection (a)(5) is added. Execution of the
24 application for a certificate of withdrawal is governed by new
25 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §6129.

26 15 Pa.C.S. §4130: Patterned after former 15 Pa.C.S. §8130.
27 Compare new 15 Pa.C.S. §6130.

28 15 Pa.C.S. §4131: Patterned in general after Model Business
29 Corporation Act §§10 and 11 (1971). Compare new 15 Pa.C.S.
30 §6131.

1 15 Pa.C.S. §4141: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §§4B(3) and 1014 (15 P.S. §§1004B(3) and 2014).
3 Patterned after former 15 Pa.C.S. §8141. The last clause of
4 subsection (b) is intended to make clear that, since at least
5 1966, escheat of property has not been a penalty for failure to
6 qualify as a foreign corporation for profit. Compare new 15
7 Pa.C.S. §6141.

8 15 Pa.C.S. §4142: Subsection (a) is derived from act of May
9 5, 1933 (P.L.364, No.106), §1010A (15 P.S. §2010A), and
10 patterned in part after former 15 Pa.C.S. §8142. Subsection (b)
11 is new. Compare new 15 Pa.C.S. §6142.

12 15 Pa.C.S. §4143: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §§1010B and 1012 (15 P.S. §§2010B and 2012). Patterned
14 after former 15 Pa.C.S. §8143. Compare new 15 Pa.C.S. §6143.

15 15 Pa.C.S. §4144: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §1006 (15 P.S. §2006). Patterned after former 15
17 Pa.C.S. §8144. Compare new 15 Pa.C.S. §6144.

18 15 Pa.C.S. §4145: Patterned after former 15 Pa.C.S. §8145.
19 Compare new 15 Pa.C.S. §6145.

20 15 Pa.C.S. §4146: New. Compare new 15 Pa.C.S. §6146.

21 15 Pa.C.S. §4161: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §909 (15 P.S. §1909). Subsection (b)(1) is patterned in
23 part after N.J.S.A. §14A:1-6(1)(a). The requirement for issuance
24 of a certificate of domestication is supplied by new 15 Pa.C.S.
25 §133(e). Compare new 15 Pa.C.S. §6161.

26 15 Pa.C.S. §4162: New. Compare new 15 Pa.C.S. §6162.

27 AMENDATORY BILL

28 Section 104: New. Compare former 15 Pa.C.S. §101(c) and 15

1 P.S. §4 note.

2 Section 106: Derived from act of November 15, 1972

3 (P.L.1063, No.271), §7 (15 Pa.C.S. §101 note).

4 Section 108: New.

5 Section 109: New.

6 DIVISION III

7 Section 305: New.

8 Section 306: New. See section 402(5) of the act of ,
9 1986 (P.L. , No.), known as the Corporation Act of 1986
10 (15 P.S. §), as to the effectiveness of the amendment to 54
11 Pa.C.S. §311(b)(1).

12 Section 307: New. Repeals 66 Pa.C.S. §3103 as obsolete
13 since business corporations may be organized for public utility
14 purposes without specific statutory authority.

15 Section 308. New. The unofficial citations of the statutes
16 affected by this section are as follows:

Unofficial		
<u>Act</u>	<u>Section</u>	<u>Citation</u>
19 1921, No.284	751(a)	40 P.S. § 910-51(a)
20 1937, No.66	3	7 P.S. § 6203
21	7	7 P.S. § 6207
22	13	7 P.S. § 6213
23 1947, No.140	2	63 P.S. § 9.2
24	8.4	63 P.S. § 9.8d
25	8.6	63 P.S. § 9.8f
26 1952, (1951) No.522	8(b)	63 P.S. § 479.8(b)
27	8(d)	63 P.S. § 479.8(d)
28 1959, No.606	4	15 P.S. § 2704

1		8	15 P.S. § 2708
2		9.1	15 P.S. § 2709.1
3	1965, No.356	802	7 P.S. § 802
4		1204	7 P.S. § 1204
5		1207	7 P.S. § 1207
6		1222	7 P.S. § 1222

7 DIVISION IV

8 Section 401(a): The provisions repealed by this subsection
9 are supplied in this act as follows (an asterisk indicates that
10 a provision is repealed in part):

11	Repealed		Unofficial	Superseding
12	Act	Section	Citation	Provision of
13				Title 15
14				(unless otherwise noted)

15	1838, No.22	-	15 P.S. § 4064	Obsolete
16	1840, No.91	1	15 P.S. § 4313	Obsolete
17		2	15 P.S. § 4314	Obsolete
18	1842, No.14	1	15 P.S. § 4301 note	Obsolete
19	1843, No.173	1-7	-	Special
20		8	-	Repealed 1917
21		9	-	Special
22		10	15 P.S. § 4320	Obsolete
23		11-18	-	Special
24	1845, No.243	1	15 P.S. § 4163	Obsolete
25	1847, No.273	1	15 P.S. § 4002	1755(a), 1732(a)
26		2	15 P.S. § 4012	Obsolete

1	1847, No.276	1	15 P.S. § 4161	66 Pa.C.S. § 2701
2	1848, No.1	1	15 P.S. § 4315	Obsolete
3		2	-	Obsolete
4		3	15 P.S. § 4321	Obsolete
5		4	-	Obsolete
6	1848, No.363	1-3	-	Obsolete
7		4	15 P.S. § 4316	Obsolete
8		5	-	Obsolete
9	1849, No.76	1	15 P.S. § 3953	Obsolete
10		2	15 P.S. § 3901	Ch.13A
11		3	15 P.S. § 3902	1310, 1504, 1732
12		4	15 P.S. § 3965	Chs.11 to 19
13		5	15 P.S. § 4003	Ch.17D
14		6	15 P.S. § 4020	Chs.11 to 19
15		7	15 P.S. § 3954	Ch.15B
16		8	15 P.S. § 3955	Ch.15B
17		9	15 P.S. § 3956	Ch.15C
18		10	15 P.S. § 4061	1511
19		11	-	Repealed 1978
20		12	-	Repealed 1978
21		13	15 P.S. § 4067	66 Pa.C.S. § 2704
22		14	-	Repealed 1978
23		15	-	Repealed 1972
24		16	-	Repealed 1860
25		17	-	Repealed 1968
26		18	-	Repealed 1978
27		19	15 P.S. § 4062	Obsolete
28		20	15 P.S. § 3903	501
29	1853, No.239	1	15 P.S. § 4072 note	Obsolete
30	1856, No.74	1	15 P.S. § 4208	1510

1	1857, No.595	1	15 P.S. § 4206	1903
2	1857, No.664	1	15 P.S. § 4317	66 Pa.C.S. § 2702
3	1858, No.402	1	15 P.S. § 4318	1511
4	1859, No.293	1	15 P.S. § 4254	Obsolete
5	1861, No.3	1	68 P.S. § 55	4143(a), Sec. 401(a)
6				of Act
7	1861, No.262	1	15 P.S. § 118	1903
8		2	-	Supplied 1878
9	1861, No.379	1	15 P.S. § 4255	1502
10	1861, No.405	1	68 P.S. § 32	4143(a)
11			68 P.S. § 51	Section 401(a) of Act
12	1861, No.453	1	15 P.S. § 4254 note	Obsolete
13	1861, No.657	1	15 P.S. § 4262	1921
14		2	15 P.S. § 4263	1922-24
15		3	15 P.S. § 4264	Ch.15D, 1928-30
16	1862, No.148	1	15 P.S. § 4301 note	Obsolete
17		2	15 P.S. § 4301 note	Obsolete
18		3	15 P.S. § 4301 note	Obsolete
19	1862, No.490	1	15 P.S. § 4077	1511
20	1863, No.530	1	15 P.S. § 4073	Obsolete
21	1865, No.18	1	15 P.S. § 4071	1511
22	1865, No.28	1	-	Repealed 1968
23		2	15 P.S. § 4019	1723
24	1865, No.35	1	15 P.S. § 4272	1921
25		2	15 P.S. § 4273	1922-24
26		3	15 P.S. § 4274	1928
27		4	15 P.S. § 4275	1929(a)
28		5	15 P.S. § 4276	1926
29		6	15 P.S. § 4277	1929(b)
30		7	15 P.S. § 4278	1929(c)

1		8	15 P.S. § 4279	1930
2	1865, No.626	2	68 P.S. § 59	4143(a), Sec. 401(a)
3				of Act
4	1865, No.837	1	15 P.S. § 3966	1758(a)
5	1865, No.839	1	15 P.S. § 4162	Obsolete
6	1865, No.841	1	15 P.S. § 4213	1903
7	1866, No.273	1	53 P.S. § 16433 note	Obsolete
8		2	-	Obsolete
9		3	-	Obsolete
10		4	53 P.S. § 16433	Obsolete
11		5	53 P.S. § 16434	Obsolete
12	1866, No.95	1	15 P.S. § 4004	1765
13	1867, No.1283	1	15 P.S. § 4001	1722
14	1867, No.40	1	15 P.S. § 3962	1523
15	1868, No.4	1	15 P.S. § 4013	1755(a), 1732(a)
16	1868, No.267	1	15 P.S. § 118 note	Obsolete
17	1868, No.335	1	15 P.S. § 118 note	Obsolete
18	1868, No.17	1	15 P.S. § 111	1502(a)
19	1868, No.20	1	15 P.S. § 4271	Obsolete
20	1868, No.29	1	15 P.S. § 3904	Ch.13A, 1502
21		2	15 P.S. § 3906	Obsolete
22		3	-	Repealed 1978
23		4	15 P.S. § 3951	Obsolete
24		5	15 P.S. § 3909	1309
25		6	-	Repealed 1968
26		7	15 P.S. § 4018	1722, 1723
27		8	-	Repealed 1968
28		9	15 P.S. § 4070 note	Supplied 1917
29		10	-	Repealed 1978
30		11	-	Repealed 1978

1		12	15 P.S. § 3912	Obsolete
2		13	15 P.S. § 3913	501
3	1868, No.61	1	15 P.S. § 4260	1502(a)(6)
4	1869, No.9	1	15 P.S. § 4042	1502(a)(6)-(8)
5	1869, No.10	1	15 P.S. § 4010	1722, 1723, 1730,
6				1732
7		2	15 P.S. § 3941	1502(a)(15), 1703,
8				1704
9	1869, No.11	1	15 P.S. § 4081	1511
10		2	15 P.S. § 4082	1511
11	1869, No.16	1	15 P.S. § 4303	1511
12	1869, No.24	1	15 P.S. § 4269	1929
13	1869, No.33	1	15 P.S. § 4041	1502(a)(6)-(8)
14	1869, No.70	1	68 P.S. § 55 note	4143(a), Sec. 401(a)
15				of Act
16	1870, No.8	1	15 P.S. § 4259	Obsolete
17	1870, No.26	1	15 P.S. § 856	503
18	1870, No.46	1	15 P.S. § 4204	1502(a)(6)
19	1870, No.13	1	15 P.S. § 3903 note	503, 66 Pa.C.S. § 503
20	1870, No.48	1	15 P.S. § 4270	1502, 1921
21	1870, No.1170	1	15 P.S. § 4281	1921
22	1871, No.61	1	15 P.S. § 4322	66 Pa.C.S. § 1102
23	1871, No.232	1	15 P.S. § 3917	1301
24		2	15 P.S. § 3918	Obsolete
25	1871, No.234	1	15 P.S. § 4083	1511
26	1871, No.830	1	15 P.S. § 4261	1502, 1921
27	1871, No.263	1	15 P.S. § 3952	Obsolete
28	1872, No.25	1	15 P.S. § 4084	1511
29	1872, No.39	1	15 P.S. § 851	1985
30		2	-	Repealed 1971

1		3	-	Repealed 1978
2	1873, No.95	1	15 P.S. § 4063 note	Obsolete
3	1873, No.450	1	15 P.S. § 3601 note	Supplied 1901
4		2	15 P.S. § 3601 note	Supplied 1901
5	1873, No.219	1	15 P.S. § 4011	1732
6	1873, No.303	1	15 P.S. § 4323	Obsolete
7		2	15 P.S. § 4324	Obsolete
8	1874, No.13	1	15 P.S. § 3017 note	505
9	1874, No.36	1	15 P.S. § 853	Chs. 19F, 19G
10	1874, No.32	1	15 P.S. § 3012	1301
11		2 subd.1	-	Repealed 1933
12		2 subd.2	15 P.S. § 3014	1301
13		2.1	15 P.S. § 3011	1305
14		3	15 P.S. § 3016	1306, 1307, 1308,
15				1309
16		4	15 P.S. § 3015	501, 1502(a)(1)
17		5	15 P.S. § 3101	1504
18			15 P.S. § 3102	Ch.17B
19		6	15 P.S. § 3104	1756
20		7	-	Repealed 1966
21		8	-	Repealed 1966
22		9	15 P.S. § 3106	1725(c)
23		10	15 P.S. § 3105 note	1758
24		11	15 P.S. § 3132	1529
25		12	15 P.S. § 3135	1502, Ch.15B
26		13	-	Repealed 1966
27		14	15 P.S. § 3136	1526
28		15	15 P.S. § 3137	1553
29		16	-	Repealed 1913
30		17	15 P.S. § 3131	Ch.15B

1	18	15 P.S. § 3025	1924
2	19	15 P.S. § 3026	Ch.19C
3	20	15 P.S. § 3027	1765
4	21	15 P.S. § 3028	Ch.17D
5	22	15 P.S. § 3029	1927
6	23	15 P.S. § 3024	1921
7	24	15 P.S. § 3139	1526
8	25	15 P.S. § 3020	Obsolete
9	26	-	Repealed 1966
10	27	40 P.S. § 382 note	Supplied 1876
11	28	40 P.S. § 552	Supplied 1876
12	29	-	Supplied 1921
13	30	-	Repealed 1966
14	31	-	Repealed 1966
15	32	-	Repealed 1966
16	33	15 P.S. § 3301	66 Pa.C.S. § 1103
17	33c1.1	15 P.S. § 3302	1511
18	33c1.2	15 P.S. § 3303	1511
19	33c1.3	-	Repealed 1966
20	33c1.4	-	Repealed 1968
21	33c1.5	-	Repealed 1966
22	34	15 P.S. § 3201	Obsolete
23	34c1.1	15 P.S. § 3221	1511
24	34c1.2	15 P.S. § 3241	1511
25	34c1.3	-	Repealed 1966
26	34c1.4	15 P.S. § 3248	1511
27	34c1.5	-	Repealed 1972
28	34c1.6	-	Repealed 1972
29	34c1.7	15 P.S. § 3202	Repealed 1985, Sec. 401(a)
30			of Act

1	35	-	Repealed 1963
2	36	-	Repealed 1963
3	37	-	Repealed 1966
4	38	-	Repealed 1959
5	39	15 P.S. § 3133	Obsolete
6	39c1.1	-	Repealed 1913
7	39c1.2	15 P.S. § 3134	1524
8	39c1.3-5	-	Repealed 1966
9	39c1.6	-	Repealed 1968
10	39c1.7-10	-	Repealed 1966
11	39c1.11	-	Repealed 1968
12	39c1.12	-	Repealed 1966
13	39c1.13	-	Repealed 1968
14	40	15 P.S. § 3166	Ch.19B
15	41	15 P.S. § 3021	1511(g)(2)
16		15 P.S. § 3022	
17		15 P.S. § 3023	
18	42	-	Repealed 1963
19	43	-	Repealed 1966
20	44	-	Repealed 1966
21	45	-	Repealed 1963
22	46	-	Repealer
23	1874, No.64	1 15 P.S. § 3017 note	Obsolete
24	1874, No.117	1 15 P.S. § 4149	Obsolete
25		2 15 P.S. § 4150	Obsolete
26	1874, No.162	1 15 P.S. § 3907	Obsolete
27		2 15 P.S. § 3910	Obsolete
28		3 15 P.S. § 3911	1309
29		4 -	Repealer
30	1874, No.169	1 15 P.S. § 4078	66 Pa.C.S. § 2702

1	1874, No.175	1	15 P.S. § 3942	1508
2	1875, No.9	1	15 P.S. § 4063	Obsolete
3	1875, No.30	1	15 P.S. § 3919	Obsolete
4	1876, No.36	1	15 P.S. § 3105	1758(c)
5	1876, No.45	1	15 P.S. § 12903	9102
6	1876, No.52	1	15 P.S. § 3305	1511
7		2	15 P.S. § 3306	1511
8		3	15 P.S. § 3307	Obsolete
9		4	15 P.S. § 3308	1511
10	1876, No.57	1	15 P.S. § 4212	1903
11	1876, No.93	1	68 P.S. § 57 note	4143(a), Sec. 401(a)
12				of Act
13	1876, No.128	1	15 P.S. § 3916	Obsolete
14	1878, No.108	1	68 P.S. § 60	4143(a), Sec. 401(a)
15				of Act
16	1878, No.184	1	15 P.S. § 118	Amendatory
17		2	15 P.S. § 119	Obsolete
18		3	-	Repealed 1968
19	1878, No.224	1	15 P.S. § 4203	Obsolete
20	1879, No.26	1	15 P.S. § 4201 note	Obsolete
21	1881, No.8	1	66 P.S. § 57 note	4143(a), Sec. 401(a)
22				of Act
23	1881, No.31	1	15 P.S. § 3920	Obsolete
24		2	15 P.S. § 3921	Obsolete
25		3	-	Repealed 1968
26	1881, No.30	1	15 P.S. § 3909 note	Obsolete
27	1883, No.40	1	15 P.S. § 3909 note	Obsolete
28	1883, No.52	1	15 P.S. § 4068	1511
29		2	15 P.S. § 4069	Ch.19B
30	1883, No.54	1	15 P.S. § 3014 note	Amendatory

1		2	15 P.S. § 3351	1511
2		3	15 P.S. § 3352	1511
3			15 P.S. § 3353	
4			15 P.S. § 3354	
5	1883, No.108	1	15 P.S. § 3161	Ch.19B
6		2	15 P.S. § 3162	Ch.19B
7		3	15 P.S. § 3163	Ch.19B
8		4	15 P.S. § 3164	Ch.19B
9		5	-	Repealed 1966
10		6	-	Repealed 1966
11		7	15 P.S. § 3001	Obsolete
12			15 P.S. § 3160	Obsolete
13	1883, No.165	1	15 P.S. § 4325	Obsolete
14	1885, No.32	1	15 P.S. § 3541	Ch.13A
15		2	15 P.S. § 3542	Ch.13A
16			15 P.S. § 3543	
17		3	-	Repealed 1966
18		4	-	Repealed 1966
19		5	15 P.S. § 3546	Ch.19B
20		6-9	-	Repealed 1966
21		10	15 P.S. § 3547	1511
22			15 P.S. § 3549	
23			15 P.S. § 3550	
24			15 P.S. § 3551	
25			15 P.S. § 3552	
26		11	15 P.S. § 3553	1511
27		12	-	Repealed 1978
28		13	15 P.S. § 3555	1511
29		14-16	-	Repealed 1966
30		17	15 P.S. § 3545	Ch.19C

1		18	-	Repealed 1972
2		19	-	Repealed 1966
3		20	-	Repealed 1921
4		21	-	Repealed 1966
5		22	-	Repealed 1921
6		23	-	Repealer
7	1885, No.155	-	15 P.S. § 4211	1903
8	1887, No.44	1	15 P.S. § 3958	1524
9		2	15 P.S. § 3959	1524
10		3	-	Repealed 1968
11		4	15 P.S. § 3960	Obsolete
12		5	15 P.S. § 3961	Obsolete
13	1887, No.162	1	15 P.S. § 4079	66 Pa.C.S. § 2702
14		2	15 P.S. § 4080	66 Pa.C.S. § 2702
15	1887, No.242	1	68 P.S. § 57	4143(a), Sec. 401(a)
16				of Act
17	1889, No.108	1	15 P.S. § 425	Ch.17D
18		2	15 P.S. § 426	Ch.17D
19	1889, No.153	1	15 P.S. § 3014 note	Amendatory
20		2	15 P.S. § 3271	1511
21		3	15 P.S. § 3274	Obsolete
22		4	15 P.S. § 3272	1511
23	1889, No.223	1	15 P.S. § 4282	Ch.19C
24		2	15 P.S. § 4283	Ch.19C
25		3	-	Effective date
26	1891, No.231	1	15 P.S. § 3923	Ch.19B
27		2	15 P.S. § 3924	Ch.19B
28	1893, No.90	1	15 P.S. § 425	Amendatory
29		2	15 P.S. § 426	Amendatory
30		3	15 P.S. § 427	1760

1	1893, No.103	1	15 P.S. § 3249	1511
2		2	15 P.S. § 3250	1511
3		3	15 P.S. § 3251	1511
4	1893, No.289	1	15 P.S. § 420	1507, 1704, 1755
5	1895, No.116	1	15 P.S. § 3252	1502
6	1895, No.172	1	15 P.S. § 721	1528
7		2	-	Repealer
8	1895, No.176	1	68 P.S. § 56	4143(a), Sec. 401(a)
9				of Act
10	1895, No.302	1	15 P.S. § 3243	1511
11		2	15 P.S. § 3244	1511
12	1895, No.309	1	15 P.S. § 3242	1502
13	1901, No.1	1	15 P.S. § 681	Ch.15B
14		2	15 P.S. § 682	Ch.15B
15		3	15 P.S. § 683	Ch.15B
16		4	15 P.S. § 107	1502
17	1901, No.2	1	15 P.S. § 4005	1724(b)
18			15 P.S. § 4006	1724(b)
19			15 P.S. § 4007	1724(b)
20			15 P.S. § 4008	1725(c)
21			15 P.S. § 4009	1724
22	1901, No.20	1	15 P.S. § 4284	Ch.19C
23		2	15 P.S. § 4285	Ch.19C
24			15 P.S. § 4286	Ch.19C
25			15 P.S. § 4287	Ch.19C
26		3	15 P.S. § 4288	Ch.19C
27			15 P.S. § 4289	Ch.15D
28		4	15 P.S. § 4290	1502
29	1901, No.29	1	15 P.S. § 4280	1511
30	1901, No.36	1	15 P.S. § 7701 note	Obsolete

1	1901, No.177	1	15 P.S. § 3245	1502
2	1901, No.207	1	15 P.S. § 3013	1302
3	1901, No.329	1	15 P.S. § 3017 note	Obsolete
4	1903, No.41	1	15 P.S. § 121	1502
5	1903, No.52	1	15 P.S. § 430	1755, 1765
6		2	-	Repealer
7	1903, No.185	1	15 P.S. § 904	Ch.19B
8		2	-	Repealer
9	1903, No.208	1	15 P.S. § 4072	Obsolete
10	1905, No.39	1	-	Amendatory
11		2	15 P.S. § 3135 note	Obsolete
12	1905, No.184	1	15 P.S. § 4043	1502
13	1907, No.287	1	15 P.S. § 3211	1511
14	1909, No.154		15 P.S. § 3017 note	Obsolete
15	1909, No.229	1	15 P.S. § 801	Ch.19C
16		2	15 P.S. § 802	Ch.19C
17		3	15 P.S. § 803	Ch.19C
18		4	15 P.S. § 804	Ch.19C
19		5	15 P.S. § 805	Ch.15D
20	1911, No.15	1	15 P.S. § 3017 note	Obsolete
21	1911, No.165	1	15 P.S. § 854	1985
22		2	15 P.S. § 855	1985
23		3	15 P.S. § 855 note	Validating act
24		4	-	Repealer
25	1911, No.243	1	-	Amendatory
26		2	15 P.S. § 3014 note	Obsolete
27	1913, No.77	1	15 P.S. § 855 note	Obsolete
28	1913, No.149	1	15 P.S. § 3271 note	Obsolete
29	1913, No.304	1	15 P.S. § 3271 note	Obsolete
30		2	15 P.S. § 3271 note	Obsolete

1	1917, No.61	1	15 P.S. § 3548	1511
2	1917, No.78	1	15 P.S. § 3017 note	Obsolete
3	1917, No.126	1	15 P.S. § 409	1730
4	1917, No.258	1	15 P.S. § 903	1502(a)(13)
5	1917, No.382	1	15 P.S. § 4070	1511
6	1919, No.52	1	15 P.S. § 907	Obsolete
7	1919, No.132	1	15 P.S. § 118 note	Obsolete
8	1919, No.135	1	15 P.S. § 3544	Ch.19B
9		2	-	Repealer
10	1919, No.249	1	15 P.S. § 3273	1502
11		2	-	Repealer
12	1919, No.456	1	15 P.S. § 3309	Ch.13A
13		2	15 P.S. § 3310	1511
14		3	15 P.S. § 3311	1511
15		4	15 P.S. § 3323	1502
16		5	15 P.S. § 3324	Ch.19C
17		6	15 P.S. § 3325	Ch.15D
18		7	15 P.S. § 3326	1502
19		8	15 P.S. § 3327	1502
20		9	15 P.S. § 3312	Obsolete
21		10	15 P.S. § 3313	Obsolete
22		11	15 P.S. § 3314	Obsolete
23		12	15 P.S. § 3315	Obsolete
24		13	-	Repealer
25	1921, No.334	1	15 P.S. § 3328	1502
26		2	15 P.S. § 3329	1502
27		3	15 P.S. § 3330	Ch.19C
28		4	15 P.S. § 3331	Ch.19C
29		5	15 P.S. § 3332	Ch.15D
30		6	15 P.S. § 3333	1502

1		7	15 P.S. § 3334	1502
2		8	15 P.S. § 3335	1502
3		9	15 P.S. § 3336	1502
4		10	15 P.S. § 3337	Omitted
5		11	15 P.S. § 3338	Ch.15D
6		12	15 P.S. § 3339	Obsolete
7		13	-	Repealer
8	1921, No.426	1	-	Repealed 1966
9		2	15 P.S. § 604	Obsolete
10		3	-	Repealed 1949
11		4	15 P.S. § 419	1704(b)
12		5	-	Repealed 1966
13		6	-	Repealer
14	1923, No.19	1	15 Pa.S. § 3017 note	Obsolete
15	1923, No.185	1	-	Repealed 1933
16		2	-	Repealed 1933
17		3	-	Validating act
18	1925, No.7	1	15 P.S. § 3017 note	Obsolete
19	1925, No.131	2	15 P.S. § 102 note	Obsolete
20	1927, No.32	1	15 P.S. § 3017 note	Obsolete
21	1927, No.97	1	15 P.S. § 3222	1502
22	1927, No.169	1	15 P.S. § 4371	1502
23		2	15 P.S. § 4372	Ch.19C
24		3	15 P.S. § 4373	Ch.19C
25		4	15 P.S. § 4374	Ch.19C
26		5	15 P.S. § 4375	Ch.19C
27		6	15 P.S. § 4376	Obsolete
28		7	15 P.S. § 4377	66 Pa.C.S. § 1102
29	1927, No.327	1	15 P.S. § 12901	Obsolete
30		2	15 P.S. § 12902	Obsolete

1		3	-	Repealer
2	1929, No.84	1	-	Amendatory
3		2	15 P.S. § 110 note	Obsolete
4	1929, No.175	805*	71 P.S. § 275*	Ch.1B
5	1929, No.176	730*	72 P.S. § 730*	Obsolete
6		1401*	72 P.S. § 1401*	1957(c), 5957(c)
7	1929, No.200	1	15 P.S. § 3017 note	Obsolete
8	1929, No.234	1	15 P.S. § 115	1511(g)(2)
9		2	15 P.S. § 116	1511(g)(2)
10	1929, No.241	1	-	Amendatory
11		2	15 P.S. § 110 note	Obsolete
12	1931, No.338	1	15 P.S. § 4251	1502
13		2	15 P.S. § 4252	Ch.19C
14		3	-	Repealed 1978
15		4	-	Repealer
16		5	-	Effective date
17	1933, No.28	1	15 P.S. § 3017 note	Obsolete
18	1933, No.80	1	15 P.S. § 651	Ch.15B
19		2	15 P.S. § 652	Ch.15B
20		3	15 P.S. § 653	Ch.15B
21		4	15 P.S. § 654	Ch.15B
22		5	15 P.S. § 655	Ch.15B
23		6	15 P.S. § 656	Ch.15B
24		7	15 P.S. § 657	Ch.15B
25		8	15 P.S. § 658	Ch.15B
26		9	15 P.S. § 659	Ch.15C
27		10	15 P.S. § 660	Ch.19B
28		11	15 P.S. § 661	Ch.15B
29		12	15 P.S. § 662	Ch.15B
30		13	15 P.S. § 663	Obsolete

1	14	-	Repealer
2	15	15 P.S. § 664	Obsolete
3	16	-	Effective date
4	1933, No.106	1	15 P.S. § 1001
5		2	15 P.S. § 1002
6		3A	15 P.S. § 1003A
7		3B	15 P.S. § 1003B
8		3C	15 P.S. § 1003C
9		4A	15 P.S. § 1004A
10		4B	15 P.S. § 1004B
11		4B(3)	15 P.S. § 1004B(3)
12		5A	15 P.S. § 1005A
13			1 Pa.C.S. § 1976
14		5B	15 P.S. § 1005B
15		5C	15 P.S. § 1005C
16			1 Pa.C.S. §§ 1961,
17			1976
17		5D	15 P.S. § 1005D
18		5E	15 P.S. § 1005E
19		6A	15 P.S. § 1006A
20		6B	15 P.S. § 1006B
21		6C	15 P.S. § 1006C
22		6D	15 P.S. § 1006D
23		6E	15 P.S. § 1006E
24			1 Pa.C.S. §§ 1902,
25			1924
25		7	15 P.S. § 1007
26		8A	15 P.S. § 1008A
27		8B	15 P.S. § 1008B
28		8C	15 P.S. § 1008C
29		8D	15 P.S. § 1008D
30		8E	15 P.S. § 1008E

1	9	15 P.S. § 1009	106
2	10	15 P.S. § 1010	131-136
3	11	-	Repealed 1978
4	12	15 P.S. § 1012	504
5	13	15 P.S. § 1013	505
6	14	15 P.S. § 1014	506
7	15	15 P.S. § 1015	Omitted
8	16	15 P.S. § 1016	Omitted
9	201	15 P.S. § 1201	1301, 1302
10	202A	15 P.S. § 1202A	1303(a)
11	202B	15 P.S. § 1202B	1303(b)
12	202C	15 P.S. § 1202C	1303(d)
13	202D	15 P.S. § 1202D	1303(e)
14	202E	15 P.S. § 1202E	1304(a)
15	202F	15 P.S. § 1202F	1303(c)
16	202G	15 P.S. § 1202G	1304(b)
17	203	15 P.S. § 1203	1305
18	204	15 P.S. § 1204	1306
19	205	15 P.S. § 1205	1307
20	206A	15 P.S. § 1206A	1308
21	206B	15 P.S. § 1206B	134
22	206C	15 P.S. § 1206C	134
23	207	15 P.S. § 1207	1309
24	208	-	Repealed 1957
25	209	-	Repealed 1972
26	209.1	-	Repealed 1972
27	209.2	-	Repealed 1972
28	210	15 P.S. § 1210	1310
29	211	15 P.S. § 1211	501
30	301	15 P.S. § 1301	1501

1	302	15 P.S. § 1302	1502
2	303	15 P.S. § 1303	1503
3	304	15 P.S. § 1304	1504(a)
4	305	15 P.S. § 1305	1505, 1506
5	306	15 P.S. § 1306	1507(a)
6	307	15 P.S. § 1307	1507(b)
7	308	15 P.S. § 1308	1508
8	309	-	Repealed 1957
9	309.1	15 P.S. § 1309.1	1531
10	310	-	Repealed 1968
11	311A	15 P.S. § 1311A	1932(a), 1932(d)
12	311B	15 P.S. § 1311B	1932(b)
13	311C	15 P.S. § 1311C	1932(f)
14	311D	15 P.S. § 1311D	1932(c)
15	311E	15 P.S. § 1311E	1932(e)
16	311F	15 P.S. § 1311F	1571(b)(3)
17	312	15 P.S. § 1312	Omitted
18	313	15 P.S. § 1313	1510(a)
19	314	15 P.S. § 1314	1502(a)(12)
20	315	15 P.S. § 1315	1502(a)(13)
21	316	15 P.S. § 1316	1502(a)(14)
22	317	-	Repealed 1968
23	318	15 P.S. § 1318	1554
24	319	15 P.S. § 1319	1903(a)
25	320	15 P.S. § 1320	1903(b)
26	321	15 P.S. § 1321	1509
27	322	15 P.S. § 1322	1511
28	371	15 P.S. § 1371	2301(a)-(c)
29	372	15 P.S. § 1372	2304
30	373	15 P.S. § 1373	2303

1	374	15 P.S. § 1374	2305
2	375	15 P.S. § 1375	2306
3	376A	15 P.S. § 1376A	2307
4	376B	15 P.S. § 1376B	2302(b)
5	377	15 P.S. § 1377	2308
6	378	15 P.S. § 1378	2309
7	379	15 P.S. § 1379	2321(b)
8	380	15 P.S. § 1380	2324
9	381	15 P.S. § 1381	2331(b), (c)
10	382	15 P.S. § 1382	2332
11	383	15 P.S. § 1383	2333
12	384	15 P.S. § 1384	2334
13	385	15 P.S. § 1385	2335
14	386	15 P.S. § 1386	2337
15	401	15 P.S. § 1401	1721(a), 1722,
16			1724(a), 1725(a),
17			1730
18	402	15 P.S. § 1402	1722, 1723,
19			1725(b)
20	402(1)	15 P.S. § 1402(1)	1724(a)
21	402(2)	15 P.S. § 1402(2)	1723
22	402(3)	15 P.S. § 1402(3)	1725(c)
23	402(4)	15 P.S. § 1402(4)	1703(a)
24	402(5)	15 P.S. § 1402(5)	1727(a)
25	402(6)	15 P.S. § 1402(6)	1731(a)
26	402(7)	15 P.S. § 1402(7)	1727(b)
27	403	15 P.S. § 1403	1724(b), 1725(b),
28			1758(c)
29	404	15 P.S. § 1404	1702(b), 1703(b)
30	405	15 P.S. § 1405	1726(a)-(c)

1	406	15 P.S. § 1406	1732
2	407	15 P.S. § 1407	1733
3	408A	15 P.S. § 1408A	1721(b), (c)
4	408B	15 P.S. § 1408B	1721(d)
5	409	-	Repealed 1968
6	409.1A	15 P.S. § 1409.1A	1728(a)
7	409.1B	15 P.S. § 1409.1B	1728(b)
8	409.1C	15 P.S. § 1409.1C	1770
9	410A	15 P.S. § 1410A	1741
10	410B	15 P.S. § 1410B	1742
11	410C	15 P.S. § 1410C	1743
12	410D	15 P.S. § 1410D	1744
13	410E	15 P.S. § 1410E	1745
14	410F	15 P.S. § 1410F	1746
15	410G	15 P.S. § 1410G	1747
16	501A	15 P.S. § 1501A	1704(a)
17	501B	15 P.S. § 1501B	1755(a)
18	501C	15 P.S. § 1501C	1704(b), 1755(b)
19	501D	15 P.S. § 1501D	1755(c)
20	502	15 P.S. § 1502	1702(b), 1704(b)
21	503A	15 P.S. § 1503A	1756
22	503A(1)	15 P.S. § 1503A(1)	1757(a)
23	503A(2)	15 P.S. § 1503A(2)	1756(a)
24	503A(3)	15 P.S. § 1503A(3)	1756(b)
25	503B	15 P.S. § 1503B	1757(b)
26	504A	15 P.S. § 1504A	1758(a), 1759
27	504B	15 P.S. § 1504B	1758(d)
28	505	15 P.S. § 1505	1758(b), (c)
29	506	15 P.S. § 1506	1760
30	507	15 P.S. § 1507	1761

1	508	15 P.S. § 1508	1762
2	509	15 P.S. § 1509	1763(a)
3	510	15 P.S. § 1510	1764
4	511	15 P.S. § 1511	1768
5	512	15 P.S. § 1512	1765
6	513	15 P.S. § 1513	1766
7	513.1	15 P.S. § 1513.1	1767
8	514	-	Repealed 1966
9	515A	15 P.S. § 1515A	1571(a)
10	515B	15 P.S. § 1515B	1573, 1574
11	515C	15 P.S. § 1515C	1579
12	515D	15 P.S. § 1515D	1577
13	515E	15 P.S. § 1515E	1577
14	515F	15 P.S. § 1515F	1579
15	515G	15 P.S. § 1515G	1579(d)
16	515H	15 P.S. § 1515H	1580
17	515I	15 P.S. § 1515I	1576, 1577
18	515J	15 P.S. § 1515J	Omitted
19	515K	15 P.S. § 1515K	1105
20	515L	15 P.S. § 1515L	1571(b)
21	515M	15 P.S. § 1515M	1571(b)
22	516	15 P.S. § 1516	1782
23	601	15 P.S. § 1601	1521
24	602	15 P.S. § 1602	1522
25	603	15 P.S. § 1603	1523
26	604	15 P.S. § 1604	1524
27	605	15 P.S. § 1605	1524
28	606	15 P.S. § 1606	1524
29	607	15 P.S. § 1607	1528(b)-(e)
30	608	15 P.S. § 1608	1527

1	609	15 P.S. § 1609	1526
2	610	15 P.S. § 1610	1524(c)
3	611	15 P.S. § 1611A	1530
4		15 P.S. § 1611B	Omitted
5		15 P.S. § 1611C	Omitted
6	612	15 P.S. § 1612	1525
7	613A	15 P.S. § 1613A	1529(a)
8	613B	15 P.S. § 1613B	110, 1502(a)(15),
9			1502(a)(16), 1508
10	613.1	15 P.S. § 1613.1	1529(b)-(f)
11	614	15 P.S. § 1614	Omitted
12	615	15 P.S. § 1615	1532
13	701	15 P.S. § 1701	1521(b), 1552(a)
14	702	15 P.S. § 1702	1551
15	702.1	15 P.S. § 1702.1	1524(b)
16	703	15 P.S. § 1703	1551
17	704	15 P.S. § 1704	Omitted
18	705	-	Repealed 1966
19	706	15 P.S. § 1706	Omitted
20	707	15 P.S. § 1707	1553
21	708	15 P.S. § 1708	1552(a)
22	709	15 P.S. § 1709	1552(a)
23	801	15 P.S. § 1801	1911
24	802	15 P.S. § 1802	1912
25	803	15 P.S. § 1803	1913
26	804	15 P.S. § 1804	1914
27	805	15 P.S. § 1805	1914
28	806	15 P.S. § 1806	1915
29	807	15 P.S. § 1807	Omitted
30	808	15 P.S. § 1808	1916(a)

1	809	15 P.S. § 1809	1915, 1916(b)
2	810	15 P.S. § 1810	1917
3	901	15 P.S. § 1901	1921(a), (b)
4	902A	15 P.S. § 1902A	1922(a)
5	902B	15 P.S. § 1902B	1922(c), 1923
6	902C	15 P.S. § 1902C	1924(a), (c)
7	902D	15 P.S. § 1902D	1925
8	902.1	15 P.S. § 1902.1	1924(b)
9	903	15 P.S. § 1903	1926
10	904	-	Repealed 1966
11	905	15 P.S. § 1905	1927
12	906	15 P.S. § 1906	1928
13	907	15 P.S. § 1907	1929
14	908	15 P.S. § 1908	1930
15	909	15 P.S. § 1909	4161
16	910	15 P.S. § 1910	2538
17	1001A	15 P.S. § 2001A	4121(a)
18	1001B	15 P.S. § 2001B	4122
19	1002	15 P.S. § 2002	4123
20	1003	15 P.S. § 2003	4124(b)
21	1004	15 P.S. § 2004	4124(a)
22	1005	15 P.S. § 2005	4125
23	1006	15 P.S. § 2006	4144
24	1007	15 P.S. § 2007	4126
25	1008	-	Repealed 1957
26	1009	15 P.S. § 2009	4127
27	1010A	15 P.S. § 2010A	4142(a)
28	1010B	15 P.S. § 2010B	4143(b)
29	1011	-	Repealed 1972
30	1011.1	-	Repealed 1972

1	1012	15 P.S. § 2012	4143(a)
2	1013	15 P.S. § 2013	4128
3	1014	15 P.S. § 2014	4141
4	1015	15 P.S. § 2015	4129
5	1016	15 P.S. § 2016	4128
6	1101	15 P.S. § 2101	1971
7	1102	15 P.S. § 2102	1972, 1973, 1974
8	1103	15 P.S. § 2103	1977
9	1103.1	15 P.S. § 2103.1	1974(c)
10	1104A	15 P.S. § 2104A	1975(a)
11	1104B	15 P.S. § 2104B	1975(b)
12	1104C	15 P.S. § 2104C	1975(c)
13	1104D	15 P.S. § 2104D	1976
14	1105	15 P.S. § 2105	1977
15	1106	15 P.S. § 2106	1978
16	1107A	15 P.S. § 2107A	1981
17	1107B	15 P.S. § 2107B	1982
18	1107C	15 P.S. § 2107C	1103 ("court")
19	1108A	15 P.S. § 2108A	1984
20	1108B	15 P.S. § 2108B	1985
21	1108C	15 P.S. § 2108C	1986
22	1108D	15 P.S. § 2108D	1987
23	1109	15 P.S. § 2109	1988
24	1110	15 P.S. § 2110	1989
25	1111	15 P.S. § 2111	1979
26	1112	15 P.S. § 2112	503
27	1201	15 P.S. § 2201	Effective date,
28			Sec. 402 of Act
29	1202	15 P.S. § 2202	Repealer
30	1203	15 P.S. § 2203	Repealer

1		1203(b)	15 P.S. § 2203(b)	Sec. 401(c) of Act
2		1204	15 P.S. § 2204	Repealer
3		1204(d)	15 P.S. § 2204(d)	Sec. 401(d) of Act
4	1937, No.219	1	15 P.S. § 1406 note	1732
5	1937, No.600	1	15 P.S. § 3967	1758(e), 1759
6		2	-	Repealer
7	1939, No.170	1	15 P.S. § 3905	1755
8	1939, No.171	1	15 P.S. § 4210	1502
9		2	-	Effective date
10	1945, No.114	1	15 P.S. § 432	523
11		2	15 P.S. § 433	523
12		3	15 P.S. § 434	523
13		4	15 P.S. § 410	522
14	1947, No.79	1	15 P.S. § 4022	1703
15		2	-	Repealer
16		3	-	Effective date
17	1947, No.136	1	15 P.S. § 3355	Ch.19C
18		2	15 P.S. § 3356	Ch.19C
19		3	15 P.S. § 3357	Ch.19C
20		4	15 P.S. § 3358	Omitted
21		5	15 P.S. § 3359	Ch.19C
22		6	15 P.S. § 3360	Ch.19C
23		7	15 P.S. § 3361	Ch.19C
24		8	15 P.S. § 3362	Ch.15D
25	1947, No.196	1	15 P.S. § 3304	1511
26	1947, No.243	1	15 P.S. § 7207 note	Obsolete
27	1949, No.17	1	15 P.S. § 4014	1502, 1730, 1732
28		2	15 P.S. § 4015	1502, 1732
29		3	15 P.S. § 4016	1723
30		4	15 P.S. § 4017	Obsolete

1		5	-	Effective date
2	1951, No.302	1	-	Amendatory
3		2	-	Amendatory
4		3	-	Amendatory
5		4	15 P.S. § 801 note	Effective date
6	1953, No.280	2	15 P.S. § 113	521
7		3	15 P.S. § 114	Obsolete
8		4	-	Effective date
9	1957, No.169	1	15 P.S. § 3165	Ch.19B
10	1957, No.366	1	15 P.S. § 806	139
11		2	15 P.S. § 807	139
12		3	-	Repealer
13		4	-	Effective date
14	1957, No.368	1	15 P.S. § 414	Obsolete
15		2	15 P.S. § 415	1704
16		3	15 P.S. § 416	1702
17		4	15 P.S. § 417	1705(a)
18		5	15 P.S. § 418	1705(b)
19		6	15 P.S. § 431	1766
20		7	-	Repealer
21		8	-	Effective date
22	1959, No.508	1	15 P.S. § 4021	1731
23		2	-	Effective date
24	1959, No.509	1	15 P.S. § 3968	1759
25		2	15 P.S. § 3969	1760
26		3	15 P.S. § 3970	1761
27		4	-	Repealer
28		5	-	Effective date
29	1964, No.6	901*	26 P.S. § 1-901*	1511
30	1965, No.293	1	-	Amendatory

1	2	-	Repealed 1966
2	3	15 P.S. § 1202 note	1105(b)(2)
3	4	-	Effective date
4 1966, No.521	1	15 P.S. § 1	Obsolete
5	2	15 P.S. § 2	Sec. 104 of Act
6	3	15 P.S. § 3	501(b)
7	4	15 P.S. § 4	Obsolete
8	5	15 P.S. § 5	Obsolete
9	6	15 P.S. § 6	Obsolete
10	7	15 P.S. § 7	Obsolete
11	8	-	Effective date
12 1966, No.556	1	15 P.S. § 4351	1722
13	2	15 P.S. § 4352	1722
14	3	-	Severability
15			Section
16	4	-	Repealer
17	5	-	Effective date
18 1968, No.321	1	15 P.S. § 4381	Obsolete
19	2	15 P.S. § 4382	1511
20	3	15 P.S. § 4383	Ch.19B
21	4	15 P.S. § 4384	1511
22	5	15 P.S. § 4385	Repealer
23	6	-	Effective date
24 1970, No.160	1	15 P.S. § 2901	Obsolete
25	2	15 P.S. § 2902	2902
26	3(1)	15 P.S. § 2903	2903(b)
27	3(2)	15 P.S. § 2903	Obsolete
28	4(a)	15 P.S. § 2904(a)	2905(a)
29	4(b)	15 P.S. § 2904(b)	2905(b)
30	4(c)	15 P.S. § 2904(c)	2905(c)

1		4(d)	15 P.S. § 2904(d)	1311
2		5(a)	15 P.S. § 2905(a)	2901(b)
3		5(b)	15 P.S. § 2905(b)	2904
4		6(a)	15 P.S. § 2906(a)	2901(c), 2903(a)
5		6(b)	15 P.S. § 2906(b)	Ch.41
6		7(a)	15 P.S. § 2907(a)	2903(c), 2922(a)
7		7(b)	15 P.S. § 2907(b)	2903(d)(1)
8		7(c)	15 P.S. § 2907(c)	2903(d)(2)
9		8(a)	15 P.S. § 2908(a)	2921(a)
10		8(b)	15 P.S. § 2908(b)	2921(b)
11		8(c)	15 P.S. § 2908(c)	135
12		9	15 P.S. § 2909	1723
13		10(a)	15 P.S. § 2910(a)	2923(a), (c)
14		10(b)	15 P.S. § 2910(b)	2923(d)
15		11(a)	15 P.S. § 2911(a)	2923(b)
16		11(b)	15 P.S. § 2911(b)	2907(c)
17		11(c)	15 P.S. § 2911(c)	2907(a)
18		11(d)	15 P.S. § 2911(d)	2907(b)
19		12	15 P.S. § 2912	2924
20		13	15 P.S. § 2913	2925
21		14	15 P.S. § 2914	Repealer
22		15	-	Effective date
23	1981, No.135	203*	4 P.S. § 325.203*	Chs.11-19
24	1983, No.92	1	-	Amendatory
25		2	-	Amendatory
26		3	-	Amendatory
27		4	-	Amendatory
28		5	-	2538(a)
29		6	-	Obsolete
30		7	-	Effective date

1 The provision attached to the partial repeal of section 901
 2 of the act of June 22, 1964 (P.L.84, No.6) reverses the result
 3 in Appeal of Conway, 60 Pa.Cmwlt. 520, 432 A.2d 276 (1981), and
 4 cures the constitutional defect in the Eminent Domain Code noted
 5 in footnote 3 to the court's opinion in that case, 432 A.2d at
 6 278.

7 Section 7 of the act of July 10, 1981 (P.L.237, No.77) is
 8 omitted as supplied in part by new 15 Pa.C.S. §§ 2922 and 2923
 9 and otherwise obsolete.

10 Section 401(b): The provisions repealed by this subsection
 11 are supplied in this act as to associations not incorporated
 12 under or subject to The Insurance Company Law of 1921 as
 13 follows:

14	Repealed		Unofficial	Superseding
15	Act	Section	Citation	Provision of
16				Title 15
17				(unless otherwise noted)
18	1865, No.1119	1	15 P.S. § 424	1703(a), 1704(a)
19	1869, No.30	1	15 P.S. § 405	1727
20	1874, No.118	1	15 P.S. § 103	1309
21	1887, No.274	1	15 P.S. § 406	1724
22		2	-	Validating
23				section
24		3	-	Repealed 1959
25	1891, No.77	1	15 P.S. § 408	1730
26	1901, No.51	1	15 P.S. § 403	1723
27			15 P.S. § 404	1723
28	1901, No.298	1	15 P.S. § 110	1502
29		2	-	Repealer
30	1903, No.17	1	15 P.S. § 429	1759

1		2	-	Repealer
2	1905, No.26	1	15 P.S. § 428	1760
3	1913, No.222	1	15 P.S. § 751	1551
4		2	-	Repealer
5	1921, No.28	1	15 P.S. § 422	1755
6		2	15 P.S. § 423	1704
7	1923, No.8	1	15 P.S. § 905	Obsolete
8		2	15 P.S. § 905 note	Validating
9				section
10		3	15 P.S. § 906	42 Pa.C.S. § 6103
11				42 Pa.C.S. § 6104
12	1923, No.443	1	15 P.S. § 601	1523
13		2	15 P.S. § 602	1530
14		3	-	Repealer
15	1925, No.131	1	15 P.S. § 102	Obsolete
16		2	-	Validating
17				section
18		3	-	Repealer
19	1925, No.329	1	15 P.S. § 401	1505
20		2	15 P.S. § 402	1506
21	1925, No.368	1	15 P.S. § 701	1502(a), 1525,
22				1530
23		2	15 P.S. § 702	Omitted
24		3	-	Repealer
25	1927, No.260	1	41 P.S. § 2	1510, 5510
26		2	-	Repealer
27	1929, No.401	1	15 P.S. § 411	1763
28		2	15 P.S. § 412	1763
29		3	15 P.S. § 413	1763
30		4	-	Repealer

1	1945, No.249	1	15 P.S. § 901	1502, 7 P.S. § 6020-101,
2				7 P.S. § 201(a)(vii)
3		2	-	Effective date
4	1953, No.280	1	15 P.S. § 703	1525, 7 P.S. § 1409

5 Section 401(c): Derived from act of May 5, 1933 (P.L.364,
6 No.106), § 1203(b), added by the act of January 18, 1966 (1965
7 P.L.1305, No.519), § 50. The provisions repealed by this
8 subsection were repealed as to corporations for profit with the
9 proviso that they were repealed absolutely if repealed as to
10 corporations not for profit by any amendment to the Nonprofit
11 Corporation Law of 1933. They were repealed as to corporations
12 not for profit by the act of January 18, 1966 (1965 P.L.1406,
13 No.520), § 26(b), adding § 1103(b) to the Nonprofit Corporation
14 Law of 1933.

15 Section 401(d): Substantially a reenactment of act of May 5,
16 1933 (P.L.364, No.106), § 1204(d), added by the act of July 20,
17 1968 (P.L.459, No.216), § 59.

18 Section 401(f): New.

19 Section 401(g): New. The purpose of this provision is to make
20 clear that if both the Corporation Act of 1986 and the 1986
21 version of the General Association Act are enacted in 1986,
22 Title 15 will have the scope intended by S.B. 599 (P.N.671).

23 Section 402: New. See section 109 of the act of
24 , 1986 (P.L. ,No.), known as the Corporation Act of 1986 (15
25 P.S. §).

26 Section 403: New.