

THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 943

Session of 1987

INTRODUCED BY FISHER, ZEMPRELLI, STAUFFER, LEWIS, SHUMAKER, SCANLON, HOPPER, SALVATORE, KELLEY, HELFRICK, WILT, SHAFFER, CORMAN, WENGER AND LEMMOND, JUNE 24, 1987

SENATOR GREENLEAF, JUDICIARY, AS AMENDED, JUNE 30, 1988

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.

TABLE OF CONTENTS

DIVISION I. ASSOCIATIONS GENERALLY

- 13 Section 101. Short title of act.
14 Section 102. Repeal of certain provisions of Title 15.
15 Section 103. Amendment of Title 15.

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.
21 § 103. Subordination of title to regulatory laws.

1 § 104. Equitable remedies.

2 § 105. Fees.

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

4 § 107. Form of records.

5 § 108. Change in location or status of registered office
6 provided by agent.

7 § 109. Name of commercial registered office provider in lieu of
8 registered address.

9 § 110. Supplementary general principles of law applicable.

10 Subchapter B. Functions and Powers of Department of State

11 § 131. Application of subchapter.

12 § 132. Functions of Department of State.

13 § 133. Powers of Department of State.

14 § 134. Docketing statement.

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

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

17 § 137. Court to pass upon rejection of documents by Department
18 of State.

19 § 138. Statement of correction.

20 § 139. Tax clearance of certain fundamental transactions.

21 Subchapter C. Definitive and Contingent Domestication of
22 Foreign Associations

23 § 151. Domestication of certain foreign associations.

24 § 152. Contingent domestication of certain foreign
25 associations.

26 PART II. CORPORATIONS

27 SUBPART A. CORPORATIONS GENERALLY

28 Chapter 5. Corporations

29 Subchapter A. In General

30 § 501. Reserved power of General Assembly.

1 § 502. Application of chapter.

2 § 503. Actions to revoke corporate franchises.

3 § 504. Validation of certain defective corporations.

4 § 505. Validation of certain defective corporate acts.

5 § 506. Scope and duration of certain franchises.

6 § 507. Validation of certain share authorizations.

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 § 1530. OPTION RIGHTS AND CONVERSION RIGHTS. ←
8 § 1531. Voting powers and other rights of certain
9 securityholders and other entities.
10 § 1532. Effect of failure to surrender securities converted by
11 reorganization.

12 Subchapter C. Corporate Finance

- 13 § 1551. Distributions to shareholders.
14 § 1552. Power of corporation to acquire its own shares.
15 § 1553. Liability for unlawful dividends and other
16 distributions.
17 § 1554. Financial reports to shareholders.
18 Subchapter D. Dissenters Rights
19 § 1571. Application and effect of subchapter.
20 § 1572. Definitions.
21 § 1573. Record and beneficial holders and owners.
22 § 1574. Notice of intention to dissent.
23 § 1575. Notice to demand payment.
24 § 1576. Failure to comply with notice to demand payment, etc.
25 § 1577. Release of restrictions or payment for shares.
26 § 1578. Estimate by dissenter of fair value of shares.
27 § 1579. Valuation proceedings generally.
28 § 1580. Costs and expenses of valuation proceedings.

29 Chapter 17. Officers, Directors and Shareholders

30 Subchapter A. Notice and Meetings Generally

- 1 § 1701. Applicability of subchapter.
2 § 1702. Manner of giving notice.
3 § 1703. Place and notice of meetings of board of directors.
4 § 1704. Place and notice of meetings of shareholders.
5 § 1705. Waiver of notice.
6 § 1706. Modification of proposal contained in notice.
7 § 1707. Exception to requirement of notice.
8 § 1708. Use of conference telephone and similar equipment.

9 Subchapter B. Directors and Officers

- 10 § 1721. Board of directors.
11 § 1722. Qualifications of directors.
12 § 1723. Number of directors.
13 § 1724. Term of office of directors.
14 § 1725. Selection of directors.
15 § 1726. Removal of directors.
16 § 1727. Quorum of and action by directors.
17 § 1728. Interested directors or officers; quorum.
18 § 1729. Voting rights of directors.
19 § 1730. Compensation of directors.
20 § 1731. Executive and other committees of the board.
21 § 1732. Officers.
22 § 1733. Removal of officers and agents.

23 Subchapter C. Indemnification

- 24 § 1741. Third party actions.
25 § 1742. Derivative actions.
26 § 1743. Mandatory indemnification.
27 § 1744. Procedure for effecting indemnification.
28 § 1745. Advancing expenses.
29 § 1746. Supplementary coverage.
30 § 1747. Power to purchase insurance.

1 § 1748. Application to surviving or new corporations.

2 § 1749. Application to employee benefit plans.

3 § 1750. Duration and extent of coverage.

4 Subchapter D. Shareholders

5 § 1755. Time of holding meetings of shareholders.

6 § 1756. Quorum.

7 § 1757. Action by shareholders.

8 § 1758. Voting rights of shareholders.

9 § 1759. Voting and other action by proxy.

10 § 1760. Voting by fiduciaries and pledgees.

11 § 1761. Voting by joint holders of shares.

12 § 1762. Voting by corporations.

13 § 1763. Determination of shareholders of record.

14 § 1764. Voting lists.

15 § 1765. Judges of election.

16 § 1766. Consent of shareholders in lieu of meeting.

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

19 § 1768. Voting trusts and other agreements among shareholders.

20 § 1769. Minors as securityholders.

21 § 1770. Interested shareholders.

22 Subchapter E. Derivative Actions

23 § 1781. Institution and control of derivative actions.

24 § 1782. Actions against directors and officers.

25 ~~§ 1783. Access to corporate confidences.~~ <—

26 Subchapter F. Judicial Supervision of Corporate Action

27 § 1791. Corporate action subject to subchapter.

28 § 1792. Proceedings prior to corporate action.

29 § 1793. Review of contested corporate action.

30 Chapter 19. Fundamental Changes

1 Subchapter A. Preliminary Provisions

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. Special treatment of holders of shares of same class~~ ←
8 ~~or series.~~

9 Subchapter B. Amendment of Articles

10 § 1911. Amendment of articles authorized.

11 § 1912. Proposal of amendments.

12 § 1913. Notice of meeting of shareholders.

13 § 1914. Adoption of amendments.

14 § 1915. Articles of amendment.

15 § 1916. Filing and effectiveness of articles of amendment.

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 § 1933. RIGHT OF SHAREHOLDERS TO RECEIVE PAYMENT FOR SHARES ←

1 FOLLOWING A CONTROL TRANSACTION.

2 § 1934. REQUIREMENTS RELATING TO CERTAIN BUSINESS COMBINATIONS.

3 Subchapter D. Division

4 § 1951. Division authorized.

5 § 1952. Proposal and adoption of plan of division.

6 § 1953. Division without shareholder approval.

7 § 1954. Articles of division.

8 § 1955. Filing of articles of division.

9 § 1956. Effective date of division.

10 § 1957. Effect of division.

11 Subchapter E. Conversion

12 § 1961. Conversion authorized.

13 § 1962. Proposal and adoption of plan of conversion.

14 § 1963. Articles of conversion.

15 § 1964. Filing of articles of conversion.

16 § 1965. Effective date of conversion.

17 § 1966. Effect of conversion.

18 Subchapter F. Voluntary Dissolution and Winding Up

19 § 1971. Voluntary dissolution by shareholders or incorporators.

20 § 1972. Proposal of voluntary dissolution.

21 § 1973. Notice of meeting of shareholders.

22 § 1974. Adoption of proposal.

23 § 1975. Winding up in voluntary dissolution proceedings.

24 § 1976. Judicial supervision of proceedings.

25 § 1977. Articles of dissolution.

26 § 1978. Winding up of corporation upon the expiration of its
27 period of duration.

28 § 1979. Survival of remedies and rights after dissolution.

29 § 1980. Dissolution by domestication.

30 Subchapter G. Involuntary Liquidation and Dissolution

- 1 § 1981. Proceedings upon application of shareholder or
2 director.
- 3 § 1982. Proceedings upon application of creditor.
- 4 § 1983. (Reserved).
- 5 § 1984. Appointment of receiver pendente lite and other interim
6 powers.
- 7 § 1985. Liquidating receiver.
- 8 § 1986. Qualifications of receivers.
- 9 § 1987. Proof of claims.
- 10 § 1988. Discontinuance of proceedings; reorganization.
- 11 § 1989. Articles of involuntary dissolution.

12 ARTICLE C. DOMESTIC BUSINESS CORPORATION ANCILLARIES

13 Chapter 21. Nonstock Corporations

14 Subchapter A. Preliminary Provisions

- 15 § 2101. Application and effect of chapter.
- 16 § 2102. Formation of nonstock corporations.
- 17 § 2103. Contents of articles and other documents of nonstock
18 corporations.
- 19 § 2104. Election of an existing business corporation to become
20 a nonstock corporation.
- 21 § 2105. Termination of nonstock corporation status.

22 Subchapter B. Powers, Duties and Safeguards

- 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 Chapter 23. Statutory Close Corporations

1 Subchapter A. Preliminary Provisions

2 § 2301. Application and effect of chapter.

3 § 2302. Definition of minimum vote.

4 § 2303. Formation of statutory close corporations.

5 § 2304. Additional contents of articles of statutory close
6 corporations.

7 § 2305. Election of an existing business corporation to become
8 a statutory close corporation.

9 § 2306. Limitations on continuation of statutory close
10 corporation status.

11 § 2307. Voluntary termination of statutory close corporation
12 status by amendment of articles.

13 § 2308. Issuance or transfer of shares of a statutory close
14 corporation in breach of qualifying conditions.

15 § 2309. Involuntary termination of statutory close corporation
16 status; proceeding to prevent loss of status.

17 Subchapter B. Shares

18 § 2321. Shares.

19 § 2322. Share transfer restrictions.

20 § 2323. Transfer of shares in breach of transfer restrictions.

21 § 2324. Corporation option where a restriction on transfer of a
22 security is held invalid.

23 § 2325. Sale option of estate of shareholder.

24 Subchapter C. Powers, Duties and Safeguards

25 § 2331. Directors.

26 § 2332. Management by shareholders.

27 § 2333. Appointment of custodian for statutory close
28 corporation.

29 § 2334. Appointment of provisional director in certain cases.

30 § 2335. Operating corporation as partnership.

1 § 2336. Fundamental changes.

2 § 2337. Option of shareholder to dissolve corporation.

3 ~~Chapter 25. Registered Corporations~~ <—

4 ~~Subchapter A. Preliminary Provisions~~

5 ~~§ 2501. Application and effect of chapter.~~

6 ~~§ 2502. Registered corporation status.~~

7 ~~§ 2503. Acquisition of registered corporation status.~~

8 ~~§ 2504. Termination of registered corporation status.~~

9 ~~Subchapter B. Powers, Duties and Safeguards~~

10 ~~§ 2511. Financial reports to shareholders.~~

11 ~~§ 2512. Dissenters rights procedure.~~

12 ~~Subchapter C. Directors and Shareholders~~

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 ~~Subchapter D. Fundamental Changes~~

18 ~~§ 2535. Proposal of amendment to articles.~~

19 ~~§ 2536. Application by director for involuntary dissolution.~~

20 ~~§ 2537. Dissenters rights in asset transfers.~~

21 ~~§ 2538. Right of shareholders to receive payment for shares~~

22 ~~following a control transaction.~~

23 Chapter 27 25. Management Corporations <—

24 Subchapter A. Preliminary Provisions

25 § ~~2701~~ 2501. Application and effect of chapter. <—

26 § ~~2702~~ 2502. Election to become a management corporation. <—

27 § ~~2703~~ 2503. Date and duration of election. <—

28 § ~~2704~~ 2504. Dissenters rights upon election. <—

29 Subchapter B. Powers, Duties and Safeguards

30 § ~~2711~~ 2511. Bylaw and fundamental change procedures. <—

1 Subchapter C. Directors and Shareholders
2 § ~~2721~~ 2521. Selection and removal of directors. <—
3 § ~~2722~~ 2522. Shareholder meetings unnecessary. <—
4 Chapter ~~29~~ 27. Professional Corporations <—
5 Subchapter A. Preliminary Provisions
6 § ~~2901~~ 2701. Application and effect of chapter. <—
7 § ~~2902~~ 2702. Definitions. <—
8 § ~~2903~~ 2703. Formation of professional corporations. <—
9 § ~~2904~~ 2704. Election of an existing business corporation to <—
10 become a professional corporation.
11 § ~~2905~~ 2705. Election of professional associations to become <—
12 professional corporations.
13 § ~~2906~~ 2706. Termination of professional corporation status. <—
14 § ~~2907~~ 2707. Proceedings to terminate breach of qualifying <—
15 conditions.
16 Subchapter B. Powers, Duties and Safeguards
17 § ~~2921~~ 2721. Corporate name. <—
18 § ~~2922~~ 2722. Stated purposes. <—
19 § ~~2923~~ 2723. Issuance and retention of shares. <—
20 § ~~2924~~ 2724. Rendering professional services. <—
21 § ~~2925~~ 2725. Professional relationship retained. <—
22 ARTICLE D. FOREIGN BUSINESS CORPORATIONS
23 Chapter 41. Foreign Business Corporations
24 Subchapter A. Preliminary Provisions
25 § 4101. Application of article.
26 § 4102. Foreign domiciliary corporations.
27 ~~§ 4103. Acquisition of foreign domiciliary corporation status. <—~~
28 ~~§ 4104. Termination of foreign domiciliary corporation status. <—~~
29 Subchapter B. Qualification
30 § 4121. Admission of foreign corporations.

1 § 4122. Excluded activities.

2 § 4123. Requirements for foreign corporation names.

3 § 4124. Application for a certificate of authority.

4 § 4125. Issuance of certificate of authority.

5 § 4126. Amended certificate of authority.

6 § 4127. Merger, consolidation or division of qualified foreign
7 corporations.

8 § 4128. Revocation of certificate of authority.

9 § 4129. Application for termination of authority.

10 § 4130. Change of address after withdrawal.

11 § 4131. Registration of name.

12 Subchapter C. Powers, Duties and Liabilities

13 § 4141. Penalty for doing business without certificate of
14 authority.

15 § 4142. General powers and duties of qualified foreign
16 corporations.

17 § 4143. General powers and duties of nonqualified foreign
18 corporations.

19 § 4144. Registered office of qualified foreign corporations.

20 § 4145. Applicability of certain safeguards to foreign
21 domiciliary corporations.

22 § 4146. Provisions applicable to all foreign corporations.

23 Subchapter D. Domestication

24 § 4161. Domestication.

25 § 4162. Effect of domestication.

26 Section 104. Legislative findings as to acceptance of
27 Constitution of Pennsylvania.

28 Section 105. Additional filing fees.

29 Section 106. Study of transfer of local corporate records.

30 Section 107. Accelerated effective date.

1 DIVISION II. CONFORMING AMENDMENTS

2 Section 201. Conforming amendment to Title 13.

3 Section 202. Conforming amendment to Title 42.

4 Section 203. Conforming amendments to Title 54.

5 Section 204. Conforming amendment to Title 66.

6 Section 205. Conforming cross references in unconsolidated
7 statutes.

8 DIVISION III. MISCELLANEOUS PROVISIONS

9 Section 301. Repeals.

10 Section 302. Effective date and applicability.

11 Section 303. Preparation of act for printing.

12 The General Assembly of the Commonwealth of Pennsylvania
13 hereby enacts as follows:

14 DIVISION I

15 ASSOCIATIONS GENERALLY

16 Section 101. Short title of act.

17 This act shall be known and may be cited as the Corporation
18 Act of 1987.

19 Section 102. Repeal of certain provisions of Title 15.

20 The following provisions of Title 15 of the Pennsylvania
21 Consolidated Statutes are repealed:

22 Part I (relating to corporations generally).

23 15 Pa.C.S. § 7745 (relating to advancing expenses).

24 15 Pa.C.S. § 7951(a) (relating to business to nonprofit).

25 15 Pa.C.S. § 7952(c) (relating to rights of dissenting
26 shareholders).

27 15 Pa.C.S. § 7956(a) (relating to business to nonprofit).

28 15 Pa.C.S. § 7990 (relating to actions to revoke corporate
29 franchises).

30 Section 103. Amendment of Title 15.

1 (a) Adoption of new provisions.--Title 15 of the
2 Pennsylvania Consolidated Statutes is amended by adding
3 provisions to read:

4 PART I

5 PRELIMINARY PROVISIONS

6 Chapter

7 1. General Provisions

8 CHAPTER 1

9 GENERAL PROVISIONS

10 Subchapter

11 A. Preliminary Provisions

12 B. Functions and Powers of Department of State

13 SUBCHAPTER A

14 PRELIMINARY PROVISIONS

15 Sec.

16 101. Short title and application of title.

17 102. Definitions.

18 103. Subordination of title to regulatory laws.

19 104. Equitable remedies.

20 105. Fees.

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

22 107. Form of records.

23 108. Change in location or status of registered office provided
24 by agent.

25 109. Name of commercial registered office provider in lieu
26 of registered address.

27 110. Supplementary general principles of law applicable.

28 § 101. Short title and application of title.

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

1 (b) Application of title.--Except as otherwise provided in
2 subsection (d) or the scope provisions of subsequent provisions
3 of this title, this title shall apply to every association
4 heretofore or hereafter incorporated or otherwise organized.

5 (c) References to prior statutes.--A reference in the
6 articles or bylaws or other organic documents of an association
7 to any provision of law supplied or repealed by this title shall
8 be deemed to be a reference to the superseding provision of this
9 title.

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

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

16 (2) A partnership, unless this title is amended by the
17 addition or transfer of provisions derived from Title 59
18 (relating to partnerships).

19 (3) An unincorporated association.

20 § 102. Definitions.

21 Subject to additional or inconsistent definitions contained
22 in subsequent provisions of this title that are applicable to
23 specific provisions of this title, the following words and
24 phrases when used in this title shall have, unless the context
25 clearly indicates otherwise, the meanings given to them in this
26 section:

27 "Association." A corporation, a partnership or two or more
28 persons associated in a common enterprise or undertaking. The
29 term does not include a business trust organized under the laws
30 of this Commonwealth.

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

3 "Cooperative corporation." A corporation that is subject to
4 Subpart D of Part II (relating to cooperative corporations).

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

7 (1) the court of common pleas of the judicial district
8 embracing the county where the registered office of the
9 corporation or other association is or is to be located; or

10 (2) where an association results from a merger,
11 consolidation, division or other transaction without
12 establishing a registered office in this Commonwealth or
13 withdraws as a foreign corporation, the court of common pleas
14 in which venue would have been laid immediately prior to the
15 transaction or withdrawal.

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

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

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

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

22 "Foreign corporation for profit." A corporation for profit
23 incorporated under any laws other than those of this
24 Commonwealth.

25 "Foreign corporation not-for-profit." A corporation not-for-
26 profit incorporated under any laws other than those of this
27 Commonwealth.

28 "Insurance corporation." An insurance corporation as defined
29 in section 1103.

30 "Savings association." A savings association as defined in

1 section 1103.

2 § 103. Subordination of title to regulatory laws.

3 (a) Regulatory laws unaffected.--This title is not intended
4 to authorize any corporation or other association to do any act
5 prohibited by any statute regulating the business of the
6 association or by any rule or regulation validly promulgated
7 thereunder by any department, board or commission of this
8 Commonwealth. Except as otherwise provided by the statutes and
9 rules and regulations promulgated thereunder applicable to the
10 business of the association, the issuance by the Department of
11 State of any certificate evidencing the incorporation of a
12 corporation or the qualification of an association under this
13 title or any amendment to its articles or other change in its
14 status or other action under this title shall not be effective
15 to exempt the association from any of the requirements of those
16 statutes or rules and regulations.

17 (b) Compliance with regulatory laws condition precedent to
18 effectiveness of corporate or other action.--Any document filed
19 in the Department of State or any bylaw adopted or other
20 corporate or other action taken under the authority of this
21 title or other action pursuant thereto in violation of any
22 statutes or rules or regulations regulating the business of the
23 association shall be ineffective as against the Commonwealth,
24 including the departments, boards and commissions thereof,
25 unless and until the violation is cured.

26 (c) Structural provisions in regulatory statutes
27 controlling.--If and to the extent that a statute regulating the
28 business of a corporation or other association sets forth
29 provisions relating to the government and regulation of the
30 affairs of associations which are inconsistent with the

1 provisions of this title on the same subject, the provisions of
2 the other statute shall control.

3 § 104. Equitable remedies.

4 Except to the extent otherwise provided in this title in
5 cases where a statutory remedy is provided by this title, the
6 court shall have the powers of a court of equity or chancery
7 insofar as those powers relate to the supervision and control of
8 corporations and other associations.

9 § 105. Fees.

10 Any department, board, commission or officer of this
11 Commonwealth shall be entitled to receive for services
12 performed, as required by this title, such fees as are or may be
13 lawfully charged for those or similar services.

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

15 The filing of articles or of any other papers or documents
16 pursuant to the provisions of this title is required for the
17 purpose of affording all persons the opportunity of acquiring
18 knowledge of the contents thereof, but, except as otherwise
19 provided by statute, no person shall be charged with
20 constructive notice of the contents of any articles, papers or
21 documents by reason of the filing.

22 § 107. Form of records.

23 Any records maintained by a corporation or other association
24 in the regular course of its business, including shareholder or
25 membership records, books of account and minute books, may be
26 kept on, or be in the form of, punch cards, magnetic storage
27 media, photographs, microphotographs or any other information
28 storage device if the records so kept can be converted into
29 reasonably legible written form within a reasonable time. Any
30 corporation or other association shall so convert any records so

1 kept upon the request of any person entitled to inspect the
2 records. Where records are kept in this manner, a reasonably
3 legible written form produced from the information storage
4 device which accurately portrays the record shall be admissible
5 in evidence, and shall be accepted for all other purposes, to
6 the same extent as an original written record of the same
7 information would have been accepted.

8 § 108. Change in location or status of registered office
9 provided by agent.

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

24 (1) The name of the association represented.

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

27 (3) The address, including street and number, if any, of
28 the new registered office of the association if the
29 registered office of the association is to be changed.

30 (4) The name of the person in care of the office and a

1 statement that the person has been designated in fact as the
2 agent in care of the registered office of the association in
3 this Commonwealth and that the change in registered office
4 reflects a change of name of the agent, the removal of the
5 place of business of the agent to a new location within the
6 county or a termination of the status of the agent as the
7 provider of the registered office of the association, as the
8 case may be.

9 If the status of an agent as a provider of a registered office
10 is terminated under this section, the location of the registered
11 office of the association shall not be affected, but the person
12 formerly in care of the office shall no longer have any
13 responsibility with respect to matters tendered to the office in
14 the name of the association.

15 (b) Action by and notice to association.--It is not
16 necessary for the association to take any action in order to
17 effect a termination of status of agent or other change of
18 registered office under this section but the person representing
19 the association shall promptly furnish the association with a
20 copy of the statement of change of registered office by agent as
21 filed in the Department of State.

22 § 109. Name of commercial registered office provider in lieu of
23 registered address.

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

29 (1) The name of a corporation or a division thereof that
30 has filed in the department, and not withdrawn, a statement

1 of address of commercial registered office.

2 (2) The name of any county of this Commonwealth and a
3 statement that the registered office of the association shall
4 be deemed for venue and official publication purposes to be
5 located in the county so named. For venue and official
6 publication purposes, the county so named shall control over
7 the address contained in the currently applicable statement
8 filed under subsection (b).

9 (b) Statement of address of commercial registered office.--A
10 domestic business corporation or qualified foreign business
11 corporation engaged in the business of maintaining registered
12 offices in this Commonwealth for corporations or other
13 associations may file in the department a statement of address
14 of commercial registered office executed by the corporation or a
15 division thereof and setting forth:

16 (1) The name of the corporation.

17 (2) A statement that it is in the business of
18 maintaining registered offices in this Commonwealth for
19 corporations or other associations.

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

24 (c) Change or withdrawal.--A corporation that has effected a
25 filing in the department under subsection (b) may:

26 (1) Amend the filing by filing in the department a
27 superseding statement of address of commercial registered
28 office.

29 (2) Withdraw its filing under subsection (b) and cease
30 to provide registered office service by filing in the

1 department a statement of address of commercial registered
2 office setting forth, in lieu of the information required by
3 subsection (b)(2) and (3), a statement that it has ceased to
4 be in the business of maintaining registered offices in this
5 Commonwealth for corporations and other associations and the
6 statements required by section 108 (relating to change in
7 location or status of registered office provided by agent).

8 (d) Action by and notice to association.--It is not
9 necessary for an association to take any action in connection
10 with a change or withdrawal effected under subsection (c), but a
11 corporation that has effected a filing under subsection (c)
12 shall promptly furnish each affected association with a copy of
13 the filing. If the status of an agent as a provider of a
14 registered office is terminated under this section, the location
15 of the registered office of the association shall not be
16 affected, but the person formerly in care of the office shall no
17 longer have any responsibility with respect to matters tendered
18 to the office in the name of the association.

19 § 110. Supplementary general principles of law applicable.

20 Unless displaced by the particular provisions of this title,
21 the principles of law and equity, including the law relative to
22 principal and agent, estoppel, waiver, fraud, misrepresentation,
23 duress, coercion, mistake, bankruptcy or other validating or
24 invalidating cause, shall supplement its provisions.

25 SUBCHAPTER B

26 FUNCTIONS AND POWERS OF DEPARTMENT OF STATE

27 Sec.

28 131. Application of subchapter.

29 132. Functions of Department of State.

30 133. Powers of Department of State.

- 1 134. Docketing statement.
- 2 135. Requirements to be met by filed documents.
- 3 136. Processing of documents by Department of State.
- 4 137. Court to pass upon rejection of documents by Department
5 of State.
- 6 138. Statement of correction.
- 7 139. Tax clearance of certain fundamental transactions.
- 8 § 131. Application of subchapter.

9 As used in this subchapter the term "this title" includes
10 Title 54 (relating to names) and any other provision of law that
11 makes reference to the powers and procedures of this subchapter.

12 § 132. Functions of Department of State.

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

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

23 (c) Collection of taxes and charges imposed by statute.--
24 This subchapter shall not limit the power and duty of the
25 department to assess and collect taxes and charges now or
26 hereafter imposed or authorized by statute.

27 (d) Notice of decennial filings.--Whenever a decennial
28 filing is required by Title 54 to be made in the department, the
29 department shall, not earlier than the November 1 prior to the
30 commencement of the decennial year wherever practicable, give

1 notice by mail to the registrant or other party of the decennial
2 filing requirement, which notice shall be accompanied by
3 appropriate application blanks or forms.

4 § 133. Powers of Department of State.

5 (a) General rule.--The Department of State shall have the
6 power and authority reasonably necessary to enable it to
7 administer this subchapter efficiently and to perform the
8 functions specified in section 132 (relating to functions of
9 Department of State).

10 (b) Language and content of documents.--Except to the extent
11 required in order to determine whether the document complies
12 with section 135 (relating to requirements to be met by filed
13 documents), the department shall not examine articles and other
14 documents authorized or required to be filed in the department
15 under this title to determine whether the language or content
16 thereof conforms to the provisions of this title.

17 (c) Meaning of term "conform to law".--A document delivered
18 to the department for the purpose of filing in the department
19 shall be deemed to be in accordance with law and to conform to
20 law, as those terms are used in existing statutes relating to
21 the powers and duties of the department, if the document
22 conforms to section 135.

23 (d) Physical characteristics and copies of documents.--All
24 articles and other documents authorized or required to be filed
25 in the department under this title shall be in such format as to
26 size, shape and other physical characteristics as shall be
27 prescribed by regulations promulgated by the department. The
28 regulations may require the submission of not to exceed three
29 conformed copies of any document in addition to the original and
30 any copies thereof otherwise required by law. All formats

1 promulgated by the department for use under this title shall
2 include a statement of the number of copies required to be filed
3 and shall be published in the Pennsylvania Code.

4 (e) Engrossed certificate.--Whenever the department has
5 taken any action under this title, the Secretary of the
6 Commonwealth shall, upon request and payment of the fee or
7 additional fee therefor fixed by regulation of the department,
8 issue to any person entitled thereto an engrossed certificate
9 evidencing the action, executed by the Secretary of the
10 Commonwealth under the seal of the Commonwealth.

11 § 134. Docketing statement.

12 (a) General rule.--The Department of State may prescribe by
13 regulation one or more official docketing statement forms
14 designed to elicit from a person effecting a filing under this
15 title information that the department has found to be necessary
16 or desirable in connection with the processing of a filing. A
17 docketing statement submitted with the articles of incorporation
18 or division of a proposed domestic corporation for profit or
19 not-for-profit, the articles of domestication or application for
20 a certificate of authority of a foreign corporation for profit
21 or not-for-profit or the certificate of election of an electing
22 partnership shall set forth, inter alia, the kind or kinds of
23 business in which the association actually intends to engage in
24 this Commonwealth within one year of the execution of the
25 docketing statement. A docketing statement submitted with
26 articles of incorporation, consolidation or division of a
27 domestic corporation not-for-profit or an application for a
28 certificate of authority of a foreign corporation not-for-profit
29 shall set forth with respect to the new corporation or
30 corporations resulting therefrom, inter alia, the statute by or

1 under which it was incorporated, the date of incorporation, the
2 name of its chief executive officer, secretary and treasurer,
3 regardless of the names or titles by which they may be
4 designated, the address of its principal place of business and
5 the amount, if any, of its authorized and issued capital stock.

6 A form of docketing statement prescribed under this subsection:

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

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

11 (3) May be required by the department in connection with
12 a filing only if notice of the requirement appears on the
13 official format for the filing prescribed under section
14 133(d) (relating to physical characteristics and copies of
15 documents).

16 (4) Shall not be required to be submitted on department-
17 furnished forms.

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

22 (b) Transmission to Department of Revenue.--The department
23 shall note the fact and date of the filing of articles of
24 incorporation, consolidation, merger, division, conversion or
25 domestication or certificate of election or issuance of the
26 certificate of authority, as the case may be, upon the docketing
27 statement and shall transmit a copy of it to the Department of
28 Revenue.

29 (c) Transmission to other agencies.--If the docketing
30 statement delivered to the Department of State sets forth any

1 kind of business in which a corporation, partnership or other
2 association may not engage without the approval of or a license
3 from any department, board or commission of the Commonwealth,
4 the Department of State shall, upon the filing of articles of
5 incorporation, consolidation, division or domestication or
6 certificate of election or issuance of the certificate of
7 authority, promptly transmit a copy of the docketing statement
8 to each such department, board or commission.

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

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

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

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

22 (ii) Identifying the association or associations, if
23 any, the existence of which is to be created, extended,
24 limited or terminated by reason of the filing and the
25 duration of existence of any such association.

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

29 (2) The document complies with any regulations
30 promulgated by the department pursuant to section 133(d)

1 (relating to physical characteristics and copies of
2 documents) and is accompanied by any applicable statement
3 prescribed under section 134.

4 (3) In the case of a document that creates a new
5 association or effects or reflects a change in name:

6 (i) the document is accompanied by evidence that the
7 proposed name has been reserved by or on behalf of the
8 applicant; or

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

12 (4) In the case of any other document that sets forth a
13 name or mark, the proposed name or mark is available for use
14 under the applicable standard established by law.

15 (5) All fees, taxes and certificates or statements
16 relating thereto required by section 139 (relating to tax
17 clearance of certain fundamental transactions) or otherwise
18 have been tendered therewith.

19 (6) All certificates and other instruments required by
20 statute evidencing the consent or approval of any department,
21 board, commission or other agency of this Commonwealth as a
22 prerequisite to the filing of the document in the Department
23 of State have been incorporated into, attached to or
24 otherwise tendered with the document.

25 (b) Attorney-in-fact.--Any person, other than an
26 incorporator or officer of a corporation, as such, may sign a
27 document by an attorney-in-fact or fiduciary. It shall not be
28 necessary to present to or file in the department the original
29 or a copy of any document evidencing the authority of an
30 attorney-in-fact or fiduciary.

1 (c) Addresses.--Whenever any provision of this title or of
2 Title 54 (relating to names) requires that any person set forth
3 an address in any document, such provision shall be construed to
4 require the submission of an actual street address or rural
5 route box number, and the department shall refuse to receive or
6 file any document that sets forth only a post office box
7 address.

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

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

18 (b) Immediate certified copy.--

19 (1) If a duplicate copy, which may be either a signed or
20 conformed copy, of any articles or other document authorized
21 or required by this title to be filed in the department is
22 delivered to the department with the original signed
23 document, the department shall compare the duplicate copy
24 with the original signed document and, if it finds that they
25 are identical, shall certify the duplicate copy by making
26 upon it the same endorsement that is required to appear upon
27 the original, together with a further endorsement that the
28 duplicate copy is a true copy of the original signed
29 document, and return the duplicate copy to the person who
30 delivered it to the department. If the duplicate copy is

1 delivered by hand to the office of the department at the seat
2 of government at least four hours before the close of
3 business on any day not a holiday and relates to a matter
4 other than a label or other mark requiring examination under
5 Title 54 (relating to names), the department before the close
6 of business on that day shall either:

7 (i) Certify the duplicate copy as required by this
8 subsection and make such certified copy available at the
9 office of the department to or upon the order of the
10 person who delivered it to the department.

11 (ii) Make available at the office of the department
12 to or upon the order of the person who delivered it to
13 the department a brief statement in writing of the
14 reasons of the department for refusing to certify such
15 duplicate copy.

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

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

23 (d) Copies.--The department may make a copy, on microfilm or
24 otherwise, of any document filed in, with or by it pursuant to
25 this title, or any statute hereby supplied or repealed, and
26 thereafter destroy the document or return it to or upon the
27 order of the person who delivered the document to the
28 department.

29 § 137. Court to pass upon rejection of documents by Department
30 of State.

1 (a) General rule.--Whenever the Department of State rejects
2 a document delivered for filing under this title or fails to
3 make available a certified duplicate copy within the time
4 provided by section 136(b) (relating to immediate certified
5 copy):

6 (1) the original document or copies thereof;

7 (2) the statement, if any, of the department made under
8 section 136(b)(1)(ii); and

9 (3) any other papers relating thereto;

10 may be delivered to the prothonotary or clerk of the court
11 vested by or pursuant to Title 42 (relating to judiciary and
12 judicial procedure) with jurisdiction of appeals from the
13 department. Immediately the prothonotary or clerk shall transmit
14 the papers to the court without formality or expense to the
15 person who delivered the original document to the department.
16 The question of the eligibility of the document for filing in
17 the department shall thereupon, at the earliest possible time,
18 be heard by a judge of the court, without jury, in the court or
19 in chambers. The finding of the court, or any judge thereof,
20 that the document is eligible for filing in the department shall
21 be final and the department shall act in accordance therewith.
22 The true intent of this section is to secure for applicants an
23 immediate hearing in court and a determination by the court
24 without delay or expense to the applicants.

25 (b) Further appellate review.--The corporation or any
26 incorporator of a proposed corporation or other aggrieved
27 applicant may within the time and in the manner provided by law
28 seek judicial review of an adverse order of court entered
29 pursuant to subsection (a). The department shall not have any
30 right in the exercise of its functions under this title to seek

1 judicial review of an adverse order entered pursuant to
2 subsection (a) and any such right which the department might
3 otherwise enjoy under the Constitution of Pennsylvania or
4 otherwise is hereby waived, but any department, board or
5 commission of the Commonwealth which contends that the document
6 fails to comply with section 135(a)(6) (relating to requirements
7 to be met by filed documents) may seek judicial review of the
8 order.

9 (c) Exceptions.--

10 (1) This section shall not impair the right of any
11 person to proceed under section 138 (relating to statement of
12 correction) nor impair the right of the Attorney General to
13 institute proceedings under section 503 (relating to actions
14 to revoke corporate franchises).

15 (2) A determination by the department with respect to
16 the registrability of a label or other mark under Title 54
17 (relating to names) or otherwise affecting the status of a
18 label or other mark shall be subject to judicial review under
19 Title 2 (relating to administrative law and procedure) and
20 not under this section.

21 § 138. Statement of correction.

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

1 set forth:

2 (1) The name of the association or other person and,
3 subject to section 109 (relating to name of commercial
4 registered office provider in lieu of registered address),
5 the location, including street and number, if any, of its
6 registered or other office.

7 (2) The statute by or under which the corporation was
8 incorporated, or the preceding filing was made, in the case
9 of a filing that does not constitute a part of the articles
10 of incorporation of a corporation.

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

12 (4) The portion of the document requiring correction in
13 corrected form or, if the document was erroneously executed,
14 a statement that the original document shall be deemed
15 reexecuted or stricken from the records of the department, as
16 the case may be.

17 (b) Effect of filing.--

18 (1) The corrected document shall be effective:

19 (i) Upon filing in the department, as to those
20 persons who are substantially and adversely affected by
21 the correction.

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

24 (2) A filing under this section shall not have the
25 effect of causing original articles of incorporation to be
26 stricken from the records of the department but the articles
27 may be corrected under this section.

28 (c) Filing pursuant to court order.--If the association or
29 other person refuses to file an appropriate statement of
30 correction under this section within ten business days after any

1 person adversely affected has made a written demand therefor,
2 the affected person may apply to the court for an order to
3 compel the filing. If the court finds that a document on file in
4 the department is inaccurate or defective, it may direct the
5 association or other person who effected the defective or
6 erroneous filing to file an appropriate statement of correction
7 in the department or it may order the clerk to execute the
8 statement under the seal of the court and cause the statement to
9 be filed in the department. In the absence of fraud, an
10 application may not be made to a court under this subsection
11 with respect to a document more than one year after the date on
12 which it was originally filed in the department.

13 § 139. Tax clearance of certain fundamental transactions.

14 A domestic corporation shall not file articles of merger or
15 consolidation effecting a merger or consolidation into a
16 nonqualified foreign corporation or articles of dissolution or a
17 statement of revival, a qualified foreign corporation shall not
18 file an application for termination of authority or similar
19 document in the Department of State and a corporation shall not
20 file articles of division dividing solely into nonqualified
21 foreign corporations unless the articles, application or other
22 document are accompanied by:

23 (1) clearance certificates from the Department of
24 Revenue and the Office of Employment Security of the
25 Department of Labor and Industry, evidencing the payment by
26 the corporation of all taxes and charges due the Commonwealth
27 required by law;

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

29 (i) executed by the surviving, resulting or
30 withdrawing corporation or accompanying and incorporated

1 by reference into the plan of merger, consolidation or
2 division, stating that the surviving, resulting,
3 withdrawing or new corporation agrees to be liable for
4 payment of all taxes and charges due to the Commonwealth
5 of any and all nonsurviving domestic or qualified foreign
6 corporations or of the withdrawing corporation; or

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

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

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

24 SUBCHAPTER C

25 DEFINITIVE AND CONTINGENT DOMESTICATION OF

26 FOREIGN ASSOCIATIONS

27 Sec.

28 151. Domestication of certain foreign associations.

29 152. Contingent domestication of certain foreign associations.

30 § 151. Domestication of certain foreign associations.

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

5 (b) Statement of domestication.--The statement of
6 domestication shall be executed by the association and shall set
7 forth in the English language:

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

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

14 (3) The name of the jurisdiction that constituted the
15 seat, siege social or principal place of business or control
16 administration of the association, or any equivalent under
17 applicable law, immediately prior to the filing of the
18 statement.

19 (4) A statement that upon domestication the association
20 will be a domestic association under the laws of this
21 Commonwealth.

22 (5) A statement that the filing of the statement of
23 domestication and the renunciation of the prior domicile has
24 been authorized (unless its charter or other organic
25 documents require a greater vote) by a majority in interest
26 of the shareholders, members or other proprietors of the
27 association.

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

30 (d) Effect of domestication.--Upon the filing of the

1 statement of domestication, the association shall be
2 domesticated in this Commonwealth and the association shall
3 thereafter be subject to any applicable provisions of this
4 title, except Subpart B of Part II (relating to business
5 corporations), and to any other provisions of law applicable to
6 associations existing under the laws of this Commonwealth. The
7 domestication of any association in this Commonwealth pursuant
8 to this section shall not be deemed to affect any obligations or
9 liabilities of the association incurred prior to its
10 domestication.

11 (e) Exclusion.--An association that can be domesticated
12 under section 4161 (relating to domestication) shall not be
13 domesticated under this section.

14 (f) Definition.--As used in this section the term
15 "association," except as restricted by subsection (e), includes
16 any incorporated organization, private law corporation (whether
17 or not organized for business purposes), public law corporation,
18 partnership, proprietorship, joint venture, foundation, trust,
19 association or similar organization or entity.

20 (g) Cross reference.--See section 134 (relating to docketing
21 statement).

22 § 152. Contingent domestication of certain foreign
23 associations.

24 (a) General rule.--Any association as defined in subsection
25 (i) may become a contingent domestic association by filing in
26 the Department of State a statement of contingent domestication.
27 The statement of contingent domestication and all papers and
28 information relating thereto shall remain confidential and shall
29 not be available for public inspection until and unless the
30 association files a notice of consummation of domestication as

1 provided in subsection (c).

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

5 (1) In the case of a corporation subject to section 4161
6 (relating to domestication), the statements required to be
7 set forth in articles of domestication (except the statement
8 required by section 4161(b)(6)).

9 (2) In the case of any other association, the statements
10 required by section 151(b) (relating to statement of
11 domestication) to be set forth in a statement of
12 domestication (except the statement required by section
13 151(b)(5)).

14 (3) A statement that the effectiveness of the statement
15 is contingent upon the subsequent filing of a notice of
16 consummation of domestication.

17 (4) A statement that the filing of the statement of
18 contingent domestication and the delegation of authority to
19 file a notice of consummation of domestication has been
20 authorized (unless its charter or other organic documents
21 require a greater vote):

22 (i) by a majority vote of the votes cast by all
23 shareholders entitled to vote thereon and, if any class
24 of shares is entitled to vote thereon as a class, a
25 majority of the votes cast in each class vote, in the
26 case of a corporation subject to section 4161; or

27 (ii) by a majority in interest of the shareholders,
28 members or other proprietors of the association in any
29 other case.

30 (c) Notice of consummation of domestication.--At any time

1 after the filing of a statement of contingent domestication, the
2 association may file in the department a notice of consummation
3 of domestication which shall be executed by the association and
4 shall set forth:

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

8 (2) A statement that either:

9 (i) an emergency condition exists in the
10 jurisdiction the law of which governs the internal
11 affairs of the association and that in the judgment of
12 the management of the association a temporary transfer of
13 the domicile of the association to this Commonwealth is
14 warranted by the circumstances; or

15 (ii) an event has occurred that, under the law of
16 the jurisdiction governing the internal affairs of the
17 association, permits the association to transfer its
18 domicile.

19 (d) Statement of termination of domestication.--At any time
20 after the filing of a notice of consummation of domestication,
21 the association may file in the department a statement of
22 termination of domestication which shall be executed by the
23 association and shall set forth:

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

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

28 (3) A statement that either:

29 (i) the statement of contingent domestication is
30 reinstated pending the filing in the department of a new

1 notice of consummation of domestication; or

2 (ii) the statement of contingent domestication is
3 withdrawn.

4 (e) Method of filing.--Documents may be filed in the
5 department under this section by electronic mail, telecopy,
6 telex or other form of writing, but such filing shall expire if
7 a duly executed duplicate is not filed in the usual format
8 within 30 days after the initial filing. All documents filed
9 under this section shall be signed on behalf of the association
10 by any authorized person.

11 (f) Effect of filing notice of consummation of
12 domestication.--Upon the filing of a notice of consummation of
13 domestication, and until the filing of a notice of revocation of
14 domestication, the association shall have the status under the
15 law of this Commonwealth of:

16 (1) a business corporation domesticated under section
17 4161, in the case of a corporation subject to that section;
18 or

19 (2) an association domesticated under section 151, in
20 any other case.

21 (g) Effect of filing a statement of termination of
22 domestication.--Upon the filing of a statement of termination of
23 domestication, the association shall under the law of this
24 Commonwealth revert to the status it held prior to the filing
25 of:

26 (1) the notice of consummation of domestication, if the
27 statement of termination of domestication states that the
28 statement of contingent domestication is reinstated; or

29 (2) the statement of contingent domestication, if the
30 statement of termination of domestication states that the

1 statement of contingent domestication is withdrawn.

2 (h) Filing fee and annual renewal.--In addition to the
3 filing fees otherwise provided by law, an additional fee of
4 \$1,000 per year or portion thereof shall be payable annually by
5 any association that has in effect any contingent or temporary
6 domiciliary status under this section. A renewal application may
7 be filed between October 1 and December 31 in each year and
8 shall extend the applicability of this section for the following
9 calendar year. Otherwise the association shall not be entitled
10 to any of the benefits of this section.

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

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

23 PART II

24 CORPORATIONS

25 Subpart

26 A. Corporations Generally

27 B. Business Corporations

28 C. (Reserved)

29 D. (Reserved)

30 SUBPART A

1 CORPORATIONS GENERALLY

2 Chapter

3 5. Corporations

4 CHAPTER 5

5 CORPORATIONS

6 Subchapter

7 A. In General

8 B. Provisions Applicable to Particular Types of
9 Corporations

10 SUBCHAPTER A

11 IN GENERAL

12 Sec.

13 501. Reserved power of General Assembly.

14 502. Application of chapter.

15 503. Actions to revoke corporate franchises.

16 504. Validation of certain defective corporations.

17 505. Validation of certain defective corporate acts.

18 506. Scope and duration of certain franchises.

19 § 501. Reserved power of General Assembly.

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

26 (b) Scope.--Subsection (a) is applicable to all corporations
27 incorporated under the authority of the Commonwealth or of the
28 late Proprietaries of the Province of Pennsylvania, the General
29 Assembly having found in section 104 of the act of , 1987
30 (P.L. , No.), known as the Corporation Act of 1987, that all

1 corporations incorporated prior to October 14, 1857, which
2 purported to register under the act of January 18, 1966 (1965
3 P.L.1443, No.521), referred to as the Registry Act of 1966, or
4 companion statutes, either failed to register effectively or
5 accepted the benefit of a law or laws passed by the General
6 Assembly after 1873 governing the affairs of corporations.

7 § 502. Application of chapter.

8 (a) General rule.--Except as otherwise provided in the scope
9 provisions of subsequent provisions of this chapter, this
10 chapter shall apply to and the word "corporation" in this
11 chapter shall mean:

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

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

14 (b) Corporations claiming exemption from power of the
15 General Assembly.--Any provision of this chapter otherwise
16 applicable to a corporation claiming exemption from the power of
17 the General Assembly shall be inapplicable to such corporation
18 to the extent, and only to the extent, required by the
19 Constitution of the United States or the Constitution of
20 Pennsylvania, or both.

21 § 503. Actions to revoke corporate franchises.

22 (a) General rule.--The Attorney General may institute
23 proceedings to revoke the articles and franchises of a
24 corporation if it:

25 (1) misused or failed to use its powers, privileges or
26 franchises;

27 (2) procured its articles by fraud; or

28 (3) should not have been incorporated under the
29 statutory authority relied upon.

30 (b) Powers of court.--In every action instituted under

1 subsection (a) the court shall have power to wind up the affairs
2 of and to dissolve the corporation in the manner provided in
3 this part or as otherwise provided by law.

4 § 504. Validation of certain defective corporations.

5 Where heretofore or hereafter any act has been or may be done
6 or any transfer or conveyance of any property has been or may be
7 made to or by any corporation created or intended to be created
8 under any statute supplied or repealed by this part, in good
9 faith, after the approval of the articles or application for a
10 charter or issuance of letters patent but without the actual
11 recording of the original papers with the endorsements thereon,
12 or a certified copy thereof, in the office of any recorder of
13 deeds, as provided in such statutes then in force, the acts,
14 transfers and conveyances shall nevertheless be deemed and taken
15 to be valid and effectual for all purposes, regardless of the
16 omission to record the original papers with the endorsements
17 thereon, or a certified copy thereof, as heretofore required by
18 such statutes. Every such corporation shall be deemed and taken
19 to have been incorporated on the date of approval of its
20 articles or application for a charter or on the date of issuance
21 of its letters patent, whichever event shall have last occurred.

22 § 505. Validation of certain defective corporate acts.

23 Where any corporation governed by this part or created or
24 intended to be created or governed by any statute supplied or
25 repealed by this part has, in good faith, extended its territory
26 or term of existence, changed its name, merged, consolidated or
27 otherwise altered or amended its charter or articles under any
28 statute supplied or repealed by this part but without the actual
29 recording of a document or documents evidencing the corporate
30 action in the office of any recorder of deeds, as provided in

1 such statutes then in force, and a record of the corporate
2 action is on file in the office of the clerk of any court of
3 this Commonwealth or in the Department of State, the corporate
4 action shall nevertheless be deemed and taken to be valid for
5 all purposes, regardless of the omission to record the document
6 or documents as heretofore required by such statutes, and every
7 such corporate action shall be deemed and taken to have been
8 effected upon the filing of the corporate action in the office
9 of the clerk of any court or in the department, or upon the
10 approval of the action, if required, by a court, or by the
11 Governor, Secretary of the Commonwealth or other officer
12 performing corresponding functions with respect to corporate
13 affairs, whichever event has last occurred.

14 § 506. Scope and duration of certain franchises.

15 (a) General rule.--Except as provided in subsection (b),
16 whenever any corporation has sold, assigned, disposed of and
17 conveyed all or any part of its franchises and all or any part
18 of its property, real, personal and mixed, to any other
19 corporation, and the franchises and property have vested in the
20 vendee corporation, or whenever any corporation has heretofore
21 merged or may hereafter merge with and into or consolidate into
22 a surviving or new corporation, the vendee, surviving or new
23 corporation or its successor corporation shall be deemed to
24 possess as a constituent of its own charter, and not as a direct
25 or indirect acquisition from the vendor or nonsurviving
26 corporation, franchise rights of identical scope and character
27 as those originally acquired by it and any of its predecessors
28 in interest from every vendor or nonsurviving predecessor
29 corporation regardless of the fact, if such is the case, that
30 the franchises of any vendor or nonsurviving predecessor

1 corporation, had they been separately existing, would have
2 theretofore expired of their own limitations. The charter of any
3 vendee, surviving, new or successor corporation to which this
4 section may become applicable and all franchise rights thereof
5 attributable under this section or otherwise to or acquired from
6 any vendor or nonsurviving predecessor corporation shall expire
7 upon the same date, which date shall be the later of the dates
8 on which the charter or the most remotely limited of the
9 franchise rights would otherwise expire, and every renewal,
10 extension or change in the term of existence of the vendee,
11 surviving, new or successor corporation by merger, consolidation
12 or otherwise shall inure to the franchise rights attributable to
13 or acquired from all such vendor or nonsurviving predecessor
14 corporations.

15 (b) Exception.--This section shall not operate to revive any
16 franchise rights heretofore or hereafter expressly surrendered
17 by the affirmative action of any such vendee, surviving, new or
18 successor corporation.

19 § 507. Validation of certain share authorizations.

20 (a) General rule.--Where heretofore any domestic corporation
21 for profit shall have redeemed and canceled any shares subject
22 to redemption and cancellation, acquired its own shares on
23 conversion thereof into or exchange thereof for other shares of
24 the corporation, purchased or redeemed and canceled any shares,
25 canceled any treasury shares, redeemed any shares, or adopted
26 any resolution of the board with respect to authorized but
27 unissued shares reducing the number of shares which the
28 corporation is authorized to issue without filing in the
29 Department of State a statement of redemption and cancellation,
30 a statement of cancellation of shares, a statement of reduction

1 of authorized shares, or similar document as then provided by
2 any statute supplied or repealed by Subpart B (relating to
3 business corporations), such action shall be deemed to have had
4 no effect on the authorized share structure of the corporation
5 and the number and class of shares authorized to be issued by
6 the corporation from time to time and at any time shall be
7 deemed and taken to be the number and class of shares as set
8 forth at the time in the most recently amended text of the
9 charter or articles of the corporation as then on file in the
10 department.

11 (b) Restriction on reissuance.--Subsection (a) shall not
12 validate any shares reissued in violation of a provision of the
13 charter or articles prohibiting the reissuance of redeemed or
14 otherwise acquired shares. Except as otherwise expressly
15 provided therein, such a provision shall not be interpreted as
16 prohibiting the reissuance of redeemed or otherwise acquired
17 shares as shares of a different class or series.

18 SUBCHAPTER B

19 PROVISIONS APPLICABLE TO PARTICULAR

20 TYPES OF CORPORATIONS

21 Sec.

22 521. Pensions and allowances.

23 522. Indemnification of authorized representatives.

24 523. Actions by shareholders or members to enforce a
25 secondary right.

26 § 521. Pensions and allowances.

27 A banking institution, a credit union, an insurance
28 corporation or a savings association may grant allowances or
29 pensions to officers, directors and employees for faithful and
30 long-continued services and, after the death of the officer,

1 director or employee either while in the service of the
2 corporation or after retirement, pensions or allowances may be
3 granted or continued to their dependents. The allowances to
4 dependents shall be reasonable in amount and paid only for a
5 limited time and, unless part of an employee benefit plan or
6 employment contract in effect at the time of retirement or death
7 of the officer, director or employee, shall not exceed in total
8 the amount of the compensation paid to the officer, director or
9 employee during the 12 months preceding retirement or death.

10 § 522. Indemnification of authorized representatives.

11 A banking institution, a credit union, an insurance
12 corporation or a savings association shall be governed by the
13 provisions of Subchapter C of Chapter 17 (relating to
14 indemnification).

15 § 523. Actions by shareholders or members to enforce a
16 secondary right.

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

29 (b) Security for costs.--In any such action instituted or
30 maintained by a holder or holders of less than 5% of the

1 outstanding shares of any class of the corporation or voting
2 trust certificates therefor, or by a member or members of a
3 corporation organized without capital stock which has
4 outstanding contracts or accounts with its members if the value
5 of the contracts or accounts held or owned by the member or
6 members instituting or maintaining the suit is less than 5% of
7 the value of all the contracts or accounts outstanding, the
8 corporation in whose right the action is brought shall be
9 entitled, at any stage of the proceedings, to require the
10 plaintiff or plaintiffs to give security for the reasonable
11 expenses, including attorneys' fees, which may be incurred by it
12 in connection therewith and for which it may become liable
13 pursuant to section 522 (relating to indemnification of
14 authorized representatives) (but only insofar as relates to
15 mandatory indemnification in actions by or in the right of the
16 corporation) to which security the corporation shall have
17 recourse in such amount as the court having jurisdiction shall
18 determine upon the termination of the action. The amount of the
19 security may, from time to time, be increased or decreased in
20 the discretion of the court having jurisdiction of the action
21 upon showing that the security provided has or may become
22 inadequate or excessive.

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

26 "Director." Includes any individual performing the function
27 of director, regardless of title.

28 "Member." Includes depositors in a mutual banking
29 institution.

30

SUBPART B

1 BUSINESS CORPORATIONS

2 Article

- 3 A. Preliminary Provisions
- 4 B. Domestic Business Corporations Generally
- 5 C. Domestic Business Corporation Ancillaries
- 6 D. Foreign Business Corporations

7 ARTICLE A

8 PRELIMINARY PROVISIONS

9 Chapter

10 11. General Provisions

11 CHAPTER 11

12 GENERAL PROVISIONS

13 Sec.

- 14 1101. Short titles.
- 15 1102. Application of subpart.
- 16 1103. Definitions.
- 17 1104. Other general provisions.
- 18 1105. Restriction on equitable relief.
- 19 1106. Uniform application of subpart.
- 20 1107. Limitation on incorporation.
- 21 1108. Execution of documents.

22 § 1101. Short titles.

23 (a) Title of subpart.--This subpart shall be known and may
24 be cited as the Business Corporation Law of 1987.

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

28 § 1102. Application of subpart.

29 (a) General rule.--Except as otherwise provided in this
30 section, in the scope provisions of subsequent provisions of

1 this subpart or where the context clearly indicates otherwise,
2 this subpart shall apply to and the words "corporation" or
3 "business corporation" in this subpart shall mean a domestic
4 corporation for profit. See section 101(b) (relating to
5 application of title).

6 (b) Coordination with other laws.--Where any other provision
7 of law contemplates notice to, the presence of, or the vote,
8 consent or other action by the shareholders, directors or
9 officers of a business corporation, without specifying the
10 applicable corporate standards and procedures, the standards and
11 procedures specified by or pursuant to this subpart shall be
12 applicable.

13 (c) Exclusions.--This subpart shall not apply to any of the
14 following corporations, whether proposed or existing, except as
15 otherwise expressly provided in this subpart or as otherwise
16 provided by statute applicable to the corporation:

- 17 (1) A banking institution.
- 18 (2) A credit union.
- 19 (3) A domestic or foreign insurance corporation.
- 20 (4) A savings association.

21 (d) Cooperative corporations.--This subpart shall apply to a
22 domestic corporation for profit organized on the cooperative
23 principle only to the extent, if any, provided by Subpart D
24 (relating to cooperative corporations).

25 (e) Business corporation ancillaries.--The domestic
26 corporation provisions of this subpart shall apply to any of the
27 following corporations, whether proposed or existing, except as
28 otherwise expressly provided by statute applicable to the
29 corporation:

- 30 (1) A business development credit corporation.

1 (2) Any other domestic corporation for profit
2 incorporated under or subject to a statute that provides that
3 the corporate affairs of the corporation shall be governed by
4 the laws applicable to domestic business corporations.

5 § 1103. Definitions.

6 Subject to additional definitions contained in subsequent
7 provisions of this subpart that are applicable to specific
8 provisions of this subpart, the following words and phrases when
9 used in this subpart shall have the meanings given to them in
10 this section unless the context clearly indicates otherwise:

11 "Amendment." An amendment of the articles.

12 "Articles." The original articles of incorporation, all
13 amendments thereof, and any other articles, statements or
14 certificates permitted or required to be filed in the Department
15 of State by sections 108 (relating to change in location or
16 status of registered office provided by agent) and 138 (relating
17 to statement of correction) or this subpart and including what
18 have heretofore been designated by law as certificates of
19 incorporation or charters. If an amendment of the articles or
20 articles of merger or division made in the manner permitted by
21 this subpart restates articles in their entirety or if there are
22 articles of consolidation, conversion or domestication,
23 thenceforth the "articles" shall not include any prior documents
24 and any certificate issued by the department with respect
25 thereto shall so state.

26 "Authorized shares." The shares of all classes that the
27 corporation is authorized to issue.

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

1 as the Banking Code of 1965.

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

6 "Business corporation" or "domestic business corporation." A
7 domestic corporation for profit that is not excluded from the
8 scope of this subpart by section 1102 (relating to application
9 of subpart).

10 "Business development credit corporation." A domestic
11 corporation for profit that is a corporation as defined in the
12 act of December 1, 1959 (P.L.1647, No.606), known as the
13 Business Development Credit Corporation Law.

14 "Bylaws." See section 1504(c) (relating to bylaw provisions
15 in articles).

16 "Closely-held corporation." A business corporation that:

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

18 (2) is a statutory close corporation.

19 Shares that are held jointly or in common or in trust by two or
20 more persons, as fiduciaries or otherwise, or that are held by
21 spouses shall be deemed to be held by one shareholder for the
22 purposes of this definition.

23 "Corporation for profit." A corporation incorporated for a
24 purpose or purposes involving pecuniary profit, incidental or
25 otherwise, to its shareholders or members.

26 "Corporation not-for-profit." A corporation not incorporated
27 for a purpose or purposes involving pecuniary profit, incidental
28 or otherwise.

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

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

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

10 "Credit union" or "domestic credit union." A domestic
11 corporation for profit that is a credit union as defined in the
12 act of September 20, 1961 (P.L.1548, No.658), known as the
13 Credit Union Act.

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

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

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

20 "Distribution." A direct or indirect transfer of money or
21 other property (except its own shares) or incurrence of
22 indebtedness by a corporation to or for the benefit of any of
23 its shareholders in respect of any of its shares whether by
24 dividend or by purchase, redemption or other acquisition of its
25 shares or otherwise.

26 "Domestic corporation for profit." A corporation for profit
27 incorporated under the laws of this Commonwealth.

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

30 "Employee." Includes officers but not directors, as such.

1 See section 1730 (relating to compensation of directors) as to
2 acceptance by a director of duties that make him also an
3 employee.

4 "Entitled to vote." Those persons entitled at the time to
5 vote on the matter under the articles or bylaws of the
6 corporation, any applicable controlling provision of law, or a
7 plan or the terms of a fundamental transaction where dissenters
8 rights are not available under section 1571(b)(2)(ii) (relating
9 to exceptions).

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

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

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

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

22 "Foreign domiciliary corporation." A foreign business
23 corporation defined in section 4102 (relating to foreign
24 domiciliary corporations).

25 "Foreign insurance corporation." A corporation for profit
26 incorporated under any laws other than those of this
27 Commonwealth that is qualified to do business in this
28 Commonwealth under the act of May 17, 1921 (P.L.682, No.284),
29 known as The Insurance Company Law of 1921.

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

1 "Incorporator." A signer of the original articles of
2 incorporation.

3 "Insurance corporation" or "domestic insurance corporation."
4 A domestic corporation for profit that is incorporated under or
5 subject to The Insurance Company Law of 1921 or any statute
6 relating to the incorporation or reincorporation of limited life
7 insurance companies.

8 "Issue." Includes sale or other disposition of a security
9 previously issued by the corporation and thereafter acquired by
10 it.

11 "Management corporation." A business corporation that has
12 elected to become subject to Chapter 27 (relating to management
13 corporations) and whose status as a management corporation has
14 not been terminated as provided in Chapter 27.

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

17 "Nonqualified foreign business corporation." A foreign
18 business corporation that is not a qualified foreign business
19 corporation as defined in this section.

20 "Nonstock corporation." A business corporation that has
21 elected to become subject to Chapter 21 (relating to nonstock
22 corporations) and whose status as a nonstock corporation has not
23 been terminated as provided in Chapter 21.

24 "Obligation." Includes a note or other form of indebtedness,
25 whether secured or unsecured.

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

30 "Officially publish." Publish in two newspapers of general

1 circulation in the English language in the county in which the
2 registered office of the corporation is located, or in the case
3 of a proposed corporation is to be located, one of which shall
4 be the legal newspaper, if any, designated by the rules of court
5 for the publication of legal notices or, if there is no legal
6 newspaper, in two newspapers of general circulation in the
7 county. When there is but one newspaper of general circulation
8 in any county, advertisement in that newspaper shall be
9 sufficient. Where no other frequency is specified, the notice
10 shall be published one time in the appropriate newspaper or
11 newspapers. See section 109(a)(2) (relating to name of
12 commercial registered office provider in lieu of registered
13 address).

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

16 "Preference." A right in one class or series of shares that
17 is senior to any right in a junior class or series of shares:

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

19 (2) as to the right to distribution of assets upon
20 redemption of shares or upon the voluntary or involuntary
21 liquidation of the corporation; or

22 (3) as to both dividends and assets.

23 "Professional corporation." A business corporation that has
24 elected to become subject to Chapter 29 (relating to
25 professional corporations) and whose status as a professional
26 corporation has not been terminated as provided in Chapter 29.

27 "Public utility corporation." Any domestic or foreign
28 corporation for profit that:

29 (1) is subject to regulation as a public utility by the
30 Pennsylvania Public Utility Commission or an officer or

1 agency of the United States; or

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

4 "Qualified foreign business corporation." A foreign business
5 corporation authorized under Chapter 41 (relating to foreign
6 business corporations) to do business in this Commonwealth.

7 "Reclassification." A change in the number, voting rights,
8 designations, preferences, limitations, special rights or par
9 value of shares, or a conversion or exchange of one class or
10 series of shares into or for another class or series of shares
11 of the same corporation, or the cancellation of shares. The term
12 does not include a stock dividend or split effected by
13 distribution of its own previously authorized shares pro rata to
14 the holders of shares of the same or any other class or series
15 pursuant to action solely of the board of directors.

16 "Registered corporation." ~~A corporation defined in section~~ <—
17 ~~2502 (relating to registered corporation status).~~

18 (1) A DOMESTIC BUSINESS CORPORATION: <—

19 (I) HAVING A CLASS OR SERIES OF EQUITY SECURITIES
20 REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934 (48
21 STAT. 881, 15 U.S.C. § 78A ET SEQ.); OR

22 (II) SUBJECT TO THE REPORTING OBLIGATIONS IMPOSED BY
23 SECTION 13 OF THE SECURITIES EXCHANGE ACT OF 1934 BY
24 REASON OF HAVING FILED A REGISTRATION STATEMENT UNDER THE
25 SECURITIES ACT OF 1933 (48 STAT. 74, 15 U.S.C. § 77A ET
26 SEQ.) RELATING TO SHARES OF A CLASS OR SERIES OF ITS
27 EQUITY SECURITIES.

28 (2) A DOMESTIC BUSINESS CORPORATION ALL OR THE SHARES OF
29 WHICH ARE OWNED, DIRECTLY OR INDIRECTLY, BY ONE OR MORE
30 REGISTERED CORPORATIONS OR FOREIGN CORPORATIONS FOR PROFIT

1 DESCRIBED IN SECTION 4102 (RELATING TO FOREIGN DOMICILIARY
2 CORPORATIONS).

3 "Registered office." That office maintained by a corporation
4 in this Commonwealth, the address of which is filed with the
5 Department of State. See section 109 (relating to name of
6 commercial registered office provider in lieu of registered
7 address).

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

12 "Savings association" or "domestic savings association." A
13 domestic corporation for profit that is an association as
14 defined in the act of December 14, 1967 (P.L.746, No.345), known
15 as the Savings Association Code of 1967.

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

19 "Shareholder." A record holder or record owner of shares of
20 a corporation, including a subscriber to shares. The term, when
21 used in relation to the taking of corporate action, includes the
22 proxy of a shareholder. If and to the extent the articles confer
23 rights of shareholders upon holders of obligations of the
24 corporation or governmental or other entities pursuant to any
25 provision of this subpart or other provision of law, the term
26 shall be construed to include those holders and governmental or
27 other entities.

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

1 ~~"Special treatment." A provision of an amendment or plan~~
2 ~~permitted by section 1906 (relating to special treatment of~~
3 ~~holders of shares of same class or series).~~

4 "Statutory close corporation." A business corporation that
5 has elected to become subject to Chapter 23 (relating to
6 statutory close corporations) and whose status as a statutory
7 close corporation has not been terminated as provided in Chapter
8 23.

9 "Subscriber." One who subscribes for or otherwise takes
10 shares by agreement from the issuing corporation, whether before
11 or after incorporation.

12 "Subscription." The promise to pay a consideration or the
13 agreement fixing the amount of the consideration paid or to be
14 paid for shares by a subscriber.

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

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

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

28 § 1104. Other general provisions.

29 The following provisions of this title are applicable to
30 corporations subject to this subpart:

1 Section 101 (relating to short title and application of
2 title).

3 Section 102 (relating to definitions).

4 Section 103 (relating to subordination of title to
5 regulatory laws).

6 Section 104 (relating to equitable remedies).

7 Section 105 (relating to fees).

8 Section 106 (relating to effect of filing papers required
9 to be filed).

10 Section 107 (relating to form of records).

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

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

15 Section 110 (relating to supplementary general principles
16 of law applicable).

17 Section 132 (relating to functions of Department of
18 State).

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

20 Section 134 (relating to docketing statement).

21 Section 135 (relating to requirements to be met by filed
22 documents).

23 Section 136 (relating to processing of documents by
24 Department of State).

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

27 Section 138 (relating to statement of correction).

28 Section 139 (relating to tax clearance of certain
29 fundamental transactions).

30 Section 152 (relating to contingent domestication of

1 certain foreign associations).

2 Section 501 (relating to reserved power of General
3 Assembly).

4 Section 503 (relating to actions to revoke corporate
5 franchises).

6 Section 504 (relating to validation of certain defective
7 corporations).

8 Section 505 (relating to validation of certain defective
9 corporate acts).

10 Section 506 (relating to scope and duration of certain
11 franchises).

12 Section 507 (relating to validation of certain share
13 authorizations).

14 § 1105. Restriction on equitable relief.

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

28 § 1106. Uniform application of subpart.

29 (a) General rule.--Except as provided in subsection (b),
30 this subpart and its amendments are intended to provide uniform

1 rules for the government and regulation of the affairs of
2 business corporations and of their officers, directors and
3 shareholders regardless of the date or manner of incorporation
4 or qualification, or of the issuance of any shares thereof.

5 (b) Exceptions.--

6 (1) Unless expressly provided otherwise in any amendment
7 to this subpart, the amendment shall take effect only
8 prospectively.

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

16 (3) Subsection (a) shall not adversely affect the rights
17 specifically provided for or saved in this subpart including,
18 without limiting the generality of the foregoing, the
19 following:

20 (i) The provisions of section 1521(b)(3) (relating
21 to provisions specifically authorized).

22 (ii) The provisions of section 1524(e) (relating to
23 transitional provision).

24 (iii) The provisions of section 1554(c) (relating to
25 transitional provision).

26 (iv) The cumulative voting rights set forth in
27 section 1758(c)(2) (relating to cumulative voting).

28 (v) The class voting rights upon certain amendments
29 of articles set forth in section 1914(b)(3) (relating to
30 statutory voting rights).

1 (vi) The special voting requirements specified in
2 section 1952(h) (relating to special requirements).

3 (vii) The provisions of section 2301(d) (relating to
4 transitional provisions).

5 (viii) The provisions of section 2501(c) (relating
6 to effect of a contrary bylaw).

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

10 § 1107. Limitation on incorporation.

11 A corporation that can be incorporated under this subpart
12 shall not be incorporated except under the provisions of this
13 subpart.

14 § 1108. Execution of documents.

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

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

24 ARTICLE B

25 DOMESTIC BUSINESS CORPORATIONS GENERALLY

26 Chapter

27 13. Incorporation

28 15. Corporate Powers, Duties and Safeguards

29 17. Officers, Directors and Shareholders

30 19. Fundamental Changes

1 § 1303. Corporate name.

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

5 (1) the word "corporation," "company," "incorporated" or
6 "limited" or an abbreviation of any of them;

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

8 (3) words or abbreviations of like import in languages
9 other than English.

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

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

21 (i) where the name is the same or confusingly
22 similar, the other association:

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

30 (B) has filed with the Department of Revenue a

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

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

17 (D) has had the registration of its name under
18 54 Pa.C.S. Ch. 5 terminated and, if the termination
19 was effected by operation of 54 Pa.C.S. § 504
20 (relating to effect of failure to make decennial
21 filings), the application for the use of the name is
22 accompanied by a verified statement stating that at
23 least 30 days' written notice of intention to
24 appropriate the name was given to the delinquent
25 association at its registered office and that, after
26 diligent search by the affiant, the affiant believes
27 the association to be out of existence; or

28 (ii) where the name is confusingly similar, the
29 consent of the other association to the adoption of the
30 name is filed in the Department of State.

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

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

11 (c) Required approvals or conditions.--

12 (1) The corporate name shall not imply that the
13 corporation is:

14 (i) A governmental agency of the Commonwealth or of
15 the United States.

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

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

25 (iv) A public utility corporation furnishing
26 electric or gas service to the public, unless the
27 corporation or proposed corporation has as an express
28 corporate purpose the furnishing of service subject to
29 the jurisdiction of the Pennsylvania Public Utility
30 Commission or the Federal Energy Regulatory Commission.

1 (2) The corporate name shall not contain:

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

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

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

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

27 (d) Other rights unaffected.--This section shall not
28 abrogate or limit the law as to unfair competition or unfair
29 practices nor derogate from the common law, the principles of
30 equity or the provisions of Title 54 (relating to names) with

1 respect to the right to acquire and protect trade names.
2 Subsection (b) shall not apply if the applicant files in the
3 department a certified copy of a final order of a court of
4 competent jurisdiction establishing the prior right of the
5 applicant to the use of a name in this Commonwealth.

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

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

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

16 § 1304. Required name changes by senior corporations.

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

1 available to another domestic or foreign corporation for profit
2 or not-for-profit or other association by virtue of these
3 conditions, shall adopt a new name in accordance with law before
4 resuming its activities.

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

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

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

21 § 1305. Reservation of corporate name.

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

29 (b) Transfer of reservation.--The right to exclusive use of
30 a specified corporate name reserved under subsection (a) may be

1 transferred to any other person by delivering to the department
2 a notice of the transfer, executed by the person who reserved
3 the name, and specifying the name and address of the transferee.

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

7 § 1306. Articles of incorporation.

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

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

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

18 (3) A statement that the corporation is incorporated
19 under the provisions of the Business Corporation Law of 1987.

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

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

29 (ii) A statement of the voting rights, designations,
30 preferences, limitations and special rights in respect of

1 the shares of any class or any series of any class, to
2 the extent that they have been determined.

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

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

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

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

16 (8) Any other provisions that the incorporators may
17 choose to insert if:

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

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

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

30 (b) Written consent to naming directors.--The naming of

1 directors in articles of incorporation shall constitute an
2 affirmation that the directors have consented in writing to
3 serve as such.

4 (C) PRIOR ARTICLES UNAFFECTED.--NOTHING IN THIS TITLE SHALL ←
5 INVALIDATE ANY PROVISION OF THE ARTICLES OF INCORPORATION OF ANY
6 CORPORATION DULY ADOPTED PRIOR TO THE EFFECTIVE DATE OF THIS
7 SECTION.

8 § 1307. Advertisement.

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

14 (1) The name of the proposed corporation.

15 (2) A statement that the corporation is to be or has
16 been incorporated under the provisions of the Business
17 Corporation Law of 1987.

18 § 1308. Filing of articles.

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

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

23 § 1309. Effect of filing of articles of incorporation.

24 Upon the filing of the articles of incorporation in the
25 Department of State or upon the effective date specified in the
26 articles of incorporation, whichever is later, the corporate
27 existence shall begin. Subject to the provisions of section 503
28 (relating to actions to revoke corporate franchises), the
29 articles of incorporation filed in the department, or recorded
30 in the office of the recorder of deeds under the former

1 provisions of law, shall be conclusive evidence of the fact that
2 the corporation has been incorporated.

3 § 1310. Organization meeting.

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

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

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

30 § 1311. Filing of statement of summary of record by certain

1 corporations.

2 (a) General rule.--Any business corporation, any of the
3 valid charter documents of which are not on file in the
4 Department of State and which desires to file any document in
5 the department under any other provision of this subpart or
6 which desires to secure from the department any certificate to
7 the effect that the corporation is a corporation duly
8 incorporated and existing under the laws of this Commonwealth or
9 a certified copy of the articles of the corporation, shall file
10 in the department a statement of summary of record which shall
11 be executed by the corporation and shall set forth:

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

17 (2) The statute by or under which the corporation was
18 incorporated.

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

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

1 under this subpart.

2 (5) Each name by which the corporation was known, if
3 any, other than its original name and its current name, and
4 the date or dates on which each change of name of the
5 corporation became effective.

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

13 A corporation shall be required to make only one filing under
14 this subsection.

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

22 (c) Cross reference.--See section 134 (relating to docketing
23 statement).

24 SUBCHAPTER B

25 REVIVAL

26 Sec.

27 1341. Statement of revival.

28 § 1341. Statement of revival.

29 (a) General rule.--Any business corporation whose charter or
30 articles have been forfeited by proclamation of the Governor

1 pursuant to section 1704 of the act of April 9, 1929 (P.L.343,
2 No.176), known as The Fiscal Code, or otherwise, or whose
3 corporate existence has expired by reason of any limitation
4 contained in its charter or articles and the failure to effect a
5 timely renewal or extension of its corporate existence, may at
6 any time by filing a statement of revival procure a revival of
7 its charter or articles, together with all the rights,
8 franchises, privileges and immunities and subject to all of its
9 duties, debts and liabilities that had been vested in and
10 imposed upon the corporation by its charter or articles as last
11 in effect.

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

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

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

23 (3) The name that the corporation adopts as its new name
24 if the adoption of a new name is required by section 1304
25 (relating to required name changes by senior corporations).

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

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

1 articles.

2 (6) A statement that the corporate existence of the
3 corporation shall be revived.

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

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

23 (d) Cross reference.--See section 134 (relating to docketing
24 statement).

25 CHAPTER 15

26 CORPORATE POWERS, DUTIES AND SAFEGUARDS

27 Subchapter

28 A. General Provisions

29 B. Shares and Other Securities

30 C. Corporate Finance

1 D. Dissenters Rights

2 SUBCHAPTER A

3 GENERAL PROVISIONS

4 Sec.

5 1501. Corporate capacity.

6 1502. General powers.

7 1503. Defense of ultra vires.

8 1504. Adoption, amendment and contents of bylaws.

9 1505. Persons bound by bylaws.

10 1506. Form of execution of instruments.

11 1507. Registered office.

12 1508. Corporate records; inspection.

13 1509. Bylaws and other powers in emergency.

14 1510. Usury not a defense.

15 1511. Additional powers of certain public utility corporations.

16 § 1501. Corporate capacity.

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

20 § 1502. General powers.

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

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

30 (2) To sue and be sued, complain and defend and

1 participate as a party or otherwise in any judicial,
2 administrative, arbitratative or other proceeding in its
3 corporate name.

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

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

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

13 (6) To guarantee, become surety for, acquire, own and
14 dispose of obligations, capital stock and other securities.

15 (7) To borrow money, issue or incur its obligations and
16 secure any of its obligations by mortgage on or pledge of or
17 security interest in all or any part of its property and
18 assets, wherever situated, franchises or income, or any
19 interest therein.

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

23 (9) To make contributions and donations.

24 (10) To use abbreviations, words, logos or symbols upon
25 the records of the corporation, and in connection with the
26 registration of, and inscription of ownership or entitlement
27 on, certificates evidencing shares in or other securities or
28 obligations of the corporation, or upon any notice such as
29 the notice provided by section 1528(f) (relating to
30 uncertificated shares), and upon checks, proxies, notices and

1 other instruments and documents relating to the foregoing,
2 which abbreviations, words, logos or symbols shall have the
3 same force and effect as though the respective words and
4 phrases for which they stand were set forth in full for the
5 purposes of all statutes of this Commonwealth and all other
6 purposes.

7 (11) To be a promoter, partner, member, associate or
8 manager of any partnership, enterprise or venture or in any
9 transaction, undertaking or arrangement that the corporation
10 would have power to conduct itself, whether or not its
11 participation involves sharing or delegation of control with
12 or to others.

13 (12) To transact any lawful business that the board of
14 directors finds will aid governmental policy.

15 (13) To continue the salaries of such of its employees
16 as may be serving in the active or reserve armed forces of
17 the United States, or in the National Guard or in any other
18 organization established for the protection of the lives and
19 property of citizens of the United States, during the term of
20 that service or during such part thereof as the employees, by
21 reason of that service, may be unable to perform their duties
22 as employees of the corporation.

23 (14) To pay pensions and establish pension plans,
24 pension trusts, profit sharing plans, share bonus plans,
25 share option plans, incentive and deferred compensation plans
26 and other plans or trusts for any or all of its present or
27 former representatives and, after their death, to grant
28 allowances or pensions to their dependents or beneficiaries,
29 whether or not the grant was made during their lifetime.

30 (15) To conduct its business, carry on its operations,

1 have offices and exercise the powers granted by this article
2 in any jurisdiction within or without the United States.

3 (16) To elect or appoint and remove officers, employees
4 and agents of the corporation, define their duties, fix their
5 compensation and the compensation of directors, to lend any
6 of the foregoing money and credit and to pay bonuses or other
7 additional compensation to any of the foregoing for past
8 services.

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

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

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

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

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

25 (c) Board to exercise.--See section 1721 (relating to board
26 of directors).

27 § 1503. Defense of ultra vires.

28 (a) General rule.--A limitation upon the business, purposes
29 or powers of a business corporation, expressed or implied in its
30 articles or bylaws or implied by law, shall not be asserted in

1 order to defend any action at law or in equity between the
2 corporation and a third person, or between a shareholder and a
3 third person, involving any contract to which the corporation is
4 a party or any right of property or any alleged liability of
5 whatsoever nature, but the limitation may be asserted:

6 (1) In an action by a shareholder against the
7 corporation to enjoin the doing of unauthorized acts or the
8 transaction or continuation of unauthorized business. If the
9 unauthorized acts or business sought to be enjoined are being
10 transacted pursuant to any contract to which the corporation
11 is a party, the court may, if all of the parties to the
12 contract are parties to the action and if it deems the result
13 to be equitable, set aside and enjoin the performance of the
14 contract, and in so doing shall allow to the corporation, or
15 to the other parties to the contract, as the case may be,
16 such compensation as may be appropriate for the loss or
17 damage sustained by any of them from the action of the court
18 in setting aside and enjoining the performance of the
19 contract, but anticipated profits to be derived from the
20 performance of the contract shall not be awarded by the court
21 as a loss or damage sustained.

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

26 (3) In a proceeding by the Commonwealth under section
27 503 (relating to actions to revoke corporate franchises) or
28 in a proceeding by the Commonwealth to enjoin the corporation
29 from the doing of unauthorized or unlawful business.

30 (b) Conveyances of property by or to a corporation.--A

1 conveyance or transfer by or to a business corporation of
2 property, real or personal, of any kind or description, shall
3 not be invalid or fail because in making the conveyance or
4 transfer, or in acquiring the property, real or personal, any
5 representative of the corporation acting within the scope of the
6 actual or apparent authority given to him by the corporation has
7 exceeded any of the purposes or powers of the corporation.

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

10 § 1504. Adoption, amendment and contents of bylaws.

11 (a) General rule.--The shareholders entitled to vote shall
12 have the power to adopt, amend and repeal the bylaws of a
13 business corporation but, except as provided in subsection (b),
14 the authority to adopt, amend and repeal bylaws may be expressly
15 vested by the bylaws in the board of directors, subject to the
16 power of the shareholders to change such action. The bylaws may
17 contain any provisions for managing the business and regulating
18 the affairs of the corporation not inconsistent with law or the
19 articles. In the case of a meeting of shareholders, written
20 notice shall be given to each shareholder that the purpose, or
21 one of the purposes, of a meeting is to consider the adoption,
22 amendment or repeal of the bylaws. There shall be included in,
23 or enclosed with, the notice a copy of the proposed amendment or
24 a summary of the changes to be effected thereby. Any change in
25 the bylaws shall take effect when adopted unless otherwise
26 provided in the resolution effecting the change.

27 (b) Exception.--Except as provided in section 1310(a)
28 (relating to organization meeting), the board of directors shall
29 not have the authority to adopt or change a bylaw on any subject
30 which is committed expressly to the shareholders by any of the

1 provisions of this subpart. See:

2 Section 1521 (relating to authorized shares).

3 Section 1721 (relating to board of directors).

4 Section 1726 (relating to removal of directors).

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

6 Section 1756 (relating to quorum).

7 Section 1757 (relating to action by shareholders).

8 Section 1765 (relating to judges of election).

9 Section 2105 (relating to termination of nonstock
10 corporation status).

11 Section 2122 (relating to classes of membership).

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

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

14 Section 2321 (relating to shares).

15 Section 2322 (relating to share transfer restrictions).

16 Section 2325 (relating to sale option of estate of
17 shareholder).

18 Section 2332 (relating to management by shareholders).

19 Section 2334 (relating to appointment of provisional
20 director in certain cases).

21 Section 2337 (relating to option of shareholder to
22 dissolve corporation).

23 Section 2923 (relating to issuance and retention of
24 shares). NOTHING IN THIS SUBSECTION SHALL INVALIDATE THE ←
25 BYLAWS OF ANY CORPORATION DULY ADOPTED PRIOR TO THE EFFECTIVE
26 DATE OF THIS SECTION.

27 (c) Bylaw provisions in articles.--Where any provision of
28 this subpart or any other provision of law refers to a rule as
29 set forth in the bylaws of a corporation, the reference shall be
30 construed to include and be satisfied by any rule on the same

1 subject as set forth in the articles of the corporation.

2 (d) Amendment of voting provisions.--A provision in the
3 bylaws that requires for the taking of any action by the
4 shareholders or a class of shareholders a specific number or
5 percentage of votes may, unless otherwise provided in a bylaw
6 adopted by the shareholders, be amended or repealed in the same
7 manner and by the same vote as is required to amend or repeal
8 any other provision in the bylaws.

9 § 1505. Persons bound by bylaws.

10 Except as otherwise provided by 42 Pa.C.S. § 8364 (relating
11 to personal liability of directors) or any similar provision of
12 law, the bylaws of a business corporation shall operate merely
13 as regulations among the shareholders of the corporation and
14 shall not affect contracts or other dealings with other persons
15 unless those persons have actual knowledge of the bylaws.

16 § 1506. Form of execution of instruments.

17 (a) General rule.--Any form of execution provided in the
18 articles or bylaws to the contrary notwithstanding, any note,
19 mortgage, evidence of indebtedness, contract or other document,
20 or any assignment or endorsement thereof, executed or entered
21 into between any business corporation and any other person, when
22 signed by one or more officers or agents having actual or
23 apparent authority to sign it, or by the president or vice
24 president and secretary or assistant secretary or treasurer or
25 assistant treasurer of the corporation, shall be held to have
26 been properly executed for and in behalf of the corporation.

27 (b) Seal unnecessary.--The affixation of the corporate seal
28 shall not be necessary to the valid execution, assignment or
29 endorsement by a corporation of any instrument or other
30 document.

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

3 § 1507. Registered office.

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

7 (b) Statement of change of registered office.--After
8 incorporation, a change of the location of the registered office
9 may be authorized at any time by the board of directors. Before
10 the change of location becomes effective, the corporation either
11 shall amend its articles under the provisions of this subpart to
12 reflect the change in location or shall file in the Department
13 of State a statement of change of registered office executed by
14 the corporation setting forth:

15 (1) The name of the corporation.

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, to
19 which the registered office is to be changed.

20 (4) A statement that the change was authorized by the
21 board of directors.

22 (c) Alternative procedure.--A corporation may satisfy the
23 requirements of this subpart concerning the maintenance of a
24 registered office in this Commonwealth by setting forth in any
25 document filed in the department under any provision of this
26 subpart that permits or requires the statement of the address of
27 its then registered office, in lieu of that address, the
28 statement authorized by section 109(a) (relating to name of
29 commercial registered office provider in lieu of registered
30 address).

1 (d) Cross reference.--See section 134 (relating to docketing
2 statement).

3 § 1508. Corporate records; inspection.

4 (a) Required records.--Every business corporation shall keep
5 complete and accurate books and records of account, minutes of
6 the proceedings of the incorporators, shareholders and directors
7 and a share register giving the names and addresses of all
8 shareholders and the number and class of shares held by each.
9 The share register shall be kept at either the registered office
10 of the corporation in this Commonwealth or at its principal
11 place of business wherever situated or at the office of its
12 registrar or transfer agent. Any books, minutes or other records
13 may be in written form or any other form capable of being
14 converted into written form within a reasonable time.

15 (b) Right of inspection.--Every shareholder shall, upon
16 written verified demand stating the purpose thereof, have a
17 right to examine, in person or by agent or attorney, during the
18 usual hours for business for any proper purpose, the share
19 register, books and records of account, and records of the
20 proceedings of the incorporators, shareholders and directors and
21 to make copies or extracts therefrom. A proper purpose shall
22 mean a purpose reasonably related to the interest of the person
23 as a shareholder. In every instance where an attorney or other
24 agent is the person who seeks the right of inspection, the
25 demand shall be accompanied by a verified power of attorney or
26 other writing that authorizes the attorney or other agent to so
27 act on behalf of the shareholder. The demand shall be directed
28 to the corporation at its registered office in this Commonwealth
29 or at its principal place of business wherever situated.

30 (c) Proceedings for the enforcement of inspection.--If the

1 corporation, or an officer or agent thereof, refuses to permit
2 an inspection sought by a shareholder or attorney or other agent
3 acting for the shareholder pursuant to subsection (b) or does
4 not reply to the demand within five business days after the
5 demand has been made, the shareholder may apply to the court for
6 an order to compel the inspection. The court shall determine
7 whether or not the person seeking inspection is entitled to the
8 inspection sought. The court may summarily order the corporation
9 to permit the shareholder to inspect the share register and the
10 other books and records of the corporation and to make copies or
11 extracts therefrom or the court may order the corporation to
12 furnish to the shareholder a list of its shareholders as of a
13 specific date on condition that the shareholder first pay to the
14 corporation the reasonable cost of obtaining and furnishing the
15 list and on such other conditions as the court deems
16 appropriate. Where the shareholder seeks to inspect the books
17 and records of the corporation, other than its share register or
18 list of shareholders, he shall first establish:

19 (1) That he has complied with the provisions of this
20 section respecting the form and manner of making demand for
21 inspection of the document.

22 (2) That the inspection he seeks is for a proper
23 purpose.

24 Where the shareholder seeks to inspect the share register or
25 list of shareholders of the corporation and he has complied with
26 the provisions of this section respecting the form and manner of
27 making demand for inspection of the documents, the burden of
28 proof shall be upon the corporation to establish that the
29 inspection he seeks is for an improper purpose. The court may,
30 in its discretion, prescribe any limitations or conditions with

1 reference to the inspection or award such other or further
2 relief as the court deems just and proper. The court may order
3 books, documents and records, pertinent extracts therefrom, or
4 duly authenticated copies thereof, to be brought into this
5 Commonwealth and kept in this Commonwealth upon such terms and
6 conditions as the order may prescribe.

7 § 1509. Bylaws and other powers in emergency.

8 (a) General rule.--Except as otherwise restricted in the
9 bylaws, the board of directors of any business corporation may
10 adopt emergency bylaws, subject to repeal or change by action of
11 the shareholders, which shall, notwithstanding any different
12 provisions of law or of the articles or bylaws, be effective
13 during any emergency resulting from an attack on the United
14 States, a nuclear disaster or another catastrophe as a result of
15 which a quorum of the board cannot readily be assembled. The
16 emergency bylaws may make any provision that may be appropriate
17 for the circumstances of the emergency including:

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

19 (2) Quorum requirements for meetings.

20 (3) Procedures for designating additional or substitute
21 directors.

22 (b) Lines of succession; head office.--The board of
23 directors, either before or during any emergency, may provide,
24 and from time to time modify, lines of succession in the event
25 that during the emergency any or all officers or agents of the
26 corporation shall for any reason be rendered incapable of
27 discharging their duties and may, effective in the emergency,
28 change the head offices or designate several alternative head
29 offices or regional offices of the corporation or authorize the
30 officers to do so.

1 (c) Personnel not liable.--A representative of the
2 corporation:

3 (1) Acting in accordance with any emergency bylaws shall
4 not be liable except for willful misconduct.

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

9 (d) Effect on regular bylaws.--To the extent not
10 inconsistent with any emergency bylaws so adopted, the bylaws of
11 the corporation shall remain in effect during any emergency and,
12 upon its termination, the emergency bylaws shall cease to be
13 effective.

14 (e) Procedure in absence of emergency bylaws.--Unless
15 otherwise provided in emergency bylaws, notice of any meeting of
16 the board of directors during an emergency shall be given only
17 to those directors it is feasible to reach at the time and by
18 such means as are feasible at the time, including publication or
19 radio. To the extent required to constitute a quorum at any
20 meeting of the board of directors during any emergency, the
21 officers of the corporation who are present shall, unless
22 otherwise provided in emergency bylaws, be deemed, in order of
23 rank and within the same rank in order of seniority, directors
24 for the meeting.

25 § 1510. Usury not a defense.

26 (a) General rule.--A business corporation shall not plead or
27 set up usury, or the taking of more than the lawful rate of
28 interest, or the taking of any finance, service or default
29 charge in excess of the maximum rate therefor provided or
30 prescribed by law, as a defense to any action brought against it

1 to recover damages on, or to enforce payment of, or to enforce
2 any other remedy on, any obligation executed or effected by the
3 corporation.

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

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

8 § 1511. Additional powers of certain public utility
9 corporations.

10 (a) General rule.--A public utility corporation shall, in
11 addition to any other power of eminent domain conferred by any
12 other statute, have the right to take, occupy and condemn
13 property for one or more of the following principal purposes and
14 ancillary purposes reasonably necessary or appropriate for the
15 accomplishment of the principal purposes:

16 (1) The transportation of passengers or property or both
17 as a common carrier by means of elevated street railway,
18 ferry, inclined plane railway, railroad, street railway or
19 underground street railway, trackless-trolley omnibus or by
20 any combination of such means.

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

24 (3) The production, generation, manufacture,
25 transmission, storage, distribution or furnishing of natural
26 or artificial gas, electricity, steam, air conditioning or
27 refrigerating service or any combination thereof to or for
28 the public.

29 (4) The diverting, developing, pumping, impounding,
30 distributing or furnishing of water from either surface or

1 subsurface sources to or for the public.

2 (5) The collection, treatment or disposal of sewage for
3 the public.

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

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

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

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

13 (1) To condemn for the purpose of constructing any
14 street railway, trackless-trolley omnibus, petroleum or
15 petroleum products transportation or aerial electric
16 transmission, aerial telephone or aerial telegraph lines:

17 (i) Any dwelling house or, except in the case of any
18 condemnation for petroleum or petroleum products
19 transportation lines, any part of the reasonable
20 curtilage of a dwelling house within 100 meters therefrom
21 and not within the limits of any street, highway, water
22 or other public way or place.

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

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

27 (c) Public Utility Commission approval.--The powers
28 conferred by subsection (a) may be exercised to condemn property
29 outside the limits of any street, highway, water or other public
30 way or place for the purpose of erecting poles or running wires

1 or other aerial electric, intrastate aerial telephone or
2 intrastate aerial telegraph facilities only after the
3 Pennsylvania Public Utility Commission, upon application of the
4 public utility corporation, has found and determined, after
5 notice and opportunity for hearing, that the service to be
6 furnished by the corporation through the exercise of those
7 powers is necessary or proper for the service, accommodation,
8 convenience or safety of the public. The power of the public
9 utility corporation to condemn the subject property or the
10 procedure followed by it shall not be an issue in the commission
11 proceedings held under this subsection and no court shall
12 entertain any proceeding questioning the jurisdiction of the
13 commission under this subsection. A final order of the
14 commission approving or denying an application under this
15 subsection, including an order involving a question of
16 jurisdiction under this subsection, may be made the subject of
17 any appeal in the manner provided or prescribed by law.

18 (d) Base fee interests.--The estate in property condemned
19 and taken by a public utility corporation shall be in fee simple
20 absolute unless the resolution of condemnation specifies a
21 lesser estate. Whenever it is necessary for any public utility
22 corporation to condemn by authority of subsection (a) the
23 freehold in the surface of any tract of property or the right to
24 the exclusive possession for any indefinite period of the
25 surface of any tract of property, the public utility corporation
26 shall condemn a fee simple absolute and no less estate in the
27 tract or the surface thereof.

28 (e) Streets and other public places.--A public utility
29 corporation shall have the right to enter upon and occupy
30 streets, highways, waters and other public ways and places for

1 one or more of the principal purposes specified in subsection
2 (a) and ancillary purposes reasonably necessary or appropriate
3 for the accomplishment of the principal purposes, including the
4 placement, maintenance and removal of aerial, surface and
5 subsurface public utility facilities thereon or therein. Before
6 entering upon any street, highway or other public way the public
7 utility corporation shall obtain such permits as may be required
8 by law and shall comply with the lawful and reasonable
9 regulations of the governmental authority having responsibility
10 for the maintenance thereof.

11 (f) Effect on other statutes.--Subsections (a) through (e)
12 shall not be construed to eliminate the exemption by statute of
13 certain historical lands from liability to condemnation or entry
14 nor to affect or modify any of the provisions of the act of
15 December 19, 1984 (P.L.1140, No.223), known as the Oil and Gas
16 Act, or of 66 Pa.C.S. § 1104 (relating to certain appropriations
17 by the right of eminent domain prohibited) or 2702 (relating to
18 construction, relocation, suspension and abolition of
19 crossings), nor to permit the acquisition of water rights, water
20 or land underlying them by any public utility corporation which
21 has not received from the Department of Environmental Resources
22 a limited power permit, limited water supply permit, order of
23 confirmation, permit for acquisition of water rights or
24 gubernatorial easement, right-of-way, license or lease
25 authorizing the acquisition or occupancy.

26 (g) Procedure.--

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

1 (2) Notwithstanding paragraph (1), a public utility
2 corporation that condemns for occupation by electric, gas,
3 oil or petroleum products lines used directly or indirectly
4 in furnishing service to the public an interest (other than a
5 fee) for right-of-way purposes or an easement for such
6 purposes may elect to proceed as follows in lieu of the
7 procedures specified in sections 402, 403, 405 and 406 of the
8 Eminent Domain Code:

9 (i) If the corporation and any interested party
10 cannot agree on the amount of damages sustained, or if
11 any interested party is an unincorporated association, or
12 is absent, unknown, not of full age or otherwise
13 incompetent or unavailable to contract with the
14 corporation, or in the case of disputed, doubtful or
15 defective title, the corporation may make a verified
16 application to the appropriate court for an order
17 directing the filing of a bond to the Commonwealth, in an
18 amount and with security to be approved by the court, for
19 the use of the person or persons who may be found to be
20 entitled to the damages sustained. The application shall
21 be accompanied by the bond and a certified copy of the
22 resolution of condemnation. The resolution shall describe
23 the nature and extent of the taking.

24 (ii) If the address of such interested party is
25 known to the corporation, written notice of the filing of
26 the application under subparagraph (i) shall be sent to
27 such party by mail, or otherwise, at least ten days prior
28 to the consideration thereof by the court. Otherwise the
29 corporation shall officially publish such notice in the
30 county or counties where the property is situated twice a

1 week for two weeks prior to consideration by the court
2 and shall give such supplemental or alternative notice as
3 the court may direct.

4 (iii) Upon entry by the court of an order approving
5 the bond and directing that it be filed, the title that
6 the corporation acquires in the right-of-way or easement
7 described in the resolution of condemnation shall pass to
8 the corporation and the corporation shall be entitled to
9 possession. If a condemnee thereafter refuses to deliver
10 possession or permit right of entry, the office of the
11 clerk of the court of common pleas upon petition filed by
12 the condemnor shall issue a rule as of course, returnable
13 in five days after service, requiring the condemnee to
14 show cause why a writ of possession should not issue.
15 Thereafter, the court may issue a writ of possession
16 conditioned on such terms as the court may direct.

17 (iv) The papers filed by the corporation with the
18 court under this paragraph shall constitute the
19 declaration of taking for the purposes of sections 404,
20 408, 409 and Articles V through VIII of the Eminent
21 Domain Code.

22 SUBCHAPTER B

23 SHARES AND OTHER SECURITIES

24 Sec.

25 1521. Authorized shares.

26 1522. Issuance of shares in classes of series; board action.

27 1523. Pricing and issuance of shares.

28 1524. Payment for shares.

29 1525. Stock rights and options.

30 1526. Liability of subscribers and shareholders.

1 1527. Issuance of fractional shares or scrip.

2 1528. Shares represented by certificates and uncertificated
3 shares.

4 1529. Transfer of securities; restrictions.

5 ~~1530. Preemptive rights of shareholders.~~ <—

6 1530. OPTION RIGHTS AND CONVERSION RIGHTS. <—

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 § 1521. Authorized shares.

12 (a) General rule.--Every business corporation shall have
13 power to create and issue the number of shares stated in its
14 articles. The shares may consist of one class or be divided into
15 two or more classes and one or more series within any class
16 thereof, which classes or series may have full, limited,
17 multiple or fractional or no voting rights and such
18 designations, preferences, limitations and special rights as may
19 be desired. Shares which are not entitled to a preference, even
20 if identified by a class or other designation, shall not be
21 designated as preference or preferred shares.

22 (b) Provisions specifically authorized.--

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

26 (i) Subject to the right or obligation of the
27 corporation to redeem any of the shares for the
28 consideration, if any, fixed by or in the manner provided
29 by the articles for the redemption thereof. Unless
30 otherwise provided in the articles, any shares subject to

1 redemption shall be redeemable only pro rata or by lot or
2 by such other equitable method as may be selected by the
3 corporation.

4 (ii) Entitling the holders thereof to cumulative,
5 noncumulative or partially cumulative dividends.

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

8 (iv) Convertible into shares of any other class or
9 series, or into obligations of the corporation.

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

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

15 (ii) Terms incorporated by reference to an existing
16 agreement between the corporation and one or more other
17 parties, or to another document of independent
18 significance, if the articles state that the full text of
19 the agreement or other document is on file at the
20 principal place of business of the corporation and state
21 the address thereof. A corporation that takes advantage
22 of this subparagraph shall furnish a copy of the full
23 text of the agreement or other document, on request and
24 without cost, to any shareholder and, unless it is a
25 closely-held corporation, on request and at cost, to any
26 other person.

27 (3) The articles may expressly confer upon a shareholder
28 a specifically enforceable right to the declaration and
29 payment of dividends, the redemption of shares or the making
30 of any other form of distribution if the distribution is at

1 the time of enforcement then permitted by section 1551
2 (relating to distributions to shareholders). Such a provision
3 adopted on or after January 1, 1988, shall not be valid
4 unless it shall make express reference to this section.

5 (c) Additional restrictions upon exercise of corporate
6 powers.--Additional provisions regulating or restricting the
7 exercise of corporate powers, including provisions requiring the
8 votes of classes or series of shares as conditions to the
9 exercise thereof, may be specified in a bylaw adopted by the
10 shareholders.

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

16 § 1522. Issuance of shares in classes or series; board action.

17 (a) General rule.--The division of shares into classes and
18 into series within any class, the determination of the
19 designation and the number of shares of any class or series and
20 the determination of the voting rights, preferences, limitations
21 and special rights, if any, of the shares of any class or series
22 of a business corporation may be accomplished by the original
23 articles or by any amendment thereof. The amendment may be made
24 by the board of directors as provided in subsection (b).

25 (b) Divisions and determinations by the board.--An amendment
26 of articles described in subsection (a) may be made solely by
27 action of the board if the articles authorize the board to make
28 the divisions and determinations. Unless otherwise restricted in
29 the articles, authority granted to the board to determine the
30 number of shares of any class or series shall be deemed to

1 include the power to increase the previously determined number
2 of shares of the class or series to a number not greater than
3 that provided by the articles and to decrease the previously
4 determined number of shares of a class or series to a number not
5 less than that then outstanding. Upon any such decrease under
6 this section, the affected shares shall continue as part of the
7 authorized shares.

8 (c) Statement with respect to shares.--Whenever the board
9 acts under subsection (b), it shall adopt a resolution setting
10 forth its actions. Before any business corporation issues any
11 shares of any class or any series of any class with respect to
12 which the board has acted under subsection (b), the corporation
13 shall file in the Department of State a statement with respect
14 to shares executed by the corporation, setting forth:

15 (1) The name of the corporation.

16 (2) The resolution of the board required by this
17 subsection.

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

20 (i) The resolution.

21 (ii) All prior statements, if any, filed under this
22 section or corresponding provisions of prior law with
23 respect thereto.

24 (iii) Any other provision of the articles.

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

26 (5) If the resolution is to be effective on a specified
27 date, the hour, if any, and the month, day and year of the
28 effective date.

29 (d) Effect of filing statement.--Upon the filing of the
30 statement in the department or upon the effective date specified

1 in the statement, whichever is later, the resolution shall
2 become effective and shall operate as an amendment of the
3 articles.

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

12 § 1523. Pricing and issuance of shares.

13 Except as otherwise restricted in the bylaws, shares of a
14 business corporation may be issued at a price determined by the
15 board of directors or the board may set a minimum price or
16 establish a formula or method by which the price may be
17 determined, PROVIDED THAT ANY SHARES WITH PAR VALUE SHALL NOT BE ←
18 ISSUED AT A PRICE LESS THAN PAR VALUE.

19 § 1524. Payment for shares.

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

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

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

1 (b) Issuance without consideration.--Except as otherwise
2 restricted in the bylaws, upon authorization by the board of
3 directors, the corporation may issue or distribute its own
4 shares pro rata to its shareholders or the shareholders of one
5 or more classes or series, if the relative rights of the holders
6 of any class or series are not adversely affected thereby, to
7 effectuate stock dividends or splits and any such transaction
8 shall not require payment of consideration.

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

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

1 (e) Transitional provision.--A corporation may enforce calls
2 on partly paid shares outstanding on January 1, 1988, in the
3 same manner and to the same extent as if this subpart had not
4 been enacted.

5 § 1525. Stock rights and options.

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

13 (b) Pricing and payment.--The provisions of this subchapter
14 applicable to the pricing of and payment for shares shall be
15 applicable to the pricing of and payment for rights and options
16 except that the rights and options may be issued to
17 representatives of the corporation or any of its affiliates as
18 an incentive to service or continued service with the
19 corporation and its affiliates or for such other purpose and
20 upon such other terms as its directors, who may benefit by their
21 action, deem advantageous to the corporation.

22 (c) Shares subject to preemptive rights.--Authorized but
23 unissued shares subject to preemptive rights may be issued and
24 sold to holders of rights or options entitling the holders
25 thereof to purchase shares of the same class or series as the
26 shares subject to such preemptive rights upon the exercise of
27 such rights or options only with the written consent or
28 affirmative vote of shareholders entitled to cast at least a
29 majority of the votes that all shareholders entitled to exercise
30 preemptive rights with respect thereto are entitled to cast.

1 § 1526. Liability of subscribers and shareholders.

2 A subscriber to, or holder or owner of, shares of a business
3 corporation shall not be under any liability to the corporation
4 or any creditor thereof with respect to the shares other than
5 the personal obligation of a shareholder who has acquired his
6 shares by subscription to comply with the terms of the
7 subscription.

8 § 1527. Issuance of fractional shares or scrip.

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

17 (1) arrange for the disposition of fractional interests
18 by those entitled thereto;

19 (2) pay in money the fair value of fractions of a share
20 determined at the time and in the manner provided in the
21 plan, amendment or resolution of the board providing for the
22 creation of the fractional interests; or

23 (3) issue scrip or other evidence of ownership, in
24 registered form (either represented by a certificate or
25 uncertificated) or in bearer form (represented by a
26 certificate), entitling the holder to receive a full share
27 upon the surrender of the scrip or other evidence of
28 ownership aggregating a full share, but which shall not,
29 unless otherwise provided therein, entitle the holder to
30 exercise any voting right, to receive dividends or to

1 participate in any of the assets of the corporation in the
2 event of liquidation.

3 (b) Elimination of shares or scrip.--The scrip or other
4 evidence of ownership may be issued subject to the condition
5 that it shall become void if not exchanged for full shares
6 before a specified date, or subject to the condition that the
7 shares for which the scrip or evidence of ownership is
8 exchangeable may be sold and the proceeds thereof distributed to
9 the holders of the scrip or evidence of ownership, or subject to
10 any other conditions which the corporation deems advisable.

11 § 1528. Shares represented by certificates and uncertificated
12 shares.

13 (a) General rule.--The shares of a business corporation
14 shall be represented by certificates or shall be uncertificated
15 shares.

16 (b) Issue of certificates.--Every shareholder shall, except
17 as otherwise provided in a bylaw adopted pursuant to subsection
18 (f) or in the terms of a subscription that has not been fully
19 performed by the subscriber, be entitled to a share certificate
20 representing the shares owned by him.

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

22 (1) That the corporation is incorporated under the laws
23 of this Commonwealth.

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

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

27 (d) Notice of variations in rights.--Every certificate
28 representing shares issued by a business corporation which is
29 authorized to issue shares of more than one class or series
30 shall set forth upon the face or back of the certificate (or

1 shall state on the face or back of the certificate that the
2 corporation will furnish to any shareholder upon request and
3 without charge), a full or summary statement of the
4 designations, voting rights, preferences, limitations and
5 special rights of the shares of each class or series authorized
6 to be issued so far as they have been fixed and determined and
7 the authority of the board of directors to fix and determine the
8 designations, voting rights, preferences, limitations and
9 special rights of the classes and series of shares of the
10 corporation. See also sections 1529(f) (relating to notice to
11 transferee) and 2321(c) (relating to notice of statutory close
12 corporation status).

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

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

30 § 1529. Transfer of securities; restrictions.

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

5 (b) Transfer restrictions generally.--A restriction on the
6 transfer or registration of transfer of securities of a business
7 corporation may be imposed by the bylaws or by an agreement
8 among any number of securityholders or among them and the
9 corporation. A restriction so imposed shall not be binding with
10 respect to securities issued prior to the adoption of the
11 restriction unless the holders of the securities are parties to
12 the agreement or voted in favor of the restriction.

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

16 (1) obligates the holder of the restricted securities to
17 offer to the corporation or to any other holders of
18 securities of the corporation or to any other person or to
19 any combination of the foregoing a prior opportunity, to be
20 exercised within a reasonable time, to acquire the restricted
21 securities;

22 (2) obligates the corporation or any holder of
23 securities of the corporation or any other person or any
24 combination of the foregoing, to purchase the securities
25 which are the subject of an agreement respecting the purchase
26 and sale of the restricted securities;

27 (3) requires the corporation or the holders of any class
28 of securities of the corporation to consent to any proposed
29 transfer of the restricted securities or to approve the
30 proposed transferee of the restricted securities; or

1 (4) prohibits the transfer of the restricted securities
2 to designated persons or classes of persons and the
3 designation is not manifestly unreasonable.

4 (d) Subchapter S restrictions.--Any restriction on the
5 transfer of the shares of a business corporation for the purpose
6 of maintaining its status as an electing small business
7 corporation under Subchapter S of the Internal Revenue Code of
8 1954 or a comparable provision under state law shall be
9 conclusively presumed to be for a reasonable purpose.

10 (e) Other restrictions.--Any other lawful restriction on
11 transfer or registration of transfer of securities is permitted
12 by this section.

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

29 ~~§ 1530. Preemptive rights of shareholders.~~ <—

30 (a) ~~General rule. Except as otherwise provided in the~~

1 ~~articles or in subsection (b), a business corporation may issue~~
2 ~~shares, option rights or securities having conversion or option~~
3 ~~rights without first offering them to shareholders of any class~~
4 ~~or classes.~~

5 § 1530. OPTION RIGHTS AND CONVERSION RIGHTS. <—

6 (A) GENERAL RULE.--EXCEPT AS OTHERWISE PROVIDED IN ITS
7 ARTICLES PRIOR TO THE CREATION AND ISSUANCE THEREOF, A BUSINESS
8 CORPORATION MAY CREATE AND ISSUE (WHETHER OR NOT IN CONNECTION
9 WITH THE ISSUANCE OF ANY OF ITS SHARES OR OTHER SECURITIES)
10 OPTION RIGHTS OR SECURITIES HAVING CONVERSION OR OPTION RIGHTS
11 ENTITLING THE HOLDERS THEREOF TO PURCHASE OR ACQUIRE SHARES,
12 OPTION RIGHTS, SECURITIES HAVING CONVERSION OR OPTION RIGHTS, OR
13 OBLIGATIONS, OF ANY CLASS OR SERIES, OR ASSETS, OF THE
14 CORPORATION, OR TO PURCHASE OR ACQUIRE FROM THE CORPORATION,
15 SHARES, OPTION RIGHTS, SECURITIES HAVING CONVERSION OR OPTION
16 RIGHTS, OR OBLIGATIONS, OF ANY CLASS OR SERIES, OWNED BY THE
17 CORPORATION AND ISSUED BY ANY OTHER PERSON. EXCEPT AS OTHERWISE
18 PROVIDED IN SUBSECTION (B) OR IN ITS ARTICLES:

19 (1) THE SHARES, OPTION RIGHTS, SECURITIES HAVING
20 CONVERSION OR OPTION RIGHTS, OR OBLIGATIONS SHALL BE
21 EVIDENCED IN SUCH MANNER AS THE CORPORATION MAY DETERMINE AND
22 MAY BE OFFERED WITHOUT FIRST OFFERING THEM TO SHAREHOLDERS OF
23 ANY CLASS OR CLASSES.

24 (2) A BUSINESS CORPORATION MAY ISSUE SHARES, OPTION
25 RIGHTS OR SECURITIES HAVING CONVERSION OR OPTION RIGHTS, OR
26 OBLIGATIONS WITHOUT FIRST OFFERING THEM TO SHAREHOLDERS OF
27 ANY CLASS OR CLASSES.

28 (b) Preexisting preemptive rights.--Unless otherwise
29 provided in its articles, the shareholders of a AN UNLISTED <—
30 corporation ~~other than a registered corporation~~ shall have a <—

1 preemptive right to subscribe for shares, option rights, or
2 securities having option rights, issued for cash by the
3 corporation, if the corporation was not incorporated hereunder
4 or under the Business Corporation Law of 1933 and its
5 shareholders were entitled to preemptive rights at the date the
6 corporation became subject to this subpart, but this subsection
7 shall apply neither to the holders of shares of a class issued
8 after the date such corporation became subject to the Business
9 Corporation Law of 1933 or this subpart nor to the issue of
10 securities having conversion rights.

11 (c) Release of shares subject to preemptive rights.--Except
12 as otherwise provided in the articles, shares (or any option
13 rights or securities having conversion or option rights with
14 respect to such shares) that have been offered to shareholders
15 having a preemptive right thereto, at a price and upon terms
16 duly fixed, and that have not been subscribed for by them within
17 the time duly fixed by the articles or the board of directors,
18 may be thereafter offered for subscription to any person or
19 persons at a price and upon terms not more favorable than those
20 at which they were offered to such shareholders.

21 (D) TERMS OF SECURITIES.--THE SECURITIES, CONTRACTS, ←
22 WARRANTS OR OTHER INSTRUMENTS EVIDENCING ANY SHARES, OPTION
23 RIGHTS, SECURITIES HAVING CONVERSION OR OPTION RIGHTS, OR
24 OBLIGATIONS OF A CORPORATION MAY CONTAIN SUCH TERMS AS ARE FIXED
25 BY THE BOARD OF DIRECTORS, INCLUDING, WITHOUT LIMITING THE
26 GENERALITY OF SUCH AUTHORITY, THE FOLLOWING:

27 (1) RESTRICTIONS UPON THE AUTHORIZATION OR ISSUANCE OF
28 ADDITIONAL SHARES, OPTION RIGHTS, SECURITIES HAVING
29 CONVERSION OR OPTION RIGHTS, OR OBLIGATIONS.

30 (2) PROVISIONS FOR THE ADJUSTMENT OF THE CONVERSION OR

1 OPTION RIGHTS PRICE.

2 (3) PROVISIONS CONCERNING RIGHTS OR ADJUSTMENTS IN THE
3 EVENT OF REORGANIZATION, MERGER, CONSOLIDATION, SALE OF
4 ASSETS OR OTHER FUNDAMENTAL CHANGES.

5 (4) PROVISIONS FOR THE RESERVATION OF AUTHORIZED BUT
6 UNISSUED SHARES OR OTHER SECURITIES.

7 (5) RESTRICTIONS UPON THE DECLARATION OR PAYMENT OF
8 DIVIDENDS OR DISTRIBUTIONS OR RELATED PARTY TRANSACTIONS.

9 (6) CONDITIONS RELATING TO THE EXERCISE, CONVERSION,
10 TRANSFER OR RECEIPT OF SUCH SHARES, OPTION RIGHTS, SECURITIES
11 HAVING CONVERSION OR OPTION RIGHTS, OR OBLIGATIONS.

12 (7) IN THE CASE OF A CORPORATION WITH A CLASS OF VOTING
13 SHARES REGISTERED UNDER THE SECURITIES EXCHANGE ACT OF 1934
14 (48 STAT. 881, 15 U.S.C. § 78A ET SEQ.) ONLY, CONDITIONS,
15 INCLUDING, BUT NOT LIMITED TO, CONDITIONS THAT PRECLUDE OR
16 LIMIT ANY PERSON OR PERSONS OWNING OR OFFERING TO ACQUIRE A
17 SPECIFIED NUMBER OR PERCENTAGE OF THE OUTSTANDING COMMON
18 SHARES, OTHER SHARES, OPTION RIGHTS, SECURITIES HAVING
19 CONVERSION OR OPTION RIGHTS, OR OBLIGATIONS OF SUCH A
20 CORPORATION OR TRANSFEREE OR TRANSFEREES OF ANY SUCH PERSON
21 OR PERSONS FROM EXERCISING, CONVERTING, TRANSFERRING OR
22 RECEIVING SUCH SHARES, OPTION RIGHTS, SECURITIES HAVING
23 CONVERSION OR OPTION RIGHTS, OR OBLIGATIONS.

24 (E) RELATIONSHIP BETWEEN CORPORATION AND DIRECTOR NOT
25 AFFECTED.--NOTHING CONTAINED IN THIS SECTION SHALL BE CONSTRUED
26 TO EFFECT A CHANGE IN THE FIDUCIARY RELATIONSHIP BETWEEN A
27 DIRECTOR AND A BUSINESS CORPORATION OR TO CHANGE THE STANDARD OF
28 CARE OF A DIRECTOR PROVIDED FOR IN 42 PA.C.S. CH. 83 SUBCH. F
29 (RELATING TO CORPORATE DIRECTORS' LIABILITY).

30 § 1531. Voting powers and other rights of certain

1 securityholders and other entities.

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

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

7 (2) The United States of America, the Commonwealth, a
8 state, or any political subdivision of any of the foregoing,
9 or any entity prohibited by law from becoming a shareholder
10 of a corporation.

11 § 1532. Effect of failure to surrender securities converted by
12 reorganization.

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

30

SUBCHAPTER C

CORPORATE FINANCE

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- Sec.
- 1551. Distributions to shareholders.
 - 1552. Power of corporation to acquire its own shares.
 - 1553. Liability for unlawful dividends and other distributions.
 - 1554. Financial reports to shareholders.

§ 1551. Distributions to shareholders.

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

(b) Limitation.--A distribution may not be made if, after giving effect thereto:

(1) the corporation would be unable to pay its debts as they become due in the usual course of its business; ~~and~~ OR ←

(2) the total assets of the corporation would be less than the sum of its total liabilities plus (unless otherwise provided in the articles) the amount that would be needed, if the corporation were to be dissolved at the time of the distribution, to satisfy the preferential rights upon dissolution of shareholders whose preferential rights are superior to those receiving the distribution. For purposes of this paragraph, total assets and liabilities shall be determined by the board of directors, which may base its determination on such factors as it considers relevant, including without limitation:

(i) the book values of the assets and liabilities of the corporation, as reflected on its books and records;
and

(ii) unrealized appreciation and depreciation of the assets of the corporation.

1 See section 1721(b) (relating to standard of care; justifiable
2 reliance).

3 (c) Date of distribution.--In the case of a purchase,
4 redemption or other acquisition of its own shares by a
5 corporation, the effect of a distribution shall be measured as
6 of the date money or other property is transferred or debt is
7 incurred by the corporation or as of the date the shareholder
8 ceases to be a shareholder of the corporation with respect to
9 the shares, whichever is earlier. In all other cases, the effect
10 of a distribution shall be measured as of the date of its
11 authorization if payment occurs 120 days or less following the
12 date of authorization or as of the date of payment if payment
13 occurs more than 120 days following the date of authorization.

14 (d) Redemption related and similar debt.--Indebtedness of a
15 corporation incurred or issued to a shareholder in a
16 distribution in accordance with this section shall be on a
17 parity with the indebtedness of the corporation to its general
18 unsecured creditors except to the extent subordinated by
19 agreement.

20 § 1552. Power of corporation to acquire its own shares.

21 (a) General rule.--A business corporation shall have the
22 power to acquire its own shares. If the articles provide that
23 they shall not be reissued, the authorized shares of the class
24 shall be reduced by the number of shares acquired. In any other
25 case the shares acquired shall be deemed to be issued but not
26 outstanding, except that unless otherwise restricted in the
27 bylaws, the board may, by resolution, restore any or all of the
28 previously issued shares of the corporation owned by it to the
29 status of authorized but unissued shares of the class or series
30 originally issued.

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

3 § 1553. Liability for unlawful dividends and other
4 distributions.

5 (a) Directors.--Except as provided pursuant to 42 Pa.C.S. §
6 8364 (relating to personal liability of directors), a director
7 who votes for or assents to any dividend or other distribution
8 contrary to the provisions of this subpart or contrary to any
9 restrictions contained in the bylaws shall, if he has not
10 complied with the standard provided in or pursuant to section
11 1721(b) (relating to standard of care; justifiable reliance), be
12 liable to the corporation, jointly and severally with all other
13 directors so voting or assenting, for the amount of the dividend
14 that is paid or the value of the other distribution in excess of
15 the amount of the dividend or other distribution that could have
16 been made without a violation of the provisions of this subpart
17 or the restrictions in the bylaws.

18 (b) Contribution by shareholders.--Any director against whom
19 a claim is asserted under or pursuant to this section for the
20 making of a distribution and who is held liable thereon shall be
21 entitled to contribution from the shareholders who accepted or
22 received any such distribution, knowing the distribution to have
23 been made in violation of this subpart, in proportion to the
24 amounts received by them.

25 (c) Contribution by other directors.--Any director against
26 whom a claim is asserted under or pursuant to this section shall
27 be entitled to contribution from any other director who voted
28 for or assented to the action upon which the claim is asserted
29 and who did not comply with the standard provided by or pursuant
30 to this subpart for the performance of the duties of directors.

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

3 § 1554. Financial reports to shareholders.

4 (a) General rule.--Unless otherwise agreed between a
5 business corporation and a shareholder, every corporation shall
6 furnish to its shareholders annual financial statements,
7 including at least a balance sheet as of the end of each fiscal
8 year and a statement of income and expenses for the fiscal year.
9 The financial statements shall be prepared on the basis of
10 generally accepted accounting principles, if the corporation
11 prepares financial statements for the fiscal year on that basis
12 for any purpose, and may be consolidated statements of the
13 corporation and one or more of its subsidiaries. The financial
14 statements shall be mailed by the corporation to each of its
15 shareholders entitled thereto within 120 days after the close of
16 each fiscal year and, after the mailing and upon written
17 request, shall be mailed by the corporation to any shareholder
18 or beneficial owner entitled thereto to whom a copy of the most
19 recent annual financial statements has not previously been
20 mailed. In the case of statements audited or reviewed by a
21 public accountant, each copy shall be accompanied by the report
22 of the accountant; in other cases, each copy shall be
23 accompanied by a statement of the person in charge of the
24 financial records of the corporation:

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

29 (2) Describing any material respects in which the
30 financial statements were not prepared on a basis consistent

1 with those prepared for the previous year.

2 (b) Contrary agreement.--An agreement restricting the rights
3 specified in subsection (a) shall be set forth in a writing
4 that, except as provided in subsection (c), is separate from the
5 articles, bylaws and share certificate or notice provided
6 pursuant to section 1528(f) (relating to uncertificated shares).
7 The agreement may provide that it is binding on the shareholder
8 and all persons who are shareholders in the corporation solely
9 by reason of acquiring shares directly or indirectly from the
10 shareholder in one or more transactions which, if the
11 corporation were a statutory close corporation, would be
12 described in section 2322(b)(2), (4), (5) or (6) (relating to
13 exception).

14 (c) Transitional provision.--A bylaw adopted on or before
15 December 31, 1988, shall be deemed a separate written agreement
16 between the corporation and each holder of shares outstanding on
17 the date of adoption of the bylaw for the purposes of subsection
18 (b).

19 (D) REGISTERED CORPORATIONS.--THE REQUIREMENTS OF THIS <—
20 SECTION SHALL NOT APPLY TO A REGISTERED CORPORATION AS DEFINED
21 IN SECTION 1103 (RELATING TO DEFINITIONS).

22 ~~(d)~~ (E) Cross references.--See section 4145 (relating to <—
23 applicability of certain safeguards to foreign domiciliary
24 corporations) and 42 Pa.C.S. § 2503(7) (relating to right of
25 participants to receive counsel fees).

26 SUBCHAPTER D

27 DISSENTERS RIGHTS

28 Sec.

29 1571. Application and effect of subchapter.

30 1572. Definitions.

- 1 1573. Record and beneficial holders and owners.
- 2 1574. Notice of intention to dissent.
- 3 1575. Notice to demand payment.
- 4 1576. Failure to comply with notice to demand payment, etc.
- 5 1577. Release of restrictions or payment for shares.
- 6 1578. Estimate by dissenter of fair value of shares.
- 7 1579. Valuation proceedings generally.
- 8 1580. Costs and expenses of valuation proceedings.
- 9 § 1571. Application and effect of subchapter.

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

17 ~~Section 1906(c) (relating to dissenters rights upon~~ ←
18 ~~special treatment).~~

19 Section 1930 (relating to dissenters rights).

20 Section 1931(d) (relating to dissenters rights in share
21 exchanges).

22 Section 1932(c) (relating to dissenters rights in asset
23 transfers).

24 Section 1952(d) (relating to dissenters rights in
25 division).

26 Section 1962(c) (relating to dissenters rights in
27 conversion).

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

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

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

2 Section 2704 (relating to dissenters rights upon
3 election).

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

6 (b) Exceptions.--

7 (1) Except as otherwise provided in paragraph (2), the
8 holders of the shares of any class or series of shares that,
9 at the record date fixed to determine the shareholders
10 entitled to notice of and to vote at the meeting at which a
11 plan specified in any of section 1930, 1931(d), 1932(c) or
12 1952(d) is to be voted on, are either:

13 (i) listed on a national securities exchange; or

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

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

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

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

29 (3) The shareholders of a corporation that acquires by
30 purchase, lease, exchange or other disposition all or

1 substantially all of the shares, property or assets of
2 another corporation by the issuance of shares, obligations or
3 otherwise, with or without assuming the liabilities of the
4 other corporation and with or without the intervention of
5 another corporation or other person, shall be entitled to the
6 rights and remedies of dissenting shareholders provided in
7 this subchapter, if any, but only if the acquisition was
8 accomplished by the issuance of voting shares of the
9 corporation to be outstanding immediately after the
10 acquisition sufficient to elect a majority or more of the
11 directors of the corporation.

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

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

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

27 (2) a copy of this subchapter.

28 (e) Other statutes.--The procedures of this subchapter shall
29 also be applicable to any transaction described in any statute
30 other than this title that makes reference to this subchapter

1 for the purpose of granting dissenters rights.

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

5 § 1572. Definitions.

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

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

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

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

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

27 § 1573. Record and beneficial holders and owners.

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

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

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

17 § 1574. Notice of intention to dissent.

18 If the proposed corporate action is submitted to a vote at a
19 meeting of shareholders of a business corporation, any person
20 who wishes to dissent and obtain payment of the fair value of
21 his shares must file with the corporation, prior to the vote, a
22 written notice of intention to demand that he be paid the fair
23 value for his shares if the proposed action is effectuated and
24 refrain from voting his shares in approval of such action. A
25 dissenter who fails in either respect shall not acquire any
26 right to payment of the fair value of his shares under this
27 subchapter. Neither a proxy nor a vote against the proposed
28 corporate action shall constitute the written notice required by
29 this section.

30 § 1575. Notice to demand payment.

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

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

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

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

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

23 (b) Time for receipt of demand for payment.--The time set
24 for receipt of the demand and deposit of certificated shares
25 shall be not less than 30 days from the mailing of the notice.
26 § 1576. Failure to comply with notice to demand payment, etc.

27 (a) Effect of failure of shareholder to act.--A shareholder
28 who fails to demand payment, or fails (in the case of
29 certificated shares) to deposit certificates, as required by a
30 notice pursuant to section 1575 (relating to notice to demand

1 payment) shall not have any right under this subchapter to
2 receive payment of the fair value of his shares.

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

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

12 § 1577. Release of restrictions or payment for shares.

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

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

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

1 certificated) have deposited their certificates the amount that
2 the corporation estimates to be the fair value of the shares, or
3 give written notice that no remittance under this section will
4 be made. The remittance or notice shall be accompanied by:

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

10 (2) A statement of the corporation's estimate of the
11 fair value of the shares.

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

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

1 (e) Cross reference.--See section 1581 (relating to rights
2 of persons not beneficial owners when corporate action first
3 announced).

4 § 1578. Estimate by dissenter of fair value of shares.

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

15 (b) Effect of failure to file estimate.--Where a corporation
16 has remitted payment of its estimated value of a dissenter's
17 shares, and the dissenter does not file his own estimate within
18 30 days after the mailing by the corporation of its remittance,
19 the dissenter shall be entitled to no more than the amount
20 remitted to him by the corporation.

21 § 1579. Valuation proceedings generally.

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

23 (1) effectuation of the proposed corporate action;

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

26 (3) timely receipt of any estimates pursuant to section
27 1578 (relating to estimate by dissenter of fair value of
28 shares);

29 if any demands for payment remain unsettled, the business
30 corporation may file in court an application for relief

1 requesting that the fair value of the shares be determined by
2 the court.

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

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

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

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

1 § 1580. Costs and expenses of valuation proceedings.

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

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

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

30

CHAPTER 17

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- 131 -

1 OFFICERS, DIRECTORS AND SHAREHOLDERS

2 Subchapter

3 A. Notice and Meetings Generally

4 B. Directors and Officers

5 C. Indemnification

6 D. Shareholders

7 E. Derivative actions

8 F. Judicial Supervision of Corporate Action

9 SUBCHAPTER A

10 NOTICE AND MEETINGS GENERALLY

11 Sec.

12 1701. Applicability of subchapter.

13 1702. Manner of giving notice.

14 1703. Place and notice of meetings of board of directors.

15 1704. Place and notice of meetings of shareholders.

16 1705. Waiver of notice.

17 1706. Modification of proposal contained in notice.

18 1707. Exception to requirement of notice.

19 1708. Use of conference telephone and similar equipment.

20 § 1701. Applicability of subchapter.

21 The provisions of this subchapter shall apply to every
22 business corporation unless otherwise restricted:

23 (1) by any other provision of this subpart; or

24 (2) except with respect to section 1707(a) (relating to
25 exception to requirement of notice), in the bylaws.

26 § 1702. Manner of giving notice.

27 (a) General rule.--Whenever written notice is required to be
28 given to any person under the provisions of this subpart or by
29 the articles or bylaws of any business corporation, it may be
30 given to the person either personally or by sending a copy

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

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

17 § 1703. Place and notice of meetings of board of directors.

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

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

30 § 1704. Place and notice of meetings of shareholders.

1 (a) Place.--Meetings of shareholders may be held at such
2 place within or without this Commonwealth as may be provided in
3 or fixed pursuant to the bylaws. Unless otherwise provided in or
4 pursuant to the bylaws, all meetings of the shareholders shall
5 be held in this Commonwealth at the registered office of the
6 corporation.

7 (b) Notice.--Written notice of every meeting of the
8 shareholders shall be given by, or at the direction of, the
9 secretary or other authorized person to each shareholder of
10 record entitled to vote at the meeting at least:

11 (1) ten days prior to the day named for a meeting called
12 to consider a fundamental change under chapter 19 (relating
13 to fundamental changes); or

14 (2) five days prior to the day named for the meeting in
15 any other case.

16 If the secretary or other authorized person neglects or refuses
17 to give notice of a meeting, the person or persons calling the
18 meeting may do so. In the case of a special meeting of
19 shareholders, the notice shall specify the general nature of the
20 business to be transacted.

21 § 1705. Waiver of notice.

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

1 meeting of shareholders, the waiver of notice shall specify the
2 general nature of the business to be transacted.

3 (b) Waiver by attendance.--Attendance of a person at any
4 meeting shall constitute a waiver of notice of the meeting
5 except where a person attends a meeting for the express purpose
6 of objecting, at the beginning of the meeting, to the
7 transaction of any business because the meeting was not lawfully
8 called or convened.

9 § 1706. Modification of proposal contained in notice.

10 Whenever the language of a proposed resolution is included in
11 a written notice of a meeting required to be given under the
12 provisions of this subpart or the articles or bylaws of any
13 business corporation, the meeting considering the resolution may
14 without further notice adopt it with such clarifying or other
15 amendments as do not enlarge its original purpose.

16 § 1707. Exception to requirement of notice.

17 (a) General rule.--Whenever any notice or communication is
18 required to be given to any person under the provisions of this
19 subpart or by the articles or bylaws of any business corporation
20 or by the terms of any agreement or other instrument or as a
21 condition precedent to taking any corporate action and
22 communication with that person is then unlawful, the giving of
23 the notice or communication to that person shall not be required
24 and there shall be no duty to apply for a license or other
25 permission to do so. Any action or meeting that is taken or held
26 without notice or communication to that person shall have the
27 same validity as if the notice or communication had been duly
28 given. If the action taken is such as to require the filing of
29 any document with respect thereto under any provision of law or
30 any agreement or other instrument, it shall be sufficient, if

1 such is the fact and if notice or communication is required, to
2 state therein that notice or communication was given to all
3 persons entitled to receive notice or communication except
4 persons with whom communication was unlawful. See section 1701
5 (relating to applicability of subchapter).

6 (b) Shareholders without forwarding addresses.--Subsection
7 (a) shall also be applicable to any shareholder with whom the
8 corporation has been unable to communicate for more than 24
9 consecutive months because communications to the shareholder are
10 returned unclaimed or the shareholder has otherwise failed to
11 provide the corporation with a current address. Whenever the
12 shareholder provides the corporation with a current address,
13 subsection (a) shall cease to be applicable to the shareholder
14 under this subsection.

15 § 1708. Use of conference telephone and similar equipment.

16 One or more persons may participate in a meeting of the
17 incorporators, the board or shareholders of a business
18 corporation by means of conference telephone or similar
19 communications equipment by means of which all persons
20 participating in the meeting can hear each other. Participation
21 in a meeting pursuant to this section shall constitute presence
22 in person at the meeting.

23 SUBCHAPTER B

24 DIRECTORS AND OFFICERS

25 Sec.

26 1721. Board of directors.

27 1722. Qualifications of directors.

28 1723. Number of directors.

29 1724. Term of office of directors.

30 1725. Selection of directors.

- 1 1726. Removal of directors.
- 2 1727. Quorum of and action by directors.
- 3 1728. Interested directors or officers; quorum.
- 4 1729. Voting rights of directors.
- 5 1730. Compensation of directors.
- 6 1731. Executive and other committees of the board.
- 7 1732. Officers.
- 8 1733. Removal of officers and agents.
- 9 § 1721. Board of directors.

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

21 (b) Standard of care; justifiable reliance.--A director
22 shall stand in a fiduciary relation to the corporation and shall
23 perform his duties as a director, including his duties as a
24 member of any committee of the board upon which he may serve, in
25 the manner provided by 42 Pa.C.S. § 8363 (relating to standard
26 of care and justifiable reliance).

27 (c) Notation of dissent.--A director of a corporation who is
28 present at a meeting of its board of directors, or of a
29 committee of the board, at which action on any corporate matter
30 is taken shall be presumed to have assented to the action taken

1 unless his dissent is entered in the minutes of the meeting or
2 unless he files his written dissent to the action with the
3 secretary of the meeting before the adjournment thereof or
4 transmits the dissent in writing to the secretary of the
5 corporation immediately after the adjournment of the meeting.
6 The right to dissent shall not apply to a director who voted in
7 favor of the action. NOTHING IN THIS SECTION SHALL BAR A ←
8 DIRECTOR FROM ASSERTING THAT MINUTES OF THE MEETING INCORRECTLY
9 OMITTED HIS DISSSENT IF, PROMPTLY UPON RECEIPT OF A COPY OF SUCH
10 MINUTES, HE NOTIFIED THE SECRETARY, IN WRITING, OF THE ASSERTED
11 OMISSION OR INACCURACY.

12 (d) Cross reference.--See 42 Pa.C.S. Ch. 83 Subch. F
13 (relating to corporate directors' liability).

14 § 1722. Qualifications of directors.

15 Each director of a business corporation shall be a natural
16 person of full age who, unless otherwise restricted in the
17 bylaws, need not be a resident of this Commonwealth or a
18 shareholder of the corporation. Except as otherwise provided in
19 this section, the qualifications of directors may be prescribed
20 in the bylaws.

21 § 1723. Number of directors.

22 The board of directors of a business corporation shall
23 consist of one or more members. The number of directors shall be
24 fixed by, or in the manner provided in, the bylaws. If not so
25 fixed, the number of directors shall be the same as that stated
26 in the articles or three if no number is so stated.

27 § 1724. Term of office of directors.

28 (a) General rule.--Each director of a business corporation
29 shall hold office until the expiration of the term for which he
30 was selected and until his successor has been selected and

1 qualified or until his earlier death, resignation or removal.
2 Any director may resign at any time upon written notice to the
3 corporation. The resignation shall be effective upon receipt
4 thereof by the corporation or at such subsequent time as shall
5 be specified in the notice of resignation. Each director shall
6 be selected for the term of office provided in the bylaws, which
7 shall be one year and until his successor has been selected and
8 qualified or until his earlier death, resignation or removal,
9 unless the board is classified as provided by subsection (b). A
10 decrease in the number of directors shall not have the effect of
11 shortening the term of any incumbent director.

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

15 (1) Each class shall be as nearly equal in number as
16 possible.

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

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

21 § 1725. Selection of directors.

22 (a) General rule.--Except as otherwise provided in this
23 section, directors of a business corporation, other than those
24 constituting the first board of directors, shall be elected by
25 the shareholders.

26 (b) Vacancies.--

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

28 (i) Vacancies in the board of directors, including
29 vacancies resulting from an increase in the number of
30 directors, may be filled by a majority vote of the

1 remaining members of the board though less than a quorum,
2 or by a sole remaining director, and each person so
3 selected shall be a director to serve for the balance of
4 the unexpired term unless otherwise restricted in the
5 bylaws.

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

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

19 (c) Alternate directors.--If the bylaws so provide, a
20 shareholder or group of shareholders entitled to elect, appoint,
21 designate or otherwise select one or more directors may select
22 an alternate for each director. In the absence of a director
23 from a meeting of the board, his alternate may, in the manner
24 and upon such notice, if any, as may be provided in the bylaws,
25 attend the meeting or execute a written consent and exercise at
26 the meeting or in such consent such of the powers of the absent
27 director as may be specified by, or in the manner provided in,
28 the bylaws. When so exercising the powers of the absent
29 director, the alternate shall be subject in all respects to the
30 provisions of this subpart relating to directors.

1 (d) Cross reference.--See the definition of "shareholder" in
2 section 1103 (relating to definitions).

3 § 1726. Removal of directors.

4 (a) Removal by the shareholders.--

5 (1) Unless otherwise provided in a bylaw adopted by the
6 shareholders, the entire board of directors, or a class of
7 the board where the board is classified with respect to the
8 power to select directors, or any individual director of a
9 business corporation may be removed from office without
10 assigning any cause by the vote of shareholders, or of the
11 holders of a class or series of shares, entitled to elect
12 directors, or the class of directors. In case the board or a
13 class of the board or any one or more directors are so
14 removed, new directors may be elected at the same meeting.

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

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

29 (4) The board of directors may be removed at any time
30 with or without cause by the unanimous vote or consent of

1 shareholders entitled to vote thereon.

2 (b) Removal by the board.--Unless otherwise provided in a
3 bylaw adopted by the shareholders, the board of directors may
4 declare vacant the office of a director who has been judicially
5 declared of unsound mind or who has been convicted of an offense
6 punishable by imprisonment for a term of more than one year or
7 for any other proper cause which the bylaws may specify or if,
8 within 60 days or such other time as the bylaws may specify
9 after notice of his selection, he does not accept the office
10 either in writing or by attending a meeting of the board of
11 directors and fulfill such other requirements of qualification
12 as the bylaws may specify.

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

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

27 § 1727. Quorum of and action by directors.

28 (a) General rule.--Unless otherwise provided in the bylaws,
29 a majority of the directors in office of a business corporation
30 shall be necessary to constitute a quorum for the transaction of

1 business and the acts of a majority of the directors present and
2 voting at a meeting at which a quorum is present shall be the
3 acts of the board of directors.

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

10 § 1728. Interested directors or officers; quorum.

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

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

29 (2) the material facts as to his relationship or
30 interest and as to the contract or transaction are disclosed

1 or are known to the shareholders entitled to vote thereon and
2 the contract or transaction is specifically approved in good
3 faith by vote of those shareholders; or

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

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

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

16 § 1729. Voting rights of directors.

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

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

26 § 1730. Compensation of directors.

27 Except as otherwise restricted in the bylaws, the board of
28 directors of a business corporation shall have the authority to
29 fix the compensation of directors for their services as
30 directors and a director may be a salaried officer of the

1 corporation.

2 § 1731. Executive and other committees of the board.

3 (a) Establishment and powers.--Unless otherwise restricted
4 in the bylaws:

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

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

16 (ii) The creation or filling of vacancies in the
17 board of directors.

18 (iii) The adoption, amendment or repeal of the
19 bylaws.

20 (iv) The amendment or repeal of any resolution of
21 the board that by its terms is amendable or repealable
22 only by the board.

23 (v) Action on matters committed by the bylaws or
24 resolution of the board of directors to another committee
25 of the board.

26 (2) The board may designate one or more directors as
27 alternate members of any committee who may replace any absent
28 or disqualified member at any meeting of the committee or for
29 the purposes of any written action by the committee. In the
30 absence or disqualification of a member and alternate member

1 or members of a committee, the member or members thereof
2 present at any meeting and not disqualified from voting,
3 whether or not he or they constitute a quorum, may
4 unanimously appoint another director to act at the meeting in
5 the place of the absent or disqualified member.

6 (b) Term.--Each committee of the board shall serve at the
7 pleasure of the board.

8 (c) Status of committee action.--The term "board of
9 directors" or "board," when used in any provision of this
10 subpart relating to the organization or procedures of or the
11 manner of taking action by the board of directors, shall be
12 construed to include and refer to any executive or other
13 committee of the board. Any provision of this subpart relating
14 or referring to action to be taken by the board of directors or
15 the procedure required therefor shall be satisfied by the taking
16 of corresponding action by a committee of the board of directors
17 to the extent authority to take the action has been delegated to
18 the committee pursuant to this section.

19 § 1732. Officers.

20 (a) General rule.--Every business corporation shall have a
21 president, a secretary and a treasurer, or persons who shall act
22 as such, regardless of the name or title by which they may be
23 designated, elected or appointed and may have such other
24 officers and assistant officers as it may authorize from time to
25 time. The bylaws may prescribe special qualifications for the
26 officers. The president and secretary shall be natural persons
27 of full age. The treasurer may be a corporation, but if a
28 natural person shall be of full age. Unless otherwise restricted
29 in the bylaws, it shall not be necessary for the officers to be
30 directors and any number of offices may be held by the same

1 person. The officers and assistant officers shall be elected or
2 appointed at such time, in such manner and for such terms as may
3 be fixed by or pursuant to the bylaws. Unless otherwise provided
4 by or pursuant to the bylaws, each officer shall hold office for
5 a term of one year and until his successor has been selected and
6 qualified or until his earlier death, resignation or removal.
7 Any officer may resign at any time upon written notice to the
8 corporation. The resignation shall be effective upon receipt
9 thereof by the corporation or at such subsequent time as may be
10 specified in the notice of resignation. The corporation may
11 secure the fidelity of any or all of the officers by bond or
12 otherwise.

13 (b) Authority.--Unless otherwise provided in the bylaws, all
14 officers of the corporation, as between themselves and the
15 corporation, shall have such authority and perform such duties
16 in the management of the corporation as may be provided by or
17 pursuant to the bylaws or, in the absence of controlling
18 provisions in the bylaws, as may be determined by or pursuant to
19 resolutions or orders of the board of directors.

20 (c) Standard of care.--Except as otherwise provided in the
21 articles, an officer shall perform his duties as an officer in
22 good faith, in a manner he reasonably believes to be in the best
23 interests of the corporation and with such care, including
24 reasonable inquiry, skill and diligence, as a person of ordinary
25 prudence would use under similar circumstances. A person who so
26 performs his duties shall not be liable by reason of having been
27 an officer of the corporation.

28 § 1733. Removal of officers and agents.

29 Any officer or agent of a business corporation may be removed
30 by the board of directors with or without cause. The removal

1 shall be without prejudice to the contract rights, if any, of
2 any person so removed. Election or appointment of an officer or
3 agent shall not of itself create contract rights.

4 SUBCHAPTER C

5 INDEMNIFICATION

6 Sec.

7 1741. Third party actions.

8 1742. Derivative actions.

9 1743. Mandatory indemnification.

10 1744. Procedure for effecting indemnification.

11 1745. Advancing expenses.

12 1746. Supplementary coverage.

13 1747. Power to purchase insurance.

14 1748. Application to surviving or new corporations.

15 1749. Application to employee benefit plans.

16 1750. Duration and extent of coverage.

17 § 1741. Third party actions.

18 Unless otherwise restricted in its bylaws, a business
19 corporation shall have power to indemnify any person who was or
20 is a party or is threatened to be made a party to any
21 threatened, pending or completed action or proceeding, whether
22 civil, criminal, administrative or investigative (other than an
23 action by or in the right of the corporation), by reason of the
24 fact that he is or was a representative of the corporation, or
25 is or was serving at the request of the corporation as a
26 representative of another domestic or foreign corporation for
27 profit or not-for-profit, partnership, joint venture, trust or
28 other enterprise, against expenses (including attorneys' fees),
29 judgments, fines and amounts paid in settlement actually and
30 reasonably incurred by him in connection with the action or

1 proceeding if he acted in good faith and in a manner he
2 reasonably believed to be in, or not opposed to, the best
3 interests of the corporation and, with respect to any criminal
4 proceeding, had no reasonable cause to believe his conduct was
5 unlawful. The termination of any action or proceeding by
6 judgment, order, settlement or conviction or upon a plea of nolo
7 contendere or its equivalent shall not of itself create a
8 presumption that the person did not act in good faith and in a
9 manner which he reasonably believed to be in, or not opposed to,
10 the best interests of the corporation and, with respect to any
11 criminal proceeding, had reasonable cause to believe that his
12 conduct was unlawful.

13 § 1742. Derivative actions.

14 Unless otherwise restricted in its bylaws, a business
15 corporation shall have power to indemnify any person who was or
16 is a party, or is threatened to be made a party, to any
17 threatened, pending or completed action by or in the right of
18 the corporation to procure a judgment in its favor by reason of
19 the fact that he is or was a representative of the corporation
20 or is or was serving at the request of the corporation as a
21 representative of another domestic or foreign corporation for
22 profit or not-for-profit, partnership, joint venture, trust or
23 other enterprise, against expenses (including attorneys' fees)
24 actually and reasonably incurred by him in connection with the
25 defense or settlement of the action if he acted in good faith
26 and in a manner he reasonably believed to be in, or not opposed
27 to, the best interests of the corporation. Indemnification shall
28 not be made in respect of any claim, issue or matter as to which
29 the person has been adjudged to be liable to the corporation
30 unless and only to the extent that the court of common pleas of

1 the judicial district embracing the county in which the
2 registered office of the corporation is located or the court in
3 which the action was brought determines upon application that,
4 despite the adjudication of liability but in view of all the
5 circumstances of the case, the person is fairly and reasonably
6 entitled to indemnity for the expenses which the court of common
7 pleas or other court deems proper.

8 § 1743. Mandatory indemnification.

9 To the extent that a representative of a business corporation
10 has been successful on the merits or otherwise in defense of any
11 action or proceeding referred to in section 1741 (relating to
12 third party actions) or 1742 (relating to derivative actions) or
13 in defense of any claim, issue or matter therein, he shall be
14 indemnified against expenses (including attorneys' fees)
15 actually and reasonably incurred by him in connection therewith.

16 § 1744. Procedure for effecting indemnification.

17 Unless ordered by a court, any indemnification under section
18 1741 (relating to third party actions) or 1742 (relating to
19 derivative actions) shall be made by the business corporation
20 only as authorized in the specific case upon a determination
21 that indemnification of the representative is proper in the
22 circumstances because he has met the applicable standard of
23 conduct set forth in those sections. The determination shall be
24 made:

25 (1) by the board of directors by a majority vote of a
26 quorum consisting of directors who were not parties to the
27 action or proceeding;

28 (2) if such a quorum is not obtainable or if obtainable
29 and a majority vote of a quorum of disinterested directors so
30 directs, by independent legal counsel in a written opinion;

1 or

2 (3) by the shareholders.

3 § 1745. Advancing expenses.

4 Expenses (including attorneys' fees) incurred in defending a
5 civil action or criminal proceeding may be paid by a business
6 corporation in advance of the final disposition of the action or
7 proceeding upon receipt of an undertaking by or on behalf of the
8 representative to repay the amount if it is ultimately
9 determined that he is not entitled to be indemnified by the
10 corporation as authorized in this subchapter or otherwise.

11 § 1746. Supplementary coverage.

12 (a) General rule.--The indemnification and advancement of
13 expenses provided by, or granted pursuant to, the other sections
14 of this subchapter shall not be deemed exclusive of any other
15 rights to which a person seeking indemnification or advancement
16 of expenses may be entitled under any bylaw, agreement, vote of
17 shareholders or disinterested directors or otherwise, both as to
18 action in his official capacity and as to action in another
19 capacity while holding that office.

20 (b) Cross reference.--See 42 Pa.C.S. § 8365 (relating to
21 nonexclusivity and supplementary coverage).

22 § 1747. Power to purchase insurance.

23 (a) General rule.--Unless otherwise restricted in its
24 bylaws, a business corporation shall have power to purchase and
25 maintain insurance on behalf of any person who is or was a
26 representative of the corporation or is or was serving at the
27 request of the corporation as a representative of another
28 domestic or foreign corporation for profit or not-for-profit,
29 partnership, joint venture, trust or other enterprise against
30 any liability asserted against him and incurred by him in any

1 such capacity, or arising out of his status as such, whether or
2 not the corporation would have the power to indemnify him
3 against that liability under the provisions of this subchapter.
4 Such insurance is declared to be consistent with the public
5 policy of this Commonwealth.

6 (b) Cross reference.--See 42 Pa.C.S. § 8365 (relating to
7 nonexclusivity and supplementary coverage).
8 § 1748. Application to surviving or new corporations.

9 For the purposes of this subchapter, references to "the
10 corporation" include all constituent corporations absorbed in a
11 consolidation, merger or division, as well as the surviving or
12 new corporations surviving or resulting therefrom, so that any
13 person who is or was a representative of the constituent,
14 surviving or new corporation, or is or was serving at the
15 request of the constituent, surviving or new corporation as a
16 representative of another domestic or foreign corporation for
17 profit or not-for-profit, partnership, joint venture, trust or
18 other enterprise, shall stand in the same position under the
19 provisions of this subchapter with respect to the surviving or
20 new corporation as he would if he had served the surviving or
21 new corporation in the same capacity.

22 § 1749. Application to employee benefit plans.

23 For purposes of this subchapter:

24 (1) References to "other enterprises" shall include
25 employee benefit plans and references to "serving at the
26 request of the corporation" shall include any service as a
27 representative of the business corporation which imposes
28 duties on, or involves services by, the representative with
29 respect to an employee benefit plan, its participants or
30 beneficiaries.

1 1766. Consent of shareholders in lieu of meeting.

2 1767. Appointment of custodian of corporation on deadlock or
3 other cause.

4 1768. Voting trusts and other agreements among shareholders.

5 1769. Minors as securityholders.

6 1770. Interested shareholders.

7 § 1755. Time of holding meetings of shareholders.

8 (a) Regular meetings.--The bylaws of a business corporation
9 may provide for the number and the time of meetings of
10 shareholders, but at least one meeting of the shareholders shall
11 be held in each calendar year for the election of directors at
12 such time as shall be provided in or fixed pursuant to authority
13 granted by the bylaws. Failure to hold the annual or other
14 regular meeting at the designated time shall not work a
15 dissolution of the corporation or affect otherwise valid
16 corporate acts. If the annual or other regular meeting is not
17 called and held within six months after the designated time, any
18 shareholder may call the meeting at any time thereafter.

19 (b) Special meetings.--Special meetings of the shareholders
20 may be called at any time:

21 (1) by the board of directors;

22 (2) unless otherwise provided in the articles, by
23 shareholders entitled to cast at least 20% of the votes that
24 all shareholders are entitled to cast at the particular
25 meeting; or

26 (3) by such other officers or persons as may be provided
27 in the bylaws.

28 At any time, upon written request of any person who has called a
29 special meeting, it shall be the duty of the secretary to fix
30 the time of the meeting which, if the meeting is called pursuant

1 to a statutory right, shall be held not more than 60 days after
2 the receipt of the request. If the secretary neglects or refuses
3 to fix the time of the meeting, the person or persons calling
4 the meeting may do so.

5 (c) Adjournments.--Adjournments of any regular or special
6 meeting may be taken but any meeting at which directors are to
7 be elected shall be adjourned only from day to day, or for such
8 longer periods not exceeding 15 days each as the shareholders
9 present and entitled to vote shall direct, until the directors
10 have been elected.

11 § 1756. Quorum.

12 (a) General rule.--A meeting of shareholders of a business
13 corporation duly called shall not be organized for the
14 transaction of business unless a quorum is present. Unless
15 otherwise provided in a bylaw adopted by the shareholders:

16 (1) The presence of shareholders entitled to cast at
17 least a majority of the votes that all shareholders are
18 entitled to cast on a particular matter to be acted upon at
19 the meeting shall constitute a quorum for the purposes of
20 consideration and action on the matter.

21 (2) The shareholders present at a duly organized meeting
22 can continue to do business until adjournment notwithstanding
23 the withdrawal of enough shareholders to leave less than a
24 quorum.

25 (3) If a meeting cannot be organized because a quorum
26 has not attended, those present may, except as otherwise
27 provided in this article, adjourn the meeting to such time
28 and place as they may determine.

29 (b) Exceptions.--

30 (1) Those shareholders entitled to vote who attend a

1 meeting called for the election of directors that has been
2 previously adjourned for lack of a quorum, although less than
3 a quorum as fixed in this section or in the bylaws, shall
4 nevertheless constitute a quorum for the purpose of electing
5 directors.

6 (2) If specifically authorized by a bylaw adopted by the
7 shareholders, those shareholders entitled to vote who attend
8 a meeting of shareholders that has been previously adjourned
9 for one or more periods aggregating at least 15 days because
10 of an absence of a quorum, although less than a quorum as
11 fixed in this section or in the bylaws, shall nevertheless
12 constitute a quorum for the purpose of acting upon any matter
13 set forth in the notice of the meeting if the notice states
14 that those shareholders who attend the adjourned meeting
15 shall nevertheless constitute a quorum for the purpose of
16 acting upon the matter.

17 § 1757. Action by shareholders.

18 (a) General rule.--Except as otherwise provided in this
19 subpart or in a bylaw adopted by the shareholders, whenever any
20 corporate action is to be taken by vote of the shareholders of a
21 business corporation, it shall be authorized by a majority of
22 the votes cast at a duly organized meeting of shareholders by
23 the holders of shares entitled to vote thereon.

24 (b) Changes in required vote.--Whenever a provision of this
25 subpart, other than sections 1755(b)(2) (relating to special
26 meetings), 1912(a)(2) (relating to proposal of amendments) and
27 ~~2538~~ 1933 (relating to right of shareholders to receive payment ←
28 for shares following a control transaction), requires a
29 specified number or percentage of votes of shareholders or of a
30 class of shareholders for the taking of any action, a business

1 corporation may prescribe in a bylaw adopted by the number or
2 percentage of votes of shareholders as prescribed in such
3 provision that a higher number or percentage of votes shall be
4 required for the action. See sections 1504(d) (relating to
5 amendment of voting provisions) and 1914(e) (relating to
6 amendment of voting provisions).

7 (c) Expenses.--Unless otherwise restricted in the articles,
8 the corporation ~~shall~~ MAY pay the reasonable expenses of ←
9 solicitation of votes, proxies or consents of shareholders by or
10 on behalf of the board of directors or its nominees for election
11 to the board, including solicitation by professional proxy
12 solicitors and otherwise, and may pay the reasonable expenses of
13 a solicitation by or on behalf of other persons.

14 § 1758. Voting rights of shareholders.

15 (a) General rule.--Unless otherwise provided in the
16 articles, every shareholder of a business corporation shall be
17 entitled to one vote for every share standing in his name on the
18 books of the corporation. The articles may restrict the number
19 of votes that a ~~single holder or beneficial owner, or such a~~ ←
20 ~~group of holders or owners as the bylaws may define, of shares~~
21 ~~of any~~ class or series may directly or indirectly cast in the
22 aggregate for the election of directors or on any other matter
23 coming before the shareholders.

24 (b) Procedures.--If the bylaws provide a fair and reasonable
25 procedure for the nomination of candidates for any office, only
26 candidates who have been duly nominated in accordance therewith
27 shall be eligible for election. Unless otherwise restricted in
28 the bylaws, in elections for directors, voting need not be by
29 ballot, except upon demand made by a shareholder entitled to
30 vote at the election and before the voting begins. The

1 candidates receiving the highest number of votes from each class
2 or group of classes, if any, entitled to elect directors
3 separately up to the number of directors to be elected by the
4 class or group of classes shall be elected. If at any meeting of
5 shareholders, directors of more than one class are to be
6 elected, each class of directors shall be elected in a separate
7 election.

8 (c) Cumulative voting.--

9 (1) Except as otherwise provided in paragraph (2) or in
10 the articles of a business corporation, in each election of
11 directors every shareholder entitled to vote shall have the
12 right to multiply the number of votes to which he may be
13 entitled by the total number of directors to be elected in
14 the same election by the holders of the class or classes of
15 shares of which his shares are a part and he may cast the
16 whole number of his votes for one candidate or he may
17 distribute them among any two or more candidates.

18 (2) The shareholders of a corporation not incorporated
19 under the Business Corporation Law of 1933 or this subpart,
20 the shareholders of which were not entitled to cumulate their
21 votes for the election of directors at the date the
22 corporation became subject to the provisions of the Business
23 Corporation Law of 1933 or became or becomes subject to the
24 provisions of this subpart, shall be entitled so to cumulate
25 their votes only if and to the extent its articles so
26 provide.

27 (d) Redeemable shares.--Unless otherwise provided in the
28 articles, redeemable shares which have been called for
29 redemption shall not be entitled to vote on any matter and shall
30 not be deemed outstanding shares after written notice has been

1 mailed to holders thereof that the shares have been called for
2 redemption and that a sum sufficient to redeem the shares has
3 been deposited with a specified financial institution with
4 irrevocable instruction and authority to pay the redemption
5 price to the holders of the shares on the redemption date, in
6 the case of uncertificated shares, or upon surrender of
7 certificates therefor in the case of certificated shares, and
8 the sum has been so deposited.

9 § 1759. Voting and other action by proxy.

10 (a) General rule.--

11 (1) Every shareholder entitled to vote at a meeting of
12 shareholders or to express consent or dissent to corporate
13 action in writing without a meeting may authorize another
14 person to act for him by proxy.

15 (2) The presence of, or vote or other action at a
16 meeting of shareholders, or the expression of consent or
17 dissent to corporate action in writing, by a proxy of a
18 shareholder shall constitute the presence of, or vote or
19 action by, or written consent or dissent of the shareholder
20 for the purposes of this subpart.

21 (3) Where two or more proxies of a shareholder are
22 present, the corporation shall, unless otherwise expressly
23 provided in the proxy, accept as the vote of all shares
24 represented thereby the vote cast by a majority of them and,
25 if a majority of the proxies cannot agree whether the shares
26 represented shall be voted or upon the manner of voting the
27 shares, the voting of the shares shall be divided equally
28 among those persons.

29 (b) Minimum requirements.--Every proxy shall be executed in
30 writing by the shareholder or by his duly authorized attorney-

1 in-fact and filed with the secretary of the corporation. A
2 proxy, unless coupled with an interest, shall be revocable at
3 will, notwithstanding any other agreement or any provision in
4 the proxy to the contrary, but the revocation of a proxy shall
5 not be effective until written notice thereof has been given to
6 the secretary of the corporation. An unrevoked proxy shall not
7 be valid after 11 months from the date of its execution unless a
8 longer time is expressly provided therein, but in no event shall
9 a proxy, unless coupled with an interest, be voted on after
10 three years from the date of its execution. A proxy shall not be
11 revoked by the death or incapacity of the maker unless, before
12 the vote is counted or the authority is exercised, written
13 notice of the death or incapacity is given to the secretary of
14 the corporation.

15 (c) Proxy coupled with interest.--As used in this section
16 the term "proxy coupled with an interest" includes:

17 (1) a vote pooling or similar arrangement among
18 shareholders;

19 (2) an agreement permitted by section 1768(b) (relating
20 to other agreements); and

21 (3) an unrevoked proxy in favor of an existing or
22 potential creditor of a shareholder.

23 § 1760. Voting by fiduciaries and pledgees.

24 Shares of a business corporation standing in the name of a
25 trustee or other fiduciary and shares held by an assignee for
26 the benefit of creditors or by a receiver may be voted by the
27 trustee, fiduciary, assignee or receiver. A shareholder whose
28 shares are pledged shall be entitled to vote the shares until
29 the shares have been transferred into the name of the pledgee,
30 or a nominee of the pledgee, but nothing in this section shall

1 affect the validity of a proxy given to a pledgee or nominee.

2 § 1761. Voting by joint holders of shares.

3 (a) General rule.--Where shares of a business corporation
4 are held jointly or as tenants in common by two or more persons,
5 as fiduciaries or otherwise:

6 (1) if only one or more of such persons is present in
7 person or by proxy, all of the shares standing in the names
8 of such persons shall be deemed to be represented for the
9 purpose of determining a quorum and the corporation shall
10 accept as the vote of all the shares the vote cast by him or
11 a majority of them; and

12 (2) if, in any case the persons are equally divided upon
13 whether the shares held by them shall be voted or upon the
14 manner of voting the shares, the voting of the shares shall
15 be divided equally among the persons without prejudice to the
16 rights of the joint owners or the beneficial owners thereof
17 among themselves.

18 (b) Exception.--If there has been filed with the secretary
19 of the corporation a copy, certified by an attorney at law to be
20 correct, of the relevant portions of the agreement under which
21 the shares are held or the instrument by which the trust or
22 estate was created or the order of court appointing them or of
23 an order of court directing the voting of the shares, the
24 persons specified as having such voting power in the latest
25 document so filed, and only those persons, shall be entitled to
26 vote the shares but only in accordance therewith.

27 § 1762. Voting by corporations.

28 (a) Voting in business corporation matters.--Any other
29 domestic or foreign corporation for profit or not-for-profit
30 that is a shareholder of a business corporation may vote by any

1 of its officers or agents, or by proxy appointed by any officer
2 or agent, unless some other person, by resolution of the board
3 of directors of the other corporation or a provision of its
4 articles or bylaws, a copy of which resolution or provision
5 certified to be correct by one of its officers has been filed
6 with the secretary of the business corporation, is appointed its
7 general or special proxy in which case that person shall be
8 entitled to vote the shares.

9 (b) Voting by business corporations.--Shares of or
10 memberships in a domestic or foreign corporation for profit or
11 not-for-profit other than a business corporation, standing in
12 the name of a shareholder or member which is a business
13 corporation, may be voted by the persons and in the manner
14 provided for in the case of business corporations by subsection
15 (a) unless the laws of the jurisdiction in which the issuer of
16 the shares or memberships is incorporated require the shares or
17 memberships to be voted by some other person or persons or in
18 some other manner in which case, to the extent that those laws
19 are inconsistent herewith, this subsection shall not apply.

20 (c) Controlled shares.--Shares of a business corporation
21 owned, directly or indirectly, by it and controlled, directly or
22 indirectly, by the board of directors of the corporation, as
23 such, shall not be voted at any meeting and shall not be counted
24 in determining the total number of outstanding shares for voting
25 purposes at any given time.

26 § 1763. Determination of shareholders of record.

27 (a) Fixing record date.--Unless otherwise restricted in the
28 bylaws, the board of directors of a business corporation may fix
29 a time prior to the date of any meeting of shareholders as a
30 record date for the determination of the shareholders entitled

1 to notice of, or to vote at, the meeting, which time, except in
2 the case of an adjourned meeting, shall be not more than 90 days
3 prior to the date of the meeting of shareholders. Only
4 shareholders of record on the date fixed shall be so entitled
5 notwithstanding any transfer of shares on the books of the
6 corporation after any record date fixed as provided in this
7 subsection. Unless otherwise provided in the bylaws, the board
8 of directors may similarly fix a record date for the
9 determination of shareholders of record for any other purpose.
10 When a determination of shareholders of record has been made as
11 provided in this section for purposes of a meeting, the
12 determination shall apply to any adjournment thereof unless
13 otherwise restricted in the bylaws or unless the board fixes a
14 new record date for the adjourned meeting.

15 (b) Determination when no record date fixed.--Unless
16 otherwise restricted in the bylaws, if no record date is fixed:

17 (1) The record date for determining shareholders
18 entitled to notice of or to vote at a meeting of shareholders
19 shall be at the close of business on the day next preceding
20 the day on which notice is given or, if notice is waived, at
21 the close of business on the day immediately preceding the
22 day on which the meeting is held.

23 (2) The record date for determining shareholders
24 entitled to express consent or dissent to corporate action in
25 writing without a meeting, when no prior action by the board
26 of directors is necessary, shall be the day on which the
27 first written consent or dissent is expressed.

28 (3) The record date for determining shareholders for any
29 other purpose shall be at the close of business on the day on
30 which the board of directors adopts the resolution relating

1 thereto.

2 (c) Certification by nominee.--If the bylaws so provide, the
3 board of directors may adopt a procedure whereby a shareholder
4 of the corporation may certify in writing to the corporation
5 that all or a portion of the shares registered in the name of
6 the shareholder are held for the account of a specified person
7 or persons. The resolution of the board may set forth:

8 (1) The classification of shareholder who may certify.

9 (2) The purpose or purposes for which the certification
10 may be made.

11 (3) The form of certification and information to be
12 contained therein.

13 (4) If the certification is with respect to a record
14 date, the time after the record date within which the
15 certification must be received by the corporation.

16 (5) Such other provisions with respect to the procedure
17 as are deemed necessary or desirable.

18 Upon receipt by the corporation of a certification complying
19 with the procedure, the persons specified in the certification
20 shall be deemed, for the purposes set forth in the
21 certification, to be the holders of record of the number of
22 shares specified in place of the shareholder making the
23 certification.

24 § 1764. Voting lists.

25 (a) General rule.--The officer or agent having charge of the
26 transfer books for shares of a business corporation shall make a
27 complete list of the shareholders entitled to vote at any
28 meeting of shareholders, arranged in alphabetical order, with
29 the address of and the number of shares held by each. The list
30 shall be produced and kept open at the time and place of the

1 meeting and shall be subject to the inspection of any
2 shareholder during the whole time of the meeting for the
3 purposes thereof except that, if a business corporation has
4 5,000 or more shareholders, in lieu of the making of the list
5 the corporation may make the information therein available at
6 the meeting by any other means.

7 (b) Effect of list.--Failure to comply with the requirements
8 of this section shall not affect the validity of any action
9 taken at a meeting prior to a demand at the meeting by any
10 shareholder entitled to vote thereat to examine the list. The
11 original share register or transfer book, or a duplicate thereof
12 kept in this Commonwealth, shall be prima facie evidence as to
13 who are the shareholders entitled to examine the list or share
14 register or transfer book or to vote at any meeting of
15 shareholders.

16 § 1765. Judges of election.

17 Unless otherwise provided in a bylaw adopted by the
18 shareholders:

19 (1) Appointment.--In advance of any meeting of
20 shareholders of a business corporation, the board of
21 directors may appoint judges of election, who need not be
22 shareholders, to act at the meeting or any adjournment
23 thereof. If judges of election are not so appointed, the
24 presiding officer of the meeting may, and on the request of
25 any shareholder shall, appoint judges of election at the
26 meeting. The number of judges shall be one or three. A person
27 who is a candidate for office to be filled at the meeting
28 shall not act as a judge.

29 (2) Vacancies.--In case any person appointed as a judge
30 fails to appear or fails or refuses to act, the vacancy may

1 be filled by appointment made by the board of directors in
2 advance of the convening of the meeting or at the meeting by
3 the presiding officer thereof.

4 (3) Duties.--The judges of election shall determine the
5 number of shares outstanding and the voting power of each,
6 the shares represented at the meeting, the existence of a
7 quorum, the authenticity, validity and effect of proxies,
8 receive votes or ballots, hear and determine all challenges
9 and questions in any way arising in connection with the right
10 to vote, count and tabulate all votes, determine the result
11 and do such acts as may be proper to conduct the election or
12 vote with fairness to all shareholders. The judges of
13 election shall perform their duties impartially, in good
14 faith, to the best of their ability and as expeditiously as
15 is practical. If there are three judges of election, the
16 decision, act or certificate of a majority shall be effective
17 in all respects as the decision, act or certificate of all.

18 (4) Report.--On request of the presiding officer of the
19 meeting, or of any shareholder, the judges shall make a
20 report in writing of any challenge or question or matter
21 determined by them, and execute a certificate of any fact
22 found by them. Any report or certificate made by them shall
23 be prima facie evidence of the facts stated therein.

24 § 1766. Consent of shareholders in lieu of meeting.

25 (a) Unanimous consent.--Unless otherwise restricted in the
26 bylaws, any action required or permitted to be taken at a
27 meeting of the shareholders or of a class of shareholders of a
28 business corporation may be taken without a meeting if, prior or
29 subsequent to the action, a consent or consents thereto by all
30 of the shareholders who would be entitled to vote at a meeting

1 for such purpose shall be filed with the secretary of the
2 corporation.

3 (b) Partial written consent.--If the bylaws so provide, any
4 action required or permitted to be taken at a meeting of the
5 shareholders or of a class of shareholders may be taken without
6 a meeting upon the written consent of shareholders who would
7 have been entitled to cast the minimum number of votes which
8 would be necessary to authorize the action at a meeting at which
9 all shareholders entitled to vote thereon were present and
10 voting. The consents shall be filed with the secretary of the
11 corporation. The action shall not become effective until after
12 at least ten days' written notice of the action has been given
13 to each shareholder entitled to vote thereon who has not
14 consented thereto.

15 § 1767. Appointment of custodian of corporation on deadlock or
16 other cause.

17 (a) General rule.--Upon application of any shareholder, the
18 court may appoint one or more persons to be custodians of and
19 for any business corporation when it is made to appear that:

20 (1) at any meeting for the election of directors, the
21 shareholders are so divided that they have failed to elect
22 successors to directors whose terms have expired or would
23 have expired upon the qualification of their successors;

24 (2) in the case of a closely-held corporation, the
25 directors or those in control of the corporation have acted
26 illegally, oppressively or fraudulently toward one or more
27 holders or owners of 5% or more of the outstanding shares of
28 any class of the corporation in their capacities as
29 shareholders, directors, officers or employees; or

30 (3) the conditions specified in section 1981(1), (2) or

1 (3) (relating to proceedings upon application of shareholder
2 or director), other than that is beneficial to the interests
3 of the shareholders that the corporation be wound up and
4 dissolved, exist with respect to the corporation.

5 (b) Exception.--The court shall not appoint a custodian to
6 resolve a deadlock if the shareholders by agreement or otherwise
7 have provided for the appointment of a provisional director or
8 other means for the resolution of the deadlock, but the court
9 shall enforce the remedy so provided if appropriate.

10 (c) Power and title of custodian.--A custodian appointed
11 under this section shall have all the power and title of a
12 receiver appointed under Subchapter G of Chapter 19 (relating to
13 involuntary liquidation and dissolution) but the authority of
14 the custodian shall be to continue the business of the
15 corporation and not to liquidate its affairs and distribute its
16 assets except when the court shall otherwise order.

17 § 1768. Voting trusts and other agreements among shareholders.

18 (a) Voting trusts.--One or more shareholders of any business
19 corporation may, by agreement in writing, transfer all or part
20 of their shares to any person for the purpose of vesting in the
21 transferee voting or other rights pertaining to the shares upon
22 the terms and conditions and for the period stated in the
23 agreement.

24 (b) Other agreements.--Agreements among shareholders, or
25 among or between the corporation and one or more shareholders,
26 regarding the voting of their shares shall be valid and
27 enforceable in accordance with their terms.

28 § 1769. Minors as securityholders.

29 (a) General rule.--A business corporation may treat a minor
30 who holds shares or obligations of the corporation as having

1 capacity to receive and to empower others to receive dividends,
2 interest, principal and other payments or distributions, to vote
3 or express consent or dissent and to make elections and exercise
4 rights relating to such shares or obligations unless, in the
5 case of payments or distributions on shares, the corporate
6 officer responsible for maintaining the list of shareholders or
7 the transfer agent of the corporation or, in the case of
8 payments or distributions on obligations, the treasurer or
9 paying officer or agent has received written notice that the
10 holder is a minor.

11 (b) Disaffirmance limited.--A minor who holds shares or
12 obligations of a corporation and who has received or who has
13 empowered others to receive dividends, interest, principal and
14 other payments or distributions, voted or expressed consent or
15 dissent or made an election or exercised a right relating to the
16 shares or obligations shall have no right thereafter to
17 disaffirm or avoid, as against the corporation, any such act on
18 his part.

19 (c) Other statutes unaffected.--This section does not limit
20 any other statute which authorizes any corporation to deal with
21 a minor or limits the right of a minor to disaffirm his acts.

22 § 1770. Interested shareholders.

23 (a) General rule.--Any transaction authorized under
24 Subchapter C of Chapter 19 (relating to merger, consolidation,
25 share exchanges and sale of assets) between a business
26 corporation or subsidiary thereof and a shareholder of the
27 business corporation, or any transaction authorized under
28 Subchapter F of Chapter 19 (relating to voluntary dissolution
29 and winding up) in which a shareholder is treated differently
30 from other shareholders of the same class (other than any

1 dissenting shareholders under Subchapter D of Chapter 15
2 (relating to dissenters rights)), shall require the affirmative
3 vote of the shareholders entitled to cast at least a majority of
4 the votes that all shareholders other than the interested
5 shareholder are entitled to cast with respect to the
6 transaction, without counting the vote of the interested
7 shareholder. For the purposes of the preceding sentence,
8 interested shareholder shall include the shareholder who is a
9 party to the transaction or who is treated differently from
10 other shareholders and any person, or group of persons, that is
11 acting jointly or in concert with the interested shareholder and
12 any person who, directly or indirectly, controls, is controlled
13 by, or is under common control with, the interested shareholder.
14 An interested shareholder shall not include any person who, in
15 good faith and not for the purpose of circumventing this
16 section, is an agent, bank, broker, nominee or trustee for one
17 or more other persons, to the extent that the other person or
18 persons are not interested shareholders.

19 (b) Exceptions.--Subsection (a) shall not apply to a
20 transaction:

21 (1) that has been approved by a majority vote of the
22 board of directors without counting the vote of directors
23 who:

24 (i) are directors or officers of, or have a material
25 equity interest in, the interested shareholder; or

26 (ii) were nominated for election as a director by
27 the interested shareholder, and first elected as a
28 director, within 24 months of the date of the vote on the
29 proposed transaction; or

30 (2) in which the consideration to be received by the

1 shareholders for shares of any class of which shares are
2 owned by the interested shareholder is not less than the
3 highest amount paid by the interested shareholder in
4 acquiring shares of the same class.

5 (c) Additional approvals.--The approvals required by this
6 section shall be in addition to, and not in lieu of, any other
7 approval required by this subpart, the articles of the
8 corporation, the bylaws of the corporation, or otherwise.

9 SUBCHAPTER E

10 DERIVATIVE ACTIONS

11 Sec.

12 1781. Institution and control of derivative actions.

13 1782. Actions against directors and officers.

14 ~~1783. Access to corporate confidences.~~ ←

15 § 1781. Institution and control of derivative actions.

16 (a) General rule.--One or more shareholders of a business
17 corporation may institute an action in the right of a
18 corporation.

19 (b) Control of derivative actions by corporation.--Any
20 action or proceeding instituted by any shareholder in the right
21 of the corporation may be dismissed on motion by the corporation
22 on the ground that the board of directors, or a committee of
23 disinterested directors or other disinterested individuals
24 designated by the board of directors, has determined that the
25 action or proceeding is not in the best interests of the
26 corporation. The court may grant the motion if:

27 (1) the moving party has established that the board or
28 committee acted in good faith and with due diligence, and
29 that the decision to seek termination was based on the best
30 interests of the corporation; and

1 (2) the court in its discretion has determined, in the
2 court's independent business judgment, that the motion should
3 be granted. In any such action or proceeding, the court may
4 grant discovery on the issues pertinent to the motion and may
5 impose any equitable terms or conditions the court finds
6 necessary or desirable.

7 (c) Disinterested persons.--For purposes of this section, a
8 disinterested director or other individual shall be a person
9 who:

10 (1) is able under the circumstances to exercise
11 impartial, independent and critical judgment with respect to
12 the plaintiffs;

13 (2) if the action is against any present or former
14 executive or other person possessing control over the
15 corporation, has no significant relationship with that
16 person;

17 (3) if a director:

18 (i) was elected to the board subsequent to the
19 commencement of the action or the making of demand by the
20 plaintiff, such election was made by a vote of the
21 shareholders; and

22 (ii) is not a defendant in the action, but the
23 naming of a director as a defendant in the action shall
24 not alone disqualify the director from serving as a
25 member of the committee, or otherwise participating in
26 the appointment or election of a new director to serve on
27 such a committee, if the court finds that the inclusion
28 of the director as a defendant was without merit.

29 § 1782. Actions against directors and officers.

30 (a) General rule.--Except as provided in subsection (b), in

1 any action or proceeding brought to enforce a secondary right on
2 the part of one or more shareholders of a business corporation
3 against any present or former officer or director of the
4 corporation because the corporation refuses to enforce rights
5 that may properly be asserted by it, each plaintiff must aver
6 and it must be made to appear that each plaintiff was a
7 shareholder of the corporation or owner of a beneficial interest
8 in the shares at the time of the transaction of which he
9 complains, or that his shares or beneficial interest in the
10 shares devolved upon him by operation of law from a person who
11 was a shareholder or owner of a beneficial interest in the
12 shares at that time.

13 (b) Exception.--Any shareholder or person beneficially
14 interested in shares of the corporation who, except for the
15 provisions of subsection (a), would be entitled to maintain the
16 action or proceeding and who does not meet such requirements
17 may, nevertheless in the discretion of the court, be allowed to
18 maintain the action or proceeding on preliminary showing to the
19 court, by application and upon such verified statements and
20 depositions as may be required by the court, that there is a
21 strong prima facie case in favor of the claim asserted on behalf
22 of the corporation and that without the action serious injustice
23 will result.

24 (c) Security for costs.--In any action or proceeding
25 instituted or maintained by holders or owners of less than 5% of
26 the outstanding shares of any class of the corporation, unless
27 the shares held or owned by the holders or owners have an
28 aggregate fair market value in excess of \$200,000, the
29 corporation in whose right the action or proceeding is brought
30 shall be entitled at any stage of the proceedings to require the

1 plaintiffs to give security for the reasonable expenses,
2 including attorneys' fees, that may be incurred by it in
3 connection therewith or for which it may become liable pursuant
4 to section 1743 (relating to mandatory indemnification) (but
5 only insofar as relates to actions by or in the right of the
6 corporation) to which security the corporation shall have
7 recourse in such amount as the court determines upon the
8 termination of the action or proceeding. The amount of security
9 may, from time to time, be increased or decreased in the
10 discretion of the court upon showing that the security provided
11 has or may become inadequate or excessive. The security may be
12 denied or limited in the discretion of the court upon
13 preliminary showing to the court, by application and upon such
14 verified statements and depositions as may be required by the
15 court, establishing prima facie that the requirement of full or
16 partial security would impose undue hardship on plaintiffs and
17 serious injustice would result.

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

20 ~~§ 1783. Access to corporate confidences.~~ <—

21 ~~In any action or proceeding brought by a shareholder of a~~
22 ~~business corporation in the right of the corporation, the~~
23 ~~plaintiff may compel disclosure concerning communications~~
24 ~~between any representative of the corporation and legal counsel~~
25 ~~representing, or reasonably believed by the representative to be~~
26 ~~then representing, the corporation for good cause as permitted~~
27 ~~by law.~~

28 SUBCHAPTER F

29 JUDICIAL SUPERVISION OF CORPORATE ACTION

30 Sec.

1 1791. Corporate action subject to subchapter.

2 1792. Proceedings prior to corporate action.

3 1793. Review of contested corporate action.

4 § 1791. Corporate action subject to subchapter.

5 This subchapter shall apply to and the term "corporate
6 action" in this subchapter shall mean any of the following
7 actions:

8 (1) The election, appointment, designation or other
9 selection and the suspension or removal of directors or
10 officers of a business corporation.

11 (2) The taking of any action on any matter that is
12 required under this subpart or under any other provision of
13 law to be, or that under the bylaws may be, submitted for
14 action to the shareholders, directors or officers of a
15 business corporation.

16 § 1792. Proceedings prior to corporate action.

17 (a) General rule.--Where under applicable law or the bylaws
18 of a business corporation there has been a failure to hold a
19 meeting to take corporate action and the failure has continued
20 for 30 days after the date designated or appropriate therefor,
21 the court may summarily order a meeting to be held upon the
22 application of any person entitled, either alone or in
23 conjunction with other persons similarly seeking relief under
24 this section, to call a meeting to consider the corporate action
25 in issue.

26 (b) Conduct of meeting.--The court may determine the right
27 to vote at the meeting of persons claiming that right, may
28 appoint a master to hold the meeting under such orders and
29 powers as the court deems proper and may take such action as may
30 be required to give due notice of the meeting and to convene and

1 conduct the meeting in the interests of justice.

2 § 1793. Review of contested corporate action.

3 (a) General rule.--Upon application of any person aggrieved
4 by any corporate action, the court may hear and determine the
5 validity of the corporate action.

6 (b) Powers and procedures.--The court may make such orders
7 in any such case as may be just and proper, with power to
8 enforce the production of any books, papers and records of the
9 corporation and other relevant evidence that may relate to the
10 issue. The court shall provide for notice of the pendency of the
11 proceedings under this section to all persons affected thereby.
12 If it is determined that no valid corporate action has been
13 taken, the court may order a meeting to be held in accordance
14 with section 1792 (relating to proceedings prior to corporate
15 action).

16 CHAPTER 19

17 FUNDAMENTAL CHANGES

18 Subchapter

19 A. Preliminary Provisions

20 B. Amendment of Articles

21 C. Merger, Consolidation, Share Exchanges and Sale of
22 Assets

23 D. Division

24 E. Conversion

25 F. Voluntary Dissolution and Winding Up

26 G. Involuntary Liquidation and Dissolution

27 SUBCHAPTER A

28 PRELIMINARY PROVISIONS

29 Sec.

30 1901. Omission of certain provisions from filed plans.

- 1 1902. Statement of termination.
- 2 1903. Bankruptcy or insolvency proceedings.
- 3 1904. De facto transaction doctrine abolished.
- 4 1905. Proposal of fundamental transactions.
- 5 ~~1906. Special treatment of holders of shares of same class or~~ <—
- 6 ~~series.~~

7 § 1901. Omission of certain provisions from filed plans.

8 A plan as filed in the Department of State under any
9 provision of this chapter may omit all provisions of the plan
10 except provisions, if any, that are intended to amend or
11 constitute the operative provisions of the articles of a
12 corporation as in effect subsequent to the effective date of the
13 plan, if the articles of amendment, merger, consolidation,
14 exchange, division or conversion state that the full text of the
15 plan is on file at the principal place of business of the
16 reclassifying surviving or new or a resulting corporation and
17 state the address thereof. A corporation that takes advantage of
18 this section shall furnish a copy of the full text of the plan,
19 on request and without cost, to any shareholder of any
20 corporation that was a party to the plan and, unless all parties
21 to the plan were closely-held corporations, on request and at
22 cost to any other person.

23 § 1902. Statement of termination.

24 (a) General rule--If a statement with respect to shares,
25 articles of amendment or articles of merger, consolidation,
26 exchange, division or conversion of a business corporation or to
27 which it is a party have been filed in the Department of State
28 prior to the termination of the amendment or plan pursuant to
29 provisions therefor set forth in the resolution or petition
30 relating to the amendment or in the plan, the termination shall

1 not be effective unless the corporation shall, prior to the time
2 the amendment or plan is to become effective, file in the
3 department a statement of termination, which shall be executed
4 by the corporation that filed the amendment or by each
5 corporation that is a party to the plan, unless the plan permits
6 termination by less than all of the corporations, in which case
7 the statement shall be executed on behalf of the corporation or
8 corporations exercising the right to terminate, and shall set
9 forth:

10 (1) A copy of the statement with respect to shares,
11 articles of amendment or articles of merger, consolidation,
12 exchange, division or conversion relating to the amendment or
13 plan which is terminated.

14 (2) A statement that the amendment or plan has been
15 terminated in accordance with the provisions therefor set
16 forth therein.

17 (b) Cross references--See sections 134 (relating to
18 docketing statement) and 138 (relating to statement of
19 correction).

20 § 1903. Bankruptcy or insolvency proceedings.

21 (a) General rule.--Whenever a business corporation is
22 insolvent or in financial difficulty, the board of directors
23 may, by resolution and without the consent of the shareholders,
24 authorize and designate the officers of the corporation to
25 execute a deed of assignment for the benefit of creditors, or
26 file a voluntary petition in bankruptcy, or file an answer
27 consenting to the appointment of a receiver upon a complaint in
28 the nature of an equity action filed by creditors or
29 shareholders, or, if insolvent, file an answer to an involuntary
30 petition in bankruptcy admitting the insolvency of the

1 corporation and its willingness to be adjudged a bankrupt on
2 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 that
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 business corporation.

24 ~~§ 1906. Special treatment of holders of shares of same class or~~ <—
25 ~~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 that are not manifestly unreasonable and providing~~
30 ~~mandatory treatment for shares of the class or series held by~~

1 ~~particular shareholders or groups of shareholders that differs~~
2 ~~materially from the treatment accorded other shareholders or~~
3 ~~groups of shareholders holding shares of the same class or~~
4 ~~series if:~~

5 ~~(1) (i) such provision is specifically authorized~~
6 ~~by a majority of the votes cast by all shareholders~~
7 ~~entitled to vote on the amendment or plan, as well as by~~
8 ~~a majority of the votes cast by any class or series of~~
9 ~~shares whose rights are diminished thereby, whether or~~
10 ~~not such class or series would otherwise be entitled to~~
11 ~~vote on the amendment or plan; and~~

12 ~~(ii) the provision voted on specifically enumerates~~
13 ~~the type and extent of the special treatment authorized;~~
14 ~~or~~

15 ~~(2) Under all the facts and circumstances, a court of~~
16 ~~competent jurisdiction finds such special treatment is~~
17 ~~undertaken in good faith, after reasonable deliberation and~~
18 ~~is in the best interest of the corporation.~~

19 ~~(b) Statutory voting rights upon special treatment. Except~~
20 ~~as provided in subsection (c), if an amendment or plan contains~~
21 ~~a provision for special treatment, the holders of any~~
22 ~~outstanding shares of a class or series receiving the same~~
23 ~~special treatment shall be entitled to vote as a class in~~
24 ~~respect to the plan regardless of any limitations stated in the~~
25 ~~articles or bylaws on the voting rights of any class or series.~~

26 ~~(c) Dissenters rights upon special treatment. If any~~
27 ~~amendment or plan contains a provision for special treatment~~
28 ~~without requiring for the adoption of the amendment or plan the~~
29 ~~statutory class vote required by subsection (b), the holder of~~
30 ~~any outstanding shares the statutory class voting rights of~~

1 ~~which are so denied, who objects to the amendment or plan and~~
2 ~~complies with Subchapter D of Chapter 15 (relating to dissenters~~
3 ~~rights), shall be entitled to the rights and remedies of~~
4 ~~dissenting shareholders provided in that subchapter.~~

5 ~~(d) Rescission or modification. Notwithstanding any other~~
6 ~~provision in this title, the vote of a majority of shares~~
7 ~~entitled to vote shall be entitled to rescind or modify the~~
8 ~~special treatment authorized under this section, unless a higher~~
9 ~~percentage of shares was specifically required to authorize the~~
10 ~~special treatment, in which case such higher percentage of~~
11 ~~shares may be required to rescind or modify the special~~
12 ~~treatment so authorized.~~

13 SUBCHAPTER B

14 AMENDMENT OF ARTICLES

15 Sec.

16 1911. Amendment of articles authorized.

17 1912. Proposal of amendments.

18 1913. Notice of meeting of shareholders.

19 1914. Adoption of amendments.

20 1915. Articles of amendment.

21 1916. Filing and effectiveness of articles of amendment.

22 § 1911. Amendment of articles authorized.

23 (a) General rule.--A business corporation, in the manner
24 provided in this subchapter, may from time to time amend its
25 articles for one or more of the following purposes:

26 (1) To adopt a new name, subject to the restrictions
27 provided in this subpart.

28 (2) To modify any provision of the articles relating to
29 its term of existence.

30 (3) To change, add to or diminish its purposes or to set

1 forth different or additional purposes.

2 (4) To cancel or otherwise affect the right of holders
3 of the shares of any class or series to receive dividends
4 that have accrued but have not been declared or to otherwise
5 effect a reclassification of or otherwise affect the
6 substantial rights of the holders of any shares.

7 (5) To restate the articles in their entirety.

8 (6) In any and as many other respects as desired.

9 (b) Exceptions.--An amendment adopted under this section
10 shall not amend articles in such a way that as so amended they
11 would not be authorized by this subpart as original articles of
12 incorporation except that:

13 (1) Restated articles shall, subject to section 109
14 (relating to name of commercial registered office provider in
15 lieu of registered address), state the address of the current
16 instead of the initial registered office of the corporation
17 in this Commonwealth and need not state the names and
18 addresses of the incorporators.

19 (2) The corporation shall not be required to revise any
20 other provision of its articles if the provision is valid and
21 operative immediately prior to the filing of the amendment in
22 the Department of State.

23 § 1912. Proposal of amendments.

24 (a) General rule.--Every amendment of the articles of a
25 business corporation shall be proposed:

26 (1) by the adoption by the board of directors of a
27 resolution setting forth the proposed amendment; or

28 (2) by petition of shareholders entitled to cast at
29 least 10% of the votes that all shareholders are entitled to
30 cast thereon, setting forth the proposed amendment, which

1 petition shall be directed to the board of directors and
2 filed with the secretary of the corporation.
3 Except where the approval of the shareholders is unnecessary
4 under this subchapter, the board of directors shall direct that
5 the proposed amendment be submitted to a vote of the
6 shareholders entitled to vote thereon. An amendment proposed
7 pursuant to paragraph (2) shall be submitted to a vote either at
8 the next annual meeting held not earlier than 120 days after the
9 amendment is proposed or at a special meeting of the
10 shareholders called for that purpose by the shareholders.

11 (b) Form of amendment.--The resolution or petition shall
12 contain the language of the proposed amendment of the articles:

13 (1) by setting forth the existing text of the articles
14 or the provision thereof that is proposed to be amended, with
15 brackets around language that is to be deleted and
16 underscoring under language that is to be added; or

17 (2) by providing that the articles shall be amended so
18 as to read as therein set forth in full, or that any
19 provision thereof be amended so as to read as therein set
20 forth in full, or that the matter stated in the resolution or
21 petition be added to or stricken from the articles.

22 The resolution or petition may set forth the manner and basis of
23 reclassifying the shares of the corporation. Any of the terms of
24 a plan of reclassification or other action contained in an
25 amendment may be made dependent upon facts ascertainable outside
26 of the amendment if the manner in which the facts will operate
27 upon the terms of the amendment is set forth in the amendment.

28 § 1913. Notice of meeting of shareholders.

29 Written notice of the meeting of shareholders of a business
30 corporation called for the purpose of considering the proposed

1 amendment shall be given to each shareholder entitled to vote
2 thereon. There shall be included in, or enclosed with, the
3 notice a copy of the proposed amendment or a summary of the
4 changes to be effected thereby and, if Subchapter D of Chapter
5 15 (relating to dissenters rights) is applicable, a copy of that
6 subchapter.

7 § 1914. Adoption of amendments.

8 (a) General rule.--A vote of the shareholders entitled to
9 vote on a proposed amendment shall be taken at the next annual
10 or special meeting of which notice for that purpose has been
11 duly given. Unless the articles require a greater vote, a
12 proposed amendment of the articles of a business corporation
13 shall be adopted upon receiving the affirmative vote of a
14 majority of the votes cast by all shareholders entitled to vote
15 thereon and, if any class or series of shares is entitled to
16 vote thereon as a class, the affirmative vote of a majority of
17 the votes cast in each such class vote. Any number of amendments
18 may be submitted to the shareholders and voted upon by them at
19 one meeting.

20 (b) Statutory voting rights.--Except as provided in
21 subsection (c), if a proposed amendment would:

22 (1) authorize the board of directors to fix and
23 determine the relative rights and preferences, as between
24 series, of any preferred or special class;

25 (2) make any change in the preferences, limitations or
26 special rights of the shares of a class or series adverse to
27 the class or series;

28 (3) increase the number of authorized shares of a class
29 or series unless otherwise provided in original articles of
30 incorporation filed after January 1, 1969, or in an amendment

1 to the articles which created the class or series filed after
2 January 1, 1969, or in any amendment to the articles which
3 was adopted by a majority of the votes cast by all
4 shareholders of the class or series;

5 (4) authorize a new class or series of shares having a
6 preference as to dividends or assets which is senior to the
7 shares of a class or series; or

8 (5) increase the number of authorized shares of any
9 class or series having a preference as to dividends or assets
10 which is senior in any respect to the shares of a class or
11 series;

12 then the holders of the outstanding shares of the class or
13 series shall be entitled to vote as a class in respect to the
14 amendment regardless of any limitations stated in the articles
15 or bylaws on the voting rights of any class.

16 (c) Adoption by board of directors.--Unless otherwise
17 restricted in the articles, an amendment of articles shall not
18 require the approval of the shareholders of the corporation if:

19 (1) no shares have been issued;

20 (2) the amendment is restricted to a change in the
21 corporate name or to provide for perpetual existence or to
22 reflect a reduction in authorized shares effected by
23 operation of section 1552(a) (relating to power of
24 corporation to acquire its own shares);

25 (3) the corporation has only one class of shares
26 outstanding and the amendment is effective solely to:

27 (i) increase the number of authorized shares to the
28 extent necessary to permit the board of directors to
29 effectuate a stock dividend in the shares of the
30 corporation; or

1 (ii) effectuate a split and, if desired, increase
2 the number of shares or change the par value of the
3 authorized shares, or both, in proportion thereto;

4 (4) to the extent the amendment has not been approved by
5 the shareholders, it restates without change all of the
6 operative provisions of the articles as theretofore amended
7 or as amended thereby; or

8 (5) the amendment accomplishes any combination of
9 purposes specified in this subsection.

10 Whenever a provision of this subpart authorizes the board of
11 directors to take any action without the approval of the
12 shareholders and provides that a statement, certificate, plan or
13 other document relating to such action shall be filed in the
14 Department of State and shall operate as an amendment of the
15 articles, the board upon taking such action may, in lieu of
16 filing the statement, certificate, plan or other document, amend
17 the articles under this subsection without the approval of the
18 shareholders to reflect the taking of such action. An amendment
19 of articles under this subsection shall be deemed adopted by the
20 corporation when it has been adopted by the board of directors
21 pursuant to section 1912 (relating to proposal of amendments).

22 (d) Termination of proposal.--Prior to the time when an
23 amendment becomes effective, the amendment may be terminated
24 pursuant to provisions therefor, if any, set forth in the
25 resolution or petition. If articles of amendment have been filed
26 in the department prior to the termination, a statement under
27 section 1902 (relating to statement of termination) shall be
28 filed in the department.

29 (e) Amendment of voting provisions.--Unless otherwise
30 provided in a bylaw adopted by the shareholders, whenever the

1 articles require for the taking of any action by the
2 shareholders or a class of shareholders a specific number or
3 percentage of votes, the provision of the articles setting forth
4 that requirement shall not be amended or repealed by any lesser
5 number or percentage of votes of the shareholders or of the
6 class of shareholders.

7 § 1915. Articles of amendment.

8 Upon the adoption of an amendment by a business corporation,
9 as provided in this subchapter, articles of amendment shall be
10 executed by the corporation and shall set forth:

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

16 (2) The statute under which the corporation was
17 incorporated and the date of incorporation.

18 (3) If the amendment is to be effective on a specified
19 date, the hour, if any, and the month, day and year of the
20 effective date.

21 (4) The manner in which the amendment was adopted by the
22 corporation.

23 (5) The amendment adopted by the corporation, which
24 shall be set forth in full.

25 (6) If the amendment effects a restatement of the
26 articles, a statement that the restated articles supersede
27 the original articles and all amendments thereto.

28 § 1916. Filing and effectiveness of articles of amendment.

29 (a) Filing.--The articles of amendment of a business
30 corporation shall be filed in the Department of State. See

1 section 134 (relating to docketing statement).

2 (b) Effectiveness.--Upon the filing of the articles of
3 amendment in the department or upon the effective date specified
4 in the articles of amendment, whichever is later, the amendment
5 shall become effective and the articles of incorporation shall
6 be deemed to be amended accordingly. An amendment shall not
7 affect any existing cause of action in favor of or against the
8 corporation, or any pending action to which the corporation is a
9 party, or the existing rights of persons other than
10 shareholders. If the corporate name is changed by the amendment,
11 an action brought by or against the corporation under its former
12 name shall not be abated for that reason.

13 SUBCHAPTER C

14 MERGER, CONSOLIDATION, SHARE EXCHANGES AND

15 SALE OF ASSETS

16 Sec.

17 1921. Merger and consolidation authorized.

18 1922. Plan of merger or consolidation.

19 1923. Notice of meeting of shareholders.

20 1924. Adoption of plan.

21 1925. Authorization by foreign corporations.

22 1926. Articles of merger or consolidation.

23 1927. Filing of articles of merger or consolidation.

24 1928. Effective date of merger or consolidation.

25 1929. Effect of merger or consolidation.

26 1930. Dissenters rights.

27 1931. Share exchanges.

28 1932. Voluntary transfer of corporate assets.

29 1933. RIGHT OF SHAREHOLDERS TO RECEIVE PAYMENT FOR SHARES

<—

30 FOLLOWING A CONTROL TRANSACTION.

1 1934. REQUIREMENTS RELATING TO CERTAIN BUSINESS COMBINATIONS.

2 § 1921. Merger and consolidation authorized.

3 (a) Domestic surviving or new corporation.--Any two or more
4 domestic business corporations, or any two or more foreign
5 business corporations, or any one or more domestic business
6 corporations and any one or more foreign business corporations,
7 may, in the manner provided in this subchapter, be merged into
8 one of the domestic business corporations, designated in this
9 subchapter as the surviving corporation, or consolidated into a
10 new corporation to be formed under this article, if the foreign
11 business corporations are authorized by the laws of the
12 jurisdiction under which they are incorporated to effect a
13 merger or consolidation with a corporation of another
14 jurisdiction.

15 (b) Foreign surviving or new corporation.--Any one or more
16 domestic business corporations, and any one or more foreign
17 business corporations, may, in the manner provided in this
18 subchapter, be merged into one of such foreign business
19 corporations, designated in this subchapter as the surviving
20 corporation, or consolidated into a new corporation to be
21 incorporated under the laws of the jurisdiction under which one
22 of the foreign business corporations is incorporated, if the
23 laws of that jurisdiction authorize a merger with or
24 consolidation into a corporation of another jurisdiction.

25 (c) Associations and business trusts.--The provisions of
26 this subchapter applicable to domestic and foreign business
27 corporations shall also be applicable to a domestic or foreign
28 business trust and a domestic or foreign association other than
29 a partnership. The powers and duties vested in and imposed upon
30 the board of directors in this subchapter shall be exercised and

1 performed by the group of persons under the direction of whom
2 the business and affairs of the trust or association are managed
3 irrespective of the name by which the group is designated.

4 § 1922. Plan of merger or consolidation.

5 (a) Preparation of plan.--A plan of merger or consolidation,
6 as the case may be, shall be prepared, setting forth:

7 (1) The terms and conditions of the merger or
8 consolidation.

9 (2) If the surviving or new corporation is or is to be a
10 domestic business corporation:

11 (i) any changes desired to be made in the articles,
12 which may include a restatement of the articles in the
13 case of a merger; or

14 (ii) in the case of a consolidation, all of the
15 statements required by this subpart to be set forth in
16 restated articles.

17 (3) The manner and basis of converting the shares of
18 each corporation into shares or other securities or
19 obligations of the surviving or new corporation, as the case
20 may be, and, if any of the shares of any of the corporations
21 that are parties to the plan are not to be converted solely
22 into shares or other securities or obligations of the
23 surviving or new corporation, the shares or other securities
24 or obligations of any other person or cash, property or
25 rights that the holders of such shares are to receive in
26 exchange for, or upon conversion of, such shares, and the
27 surrender of any certificates evidencing them, which
28 securities or obligations, if any, of any other person or
29 cash, property or rights may be in addition to or in lieu of
30 the shares or other securities or obligations of the

1 surviving or new corporation.

2 ~~(4) Any provisions desired providing special treatment~~ <—
3 ~~of shares held by any shareholder or group of shareholders.~~

4 (5) (4) Such other provisions as are deemed desirable.
5 Any of the terms of the plan may be made dependent upon facts
6 ascertainable outside of the plan if the manner in which the
7 facts will operate upon the terms of the plan is set forth in
8 the plan.

9 (b) Post-adoption amendment.--A plan of merger or
10 consolidation may contain a provision that the boards of
11 directors of the constituent corporations may amend the plan at
12 any time prior to its effective date, except that an amendment
13 made subsequent to the adoption of the plan by the shareholders
14 of any constituent corporation shall not change:

15 (1) The amount or kind of shares, obligations, cash,
16 property or rights to be received in exchange for or on
17 conversion of all or any of the shares of the constituent
18 corporation.

19 (2) Any term of the articles of the surviving or new
20 corporation to be effected by the merger or consolidation.

21 (3) Any of the terms and conditions of the plan if the
22 change would adversely affect the holders of any shares of
23 the constituent corporation.

24 (c) Proposal.--Every merger or consolidation shall be
25 proposed in the case of each domestic business corporation by
26 the adoption by the board of directors of a resolution approving
27 the plan of merger or consolidation. Except where the approval
28 of the shareholders is unnecessary under this subchapter, the
29 board of directors shall direct that the plan be submitted to a
30 vote of the shareholders entitled to vote thereon at a regular

1 or special meeting of the shareholders.

2 (d) Party to plan.--A corporation that approves a plan in
3 its capacity as a shareholder or creditor of a merging or
4 consolidating corporation, or that furnishes all or a part of
5 the consideration contemplated by a plan, does not thereby
6 become a party to the plan for the purposes of this subchapter.
7 § 1923. Notice of meeting of shareholders.

8 Written notice of the meeting of shareholders called for the
9 purpose of considering the proposed plan shall, not less than
10 ten days before such annual or special meeting, be given to each
11 shareholder of record, whether or not entitled to vote thereon
12 of each domestic business corporation that is a party to the
13 plan. The notice shall state the place, day, hour and purpose of
14 the meeting. There shall be included in, or enclosed with, the
15 notice a copy of the proposed plan or a summary thereof and, if
16 Subchapter D of Chapter 15 (relating to dissenters rights) is
17 applicable, a copy of that subchapter and of section 1930
18 (relating to dissenters rights).

19 § 1924. Adoption of plan.

20 (a) General rule.--The plan of merger or consolidation shall
21 be adopted upon receiving a majority of the votes cast by all
22 shareholders entitled to vote thereon of each of the domestic
23 business corporations that is a party to the plan and, if any
24 class or series of shares is entitled to vote thereon as a
25 class, a majority of the votes cast in each class vote.

26 (b) Adoption by board of directors.--

27 (1) Unless otherwise required by its bylaws, a plan of
28 merger or consolidation shall not require the approval of the
29 shareholders of a corporation if:

30 (i) (A) the plan, whether or not the corporation is

1 the surviving corporation, does not alter the status
2 of the corporation as a domestic business corporation
3 or alter in any respect the provisions of its
4 articles, except changes which under section 1914(c)
5 (relating to adoption by board of directors) may be
6 made without shareholder action; and

7 (B) each share of the corporation outstanding
8 immediately prior to the effective date of the merger
9 or consolidation is to continue as or to be converted
10 into, except as may be otherwise agreed by the holder
11 thereof, an identical share of the surviving or new
12 corporation after the effective date of the merger or
13 consolidation; or

14 (ii) immediately prior to the adoption of the plan
15 and at all times thereafter prior to its effective date,
16 another corporation that is a party to the plan owns
17 directly or indirectly 90% or more of the outstanding
18 shares of each class of the corporation.

19 (2) In the case of a merger or consolidation pursuant to
20 paragraph (1)(i), the plan of merger or consolidation shall
21 be deemed adopted by the corporation when it has been adopted
22 by the board of directors pursuant to section 1922 (relating
23 to plan of merger or consolidation).

24 (3) In the case of a merger or consolidation of a
25 subsidiary corporation with a parent corporation pursuant to
26 paragraph (1)(ii), the plan of merger or consolidation shall
27 be deemed adopted by the subsidiary corporation when it has
28 been adopted by the board of the parent corporation and
29 execution of articles of merger or consolidation by the
30 subsidiary corporation shall not be necessary.

1 (c) Termination of plan.--Prior to the time when a merger or
2 consolidation becomes effective, the merger or consolidation may
3 be terminated pursuant to provisions therefor, if any, set forth
4 in the plan. If articles of merger or consolidation have been
5 filed in the Department of State prior to the termination, a
6 statement under section 1902 (relating to statement of
7 termination) shall be filed in the department.

8 § 1925. Authorization by foreign corporations.

9 The plan of merger or consolidation shall be authorized,
10 adopted or approved by each foreign business corporation that
11 desires to merge or consolidate in accordance with the laws of
12 the jurisdiction in which it is incorporated.

13 § 1926. Articles of merger or consolidation.

14 Upon the adoption of the plan of merger or consolidation by
15 the corporations desiring to merge or consolidate, as provided
16 in this subchapter, articles of merger or articles of
17 consolidation, as the case may be, shall, except as provided by
18 section 1924(b)(3) (relating to adoption by board of directors),
19 be executed by each corporation and shall, subject to section
20 109 (relating to name of commercial registered office provider
21 in lieu of registered address), set forth:

22 (1) The name and the location of the registered office,
23 including street and number, if any, of the domestic
24 surviving or new corporation or, in the case of a foreign
25 surviving or new corporation, the name of the corporation and
26 its jurisdiction of incorporation, together with either:

27 (i) If a qualified foreign business corporation, the
28 address, including street and number, if any, of its
29 registered office in this Commonwealth.

30 (ii) If a nonqualified foreign business corporation,

1 the address, including street and number, if any, of its
2 principal office under the laws of the jurisdiction in
3 which it is incorporated.

4 (2) The name and address, including street and number,
5 if any, of the registered office of each other domestic
6 business corporation and qualified foreign business
7 corporation that is a party to the plan.

8 (3) If the plan is to be effective on a specified date,
9 the hour, if any, and the month, day and year of the
10 effective date.

11 (4) The manner in which the plan was adopted by each
12 domestic corporation and, if one or more foreign corporations
13 are parties to the plan, the fact that the plan was
14 authorized, adopted or approved, as the case may be, by each
15 of the foreign corporations in accordance with the laws of
16 the jurisdiction in which it is incorporated.

17 (5) Except as provided in section 1901 (relating to
18 omission of certain provisions from filed plans), the plan of
19 merger or consolidation.

20 § 1927. Filing of articles of merger or consolidation.

21 (a) General rule.--The articles of merger or articles of
22 consolidation, as the case may be, and the certificates or
23 statement, if any, required by section 139 (relating to tax
24 clearance of certain fundamental transactions) shall be filed in
25 the Department of State.

26 (b) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 1928. Effective date of merger or consolidation.

29 Upon the filing of the articles of merger or the articles of
30 consolidation in the Department of State or upon the effective

1 date specified in the plan of merger or consolidation, whichever
2 is later, the merger or consolidation shall be effective. The
3 merger or consolidation of one or more domestic business
4 corporations into a foreign business corporation shall be
5 effective according to the provisions of law of the jurisdiction
6 in which the foreign corporation is incorporated, but not until
7 articles of merger or articles of consolidation have been
8 adopted and filed, as provided in this subchapter.

9 § 1929. Effect of merger or consolidation.

10 (a) Single surviving or new corporation.--Upon the merger or
11 consolidation becoming effective, the several corporations
12 parties to the plan of merger or consolidation shall be a single
13 corporation which, in the case of a merger, shall be the
14 corporation designated in the plan of merger as the surviving
15 corporation and, in the case of a consolidation, shall be the
16 new corporation provided for in the plan of consolidation. The
17 separate existence of all corporations parties to the plan of
18 merger or consolidation shall cease, except that of the
19 surviving corporation, in the case of a merger. The surviving or
20 new corporation, as the case may be, if it is a domestic
21 business corporation, shall not thereby acquire authority to
22 engage in any business or exercise any right which a corporation
23 may not be incorporated under this subpart to engage in or
24 exercise.

25 (b) Property rights.--All the property, real, personal and
26 mixed, and franchises of each of the corporations parties to the
27 plan of merger or consolidation, and all debts due on whatever
28 account to any of them, including subscriptions for shares and
29 other choses in action belonging to any of them, shall be deemed
30 to be transferred to and vested in the surviving or new

1 corporation, as the case may be, without further action and the
2 title to any real estate, or any interest therein, vested in any
3 of the corporations shall not revert or be in any way impaired
4 by reason of the merger or consolidation. The surviving or new
5 corporation shall thenceforth be responsible for all the
6 liabilities of each of the corporations so merged or
7 consolidated. No liens upon the property of the merging or
8 consolidating corporations shall be impaired by the merger or
9 consolidation and any claim existing or action or proceeding
10 pending by or against any of the corporations may be prosecuted
11 to judgment as if the merger or consolidation had not taken
12 place or the surviving or new corporation may be proceeded
13 against or substituted in its place.

14 (c) Taxes.--Any taxes, penalties and public accounts of the
15 Commonwealth, claimed against any of the merging or
16 consolidating corporations but not settled, assessed or
17 determined prior to the merger or consolidation, shall be
18 settled, assessed or determined against the surviving or new
19 corporation and, together with interest thereon, shall be a lien
20 against the franchises and property, both real and personal, of
21 the surviving or new corporation.

22 (d) Articles of incorporation.--In the case of a merger, the
23 articles of incorporation of the surviving domestic business
24 corporation, if any, shall be deemed to be amended to the
25 extent, if any, that changes in its articles are stated in the
26 plan of merger. In the case of a consolidation into a domestic
27 business corporation, the statements that are set forth in the
28 plan of consolidation, or articles of incorporation set forth
29 therein, shall be deemed to be the articles of incorporation of
30 the new corporation.

1 § 1930. Dissenters rights.

2 (a) General rule.--If any shareholder of a domestic business
3 corporation which becomes a party to a plan of merger or
4 consolidation objects to the plan of merger or consolidation and
5 complies with the provisions of Subchapter D of Chapter 15
6 (relating to dissenters rights), the shareholder shall be
7 entitled to the rights and remedies of dissenting shareholders
8 therein provided, if any. See also section 1906(c) (relating to
9 dissenters right upon special treatment).

10 (b) Plans adopted by directors only.--Except as otherwise
11 provided pursuant to section 1571(c) (relating to grant of
12 optional dissenters rights), Subchapter D of Chapter 15 shall
13 not apply to any of the shares of a corporation which is a party
14 to a plan of merger or consolidation pursuant to section
15 1924(b)(1)(i) (relating to adoption by board of directors).

16 (c) Cross references.--See sections 1571(b) (relating to
17 exceptions) and 1904 (relating to de facto transaction doctrine
18 abolished).

19 § 1931. Share exchanges.

20 (a) General rule.--All the outstanding shares of one or more
21 classes or series of a domestic business corporation, designated
22 in this section as the exchanging corporation, may, in the
23 manner provided in this section, be acquired by any person,
24 designated in this section as the acquiring person, through an
25 exchange of all the shares pursuant to, and other securities of
26 the exchanging corporation not so acquired may be reclassified
27 or otherwise affected by, a plan of exchange. The procedure
28 authorized by this section shall not be deemed to limit the
29 power of any person to acquire all or part of the shares or
30 other securities of any class or series of a corporation through

1 a voluntary exchange or otherwise by agreement with the holders
2 of the shares or other securities.

3 (b) Plan of exchange.--A plan of exchange shall be prepared,
4 setting forth:

5 (1) The terms and conditions of the exchange.

6 (2) The manner and basis of converting the shares or
7 other securities of the exchanging corporation into shares or
8 other securities or obligations of the acquiring person and,
9 if any of the shares or other securities of the exchanging
10 corporation are not to be converted solely into shares or
11 other securities or obligations of the acquiring person, the
12 shares or other securities or obligations of any other person
13 or cash, property or rights that the holders of the shares or
14 other securities of the exchanging corporation are to receive
15 in exchange for, or upon conversion of, the shares or other
16 securities, and the surrender of any certificates or
17 instruments evidencing them, which securities or obligations,
18 if any, of any other person or cash, property and rights may
19 be in addition to or in lieu of the shares or other
20 securities or obligations of the acquiring person.

21 (3) Any changes desired to be made in the articles of
22 the exchanging corporation, which may include a restatement
23 of the articles.

24 (4) Any provisions desired providing special 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 (c) Proposal and adoption.--The plan of exchange shall be
2 proposed and adopted and may be terminated by the exchanging
3 corporation in the manner provided by this subchapter for the
4 proposal, adoption and termination of a plan of merger except
5 section 1924(b) (relating to adoption by board of directors).
6 There shall be included in, or enclosed with, the notice of the
7 meeting of shareholders to act on the plan a copy or a summary
8 of the plan and, if Subchapter D of Chapter 15 (relating to
9 dissenters rights) is applicable, a copy of the subchapter and
10 of subsection (d). The holders of any class of shares to be
11 acquired pursuant to the plan of exchange shall be entitled to
12 vote as a class on the plan if they would have been entitled to
13 vote on a plan of merger that affects the class in substantially
14 the same manner as the plan of exchange.

15 (d) Dissenters rights in share exchanges.--Any holder of
16 shares that are to be acquired pursuant to a plan of exchange
17 who objects to the plan and complies with the provisions of
18 Subchapter D of Chapter 15 shall be entitled to the rights and
19 remedies of dissenting shareholders therein provided, if any.
20 ~~See section 1906(c) (relating to dissenter rights upon special~~ <—
21 ~~treatment).~~

22 (e) Articles of exchange.--Upon adoption of a plan of
23 exchange, as provided in this section, articles of exchange
24 shall be executed by the exchanging corporation and shall set
25 forth:

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

1 (2) If the plan is to be effective on a specified date,
2 the hour, if any, and the month, day and year of the
3 effective date.

4 (3) The manner in which the plan was adopted by the
5 exchanging corporation.

6 (4) Except as provided in section 1901 (relating to
7 omission of certain provisions from filed plans), the plan of
8 exchange.

9 The articles of exchange shall be filed in the Department of
10 State. See section 134 (relating to docketing statement).

11 (f) Effective date.--Upon the filing of articles of exchange
12 in the department or upon the effective date specified in the
13 plan of exchange, whichever is later, the plan shall become
14 effective.

15 (g) Effect of plan.--Upon the plan of exchange becoming
16 effective, the shares of the exchanging corporation that are,
17 under the terms of the plan, to be converted or exchanged shall
18 cease to exist or shall be exchanged. The former holders of the
19 shares shall thereafter be entitled only to the shares, other
20 securities or obligations or cash, property or rights into which
21 they have been converted or for which they have been exchanged
22 in accordance with the plan, and the acquiring person shall be
23 the holder of the shares of the exchanging corporation stated in
24 the plan to be acquired by such person. The articles of
25 incorporation of the exchanging corporation shall be deemed to
26 be amended to the extent, if any, that changes in its articles
27 are stated in the plan of exchange.

28 § 1932. Voluntary transfer of corporate assets.

29 (a) Shareholder approval not required.--

30 (1) The sale, lease, exchange or other disposition of

1 all, or substantially all, the property and assets of a
2 business corporation, when made in the usual and regular
3 course of the business of the corporation, or for the purpose
4 of relocating all, or substantially all, of the business of
5 the corporation, may be made upon such terms and conditions,
6 and for such consideration, as shall be authorized by its
7 board of directors.

8 (2) Except as otherwise restricted by the bylaws,
9 authorization or consent of the shareholders shall not be
10 required for such a transaction.

11 (b) Shareholder approval required.--A sale, lease, exchange
12 or other disposition of all, or substantially all, the property
13 and assets, with or without the goodwill, of a business
14 corporation, if not made pursuant to subsection (a) or (d) or to
15 section 1551 (relating to distributions to shareholders) or
16 Subchapter D (relating to division), may be made only pursuant
17 to a plan of asset transfer. The property or assets of a direct
18 or indirect subsidiary corporation that is controlled by a
19 parent corporation shall be deemed the property or assets of the
20 parent corporation for the purposes of this subsection and of
21 subsection (c). The plan of asset transfer shall set forth the
22 terms and conditions of the sale, lease, exchange or other
23 disposition or may authorize the board of directors to fix any
24 or all of the terms and conditions, including the consideration
25 to be received by the corporation therefor. Any of the terms of
26 the plan may be made dependent upon facts ascertainable outside
27 of the plan if the manner in which the facts will operate upon
28 the terms of the plan is set forth in the plan. The plan of
29 asset transfer shall be proposed and adopted, and may be
30 terminated, by a business corporation in the manner provided in

1 this subchapter for the proposal, adoption and termination of a
2 plan of merger, except section 1924(b) (relating to adoption by
3 board of directors). There shall be included in, or enclosed
4 with, the notice of the meeting of the shareholders to act on
5 the plan a copy or a summary of the plan and, if Subchapter D of
6 Chapter 15 (relating to dissenters rights) is applicable, a copy
7 of the subchapter and of subsection (c). In order to make
8 effective the plan of asset transfer so adopted, it shall not be
9 necessary to file any articles or other documents in the
10 Department of State.

11 (c) Dissenters rights in asset transfers.--

12 (1) If a shareholder of a corporation which adopts a
13 plan of asset transfer objects to the plan and complies with
14 Subchapter D of Chapter 15, the shareholder shall be entitled
15 to the rights and remedies of dissenting shareholders therein
16 provided, if any.

17 (2) Paragraph (1) shall not apply to a sale pursuant to
18 an order of a court having jurisdiction in the premises or a
19 sale for money on terms requiring that all or substantially
20 all of the net proceeds of sale be distributed to the
21 shareholders in accordance with their respective interests
22 within one year after the date of sale.

23 ~~(3) See section 1906(c) (relating to dissenters rights~~ <—
24 ~~upon special treatment).~~

25 (d) Exceptions.--Subsections (b) and (c)(1) shall not apply
26 to a sale, lease, exchange or other disposition of all, or
27 substantially all, of the property and assets of a business
28 corporation:

29 (1) that directly or indirectly owns all of the
30 outstanding shares of another corporation to the other

1 corporation if the voting rights, preferences, limitations or
2 relative rights, granted to or imposed upon the shares of any
3 class of the parent corporation are not altered by the sale,
4 lease, exchange or other disposition;

5 (2) when made in connection with the dissolution or
6 liquidation of the corporation, which transaction shall be
7 governed by the provisions of Subchapter F (relating to
8 voluntary dissolution and winding up) or G (relating to
9 involuntary liquidation and dissolution), as the case may be;

10 or

11 (3) when made in connection with a transaction pursuant
12 to which all the assets sold, leased, exchanged or otherwise
13 disposed of are simultaneously leased back to the
14 corporation.

15 (e) Mortgage.--A mortgage, pledge, grant of a security
16 interest or dedication of property to the repayment of
17 indebtedness (with or without recourse) shall not be deemed a
18 sale, lease, exchange or other disposition for the purposes of
19 this section.

20 (f) Restrictions.--This section shall not be construed to
21 authorize the conversion or exchange of property or assets in
22 fraud of corporate creditors or in violation of law.

23 § 1933. RIGHT OF SHAREHOLDERS TO RECEIVE PAYMENT FOR SHARES

←

24 FOLLOWING A CONTROL TRANSACTION.

25 (A) ESTABLISHMENT OF RIGHTS.--

26 (1) ANY HOLDER OF VOTING SHARES OF A BUSINESS
27 CORPORATION THAT BECOMES THE SUBJECT OF A CONTROL TRANSACTION
28 DESCRIBED IN SUBSECTION (B) WHO SHALL OBJECT TO THE
29 TRANSACTION SHALL BE ENTITLED TO THE RIGHTS AND REMEDIES
30 PROVIDED IN THIS SECTION, UNLESS:

1 (I) THE BYLAWS, BY AMENDMENT ADOPTED EITHER BY MARCH
2 23, 1984, OR WITHIN 90 DAYS AFTER THE EFFECTIVE DATE OF
3 THIS TITLE, AND, IN EITHER EVENT, NOT SUBSEQUENTLY
4 RESCINDED BY AN ARTICLE AMENDMENT, EXPLICITLY PROVIDE
5 THAT THIS SECTION SHALL NOT BE APPLICABLE TO THE
6 CORPORATION; OR

7 (II) THE ARTICLES EXPLICITLY PROVIDE THAT THIS
8 SECTION SHALL NOT BE APPLICABLE TO THE CORPORATION BY A
9 PROVISION INCLUDED IN THE ORIGINAL ARTICLES, BY AN
10 ARTICLE AMENDMENT ADOPTED PRIOR TO THE DATE OF THE
11 CONTROL TRANSACTION AND PRIOR TO OR ON THE EFFECTIVE DATE
12 OF THIS TITLE PURSUANT TO THE PROCEDURES THEN APPLICABLE
13 TO THE CORPORATION, OR BY AN ARTICLE AMENDMENT ADOPTED
14 PRIOR TO THE DATE OF THE CONTROL TRANSACTION AND
15 SUBSEQUENT TO THE EFFECTIVE DATE OF THIS TITLE PURSUANT
16 TO BOTH:

17 (A) THE PROCEDURES THEN APPLICABLE TO THE
18 CORPORATION; AND

19 (B) UNLESS THE PROPOSED AMENDMENT HAS BEEN
20 APPROVED BY THE BOARD OF DIRECTORS OF THE
21 CORPORATION, IN WHICH EVENT THIS CLAUSE SHALL NOT BE
22 APPLICABLE, THE AFFIRMATIVE VOTE OF THE SHAREHOLDERS
23 ENTITLED TO CAST AT LEAST 80% OF THE VOTES WHICH ALL
24 SHAREHOLDERS ARE ENTITLED TO CAST THEREON.

25 (2) THE RIGHTS AND REMEDIES HEREIN PROVIDED SHALL BE IN
26 ADDITION TO, AND NOT IN LIEU OF, ANY OTHER RIGHTS OR REMEDIES
27 PROVIDED BY THIS TITLE, THE ARTICLES OF THE CORPORATION, THE
28 BYLAWS OF THE CORPORATION, ANY SECURITIES, OPTION RIGHTS OR
29 OBLIGATIONS OF THE CORPORATION OR OTHERWISE.

30 (B) CONTROLLING PERSON OR GROUP.--

1 (1) A CONTROLLING PERSON OR GROUP SHALL MEAN FOR THE
2 PURPOSE OF THIS SECTION A PERSON WHO HAS, OR A GROUP OF
3 PERSONS ACTING IN CONCERT THAT HAS, VOTING POWER OVER VOTING
4 SHARES OF THE CORPORATION THAT WOULD ENTITLE THE HOLDERS
5 THEREOF TO CAST AT LEAST 20% OF THE VOTES THAT ALL
6 SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN ELECTION OF
7 DIRECTORS OF THE CORPORATION.

8 (2) NOTWITHSTANDING PARAGRAPH (1):

9 (I) A PERSON OR GROUP WHICH WOULD OTHERWISE BE A
10 CONTROLLING PERSON OR GROUP WITHIN THE MEANING OF THIS
11 SECTION SHALL NOT BE DEEMED SUCH A CONTROLLING PERSON OR
12 GROUP UNLESS, SUBSEQUENT TO THE LATER OF THE EFFECTIVE
13 DATE OF THIS TITLE OR THE DATE THIS SECTION BECOMES
14 APPLICABLE TO A CORPORATION BY BYLAW OR ARTICLE AMENDMENT
15 OR OTHERWISE, THAT PERSON OR GROUP INCREASES THE
16 PERCENTAGE OF OUTSTANDING VOTING SHARES OF THE
17 CORPORATION OVER WHICH IT HAS VOTING POWER TO IN EXCESS
18 OF THE PERCENTAGE OF OUTSTANDING VOTING SHARES OF THE
19 CORPORATION OVER WHICH THAT PERSON OR GROUP HAD VOTING
20 POWER ON SUCH LATER DATE, AND TO AT LEAST THE AMOUNT
21 SPECIFIED IN PARAGRAPH (1), AS THE RESULT OF FORMING OR
22 ENLARGING A GROUP, OR ACQUIRING, BY PURCHASE, VOTING
23 POWER OVER VOTING SHARES OF THE CORPORATION; AND

24 (II) NO PERSON OR GROUP SHALL BE DEEMED TO BE A
25 CONTROLLING PERSON OR GROUP AT ANY PARTICULAR TIME IF
26 VOTING POWER OVER ANY OF THE FOLLOWING VOTING SHARES IS
27 REQUIRED TO BE COUNTED AT SUCH TIME IN ORDER TO MEET THE
28 20% MINIMUM:

29 (A) SHARES WHICH HAVE BEEN HELD CONTINUOUSLY BY
30 A NATURAL PERSON SINCE JANUARY 1, 1983, AND WHICH ARE

1 HELD BY THE NATURAL PERSON AT SUCH TIME;

2 (B) SHARES WHICH ARE HELD AT SUCH TIME BY ANY
3 NATURAL PERSON OR TRUST, ESTATE, FOUNDATION OR OTHER
4 SIMILAR ENTITY TO THE EXTENT THE SHARES WERE ACQUIRED
5 SOLELY BY GIFT, INHERITANCE, BEQUEST, DEVISE OR OTHER
6 TESTAMENTARY DISTRIBUTION OR SERIES OF SUCH
7 TRANSACTIONS, DIRECTLY OR INDIRECTLY, FROM A NATURAL
8 PERSON WHO HAD ACQUIRED THE SHARES PRIOR TO JANUARY
9 1, 1983; OR

10 (C) SHARES WHICH WERE ACQUIRED PURSUANT TO A
11 STOCK SPLIT, STOCK DIVIDEND, RECLASSIFICATION OR
12 SIMILAR RECAPITALIZATION WITH RESPECT TO SHARES
13 DESCRIBED UNDER THIS SUBPARAGRAPH THAT HAVE BEEN HELD
14 CONTINUOUSLY SINCE THEIR ISSUANCE BY THE CORPORATION
15 BY THE NATURAL PERSON OR ENTITY THAT ACQUIRED THEM
16 FROM THE CORPORATION, OR THAT WERE ACQUIRED, DIRECTLY
17 OR INDIRECTLY, FROM SUCH NATURAL PERSON OR ENTITY,
18 SOLELY PURSUANT TO A TRANSACTION OR SERIES OF
19 TRANSACTIONS DESCRIBED IN CLAUSE (B), AND THAT ARE
20 HELD AT SUCH TIME BY A NATURAL PERSON OR ENTITY
21 DESCRIBED IN CLAUSE (B).

22 (3) A PERSON SHALL NOT BE A CONTROLLING PERSON UNDER
23 PARAGRAPH (1) IF SUCH PERSON HOLDS VOTING POWER, IN GOOD
24 FAITH AND NOT FOR THE PURPOSE OF CIRCUMVENTING THIS SECTION,
25 AS AN AGENT, BANK, BROKER, NOMINEE OR TRUSTEE FOR ONE OR MORE
26 BENEFICIAL OWNERS WHO DO NOT INDIVIDUALLY OR, IF THEY ARE A
27 GROUP ACTING IN CONCERT, AS A GROUP HAVE THE VOTING POWER
28 SPECIFIED IN PARAGRAPH (1) OR WHO ARE NOT DEEMED A
29 CONTROLLING PERSON OR GROUP UNDER PARAGRAPH (2).

30 (4) FOR THE PURPOSES OF THIS SECTION, A PERSON HAS

1 VOTING POWER OVER A VOTING SHARE IF SUCH PERSON HAS OR
2 SHARES, DIRECTLY OR INDIRECTLY, THROUGH ANY OPTION, CONTRACT,
3 ARRANGEMENT, UNDERSTANDING, CONVERSION RIGHT OR RELATIONSHIP,
4 OR BY ACTING JOINTLY OR IN CONCERT OR OTHERWISE, THE POWER TO
5 VOTE, OR TO DIRECT THE VOTING OF, SUCH VOTING SHARE.

6 (5) A CONTROL TRANSACTION SHALL MEAN, FOR THE PURPOSES
7 OF THIS SECTION, THE ACQUISITION BY A PERSON OR GROUP OF THE
8 STATUS OF A CONTROLLING PERSON OR GROUP.

9 (C) NOTICE OF CONTROL TRANSACTION.--

10 (1) PROMPT NOTICE THAT A CONTROL TRANSACTION HAS
11 OCCURRED SHALL BE GIVEN BY THE CONTROLLING PERSON OR GROUP
12 TO:

13 (I) EACH SHAREHOLDER OF RECORD OF THE CORPORATION
14 HOLDING VOTING SHARES; AND

15 (II) TO THE COURT OF COMMON PLEAS IN THE COUNTY IN
16 THIS COMMONWEALTH WHERE THE REGISTERED OFFICE OF THE
17 CORPORATION IS LOCATED, ACCOMPANIED BY A PETITION TO SUCH
18 COURT PRAYING THAT THE FAIR VALUE (AS DEFINED IN
19 SUBSECTION (F)) OF THE VOTING SHARES OF THE CORPORATION
20 BE DETERMINED PURSUANT TO SUBSECTION (F) IF THE COURT
21 SHOULD RECEIVE PURSUANT TO SUBSECTION (F) CERTIFICATES
22 FROM SHAREHOLDERS OF SUCH CORPORATION.

23 (2) IF THE CONTROLLING PERSON OR GROUP SO REQUESTS, THE
24 CORPORATION SHALL, AT THE OPTION OF THE CORPORATION AND AT
25 THE EXPENSE OF THE PERSON OR GROUP, EITHER FURNISH A LIST OF
26 ALL SUCH SHAREHOLDERS TO THE PERSON OR GROUP OR MAIL THE
27 NOTICE TO ALL SUCH SHAREHOLDERS.

28 (3) THE NOTICE MUST STATE THAT:

29 (I) ALL SHAREHOLDERS ARE ENTITLED TO DEMAND THAT
30 THEY BE PAID THE FAIR VALUE OF THEIR SHARES;

1 (II) THE MINIMUM VALUE THE SHAREHOLDER CAN RECEIVE
2 UNDER THIS SECTION IS THE HIGHEST PRICE PAID PER SHARE BY
3 THE CONTROLLING PERSON OR GROUP WITHIN THE 90-DAY PERIOD
4 ENDING ON AND INCLUDING THE DATE OF THE CONTROL
5 TRANSACTION, AND STATING THAT VALUE; AND

6 (III) IF THE SHAREHOLDER BELIEVES THE FAIR VALUE OF
7 HIS SHARES IS HIGHER, THAT THIS SECTION PROVIDES AN
8 APPRAISAL PROCEDURE FOR DETERMINING THE FAIR VALUE OF
9 SUCH SHARES, SPECIFYING THE NAME OF THE COURT WITH WHICH
10 THE PETITION WAS FILED AND ITS ADDRESS AND THE CAPTION OF
11 THE PETITION, AND STATING THAT THE INFORMATION IS
12 PROVIDED FOR THE POSSIBLE USE BY THE SHAREHOLDER IN
13 ELECTING TO PROCEED WITH A COURT-APPOINTED APPRAISER
14 UNDER SUBSECTION (F).

15 (4) THE CONTROLLING PERSON OR GROUP MAY, AT ITS OPTION,
16 SUPPLY WITH THE REQUIRED NOTICE A FORM FOR THE SHAREHOLDER TO
17 DEMAND PAYMENT OF THE MINIMUM VALUE REFERRED TO IN PARAGRAPH
18 (3) DIRECTLY FROM THE CONTROLLING PERSON OR GROUP WITHOUT
19 UTILIZING THE COURT APPOINTED APPRAISER PROCEDURE OF
20 SUBSECTION (F), REQUIRING THE SHAREHOLDER TO STATE THE NUMBER
21 AND CLASS OR SERIES, IF ANY, OF THE SHARES OWNED BY HIM, AND
22 STATING WHERE THE PAYMENT DEMAND MUST BE SENT AND THE
23 PROCEDURES TO BE FOLLOWED. THERE SHALL BE INCLUDED IN OR
24 ENCLOSED WITH THE NOTICE A COPY OF THIS SECTION.

25 (D) DEMAND FOR PAYMENT.--AFTER THE OCCURRENCE OF THE CONTROL
26 TRANSACTION, ANY HOLDER OF VOTING SHARES OF THE CORPORATION MAY,
27 PRIOR TO OR WITHIN A REASONABLE TIME AFTER THE NOTICE REQUIRED
28 BY SUBSECTION (C) IS GIVEN, WHICH TIME PERIOD MAY BE SPECIFIED
29 IN THE NOTICE, MAKE WRITTEN DEMAND ON THE CONTROLLING PERSON OR
30 GROUP FOR PAYMENT OF THE AMOUNT PROVIDED IN SUBSECTION (F) WITH

1 RESPECT TO THE VOTING SHARES OF THE CORPORATION HELD BY THE
2 SHAREHOLDER, AND THE CONTROLLING PERSON OR GROUP SHALL BE
3 REQUIRED TO PAY THAT AMOUNT TO THE SHAREHOLDER PURSUANT TO THE
4 PROCEDURES SPECIFIED IN SUBSECTION (F). THE DEMAND OF THE
5 SHAREHOLDER SHALL STATE THE NUMBER AND CLASS OR SERIES, IF ANY,
6 OF THE SHARES OWNED BY HIM WITH RESPECT TO WHICH THE DEMAND IS
7 MADE.

8 (E) AGREEMENT BY SHAREHOLDER.--NOTHING CONTAINED IN THIS
9 SECTION SHALL PRECLUDE A CONTROLLING PERSON OR GROUP SUBJECT TO
10 THIS SECTION FROM OFFERING, WHETHER IN THE NOTICE OR OTHERWISE,
11 TO PURCHASE VOTING SHARES OF THE CORPORATION AT A PRICE OTHER
12 THAN THAT PROVIDED IN SUBSECTION (F), AND NOTHING CONTAINED IN
13 THIS SECTION SHALL PRECLUDE ANY SHAREHOLDER FROM AGREEING TO
14 SELL HIS VOTING SHARES AT THAT OR ANY OTHER PRICE TO ANY PERSON.

15 (F) DETERMINATION OF PRICE.--

16 (1) A SHAREHOLDER MAKING WRITTEN DEMAND UNDER SUBSECTION
17 (D) SHALL BE ENTITLED TO RECEIVE CASH FOR EACH OF HIS SHARES
18 IN AN AMOUNT EQUAL TO THE FAIR VALUE OF EACH VOTING SHARE AS
19 OF THE DATE ON WHICH THE CONTROL TRANSACTION OCCURS, TAKING
20 INTO ACCOUNT ALL RELEVANT FACTORS, INCLUDING AN INCREMENT
21 REPRESENTING A PROPORTION OF ANY VALUE PAYABLE FOR
22 ACQUISITION OF CONTROL OF THE CORPORATION. FOR THE PURPOSES
23 OF THIS SUBSECTION, THE TERM "FAIR VALUE" MEANS A VALUE NOT
24 LESS THAN THE HIGHEST PRICE PAID PER SHARE BY THE CONTROLLING
25 PERSON OR GROUP AT ANY TIME DURING THE 90-DAY PERIOD ENDING
26 ON AND INCLUDING THE DATE OF THE CONTROL TRANSACTION PLUS AN
27 INCREMENT REPRESENTING ANY VALUE, INCLUDING, WITHOUT
28 LIMITATION, ANY PROPORTION OF ANY VALUE PAYABLE FOR
29 ACQUISITION OF CONTROL OF THE CORPORATION, THAT MAY NOT BE
30 REFLECTED IN SUCH PRICE.

1 (2) IF, WITHIN 45 DAYS (OR SUCH OTHER TIME PERIOD, IF
2 ANY, AS REQUIRED BY APPLICABLE LAW) AFTER THE DATE OF THE
3 NOTICE REQUIRED BY SUBSECTION (C), OR IF SUCH NOTICE WAS NOT
4 PROVIDED PRIOR TO THE DATE OF THE WRITTEN DEMAND BY THE
5 SHAREHOLDER UNDER SUBSECTION (C), THEN WITHIN 45 DAYS (OR
6 SUCH OTHER TIME PERIOD, IF ANY, AS REQUIRED BY APPLICABLE
7 LAW) OF THE DATE OF THE WRITTEN DEMAND, THE CONTROLLING
8 PERSON OR GROUP AND THE SHAREHOLDER ARE UNABLE TO AGREE ON
9 THE FAIR VALUE OF THE SHARES OR ON A BINDING PROCEDURE TO
10 DETERMINE THE FAIR VALUE OF THE SHARES, THEN EACH SHAREHOLDER
11 WHO IS UNABLE TO AGREE ON BOTH THE FAIR VALUE AND ON A
12 PROCEDURE WITH THE CONTROLLING PERSON OR GROUP AND WHO SO
13 DESIRES TO OBTAIN THE RIGHTS AND REMEDIES PROVIDED IN THIS
14 SECTION SHALL, NO LATER THAN 30 DAYS AFTER THE EXPIRATION OF
15 THE APPLICABLE 45 (OR OTHER) DAY PERIOD, SURRENDER TO THE
16 COURT OF COMMON PLEAS REFERENCED IN SUBSECTION (C)
17 CERTIFICATES REPRESENTING THE SHARES DULY ENDORSED FOR
18 TRANSFER TO THE CONTROLLING PERSON OR GROUP, WITH A NOTICE
19 STATING THAT THE CERTIFICATES ARE BEING SURRENDERED IN
20 CONNECTION WITH THE PETITION FILED IN ACCORDANCE WITH
21 SUBSECTION (C), OR, IF NO SUCH PETITION HAS THERETOFORE BEEN
22 FILED, THE SHAREHOLDER MAY FILE A PETITION WITHIN THE 30-DAY
23 PERIOD IN THE COURT PRAYING THAT THE FAIR VALUE (AS DEFINED
24 IN THIS SECTION) OF THE SHARES BE DETERMINED. ANY SHAREHOLDER
25 WHO DOES NOT SO SURRENDER THE CERTIFICATES WITHIN THE TIME
26 PERIOD SHALL HAVE NO FURTHER RIGHT TO RECEIVE, WITH RESPECT
27 TO SHARES THE CERTIFICATES OF WHICH WERE NOT SO SURRENDERED
28 UNDER THIS PARAGRAPH, PAYMENT UNDER THIS PARAGRAPH FROM THE
29 CONTROLLING PERSON OR GROUP WITH RESPECT TO THE CONTROL
30 TRANSACTION GIVING RISE TO THE SHAREHOLDER'S RIGHTS

1 HEREUNDER. THE COURT SHALL HOLD THE CERTIFICATES SURRENDERED
2 TO IT IN ESCROW FOR, AND SHALL PROMPTLY, FOLLOWING THE
3 EXPIRATION OF THE TIME PERIOD DURING WHICH SUCH CERTIFICATES
4 MAY BE SURRENDERED, PROVIDE A NOTICE TO THE CONTROLLING
5 PERSON OR GROUP OF THE NUMBER OF SHARES SO SURRENDERED. THE
6 CONTROLLING PERSON OR GROUP SHALL THEN MAKE A PARTIAL PAYMENT
7 FOR THE SHARES SO SURRENDERED TO THE COURT, WITHIN TEN
8 BUSINESS DAYS OF RECEIPT OF THE NOTICE FROM THE COURT, AT A
9 PER-SHARE PRICE EQUAL TO THE HIGHEST PRICE PAID PER SHARE BY
10 THE CONTROLLING PERSON OR GROUP WITHIN THE 90-DAY PERIOD
11 ENDING ON AND INCLUDING THE DATE OF THE CONTROL TRANSACTION.
12 SUCH COURT SHALL THEN MAKE PAYMENT, AS SOON AS PRACTICABLE
13 BUT IN ANY EVENT WITHIN TEN BUSINESS DAYS, TO THE
14 SHAREHOLDERS WHO SO SURRENDERED THEIR SHARES TO THE COURT OF
15 THE APPROPRIATE PER-SHARE AMOUNT RECEIVED FROM THE
16 CONTROLLING PERSON OR GROUP.

17 (3) UPON RECEIPT OF ANY SHARE CERTIFICATE SURRENDERED
18 UNDER THIS SUBSECTION, THE COURT SHALL, AS SOON AS
19 PRACTICABLE BUT IN ANY EVENT WITHIN 30 DAYS, APPOINT AN
20 APPRAISER WITH EXPERIENCE IN APPRAISING SHARE VALUES OF
21 COMPANIES OF LIKE NATURE TO THE CORPORATION TO DETERMINE THE
22 FAIR VALUE OF THE SHARES. THE APPRAISER APPOINTED BY THE
23 COURT SHALL, AS SOON AS REASONABLY PRACTICABLE, DETERMINE THE
24 FAIR VALUE OF THE SHARES SUBJECT TO ITS APPRAISAL AND THE
25 APPROPRIATE MARKET RATE OF INTEREST ON THE AMOUNT THEN OWED
26 BY THE CONTROLLING PERSON OR GROUP TO THE HOLDERS OF THE
27 SHARES. THE DETERMINATION OF ANY APPRAISER APPOINTED BY THE
28 COURT SHALL BE FINAL AND BINDING ON BOTH THE CONTROLLING
29 PERSON OR GROUP AND ALL SHAREHOLDERS WHO SO SURRENDERED THEIR
30 SHARE CERTIFICATES TO THE COURT, EXCEPT THAT THE

1 DETERMINATION OF THE APPRAISER SHALL BE SUBJECT TO REVIEW TO
2 THE EXTENT AND WITHIN THE TIME PROVIDED OR PRESCRIBED BY LAW
3 IN THE CASE OF OTHER APPOINTED JUDICIAL OFFICERS.

4 (4) ANY AMOUNT AGREED UPON BETWEEN THE PARTIES OR
5 DETERMINED PURSUANT TO THE PROCEDURE AGREED UPON BETWEEN THE
6 PARTIES SHALL BE PAYABLE BY THE CONTROLLING PERSON OR GROUP
7 AFTER IT IS SO AGREED UPON OR SO DETERMINED AND UPON AND
8 CONCURRENTLY WITH THE DELIVERY OF THE CERTIFICATE OR
9 CERTIFICATES REPRESENTING THE SHARES TO THE CONTROLLING
10 PERSON OR GROUP BY THE SHAREHOLDER.

11 (5) ANY AMOUNT OWED, TOGETHER WITH INTEREST, AS
12 DETERMINED PURSUANT TO PARAGRAPH (2) SHALL BE PAYABLE BY THE
13 CONTROLLING PERSON OR GROUP AFTER IT IS DETERMINED AND UPON
14 AND CONCURRENTLY WITH THE DELIVERY OF THE CERTIFICATE OR
15 CERTIFICATES REPRESENTING SHARES SURRENDERED TO THE COURT
16 REFERENCED IN SUBSECTION (C) TO THE CONTROLLING PERSON OR
17 GROUP BY THE COURT (WHICH SHALL MAKE SUCH DELIVERY OF THE
18 CERTIFICATE OR CERTIFICATES SURRENDERED TO IT TO THE
19 CONTROLLING PERSON OR GROUP AS SOON AS PRACTICABLE BUT IN ANY
20 EVENT WITHIN TEN BUSINESS DAYS AFTER THE FINAL DETERMINATION
21 OF THE AMOUNT OWED), AND THE COURT SHALL THEN MAKE PAYMENT,
22 AS SOON AS PRACTICABLE BUT IN ANY EVENT WITHIN TEN BUSINESS
23 DAYS AFTER RECEIPT OF PAYMENT FROM THE CONTROLLING PERSON OR
24 GROUP, TO THE SHAREHOLDERS WHO SO SURRENDERED THEIR SHARES TO
25 THE COURT OF THE APPROPRIATE PER-SHARE AMOUNT RECEIVED FROM
26 THE CONTROLLING PERSON OR GROUP. UPON FULL PAYMENT BY THE
27 CONTROLLING PERSON OR GROUP OF THE AMOUNT OWED TO THE
28 SHAREHOLDER OR TO THE COURT, AS APPROPRIATE, THE SHAREHOLDER
29 SHALL CEASE TO HAVE ANY INTEREST IN SUCH SHARES.

30 (6) SHAREHOLDERS WHO SURRENDER THEIR SHARES TO THE COURT

1 SHALL RETAIN THE RIGHT TO VOTE THEIR SHARES AND RECEIVE
2 DIVIDENDS OR OTHER DISTRIBUTIONS THEREON UNTIL THE COURT
3 RECEIVES PAYMENT IN FULL FOR EACH OF THE SHARES SO
4 SURRENDERED OF THE HIGHEST PRICE PAID PER SHARE BY THE
5 CONTROLLING PERSON OR GROUP WITHIN THE 90-DAY PERIOD ENDING
6 ON AND INCLUDING THE DATE OF THE CONTROL TRANSACTION AND,
7 THEREAFTER, THE CONTROLLING PERSON OR GROUP SHALL BE ENTITLED
8 TO VOTE THE SHARES AND RECEIVE DIVIDENDS OR OTHER
9 DISTRIBUTIONS THEREON. THE FAIR VALUE, AS DETERMINED BY THE
10 APPRAISER, OF ANY DIVIDENDS OR OTHER DISTRIBUTIONS SO
11 RECEIVED BY THE SHAREHOLDERS SHALL BE SUBTRACTED FROM ANY
12 AMOUNT OWING TO THE SHAREHOLDERS HEREUNDER.

13 (7) THE COURT REFERENCED IN SUBSECTION (C) MAY APPOINT
14 SUCH AGENTS, INCLUDING THE TRANSFER AGENT OF THE CORPORATION,
15 OR ANY OTHER INSTITUTION, TO HOLD THE SHARES SURRENDERED, TO
16 EFFECT ANY NECESSARY CHANGE IN RECORD OWNERSHIP OF THE SHARES
17 AFTER THE PAYMENT BY THE CONTROLLING PERSON OR GROUP TO THE
18 COURT OF THE AMOUNT SPECIFIED IN PARAGRAPH (6), TO RECEIVE
19 AND DISBURSE DIVIDENDS OR OTHER DISTRIBUTIONS, TO PROVIDE
20 NOTICES TO SHAREHOLDERS AND TO TAKE SUCH OTHER ACTIONS AS THE
21 COURT SHALL DETERMINE ARE APPROPRIATE TO EFFECT THE PURPOSES
22 OF THIS SECTION.

23 (8) THE COSTS AND EXPENSES OF ANY APPRAISER OR OTHER
24 AGENTS SO APPOINTED BY THE COURT SHALL BE ASSESSED AGAINST
25 THE CONTROLLING PERSON OR GROUP. THE COSTS AND EXPENSES OF
26 ANY OTHER PROCEDURE TO DETERMINE FAIR VALUE SHALL BE PAID AS
27 AGREED TO BY THE PARTIES AGREEING TO SUCH PROCEDURE.

28 (9) THE JURISDICTION OF THE COURT REFERENCED UNDER
29 SUBSECTION (C) IN WHICH THE PROCEEDING IS COMMENCED IS
30 PLENARY AND EXCLUSIVE AND THE CONTROLLING PERSON OR GROUP AND

1 ALL SHAREHOLDERS WHO SURRENDERED THEIR SHARES TO THE COURT
2 SHALL BE MADE A PARTY TO THE PROCEEDING AS IN AN ACTION
3 AGAINST THEIR SHARES.

4 (10) THE CORPORATION SHALL COMPLY WITH REQUESTS FOR
5 INFORMATION, WHICH MAY BE SUBMITTED PURSUANT TO PROCEDURES
6 MAINTAINING THE CONFIDENTIALITY OF SUCH INFORMATION, MADE BY
7 THE COURT OR THE APPRAISER SELECTED BY THE COURT.

8 (G) PERSON PROPOSING TO ENGAGE IN CONTROL TRANSACTION.--A
9 PERSON OR GROUP THAT PROPOSES TO ENGAGE IN A CONTROL TRANSACTION
10 MAY COMPLY WITH THE REQUIREMENTS OF THIS SECTION IN CONNECTION
11 WITH THE CONTROL TRANSACTION, AND THE EFFECTIVENESS OF THE
12 RIGHTS AFFORDED IN THIS SECTION TO SHAREHOLDERS MAY BE
13 CONDITIONED UPON THE CONSUMMATION OF THE CONTROL TRANSACTION.
14 THE PERSON OR GROUP SHALL GIVE PROMPT WRITTEN NOTICE OF THE
15 SATISFACTION OF ANY SUCH CONDITION TO EACH SHAREHOLDER WHO HAS
16 MADE DEMAND AS PROVIDED IN THIS SECTION.

17 (H) APPLICATION OF SECTION.--

18 (1) THIS SECTION SHALL NOT APPLY TO ANY CORPORATION THAT
19 DOES NOT HAVE A CLASS OF VOTING SHARES REGISTERED UNDER THE
20 SECURITIES EXCHANGE ACT OF 1934 (48 STAT 881, 15 U.S.C. § 78A
21 ET SEQ.) OR TO ANY PERSON OR GROUP THAT INADVERTENTLY BECOMES
22 A CONTROLLING PERSON OR GROUP IF THAT CONTROLLING PERSON OR
23 GROUP, AS SOON AS PRACTICABLE, DIVESTS ITSELF OF A SUFFICIENT
24 AMOUNT OF ITS VOTING SHARES SO THAT IT IS NO LONGER A
25 CONTROLLING PERSON OR GROUP, OR TO ANY CORPORATION THAT ON
26 THE EFFECTIVE DATE OF THIS SECTION IS A SUBSIDIARY OF ANY
27 OTHER CORPORATION.

28 (2) AS USED IN THIS SUBSECTION, THE TERM "SUBSIDIARY"
29 MEANS ANY CORPORATION AS TO WHICH ANY OTHER CORPORATION HAS
30 OR HAS THE RIGHT TO ACQUIRE, DIRECTLY OR INDIRECTLY, THROUGH

1 THE EXERCISE OF ALL WARRANTS, OPTIONS AND RIGHTS AND THE
2 CONVERSION OF ALL CONVERTIBLE SECURITIES, WHETHER ISSUED OR
3 GRANTED BY THE SUBSIDIARY OR OTHERWISE, VOTING POWER OVER
4 VOTING SHARES OF THE SUBSIDIARY THAT WOULD ENTITLE THE
5 HOLDERS THEREOF TO CAST IN EXCESS OF 50% OF THE VOTES THAT
6 ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN THE ELECTION OF
7 DIRECTORS OF SUCH SUBSIDIARY, EXCEPT THAT A SUBSIDIARY WILL
8 NOT BE DEEMED TO CEASE BEING A SUBSIDIARY SO LONG AS SUCH
9 CORPORATION REMAINS A CONTROLLING PERSON OR GROUP WITHIN THE
10 MEANING OF SUBSECTION (B).

11 § 1934. REQUIREMENTS RELATING TO CERTAIN BUSINESS COMBINATIONS.

12 (A) GENERAL RULE.--NOTWITHSTANDING ANYTHING TO THE CONTRARY
13 CONTAINED IN THIS TITLE (EXCEPT THE PROVISIONS OF SUBSECTION
14 (B)), NO BUSINESS CORPORATION SHALL ENGAGE AT ANY TIME IN ANY
15 BUSINESS COMBINATION WITH ANY INTERESTED SHAREHOLDER OF THE
16 BUSINESS CORPORATION OTHER THAN ONE OF THE FOLLOWING BUSINESS
17 COMBINATIONS:

18 (1) A BUSINESS COMBINATION APPROVED BY THE BOARD OF
19 DIRECTORS OF THE BUSINESS CORPORATION PRIOR TO THE INTERESTED
20 SHAREHOLDER'S SHARE ACQUISITION DATE, OR WHERE THE PURCHASE
21 OF SHARES MADE BY THE INTERESTED SHAREHOLDER ON THE
22 INTERESTED SHAREHOLDER'S SHARE ACQUISITION DATE HAD BEEN
23 APPROVED BY THE BOARD OF DIRECTORS OF THE BUSINESS
24 CORPORATION PRIOR TO THE INTERESTED SHAREHOLDER'S SHARE
25 ACQUISITION DATE.

26 (2) A BUSINESS COMBINATION APPROVED:

27 (I) BY THE AFFIRMATIVE VOTE OF THE HOLDERS OF SHARES
28 ENTITLING THE HOLDERS TO CAST A MAJORITY OF THE VOTES
29 THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN
30 ELECTION OF DIRECTORS OF THE BUSINESS CORPORATION, NOT

1 INCLUDING ANY VOTING SHARES BENEFICIALLY OWNED BY THE
2 INTERESTED SHAREHOLDER OR ANY AFFILIATE OR ASSOCIATE OF
3 THE INTERESTED SHAREHOLDER, AT A MEETING CALLED FOR THE
4 PURPOSE NO EARLIER THAN THREE MONTHS AFTER THE INTERESTED
5 SHAREHOLDER BECAME, AND PROVIDED THAT AT THE TIME OF THE
6 MEETING THE INTERESTED SHAREHOLDER IS, THE BENEFICIAL
7 OWNER, DIRECTLY OR INDIRECTLY, OF SHARES ENTITLING SUCH
8 INTERESTED SHAREHOLDER TO CAST AT LEAST 80% OF THE VOTES
9 THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN
10 ELECTION OF DIRECTORS OF THE CORPORATION, AND PROVIDED
11 THAT THE BUSINESS COMBINATION SATISFIED ALL THE
12 CONDITIONS OF PARAGRAPH (4)(I) THROUGH (V); OR

13 (II) BY THE AFFIRMATIVE VOTE OF ALL OF THE HOLDERS
14 OF ALL OF THE OUTSTANDING COMMON SHARES.

15 (3) A BUSINESS COMBINATION APPROVED BY THE AFFIRMATIVE
16 VOTE OF THE HOLDERS OF SHARES ENTITLING THE HOLDERS TO CAST A
17 MAJORITY OF THE VOTES THAT ALL SHAREHOLDERS WOULD BE ENTITLED
18 TO CAST IN AN ELECTION OF DIRECTORS OF THE BUSINESS
19 CORPORATION, NOT INCLUDING ANY VOTING SHARES BENEFICIALLY
20 OWNED BY THE INTERESTED SHAREHOLDER OR ANY AFFILIATE OR
21 ASSOCIATE OF THE INTERESTED SHAREHOLDER, AT A MEETING CALLED
22 FOR THE PURPOSE NO EARLIER THAN FIVE YEARS AFTER THE
23 INTERESTED SHAREHOLDER'S SHARE ACQUISITION DATE.

24 (4) A BUSINESS COMBINATION APPROVED AT A SHAREHOLDERS'
25 MEETING CALLED FOR SUCH PURPOSE NO EARLIER THAN FIVE YEARS
26 AFTER THE INTERESTED SHAREHOLDER'S SHARE ACQUISITION DATE
27 THAT MEETS ALL OF THE FOLLOWING CONDITIONS:

28 (I) THE AGGREGATE AMOUNT OF THE CASH AND THE MARKET
29 VALUE AS OF THE CONSUMMATION DATE OF CONSIDERATION OTHER
30 THAN CASH TO BE RECEIVED PER SHARE BY HOLDERS OF

1 OUTSTANDING COMMON SHARES OF THE BUSINESS CORPORATION IN
2 THE BUSINESS COMBINATION IS AT LEAST EQUAL TO THE HIGHER
3 OF THE FOLLOWING:

4 (A) THE HIGHEST PER-SHARE PRICE PAID BY THE
5 INTERESTED SHAREHOLDER AT A TIME WHEN HE WAS THE
6 BENEFICIAL OWNER, DIRECTLY OR INDIRECTLY, OF SHARES
7 ENTITLING THAT PERSON TO CAST AT LEAST 5% OF THE
8 VOTES THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST
9 IN AN ELECTION OF DIRECTORS OF THE BUSINESS
10 CORPORATION, FOR ANY COMMON SHARES OF THE SAME CLASS
11 OR SERIES ACQUIRED BY IT WITHIN THE FIVE-YEAR PERIOD
12 IMMEDIATELY PRIOR TO THE ANNOUNCEMENT DATE WITH
13 RESPECT TO THE BUSINESS COMBINATION, OR WITHIN THE
14 FIVE-YEAR PERIOD IMMEDIATELY PRIOR TO, OR IN, THE
15 TRANSACTION IN WHICH THE INTERESTED SHAREHOLDER
16 BECAME AN INTERESTED SHAREHOLDER, WHICHEVER IS
17 HIGHER; PLUS, IN EITHER CASE, INTEREST COMPOUNDED
18 ANNUALLY FROM THE EARLIEST DATE ON WHICH THE HIGHEST
19 PER SHARE ACQUISITION PRICE WAS PAID THROUGH THE
20 CONSUMMATION DATE AT THE RATE FOR ONE-YEAR UNITED
21 STATES TREASURY OBLIGATIONS FROM TIME TO TIME IN
22 EFFECT; LESS THE AGGREGATE AMOUNT OF ANY CASH
23 DIVIDENDS PAID, AND THE MARKET VALUE OF ANY DIVIDENDS
24 PAID OTHER THAN IN CASH, PER COMMON SHARE SINCE THE
25 EARLIEST DATE, UP TO THE AMOUNT OF SUCH INTEREST; AND

26 (B) THE MARKET VALUE PER COMMON SHARE ON THE
27 ANNOUNCEMENT DATE WITH RESPECT TO THE BUSINESS
28 COMBINATION OR ON THE INTERESTED SHAREHOLDER'S SHARE
29 ACQUISITION DATE, WHICHEVER IS HIGHER; PLUS INTEREST
30 COMPOUNDED ANNUALLY FROM THE DATE THROUGH THE

1 CONSUMMATION DATE AT THE RATE FOR ONE-YEAR UNITED
2 STATES TREASURY OBLIGATIONS FROM TIME TO TIME IN
3 EFFECT; LESS THE AGGREGATE AMOUNT OF ANY CASH
4 DIVIDENDS PAID, AND THE MARKET VALUE OF ANY DIVIDENDS
5 PAID OTHER THAN IN CASH, PER COMMON SHARE SINCE THE
6 DATE, UP TO THE AMOUNT OF SUCH INTEREST.

7 (II) THE AGGREGATE AMOUNT OF THE CASH AND THE MARKET
8 VALUE AS OF THE CONSUMMATION DATE OF CONSIDERATION OTHER
9 THAN CASH TO BE RECEIVED PER SHARE BY HOLDERS OF
10 OUTSTANDING SHARES OF ANY CLASS OR SERIES OF SHARES,
11 OTHER THAN COMMON SHARES, OF THE BUSINESS CORPORATION IS
12 AT LEAST EQUAL TO THE HIGHEST OF THE FOLLOWING (WHETHER
13 OR NOT THE INTERESTED SHAREHOLDER HAS PREVIOUSLY ACQUIRED
14 ANY SHARES OF SUCH CLASS OR SERIES OF SHARES):

15 (A) THE HIGHEST PER-SHARE PRICE PAID BY THE
16 INTERESTED SHAREHOLDER AT A TIME WHEN HE WAS THE
17 BENEFICIAL OWNER, DIRECTLY OR INDIRECTLY, OF SHARES
18 ENTITLING THE PERSON TO CAST AT LEAST 5% OF THE VOTES
19 THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN
20 ELECTION OF DIRECTORS OF THE BUSINESS CORPORATION,
21 FOR ANY SHARES OF SUCH CLASS OR SERIES OF SHARES
22 ACQUIRED BY IT WITHIN THE FIVE-YEAR PERIOD
23 IMMEDIATELY PRIOR TO THE ANNOUNCEMENT DATE WITH
24 RESPECT TO THE BUSINESS COMBINATION, OR WITHIN THE
25 FIVE-YEAR PERIOD IMMEDIATELY PRIOR TO, OR IN, THE
26 TRANSACTION IN WHICH THE INTERESTED SHAREHOLDER
27 BECAME AN INTERESTED SHAREHOLDER, WHICHEVER IS
28 HIGHER; PLUS, IN EITHER CASE, INTEREST COMPOUNDED
29 ANNUALLY FROM THE EARLIEST DATE ON WHICH THE HIGHEST
30 PER SHARE ACQUISITION PRICE WAS PAID THROUGH THE

1 CONSUMMATION DATE AT THE RATE FOR ONE-YEAR UNITED
2 STATES TREASURY OBLIGATIONS FROM TIME TO TIME IN
3 EFFECT; LESS THE AGGREGATE AMOUNT OF ANY CASH
4 DIVIDENDS PAID, AND THE MARKET VALUE OF ANY DIVIDENDS
5 PAID OTHER THAN IN CASH, PER SHARE OF SUCH CLASS OR
6 SERIES OF SHARES SINCE THE EARLIEST DATE, UP TO THE
7 AMOUNT OF SUCH INTEREST;

8 (B) THE HIGHEST PREFERENTIAL AMOUNT PER SHARE TO
9 WHICH THE HOLDERS OF SHARES OF SUCH CLASS OR SERIES
10 OF SHARES ARE ENTITLED IN THE EVENT OF ANY VOLUNTARY
11 LIQUIDATION, DISSOLUTION OR WINDING UP OF THE
12 BUSINESS CORPORATION, PLUS THE AGGREGATE AMOUNT OF
13 ANY DIVIDENDS DECLARED OR DUE AS TO WHICH THE HOLDERS
14 ARE ENTITLED PRIOR TO PAYMENT OF DIVIDENDS ON SOME
15 OTHER CLASS OR SERIES OF SHARES (UNLESS THE AGGREGATE
16 AMOUNT OF THE DIVIDENDS IS INCLUDED IN SUCH
17 PREFERENTIAL AMOUNT); AND

18 (C) THE MARKET VALUE PER SHARE OF SUCH CLASS OR
19 SERIES OF SHARES ON THE ANNOUNCEMENT DATE WITH
20 RESPECT TO THE BUSINESS COMBINATION OR ON THE
21 INTERESTED SHAREHOLDER'S SHARE ACQUISITION DATE,
22 WHICHEVER IS HIGHER; PLUS INTEREST COMPOUNDED
23 ANNUALLY FROM SUCH DATE THROUGH THE CONSUMMATION DATE
24 AT THE RATE FOR ONE-YEAR UNITED STATES TREASURY
25 OBLIGATIONS FROM TIME TO TIME IN EFFECT; LESS THE
26 AGGREGATE AMOUNT OF ANY CASH DIVIDENDS PAID AND THE
27 MARKET VALUE OF ANY DIVIDENDS PAID OTHER THAN IN
28 CASH, PER SHARE OF THE CLASS OR SERIES OF SHARES
29 SINCE SUCH DATE, UP TO THE AMOUNT OF SUCH INTEREST.

30 (III) THE CONSIDERATION TO BE RECEIVED BY HOLDERS OF

1 A PARTICULAR CLASS OR SERIES OF OUTSTANDING SHARES
2 (INCLUDING COMMON SHARES) OF THE BUSINESS CORPORATION IN
3 THE BUSINESS COMBINATION IS IN CASH OR IN THE SAME FORM
4 AS THE INTERESTED SHAREHOLDER HAS USED TO ACQUIRE THE
5 LARGEST NUMBER OF SHARES OF THE CLASS OR SERIES OF SHARES
6 PREVIOUSLY ACQUIRED BY IT, AND THE CONSIDERATION SHALL BE
7 DISTRIBUTED PROMPTLY.

8 (IV) THE HOLDERS OF ALL OUTSTANDING SHARES OF THE
9 BUSINESS CORPORATION NOT BENEFICIALLY OWNED BY THE
10 INTERESTED SHAREHOLDER IMMEDIATELY PRIOR TO THE
11 CONSUMMATION OF THE BUSINESS COMBINATION ARE ENTITLED TO
12 RECEIVE IN THE BUSINESS COMBINATION CASH OR OTHER
13 CONSIDERATION FOR THE SHARES IN COMPLIANCE WITH
14 SUBPARAGRAPHS (I), (II) AND (III).

15 (V) AFTER THE INTERESTED SHAREHOLDER'S SHARE
16 ACQUISITION DATE AND PRIOR TO THE CONSUMMATION DATE WITH
17 RESPECT TO THE BUSINESS COMBINATION, THE INTERESTED
18 SHAREHOLDER HAS NOT BECOME THE BENEFICIAL OWNER OF ANY
19 ADDITIONAL VOTING SHARES OF THE BUSINESS CORPORATION
20 EXCEPT:

21 (A) AS PART OF THE TRANSACTION WHICH RESULTED IN
22 THE INTERESTED SHAREHOLDER BECOMING AN INTERESTED
23 SHAREHOLDER;

24 (B) BY VIRTUE OF PROPORTIONATE SPLITS OF SHARES,
25 SHARE DIVIDENDS OR OTHER DISTRIBUTIONS OF SHARES IN
26 RESPECT OF SHARES NOT CONSTITUTING A BUSINESS
27 COMBINATION UNDER PARAGRAPH (5) OF THE DEFINITION OF
28 "BUSINESS COMBINATION";

29 (C) THROUGH A BUSINESS COMBINATION MEETING ALL
30 OF THE CONDITIONS OF PARAGRAPH (1), (2), (3) OR (4);

1 (D) THROUGH PURCHASE BY THE INTERESTED
2 SHAREHOLDER AT ANY PRICE WHICH, IF SUCH PRICE HAD
3 BEEN PAID IN AN OTHERWISE PERMISSIBLE BUSINESS
4 COMBINATION THE ANNOUNCEMENT DATE AND CONSUMMATION
5 DATE OF WHICH WERE THE DATE OF SUCH PURCHASE, WOULD
6 HAVE SATISFIED THE REQUIREMENTS OF SUBPARAGRAPHS (I),
7 (II) AND (III); OR

8 (E) THROUGH PURCHASE REQUIRED BY AND PURSUANT TO
9 THE PROVISIONS OF, AND AT NO LESS THAN THE FAIR VALUE
10 (INCLUDING INTEREST TO THE DATE OF PAYMENT) AS
11 DETERMINED BY A COURT-APPOINTED APPRAISER UNDER
12 SECTION 1933(F) (RELATING TO RIGHT OF SHAREHOLDERS TO
13 RECEIVE PAYMENT FOR SHARES FOLLOWING A CONTROL
14 TRANSACTION) OR, IF THE FAIR VALUE WAS NOT THEN
15 DETERMINED, THEN AT A PRICE THAT WOULD SATISFY THE
16 CONDITIONS IN CLAUSE (D).

17 (B) EXCEPTIONS.--THE PROVISIONS OF THIS SECTION SHALL NOT
18 APPLY TO THE FOLLOWING:

19 (1) ANY BUSINESS COMBINATION OF A BUSINESS CORPORATION
20 THAT DOES NOT HAVE A CLASS OF VOTING SHARES REGISTERED UNDER
21 THE EXCHANGE ACT.

22 (2) ANY BUSINESS COMBINATION OF A BUSINESS CORPORATION
23 WHOSE ARTICLES HAVE BEEN AMENDED TO PROVIDE THAT THE BUSINESS
24 CORPORATION SHALL BE SUBJECT TO THE PROVISIONS OF THIS
25 SECTION, WHICH DID NOT HAVE A CLASS OF VOTING SHARES
26 REGISTERED UNDER THE EXCHANGE ACT ON THE EFFECTIVE DATE OF
27 THE AMENDMENT, AND WHICH IS A BUSINESS COMBINATION WITH AN
28 INTERESTED SHAREHOLDER WHOSE SHARE ACQUISITION DATE IS PRIOR
29 TO THE EFFECTIVE DATE OF THE AMENDMENT.

30 (3) ANY BUSINESS COMBINATION OF A BUSINESS CORPORATION

1 IF:

2 (I) THE BYLAWS OF THE BUSINESS CORPORATION, BY
3 AMENDMENT ADOPTED WITHIN 90 DAYS OF THE EFFECTIVE DATE OF
4 THIS TITLE, AND NOT SUBSEQUENTLY RESCINDED EITHER BY AN
5 ARTICLE AMENDMENT OR BY A BYLAW AMENDMENT APPROVED BY AT
6 LEAST 85% OF THE WHOLE BOARD OF DIRECTORS, EXPLICITLY
7 PROVIDE THAT THIS SECTION SHALL NOT BE APPLICABLE TO THE
8 CORPORATION; OR

9 (II) THE ARTICLES OF THE BUSINESS CORPORATION
10 EXPLICITLY PROVIDE THAT THIS SECTION SHALL NOT BE
11 APPLICABLE TO THE CORPORATION BY A PROVISION INCLUDED IN
12 THE ORIGINAL ARTICLES, OR BY AN ARTICLE AMENDMENT ADOPTED
13 PURSUANT TO BOTH THE PROCEDURES THEN APPLICABLE TO THE
14 CORPORATION AND THE AFFIRMATIVE VOTE OF THE HOLDERS,
15 OTHER THAN INTERESTED SHAREHOLDERS AND THEIR AFFILIATES
16 AND ASSOCIATES, OF SHARES ENTITLING THE HOLDERS TO CAST A
17 MAJORITY OF THE VOTES THAT ALL SHAREHOLDERS WOULD BE
18 ENTITLED TO CAST IN AN ELECTION OF DIRECTORS OF THE
19 BUSINESS CORPORATION, EXCLUDING THE VOTING SHARES OF
20 INTERESTED SHAREHOLDERS AND THEIR AFFILIATES AND
21 ASSOCIATES, EXPRESSLY ELECTING NOT TO BE GOVERNED BY THIS
22 SECTION, PROVIDED THAT THE AMENDMENT TO THE ARTICLES
23 SHALL NOT BE EFFECTIVE UNTIL 18 MONTHS AFTER SUCH VOTE OF
24 THE BUSINESS CORPORATION'S SHAREHOLDERS AND SHALL NOT
25 APPLY TO ANY BUSINESS COMBINATION OF SUCH BUSINESS
26 CORPORATION WITH AN INTERESTED SHAREHOLDER WHOSE SHARE
27 ACQUISITION DATE IS ON OR PRIOR TO THE EFFECTIVE DATE OF
28 THE AMENDMENT.

29 (4) ANY BUSINESS COMBINATION OF A BUSINESS CORPORATION
30 WITH AN INTERESTED SHAREHOLDER OF THE BUSINESS CORPORATION

1 WHICH BECAME AN INTERESTED SHAREHOLDER INADVERTENTLY, IF THE
2 INTERESTED SHAREHOLDER, AS SOON AS PRACTICABLE, DIVESTS
3 ITSELF OF A SUFFICIENT AMOUNT OF THE VOTING SHARES OF THE
4 BUSINESS CORPORATION SO THAT IT NO LONGER IS THE BENEFICIAL
5 OWNER, DIRECTLY OR INDIRECTLY, OF SHARES ENTITLING SUCH
6 PERSON TO CAST AT LEAST 20% OF THE VOTES THAT ALL
7 SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN ELECTION OF
8 DIRECTORS OF THE BUSINESS CORPORATION, AND WOULD NOT AT ANY
9 TIME WITHIN THE FIVE-YEAR PERIOD PRECEDING THE ANNOUNCEMENT
10 DATE WITH RESPECT TO THE BUSINESS COMBINATION HAVE BEEN AN
11 INTERESTED SHAREHOLDER BUT FOR THE INADVERTENT ACQUISITION.

12 (5) ANY BUSINESS COMBINATION WITH AN INTERESTED
13 SHAREHOLDER WHO WAS THE BENEFICIAL OWNER, DIRECTLY OR
14 INDIRECTLY, OF SHARES ENTITLING SUCH PERSON TO CAST AT LEAST
15 15% OF THE VOTES THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO
16 CAST IN AN ELECTION OF DIRECTORS OF THE BUSINESS CORPORATION
17 ON THE EFFECTIVE DATE OF THIS TITLE AND REMAIN SO TO THE
18 INTERESTED SHAREHOLDER'S SHARE ACQUISITION DATE.

19 (6) ANY BUSINESS CORPORATION THAT ON THE EFFECTIVE DATE
20 OF THIS TITLE IS A SUBSIDIARY OF ANY OTHER CORPORATION,
21 PROVIDED THAT A CORPORATION THAT IS A SUBSIDIARY ON THE
22 EFFECTIVE DATE OF THIS TITLE WILL NOT BE DEEMED TO CEASE
23 BEING A SUBSIDIARY SO LONG AS THE OTHER CORPORATION REMAINS A
24 CONTROLLING PERSON OR GROUP OF SUCH SUBSIDIARY WITHIN THE
25 MEANING OF SECTION 1933(B).

26 (C) OTHER RIGHTS RESERVED.--THE RIGHTS AND REMEDIES PROVIDED
27 IN THIS SECTION SHALL BE IN ADDITION TO, AND NOT IN LIEU OF, ANY
28 OTHER RIGHTS OR REMEDIES PROVIDED BY THIS TITLE, THE ARTICLES OF
29 THE CORPORATION, THE BYLAWS OF THE CORPORATION, ANY SECURITIES,
30 OPTION RIGHTS OR OBLIGATIONS OF THE CORPORATION OR OTHERWISE.

1 (D) DEFINITIONS.--AS USED IN THIS SECTION, THE FOLLOWING
2 WORDS AND PHRASES SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS
3 SUBSECTION:

4 "AFFILIATE." A PERSON THAT DIRECTLY, OR INDIRECTLY THROUGH
5 ONE OR MORE INTERMEDIARIES, CONTROLS, OR IS CONTROLLED BY, OR IS
6 UNDER COMMON CONTROL WITH, A SPECIFIED PERSON.

7 "ANNOUNCEMENT DATE." WHEN USED IN REFERENCE TO ANY BUSINESS
8 COMBINATION, THE DATE OF THE FIRST PUBLIC ANNOUNCEMENT OF THE
9 FINAL, DEFINITIVE PROPOSAL FOR THE BUSINESS COMBINATION.

10 "ASSOCIATE." WHEN USED TO INDICATE A RELATIONSHIP WITH ANY
11 PERSON:

12 (1) ANY CORPORATION OR ORGANIZATION OF WHICH THE PERSON
13 IS AN OFFICER, DIRECTOR OR PARTNER OR IS, DIRECTLY OR
14 INDIRECTLY, THE BENEFICIAL OWNER OF SHARES ENTITLING THAT
15 PERSON TO CAST AT LEAST 10% OF THE VOTES THAT ALL
16 SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN ELECTION OF
17 DIRECTORS OF THE CORPORATION OR ORGANIZATION.

18 (2) ANY TRUST OR OTHER ESTATE IN WHICH THE PERSON HAS A
19 SUBSTANTIAL BENEFICIAL INTEREST OR AS TO WHICH THE PERSON
20 SERVES AS TRUSTEE OR IN A SIMILAR FIDUCIARY CAPACITY.

21 (3) ANY RELATIVE OR SPOUSE OF THE PERSON, OR ANY
22 RELATIVE OF THE SPOUSE, WHO HAS THE SAME HOME AS THE PERSON.

23 "BENEFICIAL OWNER." WHEN USED WITH RESPECT TO ANY SHARES, A
24 PERSON:

25 (1) WHO, INDIVIDUALLY OR WITH OR THROUGH ANY OF HIS
26 AFFILIATES OR ASSOCIATES, BENEFICIALLY OWNS THE SHARES,
27 DIRECTLY OR INDIRECTLY.

28 (2) WHO, INDIVIDUALLY OR WITH OR THROUGH ANY OF HIS
29 AFFILIATES OR ASSOCIATES, HAS THE RIGHT:

30 (I) TO ACQUIRE THE SHARES (WHETHER THE RIGHT IS

1 EXERCISABLE IMMEDIATELY OR ONLY AFTER THE PASSAGE OF
2 TIME), PURSUANT TO ANY AGREEMENT, ARRANGEMENT OR
3 UNDERSTANDING (WHETHER OR NOT IN WRITING), OR UPON THE
4 EXERCISE OF CONVERSION RIGHTS, EXCHANGE RIGHTS, WARRANTS
5 OR OPTIONS, OR OTHERWISE. A PERSON SHALL NOT BE DEEMED
6 THE BENEFICIAL OWNER OF SHARES TENDERED PURSUANT TO A
7 TENDER OR EXCHANGE OFFER MADE BY THE PERSON OR ANY OF THE
8 PERSON'S AFFILIATES OR ASSOCIATES UNTIL THE TENDERED
9 SHARES ARE ACCEPTED FOR PURCHASE OR EXCHANGE.

10 (II) TO VOTE THE SHARES PURSUANT TO ANY AGREEMENT,
11 ARRANGEMENT OR UNDERSTANDING (WHETHER OR NOT IN WRITING).
12 A PERSON SHALL NOT BE DEEMED THE BENEFICIAL OWNER OF ANY
13 SHARES IF THE AGREEMENT, ARRANGEMENT OR UNDERSTANDING TO
14 VOTE SUCH SHARES ARISES SOLELY FROM A REVOCABLE PROXY OR
15 CONSENT GIVEN IN RESPONSE TO A PROXY OR CONSENT
16 SOLICITATION MADE IN ACCORDANCE WITH THE APPLICABLE RULES
17 AND REGULATIONS UNDER THE EXCHANGE ACT AND IS NOT THEN
18 REPORTABLE ON A SCHEDULE 13D UNDER THE EXCHANGE ACT (OR
19 ANY COMPARABLE OR SUCCESSOR REPORT).

20 (3) WHO HAS ANY AGREEMENT, ARRANGEMENT OR UNDERSTANDING
21 (WHETHER OR NOT IN WRITING), FOR THE PURPOSE OF ACQUIRING,
22 HOLDING, VOTING (EXCEPT VOTING PURSUANT TO A REVOCABLE PROXY
23 OR CONSENT AS DESCRIBED IN PARAGRAPH (2)(II)), OR DISPOSING OF
24 SUCH SHARES WITH ANY OTHER PERSON THAT BENEFICIALLY OWNS, OR
25 WHOSE AFFILIATES OR ASSOCIATES BENEFICIALLY OWN, DIRECTLY OR
26 INDIRECTLY, SUCH SHARES.

27 "BUSINESS COMBINATION." WHEN USED IN REFERENCE TO ANY
28 BUSINESS CORPORATION AND ANY INTERESTED SHAREHOLDER OF THE
29 BUSINESS CORPORATION:

30 (1) ANY MERGER OR CONSOLIDATION OF THE BUSINESS

1 CORPORATION OR ANY SUBSIDIARY OF THE BUSINESS CORPORATION
2 WITH THE INTERESTED SHAREHOLDER OR ANY OTHER CORPORATION
3 (WHETHER OR NOT ITSELF AN INTERESTED SHAREHOLDER OF THE
4 BUSINESS CORPORATION) WHICH IS, OR AFTER THE MERGER OR
5 CONSOLIDATION WOULD BE, AN AFFILIATE OR ASSOCIATE OF THE
6 INTERESTED SHAREHOLDER.

7 (2) ANY SALE, LEASE, EXCHANGE, MORTGAGE, PLEDGE,
8 TRANSFER OR OTHER DISPOSITION (IN ONE TRANSACTION OR A SERIES
9 OF TRANSACTIONS) TO OR WITH THE INTERESTED SHAREHOLDER OR ANY
10 AFFILIATE OR ASSOCIATE OF THE INTERESTED SHAREHOLDER OF
11 ASSETS OF THE BUSINESS CORPORATION OR ANY SUBSIDIARY OF THE
12 BUSINESS CORPORATION HAVING AN AGGREGATE MARKET VALUE EQUAL
13 TO 10% OR MORE OF THE AGGREGATE MARKET VALUE OF ALL THE
14 ASSETS, DETERMINED ON A CONSOLIDATED BASIS, OF THE BUSINESS
15 CORPORATION, HAVING AN AGGREGATE MARKET VALUE EQUAL TO THE OR
16 MORE OF THE AGGREGATE MARKET VALUE OF ALL THE OUTSTANDING
17 SHARES OF THE BUSINESS CORPORATION, OR REPRESENTING 10% OR
18 MORE OF THE EARNING POWER OR NET INCOME, DETERMINED ON A
19 CONSOLIDATED BASIS, OF THE BUSINESS CORPORATION.

20 (3) THE ISSUANCE OR TRANSFER BY THE BUSINESS CORPORATION
21 OR ANY SUBSIDIARY OF THE BUSINESS CORPORATION (IN ONE
22 TRANSACTION OR A SERIES OF TRANSACTIONS) OF ANY SHARES OF THE
23 BUSINESS CORPORATION OR ANY SUBSIDIARY OF THE BUSINESS
24 CORPORATION WHICH HAS AN AGGREGATE MARKET VALUE EQUAL TO 5%
25 OR MORE OF THE AGGREGATE MARKET VALUE OF ALL THE OUTSTANDING
26 SHARES OF THE BUSINESS CORPORATION TO THE INTERESTED
27 SHAREHOLDER OR ANY AFFILIATE OR ASSOCIATE OF THE INTERESTED
28 SHAREHOLDER EXCEPT PURSUANT TO THE EXERCISE OF OPTION RIGHTS
29 TO PURCHASE SHARES, OR PURSUANT TO THE CONVERSION OF
30 SECURITIES HAVING CONVERSION RIGHTS, OFFERED, OR A DIVIDEND

1 OR DISTRIBUTION PAID OR MADE, PRO RATA TO ALL SHAREHOLDERS OF
2 THE BUSINESS CORPORATION.

3 (4) THE ADOPTION OF ANY PLAN OR PROPOSAL FOR THE
4 LIQUIDATION OR DISSOLUTION OF THE BUSINESS CORPORATION
5 PROPOSED BY, OR PURSUANT TO ANY AGREEMENT, ARRANGEMENT OR
6 UNDERSTANDING (WHETHER OR NOT IN WRITING) WITH, THE
7 INTERESTED SHAREHOLDER OR ANY AFFILIATE OR ASSOCIATE OF THE
8 INTERESTED SHAREHOLDER;

9 (5) ANY RECLASSIFICATION OF SECURITIES (INCLUDING,
10 WITHOUT LIMITATION, ANY SPLIT OF SHARES, DIVIDEND OF SHARES,
11 OR OTHER DISTRIBUTION OF SHARES IN RESPECT OF SHARES, OR ANY
12 REVERSE SPLIT OF SHARES), OR RECAPITALIZATION OF THE BUSINESS
13 CORPORATION, OR ANY MERGER OR CONSOLIDATION OF THE BUSINESS
14 CORPORATION WITH ANY SUBSIDIARY OF THE BUSINESS CORPORATION,
15 OR ANY OTHER TRANSACTION (WHETHER OR NOT WITH OR INTO OR
16 OTHERWISE INVOLVING THE INTERESTED SHAREHOLDER), PROPOSED BY,
17 OR PURSUANT TO ANY AGREEMENT, ARRANGEMENT OR UNDERSTANDING
18 (WHETHER OR NOT IN WRITING) WITH, THE INTERESTED SHAREHOLDER
19 OR ANY AFFILIATE OR ASSOCIATE OF THE INTERESTED SHAREHOLDER,
20 WHICH HAS THE EFFECT, DIRECTLY OR INDIRECTLY, OF INCREASING
21 THE PROPORTIONATE SHARE OF THE OUTSTANDING SHARES OF ANY
22 CLASS OR SERIES OF VOTING SHARES OR SECURITIES CONVERTIBLE
23 INTO VOTING SHARES OF THE BUSINESS CORPORATION OR ANY
24 SUBSIDIARY OF THE BUSINESS CORPORATION WHICH IS, DIRECTLY OR
25 INDIRECTLY, OWNED BY THE INTERESTED SHAREHOLDER OR ANY
26 AFFILIATE OR ASSOCIATE OF THE INTERESTED SHAREHOLDER, EXCEPT
27 AS A RESULT OF IMMATERIAL CHANGES DUE TO FRACTIONAL SHARE
28 ADJUSTMENTS.

29 (6) ANY RECEIPT BY THE INTERESTED SHAREHOLDER OR ANY
30 AFFILIATE OR ASSOCIATE OF THE INTERESTED SHAREHOLDER OF THE

1 BENEFIT, DIRECTLY OR INDIRECTLY (EXCEPT PROPORTIONATELY AS A
2 SHAREHOLDER OF THE BUSINESS CORPORATION) OF ANY LOANS,
3 ADVANCES, GUARANTEES, PLEDGES OR OTHER FINANCIAL ASSISTANCE
4 OR ANY TAX CREDITS OR OTHER TAX ADVANTAGES PROVIDED BY OR
5 THROUGH THE BUSINESS CORPORATION.

6 "BUSINESS CORPORATION." A CORPORATION FOR PROFIT
7 INCORPORATED OR DOMESTICATED UNDER THIS TITLE, OR HERETOFORE OR
8 HEREAFTER INCORPORATED OR DOMESTICATED IN THIS COMMONWEALTH. NO
9 BUSINESS CORPORATION WHICH IS ORGANIZED UNDER THE LAWS OF THIS
10 COMMONWEALTH SHALL CEASE TO BE A BUSINESS CORPORATION BY REASON
11 OF EVENTS OCCURRING OR ACTIONS TAKEN WHILE THE BUSINESS
12 CORPORATION IS SUBJECT TO THE PROVISIONS OF THIS SECTION.

13 "COMMON SHARES." ANY SHARES OTHER THAN PREFERRED SHARES.

14 "CONSUMMATION DATE." WITH RESPECT TO ANY BUSINESS
15 COMBINATION, THE DATE OF CONSUMMATION OF THE BUSINESS
16 COMBINATION, OR, IN THE CASE OF A BUSINESS COMBINATION AS TO
17 WHICH A SHAREHOLDER VOTE IS TAKEN, THE LATER OF THE BUSINESS DAY
18 PRIOR TO THE VOTE OR 20 DAYS PRIOR TO THE DATE OF CONSUMMATION
19 OF THE BUSINESS COMBINATION.

20 "CONTROL," "CONTROLLING," "CONTROLLED BY," AND "UNDER COMMON
21 CONTROL WITH." THE POSSESSION, DIRECTLY OR INDIRECTLY, OF THE
22 POWER TO DIRECT OR CAUSE THE DIRECTION OF THE MANAGEMENT AND
23 POLICIES OF A PERSON, WHETHER THROUGH THE OWNERSHIP OF VOTING
24 SHARES, BY CONTRACT, OR OTHERWISE. A PERSON'S BENEFICIAL
25 OWNERSHIP OF SHARES ENTITLING THAT PERSON TO CAST AT LEAST 10%
26 OF THE VOTES THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN
27 AN ELECTION OF DIRECTORS OF THE CORPORATION SHALL CREATE A
28 PRESUMPTION THAT THE PERSON HAS CONTROL OF SUCH CORPORATION.
29 NOTWITHSTANDING THE FOREGOING, A PERSON SHALL NOT BE DEEMED TO
30 HAVE CONTROL OF A CORPORATION IF THE PERSON HOLDS VOTING SHARES,

1 IN GOOD FAITH AND NOT FOR THE PURPOSE OF CIRCUMVENTING THIS
2 SECTION, AS AN AGENT, BANK, BROKER, NOMINEE, CUSTODIAN OR
3 TRUSTEE FOR ONE OR MORE BENEFICIAL OWNERS WHO DO NOT
4 INDIVIDUALLY OR AS A GROUP HAVE CONTROL OF SUCH CORPORATION.

5 "EXCHANGE ACT." THE SECURITIES EXCHANGE ACT OF 1934 (48
6 STAT. 881, 15 U.S.C. § 78A ET SEQ.), AS THE ACT HAS BEEN OR
7 HEREAFTER MAY BE AMENDED FROM TIME TO TIME.

8 "INTERESTED SHAREHOLDER."

9 (1) WHEN USED IN REFERENCE TO ANY BUSINESS CORPORATION,
10 ANY PERSON (OTHER THAN THE BUSINESS CORPORATION OR ANY
11 SUBSIDIARY OF THE BUSINESS CORPORATION) WHO:

12 (I) IS THE BENEFICIAL OWNER, DIRECTLY OR INDIRECTLY,
13 OF SHARES ENTITLING THAT PERSON TO CAST AT LEAST 20% OF
14 THE VOTES THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST
15 IN AN ELECTION OF DIRECTORS OF THE CORPORATION; OR

16 (II) IS AN AFFILIATE OR ASSOCIATE OF THE BUSINESS
17 CORPORATION AND AT ANY TIME WITHIN THE FIVE-YEAR PERIOD
18 IMMEDIATELY PRIOR TO THE DATE IN QUESTION WAS THE
19 BENEFICIAL OWNER, DIRECTLY OR INDIRECTLY, OF SHARES
20 ENTITLING THAT PERSON TO CAST AT LEAST 20% OF THE VOTES
21 THAT ALL SHAREHOLDERS WOULD BE ENTITLED TO CAST IN AN
22 ELECTION OF DIRECTORS OF THE CORPORATION.

23 (2) FOR THE PURPOSE OF DETERMINING WHETHER A PERSON IS
24 AN INTERESTED SHAREHOLDER, THE NUMBER OF VOTES THAT WOULD BE
25 ENTITLED TO BE CAST IN AN ELECTION OF DIRECTORS OF THE
26 BUSINESS CORPORATION SHALL BE CALCULATED BY INCLUDING SHARES
27 DEEMED TO BE BENEFICIALLY OWNED BY THE PERSON THROUGH
28 APPLICATION OF THE DEFINITION OF "BENEFICIAL OWNER," BUT
29 EXCLUDING ANY OTHER UNISSUED SHARES OF THE BUSINESS
30 CORPORATION WHICH MAY BE ISSUABLE PURSUANT TO ANY AGREEMENT,

1 ARRANGEMENT OR UNDERSTANDING, OR UPON EXERCISE OF CONVERSION
2 OR OPTION RIGHTS, OR OTHERWISE, AND THERE SHALL BE EXCLUDED
3 FROM THE BENEFICIAL OWNERSHIP OF THE INTERESTED SHAREHOLDER
4 ANY:

5 (I) SHARES WHICH HAVE BEEN HELD CONTINUOUSLY BY A
6 NATURAL PERSON SINCE JANUARY 1, 1983, AND WHICH ARE THEN
7 HELD BY SUCH NATURAL PERSON; OR

8 (II) SHARES WHICH ARE THEN HELD BY ANY NATURAL
9 PERSON OR TRUST, ESTATE, FOUNDATION OR OTHER SIMILAR
10 ENTITY TO THE EXTENT SUCH SHARES WERE ACQUIRED SOLELY BY
11 GIFT, INHERITANCE, BEQUEST, DEVISE OR OTHER TESTAMENTARY
12 DISTRIBUTION OR SERIES OF SUCH TRANSACTIONS, DIRECTLY OR
13 INDIRECTLY, FROM A NATURAL PERSON WHO HAD ACQUIRED THE
14 SHARES PRIOR TO JANUARY 1, 1983; OR

15 (III) SHARES WHICH WERE ACQUIRED PURSUANT TO A STOCK
16 SPLIT, STOCK DIVIDEND, RECLASSIFICATION OR SIMILAR
17 RECAPITALIZATION WITH RESPECT TO SHARES DESCRIBED UNDER
18 PARAGRAPH (1)(II) THAT HAVE BEEN HELD CONTINUOUSLY SINCE
19 THEIR ISSUANCE BY THE CORPORATION BY THE NATURAL PERSON
20 OR ENTITY THAT ACQUIRED THEM FROM THE CORPORATION, OR
21 THAT WERE ACQUIRED, DIRECTLY OR INDIRECTLY, FROM THE
22 NATURAL PERSON OR ENTITY, SOLELY PURSUANT TO A
23 TRANSACTION OR SERIES OF TRANSACTIONS DESCRIBED IN
24 SUBPARAGRAPH (II), AND THAT ARE THEN HELD BY A NATURAL
25 PERSON OR ENTITY DESCRIBED IN SUBPARAGRAPH (II).

26 "MARKET VALUE." WHEN USED IN REFERENCE TO SHARES OR PROPERTY
27 OF ANY BUSINESS CORPORATION:

28 (1) IN THE CASE OF SHARES, THE HIGHEST CLOSING SALE
29 PRICE DURING THE 30-DAY PERIOD IMMEDIATELY PRECEDING THE DATE
30 IN QUESTION OF SUCH A SHARE ON THE COMPOSITE TAPE FOR NEW

1 YORK STOCK EXCHANGE-LISTED SHARES, OR, IF THE SHARES ARE NOT
2 QUOTED ON SUCH COMPOSITE TAPE OR IF THE SHARES ARE NOT LISTED
3 ON SUCH EXCHANGE, ON THE PRINCIPAL UNITED STATES SECURITIES
4 EXCHANGE REGISTERED UNDER THE EXCHANGE ACT ON WHICH THE
5 SHARES ARE LISTED, OR, IF THE SHARES ARE NOT LISTED ON ANY
6 SUCH EXCHANGE, THE HIGHEST CLOSING BID QUOTATION WITH RESPECT
7 TO THE SHARE DURING THE 30-DAY PERIOD PRECEDING THE DATE IN
8 QUESTION ON THE NATIONAL ASSOCIATION OF SECURITIES DEALERS,
9 INCORPORATED, AUTOMATED QUOTATIONS SYSTEM OR ANY SYSTEM THEN
10 IN USE, OR IF NO SUCH QUOTATIONS ARE AVAILABLE, THE FAIR
11 MARKET VALUE ON THE DATE IN QUESTION OF SUCH A SHARE AS
12 DETERMINED BY THE BOARD OF DIRECTORS OF THE BUSINESS
13 CORPORATION IN GOOD FAITH.

14 (2) IN THE CASE OF PROPERTY OTHER THAN CASH OR SHARES,
15 THE FAIR MARKET VALUE OF SUCH PROPERTY ON THE DATE IN
16 QUESTION AS DETERMINED BY THE BOARD OF DIRECTORS OF THE
17 BUSINESS CORPORATION IN GOOD FAITH.

18 "PREFERRED SHARES." ANY CLASS OR SERIES OF SHARES OF A
19 BUSINESS CORPORATION WHICH, UNDER THE BYLAWS OR ARTICLES OF THE
20 BUSINESS CORPORATION, IS ENTITLED TO RECEIVE PAYMENT OF
21 DIVIDENDS PRIOR TO ANY PAYMENT OF DIVIDENDS ON SOME OTHER CLASS
22 OR SERIES OF SHARES, OR IS ENTITLED IN THE EVENT OF ANY
23 VOLUNTARY LIQUIDATION, DISSOLUTION OR WINDING UP OF THE BUSINESS
24 CORPORATION TO RECEIVE PAYMENT OR DISTRIBUTION OF A PREFERENTIAL
25 AMOUNT BEFORE ANY PAYMENTS OR DISTRIBUTIONS ARE RECEIVED BY SOME
26 OTHER CLASS OR SERIES OF SHARES.

27 "SHARE ACQUISITION DATE." WITH RESPECT TO ANY PERSON AND ANY
28 BUSINESS CORPORATION, THE DATE THAT SUCH PERSON FIRST BECOMES AN
29 INTERESTED SHAREHOLDER OF THE BUSINESS CORPORATION.

30 "SHARES."

1 (1) ANY SHARES OR SIMILAR SECURITY, ANY CERTIFICATE OF
2 INTEREST, ANY PARTICIPATION IN ANY PROFIT-SHARING AGREEMENT,
3 ANY VOTING TRUST CERTIFICATE, OR ANY CERTIFICATE OF DEPOSIT
4 FOR SHARES.

5 (2) ANY SECURITY CONVERTIBLE, WITH OR WITHOUT
6 CONSIDERATION, INTO SHARES, OR ANY OPTION RIGHT, CONVERSION
7 RIGHT OR PRIVILEGE OF BUYING SHARES WITHOUT BEING BOUND TO DO
8 SO, OR ANY OTHER SECURITY CARRYING ANY RIGHT TO ACQUIRE,
9 SUBSCRIBE TO OR PURCHASE SHARES.

10 "SUBSIDIARY." ANY CORPORATION AS TO WHICH ANY OTHER
11 CORPORATION IS THE BENEFICIAL OWNER, DIRECTLY OR INDIRECTLY, OF
12 SHARES OF SUCH FIRST CORPORATION THAT WOULD ENTITLE SUCH OTHER
13 CORPORATION TO CAST IN EXCESS OF 50% OF THE VOTES THAT ALL
14 SHAREHOLDERS WOULD BE ENTITLED TO CAST IN THE ELECTION OF
15 DIRECTORS OF SUCH FIRST CORPORATION.

16 "VOTING SHARES." SHARES OF A CORPORATION ENTITLED TO VOTE
17 GENERALLY IN THE ELECTION OF DIRECTORS.

18 SUBCHAPTER D

19 DIVISION

20 Sec.

21 1951. Division authorized.

22 1952. Proposal and adoption of plan of division.

23 1953. Division without shareholder approval.

24 1954. Articles of division.

25 1955. Filing of articles of division.

26 1956. Effective date of division.

27 1957. Effect of division.

28 § 1951. Division authorized.

29 (a) Division of domestic corporation.--Any domestic business
30 corporation may, in the manner provided in this subchapter, be

1 divided into two or more domestic business corporations
2 incorporated or to be incorporated under this article, or into
3 one or more domestic business corporations and one or more
4 foreign business corporations to be incorporated under the laws
5 of another jurisdiction or jurisdictions, or into two or more
6 foreign business corporations, if the laws of the other
7 jurisdictions authorize the division.

8 (b) Division of foreign corporation.--Any foreign business
9 corporation may, in the manner provided in this subchapter, be
10 divided into one or more domestic business corporations to be
11 incorporated under this subpart and one or more foreign business
12 corporations incorporated or to be incorporated under the laws
13 of another jurisdiction or jurisdictions, or into two or more
14 domestic business corporations, if the foreign business
15 corporation is authorized under the laws of the jurisdiction
16 under which it is incorporated to effect a division.

17 (c) Surviving and new corporations.--The corporation
18 effecting a division, if it survives the division, is designated
19 in this subchapter as the surviving corporation. All
20 corporations originally incorporated by a division are
21 designated in this subchapter as new corporations. The surviving
22 corporation, if any, and the new corporation or corporations are
23 collectively designated in this subchapter as the resulting
24 corporations.

25 § 1952. Proposal and adoption of plan of division.

26 (a) Preparation of plan.--A plan of division shall be
27 prepared, setting forth:

28 (1) The terms and conditions of the division, including
29 the manner and basis of:

30 (i) The reclassification of the shares of the

1 surviving corporation, if there be one, and, if any of
2 the shares of the dividing corporation are not to be
3 converted solely into shares or other securities or
4 obligations of one or more of the resulting corporations,
5 the shares or other securities or obligations of any
6 other person, or cash, property or rights that the
7 holders of such shares are to receive in exchange for or
8 upon conversion of such shares, and the surrender of any
9 certificates evidencing them, which securities or
10 obligations, if any, of any other person or cash,
11 property or rights may be in addition to or in lieu of
12 shares or other securities or obligations of one or more
13 of the resulting corporations.

14 (ii) The disposition of the shares and other
15 securities or obligations, if any, of the new corporation
16 or corporations resulting from the division.

17 (2) A statement that the dividing corporation will, or
18 will not, survive the division.

19 (3) Any changes desired to be made in the articles of
20 the surviving corporation, if there be one, including a
21 restatement of the articles.

22 (4) The articles of incorporation required by subsection
23 (b).

24 (5) Any provisions desired providing special treatment
25 of shares held by any shareholder or group of shareholders.

26 (6) 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) Articles of new corporations.--There shall be included
2 in or annexed to the plan of division:

3 (1) Articles of incorporation, which shall contain all
4 of the statements required by this subpart to be set forth in
5 restated articles, for each of the new domestic business
6 corporations, if any, resulting from the division.

7 (2) Articles of incorporation, certificates of
8 incorporation or other charter documents for each of the new
9 foreign business corporations, if any, resulting from the
10 division.

11 (c) Proposal and adoption.--Except as otherwise provided in
12 section 1953 (relating to division without shareholder
13 approval), the plan of division shall be proposed and adopted,
14 and may be terminated, by a domestic business corporation in the
15 manner provided for the proposal, adoption and termination of a
16 plan of merger in Subchapter C (relating to merger,
17 consolidation, share exchanges and sale of assets), except
18 section 1924(b) (relating to adoption by board of directors),
19 or, if the dividing corporation is a foreign business
20 corporation, in accordance with the laws of the jurisdiction in
21 which it is incorporated. There shall be included in, or
22 enclosed with, the notice of the meeting of shareholders to act
23 on the plan a copy or a summary of the plan and, if Subchapter D
24 of Chapter 15 (relating to dissenters rights) is applicable, a
25 copy of the subchapter and of subsection (d).

26 (d) Dissenters rights in division.--

27 (1) Except as otherwise provided in paragraph (2), any
28 shareholder of a business corporation that adopts a plan of
29 division who objects to the plan and complies with the
30 provisions of Subchapter D of Chapter 15 shall be entitled to

1 the rights and remedies of dissenting shareholders therein
2 provided, if any. ~~See section 1906(c) (relating to dissenters~~ ←
3 ~~rights upon special treatment).~~

4 (2) Except as otherwise provided pursuant to section
5 1571(c) (relating to grant of optional dissenters rights),
6 Subchapter D of Chapter 15 shall not apply to any of the
7 shares of a corporation that is party to a plan of division
8 pursuant to section 1953 (relating to division without
9 shareholder approval).

10 (e) Restrictions on certain distributions.--A plan of
11 division may not be made effective if the effect of the plan is
12 to make a distribution to the holders of any class or series of
13 shares of the dividing corporation unless the distribution is
14 permitted by section 1551 (relating to distributions to
15 shareholders).

16 (f) Action by holders of preferred or special shares.--If
17 the dividing corporation has outstanding any shares of any
18 preferred or special class or series, the holders of the
19 outstanding shares of the class or series shall be entitled to
20 vote as a class on the plan regardless of any limitations stated
21 in the articles or bylaws on the voting rights of the class or
22 series if the plan of division:

23 (1) provides that the dividing corporation will not
24 survive the division; or

25 (2) amends the articles or bylaws of the surviving
26 corporation in a manner that would entitle the holders of
27 such preferred or special shares to a class vote thereon
28 under the articles, bylaws or section 1914(b) (relating to
29 statutory voting rights).

30 (g) Action by holders of indebtedness.--Unless otherwise

1 provided by an indenture or other contract by which the dividing
2 corporation is bound, a plan of division shall not require the
3 approval of the holders of any debt securities or other
4 obligations of the dividing corporation or of any representative
5 of the holders, if the transfer of assets effected by the
6 division, if effected by means of a sale, lease, exchange or
7 other disposition, and any related distribution, would not
8 require the approval of the holders or representatives thereof.

9 (h) Special requirements.--If any provision of the articles
10 or bylaws of a dividing domestic business corporation adopted
11 before January 1, 1988, requires for the adoption of a plan of
12 merger, consolidation or asset transfer a specific number or
13 percentage of votes of directors or shareholders or other
14 special procedures, the plan of division shall not be adopted by
15 the directors or (if adoption by the shareholders is otherwise
16 required by this subchapter) by the shareholders without that
17 number or percentage of votes or compliance with the other
18 special procedures.

19 § 1953. Division without shareholder approval.

20 Unless otherwise restricted by its bylaws or required by
21 section 1952(f) (relating to action by holders of preferred or
22 special shares), a plan of division that does not alter the
23 state of incorporation of a business corporation, provide for
24 special treatment nor amend in any respect the provisions of its
25 articles (except amendments which under section 1914(c)
26 (relating to adoption by board of directors) may be made without
27 shareholder action) shall not require the approval of the
28 shareholders of the corporation if:

29 (1) the dividing corporation has only one class of
30 shares outstanding and the shares and other securities, if

1 any, of each corporation resulting from the plan are
2 distributed pro rata to the shareholders of the dividing
3 corporation;

4 (2) the dividing corporation survives the division and
5 all the shares and other securities and obligations, if any,
6 of all new corporations resulting from the plan are owned
7 solely by the surviving corporation; or

8 (3) the transfers of assets effected by the division, if
9 effected by means of a sale, lease, exchange or other
10 disposition, would not require the approval of shareholders
11 under section 1932(b) (relating to shareholder approval
12 required).

13 § 1954. Articles of division.

14 Upon the adoption of a plan of division by the corporation
15 desiring to divide, as provided in this subchapter, articles of
16 division shall be executed by the corporation and shall, subject
17 to section 109 (relating to name of commercial registered office
18 provider in lieu of registered address), set forth:

19 (1) The name and the location of the registered office,
20 including street and number, if any, of the dividing domestic
21 business corporation or, in the case of a dividing foreign
22 business corporation, the name of the corporation and the
23 jurisdiction in which it is incorporated, together with
24 either:

25 (i) If a qualified foreign business corporation, the
26 address, including street and number, if any, of its
27 registered office in this Commonwealth.

28 (ii) If a nonqualified foreign business corporation,
29 the address, including street and number, if any, of its
30 principal office under the laws of that jurisdiction.

1 (2) The statute under which the dividing corporation was
2 incorporated and the date of incorporation.

3 (3) A statement that the dividing corporation will, or
4 will not, survive the division.

5 (4) The name and the address, including street and
6 number, if any, of:

7 (i) the registered office of each new domestic
8 business corporation or qualified foreign business
9 corporation resulting from the division; and

10 (ii) the principal office under the laws of the
11 jurisdiction in which it is incorporated of each new
12 nonqualified foreign business corporation resulting from
13 the division.

14 (5) If the plan is to be effective on a specific date,
15 the hour, if any, and the month, day and year of the
16 effective date.

17 (6) The manner in which the plan was adopted by the
18 corporation.

19 (7) Except as provided in section 1901 (relating to
20 omission of certain provisions from filed plans), the plan of
21 division.

22 § 1955. Filing of articles of division.

23 (a) General rule.--The articles of division, and the
24 certificates or statement, if any, required by section 139
25 (relating to tax clearance of certain fundamental transactions)
26 shall be filed in the Department of State.

27 (b) Cross reference.--See section 134 (relating to docketing
28 statement).

29 § 1956. Effective date of division.

30 Upon the filing of articles of division in the Department of

1 State or upon the effective date specified in the plan of
2 division, whichever is later, the division shall become
3 effective. The division of a domestic business corporation into
4 one or more foreign business corporations or the division of a
5 foreign business corporation shall be effective according to the
6 laws of the jurisdictions where the foreign corporations are or
7 are to be incorporated, but not until articles of division have
8 been adopted and filed as provided in this subchapter.

9 § 1957. Effect of division.

10 (a) Multiple resulting corporations.--Upon the division
11 becoming effective, the dividing corporation shall be subdivided
12 into the distinct and independent resulting corporations named
13 in the plan of division and, if the dividing corporation is not
14 to survive the division, the existence of the dividing
15 corporation shall cease. The resulting corporations, if they are
16 domestic business corporations, shall not thereby acquire
17 authority to engage in any business or exercise any right that a
18 corporation may not be incorporated under this subpart to engage
19 in or exercise. Any resulting foreign business corporation that
20 is stated in the articles of division to be a qualified foreign
21 business corporation shall be a qualified foreign business
22 corporation under Article D (relating to foreign business
23 corporations) and the articles of division shall be deemed to be
24 the application for a certificate of authority and the
25 certificate of authority issued thereon of the corporation.

26 (b) Property rights.--

27 (1) All the property, real, personal and mixed, and
28 franchises of the dividing corporation, and all debts due on
29 whatever account to it, including subscriptions for shares
30 and other choses in action belonging to it, shall (except as

1 otherwise provided in paragraph (2)), to the extent transfers
2 of assets are contemplated by the plan of division, be deemed
3 without further action to be transferred to and vested in the
4 resulting corporations on such a manner and basis and with
5 such effect as is specified in the plan, or per capita among
6 the resulting corporations, as tenants in common, if no
7 specification is made in the plan, and the title to any real
8 estate, or interest therein, vested in any of the
9 corporations shall not revert or be in any way impaired by
10 reason of the division. The resulting corporations shall each
11 thenceforth be responsible as separate and distinct
12 corporations only for such liabilities as each corporation
13 may undertake or incur in its own name but shall be liable
14 inter se for the liabilities of the dividing corporation in
15 the manner and on the basis specified in the plan of
16 division. Liens upon the property of the dividing corporation
17 shall not be impaired by the division. One or more, but less
18 than all, of the resulting corporations shall be free of the
19 liabilities of the dividing corporation to the extent, if
20 any, specified in the plan, if no fraud of corporate
21 creditors, or of minority shareholders or shareholders
22 without voting rights or violation of law shall be effected
23 thereby, and if all applicable provisions of 13 Pa.C.S. Div.
24 6 (relating to bulk transfers) and all other applicable
25 provisions of law are complied with. Otherwise, the liability
26 of the dividing corporation shall not be affected by the
27 division nor shall the rights of creditors thereof or of any
28 person dealing with the corporation be impaired by the
29 division and, except as otherwise provided in this section,
30 any claim existing or action or proceeding pending by or

1 against the corporation may be prosecuted to judgment as if
2 the division had not taken place, or the resulting
3 corporations may be proceeded against or substituted in its
4 place as joint and several obligors on such liability,
5 regardless of any provision of the plan of division
6 apportioning the liabilities of the dividing corporation.

7 (2) (i) The transfer of any fee or freehold interest in
8 any tract or parcel of real property situate in this
9 Commonwealth owned by a dividing corporation (including
10 property owned by a foreign business corporation dividing
11 solely under the law of another jurisdiction) to a new
12 corporation resulting from the division shall not be
13 effective until one of the following documents is filed
14 in the office for the recording of deeds of the county,
15 or each of them, in which the tract or parcel is
16 situated:

17 (A) A deed or other instrument of confirmation
18 describing the tract or parcel.

19 (B) A duly executed duplicate original copy of
20 the articles of division.

21 (C) A copy of the articles of division certified
22 by the Department of State.

23 (D) A declaration of acquisition setting forth
24 the value of real estate holdings in such county of
25 the corporation as an acquired company.

26 (ii) The provisions of 75 Pa.C.S. § 1114 (relating
27 to transfer of vehicle by operation of law) shall not be
28 applicable to a transfer of ownership of any motor
29 vehicle, trailer or semitrailer from a dividing
30 corporation to a new corporation under this section or

1 under a similar law of any other jurisdiction but any
2 such transfer shall be effective only upon compliance
3 with the requirements of 75 Pa.C.S. § 1116 (relating to
4 issuance of new certificate following transfer).

5 (c) Taxes.--Any taxes, penalties and public accounts of the
6 Commonwealth, claimed against the dividing corporation but not
7 settled, assessed or determined prior to the division, shall be
8 settled, assessed or determined against any of the resulting
9 corporations and, together with interest thereon, shall be a
10 lien against the franchises and property, both real and
11 personal, of all the corporations. Upon the application of the
12 dividing corporation, the Department of Revenue, with the
13 concurrence of the Office of Employment Security of the
14 Department of Labor and Industry, shall release one or more, but
15 less than all, of the resulting corporations from liability and
16 liens for all taxes, penalties and public accounts of the
17 dividing corporation due the Commonwealth for periods prior to
18 the effective date of the division if those departments are
19 satisfied that the public revenues will be adequately secured.

20 (d) Articles of surviving corporation.--The articles of
21 incorporation of the surviving corporation, if there be one,
22 shall be deemed to be amended to the extent, if any, that
23 changes in its articles are stated in the plan of division.

24 (e) Articles of new corporations.--The statements that are
25 set forth in the plan of division with respect to each new
26 domestic business corporation and that are required or permitted
27 to be set forth in restated articles of incorporation of
28 corporations incorporated under this subpart, or the articles of
29 incorporation of each new corporation set forth therein, shall
30 be deemed to be the articles of incorporation of each new

1 corporation.

2 (f) Directors and officers.--Unless otherwise provided in
3 the plan, the directors and officers of the dividing corporation
4 shall be the initial directors and officers of each of the
5 resulting corporations.

6 SUBCHAPTER E

7 CONVERSION

8 Sec.

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 § 1961. Conversion authorized.

16 (a) General rule.--Any business corporation may, in the
17 manner provided in this subchapter, be converted into a
18 nonprofit corporation, designated in this subchapter as the
19 resulting corporation.

20 (b) Exceptions.--This subchapter shall not authorize any
21 conversion involving:

22 (1) Beneficial, benevolent, fraternal or fraternal
23 benefit societies having a lodge system and a representative
24 form of government, or transacting any type of insurance
25 whatsoever.

26 (2) Any corporation that by the laws of this
27 Commonwealth is subject to the supervision of the Department
28 of Banking, the Insurance Department or the Pennsylvania
29 Public Utility Commission, unless the agency expressly
30 approves the transaction in writing.

1 § 1962. Proposal and adoption of plan of conversion.

2 (a) Preparation of plan.--A plan of conversion shall be
3 prepared, setting forth:

4 (1) The terms and conditions of the conversion.

5 (2) A restatement of the articles of the resulting
6 corporation, which articles shall comply with the
7 requirements of this title relating to nonprofit
8 corporations.

9 (3) Any provisions desired providing special treatment
10 of shares held by any shareholder or group of shareholders.

11 (4) Such other provisions as are deemed desirable.

12 Any of the terms of the plan may be made dependent upon facts
13 ascertainable outside of the plan if the manner in which the
14 facts will operate upon the terms of the plan is set forth in
15 the plan.

16 (b) Proposal and adoption.--The plan of conversion shall be
17 proposed and adopted, and may be terminated, by the business
18 corporation in the manner provided for the proposal, adoption
19 and termination of a plan of merger in Subchapter C (relating to
20 merger, consolidation, share exchanges and sale of assets),
21 except section 1924(b) (relating to adoption by board of
22 directors). There shall be included in, or enclosed with, the
23 notice of meeting of shareholders of the business corporation
24 called to act upon the plan a copy or a summary of the plan and
25 of Subchapter D of Chapter 15 (relating to dissenters rights)
26 and of subsection (c).

27 (c) Dissenters rights in conversion.--Any shareholder of a
28 business corporation that adopts a plan of conversion into a
29 nonprofit corporation who objects to the plan of conversion and
30 complies with the provisions of Subchapter D of Chapter 15 shall

1 be entitled to the rights and remedies of dissenting
2 shareholders therein provided.

3 § 1963. Articles of conversion.

4 Upon the adoption of a plan of conversion by the business
5 corporation desiring to convert, as provided in this subchapter,
6 articles of conversion shall be executed by the corporation and
7 shall set forth:

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

13 (2) The statute under which the corporation was
14 incorporated and the date of incorporation.

15 (3) If the plan is to be effective on a specified date,
16 the hour, if any, and the month, day and year of the
17 effective date.

18 (4) The manner in which the plan was adopted by the
19 corporation.

20 (5) Except as provided in section 1901 (relating to
21 omission of certain provisions from filed plans), the plan of
22 conversion.

23 § 1964. Filing of articles of conversion.

24 (a) General rule.--The articles of conversion shall be filed
25 in the Department of State.

26 (b) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 1965. Effective date of conversion.

29 Upon the filing of articles of conversion in the Department
30 of State or upon the effective date specified in the plan of

1 conversion, whichever is later, the conversion shall become
2 effective.

3 § 1966. Effect of conversion.

4 Upon the conversion becoming effective, the converting
5 business corporation shall be deemed to be a nonprofit
6 corporation subject to the provisions of this title relating to
7 nonprofit corporations for all purposes, shall cease to be a
8 business corporation and shall not thereafter operate in any
9 manner resulting in pecuniary profit, incidental or otherwise,
10 to its members or shareholders. The corporation shall remain
11 liable for all existing obligations, public or private, and
12 taxes due the Commonwealth or any other taxing authority for
13 periods prior to the effective date of the conversion and, as a
14 nonprofit corporation, it shall continue to be entitled to all
15 assets theretofore pertaining to it as a business corporation.

16 SUBCHAPTER F

17 VOLUNTARY DISSOLUTION AND WINDING UP

18 Sec.

19 1971. Voluntary dissolution by shareholders or incorporators.

20 1972. Proposal of voluntary dissolution.

21 1973. Notice of meeting of shareholders.

22 1974. Adoption of proposal.

23 1975. Winding up in voluntary dissolution proceedings.

24 1976. Judicial supervision of proceedings.

25 1977. Articles of dissolution.

26 1978. Winding up of corporation upon the expiration of its
27 period of duration.

28 1979. Survival of remedies and rights after dissolution.

29 1980. Dissolution by domestication.

30 § 1971. Voluntary dissolution by shareholders or incorporators.

1 (a) General rule.--The shareholders or incorporators of a
2 business corporation that has not commenced business may effect
3 the dissolution of the corporation by filing articles of
4 dissolution in the Department of State. The articles of
5 dissolution shall be executed in the name of the corporation by
6 a majority of the incorporators or a majority in interest of the
7 shareholders and shall set forth:

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

13 (2) The statute under which the corporation was
14 incorporated and the date of incorporation.

15 (3) That the corporation has not commenced business.

16 (4) That the amount, if any, actually paid in on
17 subscriptions for its shares, less any part thereof disbursed
18 for necessary expenses, has been returned to those entitled
19 thereto.

20 (5) That all liabilities of the corporation have been
21 discharged or that adequate provision has been made therefor.

22 (6) That a majority of the incorporators or a majority
23 in interest of the shareholders elect that the corporation be
24 dissolved.

25 (b) Filing.--The articles of dissolution shall be filed in
26 the Department of State. See section 134 (relating to docketing
27 statement).

28 (c) Effect.--Upon the filing of the articles of dissolution,
29 the existence of the corporation shall cease.

30 § 1972. Proposal of voluntary dissolution.

1 Any business corporation that has commenced business may
2 elect to dissolve voluntarily, and wind up its affairs in the
3 manner provided in this subchapter. Voluntary dissolution shall
4 be proposed by the adoption by the board of directors of a
5 resolution recommending that the corporation be dissolved
6 voluntarily. The board of directors shall direct that the
7 question of dissolution be submitted to a vote of the
8 shareholders of the corporation entitled to vote thereon at a
9 regular or special meeting of the shareholders.

10 § 1973. Notice of meeting of shareholders.

11 Written notice of the meeting of shareholders called for the
12 purpose of considering the advisability of voluntarily
13 dissolving a business corporation shall be given to each
14 shareholder of record entitled to vote thereon and the purpose
15 shall be included in the notice of the meeting.

16 § 1974. Adoption of proposal.

17 (a) General rule.--The resolution shall be adopted upon
18 receiving a majority of the votes cast by all shareholders of
19 the business corporation entitled to vote thereon and, if any
20 class of shares is entitled to vote thereon as a class, a
21 majority of the votes cast in each class vote. A proposal for
22 the voluntary dissolution of a corporation shall not be deemed
23 to have been adopted by the corporation unless it has also been
24 recommended by resolution of the board of directors, regardless
25 of the fact that the board has directed or suffered the
26 submission of such a proposal to the shareholders for action.

27 (b) Termination of proposal.--Prior to the time when
28 articles of dissolution are filed in the Department of State,
29 the proposal may be terminated pursuant to provisions therefor,
30 if any, set forth in the resolution.

1 (c) Action rescinding election to dissolve.--Prior to the
2 time when articles of dissolution are filed in the department,
3 any business corporation may rescind its election to dissolve in
4 the same manner and by the same procedure as that provided in
5 this subchapter for the election of a corporation to dissolve
6 voluntarily.

7 § 1975. Winding up in voluntary dissolution proceedings.

8 (a) Powers of board.--The board of directors of a business
9 corporation shall have full power to wind up and settle the
10 affairs of a business corporation in the event of a voluntary
11 dissolution proceeding.

12 (b) Notice to creditors and taxing authorities.--After the
13 approval by the shareholders of the proposal that the
14 corporation dissolve voluntarily, the corporation shall
15 immediately cause notice of the winding up proceedings to be
16 officially published and to be mailed by certified or registered
17 mail to each known creditor and claimant and to each municipal
18 corporation in which its registered office or principal place of
19 business in this Commonwealth is located.

20 (c) Winding up and distribution.--The corporation shall, as
21 speedily as possible, proceed to collect all sums due it,
22 convert into cash all corporate assets the conversion of which
23 into cash is required to discharge its liabilities and, out of
24 the assets of the corporation, discharge or make adequate
25 provision for the discharge of all liabilities of the
26 corporation, according to their respective priorities. Any
27 surplus remaining after paying or providing for all liabilities
28 of the corporation shall be distributed to the shareholders
29 according to their respective rights and preferences.

30 § 1976. Judicial supervision of proceedings.

1 A business corporation, at any time during the winding up
2 proceedings, may apply to the court to have the proceedings
3 continued under the supervision of the court and thereafter the
4 proceedings shall continue under the supervision of the court as
5 provided in Subchapter G (relating to involuntary liquidation
6 and dissolution).

7 § 1977. Articles of dissolution.

8 (a) Preparation of articles.--When all liabilities of the
9 business corporation have been discharged, or adequate provision
10 has been made therefor, and all of the remaining assets of the
11 corporation have been distributed as provided in this
12 subchapter, or in case its assets are not sufficient to
13 discharge its liabilities, when all the assets have been fairly
14 and equitably applied, as far as they will go, to the payment of
15 such liabilities, articles of dissolution shall be executed by
16 the corporation and shall set forth:

17 (1) The name of the corporation and, subject to section
18 109 (relating to name of commercial registered office
19 provider in lieu of registered address), the address,
20 including street and number, if any, of its registered
21 office.

22 (2) The statute under which the corporation was
23 incorporated and the date of incorporation.

24 (3) The names and respective addresses, including street
25 and number, if any, of its directors and officers.

26 (4) The manner in which the proposal to dissolve
27 voluntarily was adopted by the corporation.

28 (5) A statement:

29 (i) that all liabilities of the corporation have
30 been discharged or that adequate provision has been made

1 therefor; or

2 (ii) that the assets of the corporation are not
3 sufficient to discharge its liabilities, and that all the
4 assets of the corporation have been fairly and equitably
5 applied, as far as they will go, to the payment of such
6 liabilities.

7 (6) A statement that all the remaining assets of the
8 corporation, if any, have been distributed as provided in the
9 Business Corporation Law of 1987.

10 (7) A statement that no actions are pending against the
11 corporation in any court, or that adequate provision has been
12 made for the satisfaction of any judgment or decree that may
13 be obtained against the corporation in each pending action.

14 (8) A statement that notice of the winding-up
15 proceedings of the corporation was mailed by certified or
16 registered mail to each known creditor and claimant and to
17 each municipal corporation in which the registered office or
18 principal place of business of the corporation in this
19 Commonwealth is located.

20 (b) Filing.--The articles of dissolution and the
21 certificates or statement required by section 139 (relating to
22 tax clearance of certain fundamental transactions) shall be
23 filed in the Department of State. See section 134 (relating to
24 docketing statement).

25 (c) Effect.--Upon the filing of the articles of dissolution
26 in the department, the existence of the corporation shall cease.
27 § 1978. Winding up of corporation upon the expiration of its
28 period of duration.

29 Every business corporation that is dissolved by expiration of
30 its period of duration shall, nevertheless, continue to exist

1 for the purpose of winding up its affairs, prosecuting and
2 defending actions by or against it, collecting and discharging
3 obligations, disposing of and conveying its property and
4 collecting and dividing its assets, but not for the purpose of
5 continuing business except insofar as necessary for the winding
6 up of the corporation. The board of directors of the corporation
7 shall continue as such and shall have full power to wind up the
8 affairs of the corporation.

9 § 1979. Survival of remedies and rights after dissolution.

10 (a) General rule.--The dissolution of a business
11 corporation, either under this subchapter or under Subchapter G
12 (relating to involuntary liquidation and dissolution) or by
13 expiration of its period of duration, shall not eliminate nor
14 impair any remedy available to or against the corporation or its
15 directors, officers or shareholders for any right or claim
16 existing, or liability incurred, prior to the dissolution, if an
17 action thereon is brought on behalf of:

18 (1) the corporation within the time otherwise limited by
19 law; or

20 (2) any other person before or within two years after
21 the date of the dissolution or within the time otherwise
22 limited by law, whichever is less.

23 The actions may be prosecuted against and defended by the
24 corporation in its corporate name.

25 (b) Rights and assets.--The dissolution of a business
26 corporation shall not affect the limited liability of a
27 shareholder of the corporation theretofore existing with respect
28 to transactions occurring or acts or omissions done or omitted
29 in the name of or by the corporation except that each
30 shareholder shall be liable for his pro rata portion of the

1 unpaid liabilities of the corporation up to the amount of the
2 net assets of the corporation distributed to the shareholder in
3 connection with the dissolution. Should any property right of a
4 corporation be discovered after the dissolution of the
5 corporation, the surviving member or members of the board of
6 directors that wound up the affairs of the corporation, or a
7 receiver appointed by the court, shall have authority to enforce
8 the property right and to collect and divide the assets so
9 discovered among the persons entitled thereto and to prosecute
10 actions in the corporate name of the corporation. Any assets so
11 collected shall be distributed and disposed of in accordance
12 with the applicable order of court, if any, and otherwise in
13 accordance with this subchapter.

14 § 1980. Dissolution by domestication.

15 Whenever a domestic business corporation has domesticated
16 itself under the laws of another jurisdiction by action similar
17 to that provided by section 4161 (relating to domestication) and
18 has authorized that action by the vote required by this
19 subchapter for the approval of a proposal that the corporation
20 dissolve voluntarily, the corporation may surrender its charter
21 under the laws of this Commonwealth by filing in the Department
22 of State articles of dissolution under this subchapter
23 containing the statements specified by section 1977(a)(1)
24 through (4) (relating to preparation of articles).

25 SUBCHAPTER G

26 INVOLUNTARY LIQUIDATION AND DISSOLUTION

27 Sec.

28 1981. Proceedings upon application of shareholder or director.

29 1982. Proceedings upon application of creditor.

30 1983. (Reserved).

1 1984. Appointment of receiver pendente lite and other interim
2 powers.

3 1985. Liquidating receiver.

4 1986. Qualifications of receivers.

5 1987. Proof of claims.

6 1988. Discontinuance of proceedings; reorganization.

7 1989. Articles of involuntary dissolution.

8 § 1981. Proceedings upon application of shareholder or
9 director.

10 Upon application filed by a shareholder or director of a
11 business corporation, the court may entertain proceedings for
12 the involuntary winding up and dissolution of the corporation
13 when any one of the following is made to appear:

14 (1) The acts of the directors, or those in control of
15 the corporation, are illegal, oppressive or fraudulent and
16 that it is beneficial to the interests of the shareholders
17 that the corporation be wound up and dissolved.

18 (2) The corporate assets are being misapplied or wasted
19 and that it is beneficial to the interests of the
20 shareholders that the corporation be wound up and dissolved.

21 (3) The directors are deadlocked in the direction of the
22 management of the business and affairs of the corporation and
23 the shareholders are unable to break the deadlock and that
24 irreparable injury to the corporation is being suffered or is
25 threatened by reason thereof. The court shall not appoint a
26 receiver or grant other similar relief under this paragraph
27 if the shareholders by agreement or otherwise have provided
28 for the appointment of a provisional director or other means
29 for the resolution of a deadlock but the court shall enforce
30 the remedy so provided if appropriate.

1 § 1982. Proceedings upon application of creditor.

2 Upon application filed by a creditor of a business
3 corporation whose claim has either been reduced to judgment and
4 an execution thereon returned unsatisfied or whose claim is
5 admitted by the corporation, the court may entertain proceedings
6 for the involuntary winding up and dissolution of the
7 corporation when, in either case, it is made to appear that the
8 corporation is unable to discharge its liabilities in the
9 regular course of business, as they mature, or is unable to
10 afford reasonable security to those who may deal with it.

11 § 1983. (Reserved).

12 § 1984. Appointment of receiver pendente lite and other interim
13 powers.

14 Upon the filing of an application under this subchapter, the
15 court may issue injunctions, appoint a receiver pendente lite
16 with such powers and duties as the court from time to time may
17 direct and proceed as may be requisite to preserve the corporate
18 assets wherever situated and to carry on the business of the
19 corporation until a full hearing can be had.

20 § 1985. Liquidating receiver.

21 Upon a hearing, after such notice as the court may direct to
22 be given to all parties to the proceeding and to any other
23 parties in interest designated by the court, the court may
24 appoint a liquidating receiver with authority to collect the
25 assets of the corporation. The liquidating receiver shall have
26 authority, subject to the order of the court, to dispose of all
27 or any part of the assets of the corporation wherever situated,
28 either at public or private sale. The assets of the corporation,
29 or the proceeds resulting from a disposition thereof, shall be
30 applied to the expenses of the liquidation and to the payment of

1 the liabilities of the corporation and any remaining assets or
2 proceeds shall be distributed by the court in the manner
3 provided by Subchapter F (relating to voluntary dissolution and
4 winding up). The order appointing the liquidating receiver shall
5 state his powers and duties. The powers and duties may be
6 increased or diminished at any time during the proceedings. A
7 receiver of a corporation appointed under this section shall
8 have authority to sue and defend in all courts in his own name
9 as receiver of the corporation. The court appointing the
10 receiver shall have exclusive jurisdiction of the corporation
11 and its property wherever situated.

12 § 1986. Qualifications of receivers.

13 A receiver shall in all cases be a natural person of full age
14 or a corporation authorized to act as receiver, which
15 corporation, if so authorized, may be a domestic corporation for
16 profit or not-for-profit or a foreign corporation for profit or
17 non-for-profit authorized to do business in this Commonwealth,
18 and shall give such bond, if any, as the court may direct, with
19 such sureties, if any, as the court may require.

20 § 1987. Proof of claims.

21 (a) General rule.--In a proceeding under this subchapter,
22 the court may require all creditors of the business corporation
23 to file with the office of the clerk of the court of common
24 pleas or with the receiver, in such form as the court may
25 prescribe, verified proofs of their respective claims. If the
26 court requires the filing of claims, it shall fix a date, which
27 shall not be less than four months from the date of the order,
28 as the last day for filing of claims and shall prescribe the
29 notice that shall be given to creditors and claimants of the
30 date so fixed. Prior to or after the date so fixed, the court

1 may extend the time for the filing of claims. Creditors and
2 claimants failing to file proofs of claim on or before the date
3 so fixed may be barred, by order of court, from participating in
4 the distribution of the assets of the corporation.

5 (b) Cross reference.--See section 1979 (relating to survival
6 of remedies and rights after dissolution).

7 § 1988. Discontinuance of proceedings; reorganization.

8 The proceedings under this subchapter may be discontinued at
9 any time when it is established that cause for liquidation no
10 longer exists. In that event, the court shall dismiss the
11 proceedings and direct the receiver to redeliver to the business
12 corporation all its remaining property and assets.

13 § 1989. Articles of involuntary dissolution.

14 (a) General rule.--The court, in a proceeding under this
15 subchapter, shall enter an order dissolving the business
16 corporation when the costs and expenses of the proceeding and
17 all liabilities of the corporation have been discharged, and all
18 of its remaining assets have been distributed to its
19 shareholders or, in case its assets are not sufficient to
20 discharge such costs, expenses and liabilities, when all the
21 assets have been applied, as far as they will go, to the payment
22 of such costs, expenses and liabilities.

23 (b) Filing.--After the court has entered an order of
24 dissolution, it shall be the duty of the office of the clerk of
25 the court of common pleas to prepare and execute articles of
26 dissolution substantially in the form provided by section 1977
27 (relating to articles of dissolution), to attach thereto a
28 certified copy of the order and to transmit the articles and
29 attached order to the Department of State. A certificate or
30 statement provided for by section 139 (relating to tax clearance

1 of certain fundamental transactions) shall not be required and
2 the department shall not charge a fee in connection with the
3 filing of articles of dissolution under this section. See
4 section 134 (relating to docketing statement).

5 (c) Effect.--Upon the filing of the articles of dissolution
6 in the department, the existence of the corporation shall cease.

7 ARTICLE C

8 DOMESTIC BUSINESS CORPORATION ANCILLARIES

9 Chapter

10 21. Nonstock Corporations

11 23. Statutory Close Corporations

12 25. Registered Corporations

13 27. Management Corporations

14 29. Professional Corporations

15 CHAPTER 21

16 NONSTOCK CORPORATIONS

17 Subchapter

18 A. Preliminary Provisions

19 B. Powers, Duties and Safeguards

20 SUBCHAPTER A

21 PRELIMINARY PROVISIONS

22 Sec.

23 2101. Application and effect of chapter.

24 2102. Formation of nonstock corporations.

25 2103. Contents of articles and other documents of nonstock
26 corporations.

27 2104. Election of an existing business corporation to become a
28 nonstock corporation.

29 2105. Termination of nonstock corporation status.

30 § 2101. Application and effect of chapter.

1 (a) General rule.--This chapter shall be applicable to:

2 (1) A business corporation which elects to become a
3 nonstock corporation in the manner provided by this chapter.

4 (2) (Reserved).

5 (b) Application to business corporations generally.--The
6 existence of a provision of this chapter shall not of itself
7 create any implication that a contrary or different rule of law
8 is or would be applicable to a business corporation that is not
9 a nonstock corporation and this chapter shall not affect any
10 statute or rule of law that is or would be applicable to a
11 business corporation that is not a nonstock corporation.

12 (c) Laws applicable to nonstock corporations.--Except as
13 otherwise provided in this chapter, this subpart shall be
14 generally applicable to all nonstock corporations. The specific
15 provisions of this chapter shall control over the general
16 provisions of this subpart. In the case of a nonstock
17 corporation references in this subpart to "shares,"
18 "shareholder," "share register," "share ledger," "transfer book
19 for shares," "number of shares entitled to vote" or "class of
20 shares" shall mean memberships, member, membership register,
21 membership ledger, membership transfer book, number of votes
22 entitled to be cast or class of members, respectively. Except as
23 otherwise provided in this article, a nonstock corporation may
24 be simultaneously subject to this chapter and one or more other
25 chapters of this article.

26 § 2102. Formation of nonstock corporations.

27 (a) General rule.--A nonstock corporation shall be formed in
28 accordance with Article B (relating to domestic business
29 corporations generally) except that its articles shall contain:

30 (1) A heading stating the name of the corporation and

1 that it is a nonstock corporation.

2 (2) The provisions required by section 2103 (relating to
3 contents of articles and other documents of nonstock
4 corporations).

5 (b) Initial members.--Upon the filing of articles of a
6 nonstock corporation, the subscribers to the minimum guaranteed
7 capital of the corporation, if any, and the incorporators shall
8 be the initial members of the corporation.

9 § 2103. Contents of articles and other documents of nonstock
10 corporations.

11 A nonstock corporation shall, in lieu of required statements
12 relating to shares or share structure, set forth in any document
13 permitted or required to be filed under this subpart the fact
14 that the corporation is organized on a nonstock basis. A
15 nonstock corporation may, but need not, have a minimum
16 guaranteed capital which shall be furnished by the subscribers
17 thereto in such proportions as they may agree.

18 § 2104. Election of an existing business corporation to become
19 a nonstock corporation.

20 (a) General rule.--Any business corporation may become a
21 nonstock corporation under this chapter by:

22 (1) Adopting a plan of conversion providing for the
23 redemption by the corporation of all of its shares whether or
24 not redeemable by the terms of its articles and adjusting its
25 affairs so as to comply with the requirements of this chapter
26 applicable to nonstock corporations.

27 (2) Filing articles of amendment which shall contain, in
28 addition to the requirements of section 1915 (relating to
29 articles of amendment):

30 (i) A heading stating the name of the corporation

1 and that it is a nonstock corporation.

2 (ii) A statement that it elects to become a nonstock
3 corporation.

4 (iii) A statement that the corporation is organized
5 on a nonstock basis.

6 (iv) Such other changes, if any, that may be desired
7 in the articles.

8 (b) Procedure.--The plan of conversion of the corporation
9 into a nonstock corporation (which plan shall include the
10 amendment of the articles required by subsection (a)) shall be
11 adopted in accordance with the requirements of Subchapter B of
12 Chapter 19 (relating to amendment of articles) except that:

13 (1) The holders of shares of every class shall be
14 entitled to vote on the plan regardless of any limitations
15 stated in the articles or bylaws on the voting rights of any
16 class.

17 (2) The plan must be approved by two-thirds of the votes
18 cast by all shares of each class.

19 (3) If any shareholder of a business corporation that
20 adopts a plan of conversion into a nonstock corporation
21 objects to the plan of conversion and complies with the
22 provisions of Subchapter D of Chapter 15 (relating to
23 dissenters rights), the shareholder shall be entitled to the
24 rights and remedies of dissenting shareholders therein
25 provided. There shall be included in, or enclosed with, the
26 notice of the meeting of shareholders called to act upon the
27 plan of conversion a copy or a summary of the plan and a copy
28 of this subsection and of Subchapter D of Chapter 15.

29 (4) The plan shall not impose any additional liability
30 upon any existing patron of the business of the corporation,

1 whether or not that person becomes a member of the
2 corporation pursuant to the plan, unless the patron expressly
3 assumes such liability.

4 § 2105. Termination of nonstock corporation status.

5 (a) General rule.--A nonstock corporation may terminate its
6 status as such and cease to be subject to this chapter by:

7 (1) Adopting a plan of conversion providing for the
8 issue of appropriate shares to its members and adjusting its
9 affairs so as to comply with the requirements of this subpart
10 applicable to business corporations which are not nonstock
11 corporations.

12 (2) Amending its articles to delete therefrom the
13 additional provisions required or permitted by sections
14 2102(a)(1) (relating to formation of nonstock corporations)
15 and 2103 (relating to contents of articles and other
16 documents of nonstock corporations) to be stated in the
17 articles of a nonstock corporation. The plan of conversion
18 (which plan shall include the amendment of the articles
19 required by this section) shall be adopted in accordance with
20 Subchapter B of Chapter 19 (relating to amendment of
21 articles) except that:

22 (i) The members of every class shall be entitled to
23 vote on the plan regardless of any limitations stated in
24 the articles or bylaws, or in a document evidencing
25 membership, on the voting rights of any class.

26 (ii) The plan must be approved by a majority of the
27 votes cast by the members of each class.

28 (b) Increased vote requirements.--The bylaws of a nonstock
29 corporation adopted by the members may provide that on any
30 amendment to terminate its status as a nonstock corporation, a

1 vote greater than that specified in subsection (a) shall be
2 required. If the bylaws contain such a provision, that provision
3 shall not be amended, repealed or modified by any vote less than
4 that required to terminate the status of the corporation as a
5 nonstock corporation.

6 SUBCHAPTER B

7 POWERS, DUTIES AND SAFEGUARDS

8 Sec.

9 2121. Corporate name of nonstock corporations.

10 2122. Classes of membership.

11 2123. Evidence of membership; liability of members.

12 2124. Voting rights of members.

13 2125. Inapplicability of certain provisions to nonstock
14 corporations.

15 2126. Dissolution of nonstock corporations.

16 § 2121. Corporate name of nonstock corporations.

17 (a) General rule.--The corporate name of a nonstock
18 corporation may contain the word "mutual."

19 (b) Insurance names.--A nonstock corporation shall not use a
20 name containing any of the words "annuity," "assurance,"
21 "beneficial," "bond," "casualty," "endowment," "fidelity,"
22 "fraternal," "guaranty," "indemnity," "insurance," "surety" or
23 "title" when used in such a way as to imply that the corporation
24 is engaged in the business of writing insurance as principal, or
25 any other words of like purport, unless there is submitted a
26 certificate from the Insurance Department certifying that the
27 department has no objection to the use by the corporation or
28 proposed corporation of such designation.

29 § 2122. Classes of membership.

30 The bylaws of a nonstock corporation adopted by the members

1 may vest in the board of directors the power to establish
2 classes of membership and to fix the several rights and
3 liabilities thereof.

4 § 2123. Evidence of membership; liability of members.

5 (a) General rule.--Every member of record of a nonstock
6 corporation shall be entitled to a written document evidencing
7 his membership in the corporation. The document shall set forth
8 the rights and liabilities of membership or shall state that the
9 corporation will furnish to any member, upon request and without
10 charge, a full or summary statement of the rights and
11 liabilities of membership and, if the membership of the
12 corporation is divided into classes, the variations in the
13 rights and liabilities of membership between classes. If a
14 membership is not fully paid or if the member is otherwise
15 liable to assessment, the document evidencing the membership
16 shall so state.

17 (b) Liability.--A subscriber to the minimum guaranteed
18 capital of or member of a nonstock corporation shall not be
19 under any liability to the corporation or any creditor thereof
20 other than the obligations of complying with the terms of the
21 subscription to the minimum guaranteed capital, if any, and with
22 the terms of the document evidencing his membership.

23 (c) Dissenters rights.--The document evidencing membership
24 shall constitute a share certificate for the purposes of
25 Subchapter D of Chapter 15 (relating to dissenters rights).

26 § 2124. Voting rights of members.

27 Except as otherwise provided in a bylaw adopted by the
28 members or in a written document evidencing membership, every
29 member of record of a nonstock corporation shall have the right,
30 at every meeting of members, to one vote.

1 § 2125. Inapplicability of certain provisions to nonstock
2 corporations.

3 (a) Share structure.--The provisions of Subchapter B of
4 Chapter 15 (relating to shares and other securities) shall not
5 be applicable to a nonstock corporation. A nonstock corporation
6 shall not create or issue shares.

7 (b) Corporate finance.--A patronage rebate or dividend that
8 is, or is equivalent to, a reduction in the charge made by a
9 nonstock corporation to a member for goods or services shall not
10 constitute a dividend or distribution within the meaning of
11 section 1551 (relating to distributions to shareholders).

12 § 2126. Dissolution of nonstock corporations.

13 If at the time of dissolution of a nonstock corporation the
14 articles, bylaws and documents evidencing membership fail to
15 define the respective rights and preferences of the members upon
16 dissolution, the surplus of cash or property remaining after
17 discharging all liabilities of the corporation shall be paid to
18 or distributed among the members according to such a plan of
19 distribution as the members may adopt. The plan shall be adopted
20 in accordance with Subchapter F of Chapter 19 (relating to
21 voluntary dissolution and winding up) except that:

22 (1) The members of every class shall be entitled to vote
23 on the plan regardless of any limitations stated in the
24 articles or bylaws, or in a document evidencing membership,
25 on the voting rights of any class.

26 (2) The plan must be approved by a majority of the votes
27 cast by the members of each class.

28 CHAPTER 23

29 STATUTORY CLOSE CORPORATIONS

30 Subchapter

- 1 A. Preliminary Provisions
- 2 B. Shares
- 3 C. Powers, Duties and Safeguards

4 SUBCHAPTER A

5 PRELIMINARY PROVISIONS

6 Sec.

7 2301. Application and effect of chapter.

8 2302. Definition of minimum vote.

9 2303. Formation of statutory close corporations.

10 2304. Additional contents of articles of statutory close
11 corporations.

12 2305. Election of an existing business corporation to become
13 a statutory close corporation.

14 2306. Limitations on continuation of statutory close
15 corporation status.

16 2307. Voluntary termination of statutory close corporation
17 status by amendment of articles.

18 2308. Issuance or transfer of shares of a statutory close
19 corporation in breach of qualifying conditions.

20 2309. Involuntary termination of statutory close corporation
21 status; proceeding to prevent loss of status.

22 § 2301. Application and effect of chapter.

23 (a) General rule.--This chapter shall be applicable to a
24 business corporation, other than a management corporation, that:

25 (1) had elected to become a close corporation subject to
26 Chapter B of Article III of the act of May 5, 1933 (P.L.364,
27 No.106), known as the Business Corporation Law of 1933
28 (relating to close corporations) and that, as of the
29 effective date of this chapter, had not terminated that
30 election in the manner prescribed by statute; or

1 (2) elects to become a statutory close corporation in
2 the manner provided by this chapter.

3 (b) Application of business corporation law generally.--The
4 existence of a provision of this chapter shall not of itself
5 create any implication that a contrary or different rule of law
6 is or would be applicable to a business corporation that is not
7 a statutory close corporation and this chapter shall not affect
8 any statute or rule of law that is or would be applicable to a
9 business corporation that is not a statutory close corporation.

10 (c) Laws applicable to statutory close corporations.--Except
11 as otherwise provided in this chapter, this subpart shall be
12 generally applicable to all statutory close corporations. The
13 specific provisions of this chapter shall control over the
14 general provisions of this subpart. Except as otherwise provided
15 in this article, a statutory close corporation may be
16 simultaneously subject to this chapter and one or more other
17 chapters of this article.

18 (d) Transitional provisions.--The following provisions of
19 this chapter shall not apply to a statutory close corporation
20 existing on January 1, 1988, unless otherwise provided in a
21 bylaw adopted in the manner provided by section 2332(b)
22 (relating to procedure):

23 Section 2321(b) (relating to preemptive rights) insofar
24 as such provision authorizes the shareholders to adopt a
25 bylaw eliminating or limiting the preemptive rights provided
26 in that subsection.

27 Section 2322 (relating to share transfer restrictions).

28 Section 2323 (relating to transfer of shares in breach of
29 transfer restrictions). If section 2323 is not applicable to
30 the corporation, transfer restrictions (including a

1 restriction that is held not to be authorized by section 1529
2 (relating to transfer of securities; restrictions)) shall be
3 enforced in the same manner as if this article had not been
4 enacted.

5 Section 2325 (relating to sale option of estate of
6 shareholder).

7 Section 2336 (relating to fundamental changes).

8 (e) Cross reference.--See the definition of "closely-held
9 corporation" in section 1103 (relating to definitions).

10 § 2302. Definition of minimum vote.

11 (a) General rule.--As used in this chapter the term "minimum
12 vote" as applied to corporate action means that:

13 (1) The holders of shares of every class shall be
14 entitled to vote on the corporate action regardless of any
15 limitations stated in the articles or bylaws on the voting
16 rights of any class.

17 (2) The corporate action must be approved by vote of the
18 shareholders of each class entitled to cast at least two-
19 thirds of the votes that all shareholders of the class are
20 entitled to cast thereon.

21 (b) Increased vote requirements.--The bylaws of a statutory
22 close corporation adopted by the shareholders may provide that
23 on any corporate action subject to the minimum vote requirement
24 of subsection (a) a vote greater than two-thirds or a vote of
25 all shares of any class shall be required. If the bylaws contain
26 such a provision, that provision shall not be amended, repealed
27 or modified by any vote less than that required to effect such
28 corporation action.

29 § 2303. Formation of statutory close corporations.

30 A statutory close corporation shall be formed in accordance

1 with Article B (relating to domestic business corporations
2 generally) except that its articles shall contain:

3 (1) A heading stating the name of the corporation and
4 that it is a statutory close corporation.

5 (2) The provisions required by section 2304 (relating to
6 additional contents of articles of statutory close
7 corporations).

8 § 2304. Additional contents of articles of statutory close
9 corporations.

10 (a) General rule.--The articles of a statutory close
11 corporation, in addition to the provisions otherwise required by
12 this subpart, shall provide that the corporation shall not make
13 an offering of any of its shares of any class that would
14 constitute a "public offering" within the meaning of the
15 Securities Act of 1933 (15 U.S.C. § 77a et seq.).

16 (b) Number or qualifications of shareholders.--The articles
17 of a statutory close corporation may set forth:

18 (1) The maximum number of persons who are entitled to be
19 record holders or beneficial owners of its shares.

20 (2) The qualifications of shareholders, either by
21 specifying classes of persons who shall be entitled to be
22 holders of record of shares of any class or by specifying
23 classes of persons who shall not be entitled to be holders of
24 shares of any class or both.

25 (c) Aggregation of holdings.--Except as otherwise provided
26 in the articles, for purposes of determining the number of
27 holders of record or beneficial owners of the shares of a
28 statutory close corporation, shares that are held jointly or in
29 common or in a trust, by two or more persons, as fiduciaries or
30 otherwise, or that are held by spouses, shall be treated as held

1 by one shareholder.

2 § 2305. Election of an existing business corporation to become
3 a statutory close corporation.

4 (a) General rule.--A business corporation may become a
5 statutory close corporation under this chapter by amending its
6 articles so that they shall contain, in addition to the
7 requirements of section 1911(b) (relating to exceptions):

8 (1) A heading stating the name of the corporation and
9 that it is a statutory close corporation.

10 (2) A statement that it elects to become a statutory
11 close corporation.

12 (3) The provisions required by section 2304 (relating to
13 additional contents of articles of statutory close
14 corporations).

15 (b) Procedure.--The amendment shall not be effective unless
16 it is adopted by at least the minimum vote.

17 § 2306. Limitations on continuation of statutory close
18 corporation status.

19 A statutory close corporation continues to be such and to be
20 subject to this chapter until:

21 (1) it terminates its status as a statutory close
22 corporation pursuant to section 2307 (relating to voluntary
23 termination of statutory close corporation status by
24 amendment of articles); or

25 (2) the provisions required or permitted by section 2304
26 (relating to additional contents of articles of statutory
27 close corporations) to be stated in the articles to qualify a
28 business corporation as a statutory close corporation have in
29 fact been breached and neither the corporation nor any of its
30 shareholders takes the steps required by section 2309

1 (relating to involuntary termination of statutory close
2 corporation status; proceeding to prevent loss of status) to
3 prevent such loss of status or to remedy such breach.

4 § 2307. Voluntary termination of statutory close corporation
5 status by amendment of articles.

6 (a) General rule.--A statutory close corporation may
7 voluntarily terminate its status as such and cease to be subject
8 to this chapter by amending its articles to delete therefrom the
9 additional provisions required or permitted by sections 2303(1)
10 (relating to formation of statutory close corporations) and 2304
11 (relating to additional contents of articles of statutory close
12 corporations) to be stated in the articles of a statutory close
13 corporation.

14 (b) Procedure.--The amendment shall not be effective unless
15 it is adopted by at least the minimum vote.

16 § 2308. Issuance or transfer of shares of a statutory close
17 corporation in breach of qualifying conditions.

18 (a) Notice of qualifications.--If shares of a statutory
19 close corporation are issued or transferred to any person who is
20 not entitled under any provision of the articles permitted by
21 section 2304(b) (relating to number or qualifications of
22 shareholders) to be a holder of record of shares of the
23 corporation and if the certificate for the shares complies with
24 section 2321(c) (relating to notice of statutory close
25 corporation status) or conspicuously notes the existence of such
26 a provision of the articles, that person shall be conclusively
27 presumed to have notice of the fact of his ineligibility to be a
28 shareholder.

29 (b) Notice of size restrictions.--If the articles of a
30 statutory close corporation state the number of persons who are

1 entitled to be holders or owners of its shares and if the
2 certificate for the shares complies with section 2321(c) or
3 conspicuously notes the existence of such a provision of the
4 articles and if the issuance or transfer of shares to any person
5 would cause the shares to be held by more than that number of
6 persons, the person to whom the shares are issued or transferred
7 shall be conclusively presumed to have notice of that fact.

8 (c) Refusal to register.--Whenever any person to whom shares
9 of a statutory close corporation have been issued or transferred
10 has, or is conclusively presumed under this section to have,
11 notice either:

12 (1) that he is a person not eligible to be a holder of
13 shares of the corporation; or

14 (2) that the transfer of shares to him would cause the
15 shares of the corporation to be held by more than the number
16 of persons permitted by its articles to hold shares of the
17 corporation;

18 the corporation may, at its option, refuse to register the
19 transfer of the shares into the name of the transferee.

20 (d) Exception.--The provisions of subsection (c) shall not
21 be applicable if the transfer of shares, even though otherwise
22 contrary to subsection (a) or (b), has been consented to by all
23 the shareholders of the statutory close corporation or if the
24 statutory close corporation has amended its articles in
25 accordance with section 2307 (relating to voluntary termination
26 of statutory close corporation status by amendment of articles).

27 (e) Rescission rights unaffected.--The provisions of this
28 section do not impair any right of a transferee to rescind the
29 transaction or to recover under any applicable warranty express
30 or implied.

1 (f) Definition.--As used in this section the term "transfer"
2 is not limited to a transfer for value.

3 § 2309. Involuntary termination of statutory close corporation
4 status; proceeding to prevent loss of status.

5 (a) General rule.--If any event occurs as a result of which
6 the provisions included in the articles of a statutory close
7 corporation pursuant to section 2304 (relating to additional
8 contents of articles of statutory close corporations) to qualify
9 it as a statutory close corporation have been breached, the
10 status of the business corporation as a statutory close
11 corporation under this chapter shall terminate unless:

12 (1) Within 30 days after the occurrence of the event or
13 within 30 days after the event has been discovered, whichever
14 is later, the corporation:

15 (i) Files in the Department of State a certificate
16 executed by the corporation setting forth:

17 (A) The name of the corporation and, subject to
18 section 109 (relating to name of commercial
19 registered office provider in lieu of registered
20 address), the address, including street and number,
21 if any, of its registered office.

22 (B) A statement that a provision included in its
23 articles pursuant to section 2304 to qualify it as a
24 statutory close corporation has been breached.

25 (ii) Furnishes a copy of the certificate to each
26 shareholder.

27 (2) The corporation concurrently with the filing of the
28 certificate takes such steps as are necessary to correct the
29 situation that threatens its status as a statutory close
30 corporation including, without limitation, the refusal to

1 register the transfer of shares that have been wrongfully
2 transferred as provided by section 2308 (relating to issuance
3 or transfer of shares of a statutory close corporation in
4 breach of qualifying conditions) or initiation of a
5 proceeding under subsection (b).

6 (b) Proceeding to cure breach.--Upon the application of the
7 corporation or of any shareholder, the court may issue all
8 orders necessary to prevent the corporation from losing its
9 status as a statutory close corporation or to restore its status
10 as a statutory close corporation by enjoining or setting aside
11 any act or threatened act on the part of the corporation or a
12 shareholder that would be inconsistent with any of the
13 provisions required or permitted by section 2304 to be stated in
14 the articles of a statutory close corporation unless it is an
15 act approved in accordance with section 2308(d) (relating to
16 exception). The court may enjoin or set aside any transfer or
17 threatened transfer of shares of a statutory close corporation
18 that is contrary to any of the terms of its articles and may
19 enjoin any public offering, as defined in section 2304(a), or
20 threatened public offering of shares of the statutory close
21 corporation.

22 (c) Notice of cure of breach.--When the situation that
23 threatened the status of the corporation as a statutory close
24 corporation has been remedied and if the corporation has not
25 amended its articles in accordance with section 2307 (relating
26 to voluntary termination of statutory close corporation status
27 by amendment of articles), the corporation shall file in the
28 department a certificate executed by the corporation, setting
29 forth:

30 (1) The name of the corporation and, subject to section

1 109 (relating to name of commercial registered office
2 provider in lieu of registered address), the address,
3 including street and number, if any, of its registered
4 office.

5 (2) A statement that no breach of any of the provisions
6 included in its articles pursuant to section 2304 exists.

7 Upon the filing of the certificate, the status of the
8 corporation as a statutory close corporation under this chapter,
9 if theretofore terminated by reason of subsection (a), shall be
10 restored.

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

13 SUBCHAPTER B

14 SHARES

15 Sec.

16 2321. Shares.

17 2322. Share transfer restrictions.

18 2323. Transfer of shares in breach of transfer restrictions.

19 2324. Corporation option where a restriction on transfer of a
20 security is held invalid.

21 2325. Sale option of estate of shareholder.

22 § 2321. Shares.

23 (a) General rule.--A statutory close corporation shall not
24 issue uncertificated shares.

25 (b) Preemptive rights.--

26 (1) Unless otherwise provided in a bylaw adopted by the
27 shareholders, the holders of any class of voting shares of a
28 statutory close corporation shall have a preemptive right to
29 subscribe for or purchase any voting shares (or any option
30 rights or securities having conversion or option rights with

1 respect to any voting shares) issued or sold by the
2 corporation for any form of consideration.

3 (2) Paragraph (1) shall not apply to any issue of voting
4 shares (or of any option rights or securities having
5 conversion or option rights with respect to such voting
6 shares) pursuant to a plan to which Subchapter D of Chapter
7 15 (relating to dissenters rights) is applicable.

8 (c) Notice of statutory close corporation status.--A legend
9 in substantially the following form shall be set forth
10 conspicuously on each share certificate issued by a statutory
11 close corporation:

12 The rights of shareholders in a statutory close
13 corporation may differ materially from the rights of
14 shareholders in other corporations. Copies of the articles of
15 incorporation and bylaws, agreements among shareholders or
16 other documents, which may restrict transfers and affect
17 voting and other rights, may be obtained by a shareholder on
18 written request to the corporation.

19 This notice shall satisfy all requirements of this subpart that
20 notice of transfer or other restrictions or relative rights be
21 given. All persons claiming an interest in shares of a statutory
22 close corporation:

23 (1) Complying with the notice requirement of this
24 section shall be bound by the documents referred to in the
25 notice.

26 (2) Not complying with the requirement of this section
27 shall be bound only by any documents of which they, or any
28 person through whom they claim, have knowledge or notice.

29 § 2322. Share transfer restrictions.

30 (a) General rule.--Unless otherwise provided in a bylaw

1 adopted by the shareholders, no interest in shares of a
2 statutory close corporation may be transferred, by operation of
3 law or otherwise, whether voluntary or involuntary.

4 (b) Exception.--Subsection (a) shall not apply to a
5 transfer:

6 (1) To the corporation or to any other shareholder of
7 the same class of shares.

8 (2) To members of the immediate family of a shareholder
9 or to a trust all of whose beneficiaries are members of the
10 immediate family of a shareholder. The immediate family of a
11 shareholder shall include only his spouse, parents, brothers,
12 sisters, lineal descendants (including descendants related by
13 adoption) and spouses of any lineal descendants.

14 (3) That has been approved by the unanimous vote of the
15 holders of the most junior shares of the corporation having
16 voting rights for the election of directors.

17 (4) To an executor or administrator upon the death of a
18 shareholder or to a trustee or receiver as the result of a
19 bankruptcy, insolvency, dissolution or similar proceeding
20 brought by or against a shareholder.

21 (5) By merger, consolidation or share exchange that
22 becomes effective pursuant to section 2336 (relating to
23 fundamental changes) or a share exchange of existing shares
24 for other shares of a different class or series in the
25 corporation.

26 (6) By a pledge as collateral for a loan that does not
27 grant the pledgee any voting rights possessed by the pledgor.

28 (7) Made after termination of the status of the
29 corporation as a statutory close corporation.

30 (8) Permitted by subsection (h).

1 (c) Offer by nonexempt purchaser.--Any person desiring to
2 transfer shares in a transaction not exempt under subsection
3 (b)(1) through (7) shall obtain an offer from a third party who
4 meets the requirements of subsection (d) to purchase the shares
5 for cash and shall deliver written notice of the third party
6 offer to the corporation at its registered office stating the
7 number and kind of shares, the offering price, the other terms
8 of the offer and the name and address of the third party
9 offeror.

10 (d) Qualifications of transferee.--A transfer shall not be
11 made to a third party unless:

12 (1) The third party is eligible to become a qualified
13 shareholder under the provisions of any Federal or State tax
14 statute that the corporation has elected to be subject to and
15 the third party agrees in writing not to take any action to
16 terminate the election without the approval of the remaining
17 shareholders.

18 (2) The transfer to the third party will not result in
19 the imposition of the personal holding company tax or any
20 similar Federal or State penalty tax on the corporation.

21 (3) The third party is eligible to be a shareholder
22 under section 2304(b) (relating to number or qualifications
23 of shareholders).

24 (e) Action on offer by corporation.--The notice specified in
25 subsection (c) shall constitute an offer by the shareholder to
26 sell the shares to the corporation on the terms of the third
27 party offer. Within 20 days after receipt of the notice by the
28 corporation, the secretary shall call a special meeting of
29 shareholders, which shall be held not more than 40 days after
30 the call, for the purpose of determining whether to purchase all

1 (but not less than all) of the offered shares. Approval of
2 action to purchase shall be by a majority of the votes of all
3 shareholders entitled to vote thereon, excluding the holders of
4 offered shares. With the consent of all the shareholders
5 entitled to vote for the approval, the corporation may allocate
6 some or all of the shares to one or more shareholders, or to
7 other persons, but if the corporation has more than one class of
8 shares, the remaining holders of the class of shares being
9 offered for sale shall have a first option to purchase the
10 shares that are not purchased by the corporation in proportion
11 to their shareholdings or in such proportion as shall be
12 agreeable to those desiring to participate in the purchase.

13 (f) Notice of action by corporation.--Within 75 days after
14 receipt of the offer, written notice of the acceptance of the
15 offer of the shareholder shall be delivered or sent to the
16 offering shareholder at the address specified in his notice to
17 the corporation or, in the absence of any specification, at his
18 last known address as reflected in the records of the
19 corporation. If the notice contains terms of purchase different
20 from those contained in the offer of the shareholder, the
21 different terms shall be deemed a counteroffer and unless the
22 shareholder wishing to transfer his shares accepts in writing
23 the counteroffer or the shareholder and the corporation or other
24 purchaser otherwise resolve by written agreement the difference
25 between the offer and counteroffer within 15 days of receipt by
26 the shareholder of the qualified notice of acceptance, the
27 notice containing the counteroffer shall be ineffective as an
28 acceptance.

29 (g) Delivery and payment.--If a contract to sell is created
30 under subsection (f), the shareholder shall make delivery of all

1 the certificates for the shares so sold, duly endorsed, within
2 20 days of receipt of the notice of acceptance. Breach of any of
3 the terms of the contract shall entitle the nonbreaching party
4 to any remedy at law or equity allowed for breach of a contract
5 including, without limitation, specific performance.

6 (h) Limited release from restrictions.--If the offer to sell
7 is not accepted pursuant to subsections (e) and (f), the
8 shareholder shall be entitled to transfer to the third party
9 offeror all (but not less than all) of the offered shares within
10 120 days after delivery of the notice specified in subsection
11 (c) in accordance with the terms specified therein.

12 § 2323. Transfer of shares in breach of transfer restrictions.

13 Any attempted transfer of shares of a statutory close
14 corporation in violation of any transfer restriction binding on
15 the transferee shall be ineffective. Any attempted transfer of
16 shares of a statutory close corporation in violation of any
17 transfer restriction not binding on the transferee shall give
18 the corporation the option, exercisable by notice and payment
19 within 30 days after presentation of the shares for registration
20 in the name of the transferee, to purchase the shares from the
21 transferee for the same price and terms.

22 § 2324. Corporation option where a restriction on transfer of a
23 security is held invalid.

24 If the bylaws contain provisions pursuant to section 2322(a)
25 (relating to share transfer restrictions) and a restriction on
26 transfer of a security of a statutory close corporation is held
27 not to be authorized by section 1529 (relating to transfer of
28 securities; restrictions), the corporation shall nevertheless
29 have an option, for a period of 30 days after the judgment
30 setting aside the restriction becomes final, to acquire the

1 restricted security at a price which is agreed upon by the
2 parties or, if an agreement is not reached, at the fair value as
3 determined under Subchapter D of Chapter 15 (relating to
4 dissenters rights).

5 § 2325. Sale option of estate of shareholder.

6 (a) General rule.--Unless otherwise provided in a bylaw
7 adopted by the shareholders, the personal representative of any
8 deceased holder or owner of shares shall have the right to
9 require a statutory close corporation to elect either to
10 purchase or cause the purchase of all, but not less than all, of
11 the shares owned by the decedent pursuant to subsections (c)
12 through (e) or to be dissolved.

13 (b) Minimum vote requirement.--An amendment to the bylaws to
14 provide that this section shall apply or to delete or modify the
15 provisions of this section shall require at least the minimum
16 vote for approval. Any shareholder who votes against an
17 amendment to delete or modify the provisions of this section
18 shall, if the amendment terminates or substantially alters the
19 existing rights of the shareholder pursuant to this section to
20 have his shares purchased, be entitled to receive the fair value
21 of his shares upon compliance with the provisions of Subchapter
22 D of Chapter 15 (relating to dissenters rights).

23 (c) Initial procedure.--The personal representative shall,
24 within six months after the death of the holder or owner of
25 shares, deliver a written notice to the corporation at its
26 registered office specifying the number and class of all shares
27 beneficially owned by the deceased shareholder and stating that
28 an offer by the corporation to purchase the shares is being
29 solicited pursuant to this section. Within 20 days after receipt
30 of the notice by the corporation, the secretary shall call a

1 special meeting of shareholders, which shall be held not more
2 than 40 days after the call, for the purpose of determining
3 whether to offer to purchase the shares. Approval of action to
4 offer to purchase the shares shall be by vote of a majority of
5 the shares entitled to vote, excluding the shares covered by the
6 notice. With the consent of all the shareholders entitled to
7 vote for the approval, the corporation may allocate some or all
8 of the shares to one or more shareholders, or to other persons,
9 but if the corporation has more than one class of shares, the
10 remaining holders of the class of shares being offered for sale
11 shall have a first option to purchase the shares that are not
12 purchased by the corporation in proportion to their
13 shareholdings or in such proportion as shall be agreeable to
14 those desiring to participate in the purchase.

15 (d) Notice of action by corporation.--Written notice of the
16 approval by the shareholders of an offer to purchase, or that no
17 offer to purchase was approved, shall be delivered or sent to
18 the personal representative within 75 days after receipt of the
19 notice soliciting the offer to purchase. Any offer to purchase
20 shall be accompanied by copies of the balance sheets as of the
21 end of, and profit and loss statements for, the preceding two
22 fiscal years of the corporation and any available interim
23 balance sheet and profit and loss statement. Any offer to
24 purchase shall be accepted or rejected in writing within 15
25 days.

26 (e) Price and other terms of purchase.--To the extent the
27 price and other terms for purchasing the shares by the
28 corporation or remaining shareholders are fixed or are to be
29 determined pursuant to provisions in the bylaws or in a written
30 agreement, those provisions shall be binding except that, in the

1 event of a default in any payment due, subsection (i) shall
2 apply and the person exercising his rights under this section
3 shall have the right to petition for dissolution of the
4 corporation.

5 (f) Judicial proceedings in absence of agreement to
6 purchase.--If an offer to purchase is rejected, or if an offer
7 to purchase is not made under this section, the personal
8 representative may commence an action in court under this
9 subsection. The jurisdiction of the court shall be plenary and
10 exclusive. The corporation shall be made a party defendant in
11 the action and shall, at its expense, give notice of the
12 commencement of the action to all shareholders and to such other
13 persons as the court may direct. The court shall proceed to
14 determine the fair value of the shares considering the going
15 concern value of the corporation, any agreement among some or
16 all of the shareholders fixing a price or specifying a formula
17 for determining the value of shares of the corporation for any
18 purpose, the recommendations of any appraiser appointed by the
19 court, any legal constraint on the ability of the corporation to
20 acquire the shares and other relevant evidence. The court shall
21 enter an order requiring the corporation to cause the purchase
22 of the shares at fair value including such provisions as are
23 deemed proper concerning payment of the purchase price in two or
24 more installments, payment of interest on the installments,
25 subordination of the obligation to the rights of other creditors
26 of the corporation and security for payment of the deferred
27 purchase price.

28 (g) Costs and expenses.--Except as otherwise prescribed by
29 general rules:

30 (1) If the fair value of the shares as determined by the

1 court does not materially exceed the last offer made by the
2 corporation prior to the commencement of an action pursuant
3 to subsection (f) and the court finds that the failure of the
4 personal representative to accept the last offer of the
5 corporation was arbitrary, obdurate, vexatious or in bad
6 faith, the court may assess all or a portion of the costs and
7 expenses of the action against the estate of the deceased
8 shareholder.

9 (2) If the fair value of the shares as determined by the
10 court materially exceeds the amount of the last offer made by
11 the corporation prior to the time an action was commenced
12 pursuant to subsection (f) and the court finds that the last
13 offer of the corporation was dilatory, obdurate or vexatious,
14 the court may assess all or a portion of the costs and
15 expenses of the action against the corporation.

16 (3) Expenses assessable under paragraphs (1) and (2)
17 shall include reasonable compensation for and reasonable
18 expenses of any appraiser appointed by the court and the
19 reasonable fees and expenses of counsel for and experts
20 employed by any party.

21 (4) Except as provided in paragraphs (1) and (2), the
22 costs of an action commenced pursuant to subsection (f) shall
23 be assessed on an equal basis between the corporation and the
24 estate of the deceased shareholder and all other fees and
25 expenses shall be borne by the party incurring the fees and
26 expenses.

27 (h) Subsequent modification of order.--Upon application of
28 the corporation, the court may modify its order to change the
29 terms of payment if it finds that the changed financial or legal
30 ability of the corporation or other purchasers of the shares to

1 complete the purchase justifies a modification. Any person
2 making a payment in order to prevent or cure any default by any
3 purchaser shall be entitled to recover the excess payment from
4 the defaulting person.

5 (i) Failure to make payment.--If the corporation or other
6 purchaser fails for any reason to make any payment specified in
7 the order within 30 days after the due date for the payment, the
8 court shall, upon application of the person to whom the payment
9 is due and in the absence of good cause shown by the
10 corporation, enter an order directing that the corporation be
11 dissolved.

12 (j) Waiver.--Any shareholder may waive in writing the rights
13 of his personal representative under this section.

14 (k) Section nonexclusive.--This section shall not be
15 construed to prohibit any other agreement not prohibited by law
16 that provides for the purchase of shares of the corporation nor
17 shall it prevent a shareholder from enforcing any other remedy
18 he may have.

19 SUBCHAPTER C

20 POWERS, DUTIES AND SAFEGUARDS

21 Sec.

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 § 2331. Directors.

1 (a) Agreements restricting discretion of directors.--A
2 written agreement among the shareholders of a statutory close
3 corporation entitled to cast at least a majority of the votes
4 that all shareholders are entitled to cast for the election of
5 directors, whether solely among themselves or with a party not a
6 shareholder, is not invalid, as between the parties to the
7 agreement or the shareholders of the corporation, on the ground
8 that it so relates to the conduct of the business and affairs of
9 the corporation as to restrict or interfere with the discretion
10 or powers of the board of directors.

11 (b) Effect of agreement.--The effect of any such agreement
12 shall be to relieve the directors and impose upon the
13 shareholders who are parties to the agreement the liability for
14 acts or omissions that is imposed by law on directors to the
15 extent and so long as the discretion or powers of the board in
16 its direction of the management of corporate affairs is
17 controlled by the agreement.

18 § 2332. Management by shareholders.

19 (a) General rule.--A bylaw of a statutory close corporation
20 adopted by the shareholders may provide that the business and
21 affairs of the corporation shall be managed by or under the
22 direction of the shareholders of the corporation rather than by
23 or under the direction of a board of directors. So long as such
24 a provision continues in effect:

25 (1) No meeting of shareholders need be called to elect
26 directors.

27 (2) Unless the context clearly requires otherwise, the
28 shareholders of the corporation shall be deemed to be
29 directors for purposes of applying provisions of this
30 subpart.

1 managed by or under the direction of the shareholders and
2 they are so divided that the business of the corporation is
3 suffering or is threatened with immediate and irreparable
4 injury and any remedy with respect to such deadlock provided
5 in the bylaws or in any written agreement of the shareholders
6 has failed; or

7 (2) the applicant shareholder has the right to the
8 dissolution of the corporation under a provision of the
9 articles permitted by section 2337 (relating to option of
10 shareholder to dissolve corporation).

11 A custodian appointed under paragraph (2) shall have the
12 authority to liquidate the affairs of the corporation and
13 distribute its assets.

14 (b) Provisional director.--In lieu of appointing a custodian
15 for a statutory close corporation under subsection (a)(1) or
16 section 1767 or a receiver under Subchapter G of Chapter 19
17 (relating to involuntary liquidation and dissolution), the court
18 may appoint a provisional director, whose powers and status
19 shall be as provided in section 2334 (relating to appointment of
20 provisional director in certain cases), if the court determines
21 that it would be in the best interest of the corporation. The
22 appointment shall not preclude any subsequent order of the court
23 appointing a custodian or receiver for the corporation.

24 § 2334. Appointment of provisional director in certain cases.

25 (a) General rule.--Notwithstanding any contrary provision of
26 the articles or the bylaws or agreement of the shareholders, the
27 court may appoint a provisional director for a statutory close
28 corporation if the directors are so divided respecting the
29 management of the business and affairs of the corporation that
30 the votes required for action by the board of directors cannot

1 be obtained with the consequence that the business and affairs
2 of the corporation can no longer be conducted to the advantage
3 of the shareholders generally.

4 (b) Application for relief.--

5 (1) An application for relief under this section must be
6 filed by or on behalf of:

7 (i) at least one-half of the number of directors
8 then in office;

9 (ii) the holders of shares entitled to cast at least
10 one-third of the votes that all shareholders are entitled
11 to cast for the election of directors; or

12 (iii) shareholders entitled to cast at least two-
13 thirds of the votes that all shareholders of the class
14 are entitled to cast for the election of directors if
15 there is more than one class of shares then entitled to
16 elect one or more directors.

17 A bylaw of a statutory close corporation adopted by the
18 shareholders may provide that a lesser proportion of the
19 directors or of the shareholders or of a class of
20 shareholders may apply for relief under this section.

21 (2) Even though the requirements of paragraph (1) are
22 not satisfied, the court may nevertheless appoint a
23 provisional director if permitted by section 2333(b)
24 (relating to provisional director).

25 (c) Qualifications.--A provisional director shall be an
26 impartial individual who is neither a shareholder nor a creditor
27 of the corporation or of any subsidiary or affiliate of the
28 corporation and whose further qualifications, if any, may be
29 determined by the court.

30 (d) Status and powers.--A provisional director is not a

1 receiver of a corporation and does not have the title and powers
2 of a custodian or receiver appointed under section 1767
3 (relating to appointment of custodian of corporation on deadlock
4 or other cause) or Subchapter G of Chapter 19 (relating to
5 involuntary liquidation and dissolution). A provisional director
6 shall have all the rights and powers of a duly elected director
7 of the corporation, including the right to notice of and to vote
8 at meetings of directors, until such time as he is removed by
9 order of the court or by the shareholders entitled to cast at
10 least two-thirds of the votes that all shareholders of that
11 class of voting shares that filed the application for
12 appointment of a provisional director are entitled to cast for
13 directors, or by the shareholders entitled to cast at least a
14 majority of the votes that all shareholders are entitled to cast
15 for the election of directors, in any other case.

16 (e) Compensation.--The compensation of the provisional
17 director shall be determined by agreement between him and the
18 corporation subject to approval of the court which may fix his
19 compensation in the absence of agreement or in the event of
20 disagreement between the provisional director and the
21 corporation.

22 § 2335. Operating corporation as partnership.

23 A written agreement among shareholders of a statutory close
24 corporation, or any provision of the articles or bylaws of the
25 corporation, which agreement or provision relates to any phase
26 of the affairs of such corporation, including but not limited to
27 the management of its business or declaration and payment of
28 dividends or other division of profits or the election of
29 directors or officers or the employment of shareholders by the
30 corporation or the arbitration of disputes, shall not be invalid

1 on the ground that it is an attempt by the parties to the
2 agreement or by the shareholders of the corporation to treat the
3 corporation as if it were a partnership or to arrange relations
4 among the shareholders or between the shareholders and the
5 corporation in a manner that would be appropriate only among
6 partners and shall not be grounds for imposing personal
7 liability on the shareholders for obligations of the
8 corporation.

9 § 2336. Fundamental changes.

10 Except as permitted or required by this chapter, a statutory
11 close corporation shall not effect any corporate action that
12 under Chapter 19 (relating to fundamental changes) requires the
13 approval of shareholders unless the action is adopted by at
14 least the minimum vote.

15 § 2337. Option of shareholder to dissolve corporation.

16 (a) General rule.--A bylaw of a statutory close corporation
17 adopted by the shareholders may include a provision granting to
18 any shareholder, or to the holders of any specified number or
19 percentage of shares of any class of shares, an option to have
20 the corporation dissolved at will or upon the occurrence of any
21 specified event or contingency. Whenever the option to dissolve
22 is exercised, the shareholders exercising the option shall give
23 written notice thereof to all other shareholders. After the
24 expiration of 30 days following the sending of the notice, the
25 dissolution of the corporation shall proceed as if the required
26 number of shareholders having voting rights had consented in
27 writing to dissolution of the corporation as provided by
28 Subchapter F of Chapter 19 (relating to voluntary dissolution
29 and winding up).

30 (b) Amendment adding option.--If the bylaws do not contain a

1 provision authorized by subsection (a), the bylaws may be
2 amended to include such a provision if adopted by the unanimous
3 vote of all the shareholders, regardless of any limitations
4 stated in the bylaws on the voting rights of any class, unless
5 the original bylaws, or bylaws adopted by such a unanimous vote,
6 specifically authorize such an amendment to be adopted by a
7 specified vote of shareholders, which shall not be less than the
8 minimum vote.

9 (c) Notice on shares.--If the bylaws contain a provision
10 authorized by this section, the existence of the provision shall
11 be noted conspicuously on every share certificate issued by the
12 corporation unless the certificate complies with section 2321(c)
13 (relating to notice of statutory close corporation status).

14 ~~CHAPTER 25~~ ←

15 ~~REGISTERED CORPORATIONS~~

16 ~~Subchapter~~

17 ~~A. Preliminary Provisions~~

18 ~~B. Powers, Duties and Safeguards~~

19 ~~C. Directors and Shareholders~~

20 ~~D. Fundamental Changes~~

21 ~~SUBCHAPTER A~~

22 ~~PRELIMINARY PROVISIONS~~

23 ~~Sec.~~

24 ~~2501. Application and effect of chapter.~~

25 ~~2502. Registered corporation status.~~

26 ~~2503. Acquisition of registered corporation status.~~

27 ~~2504. Termination of registered corporation status.~~

28 ~~§ 2501. Application and effect of chapter.~~

29 (a) ~~General rule. This chapter shall be applicable to any~~
30 ~~business corporation that is a registered corporation as defined~~

1 ~~in section 2502 (relating to registered corporation status).~~

2 ~~(b) Laws applicable to registered corporations. Except as~~
3 ~~otherwise provided in this chapter, this subpart shall be~~
4 ~~generally applicable to all registered corporations. The~~
5 ~~specific provisions of this chapter shall control over the~~
6 ~~general provisions of this subpart. Except as otherwise provided~~
7 ~~in this article, a registered corporation may be simultaneously~~
8 ~~subject to this chapter and one or more other chapters of this~~
9 ~~article.~~

10 ~~(c) Effect of a contrary bylaw. The bylaws of a registered~~
11 ~~corporation may provide either expressly or by necessary~~
12 ~~implication that any one or more of the provisions of this~~
13 ~~chapter, except this subchapter and (unless the bylaw was~~
14 ~~adopted on or before March 22, 1984) section 2538 (relating to~~
15 ~~right of shareholders to receive payment for shares following a~~
16 ~~control transaction), shall not be applicable in whole or in~~
17 ~~part, to the corporation.~~

18 ~~§ 2502. Registered corporation status.~~

19 ~~As used in this chapter, the term "registered corporation"~~
20 ~~shall mean:~~

21 ~~(1) A domestic business corporation:~~

22 ~~(i) having a class or series of equity securities~~
23 ~~registered under the Securities Exchange Act of 1934 (15~~
24 ~~U.S.C. § 78a et seq.); or~~

25 ~~(ii) subject to the reporting obligations imposed by~~
26 ~~section 13 of the Securities Exchange Act of 1934 (15~~
27 ~~U.S.C. § 78m) by reason of having filed a registration~~
28 ~~statement under the Securities Act of 1933 (15 U.S.C. §~~
29 ~~77a et seq.) relating to shares of a class or series of~~
30 ~~its equity securities.~~

1 ~~Sec.~~

2 ~~2511. Financial reports to shareholders.~~

3 ~~2512. Dissenters rights procedure.~~

4 ~~§ 2511. Financial reports to shareholders.~~

5 ~~The requirements of section 1554 (relating to financial~~
6 ~~reports to shareholders) shall not apply to a registered~~
7 ~~corporation.~~

8 ~~§ 2512. Dissenters rights procedure.~~

9 ~~(a) General rule. A registered corporation, except one~~
10 ~~described in section 2502(1)(ii) (relating to registered~~
11 ~~corporation status), shall not be required by statute to supply~~
12 ~~a copy of Subchapter D of Chapter 15 (relating to dissenters~~
13 ~~rights) to any of its shareholders entitled to dissenters rights~~
14 ~~in connection with a proposed corporate action from whom the~~
15 ~~corporation solicits a proxy relating to approval of, or to whom~~
16 ~~it sends an information statement relating to, the proposed~~
17 ~~corporate action.~~

18 ~~(b) Exception. Subsection (a) does not apply to notice~~
19 ~~given under sections 1575(a)(4) (relating to notice to demand~~
20 ~~payment) and 1577(c)(3) (relating to payment of fair value of~~
21 ~~shares).~~

22 ~~SUBCHAPTER C~~

23 ~~DIRECTORS AND SHAREHOLDERS~~

24 ~~Sec.~~

25 ~~2521. Call of special meetings of shareholders.~~

26 ~~2522. Adjournment of meetings of shareholders.~~

27 ~~2523. Quorum at shareholder meetings.~~

28 ~~2524. Consent of shareholders in lieu of meeting.~~

29 ~~§ 2521. Call of special meetings of shareholders.~~

30 ~~The shareholders of a registered corporation shall not be~~

1 ~~entitled by statute to call a special meeting of the~~
2 ~~shareholders.~~

3 ~~§ 2522. Adjournment of meetings of shareholders.~~

4 ~~Any regular or special meeting of the shareholders of a~~
5 ~~registered corporation, including one at which directors are to~~
6 ~~be elected, may be adjourned for such period as the shareholders~~
7 ~~present and entitled to vote shall direct.~~

8 ~~§ 2523. Quorum at shareholder meetings.~~

9 ~~The board of directors of a registered corporation may adopt~~
10 ~~or change a bylaw on any subject otherwise expressly committed~~
11 ~~to the shareholders by section 1756(a) (relating to quorum).~~

12 ~~§ 2524. Consent of shareholders in lieu of meeting.~~

13 ~~An action authorized by the shareholders of a registered~~
14 ~~corporation by less than unanimous written consent, if action by~~
15 ~~less than unanimous written consent is permitted by its bylaws,~~
16 ~~may become effective immediately upon its authorization, but~~
17 ~~prompt notice of the action shall be given to those shareholders~~
18 ~~entitled to vote thereon who have not consented.~~

19 ~~SUBCHAPTER D~~

20 ~~FUNDAMENTAL CHANGES~~

21 ~~Sec.—~~

22 ~~2535. Proposal of amendment to articles.~~

23 ~~2536. Application by director for involuntary dissolution.~~

24 ~~2537. Dissenters rights in asset transfers.~~

25 ~~2538. Right of shareholders to receive payment for shares~~
26 ~~following a control transaction.~~

27 ~~§ 2535. Proposal of amendment to articles.~~

28 ~~The shareholders of a registered corporation shall not be~~
29 ~~entitled by statute to propose an amendment to the articles.~~

30 ~~§ 2536. Application by director for involuntary dissolution.~~

1 ~~A director of a registered corporation, as such, shall not be~~
2 ~~entitled to file an application seeking involuntary winding up~~
3 ~~and dissolution of the corporation.~~

4 ~~§ 2537. Dissenters rights in asset transfers.~~

5 ~~The shareholders of a registered corporation that adopts a~~
6 ~~plan of asset transfer shall not be entitled to dissenters~~
7 ~~rights except as provided by section 1906(c) (relating to~~
8 ~~dissenters rights upon special treatment) or unless the board of~~
9 ~~directors or the bylaws so provide pursuant to section 1571(c)~~
10 ~~(relating to grant of optional dissenters rights).~~

11 ~~§ 2538. Right of shareholders to receive payment for shares~~
12 ~~following a control transaction.~~

13 ~~(a) General rule. Unless:~~

14 ~~(1) the bylaws, by amendment adopted on or before March~~
15 ~~22, 1984 and not subsequently rescinded by an amendment of~~
16 ~~the articles; or~~

17 ~~(2) the articles;~~

18 ~~explicitly provide that this section shall not be applicable to~~
19 ~~the corporation, any holder of voting shares of a registered~~
20 ~~corporation that becomes the subject of a control transaction~~
21 ~~described in subsection (h) who shall object to the transaction~~
22 ~~shall be entitled to the rights and remedies provided in this~~
23 ~~section. The adoption of an amendment to the bylaws as permitted~~
24 ~~by this subsection shall not be void or voidable by reason of~~
25 ~~the participation of any director affiliated with any~~
26 ~~shareholder and no director shall be held liable for taking or~~
27 ~~omitting to take such action. Subject to a requirement in the~~
28 ~~articles or a bylaw adopted by the shareholders of a higher~~
29 ~~required vote, a proposed amendment of the articles adding the~~
30 ~~provision contemplated by paragraph (2) shall be adopted upon~~

1 ~~receiving the affirmative votes of the shareholders entitled to~~
2 ~~cast at least a majority of the votes which all shareholders are~~
3 ~~entitled to cast thereon, and if any class or series of shares~~
4 ~~is entitled to vote thereon as a class, the affirmative vote of~~
5 ~~the holders of at least a majority of the outstanding shares of~~
6 ~~each class or series of shares entitled to vote as a class~~
7 ~~thereon.~~

8 ~~(b) Notice of control transaction. Prompt notice that a~~
9 ~~control transaction has occurred shall be given by the~~
10 ~~controlling person or group to each shareholder of record of the~~
11 ~~corporation holding voting shares. If the person or group so~~
12 ~~requests, the corporation shall, at the option of the~~
13 ~~corporation and at the expense of the person or group, either~~
14 ~~furnish a list of all such shareholders to the person or group~~
15 ~~or mail the notice to all such shareholders. There shall be~~
16 ~~included in, or enclosed with, the notice a copy of this section~~
17 ~~and Subchapter D of Chapter 15 (relating to dissenters rights).~~

18 ~~(c) Demand for payment. After the occurrence of the control~~
19 ~~transaction, any holder of voting shares of the corporation may,~~
20 ~~prior to or within a reasonable time after the notice required~~
21 ~~by subsection (b) is given, which time period may be specified~~
22 ~~in the notice, make written demand on the controlling person or~~
23 ~~group for payment of the amount provided in subsection (c) with~~
24 ~~respect to the voting shares of the corporation held by the~~
25 ~~shareholder, and the controlling person or group shall agree to~~
26 ~~pay that amount to the shareholder upon surrender of the share~~
27 ~~certificate or certificates representing the shares or upon the~~
28 ~~transfer of uncertificated shares. The demand of the shareholder~~
29 ~~shall state the number and class or series, if any, of the~~
30 ~~shares owned by him with respect to which the demand is made.~~

1 ~~(d) Effect of section. Nothing contained in this section~~
2 ~~shall preclude a controlling person or group subject to this~~
3 ~~section from offering, whether in a notice or otherwise, to~~
4 ~~purchase voting shares of the corporation at a price other than~~
5 ~~that provided in subsection (c), and nothing contained in this~~
6 ~~section shall preclude any shareholder from agreeing to sell his~~
7 ~~voting shares at that or any other price to any person.~~

8 ~~(e) Valuation of shares. A shareholder making written~~
9 ~~demand under subsection (c) shall be entitled to receive cash~~
10 ~~for each of his shares in an amount equal to the fair value of~~
11 ~~each voting share as of the day prior to the date on which the~~
12 ~~control transaction occurs, taking into account all relevant~~
13 ~~factors, including an increment representing a proportion of any~~
14 ~~value payable for acquisition of control of the corporation.~~
15 ~~Either the controlling person or group or the shareholder may~~
16 ~~proceed under sections 1579 (relating to valuation proceedings~~
17 ~~generally) and 1580 (relating to costs and expenses of valuation~~
18 ~~proceedings) for a determination of the fair value of such share~~
19 ~~as defined in this subsection. The written demand made by the~~
20 ~~shareholder shall be deemed to be the estimate pursuant to~~
21 ~~section 1578 (relating to estimate by dissenter of fair value~~
22 ~~for shares), the shareholders who make written demand shall be~~
23 ~~deemed to be the dissenters, and the controlling person or group~~
24 ~~shall be deemed to be the corporation for the purposes of those~~
25 ~~sections.~~

26 ~~(f) Conditional compliance.—~~

27 ~~(1) A person or group that proposes to engage in a~~
28 ~~control transaction may comply with the requirements of this~~
29 ~~section in connection with the control transaction, and the~~
30 ~~effectiveness of the rights afforded in this section to~~

1 ~~shareholders may be conditioned upon the consummation of the~~
2 ~~control transaction.~~

3 ~~(2) The person or group shall give prompt written notice~~
4 ~~of the satisfaction of any such condition to each shareholder~~
5 ~~who has made demand as provided in this section.~~

6 ~~(g) Exclusions. Subsections (a) through (f) shall not apply~~
7 ~~to any person or group that inadvertently becomes a controlling~~
8 ~~person or group if that controlling person or group, as soon as~~
9 ~~practicable, divests itself of a sufficient amount of its voting~~
10 ~~shares so that it is no longer a controlling person or group, or~~
11 ~~to any corporation that on December 23, 1983 was a subsidiary of~~
12 ~~any other corporation.~~

13 ~~(h) Definitions. As used in this section the following~~
14 ~~words and phrases shall have the meanings given to them in this~~
15 ~~subsection:~~

16 ~~(1) For purposes of this section a registered~~
17 ~~corporation shall be a domestic business corporation which is~~
18 ~~a registered corporation by reason of section 2502(1)(i)~~
19 ~~(relating to registered corporation status).~~

20 ~~(2) A controlling person or group shall mean for the~~
21 ~~purposes of this section a person who has, or a group of~~
22 ~~persons acting in concert that has, voting power over voting~~
23 ~~shares of the corporation that would entitle the holders~~
24 ~~thereof to cast at least 30% of the votes that all~~
25 ~~shareholders would be entitled to cast in an election of~~
26 ~~directors of the corporation.~~

27 ~~(3) Notwithstanding paragraph (2), a person or group~~
28 ~~which would otherwise be a controlling person or group within~~
29 ~~the meaning of this section shall not be deemed such a~~
30 ~~controlling person or group unless, subsequent to December~~

1 ~~23, 1983, that person or group increases the percentage of~~
2 ~~outstanding voting shares of the corporation over which it~~
3 ~~has voting power to in excess of the percentage of~~
4 ~~outstanding voting shares of the corporation over which that~~
5 ~~person or group had voting power on December 23, 1983, and to~~
6 ~~at least the amount specified in paragraph (2), as the result~~
7 ~~of forming or enlarging a group, or acquiring by purchase~~
8 ~~voting power over voting shares of the corporation.~~

9 ~~(4) (i) A person shall not be a controlling person~~
10 ~~under paragraph (2) if such person holds voting power, in~~
11 ~~good faith and not for the purpose of circumventing this~~
12 ~~section, as an agent, bank, broker, nominee or trustee~~
13 ~~for one or more beneficial owners who do not individually~~
14 ~~or, if they are a group acting in concert, as a group~~
15 ~~have the voting power specified in paragraph (2) or who~~
16 ~~are not deemed a controlling person or group under~~
17 ~~paragraph (3).~~

18 ~~(ii) For the purposes of this section, a person has~~
19 ~~voting power over a voting share if that person has or~~
20 ~~shares, directly or indirectly, through any option,~~
21 ~~contract, arrangement, understanding, conversion right or~~
22 ~~relationship, or by acting jointly or in concert, or~~
23 ~~otherwise, the power to vote, or to direct the voting of,~~
24 ~~the voting share.~~

25 ~~(5) A control transaction shall mean, for the purposes~~
26 ~~of this section, the acquisition by a person or group of the~~
27 ~~status of a controlling person or group.~~

28 ~~(6) For purposes of subsection (g), subsidiary shall~~
29 ~~mean any corporation as to which any other corporation has or~~
30 ~~has the right to acquire, directly or indirectly, through the~~

1 ~~exercise of all warrants, options and rights and the~~
2 ~~conversion of all convertible securities, whether issued or~~
3 ~~granted by the subsidiary or otherwise, voting power over~~
4 ~~voting shares of the subsidiary that would entitle the~~
5 ~~holders thereof to cast in excess of 50% of the votes that~~
6 ~~all shareholders would be entitled to cast in the election of~~
7 ~~directors of such subsidiary, except that a subsidiary will~~
8 ~~not be deemed to cease being a subsidiary so long as the~~
9 ~~corporation remains a controlling person or group within the~~
10 ~~meaning of this subsection.~~

11 CHAPTER 27 25 <—

12 MANAGEMENT CORPORATIONS

13 Subchapter

14 A. Preliminary Provisions

15 B. Powers, Duties and Safeguards

16 SUBCHAPTER A

17 PRELIMINARY PROVISIONS

18 Sec.

19 ~~2701~~ 2501. Application and effect of chapter. <—

20 ~~2702~~ 2502. Election to become a management corporation. <—

21 ~~2703~~ 2503. Date and duration of election. <—

22 ~~2704~~ 2504. Dissenters rights upon election. <—

23 § ~~2701~~ 2501. Application and effect of chapter. <—

24 (a) General rule.--This chapter shall be applicable to a
25 business corporation, other than a closely-held corporation or a
26 professional corporation, that elects to become a management
27 corporation in the manner provided by this chapter, if the
28 corporation is a management company required to be registered
29 and so registered under the Investment Company Act of 1940 (54
30 Stat. 789, 15 U.S.C. § 80a-1 et seq.).

1 (b) Laws applicable to management corporations.--Except as
2 otherwise provided in this chapter, this subpart shall be
3 generally applicable to all management corporations. The
4 specific provisions of this chapter shall control over the
5 general provisions of this subpart. Except as otherwise provided
6 in this article, a management corporation may be simultaneously
7 subject to this chapter and one or more other chapters of this
8 article. The bylaws of a management corporation may provided
9 either expressly or by necessary implication that any one or
10 more of the provisions of this chapter, except this subchapter,
11 shall not be applicable, in whole or in part, to the
12 corporation.

13 § ~~2702~~ 2502. Election to become a management corporation. ←

14 (a) General rule.--A business corporation may become a
15 management corporation under this chapter by filing articles of
16 amendment which shall contain in addition to the requirements of
17 section 1915 (relating to articles of amendment):

18 (1) A heading stating the name of the corporation and
19 that it is a management corporation.

20 (2) A statement that it elects to become a management
21 corporation.

22 (3) A statement that all shareholders of the corporation
23 have been accorded dissenters rights under this chapter in
24 connection with the election.

25 (b) Procedure.--An election to become subject to this
26 chapter shall be proposed by a resolution adopted by the board
27 of directors and shall be adopted in accordance with the
28 requirements of Subchapter B of Chapter 19 (relating to
29 amendment of articles).

30 (c) Cross reference.--See section 134 (relating to docketing

1 statement).

2 § ~~2703~~ 2503. Date and duration of election. ←

3 (a) Date of election.--If an effective date is not stated in
4 the articles of amendment, this chapter shall become applicable
5 to the management corporation on the date the articles of
6 amendment are filed in the Department of State.

7 (b) Duration of election.--A management corporation shall be
8 subject to this chapter for three years after the effective date
9 of its most recent articles of amendment filed under section
10 ~~2702~~ 2502 (relating to election to become a management ←
11 corporation). An election to be subject to this chapter may be
12 renewed by complying with the provisions of this subchapter in
13 the same manner as an initial election.

14 § ~~2704~~ 2504. Dissenters rights upon election. ←

15 If any shareholder of a management corporation which adopts
16 or renews an election under this chapter to become or continue
17 as a management corporation objects to that action and complies
18 with the provisions of Subchapter D of Chapter 15 (relating to
19 dissenters rights), the dissenting shareholder shall be entitled
20 to the rights and remedies of dissenting shareholders therein
21 provided, unless as to any class or series of shares the
22 corporation in the ordinary course of business redeems such
23 shares at the option of a shareholder at net asset value or at
24 another agreed method or amount of value.

25 SUBCHAPTER B

26 POWERS, DUTIES AND SAFEGUARDS

27 Sec.

28 ~~2711~~ 2511. Bylaw and fundamental change procedures. ←

29 § ~~2711~~ 2511. Bylaw and fundamental change procedures. ←

30 Except as otherwise provided in the express terms of any

1 class or series of any preferred or preference shares, so long
2 as a business corporation is a management corporation subject to
3 this chapter:

4 (1) The board of directors shall have the full authority
5 vested by this subpart in the shareholders to adopt or change
6 the bylaws, and a bylaw adopted by the board of directors
7 pursuant to this section may continue in effect as long as
8 the corporation remains subject to this chapter.

9 (2) A plan or amendment shall not be adopted under
10 Chapter 19 (relating to fundamental changes), and a bylaw
11 shall not be adopted or changed by the shareholders, without
12 the approval of the board of directors.

13 SUBCHAPTER C

14 DIRECTORS AND SHAREHOLDERS

15 Sec.

16 ~~2721~~ 2521. Selection and removal of directors. <—

17 ~~2722~~ 2522. Shareholder meetings unnecessary. <—

18 § ~~2721~~ 2521. Selection and removal of directors. <—

19 The bylaws of a management corporation may specify the manner
20 in which and the persons by whom the directors of the
21 corporation shall be selected and may be removed.

22 § ~~2722~~ 2522. Shareholder meetings unnecessary. <—

23 Annual or other regular meetings of the shareholders of a
24 management corporation need not be held.

25 CHAPTER ~~29~~ 27 <—

26 PROFESSIONAL CORPORATIONS

27 Subchapter

28 A. Preliminary Provisions

29 B. Powers, Duties and Safeguards

30 SUBCHAPTER A

PRELIMINARY PROVISIONS

1 Sec.

2 ~~2901~~ 2701. Application and effect of chapter. <—

3 ~~2902~~ 2702. Definitions. <—

4 ~~2903~~ 2703. Formation of professional corporations. <—

5 ~~2904~~ 2704. Election of an existing business corporation to
6 become a professional corporation. <—

7 ~~2905~~ 2705. Election of professional associations to become
8 professional corporations. <—

9 ~~2906~~ 2706. Termination of professional corporation status. <—

10 ~~2907~~ 2707. Proceedings to terminate breach of qualifying
11 conditions. <—

12 § ~~2901~~ 2701. Application and effect of chapter. <—

13 (a) General rule.--This chapter shall be applicable to a
14 business corporation, other than a management corporation, that:

15 (1) on the effective date of this chapter was subject to
16 the act of July 9, 1970 (P.L.461, No.160), known as the
17 Professional Corporation Law; or

18 (2) elects to become a professional corporation in the
19 manner provided by this chapter.

20 (b) Application to business corporations generally.--The
21 existence of a provision of this chapter shall not of itself
22 create any implication that a contrary or different rule of law
23 is or would be applicable to a business corporation that is not
24 a professional corporation and this chapter shall not affect any
25 statute or rule of law that is or would be applicable to a
26 business corporation that is not a professional corporation.

27 This chapter shall not alter or affect any right or privilege
28 existing under any statute or general rule heretofore or
29 hereafter enacted by the General Assembly or (with respect to
30

1 attorneys at law) prescribed by the Supreme Court of
2 Pennsylvania:

3 (1) not prohibiting; or

4 (2) in terms permitting;

5 performance of professional services in corporate form by a
6 corporation that is not a professional corporation.

7 (c) Laws applicable to professional corporations.--Except as
8 otherwise provided in this chapter, this subpart shall be
9 generally applicable to all professional corporations. The
10 specific provisions of this chapter shall control over the
11 general provisions of this subpart. Except as otherwise provided
12 in this article, a professional corporation may be
13 simultaneously subject to this chapter and one or more other
14 chapters of this article.

15 § ~~2902~~ 2702. Definitions.

←

16 The following words and phrases when used in this chapter
17 shall have the meanings given to them in this section unless the
18 context clearly indicates otherwise:

19 "Disqualified person." A licensed person who for any reason
20 is or becomes legally disqualified (temporarily or permanently)
21 to render the same professional services that the particular
22 professional corporation of which he is an officer, director,
23 shareholder or employee is or was rendering.

24 "Licensed person." Any natural person who is duly licensed
25 or admitted to practice his profession by a court, department,
26 board, commission or other agency to render a professional
27 service that is or will be rendered by the professional
28 corporation of which he is, or intends to become, an officer,
29 director, shareholder, employee or agent.

30 "Profession." Includes the performance of any type of

1 personal service to the public that requires as a condition
2 precedent to the performance of the service the obtaining of a
3 license or admission to practice or other legal authorization,
4 including all personal services that prior to the enactment of
5 the act of July 9, 1970 (P.L.461, No.160), known as the
6 Professional Corporation Law, could not lawfully be rendered by
7 means of a corporation. By way of example, and without limiting
8 the generality of the foregoing, the term includes for the
9 purposes of this chapter personal services rendered as an
10 architect, chiropractor, dentist, funeral director, osteopath,
11 podiatrist, physician, professional engineer, veterinarian,
12 certified public accountant or surgeon and, except as otherwise
13 prescribed by general rules, an attorney at law. The definition
14 specified in this paragraph shall be applicable to this chapter
15 only and shall not affect the interpretation of any other
16 statute or any local zoning ordinance or other official document
17 heretofore or hereafter enacted or promulgated.

18 "Professional services." Any type of services that may be
19 rendered by the member of any profession within the purview of
20 his profession.

21 § ~~2903~~ 2703. Formation of professional corporations. ←

22 (a) General rule.--A professional corporation shall be
23 formed in accordance with Article B (relating to domestic
24 business corporations generally) except that its articles shall
25 contain a heading stating the name of the corporation and that
26 it is a professional corporation.

27 (b) Legislative intent.--It is the intent of the General
28 Assembly to authorize by this chapter licensed persons to render
29 professional services by means of a professional corporation in
30 all cases.

1 (c) Single purpose corporations.--Except as provided in
2 subsection (d) a professional corporation may be incorporated
3 only for the purpose of rendering one specific kind of
4 professional service.

5 (d) Multiple purpose corporations.--

6 (1) A professional corporation may be incorporated to
7 render two or more specific kinds of professional services to
8 the extent that:

9 (i) the several shareholders of the professional
10 corporation, if organized as a partnership, could conduct
11 a combined practice of such specific kinds of
12 professional services; or

13 (ii) the court, department, board, commission or
14 other government unit regulating each profession involved
15 in the professional corporation has by rule or regulation
16 applicable to professional corporations expressly
17 authorized the combined practice of the profession with
18 each other profession involved in the corporation.

19 Except as otherwise provided by statute, the government unit
20 may promulgate regulations authorizing combined practice to
21 the extent consistent with the public interest or required by
22 the public health or welfare.

23 (2) The provisions of paragraph (1) shall not create any
24 vested rights. If by reason of a change in law, rule or
25 regulation the right to practice professions in any
26 particular combination is terminated, all existing
27 professional corporations rendering a combination of
28 professional services shall promptly reduce the specific
29 kinds of professional services rendered by the corporations
30 or shall otherwise reconstitute themselves so as to comply

1 with the currently applicable restrictions applicable to all
2 professions involved.

3 § ~~2904~~ 2704. Election of an existing business corporation to ←
4 become a professional corporation.

5 (a) General rule.--A business corporation may become a
6 professional corporation under this chapter by filing articles
7 of amendment which shall contain, in addition to the
8 requirements of section 1915 (relating to articles of
9 amendment):

10 (1) A heading stating the name of the corporation and
11 that it is a professional corporation.

12 (2) A statement that it elects to become a professional
13 corporation.

14 (3) Such other changes, if any, that may be desired in
15 the articles, including any changes necessary to conform to
16 section ~~2903~~ 2703(c) and (d) (relating to formation of ←
17 professional corporations).

18 (b) Procedure.--The amendment shall be adopted in accordance
19 with the requirements of Subchapter B of Chapter 19 (relating to
20 amendment of articles) except that the amendment must be
21 approved by the unanimous consent of all shareholders of the
22 corporation regardless of any limitations on voting rights
23 stated in the articles or bylaws.

24 § ~~2905~~ 2705. Election of professional associations to become ←
25 professional corporations.

26 (a) General rule.--This chapter applies to every
27 professional association heretofore or hereafter organized under
28 the act of August 7, 1961 (P.L.941, No.416), known as the
29 Professional Association Act, that elects to accept the
30 provisions of this chapter in the manner set forth in subsection

1 (c).

2 (b) Procedure for election.--A professional association may
3 elect to accept this chapter by filing in the Department of
4 State a statement of election of professional corporation status
5 which shall be executed by all of the associates of the
6 professional association and shall set forth:

7 (1) The name of the professional association and,
8 subject to section 109 (relating to name of commercial
9 registered office provider in lieu of registered address),
10 the address, including street and number, if any, of its
11 proposed registered office.

12 (2) The name of the county in the office of the
13 prothonotary of which the initial articles of association of
14 the association were filed.

15 (3) A statement that the associates of the professional
16 association have elected to accept the provisions of this
17 chapter for the government and regulation of the affairs of
18 the association.

19 See section 134 (relating to docketing statement).

20 (c) Date of incorporation.--This chapter shall become
21 applicable to the professional association, and it shall be
22 deemed incorporated, on the date the statement of election is
23 filed in the department.

24 § ~~2906~~ 2706. Termination of professional corporation status. ←

25 A professional corporation may terminate its status as such
26 and cease to be subject to this chapter by amending its articles
27 to delete therefrom the additional provisions required by
28 section ~~2903(a)~~ 2703(A) (relating to formation of professional ←
29 corporations). The amendment shall be adopted in accordance with
30 Subchapter B of Chapter 19 (relating to amendment of articles).

1 § ~~2907~~ 2707. Proceedings to terminate breach of qualifying
2 conditions.

3 (a) General rule.--If the corporation does not otherwise
4 have the right to acquire all the shares of a shareholder who
5 becomes a disqualified person or of a deceased shareholder, the
6 corporation shall nevertheless have an option to acquire the
7 shares, subject to the provisions of subsection (c), at a price
8 that is agreed upon by the parties or, if no agreement is
9 reached, at their fair value as determined under Subchapter D of
10 Chapter 15 (relating to dissenters rights).

11 (b) Dissolution of corporation.--If the corporation or a
12 licensed person fails to acquire, or if the corporation fails to
13 commence proceedings under subsection (a) to acquire, all of the
14 shares of a shareholder who becomes a disqualified person or of
15 a deceased shareholder within 90 days following the date of
16 disqualification or within 13 months following the date of death
17 of the shareholder, as the case may be, then that failure shall
18 constitute a ground for the forfeiture of the charter of the
19 corporation and its dissolution. When the failure of a
20 professional corporation to comply with this section is brought
21 to the attention of the court, department, board, commission or
22 other government unit regulating the profession in which the
23 corporation is engaged the government unit shall certify that
24 fact to the Attorney General for institution of appropriate
25 proceedings to dissolve the corporation.

26 (c) Nominal consideration transactions.--If section 1551
27 (relating to distributions to shareholders) would otherwise
28 prohibit an acquisition of shares under this section, a
29 professional corporation shall have the right to purchase its
30 own shares for a nominal consideration.

SUBCHAPTER B

POWERS, DUTIES AND SAFEGUARDS

1 Sec.

2 ~~2921~~ 2721. Corporate name. <—

3 ~~2922~~ 2722. Stated purposes. <—

4 ~~2923~~ 2723. Issuance and retention of shares. <—

5 ~~2924~~ 2724. Rendering professional services. <—

6 ~~2925~~ 2725. Professional relationship retained. <—

7 § ~~2921~~ 2721. Corporate name. <—

8 (a) General rule.--A professional corporation may adopt any
9 name that is not prohibited by law or the ethics of the
10 profession in which the corporation is engaged or by a rule or
11 regulation of the court, department, board, commission or other
12 government unit regulating the profession.

13 (b) Additional names permitted.--The provisions of the first
14 sentence of section 1303(a) (relating to corporate name) shall
15 not prohibit the use of a name of a professional corporation if
16 the name contains and is restricted to the name or the last name
17 of one or more of the present, prospective or former
18 shareholders or of individuals who were associated with a
19 predecessor or whose individual name or names appeared in the
20 name of the predecessor. The name may also contain:

21 (1) the word "and" or any symbol or substitute therefor;

22 (2) the word "associates";

23 (3) the term "P.C."; or

24 (4) any or all of the words or terms in paragraphs (1),

25 (2) and (3).

26 § ~~2922~~ 2722. Stated purposes. <—

27 (a) General rule.--A professional corporation shall not
28 engage in any business other than the rendering of the

1 professional service or services for which it was specifically
2 incorporated except that a professional corporation may own real
3 and personal property necessary for, or appropriate or desirable
4 in, the fulfillment or rendering of its specific professional
5 service or services and it may invest its funds in real estate,
6 mortgages, stocks, bonds or any other type of investment.

7 (b) Additional powers.--A professional corporation may be a
8 partner in or a shareholder of a partnership or corporation
9 engaged in the business of rendering the professional service or
10 services for which the professional corporation was
11 incorporated.

12 § ~~2923~~ 2723. Issuance and retention of shares. ←

13 (a) General rule.--Shares in a professional corporation may
14 be owned, directly or indirectly, only by one or more licensed
15 persons and any shares issued in violation of this restriction
16 shall be void. A shareholder of a professional corporation shall
17 not enter into a voting trust, proxy or any other arrangement
18 vesting another person (other than another licensed person who
19 is a direct or indirect shareholder of the same corporation)
20 with the authority to exercise the voting power of any or all of
21 his shares and any such purported voting trust, proxy or other
22 arrangement shall be void.

23 (b) Transfer of shares.--Shares in a professional
24 corporation may be transferred only to or on behalf of a
25 licensed person or to the professional corporation and any
26 transfer in violation of this restriction shall be void.

27 (c) Ownership by estate.--Unless a lesser period of time is
28 provided in a bylaw of the corporation adopted by the
29 shareholders or in a written agreement among the shareholders of
30 the corporation, the estate of a deceased shareholder may

1 continue to hold shares of the professional corporation for a
2 reasonable period of administration of the estate but the
3 personal representative of the estate shall not by reason of the
4 retention of shares be authorized to participate in any
5 decisions concerning the rendering of professional service.

6 (d) Interstate application.--Where the activities in this
7 Commonwealth of a person who is a licensed person under the laws
8 of another jurisdiction would be unlawful unless that person
9 were also a licensed person under the laws of this Commonwealth,
10 shares of a professional corporation shall not be issued to or
11 retained by or on behalf of him unless he is also a licensed
12 person under the laws of this Commonwealth. Except as provided
13 in the preceding sentence, this chapter shall not be construed
14 to require that any proportion or number of the holders or
15 beneficial owners of a professional corporation who are licensed
16 persons shall be licensed persons under the laws of this
17 Commonwealth.

18 § ~~2924~~ 2724. Rendering professional services. ←

19 (a) General rule.--A professional corporation may lawfully
20 render professional services only through officers, employees or
21 agents who are licensed persons. The corporation may employ
22 persons not so licensed but those persons shall not render any
23 professional services rendered or to be rendered by it.

24 (b) Supporting staff.--This section shall not be interpreted
25 to preclude the use of clerks, secretaries, nurses,
26 administrators, bookkeepers, technicians and other assistants
27 who are not usually and ordinarily considered by law, custom and
28 practice to be rendering the professional service or services
29 for which the professional corporation was incorporated nor to
30 preclude the use of any other person who performs all his

1 employment under the direct supervision and control of a
2 licensed person. A person shall not, under the guise of
3 employment, render professional services unless duly licensed or
4 admitted to practice as required by law.

5 (c) Charges.--Notwithstanding any other provision of law, a
6 professional corporation may charge for the professional
7 services of its officers, employees and agents, may collect
8 those charges and may compensate those who render the
9 professional services.

10 § ~~2925~~ 2725. Professional relationship retained. ←

11 (a) General rule.--This subpart shall not affect the law of
12 this Commonwealth applicable to the professional relationship
13 and the contract, tort and other legal rights, duties and
14 liabilities between the person furnishing professional services
15 and the person receiving professional services and to the
16 standards for professional conduct, including the law of this
17 Commonwealth applicable to the confidential relationship, if
18 any, between the person rendering professional services and the
19 person receiving professional services, and all confidential
20 relationships enjoyed under statutes heretofore or hereafter
21 enacted shall remain inviolate.

22 (b) Liability unaffected.--Any officer, shareholder,
23 employee or agent of a professional corporation shall remain
24 personally and fully liable and accountable for any negligent or
25 wrongful acts or misconduct committed by him or by any person
26 under his direct supervision and control while rendering
27 professional services on behalf of the corporation to the person
28 for whom the professional services were being rendered. The
29 professional corporation shall be liable up to the full value of
30 its property for any negligent or wrongful acts or misconduct

1 committed by any of its officers, shareholders, employees or
2 agents while they are engaged on behalf of the corporation in
3 rendering professional services. Unless otherwise provided in
4 its articles, shares of a professional corporation shall be
5 nonassessable and a holder or owner of shares of a professional
6 corporation shall not be under any liability to the professional
7 corporation or any creditor thereof with respect to the shares.

8 (c) Disciplinary jurisdiction unaffected.--A professional
9 corporation shall be subject to the applicable rules and
10 regulations adopted by, and all the disciplinary powers of, the
11 court, department, board, commission or other government unit
12 regulating the profession in which the corporation is engaged.
13 The court, department, board or other government unit may
14 require that a professional corporation include in its articles
15 provisions that conform to any rule or regulation heretofore or
16 hereafter promulgated for the purpose of enforcing the ethics of
17 a profession but, unless otherwise provided by statute, a rule
18 or regulation shall not require the issuance by the corporation
19 of assessable shares or require the inclusion of any provision
20 in the articles that is inconsistent with the provisions of
21 Article B (relating to domestic business corporations generally)
22 as modified by this chapter. This chapter shall not affect or
23 impair the disciplinary powers of the court, department, board,
24 commission or other government unit over licensed persons or any
25 law, rule or regulation pertaining to the standards for
26 professional conduct of licensed persons or to the professional
27 relationship between any licensed person rendering professional
28 services and the person receiving professional services.

29 ARTICLE D

30 FOREIGN BUSINESS CORPORATIONS

1 Chapter

2 41. Foreign Business Corporations

3 CHAPTER 41

4 FOREIGN BUSINESS CORPORATIONS

5 Subchapter

6 A. Preliminary Provisions

7 B. Qualification

8 C. Powers, Duties and Liabilities

9 D. Domestication

10 SUBCHAPTER A

11 PRELIMINARY PROVISIONS

12 Sec.

13 4101. Application of article.

14 4102. Foreign domiciliary corporations.

15 ~~4103. Acquisition of foreign domiciliary corporation status.~~ <—

16 ~~4104. Termination of foreign domiciliary corporation status.~~

17 § 4101. Application of article.

18 (a) General rule.--Except as otherwise provided in this
19 section or in subsequent provisions of this article, this
20 article shall apply to and the words "corporation" or "foreign
21 business corporation" in this article shall include every
22 foreign corporation for profit, including a corporation that, if
23 a domestic corporation for profit, would be a banking
24 institution, credit union, insurance corporation or savings
25 association.

26 (b) Domestic Federal financial institution exclusion.--
27 Except as permitted by act of Congress, no provision of this
28 article shall apply to:

29 (1) Any of the following institutions or similar
30 institutions engaged in this Commonwealth in activities

1 similar to those conducted by banking institutions, saving
2 associations or credit unions:

3 (i) National banking associations organized under
4 The National Bank Act (13 Stat. 99, 12 U.S.C. § 1 et
5 seq.).

6 (ii) Federal savings and loan associations and
7 Federal mutual savings banks organized under the Home
8 Owners' Loan Act of 1933 (48 Stat. 128, 12 U.S.C. § 1461
9 et seq.).

10 (iii) Federal credit unions organized under the
11 Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751
12 et seq.).

13 (2) Any other Federal corporation intended by the
14 Congress to be treated for state law purposes as a domestic
15 corporation of this Commonwealth.

16 (c) Qualified insurance corporation exclusion.--This article
17 shall not apply to any foreign corporation for profit qualified
18 to do business in this Commonwealth under the act of May 17,
19 1921 (P.L.682, No.284), known as The Insurance Company Law of
20 1921, except as otherwise expressly provided by statute
21 applicable to the corporation.

22 § 4102. Foreign domiciliary corporations.

23 (a) General rule.--~~Except as provided in subsection (b), a~~ A ←
24 foreign business corporation is a foreign domiciliary
25 corporation if it has as record holders of its shares persons
26 having addresses in this Commonwealth who in the aggregate hold
27 shares:

28 (1) representing 60% or more in interest of its
29 outstanding shares whether or not entitled to vote; or

30 (2) entitled to cast at least 60% of the votes that all

1 holders of outstanding shares are entitled to cast in an
2 election of directors.

3 ~~(b) Exclusions. None of the following is a foreign~~ ←
4 ~~domiciliary corporation for the purposes of this subpart:~~

5 ~~(1) Foreign corporation with registered securities. A~~
6 ~~foreign business corporation that, if a domestic business~~
7 ~~corporation, would be a registered corporation.~~

8 ~~(2) Subsidiary of registered corporation. A foreign~~
9 ~~business corporation all of the shares of which are owned,~~
10 ~~directly or indirectly, by one or more registered~~
11 ~~corporations or corporations described in paragraph (1).~~

12 ~~(c) (B) Determination of outstanding shares.--For the~~ ←
13 purposes of subsection (a):

14 (1) Except as provided in paragraphs (2) and (3), any
15 securities held to the knowledge of the corporation in the
16 names of broker-dealers or nominees for broker-dealers shall
17 not be considered outstanding.

18 (2) Persons who are identified as owners of shares
19 pursuant to procedures equivalent to section 1763(c)
20 (relating to certification by nominee) shall be deemed record
21 holders of the shares owned.

22 (3) (i) Securities held to the knowledge of the
23 corporation for the direct or indirect benefit of
24 individuals who to the knowledge of the corporation have
25 a principal residence in this Commonwealth shall be
26 deemed held by record holders having addresses in this
27 Commonwealth.

28 (ii) A statement by the corporation in any notice of
29 meeting or other document transmitted to shareholders in
30 connection with any corporate action of the type

1 described in section 1791 (relating to corporate action
2 subject to subchapter) to the effect that it has no
3 knowledge or only specified knowledge for the purposes of
4 subparagraph (i) shall, except as provided in
5 subparagraph (iii), be conclusive if there shall be
6 included in or enclosed with such document a brief
7 explanation of the effect upon such corporate action of a
8 determination that the corporation is a foreign
9 domiciliary corporation.

10 (iii) If, prior to the convening of a meeting of
11 shareholders to consider the proposed corporate action,
12 or prior to the expiration of 20 days after the
13 transmission of the document to shareholders, in any
14 other case, any person shall give the corporation written
15 notice of facts relevant under this paragraph, the
16 corporation shall have knowledge of such facts for the
17 purposes of subparagraph (i).

18 ~~§ 4103. Acquisition of foreign domiciliary corporation status.~~ <—

19 ~~(a) Shareholding test. A foreign corporation shall become a~~
20 ~~foreign domiciliary corporation under section 4102(a) (relating~~
21 ~~to foreign domiciliary corporations) on the first day of the~~
22 ~~sixth month following the month in which the corporation first~~
23 ~~has knowledge that the test has been met.~~

24 ~~(b) Newly incorporated corporations. Where the test under~~
25 ~~section 4102(a) is met at the time of initial issuance of shares~~
26 ~~of the corporation and continuously thereafter, foreign~~
27 ~~domiciliary corporation status when established shall be~~
28 ~~retroactive to the incorporation of the corporation.~~

29 ~~(c) Foreign corporations with registered securities. The~~
30 ~~exemption provided by section 4102(b)(1) shall terminate~~

1 ~~immediately upon the termination of the status of the~~
2 ~~corporation as a corporation described in that provision.~~

3 ~~(d) Subsidiary corporations. The exemption provided by~~
4 ~~section 4102(b)(2) shall terminate immediately upon the~~
5 ~~happening of any event whereby all of the shares of the~~
6 ~~corporation are no longer owned, directly or indirectly, by one~~
7 ~~or more registered corporations or corporations described in~~
8 ~~section 4102(b)(1).~~

9 ~~§ 4104. Termination of foreign domiciliary corporation status.~~

10 ~~(a) Shareholding test. A foreign domiciliary corporation~~
11 ~~shall cease to be such on the first day of the sixth month~~
12 ~~following the month in which the corporation first has knowledge~~
13 ~~that the test of section 4102(a) (relating to foreign~~
14 ~~domiciliary corporations) is no longer met.~~

15 ~~(b) Foreign corporations with registered securities. The~~
16 ~~exemption provided by section 4102(b)(1) shall take effect on~~
17 ~~the day following the day on which the corporation becomes a~~
18 ~~corporation described in that provision.~~

19 ~~(c) Subsidiary corporations. The exemption provided by~~
20 ~~section 4102(b)(2) shall take effect immediately upon the~~
21 ~~acquisition, directly or indirectly, of the last outstanding~~
22 ~~share of the corporation by one or more registered corporations~~
23 ~~or corporations described in section 4102(b)(1).~~

24 SUBCHAPTER B

25 QUALIFICATION

26 Sec.

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 § 4121. Admission of foreign corporations.

10 (a) General rule.--A foreign business corporation, before
11 doing business in this Commonwealth, shall procure a certificate
12 of authority to do so from the Department of State, in the
13 manner provided in this subchapter. A foreign business
14 corporation shall not be denied a certificate of authority by
15 reason of the fact that the laws of the jurisdiction governing
16 its incorporation and internal affairs differ from the laws of
17 this Commonwealth.

18 (b) Qualification under former statutes.--If a foreign
19 corporation for profit was on March 19, 1966 admitted to do
20 business in this Commonwealth by the filing of a power of
21 attorney and statement under the act of June 8, 1911 (P.L.710,
22 No. 283), the power of attorney and statement shall be deemed an
23 approved application for a certificate of authority issued under
24 this subchapter and the corporation shall be deemed a holder of
25 the certificate. The corporation shall include in its initial
26 application, if any, for an amended certificate of authority
27 under this subchapter the information required by this
28 subchapter to be set forth in an application for a certificate
29 of authority. A certificate of authority issued under the former
30 provisions of the act of May 5, 1933 (P.L.364, No.106), known as

1 the Business Corporation Law of 1933, shall be deemed to be
2 issued under this subchapter and the certificate of authority
3 shall be deemed not to contain any reference to the kind of
4 business that the corporation proposes to do in this
5 Commonwealth.

6 § 4122. Excluded activities.

7 (a) General rule.--Without excluding other activities which
8 may not constitute doing business in this Commonwealth, a
9 foreign business corporation shall not be considered to be doing
10 business in this Commonwealth for the purposes of this
11 subchapter by reason of carrying on in this Commonwealth any one
12 or more of the following acts:

13 (1) Maintaining or defending any action or
14 administrative or arbitration proceeding or effecting the
15 settlement thereof or the settlement of claims or disputes.

16 (2) Holding meetings of its directors or shareholders or
17 carrying on other activities concerning its internal affairs.

18 (3) Maintaining bank accounts.

19 (4) Maintaining offices or agencies for the transfer,
20 exchange and registration of its securities or appointing and
21 maintaining trustees or depositaries with relation to its
22 securities.

23 (5) Effecting sales through independent contractors.

24 (6) Soliciting or procuring orders, whether by mail or
25 through employees or agents or otherwise, and maintaining
26 offices therefor, where the orders require acceptance without
27 this Commonwealth before becoming binding contracts.

28 (7) Creating as borrower or lender, acquiring or
29 incurring, obligations or mortgages or other security
30 interests in real or personal property.

1 (8) Securing or collecting debts or enforcing any rights
2 in property securing them.

3 (9) Transacting any business in interstate or foreign
4 commerce.

5 (10) Conducting an isolated transaction completed within
6 a period of 30 days and not in the course of a number of
7 repeated transactions of like nature.

8 (11) Inspecting, appraising and acquiring real estate
9 and mortgages and other liens thereon and personal property
10 and security interests therein, and holding, leasing,
11 conveying and transferring them, as fiduciary or otherwise.

12 (b) Exceptions.--The specification of activities in
13 subsection (a) does not establish a standard for activities that
14 may subject a foreign business corporation to:

15 (1) Service of process under any statute or general
16 rule.

17 (2) Taxation by the Commonwealth or any political
18 subdivision thereof.

19 § 4123. Requirements for foreign corporation names.

20 (a) General rule.--The Department of State shall not issue a
21 certificate of authority to any foreign business corporation
22 that, except as provided in subsection (b), has a name which is
23 rendered unavailable for use by a domestic business corporation
24 by any provision of section 1303(a), (b) or (c) (relating to
25 corporate name), except subsections (c)(1)(ii) or (iii) thereof
26 (relating to banking and insurance names).

27 (b) Exception; name.--The provisions of section 1303(b)
28 (relating to duplicate use of names) shall not prevent the
29 issuance of a certificate of authority to a foreign business
30 corporation setting forth a name that is confusingly similar to

1 the name of any other domestic or foreign corporation for profit
2 or corporation not-for-profit, or of any domestic or foreign
3 limited partnership that has filed a certificate or qualified
4 under 59 Pa.C.S. Ch. 5 (relating to limited partnerships) or
5 corresponding provisions of prior law, or of any corporation or
6 other association then registered under 54 Pa.C.S. Ch. 5
7 (relating to corporate and other association names) or to any
8 name reserved or registered as provided in this part, if the
9 foreign business corporation applying for a certificate of
10 authority files in the department one of the following:

11 (1) A resolution of its board of directors adopting a
12 fictitious name for use in transacting business in this
13 Commonwealth which fictitious name is not confusingly similar
14 to the name of the other corporation or other association or
15 to any name reserved or registered as provided in this part.

16 (2) The written consent of the other corporation or
17 other association or holder of a reserved or registered name
18 to use the same or confusingly similar name and one or more
19 words are added to make the name applied for distinguishable
20 from the other name.

21 § 4124. Application for a certificate of authority.

22 (a) General rule.--An application for a certificate of
23 authority shall be executed by the foreign business corporation
24 and shall set forth:

25 (1) The name of the corporation.

26 (2) The name of the jurisdiction under the laws of which
27 it is incorporated.

28 (3) The address, including street and number, if any, of
29 its principal office under the laws of the jurisdiction in
30 which it is incorporated.

1 (4) Subject to section 109 (relating to name of
2 commercial registered office provider in lieu of registered
3 address), the address, including street and number, if any,
4 of its proposed registered office in this Commonwealth.

5 (5) A statement that it is a corporation incorporated
6 for a purpose or purposes involving pecuniary profit,
7 incidental or otherwise.

8 (b) Advertisement.--A foreign business corporation shall
9 officially publish notice of its intention to apply or its
10 application for a certificate of authority. The notice may
11 appear prior to or after the day on which application is made to
12 the Department of State and shall set forth briefly:

13 (1) A statement that the corporation will apply or has
14 applied for a certificate of authority under the provisions
15 of the Business Corporation Law of 1987.

16 (2) The name of the corporation and of the jurisdiction
17 under the laws of which it is incorporated.

18 (3) The address, including street and number, if any, of
19 its principal office under the laws of the jurisdiction in
20 which it is incorporated.

21 (4) Subject to section 109, the address, including
22 street and number, if any, of its proposed registered office
23 in this Commonwealth.

24 (c) Filing.--The application for a certificate of authority
25 shall be filed in the Department of State.

26 (d) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 4125. Issuance of certificate of authority.

29 Upon the filing of the application for a certificate of
30 authority, the Department of State shall issue to the foreign

1 business corporation a certificate of authority to do business
2 in this Commonwealth. The certificate of authority shall be
3 annexed to or endorsed upon the application for a certificate of
4 authority and shall state that, subject to the Constitution and
5 laws of this Commonwealth, the corporation named in the
6 application is authorized to do business in this Commonwealth.
7 § 4126. Amended certificate of authority.

8 (a) General rule.--After receiving a certificate of
9 authority, a qualified foreign business corporation may, subject
10 to the provisions of this subchapter, change the name under
11 which it is authorized to transact business in this Commonwealth
12 by filing in the Department of State an application for an
13 amended certificate of authority. The application shall be
14 executed by the corporation and shall state:

15 (1) The name under which the applicant corporation
16 currently holds a certificate of authority to do business in
17 this Commonwealth.

18 (2) The name of the jurisdiction under the laws of which
19 the corporation is incorporated.

20 (3) The address, including street and number, if any, of
21 its principal office under the laws of the jurisdiction in
22 which it is incorporated.

23 (4) Subject to section 109 (relating to name of
24 commercial registered office provider in lieu of registered
25 address), the address, including street and number, if any,
26 of its registered office in this Commonwealth, which may
27 constitute a change in the address of its registered office.

28 (5) The new name of the corporation and a statement that
29 either:

30 (i) the change of name reflects a change effected in

1 the jurisdiction of incorporation; or
2 (ii) documents complying with section 4123(b)
3 (relating to exception; name) accompany the application.

4 (b) Issuance of amended certificate of authority.--Upon the
5 filing of the application, the department shall issue to the
6 applicant corporation an amended certificate of authority. The
7 amended certificate of authority shall be annexed to or endorsed
8 upon the application for an amended certificate of authority and
9 shall state that the certificate of authority of the corporation
10 named in the application is amended to reflect the change of
11 name specified in the application.

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

14 § 4127. Merger, consolidation or division of qualified foreign
15 corporations.

16 (a) General rule.--Whenever a qualified foreign business
17 corporation is a nonsurviving party to a statutory merger,
18 consolidation or division permitted by the laws of the
19 jurisdiction under which it is incorporated, the corporation
20 surviving the merger, or the new corporation resulting from the
21 consolidation or division, as the case may be, shall file in the
22 Department of State a statement of merger, consolidation or
23 division, which shall be executed by the surviving or new
24 corporation and shall set forth:

25 (1) The name of each nonsurviving qualified foreign
26 business corporation.

27 (2) The name of the jurisdictions under the laws of
28 which each nonsurviving qualified foreign business
29 corporation was incorporated.

30 (3) The date on which each nonsurviving qualified

1 foreign business corporation received a certificate of
2 authority to do business in this Commonwealth.

3 (4) A statement that the corporate existence of each
4 nonsurviving qualified foreign business corporation has been
5 terminated by merger, consolidation or division, as the case
6 may be.

7 (5) In the case of a consolidation or division or if the
8 surviving corporation was a nonqualified foreign business
9 corporation prior to the merger, the statements on the part
10 of the surviving or new corporation required by section
11 4124(a) (relating to application for a certificate of
12 authority).

13 (b) Effect of filing.--The filing of the statement shall
14 operate, as of the effective date of the merger, consolidation
15 or division, to cancel the certificate of authority of each
16 nonsurviving constituent corporation that was a qualified
17 foreign business corporation and to qualify the surviving or new
18 corporation under this subchapter. If the surviving or new
19 corporation does not desire to continue as a qualified foreign
20 business corporation, it may thereafter withdraw in the manner
21 provided by section 4129 (relating to application for
22 termination of authority).

23 (c) Surviving qualified foreign corporations.--It shall not
24 be necessary for a surviving corporation that was a qualified
25 foreign business corporation to effect any filing under this
26 subchapter with respect to a merger or division or to procure an
27 amended certificate of authority to do business in this
28 Commonwealth unless the name of the corporation is changed by
29 the merger or division.

30 (d) Cross reference.--See section 134 (relating to docketing

1 statement).

2 § 4128. Revocation of certificate of authority.

3 (a) General rule.--Whenever the Department of State finds
4 that a qualified foreign business corporation has failed to
5 secure an amended certificate of authority as required by this
6 subchapter after changing its name, or has failed or refused to
7 appear by its proper representatives, or otherwise to comply
8 with any subpoena issued by any court having jurisdiction of the
9 subject matter, or to produce books, papers, records or
10 documents as required by a subpoena, or is violating any of the
11 laws of this Commonwealth, or that its articles have been
12 revoked or voided by its jurisdiction of incorporation, the
13 department shall give notice and opportunity for hearing by
14 registered or certified mail to the corporation that the default
15 exists and that its certificate of authority, including any
16 amendments thereof, will be revoked unless the default is cured
17 within 30 days after the mailing of the notice. If the default
18 is not cured within the period of 30 days, the department shall
19 revoke the certificate of authority, including any amendments
20 thereof, of the foreign business corporation. Upon revoking the
21 certificate of authority, the department shall mail to the
22 corporation, at its registered office in this Commonwealth, a
23 certificate of revocation.

24 (b) Effect of revocation.--Upon the issuance of the
25 certificate of revocation, the authority of the corporation to
26 do business in this Commonwealth shall cease and the corporation
27 shall not thereafter do any business in this Commonwealth unless
28 it applies for and receives a new certificate of authority.

29 § 4129. Application for termination of authority.

30 (a) General rule.--Any qualified foreign business

1 corporation may withdraw from doing business in this
2 Commonwealth and surrender its certificate of authority by
3 filing in the Department of State an application for termination
4 of authority, executed by the corporation, which shall set
5 forth:

6 (1) The name of the corporation and, subject to section
7 109 (relating to name of commercial registered office
8 provider in lieu of registered address), the address,
9 including street and number, if any, of its last registered
10 office in this Commonwealth.

11 (2) The name of the jurisdiction under the laws of which
12 it is incorporated.

13 (3) The date on which it received a certificate of
14 authority to do business in this Commonwealth.

15 (4) A statement that it surrenders its certificate of
16 authority to do business in this Commonwealth.

17 (5) A statement that notice of its intention to withdraw
18 from doing business in this Commonwealth was mailed by
19 certified or registered mail to each municipal corporation in
20 which the registered office or principal place of business of
21 the corporation in this Commonwealth is located.

22 (6) The post office address, including street and
23 number, if any, to which process may be sent in an action
24 upon any liability incurred before the filing of the
25 application for termination of authority.

26 (b) Advertisement.--A qualified foreign business corporation
27 shall, before filing an application for termination of
28 authority, officially publish and mail a notice of its intention
29 to withdraw from doing business in this Commonwealth in a manner
30 similar to that required by section 1975(b) (relating to notice

1 to creditors and taxing authorities). The notice shall set forth
2 briefly:

3 (1) The name of the corporation and the jurisdiction
4 under the laws of which it is incorporated.

5 (2) The address, including street and number, if any, of
6 its principal office under the laws of its jurisdiction of
7 incorporation.

8 (3) Subject to section 109, the address, including
9 street and number, if any, of its last registered office in
10 this Commonwealth.

11 (c) Filing.--The application for termination of authority
12 and the certificates or statement required by section 139
13 (relating to tax clearance of certain fundamental transactions)
14 shall be filed in the department. See section 134 (relating to
15 docketing statement).

16 (d) Effect of filing.--Upon the filing of the application
17 for termination of authority, the authority of the corporation
18 to do business in this Commonwealth shall cease. The termination
19 of authority shall not affect any action pending at the time
20 thereof or affect any right of action arising with respect to
21 the corporation before the filing of the application for
22 termination of authority. Process against the corporation in an
23 action upon any liability incurred before the filing of the
24 application for termination of authority may be served as
25 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
26 and interstate and international procedure) or as otherwise
27 provided or prescribed by law.

28 § 4130. Change of address after withdrawal.

29 (a) General rule.--Any foreign business corporation that has
30 withdrawn from doing business in this Commonwealth, or its

1 successor in interest, may, from time to time, change the
2 address to which process may be sent in an action upon any
3 liability incurred before the filing of an application for
4 termination of authority by filing in the Department of State of
5 a statement of change of address by withdrawn corporation
6 executed by the corporation, setting forth:

7 (1) The name of the withdrawn corporation and, if the
8 statement is filed by a successor in interest, the name and
9 capacity of the successor.

10 (2) The name of the jurisdiction under the laws of which
11 the corporation filing the statement is incorporated.

12 (3) The former post office address, including street and
13 number, if any, of the withdrawn corporation as of record in
14 the department.

15 (4) The new post office address, including street and
16 number, if any, of the withdrawn corporation or its
17 successor.

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

20 § 4131. Registration of name.

21 (a) General rule.--A nonqualified foreign business
22 corporation may register its name under 54 Pa.C.S. Ch. 5
23 (relating to corporate and other association names) if the name
24 is available for use by a qualified foreign business corporation
25 under section 4123 (relating to requirements for foreign
26 corporation names), by filing in the Department of State an
27 application for registration of name, executed by the
28 corporation, which shall set forth:

29 (1) The name of the corporation.

30 (2) The address, including street and number, if any, of

1 the corporation.

2 (b) Annual renewal.--A corporation that has in effect a
3 registration of its corporate name may renew the registration
4 from year to year by annually filing an application for renewal
5 setting forth the facts required to be set forth in an original
6 application for registration. A renewal application may be filed
7 between October 1 and December 31 in each year and shall extend
8 the registration for the following calendar year.

9 (c) Cross reference.--See section 134 (relating to docketing
10 statement).

11 SUBCHAPTER C

12 POWERS, DUTIES AND LIABILITIES

13 Sec.

14 4141. Penalty for doing business without certificate of
15 authority.

16 4142. General powers and duties of qualified foreign
17 corporations.

18 4143. General powers and duties of nonqualified foreign
19 corporations.

20 4144. Registered office of qualified foreign corporations.

21 4145. Applicability of certain safeguards to foreign
22 domiciliary corporations.

23 4146. Provisions applicable to all foreign corporations.

24 § 4141. Penalty for doing business without certificate of
25 authority.

26 (a) Right to bring actions suspended.--A nonqualified
27 foreign business corporation doing business in this Commonwealth
28 within the meaning of Subchapter B (relating to qualification)
29 shall not be permitted to maintain any action or proceeding in
30 any court of this Commonwealth until the corporation has

1 obtained a certificate of authority. Nor, except as provided in
2 subsection (b), shall any action or proceeding be maintained in
3 any court of this Commonwealth by any successor or assignee of
4 the corporation on any right, claim or demand arising out of the
5 doing of business by the corporation in this Commonwealth until
6 a certificate of authority has been obtained by the corporation
7 or by a corporation that has acquired all or substantially all
8 of its assets.

9 (b) Contracts, property and defense against actions
10 unaffected.--The failure of a foreign business corporation to
11 obtain a certificate of authority to transact business in this
12 Commonwealth shall not impair the validity of any contract or
13 act of the corporation, shall not prevent the corporation from
14 defending any action in any court of this Commonwealth and shall
15 not render escheatable any of its real or personal property.
16 § 4142. General powers and duties of qualified foreign
17 corporations.

18 (a) General rule.--A qualified foreign business corporation,
19 so long as its certificate of authority is not revoked, shall
20 enjoy the same rights and privileges as a domestic business
21 corporation, but no more, and, except as in this subpart
22 otherwise provided, shall be subject to the same liabilities,
23 restrictions, duties and penalties now in force or hereafter
24 imposed upon domestic business corporations, to the same extent
25 as if it had been incorporated under this subpart.

26 (b) Agricultural lands.--Interests in agricultural land
27 shall be subject to the restrictions of, and escheatable as
28 provided by, the act of April 6, 1980 (P.L.102, No.39), referred
29 to as the Agricultural Land Acquisition by Aliens Law.

30 § 4143. General powers and duties of nonqualified foreign

1 corporations.

2 (a) Acquisition of real and personal property.--Every
3 nonqualified foreign business corporation may acquire, hold,
4 mortgage, lease and transfer real and personal property in this
5 Commonwealth in the same manner and subject to the same
6 limitations as a qualified foreign business corporation.

7 (b) Duties.--Except as provided in section 4141(a) (relating
8 to right to bring actions suspended), a nonqualified foreign
9 business corporation doing business in this Commonwealth within
10 the meaning of Subchapter B (relating to qualification) shall be
11 subject to the same liabilities, restrictions, duties and
12 penalties now or hereafter imposed upon a qualified foreign
13 business corporation.

14 § 4144. Registered office of qualified foreign corporations.

15 (a) General rule.--Subject to the provisions of section
16 1507(c) (relating to alternative procedure), every qualified
17 foreign business corporation shall have, and continuously
18 maintain, in this Commonwealth a registered office, which may
19 but need not be the same as its place of business in this
20 Commonwealth.

21 (b) Change.--A qualified foreign business corporation may,
22 from time to time, change the address of its registered office
23 in the manner provided by section 1507(b) (relating to statement
24 of change of registered office).

25 § 4145. Applicability of certain safeguards to foreign
26 domiciliary corporations.

27 (a) General rule.--The General Assembly hereby finds and
28 determines that foreign domiciliary corporations substantially
29 affect this Commonwealth. The courts of this Commonwealth shall
30 not dismiss or stay any action or proceeding by a shareholder or

1 representative of a foreign domiciliary corporation, as such,
2 against the corporation or any one or more of the shareholders
3 or representatives thereof, as such, on the ground that the
4 corporation is a foreign corporation for profit or that the
5 cause of action relates to the internal affairs thereof, but
6 every such action shall proceed with like effect as if the
7 corporation were a domestic corporation. ~~Except as provided in~~ <—
8 ~~subsection (b),~~ the THE court having jurisdiction of the action <—
9 or proceeding shall apply the law of the jurisdiction under
10 which the foreign domiciliary corporation was incorporated.

11 ~~(b) Provision of financial reports. The provisions of~~ <—
12 ~~section 1554 (relating to financial reports to shareholders)~~
13 ~~shall be applicable to foreign domiciliary corporations to the~~
14 ~~same extent as if they were domestic business corporations.~~

15 ~~(c) Required changes in organic law. For the purposes of~~
16 ~~subsection (b),~~ corporate (B) REQUIRED CHANGES IN ORGANIC <—
17 LAW.--CORPORATE action shall not be deemed to be impossible
18 under the laws of the jurisdiction in which a foreign
19 domiciliary corporation is incorporated merely because
20 prohibited or restricted by the terms of the articles,
21 certificate of incorporation, bylaws or other organic law of the
22 corporation but the court may require the corporation to amend
23 the organic law so as to be consistent with the minimum
24 safeguards prescribed by ~~subsection (b)~~ THIS SECTION. <—

25 ~~(d)~~ (C) Section exclusive.--The provisions of this subpart, <—
26 other than the provisions of this section and section 4146
27 (relating to provisions applicable to all foreign corporations),
28 shall not be construed to regulate the incorporation or internal
29 affairs of a foreign corporation for profit.

30 § 4146. Provisions applicable to all foreign corporations.

1 The following provisions of this subpart shall, except as
2 otherwise provided in this section, be applicable to every
3 foreign corporation for profit, whether or not required to
4 procure a certificate of authority under this chapter:

5 Section 1503 (relating to defense of ultra vires), as to
6 contracts and conveyances made in this Commonwealth and
7 conveyances affecting real property situated in this
8 Commonwealth.

9 Section 1506 (relating to form of execution of
10 instruments), as to instruments or other documents made or to
11 be performed in this Commonwealth or affecting real property
12 situated in this Commonwealth.

13 Section 1510 (relating to usury not a defense), as to
14 obligations (as defined in the section) executed or effected
15 in this Commonwealth or affecting real property situated in
16 this Commonwealth.

17 Section 1782 (relating to actions against directors and
18 officers).

19 SUBCHAPTER D

20 DOMESTICATION

21 Sec.

22 4161. Domestication.

23 4162. Effect of domestication.

24 § 4161. Domestication.

25 (a) General rule.--Any qualified foreign business
26 corporation may become a domestic business corporation by filing
27 in the Department of State articles of domestication. The
28 articles of domestication, upon being filed in the department,
29 shall constitute the articles of the domesticated foreign
30 corporation and it shall thereafter continue as a corporation

1 which shall be a domestic business corporation subject to this
2 subpart.

3 (b) Articles of domestication.--The articles of
4 domestication shall be executed by the corporation and shall set
5 forth in the English language:

6 (1) The name of the corporation. If the name is in a
7 foreign language, it shall be set forth in Roman letters or
8 characters or Arabic or Roman numerals.

9 (2) Subject to section 109 (relating to name of
10 commercial registered office provider in lieu of registered
11 address), the address, including street and number, if any,
12 of its registered office in this Commonwealth.

13 (3) A statement that upon domestication the corporation
14 will be subject to the domestic corporation provisions of the
15 Business Corporation Law of 1987 and, if desired, a brief
16 statement of the purpose or purposes for which it is to be
17 domesticated which shall be a purpose or purposes for which a
18 domestic business corporation may be incorporated under
19 Article B (relating to domestic business corporations
20 generally) and which may consist of or include a statement
21 that the corporation shall have unlimited power to engage in
22 and to do any lawful act concerning any or all lawful
23 business for which corporations may be incorporated under the
24 Business Corporation Law of 1987.

25 (4) The term for which upon domestication it is to
26 exist, if not perpetual.

27 (5) Any desired provisions relating to the manner and
28 basis of reclassifying the shares of the corporation.

29 (6) A statement that the filing of articles of
30 domestication and the renunciation of the original charter or

1 articles of the corporation has been authorized (unless its
2 charter or other organic documents require a greater vote) by
3 a majority of the votes cast by all shareholders entitled to
4 vote thereon and, if any class of shares is entitled to vote
5 thereon as a class, a majority of the votes cast in each
6 class vote.

7 (7) Any provisions desired providing special treatment
8 of shares held by any shareholder or group of shareholders if
9 the laws of the jurisdiction under which the corporation was
10 incorporated prior to its domestication permit such special
11 treatment.

12 (8) Any other provisions authorized by Article B to be
13 set forth in the original articles.

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

16 § 4162. Effect of domestication.

17 As a domestic business corporation, the domesticated
18 corporation shall no longer be a foreign business corporation
19 for the purposes of this subpart and shall have all the powers
20 and privileges and be subject to all the duties and limitations
21 granted and imposed upon domestic business corporations. The
22 property, franchises, debts, liens, estates, taxes, penalties
23 and public accounts due the Commonwealth shall continue to be
24 vested in and imposed upon the corporation to the same extent as
25 if it were the successor by merger of the domesticating
26 corporation with and into a domestic business corporation under
27 Subchapter C of Chapter 19 (relating to merger, consolidation,
28 share exchanges and sale of assets). The shares of the
29 domesticated corporation shall be unaffected by the
30 domestication except to the extent, if any, reclassified in the

1 articles of domestication.

2 (b) Conforming amendment.--Section 7952 of Title 15 is
3 amended to read:

4 § 7952. Proposal and adoption of plan of conversion.

5 (a) Preparation of plan.--A plan of conversion shall be
6 prepared, setting forth:

7 (1) The terms and conditions of the conversion.

8 (2) The mode of carrying the conversion into effect.

9 (3) A restatement of the articles of the resulting
10 corporation, which articles shall comply with the
11 requirements of[:

12 (i) the Business Corporation Law, if the resulting
13 corporation is to be a business corporation; or

14 (ii) this article, if the resulting corporation is
15 to be a nonprofit corporation] Subpart B of Part II
16 (relating to business corporations).

17 (4) Such other details and provisions as are deemed
18 desirable.

19 (b) Proposal and adoption.--The plan of conversion shall be
20 proposed and adopted, and may be terminated, in the manner
21 provided for the proposal, adoption and termination of a plan of
22 merger in [Article IX of the Business Corporation Law (relating
23 to merger and consolidation), in the case of a business
24 corporation which proposes to convert into a nonprofit
25 corporation, or in] Subchapter B of this chapter (relating to
26 merger, consolidation and sale of assets)[, in the case of a
27 nonprofit corporation which proposes to convert into a business
28 corporation].

29 (c) Rights of dissenting shareholders.--If any shareholder
30 of a business corporation which adopts a plan of conversion into

1 a nonprofit corporation shall object to such plan of conversion
2 and shall comply with the provisions of section 515 of the
3 Business Corporation Law (relating to rights of dissenting
4 shareholders), such shareholder shall be entitled to the rights
5 and remedies of dissenting shareholders therein provided,
6 notwithstanding anything to the contrary in subsection L of said
7 section. There shall be included in, or enclosed with, the
8 notice of meeting of shareholders of the business corporation
9 called to act upon the plan of conversion a copy or a summary of
10 the plan and a copy of this subsection and of section 515 of the
11 Business Corporation Law.

12 Section 104. Legislative findings as to acceptance of
13 Constitution of Pennsylvania.

14 (a) General rule.--The General Assembly finds and determines
15 as follows for the purpose of section 3B of the act of May 5,
16 1933 (P.L.289 No.105), known as the Nonprofit Corporation Law of
17 1933, as added by the act of January 18, 1966 (1965 P.L.1406,
18 No.520), section 3B of the act of May 5, 1933 (P.L.364, No.106),
19 known as the Business Corporation Law of 1933, as added by the
20 act of January 18, 1966 (1965 P.L.1305 No.519), and sections 3
21 and 5 of the act of January 18, 1966 (1965 P.L.1443, No.521)
22 (referred to collectively in this section as the Registry Acts
23 of 1966):

24 (1) The corporation incorporated by the act of February
25 24, 1846 (P.L.56, No.47) is subject to the Constitution of
26 Pennsylvania by reason of the enactment and acceptance of the
27 act of April 8, 1867 (P.L.916, No.836).

28 (2) The corporation incorporated by the act signed March
29 27, 1855 (1857 P.L.729, No.732) is subject to the
30 Constitution of Pennsylvania by reason of having its charter

1 enrolled under the act of April 16, 1845 (P.L.532, No.348)
2 after the enactment of the act of May 3, 1855 (P.L.423,
3 No.448).

4 (3) The Cedar Grove Cemetery Association, incorporated
5 pursuant to the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
6 Stat. 50), referred to as the Corporation Act of 1791, as
7 supplemented by the act of October 13, 1840 (1841 P.L.1,
8 No.258), is subject to the Constitution of Pennsylvania by
9 reason of the reserved power contained in the proviso to
10 section 3 of the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
11 Stat. 50).

12 (4) The corporation incorporated by the act of May 11,
13 1751 (1 Sm.L.208, Ch.390, 5 Stat. 128) is subject to the
14 Constitution of Pennsylvania by reason of the acceptance of
15 the benefits of laws passed by the General Assembly after
16 1873 governing the affairs of corporations, as evidenced by a
17 written acknowledgment of that fact filed by the corporation
18 in the Department of State on December 17, 1981.

19 (5) As reported by the Department of State, no
20 corporations other than those mentioned in paragraphs (1)
21 through (4) filed in the Department of State under the
22 Registry Acts of 1966 on or before January 1, 1967, a
23 certificate declining to accept the provisions of the
24 Constitution of Pennsylvania.

25 (6) All corporations incorporated prior to October 14,
26 1857, under the authority of the Commonwealth or of the late
27 Proprietaries of the Province of Pennsylvania are now subject
28 to the Constitution of Pennsylvania and the general
29 legislative jurisdiction of the General Assembly.

30 (b) Proceedings to challenge findings.--Unless a person

1 adversely affected by the findings set forth in subsection (a)
2 commences a declaratory judgment proceeding against the
3 Commonwealth under 42 Pa.C.S. Ch. 75, Subch. C (relating to
4 declaratory judgments), challenging such findings and
5 determinations within one year after the enactment of this act,
6 the findings and determinations shall be final and conclusive.
7 In any such proceeding the Commonwealth may assert any proper
8 ground, whether or not specified in this section, in support of
9 the determination that the objecting corporation is subject to
10 the Constitution of Pennsylvania and the general legislative
11 jurisdiction of the General Assembly.

12 Section 105. Additional filing fees.

13 The fee payable for filing a statement of change of
14 registered office by agent under 15 Pa.C.S. § 108 (relating to
15 change in location or status of registered office provided by
16 agent) shall be \$3.

17 Section 106. Study of transfer of local corporate records.

18 The Department of State shall study the feasibility and cost
19 of transferring to the custody or control of the department all
20 corporate records in the possession of the offices of the clerk
21 of the courts of common pleas and recorders of deeds and
22 officers serving similar functions in home rule charter counties
23 under repealed statutes, and the present and prospective
24 condition, integrity and availability of those records, and
25 shall report the results of the study to the General Assembly
26 within one year after the enactment of this act.

27 Section 107. Accelerated effective date.

28 (a) Proposed corporations.--This act shall take effect
29 immediately as to a proposed corporation incorporated after the
30 enactment of this act that sets forth in its original articles

1 of incorporation a statement, in addition to all other
2 statements required by this act, that the corporation elects to
3 be governed by the Corporation Act of 1987.

4 (b) Existing corporations.--Any other domestic corporation,
5 which if it were not then existing might be incorporated under
6 this act, may elect to be governed by this act by filing in the
7 Department of State prior to the general effective date of this
8 act a statement of acceptance of the Corporation Act of 1987
9 executed by the corporation in the manner provided by 15 Pa.C.S.
10 § 1108 (relating to execution of documents) setting forth:

11 (1) The name of the corporation.

12 (2) A statement that the board of directors of the
13 corporation has elected to accept the provisions of the
14 Corporation Act of 1987 for the government and regulation of
15 the affairs of the corporation.

16 (3) If the election is to be effective on a specified
17 date later than the filing date of the statement, but not
18 later than the general effective date of this act, the hour,
19 if any, and the month, day and year of the effective date.
20 Otherwise the election shall be effective upon the filing of
21 the statement in the department.

22 Upon the effectiveness of an election under this subsection, 15
23 Pa.C.S. Part II and as much of this act as may be necessary to
24 make such provisions operative shall be effective as to the
25 corporation.

26 (c) Discretionary action or inaction.--The incorporators of
27 a proposed corporation or the directors of an existing
28 corporation shall not be held liable for taking or omitting to
29 take any action permitted by this section, it being the
30 intention of this section that any such incorporator or director

1 may exercise absolute discretion in taking or omitting to take
2 any such action.

3 DIVISION II

4 CONFORMING AMENDMENTS

5 Section 201. Conforming amendment to Title 13.

6 Section 9103 of Title 13 is amended by adding a subsection to
7 read:

8 § 9103. Perfection of security interests in multiple state
9 transactions.

10 * * *

11 (f) Uncertificated securities.--

12 (1) Except as provided in paragraph (2), the law
13 (including the conflict of laws rules) of the jurisdiction of
14 organization of the issuer governs the perfection and the
15 effect of perfection or nonperfection of a security interest
16 in uncertificated securities.

17 (2) In the case of a registered corporation as defined
18 in 15 Pa.C.S. § 2502 (relating to registered corporation
19 status), which has a class of uncertificated securities
20 listed on the New York Stock Exchange or the American Stock
21 Exchange, the law (including the conflict of laws rules) of
22 the jurisdiction in which those exchanges are located governs
23 the perfection and the effect of perfection or nonperfection
24 of a security interest in such uncertificated securities.

25 Section 202. Conforming amendment to Title 42.

26 Section 2524 of Title 42 is amended to read:

27 § 2524. Penalty for unauthorized practice of law.

28 Any person who within this Commonwealth shall practice law,
29 or who shall hold himself out to the public as being entitled to
30 practice law, or use or advertise the title of lawyer, attorney

1 at law, attorney and [counsellor] counselor at law, [counsellor]
2 counselor, or the equivalent in any language, in such a manner
3 as to convey the impression that he is a practitioner of the law
4 of any jurisdiction, without being an attorney at law or a
5 corporation complying with [the act of July 9, 1970 (P.L.461,
6 No.160), known as the "Professional Corporation Law,"] 15
7 Pa.C.S. Ch. 29 (relating to professional corporations), commits
8 a misdemeanor of the third degree.

9 Section 203. Conforming amendments to Title 54.

10 Sections 101, 103, 303(b)(2), 311(a)(3), (b)(1), (d), (e)(1),
11 (g) and (h), 312(d), 313(c) and 321(d), Chapter 5 heading and
12 sections 501, 502, 503, 506, 1112(c), 1114, 1115(c), 1116,
13 1311(d), 1312(c), 1313, 1314(d), 1511(d), 1512, 1513, 1514 and
14 1515(d) of Title 54 are amended or added to read:

15 § 101. Definitions.

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

21 ["Corporation not-for-profit." A corporation not-for-profit
22 as defined in Title 15 (relating to corporations and
23 unincorporated associations).]

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

25 "Domestic corporation." A corporation incorporated under the
26 laws of this Commonwealth.

27 "Domestic corporation not-for-profit." A domestic
28 corporation not-for-profit as defined in 15 Pa.C.S. § 1103
29 (relating to definitions).

30 "Officially publish." The meaning specified in 15 Pa.C.S. §

1 [102] 1103 (relating to definitions) except that the county of
2 publication shall be as specified in this title.

3 "Qualified foreign corporation." A corporation incorporated
4 under any laws other than those of this Commonwealth that is
5 authorized to do business in this Commonwealth under either 15
6 Pa.C.S. Ch. 41 (relating to foreign business corporations) or
7 Ch. 81 (relating to foreign nonprofit corporations).

8 "Verified statement." A document filed under this title
9 containing statements of fact and a statement by the signatory
10 that it is made subject to the penalties of 18 Pa.C.S. § 4904
11 (relating to falsification to authorities).

12 § 103. Execution of documents.

13 (a) General rule.--Any document filed in the Department of
14 State under this title by a corporation may be executed on
15 behalf of the corporation by any one duly authorized officer
16 thereof. The corporate seal may be affixed and attested but the
17 affixation and attestation of the corporate seal shall not be
18 necessary for the due execution of any filing by a corporation
19 under this title.

20 (b) Cross reference.--See 15 Pa.C.S. § 135 (relating to
21 requirements to be met by filed documents).

22 § 303. Scope of chapter.

23 * * *

24 (b) Mandatory registration.--

25 * * *

26 (2) Paragraph (1) shall not apply to any:

27 (i) Nonprofit or professional activities.

28 (ii) Activities which are expressly or impliedly
29 prohibited by law from being carried on under a
30 fictitious name.

1 (iii) Limited partnership which is registered in the
2 department pursuant to Chapter 5 of Title 59 (relating to
3 limited partnerships) or under corresponding provisions
4 of prior law. The preceding sentence shall not apply to
5 any entity which includes the limited partnership as a
6 participant unless the entity is itself such a limited
7 partnership.

8 (iv) [An unincorporated] Unincorporated association.

9 (v) Electing partnership existing under 59 Pa.C.S.
10 Ch. 7 (relating to electing partnerships).

11 * * *

12 § 311. Registration.

13 (a) General rule.--A fictitious name may be registered under
14 this chapter by filing in the department an application for
15 registration of fictitious name, which shall be executed as
16 provided in subsection (d), and shall set forth:

17 * * *

18 (3) The address, including street and number, if any, of
19 the principal place of business of the business or other
20 activity to be carried on under or through the fictitious
21 name.

22 * * *

23 (b) Use of corporate designators.--A fictitious name
24 registered under this chapter:

25 (1) May not contain a corporate designator such as
26 "corporation," "incorporated" or "limited" or any derivation
27 or abbreviation thereof unless the entity or at least one
28 entity named in the application for registration of
29 fictitious name is a corporation. The use of the word
30 "company" or any derivation or abbreviation thereof by a sole

1 proprietorship, a partnership or a corporation is
2 permissible.

3 * * *

4 (d) Execution.--

5 (1) Where the application for registration relates to an
6 entity which includes one or more participants which are
7 partnerships or other entities composed of two or more
8 parties, it shall not be necessary for each ultimate party to
9 be named in and to execute the application, but only the
10 constituent participants shall be named in the application
11 and a partner or other authorized representative of a
12 participant may execute the application on behalf of the
13 participant.

14 (2) Where the application for registration relates to a
15 trust or similar entity, it shall not be necessary for each
16 beneficial owner or similar ultimate party to be named in and
17 to execute the application, but only the trustees of the
18 trust or the governing body of the similar entity shall be
19 named in and shall execute the application.

20 (3) Otherwise, the application for registration shall be
21 executed by each individual party thereto and, in the case of
22 any other entity, by [two duly authorized officers thereof
23 under the seal, if any, of] the entity. See section 103
24 (relating to execution of documents).

25 (4) The application of any party may be executed by the
26 attorney-in-fact of the party [accompanied by written
27 evidence of the authority of the attorney-in-fact].

28 (e) Duplicate use of names.--The fictitious name shall not
29 be the same as or [deceptively] confusingly similar to:

30 (1) The name of any domestic corporation, or any foreign

1 corporation authorized to do business in this Commonwealth,
2 or the name of any [nonprofit unincorporated] corporation or
3 other association registered at any time under Chapter 5
4 (relating to corporate and other association names) unless
5 such name is available or is made available for use under the
6 provisions or procedures of 15 Pa.C.S. § 7313(b)(1)(i) or
7 (ii) (relating to duplicate use of names) or the equivalent.

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.]

1 corporate use by other corporations by reason of any filing
2 in the department by such domestic or qualified foreign
3 corporation [not-for-profit].

4 (4) A name registered under 15 Pa.C.S. § 4131 (relating
5 to registration of name) or any similar provision of law.

6 (b) Subsequent availability of certain names.--Whenever, by
7 reason of change in name, withdrawal or dissolution of a
8 domestic or qualified foreign corporation [not-for-profit],
9 failure to renew a registration of its name by a nonqualified
10 foreign corporation, or for any other cause, its name is no
11 longer rendered unavailable by the express provisions of Title
12 15 (relating to corporations and unincorporated associations),
13 such name shall no longer be deemed to be registered under
14 subsection (a)(3) or (4) on the register established by this
15 chapter.

16 § 502. Certain additions to register.

17 (a) Corporations.--A domestic corporation not-for-profit
18 incorporated prior to May 16, 1923 may register its name with
19 the department under this chapter by effecting the filing
20 specified in 15 Pa.C.S. 7321 (relating to filing of certificate
21 of summary of record by corporations incorporated prior to 1973.

22 (b) Unincorporated associations.--A nonprofit unincorporated
23 association may register with the department the name under
24 which it is doing business or operating by filing an application
25 for registration, which shall be executed by [two duly
26 authorized officers of] the association, and shall set forth:

27 (1) The name to be registered.

28 (2) The address, including street and number, if any, of
29 the association.

30 (3) The length of time, if any, during which the name

1 has been used by the applicant.

2 (4) Such other information necessary to the
3 administration of this chapter as the department may specify
4 by regulation.

5 (c) Limitation on names which may be registered.--

6 Notwithstanding subsections (a) and (b), no new name shall be
7 registered or deemed to be registered under this section which
8 is the same as or [deceptively] confusingly similar to any other
9 name then registered or deemed to be registered under this
10 chapter, without the consent of the senior registrant.

11 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
12 docketing statement).

13 § 503. Decennial filings required.

14 (a) General rule.--Every corporation [not-for-profit] or
15 [nonprofit] other association whose name is registered under
16 this chapter shall decennially, during the year 1990 and each
17 year thereafter divisible by ten, file in the department a
18 report, which shall be executed by [two duly authorized officers
19 under the seal, if any, of] the corporation or other
20 association, and shall set forth:

21 (1) The name of the corporation or other association.

22 (2) The address, including street and number, if any, of
23 its registered or other office.

24 (3) A statement that the corporation or other
25 association continues to exist.

26 (4) Such other information necessary to the
27 administration of this chapter as the department may specify
28 by regulation.

29 (b) [Requirement satisfied by other filings] Exceptions.--
30 Subsection (a) shall not apply to:

1 (1) a corporation or other association which during the
2 preceding ten years has made any filing in the department a
3 permanent record of which is retained by the department; or

4 (2) a corporation whose name is registered pursuant to
5 section 501(a)(4) (relating to register established).

6 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
7 docketing statement).

8 § 506. Voluntary termination of registration by [nonprofit]
9 corporations and other associations.

10 (a) General rule.--Any [nonprofit] corporation or other
11 association which has its name registered under this chapter may
12 terminate such registration by filing in the department a
13 statement of termination of registration of name, which shall be
14 executed by [two duly authorized officers under the seal, if
15 any, of] the corporation or other association, and shall set
16 forth:

17 (1) The name of the corporation or other association.

18 (2) The address, including street and number, if any, of
19 the corporation or other association.

20 (3) The date on which and the statute under which the
21 name of the corporation or other association was registered.

22 (4) A statement that the registration of the name of the
23 corporation or other association under this chapter is
24 terminated.

25 (5) Such other information necessary to the
26 administration of this chapter as the department may specify
27 by regulation.

28 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
29 docketing statement).

30 § 1112. Application for registration.

1 * * *

2 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
3 docketing statement).

4 § 1114. Duration and renewal.

5 (a) General rule.--Registration of a mark under this chapter
6 shall be effective for a term of ten years from the date of
7 registration, and upon application for renewal filed within six
8 months prior to the expiration of such term the registration may
9 be renewed for a like term. A mark registration may be renewed
10 for successive periods of ten years in like manner. All
11 applications for renewals shall include a statement that the
12 mark is still in use in this Commonwealth.

13 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
14 docketing statement).

15 § 1115. Assignment.

16 * * *

17 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
18 docketing statement).

19 § 1116. Cancellation.

20 (a) General rule.--The department shall cancel from the
21 register under this chapter:

22 (1) All registrations under this chapter which are more
23 than ten years old and not renewed in accordance with this
24 chapter.

25 (2) Any registration concerning which the department
26 shall receive an application for cancellation thereof from
27 the registrant or the assignee of record.

28 (3) Any registration concerning which a court of
29 competent jurisdiction shall find:

30 (i) That the registered mark has been abandoned.

1 (ii) That the registrant is not the owner of the
2 mark.

3 (iii) That the registration was granted improperly.

4 (iv) That the registration was obtained
5 fraudulently.

6 (v) That the registered mark is so similar, as to be
7 likely to cause confusion or mistake or to deceive, to a
8 mark registered by another person in the United States
9 Patent and Trademark Office, prior to the date of the
10 filing of the application for registration by the
11 registrant under this chapter or former provisions of law
12 and not abandoned, except that if the registrant proves
13 that the registrant is the owner of a concurrent
14 registration of the mark in the United States Patent and
15 Trademark Office, covering an area including this
16 Commonwealth, the registration under this chapter shall
17 not be cancelled.

18 (4) When a court of competent jurisdiction shall order
19 cancellation of a registration on any ground.

20 (5) Any registration in the following circumstances:

21 (i) Where an applicant, by verified statement or
22 other good and sufficient evidence, shall prove to the
23 satisfaction of the department that the applicant is
24 entitled by virtue of prior adoption and use to any mark
25 theretofore registered in the department.

26 (ii) In the case of a corporation having filed
27 articles of dissolution or a decree of dissolution, any
28 person may, at any time at least three years thereafter,
29 present a petition to the department setting forth such
30 fact.

1 (iii) In the case of a person not having filed
2 articles of dissolution or a decree of dissolution, but
3 having discontinued or gone out of the business to which
4 such registration is pertinent.

5 (iv) When a registered mark has been abandoned or
6 discontinued for a period of at least five years
7 subsequent to registration and such abandonment and
8 nonuse still persists.

9 In all circumstances enumerated in this paragraph, any person
10 may present a petition for cancellation to the department.

11 The petition shall set forth the pertinent facts relative
12 thereto, and shall contain proof of service of notice of the
13 petition on the person in whose name the registration is
14 recorded, and asking that such registration be cancelled. The
15 department shall fix a time to hear the parties concerned in
16 the matter, and shall send, by certified mail, a notice of
17 hearing to the person in whose name such registration is
18 recorded. If, after hearing, the department is satisfied of
19 the truth of the facts alleged in the petition in accordance
20 with the provisions of this paragraph, it shall cancel the
21 registration.

22 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
23 docketing statement).

24 § 1311. Registration of insignia.

25 * * *

26 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
27 docketing statement).

28 § 1312. Amendment.

29 * * *

30 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to

1 docketing statement).

2 § 1313. Cancellation.

3 (a) General rule.--The registration under this chapter of
4 the insignia of an organization may be cancelled by the
5 organization by filing in the department a statement of
6 cancellation of insignia registration, which shall set forth:

7 (1) The name of the organization and its address,
8 including street and number, if any.

9 (2) An identification of the last preceding filing in
10 the department with respect to the insignia.

11 (3) A statement that the registration of the insignia is
12 cancelled.

13 (4) Such other information necessary to the
14 administration of this chapter as the department may specify
15 by regulation.

16 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
17 docketing statement).

18 § 1314. Decennial filings required.

19 * * *

20 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
21 docketing statement).

22 § 1511. Registration of articles or supplies.

23 * * *

24 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
25 docketing statement).

26 § 1512. Amendment.

27 (a) General rule.--The registration under this chapter of a
28 mark may be amended by the registrant by filing in the
29 department of an application for amendment of mark used with
30 articles or supplies, which shall set forth:

1 (1) The name and address, including street and number,
2 if any, of the registrant.

3 (2) An identification of the last preceding filing in
4 the department with respect to the mark.

5 (3) The amendment, which shall revise any information
6 set forth in the preceding filing which has become inaccurate
7 and shall restate in full all such information as so revised.

8 (4) Such other information necessary to the
9 administration of this chapter as the department may specify
10 by regulation.

11 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
12 docketing statement).

13 § 1513. Assignment.

14 (a) General rule.--Any mark and its registration under this
15 chapter shall be assignable with the sale of the articles or
16 supplies on which the mark is produced and used. Assignments
17 shall be by instruments in writing, duly executed, and may be
18 recorded with the department.

19 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
20 docketing statement).

21 § 1514. Cancellation of registration.

22 (a) General rule.--The department shall cancel from the
23 register under this chapter:

24 (1) Any registration concerning which the department
25 shall receive an application for cancellation thereof from
26 the registrant or from the assignee of record.

27 (2) Any registration in respect of which a court of
28 competent jurisdiction shall order cancellation.

29 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
30 docketing statement).

1 § 1515. Decennial filings required.

2 * * *

3 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
4 docketing statement).

5 Section 204. Conforming amendment to Title 66.

6 Section 3103 of Title 66 is repealed.

7 Section 205. Conforming cross references in unconsolidated
8 statutes.

9 (a) Business Corporation Law of 1933.--References in the
10 following acts and parts of acts enacted prior to July 1, 1971
11 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
12 regulations)) to the act of May 5, 1933 (P.L.364, No.106), known
13 as the Business Corporation Law, shall be deemed to be a
14 reference to 15 Pa.C.S. Pt. II, Subpt. B, known as the Business
15 Corporation Law of 1987, and all such acts and parts of acts are
16 repealed to the extent inconsistent with this subsection:

17 Sections 3, 7 and 13 of the act of April 8, 1937 (P.L.262,
18 No.66), known as the Consumer Discount Company Act.

19 Section 8(b) of the act of January 14, 1952 (1951 P.L.1898,
20 No.522), known as the Funeral Director Law.

21 Sections 4 and 8 of the act of December 1, 1959 (P.L.1647,
22 No.606), known as the Business Development Credit Corporation
23 Law.

24 Sections 1204, 1207 and 1222 of the act of November 30, 1965
25 (P.L.847, No.356), known as the Banking Code of 1965.

26 (b) Section 202B of the Business Corporation Law of 1933.--
27 References in the following act enacted prior to July 1, 1971
28 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
29 regulations)) to section 202B of the act of May 5, 1933
30 (P.L.364, No.106), known as the Business Corporation Law, shall

1 be deemed to be a reference to 15 Pa.C.S. § 1303(b) (relating to
2 duplicate use of names) and such act is repealed to the extent
3 inconsistent with this subsection: section 802 of the act of
4 November 30, 1965 (P.L.847, No.356), known as the Banking Code
5 of 1965.

6 (c) Article VIII of the Business Corporation Law of 1933.--
7 References in the following act enacted prior to July 1, 1971
8 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
9 regulations)) to Article VIII of the act of May 5, 1933
10 (P.L.364, No.106), known as the Business Corporation Law, shall
11 be deemed to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A
12 (relating to preliminary provisions) and B (relating to
13 amendment of articles) and such act is repealed to the extent
14 inconsistent with this subsection: section 9.1 of the act of
15 December 1, 1959 (P.L.1647, No.606), known as the Business
16 Development Credit Corporation Act.

17 (d) Article IX of the Business Corporation Law of 1933.--
18 References in the following act enacted prior to July 1, 1971
19 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
20 regulations)) to Article IX of the act of May 5, 1933 (P.L.364,
21 No.106), known as the Business Corporation Law, shall be deemed
22 to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A (relating to
23 preliminary provisions) and C (relating to merger,
24 consolidation, share exchanges and sale of assets) and such act
25 is repealed to the extent inconsistent with this subsection:
26 section 751(a) of the act of May 17, 1921 (P.L.682, No.284),
27 known as The Insurance Company Law of 1921.

28 (e) Professional Corporation Law.--References in the
29 following acts and parts of acts enacted prior to July 1, 1971
30 (see 1 Pa.C.S. § 1937 (relating to references to statutes and

1 regulations)) to the act of July 9, 1970 (P.L.461, No.160),
2 known as the Professional Corporation Law, shall be deemed to be
3 a reference to 15 Pa.C.S. Ch. 29 (relating to professional
4 corporations) and all such acts and parts of acts are repealed
5 to the extent inconsistent with this subsection:

6 Sections 2, 8.4 and 8.6 of the act of May 26, 1947 (P.L.318,
7 No.140), known as The C.P.A. Law.

8 Section 8(d) of the act of January 14, 1952 (1951 P.L.1898,
9 No.522), known as the Funeral Director Law.

10 DIVISION III

11 MISCELLANEOUS PROVISIONS

12 Section 301. Repeals.

13 (a) Except as otherwise expressly provided in this
14 subsection, the following acts and parts of acts are repealed:

15 Resolution of April 17, 1838 (P.L.694, No.22), entitled "A
16 resolution relative to changing the lots attached to certain
17 lock houses on the Juniata division of the Pennsylvania canal,
18 and relative to other purposes."

19 Act of March 28, 1840 (P.L.196, No.91), entitled "A
20 supplement to the act entitled 'An act regulating Lateral Rail
21 Roads.'"

22 Act of February 12, 1842 (P.L.18, No.14), entitled "A further
23 supplement to the act entitled 'an act regulating Lateral Rail
24 Roads.'"

25 Section 10 of the act of April 24, 1843 (P.L.359, No.173),
26 entitled "An act to incorporate the Butler County Mutual
27 Insurance Company, and for other purposes."

28 Act of April 11, 1845 (P.L.364, No.243), entitled "An act to
29 relieve canal and railroad companies from penalties for not
30 performing certain acts on the Sabbath day."

1 Act of March 13, 1847 (P.L.333, No.273), entitled "An act
2 relating to certain corporations."

3 Act of March 13, 1847 (P.L. 337, No.276), entitled "An act in
4 reference to running of locomotive engines and cars on
5 connecting railroads."

6 Act of January 6, 1848 (P.L.1, No.1), entitled "A supplement
7 to the act of fifth of May, one thousand eight hundred and
8 thirty-two, entitled 'An Act regulating lateral railroads.'"

9 Act of April 11, 1848 (P.L.516, No.363), entitled "An act to
10 authorize Margaret Parthemore, administration with the will
11 annexed of John Parthemore, deceased, to collect certain
12 outstanding taxes of the North ward of the borough of
13 Harrisburg, in the county of Dauphin, relative to school taxes
14 in Manor township, Lancaster county, to the appeal of the Easton
15 Bank, and relative to lateral railroads, and the accounts of
16 John Foresman, of Lycoming county."

17 Act of February 19, 1849 (P.L.79, No.76), entitled "An act
18 regulating railroad companies."

19 Act of April 11, 1853 (P.L.366, No.239), entitled "An act
20 repealing the acts regulating the gauge of the track of
21 railroads."

22 Act of February 25, 1856 (P.L.61, No.74), entitled "An act
23 declaratory of the construction of the eleventh section of an
24 act passed on the twenty-sixth day of July, Anno Domini one
25 thousand eight hundred and forty-two."

26 Act of May 16, 1857 (P.L.538, No.595), entitled "An act
27 relative to Assignees and Trustees of Railroad Companies."

28 Act of May 20, 1857 (P.L.629, No.664), entitled "A supplement
29 to the act Regulating Railroads."

30 Act of April 20, 1858 (P.L.361, No.402), entitled "A further

1 supplement to the act, entitled 'An Act regulating Lateral
2 Railroads,' passed May fifth, one thousand eight hundred and
3 thirty-two."

4 Act of March 29, 1859 (P.L.290, No.293), entitled "A
5 supplement to an act in reference to running of Locomotive
6 Engines and Cars on Connecting Railroads, approved thirteenth
7 March, one thousand eight hundred forty-seven."

8 Act of January 9, 1861 (P.L.2, No.3), entitled "An act to
9 enable citizens to hold title which had been held by Aliens and
10 Corporations." Except as otherwise provided by statute, a
11 nonresident or an alien may hold title to property located in
12 this Commonwealth to the same extent as a resident citizen.

13 Act of April 8, 1861 (P.L.259, No.262), entitled "An act
14 concerning the Sale of Railroads, Canals, Turnpikes, Bridges and
15 Plank Roads."

16 Act of April 23, 1861 (P.L.410, No.379), entitled "An act
17 relating to certain Corporations."

18 Act of May 1, 1861 (P.L.433, No.405), entitled "A supplement
19 to an act relating to Corporations, passed the twenty-sixth day
20 of April, one thousand eight hundred and fifty-five."

21 Act of May 1, 1861 (P.L.485, No.453), entitled "A further
22 supplement to an act in reference to running of Locomotive
23 Engines and Cars on Connecting Railroads, approved thirteenth
24 March, one thousand eight hundred and forty-seven."

25 Act of May 16, 1861 (P.L.702, No.657), entitled "An act
26 relating to Railroad Companies."

27 Act of March 21, 1862 (P.L.149, No.148), entitled "An act to
28 encourage the development of Coal and Mineral Lands in the
29 counties of Huntingdon, Cambria and Bedford."

30 Act of April 11, 1862 (P.L.497, No.490), entitled "An act

1 authorizing Railroad Companies to re-locate their Roads in
2 certain cases."

3 Act of April 22, 1863 (P.L.534, No.530), entitled "An act to
4 regulate railroad gauges."

5 Act of March 23, 1865 (P.L.33, No.18), entitled "An act to
6 authorize railroad companies, whose lines reach navigable
7 streams, to erect docks, piers or wharves therein, and to take
8 private property for such public use, on compensation, and
9 ratifying the purchase of the same."

10 Act of March 24, 1865 (P.L.43, No.28), entitled "A supplement
11 to the general law relating to railroad companies, approved
12 nineteenth February, one thousand eight hundred and forty-nine."

13 Act of March 24, 1865 (P.L.49, No.35), entitled "An act
14 supplementary to an act, regulating railroad companies, approved
15 the nineteenth day of February, Anno Domini one thousand eight
16 hundred and forty-nine."

17 Section 2 of the act of March 23, 1865 (P.L.631, No.626),
18 entitled "A supplement to an act, approved the first day of May,
19 Anno Domini one thousand eight hundred and sixty-one, entitled
20 'A supplement to an act relating to corporations, passed the
21 twenty-sixth day of April, Anno Domini one thousand eight
22 hundred and fifty-five,' and to extend the benefit of the said
23 act to purchases, or sales, of real estate, for, or by, aliens,
24 before that date."

25 Act of May 20, 1865 (P.L.847, No.837), entitled "An act to
26 entitle the stockholders of any railroad company, incorporated
27 by this commonwealth, accepting this act, to one vote for each
28 share of stock."

29 Act of June 21, 1865 (P.L.849, No.839), entitled "An act
30 relating to the use of tunnels and bridges by railroad

1 companies."

2 Act of June 21, 1865 (P.L.852, No.841), entitled "An act
3 authorizing the purchase, by railroad companies, of branch, or
4 connecting, roads."

5 Act of March 23, 1866 (P.L.299, No.273), entitled "An act
6 supplementary to an act to incorporate the city of Philadelphia,
7 authorizing the improvement of Broad street, in said city."

8 Act of April 17, 1866 (P.L.106, No.95), entitled "An act
9 relating to railroads."

10 Act of January 7, 1867 (P.L.1368, No.1283), entitled "An act
11 relating to the qualifications of directors of railroad
12 companies."

13 Act of April 10, 1867 (P.L.61, No.40), entitled "An act to
14 authorize the president and directors of any railroad company to
15 determine, by resolution, the manner in which, and the persons
16 to whom, the increased capital thereof may be sold, and the
17 amounts of the instalments thereon, and the times and manner of
18 their payment."

19 Act of February 14, 1868 (P.L.40, No.4), entitled "A
20 supplement to an act, entitled 'An Act relating to certain
21 corporations,' approved March thirteenth, Anno Domini one
22 thousand eight hundred and forty-seven, authorizing the governor
23 to appoint directors for certain corporations in certain cases."

24 Act of March 10, 1868 (P.L.294, No.267), entitled "A
25 supplement to an act, entitled 'An Act concerning the sale of
26 railroads, canals, turnpikes, bridges and plank roads,' approved
27 the eighth day of April, Anno Domini one thousand eight hundred
28 and sixty-one, so far as relates to certain counties.'"

29 Act of March 18, 1868 (P.L.372, No.335), entitled "A
30 supplement to an act, entitled 'An Act to authorize the sale of

1 the property of any incorporated company, upon the bonds secured
2 by a mortgage given by it with like effect as if sold upon the
3 mortgage,' approved the tenth day of April, Anno Domini one
4 thousand eight hundred and sixty-seven, extending the same to
5 incorporated coal companies in the county of Luzerne,
6 authorizing the purchasers of the same to organize new
7 corporations."

8 Act of March 31, 1868 (P.L.50, No.17), entitled "An act to
9 authorize incorporated companies to invest and re-invest surplus
10 funds in mortgages, stocks and other securities, and fixing the
11 time for holding elections for directors."

12 Act of April 2, 1868 (P.L.53, No.20), entitled "An act
13 relating to the consolidation of railroad companies."

14 Act of April 14, 1868 (P.L.62, No.29), entitled "An act to
15 authorize the formation and regulation of railroad
16 corporations."

17 Act of April 14, 1868 (P.L.100, No.61), entitled "An act to
18 authorize railroad companies leasing or using other railroads to
19 provide for the payment of liens thereon."

20 Act of March 17, 1869 (P.L.11, No.9), entitled "An act
21 supplementary to an act relating to certain corporations,
22 approved the twenty-third day of April, Anno Domini one thousand
23 eight hundred and sixty-one."

24 Act of March 17, 1869 (P.L.11, No.10), entitled "An act to
25 authorize an increase in the number of directors or managers of
26 railroad companies, and to give stockholders the power to locate
27 the general office of such companies."

28 Act of March 17, 1869 (P.L.12, No.11), entitled "An act to
29 enable railroad, canal and slack-water navigation companies to
30 straighten, widen, deepen and otherwise improve their lines of

1 railroads, canals and slack-water navigation, and the bridges,
2 aqueducts, piers and structures thereof."

3 Act of April 6, 1869 (P.L.17, No.16), entitled "A further
4 supplement to an act regulating lateral railroads, approved the
5 fifth day of May, Anno Domini one thousand eight hundred and
6 thirty-two."

7 Act of April 10, 1869 (P.L.24, No.24), entitled "An act
8 supplementary to an act relating to railroad companies, approved
9 May sixteenth, Anno Domini one thousand eight hundred and sixty-
10 one."

11 Act of April 15, 1869 (P.L.31, No.33), entitled "An act to
12 authorize railroad and canal companies to aid in the development
13 of the coal, iron, lumber and other material interests of this
14 Commonwealth."

15 Act of April 26, 1869 (P.L.96, No.70), entitled "A further
16 supplement to the act, entitled 'An act to enable citizens to
17 hold title which had been held by aliens and corporations,'
18 approved the ninth day of January, Anno Domini one thousand
19 eight hundred and sixty-one."

20 Act of February 17, 1870 (P.L.31, No.8), entitled "An act to
21 authorize railroad companies to lease or become lessees, and to
22 make contracts with other railroad companies, corporations and
23 parties."

24 Act of April 1, 1870 (P.L.45, No.26), entitled "An act to
25 authorize and direct the Attorney General, upon complaint made
26 by parties whose interests are thereby affected, to institute
27 proceedings, according to law, against corporations alleged to
28 have violated duties imposed upon them by law."

29 Act of April 14, 1870 (P.L.73, No.46), entitled "A supplement
30 to an act regulating railroad companies, approved February

1 nineteenth, one thousand eight hundred and forty-nine."

2 Resolution of April 14, 1870 (P.L.1334, No.13), entitled "A
3 Joint Resolution for the protection of the rights of
4 corporations chartered by the Commonwealth."

5 Act of April 14, 1870 (P.L.75, No.48), entitled "A supplement
6 to an act, entitled 'An Act relating to railroad and canal
7 companies,' approved April eleventh, one thousand eight hundred
8 and sixty-four."

9 Act of April 26, 1870 (P.L.1274, No.1170), entitled "An act
10 further supplementary to an act regulating railroad companies,
11 approved the nineteenth day of February, Anno Domini one
12 thousand eight hundred and forty-nine."

13 Act of February 17, 1871 (P.L.56, No.61), entitled "An act
14 supplementary to the acts relating to lateral railroads."

15 Act of April 28, 1871 (P.L.246, No.232), entitled "A
16 supplement to the act of April fourth, one thousand eight
17 hundred and sixty-eight, relative to the formation and
18 regulation of railroad corporations."

19 Act of May 2, 1871 (P.L.248, No.234), entitled "A supplement
20 to an act to enable railroad, canal and slack-water navigation
21 companies to straighten, widen, deepen and otherwise improve
22 their lines of railroads, canals and slack-water navigation, and
23 the bridges, aqueducts, piers and structures thereof, approved
24 the seventeenth day of March, Anno Domini one thousand eight
25 hundred and sixty-nine."

26 Act of May 18, 1871 (P.L.942, No.830), entitled "An act
27 relating to certain railroad, canal and incorporated companies
28 authorized to construct railroads, and authorizing such
29 companies to purchase and hold stock and bonds, to lease roads
30 and property of and consolidate with each other, in the counties

1 of Susquehanna, Wyoming, Wayne and Luzerne."

2 Act of June 2, 1871 (P.L.283, No.263), entitled "An act to
3 authorize married women owning capital stock of any railroad
4 company to sell and transfer the same."

5 Act of April 3, 1872 (P.L.35, No.25), entitled "An act
6 relating to straightened or improved lines of railroad."

7 Act of April 4, 1872 (P.L.46, No.39), entitled "An act for
8 the appointment of a receiver in cases where corporations have
9 been dissolved by judgment of ouster, upon proceedings of quo
10 warranto."

11 Act of February 7, 1873 (P.L.126, No.95), entitled "An act
12 extending the time for the completion of the Pittsburg, Virginia
13 and Charleston Railway."

14 Act of March 27, 1873 (P.L.435, No.450), entitled "An act
15 providing for the surrender by the Thirteenth and Fifteenth
16 Streets Passenger Railway Company of the city of Philadelphia,
17 of certain corporate rights upon Broad street, and in
18 consideration thereof, confirming the merger with the Navy Yard,
19 Broad Street and Fairmount Railway Company, and granting and
20 confirming unto said Thirteenth and Fifteenth Streets Passenger
21 Railway Company, certain rights as to laying tracks upon said
22 Broad street and Thirteenth and Fifteenth streets, and excluding
23 all other persons or bodies corporate from hereafter laying
24 tracks upon any of said streets."

25 Act of June 5, 1873 (1874 P.L.331, No.219), entitled "An act
26 authorizing directors of railroad companies to elect vice
27 president."

28 Act of June 6, 1873 (1874 P.L.417, No.303), entitled "A
29 supplement to an act, entitled 'An Act regulating lateral
30 railroads,' approved the fifth day of May, Anno Domini one

1 thousand eight hundred and thirty-two, in the county of
2 Armstrong."

3 Act of April 1, 1874 (P.L.51, No.13), entitled "An act to
4 validate acts done by corporations created by the courts before
5 the recording of their charters."

6 Act of April 29, 1874 (P.L.73, No.32), entitled "An act to
7 provide for the incorporation and regulation of certain
8 corporations."

9 Act of April 20, 1874 (P.L.110, No.36), entitled, as amended,
10 "An act to enable the officers of dissolved corporations to
11 convey real estate held by such corporations."

12 Act of May 11, 1874 (P.L.133, No.64), entitled "An act
13 relating to the validity of the charters of certain
14 incorporations."

15 Act of May 15, 1874 (P.L.185, No.117), entitled "An act to
16 provide for the adjustment, settlement and collection of
17 compensation from railroad companies, for railroads located or
18 that may be located on county bridges, and to empower county
19 commissioners to make contracts relating thereto."

20 Act of June 8, 1874 (P.L.277, No.162), entitled "A supplement
21 to an act, entitled 'An Act to authorize the formation and
22 regulation of railroad corporations.'"

23 Act of June 9, 1874 (P.L.282, No.169), entitled "An act to
24 authorize the counties, cities, towns or townships of this
25 state, respectively, to enter into contracts with railroad
26 companies whose roads enter their limits, whereby said companies
27 may re-locate, change or elevate their railroads."

28 Act of June 15, 1874 (P.L.289, No.175), entitled "An act
29 requiring every railroad or canal corporation, organized in this
30 state, to maintain an office therein for the transaction of its

1 business."

2 Act of March 17, 1875 (P.L.7, No.9), entitled "An act to
3 extend the time for the completion of railroads authorized to be
4 constructed by railroad or railway corporations of this
5 commonwealth under any general law."

6 Act of March 18, 1875 (P.L.28, No.30), entitled "A supplement
7 to an act to authorize the formation and regulation of railroad
8 corporations, approved April four, Anno Domini one thousand
9 eight hundred and sixty-eight."

10 Act of April 25, 1876 (P.L.47, No.36), entitled "An act
11 supplementary to the 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 eighteen hundred and
14 seventy-four, extending its provisions to all who may have the
15 right to vote at elections for directors, managers or trustees."

16 Act of April 28, 1876 (P.L.53, No.45), entitled "An act
17 relieving members of beneficial societies from individual
18 liability for lodge indebtedness."

19 Act of May 1, 1876 (P.L.90, No.52), entitled "An act
20 supplementary to an act, entitled 'An Act to provide for the
21 incorporation and regulation of certain corporations,' approved
22 April twenty-ninth, one thousand eight hundred and seventy-four,
23 relative to the incorporation and powers of telegraph companies
24 for the use of individuals, firms and corporations, and for fire
25 alarm, police and messenger business."

26 Act of May 1, 1876 (P.L.93, No.57), entitled "An act defining
27 the rights and obligations of corporations formed under the laws
28 of other states, and under the said laws succeeding to or
29 becoming invested with the rights of purchasers or mortgagees
30 under mortgages executed by railroad companies of other states,

1 but authorized or confirmed by the laws of this state, where
2 such mortgages extend to or include railroads partly within this
3 and partly within another or other state or states, and where
4 foreclosures or sales of the mortgaged premises have been
5 decreed by courts of the states within which the said last named
6 companies were incorporated, and such decrees of sale or
7 foreclosure have been confirmed or enforced by confirmatory or
8 ancillary decrees rendered by state or federal courts of or in
9 this commonwealth."

10 Act of May 8, 1876 (P.L.127, No.93), entitled "An act to
11 enable citizens of the United States and corporations chartered
12 under the laws of this commonwealth, and authorized to hold real
13 estate, to hold and convey title which had been held by aliens
14 and corporations not authorized by law to hold the same."

15 Act of May 13, 1876 (P.L.157, No.128), entitled "A further
16 supplement to an act, entitled 'An Act to authorize the
17 formation and regulation of railroad corporations,' approved
18 April fourth, Anno Domini one thousand eight hundred and sixty-
19 eight, authorizing articles of association to be filed and
20 recorded in the office of the secretary of the commonwealth, and
21 companies to organize, when two thousand dollars of stock is
22 subscribed and ten per centum thereon paid in good faith, in
23 cash, to the directors, for roads not exceeding fifteen miles in
24 length."

25 Act of May 22, 1878 (P.L.85, No.108), entitled "A supplement
26 to an act, entitled 'An act to enable citizens to hold title
27 which has been held by aliens and corporations,' approved the
28 ninth day of January, Anno Domini one thousand eight hundred and
29 sixty-one."

30 Act of May 25, 1878 (P.L.145, No.184), entitled "A supplement

1 to an act, entitled 'An act concerning the sale of railroads,
2 canals, turnpikes, bridges and plank roads,' approved the eighth
3 day of April, Anno Domini one thousand eight hundred and sixty-
4 one, extending the provisions of said act to coal, iron, steel,
5 lumber, or oil or mining, manufacturing, transportation and
6 telegraph companies, in this commonwealth."

7 Act of June 12, 1878 (P.L.183, No.224), entitled "A
8 supplement to an act to authorize railroad corporations to
9 secure the payment of their bonds and obligations, by a mortgage
10 upon their property, rights and franchises,' approved the
11 thirteenth day of March, Anno Domini one thousand eight hundred
12 and seventy-three, applying the provisions thereof to mortgages
13 upon certain personal property of such corporations."

14 Act of April 22, 1879 (P.L.31, No.26), entitled "An act to
15 extend the time for the completion of public works by
16 corporations chartered for the construction thereof, and
17 authorizing such corporations to borrow money for that purpose."

18 Act of April 8, 1881 (P.L.9, No.8), entitled "A supplement to
19 the act, entitled, 'An act to enable citizens of the United
20 States and corporations chartered under the laws of this
21 commonwealth, and authorized to hold real estate, to hold and
22 convey title, which had been held by aliens and corporations not
23 authorized by law to hold the same,' approved the eighth day of
24 May, Anno Domini one thousand eight hundred and seventy-six."

25 Act of May 21, 1881 (P.L.27, No.31), entitled "A further
26 supplement to an act, entitled 'An act to authorize the
27 formation and regulation of railroad corporations' approved the
28 fourth day of April, Anno Domini one thousand eight hundred and
29 sixty-eight, authorizing railroad companies incorporated under
30 said act, and supplements thereto, not exceeding fifteen miles

1 in length, to extend their lines."

2 Act of May 24, 1881 (P.L.27, No.30), entitled "An act to
3 extend the time for the completion of railroads in this
4 commonwealth."

5 Act of June 1, 1883 (P.L.49, No.40), entitled "An act to
6 extend the time for the completion of railroads in this
7 Commonwealth."

8 Act of June 1, 1883 (P.L.57, No.52), entitled "An act
9 relating to the terminal points to which railroads may be
10 constructed."

11 Act of June 2, 1883 (P.L.61, No.54), entitled "An act
12 supplementary to an act, entitled 'An act for the incorporation
13 and regulation of corporations,' approved April twenty-ninth,
14 one thousand eight hundred and seventy-four, authorizing the
15 incorporation of pipe lines for the transportation of petroleum,
16 and providing for the exercise of the right of eminent domain in
17 taking lands and property for such purposes."

18 Act of June 13, 1883 (P.L.122, No.108), entitled "A
19 supplement to an act, entitled 'An act to provide for the
20 incorporation and regulation of certain corporations,' approved
21 April twenty-ninth, one thousand eight hundred and seventy-four,
22 providing for the improvement, amendment and alteration of the
23 charters of corporations of the second class, and authorizing
24 the incorporation of traction motor companies."

25 Act of July 5, 1883 (P.L.176, No.165), entitled "A supplement
26 to an act, entitled 'An act regulating lateral railroads,'
27 approved the fifth day of May, Anno Domini one thousand eight
28 hundred and thirty-two, authorizing the owners or lessees of
29 iron ore or coal mines to construct lateral railroads from said
30 mines to any railroad, public road or navigable stream, within

1 the county in which such mines are situated."

2 Act of May 29, 1885 (P.L.29, No.32), entitled "An act to
3 provide for the incorporation and regulation of natural gas
4 companies."

5 Act of June 25, 1885 (P.L.186, No.155), entitled "An act
6 limiting the time for the completion of railroads by
7 corporations organized by purchasers at judicial sales."

8 Act of May 7, 1887 (P.L.94, No.44), entitled "An act to
9 enforce against railroad corporations the provisions of section
10 seven of Article sixteen, of the Constitution."

11 Act of May 31, 1887 (P.L.275, No.162), entitled "A supplement
12 to an act, entitled 'An act to authorize the formation and
13 regulation of railroad corporations,' approved the fourth day of
14 April, Anno Domini one thousand eight hundred and sixty-eight."

15 Act of June 6, 1887 (P.L.350, No.242), entitled "An act to
16 enable the citizens of the United States and corporations,
17 chartered under the laws of this Commonwealth and authorized to
18 hold real estate, to hold and convey title which had been held
19 by aliens and corporations not authorized by law to hold the
20 same."

21 Act of May 7, 1889 (P.L.102, No.108), entitled "An act
22 defining evidence of stock ownership in corporations and for
23 determining the right to vote thereon."

24 Act of May 8, 1889 (P.L.136, No.153), entitled "An act to
25 amend an act, entitled 'An act to provide for the incorporation
26 and regulation of certain corporations,' approved the twenty-
27 ninth day of April, Anno Domini one thousand eight hundred and
28 seventy-four, providing for the incorporation and regulation of
29 electric light, heat and power companies."

30 Act of May 13, 1889 (P.L.205, No.223), entitled "An act

1 prescribing the amount of stock and bonds which may be issued by
2 railroad companies heretofore or hereafter consolidated and
3 merged."

4 Act of June 16, 1891 (P.L.301, No.231), entitled "An act
5 authorizing the extension of the corporate existence of any
6 railroad corporation organized under either a special or general
7 law of this Commonwealth."

8 Act of May 26, 1893 (P.L.141, No.90), entitled "An act
9 amending an act, entitled 'An act defining evidence of stock
10 ownership in corporations, and for determining the right to vote
11 thereon,' approved May seventh, one thousand eight hundred and
12 eighty-nine, further defining evidence of stock ownership and
13 the right to vote thereon."

14 Act of May 26, 1893 (P.L.158, No.103), entitled "An act
15 authorizing water companies to re-locate roads destroyed, and to
16 acquire land to preserve water supply from contamination."

17 Act of June 8, 1893 (P.L.355, No.289), entitled "An act to
18 regulate the change of location of the principal office, the
19 place of annual and other meetings of stockholders, and the time
20 of such annual meeting of corporations of this Commonwealth."

21 Act of June 18, 1895 (P.L.195, No.116), entitled "An act
22 validating purchases or leases heretofore made or acquired by
23 water companies of lands to preserve their water supply from
24 contamination."

25 Act of June 24, 1895 (P.L.258, No.172), entitled "An act
26 relating to and regulating the issue and transfer of
27 certificates of stock by companies incorporated under the laws
28 of this Commonwealth."

29 Act of June 24, 1895 (P.L.264, No.176), entitled "An act to
30 enable the citizens of the United States, and corporations

1 chartered under the laws of this Commonwealth and authorized to
2 hold real estate, to hold and convey title which had been held
3 by aliens and corporations not authorized by law to hold the
4 same."

5 Act of July 2, 1895 (P.L.425, No.302), entitled "An act
6 granting to water power companies, and other corporations owning
7 or controlling water power, authority to develop and distribute
8 electric power by means of their water power, and to erect,
9 construct and maintain the necessary buildings, plant and
10 apparatus for that purpose."

11 Act of July 2, 1895 (P.L.432, No.309), entitled "An act being
12 a further supplement to an act, entitled 'An act to provide for
13 the incorporation and regulation of certain corporations,'
14 approved the twenty-ninth day of April, one thousand eight
15 hundred and seventy-four, to further provide for the
16 incorporation and regulation of corporations heretofore or
17 hereafter incorporated for the purpose of the supply, storage or
18 transportation of water and water power for commercial and
19 manufacturing purposes."

20 Act of February 9, 1901 (P.L.3, No.1), entitled "An act to
21 provide for increasing the capital stock and indebtedness of
22 corporations."

23 Act of February 9, 1901 (P.L.6, No.2), entitled "An act to
24 permit the classification by railroad, railway and
25 transportation corporations of their boards of directors or
26 managers."

27 Act of March 22, 1901 (P.L.53, No.20), entitled "An act to
28 authorize and empower any railroad corporation of this
29 Commonwealth, which shall own at least two-thirds of the whole
30 capital stock of any other like corporation of this

1 Commonwealth, and shall have a railroad connecting with the
2 railroad of the latter, to acquire the franchises, property,
3 rights and credits of the latter."

4 Act of April 4, 1901 (P.L.63, No.29), entitled "An act to
5 authorize railroads, heretofore or hereafter constructed to any
6 river forming the boundary between this and any adjoining State,
7 to be built by means of a bridge and its approaches to the
8 middle of such river, and there connect with any railroad of
9 such adjoining State, heretofore or hereafter constructed."

10 Act of April 4, 1901 (P.L.67, No.36), entitled "An act to
11 validate changes heretofore made in the names of corporations by
12 the several courts of common pleas of this Commonwealth."

13 Act of May 21, 1901 (P.L.270, No.177), entitled "An act
14 granting certain rights and privileges to regularly organized
15 and incorporated water companies."

16 Act of May 29, 1901 (P.L.326, No.207), entitled "A supplement
17 to an act, entitled 'An act to provide for the incorporation and
18 regulation of certain corporations,' approved April twenty-
19 ninth, one thousand eight hundred and seventy-four; authorizing
20 formation of corporations for profit by voluntary association of
21 three or more persons, one of whom, at least, must be a citizen
22 of this Commonwealth."

23 Act of July 10, 1901 (P.L.651, No.329), entitled "An act to
24 validate acts done by corporations before the recording of their
25 charters."

26 Act of March 19, 1903 (P.L.34, No.41), entitled "An act to
27 prevent the multiplication of poles, wires, and conduits for
28 electrical purposes, by authorizing corporations, manufacturing
29 or using electrical current for any purposes, to enter into
30 contracts with each other relating to the exchange of current,

1 the joint use of poles, wires, and conduits, or the lease or
2 operation of each others systems."

3 Act of March 24, 1903 (P.L.50, No.52), entitled "An act
4 relating to the taking of stock votes, upon subjects presented
5 to stockholders of corporations of this Commonwealth for their
6 action."

7 Act of April 22, 1903 (P.L.251, No.185), entitled "An act
8 regulating the change of corporate titles."

9 Act of April 23, 1903 (P.L.280, No.208), entitled "A further
10 supplement to the act approved April fourth, Anno Domini one
11 thousand eight hundred and sixty-eight, entitled 'An act to
12 authorize the formation and regulation of railroad
13 corporations.'"

14 Act of March 24, 1905 (P.L.56, No.39), entitled "A supplement
15 to an act, entitled 'A supplement to an act, entitled "An act to
16 provide for the incorporation and regulation of certain
17 corporations," approved the twenty-ninth day of April, Anno
18 Domini one thousand eight hundred and seventy-four, further
19 amending the twelfth section thereof so as to permit
20 corporations organized thereunder, either for the purpose of
21 carrying on any manufacturing business, or for the supply of
22 water, or for the manufacture or supplying of light, to purchase
23 bonds or stock of other corporations of the same character, or
24 to guarantee the payment of interest and principal of such
25 bonds, or either principal or interest, or to lease and operate
26 corporate property,' approved the twenty-sixth day of June, Anno
27 Domini one thousand eight hundred and ninety-five, correcting
28 errors therein and validating all acts done in pursuance
29 thereof."

30 Act of April 22, 1905 (P.L.264, No.184), entitled "An act to

1 authorize railroad companies of this Commonwealth, in order to
2 secure an adequate supply of water for their corporate purpose,
3 to acquire, hold, dispose of, and guarantee the stock and
4 securities of water companies."

5 Act of June 6, 1907 (P.L.417, No.287), entitled "An act
6 requiring that all water, gas, or electric light corporations,
7 before entering upon or occupying any public street or highway
8 in any township of the first class of this Commonwealth, shall
9 first make application to the proper authorities of such
10 township of the first class and obtain its consent to such entry
11 or occupancy."

12 Act of April 27, 1909 (P.L.244, No.154), entitled "An act to
13 validate acts done by corporations before the recording of their
14 charter."

15 Act of May 3, 1909 (P.L.408, No.229), entitled, as amended,
16 "An act authorizing the merger or consolidation of certain
17 corporations."

18 Act of March 15, 1911 (P.L.17, No.15), entitled "An act to
19 validate acts done and conveyances made by or to corporations
20 after letters patent are issued, and before the recording of
21 their charters."

22 Act of May 11, 1911 (P.L.261, No.165), entitled "An act
23 relating to Receivers' Sales."

24 Act of June 3, 1911 (P.L.635, No.243), entitled "An act to
25 further amend the eighteenth paragraph of the second section of
26 an act, entitled 'An act to provide for the incorporation and
27 regulation of certain corporations,' approved the twenty-ninth
28 day of April, Anno Domini one thousand eight hundred and
29 seventy-four, so as to compel corporations heretofore or
30 hereafter incorporated for the purpose of the storage,

1 transportation and furnishing of water for manufacturing and
2 other purposes, and for the creation, establishing, furnishing,
3 transmission and using of water-power therefrom, to furnish such
4 power for public purposes."

5 Act of April 24, 1913 (P.L.114, No.77), entitled "An act to
6 validate receiver's sales of real estate, held subsequent to the
7 passage of an act, entitled 'An act relating to receiver's
8 sales,' approved the eleventh day of May, Anno Domini one
9 thousand nine hundred and eleven, in all cases where notices of
10 said sales have been mailed within the time specified in said
11 act."

12 Act of May 15, 1913 (P.L.213, No.149), entitled "An act to
13 validate certain charters issued by the Governor of the
14 Commonwealth to electric light companies, for districts
15 comprising two or more municipalities or townships, under the
16 thirty-fourth section of the act approved April twenty-nine, one
17 thousand eight hundred seventy-four, entitled 'An act to provide
18 for the incorporation and regulation of certain corporations,'
19 and its supplements."

20 Act of June 6, 1913 (P.L.458, No.304), entitled "An act
21 providing for the making valid of the charters of certain
22 corporations, heretofore incorporated for the purpose of
23 supplying heat, light, and power, by means of electricity, to
24 the public, upon the filing of certain certificates with the
25 Secretary of the Commonwealth."

26 Act of April 26, 1917 (P.L.102, No.61), entitled "A
27 supplement to an act, entitled 'An act to provide for the
28 incorporation and regulation of natural gas companies,' approved
29 the twenty-ninth day of May, one thousand eight hundred and
30 eighty-five; providing that corporations engaged in the business

1 of supplying natural gas may manufacture or purchase, and
2 transport and supply, manufactured fuel gas."

3 Act of May 3, 1917 (P.L.146, No.78), entitled "An act to
4 validate acts done by corporations before the recording of their
5 charters."

6 Act of May 17, 1917 (P.L.228, No.126), entitled "An act to
7 authorize the payment by corporations to their directors of
8 compensation for services rendered by them."

9 Act of July 5, 1917 (P.L.698, No.258), entitled "An act to
10 authorize corporations organized for profit, under the laws of
11 Pennsylvania, to continue the salaries of employes enlisting or
12 enrolling in any branch of the military or naval service of the
13 United States, or other protective organization."

14 Act of July 19, 1917 (P.L.1123, No.382), entitled "An act to
15 authorize the construction of branches by railroad companies."

16 Act of April 18, 1919 (P.L.67, No.52), entitled "An act to
17 give to women, married and single, the same right as men to be
18 corporators, and, in furtherance of their interests as
19 stockholders, to serve as directors and officers of corporations
20 for profit."

21 Act of May 23, 1919 (P.L.240, No.132), entitled "An act
22 validating the holding, ownership, and exercise of material,
23 rolling stock, property, and franchises, sold and conveyed under
24 and by virtue of any process or decree of any court or under or
25 by virtue of a power of sale contained in any mortgage or deed
26 of trust, as the property of any gas, water, coal, iron, steel,
27 lumber, oil or mining or manufacturing, transportation or
28 telegraph company, or any railroad, canal, turnpike, bridge, or
29 plank road or any corporation, notwithstanding the failure of
30 the owner or owners thereof to reorganize said company or

1 corporation in accordance with the act of Assembly, entitled 'An
2 act concerning the sale of railroads, canals, turnpikes,
3 bridges, and plank roads,' approved the eighth day of April,
4 Anno Domini one thousand eight hundred sixty-one, and the
5 supplements and amendments thereto."

6 Act of May 23, 1919 (P.L.253, No.135), entitled "A supplement
7 to the act, approved the twenty-ninth day of May, one thousand
8 eight hundred and eighty-five (Pamphlet Laws, twenty-nine),
9 entitled 'An act to provide for the incorporation and regulation
10 of natural gas companies,' authorizing corporations created
11 under said act to renew their charters which are about to expire
12 or have already expired, and providing a procedure therefor, and
13 for the payment of fees and bonus."

14 Act of June 20, 1919 (P.L.509, No.249), entitled "A
15 supplement to an act, approved the eighth day of May, one
16 thousand eight hundred and eighty-nine (Pamphlet Laws, one
17 hundred and thirty-six), entitled 'An act to amend an act,
18 entitled "An act to provide for the incorporation and regulation
19 of certain corporations," approved the twenty-ninth day of
20 April, Anno Domini one thousand eight hundred and seventy-four,
21 providing for the incorporation and regulation of electric
22 light, heat and power companies,' granting electric light, heat,
23 and power companies the right to exercise their charter powers
24 in adjoining States."

25 Act of July 22, 1919 (P.L.1123, No.456), entitled "A
26 supplement to an 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 one thousand eight
29 hundred and seventy-four; providing for the incorporation and
30 regulation of telephone companies; defining the rights, powers,

1 and privileges of such corporations; authorizing and regulating
2 the purchase, acquisition, and leasing the whole or any part of
3 the properties, systems, capital stock, and securities of other
4 corporations, associations, and persons engaged in the telephone
5 business; and authorizing existing telegraph corporations to
6 accept the provisions of this act."

7 Act of May 20, 1921 (P.L.949, No.334), entitled "An act
8 authorizing certain telephone companies and certain telephone
9 and telegraph companies to acquire all or any part of the
10 capital stock, franchises, property, rights, and credits of each
11 other, and to purchase, lease, or otherwise acquire all or any
12 part of the lines, systems, rights, privileges, municipal
13 consents, and corporate franchises of each other."

14 Act of May 25, 1921 (P.L.1159, No.426), entitled "An act
15 authorizing certain corporations to issue preferred or common
16 stock of one or more classes; providing for the manner of
17 issuance, restrictions and regulations in the manner of voting
18 thereof, and the rights and privileges of the holders thereof;
19 validating certain acts of corporations not participated in by
20 the holders of non-voting stock; and repealing all acts and
21 parts of acts inconsistent therewith."

22 Act of March 20, 1923 (P.L.27, No.19), entitled "An act to
23 validate acts done by or rights accrued to corporations before
24 the recording of their charters."

25 Act of May 21, 1923 (P.L.288, No.185), entitled "An act
26 authorizing certain corporations to authorize, create, and issue
27 capital stock of any class or kind without nominal or par value,
28 and to change or convert their authorized or outstanding capital
29 stock of any class or kind into shares of any class or kind,
30 either with or without nominal or par value; and validating the

1 creations and issues of stock heretofore made by corporations in
2 accordance with the provisions hereof."

3 Act of March 3, 1925 (P.L.9, No.7), entitled "An act to
4 validate acts done by corporations before the recording of their
5 charters."

6 Section 2 of the act of April 7, 1925 (P.L.183, No.131),
7 entitled "An act providing that certificates of association and
8 articles of incorporation or of any improvements, amendments, or
9 alterations thereto may be acknowledged and sworn or affirmed to
10 before a notary public or justice of the peace; validating such
11 acknowledgments made prior to the approval of this act."

12 Act of March 22, 1927 (P.L.51, No.32), entitled "An act to
13 validate acts done by corporations before the recording of their
14 charters."

15 Act of April 6, 1927 (P.L.126, No.97), entitled "A supplement
16 to an act, entitled 'An act to provide for the incorporation and
17 regulation of certain corporations,' approved the twenty-ninth
18 day of April, one thousand eight hundred and seventy-four,
19 providing that companies incorporated for the manufacture and
20 supply of gas, or the supply of light or heat to the public by
21 any other means, or for the manufacture and supply of light,
22 heat, and fuel or any of them by any process of manufacture,
23 shall, in addition to the powers heretofore granted, be
24 authorized and empowered to produce, deal in, transport, convey,
25 and distribute natural gas or gas formed by mixing natural gas
26 with manufactured gas."

27 Act of April 14, 1927 (P.L.297, No.169), entitled "An act
28 authorizing any natural gas company, or any manufactured gas
29 company, incorporated under the laws of this Commonwealth, to
30 sell, assign, dispose of, convey, or lease to any natural gas

1 company, or to any manufactured gas company, incorporated under
2 the laws of this Commonwealth, its franchises and property or
3 any part thereof; providing the manner in which such sales,
4 conveyances, or leases, shall be consummated; and requiring the
5 payment of all taxes due the Commonwealth before the returns
6 authorizing such sales, conveyances, and leases shall be filed
7 in the office of the Secretary of the Commonwealth."

8 Act of April 28, 1927 (P.L.503, No.327), entitled "An act
9 authorizing churches, cemetery companies, and burial
10 associations to lease or convey coal and other minerals;
11 providing for the use and expenditure of the funds derived
12 therefrom and for the support of the overlying surface."

13 Act of March 27, 1929 (P.L.74, No.84), entitled "An act
14 amending section one of an act entitled 'An act authorizing
15 corporations, organized for profit, to purchase, hold, sell,
16 assign, transfer, mortgage, pledge, or otherwise dispose of, the
17 shares of capital stock of, or any bonds, securities or
18 evidences of indebtedness created by, any other corporation,'
19 approved the second day of July, Anno Domini one thousand nine
20 hundred and one (Pamphlet Laws, six hundred and three), so as to
21 include corporations, either public or private, of this or any
22 other State or of the United States of America, or of any
23 territory or dependency thereof, or of any foreign country or
24 any subdivision or agency thereof; and to validate all
25 purchases, sales, assignments, transfers, mortgages, pledges, or
26 other disposition thereof at any time heretofore made."

27 As much as reads "examine and" and all of the proviso of
28 section 805 of the act of April 9, 1929 (P.L.177, No.175), known
29 as The Administrative Code of 1929.

30 Section 730 (except as to corporations specified in 15

1 Pa.C.S. § 1102(b) (relating to exclusions) and joint stock
2 associations) and the penultimate sentence of section 1401,
3 insofar as it relates to the release of lien as provided by 15
4 Pa.C.S. §§ 1957(c) (relating to taxes) of the act of April 9,
5 1929 (P.L.364, No.176), known as The Fiscal Code.

6 Act of April 11, 1929 (P.L.482, No.200), entitled "An act to
7 validate acts done by corporations before the recording of their
8 charters."

9 Act of April 17, 1929 (P.L.531, No.234), entitled "An act
10 authorizing the courts of common pleas to direct the filing by
11 corporations of bonds to the Commonwealth, to secure payment of
12 damages for the taking of lands, waters, materials, or other
13 property or rights, or for injury thereto, in cases where there
14 is a disputed, doubtful, or defective title, or where any party
15 interested is absent, unknown, not of full age, of unsound mind,
16 or is an unincorporated association, or, from any cause, cannot
17 be bargained with or be served with notice or tendered a bond
18 within the county, and to appoint guardians ad litem or trustees
19 for such persons."

20 Act of April 18, 1929 (P.L.544, No.241), entitled "An act to
21 amend the act, approved the second day of July, one thousand
22 nine hundred and one (Pamphlet Laws, six hundred three) entitled
23 'An act authorizing corporations, organized for profit, to
24 purchase, hold, sell, assign, transfer, mortgage, pledge, or
25 otherwise dispose of, the shares of capital stock of, or any
26 bonds, securities, or evidences of indebtedness created by, any
27 other corporation' by extending the provisions thereof so as to
28 apply to all corporations, and validating past transactions of
29 such character."

30 Act of June 25, 1931 (P.L.1366, No.338), entitled "An act to

1 authorize any corporation of this Commonwealth, created by
2 virtue of any special act of Assembly, and possessing under such
3 act, or supplements thereto, franchises for various purposes,
4 including the right to construct and operate railroads for
5 public use, to segregate its railroad lines and franchises by
6 the sale and conveyance thereof to any duly organized railroad
7 corporation of this Commonwealth which owns or controls a line
8 or lines of railroad connecting therewith not parallel or
9 competing."

10 Act of April 13, 1933 (P.L.34, No.28), entitled "An act to
11 validate acts done by corporations before the recording of their
12 charters."

13 Act of May 3, 1933 (P.L.227, No.80), entitled "An act
14 authorizing stock corporations, with certain exceptions, to make
15 provision for, and to issue, shares of capital stock of any
16 class or classes, or to change shares of authorized or
17 outstanding capital stock of any class into one or more classes,
18 with or without nominal or par value, and with such
19 designations, terms, relative rights, powers, privileges,
20 preferences, limitations, restrictions and qualifications as may
21 be specified; regulating such corporations and the liabilities
22 of their directors; making other provisions relating to the
23 capital and capital stock of such corporations; and repealing
24 all acts or parts of acts inconsistent herewith."

25 Act of May 5, 1933 (P.L.364, No.106), known as the Business
26 Corporation Law of 1933, except that the provisions and
27 requirements of sections 2, 206, 909 and 1004 relating to
28 registry statements shall continue to be applicable until the
29 Department of State adopts initial regulations under 15 Pa.C.S.
30 § 134 (relating to docketing statement) and such regulations

1 become effective.

2 Act of May 25, 1937 (P.L.794, No.219), entitled "An act
3 authorizing the election of officers of certain corporations of
4 this Commonwealth, created by special act of Assembly prior to
5 January 1, 1874, to be held in accordance with the provisions of
6 by-laws duly adopted by their shareholders."

7 Act of July 2, 1937 (P.L.2859, No.600), entitled "An act
8 concerning proxies authorizing representation and voting of
9 capital stock of railroad corporations, at meetings and
10 elections thereof."

11 Act of June 9, 1939 (P.L.313, No.170), entitled "An act
12 permitting railroad corporations to fix in their by-laws the
13 time for annual and other meetings and the election of
14 directors."

15 Act of June 9, 1939 (P.L.313, No.171), entitled "An act to
16 provide for increasing the indebtedness of railroad
17 corporations, with the privilege of converting the same into
18 capital stock."

19 Act of April 18, 1945 (P.L.253, No.114), entitled "An act
20 relating to suits by shareholders against officers or directors
21 in a corporation, domestic or foreign, to enforce a secondary
22 right because the corporation refuses to enforce rights, which
23 may be asserted by it, requiring that plaintiff be a shareholder
24 at the time of the transaction of which he complains, or that
25 his shares thereafter devolved upon him by operation of law;
26 requiring security for defendant's expenses, including
27 attorneys' fees; and providing for the assessment and recovery
28 of such expenses, including attorney's fees."

29 Act of May 8, 1947 (P.L.178, No.79), entitled "An act to
30 authorize railroad corporations, incorporated in this

1 Commonwealth, to hold directors' meetings at such place within
2 this Commonwealth or elsewhere as appointed by a majority of the
3 directors."

4 Act of May 23, 1947 (P.L.307, No.136), entitled "An act
5 providing for and regulating the merger and consolidation of
6 corporations organized for the transportation and storage of oil
7 or any petroleum products by means of pipe lines and tanks;
8 defining the rights and powers of the surviving or new
9 corporation; providing for the service of process on foreign
10 corporations and defining the rights of dissenting
11 stockholders."

12 Act of June 5, 1947 (P.L.424, No.196), entitled "A further
13 supplement to the act, approved the twenty-ninth day of April,
14 one thousand eight hundred seventy-four (Pamphlet Laws 73),
15 entitled 'An act to provide for the incorporation and regulation
16 of certain corporations,' granting to every corporation
17 heretofore or hereafter incorporated for the purpose of engaging
18 in the telephone or telegraph business the power to appropriate
19 private property, in certain cases, and, subject to approval by
20 the Public Utility Commission, for the construction, maintenance
21 and operation of its lines and facilities, and providing for the
22 assessment of damages arising from such appropriation and the
23 method of appropriation."

24 Act of June 10, 1947 (P.L.534, No.243), entitled "An act
25 validating the charters and the registration of the corporate
26 name of certain nonprofit corporations."

27 Act of March 10, 1949 (P.L.307, No.17), entitled "An act
28 making it lawful for the board of directors of any railroad
29 company to elect a chairman of said board, in such manner and
30 with such powers and duties and compensation, including

1 pensions, as may be fixed by said board; making it lawful for
2 the board of directors of any such company to select from among
3 their number or from the stockholders, a president and one or
4 more vice-presidents, in such manner and with such powers and
5 duties and compensation, including pensions, as may be fixed by
6 said board; making it lawful for the board of directors of any
7 such company to provide for the number of directors thereof, not
8 less than three; and providing for the effectiveness of action
9 taken by any such board in accordance herewith, without further
10 corporate action and notwithstanding any contrary or
11 inconsistent provision in any previously enacted act or in any
12 existing charter or by-laws of any such company; and for other
13 purposes."

14 Act of August 17, 1951 (P.L.1267, No.302), entitled "An act
15 to amend the title and the act, approved the third day of May,
16 one thousand nine hundred and nine (Pamphlet Laws 408), entitled
17 'An act authorizing the merger and consolidation of certain
18 corporations,' by permitting the merger or consolidation of
19 certain foreign and domestic corporations; prescribing the
20 procedure for and the effect of a merger or consolidation;
21 providing for payment of certain fees, taxes and bonus; and
22 defining the rights, powers and privileges of dissenting
23 stockholders and the surviving corporation in the case of a
24 merger and of the new corporation in the case of a
25 consolidation."

26 Sections 2, 3 and 4 of the act of August 19, 1953 (P.L.1075,
27 No.280), entitled "An act authorizing corporations to grant
28 stock options, pensions and allowances, under certain
29 circumstances; and validating stock options, pensions and
30 allowances heretofore granted."

1 Act of June 14, 1957 (P.L.321, No.169), entitled "An act
2 authorizing corporations subject to the Corporation Amendment
3 Act of one thousand eight hundred and eighty-three, to restate
4 their articles of incorporation in their entirety."

5 Act of July 11, 1957 (P.L.691, No.366), entitled "An act to
6 eliminate the requirement of certificates evidencing payment of
7 bonus taxes and charges in cases of merger or consolidation of
8 certain corporations whenever the surviving or new corporation
9 is a domestic corporation or a foreign corporation duly
10 authorized to do business in Pennsylvania."

11 Act of July 11, 1957 (P.L.707, No.368), entitled "An act
12 relating to the form and manner of service of corporate notices
13 required to be given by certain corporations organized or
14 existing under the laws of the Commonwealth of Pennsylvania, and
15 authorizing the waiver of such notices and consent to corporate
16 action without a meeting."

17 Act of November 10, 1959 (P.L.1461, No.508), entitled "An act
18 authorizing the board of directors of railroad companies to
19 constitute an executive committee from among their number, and
20 conferring such authority upon the committee as the board shall
21 provide."

22 Act of November 10, 1959 (P.L.1461, No.509), entitled "An act
23 concerning the right of stockholders of record of railroad
24 corporations to vote at meetings and elections thereof;
25 providing for the voting in person, or by proxy, of shares of
26 capital stock of railroad corporations held of record by
27 fiduciaries or by two or more persons and for voting shares
28 pledged by the holder thereof; and repealing certain acts and
29 parts of acts relating to railroad corporations."

30 As much as follows the words "act of June 1, 1945 (P.L.1242),

1 as amended," of section 901 of the act of June 22, 1964 (P.L.84,
2 No.6), known as the Eminent Domain Code. A court may issue a
3 writ of possession to the condemnor prior to the disposition of
4 preliminary objections which challenge the validity of a
5 condemnation of rights-of-way or easements for occupation by
6 water, electric, gas, oil and/or petroleum products, telephone
7 or telegraph lines used directly or indirectly in furnishing
8 service to the public, and if it shall be determined finally
9 that the condemnation is invalid in whole or in part, the
10 affected owners may recover damages for any injuries sustained
11 thereby and shall be entitled to such equitable relief as may be
12 appropriate in the circumstances.

13 Act of September 30, 1965 (P.L.569, No.293), entitled "An act
14 amending the act of May 5, 1933 (P.L.364), entitled 'An act
15 relating to business corporations; defining and providing for
16 the organization, merger, consolidation, reorganization, winding
17 up and dissolution of such corporations; conferring certain
18 rights, powers, duties and immunities upon them and their
19 officers and shareholders; prescribing the conditions on which
20 such corporations may exercise their powers; providing for the
21 inclusion of certain existing corporations of the second class
22 within the provisions of this act; prescribing the terms and
23 conditions upon which foreign business corporations may be
24 admitted, or may continue, to do business within the
25 Commonwealth; conferring powers and imposing duties on the
26 courts of common pleas, and certain State departments,
27 commissions, and officers; authorizing certain State
28 departments, boards, commissions, or officers to collect fees
29 for services required to be rendered by this act; imposing
30 penalties; and repealing certain acts and parts of acts relating

1 to corporations,' requiring approval by the State Registration
2 Board for Professional Engineers prior to the use of certain
3 words in corporate names."

4 Act of January 18, 1966 (1965 P.L.1443, No.521), entitled "An
5 act for the registration of certain pre-1858 corporations;
6 providing that such corporations shall be conclusively deemed to
7 have accepted the Constitution of Pennsylvania unless such
8 corporations file a certificate of nonacceptance with the
9 Department of State."

10 Act of January 25, 1966 (1965 P.L.1587, No.556), entitled "An
11 act relating to railroad corporations and other corporations
12 subject to the jurisdiction of the Pennsylvania Public Utility
13 Commission which have shareholders outside of Pennsylvania,
14 eliminating any requirement that any members of the board of
15 directors be residents of this Commonwealth, validating certain
16 corporate action, and repealing inconsistent legislation."

17 Act of November 18, 1968 (P.L.1050, No.321), entitled "An act
18 providing for the exercise of the right of eminent domain by
19 certain corporations for the transportation of oxygen or
20 nitrogen with certain restrictions, exceptions and limitations,
21 and preserving the jurisdiction of the Pennsylvania Public
22 Utility Commission."

23 Act of July 9, 1970 (P.L.461, No.160), known as the
24 Professional Corporation Law.

25 As much as reads "Incorporation" of the section heading, the
26 entire text of subsections (a) and (b) and as much as reads
27 "organized under this act" of the first sentence of subsection
28 (c) of section 203 of the act of December 17, 1981 (P.L.435,
29 No.135), known as the Race Horse Industry Reform Act. A
30 corporation licensed under the act shall be incorporated by not

1 less than five persons and the number of its directors shall be
2 not less than five nor more than 13.

3 Act of December 23, 1983 (P.L.395, No.92), entitled "An act
4 amending the act of May 5, 1933 (P.L.364, No.106), entitled, as
5 amended, 'An act relating to corporations; defining and
6 providing for the organization, merger, consolidation,
7 reorganization, winding up and dissolution of certain
8 corporations for profit; conferring certain rights, powers,
9 duties and immunities upon them and their officers and
10 shareholders; prescribing the conditions on which such
11 corporations may exercise their powers; providing for the
12 inclusion of certain existing corporations and associations
13 within the provisions of this act; prescribing the terms and
14 conditions upon which certain foreign corporations may be
15 admitted, or may continue, to do business within the
16 Commonwealth; conferring powers and imposing duties on the
17 courts of common pleas, and certain State departments,
18 commissions, and officers; authorizing certain State
19 departments, boards, commissions, or officers to collect fees
20 for services required to be rendered by this act; imposing
21 penalties; and repealing certain acts and parts of acts relating
22 to corporations and other entities,' clarifying the right of
23 directors and officers to consider the effects of corporate
24 actions upon employees, suppliers, customers and communities;
25 providing for interested shareholder transactions; and
26 conferring certain rights on noncontrolling shareholders."

27 (b) The following acts and parts of acts are repealed but
28 shall continue to be applicable to corporations incorporated
29 under or subject to the act of May 17, 1921 (P.L.682, No.284),
30 known as The Insurance Company Law of 1921, or any other statute

1 relating to the incorporation or reincorporation of limited life
2 insurance companies:

3 Act of November 27, 1865 (1866 P.L.1228, No.1119), entitled
4 "An act relating to the organization and meetings of certain
5 corporations, incorporated under the laws of this commonwealth."

6 Act of April 15, 1869 (P.L.29, No.30), entitled "An act
7 requiring a majority of the directors or managers of
8 corporations to constitute a quorum."

9 Act of May 15, 1874 (P.L.186, No.118), entitled "An act to
10 authorize the issuing of letters patent to certain
11 corporations."

12 Act of June 17, 1887 (P.L.411, No.274), entitled "A further
13 supplement to an act, entitled 'An act to provide for the
14 incorporation and regulation of certain corporations,' approved
15 April twenty-ninth, one thousand eight hundred and seventy-four,
16 providing for the further regulation of such corporations."

17 Act of May 20, 1891 (P.L.101, No.77), entitled "An act
18 authorizing salaried officers of private or business
19 corporations to concurrently serve as directors therein."

20 Act of April 19, 1901 (P.L.80, No.51), entitled "An act to
21 regulate the number of directors in corporations chartered under
22 the laws of this Commonwealth."

23 Act of July 2, 1901 (P.L.603, No.298), entitled "An act
24 authorizing corporations, organized for profit, to purchase,
25 hold, sell, assign, transfer, mortgage, pledge, or otherwise
26 dispose of, the shares of capital stock of, or any bonds,
27 securities or evidences of indebtedness created by, any other
28 corporation."

29 Act of March 5, 1903 (P.L.14, No.17), entitled "An act
30 concerning proxies, authorizing representation and voting of

1 shares of capital stock of corporations at meetings and
2 elections thereof."

3 Act of March 16, 1905 (P.L.42, No.26), entitled "An act
4 providing for the voting of shares of stock in corporations in
5 this Commonwealth, held by executors, administrators, guardians,
6 and trustees, and the manner of voting the same."

7 Act of May 28, 1913 (P.L.336, No.222), entitled "An act
8 authorizing corporations of this Commonwealth to declare, at any
9 time or times, dividends out of net profits; and prescribing the
10 time within which the same shall be paid."

11 Act of March 30, 1921 (P.L.54, No.28), entitled "An act
12 permitting corporations to change the date of their annual
13 meeting as fixed by its charter."

14 Act of March 15, 1923 (P.L.10, No.8), entitled "An act
15 relating to the recording of certificates of incorporation of
16 domestic corporations; providing for the recording of certified
17 copies thereof in certain cases; validating the recording of
18 such certified copies heretofore recorded; and making the record
19 of such certified copies competent evidence for all purposes."

20 Act of July 12, 1923 (P.L.1083, No.443), entitled "An act
21 authorizing corporations to issue stock at a price in excess of
22 the par value thereof."

23 Act of April 7, 1925 (P.L.183, No.131), entitled "An act
24 providing that certificates of association and articles of
25 incorporation or of any improvements, amendments, or alterations
26 thereto may be acknowledged and sworn or affirmed to before a
27 notary public or justice of the peace; validating such
28 acknowledgments made prior to the approval of this act."

29 Act of May 12, 1925 (P.L.615, No.329), entitled "An act
30 pertaining to corporations organized or doing business within

1 the Commonwealth; limiting the operation of their by-laws; and
2 providing for the execution of contracts, notes, mortgages, et
3 cetera, by such corporations."

4 Act of May 13, 1925 (P.L.679, No.368), entitled, as amended,
5 "An act authorizing corporations to issue stock to their
6 employes and to employes of their subsidiaries, and authorizing
7 such an issue without first offering such shares to the
8 stockholders, subject to certain limitations."

9 Act of April 27, 1927 (P.L.404, No.260), entitled "An act
10 prohibiting corporations from pleading usury as a defense."

11 Act of April 30, 1929 (P.L.903, No.401), entitled "An act
12 relating to corporations; providing methods of determining what
13 stockholders shall be entitled to vote at meetings, or to
14 receive dividends, or allotments of rights, or to exercise
15 rights; and the effect thereon of transfers of stock within
16 sixty days of any election or meeting."

17 Act of May 16, 1945 (P.L.594, No.249), entitled, as amended,
18 "An act authorizing and empowering any corporation for profit,
19 and any mutual insurance company, mutual savings bank, or other
20 corporation on a mutual plan heretofore or hereafter organized
21 under any general or special law of this Commonwealth, by action
22 of its board of directors to make contributions for public and
23 charitable purposes; and ratifying certain contributions."

24 Section 1 of the act of August 19, 1953 (P.L.1075, No.280),
25 entitled "An act authorizing corporations to grant stock
26 options, pensions and allowances, under certain circumstances;
27 and validating stock options, pensions and allowances heretofore
28 granted."

29 (c) The following acts and parts of acts are repealed
30 absolutely as of the effective date of the act of January 18,

1 1966 (1965 P.L.1406, No.520):

2 Section 5 of the act of April 26, 1855 (P.L.328, No.347),
3 entitled "An act relating to Corporations and to Estates held
4 for Corporate, Religious and Charitable uses."

5 Act of May 23, 1887 (P.L.176, No.112), entitled "An act to
6 authorize certain corporations, incorporated and existing under
7 the laws of any other State of the United States, to purchase
8 certain real estate at judicial sales, and to hold and convey
9 the same under certain conditions."

10 Act of May 3, 1909 (P.L.386, No.215, entitled "An act to
11 provide that notice, whenever required by law, in connection
12 with the formation, amendment, increase or reduction of capital
13 stock, conduct of business, merger, transfer of franchises, or
14 dissolution of corporations, joint-stock companies, limited
15 partnerships or partnership association, shall be published in
16 the legal journal, of the proper county, in which court notices
17 usually appear."

18 Act of June 8, 1911 (P.L.710, No.283), entitled "An act to
19 regulate the doing of business in this Commonwealth by foreign
20 corporations; the registration thereof and service of process
21 thereon; and providing punishment and penalties for the
22 violation of its provisions; and repealing previous legislation
23 on the subject."

24 Act of June 23, 1911 (P.L.1114, No.840), entitled "An act
25 enabling corporations, not authorized by law to hold real estate
26 in Pennsylvania, to convey and make title to such real estate as
27 may have been purchased and held by them prior to the passage of
28 this act."

29 Act of May 13, 1915 (P.L.296, No.179), entitled "An act
30 validating contracts, bonds, or obligations of or belonging to

1 corporations of other States, made, entered into, or acquired
2 prior to the passage of an act, entitled 'An act to regulate the
3 doing of business in this Commonwealth by foreign corporations;
4 the registration thereof and service of process thereon; and
5 providing punishment and penalties for the violation of its
6 provisions; and repealing previous legislation on the subject,'
7 approved the eighth day of June, Anno Domini one thousand nine
8 hundred and eleven (Pamphlet Laws, seven hundred and ten),
9 without such corporations first having established known places
10 of business and designated authorized agents for the transaction
11 of their business within this Commonwealth, and providing for
12 the enforcement of such contracts, bonds, or obligations upon
13 the payment of a penalty and taxes to the Commonwealth."

14 Act of May 24, 1923 (P.L.438, No.232), entitled "An act
15 authorizing corporations incorporated under the laws of any
16 other State of the United States to acquire, use, encumber, and
17 dispose of such real estate, and rights, and interests in, in
18 the nature of or in respect to real estate, in Pennsylvania, as
19 may be necessary and proper for the exercise of such of their
20 corporate purposes as it may be lawful for them to exercise in
21 this State; defining certain of their powers, rights, and
22 liabilities in connection therewith; regulating the exercise of
23 said rights by foreign public service corporations; repealing
24 certain acts; and validating certain titles, rights, and
25 interests heretofore acquired."

26 Act of June 15, 1939 (P.L.344, No.201), entitled "An act to
27 validate mortgages on real estate in this Commonwealth given by
28 a foreign corporation unauthorized to hold title to the said
29 real estate."

30 Act of January 14, 1952 (1951 P.L.1946, No.546), entitled "An

1 act to validate and quiet the title to real estate in this
2 Commonwealth held by a foreign corporation not authorized to
3 transact business in Pennsylvania, and heretofore conveyed to a
4 citizen or citizens of the United States or a corporation
5 authorized to hold such real estate."

6 Act of November 19, 1959 (P.L.1541, No.549), entitled "An act
7 to validate and quiet the title to real estate in this
8 Commonwealth held by a foreign corporation not authorized to
9 transact business in Pennsylvania and heretofore conveyed to a
10 citizen or citizens of the United States or a corporation
11 authorized to hold such real estate."

12 (d) The following acts and parts of acts are repealed
13 insofar as they are inconsistent with 15 Pa.C.S. § 1511
14 (relating to additional powers of certain public utility
15 corporations):

16 Section 3 of the act of April 16, 1838 (P.L.626, No.96),
17 entitled "An act granting certain powers to the Authorities of
18 the cities of Lancaster and Philadelphia, and for other
19 purposes."

20 Last paragraph of section 18 of the act of May 11, 1911
21 (P.L.244, No.158), entitled "An act providing for the original
22 location, laying out and construction of public roads or
23 highways in the several counties of this Commonwealth, and for
24 the permanent improvement of certain public roads or highways
25 therein; making such originally constructed or improved roads
26 and highways county roads; authorizing the relocation, opening,
27 straightening, widening, extension and alteration of the same,
28 and the vacation of so much of any road as may thereby become
29 unnecessary; providing that the county commissioners of any
30 county may prescribe rules regulating the use of roads

1 constructed or maintained by the various counties, and
2 prescribing penalties for the violation thereof; providing for
3 the taking of property for such improvement, the compensation to
4 be paid therefor, and the payment of damages resulting from such
5 taking, and the manner in which such damages may be determined;
6 providing for the payment of the costs and expenses of such
7 construction or improvement and in thereafter repairing and
8 maintaining said roads; authorizing the levy of a tax or the
9 issuing of bonds to provide a fund for the expense thereof;
10 prescribing a method for improving a county road lying within or
11 traversing a borough, and apportioning the cost of such
12 improvement; and authorizing the vacation of any county road."

13 Section 1057 of the act of June 23, 1931 (P.L.932, No.317),
14 known as The Third Class City Code.

15 Clause LVII of section 1502 and section 2084 of the act of
16 June 24, 1931 (P.L.1206, No.331), known as The First Class
17 Township Code.

18 Section 1156 of the act of May 1, 1933 (P.L.103, No.69),
19 known as The Second Class Township Code.

20 Section 1202 of the act of February 1, 1966 (1965 P.L.1656,
21 No.581), known as The Borough Code.

22 (e) All other parts of those acts which are specified in
23 this section and all other acts and parts of acts are repealed
24 insofar as they are in any manner inconsistent with this act.

25 Section 302. Effective date and applicability.

26 This act shall take effect in 15 months except that:

27 (1) the effectiveness of 15 Pa.C.S. Part II (relating to
28 corporations) and as much of the act as may be necessary to
29 make those provisions operative may be accelerated in the
30 manner provided by section 107.

1 (2) The following provisions of Title 15 and as much of
2 the act as may be necessary to make those provisions
3 operative shall take effect immediately and shall be
4 retroactive to January 27, 1987, insofar as relates to the
5 implementation of 42 Pa.C.S. Ch. 83F (relating to corporate
6 directors' liability): 15 Pa.C.S. § 1102(b) (relating to
7 coordination with other laws), 15 Pa.C.S. § 1310(a) (relating
8 to organization meeting), 15 Pa.C.S. § 1504(c) (relating to
9 bylaw provisions in articles), 15 Pa.C.S. § 1757(a) (relating
10 to action by shareholders), 15 Pa.C.S. § 1762(c) (relating to
11 controlled shares) and 15 Pa.C.S. § 1766 (relating to consent
12 of shareholders in lieu of meeting).

13 (3) The amendment to 54 Pa.C.S. § 311(b)(1) (relating to
14 use of corporate designators) shall take effect immediately
15 and shall be retroactive to March 16, 1983.

16 (4) Section 107 and as much of the act as may be
17 necessary to make that provision operative shall take effect
18 immediately.

19 Section 303. Preparation of act for printing.

20 In editing and preparing this act for printing in the Laws of
21 Pennsylvania, or pursuant to 1 Pa.C.S. Ch. 5 (relating to
22 official publication of the Consolidated Statutes), the Director
23 of the Legislative Reference Bureau shall insert the date of
24 enactment, pamphlet law page number and act number of this act
25 in the appropriate blanks of the enrolled bill version of this
26 act, and if this act is finally enacted after December 31, 1987,
27 shall substitute "Business Corporation Law of 1988" for
28 "Business Corporation Law of 1987" and "Corporation Act of 1988"
29 for "Corporation Act of 1987" wherever such terms appear in this
30 act, without obtaining the approvals or marking the notations

1 required under 1 Pa.C.S. § 1105 (relating to editing statutes
2 for printing).

3 SOURCE NOTES

4 PREPARED BY THE PENNSYLVANIA BAR ASSOCIATION

5 Derivation Note: This bill is derived verbatim from 1986
6 S.B. 1571 (P.N.2254) except for the change of dates in
7 transitional provisions, grammatical, conforming and stylistic
8 corrections, and textual changes in the following provisions:

9 Section 102.

10 15 Pa.C.S. §101(d)(2)

11 15 Pa.C.S. §106

12 15 Pa.C.S. §507: New

13 15 Pa.C.S. §1102(b): New

14 15 Pa.C.S. §1105

15 15 Pa.C.S. §1306(a)(4)(iii)

16 15 Pa.C.S. §1502(a)(6) and (16)

17 15 Pa.C.S. §1504(c)

18 15 Pa.C.S. §1505

19 15 Pa.C.S. §1511(f)

20 15 Pa.C.S. §1521(b)(1)(iv) and (3)

21 15 Pa.C.S. §1522:

22 Former paragraph (b)(2) omitted. Former subsection (c)
23 omitted. Changes in new subsection (c) (former subsection (d)).

24 15 Pa.C.S. §1524(b)

25 15 Pa.C.S. §1525:

26 Changes in subsections (a) and (b). Subsection (c) is new.

27 15 Pa.C.S. §1530(b) and (c): New

28 15 Pa.C.S. §1531(2)

1 15 Pa.C.S. §1551(b)(2): New

2 15 Pa.C.S. §1553(a) and (c)

3 15 Pa.C.S. §1554:

4 Changes in subsections (a) and (c). Subsection (b) is new.

5 15 Pa.C.S. §1571(b)(3) and (d)(1)

6 15 Pa.C.S. §1580(b)

7 15 Pa.C.S. §1704(b)

8 15 Pa.C.S. §1721(b) and (d)

9 15 Pa.C.S. §1725:

10 Former subsection (b) omitted. Changes in new subsection (c)
11 (former subsection (d)). Subsection (d) is new.

12 15 Pa.C.S. § 1726(a):

13 Former paragraph (2) omitted.

14 15 Pa.C.S. §1731(a)(2)

15 15 Pa.C.S. §1732(c): New

16 15 Pa.C.S. §1733

17 15 Pa.C.S. §1742

18 15 Pa.C.S. §1743

19 15 Pa.C.S. §1745

20 15 Pa.C.S. §1746

21 15 Pa.C.S. §1747(b): New

22 15 Pa.C.S. §1750: New

23 15 Pa.C.S. §1754: Omitted.

24 15 Pa.C.S. §1756(b):

25 Paragraph (1) is new. Introductory clause of paragraph (2) is
26 new.

27 15 Pa.C.S. §1757(b)

28 15 Pa.C.S. §1758(c)

29 15 Pa.C.S. §1759(b)(2) and (c)

30 15 Pa.C.S. §1781

1 15 Pa.C.S. §1782(d): New
2 15 Pa.C.S. §1783
3 15 Pa.C.S. §1901
4 15 Pa.C.S. §1905
5 15 Pa.C.S. §1906:

6 Paragraphs (a)(1) and (2) and subsection (d) are new.

7 15 Pa.C.S. 1912:

8 Change in paragraph (a)(2). Paragraph (b)(1) is new.

9 15 Pa.C.S. §1914(a) and (c)
10 15 Pa.C.S. §1917: Omitted.
11 15 Pa.C.S. §1923
12 15 Pa.C.S. §1924(a)
13 15 Pa.C.S. §1930(a)
14 15 Pa.C.S. §1957(b)(2)(i)(D): New
15 15 Pa.C.S. §2325(g)
16 15 Pa.C.S. §2331:

17 Former subsection (a) omitted.

18 15 Pa.C.S. §2334(b)(1)
19 15 Pa.C.S. §2905(a)
20 15 Pa.C.S. §4146
21 Section 103(b): New
22 Section 107 (former Section 109)
23 Section 201: New
24 Section 203 (former Section 306):

25 Changes made in 54 Pa.C.S. §§ 311(f) and 501(a)(4) and (5).

26 Section 205 (former Section 308):

27 Former subsection (f) omitted.

28 Section 301(a) (former Section 401(a)):

29 Provision attached to repeal of the act of April 29, 1874
30 (P.L.73, No.32), known as the General Corporation Law, omitted.

1 Change in partial repeal of Sections 730 and 1401 of the act of
2 April 9, 1929 (P.L.364, No.176), known as The Fiscal Code.

3 Section 302 (former Section 402)

4 Section 303 (former Section 403)

5 DIVISION I

6 Section 101: New.

7 Section 102: The provisions repealed by this section are
8 supplied by this act as follows (an asterisk indicates that a
9 provision is repealed in part):

10	Official	Superseding
11	<u>Citation</u>	<u>Provision</u>
12	15 Pa.C.S. §101(a)	15 Pa.C.S. §502
13		(b) 15 Pa.C.S. §1102(b)
14		(c) Section 104 of Act
15	15 Pa.C.S. §102	15 Pa.C.S. §§102,
16		1103, 5103
17	15 Pa.C.S. §103	15 Pa.C.S. §103
18	15 Pa.C.S. §104	15 Pa.C.S. §104
19	15 Pa.C.S. §105	15 Pa.C.S. §105
20	15 Pa.C.S. §106	15 Pa.C.S. §501(a)
21	15 Pa.C.S. §108	15 Pa.C.S. §106
22	15 Pa.C.S. §109	15 Pa.C.S. §504
23	15 Pa.C.S. §110	15 Pa.C.S. §505
24	15 Pa.C.S. §111	15 Pa.C.S. §107
25	15 Pa.C.S. §112	15 Pa.C.S. §108
26	15 Pa.C.S. §131	15 Pa.C.S. §132(a)-(c)
27	15 Pa.C.S. §132	15 Pa.C.S. §133(a)-(d)

1	15 Pa.C.S. §133	15 Pa.C.S. §135(a)
2	15 Pa.C.S. §134	15 Pa.C.S. §136
3	15 Pa.C.S. §135	15 Pa.C.S. §137
4	15 Pa.C.S. §136	15 Pa.C.S. §138
5	15 Pa.C.S. §7745	42 Pa.C.S. §8365(d)
6	15 Pa.C.S. §7951(a)	15 Pa.C.S. §1951(a)
7	15 Pa.C.S. §7952(c)	15 Pa.C.S. §1962(c)
8	15 Pa.C.S. §7956(a)	15 Pa.C.S. §1966
9	15 Pa.C.S. §7990	15 Pa.C.S. §503

10 Section 103(a): The source notes for the affected provisions
11 of Title 15 are as follows:

12 15 Pa.C.S. §101: Compare new 15 Pa.C.S. §§502, 1102, 2101,
13 2301, 2501, 2701, 2901 and 4101. As to subsection (c), compare 1
14 Pa.C.S. §1937.

15 15 Pa.C.S. §102: Derived from former 15 Pa.C.S. §102. The
16 definition of "court" is revised and made subject to general
17 rules. The definitions of "association" and "credit union" are
18 new. The definitions of "business corporation" and "foreign
19 insurance corporation" appear in new 15 Pa.C.S. §1103. The
20 definitions of "corporation for profit" and "corporation not-
21 for-profit" and "not-for-profit corporation" appear in new 15
22 Pa.C.S. §1103. The definition of "officially publish" appears in
23 new 15 Pa.C.S. §1103. The definition of "written" is supplied by
24 1 Pa.C.S. §1991. The definitions of "foreign business
25 corporation" and "unconsolidated utility corporation" are
26 omitted from this section as a result of the clarification and
27 redefinition of the applicability of the various provisions of
28 new Title 15.

29 15 Pa.C.S. §103: Generalization of former 15 Pa.C.S. §103.
30 See act of May 5, 1933 (P.L.364, No.106), §6D (15 P.S. §1006D).

1 15 Pa.C.S. §104: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §6D (last sentence) (15 P.S. §1006D (last sentence)),
3 and former 15 Pa.C.S. §104. As to jurisdiction of courts, see 42
4 Pa.C.S. §931.

5 15 Pa.C.S. §105: Reenactment of former 15 Pa.C.S. §105.
6 Derived from act of May 5, 1933 (P.L.364, No.106), §7 (15 P.S.
7 §1007).

8 15 Pa.C.S. §106: Reenactment of former 15 Pa.C.S. §108,
9 except for reference to a statutory provision varying the rule
10 of this section. An example of such a statutory provision is 42
11 Pa.C.S. § 8364 when the bylaw provision authorized by that
12 section is included in the articles pursuant to new 15 Pa.C.S. §
13 1504(c). Derived from act of May 5, 1933 (P.L.364, No.106), §9
14 (15 P.S. §1009).

15 15 Pa.C.S. §107: Generalization of former 15 Pa.C.S. §111.

16 15 Pa.C.S. §108: Generalization of former 15 Pa.C.S. §112.
17 Provision on change of name of agent is patterned in general
18 after Delaware General Corporation Law §134(b).

19 15 Pa.C.S. §109: New.

20 15 Pa.C.S. §110: Patterned in part after 13 Pa.C.S. §1103.

21 15 Pa.C.S. §131: Derived from 54 Pa.C.S. §102.

22 15 Pa.C.S. §132: Subsections (a), (b) and (c) are a
23 generalization of former 15 Pa.C.S. §131. Subsection (d) is a
24 reenactment of section 5(a) of the act of December 16, 1982
25 (P.L.1309, No.295).

26 15 Pa.C.S. §133: Subsections (a)-(d) are substantially a
27 reenactment of former 15 Pa.C.S. §132, except for the
28 penultimate sentence of subsection (d). Subsection (e) is a
29 generalization of section 5(c) of the act of December 16, 1982
30 (P.L.1309, No.295).

1 15 Pa.C.S. §134: Derived from act of May 5, 1933 (P.L.364,
2 No.406), §206B and C (15 P.S. §1206B and C).

3 15 Pa.C.S. §135: Subsection (a) is a generalization of
4 former 15 Pa.C.S. §133. References to the docketing statement
5 required by new 15 Pa.C.S. §134 and the provision on documents
6 setting forth a name or mark have been added. Reference to
7 submission of proofs of publication to the Department of State
8 omitted as obsolete. Subsection (b) is intended to abrogate 19
9 Pa. Code §13.8(b). Subsection (c) is a generalization of section
10 5(b) of the act of December 16, 1982 (P.L.1309, No.295).

11 15 Pa.C.S. §136: Substantially a reenactment of former 15
12 Pa.C.S. §134.

13 15 Pa.C.S. §137: Generalization of former 15 Pa.C.S. §135.

14 15 Pa.C.S. §138: Generalization of former 15 Pa.C.S. §136.
15 The description of the document to be filed is changed from a
16 "certificate" to a "statement." Execution of the statement by
17 business corporations is governed by new 15 Pa.C.S. §1108.

18 15 Pa.C.S. §139: Derived from act of July 11, 1957 (P.L.691,
19 No.366) (15 P.S. §§806 and 807).

20 15 Pa.C.S. §151: Patterned in part after Delaware General
21 Corporation Law §388. Compare 15 Pa.C.S. §4161.

22 15 Pa.C.S. §152: Patterned in part after Delaware General
23 Corporation Law §389.

24 15 Pa.C.S. §501: Derived from Constitution, Article 10, §§2
25 and 3; former 15 Pa.C.S. §106; act of January 18, 1966 (1965
26 P.L.1443, No.521), §3 (15 P.S. §3); act of May 3, 1855 (P.L.423,
27 No.448), §1 (15 P.S. §101); and act of May 5, 1933 (P.L.364,
28 No.106), §§3B and 211 (15 P.S. §§1003B and 1211). See also act
29 of May 5, 1933 (P.L.289, No.105), §3B, as added by act of
30 January 18, 1966 (1965 P.L.1406, No.520) (former 15 P.S.

1 §7003B), and act of May 17, 1921 (P.L.682, No.284), §106 (40
2 P.S. §366).

3 15 Pa.C.S. §502: Derived from former 15 Pa.C.S. §101. Former
4 subsection (b) is omitted from this section as a result of the
5 clarification and redefinition of the applicability of new 15
6 Pa.C.S. Part II, Subpart B.

7 15 Pa.C.S. §503: Generalization of former 15 Pa.C.S. §7990
8 and act of May 5, 1933 (P.L.364, No.106), §1112 (15 P.S. §2112).

9 15 Pa.C.S. §504: Reenactment of former 15 Pa.C.S. §109. See
10 also act of May 5, 1933 (P.L.364, No.106), §12 (15 P.S. §1012).

11 15 Pa.C.S. §505: Substantially a reenactment of former 15
12 Pa.C.S. §110. See also act of May 5, 1933 (P.L.364, No.106), §13
13 (15 P.S. §1013). The term "clerk" includes "prothonotary." See
14 42 Pa.C.S. Ch. 27.

15 15 Pa.C.S. §506: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), §14 (15 P.S. §1014). Section 15 of
17 the act of May 5, 1933 (P.L.364, No.106) (15 P.S. §1015) which
18 limited the applicability of this section is omitted.

19 15 Pa.C.S. §507: Patterned in general after new 15 Pa.C.S.
20 §§504 and 505.

21 15 Pa.C.S. §521: Substantially a reenactment of act of
22 August 19, 1953 (P.L.1075, No.280), §2 (15 P.S. §113).

23 15 Pa.C.S. §522: Derived from act of April 18, 1945
24 (P.L.253, No.114) §4 (15 P.S. §410).

25 15 Pa.C.S. §523: Derived from act of April 18, 1945
26 (P.L.253, No.114), §§1, 2 and 3 (15 P.S. §§432, 433 and 434).

27 15 Pa.C.S. §1101: Derived from act of May 5, 1933 (P.L.364,
28 No.106),
29 §1 (15 P.S. §1001). Patterned after 15 Pa.C.S. §7301.

30 15 Pa.C.S. §1102: Subsections (a), (d) and (e) are derived

1 from act of May 5, 1933 (P.L.364, No.106), §§3 and 4 (15 P.S.
2 §§1003 and 1004). Former subsections 3B and 4C and D are omitted
3 as supplied by section 104 of the act of _____, 1987 (P.L.____,
4 No.____), known as the Corporation Act of 1987 (15 P.S. §____),
5 and otherwise obsolete. Subsection (b) is new and is intended to
6 apply to statutes such as 42 Pa.C.S. § 8364. As to subsection
7 (b), see section 302(2) of the act of _____, 1987 (P.L. _____,
8 No. _____), known as the Corporation Act of 1987 (15 Pa.C.S. §
9 _____). Subsection (c) is derived from former 15 Pa.C.S. §101(b).
10 Former unconsolidated utility corporations are made subject
11 exclusively to new Title 15. Subsection (a) is patterned after
12 former 15 Pa.C.S. §7102.

13 15 Pa.C.S. §1103: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §2 (15 P.S. §1002), and former 15 Pa.C.S. §102.
15 Patterned in part after 15 Pa.C.S. §7103. The definitions of
16 "amendment," "articles," "authorized shares," "board of
17 directors," "business corporation," "business development credit
18 corporation," "bylaws," "closely-held corporation," "corporation
19 not-for-profit," "court," "credit union," "directors,"
20 "dissenters rights," "distribution," "employee," "entitled to
21 vote," "fair value," "foreign business corporation," "foreign
22 domiciliary corporation," "full age," "issue," "management
23 corporation," "nonqualified foreign corporation," "nonstock
24 corporation," "obligation," "officer," "officially publish,"
25 "plan," "preference," "professional corporation," "public
26 utility corporation," "qualified foreign business corporation,"
27 "reclassification," "registered corporation," "representative,"
28 "share certificate," "shareholder," "shares," "special
29 treatment," "statutory close corporation," "subscriber," "unless
30 (or "except as") otherwise provided," "unless (or "except as")

1 otherwise restricted," and "voting" are new or revised. The
2 terms "assets," "capital surplus," "earned surplus,"
3 "insolvency," "net assets," "open-end investment company,"
4 "stated capital," "surplus," "treasury shares," "unreserved,"
5 and "unrestricted" are omitted. The term "close corporation" is
6 supplied by "statutory close corporation." The definitions of
7 "cooperative corporation" and "unconsolidated utility
8 corporation" are omitted from this section as a result of the
9 clarification and redefinition of the applicability of new Title
10 15. The definition of "distribution" is patterned after Revised
11 Model Business Corporation Act §1.40(6) (1984). The definitions
12 of "person" and "written" are supplied by 1 Pa.C.S. §1991. The
13 term "unlisted corporation" is supplied by "registered
14 corporation."

15 15 Pa.C.S. §1104: New.

16 15 Pa.C.S. §1105: Substantially a reenactment of act of May
17 5, 1933 (P.L.364, No.106), §§5E and 515K (15 P.S. §1005E and
18 1515K), except last sentence which is new. See new 15 Pa.C.S.
19 §1904. See also new 15 Pa.C.S. Subch. 17F.

20 15 Pa.C.S. §1106: Generalization of act of May 5, 1933
21 (P.L.364, No.106), §5D (15 P.S. §1005D). Patterned after 15
22 Pa.C.S. §7105. Former paragraphs (3)(ii) and (iv) and (4) are
23 omitted. Subsection (b)(3)(i), (ii) and (v)-(viii) is new.

24 15 Pa.C.S. §1107: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §6C (15 P.S. §1006C). Patterned after 15 Pa.C.S. §7107.
26 The concurrent incorporation of unconsolidated utility
27 corporations is abolished.

28 15 Pa.C.S. §1108: New.

29 15 Pa.C.S. § 1108: New

30 15 Pa.C.S. §1301: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §201 (15 P.S. §1201). Patterned after 15 Pa.C.S. §7311.
2 15 Pa.C.S. §1302: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §201 (15 P.S. §1201). Patterned after 15 Pa.C.S. §7312.
4 15 Pa.C.S. §1303: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §202A, B, C, D and F (15 P.S. §1202A, B, C, D and F).
6 Patterned after 15 Pa.C.S. §7313. Subsection (a) is patterned in
7 part after N.J.S.A. §14A:1-6(1)(a). Restrictions on use of the
8 terms "company" and "Co." are omitted. Subsection (a)(3) is
9 patterned after Delaware General Corporation Law §102(a)(1).
10 "Confusingly" substituted for "deceptively" to avoid any
11 implication that the provisions of subsection (b) are operative
12 only in cases of deceit (see N.J.S.A. §14A:2-2(1)(b)).
13 References to domestic and qualified foreign limited
14 partnerships are added to subsection (b)(1). Reference to the
15 former bonus reports is omitted from subsection (b)(1)(i)(B).
16 Subsection (b)(1)(i)(C) is new. The reference to bank holding
17 companies in subsection (c)(1)(ii) is derived from section
18 805(b)(vii) of the Banking Code of 1965, as added by the act of
19 July 6, 1984 (P.L.621, No.128), §8. The word "seminary" is added
20 to subsection (c)(2)(i). Subsection (c)(2)(iv) is new. The last
21 sentence of subsection (d) is patterned after Revised Model
22 Business Corporation Act §4.01(c)(2) (1984). See new 15 Pa.C.S.
23 §1106(b)(2) as to the status of certain nonconforming names of
24 existing corporations.

25 15 Pa.C.S. §1304: Substantially a reenactment of act of May
26 5, 1933 (P.L.364, No.106), §202E and G (15 P.S. §1202E and G).
27 Patterned after 15 Pa.C.S. §7314. The three-year period for
28 filing reports appears in new 15 Pa.C.S. §1303(b)(1)(i)(B).
29 "Confusingly" substituted for "deceptively" to avoid any
30 implication that the provisions are operative only in cases of

1 deceit (see N.J.S.A. §14A:2-2(1)(b)).

2 15 Pa.C.S. §1305: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §203 (15 P.S. §1203). Patterned after 15 Pa.C.S. §7315.
4 The restrictions on who may reserve a name are omitted. The
5 reservation period is increased to 120 days (see N.J.S.A.
6 §14A:2-3(2) and Revised Model Business Corporation Act §4.02(a)
7 (1984).

8 15 Pa.C.S. §1306: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §204 (15 P.S. §1204). Patterned after 15 Pa.C.S. §7316.
10 Subsection (a)(1) is patterned in part after N.J.S.A. §14A:1-
11 6(1)(a). The reference in subsection (a)(4) to organization upon
12 a nonstock basis is new (see new 15 Pa.C.S. §2101). The second
13 sentence of subsection (a)(4)(i) is new. A reference to "voting
14 rights" is added to subsection (a)(4)(ii) and (iii). In
15 subsection (a)(6) the duration of a corporation is made
16 perpetual in the absence of a provision in the articles to the
17 contrary. Subsection (a)(7) is new. Provisions on par value and
18 the purpose of the corporation are made optional by transfer to
19 subsection (a)(8). The requirement that the incorporators
20 subscribe for shares is omitted.

21 15 Pa.C.S. §1307: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §205 (15 P.S. §1205). Patterned after 15 Pa.C.S. §7317.
23 The requirements that the advertisement state the date that the
24 articles will be or were filed with the Department of State and
25 the purpose of the corporation are omitted.

26 15 Pa.C.S. §1308: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §206A (15 P.S. §1206A). Patterned after 15 Pa.C.S.
28 §7318. The requirement for issuance of a certificate of
29 incorporation is supplied by new 15 Pa.C.S. §133(e).

30 15 Pa.C.S. §1309: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §207 (15 P.S. §1207). Patterned after 15 Pa.C.S. §7319.
2 Reference to subscribers automatically becoming shareholders is
3 omitted. Subscribers, however, are shareholders under the
4 definition of the latter term in 15 Pa.C.S. §1103. Reference to
5 effective date specified in the articles is new (see new 15
6 Pa.C.S. §1306(a)(7)).

7 15 Pa.C.S. §1310: Subsections (a) and (b) are derived from
8 act of May 5, 1933 (P.L.364, No.106), §210 (15 P.S. §1210). The
9 last sentences of subsections (a) and (b) and all of subsection
10 (c) are new. Patterned after 15 Pa.C.S. §7320. As to subsection
11 (a), see section 302(2) of the act of , 1987 (P.L. ,
12 No.), known as the Corporation Act of 1987 (15 Pa.C.S. §
13). In subsection (b) the number of persons required to call a
14 meeting is reduced to any one director or incorporator.

15 15 Pa.C.S. §1311: Generalization of act of July 9, 1970
16 (P.L.461, No.160), §4(d) (15 P.S. §2904(d)). Patterned after 15
17 Pa.C.S. §7321. The last sentence of subsection (a)(4) and
18 subsections (b) and (c) are new. The designation of the document
19 is changed from "certificate" to "statement." Execution of the
20 statement of summary of record is governed by new 15 Pa.C.S.
21 §1108.

22 15 Pa.C.S. §1341: Patterned in part after Delaware General
23 Corporation Law §312. Compare new 15 Pa.C.S. §5341.

24 15 Pa.C.S. §1501: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §301 (15 P.S. §1301). Patterned after 15 Pa.C.S. §7501.
26 The limitation on corporate capacity to acts necessary to
27 accomplish the corporation's purposes is omitted as obsolete
28 (cf. new 15 Pa.C.S. §1301).

29 15 Pa.C.S. §1502: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§302, 314, 315, 316 and 613B (15 P.S. §§1302, 1314,

1 1315, 1316 and 1613B). Patterned after 15 Pa.C.S. §7502.
2 Subsection (a)(1) is patterned in part after Revised Model
3 Business Corporation Act §3.02 (1984). References to "evidences
4 of indebtedness" are supplied by the definition of "obligation"
5 in new 15 Pa.C.S. §1103. The limitations in former paragraph
6 302(8) on the consideration receivable for the issuance of debt
7 obligations are omitted as obsolete, and those on the
8 reacquisition of shares are supplied by new 15 Pa.C.S. §1551.
9 The power to make, alter, amend and repeal bylaws appears in new
10 15 Pa.C.S. §1504. Subsection (a)(5) is patterned in part after
11 Revised Model Business Corporation Act §3.02(6) (1984).
12 Subsection (a)(9) is patterned in general after Revised Model
13 Business Corporation Act §3.02(13) and (15) (1984). Subsection
14 (a)(14) is patterned in part after Revised Model Business
15 Corporation Act §3.02(12) (1984). The express statement in
16 subsection (a)(16) of the power to lend money and credit to
17 representatives of the corporation is patterned after Revised
18 Model Business Corporation Act §3.02(11) (1984). The power to
19 dissolve and wind up appears in new 15 Pa.C.S. §§1971 and 1972.
20 The first sentence of the final paragraph of former section 302
21 is omitted as obsolete. Former section 613B is supplied by new
22 subsection (a)(15) and (16), the general principles of agency
23 incorporated by new 15 Pa.C.S. §110 and new 15 Pa.C.S. §1508.

24 15 Pa.C.S. §1503: Derived from act of May 5, 1933 (P.L.364,
25 No.106), § 303 (15 P.S. §1303). Patterned after 15 Pa.C.S.
26 §7503. Subsection (a) expanded to include limitations on the
27 business, purpose or powers of the corporation contained in the
28 bylaws. Subsection (b) expanded to include conveyances or
29 transfers made by employees or agents.

30 15 Pa.C.S. §1504: The first three sentences of subsection

1 (a) and subsection (d) are derived from act of May 5, 1933
2 (P.L.364, No.106), §304 (15 P.S. §1304). The balance of
3 subsection (a) and subsections (b) and (c) are new. Requirement
4 that notice be given that a purpose of a meeting is to change
5 the bylaws has been limited to meetings of the shareholders.
6 Patterned after 15 Pa.C.S. §7504. As to subsection (c), see
7 section 302(2) of the act of , 1987 (P.L. , No.),
8 known as the Corporation Act of 1987 (15 P.S. §).

9 15 Pa.C.S. §1505: Reenactment of act of May 5, 1933
10 (P.L.364, No.106), §305 (first sentence) (15 P.S. §1305 (first
11 sentence)) as modified by Act No. 1986-145. Patterned after 15
12 Pa.C.S. §7505.

13 15 Pa.C.S. §1506: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §305 (except first sentence) (15 P.S. §1305 (except
15 first sentence)). Patterned after 15 Pa.C.S. §7506. Subsection
16 (a) is extended to execution by one or more officers or agents
17 having actual or apparent authority. In subsection (b) the
18 exception relating to inconsistent statutes is omitted (cf. new
19 15 Pa.C.S. §1108).

20 15 Pa.C.S. §1507: Subsections (a) and (b) are derived from
21 act of May 5, 1933 (P.L.364, No.106), §§306 and 307 (15 P.S.
22 §§1306 and 1307), and are patterned after 15 Pa.C.S. §7507. The
23 second sentence of former section 306 is supplied by new 15
24 Pa.C.S. §1306(a)(2). Requirement of an absolute majority vote of
25 the board of directors to change the registered office is
26 supplied by new 15 Pa.C.S. §1727. The reference in subsection
27 (b) to change of registered office by amendment of the articles
28 has been added. Execution of the statement of change of
29 registered office is governed by new 15 Pa.C.S. §1108. The final
30 paragraph of former section 307 is supplied by new 15 Pa.C.S.

1 §136(c). Subsections (c) and (d) are new.

2 15 Pa.C.S. §1508: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §308 (15 P.S. §1308). Patterned after 15 Pa.C.S. §7508.
4 Specific reference to text of the bylaws, and requirement that
5 corporate records, other than the share register, be kept at the
6 registered office or principal place of business of the
7 corporation, are omitted. The last sentence of subsection (a) is
8 patterned after Revised Model Business Corporation Act §16.01(d)
9 (1984) (see also N.J.S.A. §14A:5-28(1)). The reference in prior
10 law to venue is supplied by the definition of "court" in new 15
11 Pa.C.S. §1103. See also new 15 Pa.C.S. §1554.

12 15 Pa.C.S. §1509: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §321 (15 P.S. §1321). Regular bylaws may restrict the
14 adoption of emergency bylaws, and offices of the corporation may
15 be changed. Subsection (a) is patterned in part after Revised
16 Model Business Corporation Act §3.03(d) (1984). Subsection
17 (c)(2) is patterned after the last sentence of Model Business
18 Corporation Act §27A, last paragraph (1971) (see also N.J.S.A.
19 §14A:2-10(7)).

20 15 Pa.C.S. §1510: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §313 (15 P.S. §1313). Patterned after 15 Pa.C.S.
22 §7544. The general reference to the lawful rate of interest
23 (rather than 6%) is added. The reference in subsection (a) to
24 finance, service and default charges and subsection (b) are
25 intended, inter alia, to make clear that the policy of this
26 section applies to installment sale contracts subject to the act
27 of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle
28 Sales Finance Act (69 P.S. §§601 et seq.) and all other economic
29 regulation of interest paid or incurred by bona fide
30 corporations.

1 15 Pa.C.S. §1511: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §322 (15 P.S. §1322), and the act of November 26, 1978
3 (P.L.1375, No.325), § 15 (32 P.S. § 693.15), as supplemented as
4 to oxygen or nitrogen pipeline transportation by the act of
5 November 18, 1968 (P.L.1050, No.321), §2 (15 P.S. §4382).
6 Reference in subsection (e) to "other statutes" eliminated as
7 obsolete. Subsection (g)(2) is derived from act of April 29,
8 1874 (P.L.73, No.32), §41 (15 P.S. §§3021-3) and act of April
9 17, 1929 (P.L.531, No.234) §§1 and 2 (15 P.S. §§115 and 116)
10 (see 40 P.S. §§831 and 835). The distance in subsection
11 (b)(1)(i) is converted from 300 feet to 100 meters. The Eminent
12 Domain Code procedure is made available as an alternative to the
13 "lines" condemnation procedure of the Corporation Act of 1874 as
14 to electric, gas, oil and petroleum products condemnations, and
15 as a substitute for the 1874 Act procedure in the case of water,
16 telephone and telegraph condemnations.

17 15 Pa.C.S. §1521: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §601 (15 P.S. §1601). The fourth sentence of former
19 section 601 is omitted. Whether or not a class vote will be
20 available to a series of shares will depend on the substantive
21 effect of any particular fundamental transaction on the series.
22 The penultimate sentence of former section 601 is omitted in
23 light of 15 Pa.C.S. §1721(a). The last sentence of former
24 section 601 is omitted as redundant. The last sentence of
25 subsection (a) is patterned after New York Business Corporation
26 Law §803(b). Subsection (b)(1) is new and, except for the second
27 sentence of subsection (b)(1)(i), is patterned after Revised
28 Model Business Corporation Act §6.01(c) (1984). The second
29 sentence of subsection (b)(1)(i) is substantially a reenactment
30 of act of May 5, 1933 (P.L.364, No.106), §701A (second sentence)

1 (15 P.S. §1701A (second sentence)). See also new 15 Pa.C.S.
2 §1906. Subsection (b)(2) is new (cf. similar provisions added in
3 new 15 Pa.C.S. Ch.19). The first sentence of subsection (b)(3)
4 is intended as a codification of existing law. West Chester and
5 Philadelphia R.R. Co. v. Jackson, 77 Pa. 321 (1875) (dividends);
6 Warren v. Queen & Co., 240 Pa. 154, 87 At. 595 (1913)
7 (redemption). Subsection (c) is new (cf. new 15 Pa.C.S
8 §1504(b)).

9 15 Pa.C.S. §1522: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §602 (15 P.S. §1602). Patterned after N.J.S.A. §14A:7-
11 2. See new 15 Pa.C.S. §1914(c). Execution of the statement with
12 respect to shares is governed by new 15 Pa.C.S. §1108.
13 Subsections (c)(5) and (e) are new.

14 15 Pa.C.S. §1523: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §603 (15 P.S. §1603). Provisions on the payment of
16 subscriptions are supplied by new 15 Pa.C.S. §1524. Reference to
17 treasury shares omitted since the sale or other disposition of
18 treasury shares is included in the definition of "issue" in 15
19 Pa.C.S. §1103 and is therefore covered by this section. Under
20 new 15 Pa.C.S. §1524(c), all shares are deemed fully paid.
21 Former subsections B and C are omitted as obsolete.

22 15 Pa.C.S. §1524: Subsections (a) and (c) are derived from
23 act of May 5, 1933 (P.L.364, No.106), §§604, 605, 606 and 610
24 (15 P.S. §§1604, 1605, 1606 and 1610). The references to future
25 services or the note or obligation of a shareholder as good
26 consideration are new. Calls on shares are abolished and all
27 shares are deemed fully paid, except against the subscriber, but
28 shares may be assessable only if and to the extent provided by a
29 regulatory law. Subsection (b) is derived from act of May 5,
30 1933 (P.L.364, No.106), §702.1 (15 P.S. §1702.1). Subsection (d)

1 is new (cf. the definitions of "shareholder" and "subscriber" in
2 new 15 Pa.C.S. §1103). Subsection (h) is new.

3 15 Pa.C.S. §1525: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §612 (15 P.S. §1612).

5 15 Pa.C.S. §1526: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §609 (first sentence) (15 P.S. §1609 (first sentence)).
7 The balance of former section 609 is omitted as obsolete.

8 15 Pa.C.S. §1527: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §608 (15 P.S. §1608). Provision for uncertificated
10 fractions of a share has been added (cf. new 15 Pa.C.S.
11 §1528(f)). Subsection (a) is patterned after Delaware General
12 Corporation Law §155 (first three sentences). Reference to "fair
13 value" in subsection (a)(2) is not intended to imply that the
14 procedures of new Subchapter 15D are available since fair value
15 is to be determined in the manner provided in the plan,
16 amendment or resolution of the board providing for the creation
17 of the fractional interests, but it is intended that the
18 standard for fair value in new 15 Pa.C.S. §1572 will apply.
19 Subsection (b) is substantially a reenactment of the last
20 sentence of former section 608. See 15 Pa.C.S. §1502(c).

21 15 Pa.C.S. §1528: Subsection (a) is new. Subsections (b) -
22 (e) are derived from act of May 5, 1933 (P.L.364, No.106), §607
23 (15 P.S. §1607). Former subsection A(4) and former subsection C
24 are omitted as obsolete. Reference to voting rights in
25 subsection (d) and the use of any form of execution of a share
26 certificate in subsection (e) are new. Subsection (f) is
27 patterned after Revised Model Business Corporation Act §§6.25(a)
28 and 6.26 (1984).

29 15 Pa.C.S. §1529: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§613A and 613.1 (15 P.S. §§1613A and 1613.1).

1 Provisions regarding uncertificated securities in subsection (f)
2 are new (cf. new 15 Pa.C.S. §1528(f)).

3 15 Pa.C.S. §1530: ~~Substantially a reenactment of DERIVED~~ ←
4 FROM act of May 5, 1933 (P.L.364, No.106), §611 (15 P.S. §1611).

5 15 Pa.C.S. §1531: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §309.1 (15 P.S. §1309.1). Patterned after 15 Pa.C.S.
7 §7768. See new 15 Pa.C.S. §1725(b).

8 15 Pa.C.S. §1532: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), §615 (15 P.S. §1615), except that the
10 applicability to divisions is new (cf. new 15 Pa.C.S. Ch.19D).

11 15 Pa.C.S. §1551: Patterned in part after Revised Model
12 Business Corporation Act §6.40 (1984). Compare act of May 5,
13 1933 (P.L.364, No.106), §§702 and 703 (15 P.S. §§1702 and 1703).
14 Subsections (c) and (d) are intended to overrule In re Trimble
15 Co., 339 F.2d 838 (3d Cir. 1964).

16 15 Pa.C.S. §1552: Patterned in part after Revised Model
17 Business Corporation Act §6.31 (1984), Compare act of May 5,
18 1933 (P.L.364, No.106), §§701, 708 and 709 5 P.S. §§1701, 1708
19 and 1709).

20 15 Pa.C.S. §1553: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §707 (15 P.S. §1707) and Act No. 1986-145. Patterned in
22 part after Revised Model Business Corporation Act §8.33 (1984),
23 except that a restriction on the declaration of distributions by
24 the directors may be contained in the bylaws.

25 15 Pa.C.S. §1554: Subsection (a) is derived from act of May
26 5, 1933 (P.L.364, No.106), §318 (15 P.S. §1318); and is
27 patterned in part after Revised Model Business Corporation Act
28 §16.20 (1984). Subsections (b), (c) and (d) are new.

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).~~

7 15 Pa.C.S. §1572: Patterned after Model Business Corporation
8 Act §81(a) (1978). The reference to consideration of all
9 relevant factors in the definition of "fair value" is patterned
10 after Delaware General Corporation Law §262(h), and is intended
11 as a codification of Weinberger v. UOP, Inc., 457 A.2d 701 (Del.
12 1983). The definition of "interest" is patterned after Delaware
13 General Corporation Law §262(h).

14 15 Pa.C.S. §1573: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §515B (fourth sentence) (15 P.S. §1515B (fourth
16 sentence)). Patterned after Model Business Corporation Act
17 §80(b) (1978).

18 15 Pa.C.S. §1574: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §515B (15 P.S. §1515B). Patterned in part after Model
20 Business Corporation Act §81(c) (1980).

21 15 Pa.C.S. §1575: Patterned after Model Business Corporation
22 Act §81(d) (1978).

23 15 Pa.C.S. §1576: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §515I (15 P.S. §1515I). Patterned after Model Business
25 Corporation Act §81(e) (1978).

26 15 Pa.C.S. §1577: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §515D, E and I (15 P.S. §1515D, E and I). Patterned in
28 part after Model Business Corporation Act §81(f) (1978) and
29 Delaware General Corporation Law §262.

30 15 Pa.C.S. §1578: Patterned in part after Model Business

1 Corporation Act §81(g) (1978).

2 15 Pa.C.S. §1579: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§515C, F and G (15 P.S. §§1515C, F and G). Patterned
4 in part after Model Business Corporation Act §81(h) (1978).

5 15 Pa.C.S. §1580: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §515H (15 P.S. §1515H) and 42 Pa.C.S. §2503. Patterned
7 after Model Business Corporation Act §81(i) (1978).

8 15 Pa.C.S. §1701: Patterned after 15 Pa.C.S. §7701.

9 15 Pa.C.S. §1702: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §§8A, 404 (last sentence) and 502 (last sentence) (15
11 P.S. §§1008A, 1404 (last sentence) and 1502 (last sentence)).
12 Patterned after 15 Pa.C.S. §7702. The last clause of subsection
13 (b) is patterned in part after Delaware General Corporation Law
14 §222(c).

15 15 Pa.C.S. §1703: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), §§402(4) and 404 (except last
17 sentence) (15 P.S. §§1402(4) and 1404 (except last sentence)).
18 Patterned after 15 Pa.C.S. §7704.

19 15 Pa.C.S. §1704: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §§8A (last sentence), 501A, 501C (except first
21 sentence) and 502 (first sentence) (15 P.S. §§1008A (last
22 sentence), 1501A, 1501C (except first sentence) and 1502 (first
23 sentence)). Patterned after 15 Pa.C.S. §7705.

24 15 Pa.C.S. §1705: Substantially a reenactment of act of May
25 5, 1933 (P.L.364, No.106), §8B and C (15 P.S. §1008B and C).
26 Patterned after 15 Pa.C.S. §7706. Reference to attendance by
27 proxy appears in new 15 Pa.C.S. §1759(a)(2). The requirement in
28 subsection (b) that objection be made at the beginning of the
29 meeting is new.

30 15 Pa.C.S. §1706: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §8D (15 P.S. §1008D). Patterned after 15 Pa.C.S. §7707.

2 15 Pa.C.S. §1707: Subsection (a) is patterned after 15
3 Pa.C.S. §7708. Subsection (b) is new.

4 15 Pa.C.S. §1708: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §8E (15 P.S. §1008E). The reference in section 8E to
6 committees of the board has been deleted in light of new 15
7 Pa.C.S. §1731(c). Patterned after 15 Pa.C.S. §7709. The
8 requirement of an enabling bylaw provision is omitted.

9 15 Pa.C.S. §1721: Subsection (a) is derived from act of May
10 5, 1933 (P.L.364, No.106), §401 (first sentence) (15 P.S. §1401
11 (first sentence)), and patterned after Revised Model Business
12 Corporation Act §8.01 (b) (1984). Subsection (c) is patterned
13 after Revised Model Business Corporation Act §§8.24(d) and 8.30
14 (1984).

15 15 Pa.C.S. §1722: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §§401 (first sentence) and 402 (first sentence) (15
17 P.S. §§1401 (first sentence) and 1402 (first sentence)).
18 Patterned after 15 Pa.C.S. §7722.

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 15 Pa.C.S.
22 §7723. The requirement of a minimum size of the board is
23 omitted.

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 15
28 Pa.C.S. §7724. The restrictions that the first directors may
29 serve only until the first annual meeting and that members of a
30 class of directors shall not be elected for a period shorter

1 than one year are omitted. The last sentence of subsection (a)
2 is patterned after Revised Model Business Corporation Act
3 §8.05(c) (1984).

4 15 Pa.C.S. §1725: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §§401 (third sentence), 402 (first sentence), 402(3)
6 and 403 (first sentence) (15 P.S. §§1401 (third sentence), 1402
7 (first sentence), 1402(3) and 1403 (first sentence)). Patterned
8 after 15 Pa.C.S. §7725. The reference to a sole remaining
9 director in subsection (b)(1)(i) is new. The last clause of
10 subsection (b)(1)(i) reverses the prior law. Subsection
11 (b)(1)(ii) and subsections (c) and (d) are new. Subsection
12 (b)(2) is patterned after Delaware General Corporation Law
13 §223(b).

14 15 Pa.C.S. §1726: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §405 (15 P.S. §1405). Patterned after 15 Pa.C.S. §7726.
16 The introductory clauses of subsections (a)(1) and (b) and
17 subsection (a)(2) and (4) are added. Provision in subsection <—
18 (a)(1) that directors may be removed by vote of the series of
19 shares entitled to elect them is patterned after Delaware
20 General Corporation Law §141(k). See also Md. Corps. and Ass'ns
21 Code Ann. §2-406(b). RETAIN EXISTING LAW. In subsection (b) <—
22 conviction of a crime punishable by imprisonment for more than
23 one year is substituted for conviction of a felony (cf. 18
24 Pa.C.S. §106), and a requirement for cause specified in the
25 bylaws is added. In subsection (c) the references to petition by
26 a director and to removal for other proper cause are new. The
27 last clause of subsection (c) substitutes for the prior
28 requirement that a petitioning shareholder hold at least a 10%
29 stock interest. The reference in prior law to venue is supplied
30 by the definition of "court" in new 15 Pa.C.S. §1103. Subsection

1 (d) is patterned after N.J.S.A. §14A:6-6(5).

2 15 Pa.C.S. §1727: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §402(5) and 402(7) (15 P.S. §1402(5) and (7)).

4 Patterned after 15 Pa.C.S. §7727. The introductory clauses of
5 subsections (a) and (b) are added. The words "and voting" in
6 subsection (a) are added. The reference in subsection (b) to
7 consents prior or subsequent to an action is added. The
8 reference to action by a committee of the board appears in new
9 15 Pa.C.S. §1731(c).

10 15 Pa.C.S. §1728: Subsections (a) and (b) are substantially
11 a reenactment of act of May 5, 1933 (P.L.364, No.106), §409.1
12 (15 P.S. §1409.1), and are patterned after 15 Pa.C.S. §7728(a)
13 and (b), except that the reference in subsection (a) to an
14 "other" interest is added, and the voting procedure in
15 subsection (a)(1) is clarified. The standard of conduct for the
16 board appears in new 15 Pa.C.S. §1721(b). Subsection (c) is
17 patterned in part after 15 Pa.C.S. §7728(c).

18 15 Pa.C.S. §1729: Patterned after 15 Pa.C.S. §7729.

19 15 Pa.C.S. §1730: Substantially a reenactment of act of May
20 5, 1933 (P.L.364, No.106), §401 (penultimate and last sentences)
21 (15 P.S. §1401 (penultimate and last sentences)). Patterned
22 after 15 Pa.C.S. §7730.

23 15 Pa.C.S. §1731: Subsection (a) is derived from act of May
24 5, 1933 (P.L.364, No.106), §402(6) (15 P.S. §1402(6)), and is
25 patterned after 15 Pa.C.S. §7731(a). The requirement that
26 committees must be established by at least the specified
27 majority of the directors is added. The restrictions in
28 subsection (a)(1) are added. Subsection (b) is patterned after
29 15 Pa.C.S. §7731(b). Subsection (c) is patterned after the
30 penultimate and last sentences of the definition of "board of

1 directors" in 15 Pa.C.S. §7103.

2 15 Pa.C.S. §1732: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§406 and 408 (15 P.S. §§1406 and 1408). Patterned
4 after 15 Pa.C.S. §7732. The requirement that a corporation have
5 a president, secretary and treasurer, by name, is omitted. The
6 reference in the sixth sentence of subsection (a) to election or
7 appointment in a manner or for a term fixed pursuant to the
8 bylaws is added. The seventh, eighth and ninth sentences of
9 subsection (a) are new. The powers of the board of directors to
10 elect and fix the compensation of officers and fill vacancies
11 appear in new 15 Pa.C.S. §1502(a)(16).

12 15 Pa.C.S. §1733: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §407 (15 P.S. §1407). Patterned after 15 Pa.C.S. §7733.
14 The standard of conduct of the board of directors appears in 42
15 Pa.C.S. § 8363 and new 15 Pa.C.S. §1721. The last two sentences
16 are patterned after Revised Model Business Corporation Act §8.44
17 (1984).

18 15 Pa.C.S. §1741: Substantially a reenactment of act of May
19 5, 1933 (P.L.364, No.106), §410A (15 P.S. §1410A), except that
20 the introductory clause is new (but see new 15 Pa.C.S. §1743).
21 Patterned after 15 Pa.C.S. §7741.

22 15 Pa.C.S. §1742: Substantially a reenactment of act of May
23 5, 1933 (P.L.364, No.106), §410B (15 P.S. §1410B), except that
24 the introductory clause is new (but see new 15 Pa.C.S. §1743).
25 Patterned after 15 Pa.C.S. §7742.

26 15 Pa.C.S. §1743: Reenactment of act of May 5, 1933
27 (P.L.364, No.106), §410C (15 P.S. §1410C). Patterned after 15
28 Pa.C.S. §7743.

29 15 Pa.C.S. §1744: Substantially a reenactment of act of May
30 5, 1933 (P.L.364, No.106), §410D (15 P.S. §1410D). Patterned

1 after 15 Pa.C.S. §7744.

2 15 Pa.C.S. §1745: Reenactment of 42 Pa.C.S. § 8365(d). The
3 determination to advance expenses may be made by the board,
4 subject to the generally applicable standard of care (see new 15
5 Pa.C.S. §1721).

6 15 Pa.C.S. §1746: Derived from the of act of May 5, 1933
7 (P.L.364, No.106), §410F (15 P.S. §1410F). Patterned after
8 Delaware General Corporation Law § 145(f).

9 15 Pa.C.S. §1747: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §410G (15 P.S. §1410G). Patterned after 15 Pa.C.S.
11 §7747. The introductory clause is new. The final sentence is
12 intended to overrule Nationwide Mutual Ins. Co. v. Hassinger,
13 325 Pa. Super. 484, 473 A.2d 171 (1984), insofar as it relates
14 to the purchase and maintenance of insurance coverage under this
15 section against intentional acts.

16 15 Pa.C.S. §1748: Patterned after 15 Pa.C.S. §7748.

17 15 Pa.C.S. §1749: Patterned after Delaware General
18 Corporation Law §145(i). Compare new 15 Pa.C.S. §5749.

19 15 Pa.C.S. § 1750: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 410F (15 P.S. §410F). Patterned after Delaware
21 General Corporation Law § 145(j).

22 15 Pa.C.S. §1755: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §501B, C and D (15 P.S. §1501B, C and D). Patterned
24 after 15 Pa.C.S. §7755. The right of a shareholder to call the
25 annual meeting as set forth in the text is substituted for the
26 right to call the meeting during the next calendar year. The
27 right of the president to call a special meeting is omitted.
28 Requirements on notice of special meetings appear in new 15
29 Pa.C.S. §1704(b).

30 15 Pa.C.S. §1756: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §503A (15 P.S. §1503A). Patterned in part after 15
2 Pa.C.S. §7756. Subsection (b)(2) is added.

3 15 Pa.C.S. §1757: Subsections (a) and (b) are derived from
4 act of May 5, 1933 (P.L.364, No.106), §503A(1) and B (15 P.S.
5 §1503A(1) and B), and are patterned after 15 Pa.C.S. §7757.
6 Subsection (c) is new. As to subsection (a), see section 302(2)
7 of the act of , 1987 (P.L. , No.), known as the
8 Corporation Act of 1987 (15 P.S. §).

9 15 Pa.C.S. §1758: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §§403 (last sentence), 504A (first sentence), 504B and
11 505 (15 P.S. §1403 (last sentence), 1504A (first sentence),
12 1504B and 1505). Patterned in part after 15 Pa.C.S. §7758. The
13 last sentence of subsection (a) is intended as a codification of
14 existing law. Detwiler v. Commonwealth ex rel. Dickinson, 131
15 Pa. 614, 18 At. 990 (1890); Providence & Worcester Co. v. Baker,
16 378 A.2d 121 3 ALR4th 1198 (Del. 1977). Compare, e.g., act of
17 June 16, 1836 (P.L.799, No.193), §3 and act of April 7, 1849
18 (P.L.563, No.368), §4, which mandated such provisions. The
19 provision of prior law prohibiting a statutory close corporation
20 from varying the statutory cumulative voting rights has been
21 omitted. The provision of prior law relating to sale of votes
22 has been omitted as uncertain and inappropriate in the context
23 of a modern corporation for profit.

24 15 Pa.C.S. §1759: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §504A (15 P.S. §1504A). Patterned in part after 15
26 Pa.C.S. §7759. The reference in subsection (b) to written notice
27 of revocation of a proxy is new.

28 15 Pa.C.S. §1760: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §506 (15 P.S. §1506). See new 15 Pa.C.S. §1759 as to
30 proxy voting.

1 15 Pa.C.S. §1761: Substantially a reenactment of act of May
2 5, 1933 (P.L.364, No.106), §507 (15 P.S. §1507).

3 15 Pa.C.S. §1762: Subsections (a) and (b) are derived from
4 act of May 5, 1933 (P.L.364, No.106), §508 (15 P.S. §1508), and
5 are patterned after 15 Pa.C.S. §7760. Provision on voting
6 treasury shares is omitted and subsection (c) is added in view
7 of the elimination of references to treasury shares (cf. new 15
8 Pa.C.S. §1552). As to subsection (c), see section 302(2) of the
9 act of , 1987 (P.L. , No.), known as the
10 Corporation Act of 1987 (15 P.S. §).

11 15 Pa.C.S. §1763: Subsection (a) is derived from act of May
12 5, 1933 (P.L.364, No.106), §509 (15 P.S. §1509), and is
13 patterned after 15 Pa.C.S. §7761(a). The concept of the closing
14 of the transfer books is omitted as obsolete. The introductory
15 clause of subsection (a) is added and the maximum record date
16 period is extended. The last sentence of subsection (a) is
17 patterned after Delaware General Corporation Law §213(c).
18 Subsection (b) is patterned after 15 Pa.C.S. §7761(b) and
19 Delaware General Corporation Law §213(b). Subsection (c) is
20 patterned after the definition of "shareholder" in Model
21 Business Corporation Act §2(f) (1973).

22 15 Pa.C.S. §1764: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §510 (15 P.S. §1510). Subsection (a) is patterned in
24 part after Model Business Corporation Act §31, first paragraph
25 (1971). The first sentence of subsection (b) is patterned after
26 N.J.S.A. §14A:5-8(2) (last sentence). See new 15 Pa.C.S. §1759
27 as to voting by proxy.

28 15 Pa.C.S. §1765: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §512 (15 P.S. §1512). Patterned after 15 Pa.C.S. §7762.
30 Required vote for shareholder action appears in new 15 Pa.C.S.

1 §1757(a) and reference to attendance by proxy appears in new 15
2 Pa.C.S. §1759.

3 15 Pa.C.S. §1766: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §513 (15 P.S. §1513). Patterned after 15 Pa.C.S. §7763.
5 The reference in subsection (a) to consents prior or subsequent
6 to action is added. Subsection (b) is patterned after Delaware
7 General Corporation Law §228 and N.J.S.A. §14A:5-6(2). The
8 reference to authorization in the bylaws is added. See Section
9 302(2) of the act of , 1987 (P.L. , No.), known as
10 the Corporation Act of 1987 (15 P.S. §).

11 15 Pa.C.S. §1767: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §513.1. Patterned after 15 Pa.C.S. §7764. Subsection
13 (a)(2) is patterned in part after N.J.S.A. §14A:12-7(1)(c).
14 Subsection (b) is new. The reference in prior law to venue is
15 supplied by the definition of "court" in new 15 Pa.C.S. §1103.
16 As to the right of a custodian of a statutory close corporation
17 to liquidate notwithstanding subsection (c), see new 15 Pa.C.S.
18 §2333(a)(2). See the definition of "officer" in new 15 Pa.C.S.
19 §1103.

20 15 Pa.C.S. §1768: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §511 (15 P.S. §1511). It is intended that voting trusts
22 shall be limited, if at all, only by the Rule Against
23 Perpetuities or analogous considerations. Compare 20 Pa.C.S.
24 §6104.

25 15 Pa.C.S. §1769: Patterned in part after N.J.S.A. §14A:5-
26 22.

27 15 Pa.C.S. §1770: Reenactment of act of May 5, 1933
28 (P.L.364, No.106), § 409.1C (15 P.S. § 1409.1C), as added by act
29 of December 23, 1983 (P.L.395, No.92), § 2.

30 15 Pa.C.S. §1781: Derived from Zapata Corp. v. Maldonado,

1 430 A.2d 779 (Del. 1981).

2 15 Pa.C.S. §1782: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §516 (15 Pa.C.S. §1516). Patterned after 15 Pa.C.S.
4 §7765. The reference in prior law to voting trust certificates
5 is omitted in light of the extension of subsection (c) to
6 beneficial owners, and the \$50,000 threshold of prior law is
7 increased to the amount set forth in the text.

8 ~~15 Pa.C.S. §1783: New.~~ ←

9 15 Pa.C.S. §1791: Patterned after 15 Pa.C.S. §7781.

10 15 Pa.C.S. §1792: Patterned after 15 Pa.C.S. §7782. See
11 Delaware General Corporation Law §211(c).

12 15 Pa.C.S. §1793: Patterned after 15 Pa.C.S. §7783. See new
13 15 Pa.C.S. §1105.

14 15 Pa.C.S. §1901: New. See Delaware General Corporation Law
15 §251(c).

16 15 Pa.C.S. §1902: New.

17 15 Pa.C.S. §1903: Subsection (a) is a reenactment of act of
18 May 5, 1933 (P.L.364, No.106), §319 (15 P.S. §1319). Subsection
19 (b) is a generalization of act of May 5, 1933 (P.L.364, No.106),
20 §320 (15 P.S. §1320).

21 15 Pa.C.S. §1904: Generalization of act of November 10, 1959
22 (P.L.1406, No.502), title, and codification and expansion to
23 fundamental transactions generally of Terry v. Penn Central
24 Corp., 527 F.Supp. 118 (E.D. Pa. 1981), aff'd, 668 F.2d 188 (3rd
25 Cir. 1981). See new 15 Pa.C.S. §1105.

26 15 Pa.C.S. §1905: Generalization of act of May 5, 1933
27 (P.L.364, No.106), §1102 (first sentence) (15 P.S. §2102 (first
28 sentence)).

29 ~~15 Pa.C.S. §1906: Derived from act of May 5, 1933 (P.L.364,~~ ←
30 ~~No.106), § 701A (second sentence) (15 P.S. § 1701A (second~~

1 ~~sentence)). Subsection (c) is patterned after new 15 Pa.C.S.~~
2 ~~§1917.~~

3 15 Pa.C.S. §1911: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §801 (15 P.S. §1801). Patterned after
5 15 Pa.C.S. §7901.

6 15 Pa.C.S. §1912: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §802 (15 P.S. §1802). Patterned after 15 Pa.C.S. §7902.
8 The introductory clauses of paragraph (a)(2) and the penultimate
9 sentence of subsection (a) and the last sentence of subsection
10 (a) are new. The last sentence of subsection (b) is patterned in
11 part after Delaware General Corporation Law §251(b) (last
12 sentence).

13 15 Pa.C.S. §1913: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §803 (15 P.S. §1803). Patterned after 15 Pa.C.S. §7903.
15 The requirement of minimum notice to shareholders appears at new
16 15 Pa.C.S. §1704(b).

17 15 Pa.C.S. §1914: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §§804 and 805 (15 P.S. §§1804 and 1805). Patterned
19 after 15 Pa.C.S. §7904. The special voting rights requirements
20 of prior law relating to revocation of the authority of the
21 board to fix the relative rights and preferences of series and
22 on changes in the par value of shares are omitted. Subsection
23 (c) is patterned in part after Delaware General Corporation Law
24 §241, and in part after Revised Model Business Corporation Act
25 §10.02 (1984). The reference in subsection (c)(3)(ii) to a split
26 of shares is not intended to include a combination of shares
27 although such a combination is sometimes referred to as a
28 "reverse split." Compare new 15 Pa.C.S. §1504(a).

29 15 Pa.C.S. §1915: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§806 and 809 (15 P.S. §§1806 and 1809). Patterned

1 after 15 Pa.C.S. §7905. Execution of the articles of amendment
2 is governed by new 15 Pa.C.S. §1108. Former paragraphs (3), (4)
3 and (5) are supplied by new paragraph (4). Paragraph (6) is
4 patterned after Revised Model Business Corporation Act §10.07(e)
5 (1984).

6 15 Pa.C.S. §1916: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §§808 and 809 (15 P.S. §§1808 and 1809). Patterned in
8 part after 15 Pa.C.S. §7906. The requirement of prior law that a
9 certificate of amendment be issued is omitted (cf. new 15
10 Pa.C.S. 133(e)). The limitation in prior law on attack on the
11 validity of an amendment of articles appears in new 15 Pa.C.S.
12 §138(c).

13 15 Pa.C.S. §1921: Subsections (a) and (b) are substantially
14 a reenactment of act of May 5, 1933 (P.L.364, No.106), §901 (15
15 P.S. §1901), and are patterned after 15 Pa.C.S. §7921. The last
16 clauses of subsections (a) and (b) are patterned after Delaware
17 General Corporation Law §252(a). Subsection (c) is patterned in
18 general after Delaware General Corporation Law §254. See the
19 definitions of "shareholder" and "shares" in new 15 Pa.C.S.
20 §1103.

21 15 Pa.C.S. §1922: Subsections (a) and (c) are derived from
22 act of May 5, 1933 (P.L.364, No.106), §902A and B (first
23 sentence) (15 P.S. §1902A and B (first sentence)), and are
24 patterned after 15 Pa.C.S. §7922. The references in subsection
25 (a)(3) to "property or rights" are added. Provision with respect
26 to cash in lieu of the issuance of fractional shares appears in
27 new 15 Pa.C.S. §1527. The last sentence of subsection (a) is
28 patterned after Delaware General Corporation Law §251(b) (last
29 sentence). Subsection (b) is patterned after Delaware General
30 Corporation Law §251(d) (last sentence). Subsection (d) is new.

1 15 Pa.C.S. §1923: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §902B (except first sentence) (15 P.S. §1902B (except
3 first sentence)). Patterned after 15 Pa.C.S. §7923.

4 15 Pa.C.S. §1924: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §§902C and 902.1 (15 P.S. §§1902C and 1902.1).
6 Patterned after 15 Pa.C.S. §7924. The introductory clause of
7 subsection (b)(1) is added. The 15% limitation of the prior law
8 is omitted. Subsection (b)(1)(i) is patterned in part after
9 Delaware General Corporation Law §251(f). Subsection (b)(2) is
10 new. Subsection (b)(1)(ii) and subsection (b)(3) are patterned
11 in general after Delaware General Corporation Law §253. The
12 provision of subsection (c) relating to termination of a plan of
13 merger or consolidation at any time prior to its effective date,
14 regardless of whether articles of merger or consolidation have
15 been filed, is new. Former subsection 902.1B appears in new 15
16 Pa.C.S. §1926(4).

17 15 Pa.C.S. §1925: Substantially a reenactment of act of May
18 5, 1933 (P.L.364, No.106), §902D (15 P.S. §1902D). Patterned
19 after 15 Pa.C.S. §7925.

20 15 Pa.C.S. §1926: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §903 (15 P.S. §1903). Patterned after 15 Pa.C.S. §7926.
22 Execution of the articles of merger or consolidation is governed
23 by new 15 Pa.C.S. §1108.

24 15 Pa.C.S. §1927: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §905 (15 P.S. §1905). Patterned after 15 Pa.C.S. §7927.
26 The requirement of prior law that a certificate of merger or
27 consolidation be issued is omitted (cf. new 15 Pa.C.S. §133(e)).

28 15 Pa.C.S. §1928: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §906 (15 P.S. §1906). Patterned after 15 Pa.C.S. §7928.
30 The limitation in prior law on attack on the validity of the

1 transaction appears in new 15 Pa.C.S. §138(c).

2 15 Pa.C.S. §1929: Substantially a reenactment of act of May
3 5, 1933 (P.L.364, No.106), §907 (15 P.S. §1907). Patterned after
4 15 Pa.C.S. §7929. The last clause of the first sentence of
5 subsection (b) is intended as a codification of existing law and
6 is patterned after Revised Model Business Corporation Act
7 §11.06(a)(2) (1984) and N.J.S.A. §14A:10-6(d). Provisions of
8 prior law to the effect that the liabilities of shareholders,
9 directors and officers and the rights of creditors cannot be
10 affected by a merger or consolidation are omitted.

11 15 Pa.C.S. §1930: The first sentence of subsection (a) is
12 substantially a reenactment of act of May 5, 1933 (P.L.364,
13 No.106), §908A (15 P.S. §1908A). The second and third sentences
14 of subsection (a) are added. The subject matter of former
15 subsection 908B is supplied by new 15 Pa.C.S. §1571(b)(3).
16 Subsections (b) and (c) are new.

17 15 Pa.C.S. §1931: New. Subsections (a) and (b) are
18 patterned in general after Revised Model Business Corporation
19 Act §11.02 (1984).

20 15 Pa.C.S. §1932: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §311A-E (15 P.S. §1311A-E). The final two sentences of
22 former subsection 311A are supplied by new 15 Pa.C.S. Chs. 19F
23 and 19G. The introductory clause of subsection (a)(2) is added.
24 The reference in subsection (b) to transactions involving
25 distributions or division is added. The requirement for a "plan
26 of asset transfer" is new. The fourth sentence of subsection (b)
27 is patterned in part after Delaware General Corporation Law
28 §251(b) (last sentence). The last sentence of subsection (b) and
29 subsection (c)(2) are new. Subsection (d)(3) is intended as a
30 codification of existing law. Jennings v. Pittsburgh Mercantile

1 Co., 112 P.L.J. 84 (C.P. Allegh. Cty. 1963), rev'd on other
2 grounds, 414 Pa. 641 (1964).

3 15 PA.C.S. §1933: DERIVED FROM ACT OF MAY 5, 1933 (P.L.364, ←
4 NO.106), §910.

5 15 PA.C.S. §1934: DERIVED FROM ACT OF MAY 5, 1933 (P.L.364,
6 NO.106), §911.

7 15 Pa.C.S. §1951: Patterned after 15 Pa.C.S. §7941.

8 15 Pa.C.S. §1952: Patterned after 15 Pa.C.S. §7942. The last
9 sentence of subsection (a) is patterned in part after Delaware
10 General Corporation Law §251(b) (last sentence).

11 15 Pa.C.S. §1953: New.

12 15 Pa.C.S. §1954: Patterned after 15 Pa.C.S. §7943.

13 15 Pa.C.S. §1955: Patterned after 15 Pa.C.S. §7944.

14 15 Pa.C.S. §1956: Patterned after 15 Pa.C.S. §7945.

15 15 Pa.C.S. §1957: Patterned after 15 Pa.C.S. §7946. The last
16 clause of the first sentence of subsection (b)(1) is patterned
17 in part after Revised Model Business Corporation Act
18 §11.06(a)(2) (1984) and N.J.S.A. §14A:10-6(d).

19 15 Pa.C.S. §1961: Derived from 15 Pa.C.S. §7951(a) and (c).

20 15 Pa.C.S. §1962: Derived from 15 Pa.C.S. §7952. The last
21 sentence of subsection (a) is patterned in part after Delaware
22 General Corporation Law §251(b) (last sentence).

23 15 Pa.C.S. §1963: Patterned after 15 Pa.C.S. §7953.

24 Execution of the articles of conversion is governed by new 15
25 Pa.C.S. §1108.

26 15 Pa.C.S. §1964: Subsection (a) is patterned after 15
27 Pa.C.S. §7954.

28 15 Pa.C.S. §1965: Patterned after 15 Pa.C.S. §7955.

29 15 Pa.C.S. §1966: Substantially a reenactment of former 15
30 Pa.C.S. §7956(a).

1 15 Pa.C.S. §1971: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §1101 (15 P.S. §2101). Patterned after 15 Pa.C.S.
3 §7961. The first clause of subsection (a)(2) is added. In
4 subsection (a)(6) the unanimous consent requirement of the prior
5 law is reduced to the vote set forth in the text.

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 15 Pa.C.S. §7962.

9 15 Pa.C.S. §1973: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §1102 (second and third sentences) (15 P.S. §2102
11 (second and third sentences)). Patterned after 15 Pa.C.S. §7963.
12 The requirement of prior law that notice be given to
13 shareholders not entitled to vote is omitted.

14 15 Pa.C.S. §1974: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §§1102 (last sentence) and 1103.1 (15 P.S. §§2102 (last
16 sentence) and 2103.1). Patterned after 15 Pa.C.S. §7964. The
17 last sentence of subsection (a) and subsection (b) are added.
18 The provisions of prior law relating to certificate of election
19 to dissolve are omitted.

20 15 Pa.C.S. §1975: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §1104A, B and C (15 P.S. §2104A, B and C). Patterned
22 after 15 Pa.C.S. §7967. Reference to collection of unpaid
23 subscriptions is supplied by new 15 Pa.C.S. §1979(b).

24 15 Pa.C.S. §1976: Substantially a reenactment of act of May
25 5, 1933 (P.L.364, No.106), §1104D (15 P.S. §2104D). Patterned
26 after 15 Pa.C.S. §7968(a). The reference in prior law to venue
27 is supplied by the definition of "court" in new 15 Pa.C.S.
28 §1103.

29 15 Pa.C.S. §1977: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§1103 and 1105 (15 P.S. §§2103 and 2105). Patterned

1 after 15 Pa.C.S. §7969. Execution of the articles of dissolution
2 is governed by new 15 Pa.C.S. §1108. The requirement of prior
3 law that proofs of publication be filed is omitted. The
4 requirement that a certificate of dissolution be issued is
5 omitted (cf. new 15 Pa.C.S. §133(e)).

6 15 Pa.C.S. §1978: Substantially a reenactment of act of May
7 5, 1933 (P.L.364, No.106), §1106 (15 P.S. §2106). Patterned
8 after 15 Pa.C.S. §7970.

9 15 Pa.C.S. §1979: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §1111 (15 P.S. §2111). Patterned after 15 Pa.C.S.
11 §7971. The first and last sentences of subsection (b) are added.
12 The reference in prior law to venue is supplied by the
13 definition of "court" in new 15 Pa.C.S. §1103.

14 15 Pa.C.S. §1980: New.

15 15 Pa.C.S. §1981: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §1107A (15 P.S. §2107A). Patterned after 15 Pa.C.S.
17 §7981. The reference to a director in the introductory clause is
18 added. Former paragraph A(1) is omitted. The last sentence of
19 paragraph (3) is added (cf. 15 Pa.C.S. §1767(b)).

20 15 Pa.C.S. §1982: Substantially a reenactment of act of May
21 5, 1933 (P.L.364, No.106), §1107B (15 P.S. §2107B). Patterned
22 after 15 Pa.C.S. §7982. The venue as set forth in prior law is
23 restricted by the definition of "court" in new 15 Pa.C.S. §1103.

24 15 Pa.C.S. §1984: Substantially a reenactment of act of May
25 5, 1933 (P.L.364, No.106), §1108A (15 P.S. §2108A). Patterned
26 after 15 Pa.C.S. §7984. The reference to assets wherever
27 situated is added.

28 15 Pa.C.S. §1985: Substantially a reenactment of act of May
29 5, 1933 (P.L.364, No.106), §1108B (15 P.S. §2108B). Patterned
30 after 15 Pa.C.S. §7985. Reference in prior law to the power of a

1 liquidating receiver to collect any unpaid consideration for
2 shares is supplied by new 15 Pa.C.S. §1526. The references to
3 the disposition of corporate assets and to jurisdiction of the
4 corporation and its property, wherever situated, are added. The
5 former last sentence is supplied by 42 Pa.C.S. §912. See the
6 definition of "officer" in new 15 Pa.C.S. §1103.

7 15 Pa.C.S. §1986: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §1108C (15 P.S. §2108C). Patterned after 15 Pa.C.S.
9 §7986. Reference in prior law to residence as a qualification is
10 omitted.

11 15 Pa.C.S. §1987: Substantially a reenactment of act of May
12 5, 1933 (P.L.364, No.106), §1108D (15 P.S. §2108D), except that
13 references to prescription of the form of proofs of claim and to
14 bar date extensions by the court are added. Patterned after 15
15 Pa.C.S. §7987.

16 15 Pa.C.S. §1988: Patterned after Model Business Corporation
17 Act §101 (1971). Compare act of May 5, 1933 (P.L.364, No.106),
18 §1109 (15 P.S. §2109).

19 15 Pa.C.S. §1989: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §1110 (15 P.S. §2110). Patterned after 15 Pa.C.S.
21 §7989. Dissolution is postponed from issuance of the decree, as
22 provided by the prior law, to the time set forth in the text.

23 15 Pa.C.S. §2101: New. Compare new 15 Pa.C.S. §§2301, 2501,
24 2701 and 2901.

25 15 Pa.C.S. §2102: New. Compare new 15 Pa.C.S. §§2303 and
26 2903.

27 15 Pa.C.S. §2103: New. Compare new 15 Pa.C.S. §2304.

28 15 Pa.C.S. §2104: New. Compare new 15 Pa.C.S. §§2305, 2702
29 and 2905.

30 15 Pa.C.S. §2105: New. Compare new 15 Pa.C.S. §§2307 and

1 2906.

2 15 Pa.C.S. §2121: New.

3 15 Pa.C.S. §2122: New.

4 15 Pa.C.S. §2123: New.

5 15 Pa.C.S. §2124: New.

6 15 Pa.C.S. §2125: New.

7 15 Pa.C.S. §2126: New.

8 15 Pa.C.S. §2301: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §371 (15 P.S. §1371). The prohibition against a
10 management corporation electing statutory close corporation
11 status is new. Compare new 15 Pa.C.S. §§2101, 2501, 2701 and
12 2901.

13 15 Pa.C.S. §2302: Subsection (a) is patterned in part after
14 the Statutory Close Corporation Supplement to the Model Business
15 Corporation Act (1982). See, 37 Bus. Law. 269, 278-9 (1981).
16 Subsection (b) is a generalization of act of May 5, 1933
17 (P.L.364, No.106), §376B (15 P.S. §1376B).

18 15 Pa.C.S. §2303: Substantially a reenactment of act of May
19 5, 1933 (P.L.364, No.106), §373 (15 P.S. §1373). Patterned in
20 part after the Statutory Close Corporation Supplement to the
21 Model Business Corporation Act §3(a) (1982). Compare new 15
22 Pa.C.S. §§2102 and 2903.

23 15 Pa.C.S. §2304: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §372 (15 P.S. §1372). Statutory limitation on the
25 number of shareholders omitted. Cf., Comment 1 to section 3 of
26 the Proposed Statutory Close Corporation Supplement to the Model
27 Business Corporation Act (1981), 37 Bus. Law. 269, 277-8 (1981).
28 Subsection (c) is new except as to record holders in joint or
29 common tenancy or by the entires. Compare new 15 Pa.C.S.
30 §2103.

1 15 Pa.C.S. §2305: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §374 (15 P.S. §1374). Patterned in part after the
3 Statutory Close Corporation Supplement to the Model Business
4 Corporation Act §3(b) (1982). Compare new 15 Pa.C.S. §§2104,
5 2702 and 2905.

6 15 Pa.C.S. §2306: Substantially a reenactment of act of May
7 5, 1933 (P.L.364, No.106), §375 (15 P.S. §1375).

8 15 Pa.C.S. §2307: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §376A (15 P.S. §1376A). Patterned in part after the
10 Statutory Close Corporation Supplement to the Model Business
11 Corporation Act §8(a) (1982). Compare new 15 Pa.C.S. §§2105 and
12 2906.

13 15 Pa.C.S. §2308: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), §377 (15 P.S. §1377). The reference
15 in subsection (a) to section 2321(c) is added. Former subsection
16 C and paragraph (3) of subsection D are supplied by new 15
17 Pa.C.S. §2323.

18 15 Pa.C.S. §2309: Substantially a reenactment of act of May
19 5, 1933 (P.L.364, No.106), §378 (15 P.S. §1378). Execution of
20 the certificates filed in the Department of State is governed by
21 new 15 Pa.C.S. §1108. The reference in prior law to venue is
22 supplied by the definition of "court" in new 15 Pa.C.S. §1103.
23 The reference to enjoining or setting aside a transfer which is
24 in breach of a transfer restriction is supplied by new 15
25 Pa.C.S. §2323.

26 15 Pa.C.S. §2321: Subsection (a) is new (cf. new 15 Pa.C.S.
27 §1528). Subsection (b) is derived from act of May 5, 1933
28 (P.L.364, No.106), §379 (15 P.S. §1379). The reference in the
29 introductory clause of subsection (b)(1) to a bylaw adopted by
30 the shareholders is added. Reference to issuing or selling

1 treasury shares is omitted (cf. new 15 Pa.C.S. §1552).
2 Subsection (c) is patterned after the Statutory Close
3 Corporation Supplement to the Model Business Corporation Act §5
4 (1982).

5 15 Pa.C.S. §2322: Patterned after the Statutory Close
6 Corporation Supplement to the Model Business Corporation Act §4
7 (1982).

8 15 Pa.C.S. §2323: Patterned after the Statutory Close
9 Corporation Supplement to the Model Business Corporation Act §6
10 (1982).

11 15 Pa.C.S. §2324: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §380 (15 P.S. §1380). The references to new 15 Pa.C.S.
13 §2322(a) and new 15 Pa.C.S. Ch. 15D are added.

14 15 Pa.C.S. §2325: Patterned after the Statutory Close
15 Corporation Supplement to the Model Business Corporation Act §14
16 (1982).

17 15 Pa.C.S. §2331: Substantially a reenactment of act of May
18 5, 1933 (P.L.364, No.106), §381 (15 P.S. §1381).

19 15 Pa.C.S. §2332: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §382 (15 P.S. §1382). References to the bylaws are
21 added.

22 15 Pa.C.S. §2333: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §383 (15 P.S. §1383). The reference in prior law to
24 venue is supplied by the definition of "court" in new 15 Pa.C.S.
25 §1103. The last sentence of subsection (a) is added. See the
26 definition of "officer" in new 15 Pa.C.S. §1103.

27 15 Pa.C.S. §2334: Substantially a reenactment of act of May
28 5, 1933 (P.L.364, No.106), §384 (15 P.S. §1384), except that
29 reference in subsection (b)(1) to a bylaw is added. The
30 reference in prior law to venue is supplied by the definition of

1 "court" in new 15 Pa.C.S. §1103.

2 15 Pa.C.S. §2335: Substantially a reenactment of act of May
3 5, 1933 (P.L.364, No.106), §385 (15 P.S. §1385). The final
4 clause is patterned after the Statutory Close Corporation
5 Supplement to the Model Business Corporation Act §17 (1982).

6 15 Pa.C.S. §2336: Patterned in part after the Statutory
7 Close Corporation Supplement to the Model Business Corporation
8 Act §7 (1982).

9 15 Pa.C.S. §2337: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §386 (15 P.S. §1386). References to the bylaws are
11 added. Patterned after the Statutory Close Corporation
12 Supplement to the Model Business Corporation Act §15 (1982).

13 ~~15 Pa.C.S. §2501:~~ New. Compare new 15 Pa.C.S. §§2101, 2301, <—
14 2701 and 2901.

15 ~~15 Pa.C.S. §2502:~~ New.

16 ~~15 Pa.C.S. §2503:~~ New.

17 ~~15 Pa.C.S. §2504:~~ New.

18 ~~15 Pa.C.S. §2511:~~ Codification of existing law as to
19 registered corporations. Compare new 15 Pa.C.S. §1554.

20 ~~15 Pa.C.S. §2512:~~ New.

21 ~~15 Pa.C.S. §2521:~~ New. Compare new 15 Pa.C.S. §1755(b). See
22 new 15 Pa.C.S. §2535.

23 ~~15 Pa.C.S. §2522:~~ New. Compare new 15 Pa.C.S. §1755(c).

24 ~~15 Pa.C.S. §2523:~~ New.

25 ~~15 Pa.C.S. §2524:~~ Patterned in general after Delaware
26 General Corporation Law §228. Compare new 15 Pa.C.S. §1766(b).

27 ~~15 Pa.C.S. §2535:~~ New. Compare new 15 Pa.C.S. §1912(a)(2).
28 See new 15 Pa.C.S. §2521.

29 ~~15 Pa.C.S. §2536:~~ New. Compare new 15 Pa.C.S. §1981.

30 ~~15 Pa.C.S. §2537:~~ New. Compare new 15 Pa.C.S. §1932(c)(1).

1 ~~15 Pa.C.S. §2538:~~ Substantially a reenactment of act of May
2 5, 1933 (P.L.364, No.106), § 910 (15 P.S. § 1910), as added by
3 act of December 23, 1983 (P.L.395, No.92), § 4. The penultimate
4 sentence of subsection (a) is a reenactment of act of December
5 23, 1983 (P.L.395, No.92), § 5. Subsection (h)(1) is new.

6 15 Pa.C.S. §2701 2501: New. Compare new 15 Pa.C.S. §§2101, <—
7 2301, 2501 and ~~2901~~ 2701. <—

8 15 Pa.C.S. §2702 2502: New. Compare new 15 Pa.C.S. §§2104, <—
9 2305 and ~~2905~~ 2705. <—

10 15 Pa.C.S. §2703 2503: New. <—

11 15 Pa.C.S. §2704 2504: New. <—

12 15 Pa.C.S. §2711 2511: New. <—

13 15 Pa.C.S. §2721 2521: New. The provisions of new 15 <—
14 Pa.C.S. Subchapter ~~27C~~ 25C are intended to provide enabling <—
15 legislation consistent with the proposals for mutual fund
16 governance in S.E.C. Investment Company Act Release 12,888
17 (December 10, 1982) (CCH Fed. Sec. L. Rep. Par. 83,303). See new
18 15 Pa.C.S. ~~§2722~~ 2522. <—

19 15 Pa.C.S. §2722 2522: New. See new 15 Pa.C.S. ~~§2721~~ 2521. <—

20 15 Pa.C.S. §2901 2701: Derived from act of July 9, 1970 <—
21 (P.L.461, No.160), §§5(a) and 6(a) (15 P.S. §§2905(a) and
22 2906(a)). The prohibition against a management corporation
23 electing professional corporation status is new. Compare new 15
24 Pa.C.S. §§2101, 2301, ~~2501~~ and ~~2701~~ AND 2501. <—

25 15 Pa.C.S. §2902 2702: Derived from act of July 9, 1970 <—
26 (P.L.461, No.160), §2 (15 P.S. §2902). The definitions of
27 "business corporation" and "professional corporation" appear in
28 new 15 Pa.C.S. §1103.

29 15 Pa.C.S. §2903 2703: Substantially a reenactment of act of <—
30 July 9, 1970 (P.L.461, No.160), §§3 (first paragraph), 6(a) and

1 7 (except last sentence of subsection (a)) (15 P.S. §§2903
2 (first paragraph), 2906(a) and 2907 (except last sentence of
3 subsection (a))), except that the reference in subsection (a) to
4 a heading is added. Compare new 15 Pa.C.S. §§2102 and 2303.

5 15 Pa.C.S. ~~§2904~~ 2704: Derived from act of July 9, 1970 <—
6 (P.L.461, No.160), §5(b) (15 P.S. §2905(b)). Articles of
7 amendment substituted for certificate of acceptance under prior
8 law. Compare new 15 Pa.C.S. §§2305 and ~~2702~~ 2502. <—

9 15 Pa.C.S. ~~§2905~~ 2705: Substantially a reenactment of act of <—
10 July 9, 1970 (P.L.461, No.160), §4(a), (b) and (c) (15 P.S.
11 §2904(a), (b) and (c)). The designation of the document filed is
12 changed from "certificate" to "statement." Former subsection (d)
13 appears as new 15 Pa.C.S. §1311(a)(6).

14 15 Pa.C.S. ~~§2906~~ 2706: New. Compare new 15 Pa.C.S. §§2105 <—
15 and 2307.

16 15 Pa.C.S. ~~§2907~~ 2707: Substantially a reenactment of act of <—
17 July 9, 1970 (P.L.461, No.160), §11(b), (c) and (d). (15 P.S.
18 §2911(b), (c) and (d)). The reference in prior law to venue is
19 supplied by the definition of "court" in new 15 Pa.C.S. §1103.

20 15 Pa.C.S. ~~§2921~~ 2721: Substantially a reenactment of act of <—
21 July 9, 1970 (P.L.461, No.160), §8(a) and (b) (15 P.S. §2908 (a)
22 and (b)), except that reference to the term "P.C." is added.

23 15 Pa.C.S. ~~§2922~~ 2722: Subsection (a) is a reenactment of <—
24 act of July 9, 1970 (P.L.461, No.160), §7(a) (third sentence)
25 (15 P.S. §2907(a) (third sentence)). Subsection (b) is derived
26 from act of July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701
27 note) and is otherwise intended as a codification of existing
28 law.

29 15 Pa.C.S. ~~§2923~~ 2723: Derived from act of July 9, 1970 <—
30 (P.L.461, No.160), §§10 and 11(a) (15 P.S. §§2910 and 2911(a)),

1 and act of July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701
2 note).

3 15 Pa.C.S. §2924 2724: Reenactment of act of July 9, 1970 ←
4 (P.L.461, No.160), §12 (15 P.S. §2912).

5 15 Pa.C.S. §2925 2725: Substantially a reenactment of act of ←
6 July 9, 1970 (P.L.461, No.160), §13 (15 P.S. §2913). As to the
7 nonassessability of shares in subsections (b) and (c), see new
8 15 Pa.C.S. §1524(c).

9 15 Pa.C.S. §4101: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §§3 and 4B(3) (15 P.S. §§1003 and 1004B(3)). Subsection
11 (a) is patterned after 15 Pa.C.S. §8101.

12 ~~15 Pa.C.S. §4102: Patterned in part after California General ←~~
13 ~~Corporation Law §2115(a) and (e). See 15 Pa.C.S. §8145(a) and~~
14 ~~new 15 Pa.C.S. §2502.~~

15 ~~15 Pa.C.S. §4103: Patterned in part after California General~~
16 ~~Corporation Law §2115(c). See new 15 Pa.C.S. §2503.~~

17 ~~15 Pa.C.S. §4104: Patterned in part after California General~~
18 ~~Corporation Law §2115(d). See new 15 Pa.C.S. §2504.~~

19 15 Pa.C.S. §4121: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §§3C and 1001A (15 P.S. §§1003C and 2001A). Patterned
21 after 15 Pa.C.S. §8121. The last sentence of subsection (b) is
22 added.

23 15 Pa.C.S. §4122: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §1001B (15 P.S. §2001B). Patterned after 15 Pa.C.S.
25 §8122. Subsection (a)(7) and (8) is patterned in part after
26 Revised Model Business Corporation Act §15.01(b)(7) and (8)
27 (1984).

28 15 Pa.C.S. §4123: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §1002 (15 P.S. §2002). Patterned after 15 Pa.C.S.
30 §8123. Subsection (b)(1) is added. The requirement of prior law

1 that the application for a certificate of authority contain a
2 statement of the business that the applicant corporation
3 proposes to transact in this Commonwealth appears in new 15
4 Pa.C.S. §134(a).

5 15 Pa.C.S. §4124: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §§1003 and 1004 (15 P.S. §§2003 and 2004). Patterned
7 after 15 Pa.C.S. §8124. The requirements of prior law that a
8 current subsistence certificate be submitted in order to
9 qualify, that the official publication of notice of
10 qualification include the character and nature of the business
11 to be done and the date of qualification, and that the
12 application for a certificate of authority state the business
13 proposed to be done and that such business is authorized by the
14 articles are omitted. Execution of the application for a
15 certificate of authority is governed by new 15 Pa.C.S. §1108.
16 Provisions regarding the corporate name are supplied by new 15
17 Pa.C.S. §4123.

18 15 Pa.C.S. §4125: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §1005 (15 P.S. §2005). Patterned after 15 Pa.C.S.
20 §8125.

21 15 Pa.C.S. §4126: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §1007 (15 P.S. §2007). Patterned after 15 Pa.C.S.
23 §8126. Former subsection B is omitted. The requirement of prior
24 law that a current subsistence certificate be submitted with an
25 application for an amended certificate of authority reflecting a
26 change of name is omitted. Execution of the application for an
27 amended certificate of authority is governed by new 15 Pa.C.S.
28 §1108.

29 15 Pa.C.S. §4127: Compare act of May 5, 1933 (P.L.364,
30 No.106), §1009 (15 P.S. §2009). Patterned after 15 Pa.C.S.

1 §8127. Execution of the statement of merger, consolidation or
2 division is governed by new 15 Pa.C.S. §1108.

3 15 Pa.C.S. §4128: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §§1013 and 1016 (15 P.S. §§2013 and 2016). Patterned
5 after 15 Pa.C.S. §8128.

6 15 Pa.C.S. §4129: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §1015 (15 P.S. §2015). Patterned after 15 Pa.C.S.

8 §8129. Subsection (a)(5) is added. Execution of the application
9 for a certificate of withdrawal is governed by new 15 Pa.C.S.
10 §1108.

11 15 Pa.C.S. §4130: Patterned after 15 Pa.C.S. §8130.

12 15 Pa.C.S. §4131: Patterned in general after Revised Model
13 Business Corporation Act §4.03 (1984).

14 15 Pa.C.S. §4141: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §§4B(3) and 1014 (15 P.S. §§1004B(3) and 2014).

16 Patterned after 15 Pa.C.S. §8141. The last clause of subsection
17 (b) is intended to make clear that, since at least 1966, escheat
18 of property has not been a penalty for failure to qualify as a
19 foreign corporation for profit.

20 15 Pa.C.S. §4142: Subsection (a) is derived from act of May
21 5, 1933 (P.L.364, No.106), §1010A (15 P.S. §2010A), and
22 patterned in part after 15 Pa.C.S. §8142. Subsection (b) is new.

23 15 Pa.C.S. §4143: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §§1010B and 1012 (15 P.S. §§2010B and 2012). Patterned
25 after 15 Pa.C.S. §8143.

26 15 Pa.C.S. §4144: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §1006 (15 P.S. §2006). Patterned after 15 Pa.C.S.
28 §8144.

29 15 Pa.C.S. §4145: Patterned after 15 Pa.C.S. §8145.

30 15 Pa.C.S. §4146: New.

1 affected by this section are as follows:

			Unofficial
<u>Act</u>	<u>Section</u>		<u>Citation</u>
4 1921, No.284	751(a)		40 P.S. § 910-51(a)
5 1937, No.66	3		7 P.S. § 6203
6	7		7 P.S. § 6207
7	13		7 P.S. § 6213
8 1947, No.140	2		63 P.S. § 9.2
9	8.4		63 P.S. § 9.8d
10	8.6		63 P.S. § 9.8f
11 1952, (1951) No.522	8(b)		63 P.S. § 479.8(b)
12	8(d)		63 P.S. § 479.8(d)
13 1959, No.606	4		15 P.S. § 2704
14	8		15 P.S. § 2708
15	9.1		15 P.S. § 2709.1
16 1965, No.356	802		7 P.S. § 802
17	1204		7 P.S. § 1204
18	1207		7 P.S. § 1207
19	1222		7 P.S. § 1222

20 DIVISION III

21 Section 301(a): The provisions repealed by this subsection
22 are supplied in this act as follows (an asterisk indicates that
23 a provision is repealed in part):

24 Repealed	Unofficial		Superseding
25 Act	Section	Citation	Provision of
26			Title 15
27			(unless otherwise noted)

1	1838, No.22	-	15 P.S. § 4064	Obsolete
2	1840, No.91	1	15 P.S. § 4313	Obsolete
3		2	15 P.S. § 4314	Obsolete
4	1842, No.14	1	15 P.S. § 4301 note	Obsolete
5	1843, No.173	1-7	-	Special
6		8	-	Repealed 1917
7		9	-	Special
8		10	15 P.S. § 4320	Obsolete
9		11-18	-	Special
10	1845, No.243	1	15 P.S. § 4163	Obsolete
11	1847, No.273	1	15 P.S. § 4002	1755(a), 1732(a)
12		2	15 P.S. § 4012	Obsolete
13	1847, No.276	1	15 P.S. § 4161	66 Pa.C.S. § 2701
14	1848, No.1	1	15 P.S. § 4315	Obsolete
15		2	-	Obsolete
16		3	15 P.S. § 4321	Obsolete
17		4	-	Obsolete
18	1848, No.363	1-3	-	Obsolete
19		4	15 P.S. § 4316	Obsolete
20		5	-	Obsolete
21	1849, No.76	1	15 P.S. § 3953	Obsolete
22		2	15 P.S. § 3901	Ch.13A
23		3	15 P.S. § 3902	1310, 1504, 1732
24		4	15 P.S. § 3965	Chs.11 to 19
25		5	15 P.S. § 4003	Ch.17D
26		6	15 P.S. § 4020	Chs.11 to 19
27		7	15 P.S. § 3954	Ch.15B
28		8	15 P.S. § 3955	Ch.15B
29		9	15 P.S. § 3956	Ch.15C
30		10	15 P.S. § 4061	1511

1		11	-	Repealed 1978
2		12	-	Repealed 1978
3		13	15 P.S. § 4067	66 Pa.C.S. § 2704
4		14	-	Repealed 1978
5		15	-	Repealed 1972
6		16	-	Repealed 1860
7		17	-	Repealed 1968
8		18	-	Repealed 1978
9		19	15 P.S. § 4062	Obsolete
10		20	15 P.S. § 3903	501
11	1853, No.239	1	15 P.S. § 4072 note	Obsolete
12	1856, No.74	1	15 P.S. § 4208	1510
13	1857, No.595	1	15 P.S. § 4206	1903
14	1857, No.664	1	15 P.S. § 4317	66 Pa.C.S. § 2702
15	1858, No.402	1	15 P.S. § 4318	1511
16	1859, No.293	1	15 P.S. § 4254	Obsolete
17	1861, No.3	1	68 P.S. § 55	4143(a), Sec. 301(a)
18				of Act
19	1861, No.262	1	15 P.S. § 118	1903
20		2	-	Supplied 1878
21	1861, No.379	1	15 P.S. § 4255	1502
22	1861, No.405	1	68 P.S. § 32	4143(a)
23			68 P.S. § 51	Section 301(a) of Act
24	1861, No.453	1	15 P.S. § 4254 note	Obsolete
25	1861, No.657	1	15 P.S. § 4262	1921
26		2	15 P.S. § 4263	1922-24
27		3	15 P.S. § 4264	Ch.15D, 1928-30
28	1862, No.148	1	15 P.S. § 4301 note	Obsolete
29		2	15 P.S. § 4301 note	Obsolete
30		3	15 P.S. § 4301 note	Obsolete

1	1862, No.490	1	15 P.S. § 4077	1511
2	1863, No.530	1	15 P.S. § 4073	Obsolete
3	1865, No.18	1	15 P.S. § 4071	1511
4	1865, No.28	1	-	Repealed 1968
5		2	15 P.S. § 4019	1723
6	1865, No.35	1	15 P.S. § 4272	1921
7		2	15 P.S. § 4273	1922-24
8		3	15 P.S. § 4274	1928
9		4	15 P.S. § 4275	1929(a)
10		5	15 P.S. § 4276	1926
11		6	15 P.S. § 4277	1929(b)
12		7	15 P.S. § 4278	1929(c)
13		8	15 P.S. § 4279	1930
14	1865, No.626	2	68 P.S. § 59	4143(a), Sec. 301(a)
15				of Act
16	1865, No.837	1	15 P.S. § 3966	1758(a)
17	1865, No.839	1	15 P.S. § 4162	Obsolete
18	1865, No.841	1	15 P.S. § 4213	1903
19	1866, No.273	1	53 P.S. § 16433 note	Obsolete
20		2	-	Obsolete
21		3	-	Obsolete
22		4	53 P.S. § 16433	Obsolete
23		5	53 P.S. § 16434	Obsolete
24	1866, No.95	1	15 P.S. § 4004	1765
25	1867, No.1283	1	15 P.S. § 4001	1722
26	1867, No.40	1	15 P.S. § 3962	1523
27	1868, No.4	1	15 P.S. § 4013	1755(a), 1732(a)
28	1868, No.267	1	15 P.S. § 118 note	Obsolete
29	1868, No.335	1	15 P.S. § 118 note	Obsolete
30	1868, No.17	1	15 P.S. § 111	1502(a)

1	1868, No.20	1	15 P.S. § 4271	Obsolete
2	1868, No.29	1	15 P.S. § 3904	Ch.13A, 1502
3		2	15 P.S. § 3906	Obsolete
4		3	-	Repealed 1978
5		4	15 P.S. § 3951	Obsolete
6		5	15 P.S. § 3909	1309
7		6	-	Repealed 1968
8		7	15 P.S. § 4018	1722, 1723
9		8	-	Repealed 1968
10		9	15 P.S. § 4070 note	Supplied 1917
11		10	-	Repealed 1978
12		11	-	Repealed 1978
13		12	15 P.S. § 3912	Obsolete
14		13	15 P.S. § 3913	501
15	1868, No.61	1	15 P.S. § 4260	1502(a)(6)
16	1869, No.9	1	15 P.S. § 4042	1502(a)(6)-(8)
17	1869, No.10	1	15 P.S. § 4010	1722, 1723, 1730,
18				1732
19		2	15 P.S. § 3941	1502(a)(15), 1703,
20				1704
21	1869, No.11	1	15 P.S. § 4081	1511
22		2	15 P.S. § 4082	1511
23	1869, No.16	1	15 P.S. § 4303	1511
24	1869, No.24	1	15 P.S. § 4269	1929
25	1869, No.33	1	15 P.S. § 4041	1502(a)(6)-(8)
26	1869, No.70	1	68 P.S. § 55 note	4143(a), Sec. 301(a)
27				of Act
28	1870, No.8	1	15 P.S. § 4259	Obsolete
29	1870, No.26	1	15 P.S. § 856	503
30	1870, No.46	1	15 P.S. § 4204	1502(a)(6)

1	1870, No.13	1	15 P.S. § 3903 note	503, 66 Pa.C.S. § 503
2	1870, No.48	1	15 P.S. § 4270	1502, 1921
3	1870, No.1170	1	15 P.S. § 4281	1921
4	1871, No.61	1	15 P.S. § 4322	66 Pa.C.S. § 1102
5	1871, No.232	1	15 P.S. § 3917	1301
6		2	15 P.S. § 3918	Obsolete
7	1871, No.234	1	15 P.S. § 4083	1511
8	1871, No.830	1	15 P.S. § 4261	1502, 1921
9	1871, No.263	1	15 P.S. § 3952	Obsolete
10	1872, No.25	1	15 P.S. § 4084	1511
11	1872, No.39	1	15 P.S. § 851	1985
12		2	-	Repealed 1971
13		3	-	Repealed 1978
14	1873, No.95	1	15 P.S. § 4063 note	Obsolete
15	1873, No.450	1	15 P.S. § 3601 note	Supplied 1901
16		2	15 P.S. § 3601 note	Supplied 1901
17	1873, No.219	1	15 P.S. § 4011	1732
18	1873, No.303	1	15 P.S. § 4323	Obsolete
19		2	15 P.S. § 4324	Obsolete
20	1874, No.13	1	15 P.S. § 3017 note	505
21	1874, No.36	1	15 P.S. § 853	Chs. 19F, 19G
22	1874, No.32	1	15 P.S. § 3012	1301
23		2 subd.1	-	Repealed 1933
24		2 subd.2	15 P.S. § 3014	1301
25		2.1	15 P.S. § 3011	1305
26		3	15 P.S. § 3016	1306, 1307, 1308,
27				1309
28		4	15 P.S. § 3015	501, 1502(a)(1)
29		5	15 P.S. § 3101	1504
30			15 P.S. § 3102	Ch.17B

1	6	15 P.S. § 3104	1756
2	7	-	Repealed 1966
3	8	-	Repealed 1966
4	9	15 P.S. § 3106	1725(c)
5	10	15 P.S. § 3105 note	1758
6	11	15 P.S. § 3132	1529
7	12	15 P.S. § 3135	1502, Ch.15B
8	13	-	Repealed 1966
9	14	15 P.S. § 3136	1526
10	15	15 P.S. § 3137	1553
11	16	-	Repealed 1913
12	17	15 P.S. § 3131	Ch.15B
13	18	15 P.S. § 3025	1924
14	19	15 P.S. § 3026	Ch.19C
15	20	15 P.S. § 3027	1765
16	21	15 P.S. § 3028	Ch.17D
17	22	15 P.S. § 3029	1927
18	23	15 P.S. § 3024	1921
19	24	15 P.S. § 3139	1526
20	25	15 P.S. § 3020	Obsolete
21	26	-	Repealed 1966
22	27	40 P.S. § 382 note	Supplied 1876
23	28	40 P.S. § 552	Supplied 1876
24	29	-	Supplied 1921
25	30	-	Repealed 1966
26	31	-	Repealed 1966
27	32	-	Repealed 1966
28	33	15 P.S. § 3301	66 Pa.C.S. § 1103
29	33c1.1	15 P.S. § 3302	1511
30	33c1.2	15 P.S. § 3303	1511

1	33cl.3	-	Repealed 1966
2	33cl.4	-	Repealed 1968
3	33cl.5	-	Repealed 1966
4	34	15 P.S. § 3201	Obsolete
5	34cl.1	15 P.S. § 3221	1511
6	34cl.2	15 P.S. § 3241	1511
7	34cl.3	-	Repealed 1966
8	34cl.4	15 P.S. § 3248	1511
9	34cl.5	-	Repealed 1972
10	34cl.6	-	Repealed 1972
11	34cl.7	15 P.S. § 3202	Repealed 1985, Sec.
12			301(a) of Act
13	35	-	Repealed 1963
14	36	-	Repealed 1963
15	37	-	Repealed 1966
16	38	-	Repealed 1959
17	39	15 P.S. § 3133	Obsolete
18	39cl.1	-	Repealed 1913
19	39cl.2	15 P.S. § 3134	1524
20	39cl.3-5	-	Repealed 1966
21	39cl.6	-	Repealed 1968
22	39cl.7-10	-	Repealed 1966
23	39cl.11	-	Repealed 1968
24	39cl.12	-	Repealed 1966
25	39cl.13	-	Repealed 1968
26	40	15 P.S. § 3166	Ch.19B
27	41	15 P.S. § 3021	1511(g)(2)
28		15 P.S. § 3022	
29		15 P.S. § 3023	
30	42	-	Repealed 1963

1		43	-	Repealed 1966
2		44	-	Repealed 1966
3		45	-	Repealed 1963
4		46	-	Repealer
5	1874, No.64	1	15 P.S. § 3017 note	Obsolete
6	1874, No.117	1	15 P.S. § 4149	Obsolete
7		2	15 P.S. § 4150	Obsolete
8	1874, No.162	1	15 P.S. § 3907	Obsolete
9		2	15 P.S. § 3910	Obsolete
10		3	15 P.S. § 3911	1309
11		4	-	Repealer
12	1874, No.169	1	15 P.S. § 4078	66 Pa.C.S. § 2702
13	1874, No.175	1	15 P.S. § 3942	1508
14	1875, No.9	1	15 P.S. § 4063	Obsolete
15	1875, No.30	1	15 P.S. § 3919	Obsolete
16	1876, No.36	1	15 P.S. § 3105	1758(c)
17	1876, No.45	1	15 P.S. § 12903	9102
18	1876, No.52	1	15 P.S. § 3305	1511
19		2	15 P.S. § 3306	1511
20		3	15 P.S. § 3307	Obsolete
21		4	15 P.S. § 3308	1511
22	1876, No.57	1	15 P.S. § 4212	1903
23	1876, No.93	1	68 P.S. § 57 note	4143(a), Sec. 301(a)
24				of Act
25	1876, No.128	1	15 P.S. § 3916	Obsolete
26	1878, No.108	1	68 P.S. § 60	4143(a), Sec. 301(a)
27				of Act
28	1878, No.184	1	15 P.S. § 118	Amendatory
29		2	15 P.S. § 119	Obsolete
30		3	-	Repealed 1968

1	1878, No.224	1	15 P.S. § 4203	Obsolete
2	1879, No.26	1	15 P.S. § 4201 note	Obsolete
3	1881, No.8	1	66 P.S. § 57 note	4143(a), Sec. 301(a)
4				of Act
5	1881, No.31	1	15 P.S. § 3920	Obsolete
6		2	15 P.S. § 3921	Obsolete
7		3	-	Repealed 1968
8	1881, No.30	1	15 P.S. § 3909 note	Obsolete
9	1883, No.40	1	15 P.S. § 3909 note	Obsolete
10	1883, No.52	1	15 P.S. § 4068	1511
11		2	15 P.S. § 4069	Ch.19B
12	1883, No.54	1	15 P.S. § 3014 note	Amendatory
13		2	15 P.S. § 3351	1511
14		3	15 P.S. § 3352	1511
15			15 P.S. § 3353	
16			15 P.S. § 3354	
17	1883, No.108	1	15 P.S. § 3161	Ch.19B
18		2	15 P.S. § 3162	Ch.19B
19		3	15 P.S. § 3163	Ch.19B
20		4	15 P.S. § 3164	Ch.19B
21		5	-	Repealed 1966
22		6	-	Repealed 1966
23		7	15 P.S. § 3001	Obsolete
24			15 P.S. § 3160	Obsolete
25	1883, No.165	1	15 P.S. § 4325	Obsolete
26	1885, No.32	1	15 P.S. § 3541	Ch.13A
27		2	15 P.S. § 3542	Ch.13A
28			15 P.S. § 3543	
29		3	-	Repealed 1966
30		4	-	Repealed 1966

1		5	15 P.S. § 3546	Ch.19B
2		6-9	-	Repealed 1966
3		10	15 P.S. § 3547	1511
4			15 P.S. § 3549	
5			15 P.S. § 3550	
6			15 P.S. § 3551	
7			15 P.S. § 3552	
8		11	15 P.S. § 3553	1511
9		12	-	Repealed 1978
10		13	15 P.S. § 3555	1511
11		14-16	-	Repealed 1966
12		17	15 P.S. § 3545	Ch.19C
13		18	-	Repealed 1972
14		19	-	Repealed 1966
15		20	-	Repealed 1921
16		21	-	Repealed 1966
17		22	-	Repealed 1921
18		23	-	Repealer
19	1885, No.155	-	15 P.S. § 4211	1903
20	1887, No.44	1	15 P.S. § 3958	1524
21		2	15 P.S. § 3959	1524
22		3	-	Repealed 1968
23		4	15 P.S. § 3960	Obsolete
24		5	15 P.S. § 3961	Obsolete
25	1887, No.162	1	15 P.S. § 4079	66 Pa.C.S. § 2702
26		2	15 P.S. § 4080	66 Pa.C.S. § 2702
27	1887, No.242	1	68 P.S. § 57	4143(a), Sec. 301(a)
28				of Act
29	1889, No.108	1	15 P.S. § 425	Ch.17D
30		2	15 P.S. § 426	Ch.17D

1	1889, No.153	1	15 P.S. § 3014 note	Amendatory
2		2	15 P.S. § 3271	1511
3		3	15 P.S. § 3274	Obsolete
4		4	15 P.S. § 3272	1511
5	1889, No.223	1	15 P.S. § 4282	Ch.19C
6		2	15 P.S. § 4283	Ch.19C
7		3	-	Effective date
8	1891, No.231	1	15 P.S. § 3923	Ch.19B
9		2	15 P.S. § 3924	Ch.19B
10	1893, No.90	1	15 P.S. § 425	Amendatory
11		2	15 P.S. § 426	Amendatory
12		3	15 P.S. § 427	1760
13	1893, No.103	1	15 P.S. § 3249	1511
14		2	15 P.S. § 3250	1511
15		3	15 P.S. § 3251	1511
16	1893, No.289	1	15 P.S. § 420	1507, 1704, 1755
17	1895, No.116	1	15 P.S. § 3252	1502
18	1895, No.172	1	15 P.S. § 721	1528
19		2	-	Repealer
20	1895, No.176	1	68 P.S. § 56	4143(a), Sec. 301(a)
21				of Act
22	1895, No.302	1	15 P.S. § 3243	1511
23		2	15 P.S. § 3244	1511
24	1895, No.309	1	15 P.S. § 3242	1502
25	1901, No.1	1	15 P.S. § 681	Ch.15B
26		2	15 P.S. § 682	Ch.15B
27		3	15 P.S. § 683	Ch.15B
28		4	15 P.S. § 107	1502
29	1901, No.2	1	15 P.S. § 4005	1724(b)
30			15 P.S. § 4006	1724(b)

1			15 P.S. § 4007	1724(b)
2			15 P.S. § 4008	1725(c)
3			15 P.S. § 4009	1724
4	1901, No.20	1	15 P.S. § 4284	Ch.19C
5		2	15 P.S. § 4285	Ch.19C
6			15 P.S. § 4286	Ch.19C
7			15 P.S. § 4287	Ch.19C
8		3	15 P.S. § 4288	Ch.19C
9			15 P.S. § 4289	Ch.15D
10		4	15 P.S. § 4290	1502
11	1901, No.29	1	15 P.S. § 4280	1511
12	1901, No.36	1	15 P.S. § 7701 note	Obsolete
13	1901, No.177	1	15 P.S. § 3245	1502
14	1901, No.207	1	15 P.S. § 3013	1302
15	1901, No.329	1	15 P.S. § 3017 note	Obsolete
16	1903, No.41	1	15 P.S. § 121	1502
17	1903, No.52	1	15 P.S. § 430	1755, 1765
18		2	-	Repealer
19	1903, No.185	1	15 P.S. § 904	Ch.19B
20		2	-	Repealer
21	1903, No.208	1	15 P.S. § 4072	Obsolete
22	1905, No.39	1	-	Amendatory
23		2	15 P.S. § 3135 note	Obsolete
24	1905, No.184	1	15 P.S. § 4043	1502
25	1907, No.287	1	15 P.S. § 3211	1511
26	1909, No.154		15 P.S. § 3017 note	Obsolete
27	1909, No.229	1	15 P.S. § 801	Ch.19C
28		2	15 P.S. § 802	Ch.19C
29		3	15 P.S. § 803	Ch.19C
30		4	15 P.S. § 804	Ch.19C

1		5	15 P.S. § 805	Ch.15D
2	1911, No.15	1	15 P.S. § 3017 note	Obsolete
3	1911, No.165	1	15 P.S. § 854	1985
4		2	15 P.S. § 855	1985
5		3	15 P.S. § 855 note	Validating act
6		4	-	Repealer
7	1911, No.243	1	-	Amendatory
8		2	15 P.S. § 3014 note	Obsolete
9	1913, No.77	1	15 P.S. § 855 note	Obsolete
10	1913, No.149	1	15 P.S. § 3271 note	Obsolete
11	1913, No.304	1	15 P.S. § 3271 note	Obsolete
12		2	15 P.S. § 3271 note	Obsolete
13	1917, No.61	1	15 P.S. § 3548	1511
14	1917, No.78	1	15 P.S. § 3017 note	Obsolete
15	1917, No.126	1	15 P.S. § 409	1730
16	1917, No.258	1	15 P.S. § 903	1502(a)(13)
17	1917, No.382	1	15 P.S. § 4070	1511
18	1919, No.52	1	15 P.S. § 907	Obsolete
19	1919, No.132	1	15 P.S. § 118 note	Obsolete
20	1919, No.135	1	15 P.S. § 3544	Ch.19B
21		2	-	Repealer
22	1919, No.249	1	15 P.S. § 3273	1502
23		2	-	Repealer
24	1919, No.456	1	15 P.S. § 3309	Ch.13A
25		2	15 P.S. § 3310	1511
26		3	15 P.S. § 3311	1511
27		4	15 P.S. § 3323	1502
28		5	15 P.S. § 3324	Ch.19C
29		6	15 P.S. § 3325	Ch.15D
30		7	15 P.S. § 3326	1502

1		8	15 P.S. § 3327	1502
2		9	15 P.S. § 3312	Obsolete
3		10	15 P.S. § 3313	Obsolete
4		11	15 P.S. § 3314	Obsolete
5		12	15 P.S. § 3315	Obsolete
6		13	-	Repealer
7	1921, No.334	1	15 P.S. § 3328	1502
8		2	15 P.S. § 3329	1502
9		3	15 P.S. § 3330	Ch.19C
10		4	15 P.S. § 3331	Ch.19C
11		5	15 P.S. § 3332	Ch.15D
12		6	15 P.S. § 3333	1502
13		7	15 P.S. § 3334	1502
14		8	15 P.S. § 3335	1502
15		9	15 P.S. § 3336	1502
16		10	15 P.S. § 3337	Omitted
17		11	15 P.S. § 3338	Ch.15D
18		12	15 P.S. § 3339	Obsolete
19		13	-	Repealer
20	1921, No.426	1	-	Repealed 1966
21		2	15 P.S. § 604	Obsolete
22		3	-	Repealed 1949
23		4	15 P.S. § 419	1704(b)
24		5	-	Repealed 1966
25		6	-	Repealer
26	1923, No.19	1	15 Pa.S. § 3017 note	Obsolete
27	1923, No.185	1	-	Repealed 1933
28		2	-	Repealed 1933
29		3	-	Validating act
30	1925, No.7	1	15 P.S. § 3017 note	Obsolete

1	1925, No.131	2	15 P.S. § 102 note	Obsolete
2	1927, No.32	1	15 P.S. § 3017 note	Obsolete
3	1927, No.97	1	15 P.S. § 3222	1502
4	1927, No.169	1	15 P.S. § 4371	1502
5		2	15 P.S. § 4372	Ch.19C
6		3	15 P.S. § 4373	Ch.19C
7		4	15 P.S. § 4374	Ch.19C
8		5	15 P.S. § 4375	Ch.19C
9		6	15 P.S. § 4376	Obsolete
10		7	15 P.S. § 4377	66 Pa.C.S. § 1102
11	1927, No.327	1	15 P.S. § 12901	Obsolete
12		2	15 P.S. § 12902	Obsolete
13		3	-	Repealer
14	1929, No.84	1	-	Amendatory
15		2	15 P.S. § 110 note	Obsolete
16	1929, No.175	805*	71 P.S. § 275*	Ch.1B
17	1929, No.176	730*	72 P.S. § 730*	Obsolete
18		1401*	72 P.S. § 1401*	1957(c), 5957(c)
19	1929, No.200	1	15 P.S. § 3017 note	Obsolete
20	1929, No.234	1	15 P.S. § 115	1511(g)(2)
21		2	15 P.S. § 116	1511(g)(2)
22	1929, No.241	1	-	Amendatory
23		2	15 P.S. § 110 note	Obsolete
24	1931, No.338	1	15 P.S. § 4251	1502
25		2	15 P.S. § 4252	Ch.19C
26		3	-	Repealed 1978
27		4	-	Repealer
28		5	-	Effective date
29	1933, No.28	1	15 P.S. § 3017 note	Obsolete
30	1933, No.80	1	15 P.S. § 651	Ch.15B

1	2	15 P.S. § 652	Ch.15B
2	3	15 P.S. § 653	Ch.15B
3	4	15 P.S. § 654	Ch.15B
4	5	15 P.S. § 655	Ch.15B
5	6	15 P.S. § 656	Ch.15B
6	7	15 P.S. § 657	Ch.15B
7	8	15 P.S. § 658	Ch.15B
8	9	15 P.S. § 659	Ch.15C
9	10	15 P.S. § 660	Ch.19B
10	11	15 P.S. § 661	Ch.15B
11	12	15 P.S. § 662	Ch.15B
12	13	15 P.S. § 663	Obsolete
13	14	-	Repealer
14	15	15 P.S. § 664	Obsolete
15	16	-	Effective date
16	1933, No.106	1 15 P.S. § 1001	1101
17		2 15 P.S. § 1002	1103
18		3A 15 P.S. § 1003A	1102, 4101
19		3B 15 P.S. § 1003B	501
20		3C 15 P.S. § 1003C	4121(b)
21		4A 15 P.S. § 1004A	1102
22		4B 15 P.S. § 1004B	1102
23		4B(3) 15 P.S. § 1004B(3)	4101, 4141
24		5A 15 P.S. § 1005A	110
25			1 Pa.C.S. § 1976
26		5B 15 P.S. § 1005B	1 Pa.C.S. § 1962
27		5C 15 P.S. § 1005C	1 Pa.C.S. §§ 1961,
28			1976
29		5D 15 P.S. § 1005D	1106
30		5E 15 P.S. § 1005E	1105

1	6A	15 P.S. § 1006A	1 Pa.C.S. § 1925
2	6B	15 P.S. § 1006B	1 Pa.C.S. § 1937
3	6C	15 P.S. § 1006C	1107
4	6D	15 P.S. § 1006D	103, 104
5	6E	15 P.S. § 1006E	1 Pa.C.S. §§ 1902,
6			1924
7	7	15 P.S. § 1007	105
8	8A	15 P.S. § 1008A	1702(a), 1704(b)
9	8B	15 P.S. § 1008B	1705(a)
10	8C	15 P.S. § 1008C	1705(b)
11	8D	15 P.S. § 1008D	1706
12	8E	15 P.S. § 1008E	1708
13	9	15 P.S. § 1009	106
14	10	15 P.S. § 1010	131-136
15	11	-	Repealed 1978
16	12	15 P.S. § 1012	504
17	13	15 P.S. § 1013	505
18	14	15 P.S. § 1014	506
19	15	15 P.S. § 1015	Omitted
20	16	15 P.S. § 1016	Omitted
21	201	15 P.S. § 1201	1301, 1302
22	202A	15 P.S. § 1202A	1303(a)
23	202B	15 P.S. § 1202B	1303(b)
24	202C	15 P.S. § 1202C	1303(d)
25	202D	15 P.S. § 1202D	1303(e)
26	202E	15 P.S. § 1202E	1304(a)
27	202F	15 P.S. § 1202F	1303(c)
28	202G	15 P.S. § 1202G	1304(b)
29	203	15 P.S. § 1203	1305
30	204	15 P.S. § 1204	1306

1	205	15 P.S. § 1205	1307
2	206A	15 P.S. § 1206A	1308
3	206B	15 P.S. § 1206B	134
4	206C	15 P.S. § 1206C	134
5	207	15 P.S. § 1207	1309
6	208	-	Repealed 1957
7	209	-	Repealed 1972
8	209.1	-	Repealed 1972
9	209.2	-	Repealed 1972
10	210	15 P.S. § 1210	1310
11	211	15 P.S. § 1211	501
12	301	15 P.S. § 1301	1501
13	302	15 P.S. § 1302	1502
14	303	15 P.S. § 1303	1503
15	304	15 P.S. § 1304	1504(a)
16	305	15 P.S. § 1305	1505, 1506
17	306	15 P.S. § 1306	1507(a)
18	307	15 P.S. § 1307	1507(b)
19	308	15 P.S. § 1308	1508
20	309	-	Repealed 1957
21	309.1	15 P.S. § 1309.1	1531
22	310	-	Repealed 1968
23	311A	15 P.S. § 1311A	1932(a), 1932(d)
24	311B	15 P.S. § 1311B	1932(b)
25	311C	15 P.S. § 1311C	1932(f)
26	311D	15 P.S. § 1311D	1932(c)
27	311E	15 P.S. § 1311E	1932(e)
28	311F	15 P.S. § 1311F	1571(b)(3)
29	312	15 P.S. § 1312	Omitted
30	313	15 P.S. § 1313	1510(a)

1	314	15 P.S. § 1314	1502(a)(12)
2	315	15 P.S. § 1315	1502(a)(13)
3	316	15 P.S. § 1316	1502(a)(14)
4	317	-	Repealed 1968
5	318	15 P.S. § 1318	1554
6	319	15 P.S. § 1319	1903(a)
7	320	15 P.S. § 1320	1903(b)
8	321	15 P.S. § 1321	1509
9	322	15 P.S. § 1322	1511
10	371	15 P.S. § 1371	2301(a)-(c)
11	372	15 P.S. § 1372	2304
12	373	15 P.S. § 1373	2303
13	374	15 P.S. § 1374	2305
14	375	15 P.S. § 1375	2306
15	376A	15 P.S. § 1376A	2307
16	376B	15 P.S. § 1376B	2302(b)
17	377	15 P.S. § 1377	2308
18	378	15 P.S. § 1378	2309
19	379	15 P.S. § 1379	2321(b)
20	380	15 P.S. § 1380	2324
21	381	15 P.S. § 1381	2331(b), (c)
22	382	15 P.S. § 1382	2332
23	383	15 P.S. § 1383	2333
24	384	15 P.S. § 1384	2334
25	385	15 P.S. § 1385	2335
26	386	15 P.S. § 1386	2337
27	401	15 P.S. § 1401	1721(a), 1722,
28			1724(a), 1725(a),
29			1730
30	402	15 P.S. § 1402	1722, 1723,

1			1725(b)
2	402(1)	15 P.S. § 1402(1)	1724(a)
3	402(2)	15 P.S. § 1402(2)	1723
4	402(3)	15 P.S. § 1402(3)	1725(c)
5	402(4)	15 P.S. § 1402(4)	1703(a)
6	402(5)	15 P.S. § 1402(5)	1727(a)
7	402(6)	15 P.S. § 1402(6)	1731(a)
8	402(7)	15 P.S. § 1402(7)	1727(b)
9	403	15 P.S. § 1403	1724(b), 1725(b),
10			1758(c)
11	404	15 P.S. § 1404	1702(b), 1703(b)
12	405	15 P.S. § 1405	1726(a)-(c)
13	406	15 P.S. § 1406	1732
14	407	15 P.S. § 1407	1733
15	408	-	Repealed 1986
16	409	-	Repealed 1968
17	409.1A	15 P.S. § 1409.1A	1728(a)
18	409.1B	15 P.S. § 1409.1B	1728(b)
19	409.1C	15 P.S. § 1409.1C	1770
20	410A	15 P.S. § 1410A	1741
21	410B	15 P.S. § 1410B	1742
22	410C	15 P.S. § 1410C	1743
23	410D	15 P.S. § 1410D	1744
24	410E	-	Repealed 1986
25	410F	15 P.S. § 1410F	1746, 1750
26	410G	15 P.S. § 1410G	1747
27	501A	15 P.S. § 1501A	1704(a)
28	501B	15 P.S. § 1501B	1755(a)
29	501C	15 P.S. § 1501C	1704(b), 1755(b)
30	501D	15 P.S. § 1501D	1755(c)

1	502	15 P.S. § 1502	1702(b), 1704(b)
2	503A	15 P.S. § 1503A	1756
3	503A(1)	15 P.S. § 1503A(1)	1757(a)
4	503A(2)	15 P.S. § 1503A(2)	1756(a)
5	503A(3)	15 P.S. § 1503A(3)	1756(b)
6	503B	15 P.S. § 1503B	1757(b)
7	504A	15 P.S. § 1504A	1758(a), 1759
8	504B	15 P.S. § 1504B	1758(d)
9	505	15 P.S. § 1505	1758(b), (c)
10	506	15 P.S. § 1506	1760
11	507	15 P.S. § 1507	1761
12	508	15 P.S. § 1508	1762
13	509	15 P.S. § 1509	1763(a)
14	510	15 P.S. § 1510	1764
15	511	15 P.S. § 1511	1768
16	512	15 P.S. § 1512	1765
17	513	15 P.S. § 1513	1766
18	513.1	15 P.S. § 1513.1	1767
19	514	-	Repealed 1966
20	515A	15 P.S. § 1515A	1571(a)
21	515B	15 P.S. § 1515B	1573, 1574
22	515C	15 P.S. § 1515C	1579
23	515D	15 P.S. § 1515D	1577
24	515E	15 P.S. § 1515E	1577
25	515F	15 P.S. § 1515F	1579
26	515G	15 P.S. § 1515G	1579(d)
27	515H	15 P.S. § 1515H	1580
28	515I	15 P.S. § 1515I	1576, 1577
29	515J	15 P.S. § 1515J	Omitted
30	515K	15 P.S. § 1515K	1105

1	515L	15 P.S. § 1515L	1571(b)
2	515M	15 P.S. § 1515M	1571(b)
3	516	15 P.S. § 1516	1782
4	601	15 P.S. § 1601	1521
5	602	15 P.S. § 1602	1522
6	603	15 P.S. § 1603	1523
7	604	15 P.S. § 1604	1524
8	605	15 P.S. § 1605	1524
9	606	15 P.S. § 1606	1524
10	607	15 P.S. § 1607	1528(b)-(e)
11	608	15 P.S. § 1608	1527
12	609	15 P.S. § 1609	1526
13	610	15 P.S. § 1610	1524(c)
14	611	15 P.S. § 1611A	1530
15		15 P.S. § 1611B	Omitted
16		15 P.S. § 1611C	Omitted
17	612	15 P.S. § 1612	1525
18	613A	15 P.S. § 1613A	1529(a)
19	613B	15 P.S. § 1613B	110, 1502(a)(15),
20			1502(a)(16), 1508
21	613.1	15 P.S. § 1613.1	1529(b)-(f)
22	614	15 P.S. § 1614	Omitted
23	615	15 P.S. § 1615	1532
24	701	15 P.S. § 1701	1521(b), 1552(a), 1906
25	702	15 P.S. § 1702	1551
26	702.1	15 P.S. § 1702.1	1524(b)
27	703	15 P.S. § 1703	1551
28	704	15 P.S. § 1704	Omitted
29	705	-	Repealed 1966
30	706	15 P.S. § 1706	Omitted

1	707	15 P.S. § 1707	1553
2	708	15 P.S. § 1708	1552(a)
3	709	15 P.S. § 1709	1552(a)
4	801	15 P.S. § 1801	1911
5	802	15 P.S. § 1802	1912
6	803	15 P.S. § 1803	1913
7	804	15 P.S. § 1804	1914
8	805	15 P.S. § 1805	1914
9	806	15 P.S. § 1806	1915
10	807	15 P.S. § 1807	Omitted
11	808	15 P.S. § 1808	1916(a)
12	809	15 P.S. § 1809	1915, 1916(b)
13	810	15 P.S. § 1810	1917
14	901	15 P.S. § 1901	1921(a), (b)
15	902A	15 P.S. § 1902A	1922(a)
16	902B	15 P.S. § 1902B	1922(c), 1923
17	902C	15 P.S. § 1902C	1924(a), (c)
18	902D	15 P.S. § 1902D	1925
19	902.1	15 P.S. § 1902.1	1924(b)
20	903	15 P.S. § 1903	1926
21	904	-	Repealed 1966
22	905	15 P.S. § 1905	1927
23	906	15 P.S. § 1906	1928
24	907	15 P.S. § 1907	1929
25	908	15 P.S. § 1908	1930
26	909	15 P.S. § 1909	4161
27	910	15 P.S. § 1910	2538
28	1001A	15 P.S. § 2001A	4121(a)
29	1001B	15 P.S. § 2001B	4122
30	1002	15 P.S. § 2002	4123

1	1003	15 P.S. § 2003	4124(b)
2	1004	15 P.S. § 2004	4124(a)
3	1005	15 P.S. § 2005	4125
4	1006	15 P.S. § 2006	4144
5	1007	15 P.S. § 2007	4126
6	1008	-	Repealed 1957
7	1009	15 P.S. § 2009	4127
8	1010A	15 P.S. § 2010A	4142(a)
9	1010B	15 P.S. § 2010B	4143(b)
10	1011	-	Repealed 1972
11	1011.1	-	Repealed 1972
12	1012	15 P.S. § 2012	4143(a)
13	1013	15 P.S. § 2013	4128
14	1014	15 P.S. § 2014	4141
15	1015	15 P.S. § 2015	4129
16	1016	15 P.S. § 2016	4128
17	1101	15 P.S. § 2101	1971
18	1102	15 P.S. § 2102	1972, 1973, 1974
19	1103	15 P.S. § 2103	1977
20	1103.1	15 P.S. § 2103.1	1974(c)
21	1104A	15 P.S. § 2104A	1975(a)
22	1104B	15 P.S. § 2104B	1975(b)
23	1104C	15 P.S. § 2104C	1975(c)
24	1104D	15 P.S. § 2104D	1976
25	1105	15 P.S. § 2105	1977
26	1106	15 P.S. § 2106	1978
27	1107A	15 P.S. § 2107A	1981
28	1107B	15 P.S. § 2107B	1982
29	1107C	15 P.S. § 2107C	1103 ("court")
30	1108A	15 P.S. § 2108A	1984

1		1108B	15 P.S. § 2108B	1985
2		1108C	15 P.S. § 2108C	1986
3		1108D	15 P.S. § 2108D	1987
4		1109	15 P.S. § 2109	1988
5		1110	15 P.S. § 2110	1989
6		1111	15 P.S. § 2111	1979
7		1112	15 P.S. § 2112	503
8		1201	15 P.S. § 2201	Effective date,
9				Sec. 302 of Act
10		1202	15 P.S. § 2202	Repealer
11		1203	15 P.S. § 2203	Repealer
12		1203(b)	15 P.S. § 2203(b)	Sec. 301(c) of Act
13		1204	15 P.S. § 2204	Repealer
14		1204(d)	15 P.S. § 2204(d)	Sec. 301(d) of Act
15	1937, No.219	1	15 P.S. § 1406 note	1732
16	1937, No.600	1	15 P.S. § 3967	1758(e), 1759
17		2	-	Repealer
18	1939, No.170	1	15 P.S. § 3905	1755
19	1939, No.171	1	15 P.S. § 4210	1502
20		2	-	Effective date
21	1945, No.114	1	15 P.S. § 432	523
22		2	15 P.S. § 433	523
23		3	15 P.S. § 434	523
24		4	15 P.S. § 410	522
25	1947, No.79	1	15 P.S. § 4022	1703
26		2	-	Repealer
27		3	-	Effective date
28	1947, No.136	1	15 P.S. § 3355	Ch.19C
29		2	15 P.S. § 3356	Ch.19C
30		3	15 P.S. § 3357	Ch.19C

1		4	15 P.S. § 3358	Omitted
2		5	15 P.S. § 3359	Ch.19C
3		6	15 P.S. § 3360	Ch.19C
4		7	15 P.S. § 3361	Ch.19C
5		8	15 P.S. § 3362	Ch.15D
6	1947, No.196	1	15 P.S. § 3304	1511
7	1947, No.243	1	15 P.S. § 7207 note	Obsolete
8	1949, No.17	1	15 P.S. § 4014	1502, 1730, 1732
9		2	15 P.S. § 4015	1502, 1732
10		3	15 P.S. § 4016	1723
11		4	15 P.S. § 4017	Obsolete
12		5	-	Effective date
13	1951, No.302	1	-	Amendatory
14		2	-	Amendatory
15		3	-	Amendatory
16		4	15 P.S. § 801 note	Effective date
17	1953, No.280	2	15 P.S. § 113	521
18		3	15 P.S. § 114	Obsolete
19		4	-	Effective date
20	1957, No.169	1	15 P.S. § 3165	Ch.19B
21	1957, No.366	1	15 P.S. § 806	139
22		2	15 P.S. § 807	139
23		3	-	Repealer
24		4	-	Effective date
25	1957, No.368	1	15 P.S. § 414	Obsolete
26		2	15 P.S. § 415	1704
27		3	15 P.S. § 416	1702
28		4	15 P.S. § 417	1705(a)
29		5	15 P.S. § 418	1705(b)
30		6	15 P.S. § 431	1766

1		7	-	Repealer
2		8	-	Effective date
3	1959, No.508	1	15 P.S. § 4021	1731
4		2	-	Effective date
5	1959, No.509	1	15 P.S. § 3968	1759
6		2	15 P.S. § 3969	1760
7		3	15 P.S. § 3970	1761
8		4	-	Repealer
9		5	-	Effective date
10	1964, No.6	901*	26 P.S. § 1-901*	1511
11	1965, No.293	1	-	Amendatory
12		2	-	Repealed 1966
13		3	15 P.S. § 1202 note	1105(b)(2)
14		4	-	Effective date
15	1966, No.521	1	15 P.S. § 1	Obsolete
16		2	15 P.S. § 2	Sec. 104 of Act
17		3	15 P.S. § 3	501(b)
18		4	15 P.S. § 4	Obsolete
19		5	15 P.S. § 5	Obsolete
20		6	15 P.S. § 6	Obsolete
21		7	15 P.S. § 7	Obsolete
22		8	-	Effective date
23	1966, No.556	1	15 P.S. § 4351	1722
24		2	15 P.S. § 4352	1722
25		3	-	Severability
26				Section
27		4	-	Repealer
28		5	-	Effective date
29	1968, No.321	1	15 P.S. § 4381	Obsolete
30		2	15 P.S. § 4382	1511

1	3	15 P.S. § 4383	Ch.19B	
2	4	15 P.S. § 4384	1511	
3	5	15 P.S. § 4385	Repealer	
4	6	-	Effective date	
5	1970, No.160	1	15 P.S. § 2901	Obsolete
6		2	15 P.S. § 2902	2902
7		3(1)	15 P.S. § 2903	2903(b)
8		3(2)	15 P.S. § 2903	Obsolete
9		4(a)	15 P.S. § 2904(a)	2905(a)
10		4(b)	15 P.S. § 2904(b)	2905(b)
11		4(c)	15 P.S. § 2904(c)	2905(c)
12		4(d)	15 P.S. § 2904(d)	1311
13		5(a)	15 P.S. § 2905(a)	2901(b)
14		5(b)	15 P.S. § 2905(b)	2904
15		6(a)	15 P.S. § 2906(a)	2901(c), 2903(a)
16		6(b)	15 P.S. § 2906(b)	Ch.41
17		7(a)	15 P.S. § 2907(a)	2903(c), 2922(a)
18		7(b)	15 P.S. § 2907(b)	2903(d)(1)
19		7(c)	15 P.S. § 2907(c)	2903(d)(2)
20		8(a)	15 P.S. § 2908(a)	2921(a)
21		8(b)	15 P.S. § 2908(b)	2921(b)
22		8(c)	15 P.S. § 2908(c)	135
23		9	15 P.S. § 2909	1723
24		10(a)	15 P.S. § 2910(a)	2923(a), (c)
25		10(b)	15 P.S. § 2910(b)	2923(d)
26		11(a)	15 P.S. § 2911(a)	2923(b)
27		11(b)	15 P.S. § 2911(b)	2907(c)
28		11(c)	15 P.S. § 2911(c)	2907(a)
29		11(d)	15 P.S. § 2911(d)	2907(b)
30		12	15 P.S. § 2912	2924

1		13	15 P.S. § 2913	2925
2		14	15 P.S. § 2914	Repealer
3		15	-	Effective date
4	1981, No.135	203*	4 P.S. § 325.203*	Chs.11-19
5	1983, No.92	1	-	Amendatory
6		2	-	Amendatory
7		3	-	Amendatory
8		4	-	Amendatory
9		5	-	2538(a)
10		6	-	Obsolete
11		7	-	Effective date

12 The provision attached to the partial repeal of section 901
13 of the act of June 22, 1964 (P.L.84, No.6) reverses the result
14 in Appeal of Conway, 60 Pa.Cmwlt. 520, 432 A.2d 276 (1981), and
15 cures the constitutional defect in the Eminent Domain Code noted
16 in footnote 3 to the court's opinion in that case, 432 A.2d at
17 278.

18 Section 7 of the act of July 10, 1981 (P.L.237, No.77) is
19 omitted as supplied in part by new 15 Pa.C.S. §§ 2922 and 2923
20 and otherwise obsolete.

21 Section 301(b): The provisions repealed by this subsection
22 are supplied in this act as to associations not incorporated
23 under or subject to The Insurance Company Law of 1921 as
24 follows:

25	Repealed		Unofficial	Superseding
26	Act	Section	Citation	Provision of
27				Title 15
28				(unless otherwise noted)
29	1865, No.1119	1	15 P.S. § 424	1703(a), 1704(a)
30	1869, No.30	1	15 P.S. § 405	1727

1	1874, No.118	1	15 P.S. § 103	1309
2	1887, No.274	1	15 P.S. § 406	1724
3		2	-	Validating
4				section
5		3	-	Repealed 1959
6	1891, No.77	1	15 P.S. § 408	1730
7	1901, No.51	1	15 P.S. § 403	1723
8			15 P.S. § 404	1723
9	1901, No.298	1	15 P.S. § 110	1502
10		2	-	Repealer
11	1903, No.17	1	15 P.S. § 429	1759
12		2	-	Repealer
13	1905, No.26	1	15 P.S. § 428	1760
14	1913, No.222	1	15 P.S. § 751	1551
15		2	-	Repealer
16	1921, No.28	1	15 P.S. § 422	1755
17		2	15 P.S. § 423	1704
18	1923, No.8	1	15 P.S. § 905	Obsolete
19		2	15 P.S. § 905 note	Validating
20				section
21		3	15 P.S. § 906	42 Pa.C.S. § 6103
22				42 Pa.C.S. § 6104
23	1923, No.443	1	15 P.S. § 601	1523
24		2	15 P.S. § 602	1530
25		3	-	Repealer
26	1925, No.131	1	15 P.S. § 102	Obsolete
27		2	-	Validating
28				section
29		3	-	Repealer
30	1925, No.329	1	15 P.S. § 401	1505

1		2	15 P.S. § 402	1506
2	1925, No.368	1	15 P.S. § 701	1502(a), 1525,
3				1530
4		2	15 P.S. § 702	Omitted
5		3	-	Repealer
6	1927, No.260	1	41 P.S. § 2	1510, 5510
7		2	-	Repealer
8	1929, No.401	1	15 P.S. § 411	1763
9		2	15 P.S. § 412	1763
10		3	15 P.S. § 413	1763
11		4	-	Repealer
12	1945, No.249	1	15 P.S. § 901	1502, 7 P.S. § 6020-101,
13				7 P.S. § 201(a)(vii)
14		2	-	Effective date
15	1953, No.280	1	15 P.S. § 703	1525, 7 P.S. § 1409

16 Section 301(c): Derived from act of May 5, 1933 (P.L.364,
17 No.106), § 1203(b), added by the act of January 18, 1966 (1965
18 P.L.1305, No.519), § 50. The provisions repealed by this
19 subsection were repealed as to corporations for profit with the
20 proviso that they were repealed absolutely if repealed as to
21 corporations not for profit by any amendment to the Nonprofit
22 Corporation Law of 1933. They were repealed as to corporations
23 not for profit by the act of January 18, 1966 (1965 P.L.1406,
24 No.520), § 26(b), adding § 1103(b) to the Nonprofit Corporation
25 Law of 1933.

26 Section 301(d): Substantially a reenactment of act of May 5,
27 1933 (P.L.364, No.106), § 1204(d), added by the act of July 20,
28 1968 (P.L.459, No.216), § 59.

29 Section 301(e): New.

30 Section 302: New. Cf. Cal Corp. Code § 2300, N.Y. Business

1 Corp. Law § 2001 (Supp. 1981), N.Y. Not-For-Profit Corp. Law
2 XXVIII (McKinney's 1970). See section 107 of the act of
3 , 1987 (P.L. ,No.), known as the Corporation Act
4 of 1987 (15 P.S. §).
5 Section 303: New.