
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 599

Session of
1985

INTRODUCED BY FISHER, ZEMPRELLI, JUBELIRER, STAUFFER, LYNCH,
MUSTO, STAPLETON, EARLY, LEWIS, O'PAKE, ROSS, ANDREZESKI,
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KELLEY, HELFRICK, HOPPER, SALVATORE, MADIGAN, CORMAN,
GREENLEAF AND SHUMAKER, MARCH 20, 1985

REFERRED TO JUDICIARY, MARCH 20, 1985

AN ACT

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

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29 Section 201. Short title of division.
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8 DIVISION III. CONFORMING AMENDMENTS

9 Section 301. Conforming amendments to Title 20.
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13 Section 305. Conforming amendment to Title 42.
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15 Section 307. Conforming amendment to Title 66.
16 Section 308. Conforming cross references in unconsolidated
17 statutes.

18 DIVISION IV. MISCELLANEOUS PROVISIONS

19 Section 401. Repeals.
20 Section 402. Effective date and applicability.
21 Section 403. Preparation of act for printing.

22 The General Assembly of the Commonwealth of Pennsylvania
23 hereby enacts as follows:

24 DIVISION I

25 ASSOCIATIONS GENERALLY

26 Section 101. Short title of act.

27 This act shall be known and may be cited as the General
28 Association Act of 1985.

29 Section 102. Repeal of Title 15.

30 Title 15 of the Pennsylvania Consolidated Statutes is

1 repealed.

2 Section 103. Enactment of Title 15.

3 The Pennsylvania Consolidated Statutes are amended by adding
4 a title to read:

5 TITLE 15

6 CORPORATIONS AND UNINCORPORATED ASSOCIATIONS

7 Part

8 I. Preliminary Provisions

9 II. Corporations

10 III. Partnerships

11 IV. Unincorporated Associations

12 PART I

13 PRELIMINARY PROVISIONS

14 Chapter

15 1. General Provisions

16 CHAPTER 1

17 GENERAL PROVISIONS

18 Subchapter

19 A. Preliminary Provisions

20 B. Functions and Powers of Department of State

21 SUBCHAPTER A

22 PRELIMINARY PROVISIONS

23 Sec.

24 101. Short title and application of title.

25 102. Definitions.

26 103. Subordination of title to regulatory laws.

27 104. Equitable remedies.

28 105. Fees.

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

30 107. Form of records.

1 108. Change in location or status of registered office provided
2 by agent.

3 109. Name of commercial registered office provider in lieu
4 of registered address.

5 110. Supplementary general principles of law applicable.

6 § 101. Short title and application of title.

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

9 (b) Application of title.--Except as otherwise provided in
10 the scope provisions of subsequent provisions of this title,
11 this title shall apply to every association heretofore or
12 hereafter incorporated or otherwise organized.

13 (c) References to prior statutes.--A reference in the
14 articles or bylaws or other organic documents of an association
15 to any provision of law supplied or repealed by this title shall
16 be deemed to be a reference to the superseding provision of this
17 title.

18 § 102. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

26 "Insurance corporation." An insurance corporation as defined
27 in section 1103.

28 "Savings association." A savings association as defined in
29 section 1103.

30 § 103. Subordination of title to regulatory laws.

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

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

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

1 § 104. Equitable remedies.

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

7 § 105. Fees.

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

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

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

19 § 107. Form of records.

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

1 device which accurately portrays the record shall be admissible
2 in evidence, and shall be accepted for all other purposes, to
3 the same extent as an original written record of the same
4 information would have been.

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

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

21 (1) The name of the association represented.

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

24 (3) The address, including street and number, if any, of
25 the new registered office of the association if the
26 registered office of the association is to be changed.

27 (4) The name of the person in care of the office and a
28 statement that the person has been designated in fact as the
29 agent in care of the registered office of the association in
30 this Commonwealth and that the change in registered office

reflects a change of name of the agent, the removal of the place of business of the agent to a new location within the county or a termination of the status of the agent as the provider of the registered office of the association, as the case may be.

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

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

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

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

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

(2) The name of any county of this Commonwealth and a statement that the registered office of the association shall

1 be deemed for venue and official publication purposes to be
2 located in the county so named. For venue and official
3 publication purposes, the county so named shall control over
4 the address contained in the currently applicable statement
5 filed under subsection (b).

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

13 (1) The name of the corporation.

14 (2) A statement that it is in the business of
15 maintaining registered offices in this Commonwealth for
16 corporations or other associations.

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

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

23 (1) Amend the filing by filing in the department a
24 superseding statement of address of commercial registered
25 office.

26 (2) Withdraw its filing under subsection (b) and cease
27 to provide registered office service by filing in the
28 department a statement of address of commercial registered
29 office setting forth, in lieu of the information required by
30 subsection (b)(2) and (3), a statement that it has ceased to

1 be in the business of maintaining registered offices in this
2 Commonwealth for corporations and other associations and the
3 statements required by section 108 (relating to change in
4 location or status of registered office provided by agent).

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

16 § 110. Supplementary general principles of law applicable.

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

22 SUBCHAPTER B

23 FUNCTIONS AND POWERS OF DEPARTMENT OF STATE

24 Sec.

25 131. Application of subchapter.

26 132. Functions of Department of State.

27 133. Powers of Department of State.

28 134. Docketing statement.

29 135. Requirements to be met by filed documents.

30 136. Processing of documents by Department of State.

1 137. Court to pass upon rejection of documents by Department
2 of State.

3 138. Statement of correction.

4 139. Tax clearance of certain fundamental transactions.

5 § 131. Application of subchapter.

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

10 § 132. Functions of Department of State.

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

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

21 (c) Collection of taxes and charges imposed by statute.--
22 Nothing in this subchapter shall limit the power and duty of the
23 department to assess and collect taxes and charges now or
24 hereafter imposed or authorized by statute.

25 (d) Notice of decennial filings.--Whenever a decennial
26 filing is required by Title 54 to be made in the department, the
27 department shall, not earlier than the November 1 prior to the
28 commencement of the decennial year wherever practicable, give
29 notice by mail to the registrant or other party of the decennial
30 filing requirement, which notice shall be accompanied by

1 appropriate application blanks or forms.

2 § 133. Powers of Department of State.

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

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

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

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

1 and shall be published in the Pennsylvania Code.

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

9 § 134. Docketing statement.

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

1 date of incorporation, the name of its chief executive officer,
2 secretary and treasurer, regardless of the names or titles by
3 which they may be designated, the address of its principal place
4 of business and the amount, if any, of its authorized and issued
5 capital stock. A form of docketing statement prescribed under
6 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 which 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 which 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 which 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 which 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 without delay or expense on the part
24 of 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) Nothing in this section shall impair the right of
11 any person to proceed under section 138 (relating to
12 statement of correction) or 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 which effected the defective or erroneous filing and

1 shall 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 which 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) No filing under this section shall have the effect
25 of causing original articles of incorporation to be stricken
26 from the records of the department but the articles may be
27 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 No domestic corporation shall 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, no qualified foreign corporation shall
18 file an application for termination of authority or similar
19 document in the Department of State and no corporation shall
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.--No association which might be domesticated
12 under section 4161 (relating to domestication) shall 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 associations.

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

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

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

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

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

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

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

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

29 (c) Notice of consummation of domestication.--At any time
30 after the filing of a statement of contingent domestication, the

1 association may file in the department a notice of consummation
2 of domestication which shall be executed by the association and
3 shall set forth:

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

7 (2) A statement that either:

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

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

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

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

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

27 (3) A statement that either:

28 (i) the statement of contingent domestication is
29 reinstated pending the filing in the department of a new
30 notice of consummation of domestication; or

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

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

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

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

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

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

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

28 (2) the statement of contingent domestication, if the
29 statement of termination of domestication states that the
30 statement of contingent domestication is withdrawn.

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

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

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

22 PART II

23 CORPORATIONS

24 Subpart

25 A. Corporations Generally

26 B. Business Corporations

27 C. Nonprofit Corporations

28 D. Cooperative Corporations

29 SUBPART A

30 CORPORATIONS GENERALLY

1 Chapter

2 5. Corporations

3 CHAPTER 5

4 CORPORATIONS

5 Subchapter

6 A. In General

7 B. Provisions Applicable to Particular Types of
8 Corporations

9 SUBCHAPTER A

10 IN GENERAL

11 Sec.

12 501. Reserved power of General Assembly.

13 502. Application of chapter.

14 503. Actions to revoke corporate franchises.

15 504. Validation of certain defective corporations.

16 505. Validation of certain defective corporate acts.

17 506. Scope and duration of certain franchises.

18 § 501. Reserved power of General Assembly.

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

25 (b) Scope.--Subsection (a) is applicable to all corporations
26 incorporated under the authority of the Commonwealth or of the
27 late Proprietaries of the Province of Pennsylvania, the General
28 Assembly having found in section 104 of the act of , 1985
29 (P.L. , No.), known as the General Association Act of 1985,
30 that all corporations incorporated prior to October 14, 1857,

1 which purported to register under the act of January 18, 1966
2 (1965 P.L.1443, No.521), referred to as the Registry Act of
3 1966, or companion statutes, either failed to register
4 effectively or accepted the benefit of a law or laws passed by
5 the General Assembly after 1873 governing the affairs of
6 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 hereby supplied or repealed, in good faith,
9 after the approval of the articles or application for a charter
10 or issuance of letters patent but without the actual recording
11 of the original papers with the endorsements thereon, or a
12 certified copy thereof, in the office of any recorder of deeds,
13 as provided in such statutes then in force, the acts, transfers
14 and conveyances shall nevertheless be deemed and taken to be
15 valid and effectual for all purposes, regardless of the omission
16 to record the original papers with the endorsements thereon, or
17 a certified copy thereof, as heretofore required by such
18 statutes. Every such corporation shall be deemed and taken to
19 have been incorporated on the date of approval of its articles
20 or application for a charter or on the date of issuance of its
21 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 hereby
25 supplied or repealed 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 hereby supplied or repealed 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.--Nothing in this section shall operate to
16 revive any franchise rights heretofore or hereafter expressly
17 surrendered by the affirmative action of any such vendee,
18 surviving, new or successor corporation.

19 SUBCHAPTER B

20 PROVISIONS APPLICABLE TO PARTICULAR

21 TYPES OF CORPORATIONS

22 Sec.

23 521. Pensions and allowances.

24 522. Indemnification of authorized representatives.

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

27 § 521. Pensions and allowances.

28 A banking institution, a credit union, an insurance
29 corporation or a savings association may grant allowances or
30 pensions to officers, directors and employees for faithful and

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

11 § 522. Indemnification of authorized representatives.

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

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

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

30 (b) Security for costs.--In any such action instituted or

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

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

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

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

1 SUBPART B
2 BUSINESS CORPORATIONS

3 Article

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

8 ARTICLE A

9 PRELIMINARY PROVISIONS

10 Chapter

11 11. General Provisions

12 CHAPTER 11

13 GENERAL PROVISIONS

14 Sec.

- 15 1101. Short titles.
16 1102. Application of subpart.
17 1103. Definitions.
18 1104. Other general provisions.
19 1105. Restriction on equitable relief.
20 1106. Uniform application of subpart.
21 1107. Limitation on incorporation.
22 1108. Execution of documents.

23 § 1101. Short titles.

24 (a) Title of subpart.--This subpart shall be known and may
25 be cited as the Business Corporation Law of 1985.

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

29 § 1102. Application of subpart.

30 (a) General rule.--Except as otherwise provided in this

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

7 (b) Exclusions.--This subpart shall not apply to any of the
8 following corporations, whether proposed or existing, except as
9 otherwise expressly provided in this subpart or as otherwise
10 provided by statute applicable to the corporation:

11 (1) A banking institution.

12 (2) A credit union.

13 (3) A domestic or foreign insurance corporation.

14 (4) A savings association.

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

19 (d) Business corporation ancillaries.--The domestic
20 corporation provisions of this subpart shall apply to any of the
21 following corporations, whether proposed or existing, except as
22 otherwise expressly provided by statute applicable to the
23 corporation:

24 (1) A business development credit corporation.

25 (2) Any other domestic corporation for profit
26 incorporated under or subject to a statute which provides
27 that the corporate affairs of the corporation shall be
28 governed by the laws applicable to domestic business
29 corporations.

30 § 1103. Definitions.

1 Subject to additional definitions contained in subsequent
2 provisions of this subpart which are applicable to specific
3 provisions of this subpart, the following words and phrases when
4 used in this subpart shall have the meanings given to them in
5 this section unless the context clearly indicates otherwise:

6 "Amendment." An amendment of the articles.

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

21 "Authorized shares." The shares of all classes which the
22 corporation is authorized to issue.

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

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

1 "Business corporation" or "domestic business corporation." A
2 domestic corporation for profit which is not excluded from the
3 scope of this subpart by section 1102 (relating to application
4 of subpart).

5 "Business development credit corporation." A domestic
6 corporation for profit which is a corporation as defined in the
7 act of December 1, 1959 (P.L.1647, No.606), known as the
8 Business Development Credit Corporation Law.

9 "Bylaws." See section 1504(c) (relating to bylaw provisions
10 in articles).

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

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

13 (2) is a statutory close corporation.

14 Shares that are held jointly or in common or in trust by two or
15 more persons, as fiduciaries or otherwise, or that are held by
16 spouses shall be deemed to be held by one shareholder for the
17 purposes of this definition.

18 "Corporation for profit." A corporation incorporated for a
19 purpose or purposes involving pecuniary profit, incidental or
20 otherwise, to its shareholders or members.

21 "Corporation not-for-profit." A corporation not incorporated
22 for a purpose or purposes involving pecuniary profit, incidental
23 or otherwise.

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

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

29 (2) where a corporation results from a merger,
30 consolidation, division or other transaction without

1 establishing a registered office in this Commonwealth or
2 withdraws as a foreign corporation, the court of common pleas
3 in which venue would have been laid immediately prior to the
4 transaction or withdrawal.

5 "Credit union" or "domestic credit union." A domestic
6 corporation for profit which is a credit union as defined in the
7 act of September 20, 1961 (P.L.1548, No.658), known as the
8 Credit Union Act.

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

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

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

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

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

24 "Domestic corporation for profit." A corporation for profit
25 incorporated under the laws of this Commonwealth.

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

28 "Employee." Includes officers but not directors, as such.
29 See section 1730 (relating to compensation of directors) as to
30 acceptance by a director of duties which make him also an

1 employee.

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

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

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

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

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

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

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

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

29 "Incorporator." A signer of the original articles of
30 incorporation.

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

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

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

13 "Nonprofit corporation." A domestic corporation not-for-
14 profit defined in section 5103 (relating to definitions).

15 "Nonqualified foreign business corporation." A foreign
16 business corporation which is not a qualified foreign business
17 corporation as defined in this section.

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

22 "Obligation." Includes a note or other form of indebtedness,
23 whether secured or unsecured.

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

28 "Officially publish." Publish in two newspapers of general
29 circulation in the English language in the county in which the
30 registered office of the corporation is located, or in the case

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

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

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

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

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

20 (3) as to both dividends and assets.

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

25 "Public utility corporation." Any domestic or foreign
26 corporation for profit which:

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

30 (2) was subject to such regulation on December 31, 1980

1 or would have been so subject if it had been then existing.

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

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

14 "Registered corporation." A corporation defined in section
15 2502 (relating to registered corporation status).

16 "Registered office." That office maintained by a corporation
17 in this Commonwealth, the address of which is filed with the
18 Department of State. See section 109 (relating to name of
19 commercial registered office provider in lieu of registered
20 address).

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

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

29 "Share certificate." A written instrument signed on behalf
30 of the corporation evidencing the fact that the person therein

1 named is the record owner of the shares therein described.

2 "Shareholder." A record holder or record owner of shares of
3 a corporation, including a subscriber to shares. The term, when
4 used in relation to the taking of corporate action, includes the
5 proxy of a shareholder. If and to the extent the articles confer
6 rights of shareholders upon holders of obligations of the
7 corporation or governmental or other entities pursuant to any
8 provision of this subpart or other provision of law, the term
9 shall be construed to include those holders and governmental or
10 other entities.

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

14 "Statutory close corporation." A business corporation which
15 has elected to become subject to Chapter 23 (relating to
16 statutory close corporations) and whose status as a statutory
17 close corporation has not been terminated as provided in Chapter
18 23.

19 "Subscriber." One who subscribes for or otherwise takes
20 shares by agreement from the issuing corporation, whether before
21 or after incorporation.

22 "Subscription." The promise to pay a consideration or the
23 agreement fixing the amount of the consideration paid or to be
24 paid for shares by a subscriber.

25 "Unless (or "except as") otherwise provided." When used to
26 introduce or modify a rule, implies that the alternative
27 provisions contemplated may either relax or restrict the stated
28 rule.

29 "Unless (or "except as") otherwise restricted." When used to
30 introduce or modify a rule, implies that the alternative

1 provisions contemplated may further restrict, but may not relax,
2 the stated rule.

3 "Voting" or "casting a vote." The term does not include
4 either recording the fact of abstention or failing to vote for a
5 candidate or for approval or disapproval of a matter, whether or
6 not the person entitled to vote characterizes the conduct as
7 voting or casting a vote.

8 § 1104. Other general provisions.

9 The following provisions of this title are applicable to
10 corporations subject to this subpart:

11 Section 101 (relating to short title and application of
12 title).

13 Section 102 (relating to definitions).

14 Section 103 (relating to subordination of title to
15 regulatory laws).

16 Section 104 (relating to equitable remedies).

17 Section 105 (relating to fees).

18 Section 106 (relating to effect of filing papers required
19 to be filed).

20 Section 107 (relating to form of records).

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

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

25 Section 110 (relating to supplementary general principles
26 of law applicable).

27 Section 132 (relating to functions of Department of
28 State).

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

30 Section 134 (relating to docketing statement).

1 Section 135 (relating to requirements to be met by filed
2 documents).

3 Section 136 (relating to processing of documents by
4 Department of State).

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

7 Section 138 (relating to statement of correction).

8 Section 139 (relating to tax clearance of certain
9 fundamental transactions).

10 Section 152 (relating to contingent domestication of
11 certain foreign associations).

12 Section 501 (relating to reserved power of General
13 Assembly).

14 Section 503 (relating to actions to revoke corporate
15 franchises).

16 Section 504 (relating to validation of certain defective
17 corporations).

18 Section 505 (relating to validation of certain defective
19 corporate acts).

20 Section 506 (relating to scope and duration of certain
21 franchises).

22 § 1105. Restriction on equitable relief.

23 A shareholder of a business corporation shall not have any
24 right to obtain, in the absence of fraud or fundamental
25 unfairness, an injunction against any proposed plan or amendment
26 of articles authorized under any provision of this subpart, nor
27 to claim the right to valuation and payment of the fair value of
28 his shares because of the plan or amendment, except that he may
29 dissent and claim payment if and to the extent provided in
30 Subchapter D of Chapter 15 (relating to dissenters rights) where

1 this subpart expressly provides that dissenting shareholders
2 shall have the rights and remedies provided in that subchapter.
3 The rights and remedies so provided shall, in the absence of
4 fraud or fundamental unfairness, be exclusive. Structuring a
5 plan or transaction for the purpose or with the effect of
6 eliminating or avoiding the application of dissenters rights is
7 not fraud or fundamental unfairness within the meaning of this
8 section.

9 § 1106. Uniform application of subpart.

10 (a) General rule.--Except as provided in subsection (b),
11 this subpart and its amendments are intended to provide uniform
12 rules for the government and regulation of the affairs of
13 business corporations and of their officers, directors and
14 shareholders regardless of the date or manner of incorporation
15 or qualification, or of the issuance of any shares thereof.

16 (b) Exceptions.--

17 (1) Unless expressly provided otherwise in any amendment
18 to this subpart, the amendment shall take effect only
19 prospectively.

20 (2) An existing corporation lawfully using a name or, as
21 part of its name, a word which could not be used as or
22 included in the name of a corporation hereafter incorporated
23 or qualified under this subpart may continue to use the name
24 or word as part of its name if the use or inclusion of the
25 word or name was lawful when first adopted by the corporation
26 in this Commonwealth.

27 (3) Nothing in subsection (a) shall adversely affect the
28 rights specifically provided for or saved in this subpart
29 including, without limiting the generality of the foregoing,
30 the following:

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

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

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

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

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

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

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

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

§ 1107. Limitation on incorporation.

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

§ 1108. Execution of documents.

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

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

ARTICLE B

DOMESTIC BUSINESS CORPORATIONS GENERALLY

Chapter

13. Incorporation

15. Corporate Powers, Duties and Safeguards

17. Officers, Directors and Shareholders

19. Fundamental Changes

CHAPTER 13

INCORPORATION

Subchapter

A. Incorporation Generally

B. Revival

SUBCHAPTER A

INCORPORATION GENERALLY

Sec.

1301. Purposes.

1302. Number and qualifications of incorporators.

1303. Corporate name.

1304. Required name changes by senior corporations.

1305. Reservation of corporate name.

1306. Articles of incorporation.

1307. Advertisement.

1308. Filing of articles.

1309. Effect of filing of articles of incorporation.

1310. Organization meeting.

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

§ 1301. Purposes.

1 Corporations may be incorporated under this subpart for any
2 lawful purpose or purposes. Unless otherwise restricted in its
3 articles, every business corporation has as its corporate
4 purpose the engaging in all lawful business for which
5 corporations may be incorporated under this subpart.

6 § 1302. Number and qualifications of incorporators.

7 One or more corporations for profit or not-for-profit or
8 natural persons of full age may incorporate a business
9 corporation under the provisions of this subpart.

10 § 1303. Corporate name.

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

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

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

17 (3) words or abbreviations of like import in languages
18 other than English.

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

21 (1) The name of any other domestic corporation for
22 profit or not-for-profit, or of any foreign corporation for
23 profit or not-for-profit authorized to do business in this
24 Commonwealth, or of any domestic or foreign limited
25 partnership which has filed a certificate or qualified under
26 Chapter 85 (relating to limited partnerships), or the name of
27 any association registered at any time under 54 Pa.C.S. Ch. 5
28 (relating to corporate and other association names), unless:

29 (i) where the name is the same or confusingly
30 similar, the other association:

1 (A) has stated that it is about to change its
2 name, or to cease to do business, or is being wound
3 up, or is a foreign association about to withdraw
4 from doing business in this Commonwealth, and the
5 statement and the written consent of the other
6 association to the adoption of the name is filed in
7 the Department of State;

8 (B) has filed with the Department of Revenue a
9 certificate of out of existence, or has failed for a
10 period of three successive years to file with the
11 Department of State or the Department of Revenue a
12 report or return required by law, and in the case of
13 a failure to file with the Department of Revenue, the
14 fact of such failure has been certified by the
15 Department of Revenue to the Department of State;

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

25 (D) has had the registration of its name under
26 54 Pa.C.S. Ch. 5 terminated and, if the termination
27 was effected by operation of 54 Pa.C.S. § 504
28 (relating to effect of failure to make decennial
29 filings), the application for the use of the name is
30 accompanied by a verified statement stating that at

1 least 30 days' written notice of intention to
2 appropriate the name was given to the delinquent
3 association at its registered office and that, after
4 diligent search by the affiant, the affiant believes
5 the association to be out of existence; or

6 (ii) where the name is confusingly similar, the
7 consent of the other association to the adoption of the
8 name is filed in the Department of State.

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

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

19 (c) Required approvals or conditions.--

20 (1) The corporate name shall not imply that the
21 corporation is:

22 (i) A governmental agency of the Commonwealth or of
23 the United States.

24 (ii) A bank, bank and trust company, savings bank,
25 private bank or trust company, as defined in the act of
26 November 30, 1965 (P.L.847, No.356), known as the Banking
27 Code of 1965, unless the corporation or proposed
28 corporation is a Pennsylvania bank holding company or is
29 otherwise authorized by statute to use its proposed name.

30 (iii) An insurance company which could be

1 incorporated under the act of May 17, 1921 (P.L.682,
2 No.284), known as The Insurance Company Law of 1921.

3 (iv) A public utility corporation furnishing
4 electric or gas service to the public, unless the
5 corporation or proposed corporation has as an express
6 corporate purpose the furnishing of service subject to
7 the jurisdiction of the Pennsylvania Public Utility
8 Commission or the Federal Energy Regulatory Commission.

9 (2) The corporate name shall not contain:

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

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

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

1 to that effect.

2 (iv) The word "cooperative" or an abbreviation
3 thereof unless the corporation is a cooperative
4 corporation.

5 (d) Other rights unaffected.--This section shall not
6 abrogate or limit the law as to unfair competition or unfair
7 practices nor derogate from the common law, the principles of
8 equity or the provisions of Title 54 (relating to names) with
9 respect to the right to acquire and protect trade names.
10 Subsection (b) shall not apply if the applicant files in the
11 department a certified copy of a final order of a court of
12 competent jurisdiction establishing the prior right of the
13 applicant to the use of a name in this Commonwealth.

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

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

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

24 § 1304. Required name changes by senior corporations.

25 (a) Adoption of new name upon reactivation.--Where a
26 corporate name is made available on the basis that the
27 corporation or other association which formerly registered the
28 name has failed to file in the Department of Revenue or in the
29 Department of State a report or a return required by law or
30 where the corporation or other association has filed in the

1 Department of Revenue a certificate of out of existence, the
2 corporation or other association shall cease to have by virtue
3 of its prior registration any right to the use of the name. The
4 corporation or other association, upon withdrawal of the
5 certificate of out of existence or upon the removal of its
6 delinquency in the filing of the required reports or returns,
7 shall make inquiry with the Department of State with regard to
8 the availability of its name and, if the name has been made
9 available to another domestic or foreign corporation for profit
10 or not-for-profit or other association by virtue of these
11 conditions, shall adopt a new name in accordance with law before
12 resuming its activities.

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

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

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

29 § 1305. Reservation of corporate name.

30 (a) General rule.--The exclusive right to the use of a

1 corporate name may be reserved by any person. The reservation
2 shall be made by delivering to the Department of State an
3 application to reserve a specified corporate name, executed by
4 the applicant. If the department finds that the name is
5 available for corporate use, it shall reserve the name for the
6 exclusive use of the applicant for a period of 120 days.

7 (b) Transfer of reservation.--The right to exclusive use of
8 a specified corporate name reserved under subsection (a) may be
9 transferred to any other person by delivering to the department
10 a notice of the transfer, executed by the person who reserved
11 the name, and specifying the name and address of the transferee.

12 (c) Cross references.--See sections 134 (relating to
13 docketing statement) and 4131 (relating to registration of
14 name).

15 § 1306. Articles of incorporation.

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

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

22 (2) Subject to section 109 (relating to name of
23 commercial registered office provider in lieu of registered
24 address), the address, including street and number, if any,
25 of its initial registered office in this Commonwealth.

26 (3) A statement that the corporation is incorporated
27 under the provisions of the Business Corporation Law of 1985.

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

1 (i) The aggregate number of shares which the
2 corporation shall have authority to issue. It shall not
3 be necessary to set forth in the articles the
4 designations of the classes of shares of the corporation,
5 or the maximum number of shares of each class which may
6 be issued.

7 (ii) A statement of the voting rights, designations,
8 preferences, limitations and special rights in respect of
9 the shares of any class or any series of any class, to
10 the extent that they have been determined.

11 (iii) A statement of any authority vested in the
12 board of directors to divide the shares into classes or
13 series, or both, and to determine or change for any class
14 or series its voting rights, designations, preferences,
15 limitations and special rights.

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

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

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

23 (8) Any other provisions which the incorporators may
24 choose to insert if:

25 (i) any provision of this subpart authorizes or
26 requires provisions pertaining to the subject matter
27 thereof to be set forth in the articles or bylaws of a
28 business corporation or in an agreement or other
29 instrument; or

30 (ii) the provisions, whether or not specifically

1 authorized by this subpart, relate to the purpose or
2 purposes of the corporation, the management of its
3 business or affairs or the rights, powers or duties of
4 its securityholders, directors or officers.

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

7 (b) Written consent to naming directors.--The naming of
8 directors in articles of incorporation shall constitute an
9 affirmation that the directors have consented in writing to
10 serve as such.

11 § 1307. Advertisement.

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

17 (1) The name of the proposed corporation.

18 (2) A statement that the corporation is to be or has
19 been incorporated under the provisions of the Business
20 Corporation Law of 1985.

21 § 1308. Filing of articles.

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

24 (b) Cross reference.--See section 134 (relating to docketing
25 statement).

26 § 1309. Effect of filing of articles of incorporation.

27 Upon the filing of the articles of incorporation in the
28 Department of State or upon the effective date specified in the
29 articles of incorporation, whichever is later, the corporate
30 existence shall begin. Subject to the provisions of section 503

1 (relating to actions to revoke corporate franchises), the
2 articles of incorporation filed in the department, or recorded
3 in the office of the recorder of deeds under the former
4 provisions of law, shall be conclusive evidence of the fact that
5 the corporation has been incorporated.

6 § 1310. Organization meeting.

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

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

27 (c) Death or incapacity of directors or incorporators.--If a
28 designated director or an incorporator dies or is for any reason
29 unable to act at the meeting, the other or others may act. If
30 there is no other designated director or incorporator able to

1 act, any person for whom an incorporator was acting as agent may
2 act or appoint another to act in his stead.

3 § 1311. Filing of statement of summary of record by certain
4 corporations.

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

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

20 (2) The statute by or under which the corporation was
21 incorporated.

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

26 (4) The place or places, including volume and page
27 numbers or their equivalent, where the documents constituting
28 the currently effective articles are filed or recorded, the
29 date or dates of each filing or recording and the text of the
30 currently effective articles. The information specified in

1 this paragraph may be omitted in a statement of summary of
2 record which is delivered to the department contemporaneously
3 with amended and restated articles of the corporation filed
4 under this subpart.

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

9 (6) In the case of any entity brought within the scope
10 of Chapter 29 (relating to professional corporations) by or
11 pursuant to section 2905 (relating to election of
12 professional associations to become professional
13 corporations), amended and restated articles of incorporation
14 which shall include all of the information required to be set
15 forth in restated articles of a professional corporation.
16 A corporation shall be required to make only one filing under
17 this subsection.

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

25 (c) Cross reference.--See section 134 (relating to docketing
26 statement).

27 SUBCHAPTER B

28 REVIVAL

29 Sec.

30 1341. Statement of revival.

1 § 1341. Statement of revival.

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

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

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

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

26 (3) The name which the corporation adopts as its new
27 name if the adoption of a new name is required by section
28 1304 (relating to required name changes by senior
29 corporations).

30 (4) The address, including street and number, if any, of

1 its registered office in this Commonwealth.

2 (5) A reference to the proclamation or other action by
3 which its charter or articles were forfeited or a reference
4 to the limitation contained in its expired charter or
5 articles.

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

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

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

27 (d) Cross reference.--See section 134 (relating to docketing
28 statement).

29 CHAPTER 15

30 CORPORATE POWERS, DUTIES AND SAFEGUARDS

1 Subchapter

2 A. General Provisions

3 B. Shares and Other Securities

4 C. Corporate Finance

5 D. Dissenters Rights

6 SUBCHAPTER A

7 GENERAL PROVISIONS

8 Sec.

9 1501. Corporate capacity.

10 1502. General powers.

11 1503. Defense of ultra vires.

12 1504. Adoption, amendment and contents of bylaws.

13 1505. Persons bound by bylaws.

14 1506. Form of execution of instruments.

15 1507. Registered office.

16 1508. Corporate records; inspection.

17 1509. Bylaws and other powers in emergency.

18 1510. Usury not a defense.

19 1511. Additional powers of certain public utility corporations.

20 § 1501. Corporate capacity.

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

24 § 1502. General powers.

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

28 (1) To have perpetual succession by its corporate name
29 unless a limited period of duration is specified in its
30 articles, subject to the power of the Attorney General under

1 section 503 (relating to actions to revoke corporate
2 franchises) and to the power of the General Assembly under
3 the Constitution of Pennsylvania.

4 (2) To sue and be sued, complain and defend and
5 participate as a party or otherwise in any judicial,
6 administrative, arbitratative or other proceeding in its
7 corporate name.

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

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

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

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

24 (i) a corporation all or part of the outstanding
25 shares of which are owned, directly or indirectly, by the
26 business corporation;

27 (ii) a corporation which owns, directly or
28 indirectly, all or part of the outstanding shares of the
29 business corporation;

30 (iii) a corporation all or part of the outstanding

1 shares of which are owned, directly or indirectly, by a
2 person who owns, directly or indirectly, all or part of
3 the outstanding shares of the business corporation; or
4 (iv) any other person.

5 (7) To borrow money, issue or incur its obligations and
6 secure any of its obligations by mortgage on or pledge of or
7 security interest in all or any part of its property and
8 assets, wherever situated, franchises or income, or any
9 interest therein.

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

13 (9) To make contributions and donations.

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

27 (11) To be a promoter, partner, member, associate or
28 manager of any partnership, enterprise or venture or in any
29 transaction, undertaking or arrangement which the corporation
30 would have power to conduct itself, whether or not its

1 participation involves sharing or delegation of control with
2 or to others.

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

5 (13) To continue the salaries of such of its employees
6 as may be serving in the active or reserve armed forces of
7 the United States, or in the National Guard or in any other
8 organization established for the protection of the lives and
9 property of citizens of the United States, during the term of
10 that service or during such part thereof as the employees, by
11 reason of that service, may be unable to perform their duties
12 as employees of the corporation.

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

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

23 (16) To elect or appoint and remove officers, employees
24 and agents of the corporation, define their duties, fix their
25 compensation and the compensation of directors, including,
26 without limitation, compensation payable upon termination of
27 employment, to lend any of the foregoing money and credit and
28 to pay bonuses or other additional compensation for past
29 services.

30 (17) To enter into any obligation appropriate for the

1 transaction of its affairs, including contracts or other
2 agreements with its shareholders.

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

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

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

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

16 (c) Board to exercise.--See section 1721 (relating to board
17 of directors).

18 § 1503. Defense of ultra vires.

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

27 (1) In an action by a shareholder against the
28 corporation to enjoin the doing of unauthorized acts or the
29 transaction or continuation of unauthorized business. If the
30 unauthorized acts or business sought to be enjoined are being

1 transacted pursuant to any contract to which the corporation
2 is a party, the court may, if all of the parties to the
3 contract are parties to the action and if it deems the result
4 to be equitable, set aside and enjoin the performance of the
5 contract, and in so doing shall allow to the corporation, or
6 to the other parties to the contract, as the case may be,
7 such compensation as may be appropriate for the loss or
8 damage sustained by any of them from the action of the court
9 in setting aside and enjoining the performance of the
10 contract, but anticipated profits to be derived from the
11 performance of the contract shall not be awarded by the court
12 as a loss or damage sustained.

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

17 (3) In a proceeding by the Commonwealth under section
18 503 (relating to actions to revoke corporate franchises) or
19 in a proceeding by the Commonwealth to enjoin the corporation
20 from the doing of unauthorized or unlawful business.

21 (b) Conveyances of property by or to a corporation.--No
22 conveyance or transfer by or to a business corporation of
23 property, real or personal, of any kind or description, shall be
24 invalid or fail because in making the conveyance or transfer, or
25 in acquiring the property, real or personal, any representative
26 of the corporation acting within the scope of the actual or
27 apparent authority given to him by the corporation has exceeded
28 any of the purposes or powers of the corporation.

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

1 § 1504. Adoption, amendment and contents of bylaws.

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

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

23 Section 1521 (relating to authorized shares).

24 Section 1721 (relating to board of directors).

25 Section 1726 (relating to removal of directors).

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

27 Section 1756 (relating to quorum).

28 Section 1757 (relating to action by shareholders).

29 Section 1765 (relating to judges of election).

30 Section 2105 (relating to termination of nonstock

1 corporation status).

2 Section 2122 (relating to classes of membership).

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

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

5 Section 2321 (relating to shares).

6 Section 2322 (relating to share transfer restrictions).

7 Section 2325 (relating to sale option of estate of
8 shareholder).

9 Section 2332 (relating to management by shareholders).

10 Section 2334 (relating to appointment of provisional
11 director in certain cases).

12 Section 2337 (relating to option of shareholder to
13 dissolve corporation).

14 Section 2923 (relating to issuance and retention of
15 shares).

16 (c) Bylaw provisions in articles.--Where any provision of
17 this subpart refers to a rule as set forth in the bylaws of a
18 corporation, the reference shall be construed to include and be
19 satisfied by any rule on the same subject as set forth in the
20 articles of the corporation.

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

28 § 1505. Persons bound by bylaws.

29 The bylaws of a business corporation shall operate merely as
30 regulations among the shareholders of the corporation and shall

1 not affect contracts or other dealings with other persons unless
2 those persons have actual knowledge of the bylaws.

3 § 1506. Form of execution of instruments.

4 (a) General rule.--Any form of execution provided in the
5 articles or bylaws to the contrary notwithstanding, any note,
6 mortgage, evidence of indebtedness, contract or other document,
7 or any assignment or endorsement thereof, executed or entered
8 into between any business corporation and any other person, when
9 signed by one or more officers or agents having actual or
10 apparent authority to sign it, or by the president or vice
11 president and secretary or assistant secretary or treasurer or
12 assistant treasurer of the corporation, shall be held to have
13 been properly executed for and in behalf of the corporation.

14 (b) Seal unnecessary.--The affixation of the corporate seal
15 shall not be necessary to the valid execution, assignment or
16 endorsement by a corporation of any instrument or other
17 document.

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

20 § 1507. Registered office.

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

24 (b) Statement of change of registered office.--After
25 incorporation, a change of the location of the registered office
26 may be authorized at any time by the board of directors. Before
27 the change of location becomes effective, the corporation either
28 shall amend its articles under the provisions of this subpart to
29 reflect the change in location or shall file in the Department
30 of State a statement of change of registered office executed by

1 the corporation setting forth:

2 (1) The name of the corporation.

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

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

7 (4) A statement that the change was authorized by the
8 board of directors.

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

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

20 § 1508. Corporate records; inspection.

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

1 converted into written form within a reasonable time.

2 (b) Right of inspection.--Every shareholder shall, upon
3 written verified demand stating the purpose thereof, have a
4 right to examine, in person or by agent or attorney, during the
5 usual hours for business for any proper purpose, the share
6 register, books and records of account, and records of the
7 proceedings of the incorporators, shareholders and directors and
8 to make copies or extracts therefrom. A proper purpose shall
9 mean a purpose reasonably related to the interest of the person
10 as a shareholder. In every instance where an attorney or other
11 agent is the person who seeks the right of inspection, the
12 demand shall be accompanied by a verified power of attorney or
13 other writing which authorizes the attorney or other agent to so
14 act on behalf of the shareholder. The demand shall be directed
15 to the corporation at its registered office in this Commonwealth
16 or at its principal place of business wherever situated.

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

1 corporation the reasonable cost of obtaining and furnishing the
2 list and on such other conditions as the court deems
3 appropriate. Where the shareholder seeks to inspect the books
4 and records of the corporation, other than its share register or
5 list of shareholders, he shall first establish:

6 (1) That he has complied with the provisions of this
7 section respecting the form and manner of making demand for
8 inspection of the document.

9 (2) That the inspection he seeks is for a proper
10 purpose.

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

24 § 1509. Bylaws and other powers in emergency.

25 (a) General rule.--Except as otherwise restricted in the
26 bylaws, the board of directors of any business corporation may
27 adopt emergency bylaws, subject to repeal or change by action of
28 the shareholders, which shall, notwithstanding any different
29 provisions of law or of the articles or bylaws, be effective
30 during any emergency resulting from an attack on the United

1 States, a nuclear disaster or another catastrophe as a result of
2 which a quorum of the board cannot readily be assembled. The
3 emergency bylaws may make any provision that may be appropriate
4 for the circumstances of the emergency including:

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

6 (2) Quorum requirements for meetings.

7 (3) Procedures for designating additional or substitute
8 directors.

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

18 (c) Personnel not liable.--No representative of the
19 corporation:

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

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

26 (d) Effect on regular bylaws.--To the extent not
27 inconsistent with any emergency bylaws so adopted, the bylaws of
28 the corporation shall remain in effect during any emergency and,
29 upon its termination, the emergency bylaws shall cease to be
30 effective.

1 (e) Procedure in absence of emergency bylaws.--Unless
2 otherwise provided in emergency bylaws, notice of any meeting of
3 the board of directors during an emergency shall be given only
4 to those directors it is feasible to reach at the time and by
5 such means as are feasible at the time, including publication or
6 radio. To the extent required to constitute a quorum at any
7 meeting of the board of directors during any emergency, the
8 officers of the corporation who are present shall, unless
9 otherwise provided in emergency bylaws, be deemed, in order of
10 rank and within the same rank in order of seniority, directors
11 for the meeting.

12 § 1510. Usury not a defense.

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

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

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

25 § 1511. Additional powers of certain public utility
26 corporations.

27 (a) General rule.--A public utility corporation shall, in
28 addition to any other power of eminent domain conferred by any
29 other statute, have the right to take, occupy and condemn
30 property for one or more of the following principal purposes and

1 ancillary purposes reasonably necessary or appropriate for the
2 accomplishment of the principal purposes:

3 (1) The transportation of passengers or property or both
4 as a common carrier by means of elevated street railway,
5 ferry, inclined plane railway, railroad, street railway or
6 underground street railway, trackless-trolley omnibus or by
7 any combination of such means.

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

11 (3) The production, generation, manufacture,
12 transmission, storage, distribution or furnishing of natural
13 or artificial gas, electricity, steam, air conditioning or
14 refrigerating service or any combination thereof to or for
15 the public.

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

19 (5) The collection, treatment or disposal of sewage for
20 the public.

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

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

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

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

30 (1) To condemn for the purpose of constructing any

1 street railway, trackless-trolley omnibus, petroleum or
2 petroleum products transportation or aerial electric
3 transmission, aerial telephone or aerial telegraph lines:

4 (i) Any dwelling house or, except in the case of any
5 condemnation for petroleum or petroleum products
6 transportation lines, any part of the reasonable
7 curtilage of a dwelling house within 100 meters therefrom
8 and not within the limits of any street, highway, water
9 or other public way or place.

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

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

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

1 commission approving or denying an application under this
2 subsection, including an order involving a question of
3 jurisdiction under this subsection, may be made the subject of
4 any appeal in the manner provided or prescribed by law.

5 (d) Base fee interests.--The estate in property condemned
6 and taken by a public utility corporation shall be in fee simple
7 absolute unless the resolution of condemnation specifies a
8 lesser estate. Whenever it is necessary for any public utility
9 corporation to condemn by authority of subsection (a) the
10 freehold in the surface of any tract of property or the right to
11 the exclusive possession for any indefinite period of the
12 surface of any tract of property, the public utility corporation
13 shall condemn a fee simple absolute and no less estate in the
14 tract or the surface thereof.

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

28 (f) Effect on other statutes.--Nothing in subsections (a)
29 through (e) shall be construed to eliminate the exemption by
30 statute of certain historical lands from liability to

1 condemnation or entry nor to affect or modify any of the
2 provisions of the act of December 19, 1984 (P.L.1140, No.223),
3 known as the Oil and Gas Act, or of 66 Pa.C.S. § 1104 (relating
4 to certain appropriations by the right of eminent domain
5 prohibited) or 2702 (relating to construction, relocation,
6 suspension and abolition of crossings), nor to permit the
7 acquisition of water rights, water or land underlying them by
8 any public utility corporation which has not received from the
9 Department of Environmental Resources a limited power permit,
10 limited water supply permit, order of confirmation or permit for
11 acquisition of water rights authorizing the acquisition.

12 (g) Procedure.--

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

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

25 (i) If the corporation and any interested party
26 cannot agree on the amount of damages sustained, or if
27 any interested party is an unincorporated association, or
28 is absent, unknown, not of full age or otherwise
29 incompetent or unavailable to contract with the
30 corporation, or in the case of disputed, doubtful or

1 defective title, the corporation may make a verified
2 application to the appropriate court for an order
3 directing the filing of a bond to the Commonwealth, in an
4 amount and with security to be approved by the court, for
5 the use of the person or persons who may be found to be
6 entitled to the damages sustained. The application shall
7 be accompanied by the bond and a certified copy of the
8 resolution of condemnation. The resolution shall describe
9 the nature and extent of the taking.

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

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

1 thereof, which classes or series may have full, limited,
2 multiple or fractional or no voting rights and such
3 designations, preferences, limitations and special rights as may
4 be desired. Shares which are not entitled to a preference, even
5 if identified by a class or other designation, shall not be
6 designated as preference or preferred shares.

7 (b) Provisions specifically authorized.--

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

11 (i) Subject to the right or obligation of the
12 corporation to redeem any of the shares for the
13 consideration, if any, fixed by or in the manner provided
14 by the articles for the redemption thereof. Unless
15 otherwise provided in the articles, any shares subject to
16 redemption shall be redeemable only pro rata or by lot or
17 by such other equitable method as may be selected by the
18 corporation.

19 (ii) Entitling the holders thereof to cumulative,
20 noncumulative or partially cumulative dividends.

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

23 (iv) Convertible into shares of any other class or
24 series, obligations of the corporation or shares or
25 obligations of any other person.

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

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

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

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

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

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

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

1 (a) General rule.--The division of shares into classes and
2 into series within any class, the determination of the
3 designation and the number of shares of any class or series and
4 the determination of the voting rights, preferences, limitations
5 and special rights, if any, of the shares of any class or series
6 of a business corporation may be accomplished by the original
7 articles or by any amendment thereof. The amendment may be made
8 by the board of directors as provided in subsection (b).

9 (b) Divisions and determinations by the board.--An amendment
10 of articles described in subsection (a) may be made solely by
11 action of the board if the articles authorize the board to make
12 the divisions and determinations. Unless otherwise restricted in
13 the articles:

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

23 (2) Authority granted to the board to determine the
24 voting rights, preferences, limitations and special rights of
25 any class or series shall be deemed to include the power to
26 determine preferences as to dividends or assets which are
27 prior, subordinate or on a parity with the rights of any
28 other class or series and to determine voting rights,
29 limitations and special rights which are greater or lesser
30 than or equal to the rights and limitations of any other

1 class or series, whether or not the other shares are issued
2 or outstanding at the time when the board acts to determine
3 them.

4 (c) Changes in outstanding classes or series.--The articles
5 may authorize the board to amend the articles to change the
6 designation or the voting rights, preferences, limitations and
7 special rights of any outstanding class or series of shares.

8 Prompt notice of any action by the board making the changes
9 shall be given to the holders of all shares affected by the
10 action.

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

24 (1) The name of the corporation.

25 (2) The resolution of the board required by this
26 subsection.

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

29 (i) The resolution.

30 (ii) All prior statements, if any, filed under this

1 section or corresponding provisions of prior law with
2 respect thereto.

3 (iii) Any other provision of the articles.

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

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

8 (e) Effect of filing statement.--Upon the filing of the
9 statement in the department or upon the effective date specified
10 in the statement, whichever is later, the resolution shall
11 become effective and shall operate as an amendment of the
12 articles.

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

21 § 1523. Pricing and issuance of shares.

22 Except as otherwise restricted in the bylaws, shares of a
23 business corporation may be issued at a price determined by the
24 board of directors or the board may set a minimum price or
25 establish a formula or method by which the price may be
26 determined.

27 § 1524. Payment for shares.

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

30 (1) May consist of money, obligations (including an

obligation of a shareholder), services performed whether or not contracted for, contracts for services to be performed or any other tangible or intangible property. If shares are issued for other than money, the value of the consideration shall be determined by or in the manner provided by the board of directors.

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

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

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

(d) Rights of subscribing shareholder.--Notwithstanding any other provision of this subpart, the right to vote, to receive dividends and to have and exercise the other rights of a shareholder prior to payment in full of the agreed consideration for the shares of a shareholder who has acquired his shares by

1 subscription may be denied or limited as provided in the
2 subscription agreement. Any such denial or limitation of rights
3 shall be noted conspicuously on the face or back of the share
4 certificate, if any, or in the notice provided by section
5 1528(f) (relating to uncertificated shares). Unless so noted,
6 such denial or limitation (even though permitted by this
7 section) is ineffective except against a person with actual
8 knowledge of the denial or limitation.

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

13 § 1525. Stock rights and options.

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

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

1 corporation.

2 § 1526. Liability of subscribers and shareholders.

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

9 § 1527. Issuance of fractional shares or scrip.

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

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

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

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

1 exercise any voting right, to receive dividends or to
2 participate in any of the assets of the corporation in the
3 event of liquidation.

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

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

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

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

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

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

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

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

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

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

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

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

1 § 1529. Transfer of securities; restrictions.

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

6 (b) Transfer restrictions generally.--A restriction on the
7 transfer or registration of transfer of securities of a business
8 corporation may be imposed by the bylaws or by an agreement
9 among any number of securityholders or among them and the
10 corporation. No restriction so imposed shall be binding with
11 respect to securities issued prior to the adoption of the
12 restriction unless the holders of the securities are parties to
13 the agreement or voted in favor of the restriction.

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

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

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

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

1 proposed transferee of the restricted securities; or

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

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

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

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

30 § 1530. Preemptive rights of shareholders.

1 Except as otherwise provided in the articles, a business
2 corporation may issue shares, option rights or securities having
3 conversion or option rights without first offering them to
4 shareholders of any class or classes.

5 § 1531. Voting powers and other rights of certain
6 securityholders and other entities.

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

10 (1) Registered holders of obligations issued or to be
11 issued by the corporation.

12 (2) The Commonwealth or any political subdivision
13 thereof or other entity prohibited by law from becoming a
14 shareholder of a corporation.

15 § 1532. Effect of failure to surrender securities converted by
16 reorganization.

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

1 sale, the sole right of the holders of the unsurrendered
2 outstanding securities shall be the right to collect the net
3 sales proceeds held for their account.

4 SUBCHAPTER C

5 CORPORATE FINANCE

6 Sec.

7 1551. Distributions to shareholders.

8 1552. Power of corporation to acquire its own shares.

9 1553. Liability for unlawful dividends and other distributions.

10 1554. Financial reports to shareholders.

11 § 1551. Distributions to shareholders.

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

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

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

30 (d) Redemption related and similar debt.--Indebtedness of a

1 corporation incurred or issued to a shareholder in a
2 distribution in accordance with this section shall be on a
3 parity with the indebtedness of the corporation to its general
4 unsecured creditors except to the extent subordinated by
5 agreement.

6 § 1552. Power of corporation to acquire its own shares.

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

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

19 § 1553. Liability for unlawful dividends and other
20 distributions.

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

1 the provisions of this subpart or the restrictions in the
2 bylaws.

3 (b) Contribution by shareholders.--Any director against whom
4 a claim is asserted under or pursuant to this section for the
5 making of a distribution and who is held liable thereon shall be
6 entitled to contribution from the shareholders who accepted or
7 received any such distribution, knowing the distribution to have
8 been made in violation of this subpart, in proportion to the
9 amounts received by them.

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

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

18 § 1554. Financial reports to shareholders.

19 (a) General rule.--Unless otherwise agreed between a
20 business corporation and a shareholder, every corporation shall
21 furnish to its shareholders annual financial statements,
22 including at least a balance sheet as of the end of each fiscal
23 year and a statement of income for the fiscal year. The
24 agreement shall be set forth in a writing which is separate from
25 the articles, bylaws and share certificate or notice provided
26 pursuant to section 1528(f) (relating to uncertificated shares).
27 The financial statements shall be prepared on the basis of
28 generally accepted accounting principles, if the corporation
29 prepares financial statements for the fiscal year on that basis
30 for any purpose, and may be consolidated statements of the

1 corporation and one or more of its subsidiaries. The financial
2 statements shall be mailed by the corporation to each of its
3 shareholders entitled thereto within 120 days after the close of
4 each fiscal year and, after the mailing and upon written
5 request, shall be mailed by the corporation to any shareholder
6 or beneficial owner entitled thereto to whom a copy of the most
7 recent annual financial statements has not previously been
8 mailed. In the case of statements audited or reviewed by a
9 public accountant, each copy shall be accompanied by the report
10 of the accountant; in other cases, each copy shall be
11 accompanied by a statement of the person in charge of the
12 financial records of the corporation:

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

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

20 (b) Transitional provision.--A bylaw adopted on or before
21 December 31, 1985, shall be deemed a separate written agreement
22 between the corporation and each holder of shares outstanding on
23 that date for the purposes of subsection (a).

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

28 SUBCHAPTER D
29 DISSENTERS RIGHTS
30 Sec.

1 1571. Application and effect of subchapter.
2 1572. Definitions.
3 1573. Record and beneficial holders and owners.
4 1574. Notice of intention to dissent.
5 1575. Notice to demand payment.
6 1576. Failure to comply with notice to demand payment, etc.
7 1577. Release of restrictions or payment for shares.
8 1578. Estimate by dissenter of fair value of shares.
9 1579. Valuation proceedings generally.
10 1580. Costs and expenses of valuation proceedings.

11 § 1571. Application and effect of subchapter.

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

19 Section 1906(c) (relating to dissenters rights upon
20 disparate treatment).

21 Section 1917 (relating to dissenters rights upon certain
22 amendments).

23 Section 1930 (relating to dissenters rights).

24 Section 1931(d) (relating to dissenters rights in share
25 exchanges).

26 Section 1932(c) (relating to dissenters rights in asset
27 transfers).

28 Section 1952(d) (relating to dissenters rights in
29 division).

30 Section 1962(c) (relating to dissenters rights in

conversion).

Section 2104(b) (relating to procedure).

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

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

Section 2704 (relating to dissenters rights upon election).

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

(b) Exceptions.--

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

(i) listed on a national securities exchange; or

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

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

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

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

1 of the transaction the affirmative vote of a majority of
2 the votes cast by all shareholders of the class.

3 (3) The shareholders of a corporation which acquires by
4 purchase, lease, exchange or other disposition all or
5 substantially all of the shares, property or assets of
6 another corporation by the issuance of shares, obligations or
7 otherwise, with or without assuming the liabilities of the
8 other corporation and with or without the intervention of
9 another corporation or other person, shall not be entitled to
10 the rights and remedies of dissenting shareholders provided
11 in this subchapter regardless of the fact, if it be the case,
12 that the acquisition was accomplished by the issuance of
13 voting shares of the corporation to be outstanding
14 immediately after the acquisition sufficient to elect a
15 majority or more of the directors of the corporation or that
16 the acquiring corporation is smaller than the acquired
17 corporation.

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

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

29 (1) a statement that the shareholders have a right to
30 dissent and obtain payment of the fair value of their shares

by complying with the terms of this subchapter; and

(2) a copy of this subchapter.

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

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

§ 1572. Definitions.

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

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

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

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

"Interest." Interest from the effective date of the corporate action until the date of payment at such rate as is fair and equitable under all the circumstances, taking into account all relevant factors including the average rate

1 currently paid by the corporation on its principal bank loans.

2 § 1573. Record and beneficial holders and owners.

3 (a) Record holders of shares.--A record holder of shares of
4 a business corporation may assert dissenters rights as to fewer
5 than all of the shares registered in his name only if he
6 dissents with respect to all the shares beneficially owned by
7 any one person and discloses the name and address of the person
8 or persons on whose behalf he dissents. In that event, his
9 rights shall be determined as if the shares as to which he has
10 dissented and his other shares were registered in the names of
11 different shareholders.

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

22 § 1574. Notice of intention to dissent.

23 If the proposed corporate action is submitted to a vote at a
24 meeting of shareholders of a business corporation, any person
25 who wishes to dissent and obtain payment of the fair value of
26 his shares must file with the corporation, prior to the vote, a
27 written notice of intention to demand that he be paid the fair
28 value for his shares if the proposed action is effectuated and
29 refrain from voting his shares in approval of such action. A
30 dissenter who fails in either respect shall acquire no right to

1 payment of the fair value of his shares under this subchapter.
2 Neither a proxy nor a vote against the proposed corporate action
3 shall constitute the written notice required by this section.

4 § 1575. Notice to demand payment.

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

16 (1) State where and when a demand for payment must be
17 sent and certificates for certificated shares must be
18 deposited in order to obtain payment.

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

22 (3) Supply a form for demanding payment which includes a
23 request for certification of the date on which the
24 shareholder, or the person on whose behalf the shareholder
25 dissents, acquired beneficial ownership of the shares.

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

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

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

1 (a) Effect of failure of shareholder to act.--A shareholder
2 who fails to demand payment, or fails (in the case of
3 certificated shares) to deposit certificates, as required by a
4 notice pursuant to section 1575 (relating to notice to demand
5 payment) shall have no right under this subchapter to receive
6 payment of the fair value of his shares.

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

13 (c) Rights retained by shareholder.--The dissenter shall
14 retain all other rights of a shareholder until those rights are
15 modified by effectuation of the proposed corporate action.
16 § 1577. Release of restrictions or payment for shares.

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

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

30 (c) Payment of fair value of shares.--Promptly after

1 effectuation of the proposed corporate action, or upon timely
2 receipt of demand for payment if the corporate action has
3 already been effectuated, the corporation shall either remit to
4 dissenters who have made demand and (if their shares are
5 certificated) have deposited their certificates the amount which
6 the corporation estimates to be the fair value of the shares, or
7 give written notice that no remittance under this section will
8 be made. The remittance or notice shall be accompanied by:

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

14 (2) A statement of the corporation's estimate of the
15 fair value of the shares.

16 (3) A notice of the right of the dissenter to demand
17 supplemental payment accompanied by a copy of this
18 subchapter.

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

1 dissenting holder or owner of such shares. A transferee of such
2 shares shall not acquire by such transfer any rights in the
3 corporation other than those which the original dissenter had
4 after making demand for payment of their fair value.

5 (e) Cross reference.--See section 1581 (relating to rights
6 of persons not beneficial owners when corporate action first
7 announced).

8 § 1578. Estimate by dissenter of fair value of shares.

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

18 (b) Effect of failure to file estimate.--Where a corporation
19 has remitted payment of its estimated value of a dissenter's
20 shares, and the dissenter does not file his own estimate within
21 30 days after the mailing by the corporation of its remittance,
22 the dissenter shall be entitled to no more than the amount
23 remitted to him by the corporation.

24 § 1579. Valuation proceedings generally.

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

26 (1) effectuation of the proposed corporate action;

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

29 (3) timely receipt of any estimates pursuant to section
30 1578 (relating to estimate by dissenter of fair value of

1 shares);
2 if any demands for payment remain unsettled, the business
3 corporation may file in court an application for relief
4 requesting that the fair value of the shares be determined by
5 the court.

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

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

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

24 (e) Effect of corporation's failure to file application.--If
25 the corporation fails to file an application as provided in
26 subsection (a), any dissenter who made a demand and who has not
27 already settled his claim against the corporation may do so in
28 the name of the corporation at any time within 30 days after the
29 expiration of the 60-day period. If a dissenter does not file an
30 application within the 30-day period, each dissenter entitled to

1 file an application shall be paid the corporation's estimate of
2 the fair value of the shares and no more, and may bring an
3 action therefor in any court of competent jurisdiction for any
4 amount not previously remitted.

5 § 1580. Costs and expenses of valuation proceedings.

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

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

28 (c) Award of fees for benefits to other dissenters.--If the
29 court finds that the services of counsel for any dissenter were
30 of substantial benefit to other dissenters similarly situated

1 and should not be assessed against the corporation, it may award
2 to those counsel reasonable fees to be paid out of the amounts
3 awarded to the dissenters who were benefited.

4 CHAPTER 17

5 OFFICERS, DIRECTORS AND SHAREHOLDERS

6 Subchapter

7 A. Notice and Meetings Generally

8 B. Directors and Officers

9 C. Indemnification

10 D. Shareholders

11 E. Derivative actions

12 F. Judicial Supervision of Corporate Action

13 SUBCHAPTER A

14 NOTICE AND MEETINGS GENERALLY

15 Sec.

16 1701. Applicability of subchapter.

17 1702. Manner of giving notice.

18 1703. Place and notice of meetings of board of directors.

19 1704. Place and notice of meetings of shareholders.

20 1705. Waiver of notice.

21 1706. Modification of proposal contained in notice.

22 1707. Exception to requirement of notice.

23 1708. Use of conference telephone and similar equipment.

24 § 1701. Applicability of subchapter.

25 The provisions of this subchapter shall apply to every
26 business corporation unless otherwise restricted:

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

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

30 § 1702. Manner of giving notice.

1 (a) General rule.--Whenever written notice is required to be
2 given to any person under the provisions of this subpart or by
3 the articles or bylaws of any business corporation, it may be
4 given to the person either personally or by sending a copy
5 thereof by first class mail, postage prepaid, or by telegram,
6 charges prepaid, to his address appearing on the books of the
7 corporation or, in the case of directors, supplied by him to the
8 corporation for the purpose of notice. If the notice is sent by
9 mail or by telegraph, it shall be deemed to have been given to
10 the person entitled thereto when deposited in the United States
11 mail or with a telegraph office for transmission to that person.
12 A notice of meeting shall specify the place, day and hour of the
13 meeting and any other information required by any other
14 provision of this subpart.

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

21 § 1703. Place and notice of meetings of board of directors.

22 (a) Place.--Meetings of the board of directors may be held
23 at such place within or without this Commonwealth as the board
24 of directors may from time to time appoint or as may be
25 designated in the notice of the meeting.

26 (b) Notice.--Meetings of the board of directors may be held
27 upon such notice, if any, as the bylaws may prescribe. Unless
28 otherwise provided in the bylaws, written notice of every
29 meeting of the board of directors shall be given to each
30 director at least five days before the day named for the

1 meeting. Neither the business to be transacted at, nor the
2 purpose of, any regular or special meeting of the board need be
3 specified in the notice of the meeting.

4 § 1704. Place and notice of meetings of shareholders.

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

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

20 § 1705. Waiver of notice.

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

1 general nature of the business to be transacted.

2 (b) Waiver by attendance.--Attendance of a person at any
3 meeting shall constitute a waiver of notice of the meeting
4 except where a person attends a meeting for the express purpose
5 of objecting, at the beginning of the meeting, to the
6 transaction of any business because the meeting was not lawfully
7 called or convened.

8 § 1706. Modification of proposal contained in notice.

9 Whenever the language of a proposed resolution is included in
10 a written notice of a meeting required to be given under the
11 provisions of this subpart or the articles or bylaws of any
12 business corporation, the meeting considering the resolution may
13 without further notice adopt it with such clarifying or other
14 amendments as do not enlarge its original purpose.

15 § 1707. Exception to requirement of notice.

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

1 state therein that notice or communication was given to all
2 persons entitled to receive notice or communication except
3 persons with whom communication was unlawful. See section 1701
4 (relating to applicability of subchapter).

5 (b) Shareholders without forwarding addresses.--Subsection
6 (a) shall also be applicable to any shareholder with whom the
7 corporation has been unable to communicate for more than 24
8 consecutive months because communications to the shareholder are
9 returned unclaimed or the shareholder has otherwise failed to
10 provide the corporation with a current address. Whenever the
11 shareholder provides the corporation with a current address,
12 subsection (a) shall cease to be applicable to the shareholder
13 under this subsection.

14 § 1708. Use of conference telephone and similar equipment.

15 One or more persons may participate in a meeting of the
16 incorporators, the board or shareholders of a business
17 corporation by means of conference telephone or similar
18 communications equipment by means of which all persons
19 participating in the meeting can hear each other. Participation
20 in a meeting pursuant to this section shall constitute presence
21 in person at the meeting.

22 SUBCHAPTER B

23 DIRECTORS AND OFFICERS

24 Sec.

25 1721. Board of directors.

26 1722. Qualifications of directors.

27 1723. Number of directors.

28 1724. Term of office of directors.

29 1725. Selection of directors.

30 1726. Removal of directors.

1 1727. Quorum of and action by directors.
2 1728. Interested directors or officers; quorum.
3 1729. Voting rights of directors.
4 1730. Compensation of directors.
5 1731. Executive and other committees of the board.
6 1732. Officers.
7 1733. Removal of officers and agents.
8 § 1721. Board of directors.

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

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

30 (1) one or more officers or employees of the corporation

1 whom the director believes to be reliable and competent in
2 the matters presented;

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

6 (3) a committee of the board upon which he does not
7 serve, duly designated in accordance with section 1731
8 (relating to executive and other committees of the board), as
9 to matters within its designated authority.

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

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

23 (d) Consideration of all pertinent factors.--In discharging
24 the duties of their respective positions, the board of
25 directors, committees of the board, individual directors and
26 individual officers may, in considering the best interests of
27 the corporation, consider the effects of any action upon
28 employees, suppliers and customers of the corporation,
29 communities in which offices or other establishments of the
30 corporation are located and all other pertinent factors. The

1 consideration of those factors shall not constitute a violation
2 of subsection (b), nor be a basis for relief under section
3 1767(a)(2) (relating to appointment of custodian of corporation
4 on deadlock or other cause) or 1981 (relating to proceedings
5 upon petition of shareholder or director). The weight to be
6 given those factors in determining the best interests of the
7 corporation may be determined within the business judgment of
8 the directors.

9 § 1722. Qualifications of directors.

10 Each director of a business corporation shall be a natural
11 person of full age who, unless otherwise restricted in the
12 bylaws, need not be a resident of this Commonwealth or a
13 shareholder of the corporation. Except as otherwise provided in
14 this section, the qualifications of directors may be prescribed
15 in the bylaws.

16 § 1723. Number of directors.

17 The board of directors of a business corporation shall
18 consist of one or more members. The number of directors shall be
19 fixed by, or in the manner provided in, the bylaws. If not so
20 fixed, the number of directors shall be the same as that stated
21 in the articles or three if no number is so stated.

22 § 1724. Term of office of directors.

23 (a) General rule.--Each director of a business corporation
24 shall hold office until the expiration of the term for which he
25 was selected and until his successor has been selected and
26 qualified or until his earlier death, resignation or removal.
27 Any director may resign at any time upon written notice to the
28 corporation. The resignation shall be effective upon receipt
29 thereof by the corporation or at such subsequent time as shall
30 be specified in the notice of resignation. Each director shall

1 be selected for the term of office provided in the bylaws, which
2 shall be one year and until his successor has been selected and
3 qualified or until his earlier death, resignation or removal,
4 unless the board is classified as provided by subsection (b). A
5 decrease in the number of directors shall not have the effect of
6 shortening the term of any incumbent director.

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

10 (1) Each class shall be as nearly equal in number as
11 possible.

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

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

16 § 1725. Selection of directors.

17 (a) General rule.--Except as otherwise provided in this
18 section, directors of a business corporation, other than those
19 constituting the first board of directors, shall be elected by
20 the shareholders.

21 (b) Other methods.--If the articles so provide, directors
22 may be elected, appointed, designated or otherwise selected by
23 such person or persons or by such method or methods as shall be
24 fixed by, or in the manner provided in, the articles, and the
25 directors may be classified as to the shareholders, other
26 securityholders or governmental or other entities who exercise
27 the power to select directors.

28 (c) Vacancies.--

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

30 (i) Vacancies in the board of directors, including

1 vacancies resulting from an increase in the number of
2 directors, may be filled by a majority vote of the
3 remaining members of the board though less than a quorum,
4 or by a sole remaining director, and each person so
5 selected shall be a director to serve for the balance of
6 the unexpired term unless otherwise restricted in the
7 bylaws.

8 (ii) When one or more directors resign from the
9 board effective at a future date, the directors then in
10 office, including those who have so resigned, shall have
11 power by the applicable vote to fill the vacancies, the
12 vote thereon to take effect when the resignations become
13 effective.

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

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

1 respects to the provisions of this subpart relating to
2 directors.

3 § 1726. Removal of directors.

4 (a) Removal by the shareholders.--

5 (1) Unless otherwise provided in a bylaw adopted by the
6 shareholders or by paragraph (2), the entire board of
7 directors, or a class of the board where the board is
8 classified with respect to the power to select directors, or
9 any individual director of a business corporation may be
10 removed from office without assigning any cause by the vote
11 of shareholders, or of the holders of a class or series of
12 shares, entitled to elect directors, or the class of
13 directors. In case the board or a class of the board or any
14 one or more directors are so removed, new directors may be
15 elected at the same meeting.

16 (2) Unless otherwise provided in the articles, the
17 entire board of directors, or any class of the board, or any
18 individual director of a corporation having a board
19 classified as permitted by section 1724(b) (relating to
20 classified board of directors), may be removed from office by
21 vote of the shareholders entitled to vote thereon only for
22 cause.

23 (3) The repeal of a provision of the articles or bylaws
24 prohibiting, or the addition of a provision of the articles
25 or bylaws permitting, the removal by the shareholders of the
26 board, a class of the board or a director without assigning
27 any cause shall not apply to any incumbent director during
28 the balance of the term for which he was selected.

29 (4) An individual director shall not be removed (unless
30 the entire board or class of the board is removed) from the

1 board of a corporation in which shareholders are entitled to
2 vote cumulatively for the board or a class of the board if
3 sufficient votes are cast against the resolution for his
4 removal which, if cumulatively voted at an annual or other
5 regular election of directors, would be sufficient to elect
6 one or more directors to the board or to the class.

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

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

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

30 (d) Effect of reinstatement.--An act of the board done

1 during the period when a director has been suspended or removed
2 for cause shall not be impugned or invalidated if the suspension
3 or removal is thereafter rescinded by the shareholders or by the
4 board or by the final judgment of a court.

5 § 1727. Quorum of and action by directors.

6 (a) General rule.--Unless otherwise provided in the bylaws,
7 a majority of the directors in office of a business corporation
8 shall be necessary to constitute a quorum for the transaction of
9 business and the acts of a majority of the directors present and
10 voting at a meeting at which a quorum is present shall be the
11 acts of the board of directors.

12 (b) Action by written consent.--Unless otherwise restricted
13 in the bylaws, any action required or permitted to be taken at a
14 meeting of the directors may be taken without a meeting if,
15 prior or subsequent to the action, a consent or consents thereto
16 by all of the directors in office is filed with the secretary of
17 the corporation.

18 § 1728. Interested directors or officers; quorum.

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

1 (1) the material facts as to the relationship or
2 interest and as to the contract or transaction are disclosed
3 or are known to the board of directors and the board
4 authorizes the contract or transaction by the affirmative
5 votes of a majority of the disinterested directors even
6 though the disinterested directors are less than a quorum;

7 (2) the material facts as to his relationship or
8 interest and as to the contract or transaction are disclosed
9 or are known to the shareholders entitled to vote thereon and
10 the contract or transaction is specifically approved in good
11 faith by vote of those shareholders; or

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

15 (b) Quorum.--Common or interested directors may be counted
16 in determining the presence of a quorum at a meeting of the
17 board which authorizes a contract or transaction specified in
18 subsection (a).

19 (c) Applicability.--The provisions of this section shall be
20 applicable except as otherwise restricted in the bylaws, but
21 shall not apply to a decision to indemnify a representative of
22 the corporation under section 1744 (relating to procedure for
23 effecting indemnification).

24 § 1729. Voting rights of directors.

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

28 (b) Multiple and fractional voting.--Any requirement of this
29 subpart for the presence of or vote or other action by a
30 specified percentage of directors shall be satisfied by the

1 presence of or vote or other action by directors entitled to
2 cast the specified percentage of the votes which all voting
3 directors in office are entitled to cast.

4 § 1730. Compensation of directors.

5 Except as otherwise restricted in the bylaws, the board of
6 directors of a business corporation shall have the authority to
7 fix the compensation of directors for their services as
8 directors and a director may be a salaried officer of the
9 corporation.

10 § 1731. Executive and other committees of the board.

11 (a) Establishment and powers.--Unless otherwise restricted
12 in the bylaws:

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

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

24 (ii) The creation or filling of vacancies in the
25 board of directors.

26 (iii) The adoption, amendment or repeal of the
27 bylaws.

28 (iv) The amendment or repeal of any resolution of
29 the board which by its terms is amendable or repealable
30 only by the board.

(v) Action on matters committed by the bylaws or resolution of the board of directors to another committee of the board.

(2) The board may designate one or more directors as alternate members of any committee who may replace any absent or disqualified member at any meeting of the committee. In the absence or disqualification of a member and alternate member or members of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not he or they constitute a quorum, may unanimously appoint another director to act at the meeting in the place of the absent or disqualified member.

(b) Term.--Each committee of the board shall serve at the pleasure of the board.

(c) Status of committee action.--The term "board of directors" or "board," when used in any provision of this subpart relating to the organization or procedures of or the manner of taking action by the board of directors, shall be construed to include and refer to any executive or other committee of the board. Any provision of this subpart relating or referring to action to be taken by the board of directors or the procedure required therefor shall be satisfied by the taking of corresponding action by a committee of the board of directors to the extent authority to take the action has been delegated to the committee pursuant to this section.

§ 1732. Officers.

(a) General rule.--Every business corporation shall have a president, a secretary and a treasurer, or persons who shall act as such, regardless of the name or title by which they may be designated, elected or appointed and may have such other

1 officers and assistant officers as it may authorize from time to
2 time. The bylaws may prescribe special qualifications for the
3 officers. The president and secretary shall be natural persons
4 of full age. The treasurer may be a corporation, but if a
5 natural person shall be of full age. Unless otherwise restricted
6 in the bylaws, it shall not be necessary for the officers to be
7 directors and any number of offices may be held by the same
8 person. The officers and assistant officers shall be elected or
9 appointed at such time, in such manner and for such terms as may
10 be fixed by or pursuant to the bylaws. Unless otherwise provided
11 by or pursuant to the bylaws, each officer shall hold office for
12 a term of one year and until his successor has been selected and
13 qualified or until his earlier death, resignation or removal.
14 Any officer may resign at any time upon written notice to the
15 corporation. The resignation shall be effective upon receipt
16 thereof by the corporation or at such subsequent time as may be
17 specified in the notice of resignation. The corporation may
18 secure the fidelity of any or all of the officers by bond or
19 otherwise.

20 (b) Authority.--Unless otherwise provided in the bylaws, all
21 officers of the corporation, as between themselves and the
22 corporation, shall have such authority and perform such duties
23 in the management of the corporation as may be provided by or
24 pursuant to the bylaws or, in the absence of controlling
25 provisions in the bylaws, as may be determined by or pursuant to
26 resolutions or orders of the board of directors.

27 § 1733. Removal of officers and agents.

28 Unless otherwise provided in the bylaws, any officer or agent
29 of a business corporation may be removed by the board of
30 directors with or without cause. The removal shall be without

prejudice to the contract rights, if any, of any person so removed. Election or appointment of an officer or agent shall not of itself create contract rights.

SUBCHAPTER C

INDEMNIFICATION

Sec.

1741. Third party actions.

1742. Derivative actions.

1743. Mandatory indemnification.

1744. Procedure for effecting indemnification.

1745. Advancing expenses.

1746. Scope of subchapter.

1747. Power to purchase insurance.

1748. Application to surviving or new corporations.

1749. Application to employee benefit plans.

§ 1741. Third party actions.

Unless otherwise restricted in its bylaws, a business corporation shall have power to indemnify any person who was or is a party or is threatened to be made a party to any threatened, pending or completed action or proceeding, whether civil, criminal, administrative or investigative (other than an action by or in the right of the corporation), by reason of the fact that he is or was a representative of the corporation, or is or was serving at the request of the corporation as a representative of another domestic or foreign corporation for profit or not-for-profit, partnership, joint venture, trust or other enterprise, against expenses (including attorneys' fees), judgments, fines and amounts paid in settlement actually and reasonably incurred by him in connection with the action or proceeding if he acted in good faith and in a manner he

1 reasonably believed to be in, or not opposed to, the best
2 interests of the corporation and, with respect to any criminal
3 proceeding, had no reasonable cause to believe his conduct was
4 unlawful. The termination of any action or proceeding by
5 judgment, order, settlement or conviction or upon a plea of nolo
6 contendere or its equivalent shall not of itself create a
7 presumption that the person did not act in good faith and in a
8 manner which he reasonably believed to be in, or not opposed to,
9 the best interests of the corporation and, with respect to any
10 criminal proceeding, had reasonable cause to believe that his
11 conduct was unlawful.

12 § 1742. Derivative actions.

13 Unless otherwise restricted in its bylaws, a business
14 corporation shall have power to indemnify any person who was or
15 is a party, or is threatened to be made a party, to any
16 threatened, pending or completed action by or in the right of
17 the corporation to procure a judgment in its favor by reason of
18 the fact that he is or was a representative of the corporation
19 or is or was serving at the request of the corporation as a
20 representative of another domestic or foreign corporation for
21 profit or not-for-profit, partnership, joint venture, trust or
22 other enterprise, against expenses (including attorneys' fees)
23 actually and reasonably incurred by him in connection with the
24 defense or settlement of the action if he acted in good faith
25 and in a manner he reasonably believed to be in, or not opposed
26 to, the best interests of the corporation. No indemnification
27 shall be made in respect of any claim, issue or matter as to
28 which the person has been adjudged to be liable for negligence
29 or misconduct in the performance of his duty 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 Notwithstanding any contrary provision of its articles or
10 bylaws, to the extent that a representative of a business
11 corporation has been successful on the merits or otherwise in
12 defense of any action or proceeding referred to in section 1741
13 (relating to third party actions) or 1742 (relating to
14 derivative actions) or in defense of any claim, issue or matter
15 therein, he shall be indemnified against expenses (including
16 attorneys' fees) actually and reasonably incurred by him in
17 connection therewith.

18 § 1744. Procedure for effecting indemnification.

19 Unless ordered by a court, any indemnification under section
20 1741 (relating to third party actions) or 1742 (relating to
21 derivative actions) shall be made by the business corporation
22 only as authorized in the specific case upon a determination
23 that indemnification of the representative is proper in the
24 circumstances because he has met the applicable standard of
25 conduct set forth in those sections. The determination shall be
26 made:

27 (1) by the board of directors by a majority vote of a
28 quorum consisting of directors who were not parties to the
29 action or proceeding;

30 (2) if such a quorum is not obtainable or if obtainable

1 and a majority vote of a quorum of disinterested directors so
2 directs, by independent legal counsel in a written opinion;
3 or

4 (3) by the shareholders.

5 § 1745. Advancing expenses.

6 Expenses (including attorneys' fees) incurred in defending a
7 civil action or criminal proceeding may be paid by a business
8 corporation in advance of the final disposition of the action or
9 proceeding as authorized by the board of directors in a specific
10 case upon receipt of an undertaking by or on behalf of the
11 representative to repay the amount unless it is ultimately
12 determined that he is entitled to be indemnified by the
13 corporation as authorized in this subchapter.

14 § 1746. Scope of subchapter.

15 The indemnification provided by this subchapter shall not be
16 deemed exclusive of any other rights to which a person seeking
17 indemnification may be entitled under any bylaw, agreement, vote
18 of shareholders or disinterested directors or otherwise, both as
19 to action in his official capacity and as to action in another
20 capacity while holding that office, and shall continue as to a
21 person who has ceased to be a representative and shall inure to
22 the benefit of the heirs and personal representative of that
23 person.

24 § 1747. Power to purchase insurance.

25 Unless otherwise restricted in its bylaws, a business
26 corporation shall have power to purchase and maintain insurance
27 on behalf of any person who is or was a representative of the
28 corporation or is or was serving at the request of the
29 corporation as a representative of another domestic or foreign
30 corporation for profit or not-for-profit, partnership, joint

1 venture, trust or other enterprise against any liability
2 asserted against him and incurred by him in any such capacity,
3 or arising out of his status as such, whether or not the
4 corporation would have the power to indemnify him against that
5 liability under the provisions of this subchapter. Such
6 insurance is declared to be consistent with the public policy of
7 this Commonwealth.

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 (2) Excise taxes assessed on a person with respect to an
2 employee benefit plan pursuant to applicable law shall be
3 deemed "fines."

4 (3) Action with respect to an employee benefit plan
5 taken or omitted in good faith by a representative of the
6 corporation in a manner he reasonably believed to be in the
7 interest of the participants and beneficiaries of the plan
8 shall be deemed to be action in a manner which is not opposed
9 to the best interests of the corporation.

10 SUBCHAPTER D

11 SHAREHOLDERS

12 Sec.

13 1754. Matters subject to shareholder action.

14 1755. Time of holding meetings of shareholders.

15 1756. Quorum.

16 1757. Action by shareholders.

17 1758. Voting rights of shareholders.

18 1759. Voting and other action by proxy.

19 1760. Voting by fiduciaries and pledgees.

20 1761. Voting by joint holders of shares.

21 1762. Voting by corporations.

22 1763. Determination of shareholders of record.

23 1764. Voting lists.

24 1765. Judges of election.

25 1766. Consent of shareholders in lieu of meeting.

26 1767. Appointment of custodian of corporation on deadlock or
27 other cause.

28 1768. Voting trusts and other agreements among shareholders.

29 1769. Minors as securityholders.

30 1770. Interested shareholders.

1 § 1754. Matters subject to shareholder action.

2 (a) General rule.--The voting rights of the shareholders of
3 a business corporation shall be exercised only with respect to
4 the following matters:

5 (1) Action under section 1504 (relating to adoption,
6 amendment and contents of bylaws).

7 (2) Election or removal of directors.

8 (3) Approval or disapproval of any matter which under
9 Chapter 19 (relating to fundamental changes) or any other
10 provision of this subpart or under the articles or a bylaw
11 adopted pursuant to section 1521(c) (relating to additional
12 restrictions upon exercise of corporate powers) is required
13 to be submitted for action by the shareholders.

14 (4) Exercise of any power or duty conferred or imposed
15 upon the shareholders pursuant to section 1721(a) (relating
16 to board of directors).

17 (5) Any other matter which in the sole discretion of the
18 board of directors may be referred to the shareholders for
19 consideration and action, which reference may be advisory or
20 dispositive in nature.

21 (b) Procedure in reference matters.--In making a reference
22 under subsection (a)(5) the board may specify quorum, requisite
23 vote and other conditions and restrictions notwithstanding any
24 contrary provision of this article.

25 § 1755. Time of holding meetings of shareholders.

26 (a) Regular meetings.--The bylaws of a business corporation
27 may provide for the number and the time of meetings of
28 shareholders, but at least one meeting of the shareholders shall
29 be held in each calendar year for the election of directors at
30 such time as shall be provided in or fixed pursuant to authority

1 granted by the bylaws. Failure to hold the annual or other
2 regular meeting at the designated time shall not work a
3 dissolution of the corporation or affect otherwise valid
4 corporate acts. If the annual or other regular meeting is not
5 called and held within six months after the designated time, any
6 shareholder may call the meeting at any time thereafter.

7 (b) Special meetings.--Special meetings of the shareholders
8 may be called at any time:

9 (1) by the board of directors;

10 (2) unless otherwise provided in the articles, by
11 shareholders entitled to cast at least 20% of the votes which
12 all shareholders are entitled to cast at the particular
13 meeting; or

14 (3) by such other officers or persons as may be provided
15 in the bylaws.

16 At any time, upon written request of any person who has called a
17 special meeting, it shall be the duty of the secretary to fix
18 the time of the meeting which, if the meeting is called pursuant
19 to a statutory right, shall be held not more than 60 days after
20 the receipt of the request. If the secretary neglects or refuses
21 to fix the time of the meeting, the person or persons calling
22 the meeting may do so.

23 (c) Adjournments.--Adjournments of any regular or special
24 meeting may be taken but any meeting at which directors are to
25 be elected shall be adjourned only from day to day, or for such
26 longer periods not exceeding 15 days each as the shareholders
27 present and entitled to vote shall direct, until the directors
28 have been elected.

29 § 1756. Quorum.

30 (a) General rule.--A meeting of shareholders of a business

1 corporation duly called shall not be organized for the
2 transaction of business unless a quorum is present. Unless
3 otherwise provided in a bylaw adopted by the shareholders:

4 (1) The presence of shareholders entitled to cast at
5 least a majority of the votes which all shareholders are
6 entitled to cast on a particular matter to be acted upon at
7 the meeting shall constitute a quorum for the purposes of
8 consideration and action on the matter.

9 (2) The shareholders present at a duly organized meeting
10 can continue to do business until adjournment notwithstanding
11 the withdrawal of enough shareholders to leave less than a
12 quorum.

13 (3) If a meeting cannot be organized because a quorum
14 has not attended, those present may, except as otherwise
15 provided in this article, adjourn the meeting to such time
16 and place as they may determine.

17 (b) Exception.--Unless otherwise restricted in the articles,
18 those shareholders entitled to vote who attend a meeting of
19 shareholders which has been previously adjourned for one or more
20 periods aggregating at least 15 days because of an absence of a
21 quorum, although less than a quorum as fixed in this section or
22 in the bylaws, shall nevertheless constitute a quorum for the
23 purpose of acting upon any matter set forth in the notice of the
24 meeting if the notice states that those shareholders who attend
25 the adjourned meeting shall nevertheless constitute a quorum for
26 the purpose of acting upon the matter.

27 § 1757. Action by shareholders.

28 (a) General rule.--Except as otherwise provided in this
29 subpart or in a bylaw adopted by the shareholders, whenever any
30 corporate action is to be taken by vote of the shareholders of a

1 business corporation, it shall be authorized by a majority of
2 the votes cast at a duly organized meeting of shareholders by
3 the holders of shares entitled to vote thereon.

4 (b) Changes in required vote.--Whenever a provision of this
5 subpart, other than section 2538 (relating to right of
6 shareholders to receive payment for shares following a control
7 transaction), requires a specified number or percentage of votes
8 of shareholders or of a class of shareholders for the taking of
9 any action, a business corporation may prescribe in a bylaw
10 adopted by the shareholders that a different number or
11 percentage of votes shall be required for the action.

12 (c) Expenses.--Unless otherwise restricted in the articles,
13 the corporation shall pay the reasonable expenses of
14 solicitation of votes, proxies or consents of shareholders by or
15 on behalf of the board of directors or its nominees for election
16 to the board, including solicitation by professional proxy
17 solicitors and otherwise, and may pay the reasonable expenses of
18 a solicitation by or on behalf of other persons.

19 § 1758. Voting rights of shareholders.

20 (a) General rule.--Unless otherwise provided in the
21 articles, every shareholder of a business corporation shall be
22 entitled to one vote for every share standing in his name on the
23 books of the corporation. The articles may restrict the number
24 of votes which a single holder or beneficial owner, or such a
25 group of holders or owners as the bylaws may define, of shares
26 of any class or series may directly or indirectly cast in the
27 aggregate for the election of directors or on any other matter
28 coming before the shareholders.

29 (b) Procedures.--If the bylaws provide a fair and reasonable
30 procedure for the nomination of candidates for any office, only

1 candidates who have been duly nominated in accordance therewith
2 shall be eligible for election. Unless otherwise restricted in
3 the bylaws, in elections for directors, voting need not be by
4 ballot, except upon demand made by a shareholder entitled to
5 vote at the election and before the voting begins. The
6 candidates receiving the highest number of votes from each class
7 or group of classes, if any, entitled to elect directors
8 separately up to the number of directors to be elected by the
9 class or group of classes shall be elected. If at any meeting of
10 shareholders, directors of more than one class are to be
11 elected, each class of directors shall be elected in a separate
12 election.

13 (c) Cumulative voting.--

14 (1) If the articles so provide, in each election of
15 directors of a business corporation every shareholder
16 entitled to vote shall have the right to multiply the number
17 of votes to which he may be entitled by the total number of
18 directors to be elected in the same election by the holders
19 of the class or classes of shares of which his shares are a
20 part and he may cast the whole number of his votes for one
21 candidate or he may distribute them among any two or more
22 candidates.

23 (2) If the shareholders of a corporation were entitled
24 to cumulate their votes for the election of directors at the
25 date the corporation became or becomes subject to this
26 subpart, these rights shall continue until otherwise
27 restricted in the articles.

28 (d) Redeemable shares.--Unless otherwise provided in the
29 articles, redeemable shares which have been called for
30 redemption shall not be entitled to vote on any matter and shall

1 not be deemed outstanding shares after written notice has been
2 mailed to holders thereof that the shares have been called for
3 redemption and that a sum sufficient to redeem the shares has
4 been deposited with a specified financial institution with
5 irrevocable instruction and authority to pay the redemption
6 price to the holders of the shares on the redemption date, in
7 the case of uncertificated shares, or upon surrender of
8 certificates therefor in the case of certificated shares, and
9 the sum has been so deposited.

10 § 1759. Voting and other action by proxy.

11 (a) General rule.--

12 (1) Every shareholder entitled to vote at a meeting of
13 shareholders or to express consent or dissent to corporate
14 action in writing without a meeting may authorize another
15 person to act for him by proxy.

16 (2) The presence of, or vote or other action at a
17 meeting of shareholders, or the expression of consent or
18 dissent to corporate action in writing, by a proxy of a
19 shareholder shall constitute the presence of, or vote or
20 action by, or written consent or dissent of the shareholder
21 for the purposes of this subpart.

22 (3) Where two or more proxies of a shareholder are
23 present, the corporation shall, unless otherwise expressly
24 provided in the proxy, accept as the vote of all shares
25 represented thereby the vote cast by a majority of them and,
26 if a majority of the proxies cannot agree whether the shares
27 represented shall be voted or upon the manner of voting the
28 shares, the voting of the shares shall be divided equally
29 among those persons.

30 (b) Minimum requirements.--Every proxy shall be executed in

1 writing by the shareholder or by his duly authorized attorney-
2 in-fact and filed with the secretary of the corporation. A
3 proxy, unless coupled with an interest, shall be revocable at
4 will, notwithstanding any other agreement or any provision in
5 the proxy to the contrary, but the revocation of a proxy shall
6 not be effective until written notice thereof has been given to
7 the secretary of the corporation. An unrevoked proxy shall not
8 be valid after 11 months from the date of its execution unless a
9 longer time is expressly provided therein. A proxy shall not be
10 revoked by the death or incapacity of the maker unless, before
11 the vote is counted or the authority is exercised, written
12 notice of the death or incapacity is given to the secretary of
13 the corporation.

14 (c) Proxy coupled with interest.--As used in this section
15 the term "proxy coupled with an interest" includes:

16 (1) a vote pooling or similar arrangement among
17 shareholders;

18 (2) an agreement permitted by section 1768(b) (relating
19 to other agreements); and

20 (3) an unrevoked proxy in favor of a creditor of a
21 shareholder and the proxy shall be valid so long as the debt
22 owed by him to the creditor remains unpaid.

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 which 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

thereto.

(c) Certification by nominee.--If the bylaws so provide, the board of directors may adopt a procedure whereby a shareholder of the corporation may certify in writing to the corporation that all or a portion of the shares registered in the name of the shareholder are held for the account of a specified person or persons. The resolution of the board may set forth:

(1) The classification of shareholder who may certify.

(2) The purpose or purposes for which the certification may be made.

(3) The form of certification and information to be contained therein.

(4) If the certification is with respect to a record date, the time after the record date within which the certification must be received by the corporation.

(5) Such other provisions with respect to the procedure as are deemed necessary or desirable.

Upon receipt by the corporation of a certification complying with the procedure, the persons specified in the certification shall be deemed, for the purposes set forth in the certification, to be the holders of record of the number of shares specified in place of the shareholder making the certification.

§ 1764. Voting lists.

(a) General rule.--The officer or agent having charge of the transfer books for shares of a business corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list 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. No
27 person who is a candidate for office shall act as a judge.

28 (2) Vacancies.--In case any person appointed as a judge
29 fails to appear or fails or refuses to act, the vacancy may
30 be filled by appointment made by the board of directors in

1 advance of the convening of the meeting or at the meeting by
2 the presiding officer thereof.

3 (3) Duties.--The judges of election shall determine the
4 number of shares outstanding and the voting power of each,
5 the shares represented at the meeting, the existence of a
6 quorum, the authenticity, validity and effect of proxies,
7 receive votes or ballots, hear and determine all challenges
8 and questions in any way arising in connection with the right
9 to vote, count and tabulate all votes, determine the result
10 and do such acts as may be proper to conduct the election or
11 vote with fairness to all shareholders. The judges of
12 election shall perform their duties impartially, in good
13 faith, to the best of their ability and as expeditiously as
14 is practical. If there are three judges of election, the
15 decision, act or certificate of a majority shall be effective
16 in all respects as the decision, act or certificate of all.

17 (4) Report.--On request of the presiding officer of the
18 meeting, or of any shareholder, the judges shall make a
19 report in writing of any challenge or question or matter
20 determined by them, and execute a certificate of any fact
21 found by them. Any report or certificate made by them shall
22 be prima facie evidence of the facts stated therein.

23 § 1766. Consent of shareholders in lieu of meeting.

24 (a) Unanimous consent.--Unless otherwise restricted in the
25 bylaws, any action required or permitted to be taken at a
26 meeting of the shareholders or of a class of shareholders of a
27 business corporation may be taken without a meeting if, prior or
28 subsequent to the action, a consent or consents thereto by all
29 of the shareholders who would be entitled to vote at a meeting
30 for such purpose shall be filed with the secretary of the

1 corporation.

2 (b) Partial written consent.--If the bylaws so provide, any
3 action required or permitted to be taken at a meeting of the
4 shareholders or of a class of shareholders may be taken without
5 a meeting upon the written consent of shareholders who would
6 have been entitled to cast the minimum number of votes which
7 would be necessary to authorize the action at a meeting at which
8 all shareholders entitled to vote thereon were present and
9 voting. The consents shall be filed with the secretary of the
10 corporation. The action shall not become effective until after
11 at least ten days' written notice of the action has been given
12 to each shareholder entitled to vote thereon who has not
13 consented thereto.

14 § 1767. Appointment of custodian of corporation on deadlock
15 or other cause.

16 (a) General rule.--Upon application of any shareholder, the
17 court may appoint one or more persons to be custodians of and
18 for any business corporation when it is made to appear that:

19 (1) at any meeting for the election of directors, the
20 shareholders are so divided that they have failed to elect
21 successors to directors whose terms have expired or would
22 have expired upon the qualification of their successors;

23 (2) in the case of a closely-held corporation, the
24 directors or those in control of the corporation have acted
25 illegally, oppressively or fraudulently toward one or more
26 holders or owners of 5% or more of the outstanding shares of
27 any class of the corporation in their capacities as
28 shareholders, directors, officers or employees; or

29 (3) the conditions specified in section 1981(1), (2) or
30 (3) (relating to proceedings upon application of shareholder

or director), other than that is beneficial to the interests of the shareholders that the corporation be wound up and dissolved, exist with respect to the corporation.

(b) Exception.--The court shall not appoint a custodian to resolve a deadlock if the shareholders by agreement or otherwise have provided for the appointment of a provisional director or other means for the resolution of the deadlock, but the court shall enforce the remedy so provided if appropriate.

(c) Power and title of custodian.--A custodian appointed under this section shall have all the power and title of a receiver appointed under Subchapter G of Chapter 19 (relating to involuntary liquidation and dissolution) but the authority of the custodian shall be to continue the business of the corporation and not to liquidate its affairs and distribute its assets except when the court shall otherwise order.

§ 1768. Voting trusts and other agreements among shareholders.

(a) Voting trusts.--One or more shareholders of any business corporation may, by agreement in writing, transfer all or part of their shares to any person for the purpose of vesting in the transferee voting or other rights pertaining to the shares upon the terms and conditions and for the period stated in the agreement.

(b) Other agreements.--Agreements among shareholders, or among or between the corporation and one or more shareholders, regarding the voting of their shares shall be valid and enforceable in accordance with their terms.

§ 1769. Minors as securityholders.

(a) General rule.--A business corporation may treat a minor who holds shares or obligations of the corporation as having capacity to receive and to empower others to receive dividends,

1 interest, principal and other payments or distributions, to vote
2 or express consent or dissent and to make elections and exercise
3 rights relating to such shares or obligations unless, in the
4 case of payments or distributions on shares, the corporate
5 officer responsible for maintaining the list of shareholders or
6 the transfer agent of the corporation or, in the case of
7 payments or distributions on obligations, the treasurer or
8 paying officer or agent has received written notice that the
9 holder is a minor.

10 (b) Disaffirmance limited.--A minor who holds shares or
11 obligations of a corporation and who has received or who has
12 empowered others to receive dividends, interest, principal and
13 other payments or distributions, voted or expressed consent or
14 dissent or made an election or exercised a right relating to the
15 shares or obligations shall have no right thereafter to
16 disaffirm or avoid, as against the corporation, any such act on
17 his part.

18 (c) Other statutes unaffected.--This section does not limit
19 any other statute which authorizes any corporation to deal with
20 a minor or limits the right of a minor to disaffirm his acts.
21 § 1770. Interested shareholders.

22 (a) General rule.--Any transaction authorized under
23 Subchapter C of Chapter 19 (relating to merger, consolidation,
24 share exchanges and sale of assets) between a business
25 corporation or subsidiary thereof and a shareholder of the
26 business corporation, or any transaction authorized under
27 Subchapter F of Chapter 19 (relating to voluntary dissolution
28 and winding up) in which a shareholder is treated differently
29 from other shareholders of the same class (other than any
30 dissenting shareholders under Subchapter D of Chapter 15

1 (relating to dissenters rights)), shall require the affirmative
2 vote of the shareholders entitled to cast at least a majority of
3 the votes which all shareholders other than the interested
4 shareholder are entitled to cast with respect to the
5 transaction, without counting the vote of the interested
6 shareholder. For the purposes of the preceding sentence,
7 interested shareholder shall include the shareholder who is a
8 party to the transaction or who is treated differently from
9 other shareholders and any person, or group of persons, that is
10 acting jointly or in concert with the interested shareholder and
11 any person who, directly or indirectly, controls, is controlled
12 by, or is under common control with, the interested shareholder.
13 An interested shareholder shall not include any person who, in
14 good faith and not for the purpose of circumventing this
15 section, is an agent, bank, broker, nominee or trustee for one
16 or more other persons, to the extent that the other person or
17 persons are not interested shareholders.

18 (b) Exceptions.--Subsection (a) shall not apply to a
19 transaction:

20 (1) which has been approved by a majority vote of the
21 board of directors without counting the vote of directors
22 who:

23 (i) are directors or officers of, or have a material
24 equity interest in, the interested shareholder; or

25 (ii) were nominated for election as a director by
26 the interested shareholder, and first elected as a
27 director, within 24 months of the date of the vote on the
28 proposed transaction; or

29 (2) in which the consideration to be received by the
30 shareholders for shares of any class of which shares are

owned by the interested shareholder is not less than the highest amount paid by the interested shareholder in acquiring shares of the same class.

(c) Additional approvals.--The approvals required by this section shall be in addition to, and not in lieu of, any other approval required by this subpart, the articles of the corporation, the bylaws of the corporation, or otherwise.

SUBCHAPTER E

DERIVATIVE ACTIONS

Sec.

1781. Institution of derivative actions by shareholders.

1782. Actions against directors and officers.

1783. Access to corporate confidences.

§ 1781. Institution of derivative actions by shareholders.

(a) General rule.--Before one or more shareholders of a business corporation may institute an action in the right of a corporation, the shareholder must serve upon the board of directors a written demand that the action be instituted by the corporation. Failure to serve the demand shall not be excused for any reason. Following receipt of the demand, the board of directors shall determine whether the action would be in the best interests of the corporation. In making that determination, the board of directors may appoint a committee of disinterested directors, or other disinterested individuals if sufficient disinterested directors are not available, to inquire into the allegations raised by the demand and make a determination on behalf of the corporation as to whether or not an action should be commenced or other corrective action be taken. Within 60 days of its receipt of the demand, the board of directors shall communicate to the shareholder any final decision concerning the

1 demand or any decision to appoint a committee to conduct an
2 inquiry. Should a committee be appointed to conduct an inquiry,
3 a report of its final conclusions, and any actions taken with
4 respect thereto, shall be communicated to the shareholder.

5 (b) Waiting period.--

6 (1) An action may not be commenced by a shareholder in
7 the right of the corporation until the earlier of:

8 (i) Receipt by the shareholder of final notification
9 from the board of directors indicating that no further
10 action will be taken by the corporation concerning the
11 matter.

12 (ii) Where a committee has been appointed to conduct
13 an inquiry, notification from the corporation of the
14 final action taken by the committee.

15 (iii) The expiration of 180 days following receipt
16 of the demand by the board of directors.

17 (2) Paragraph (1) shall not apply to any application for
18 a temporary restraining order or preliminary injunction where
19 imminent and irreparable harm to the corporation is
20 threatened or to the filing of a protective action within 30
21 days of the expiration of the statute of limitations.

22 (c) Control of action by corporation.--Any action instituted
23 by any shareholder in the right of the corporation may be
24 dismissed on motion by the corporation on the ground that the
25 board of directors, or a committee designated by the board of
26 directors, has determined that the action is not in the best
27 interests of the corporation. If it is shown that the
28 determination that the action is not in the best interests of
29 the corporation was made by the affirmative votes of a majority
30 of the disinterested directors, even though the disinterested

1 directors are less than a quorum, or of a committee of
2 disinterested directors or other disinterested individuals
3 appointed pursuant to subsection (a), the motion shall be
4 granted unless it is shown that the persons making the
5 determination have not satisfied the standard of section 1721(b)
6 (relating to standard of care; justifiable reliance).

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

9 § 1782. Actions against directors and officers.

10 (a) General rule.--Except as provided in subsection (b), in
11 any action brought to enforce a secondary right on the part of
12 one or more shareholders of a business corporation against any
13 present or former officer or director of the corporation because
14 the corporation refuses to enforce rights which may properly be
15 asserted by it, the plaintiff must aver and it must be made to
16 appear that the plaintiff or each plaintiff was a shareholder of
17 the corporation or owner of a beneficial interest in the shares
18 at the time of the transaction of which he complains, or that
19 his shares or beneficial interest in the shares devolved upon
20 him by operation of law from a person who was a shareholder or
21 owner of a beneficial interest in the shares at that time.

22 (b) Exception.--Any shareholder or person beneficially
23 interested in shares of the corporation who, except for the
24 provisions of subsection (a), would be entitled to maintain the
25 action and who does not meet such requirements may, nevertheless
26 in the discretion of the court, be allowed to maintain the
27 action on preliminary showing to the court, by application and
28 upon such verified statements and depositions as may be required
29 by the court, that there is a strong prima facie case in favor
30 of the claim asserted on behalf of the corporation and that

1 without the action serious injustice will result.

2 (c) Security for costs.--In any action instituted or
3 maintained by holders or owners of less than 5% of the
4 outstanding shares of any class of the corporation, unless the
5 shares held or owned by the holders or owners have an aggregate
6 fair market value in excess of \$200,000, the corporation in
7 whose right the action is brought shall be entitled at any stage
8 of the proceedings to require the plaintiffs to give security
9 for the reasonable expenses, including attorneys' fees, which
10 may be incurred by it in connection therewith or for which it
11 may become liable pursuant to section 1743 (relating to
12 mandatory indemnification) (but only insofar as relates to
13 actions by or in the right of the corporation) to which security
14 the corporation shall have recourse in such amount as the court
15 having jurisdiction determines upon the termination of the
16 action. The amount of security may, from time to time, be
17 increased or decreased in the discretion of the court having
18 jurisdiction of the action upon showing that the security
19 provided has or may become inadequate or excessive. The security
20 may be denied or limited in the discretion of the court upon
21 preliminary showing to the court, by application and upon such
22 verified statements and depositions as may be required by the
23 court, establishing prima facie that the requirement of full or
24 partial security would impose undue hardship on plaintiffs and
25 serious injustice would result.

26 § 1783. Access to corporate confidences.

27 In any action brought by a shareholder of a business
28 corporation as permitted by section 1781 (relating to
29 institution of derivative actions by shareholders), the
30 plaintiff may not compel disclosure concerning communications

1 between any representative of the corporation and legal counsel
2 representing, or reasonably believed by the representative to be
3 then representing, the corporation if the communications were
4 made for the purpose of seeking, obtaining or rendering legal
5 advice on behalf of the corporation.

6 SUBCHAPTER F

7 JUDICIAL SUPERVISION OF CORPORATE ACTION

8 Sec.

9 1791. Corporate action subject to subchapter.

10 1792. Proceedings prior to corporate action.

11 1793. Review of contested corporate action.

12 § 1791. Corporate action subject to subchapter.

13 This subchapter shall apply to and the term "corporate
14 action" in this subchapter shall mean any of the following
15 actions:

16 (1) The election, appointment, designation or other
17 selection and the suspension or removal of directors or
18 officers of a business corporation.

19 (2) The taking of any action on any matter which is
20 required under this subpart or under any other provision of
21 law to be, or which under the bylaws may be, submitted for
22 action to the shareholders, directors or officers of a
23 business corporation.

24 § 1792. Proceedings prior to corporate action.

25 (a) General rule.--Where under applicable law or the bylaws
26 of a business corporation there has been a failure to hold a
27 meeting to take corporate action and the failure has continued
28 for 30 days after the date designated or appropriate therefor,
29 the court may summarily order a meeting to be held upon the
30 application of any person entitled, either alone or in

1 conjunction with other persons similarly seeking relief under
2 this section, to call a meeting to consider the corporate action
3 in issue.

4 (b) Conduct of meeting.--The court may determine the right
5 to vote at the meeting of persons claiming that right, may
6 appoint a master to hold the meeting under such orders and
7 powers as the court deems proper and may take such action as may
8 be required to give due notice of the meeting and to convene and
9 conduct the meeting in the interests of justice.

10 § 1793. Review of contested corporate action.

11 (a) General rule.--Upon application of any person aggrieved
12 by any corporate action, the court may hear and determine the
13 validity of the corporate action.

14 (b) Powers and procedures.--The court may make such orders
15 in any such case as may be just and proper, with power to
16 enforce the production of any books, papers and records of the
17 corporation and other relevant evidence which may relate to the
18 issue. The court shall provide for notice of the pendency of the
19 proceedings under this section to all persons affected thereby.
20 If it is determined that no valid corporate action has been
21 taken, the court may order a meeting to be held in accordance
22 with section 1792 (relating to proceedings prior to corporate
23 action).

24 CHAPTER 19

25 FUNDAMENTAL CHANGES

26 Subchapter

27 A. Preliminary Provisions

28 B. Amendment of Articles

29 C. Merger, Consolidation, Share Exchanges and Sale of 30 Assets

1 D. Division

2 E. Conversion

3 F. Voluntary Dissolution and Winding Up

4 G. Involuntary Liquidation and Dissolution

5 SUBCHAPTER A

6 PRELIMINARY PROVISIONS

7 Sec.

8 1901. Omission of certain provisions from filed plans.

9 1902. Statement of termination.

10 1903. Bankruptcy or insolvency proceedings.

11 1904. De facto transaction doctrine abolished.

12 1905. Proposal of fundamental transactions.

13 1906. Disparate treatment of holders of shares of same class or
14 series.

15 § 1901. Omission of certain provisions from filed plans.

16 A plan as filed in the Department of State under any
17 provision of this chapter may omit all provisions of the plan
18 except provisions, if any, which are intended to amend or
19 constitute the operative provisions of the articles of a
20 corporation as in effect subsequent to the effective date of the
21 plan, if the articles of merger, consolidation, exchange,
22 division or conversion state that the full text of the plan is
23 on file at the principal place of business of the surviving or
24 new or a resulting corporation and state the address thereof. A
25 corporation which takes advantage of this section shall furnish
26 a copy of the full text of the plan, on request and without
27 cost, to any shareholder of any corporation which was a party to
28 the plan and, unless all parties to the plan were closely-held
29 corporations, on request and at cost to any other person.

30 § 1902. Statement of termination.

1 (a) General rule--If a statement with respect to shares,
2 articles of amendment or articles of merger, consolidation,
3 exchange, division or conversion of a business corporation or to
4 which it is a party have been filed in the Department of State
5 prior to the termination of the amendment or plan pursuant to
6 provisions therefor set forth in the resolution or petition
7 relating to the amendment or in the plan, the termination shall
8 not be effective unless the corporation shall, prior to the time
9 the amendment or plan is to become effective, file in the
10 department a statement of termination, which shall be executed
11 by the corporation which filed the amendment or by each
12 corporation which is a party to the plan, unless the plan
13 permits termination by less than all of the corporations, in
14 which case the statement shall be executed on behalf of the
15 corporation or corporations exercising the right to terminate,
16 and shall set forth:

17 (1) A copy of the statement with respect to shares,
18 articles of amendment or articles of merger, consolidation,
19 exchange, division or conversion relating to the amendment or
20 plan which is terminated.

21 (2) A statement that the amendment or plan has been
22 terminated in accordance with the provisions therefor set
23 forth therein.

24 (b) Cross references--See sections 134 (relating to
25 docketing statement) and 138 (relating to statement of
26 correction).

27 § 1903. Bankruptcy or insolvency proceedings.

28 (a) General rule.--Whenever a business corporation is
29 insolvent or in financial difficulty, the board of directors
30 may, by resolution and without the consent of the shareholders,

1 authorize and designate the officers of the corporation to
2 execute a deed of assignment for the benefit of creditors, or
3 file a voluntary petition in bankruptcy, or file an answer
4 consenting to the appointment of a receiver upon a complaint in
5 the nature of equity filed by creditors or shareholders, or, if
6 insolvent, file an answer to an involuntary petition in
7 bankruptcy admitting the insolvency of the corporation and its
8 willingness to be adjudged a bankrupt on that ground.

9 (b) Bankruptcy proceedings.--A business corporation may
10 participate in proceedings under and in the manner provided by
11 the Bankruptcy Code (11 U.S.C. § 101 et seq.) notwithstanding
12 any contrary provision of this subpart or of its articles or
13 bylaws.

14 § 1904. De facto transaction doctrine abolished.

15 The doctrine of de facto mergers, consolidations and other
16 fundamental transactions is abolished and the rules laid down by
17 Bloch v. Baldwin Locomotive Works, 75 Pa. D. & C. 24 (C.P. Del.
18 Cty. 1950), and Marks v. The Autocar Co., 153 F.Supp. 768 (E.D.
19 Pa. 1954), and similar cases are overruled. A transaction which
20 in form satisfies the requirements of this subpart may be
21 challenged by reason of its substance only to the extent
22 permitted by section 1105 (relating to restriction on equitable
23 relief).

24 § 1905. Proposal of fundamental transactions.

25 Where any provision of this chapter requires that an
26 amendment of the articles or a plan be proposed by action of the
27 board of directors, that requirement shall be construed to
28 authorize and be satisfied by the written agreement of all of
29 the shareholders of a closely-held corporation.

30 § 1906. Disparate treatment of holders of shares of same class

1 or series.

2 (a) General rule.--An amendment or plan may contain a
3 provision classifying the holders of shares of a class or series
4 into one or more separate groups by reference to any facts or
5 circumstances which are not manifestly unreasonable and
6 providing mandatory treatment for shares of the class or series
7 held by particular shareholders or groups of shareholders which
8 differs materially from the treatment accorded other
9 shareholders or groups of shareholders holding shares of the
10 same class or series.

11 (b) Statutory voting rights upon disparate treatment.--
12 Except as provided in subsection (c), if an amendment or plan
13 contains a provision for disparate treatment, the holders of any
14 outstanding shares of a class or series receiving the same
15 disparate treatment shall be entitled to vote as a class in
16 respect to the plan regardless of any limitations stated in the
17 articles or bylaws on the voting rights of any class or series.

18 (c) Dissenters rights upon disparate treatment.--If any
19 amendment or plan contains a provision for disparate treatment
20 without requiring for the adoption of the amendment or plan the
21 statutory class vote required by subsection (b), the holder of
22 any outstanding shares the statutory class voting rights of
23 which are so denied, who objects to the amendment or plan and
24 complies with Subchapter D of Chapter 15 (relating to dissenters
25 rights), shall be entitled to the rights and remedies of
26 dissenting shareholders provided in that subchapter.

27 SUBCHAPTER B

28 AMENDMENT OF ARTICLES

29 Sec.

30 1911. Amendment of articles authorized.

1 1912. Proposal of amendments.

2 1913. Notice of meeting of shareholders.

3 1914. Adoption of amendments.

4 1915. Articles of amendment.

5 1916. Filing and effectiveness of articles of amendment.

6 1917. Dissenters rights upon certain amendments.

7 § 1911. Amendment of articles authorized.

8 (a) General rule.--A business corporation, in the manner
9 provided in this subchapter, may from time to time amend its
10 articles for one or more of the following purposes:

11 (1) To adopt a new name, subject to the restrictions
12 provided in this subpart.

13 (2) To modify any provision of the articles relating to
14 its term of existence.

15 (3) To change, add to or diminish its purposes or to set
16 forth different or additional purposes.

17 (4) To cancel or otherwise affect the right of holders
18 of the shares of any class or series to receive dividends
19 which have accrued but have not been declared or to otherwise
20 effect a reclassification of or otherwise affect the
21 substantial rights of the holders of any shares.

22 (5) To restate the articles in their entirety.

23 (6) In any and as many other respects as desired.

24 (b) Exceptions.--No amendment adopted under this section
25 shall amend articles in such a way that as so amended they would
26 not be authorized by this subpart as original articles of
27 incorporation except that:

28 (1) Restated articles shall, subject to section 109

29 (relating to name of commercial registered office provider in
30 lieu of registered address), state the address of the current

1 instead of the initial registered office of the corporation
2 in this Commonwealth and need not state the names and
3 addresses of the incorporators.

4 (2) The corporation shall not be required to revise any
5 other provision of its articles if the provision is valid and
6 operative immediately prior to the filing of the amendment in
7 the Department of State.

8 § 1912. Proposal of amendments.

9 (a) General rule.--Every amendment of the articles of a
10 business corporation shall be proposed:

11 (1) by the adoption by the board of directors of a
12 resolution setting forth the proposed amendment; or

13 (2) unless otherwise provided in the articles, by
14 petition of shareholders entitled to cast at least 10% of the
15 votes which all shareholders are entitled to cast thereon,
16 setting forth the proposed amendment, which petition shall be
17 directed to the board of directors and filed with the
18 secretary of the corporation.

19 Except where the approval of the shareholders is unnecessary
20 under this subchapter, the board of directors shall direct that
21 the proposed amendment be submitted to a vote of the
22 shareholders entitled to vote thereon. In the case of an
23 amendment proposed pursuant to paragraph (2), the amendment
24 shall be submitted to a vote either at the next annual meeting
25 held not earlier than 120 days after the amendment is proposed
26 or at a special meeting of the shareholders called for that
27 purpose by the shareholders.

28 (b) Form of amendment.--The resolution or petition shall
29 contain the language of the proposed amendment of the articles
30 by providing that the articles shall be amended so as to read as

1 therein set forth in full, or that any provision thereof be
2 amended so as to read as therein set forth in full, or that the
3 matter stated in the resolution or petition be added to or
4 stricken from the articles. The resolution or petition may set
5 forth the manner and basis of reclassifying the shares of the
6 corporation. Any of the terms of a plan of reclassification or
7 other action contained in an amendment may be made dependent
8 upon facts ascertainable outside of the amendment if the manner
9 in which the facts will operate upon the terms of the amendment
10 is set forth in the amendment.

11 § 1913. Notice of meeting of shareholders.

12 Written notice of the meeting of shareholders of a business
13 corporation called for the purpose of considering the proposed
14 amendment shall be given to each shareholder entitled to vote
15 thereon. There shall be included in, or enclosed with, the
16 notice a copy of the proposed amendment or a summary of the
17 changes to be effected thereby and, if Subchapter D of Chapter
18 15 (relating to dissenters rights) is applicable, a copy of the
19 subchapter and of section 1917 (relating to dissenters rights
20 upon certain amendments).

21 § 1914. Adoption of amendments.

22 (a) General rule.--A proposed amendment of the articles of a
23 business corporation shall be adopted upon receiving a majority
24 of the votes cast by all shareholders entitled to vote thereon
25 and, if any class or series of shares is entitled to vote
26 thereon as a class, a majority of the votes cast in each such
27 class vote. Any number of amendments may be submitted to the
28 shareholders and voted upon by them at one meeting. Except as
29 provided in section 1912(a)(2) (relating to proposal of
30 amendments), a proposed amendment of the articles shall not be

1 deemed to have been adopted by the corporation unless it has
2 also been approved by the board of directors, regardless of the
3 fact that the board has directed or suffered the submission of
4 the amendment to the shareholders for action.

5 (b) Statutory voting rights.--Except as provided in
6 subsection (c) or in section 1917 (relating to dissenters rights
7 upon certain amendments), if a proposed amendment would:

8 (1) authorize the board of directors to fix and
9 determine the relative rights and preferences, as between
10 series, of any preferred or special class;

11 (2) make any change in the preferences, limitations or
12 special rights of the shares of a class or series adverse to
13 the class or series;

14 (3) increase the number of authorized shares of a class
15 or series unless otherwise provided in original articles of
16 incorporation filed after January 1, 1969, or in an amendment
17 to the articles which created the class or series filed after
18 January 1, 1969, or in any amendment to the articles which
19 was adopted by a majority of the votes cast by all
20 shareholders of the class or series;

21 (4) authorize a new class or series of shares having a
22 preference as to dividends or assets which is senior to the
23 shares of a class or series; or

24 (5) increase the number of authorized shares of any
25 class or series having a preference as to dividends or assets
26 which is senior in any respect to the shares of a class or
27 series;

28 then the holders of the outstanding shares of the class or
29 series shall be entitled to vote as a class in respect to the
30 amendment regardless of any limitations stated in the articles

1 or bylaws on the voting rights of any class.

2 (c) Adoption by board of directors.--Unless otherwise
3 restricted in the articles, an amendment of articles shall not
4 require the approval of the shareholders of the corporation if:

5 (1) no shares have been issued;

6 (2) the amendment is restricted to a change in the
7 corporate name or to provide for perpetual existence or to
8 reflect a reduction in authorized shares effected by
9 operation of section 1552(a) (relating to power of
10 corporation to acquire its own shares);

11 (3) the corporation has only one class of shares
12 outstanding and the amendment is effective solely to:

13 (i) increase the number of authorized shares to the
14 extent necessary to permit the board of directors to
15 effectuate a stock dividend in the shares of the
16 corporation; or

17 (ii) effectuate a split and, if desired, increase
18 the number of shares or change the par value of the
19 authorized shares, or both, in proportion thereto;

20 (4) the amendment is effective solely to increase the
21 number of authorized shares as required to reserve for or to
22 effectuate conversion or option rights previously authorized
23 by shareholder action;

24 (5) to the extent the amendment has not been approved by
25 the shareholders, it restates without change all of the
26 operative provisions of the articles as theretofore amended
27 or as amended thereby;

28 (6) any provision of this subpart permits the board of
29 directors, without shareholder approval, to authorize the
30 filing of any statement, certificate, plan or other document

1 in the Department of State which this subpart provides shall
2 operate as an amendment of the articles; or

3 (7) the amendment accomplishes any combination of
4 purposes specified in this subsection.

5 The amendment of articles shall be deemed adopted by the
6 corporation when it has been adopted by the board of directors
7 pursuant to section 1912 (relating to proposal of amendments).

8 (d) Termination of proposal.--Prior to the time when an
9 amendment becomes effective, the amendment may be terminated
10 pursuant to provisions therefor, if any, set forth in the
11 resolution or petition. If articles of amendment have been filed
12 in the Department of State prior to the termination, a statement
13 under section 1902 (relating to statement of termination) shall
14 be filed in the department.

15 (e) Amendment of voting provisions.--Unless otherwise
16 provided in a bylaw adopted by the shareholders, whenever the
17 articles require for the taking of any action by the
18 shareholders or a class of shareholders a specific number or
19 percentage of votes, the provision of the articles setting forth
20 that requirement shall not be amended or repealed by any lesser
21 number or percentage of votes of the shareholders or of the
22 class of shareholders.

23 § 1915. Articles of amendment.

24 Upon the adoption of an amendment by a business corporation,
25 as provided in this subchapter, articles of amendment shall be
26 executed by the corporation and shall set forth:

27 (1) The name of the corporation and, subject to section
28 109 (relating to name of commercial registered office
29 provider in lieu of registered address), the address,
30 including street and number, if any, of its registered

1 office.

2 (2) The statute under which the corporation was
3 incorporated and the date of incorporation.

4 (3) If the amendment is to be effective on a specified
5 date, the hour, if any, and the month, day and year of the
6 effective date.

7 (4) The manner in which the amendment was adopted by the
8 corporation.

9 (5) The amendment adopted by the corporation, which
10 shall be set forth in full.

11 (6) If the amendment effects a restatement of the
12 articles, a statement that the restated articles supersede
13 the original articles and all amendments thereto.

14 § 1916. Filing and effectiveness of articles of amendment.

15 (a) Filing.--The articles of amendment of a business
16 corporation shall be filed in the Department of State. See
17 section 134 (relating to docketing statement).

18 (b) Effectiveness.--Upon the filing of the articles of
19 amendment in the department or upon the effective date specified
20 in the articles of amendment, whichever is later, the amendment
21 shall become effective and the articles of incorporation shall
22 be deemed to be amended accordingly. No amendment shall affect
23 any existing cause of action in favor of or against the
24 corporation, or any pending action to which the corporation is a
25 party, or the existing rights of persons other than
26 shareholders. In the event the corporate name is changed by the
27 amendment, no action brought by or against the corporation under
28 its former name shall be abated for that reason.

29 § 1917. Dissenters rights upon certain amendments.

30 If any amendment of the articles of a business corporation

1 shall effect any amendment of articles which under section
2 1914(b) (relating to statutory voting rights) would otherwise
3 entitle the holders of outstanding shares of any affected class
4 or series to vote as a class in respect of the amendment,
5 without requiring for the adoption of the amendment such
6 statutory class vote, the holder of any outstanding shares the
7 rights of which are so affected or the statutory class voting
8 rights of which are so denied, who objects to the amendment and
9 complies with Subchapter D of Chapter 15 (relating to dissenters
10 rights), shall be entitled to the rights and remedies of
11 dissenting shareholders provided in that subchapter. See also
12 section 1906(c) (relating to dissenters rights upon disparate
13 treatment).

14 SUBCHAPTER C

15 MERGER, CONSOLIDATION, SHARE EXCHANGES AND
16 SALE OF ASSETS

17 Sec.

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 § 1921. Merger and consolidation authorized.

1 (a) Domestic surviving or new corporation.--Any two or more
2 domestic business corporations, or any two or more foreign
3 business corporations, or any one or more domestic business
4 corporations and any one or more foreign business corporations,
5 may, in the manner provided in this subchapter, be merged into
6 one of the domestic business corporations, designated in this
7 subchapter as the surviving corporation, or consolidated into a
8 new corporation to be formed under this article, if the foreign
9 business corporations are authorized by the laws of the
10 jurisdiction under which they are incorporated to effect a
11 merger or consolidation with a corporation of another
12 jurisdiction.

13 (b) Foreign surviving or new corporation.--Any one or more
14 domestic business corporations, and any one or more foreign
15 business corporations, may, in the manner provided in this
16 subchapter, be merged into one of such foreign business
17 corporations, designated in this subchapter as the surviving
18 corporation, or consolidated into a new corporation to be
19 incorporated under the laws of the jurisdiction under which one
20 of the foreign business corporations is incorporated, if the
21 laws of that jurisdiction authorize a merger with or
22 consolidation into a corporation of another jurisdiction.

23 (c) Associations and business trusts.--The provisions of
24 this subchapter applicable to domestic and foreign business
25 corporations shall also be applicable to a domestic or foreign
26 business trust and a domestic or foreign association other than
27 a partnership. The powers and duties vested in and imposed upon
28 the board of directors in this subchapter shall be exercised and
29 performed by the group of persons under the direction of whom
30 the business and affairs of the trust or association are managed

1 irrespective of the name by which the group is designated.

2 § 1922. Plan of merger or consolidation.

3 (a) Preparation of plan.--A plan of merger or consolidation,
4 as the case may be, shall be prepared, setting forth:

5 (1) The terms and conditions of the merger or
6 consolidation.

7 (2) If the surviving or new corporation is or is to be a
8 domestic business corporation:

9 (i) any changes desired to be made in the articles,
10 which may include a restatement of the articles in the
11 case of a merger; or

12 (ii) in the case of a consolidation, all of the
13 statements required by this subpart to be set forth in
14 restated articles.

15 (3) The manner and basis of converting the shares of
16 each corporation into shares or other securities or
17 obligations of the surviving or new corporation, as the case
18 may be, and, if any of the shares of any of the corporations
19 which are parties to the plan are not to be converted solely
20 into shares or other securities or obligations of the
21 surviving or new corporation, the shares or other securities
22 or obligations of any other person or cash, property or
23 rights which the holders of such shares are to receive in
24 exchange for, or upon conversion of, such shares, and the
25 surrender of any certificates evidencing them, which
26 securities or obligations, if any, of any other person or
27 cash, property or rights may be in addition to or in lieu of
28 the shares or other securities or obligations of the
29 surviving or new corporation.

30 (4) Any provisions desired providing disparate treatment

1 of shares held by any shareholder or group of shareholders.

2 (5) Such other provisions as are deemed desirable.

3 Any of the terms of the plan may be made dependent upon facts
4 ascertainable outside of the plan if the manner in which the
5 facts will operate upon the terms of the plan is set forth in
6 the plan.

7 (b) Post-adoption amendment.--A plan of merger or
8 consolidation may contain a provision that the boards of
9 directors of the constituent corporations may amend the plan at
10 any time prior to its effective date, except that an amendment
11 made subsequent to the adoption of the plan by the shareholders
12 of any constituent corporation shall not change:

13 (1) The amount or kind of shares, obligations, cash,
14 property or rights to be received in exchange for or on
15 conversion of all or any of the shares of the constituent
16 corporation.

17 (2) Any term of the articles of the surviving or new
18 corporation to be effected by the merger or consolidation.

19 (3) Any of the terms and conditions of the plan if the
20 change would adversely affect the holders of any shares of
21 the constituent corporation.

22 (c) Proposal.--Every merger or consolidation shall be
23 proposed in the case of each domestic business corporation by
24 the adoption by the board of directors of a resolution approving
25 the plan of merger or consolidation. Except where the approval
26 of the shareholders is unnecessary under this subchapter, the
27 board of directors shall direct that the plan be submitted to a
28 vote of the shareholders entitled to vote thereon at a regular
29 or special meeting of the shareholders.

30 (d) Party to plan.--A corporation which approves a plan in

1 its capacity as a shareholder or creditor of a merging or
2 consolidating corporation, or which furnishes all or a part of
3 the consideration contemplated by a plan, does not thereby
4 become a party to the plan for the purposes of this subchapter.
5 § 1923. Notice of meeting of shareholders.

6 Written notice of the meeting of shareholders called for the
7 purpose of considering the proposed plan shall be given to each
8 shareholder of record, whether or not entitled to vote thereon
9 of each domestic business corporation which is a party to the
10 plan. There shall be included in, or enclosed with, the notice a
11 copy of the proposed plan or a summary thereof and, if
12 Subchapter D of Chapter 15 (relating to dissenters rights) is
13 applicable, a copy of that subchapter and of section 1930
14 (relating to dissenters rights).

15 § 1924. Adoption of plan.

16 (a) General rule.--The plan of merger or consolidation shall
17 be adopted upon receiving a majority of the votes cast by all
18 shareholders entitled to vote thereon of each of the domestic
19 business corporations which is a party to the plan and, if any
20 class or series of shares is entitled to vote thereon as a
21 class, a majority of the votes cast in each class vote. The
22 holders of any class or series of shares of a domestic
23 corporation which is a party to the plan shall be entitled to
24 vote as a class on the plan if they would have been entitled to
25 a class vote under the provisions of section 1914 (relating to
26 adoption of amendments) had the change been accomplished under
27 Subchapter B (relating to amendment of articles). A proposed
28 plan of merger or consolidation shall not be deemed to have been
29 adopted by the corporation unless it has also been approved by
30 the board of directors, regardless of the fact that the board

1 has directed or suffered the submission of the plan to the
2 shareholders for action.

3 (b) Adoption by board of directors.--

4 (1) Unless otherwise required by its bylaws, a plan of
5 merger or consolidation shall not require the approval of the
6 shareholders of a corporation if:

7 (i) (A) the plan, whether or not the corporation is
8 the surviving corporation, does not alter the status
9 of the corporation as a domestic business corporation
10 or alter in any respect the provisions of its
11 articles, except changes which under section 1914(c)
12 (relating to adoption by board of directors) may be
13 made without shareholder action; and

14 (B) each share of the corporation outstanding
15 immediately prior to the effective date of the merger
16 or consolidation is to continue as or to be converted
17 into, except as may be otherwise agreed by the holder
18 thereof, an identical share of the surviving or new
19 corporation after the effective date of the merger or
20 consolidation; or

21 (ii) immediately prior to the adoption of the plan
22 and at all times thereafter prior to its effective date,
23 another corporation which is a party to the plan owns
24 directly or indirectly 90% or more of the outstanding
25 shares of each class of the corporation.

26 (2) In the case of a merger or consolidation pursuant to
27 paragraph (1)(i), the plan of merger or consolidation shall
28 be deemed adopted by the corporation when it has been adopted
29 by the board of directors pursuant to section 1922 (relating
30 to plan of merger or consolidation).

1 (3) In the case of a merger or consolidation of a
2 subsidiary corporation with a parent corporation pursuant to
3 paragraph (1)(ii), the plan of merger or consolidation shall
4 be deemed adopted by the subsidiary corporation when it has
5 been adopted by the board of the parent corporation and
6 execution of articles of merger or consolidation by the
7 subsidiary corporation shall not be necessary.

8 (c) Termination of plan.--Prior to the time when a merger or
9 consolidation becomes effective, the merger or consolidation may
10 be terminated pursuant to provisions therefor, if any, set forth
11 in the plan. If articles of merger or consolidation have been
12 filed in the Department of State prior to the termination, a
13 statement under section 1902 (relating to statement of
14 termination) shall be filed in the department.

15 § 1925. Authorization by foreign corporations.

16 The plan of merger or consolidation shall be authorized,
17 adopted or approved by each foreign business corporation which
18 desires to merge or consolidate in accordance with the laws of
19 the jurisdiction in which it is incorporated.

20 § 1926. Articles of merger or consolidation.

21 Upon the adoption of the plan of merger or consolidation by
22 the corporations desiring to merge or consolidate, as provided
23 in this subchapter, articles of merger or articles of
24 consolidation, as the case may be, shall, except as provided by
25 section 1924(b)(3) (relating to adoption by board of directors),
26 be executed by each corporation and shall, subject to section
27 109 (relating to name of commercial registered office provider
28 in lieu of registered address), set forth:

29 (1) The name and the location of the registered office,
30 including street and number, if any, of the domestic

1 surviving or new corporation or, in the case of a foreign
2 surviving or new corporation, the name of the corporation and
3 its jurisdiction of incorporation, together with either:

4 (i) If a qualified foreign business corporation, the
5 address, including street and number, if any, of its
6 registered office in this Commonwealth.

7 (ii) If a nonqualified foreign business corporation,
8 the address, including street and number, if any, of its
9 principal office under the laws of the jurisdiction in
10 which it is incorporated.

11 (2) The name and address, including street and number,
12 if any, of the registered office of each other domestic
13 business corporation and qualified foreign business
14 corporation which is a party to the plan.

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 each
19 domestic corporation and, if one or more foreign corporations
20 are parties to the plan, the fact that the plan was
21 authorized, adopted or approved, as the case may be, by each
22 of the foreign corporations in accordance with the laws of
23 the jurisdiction in which it is incorporated.

24 (5) Except as provided in section 1901 (relating to
25 omission of certain provisions from filed plans), the plan of
26 merger or consolidation.

27 § 1927. Filing of articles of merger or consolidation.

28 (a) General rule.--The articles of merger or articles of
29 consolidation, as the case may be, and the certificates or
30 statement, if any, required by section 139 (relating to tax

1 clearance of certain fundamental transactions) shall be filed in
2 the Department of State.

3 (b) Cross reference.--See section 134 (relating to docketing
4 statement).

5 § 1928. Effective date of merger or consolidation.

6 Upon the filing of the articles of merger or the articles of
7 consolidation in the Department of State or upon the effective
8 date specified in the plan of merger or consolidation, whichever
9 is later, the merger or consolidation shall be effective. The
10 merger or consolidation of one or more domestic business
11 corporations into a foreign business corporation shall be
12 effective according to the provisions of law of the jurisdiction
13 in which the foreign corporation is incorporated, but not until
14 articles of merger or articles of consolidation have been
15 adopted and filed, as provided in this subchapter.

16 § 1929. Effect of merger or consolidation.

17 (a) Single surviving or new corporation.--Upon the merger or
18 consolidation becoming effective, the several corporations
19 parties to the plan of merger or consolidation shall be a single
20 corporation which, in the case of a merger, shall be the
21 corporation designated in the plan of merger as the surviving
22 corporation and, in the case of a consolidation, shall be the
23 new corporation provided for in the plan of consolidation. The
24 separate existence of all corporations parties to the plan of
25 merger or consolidation shall cease, except that of the
26 surviving corporation, in the case of a merger. The surviving or
27 new corporation, as the case may be, if it is a domestic
28 business corporation, shall not thereby acquire authority to
29 engage in any business or exercise any right which a corporation
30 may not be incorporated under this subpart to engage in or

1 exercise.

2 (b) Property rights.--All the property, real, personal and
3 mixed, and franchises of each of the corporations parties to the
4 plan of merger or consolidation, and all debts due on whatever
5 account to any of them, including subscriptions for shares and
6 other choses in action belonging to any of them, shall be deemed
7 to be transferred to and vested in the surviving or new
8 corporation, as the case may be, without further action and the
9 title to any real estate, or any interest therein, vested in any
10 of the corporations shall not revert or be in any way impaired
11 by reason of the merger or consolidation. The surviving or new
12 corporation shall thenceforth be responsible for all the
13 liabilities of each of the corporations so merged or
14 consolidated. No liens upon the property of the merging or
15 consolidating corporations shall be impaired by the merger or
16 consolidation and any claim existing or action or proceeding
17 pending by or against any of the corporations may be prosecuted
18 to judgment as if the merger or consolidation had not taken
19 place or the surviving or new corporation may be proceeded
20 against or substituted in its place.

21 (c) Taxes.--Any taxes, penalties and public accounts of the
22 Commonwealth, claimed against any of the merging or
23 consolidating corporations but not settled, assessed or
24 determined prior to the merger or consolidation, shall be
25 settled, assessed or determined against the surviving or new
26 corporation and, together with interest thereon, shall be a lien
27 against the franchises and property, both real and personal, of
28 the surviving or new corporation.

29 (d) Articles of incorporation.--In the case of a merger, the
30 articles of incorporation of the surviving domestic business

1 corporation, if any, shall be deemed to be amended to the
2 extent, if any, that changes in its articles are stated in the
3 plan of merger. In the case of a consolidation into a domestic
4 business corporation, the statements which are set forth in the
5 plan of consolidation, or articles of incorporation set forth
6 therein, shall be deemed to be the articles of incorporation of
7 the new corporation.

8 § 1930. Dissenters rights.

9 (a) General rule.--If any shareholder of a domestic business
10 corporation which becomes a party to a plan of merger or
11 consolidation objects to the plan of merger or consolidation and
12 complies with the provisions of Subchapter D of Chapter 15
13 (relating to dissenters rights), the shareholder shall be
14 entitled to the rights and remedies of dissenting shareholders
15 therein provided, if any. The holders of any class of shares of
16 a merging or consolidating corporation to be affected by a plan
17 shall also be entitled to dissenters rights with respect to the
18 plan if they would have been entitled to dissenters rights under
19 the provisions of section 1917 (relating to dissenters rights
20 upon certain amendments) had the change been accomplished under
21 Subchapter B (relating to amendment of articles). See also
22 section 1906(c) (relating to dissenters right upon disparate
23 treatment).

24 (b) Plans adopted by directors only.--Except as otherwise
25 provided pursuant to section 1571(c) (relating to grant of
26 optional dissenters rights), Subchapter D of Chapter 15 shall
27 not apply to any of the shares of a corporation which is a party
28 to a plan of merger or consolidation pursuant to section
29 1924(b)(1)(i) (relating to adoption by board of directors).

30 (c) Cross references.--See sections 1571(b) (relating to

1 exceptions) and 1904 (relating to de facto transaction doctrine
2 abolished).

3 § 1931. Share exchanges.

4 (a) General rule.--All the outstanding shares of one or more
5 classes or series of a domestic business corporation, designated
6 in this section as the exchanging corporation, may, in the
7 manner provided in this section, be acquired by any person,
8 designated in this section as the acquiring person, through an
9 exchange of all the shares pursuant to, and other securities of
10 the exchanging corporation not so acquired may be reclassified
11 or otherwise affected by, a plan of exchange. The procedure
12 authorized by this section shall not be deemed to limit the
13 power of any person to acquire all or part of the shares or
14 other securities of any class or series of a corporation through
15 a voluntary exchange or otherwise by agreement with the holders
16 of the shares or other securities.

17 (b) Plan of exchange.--A plan of exchange shall be prepared,
18 setting forth:

19 (1) The terms and conditions of the exchange.

20 (2) The manner and basis of converting the shares or
21 other securities of the exchanging corporation into shares or
22 other securities or obligations of the acquiring person and,
23 if any of the shares or other securities of the exchanging
24 corporation are not to be converted solely into shares or
25 other securities or obligations of the acquiring person, the
26 shares or other securities or obligations of any other person
27 or cash, property or rights which the holders of the shares
28 or other securities of the exchanging corporation are to
29 receive in exchange for, or upon conversion of, the shares or
30 other securities, and the surrender of any certificates or

1 instruments evidencing them, which securities or obligations,
2 if any, of any other person or cash, property and rights may
3 be in addition to or in lieu of the shares or other
4 securities or obligations of the acquiring person.

5 (3) Any changes desired to be made in the articles of
6 the exchanging corporation, which may include a restatement
7 of the articles.

8 (4) Any provisions desired providing disparate treatment
9 of shares held by any shareholder or group of shareholders.

10 (5) Such other provisions as are deemed desirable.
11 Any of the terms of the plan may be made dependent upon facts
12 ascertainable outside of the plan if the manner in which the
13 facts will operate upon the terms of the plan is set forth in
14 the plan.

15 (c) Proposal and adoption.--The plan of exchange shall be
16 proposed and adopted and may be terminated by the exchanging
17 corporation in the manner provided by this subchapter for the
18 proposal, adoption and termination of a plan of merger except
19 section 1924(b) (relating to adoption by board of directors).
20 There shall be included in, or enclosed with, the notice of the
21 meeting of shareholders to act on the plan a copy or a summary
22 of the plan and, if Subchapter D of Chapter 15 (relating to
23 dissenters rights) is applicable, a copy of the subchapter and
24 of subsection (d). The holders of any class of shares to be
25 acquired pursuant to the plan of exchange shall be entitled to
26 vote as a class on the plan if they would have been entitled to
27 vote on a plan of merger which affects the class in
28 substantially the same manner as the plan of exchange.

29 (d) Dissenters rights in share exchanges.--If any holder of
30 shares which are to be acquired pursuant to a plan of exchange

1 objects to the plan and complies with the provisions of
2 Subchapter D of Chapter 15, the holder shall be entitled to the
3 rights and remedies of dissenting shareholders therein provided,
4 if any. See section 1906(c) (relating to dissenter rights upon
5 disparate treatment).

6 (e) Articles of exchange.--Upon adoption of a plan of
7 exchange, as provided in this section, articles of exchange
8 shall be executed by the exchanging corporation and shall set
9 forth:

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

15 (2) 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 (3) The manner in which the plan was adopted by the
19 exchanging corporation.

20 (4) Except as provided in section 1901 (relating to
21 omission of certain provisions from filed plans), the plan of
22 exchange.

23 The articles of exchange shall be filed in the Department of
24 State. See section 134 (relating to docketing statement).

25 (f) Effective date.--Upon the filing of articles of exchange
26 in the department or upon the effective date specified in the
27 plan of exchange, whichever is later, the plan shall become
28 effective.

29 (g) Effect of plan.--Upon the plan of exchange becoming
30 effective, the shares of the exchanging corporation that are,

1 under the terms of the plan, to be converted or exchanged shall
2 cease to exist or shall be exchanged. The former holders of the
3 shares shall thereafter be entitled only to the shares, other
4 securities or obligations or cash, property or rights into which
5 they have been converted or for which they have been exchanged
6 in accordance with the plan, and the acquiring person shall be
7 the holder of the shares of the exchanging corporation stated in
8 the plan to be acquired by such person. The articles of
9 incorporation of the exchanging corporation shall be deemed to
10 be amended to the extent, if any, that changes in its articles
11 are stated in the plan of exchange.

12 § 1932. Voluntary transfer of corporate assets.

13 (a) Shareholder approval not required.--

14 (1) The sale, lease, exchange or other disposition of
15 all, or substantially all, the property and assets of a
16 business corporation, when made in the usual and regular
17 course of the business of the corporation, or for the purpose
18 of relocating all, or substantially all, of the business of
19 the corporation, may be made upon such terms and conditions,
20 and for such consideration, as shall be authorized by its
21 board of directors.

22 (2) Except as otherwise restricted by the bylaws, no
23 authorization or consent of the shareholders shall be
24 required for such a transaction.

25 (b) Shareholder approval required.--A sale, lease, exchange
26 or other disposition of all, or substantially all, the property
27 and assets, with or without the goodwill, of a business
28 corporation, if not made pursuant to subsection (a) or (d) or to
29 section 1551 (relating to distributions to shareholders) or
30 Subchapter D (relating to division), may be made only pursuant

1 to a plan of asset transfer. The property or assets of a direct
2 or indirect subsidiary corporation which is controlled by a
3 parent corporation shall be deemed the property or assets of the
4 parent corporation for the purposes of this subsection and of
5 subsection (c). The plan of asset transfer shall set forth the
6 terms and conditions of the sale, lease, exchange or other
7 disposition or may authorize the board of directors to fix any
8 or all of the terms and conditions, including the consideration
9 to be received by the corporation therefor. Any of the terms of
10 the plan may be made dependent upon facts ascertained outside of
11 the plan if the manner in which the facts will operate upon the
12 terms of the plan is set forth in the plan. The plan of asset
13 transfer shall be proposed and adopted, and may be terminated,
14 by a business corporation in the manner provided in this
15 subchapter for the proposal, adoption and termination of a plan
16 of merger, except section 1924(b) (relating to adoption by board
17 of directors). There shall be included in, or enclosed with, the
18 notice of the meeting of the shareholders to act on the plan a
19 copy or a summary of the plan and, if Subchapter D of Chapter 15
20 (relating to dissenters rights) is applicable, a copy of the
21 subchapter and of subsection (c). In order to make effective the
22 plan of asset transfer so adopted, it shall not be necessary to
23 file any articles or other documents in the Department of State.

24 (c) Dissenters rights in asset transfers.--

25 (1) If a shareholder of a corporation which adopts a
26 plan of asset transfer objects to the plan and complies with
27 Subchapter D of Chapter 15, the shareholder shall be entitled
28 to the rights and remedies of dissenting shareholders therein
29 provided, if any.

30 (2) Paragraph (1) shall not apply to a sale pursuant to

1 an order of a court having jurisdiction in the premises or a
2 sale for money on terms requiring that all or substantially
3 all of the net proceeds of sale be distributed to the
4 shareholders in accordance with their respective interests
5 within one year after the date of sale.

6 (3) See section 1906(c) (relating to dissenters rights
7 upon disparate treatment).

8 (d) Exceptions.--Subsections (b) and (c)(1) shall not apply
9 to a sale, lease, exchange or other disposition of all, or
10 substantially all, of the property and assets of a business
11 corporation:

12 (1) which directly or indirectly owns all of the
13 outstanding shares of another corporation to the other
14 corporation if the voting rights, preferences, limitations or
15 relative rights, granted to or imposed upon the shares of any
16 class of the parent corporation are not altered by the sale,
17 lease, exchange or other disposition;

18 (2) when made in connection with the dissolution or
19 liquidation of the corporation, which transaction shall be
20 governed by the provisions of Subchapter F (relating to
21 voluntary dissolution and winding up) or G (relating to
22 involuntary liquidation and dissolution), as the case may be;
23 or

24 (3) when made in connection with a transaction pursuant
25 to which all the assets sold, leased, exchanged or otherwise
26 disposed of are simultaneously leased back to the
27 corporation.

28 (e) Mortgage.--A mortgage, pledge, grant of a security
29 interest or dedication of property to the repayment of
30 indebtedness (with or without recourse) shall not be deemed a

1 sale, lease, exchange or other disposition for the purposes of
2 this section.

3 (f) Restrictions.--Nothing in this section shall be
4 construed to authorize the conversion or exchange of property or
5 assets in fraud of corporate creditors or in violation of law.

6 SUBCHAPTER D

7 DIVISION

8 Sec.

9 1951. Division authorized.

10 1952. Proposal and adoption of plan of division.

11 1953. Division without shareholder approval.

12 1954. Articles of division.

13 1955. Filing of articles of division.

14 1956. Effective date of division.

15 1957. Effect of division.

16 § 1951. Division authorized.

17 (a) Division of domestic corporation.--Any domestic business
18 corporation may, in the manner provided in this subchapter, be
19 divided into two or more domestic business corporations
20 incorporated or to be incorporated under this article, or into
21 one or more domestic business corporations and one or more
22 foreign business corporations to be incorporated under the laws
23 of another jurisdiction or jurisdictions, or into two or more
24 foreign business corporations, if the laws of the other
25 jurisdictions authorize the division.

26 (b) Division of foreign corporation.--Any foreign business
27 corporation may, in the manner provided in this subchapter, be
28 divided into one or more domestic business corporations to be
29 incorporated under this subpart and one or more foreign business
30 corporations incorporated or to be incorporated under the laws

1 of another jurisdiction or jurisdictions, or into two or more
2 domestic business corporations, if the foreign business
3 corporation is authorized under the laws of the jurisdiction
4 under which it is incorporated to effect a division.

5 (c) Surviving and new corporations.--The corporation
6 effecting a division, if it survives the division, is designated
7 in this subchapter as the surviving corporation. All
8 corporations originally incorporated by a division are
9 designated in this subchapter as new corporations. The surviving
10 corporation, if any, and the new corporation or corporations are
11 collectively designated in this subchapter as the resulting
12 corporations.

13 § 1952. Proposal and adoption of plan of division.

14 (a) Preparation of plan.--A plan of division shall be
15 prepared, setting forth:

16 (1) The terms and conditions of the division, including
17 the manner and basis of:

18 (i) The reclassification of the shares of the
19 surviving corporation, if there be one, and, if any of
20 the shares of the dividing corporation are not to be
21 converted solely into shares or other securities or
22 obligations of one or more of the resulting corporations,
23 the shares or other securities or obligations of any
24 other person, or cash, property or rights which the
25 holders of such shares are to receive in exchange for or
26 upon conversion of such shares, and the surrender of any
27 certificates evidencing them, which securities or
28 obligations, if any, of any other person or cash,
29 property or rights may be in addition to or in lieu of
30 shares or other securities or obligations of one or more

1 of the resulting corporations.

2 (ii) The disposition of the shares and other
3 securities or obligations, if any, of the new corporation
4 or corporations resulting from the division.

5 (2) A statement that the dividing corporation will, or
6 will not, survive the division.

7 (3) Any changes desired to be made in the articles of
8 the surviving corporation, if there be one, including a
9 restatement of the articles.

10 (4) The articles of incorporation required by subsection
11 (b).

12 (5) Any provisions desired providing disparate treatment
13 of shares held by any shareholder or group of shareholders.

14 (6) Such other provisions as are deemed desirable.

15 Any of the terms of the plan may be made dependent upon facts
16 ascertainable outside of the plan if the manner in which the
17 facts will operate upon the terms of the plan is set forth in
18 the plan.

19 (b) Articles of new corporations.--There shall be included
20 in or annexed to the plan of division:

21 (1) Articles of incorporation, which shall contain all
22 of the statements required by this subpart to be set forth in
23 restated articles, for each of the new domestic business
24 corporations, if any, resulting from the division.

25 (2) Articles of incorporation, certificates of
26 incorporation or other charter documents for each of the new
27 foreign business corporations, if any, resulting from the
28 division.

29 (c) Proposal and adoption.--Except as otherwise provided in
30 section 1953 (relating to division without shareholder

1 approval), the plan of division shall be proposed and adopted,
2 and may be terminated, by a domestic business corporation in the
3 manner provided for the proposal, adoption and termination of a
4 plan of merger in Subchapter C (relating to merger,
5 consolidation, share exchanges and sale of assets), except
6 section 1924(b) (relating to adoption by board of directors),
7 or, if the dividing corporation is a foreign business
8 corporation, in accordance with the laws of the jurisdiction in
9 which it is incorporated. There shall be included in, or
10 enclosed with, the notice of the meeting of shareholders to act
11 on the plan a copy or a summary of the plan and, if Subchapter D
12 of Chapter 15 (relating to dissenters rights) is applicable, a
13 copy of the subchapter and of subsection (d).

14 (d) Dissenters rights in division.--

15 (1) Except as otherwise provided in paragraph (2), if
16 any shareholder of a business corporation which adopts a plan
17 of division objects to the plan and complies with the
18 provisions of Subchapter D of Chapter 15, the shareholder
19 shall be entitled to the rights and remedies of dissenting
20 shareholders therein provided, if any. See section 1906(c)
21 (relating to dissenters rights upon disparate treatment).

22 (2) Except as otherwise provided pursuant to section
23 1571(c) (relating to grant of optional dissenters rights),
24 Subchapter D of Chapter 15 shall not apply to any of the
25 shares of a corporation which is party to a plan of division
26 pursuant to section 1953 (relating to division without
27 shareholder approval).

28 (e) Restrictions on certain distributions.--A plan of
29 division may not be made effective if the effect of the plan is
30 to make a distribution to the holders of any class or series of

1 shares of the dividing corporation unless the distribution is
2 permitted by section 1551 (relating to distributions to
3 shareholders).

4 (f) Action by holders of preferred or special shares.--If
5 the dividing corporation has outstanding any shares of any
6 preferred or special class or series, the holders of the
7 outstanding shares of the class or series shall be entitled to
8 vote as a class on the plan regardless of any limitations stated
9 in the articles or bylaws on the voting rights of the class or
10 series if the plan of division:

11 (1) provides that the dividing corporation will not
12 survive the division; or

13 (2) amends the articles or bylaws of the surviving
14 corporation in a manner which would entitle the holders of
15 such preferred or special shares to a class vote thereon
16 under the articles, bylaws or section 1914(b) (relating to
17 statutory voting rights).

18 (g) Action by holders of indebtedness.--Unless otherwise
19 provided by an indenture or other contract by which the dividing
20 corporation is bound, a plan of division shall not require the
21 approval of the holders of any debt securities or other
22 obligations of the dividing corporation or of any representative
23 of the holders, if the transfer of assets effected by the
24 division, if effected by means of a sale, lease, exchange or
25 other disposition, and any related distribution, would not
26 require the approval of the holders or representatives thereof.

27 (h) Special requirements.--If any provision of the articles
28 or bylaws of a dividing domestic business corporation adopted
29 before January 1, 1986, requires for the adoption of a plan of
30 merger, consolidation or asset transfer a specific number or

1 percentage of votes of directors or shareholders or other
2 special procedures, the plan of division shall not be adopted by
3 the directors or (if adoption by the shareholders is otherwise
4 required by this subchapter) by the shareholders without that
5 number or percentage of votes or compliance with the other
6 special procedures.

7 § 1953. Division without shareholder approval.

8 Unless otherwise required by its bylaws or by section 1952(f)
9 (relating to action by holders of preferred or special shares),
10 a plan of division which does not alter the state of
11 incorporation of a business corporation, provide for disparate
12 treatment nor amend in any respect the provisions of its
13 articles (except amendments which under section 1914(c)
14 (relating to adoption by board of directors) may be made without
15 shareholder action) shall not require the approval of the
16 shareholders of the corporation if:

17 (1) the dividing corporation has only one class of
18 shares outstanding and the shares and other securities, if
19 any, of each corporation resulting from the plan are
20 distributed pro rata to the shareholders of the dividing
21 corporation;

22 (2) the dividing corporation survives the division and
23 all the shares and other securities and obligations, if any,
24 of all new corporations resulting from the plan are owned
25 solely by the surviving corporation; or

26 (3) the transfers of assets effected by the division, if
27 effected by means of a sale, lease, exchange or other
28 disposition, would not require the approval of shareholders
29 under section 1932(b) (relating to shareholder approval
30 required).

1 § 1954. Articles of division.

2 Upon the adoption of a plan of division by the corporation
3 desiring to divide, as provided in this subchapter, articles of
4 division shall be executed by the corporation and shall, subject
5 to section 109 (relating to name of commercial registered office
6 provider in lieu of registered address), set forth:

7 (1) The name and the location of the registered office,
8 including street and number, if any, of the dividing domestic
9 business corporation or, in the case of a dividing foreign
10 business corporation, the name of the corporation and the
11 jurisdiction in which it is incorporated, together with
12 either:

13 (i) If a qualified foreign business corporation, the
14 address, including street and number, if any, of its
15 registered office in this Commonwealth.

16 (ii) If a nonqualified foreign business corporation,
17 the address, including street and number, if any, of its
18 principal office under the laws of that jurisdiction.

19 (2) The statute under which the dividing corporation was
20 incorporated and the date of incorporation.

21 (3) A statement that the dividing corporation will, or
22 will not, survive the division.

23 (4) The name and the address, including street and
24 number, if any, of:

25 (i) the registered office of each new domestic
26 business corporation or qualified foreign business
27 corporation resulting from the division; and

28 (ii) the principal office under the laws of the
29 jurisdiction in which it is incorporated of each new
30 nonqualified foreign business corporation resulting from

1 the division.

2 (5) If the plan is to be effective on a specific date,
3 the hour, if any, and the month, day and year of the
4 effective date.

5 (6) The manner in which the plan was adopted by the
6 corporation.

7 (7) Except as provided in section 1901 (relating to
8 omission of certain provisions from filed plans), the plan of
9 division.

10 § 1955. Filing of articles of division.

11 (a) General rule.--The articles of division, and the
12 certificates or statement, if any, required by section 139
13 (relating to tax clearance of certain fundamental transactions)
14 shall be filed in the Department of State.

15 (b) Cross reference.--See section 134 (relating to docketing
16 statement).

17 § 1956. Effective date of division.

18 Upon the filing of articles of division in the Department of
19 State or upon the effective date specified in the plan of
20 division, whichever is later, the division shall become
21 effective. The division of a domestic business corporation into
22 one or more foreign business corporations or the division of a
23 foreign business corporation shall be effective according to the
24 laws of the jurisdictions where the foreign corporations are or
25 are to be incorporated, but not until articles of division have
26 been adopted and filed as provided in this subchapter.

27 § 1957. Effect of division.

28 (a) Multiple resulting corporations.--Upon the division
29 becoming effective, the dividing corporation shall be subdivided
30 into the distinct and independent resulting corporations named

1 in the plan of division and, if the dividing corporation is not
2 to survive the division, the existence of the dividing
3 corporation shall cease. The resulting corporations, if they are
4 domestic business corporations, shall not thereby acquire
5 authority to engage in any business or exercise any right which
6 a corporation may not be incorporated under this subpart to
7 engage in or exercise. Any resulting foreign business
8 corporation which is stated in the articles of division to be a
9 qualified foreign business corporation shall be a qualified
10 foreign business corporation under Article D (relating to
11 foreign business corporations) and the articles of division
12 shall be deemed to be the application for a certificate of
13 authority and the certificate of authority issued thereon of the
14 corporation.

15 (b) Property rights.--

16 (1) All the property, real, personal and mixed, and
17 franchises of the dividing corporation, and all debts due on
18 whatever account to it, including subscriptions for shares
19 and other choses in action belonging to it, shall (except as
20 otherwise provided in paragraph (2)), to the extent transfers
21 of assets are contemplated by the plan of division, be deemed
22 without further action to be transferred to and vested in the
23 resulting corporations on such a manner and basis and with
24 such effect as is specified in the plan, or per capita among
25 the resulting corporations, as tenants in common, if no
26 specification is made in the plan, and the title to any real
27 estate, or interest therein, vested in any of the
28 corporations shall not revert or be in any way impaired by
29 reason of the division. The resulting corporations shall each
30 thenceforth be responsible as separate and distinct

1 corporations only for such liabilities as each corporation
2 may undertake or incur in its own name but shall be liable
3 inter se for the liabilities of the dividing corporation in
4 the manner and on the basis specified in the plan of
5 division. No liens upon the property of the dividing
6 corporation shall be impaired by the division. One or more,
7 but less than all, of the resulting corporations shall be
8 free of the liabilities of the dividing corporation to the
9 extent, if any, specified in the plan, if no fraud of
10 corporate creditors, or of minority shareholders or
11 shareholders without voting rights or violation of law shall
12 be effected thereby, and if all applicable provisions of 13
13 Pa.C.S. Div. 6 (relating to bulk transfers) and all other
14 applicable provisions of law are complied with. Otherwise,
15 the liability of the dividing corporation shall not be
16 affected by the division nor shall the rights of creditors
17 thereof or of any person dealing with the corporation be
18 impaired by the division and, except as otherwise provided in
19 this section, any claim existing or action or proceeding
20 pending by or against the corporation may be prosecuted to
21 judgment as if the division had not taken place, or the
22 resulting corporations may be proceeded against or
23 substituted in its place as joint and several obligors on
24 such liability, regardless of any provision of the plan of
25 division apportioning the liabilities of the dividing
26 corporation.

27 (2) (i) The transfer of any fee or freehold interest in
28 any tract or parcel of real property situate in this
29 Commonwealth owned by a dividing corporation (including
30 property owned by a foreign business corporation dividing

solely under the law of another jurisdiction) to a new corporation resulting from the division shall not be effective until one of the following documents is filed in the office for the recording of deeds of the county, or each of them, in which the tract or parcel is situated:

(A) A deed or other instrument of confirmation describing the tract or parcel.

(B) A duly executed duplicate original copy of the articles of division.

(C) A copy of the articles of division certified by the Department of State.

(ii) The provisions of 75 Pa.C.S. § 1114 (relating to transfer of vehicle by operation of law) shall not be applicable to a transfer of ownership of any motor vehicle, trailer or semitrailer from a dividing corporation to a new corporation under this section or under a similar law of any other jurisdiction but any such transfer shall be effective only upon compliance with the requirements of 75 Pa.C.S. § 1116 (relating to issuance of new certificate following transfer).

(c) Taxes.--Any taxes, penalties and public accounts of the Commonwealth, claimed against the dividing corporation but not settled, assessed or determined prior to the division, shall be settled, assessed or determined against any of the resulting corporations and, together with interest thereon, shall be a lien against the franchises and property, both real and personal, of all the corporations. Upon the application of the dividing corporation, the Department of Revenue, with the concurrence of the Office of Employment Security of the

1 Department of Labor and Industry, shall release one or more, but
2 less than all, of the resulting corporations from liability and
3 liens for all taxes, penalties and public accounts of the
4 dividing corporation due the Commonwealth for periods prior to
5 the effective date of the division if those departments are
6 satisfied that the public revenues will be adequately secured.

7 (d) Articles of surviving corporation.--The articles of
8 incorporation of the surviving corporation, if there be one,
9 shall be deemed to be amended to the extent, if any, that
10 changes in its articles are stated in the plan of division.

11 (e) Articles of new corporations.--The statements which are
12 set forth in the plan of division with respect to each new
13 domestic business corporation and which are required or
14 permitted to be set forth in restated articles of incorporation
15 of corporations incorporated under this subpart, or the articles
16 of incorporation of each new corporation set forth therein,
17 shall be deemed to be the articles of incorporation of each new
18 corporation.

19 (f) Directors and officers.--Unless otherwise provided in
20 the plan, the directors and officers of the dividing corporation
21 shall be the initial directors and officers of each of the
22 resulting corporations.

23 SUBCHAPTER E

24 CONVERSION

25 Sec.

26 1961. Conversion authorized.

27 1962. Proposal and adoption of plan of conversion.

28 1963. Articles of conversion.

29 1964. Filing of articles of conversion.

30 1965. Effective date of conversion.

1 1966. Effect of conversion.

2 § 1961. Conversion authorized.

3 (a) General rule.--Any business corporation may, in the
4 manner provided in this subchapter, be converted into a
5 nonprofit corporation, designated in this subchapter as the
6 resulting corporation.

7 (b) Exceptions.--This subchapter shall not authorize any
8 conversion involving:

9 (1) Beneficial, benevolent, fraternal or fraternal
10 benefit societies having a lodge system and a representative
11 form of government, or transacting any type of insurance
12 whatsoever.

13 (2) Any corporation which by the laws of this
14 Commonwealth is subject to the supervision of the Department
15 of Banking, the Insurance Department or the Pennsylvania
16 Public Utility Commission, unless the agency expressly
17 approves the transaction in writing.

18 § 1962. Proposal and adoption of plan of conversion.

19 (a) Preparation of plan.--A plan of conversion shall be
20 prepared, setting forth:

21 (1) The terms and conditions of the conversion.

22 (2) A restatement of the articles of the resulting
23 corporation, which articles shall comply with the
24 requirements of Subpart C (relating to nonprofit
25 corporations).

26 (3) Any provisions desired providing disparate treatment
27 of shares held by any shareholder or group of shareholders.

28 (4) Such other provisions as are deemed desirable.

29 Any of the terms of the plan may be made dependent upon facts
30 ascertainable outside of the plan if the manner in which the

1 facts will operate upon the terms of the plan is set forth in
2 the plan.

3 (b) Proposal and adoption.--The plan of conversion shall be
4 proposed and adopted, and may be terminated, by the business
5 corporation in the manner provided for the proposal, adoption
6 and termination of a plan of merger in Subchapter C (relating to
7 merger, consolidation, share exchanges and sale of assets),
8 except section 1924(b) (relating to adoption by board of
9 directors). There shall be included in, or enclosed with, the
10 notice of meeting of shareholders of the business corporation
11 called to act upon the plan a copy or a summary of the plan and
12 of Subchapter D of Chapter 15 (relating to dissenters rights)
13 and of subsection (c).

14 (c) Dissenters rights in conversion.--If any shareholder of
15 a business corporation which adopts a plan of conversion into a
16 nonprofit corporation objects to the plan of conversion and
17 complies with the provisions of Subchapter D of Chapter 15, the
18 shareholder shall be entitled to the rights and remedies of
19 dissenting shareholders therein provided.

20 § 1963. Articles of conversion.

21 Upon the adoption of a plan of conversion by the business
22 corporation desiring to convert, as provided in this subchapter,
23 articles of conversion shall be executed by the corporation and
24 shall set forth:

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

30 (2) The statute under which the corporation was

1 incorporated and the date of incorporation.

2 (3) If the plan is to be effective on a specified date,
3 the hour, if any, and the month, day and year of the
4 effective date.

5 (4) The manner in which the plan was adopted by the
6 corporation.

7 (5) Except as provided in section 1901 (relating to
8 omission of certain provisions from filed plans), the plan of
9 conversion.

10 § 1964. Filing of articles of conversion.

11 (a) General rule.--The articles of conversion shall be filed
12 in the Department of State.

13 (b) Cross reference.--See section 134 (relating to docketing
14 statement).

15 § 1965. Effective date of conversion.

16 Upon the filing of articles of conversion in the Department
17 of State or upon the effective date specified in the plan of
18 conversion, whichever is later, the conversion shall become
19 effective.

20 § 1966. Effect of conversion.

21 Upon the conversion becoming effective, the converting
22 business corporation shall be deemed to be a nonprofit
23 corporation subject to Subpart C (relating to nonprofit
24 corporations) for all purposes, shall cease to be a business
25 corporation and shall not thereafter operate in any manner
26 resulting in pecuniary profit, incidental or otherwise, to its
27 members or shareholders. The corporation shall remain liable for
28 all existing obligations, public or private, and taxes due the
29 Commonwealth or any other taxing authority for periods prior to
30 the effective date of the conversion and, as a nonprofit

1 corporation, it shall continue to be entitled to all assets
2 theretofore pertaining to it as a business corporation.

3 SUBCHAPTER F

4 VOLUNTARY DISSOLUTION AND WINDING UP

5 Sec.

6 1971. Voluntary dissolution by shareholders or incorporators.

7 1972. Proposal of voluntary dissolution.

8 1973. Notice of meeting of shareholders.

9 1974. Adoption of proposal.

10 1975. Winding up in voluntary dissolution proceedings.

11 1976. Judicial supervision of proceedings.

12 1977. Articles of dissolution.

13 1978. Winding up of corporation upon the expiration of its
14 period of duration.

15 1979. Survival of remedies and rights after dissolution.

16 1980. Dissolution by domestication.

17 § 1971. Voluntary dissolution by shareholders or incorporators.

18 (a) General rule.--The shareholders or incorporators of a
19 business corporation which has not commenced business may effect
20 the dissolution of the corporation by filing articles of
21 dissolution in the Department of State. The articles of
22 dissolution shall be executed in the name of the corporation by
23 a majority of the incorporators or a majority in interest of the
24 shareholders and shall set forth:

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

30 (2) The statute under which the corporation was

1 incorporated and the date of incorporation.

2 (3) That the corporation has not commenced business.

3 (4) That the amount, if any, actually paid in on
4 subscriptions for its shares, less any part thereof disbursed
5 for necessary expenses, has been returned to those entitled
6 thereto.

7 (5) That no liabilities of the corporation remain unpaid
8 or that adequate provision has been made therefor.

9 (6) That a majority of the incorporators or a majority
10 in interest of the shareholders elect that the corporation be
11 dissolved.

12 (b) Filing.--The articles of dissolution shall be filed in
13 the Department of State. See section 134 (relating to docketing
14 statement).

15 (c) Effect.--Upon the filing of the articles of dissolution,
16 the existence of the corporation shall cease.

17 § 1972. Proposal of voluntary dissolution.

18 Any business corporation which has commenced business may
19 elect to dissolve voluntarily, and wind up its affairs in the
20 manner provided in this subchapter. Voluntary dissolution shall
21 be proposed by the adoption by the board of directors of a
22 resolution recommending that the corporation be dissolved
23 voluntarily. The board of directors shall direct that the
24 question of dissolution be submitted to a vote of the
25 shareholders of the corporation entitled to vote thereon at a
26 regular or special meeting of the shareholders.

27 § 1973. Notice of meeting of shareholders.

28 Written notice of the meeting of shareholders called for the
29 purpose of considering the advisability of voluntarily
30 dissolving a business corporation shall be given to each

1 shareholder of record entitled to vote thereon and the purpose
2 shall be included in the notice of the meeting.

3 § 1974. Adoption of proposal.

4 (a) General rule.--The resolution shall be adopted upon
5 receiving a majority of the votes cast by all shareholders of
6 the business corporation entitled to vote thereon and, if any
7 class of shares is entitled to vote thereon as a class, a
8 majority of the votes cast in each class vote. A proposal for
9 the voluntary dissolution of a corporation shall not be deemed
10 to have been adopted by the corporation unless it has also been
11 recommended by resolution of the board of directors, regardless
12 of the fact that the board has directed or suffered the
13 submission of such a proposal to the shareholders for action.

14 (b) Termination of proposal.--Prior to the time when
15 articles of dissolution are filed in the Department of State,
16 the proposal may be terminated pursuant to provisions therefor,
17 if any, set forth in the resolution.

18 (c) Action rescinding election to dissolve.--Prior to the
19 time when articles of dissolution are filed in the department,
20 any business corporation may rescind its election to dissolve in
21 the same manner and by the same procedure as that provided in
22 this subchapter for the election of a corporation to dissolve
23 voluntarily.

24 § 1975. Winding up in voluntary dissolution proceedings.

25 (a) Powers of board.--The board of directors of a business
26 corporation shall have full power to wind up and settle the
27 affairs of a business corporation in the event of a voluntary
28 dissolution proceeding.

29 (b) Notice to creditors and taxing authorities.--After the
30 approval by the shareholders of the proposal that the

1 corporation dissolve voluntarily, the corporation shall
2 immediately cause notice of the winding up proceedings to be
3 officially published and to be mailed by certified or registered
4 mail to each known creditor and claimant and to each municipal
5 corporation in which its registered office or principal place of
6 business in this Commonwealth is located.

7 (c) Winding up and distribution.--The corporation shall, as
8 speedily as possible, proceed to collect all sums due it,
9 convert into cash all corporate assets the conversion of which
10 into cash is required to discharge its liabilities and, out of
11 the assets of the corporation, discharge or make adequate
12 provision for the discharge of all liabilities of the
13 corporation, according to their respective priorities. Any
14 surplus remaining after paying or providing for all liabilities
15 of the corporation shall be distributed to the shareholders
16 according to their respective rights and preferences.

17 § 1976. Judicial supervision of proceedings.

18 A business corporation, at any time during the winding up
19 proceedings, may apply to the court to have the proceedings
20 continued under the supervision of the court and thereafter the
21 proceedings shall continue under the supervision of the court as
22 provided in Subchapter G (relating to involuntary liquidation
23 and dissolution).

24 § 1977. Articles of dissolution.

25 (a) Preparation of articles.--When all liabilities of the
26 business corporation have been discharged, or adequate provision
27 has been made therefor, and all of the remaining assets of the
28 corporation have been distributed as provided in this
29 subchapter, or in case its assets are not sufficient to
30 discharge its liabilities, when all the assets have been fairly

1 and equitably applied, as far as they will go, to the payment of
2 such liabilities, articles of dissolution shall be executed by
3 the corporation and shall set forth:

4 (1) The name of the corporation and, subject to section
5 109 (relating to name of commercial registered office
6 provider in lieu of registered address), the address,
7 including street and number, if any, of its registered
8 office.

9 (2) The statute under which the corporation was
10 incorporated and the date of incorporation.

11 (3) The names and respective addresses, including street
12 and number, if any, of its directors and officers.

13 (4) The manner in which the proposal to dissolve
14 voluntarily was adopted by the corporation.

15 (5) A statement:

16 (i) that all liabilities of the corporation have
17 been discharged or that adequate provision has been made
18 therefor; or

19 (ii) that the assets of the corporation are not
20 sufficient to discharge its liabilities, and that all the
21 assets of the corporation have been fairly and equitably
22 applied, as far as they will go, to the payment of such
23 liabilities.

24 (6) A statement that all the remaining assets of the
25 corporation, if any, have been distributed as provided in the
26 Business Corporation Law of 1985.

27 (7) A statement that there are no actions pending
28 against the corporation in any court, or that adequate
29 provision has been made for the satisfaction of any judgment
30 or decree which may be obtained against the corporation in

1 each pending action.

2 (8) A statement that notice of the winding-up
3 proceedings of the corporation was mailed by certified or
4 registered mail to each known creditor and claimant and to
5 each municipal corporation in which the registered office or
6 principal place of business of the corporation in this
7 Commonwealth is located.

8 (b) Filing.--The articles of dissolution and the
9 certificates or statement required by section 139 (relating to
10 tax clearance of certain fundamental transactions) shall be
11 filed in the Department of State. See section 134 (relating to
12 docketing statement).

13 (c) Effect.--Upon the filing of the articles of dissolution
14 in the department, the existence of the corporation shall cease.
15 § 1978. Winding up of corporation upon the expiration of its
16 period of duration.

17 Every business corporation which is dissolved by expiration
18 of its period of duration shall, nevertheless, continue to exist
19 for the purpose of winding up its affairs, prosecuting and
20 defending actions by or against it, collecting and discharging
21 obligations, disposing of and conveying its property and
22 collecting and dividing its assets, but not for the purpose of
23 continuing business except insofar as necessary for the winding
24 up of the corporation. The board of directors of the corporation
25 shall continue as such and shall have full power to wind up the
26 affairs of the corporation.

27 § 1979. Survival of remedies and rights after dissolution.

28 (a) General rule.--The dissolution of a business
29 corporation, either under this subchapter or under Subchapter G
30 (relating to involuntary liquidation and dissolution) or by

1 expiration of its period of duration, shall not take away or
2 impair any remedy available to or against the corporation or its
3 directors, officers or shareholders for any right or claim
4 existing, or liability incurred, prior to the dissolution, if an
5 action thereon is brought on behalf of:

6 (1) the corporation within the time otherwise limited by
7 law; or

8 (2) any other person before or within two years after
9 the date of the dissolution or within the time otherwise
10 limited by law, whichever is less.

11 The actions may be prosecuted against and defended by the
12 corporation in its corporate name.

13 (b) Rights and assets.--The dissolution of a business
14 corporation shall not affect the limited liability of a
15 shareholder of the corporation theretofore existing with respect
16 to transactions occurring or acts or omissions done or omitted
17 in the name of or by the corporation except that each
18 shareholder shall be liable for his pro rata portion of the
19 unpaid liabilities of the corporation up to the amount of the
20 net assets of the corporation distributed to the shareholder in
21 connection with the dissolution. Should any property right of a
22 corporation be discovered after the dissolution of the
23 corporation, the surviving member or members of the board of
24 directors which wound up the affairs of the corporation, or a
25 receiver appointed by the court, shall have authority to enforce
26 the property right and to collect and divide the assets so
27 discovered among the persons entitled thereto and to prosecute
28 actions in the corporate name of the corporation. Any assets so
29 collected shall be distributed and disposed of in accordance
30 with the applicable order of court, if any, and otherwise in

1 accordance with this subchapter.

2 § 1980. Dissolution by domestication.

3 Whenever a domestic business corporation has domesticated
4 itself under the laws of another jurisdiction by action similar
5 to that provided by section 4161 (relating to domestication) and
6 has authorized that action by the vote required by this
7 subchapter for the approval of a proposal that the corporation
8 dissolve voluntarily, the corporation may surrender its charter
9 under the laws of this Commonwealth by filing in the Department
10 of State articles of dissolution under this subchapter
11 containing the statements specified by section 1977(a)(1)
12 through (4) (relating to preparation of articles).

13 SUBCHAPTER G

14 INVOLUNTARY LIQUIDATION AND DISSOLUTION

15 Sec.

16 1981. Proceedings upon application of shareholder or director.

17 1982. Proceedings upon application of creditor.

18 1983. (Reserved).

19 1984. Appointment of receiver pendente lite and other interim
20 powers.

21 1985. Liquidating receiver.

22 1986. Qualifications of receivers.

23 1987. Proof of claims.

24 1988. Discontinuance of proceedings; reorganization.

25 1989. Involuntary articles of dissolution.

26 § 1981. Proceedings upon application of shareholder or director.

27 Upon application filed by a shareholder or director of a
28 business corporation, the court may entertain proceedings for
29 the involuntary winding up and dissolution of the corporation
30 when any one of the following is made to appear:

1 (1) The acts of the directors, or those in control of
2 the corporation, are illegal, oppressive or fraudulent and
3 that it is beneficial to the interests of the shareholders
4 that the corporation be wound up and dissolved.

5 (2) The corporate assets are being misapplied or wasted
6 and that it is beneficial to the interests of the
7 shareholders that the corporation be wound up and dissolved.

8 (3) The directors are deadlocked in the direction of the
9 management of the business and affairs of the corporation and
10 the shareholders are unable to break the deadlock and that
11 irreparable injury to the corporation is being suffered or is
12 threatened by reason thereof. The court shall not appoint a
13 receiver or grant other similar relief under this paragraph
14 if the shareholders by agreement or otherwise have provided
15 for the appointment of a provisional director or other means
16 for the resolution of a deadlock but the court shall enforce
17 the remedy so provided if appropriate.

18 § 1982. Proceedings upon application of creditor.

19 The court may, upon application filed by a creditor of a
20 business corporation whose claim has either been reduced to
21 judgment and an execution thereon returned unsatisfied or whose
22 claim is admitted by the corporation, entertain proceedings for
23 the involuntary winding up and dissolution of the corporation
24 when, in either case, it is made to appear that the corporation
25 is unable to discharge its liabilities in the regular course of
26 business, as they mature, or is unable to afford reasonable
27 security to those who may deal with it.

28 § 1983. (Reserved).

29 § 1984. Appointment of receiver pendente lite and other interim
30 powers.

1 Upon the filing of an application under this subchapter, the
2 court shall have all the powers of a court of equity to issue
3 injunctions, to appoint a receiver pendente lite with such
4 powers and duties as the court from time to time may direct and
5 to take such other proceedings as may be requisite to preserve
6 the corporate assets wherever situated and to carry on the
7 business of the corporation until a full hearing can be had.

8 § 1985. Liquidating receiver.

9 Upon a hearing, after such notice as the court may direct to
10 be given to all parties to the proceeding and to any other
11 parties in interest designated by the court, the court may
12 appoint a liquidating receiver with authority to collect the
13 assets of the corporation. The liquidating receiver shall have
14 authority, subject to the order of the court, to dispose of all
15 or any part of the assets of the corporation wherever situated,
16 either at public or private sale. The assets of the corporation,
17 or the proceeds resulting from a disposition thereof, shall be
18 applied to the expenses of the liquidation and to the payment of
19 the liabilities of the corporation and any remaining assets or
20 proceeds shall be distributed by the court in the manner
21 provided by Subchapter F (relating to voluntary dissolution and
22 winding up). The order appointing the liquidating receiver shall
23 state his powers and duties. The powers and duties may be
24 increased or diminished at any time during the proceedings. A
25 receiver of a corporation appointed under this section shall
26 have authority to sue and defend in all courts in his own name
27 as receiver of the corporation. The court appointing the
28 receiver shall have exclusive jurisdiction of the corporation
29 and its property wherever situated.

30 § 1986. Qualifications of receivers.

1 A receiver shall in all cases be a natural person of full age
2 or a corporation authorized to act as receiver, which
3 corporation, if so authorized, may be a domestic corporation for
4 profit or not-for-profit or a foreign corporation for profit or
5 non-for-profit authorized to do business in this Commonwealth,
6 and shall give such bond, if any, as the court may direct, with
7 such sureties, if any, as the court may require.

8 § 1987. Proof of claims.

9 (a) General rule.--In a proceeding under this subchapter,
10 the court may require all creditors of the business corporation
11 to file with the office of the clerk of the court of common
12 pleas or with the receiver, in such form as the court may
13 prescribe, verified proofs of their respective claims. If the
14 court requires the filing of claims, it shall fix a date, which
15 shall not be less than four months from the date of the order,
16 as the last day for filing of claims and shall prescribe the
17 notice that shall be given to creditors and claimants of the
18 date so fixed. Prior to or after the date so fixed, the court
19 may extend the time for the filing of claims. Creditors and
20 claimants failing to file proofs of claim on or before the date
21 so fixed may be barred, by order of court, from participating in
22 the distribution of the assets of the corporation.

23 (b) Cross reference.--See section 1979 (relating to survival
24 of remedies and rights after dissolution).

25 § 1988. Discontinuance of proceedings; reorganization.

26 The proceedings under this subchapter may be discontinued at
27 any time when it is established that cause for liquidation no
28 longer exists. In that event, the court shall dismiss the
29 proceedings and direct the receiver to redeliver to the business
30 corporation all its remaining property and assets.

1 § 1989. Involuntary articles of dissolution.

2 (a) General rule.--The court, in a proceeding under this
3 subchapter, shall enter an order dissolving the business
4 corporation when the costs and expenses of the proceeding and
5 all liabilities of the corporation have been discharged, and all
6 of its remaining assets have been distributed to its
7 shareholders or, in case its assets are not sufficient to
8 discharge such costs, expenses and liabilities, when all the
9 assets have been applied, as far as they will go, to the payment
10 of such costs, expenses and liabilities.

11 (b) Filing.--After the court has entered an order of
12 dissolution, it shall be the duty of the office of the clerk of
13 the court of common pleas to prepare and execute articles of
14 dissolution substantially in the form provided by section 1977
15 (relating to articles of dissolution), to attach thereto a
16 certified copy of the order and to transmit the articles and
17 attached order to the Department of State. No certificate or
18 statement provided for by section 139 (relating to tax clearance
19 of certain fundamental transactions) shall be required and no
20 fee shall be charged by the department in connection with the
21 filing of articles of dissolution under this section. See
22 section 134 (relating to docketing statement).

23 (c) Effect.--Upon the filing of the articles of dissolution
24 in the department, the existence of the corporation shall cease.

25 ARTICLE C

26 DOMESTIC BUSINESS CORPORATION ANCILLARIES

27 Chapter

28 21. Nonstock Corporations

29 23. Statutory Close Corporations

30 25. Registered Corporations

27. Management Corporations

29. Professional Corporations

CHAPTER 21

NONSTOCK CORPORATIONS

Subchapter

A. Preliminary Provisions

B. Powers, Duties and Safeguards

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

2101. Application and effect of chapter.

2102. Formation of nonstock corporations.

2103. Contents of articles and other documents of nonstock corporations.

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

2105. Termination of nonstock corporation status.

§ 2101. Application and effect of chapter.

(a) General rule.--This chapter shall be applicable to:

(1) A business corporation which elects to become a nonstock corporation in the manner provided by this chapter.

(2) A domestic corporation for profit subject to Subpart D (relating to cooperative corporations) organized on a nonstock basis.

(b) Application to business corporations generally.--The existence of a provision of this chapter shall not of itself create any implication that a contrary or different rule of law is or would be applicable to a business corporation which is not a nonstock corporation and this chapter shall not affect any statute or rule of law which is or would be applicable to a

1 business corporation which is not a nonstock corporation.

2 (c) Laws applicable to nonstock corporations.--Except as
3 otherwise provided in this chapter, this subpart shall be
4 generally applicable to all nonstock corporations. The specific
5 provisions of this chapter shall control over the general
6 provisions of this subpart. In the case of a nonstock
7 corporation references in this subpart to "shares,"
8 "shareholder," "share register," "share ledger," "transfer book
9 for shares," "number of shares entitled to vote" or "class of
10 shares" shall mean memberships, member, membership register,
11 membership ledger, membership transfer book, number of votes
12 entitled to be cast or class of members, respectively. Except as
13 otherwise provided in this article, a nonstock corporation may
14 be simultaneously subject to this chapter and one or more other
15 chapters of this article.

16 § 2102. Formation of nonstock corporations.

17 (a) General rule.--A nonstock corporation shall be formed in
18 accordance with Article B (relating to domestic business
19 corporations generally) except that its articles shall contain:

20 (1) A heading stating the name of the corporation and
21 that it is a nonstock corporation.

22 (2) The provisions required by section 2103 (relating to
23 contents of articles and other documents of nonstock
24 corporations).

25 (b) Initial members.--Upon the filing of articles of a
26 nonstock corporation, the subscribers to the minimum guaranteed
27 capital of the corporation, if any, and the incorporators shall
28 be the initial members of the corporation.

29 § 2103. Contents of articles and other documents of nonstock
30 corporations.

1 A nonstock corporation shall, in lieu of required statements
2 relating to shares or share structure, set forth in any document
3 permitted or required to be filed under this subpart the fact
4 that the corporation is organized on a nonstock basis. A
5 nonstock corporation may, but need not, have a minimum
6 guaranteed capital which shall be furnished by the subscribers
7 thereto in such proportions as they may agree.

8 § 2104. Election of an existing business corporation to become
9 a nonstock corporation.

10 (a) General rule.--Any business corporation may become a
11 nonstock corporation under this chapter by:

12 (1) Adopting a plan of conversion providing for the
13 redemption by the corporation of all of its shares whether or
14 not redeemable by the terms of its articles and adjusting its
15 affairs so as to comply with the requirements of this chapter
16 applicable to nonstock corporations.

17 (2) Filing articles of amendment which shall contain, in
18 addition to the requirements of section 1915 (relating to
19 articles of amendment):

20 (i) A heading stating the name of the corporation
21 and that it is a nonstock corporation.

22 (ii) A statement that it elects to become a nonstock
23 corporation.

24 (iii) A statement that the corporation is organized
25 on a nonstock basis.

26 (iv) Such other changes, if any, which may be
27 desired in the articles.

28 (b) Procedure.--The plan of conversion of the corporation
29 into a nonstock corporation (which plan shall include the
30 amendment of the articles required by subsection (a)) shall be

1 adopted in accordance with the requirements of Subchapter B of
2 Chapter 19 (relating to amendment of articles) except that:

3 (1) The holders of shares of every class shall be
4 entitled to vote on the plan regardless of any limitations
5 stated in the articles or bylaws on the voting rights of any
6 class.

7 (2) The plan must be approved by two-thirds of the votes
8 cast by all shares of each class.

9 (3) If any shareholder of a business corporation which
10 adopts a plan of conversion into a nonstock corporation
11 objects to the plan of conversion and complies with the
12 provisions of Subchapter D of Chapter 15 (relating to
13 dissenters rights), the shareholder shall be entitled to the
14 rights and remedies of dissenting shareholders therein
15 provided. There shall be included in, or enclosed with, the
16 notice of the meeting of shareholders called to act upon the
17 plan of conversion a copy or a summary of the plan and a copy
18 of this subsection and of Subchapter D of Chapter 15.

19 (4) The plan shall not impose any additional liability
20 upon any existing patron of the business of the corporation,
21 whether or not that person becomes a member of the
22 corporation pursuant to the plan, unless the patron expressly
23 assumes such liability.

24 § 2105. Termination of nonstock corporation status.

25 (a) General rule.--A nonstock corporation may terminate its
26 status as such and cease to be subject to this chapter by:

27 (1) Adopting a plan of conversion providing for the
28 issue of appropriate shares to its members and adjusting its
29 affairs so as to comply with the requirements of this subpart
30 applicable to business corporations which are not nonstock

1 corporations.

2 (2) Amending its articles to delete therefrom the
3 additional provisions required or permitted by sections
4 2102(a)(1) (relating to formation of nonstock corporations)
5 and 2103 (relating to contents of articles and other
6 documents of nonstock corporations) to be stated in the
7 articles of a nonstock corporation. The plan of conversion
8 (which plan shall include the amendment of the articles
9 required by this section) shall be adopted in accordance with
10 Subchapter B of Chapter 19 (relating to amendment of
11 articles) except that:

12 (i) The members of every class shall be entitled to
13 vote on the plan regardless of any limitations stated in
14 the articles or bylaws, or in a document evidencing
15 membership, on the voting rights of any class.

16 (ii) The plan must be approved by a majority of the
17 votes cast by the members of each class.

18 (b) Increased vote requirements.--The bylaws of a nonstock
19 corporation adopted by the members may provide that on any
20 amendment to terminate its status as a nonstock corporation, a
21 vote greater than that specified in subsection (a) shall be
22 required. If the bylaws contain such a provision, that provision
23 shall not be amended, repealed or modified by any vote less than
24 that required to terminate the status of the corporation as a
25 nonstock corporation.

26 SUBCHAPTER B

27 POWERS, DUTIES AND SAFEGUARDS

28 Sec.

29 2121. Corporate name of nonstock corporations.

30 2122. Classes of membership.

1 2123. Evidence of membership; liability of members.

2 2124. Voting rights of members.

3 2125. Inapplicability of certain provisions to nonstock
4 corporations.

5 2126. Dissolution of nonstock corporations.

6 § 2121. Corporate name of nonstock corporations.

7 (a) General rule.--The corporate name of a nonstock
8 corporation may contain the word "mutual."

9 (b) Insurance names.--A nonstock corporation shall not use a
10 name containing any of the words "annuity," "assurance,"
11 "beneficial," "bond," "casualty," "endowment," "fidelity,"
12 "fraternal," "guaranty," "indemnity," "insurance," "surety" or
13 "title" when used in such a way as to imply that the corporation
14 is engaged in the business of writing insurance as principal, or
15 any other words of like purport, unless there is submitted a
16 certificate from the Insurance Department certifying that the
17 department has no objection to the use by the corporation or
18 proposed corporation of such designation.

19 § 2122. Classes of membership.

20 The bylaws of a nonstock corporation adopted by the members
21 may vest in the board of directors the power to establish
22 classes of membership and to fix the several rights and
23 liabilities thereof.

24 § 2123. Evidence of membership; liability of members.

25 (a) General rule.--Every member of record of a nonstock
26 corporation shall be entitled to a written document evidencing
27 his membership in the corporation. The document shall set forth
28 the rights and liabilities of membership or shall state that the
29 corporation will furnish to any member, upon request and without
30 charge, a full or summary statement of the rights and

1 liabilities of membership and, if the membership of the
2 corporation is divided into classes, the variations in the
3 rights and liabilities of membership between classes. If a
4 membership is not fully paid or if the member is otherwise
5 liable to assessment, the document evidencing the membership
6 shall so state.

7 (b) Liability.--A subscriber to the minimum guaranteed
8 capital of or member of a nonstock corporation shall not be
9 under any liability to the corporation or any creditor thereof
10 other than the obligations of complying with the terms of the
11 subscription to the minimum guaranteed capital, if any, and with
12 the terms of the document evidencing his membership.

13 (c) Dissenters rights.--The document evidencing membership
14 shall constitute a share certificate for the purposes of
15 Subchapter D of Chapter 15 (relating to dissenters rights).
16 § 2124. Voting rights of members.

17 Except as otherwise provided in a bylaw adopted by the
18 members or in a written document evidencing membership, every
19 member of record of a nonstock corporation shall have the right,
20 at every meeting of members, to one vote.

21 § 2125. Inapplicability of certain provisions to nonstock
22 corporations.

23 (a) Share structure.--The provisions of Subchapter B of
24 Chapter 15 (relating to shares and other securities) shall not
25 be applicable to a nonstock corporation. A nonstock corporation
26 shall not create or issue shares.

27 (b) Corporate finance.--A patronage rebate or dividend which
28 is, or is equivalent to, a reduction in the charge made by a
29 nonstock corporation to a member for goods or services shall not
30 constitute a dividend or distribution within the meaning of

1 section 1551 (relating to distributions to shareholders).

2 § 2126. Dissolution of nonstock corporations.

3 If at the time of dissolution of a nonstock corporation the
4 articles, bylaws and documents evidencing membership fail to
5 define the respective rights and preferences of the members upon
6 dissolution, the surplus of cash or property remaining after
7 discharging all liabilities of the corporation shall be paid to
8 or distributed among the members according to such a plan of
9 distribution as the members may adopt. The plan shall be adopted
10 in accordance with Subchapter F of Chapter 19 (relating to
11 voluntary dissolution and winding up) except that:

12 (1) The members of every class shall be entitled to vote
13 on the plan regardless of any limitations stated in the
14 articles or bylaws, or in a document evidencing membership,
15 on the voting rights of any class.

16 (2) The plan must be approved by a majority of the votes
17 cast by the members of each class.

18 CHAPTER 23

19 STATUTORY CLOSE CORPORATIONS

20 Subchapter

21 A. Preliminary Provisions

22 B. Shares

23 C. Powers, Duties and Safeguards

24 SUBCHAPTER A

25 PRELIMINARY PROVISIONS

26 Sec.

27 2301. Application and effect of chapter.

28 2302. Definition of minimum vote.

29 2303. Formation of statutory close corporations.

30 2304. Additional contents of articles of statutory close

1 corporations.

2 2305. Election of an existing business corporation to become

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4 2306. Limitations on continuation of statutory close

5 corporation status.

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7 status by amendment of articles.

8 2308. Issuance or transfer of shares of a statutory close

9 corporation in breach of qualifying conditions.

10 2309. Involuntary termination of statutory close corporation

11 status; proceeding to prevent loss of status.

12 § 2301. Application and effect of chapter.

13 (a) General rule.--This chapter shall be applicable to a

14 business corporation, other than a management corporation,

15 which:

16 (1) had elected to become a close corporation subject to

17 Chapter B of Article III of the act of May 5, 1933 (P.L.364,

18 No.106), known as the Business Corporation Law of 1933

19 (relating to close corporations) and which, as of the

20 effective date of this chapter, had not terminated that

21 election in the manner prescribed by statute; or

22 (2) elects to become a statutory close corporation in

23 the manner provided by this chapter.

24 (b) Application of business corporation law generally.--The

25 existence of a provision of this chapter shall not of itself

26 create any implication that a contrary or different rule of law

27 is or would be applicable to a business corporation which is not

28 a statutory close corporation and this chapter shall not affect

29 any statute or rule of law which is or would be applicable to a

30 business corporation which is not a statutory close corporation.

1 (c) Laws applicable to statutory close corporations.--Except
2 as otherwise provided in this chapter, this subpart shall be
3 generally applicable to all statutory close 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 statutory close corporation may be
7 simultaneously subject to this chapter and one or more other
8 chapters of this article.

9 (d) Transitional provisions.--The following provisions of
10 this chapter shall not apply to a statutory close corporation
11 existing on January 1, 1986, unless otherwise provided in a
12 bylaw adopted in the manner provided by section 2332(b)
13 (relating to procedure):

14 Section 2321(b) (relating to preemptive rights) insofar
15 as such provision authorizes the shareholders to adopt a
16 bylaw eliminating or limiting the preemptive rights provided
17 in that subsection.

18 Section 2322 (relating to share transfer restrictions).

19 Section 2323 (relating to transfer of shares in breach of
20 transfer restrictions). If section 2323 is not applicable to
21 the corporation, transfer restrictions (including a
22 restriction which is held not to be authorized by section
23 1529 (relating to transfer of securities; restrictions))
24 shall be enforced in the same manner as if this article had
25 not been enacted.

26 Section 2325 (relating to sale option of estate of
27 shareholder).

28 Section 2336 (relating to fundamental changes).

29 (e) Cross reference.--See the definition of "closely-held
30 corporation" in section 1103 (relating to definitions).

1 § 2302. Definition of minimum vote.

2 (a) General rule.--As used in this chapter the term "minimum
3 vote" as applied to corporate action means that:

4 (1) The holders of shares of every class shall be
5 entitled to vote on the corporate action regardless of any
6 limitations stated in the articles or bylaws on the voting
7 rights of any class.

8 (2) The corporate action must be approved by vote of the
9 shareholders of each class entitled to cast at least two-
10 thirds of the votes which all shareholders of the class are
11 entitled to cast thereon.

12 (b) Increased vote requirements.--The bylaws of a statutory
13 close corporation adopted by the shareholders may provide that
14 on any corporate action subject to the minimum vote requirement
15 of subsection (a) a vote greater than two-thirds or a vote of
16 all shares of any class shall be required. If the bylaws contain
17 such a provision, that provision shall not be amended, repealed
18 or modified by any vote less than that required to effect such
19 corporation action.

20 § 2303. Formation of statutory close corporations.

21 A statutory close corporation shall be formed in accordance
22 with Article B (relating to domestic business corporations
23 generally) except that its articles shall contain:

24 (1) A heading stating the name of the corporation and
25 that it is a statutory close corporation.

26 (2) The provisions required by section 2304 (relating to
27 additional contents of articles of statutory close
28 corporations).

29 § 2304. Additional contents of articles of statutory close
30 corporations.

1 (a) General rule.--The articles of a statutory close
2 corporation, in addition to the provisions otherwise required by
3 this subpart, shall provide that the corporation shall make no
4 offering of any of its shares of any class which would
5 constitute a "public offering" within the meaning of the
6 Securities Act of 1933 (15 U.S.C. § 77a et seq.).

7 (b) Number or qualifications of shareholders.--The articles
8 of a statutory close corporation may set forth:

9 (1) The maximum number of persons who are entitled to be
10 record holders or beneficial owners of its shares.

11 (2) The qualifications of shareholders, either by
12 specifying classes of persons who shall be entitled to be
13 holders of record of shares of any class or by specifying
14 classes of persons who shall not be entitled to be holders of
15 shares of any class or both.

16 (c) Aggregation of holdings.--Except as otherwise provided
17 in the articles, for purposes of determining the number of
18 holders of record or beneficial owners of the shares of a
19 statutory close corporation, shares which are held jointly or in
20 common or in a trust, by two or more persons, as fiduciaries or
21 otherwise, or which are held by spouses, shall be treated as
22 held by one shareholder.

23 § 2305. Election of an existing business corporation to become
24 a statutory close corporation.

25 (a) General rule.--A business corporation may become a
26 statutory close corporation under this chapter by amending its
27 articles so that they shall contain, in addition to the
28 requirements of section 1911(b) (relating to exceptions):

29 (1) A heading stating the name of the corporation and
30 that it is a statutory close corporation.

1 (2) A statement that it elects to become a statutory
2 close corporation.

3 (3) The provisions required by section 2304 (relating to
4 additional contents of articles of statutory close
5 corporations).

6 (b) Procedure.--The amendment shall not be effective unless
7 it is adopted by at least the minimum vote.

8 § 2306. Limitations on continuation of statutory close
9 corporation status.

10 A statutory close corporation continues to be such and to be
11 subject to this chapter until:

12 (1) it terminates its status as a statutory close
13 corporation pursuant to section 2307 (relating to voluntary
14 termination of statutory close corporation status by
15 amendment of articles); or

16 (2) the provisions required or permitted by section 2304
17 (relating to additional contents of articles of statutory
18 close corporations) to be stated in the articles to qualify a
19 business corporation as a statutory close corporation have in
20 fact been breached and neither the corporation nor any of its
21 shareholders takes the steps required by section 2309
22 (relating to involuntary termination of statutory close
23 corporation status; proceeding to prevent loss of status) to
24 prevent such loss of status or to remedy such breach.

25 § 2307. Voluntary termination of statutory close corporation
26 status by amendment of articles.

27 (a) General rule.--A statutory close corporation may
28 voluntarily terminate its status as such and cease to be subject
29 to this chapter by amending its articles to delete therefrom the
30 additional provisions required or permitted by sections 2303(1)

1 (relating to formation of statutory close corporations) and 2304
2 (relating to additional contents of articles of statutory close
3 corporations) to be stated in the articles of a statutory close
4 corporation.

5 (b) Procedure.--The amendment shall not be effective unless
6 it is adopted by at least the minimum vote.

7 § 2308. Issuance or transfer of shares of a statutory close
8 corporation in breach of qualifying conditions.

9 (a) Notice of qualifications.--If shares of a statutory
10 close corporation are issued or transferred to any person who is
11 not entitled under any provision of the articles permitted by
12 section 2304(b) (relating to number or qualifications of
13 shareholders) to be a holder of record of shares of the
14 corporation and if the certificate for the shares complies with
15 section 2321(c) (relating to notice of statutory close
16 corporation status) or conspicuously notes the existence of such
17 a provision of the articles, that person shall be conclusively
18 presumed to have notice of the fact of his ineligibility to be a
19 shareholder.

20 (b) Notice of size restrictions.--If the articles of a
21 statutory close corporation state the number of persons who are
22 entitled to be holders or owners of its shares and if the
23 certificate for the shares complies with section 2321(c) or
24 conspicuously notes the existence of such a provision of the
25 articles and if the issuance or transfer of shares to any person
26 would cause the shares to be held by more than that number of
27 persons, the person to whom the shares are issued or transferred
28 shall be conclusively presumed to have notice of that fact.

29 (c) Refusal to register.--Whenever any person to whom shares
30 of a statutory close corporation have been issued or transferred

1 has, or is conclusively presumed under this section to have,
2 notice either:

3 (1) that he is a person not eligible to be a holder of
4 shares of the corporation; or

5 (2) that the transfer of shares to him would cause the
6 shares of the corporation to be held by more than the number
7 of persons permitted by its articles to hold shares of the
8 corporation;

9 the corporation may, at its option, refuse to register the
10 transfer of the shares into the name of the transferee.

11 (d) Exception.--The provisions of subsection (c) shall not
12 be applicable if the transfer of shares, even though otherwise
13 contrary to subsection (a) or (b), has been consented to by all
14 the shareholders of the statutory close corporation or if the
15 statutory close corporation has amended its articles in
16 accordance with section 2307 (relating to voluntary termination
17 of statutory close corporation status by amendment of articles).

18 (e) Rescission rights unaffected.--The provisions of this
19 section do not impair any right of a transferee to rescind the
20 transaction or to recover under any applicable warranty express
21 or implied.

22 (f) Definition.--As used in this section the term "transfer"
23 is not limited to a transfer for value.

24 § 2309. Involuntary termination of statutory close corporation
25 status; proceeding to prevent loss of status.

26 (a) General rule.--If any event occurs as a result of which
27 the provisions included in the articles of a statutory close
28 corporation pursuant to section 2304 (relating to additional
29 contents of articles of statutory close corporations) to qualify
30 it as a statutory close corporation have been breached, the

1 status of the business corporation as a statutory close
2 corporation under this chapter shall terminate unless:

3 (1) Within 30 days after the occurrence of the event or
4 within 30 days after the event has been discovered, whichever
5 is later, the corporation:

6 (i) Files in the Department of State a certificate
7 executed by the corporation setting forth:

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

13 (B) A statement that a provision included in its
14 articles pursuant to section 2304 to qualify it as a
15 statutory close corporation has been breached.

16 (ii) Furnishes a copy of the certificate to each
17 shareholder.

18 (2) The corporation concurrently with the filing of the
19 certificate takes such steps as are necessary to correct the
20 situation which threatens its status as a statutory close
21 corporation including, without limitation, the refusal to
22 register the transfer of shares which have been wrongfully
23 transferred as provided by section 2308 (relating to issuance
24 or transfer of shares of a statutory close corporation in
25 breach of qualifying conditions) or initiation of a
26 proceeding under subsection (b).

27 (b) Proceeding to cure breach.--Upon the application of the
28 corporation or of any shareholder, the court may issue all
29 orders necessary to prevent the corporation from losing its
30 status as a statutory close corporation or to restore its status

1 as a statutory close corporation by enjoining or setting aside
2 any act or threatened act on the part of the corporation or a
3 shareholder which would be inconsistent with any of the
4 provisions required or permitted by section 2304 to be stated in
5 the articles of a statutory close corporation unless it is an
6 act approved in accordance with section 2308(d) (relating to
7 exception). The court may enjoin or set aside any transfer or
8 threatened transfer of shares of a statutory close corporation
9 which is contrary to any of the terms of its articles and may
10 enjoin any public offering, as defined in section 2304(a), or
11 threatened public offering of shares of the statutory close
12 corporation.

13 (c) Notice of cure of breach.--When the situation which
14 threatened the status of the corporation as a statutory close
15 corporation has been remedied and if the corporation has not
16 amended its articles in accordance with section 2307 (relating
17 to voluntary termination of statutory close corporation status
18 by amendment of articles), the corporation shall file in the
19 department a certificate executed by the corporation, setting
20 forth:

21 (1) The name of the corporation and, subject to section
22 109 (relating to name of commercial registered office
23 provider in lieu of registered address), the address,
24 including street and number, if any, of its registered
25 office.

26 (2) A statement that no breach of any of the provisions
27 included in its articles pursuant to section 2304 exists.

28 Upon the filing of the certificate, the status of the
29 corporation as a statutory close corporation under this chapter,
30 if theretofore terminated by reason of subsection (a), shall be

1 restored.

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

4 SUBCHAPTER B

5 SHARES

6 Sec.

7 2321. Shares.

8 2322. Share transfer restrictions.

9 2323. Transfer of shares in breach of transfer restrictions.

10 2324. Corporation option where a restriction on transfer of a
11 security is held invalid.

12 2325. Sale option of estate of shareholder.

13 § 2321. Shares.

14 (a) General rule.--A statutory close corporation shall not
15 issue uncertificated shares.

16 (b) Preemptive rights.--

17 (1) Unless otherwise provided in a bylaw adopted by the
18 shareholders, the holders of any class of voting shares of a
19 statutory close corporation shall have a preemptive right to
20 subscribe for or purchase any voting shares (or any option
21 rights or securities having conversion or option rights with
22 respect to any voting shares) issued or sold by the
23 corporation for any form of consideration.

24 (2) Paragraph (1) shall not apply to any issue of voting
25 shares (or of any option rights or securities having
26 conversion or option rights with respect to such voting
27 shares) pursuant to a plan to which Subchapter D of Chapter
28 15 (relating to dissenters rights) is applicable.

29 (c) Notice of statutory close corporation status.--A legend
30 in substantially the following form shall be set forth

1 conspicuously on each share certificate issued by a statutory
2 close corporation:

3 The rights of shareholders in a statutory close
4 corporation may differ materially from the rights of
5 shareholders in other corporations. Copies of the articles of
6 incorporation and bylaws, agreements among shareholders or
7 other documents, which may restrict transfers and affect
8 voting and other rights, may be obtained by a shareholder on
9 written request to the corporation.

10 This notice shall satisfy all requirements of this subpart that
11 notice of transfer or other restrictions or relative rights be
12 given. All persons claiming an interest in shares of a statutory
13 close corporation:

14 (1) Complying with the notice requirement of this
15 section shall be bound by the documents referred to in the
16 notice.

17 (2) Not complying with the requirement of this section
18 shall be bound only by any documents of which they, or any
19 person through whom they claim, have knowledge or notice.

20 § 2322. Share transfer restrictions.

21 (a) General rule.--Unless otherwise provided in a bylaw
22 adopted by the shareholders, no interest in shares of a
23 statutory close corporation may be transferred, by operation of
24 law or otherwise, whether voluntary or involuntary.

25 (b) Exception.--Subsection (a) shall not apply to a
26 transfer:

27 (1) To the corporation or to any other shareholder of
28 the same class of shares.

29 (2) To members of the immediate family of a shareholder
30 or to a trust all of whose beneficiaries are members of the

1 immediate family of a shareholder. The immediate family of a
2 shareholder shall include only his spouse, parents, brothers,
3 sisters, lineal descendants (including descendants related by
4 adoption) and spouses of any lineal descendants.

5 (3) Which has been approved by the unanimous vote of the
6 holders of the most junior shares of the corporation having
7 voting rights for the election of directors.

8 (4) To an executor or administrator upon the death of a
9 shareholder or to a trustee or receiver as the result of a
10 bankruptcy, insolvency, dissolution or similar proceeding
11 brought by or against a shareholder.

12 (5) By merger, consolidation or share exchange that
13 becomes effective pursuant to section 2336 (relating to
14 fundamental changes) or a share exchange of existing shares
15 for other shares of a different class or series in the
16 corporation.

17 (6) By a pledge as collateral for a loan that does not
18 grant the pledgee any voting rights possessed by the pledgor.

19 (7) Made after termination of the status of the
20 corporation as a statutory close corporation.

21 (8) Permitted by subsection (h).

22 (c) Offer by nonexempt purchaser.--Any person desiring to
23 transfer shares in a transaction not exempt under subsection
24 (b)(1) through (7) shall obtain an offer from a third party who
25 meets the requirements of subsection (d) to purchase the shares
26 for cash and shall deliver written notice of the third party
27 offer to the corporation at its registered office stating the
28 number and kind of shares, the offering price, the other terms
29 of the offer and the name and address of the third party
30 offeror.

1 (d) Qualifications of transferee.--A transfer shall not be
2 made to a third party unless:

3 (1) The third party is eligible to become a qualified
4 shareholder under the provisions of any Federal or State tax
5 statute that the corporation has elected to be subject to and
6 the third party agrees in writing not to take any action to
7 terminate the election without the approval of the remaining
8 shareholders.

9 (2) The transfer to the third party will not result in
10 the imposition of the personal holding company tax or any
11 similar Federal or State penalty tax on the corporation.

12 (3) The third party is eligible to be a shareholder
13 under section 2304(b) (relating to number or qualifications
14 of shareholders).

15 (e) Action on offer by corporation.--The notice specified in
16 subsection (c) shall constitute an offer by the shareholder to
17 sell the shares to the corporation on the terms of the third
18 party offer. Within 20 days after receipt of the notice by the
19 corporation, the secretary shall call a special meeting of
20 shareholders, which shall be held not more than 40 days after
21 the call, for the purpose of determining whether to purchase all
22 (but not less than all) of the offered shares. Approval of
23 action to purchase shall be by a majority of the votes of all
24 shareholders entitled to vote thereon, excluding the holders of
25 offered shares. With the consent of all the shareholders
26 entitled to vote for the approval, the corporation may allocate
27 some or all of the shares to one or more shareholders, or to
28 other persons, but if the corporation has more than one class of
29 shares, the remaining holders of the class of shares being
30 offered for sale shall have a first option to purchase the

1 shares that are not purchased by the corporation in proportion
2 to their shareholdings or in such proportion as shall be
3 agreeable to those desiring to participate in the purchase.

4 (f) Notice of action by corporation.--Within 75 days after
5 receipt of the offer, written notice of the acceptance of the
6 offer of the shareholder shall be delivered or sent to the
7 offering shareholder at the address specified in his notice to
8 the corporation or, in the absence of any specification, at his
9 last known address as reflected in the records of the
10 corporation. If the notice contains terms of purchase different
11 from those contained in the offer of the shareholder, the
12 different terms shall be deemed a counteroffer and unless the
13 shareholder wishing to transfer his shares accepts in writing
14 the counteroffer or the shareholder and the corporation or other
15 purchaser otherwise resolve by written agreement the difference
16 between the offer and counteroffer within 15 days of receipt by
17 the shareholder of the qualified notice of acceptance, the
18 notice containing the counteroffer shall be ineffective as an
19 acceptance.

20 (g) Delivery and payment.--If a contract to sell is created
21 under subsection (f), the shareholder shall make delivery of all
22 the certificates for the shares so sold, duly endorsed, within
23 20 days of receipt of the notice of acceptance. Breach of any of
24 the terms of the contract shall entitle the nonbreaching party
25 to any remedy at law or equity allowed for breach of a contract
26 including, without limitation, specific performance.

27 (h) Limited release from restrictions.--If the offer to sell
28 is not accepted pursuant to subsections (e) and (f), the
29 shareholder shall be entitled to transfer to the third party
30 offeror all (but not less than all) of the offered shares within

1 120 days after delivery of the notice specified in subsection
2 (c) in accordance with the terms specified therein.

3 § 2323. Transfer of shares in breach of transfer restrictions.

4 Any attempted transfer of shares of a statutory close
5 corporation in violation of any transfer restriction binding on
6 the transferee shall be ineffective. Any attempted transfer of
7 shares of a statutory close corporation in violation of any
8 transfer restriction not binding on the transferee shall give
9 the corporation the option, exercisable by notice and payment
10 within 30 days after presentation of the shares for registration
11 in the name of the transferee, to purchase the shares from the
12 transferee for the same price and terms.

13 § 2324. Corporation option where a restriction on transfer of a
14 security is held invalid.

15 If the bylaws contain provisions pursuant to section 2322(a)
16 (relating to share transfer restrictions) and a restriction on
17 transfer of a security of a statutory close corporation is held
18 not to be authorized by section 1529 (relating to transfer of
19 securities; restrictions), the corporation shall nevertheless
20 have an option, for a period of 30 days after the judgment
21 setting aside the restriction becomes final, to acquire the
22 restricted security at a price which is agreed upon by the
23 parties or, if no agreement is reached, at the fair value as
24 determined under Subchapter D of Chapter 15 (relating to
25 dissenters rights).

26 § 2325. Sale option of estate of shareholder.

27 (a) General rule.--Unless otherwise provided in a bylaw
28 adopted by the shareholders, the personal representative of any
29 deceased holder or owner of shares shall have the right to
30 require a statutory close corporation to elect either to

1 purchase or cause the purchase of all, but not less than all, of
2 the shares owned by the decedent pursuant to subsections (c)
3 through (e) or to be dissolved.

4 (b) Minimum vote requirement.--An amendment to the bylaws to
5 provide that this section shall apply or to delete or modify the
6 provisions of this section shall require at least the minimum
7 vote for approval. Any shareholder who votes against an
8 amendment to delete or modify the provisions of this section
9 shall, if the amendment terminates or substantially alters the
10 existing rights of the shareholder pursuant to this section to
11 have his shares purchased, be entitled to receive the fair value
12 of his shares upon compliance with the provisions of Subchapter
13 D of Chapter 15 (relating to dissenters rights).

14 (c) Initial procedure.--The personal representative shall,
15 within six months after the death of the holder or owner of
16 shares, deliver a written notice to the corporation at its
17 registered office specifying the number and class of all shares
18 beneficially owned by the deceased shareholder and stating that
19 an offer by the corporation to purchase the shares is being
20 solicited pursuant to this section. Within 20 days after receipt
21 of the notice by the corporation, the secretary shall call a
22 special meeting of shareholders, which shall be held not more
23 than 40 days after the call, for the purpose of determining
24 whether to offer to purchase the shares. Approval of action to
25 offer to purchase the shares shall be by vote of a majority of
26 the shares entitled to vote, excluding the shares covered by the
27 notice. With the consent of all the shareholders entitled to
28 vote for the approval, the corporation may allocate some or all
29 of the shares to one or more shareholders, or to other persons,
30 but if the corporation has more than one class of shares, the

1 remaining holders of the class of shares being offered for sale
2 shall have a first option to purchase the shares that are not
3 purchased by the corporation in proportion to their
4 shareholdings or in such proportion as shall be agreeable to
5 those desiring to participate in the purchase.

6 (d) Notice of action by corporation.--Written notice of the
7 approval by the shareholders of an offer to purchase, or that no
8 offer to purchase was approved, shall be delivered or sent to
9 the personal representative within 75 days after receipt of the
10 notice soliciting the offer to purchase. Any offer to purchase
11 shall be accompanied by copies of the balance sheets as of the
12 end of, and profit and loss statements for, the preceding two
13 fiscal years of the corporation and any available interim
14 balance sheet and profit and loss statement. Any offer to
15 purchase shall be accepted or rejected in writing within 15
16 days.

17 (e) Price and other terms of purchase.--To the extent the
18 price and other terms for purchasing the shares by the
19 corporation or remaining shareholders are fixed or are to be
20 determined pursuant to provisions in the bylaws or in a written
21 agreement, those provisions shall be binding except that, in the
22 event of a default in any payment due, subsection (i) shall
23 apply and the person exercising his rights under this section
24 shall have the right to petition for dissolution of the
25 corporation.

26 (f) Judicial proceedings in absence of agreement to
27 purchase.--If an offer to purchase is rejected, or if no offer
28 to purchase is made under this section, the personal
29 representative may commence an action in court under this
30 subsection. The jurisdiction of the court shall be plenary and

1 exclusive. The corporation shall be made a party defendant in
2 the action and shall, at its expense, give notice of the
3 commencement of the action to all shareholders and to such other
4 persons as the court may direct. The court shall proceed to
5 determine the fair value of the shares considering the going
6 concern value of the corporation, any agreement among some or
7 all of the shareholders fixing a price or specifying a formula
8 for determining the value of shares of the corporation for any
9 purpose, the recommendations of any appraiser appointed by the
10 court, any legal constraint on the ability of the corporation to
11 acquire the shares and other relevant evidence. The court shall
12 enter an order requiring the corporation to cause the purchase
13 of the shares at fair value including such provisions as are
14 deemed proper concerning payment of the purchase price in two or
15 more installments, payment of interest on the installments,
16 subordination of the obligation to the rights of other creditors
17 of the corporation and security for the deferred purchase price.

18 (g) Costs and expenses.--Except as otherwise prescribed by
19 general rules:

20 (1) If the fair value of the shares as determined by the
21 court does not materially exceed the last offer made by the
22 corporation prior to the commencement of an action pursuant
23 to subsection (f) and the court finds that the failure of the
24 personal representative to accept the last offer of the
25 corporation was arbitrary, vexatious or in bad faith, the
26 court may assess all or a portion of the costs and expenses
27 of the action against the estate of the deceased shareholder.

28 (2) If the fair value of the shares as determined by the
29 court materially exceeds the amount of the last offer made by
30 the corporation prior to the time an action was commenced

1 pursuant to subsection (f) and the court finds that the last
2 offer of the corporation was dilatory, obdurate or vexatious,
3 the court may assess all or a portion of the costs and
4 expenses of the action against the corporation.

5 (3) Expenses assessable under paragraphs (1) and (2)
6 shall include reasonable compensation for and reasonable
7 expenses of any appraiser appointed by the court and the
8 reasonable fees and expenses of counsel for and experts
9 employed by any party.

10 (4) Except as provided in paragraphs (1) and (2), the
11 costs of an action commenced pursuant to subsection (f) shall
12 be assessed on an equal basis between the corporation and the
13 estate of the deceased shareholder and all other fees and
14 expenses shall be borne by the party incurring the fees and
15 expenses.

16 (h) Subsequent modification of order.--Upon the petition of
17 the corporation, the court may modify its order to change the
18 terms of payment if it finds that the changed financial or legal
19 ability of the corporation or other purchasers of the shares to
20 complete the purchase justifies a modification. Any person
21 making a payment in order to prevent or cure any default by any
22 purchaser shall be entitled to recover the excess payment from
23 the defaulting person.

24 (i) Failure to make payment.--If the corporation or other
25 purchaser fails for any reason to make any payment specified in
26 the order within 30 days after the due date for the payment, the
27 court shall, upon the petition of the person to whom the payment
28 is due and in the absence of good cause shown by the
29 corporation, enter an order directing that the corporation be
30 dissolved.

1 (j) Waiver.--Any shareholder may waive in writing the rights
2 of his personal representative under this section.

3 (k) Section nonexclusive.--This section shall not be
4 construed to prohibit any other agreement not prohibited by law
5 that provides for the purchase of shares of the corporation nor
6 shall it prevent a shareholder from enforcing any other remedy
7 he may have.

8 SUBCHAPTER C

9 POWERS, DUTIES AND SAFEGUARDS

10 Sec.

11 2331. Directors.

12 2332. Management by shareholders.

13 2333. Appointment of custodian for statutory close
14 corporation.

15 2334. Appointment of provisional director in certain cases.

16 2335. Operating corporation as partnership.

17 2336. Fundamental changes.

18 2337. Option of shareholder to dissolve corporation.

19 § 2331. Directors.

20 (a) Cumulative voting.--Notwithstanding section 1758(c)
21 (relating to cumulative voting), cumulative voting for directors
22 shall be applicable to every statutory close corporation, unless
23 otherwise provided in the articles.

24 (b) Agreements restricting discretion of directors.--A
25 written agreement among the shareholders of a statutory close
26 corporation entitled to cast at least a majority of the votes
27 which all shareholders are entitled to cast for the election of
28 directors, whether solely among themselves or with a party not a
29 shareholder, is not invalid, as between the parties to the
30 agreement or the shareholders of the corporation, on the ground

1 that it so relates to the conduct of the business and affairs of
2 the corporation as to restrict or interfere with the discretion
3 or powers of the board of directors.

4 (c) Effect of agreement.--The effect of any such agreement
5 shall be to relieve the directors and impose upon the
6 shareholders who are parties to the agreement the liability for
7 acts or omissions which is imposed by law on directors to the
8 extent and so long as the discretion or powers of the board in
9 its direction of the management of corporate affairs is
10 controlled by the agreement.

11 § 2332. Management by shareholders.

12 (a) General rule.--A bylaw of a statutory close corporation
13 adopted by the shareholders may provide that the business and
14 affairs of the corporation shall be managed by or under the
15 direction of the shareholders of the corporation rather than by
16 or under the direction of a board of directors. So long as such
17 a provision continues in effect:

18 (1) No meeting of shareholders need be called to elect
19 directors.

20 (2) Unless the context clearly requires otherwise, the
21 shareholders of the corporation shall be deemed to be
22 directors for purposes of applying provisions of this
23 subpart.

24 (3) The shareholders of the corporation shall be subject
25 to all liabilities imposed by law on directors.

26 (b) Procedure.--Such a provision may be inserted in the
27 articles or bylaws by amendment if all incorporators or all
28 shareholders, regardless of any limitations stated in the
29 articles or bylaws on the voting rights of any class, authorize
30 the provision. An amendment to the articles or bylaws to delete

1 the provision shall be adopted and shall become effective in
2 accordance with Subchapter B of Chapter 19 (relating to
3 amendment of articles) or section 1504 (relating to adoption,
4 amendment and contents of bylaws) except that the holders of
5 shares of every class shall be entitled to vote on the amendment
6 regardless of any limitations stated in the articles or bylaws
7 on the voting rights of any class.

8 (c) Notice on shares.--If the articles or bylaws contain a
9 provision authorized by this section, the existence of the
10 provision shall be noted conspicuously on every share
11 certificate issued by the corporation unless the certificate
12 complies with section 2321(c) (relating to notice of statutory
13 close corporation status).

14 § 2333. Appointment of custodian for statutory close
15 corporation.

16 (a) General rule.--In addition to the provisions of section
17 1767 (relating to appointment of custodian of corporation on
18 deadlock or other cause) the court, upon application of any
19 shareholder, may appoint one or more persons to be custodians
20 and, if the corporation is insolvent, to be receivers of any
21 statutory close corporation when:

22 (1) pursuant to section 2332 (relating to management by
23 shareholders) the business and affairs of the corporation are
24 managed by or under the direction of the shareholders and
25 they are so divided that the business of the corporation is
26 suffering or is threatened with immediate and irreparable
27 injury and any remedy with respect to such deadlock provided
28 in the bylaws or in any written agreement of the shareholders
29 has failed; or

30 (2) the applicant shareholder has the right to the

dissolution of the corporation under a provision of the articles permitted by section 2337 (relating to option of shareholder to dissolve corporation).

A custodian appointed under paragraph (2) shall have the authority to liquidate the affairs of the corporation and distribute its assets.

(b) Provisional director.--In lieu of appointing a custodian for a statutory close corporation under subsection (a)(1) or section 1767 or a receiver under Subchapter G of Chapter 19 (relating to involuntary liquidation and dissolution), the court may appoint a provisional director, whose powers and status shall be as provided in section 2334 (relating to appointment of provisional director in certain cases), if the court determines that it would be in the best interest of the corporation. The appointment shall not preclude any subsequent order of the court appointing a custodian or receiver for the corporation.

§ 2334. Appointment of provisional director in certain cases.

(a) General rule.--Notwithstanding any contrary provision of the articles or the bylaws or agreement of the shareholders, the court may appoint a provisional director for a statutory close corporation if the directors are so divided respecting the management of the business and affairs of the corporation that the votes required for action by the board of directors cannot be obtained with the consequence that the business and affairs of the corporation can no longer be conducted to the advantage of the shareholders generally.

(b) Application for relief.--

(1) An application for relief under this section must be filed:

(i) by at least one-half of the number of directors

1 then in office;

2 (ii) by the holders of shares entitled to cast at
3 least one-third of the votes which all shareholders are
4 entitled to cast for the election of directors; or

5 (iii) if there is more than one class of shares then
6 entitled to elect one or more directors, by shareholders
7 entitled to cast at least two-thirds of the votes which
8 all shareholders of the class are entitled to cast for
9 the election of directors.

10 A bylaw of a statutory close corporation adopted by the
11 shareholders may provide that a lesser proportion of the
12 directors or of the shareholders or of a class of
13 shareholders may apply for relief under this section.

14 (2) Even though the requirements of paragraph (1) are
15 not satisfied, the court may nevertheless appoint a
16 provisional director if permitted by section 2333(b)
17 (relating to provisional director).

18 (c) Qualifications.--A provisional director shall be an
19 impartial individual who is neither a shareholder nor a creditor
20 of the corporation or of any subsidiary or affiliate of the
21 corporation and whose further qualifications, if any, may be
22 determined by the court.

23 (d) Status and powers.--A provisional director is not a
24 receiver of a corporation and does not have the title and powers
25 of a custodian or receiver appointed under section 1767
26 (relating to appointment of custodian of corporation on deadlock
27 or other cause) or Subchapter G of Chapter 19 (relating to
28 involuntary liquidation and dissolution). A provisional director
29 shall have all the rights and powers of a duly elected director
30 of the corporation, including the right to notice of and to vote

1 at meetings of directors, until such time as he is removed by
2 order of the court or by the shareholders entitled to cast at
3 least two-thirds of the votes which all shareholders of that
4 class of voting shares which filed the application for
5 appointment of a provisional director are entitled to cast for
6 directors, or by the shareholders entitled to cast at least a
7 majority of the votes which all shareholders are entitled to
8 cast for the election of directors, in any other case.

9 (e) Compensation.--The compensation of the provisional
10 director shall be determined by agreement between him and the
11 corporation subject to approval of the court which may fix his
12 compensation in the absence of agreement or in the event of
13 disagreement between the provisional director and the
14 corporation.

15 § 2335. Operating corporation as partnership.

16 No written agreement among shareholders of a statutory close
17 corporation, nor any provision of the articles or bylaws of the
18 corporation, which agreement or provision relates to any phase
19 of the affairs of such corporation, including but not limited to
20 the management of its business or declaration and payment of
21 dividends or other division of profits or the election of
22 directors or officers or the employment of shareholders by the
23 corporation or the arbitration of disputes, shall be invalid on
24 the ground that it is an attempt by the parties to the agreement
25 or by the shareholders of the corporation to treat the
26 corporation as if it were a partnership or to arrange relations
27 among the shareholders or between the shareholders and the
28 corporation in a manner that would be appropriate only among
29 partners and shall not be grounds for imposing personal
30 liability on the shareholders for obligations of the

1 corporation.

2 § 2336. Fundamental changes.

3 Except as permitted or required by this chapter, a statutory
4 close corporation shall not effect any corporate action which
5 under Chapter 19 (relating to fundamental changes) requires the
6 approval of shareholders unless the action is adopted by at
7 least the minimum vote.

8 § 2337. Option of shareholder to dissolve corporation.

9 (a) General rule.--A bylaw of a statutory close corporation
10 adopted by the shareholders may include a provision granting to
11 any shareholder, or to the holders of any specified number or
12 percentage of shares of any class of shares, an option to have
13 the corporation dissolved at will or upon the occurrence of any
14 specified event or contingency. Whenever the option to dissolve
15 is exercised, the shareholders exercising the option shall give
16 written notice thereof to all other shareholders. After the
17 expiration of 30 days following the sending of the notice, the
18 dissolution of the corporation shall proceed as if the required
19 number of shareholders having voting rights had consented in
20 writing to dissolution of the corporation as provided by
21 Subchapter F of Chapter 19 (relating to voluntary dissolution
22 and winding up).

23 (b) Amendment adding option.--If the bylaws do not contain a
24 provision authorized by subsection (a), the bylaws may be
25 amended to include such a provision if adopted by the unanimous
26 vote of all the shareholders, regardless of any limitations
27 stated in the bylaws on the voting rights of any class, unless
28 the original bylaws, or bylaws adopted by such a unanimous vote,
29 specifically authorize such an amendment to be adopted by a
30 specified vote of shareholders, which shall not be less than the

1 minimum vote.

2 (c) Notice on shares.--If the bylaws contain a provision
3 authorized by this section, the existence of the provision shall
4 be noted conspicuously on every share certificate issued by the
5 corporation unless the certificate complies with section 2321(c)
6 (relating to notice of statutory close corporation status).

7 CHAPTER 25

8 REGISTERED CORPORATIONS

9 Subchapter

10 A. Preliminary Provisions

11 B. Powers, Duties and Safeguards

12 C. Directors and Shareholders

13 D. Fundamental Changes

14 SUBCHAPTER A

15 PRELIMINARY PROVISIONS

16 Sec.

17 2501. Application and effect of chapter.

18 2502. Registered corporation status.

19 2503. Acquisition of registered corporation status.

20 2504. Termination of registered corporation status.

21 § 2501. Application and effect of chapter.

22 (a) General rule.--This chapter shall be applicable to any
23 business corporation which is a registered corporation as
24 defined in section 2502 (relating to registered corporation
25 status).

26 (b) Laws applicable to registered corporations.--Except as
27 otherwise provided in this chapter, this subpart shall be
28 generally applicable to all registered corporations. The
29 specific provisions of this chapter shall control over the
30 general provisions of this subpart. Except as otherwise provided

1 in this article, a registered corporation may be simultaneously
2 subject to this chapter and one or more other chapters of this
3 article.

4 (c) Effect of a contrary bylaw.--The bylaws of a registered
5 corporation may provide either expressly or by necessary
6 implication that any one or more of the provisions of this
7 chapter, except this subchapter and (unless the bylaw was
8 adopted on or before March 22, 1984) section 2538 (relating to
9 right of shareholders to receive payment for shares following a
10 control transaction), shall not be applicable in whole or in
11 part, to the corporation.

12 § 2502. Registered corporation status.

13 As used in this chapter, the term "registered corporation"
14 shall mean:

15 (1) A domestic business corporation:

16 (i) having a class or series of equity securities
17 registered under the Securities Exchange Act of 1934 (15
18 U.S.C. § 78a et seq.); or

19 (ii) subject to the reporting obligations imposed by
20 section 13 of the Securities Exchange Act of 1934 (15
21 U.S.C. § 78m) by reason of having filed a registration
22 statement under the Securities Act of 1933 (15 U.S.C. §
23 77a et seq.) relating to shares of a class or series of
24 its equity securities.

25 (2) A domestic business corporation all of the shares of
26 which are owned, directly or indirectly, by one or more
27 registered corporations or foreign corporations for profit
28 described in section 4102(b) (relating to exclusions).

29 § 2503. Acquisition of registered corporation status.

30 (a) Registered corporations.--This chapter shall apply to a

1 registered corporation described in section 2502(1) (relating to
2 registered corporation status) on the day following the day on
3 which the corporation becomes a registered corporation.

4 (b) Subsidiary corporations.--This chapter shall apply to a
5 registered corporation described in section 2502(2) immediately
6 upon the happening of any event whereby all of the shares of the
7 corporation are owned, directly or indirectly, by one or more
8 registered corporations or foreign corporations for profit
9 described in section 4102(b) (relating to exclusions).

10 § 2504. Termination of registered corporation status.

11 (a) Registered corporations.--The applicability of this
12 chapter to a registered corporation described in section 2502(1)
13 (relating to registered corporation status) shall terminate
14 immediately upon the termination of the status of the
15 corporation as a registered corporation.

16 (b) Subsidiary corporations.--The applicability of this
17 chapter to a registered corporation described in section 2502(2)
18 shall terminate immediately upon the happening of any event
19 whereby all of the shares of the corporation are no longer
20 owned, directly or indirectly, by one or more registered
21 corporations or foreign corporations for profit described in
22 section 4102(b) (relating to exclusions).

23 SUBCHAPTER B

24 POWERS, DUTIES AND SAFEGUARDS

25 Sec.

26 2511. Financial reports to shareholders.

27 2512. Dissenters rights procedure.

28 § 2511. Financial reports to shareholders.

29 The requirements of section 1554 (relating to financial
30 reports to shareholders) shall not apply to a registered

1 corporation.

2 § 2512. Dissenters rights procedure.

3 (a) General rule.--A registered corporation, except one
4 described in section 2502(1)(ii) (relating to registered
5 corporation status), shall not be required by statute to supply
6 a copy of Subchapter D of Chapter 15 (relating to dissenters
7 rights) to any of its shareholders entitled to dissenters rights
8 in connection with a proposed corporate action from whom the
9 corporation solicits a proxy relating to approval of, or to whom
10 it sends an information statement relating to, the proposed
11 corporate action.

12 (b) Exception.--Subsection (a) does not apply to notice
13 given under sections 1575(a)(4) (relating to notice to demand
14 payment) and 1577(c)(3) (relating to payment of fair value of
15 shares).

16 SUBCHAPTER C

17 DIRECTORS AND SHAREHOLDERS

18 Sec.

19 2521. Call of special meetings of shareholders.

20 2522. Adjournment of meetings of shareholders.

21 2523. Quorum at shareholder meetings.

22 2524. Consent of shareholders in lieu of meeting.

23 § 2521. Call of special meetings of shareholders.

24 The shareholders of a registered corporation shall not be
25 entitled by statute to call a special meeting of the
26 shareholders.

27 § 2522. Adjournment of meetings of shareholders.

28 Any regular or special meeting of the shareholders of a
29 registered corporation, including one at which directors are to
30 be elected, may be adjourned for such period as the shareholders

1 present and entitled to vote shall direct.

2 § 2523. Quorum at shareholder meetings.

3 The board of directors of a registered corporation may adopt
4 or change a bylaw on any subject otherwise expressly committed
5 to the shareholders by section 1756(a) (relating to quorum).

6 § 2524. Consent of shareholders in lieu of meeting.

7 An action authorized by the shareholders of a registered
8 corporation by less than unanimous written consent, if action by
9 less than unanimous written consent is permitted by its bylaws,
10 may become effective immediately upon its authorization, but
11 prompt notice of the action shall be given to those shareholders
12 entitled to vote thereon who have not consented.

13 SUBCHAPTER D

14 FUNDAMENTAL CHANGES

15 Sec.

16 2535. Proposal of amendment to articles.

17 2536. Application by director for involuntary dissolution.

18 2537. Dissenters rights in asset transfers.

19 2538. Right of shareholders to receive payment for shares
20 following a control transaction.

21 § 2535. Proposal of amendment to articles.

22 The shareholders of a registered corporation shall not be
23 entitled by statute to propose an amendment to the articles.

24 § 2536. Application by director for involuntary dissolution.

25 A director of a registered corporation, as such, shall not be
26 entitled to file an application seeking involuntary winding up
27 and dissolution of the corporation.

28 § 2537. Dissenters rights in asset transfers.

29 The shareholders of a registered corporation that adopts a
30 plan of asset transfer shall not be entitled to dissenters

1 rights except as provided by section 1906(c) (relating to
2 dissenters rights upon disparate treatment) or unless the board
3 of directors or the bylaws so provide pursuant to section
4 1571(c) (relating to grant of optional dissenters rights).

5 § 2538. Right of shareholders to receive payment for shares
6 following a control transaction.

7 (a) General rule.--Unless:

8 (1) the bylaws, by amendment adopted on or before March
9 22, 1984 and not subsequently rescinded by an amendment of
10 the articles; or

11 (2) the articles;

12 explicitly provide that this section shall not be applicable to
13 the corporation, any holder of voting shares of a registered
14 corporation that becomes the subject of a control transaction
15 described in subsection (h) who shall object to the transaction
16 shall be entitled to the rights and remedies provided in this
17 section. The adoption of an amendment to the bylaws as permitted
18 by this subsection shall not be void or voidable by reason of
19 the participation of any director affiliated with any
20 shareholder and no director shall be held liable for taking or
21 omitting to take such action. Subject to a requirement in the
22 articles or a bylaw adopted by the shareholders of a higher
23 required vote, a proposed amendment of the articles adding the
24 provision contemplated by paragraph (2) shall be adopted upon
25 receiving the affirmative votes of the shareholders entitled to
26 cast at least a majority of the votes which all shareholders are
27 entitled to cast thereon, and if any class or series of shares
28 is entitled to vote thereon as a class, the affirmative vote of
29 the holders of at least a majority of the outstanding shares of
30 each class or series of shares entitled to vote as a class

1 thereon.

2 (b) Notice of control transaction.--Prompt notice that a
3 control transaction has occurred shall be given by the
4 controlling person or group to each shareholder of record of the
5 corporation holding voting shares. If the person or group so
6 requests, the corporation shall, at the option of the
7 corporation and at the expense of the person or group, either
8 furnish a list of all such shareholders to the person or group
9 or mail the notice to all such shareholders. There shall be
10 included in, or enclosed with, the notice a copy of this section
11 and Subchapter D of Chapter 15 (relating to dissenters rights).

12 (c) Demand for payment.--After the occurrence of the control
13 transaction, any holder of voting shares of the corporation may,
14 prior to or within a reasonable time after the notice required
15 by subsection (b) is given, which time period may be specified
16 in the notice, make written demand on the controlling person or
17 group for payment of the amount provided in subsection (e) with
18 respect to the voting shares of the corporation held by the
19 shareholder, and the controlling person or group shall agree to
20 pay that amount to the shareholder upon surrender of the share
21 certificate or certificates representing the shares or upon the
22 transfer of uncertificated shares. The demand of the shareholder
23 shall state the number and class or series, if any, of the
24 shares owned by him with respect to which the demand is made.

25 (d) Effect of section.--Nothing contained in this section
26 shall preclude a controlling person or group subject to this
27 section from offering, whether in a notice or otherwise, to
28 purchase voting shares of the corporation at a price other than
29 that provided in subsection (e), and nothing contained in this
30 section shall preclude any shareholder from agreeing to sell his

1 voting shares at that or any other price to any person.

2 (e) Valuation of shares.--A shareholder making written
3 demand under subsection (c) shall be entitled to receive cash
4 for each of his shares in an amount equal to the fair value of
5 each voting share as of the day prior to the date on which the
6 control transaction occurs, taking into account all relevant
7 factors, including an increment representing a proportion of any
8 value payable for acquisition of control of the corporation.
9 Either the controlling person or group or the shareholder may
10 proceed under sections 1579 (relating to valuation proceedings
11 generally) and 1580 (relating to costs and expenses of valuation
12 proceedings) for a determination of the fair value of such share
13 as defined in this subsection. The written demand made by the
14 shareholder shall be deemed to be the estimate pursuant to
15 section 1578 (relating to estimate by dissenter of fair value
16 for shares), the shareholders who make written demand shall be
17 deemed to be the dissenters, and the controlling person or group
18 shall be deemed to be the corporation for the purposes of those
19 sections.

20 (f) Conditional compliance.--

21 (1) A person or group that proposes to engage in a
22 control transaction may comply with the requirements of this
23 section in connection with the control transaction, and the
24 effectiveness of the rights afforded in this section to
25 shareholders may be conditioned upon the consummation of the
26 control transaction.

27 (2) The person or group shall give prompt written notice
28 of the satisfaction of any such condition to each shareholder
29 who has made demand as provided in this section.

30 (g) Exclusions.--Subsections (a) through (f) shall not apply

1 to any person or group that inadvertently becomes a controlling
2 person or group if that controlling person or group, as soon as
3 practicable, divests itself of a sufficient amount of its voting
4 shares so that it is no longer a controlling person or group, or
5 to any corporation that on December 23, 1983 was a subsidiary of
6 any other corporation.

7 (h) Definitions.--As used in this section the following
8 words and phrases shall have the meanings given to them in this
9 subsection:

10 (1) For purposes of this section a registered
11 corporation shall be a domestic business corporation which is
12 a registered corporation by reason of section 2502(1)(i)
13 (relating to registered corporation status).

14 (2) A controlling person or group shall mean for the
15 purposes of this section a person who has, or a group of
16 persons acting in concert that has, voting power over voting
17 shares of the corporation that would entitle the holders
18 thereof to cast at least 30% of the votes that all
19 shareholders would be entitled to cast in an election of
20 directors of the corporation.

21 (3) Notwithstanding paragraph (2), a person or group
22 which would otherwise be a controlling person or group within
23 the meaning of this section shall not be deemed such a
24 controlling person or group unless, subsequent to December
25 23, 1983, that person or group increases the percentage of
26 outstanding voting shares of the corporation over which it
27 has voting power to in excess of the percentage of
28 outstanding voting shares of the corporation over which that
29 person or group had voting power on December 23, 1983, and to
30 at least the amount specified in paragraph (2), as the result

1 of forming or enlarging a group, or acquiring by purchase
2 voting power over voting shares of the corporation.

3 (4) (i) A person shall not be a controlling person
4 under paragraph (2) if such person holds voting power, in
5 good faith and not for the purpose of circumventing this
6 section, as an agent, bank, broker, nominee or trustee
7 for one or more beneficial owners who do not individually
8 or, if they are a group acting in concert, as a group
9 have the voting power specified in paragraph (2) or who
10 are not deemed a controlling person or group under
11 paragraph (3).

12 (ii) For the purposes of this section, a person has
13 voting power over a voting share if that person has or
14 shares, directly or indirectly, through any option,
15 contract, arrangement, understanding, conversion right or
16 relationship, or by acting jointly or in concert, or
17 otherwise, the power to vote, or to direct the voting of,
18 the voting share.

19 (5) A control transaction shall mean, for the purposes
20 of this section, the acquisition by a person or group of the
21 status of a controlling person or group.

22 (6) For purposes of subsection (g), subsidiary shall
23 mean any corporation as to which any other corporation has or
24 has the right to acquire, directly or indirectly, through the
25 exercise of all warrants, options and rights and the
26 conversion of all convertible securities, whether issued or
27 granted by the subsidiary or otherwise, voting power over
28 voting shares of the subsidiary that would entitle the
29 holders thereof to cast in excess of 50% of the votes that
30 all shareholders would be entitled to cast in the election of

1 directors of such subsidiary, except that a subsidiary will
2 not be deemed to cease being a subsidiary so long as the
3 corporation remains a controlling person or group within the
4 meaning of this subsection.

5 CHAPTER 27

6 MANAGEMENT CORPORATIONS

7 Subchapter

8 A. Preliminary Provisions

9 B. Powers, Duties and Safeguards

10 SUBCHAPTER A

11 PRELIMINARY PROVISIONS

12 Sec.

13 2701. Application and effect of chapter.

14 2702. Election to become a management corporation.

15 2703. Date and duration of election.

16 2704. Dissenters rights upon election.

17 § 2701. Application and effect of chapter.

18 (a) General rule.--This chapter shall be applicable to a
19 business corporation, other than a closely-held corporation or a
20 professional corporation, which elects to become a management
21 corporation in the manner provided by this chapter, if the
22 corporation is a management company required to be registered
23 and so registered under the Investment Company Act of 1940 (54
24 Stat. 789, 15 U.S.C. § 80a-1 et seq.).

25 (b) Laws applicable to management corporations.--Except as
26 otherwise provided in this chapter, this subpart shall be
27 generally applicable to all management corporations. The
28 specific provisions of this chapter shall control over the
29 general provisions of this subpart. Except as otherwise provided
30 in this article, a management corporation may be simultaneously

1 subject to this chapter and one or more other chapters of this
2 article. The bylaws of a management corporation may provided
3 either expressly or by necessary implication that any one or
4 more of the provisions of this chapter, except this subchapter,
5 shall not be applicable, in whole or in part, to the
6 corporation.

7 § 2702. Election to become a management corporation.

8 (a) General rule.--A business corporation may become a
9 management corporation under this chapter by filing articles of
10 amendment which shall contain in addition to the requirements of
11 section 1915 (relating to articles of amendment):

12 (1) A heading stating the name of the corporation and
13 that it is a management corporation.

14 (2) A statement that it elects to become a management
15 corporation.

16 (3) A statement that all shareholders of the corporation
17 have been accorded dissenters rights under this chapter in
18 connection with the election.

19 (b) Procedure.--An election to become subject to this
20 chapter shall be proposed by a resolution adopted by the board
21 of directors and shall be adopted in accordance with the
22 requirements of Subchapter B of Chapter 19 (relating to
23 amendment of articles).

24 (c) Cross reference.--See section 134 (relating to docketing
25 statement).

26 § 2703. Date and duration of election.

27 (a) Date of election.--If an effective date is not stated in
28 the articles of amendment, this chapter shall become applicable
29 to the management corporation on the date the articles of
30 amendment are filed in the Department of State.

(b) Duration of election.--A management corporation shall be subject to this chapter for three years after the effective date of its most recent articles of amendment filed under section 2702 (relating to election to become a management corporation). An election to be subject to this chapter may be renewed by complying with the provisions of this subchapter in the same manner as an initial election.

§ 2704. Dissenters rights upon election.

If any shareholder of a management corporation which adopts or renews an election under this chapter to become or continue as a management corporation objects to that action and complies with the provisions of Subchapter D of Chapter 15 (relating to dissenters rights), the dissenting shareholder shall be entitled to the rights and remedies of dissenting shareholders therein provided, unless as to any class or series of shares the corporation in the ordinary course of business redeems such shares at the option of a shareholder at net asset value or at another agreed method or amount of value.

SUBCHAPTER B

POWERS, DUTIES AND SAFEGUARDS

Sec.

2711. Bylaw and fundamental change procedures.

§ 2711. Bylaw and fundamental change procedures.

Except as otherwise provided in the express terms of any class or series of any preferred or preference shares, so long as a business corporation is a management corporation subject to this chapter:

(1) The board of directors shall have the full authority vested by this subpart in the shareholders to adopt or change the bylaws, and a bylaw adopted by the board of directors

pursuant to this section may continue in effect as long as the corporation remains subject to this chapter.

(2) No plan or amendment shall be adopted under Chapter 19 (relating to fundamental changes), and no bylaw shall be adopted or changed by the shareholders, without the approval of the board of directors.

SUBCHAPTER C

DIRECTORS AND SHAREHOLDERS

Sec.

2721. Selection and removal of directors.

2722. Shareholder meetings unnecessary.

§ 2721. Selection and removal of directors.

The bylaws of a management corporation may specify the manner in which and the persons by whom the directors of the corporation shall be selected and may be removed.

§ 2722. Shareholder meetings unnecessary.

Annual or other regular meetings of the shareholders of a management corporation need not be held.

CHAPTER 29

PROFESSIONAL CORPORATIONS

Subchapter

A. Preliminary Provisions

B. Powers, Duties and Safeguards

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

2901. Application and effect of chapter.

2902. Definitions.

2903. Formation of professional corporations.

2904. Election of an existing business corporation to become a

1 professional corporation.

2 2905. Election of professional associations to become
3 professional corporations.

4 2906. Termination of professional corporation status.

5 2907. Proceedings to terminate breach of qualifying conditions.

6 § 2901. Application and effect of chapter.

7 (a) General rule.--This chapter shall be applicable to a
8 business corporation, other than a management corporation,
9 which:

10 (1) on the effective date of this chapter was subject to
11 the act of July 9, 1970 (P.L.461, No.160), known as the
12 Professional Corporation Law; or

13 (2) elects to become a professional corporation in the
14 manner provided by this chapter.

15 (b) Application to business corporations generally.--The
16 existence of a provision of this chapter shall not of itself
17 create any implication that a contrary or different rule of law
18 is or would be applicable to a business corporation which is not
19 a professional corporation and this chapter shall not affect any
20 statute or rule of law which is or would be applicable to a
21 business corporation which is not a professional corporation.
22 Nothing contained in this chapter shall alter or affect any
23 right or privilege existing under any statute or general rule
24 heretofore or hereafter enacted by the General Assembly or (with
25 respect to attorneys at law) prescribed by the Supreme Court of
26 Pennsylvania:

27 (1) not prohibiting; or

28 (2) in terms permitting;

29 performance of professional services in corporate form by a
30 corporation which is not a professional corporation.

1 (c) Laws applicable to professional corporations.--Except as
2 otherwise provided in this chapter, this subpart shall be
3 generally applicable to all professional 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 professional corporation may be
7 simultaneously subject to this chapter and one or more other
8 chapters of this article.

9 § 2902. Definitions.

10 The following words and phrases when used in this chapter
11 shall have the meanings given to them in this section unless the
12 context clearly indicates otherwise:

13 "Disqualified person." A licensed person who for any reason
14 is or becomes legally disqualified (temporarily or permanently)
15 to render the same professional services which the particular
16 professional corporation of which he is an officer, director,
17 shareholder or employee is or was rendering.

18 "Licensed person." Any natural person who is duly licensed
19 or admitted to practice his profession by a court, department,
20 board, commission or other agency to render a professional
21 service which is or will be rendered by the professional
22 corporation of which he is, or intends to become, an officer,
23 director, shareholder, employee or agent.

24 "Profession." Includes the performance of any type of
25 personal service to the public which requires as a condition
26 precedent to the performance of the service the obtaining of a
27 license or admission to practice or other legal authorization,
28 including all personal services which prior to the enactment of
29 the act of July 9, 1970 (P.L.461, No.160), known as the
30 Professional Corporation Law, could not lawfully be rendered by

1 means of a corporation. By way of example, and without limiting
2 the generality of the foregoing, the term includes for the
3 purposes of this chapter personal services rendered as an
4 architect, chiropractor, dentist, funeral director, osteopath,
5 podiatrist, physician, professional engineer, veterinarian,
6 certified public accountant or surgeon and, except as otherwise
7 prescribed by general rules, an attorney at law. The definition
8 specified in this paragraph shall be applicable to this chapter
9 only and shall not affect the interpretation of any other
10 statute or any local zoning ordinance or other official document
11 heretofore or hereafter enacted or promulgated.

12 "Professional services." Any type of services which may be
13 rendered by the member of any profession within the purview of
14 his profession.

15 § 2903. Formation of professional corporations.

16 (a) General rule.--A professional corporation shall be
17 formed in accordance with Article B (relating to domestic
18 business corporations generally) except that its articles shall
19 contain a heading stating the name of the corporation and that
20 it is a professional corporation.

21 (b) Legislative intent.--It is the intent of the General
22 Assembly to authorize by this chapter licensed persons to render
23 professional services by means of a professional corporation in
24 all cases.

25 (c) Single purpose corporations.--Except as provided in
26 subsection (d) a professional corporation may be incorporated
27 only for the purpose of rendering one specific kind of
28 professional service.

29 (d) Multiple purpose corporations.--

30 (1) A professional corporation may be incorporated to

render two or more specific kinds of professional services to the extent that:

(i) the several shareholders of the professional corporation, if organized as a partnership, could conduct a combined practice of such specific kinds of professional services; or

(ii) the court, department, board, commission or other government unit regulating each profession involved in the professional corporation has by rule or regulation applicable to professional corporations expressly authorized the combined practice of the profession with each other profession involved in the corporation.

Except as otherwise provided by statute, the government unit may promulgate regulations authorizing combined practice to the extent consistent with the public interest or required by the public health or welfare.

(2) The provisions of paragraph (1) shall not create any vested rights. If by reason of a change in law, rule or regulation the right to practice professions in any particular combination is terminated, all existing professional corporations rendering a combination of professional services shall promptly reduce the specific kinds of professional services rendered by the corporations or shall otherwise reconstitute themselves so as to comply with the currently applicable restrictions applicable to all professions involved.

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

(a) General rule.--A business corporation may become a professional corporation under this chapter by filing articles

1 of amendment which shall contain, in addition to the
2 requirements of section 1915 (relating to articles of
3 amendment):

4 (1) A heading stating the name of the corporation and
5 that it is a professional corporation.

6 (2) A statement that it elects to become a professional
7 corporation.

8 (3) Such other changes, if any, which may be desired in
9 the articles, including any changes necessary to conform to
10 section 2903(c) and (d) (relating to formation of
11 professional corporations).

12 (b) Procedure.--The amendment shall be adopted in accordance
13 with the requirements of Subchapter B of Chapter 19 (relating to
14 amendment of articles) except that the amendment must be
15 approved by the unanimous consent of all shareholders of the
16 corporation regardless of any limitations on voting rights
17 stated in the articles or bylaws.

18 § 2905. Election of professional associations to become
19 professional corporations.

20 (a) General rule.--This chapter applies to every
21 professional association subject to Chapter 93 (relating to
22 professional associations) which elects to accept the provisions
23 of this chapter in the manner set forth in subsection (c).

24 (b) Procedure for election.--A professional association may
25 elect to accept this chapter by filing in the Department of
26 State a statement of election of professional corporation status
27 which shall be executed by all of the associates of the
28 professional association and shall set forth:

29 (1) The name of the professional association and,
30 subject to section 109 (relating to name of commercial

1 registered office provider in lieu of registered address),
2 the address, including street and number, if any, of its
3 proposed registered office.

4 (2) The name of the county in the office of the
5 prothonotary of which the initial articles of association of
6 the association were filed.

7 (3) A statement that the associates of the professional
8 association have elected to accept the provisions of this
9 chapter for the government and regulation of the affairs of
10 the association.

11 See section 134 (relating to docketing statement).

12 (c) Date of incorporation.--This chapter shall become
13 applicable to the professional association, and it shall be
14 deemed incorporated, on the date the statement of election is
15 filed in the department.

16 § 2906. Termination of professional corporation status.

17 A professional corporation may terminate its status as such
18 and cease to be subject to this chapter by amending its articles
19 to delete therefrom the additional provisions required by
20 section 2903(a) (relating to formation of professional
21 corporations). The amendment shall be adopted in accordance with
22 Subchapter B of Chapter 19 (relating to amendment of articles).

23 § 2907. Proceedings to terminate breach of qualifying
24 conditions.

25 (a) General rule.--If the corporation does not otherwise
26 have the right to acquire all the shares of a shareholder who
27 becomes a disqualified person or of a deceased shareholder, the
28 corporation shall nevertheless have an option to acquire the
29 shares, subject to the provisions of subsection (c), at a price
30 which is agreed upon by the parties or, if no agreement is

1 reached, at their fair value as determined under Subchapter D of
2 Chapter 15 (relating to dissenters rights).

3 (b) Dissolution of corporation.--If the corporation or a
4 licensed person fails to acquire, or if the corporation fails to
5 commence proceedings under subsection (a) to acquire, all of the
6 shares of a shareholder who becomes a disqualified person or of
7 a deceased shareholder within 90 days following the date of
8 disqualification or within 13 months following the date of death
9 of the shareholder, as the case may be, then that failure shall
10 constitute a ground for the forfeiture of the charter of the
11 corporation and its dissolution. When the failure of a
12 professional corporation to comply with this section is brought
13 to the attention of the court, department, board, commission or
14 other government unit regulating the profession in which the
15 corporation is engaged the government unit shall certify that
16 fact to the Attorney General for institution of appropriate
17 proceedings to dissolve the corporation.

18 (c) Nominal consideration transactions.--If section 1551
19 (relating to distributions to shareholders) would otherwise
20 prohibit an acquisition of shares under this section, a
21 professional corporation shall have the right to purchase its
22 own shares for a nominal consideration.

23 SUBCHAPTER B

24 POWERS, DUTIES AND SAFEGUARDS

25 Sec.

26 2921. Corporate name.

27 2922. Stated purposes.

28 2923. Issuance and retention of shares.

29 2924. Rendering professional services.

30 2925. Professional relationship retained.

1 § 2921. Corporate name.

2 (a) General rule.--A professional corporation may adopt any
3 name which is not prohibited by law or the ethics of the
4 profession in which the corporation is engaged or by a rule or
5 regulation of the court, department, board, commission or other
6 government unit regulating the profession.

7 (b) Additional names permitted.--The provisions of the first
8 sentence of section 1303(a) (relating to corporate name) shall
9 not prohibit the use of a name of a professional corporation if
10 the name contains and is restricted to the name or the last name
11 of one or more of the present, prospective or former
12 shareholders or of individuals who were associated with a
13 predecessor or whose individual name or names appeared in the
14 name of the predecessor. The name may also contain:

- 15 (1) the word "and" or any symbol or substitute therefor;
16 (2) the word "associates";
17 (3) the term "P.C."; or
18 (4) any or all of the words or terms in paragraphs (1),
19 (2) and (3).

20 § 2922. Stated purposes.

21 (a) General rule.--No professional corporation shall engage
22 in any business other than the rendering of the professional
23 service or services for which it was specifically incorporated
24 except that a professional corporation may own real and personal
25 property necessary for, or appropriate or desirable in, the
26 fulfillment or rendering of its specific professional service or
27 services and it may invest its funds in real estate, mortgages,
28 stocks, bonds or any other type of investment.

29 (b) Additional powers.--A professional corporation may be a
30 partner in or a shareholder of a partnership or corporation

1 engaged in the business of rendering the professional service or
2 services for which the professional corporation was
3 incorporated.

4 § 2923. Issuance and retention of shares.

5 (a) General rule.--Shares in a professional corporation may
6 be owned, directly or indirectly, only by one or more licensed
7 persons and any shares issued in violation of this restriction
8 shall be void. No shareholder of a professional corporation
9 shall enter into a voting trust, proxy or any other arrangement
10 vesting another person (other than another licensed person who
11 is a direct or indirect shareholder of the same corporation)
12 with the authority to exercise the voting power of any or all of
13 his shares and any such purported voting trust, proxy or other
14 arrangement shall be void.

15 (b) Transfer of shares.--Shares in a professional
16 corporation may be transferred only to or on behalf of a
17 licensed person or to the professional corporation and any
18 transfer in violation of this restriction shall be void.

19 (c) Ownership by estate.--Unless a lesser period of time is
20 provided in a bylaw of the corporation adopted by the
21 shareholders or in a written agreement among the shareholders of
22 the corporation, the estate of a deceased shareholder may
23 continue to hold shares of the professional corporation for a
24 reasonable period of administration of the estate but the
25 personal representative of the estate shall not by reason of the
26 retention of shares be authorized to participate in any
27 decisions concerning the rendering of professional service.

28 (d) Interstate application.--Where the activities in this
29 Commonwealth of a person who is a licensed person under the laws
30 of another jurisdiction would be unlawful unless that person

1 were also a licensed person under the laws of this Commonwealth,
2 no shares of a professional corporation shall be issued to or
3 retained by or on behalf of him unless he is also a licensed
4 person under the laws of this Commonwealth. Except as provided
5 in the preceding sentence, nothing in this chapter shall be
6 construed to require that any proportion or number of the
7 holders or beneficial owners of a professional corporation who
8 are licensed persons shall be licensed persons under the laws of
9 this Commonwealth.

10 § 2924. Rendering professional services.

11 (a) General rule.--A professional corporation may lawfully
12 render professional services only through officers, employees or
13 agents who are licensed persons. The corporation may employ
14 persons not so licensed but those persons shall not render any
15 professional services rendered or to be rendered by it.

16 (b) Supporting staff.--This section shall not be interpreted
17 to preclude the use of clerks, secretaries, nurses,
18 administrators, bookkeepers, technicians and other assistants
19 who are not usually and ordinarily considered by law, custom and
20 practice to be rendering the professional service or services
21 for which the professional corporation was incorporated nor to
22 preclude the use of any other person who performs all his
23 employment under the direct supervision and control of a
24 licensed person. No person shall, under the guise of employment,
25 render professional services unless duly licensed or admitted to
26 practice as required by law.

27 (c) Charges.--Notwithstanding any other provision of law, a
28 professional corporation may charge for the professional
29 services of its officers, employees and agents, may collect
30 those charges and may compensate those who render the

1 professional services.

2 § 2925. Professional relationship retained.

3 (a) General rule.--Nothing in this subpart shall affect the
4 law of this Commonwealth applicable to the professional
5 relationship and the contract, tort and other legal rights,
6 duties and liabilities between the person furnishing
7 professional services and the person receiving professional
8 services and to the standards for professional conduct,
9 including the law of this Commonwealth applicable to the
10 confidential relationship, if any, between the person rendering
11 professional services and the person receiving professional
12 services, and all confidential relationships enjoyed under
13 statutes heretofore or hereafter enacted shall remain inviolate.

14 (b) Liability unaffected.--Any officer, shareholder,
15 employee or agent of a professional corporation shall remain
16 personally and fully liable and accountable for any negligent or
17 wrongful acts or misconduct committed by him or by any person
18 under his direct supervision and control while rendering
19 professional services on behalf of the corporation to the person
20 for whom the professional services were being rendered. The
21 professional corporation shall be liable up to the full value of
22 its property for any negligent or wrongful acts or misconduct
23 committed by any of its officers, shareholders, employees or
24 agents while they are engaged on behalf of the corporation in
25 rendering professional services. Unless otherwise provided in
26 its articles, shares of a professional corporation shall be
27 nonassessable and a holder or owner of shares of a professional
28 corporation shall not be under any liability to the professional
29 corporation or any creditor thereof with respect to the shares.

30 (c) Disciplinary jurisdiction unaffected.--A professional

1 corporation shall be subject to the applicable rules and
2 regulations adopted by, and all the disciplinary powers of, the
3 court, department, board, commission or other government unit
4 regulating the profession in which the corporation is engaged.
5 The court, department, board or other government unit may
6 require that a professional corporation include in its articles
7 provisions which conform to any rule or regulation heretofore or
8 hereafter promulgated for the purpose of enforcing the ethics of
9 a profession but, unless otherwise provided by statute, no rule
10 or regulation shall require the issuance by the corporation of
11 assessable shares or require the inclusion of any provision in
12 the articles which is inconsistent with the provisions of
13 Article B (relating to domestic business corporations generally)
14 as modified by this chapter. Nothing in this chapter shall
15 affect or impair the disciplinary powers of the court,
16 department, board, commission or other government unit over
17 licensed persons or any law, rule or regulation pertaining to
18 the standards for professional conduct of licensed persons or to
19 the professional relationship between any licensed person
20 rendering professional services and the person receiving
21 professional services.

22 ARTICLE D

23 FOREIGN BUSINESS CORPORATIONS

24 Chapter

25 41. Foreign Business Corporations

26 CHAPTER 41

27 FOREIGN BUSINESS CORPORATIONS

28 Subchapter

29 A. Preliminary Provisions

30 B. Qualification

1 C. Powers, Duties and Liabilities

2 D. Domestication

3 SUBCHAPTER A

4 PRELIMINARY PROVISIONS

5 Sec.

6 4101. Application of article.

7 4102. Foreign domiciliary corporations.

8 4103. Acquisition of foreign domiciliary corporation status.

9 4104. Termination of foreign domiciliary corporation status.

10 § 4101. Application of article.

11 (a) General rule.--Except as otherwise provided in this
12 section or in subsequent provisions of this article, this
13 article shall apply to and the words "corporation" or "foreign
14 business corporation" in this article shall include every
15 foreign corporation for profit, including a corporation that, if
16 a domestic corporation for profit, would be a banking
17 institution, credit union, insurance corporation or savings
18 association.

19 (b) Domestic Federal financial institution exclusion.--
20 Except as permitted by act of Congress, no provision of this
21 article shall apply to:

22 (1) Any of the following institutions or similar
23 institutions engaged in this Commonwealth in activities
24 similar to those conducted by banking institutions, saving
25 associations or credit unions:

26 (i) National banking associations organized under
27 The National Bank Act (13 Stat. 99, 12 U.S.C. § 1 et
28 seq.).

29 (ii) Federal savings and loan associations and
30 Federal mutual savings banks organized under the Home

1 Owners' Loan Act of 1933 (48 Stat. 128, 12 U.S.C. § 1461
2 et seq.).

3 (iii) Federal credit unions organized under the
4 Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751
5 et seq.).

6 (2) Any other Federal corporation intended by the
7 Congress to be treated for state law purposes as a domestic
8 corporation of this Commonwealth.

9 (c) Qualified insurance corporation exclusion.--This article
10 shall not apply to any foreign corporation for profit qualified
11 to do business in this Commonwealth under the act of May 17,
12 1921 (P.L.682, No.284), known as The Insurance Company Law of
13 1921, except as otherwise expressly provided by statute
14 applicable to the corporation.

15 § 4102. Foreign domiciliary corporations.

16 (a) General rule.--Except as provided in subsection (b), a
17 foreign business corporation is a foreign domiciliary
18 corporation if it has as record holders of its shares persons
19 having addresses in this Commonwealth who in the aggregate hold
20 shares:

21 (1) representing 60% or more in interest of its
22 outstanding shares whether or not entitled to vote; or

23 (2) entitled to cast at least 60% of the votes which
24 all holders of outstanding shares are entitled to cast in an
25 election of directors.

26 (b) Exclusions.--None of the following is a foreign
27 domiciliary corporation for the purposes of this subpart:

28 (1) Foreign corporation with registered securities.--A
29 foreign business corporation that, if a domestic business
30 corporation, would be a registered corporation.

1 (2) Subsidiary of registered corporation.--A foreign
2 business corporation all of the shares of which are owned,
3 directly or indirectly, by one or more registered
4 corporations or corporations described in paragraph (1).

5 (c) Determination of outstanding shares.--For the purposes
6 of subsection (a):

7 (1) Except as provided in paragraphs (2) and (3), any
8 securities held to the knowledge of the corporation in the
9 names of broker-dealers or nominees for broker-dealers shall
10 not be considered outstanding.

11 (2) Persons who are identified as owners of shares
12 pursuant to procedures equivalent to section 1763(c)
13 (relating to certification by nominee) shall be deemed record
14 holders of the shares owned.

15 (3) (i) Securities held to the knowledge of the
16 corporation for the direct or indirect benefit of
17 individuals who to the knowledge of the corporation have
18 a principal residence in this Commonwealth shall be
19 deemed held by record holders having addresses in this
20 Commonwealth.

21 (ii) A statement by the corporation in any notice of
22 meeting or other document transmitted to shareholders in
23 connection with any corporate action of the type
24 described in section 1791 (relating to corporate action
25 subject to subchapter) to the effect that it has no
26 knowledge or only specified knowledge for the purposes of
27 subparagraph (i) shall, except as provided in
28 subparagraph (iii), be conclusive if there shall be
29 included in or enclosed with such document a brief
30 explanation of the effect upon such corporate action of a

determination that the corporation is a foreign domiciliary corporation.

(iii) If, prior to the convening of a meeting of shareholders to consider the proposed corporate action, or prior to the expiration of 20 days after the transmission of the document to shareholders, in any other case, any person shall give the corporation written notice of facts relevant under this paragraph, the corporation shall have knowledge of such facts for the purposes of subparagraph (i).

§ 4103. Acquisition of foreign domiciliary corporation status.

(a) Shareholding test.--A foreign corporation shall become a foreign domiciliary corporation under section 4102(a) (relating to foreign domiciliary corporations) on the first day of the sixth month following the month in which the corporation first has knowledge that the test has been met.

(b) Newly incorporated corporations.--Where the test under section 4102(a) is met at the time of initial issuance of shares of the corporation and continuously thereafter, foreign domiciliary corporation status when established shall be retroactive to the incorporation of the corporation.

(c) Foreign corporations with registered securities.--The exemption provided by section 4102(b)(1) shall terminate immediately upon the termination of the status of the corporation as a corporation described in that provision.

(d) Subsidiary corporations.--The exemption provided by section 4102(b)(2) shall terminate immediately upon the happening of any event whereby all of the shares of the corporation are no longer owned, directly or indirectly, by one or more registered corporations or corporations described in

1 section 4102(b)(1).

2 § 4104. Termination of foreign domiciliary corporation status.

3 (a) Shareholding test.--A foreign domiciliary corporation
4 shall cease to be such on the first day of the sixth month
5 following the month in which the corporation first has knowledge
6 that the test of section 4102(a) (relating to foreign
7 domiciliary corporations) is no longer met.

8 (b) Foreign corporations with registered securities.--The
9 exemption provided by section 4102(b)(1) shall take effect on
10 the day following the day on which the corporation becomes a
11 corporation described in that provision.

12 (c) Subsidiary corporations.--The exemption provided by
13 section 4102(b)(2) shall take effect immediately upon the
14 acquisition, directly or indirectly, of the last outstanding
15 share of the corporation by one or more registered corporations
16 or corporations described in section 4102(b)(1).

17 SUBCHAPTER B

18 QUALIFICATION

19 Sec.

20 4121. Admission of foreign corporations.

21 4122. Excluded activities.

22 4123. Requirements for foreign corporation names.

23 4124. Application for a certificate of authority.

24 4125. Issuance of certificate of authority.

25 4126. Amended certificate of authority.

26 4127. Merger, consolidation or division of qualified foreign
27 corporations.

28 4128. Revocation of certificate of authority.

29 4129. Application for termination of authority.

30 4130. Change of address after withdrawal.

1 4131. Registration of name.

2 § 4121. Admission of foreign corporations.

3 (a) General rule.--A foreign business corporation, before
4 doing business in this Commonwealth, shall procure a certificate
5 of authority to do so from the Department of State, in the
6 manner provided in this subchapter. A foreign business
7 corporation shall not be denied a certificate of authority by
8 reason of the fact that the laws of the jurisdiction governing
9 its incorporation and internal affairs differ from the laws of
10 this Commonwealth.

11 (b) Qualification under former statutes.--If a foreign
12 corporation for profit was on March 19, 1966 admitted to do
13 business in this Commonwealth by the filing of a power of
14 attorney and statement under the act of June 8, 1911 (P.L.710,
15 No. 283), the power of attorney and statement shall be deemed an
16 approved application for a certificate of authority issued under
17 this subchapter and the corporation shall be deemed a holder of
18 the certificate. The corporation shall include in its initial
19 application, if any, for an amended certificate of authority
20 under this subchapter the information required by this
21 subchapter to be set forth in an application for a certificate
22 of authority. A certificate of authority issued under the former
23 provisions of the act of May 5, 1933 (P.L.364, No.106), known as
24 the Business Corporation Law of 1933, shall be deemed to be
25 issued under this subchapter and the certificate of authority
26 shall be deemed not to contain any reference to the kind of
27 business which the corporation proposes to do in this
28 Commonwealth.

29 § 4122. Excluded activities.

30 (a) General rule.--Without excluding other activities which

1 may not constitute doing business in this Commonwealth, a
2 foreign business corporation shall not be considered to be doing
3 business in this Commonwealth for the purposes of this
4 subchapter by reason of carrying on in this Commonwealth any one
5 or more of the following acts:

6 (1) Maintaining or defending any action or
7 administrative or arbitration proceeding or effecting the
8 settlement thereof or the settlement of claims or disputes.

9 (2) Holding meetings of its directors or shareholders or
10 carrying on other activities concerning its internal affairs.

11 (3) Maintaining bank accounts.

12 (4) Maintaining offices or agencies for the transfer,
13 exchange and registration of its securities or appointing and
14 maintaining trustees or depositaries with relation to its
15 securities.

16 (5) Effecting sales through independent contractors.

17 (6) Soliciting or procuring orders, whether by mail or
18 through employees or agents or otherwise, and maintaining
19 offices therefor, where the orders require acceptance without
20 this Commonwealth before becoming binding contracts.

21 (7) Creating as borrower or lender, acquiring or
22 incurring, obligations or mortgages or other security
23 interests in real or personal property.

24 (8) Securing or collecting debts or enforcing any rights
25 in property securing them.

26 (9) Transacting any business in interstate or foreign
27 commerce.

28 (10) Conducting an isolated transaction completed within
29 a period of 30 days and not in the course of a number of
30 repeated transactions of like nature.

1 (11) Inspecting, appraising and acquiring real estate
2 and mortgages and other liens thereon and personal property
3 and security interests therein, and holding, leasing,
4 conveying and transferring them, as fiduciary or otherwise.

5 (b) Exceptions.--The specification of activities in
6 subsection (a) does not establish a standard for activities
7 which may subject a foreign business corporation to:

8 (1) Service of process under any statute or general
9 rule.

10 (2) Taxation by the Commonwealth or any political
11 subdivision thereof.

12 § 4123. Requirements for foreign corporation names.

13 (a) General rule.--The Department of State shall not issue a
14 certificate of authority to any foreign business corporation
15 which, except as provided in subsection (b), has a name which is
16 rendered unavailable for use by a domestic business corporation
17 by any provision of section 1303(a), (b) or (c) (relating to
18 corporate name), except subsections (c)(1)(ii) or (iii) thereof
19 (relating to banking and insurance names).

20 (b) Exception; name.--The provisions of section 1303(b)
21 (relating to duplicate use of names) shall not prevent the
22 issuance of a certificate of authority to a foreign business
23 corporation setting forth a name which is confusingly similar to
24 the name of any other domestic or foreign corporation for profit
25 or corporation not-for-profit, or of any domestic or foreign
26 limited partnership which has filed a certificate or qualified
27 under Chapter 85 (relating to limited partnerships) or
28 corresponding provisions of prior law, or of any corporation or
29 other association then registered under 54 Pa.C.S. Ch. 5
30 (relating to corporate and other association names) or to any

foreign business corporation applying for a certificate of authority files in the department one of the following:

(1) A resolution of its board of directors adopting a fictitious name for use in transacting business in this Commonwealth which fictitious name is not confusingly similar to the name of the other corporation or other association or to any name reserved or registered as provided in this part.

(2) The written consent of the other corporation or other association or holder of a reserved or registered name to use the same or confusingly similar name and one or more words are added to make the name applied for distinguishable from the other name.

§ 4124. Application for a certificate of authority.

(a) General rule.--An application for a certificate of authority shall be executed by the foreign business corporation and shall set forth:

(1) The name of the corporation.

(2) The name of the jurisdiction under the laws of which it is incorporated.

(3) The address, including street and number, if any, of its principal office under the laws of the jurisdiction in which it is incorporated.

(4) Subject to section 109 (relating to name of commercial registered office provider in lieu of registered address), the address, including street and number, if any, of its proposed registered office in this Commonwealth.

(5) A statement that it is a corporation incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise.

1 (b) Advertisement.--A foreign business corporation shall
2 officially publish notice of its intention to apply or its
3 application for a certificate of authority. The notice may
4 appear prior to or after the day on which application is made to
5 the Department of State and shall set forth briefly:

6 (1) A statement that the corporation will apply or has
7 applied for a certificate of authority under the provisions
8 of the Business Corporation Law of 1985.

9 (2) The name of the corporation and of the jurisdiction
10 under the laws of which it is incorporated.

11 (3) The address, including street and number, if any, of
12 its principal office under the laws of the jurisdiction in
13 which it is incorporated.

14 (4) Subject to section 109, the address, including
15 street and number, if any, of its proposed registered office
16 in this Commonwealth.

17 (c) Filing.--The application for a certificate of authority
18 shall be filed in the Department of State.

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

21 § 4125. Issuance of certificate of authority.

22 Upon the filing of the application for a certificate of
23 authority, the Department of State shall issue to the foreign
24 business corporation a certificate of authority to do business
25 in this Commonwealth. The certificate of authority shall be
26 annexed to or endorsed upon the application for a certificate of
27 authority and shall state that, subject to the Constitution and
28 laws of this Commonwealth, the corporation named in the
29 application is authorized to do business in this Commonwealth.

30 § 4126. Amended certificate of authority.

1 (a) General rule.--After receiving a certificate of
2 authority, a qualified foreign business corporation may, subject
3 to the provisions of this subchapter, change the name under
4 which it is authorized to transact business in this Commonwealth
5 by filing in the Department of State an application for an
6 amended certificate of authority. The application shall be
7 executed by the corporation and shall state:

8 (1) The name under which the applicant corporation
9 currently holds a certificate of authority to do business in
10 this Commonwealth.

11 (2) The name of the jurisdiction under the laws of which
12 the corporation is incorporated.

13 (3) The address, including street and number, if any, of
14 its principal office under the laws of the jurisdiction in
15 which it is incorporated.

16 (4) Subject to section 109 (relating to name of
17 commercial registered office provider in lieu of registered
18 address), the address, including street and number, if any,
19 of its registered office in this Commonwealth, which may
20 constitute a change in the address of its registered office.

21 (5) The new name of the corporation and a statement that
22 either:

23 (i) the change of name reflects a change effected in
24 the jurisdiction of incorporation; or

25 (ii) documents complying with section 4123(b)
26 (relating to exception; name) accompany the application.

27 (b) Issuance of amended certificate of authority.--Upon the
28 filing of the application, the department shall issue to the
29 applicant corporation an amended certificate of authority. The
30 amended certificate of authority shall be annexed to or endorsed

1 upon the application for an amended certificate of authority and
2 shall state that the certificate of authority of the corporation
3 named in the application is amended to reflect the change of
4 name specified in the application.

5 (c) Cross reference.--See section 134 (relating to docketing
6 statement).

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

9 (a) General rule.--Whenever a qualified foreign business
10 corporation is a nonsurviving party to a statutory merger,
11 consolidation or division permitted by the laws of the
12 jurisdiction under which it is incorporated, the corporation
13 surviving the merger, or the new corporation resulting from the
14 consolidation or division, as the case may be, shall file in the
15 Department of State a statement of merger, consolidation or
16 division, which shall be executed by the surviving or new
17 corporation and shall set forth:

18 (1) The name of each nonsurviving qualified foreign
19 business corporation.

20 (2) The name of the jurisdictions under the laws of
21 which each nonsurviving qualified foreign business
22 corporation was incorporated.

23 (3) The date on which each nonsurviving qualified
24 foreign business corporation received a certificate of
25 authority to do business in this Commonwealth.

26 (4) A statement that the corporate existence of each
27 nonsurviving qualified foreign business corporation has been
28 terminated by merger, consolidation or division, as the case
29 may be.

30 (5) In the case of a consolidation or division or if the

1 surviving corporation was a nonqualified foreign business
2 corporation prior to the merger, the statements on the part
3 of the surviving or new corporation required by section
4 4124(a) (relating to application for a certificate of
5 authority).

6 (b) Effect of filing.--The filing of the statement shall
7 operate, as of the effective date of the merger, consolidation
8 or division, to cancel the certificate of authority of each
9 nonsurviving constituent corporation which was a qualified
10 foreign business corporation and to qualify the surviving or new
11 corporation under this subchapter. If the surviving or new
12 corporation does not desire to continue as a qualified foreign
13 business corporation, it may thereafter withdraw in the manner
14 provided by section 4129 (relating to application for
15 termination of authority).

16 (c) Surviving qualified foreign corporations.--It shall not
17 be necessary for a surviving corporation which was a qualified
18 foreign business corporation to effect any filing under this
19 subchapter with respect to a merger or division or to procure an
20 amended certificate of authority to do business in this
21 Commonwealth unless the name of the corporation is changed by
22 the merger or division.

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

25 § 4128. Revocation of certificate of authority.

26 (a) General rule.--Whenever the Department of State finds
27 that a qualified foreign business corporation has failed to
28 secure an amended certificate of authority as required by this
29 subchapter after changing its name, or has failed or refused to
30 appear by its proper representatives, or otherwise to comply

1 with any subpoena issued by any court having jurisdiction of the
2 subject matter, or to produce books, papers, records or
3 documents as required by a subpoena, or is violating any of the
4 laws of this Commonwealth, or that its articles have been
5 revoked or voided by its jurisdiction of incorporation, the
6 department shall give notice and opportunity for hearing by
7 registered or certified mail to the corporation that the default
8 exists and that its certificate of authority, including any
9 amendments thereof, will be revoked unless the default is cured
10 within 30 days after the mailing of the notice. If the default
11 is not cured within the period of 30 days, the department shall
12 revoke the certificate of authority, including any amendments
13 thereof, of the foreign business corporation. Upon revoking the
14 certificate of authority, the department shall mail to the
15 corporation, at its registered office in this Commonwealth, a
16 certificate of revocation.

17 (b) Effect of revocation.--Upon the issuance of the
18 certificate of revocation, the authority of the corporation to
19 do business in this Commonwealth shall cease and the corporation
20 shall not thereafter do any business in this Commonwealth unless
21 it applies for and receives a new certificate of authority.

22 § 4129. Application for termination of authority.

23 (a) General rule.--Any qualified foreign business
24 corporation may withdraw from doing business in this
25 Commonwealth and surrender its certificate of authority by
26 filing in the Department of State an application for termination
27 of authority, executed by the corporation, which shall set
28 forth:

29 (1) The name of the corporation and, subject to section
30 109 (relating to name of commercial registered office

1 provider in lieu of registered address), the address,
2 including street and number, if any, of its last registered
3 office in this Commonwealth.

4 (2) The name of the jurisdiction under the laws of which
5 it is incorporated.

6 (3) The date on which it received a certificate of
7 authority to do business in this Commonwealth.

8 (4) A statement that it surrenders its certificate of
9 authority to do business in this Commonwealth.

10 (5) A statement that notice of its intention to withdraw
11 from doing business in this Commonwealth was mailed by
12 certified or registered mail to each municipal corporation in
13 which the registered office or principal place of business of
14 the corporation in this Commonwealth is located.

15 (6) The post office address, including street and
16 number, if any, to which process may be sent in an action
17 upon any liability incurred before the filing of the
18 application for termination of authority.

19 (b) Advertisement.--A qualified foreign business corporation
20 shall, before filing an application for termination of
21 authority, officially publish and mail a notice of its intention
22 to withdraw from doing business in this Commonwealth in a manner
23 similar to that required by section 1975(b) (relating to notice
24 to creditors and taxing authorities). The notice shall set forth
25 briefly:

26 (1) The name of the corporation and the jurisdiction
27 under the laws of which it is incorporated.

28 (2) The address, including street and number, if any, of
29 its principal office under the laws of its jurisdiction of
30 incorporation.

1 (3) Subject to section 109, the address, including
2 street and number, if any, of its last registered office in
3 this Commonwealth.

4 (c) Filing.--The application for termination of authority
5 and the certificates or statement required by section 139
6 (relating to tax clearance of certain fundamental transactions)
7 shall be filed in the department. See section 134 (relating to
8 docketing statement).

9 (d) Effect of filing.--Upon the filing of the application
10 for termination of authority, the authority of the corporation
11 to do business in this Commonwealth shall cease. The termination
12 of authority shall not affect any action pending at the time
13 thereof or affect any right of action arising with respect to
14 the corporation before the filing of the application for
15 termination of authority. Process against the corporation in an
16 action upon any liability incurred before the filing of the
17 application for termination of authority may be served as
18 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
19 and interstate and international procedure) or as otherwise
20 provided or prescribed by law.

21 § 4130. Change of address after withdrawal.

22 (a) General rule.--Any foreign business corporation which
23 has withdrawn from doing business in this Commonwealth, or its
24 successor in interest, may, from time to time, change the
25 address to which process may be sent in an action upon any
26 liability incurred before the filing of an application for
27 termination of authority by filing in the Department of State of
28 a statement of change of address by withdrawn corporation
29 executed by the corporation, setting forth:

30 (1) The name of the withdrawn corporation and, if the

statement is filed by a successor in interest, the name and capacity of the successor.

(2) The name of the jurisdiction under the laws of which the corporation filing the statement is incorporated.

(3) The former post office address, including street and number, if any, of the withdrawn corporation as of record in the department.

(4) The new post office address, including street and number, if any, of the withdrawn corporation or its successor.

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

§ 4131. Registration of name.

(a) General rule.--A nonqualified foreign business corporation may register its name under 54 Pa.C.S. Ch. 5 (relating to corporate and other association names) if the name is available for use by a qualified foreign business corporation under section 4123 (relating to requirements for foreign corporation names), by filing in the Department of State an application for registration of name, executed by the corporation, which shall set forth:

(1) The name of the corporation.

(2) The address, including street and number, if any, of the corporation.

(b) Annual renewal.--A corporation which has in effect a registration of its corporate name may renew the registration from year to year by annually filing an application for renewal setting forth the facts required to be set forth in an original application for registration. A renewal application may be filed between October 1 and December 31 in each year and shall extend

1 the registration for the following calendar year.

2 (c) Cross reference.--See section 134 (relating to docketing
3 statement).

4 SUBCHAPTER C

5 POWERS, DUTIES AND LIABILITIES

6 Sec.

7 4141. Penalty for doing business without certificate of
8 authority.

9 4142. General powers and duties of qualified foreign
10 corporations.

11 4143. General powers and duties of nonqualified foreign
12 corporations.

13 4144. Registered office of qualified foreign corporations.

14 4145. Applicability of certain safeguards to foreign
15 domiciliary corporations.

16 4146. Provisions applicable to all foreign corporations.

17 § 4141. Penalty for doing business without certificate of
18 authority.

19 (a) Right to bring actions suspended.--A nonqualified
20 foreign business corporation doing business in this Commonwealth
21 within the meaning of Subchapter B (relating to qualification)
22 shall not be permitted to maintain any action in any court of
23 this Commonwealth until the corporation has obtained a
24 certificate of authority. Nor, except as provided in subsection
25 (b), shall any action be maintained in any court of this
26 Commonwealth by any successor or assignee of the corporation on
27 any right, claim or demand arising out of the doing of business
28 by the corporation in this Commonwealth until a certificate of
29 authority has been obtained by the corporation or by a
30 corporation which has acquired all or substantially all of its

1 assets.

2 (b) Contracts and property unaffected.--The failure of a
3 foreign business corporation to obtain a certificate of
4 authority to transact business in this Commonwealth shall not
5 impair the validity of any contract or act of the corporation,
6 shall not prevent the corporation from defending any action in
7 any court of this Commonwealth and shall not render escheatable
8 any of its real or personal property.

9 § 4142. General powers and duties of qualified foreign
10 corporations.

11 (a) General rule.--A qualified foreign business corporation,
12 so long as its certificate of authority is not revoked, shall
13 enjoy the same rights and privileges as a domestic business
14 corporation, but no more, and, except as in this subpart
15 otherwise provided, shall be subject to the same liabilities,
16 restrictions, duties and penalties now in force or hereafter
17 imposed upon domestic business corporations, to the same extent
18 as if it had been incorporated under this subpart.

19 (b) Agricultural lands.--Interests in agricultural land
20 shall be subject to the restrictions of, and escheatable as
21 provided by, the act of April 6, 1980 (P.L.102, No.39), referred
22 to as the Agricultural Land Acquisition by Aliens Law.

23 § 4143. General powers and duties of nonqualified foreign
24 corporations.

25 (a) Acquisition of real and personal property.--Every
26 nonqualified foreign business corporation may acquire, hold,
27 mortgage, lease and transfer real and personal property in this
28 Commonwealth in the same manner and subject to the same
29 limitations as a qualified foreign business corporation.

30 (b) Duties.--Except as provided in section 4141(a) (relating

1 to right to bring actions suspended), a nonqualified foreign
2 business corporation doing business in this Commonwealth within
3 the meaning of Subchapter B (relating to qualification) shall be
4 subject to the same liabilities, restrictions, duties and
5 penalties now or hereafter imposed upon a qualified foreign
6 business corporation.

7 § 4144. Registered office of qualified foreign corporations.

8 (a) General rule.--Subject to the provisions of section
9 1507(c) (relating to alternative procedure), every qualified
10 foreign business corporation shall have, and continuously
11 maintain, in this Commonwealth a registered office, which may
12 but need not be the same as its place of business in this
13 Commonwealth.

14 (b) Change.--A qualified foreign business corporation may,
15 from time to time, change the address of its registered office
16 in the manner provided by section 1507(b) (relating to statement
17 of change of registered office).

18 § 4145. Applicability of certain safeguards to foreign
19 domiciliary corporations.

20 (a) General rule.--The General Assembly hereby finds and
21 determines that foreign domiciliary corporations substantially
22 affect this Commonwealth. No court of this Commonwealth shall
23 hereafter dismiss or stay any action or proceeding by a
24 shareholder or representative of a foreign domiciliary
25 corporation, as such, against the corporation or any one or more
26 of the shareholders or representatives thereof, as such, on the
27 ground that the corporation is a foreign corporation for profit
28 or that the cause of action relates to the internal affairs
29 thereof, but every such action shall proceed with like effect as
30 if the corporation were a domestic corporation. Except as

1 provided in subsection (b), the court having jurisdiction of the
2 action or proceeding shall apply the law of the jurisdiction
3 under which the foreign domiciliary corporation was
4 incorporated.

5 (b) Provision of financial reports.--The provisions of
6 section 1554 (relating to financial reports to shareholders)
7 shall be applicable to foreign domiciliary corporations to the
8 same extent as if they were domestic business corporations.

9 (c) Required changes in organic law.--For the purposes of
10 subsection (b), corporate action shall not be deemed to be
11 impossible under the laws of the jurisdiction in which a foreign
12 domiciliary corporation is incorporated merely because
13 prohibited or restricted by the terms of the articles,
14 certificate of incorporation, bylaws or other organic law of the
15 corporation but the court may require the corporation to amend
16 the organic law so as to be consistent with the minimum
17 safeguards prescribed by subsection (b).

18 (d) Section exclusive.--No provisions of this subpart, other
19 than the provisions of this section and section 4146 (relating
20 to provisions applicable to all foreign corporations), shall be
21 construed to regulate the incorporation or internal affairs of a
22 foreign corporation for profit.

23 § 4146. Provisions applicable to all foreign corporations.

24 The following provisions of this subpart shall, except as
25 otherwise provided in this section, be applicable to every
26 foreign corporation for profit, whether or not required to
27 procure a certificate of authority under this chapter:

28 Section 1503 (relating to defense of ultra vires), as to
29 contracts and conveyances made in this Commonwealth and
30 conveyances affecting real property situated in this

1 Commonwealth.

2 Section 1506 (relating to form of execution of
3 instruments), as to instruments or other documents made or to
4 be performed in this Commonwealth or affecting real property
5 situated in this Commonwealth.

6 Section 1510 (relating to usury not a defense), as to
7 obligations (as defined in the section) executed or effected
8 in this Commonwealth or affecting real property situated in
9 this Commonwealth.

10 Subchapter E of Chapter 17 (relating to derivative
11 actions), except that section 1781 (relating to institution
12 of derivative actions by shareholders) shall apply to a
13 corporation which is not a foreign domiciliary corporation
14 only if so provided by the law of its jurisdiction of
15 incorporation.

16 SUBCHAPTER D

17 DOMESTICATION

18 Sec.

19 4161. Domestication.

20 4162. Effect of domestication.

21 § 4161. Domestication.

22 (a) General rule.--Any qualified foreign business
23 corporation may become a domestic business corporation by filing
24 in the Department of State articles of domestication. The
25 articles of domestication, upon being filed in the department,
26 shall constitute the articles of the domesticated foreign
27 corporation and it shall thereafter continue as a corporation
28 which shall be a domestic business corporation subject to this
29 subpart.

30 (b) Articles of domestication.--The articles of

1 domestication shall be executed by the corporation and shall set
2 forth in the English language:

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

6 (2) Subject to section 109 (relating to name of
7 commercial registered office provider in lieu of registered
8 address), the address, including street and number, if any,
9 of its registered office in this Commonwealth.

10 (3) A statement that upon domestication the corporation
11 will be subject to the domestic corporation provisions of the
12 Business Corporation Law of 1985 and, if desired, a brief
13 statement of the purpose or purposes for which it is to be
14 domesticated which shall be a purpose or purposes for which a
15 domestic business corporation may be incorporated under
16 Article B (relating to domestic business corporations
17 generally) and which may consist of or include a statement
18 that the corporation shall have unlimited power to engage in
19 and to do any lawful act concerning any or all lawful
20 business for which corporations may be incorporated under the
21 Business Corporation Law of 1985.

22 (4) The term for which upon domestication it is to
23 exist, if not perpetual.

24 (5) Any desired provisions relating to the manner and
25 basis of reclassifying the shares of the corporation.

26 (6) A statement that the filing of articles of
27 domestication and the renunciation of the original charter or
28 articles of the corporation has been authorized (unless its
29 charter or other organic documents require a greater vote) by
30 a majority of the votes cast by all shareholders entitled to

1 vote thereon and, if any class of shares is entitled to vote
2 thereon as a class, a majority of the votes cast in each
3 class vote.

4 (7) Any provisions desired providing disparate treatment
5 of shares held by any shareholder or group of shareholders if
6 the laws of the jurisdiction under which the corporation was
7 incorporated prior to its domestication permit such disparate
8 treatment.

9 (8) Any other provisions authorized by Article B to be
10 set forth in the original articles.

11 (c) Cross reference.--See section 134 (relating to docketing
12 statement).

13 § 4162. Effect of domestication.

14 As a domestic business corporation, the domesticated
15 corporation shall no longer be a foreign business corporation
16 for the purposes of this subpart and shall have all the powers
17 and privileges and be subject to all the duties and limitations
18 granted and imposed upon domestic business corporations. The
19 property, franchises, debts, liens, estates, taxes, penalties
20 and public accounts due the Commonwealth shall continue to be
21 vested in and imposed upon the corporation to the same extent as
22 if it were the successor by merger of the domesticating
23 corporation with and into a domestic business corporation under
24 Subchapter C of Chapter 19 (relating to merger, consolidation,
25 share exchanges and sale of assets). The shares of the
26 domesticated corporation shall be unaffected by the
27 domestication except to the extent, if any, reclassified in the
28 articles of domestication.

29 SUBPART C

30 NONPROFIT CORPORATIONS

1 Article

2 A. Preliminary Provisions

3 B. Domestic Nonprofit Corporations Generally

4 C. Foreign Nonprofit Corporations

5 ARTICLE A

6 PRELIMINARY PROVISIONS

7 Chapter

8 51. General Provisions

9 CHAPTER 51

10 GENERAL PROVISIONS

11 Sec.

12 5101. Short titles.

13 5102. Application of subpart.

14 5103. Definitions.

15 5104. Other general provisions.

16 5105. Restriction on equitable relief.

17 5106. Uniform application of subpart.

18 5107. Limitation on incorporation.

19 5108. Execution of documents.

20 5109. Subordination of subpart to canon law.

21 5110. Annual report.

22 § 5101. Short titles.

23 (a) Title of subpart.--This subpart shall be known and may
24 be cited as the Nonprofit Corporation Law of 1985.

25 (b) Prior consolidated statute.--Former 15 Pa.C.S. Pt. III,
26 Art. B (relating to domestic nonprofit corporations), added by
27 the act of November 15, 1972 (P.L.1063, No.271), shall be known
28 and may be cited as the Nonprofit Corporation Law of 1972.

29 (c) Prior law.--The act of May 5, 1933 (P.L.289, No.105)
30 shall be known and may be cited as the Nonprofit Corporation Law

1 of 1933.

2 § 5102. Application of subpart.

3 (a) General rule.--Except as otherwise provided in this
4 section, in the scope provisions of subsequent provisions of
5 this subpart or where the context clearly indicates otherwise,
6 this subpart shall apply to and the words "corporation" or
7 "nonprofit corporation" in this subpart shall mean a domestic
8 corporation not-for-profit. See section 101(b) (relating to
9 application of title).

10 (b) Cooperative corporations.--This subpart shall apply to a
11 domestic corporation not-for-profit organized on the cooperative
12 principle only to the extent, if any, provided by Subpart D
13 (relating to cooperative corporations).

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

19 (1) A fraternal benefit society.

20 (2) The Pennsylvania Deposit Insurance Corporation
21 established by the act of October 5, 1978 (P.L.1088, No.255),
22 known as the Pennsylvania Deposit Insurance Corporation Act.

23 (3) The Pennsylvania Savings Association Corporation
24 established by the act of April 6, 1979 (P.L.17, No.5),
25 referred to as the Pennsylvania Savings Association Insurance
26 Corporation Act.

27 § 5103. Definitions.

28 Subject to additional definitions contained in subsequent
29 provisions of this subpart which are applicable to specific
30 provisions of this subpart, the following words and phrases when

1 used in this subpart shall have the meanings given to them in
2 this section unless the context clearly indicates otherwise:

3 "Amendment." An amendment of the articles.

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

18 "Board of directors" or "board." The group of persons under
19 the direction of whom the business and affairs of the
20 corporation are managed irrespective of the name by which the
21 group is designated. The term does not include an other body.
22 See section 5731(c) (relating to status of committee action).

23 "Business." Any or all of the activities for which a
24 corporation has been incorporated.

25 "Business corporation." A domestic corporation for profit
26 defined in section 1103 (relating to definitions).

27 "Bylaws." The code or codes of rules adopted for the
28 regulation or management of the business and affairs of the
29 corporation irrespective of the name or names by which the rules
30 are designated. The term includes provisions of the articles as

1 provided by section 5504(c) (relating to bylaw provisions in
2 articles).

3 "Charitable purposes." The relief of poverty, the
4 advancement of education, the advancement of religion, the
5 promotion of health, governmental or municipal purposes and
6 other purposes the accomplishment of which is beneficial to the
7 community.

8 "Common trust fund." A fund maintained by the corporation
9 for the collective investment and reinvestment of trust assets
10 and any other funds contributed thereto by the corporation as
11 fiduciary or otherwise.

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

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

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

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

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

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

30 "Directors." Individuals designated, elected or appointed,

1 by that or any other name or title, to act as directors, and
2 their successors. The term does not include a member of an other
3 body as such. The term, when used in relation to any power or
4 duty requiring collective action, shall be construed to mean
5 "board of directors."

6 "Domestic corporation for profit." A corporation for profit
7 incorporated under the laws of this Commonwealth.

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

10 "Employee." Includes officers but not directors, as such.
11 See section 5730 (relating to compensation of directors) as to
12 acceptance by a director of duties which make him also an
13 employee.

14 "Entitled to vote." Those persons entitled at the time to
15 vote on the matter under either the articles or bylaws of the
16 corporation or any applicable controlling provision of law.

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

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

23 "Foreign domiciliary corporation." A foreign nonprofit
24 corporation defined in section 6102 (relating to foreign
25 domiciliary corporations).

26 "Foreign fraternal benefit society." A corporation not-for-
27 profit incorporated under any laws other than those of this
28 Commonwealth which is licensed to do business in this
29 Commonwealth under the act of July 29, 1977 (P.L.105, No.38),
30 known as the Fraternal Benefit Society Code.

1 "Foreign nonprofit corporation." A foreign corporation not-
2 for-profit or other entity subject to Chapter 61 (relating to
3 foreign nonprofit corporations), whether or not required to
4 qualify thereunder.

5 "Fraternal benefit society" or "domestic fraternal benefit
6 society." A domestic corporation not-for-profit which is
7 incorporated under or subject to the Fraternal Benefit Society
8 Code.

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

10 "Incorporator." A signer of the original articles of
11 incorporation.

12 "Institutional fund." A fund as defined in section 203
13 (relating to definitions) of Division II (relating to uniform
14 management of institutional funds) of the act of , 1985 (P.L.
15 , No.), known as the General Association Act of 1985.

16 "Member." A person having membership rights in a corporation
17 in accordance with the provisions of its bylaws. The term, when
18 used in relation to the taking of corporate action, includes:

19 (1) The proxy of a member if action by proxy is
20 permitted under the bylaws of the corporation.

21 (2) A delegate to any convention or assembly of
22 delegates of members established pursuant to any provision of
23 this subpart.

24 If and to the extent the bylaws confer rights of members upon
25 holders of obligations of the corporation or governmental or
26 other entities pursuant to any provision of this subpart or
27 other provision of law, the term shall be construed to include
28 those holders and governmental or other entities. The term shall
29 be construed to include "shareholder" if the corporation issues
30 shares of stock.

1 "Nonprofit corporation" or "domestic nonprofit corporation."
2 A domestic corporation not-for-profit which is not excluded from
3 the scope of this subpart by section 5102 (relating to
4 application of subpart).

5 "Nonqualified foreign nonprofit corporation." A foreign
6 nonprofit corporation which is not a qualified foreign nonprofit
7 corporation as defined in this section.

8 "Obligation." Includes a note or other form of indebtedness,
9 whether secured or unsecured.

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

14 "Officially publish." Publish in two newspapers of general
15 circulation in the English language in the county in which the
16 registered office of the corporation is located, or in the case
17 of a proposed corporation is to be located, one of which shall
18 be the legal newspaper, if any, designated by the rules of court
19 for the publication of legal notices or, if there is no legal
20 newspaper, in two newspapers of general circulation in the
21 county. When there is but one newspaper of general circulation
22 in any county, advertisement in that newspaper shall be
23 sufficient. Where no other frequency is specified, the notice
24 shall be published one time in the appropriate newspaper or
25 newspapers. See section 109(a)(2) (relating to name of
26 commercial registered office provider in lieu of registered
27 address).

28 "Other body." A term employed in this subpart to denote a
29 person or group, other than the board of directors or a
30 committee thereof, who pursuant to authority expressly conferred

1 by this subpart may be vested by the bylaws of the corporation
2 with powers which, if not vested by the bylaws in the person or
3 group, would by this subpart be required to be exercised by:

4 (1) the membership of a corporation taken as a whole;

5 (2) a convention or assembly of delegates of members
6 established pursuant to any provision of this subpart; or

7 (3) the board of directors.

8 Except as otherwise provided in this subpart, a corporation may
9 establish distinct persons or groups to exercise different
10 powers which this subpart authorizes a corporation to vest in an
11 other body.

12 "Plan." A plan of merger, consolidation, asset transfer,
13 division or conversion.

14 "Qualified foreign nonprofit corporation." A foreign
15 nonprofit corporation authorized under Chapter 61 (relating to
16 foreign nonprofit corporations) to do business in this
17 Commonwealth.

18 "Registered office." That office maintained by a corporation
19 in this Commonwealth, the address of which is filed with the
20 Department of State or which was recorded in the office of the
21 recorder of deeds in the manner formerly required by statute.
22 See section 109 (relating to name of commercial registered
23 office provider in lieu of registered address).

24 "Representative." When used with respect to an association,
25 joint venture, trust or other enterprise, means a director,
26 member of an other body, officer, employee or agent thereof. The
27 term does not imply that a director or member of an other body,
28 as such, is an agent of the corporation.

29 "Trust instrument." Any lawful deed of gift, grant, will or
30 other document by which the donor, grantor or testator gives,

1 grants or devises any real or personal property or the income
2 therefrom in trust for any charitable purpose.

3 "Unless (or "except as") otherwise provided." When used to
4 introduce or modify a rule, implies that the alternative
5 provisions contemplated may either relax or restrict the stated
6 rule.

7 "Unless (or "except as") otherwise restricted." When used to
8 introduce or modify a rule, implies that the alternative
9 provisions contemplated may further restrict, but may not relax,
10 the stated rule.

11 "Voting" or "casting a vote." The term does not include
12 either recording the fact of abstention or failing to vote for a
13 candidate or for approval or disapproval of a matter, whether or
14 not the person entitled to vote characterizes the conduct as
15 voting or casting a vote.

16 § 5104. Other general provisions.

17 The following provisions of this title are applicable to
18 corporations subject to this subpart:

19 Section 101 (relating to short title and application of
20 title).

21 Section 102 (relating to definitions).

22 Section 103 (relating to subordination of title to
23 regulatory laws).

24 Section 104 (relating to equitable remedies).

25 Section 105 (relating to fees).

26 Section 106 (relating to effect of filing papers required
27 to be filed).

28 Section 107 (relating to form of records).

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

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

3 Section 110 (relating to supplementary general principles
4 of law applicable).

5 Section 132 (relating to functions of Department of
6 State).

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

8 Section 134 (relating to docketing statement).

9 Section 135 (relating to requirements to be met by filed
10 documents).

11 Section 136 (relating to processing of documents by
12 Department of State).

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

15 Section 138 (relating to statement of correction).

16 Section 139 (relating to tax clearance of certain
17 fundamental transactions).

18 Section 501 (relating to reserved power of General
19 Assembly).

20 Section 503 (relating to actions to revoke corporate
21 franchises).

22 Section 504 (relating to validation of certain defective
23 corporations).

24 Section 505 (relating to validation of certain defective
25 corporate acts).

26 § 5105. Restriction on equitable relief.

27 A member of a nonprofit corporation shall not have any right
28 to claim the right to valuation and payment of the fair value of
29 his membership interest or shares because of any proposed plan
30 or amendment of articles authorized under any provision of this

1 subpart or to obtain, in the absence of fraud or fundamental
2 unfairness, an injunction against the plan or amendment.

3 § 5106. Uniform application of subpart.

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

11 (b) Exceptions.--

12 (1) Unless expressly provided otherwise in any amendment
13 to this subpart, any such amendment shall take effect only
14 prospectively.

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

22 (3) Nothing in subsection (a) shall adversely affect the
23 rights specifically provided for or saved in this subpart,
24 including, without limiting the generality of the foregoing,
25 the provisions of section 5952(f) (relating to special
26 requirements).

27 § 5107. Limitation on incorporation.

28 A corporation which can be incorporated under this subpart
29 shall not be incorporated hereafter except under the provisions
30 of this subpart.

1 § 5108. Execution of documents.

2 (a) General rule.--Any document filed in the Department of
3 State under this title by a domestic or foreign nonprofit
4 corporation subject to this subpart may be executed on behalf of
5 the corporation by any one duly authorized officer thereof. The
6 corporate seal may be affixed and attested but the affixation or
7 attestation of the corporate seal shall not be necessary for the
8 due execution of any filing by a corporation under this title.

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

11 § 5109. Subordination of subpart to canon law.

12 If and to the extent canon law applicable to a corporation
13 incorporated for religious purposes sets forth provisions
14 relating to the government and regulation of the affairs of the
15 corporation which are inconsistent with the provisions of this
16 subpart on the same subject, the provisions of canon law shall
17 control to the extent, and only to the extent, required by the
18 Constitution of the United States or the Constitution of
19 Pennsylvania, or both.

20 § 5110. Annual report.

21 (a) General rule.--On or before April 30 of each year, a
22 domestic nonprofit corporation which has been incorporated after
23 December 31, 1972, or which has filed a summary of record with
24 the Department of State after December 31, 1972, or a qualified
25 foreign nonprofit corporation shall file in the Department of
26 State a statement executed by the corporation and setting forth:

27 (1) The name of the corporation.

28 (2) The post office address, including street and
29 number, if any, of its principal office.

30 (3) The names and titles of the persons who are its

1 principal officers.

2 (b) Separate change in registered office required.--A filing
3 under this section shall not constitute compliance with section
4 5507(b) (relating to statement of change of registered office).

5 (c) Fee.--no fee shall be charged for effecting a filing
6 under this section.

7 (d) Cross reference.--See section 134 (relating to docketing
8 statement).

9 ARTICLE B

10 DOMESTIC NONPROFIT CORPORATIONS GENERALLY

11 Chapter

12 53. Incorporation

13 55. Corporate Powers, Duties and Safeguards

14 57. Officers, Directors and Members

15 59. Fundamental Changes

16 CHAPTER 53

17 INCORPORATION

18 Subchapter

19 A. Incorporation Generally

20 B. Special Procedures Applicable to Certain Corporations

21 C. Revival

22 SUBCHAPTER A

23 INCORPORATION GENERALLY

24 Sec.

25 5301. Purposes.

26 5302. Number and qualifications of incorporators.

27 5303. Corporate name.

28 5304. Required name changes by senior corporations.

29 5305. Reservation of corporate name.

30 5306. Articles of incorporation.

1 5307. Advertisement.

2 5308. Filing of articles.

3 5309. Effect of filing of articles of incorporation.

4 5310. Organization meeting.

5 5311. Filing of statement of summary of record by certain
6 corporations.

7 § 5301. Purposes.

8 Corporations may be incorporated under this subpart for any
9 lawful purpose or purposes including, but not limited to, any
10 one or more of the following or similar purposes: athletic; any
11 lawful business purpose to be conducted on a not-for-profit
12 basis; beneficial; benevolent; cemetery; charitable; civic;
13 control of fire; cultural; educational; encouragement of
14 agriculture or horticulture; fraternal; fraternal benefit;
15 health; literary; missionary; musical; mutual improvement;
16 patriotic; political; prevention of cruelty to persons or
17 animals; professional, commercial, industrial, trade, service or
18 business associations; promotion of the arts; protection of
19 natural resources; religious; research; scientific and social.

20 § 5302. Number and qualifications of incorporators.

21 One or more corporations for profit or not-for-profit or
22 natural persons of full age may incorporate a nonprofit
23 corporation under the provisions of this subpart.

24 § 5303. Corporate name.

25 (a) General rule.--The corporate name may be in any
26 language, but must be expressed in Roman letters or characters
27 or Arabic or Roman numerals.

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

30 (1) The name of any other domestic corporation for

1 profit or not-for-profit, or of any foreign corporation for
2 profit or not-for-profit authorized to do business in this
3 Commonwealth, or of any domestic or foreign limited
4 partnership which has filed a certificate or qualified under
5 Chapter 85 (relating to limited partnerships), or the name of
6 any association registered at any time under 54 Pa.C.S. Ch. 5
7 (relating to corporate and other association names), unless:

8 (i) where the name is the same or confusingly
9 similar, the other association:

10 (A) has stated that it is about to change its
11 name, or to cease to do business, or is being wound
12 up, or is a foreign association about to withdraw
13 from doing business in this Commonwealth, and the
14 statement and the written consent of the other
15 association to the adoption of the name is filed in
16 the Department of State;

17 (B) has filed with the Department of Revenue a
18 certificate of out of existence, or has failed for a
19 period of three successive years to file with the
20 Department of State or the Department of Revenue a
21 report or return required by law, and in the case of
22 a failure to file with the Department of Revenue, the
23 fact of such failure has been certified by the
24 Department of Revenue to the Department of State;

25 (C) has abandoned its name under the laws of its
26 jurisdiction of incorporation or organization, by
27 amendment, merger, consolidation, division,
28 expiration, dissolution or otherwise, without its
29 name being adopted by a successor in a merger,
30 consolidation, division or otherwise, and an official

1 record of that fact, certified as provided by 42
2 Pa.C.S. § 5328 (relating to proof of official
3 records), is presented by any person to the
4 department; or

5 (D) has had the registration of its name under
6 54 Pa.C.S. Ch. 5 terminated and, if the termination
7 was effected by operation of 54 Pa.C.S. § 504
8 (relating to effect of failure to make decennial
9 filings), the application for the use of the name is
10 accompanied by a verified statement stating that at
11 least 30 days' written notice of intention to
12 appropriate the name was given to the delinquent
13 association at its registered office and that, after
14 diligent search by the affiant, the affiant believes
15 the association to be out of existence; or

16 (ii) where the name is confusingly similar, the
17 consent of the other association to the adoption of the
18 name is filed in the Department of State.

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

21 (2) A name the exclusive right to which is at the time
22 reserved by any other person whatsoever in the manner
23 provided by statute. A name shall be rendered unavailable for
24 corporate use by reason of the filing in the Department of
25 State of any assumed or fictitious name required by 54
26 Pa.C.S. Ch. 3 (relating to fictitious names) to be filed in
27 the department only if and to the extent expressly so
28 provided in that chapter.

29 (c) Required approvals or conditions.--

30 (1) The corporate name shall not imply that the

1 corporation is:

2 (i) A governmental agency of the Commonwealth or of
3 the United States.

4 (ii) A bank, bank and trust company, savings bank,
5 private bank or trust company, as defined in the act of
6 November 30, 1965 (P.L.847, No.356), known as the Banking
7 Code of 1965.

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

11 (iv) A public utility as defined in 66 Pa.C.S. § 102
12 (relating to definitions).

13 (2) The corporate name shall not contain:

14 (i) Except in the case of the use of the word
15 "seminary" by a nonprofit corporation exempt from 24
16 Pa.C.S. Ch. 65 (relating to private colleges,
17 universities and seminaries) by reason of 24 Pa.C.S. §
18 6501(b)(1) (relating to exceptions), the word "college,"
19 "university" or "seminary" when used in such a way as to
20 imply that it is an educational institution conforming to
21 the standards and qualifications prescribed by the State
22 Board of Education, unless there is submitted a
23 certificate from the Department of Education certifying
24 that the corporation or proposed corporation is entitled
25 to use that designation.

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

28 (iii) The words "engineer" or "engineering" or
29 "surveyor" or "surveying" or any other word implying that
30 any form of the practice of engineering or surveying as

1 defined in the act of May 23, 1945 (P.L.913, No.367),
2 known as the Professional Engineers Registration Law, is
3 provided unless at least one of the incorporators of a
4 proposed corporation or the directors of the existing
5 corporation has been properly registered with the State
6 Registration Board for Professional Engineers in the
7 practice of engineering or surveying and there is
8 submitted to the department a certificate from the board
9 to that effect.

10 (iv) The words "Young Men's Christian Association"
11 or any other words implying that the corporation is
12 affiliated with the State Young Men's Christian
13 Association of Pennsylvania unless the corporation is
14 incorporated for the purpose of the improvement of the
15 spiritual, mental, social and physical condition of young
16 people by the support and maintenance of lecture rooms,
17 libraries, reading rooms, religious and social meetings,
18 gymnasiums and such other means and services as may
19 conduce to the accomplishment of that object, according
20 to the general rules and regulations of the State
21 association.

22 (v) The word "cooperative" or an abbreviation
23 thereof unless the corporation is a cooperative
24 corporation.

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

30 Subsection (b) shall not apply if the applicant files in the

1 department a certified copy of a final order of a court of
2 competent jurisdiction establishing the prior right of the
3 applicant to the use of a name in this Commonwealth.

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

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

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

14 § 5304. Required name changes by senior corporations.

15 (a) Adoption of new name upon reactivation.--Where a
16 corporate name is made available on the basis that the
17 corporation or other association which formerly registered the
18 name has failed to file in the Department of Revenue or in the
19 Department of State a report or a return required by law or
20 where the corporation or other association has filed in the
21 Department of Revenue a certificate of out of existence, the
22 corporation or other association shall cease to have by virtue
23 of its prior registration any right to the use of the name. The
24 corporation or other association, upon withdrawal of the
25 certificate of out of existence or upon the removal of its
26 delinquency in the filing of the required reports or returns,
27 shall make inquiry with the Department of State with regard to
28 the availability of its name and, if the name has been made
29 available to another domestic or foreign corporation for profit
30 or not-for-profit or other association by virtue of these

1 conditions, shall adopt a new name in accordance with law before
2 resuming its activities.

3 (b) Enforcement of undertaking to release name.--If a
4 corporation has used a name the same as or confusingly similar
5 to the name of another corporation or other association as
6 permitted by section 5303(b)(1)(i) (relating to duplicate use of
7 names) and the other corporation or other association continues
8 to use its name in this Commonwealth and does not change its
9 name, cease to do business, be wound up or withdraw as it
10 proposed to do in its consent or change its name as required by
11 subsection (a), any court of competent jurisdiction, upon the
12 application of:

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

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

19 § 5305. Reservation of corporate name.

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

27 (b) Transfer of reservation.--The right to exclusive use of
28 a specified corporate name reserved under subsection (a) may be
29 transferred to any other person by delivering to the department
30 a notice of the transfer, executed by the person who reserved

1 the name, and specifying the name and address of the transferee.

2 (c) Cross references.--See sections 134 (relating to
3 docketing statement) and 6131 (relating to registration of
4 name).

5 § 5306. Articles of incorporation.

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

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

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

16 (3) A brief statement of the purpose or purposes for
17 which the corporation is incorporated and that the
18 corporation is incorporated under the provisions of the
19 Nonprofit Corporation Law of 1985.

20 (4) A statement that the corporation is one which does
21 not contemplate pecuniary gain or profit, incidental or
22 otherwise.

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

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

27 (7) If the corporation is to be organized on a stock
28 share basis:

29 (i) The aggregate number of shares which the
30 corporation shall have authority to issue. It shall not

1 be necessary to set forth in the articles the
2 designations of the classes of shares of the corporation,
3 or the maximum number of shares of each class which may
4 be issued.

5 (ii) A statement of the voting rights, designations,
6 preferences, limitations and special rights in respect of
7 the shares of any class or any series of any class, to
8 the extent that they have been determined.

9 (iii) A statement of any authority vested in the
10 board of directors or other body to divide by provision
11 in the bylaws the shares into classes or series, or both,
12 and to determine or change for any class or series its
13 voting rights, designations, preferences, limitations and
14 special rights.

15 (8) If the corporation is to have no members, a
16 statement to that effect.

17 (9) If the articles are to be effective on a specified
18 date, the hour, if any, and the month, day and year of the
19 effective date.

20 (10) Any other provisions which the incorporators may
21 choose to insert if:

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

27 (ii) the provisions, whether or not specifically
28 authorized by this subpart, relate to the management of
29 the business or affairs of the corporation or the rights,
30 powers or duties of its members, securityholders,

1 directors, members of an other body or officers.

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

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

8 § 5307. 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 Nonprofit
17 Corporation Law of 1985.

18 § 5308. 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 § 5309. 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 approved
30 by the court and recorded in the office of the recorder of deeds

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

3 § 5310. 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 members for the purposes of this subpart and of any other
15 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 § 5311. Filing of statement of summary of record by certain

1 corporations.

2 (a) General rule.--Any nonprofit 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 article.

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

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

15 (c) Cross reference.--See section 134 (relating to docketing
16 statement).

17 SUBCHAPTER B

18 SPECIAL PROCEDURES APPLICABLE TO CERTAIN
19 CORPORATIONS

20 Sec.

21 5331. Unincorporated associations.

22 § 5331. Unincorporated associations.

23 In the case of the incorporation as a nonprofit corporation
24 under this article of an unincorporated association, the
25 articles of incorporation shall contain, in addition to the
26 other provisions required in this chapter, a statement that the
27 incorporators constitute a majority of the members of the
28 committee authorized to incorporate the association by the
29 requisite vote required by the organic law of the association
30 for the amendment of the organic law.

1 SUBCHAPTER C

2 REVIVAL

3 Sec.

4 5341. Statement of revival.

5 § 5341. Statement of revival.

6 (a) General rule.--Any nonprofit corporation whose charter
7 or articles have been forfeited by proclamation of the Governor
8 pursuant to section 1704 of the act of April 9, 1929 (P.L.343,
9 No.176), known as The Fiscal Code, or otherwise, or whose
10 corporate existence has expired by reason of any limitation
11 contained in its charter or articles and the failure to effect a
12 timely renewal or extension of its corporate existence, may at
13 any time by filing a statement of revival procure a revival of
14 its charter or articles, together with all the rights,
15 franchises, privileges and immunities and subject to all of its
16 duties, debts and liabilities which had been vested in and
17 imposed upon the corporation by its charter or articles as last
18 in effect.

19 (b) Contents of statement.--The statement of revival shall
20 be executed in the name of the forfeited or expired corporation
21 and shall, subject to section 109 (relating to name of
22 commercial registered office provider in lieu of registered
23 address), set forth:

24 (1) The name of the corporation at the time its charter
25 or articles were forfeited or expired and the address,
26 including street and number, if any, of its last registered
27 office.

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

30 (3) The name which the corporation adopts as its new

1 name if the adoption of a new name is required by section
2 5304 (relating to required name changes by senior
3 corporations).

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

6 (5) A reference to the proclamation or other action by
7 which its charter or articles were forfeited or a reference
8 to the limitation contained in its expired charter or
9 articles.

10 (6) A statement that the corporate existence of the
11 corporation shall be revived.

12 (7) A statement that the filing of the statement of
13 revival has been authorized by the corporation. Every
14 forfeited or expired corporation may act by its last
15 directors or may elect directors and officers in the manner
16 provided by this subpart for the limited purpose of effecting
17 a filing under this section.

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

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

CHAPTER 55

CORPORATE POWERS, DUTIES AND SAFEGUARDS

Subchapter

A. General Provisions

B. Financial Matters

C. Common Trust Funds

SUBCHAPTER A

GENERAL PROVISIONS

Sec.

5501. Corporate capacity.

5502. General powers.

5503. Defense of ultra vires.

5504. Adoption, amendment and contents of bylaws.

5505. Persons bound by bylaws.

5506. Form of execution of instruments.

5507. Registered office.

5508. Corporate records; inspection.

5509. Bylaws and other powers in emergency.

5510. Usury not a defense.

5511. Establishment of subordinate units.

§ 5501. Corporate capacity.

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

§ 5502. General powers.

(a) General rule.--Subject to the limitations and restrictions imposed by statute and, except as otherwise provided in paragraph (4), subject to the limitations and

1 restrictions contained in its articles, every nonprofit
2 corporation shall have power:

3 (1) To have perpetual succession by its corporate name
4 unless a limited period of duration is specified in its
5 articles, subject to the power of the Attorney General under
6 section 503 (relating to actions to revoke corporate
7 franchises) and to the power of the General Assembly under
8 the Constitution of Pennsylvania.

9 (2) To sue and be sued, complain and defend and
10 participate as a party or otherwise in any judicial,
11 administrative, arbitratative or other proceeding in its
12 corporate name.

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

17 (4) To acquire, own and utilize any real or personal
18 property, or any interest therein, wherever situated,
19 regardless of any limitation set forth in its articles prior
20 to January 1, 1972, as to the quantity or value of real or
21 personal property which it may hold or as to the amount of
22 income derived therefrom.

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

26 (6) To guarantee, become surety for, acquire, own and
27 dispose of obligations, capital stock and other securities
28 including, regardless of the stated purposes of the
29 corporation, but subject to any express restriction in its
30 articles, the power to make contracts of guaranty and

1 suretyship which are necessary or convenient to the conduct,
2 promotion or attainment of the business of:

3 (i) a corporation all or part of the outstanding
4 shares of which are owned, directly or indirectly, by the
5 nonprofit corporation;

6 (ii) a corporation which owns, directly or
7 indirectly, all or part of the outstanding ownership
8 interest in the nonprofit corporation;

9 (iii) a corporation all or part of the outstanding
10 shares of which are owned, directly or indirectly, by a
11 person who owns, directly or indirectly, all or part of
12 the outstanding ownership interest in the nonprofit
13 corporation; or

14 (iv) any other person.

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, share certificates or certificates evidencing membership
28 in or securities or obligations of the corporation, and upon
29 checks, proxies, notices and other instruments and documents
30 relating to the foregoing, which abbreviations, words, logos

1 or symbols shall have the same force and effect as though the
2 respective words and phrases for which they stand were set
3 forth in full for the purposes of all statutes of this
4 Commonwealth and all other purposes.

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

11 (12) To transact any lawful business which the board of
12 directors or other body finds will aid governmental policy.

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

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

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

30 (16) To elect or appoint and remove officers, employees

1 and agents of the corporation, define their duties, fix their
2 reasonable compensation and the reasonable compensation of
3 directors and members of an other body, including, without
4 limitation, compensation payable upon termination of
5 employment, to lend any of the foregoing money and credit and
6 to pay bonuses or other additional compensation for past
7 services.

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

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

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

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

20 (c) Board to exercise.--See section 5721 (relating to board
21 of directors).

22 § 5503. Defense of ultra vires.

23 (a) General rule.--A limitation upon the business, purposes
24 or powers of a nonprofit corporation, expressed or implied in
25 its articles or bylaws or implied by law, shall not be asserted
26 in order to defend any action at law or in equity between the
27 corporation and a third person, or between a member and a third
28 person, involving any contract to which the corporation is a
29 party or any right of property or any alleged liability of
30 whatsoever nature, but the limitation may be asserted:

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

17 (2) In any action by or in the right of the corporation
18 to procure a judgment in its favor against an incumbent or
19 former officer, director or member of an other body of the
20 corporation for loss or damage due to his unauthorized acts.

21 (3) In a proceeding by the Commonwealth under section
22 503 (relating to actions to revoke corporate franchises) or
23 in a proceeding by the Commonwealth to enjoin the corporation
24 from the doing of unauthorized or unlawful business.

25 (b) Conveyances of property by or to a corporation.--No
26 conveyance or transfer by or to a nonprofit corporation of
27 property, real or personal, of any kind or description, shall be
28 invalid or fail because in making the conveyance or transfer, or
29 in acquiring the property, real or personal, any representative
30 of the corporation acting within the scope of the actual or

1 apparent authority given to him by the corporation has exceeded
2 any of the purposes or powers of the corporation.

3 (c) Cross reference.--See section 6146 (relating to
4 provisions applicable to all foreign corporations).

5 § 5504. Adoption, amendment and contents of bylaws.

6 (a) General rule.--The members shall have the power to
7 adopt, amend and repeal the bylaws of a nonprofit corporation
8 but, except as provided in subsection (b), the authority to
9 adopt, amend and repeal bylaws may be expressly vested by the
10 bylaws in the board of directors or other body, subject to the
11 power of the members to change such action. The bylaws may
12 contain any provisions for managing the business and regulating
13 the affairs of the corporation not inconsistent with law or the
14 articles. Written notice shall be given to each member, director
15 or member of an other body that the purpose, or one of the
16 purposes, of a meeting is to consider the adoption, amendment or
17 repeal of the bylaws. There shall be included in, or enclosed
18 with, the notice a copy of the proposed amendment or a summary
19 of the changes to be effected thereby. Any change in the bylaws
20 shall take effect when adopted unless otherwise provided in the
21 resolution effecting the change.

22 (b) Exception.--Except as provided in section 5310(a)
23 (relating to organization meeting), the board of directors or
24 other body shall not have the authority to adopt or change a
25 bylaw on any subject which is committed expressly to the members
26 by any of the provisions of this subpart. See:

27 Section 5721 (relating to board of directors).

28 Section 5725 (relating to selection of directors).

29 Section 5726 (relating to removal of directors).

30 Section 5729 (relating to voting rights of directors).

1 Section 5751 (relating to classes and qualifications of
2 members).

3 Section 5752 (relating to organization on a stock share
4 basis).

5 Section 5754 (relating to members grouped in local
6 units).

7 Section 5755 (relating to time of holding meetings of
8 members).

9 Section 5756 (relating to quorum).

10 Section 5757 (relating to action by members).

11 Section 5758 (relating to voting rights of members).

12 Section 5759 (relating to voting and other action by
13 proxy).

14 Section 5760 (relating to voting by corporations).

15 Section 5762 (relating to judges of election).

16 Section 5766 (relating to termination and transfer of
17 membership).

18 Section 5767 (relating to voting powers and other rights
19 of certain securityholders and other entities).

20 Section 5914 (relating to adoption of amendments).

21 Section 5975 (relating to winding up in voluntary
22 dissolution proceedings).

23 (c) Bylaw provisions in articles.--Where any provision of
24 this subpart refers to a rule as set forth in the bylaws of a
25 corporation, the reference shall be construed to include and be
26 satisfied by any rule on the same subject as set forth in the
27 articles of the corporation.

28 (d) Amendment of voting provisions.--A provision in the
29 bylaws that requires for the taking of any action by the members
30 or a class of members or by the board of directors or other body

1 a specific number or percentage of votes may, unless otherwise
2 provided in a bylaw adopted by the members, be amended or
3 repealed in the same manner and by the same vote as is required
4 to amend or repeal any other provision in the bylaws.

5 § 5505. Persons bound by bylaws.

6 The bylaws of a nonprofit corporation shall operate merely as
7 regulations among the members of the corporation and shall not
8 affect contracts or other dealings with other persons unless
9 those persons have actual knowledge of the bylaws.

10 § 5506. Form of execution of instruments.

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

21 (b) Seal unnecessary.--The affixation of the corporate seal
22 shall not be necessary to the valid execution, assignment or
23 endorsement by a corporation of any instrument or other
24 document.

25 (c) Cross reference.--See section 6146 (relating to
26 provisions applicable to all foreign corporations).

27 § 5507. Registered office.

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

1 business.

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

10 (1) The name of the corporation.

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

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

15 (4) A statement that the change was authorized by the
16 board of directors or other body.

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

26 (d) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 5508. Corporate records; inspection.

29 (a) Required records.--Every nonprofit corporation shall
30 keep complete and accurate books and records of account, minutes

1 of the proceedings of the incorporators, members, directors and
2 any other body, and a membership register giving the names and
3 addresses of all members and the class and other details of the
4 membership of each. The membership register shall be kept at
5 either the registered office of the corporation in this
6 Commonwealth or at its principal place of business wherever
7 situated. Any books, minutes or other records may be in written
8 form or any other form capable of being converted into written
9 form within a reasonable time.

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

25 (c) Proceedings for the enforcement of inspection.--If the
26 corporation, or an officer or agent thereof, refuses to permit
27 an inspection sought by a member or attorney or other agent
28 acting for the member pursuant to subsection (b) or does not
29 reply to the demand within five business days after the demand
30 has been made, the member may apply to the court for an order to

1 compel the inspection. The court shall determine whether or not
2 the person seeking inspection is entitled to the inspection
3 sought. The court may summarily order the corporation to permit
4 the member to inspect the membership register and the other
5 books and records of the corporation and to make copies or
6 extracts therefrom or the court may order the corporation to
7 furnish to the member a list of its members as of a specific
8 date on condition that the member first pay to the corporation
9 the reasonable cost of obtaining and furnishing the list and on
10 such other conditions as the court deems appropriate. Where the
11 member seeks to inspect the books and records of the
12 corporation, other than its membership register or list of
13 members, he shall first establish:

14 (1) That he has complied with the provisions of this
15 section respecting the form and manner of making demand for
16 inspection of the document.

17 (2) That the inspection he seeks is for a proper
18 purpose.

19 Where the member seeks to inspect the membership register or
20 list of members of the corporation and he has complied with the
21 provisions of this section respecting the form and manner of
22 making demand for inspection of the documents, the burden of
23 proof shall be upon the corporation to establish that the
24 inspection he seeks is for an improper purpose. The court may,
25 in its discretion, prescribe any limitations or conditions with
26 reference to the inspection or award such other or further
27 relief as the court deems just and proper. The court may order
28 books, documents and records, pertinent extracts therefrom, or
29 duly authenticated copies thereof, to be brought into this
30 Commonwealth and kept in this Commonwealth upon such terms and

1 conditions as the order may prescribe.

2 § 5509. Bylaws and other powers in emergency.

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

14 (1) Procedures for calling meetings of the board or
15 other body.

16 (2) Quorum requirements for meetings.

17 (3) Procedures for designating additional or substitute
18 directors or members of an other body.

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

28 (c) Personnel not liable.--No representative of the
29 corporation:

30 (1) Acting in accordance with any emergency bylaws shall

1 be liable except for willful misconduct.

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

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

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

24 § 5510. Usury not a defense.

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

1 any other remedy on, any obligation executed or effected by the
2 corporation.

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

5 (c) Cross reference.--See section 6146 (relating to
6 provisions applicable to all foreign corporations).

7 § 5511. Establishment of subordinate units.

8 A nonprofit corporation may establish and terminate local
9 branches, chapters, councils, clubs, churches, lodges, parishes
10 or other subordinate units regardless of their designation, form
11 of government, incorporated or unincorporated status or
12 relationship to the corporation or other supervising and
13 controlling organization of which the corporation is a member or
14 with which it is in allegiance and to which it is subordinate.

15 SUBCHAPTER B

16 FINANCIAL MATTERS

17 Sec.

18 5541. Capital contributions of members.

19 5542. Subventions.

20 5543. Debt and security interests.

21 5544. Dues and assessments.

22 5545. Income from corporate activities.

23 5546. Purchase, sale and lease of property.

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26 5549. Transfer of trust or other assets to institutional
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28 5550. Devises, bequests and gifts after certain fundamental
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30 5551. Dividends prohibited; compensation and certain payments

1 authorized.

2 5552. (Reserved).

3 5553. Liabilities of members.

4 5554. Annual report of directors or other body.

5 § 5541. Capital contributions of members.

6 (a) General rule.--A nonprofit corporation organized on a
7 nonstock basis may provide in its bylaws that members, upon or
8 subsequent to admission, shall make capital contributions. The
9 amount shall be specified in, or fixed by the board of directors
10 or other body pursuant to authority granted by, the bylaws. The
11 requirement of a capital contribution may apply to all members,
12 or to the members of a single class, or to members of different
13 classes in different amounts or proportions.

14 (b) Consideration receivable.--The capital contribution of a
15 member, unless otherwise provided in the bylaws:

16 (1) May consist of money, obligations (including an
17 obligation of a member), services performed whether or not
18 contracted for, contracts for services to be performed or any
19 other tangible or intangible property. If a capital
20 contribution is made in a form other than money, the value of
21 the contribution shall be determined by or in the manner
22 provided by the board of directors or other body.

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

24 (c) Evidence of contribution.--The capital contribution of a
25 member shall be recorded on the books of the corporation and may
26 be evidenced by a written instrument delivered to the member,
27 but the instrument shall not be denominated a "share
28 certificate" or by any other word or term implying that the
29 instrument is a share certificate subject to section 5752
30 (relating to organization on a stock share basis).

1 (d) Transferability of interest.--Unless otherwise provided
2 in the bylaws, the capital contribution of a member shall not be
3 transferable.

4 (e) Repayment of contribution.--The capital contribution of
5 a member shall not be repaid by the corporation except upon
6 dissolution of the corporation or as provided in this subpart. A
7 corporation may provide in its bylaws that its capital
8 contributions, or some of them, shall be repayable, in whole or
9 in part, at the option of the corporation only, in such amount
10 or amounts (not to exceed the amount of the capital
11 contribution), within such period or periods and on such terms
12 and conditions, not inconsistent with this subpart, as are
13 stated in, or fixed by the board of directors or other body
14 pursuant to authority granted by, the bylaws.

15 § 5542. Subventions.

16 (a) General rule.--The bylaws of a nonprofit corporation may
17 provide that the corporation shall be authorized by resolution
18 of the board of directors or other body to accept subventions
19 from members or nonmembers on terms and conditions not
20 inconsistent with this subpart. The resolution of the board or
21 other body may provide that the maker of a subvention shall be
22 entitled to a fixed or contingent periodic payment out of the
23 corporate assets equal to a percentage of the original amount or
24 value of the subvention. The rights of makers of subventions
25 shall at all times be subordinate to the rights of creditors of
26 the corporation.

27 (b) Consideration receivable.--Consideration for
28 subventions, unless otherwise provided in the bylaws:

29 (1) May consist of money, obligations (including an
30 obligation of a subventor), services performed whether or not

1 contracted for, contracts for services to be performed or any
2 other tangible or intangible property. If subventions are
3 issued for other than money, the value of the consideration
4 shall be determined by or in the manner provided by the board
5 of directors or other body.

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

7 (c) Form of subventions.--Subventions shall be represented
8 by certificates or shall be uncertificated subventions. Each
9 subvention certificate shall be executed by or on behalf of the
10 corporation issuing the subvention in such manner as it may
11 determine. The fact that the corporation is a nonprofit
12 corporation shall be noted conspicuously on the face or back of
13 each certificate.

14 (d) Transferability of subvention.--Subventions shall be
15 nontransferable unless the resolution of the board of directors
16 or other body provides that they shall be transferable either at
17 will or subject to specified restrictions.

18 (e) Redemption at option of corporation.--The resolution of
19 the board of directors or other body may provide that a
20 subvention shall be redeemable, in whole or in part, at the
21 option of the corporation at such price or prices (not to exceed
22 the original amount or value of the subvention plus any periodic
23 payments due or accrued thereon), within such period or periods
24 and on such terms and conditions, not inconsistent with this
25 article, as are stated in the resolution.

26 (f) Redemption at option of holders.--The resolution of the
27 board of directors or other body may provide that makers or
28 holders of all or some subventions shall have the right to
29 require the corporation after a specified period of time to
30 redeem the subventions, in whole or in part, at a price or

1 prices that do not exceed the original amount or value of the
2 subvention plus any periodic payments due or accrued thereon,
3 upon an affirmative showing that the financial condition of the
4 corporation will permit the required payment to be made without
5 impairment of its operations or injury to its creditors. The
6 right to require redemption may in addition be conditioned upon
7 the occurrence of a specified event. For the purpose of
8 enforcing their rights under this subsection, makers or holders
9 of subventions shall be entitled to inspect the books and
10 records of the corporation.

11 (g) Rights of makers or holders on dissolution.--Makers or
12 holders of subventions, upon dissolution of the corporation,
13 shall be entitled, after the claims of creditors have been
14 satisfied, to repayment of the original amount or value of the
15 subvention plus any periodic payments due or accrued thereon,
16 unless a lesser sum is specified in the resolution of the board
17 of directors or other body concerning the subvention.

18 § 5543. Debt and security interests.

19 (a) General rule.--Unless otherwise provided in the bylaws,
20 a nonprofit corporation may issue its bonds or other obligations
21 for such amount and form of consideration as may be determined
22 by or in the manner provided by the board of directors or other
23 body.

24 (b) Creation of lien on real and personal property.--The
25 board of directors or other body may authorize any mortgage or
26 pledge of, or the creation of a security interest in, all or any
27 part of the real or personal property of the corporation, or any
28 interest therein. No application to or confirmation by a court
29 shall be required and, unless otherwise restricted in the
30 bylaws, no vote or consent of the members shall be required to

1 make effective the action by the board or other body.

2 § 5544. Dues and assessments.

3 (a) General rule.--A nonprofit corporation may levy dues or
4 assessments, or both, on its members if authority to do so is
5 conferred by the bylaws, subject to any limitations therein
6 contained. The dues or assessments, or both, may be imposed upon
7 all members of the same class either alike or in different
8 amounts or proportions and upon a different basis upon different
9 classes of members. Members of one or more classes may be made
10 exempt from either dues or assessments, or both, in the manner
11 or to the extent provided in the bylaws.

12 (b) Amount and method of collection.--The amount of the levy
13 and method of collection of the dues or assessments, or both,
14 may be fixed in the bylaws or the bylaws may authorize the board
15 of directors or other body to fix the amount thereof from time
16 to time and make them payable at such time and by such methods
17 of collection as the board of directors or other body may
18 prescribe.

19 (c) Enforcement of payment.--A corporation may make bylaws
20 necessary to enforce the collection of dues or assessments,
21 including provisions for the termination of membership, upon
22 reasonable notice, for nonpayment of dues or assessments and for
23 reinstatement of membership.

24 § 5545. Income from corporate activities.

25 (a) General rule.--A nonprofit corporation whose lawful
26 activities involve among other things the charging of fees or
27 prices for its services or products shall have the right to
28 receive that income and, in so doing, may make a profit. All
29 profits shall be applied to the maintenance and operation of the
30 lawful activities of the corporation, or of any of its

1 subordinate units or of any not-for-profit entity to which it is
2 subordinate, and in no case shall be divided or distributed in
3 any manner whatsoever among the members, directors, members of
4 an other body or officers of the corporation.

5 (b) Cross reference.--See section 5511 (relating to
6 establishment of subordinate units).

7 § 5546. Purchase, sale and lease of property.

8 Except as otherwise provided in this subpart, unless
9 otherwise provided in the bylaws, no application to or
10 confirmation of any court shall be required for the purchase by,
11 or the sale, lease or other disposition of the real or personal
12 property, or any part thereof, of a nonprofit corporation and,
13 unless otherwise restricted in section 5930 (relating to
14 voluntary transfer of corporate assets) or in the bylaws, no
15 vote or consent of the members shall be required to make
16 effective such action by the board or other body. If the
17 property is subject to a trust, the conveyance away shall be
18 free of trust and the trust shall be impinged upon the proceeds
19 of such conveyance.

20 § 5547. Authority to take and hold trust property.

21 (a) General rule.--Every nonprofit corporation incorporated
22 for a charitable purpose or purposes may take, receive and hold
23 such real and personal property as may be given, devised to or
24 otherwise vested in the corporation, in trust or otherwise, for
25 the purpose or purposes set forth in its articles.

26 (b) Standard of conduct.--

27 (1) The board of directors or other body of the
28 corporation shall, as trustees of the trust property, be held
29 to the same degree of responsibility and accountability as if
30 not incorporated unless:

1 (i) a lesser degree or a particular degree of
2 responsibility and accountability is prescribed in the
3 trust instrument; or

4 (ii) the board of directors or other body remains
5 under the control of the members of the corporation or
6 third persons who retain the right to direct, and do
7 direct, the actions of the board or other body as to the
8 use of the trust property from time to time.

9 (2) Paragraph (1) shall not apply to the management and
10 use of an institutional fund subject to Division II (relating
11 to uniform management of institutional funds) of the act of
12 , 1985 (P.L. , No.), known as the General Association
13 Act of 1985.

14 (c) Nondiversion of certain property.--Trust property shall
15 not, by any proceeding under Chapter 59 (relating to fundamental
16 changes) or otherwise, be diverted from the objects to which it
17 was donated, granted or devised unless and until the corporation
18 obtains from the court an order under 20 Pa.C.S. Ch. 61
19 (relating to estates) specifying the disposition of the
20 property.

21 § 5548. Investment of trust funds.

22 (a) General rule.--Unless otherwise specifically directed in
23 the trust instrument, a nonprofit corporation incorporated for
24 charitable purposes shall have power to invest any assets vested
25 in the corporation by the instrument or the proceeds thereof
26 separately or together with other assets of the corporation, in
27 the manner authorized for fiduciaries by 20 Pa.C.S. Ch. 73
28 (relating to fiduciaries investments), and to retain any
29 investments heretofore so made. The nonprofit corporation may
30 keep any investments or fractional interests in any investments,

1 held by it or made by it, in the name of the corporation or in
2 the name of a nominee of the corporation.

3 (b) Use and management.--Except as otherwise permitted under
4 20 Pa.C.S. Ch. 61 (relating to estates) or subsection (c), a
5 corporation shall apply all assets thus received to the purposes
6 specified in the trust instrument, and shall keep accurate
7 accounts of all trust funds, separate and apart from the
8 accounts of other assets of the corporation.

9 (c) Use and management of institutional funds.--Unless
10 otherwise restricted in the bylaws, the institutional funds of a
11 nonprofit corporation shall be used and managed subject to the
12 provisions and restrictions of Division II (relating to uniform
13 management of institutional funds) of the act of , 1985
14 (P.L. , No.), known as the General Association Act of 1985.
15 § 5549. Transfer of trust or other assets to institutional
16 trustee.

17 (a) General rule.--Any nonprofit corporation holding or
18 receiving trust assets under section 5547 (relating to authority
19 to take and hold trust property) may transfer, either revocably
20 or irrevocably, any of the assets to a corporate trustee, which
21 shall be a bank and trust company or a trust company
22 incorporated under the laws of this Commonwealth or a national
23 banking association having fiduciary powers and having its
24 principal office in this Commonwealth, as trustee and with like
25 investment restrictions. In like manner the corporation may
26 transfer, which transfer shall be revocable, any other part of
27 its assets to such a corporate trustee subject to the same
28 powers, restrictions and obligations with respect to investment
29 as are applicable to the corporation itself.

30 (b) Relief from liability.--Upon the transfer, the board of

1 directors or other body of the corporation shall be relieved of
2 all liability for the administration of the assets for as long
3 as the assets are administered by the corporate trustee.

4 (c) Amount and frequency of payment.--The corporate trustee
5 shall pay, at least semiannually or at more frequent intervals
6 if so agreed, the net income from the assets which may include
7 so much of the net appreciation, realized and unrealized, of
8 principal as the nonprofit corporation may elect under the
9 standards provided by Division II (relating to uniform
10 management of institutional funds) of the act of , 1985
11 (P.L. , No.), known as the General Association Act of
12 1985.

13 § 5550. Devises, bequests and gifts after certain fundamental
14 changes.

15 A devise, bequest or gift to be effective in the future, in
16 trust or otherwise, to or for a nonprofit corporation which has:

17 (1) changed its purposes;

18 (2) sold, leased or exchanged all or substantially all
19 its property and assets;

20 (3) been converted into a business corporation;

21 (4) become a party to a consolidation or a division;

22 (5) become a party to a merger which it did not survive;

23 or

24 (6) been dissolved;

25 after the execution of the document containing the devise,

26 bequest or gift and before the nonprofit corporation acquires a
27 vested interest in the devise, bequest or gift shall be

28 effective only as a court having jurisdiction over the assets

29 may order under 20 Pa.C.S. Ch. 61 (relating to estates) or other
30 applicable provisions of law.

1 § 5551. Dividends prohibited; compensation and certain payments
2 authorized.

3 (a) General rule.--A nonprofit corporation shall not pay
4 dividends or distribute any part of its net income or profits to
5 its members, directors, members of an other body or officers.

6 (b) Reasonable compensation for services.--A corporation may
7 pay compensation in a reasonable amount to members, directors,
8 members of an other body or officers for services rendered.

9 (c) Certain payments authorized.--A corporation may confer
10 monetary or other benefits upon members or nonmembers in
11 conformity with its purposes, may repay capital contributions
12 and may redeem its subventions or obligations, as authorized by
13 this subchapter, except if, after giving effect thereto, the
14 corporation would be unable to pay its debts as they become due
15 in the usual course of its business. A corporation may make
16 distribution of cash or property to members upon dissolution or
17 final liquidation as permitted by this article.

18 § 5552. (Reserved).

19 § 5553. Liabilities of members.

20 (a) General rule.--The members of a nonprofit corporation
21 shall not be personally liable for the debts, liabilities or
22 obligations of the corporation.

23 (b) Obligations of member to corporation.--A member shall be
24 liable to the corporation only to the extent of any unpaid
25 portion of the capital contributions, membership dues or
26 assessments which the corporation may have lawfully imposed upon
27 him or for any other indebtedness owed by him to the
28 corporation. No action shall be brought by any creditor of the
29 corporation to reach and apply any such liability to any debt of
30 the corporation until after final judgment has been rendered

1 against the corporation in favor of the creditor and execution
2 thereon returned unsatisfied, or the corporation has been
3 adjudged bankrupt, or a receiver has been appointed with power
4 to collect debts, and which receiver, on demand of a creditor to
5 bring an action thereon, has refused to sue for the unpaid
6 amount, or the corporation has been dissolved or ceased its
7 activities leaving debts unpaid. No action shall be brought more
8 than three years after the happening of any one of these events.
9 § 5554. Annual report of directors or other body.

10 (a) Contents.--The board of directors or other body of a
11 nonprofit corporation shall present annually to the members a
12 report, verified by the president and treasurer or by a majority
13 of the directors or members of the other body, showing in
14 appropriate detail the following:

15 (1) The assets and liabilities, including trust funds,
16 of the corporation as of the end of the fiscal year
17 immediately preceding the date of the report.

18 (2) The principal changes in assets and liabilities,
19 including trust funds, during the fiscal year immediately
20 preceding the date of the report.

21 (3) The revenue or receipts of the corporation, both
22 unrestricted and restricted to particular purposes, for the
23 fiscal year immediately preceding the date of the report,
24 including separate data with respect to each trust fund held
25 by or for the corporation.

26 (4) The expenses or disbursements of the corporation,
27 for both general and restricted purposes, during the fiscal
28 year immediately preceding the date of the report, including
29 separate data with respect to each trust fund held by or for
30 the corporation.

1 (5) The number of members of the corporation as of the
2 date of the report, together with a statement of increase or
3 decrease in their number during the year immediately
4 preceding the date of the report, and a statement of the
5 place where the names and addresses of the current members
6 may be found.

7 (b) Place of filing.--The annual report of the board of
8 directors or other body shall be filed with the minutes of the
9 meetings of members.

10 (c) Report in absence of meeting of members.--The board of
11 directors or other body of a corporation having no members shall
12 direct the president and treasurer to present at the annual
13 meeting of the board or other body a report in accordance with
14 subsection (a) but omitting the requirement of paragraph (5)
15 thereof. The report shall be filed with the minutes of the
16 annual meeting of the board or other body.

17 SUBCHAPTER C

18 COMMON TRUST FUNDS

19 Sec.

20 5585. Establishment or use of common trust funds authorized.

21 5586. Restrictions on investments.

22 5587. Determination of interests.

23 5588. Amortization of premiums on securities held.

24 5589. Records; ownership of assets.

25 § 5585. Establishment or use of common trust funds authorized.

26 (a) General rule.--Every nonprofit corporation may establish
27 and maintain one or more common trust funds the assets of which
28 shall be held, invested and reinvested by the corporation itself
29 or by a corporate trustee to which the assets have been
30 transferred pursuant to section 5549 (relating to transfer of

1 trust or other assets to institutional trustee). Upon the
2 payment by the corporate trustee to the nonprofit corporation of
3 the net income from the assets for use and application to the
4 several participating interests in the common trust fund, the
5 proportionate participation of each interest in the net income
6 shall be designated by the corporate trustee. The nonprofit
7 corporation may, at any time, withdraw the whole or part of any
8 participating interest in the common trust fund for distribution
9 by it as provided in this subchapter.

10 (b) Limitations in trust instrument.--Nothing contained in
11 this section shall be construed to authorize the corporation to
12 invest assets of a trust or fund in any common trust fund
13 contrary to any specific limitation or restriction contained in
14 the trust instrument nor to limit or restrict the authority
15 conferred upon the corporation with respect to investments by
16 the trust instrument.

17 (c) Effect of good faith mistakes.--Mistakes made in good
18 faith and in the exercise of due care and prudence in connection
19 with the administration of any common trust fund shall not be
20 held to exceed any power granted to or violate any duty imposed
21 upon the corporation if, promptly after the discovery of the
22 mistake, the corporation takes such action as may be practicable
23 under the circumstances to remedy the mistake.

24 § 5586. Restrictions on investments.

25 (a) Legal investments.--If the trust instrument limits or
26 restricts the investment of the assets to investments of the
27 class authorized by law as legal investments, a nonprofit
28 corporation may invest and reinvest the assets of the trust or
29 fund in any common trust fund maintained by the corporation if
30 the investments composing the fund consist solely of investments

1 of the class authorized by 20 Pa.C.S. Ch. 73 (relating to
2 fiduciaries investments) to be held by fiduciaries.

3 (b) Other than legal investments.--If the trust instrument
4 does not limit or restrict the investment of the assets to
5 investments of the class authorized by law as legal investments,
6 the corporation may invest and reinvest the assets of the trust
7 or fund in any common trust fund maintained by the corporation
8 composed of such investments as in the honest exercise of the
9 judgment of the directors or other body of the corporation they
10 may, after investigation, determine to be safe and proper
11 investments.

12 (c) Institutional funds.--Notwithstanding subsections (a)
13 and (b), unless otherwise restricted in the bylaws, assets which
14 constitute an institutional fund subject to Division II
15 (relating to uniform management of institutional funds) of the
16 act of , 1985 (P.L. , No.), known as the General
17 Association Act of 1985, may be invested as therein provided.
18 § 5587. Determination of interests.

19 A nonprofit corporation shall invest the assets of a trust or
20 fund in a common trust fund authorized by this subchapter by
21 adding those assets thereto, and by apportioning a participation
22 therein to the trust or fund in the proportion that the assets
23 of the trust or fund added thereto bears to the aggregate value
24 of all the assets of the common trust fund at the time of the
25 investment, including in those assets the assets of the trust or
26 fund so added. The withdrawal of a participation from the common
27 trust fund shall be on a basis of its proportionate interest in
28 the aggregate value of all the assets of the common trust fund
29 at the time of the withdrawal. The participating interest of any
30 trust or fund in the common trust fund may from time to time be

1 withdrawn, in whole or in part, by the corporation. Upon such
2 withdrawals, the corporation may make distribution in cash, or
3 ratably in kind, or partly in cash and partly in kind.
4 Participations in such common trust funds shall not be sold by
5 the corporation to any other corporation or person but this
6 sentence shall not prevent a corporate trustee designated under
7 section 5585 (relating to establishment or use of common trust
8 funds authorized) from investing the assets of the common trust
9 fund in any collective investment fund established and
10 maintained by it in accordance with law and to which the assets
11 comprising the common trust fund are eligible contributions.

12 § 5588. Amortization of premiums on securities held.

13 If a bond or other obligation for the payment of money is
14 acquired as an investment for any common trust fund at a cost in
15 excess of the par or maturity value thereof, the nonprofit
16 corporation may, during (but not beyond) the period that the
17 obligation is held as an investment in the fund, amortize the
18 excess cost out of the income on the obligation, by deducting
19 from each payment of income and adding to principal an amount
20 equal to the sum obtained by dividing the excess cost by the
21 number of periodic payments of income to accrue on the
22 obligation from the date of the acquisition until its maturity
23 date.

24 § 5589. Records; ownership of assets.

25 The nonprofit corporation shall designate clearly upon its
26 records the names of the trusts or funds on behalf of which the
27 corporation, as fiduciary or otherwise, owns a participation in
28 any common trust fund and the extent of the interest of the
29 trust or fund therein. No such trust or fund shall be deemed to
30 have individual ownership of any asset in the common trust fund

but shall be deemed to have a proportionate undivided interest in the common trust fund. The ownership of the individual assets comprising any common trust fund shall be solely in the nonprofit corporation as fiduciary or otherwise.

CHAPTER 57

OFFICERS, DIRECTORS AND MEMBERS

Subchapter

A. Notice and Meetings Generally

B. Directors, Officers and Members of An Other Body

C. Indemnification

D. Members

E. Actions to Enforce a Secondary Right

F. Judicial Supervision of Corporate Action

SUBCHAPTER A

NOTICE AND MEETINGS GENERALLY

Sec.

5701. Applicability of subchapter.

5702. Manner of giving notice.

5703. Place and notice of meetings of board of directors or other body.

5704. Place and notice of meetings of members.

5705. Waiver of notice.

5706. Modification of proposal contained in notice.

5707. Exception to requirement of notice.

5708. Use of conference telephone and similar equipment.

§ 5701. Applicability of subchapter.

The provisions of this subchapter shall apply to every nonprofit corporation unless otherwise restricted:

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

(2) except with respect to section 5707(a) (relating to

1 exception to requirement of notice), in the bylaws.

2 § 5702. Manner of giving notice.

3 (a) General rule.--Whenever written notice is required to be
4 given to any person under the provisions of this subpart or by
5 the articles or bylaws of any nonprofit corporation, it may be
6 given to the person either personally or by sending a copy
7 thereof by first class mail, postage prepaid, or by telegram,
8 charges prepaid, to his address appearing on the books of the
9 corporation or, in the case of directors or members of an other
10 body, supplied by him to the corporation for the purpose of
11 notice. If the notice is sent by mail or by telegraph, it shall
12 be deemed to have been given to the person entitled thereto when
13 deposited in the United States mail or with a telegraph office
14 for transmission to that person. A notice of meeting shall
15 specify the place, day and hour of the meeting and any other
16 information required by any other provision of this subpart.

17 (b) Adjourned meetings of members.--When a meeting of
18 members is adjourned, it shall not be necessary to give any
19 notice of the adjourned meeting or of the business to be
20 transacted at an adjourned meeting, other than by announcement
21 at the meeting at which the adjournment is taken, unless the
22 board or other body fixes a new record date for the adjourned
23 meeting.

24 (c) Notice by publication.--If the bylaws so provide,
25 persons authorized or required to give notice to any person
26 (except a director, officer or member of an other body) under
27 the provisions of this subpart or by the articles or bylaws of
28 any nonprofit corporation may, in lieu of any written notice
29 required to be given by this subpart, give the notice by causing
30 it to be officially published. If 80% of the members of record

1 entitled to vote at a meeting or persons otherwise entitled to
2 notice do not have addresses of record within the territory of
3 general circulation of the newspapers required for official
4 publication, the notice shall also be published in newspapers
5 which have an aggregate territory of general circulation which
6 includes the addresses of record of at least 80% of those
7 persons.

8 (d) Notice by public announcement.--In lieu of any written
9 notice of a meeting of members required to be given by this
10 subpart, persons authorized or required to give notice of a
11 meeting of members of any church or other religious organization
12 may give notice of such meeting by announcement at any two
13 regular church or religious services held during different weeks
14 within 30 days prior to the time at which the meeting of members
15 will be held. In any case where notice of a meeting is given by
16 announcement, notice shall be given at the last service
17 preceding the meeting. In the event that two church or religious
18 services are not held within the 30-day period, notice of a
19 meeting of members shall be given as otherwise provided in this
20 subchapter.

21 (e) Effect of notice pursuant to optional procedures.--For
22 the purposes of this article, notice given under subsection (c)
23 or (d) shall be deemed to be written notice to every member of
24 record entitled to vote at a meeting or to every person
25 otherwise entitled to notice.

26 § 5703. Place and notice of meetings of board of directors or
27 other body.

28 (a) Place.--Meetings of the board of directors or other body
29 may be held at such place within or without this Commonwealth as
30 the board of directors or other body may from time to time

1 appoint or as may be designated in the notice of the meeting.

2 (b) Notice.--Meetings of the board of directors or other
3 body may be held upon such notice, if any, as the bylaws may
4 prescribe. Unless otherwise provided in the bylaws, written
5 notice of every meeting of the board of directors or other body
6 shall be given to each director or member of the other body at
7 least five days before the day named for the meeting. Neither
8 the business to be transacted at, nor the purpose of, any
9 regular or special meeting of the board or other body need be
10 specified in the notice of the meeting.

11 § 5704. Place and notice of meetings of members.

12 (a) Place.--Meetings of members may be held at such place
13 within or without this Commonwealth as may be provided in or
14 fixed pursuant to the bylaws. Unless otherwise provided in or
15 pursuant to the bylaws, all meetings of the members shall be
16 held in this Commonwealth at the registered office of the
17 corporation.

18 (b) Notice.--Written notice of every meeting of the members
19 shall be given by, or at the direction of, the secretary or
20 other authorized person to each member of record entitled to
21 vote at the meeting at least ten days prior to the day named for
22 the meeting. If the secretary or other authorized person
23 neglects or refuses to give notice of a meeting, the person or
24 persons calling the meeting may do so. In the case of a special
25 meeting of members, the notice shall specify the general nature
26 of the business to be transacted.

27 § 5705. Waiver of notice.

28 (a) Written waiver.--Whenever any written notice is required
29 to be given under the provisions of this subpart or the articles
30 or bylaws of any nonprofit corporation, a waiver thereof in

1 writing, signed by the person or persons entitled to the notice,
2 whether before or after the time stated therein, shall be deemed
3 equivalent to the giving of the notice. Except as otherwise
4 required by this subsection, neither the business to be
5 transacted at, nor the purpose of, a meeting need be specified
6 in the waiver of notice of the meeting. In the case of a special
7 meeting of members, the waiver of notice shall specify the
8 general nature of the business to be transacted.

9 (b) Waiver by attendance.--Attendance of a person at any
10 meeting shall constitute a waiver of notice of the meeting
11 required to be given under the provisions of this subpart or the
12 articles or bylaws of any business corporation, except where a
13 person attends a meeting for the express purpose of objecting,
14 at the beginning of the meeting, to the transaction of any
15 business because the meeting was not lawfully called or
16 convened.

17 § 5706. Modification of proposal contained in notice.

18 Whenever the language of a proposed resolution is included in
19 a written notice of a meeting required to be given under the
20 provisions of this subpart or the articles or bylaws of any
21 nonprofit corporation, the meeting considering the resolution
22 may without further notice adopt it with such clarifying or
23 other amendments as do not enlarge its original purpose.

24 § 5707. Exception to requirement of notice.

25 (a) General rule.--Whenever any notice or communication is
26 required to be given to any person under the provisions of this
27 subpart or by the articles or bylaws of any nonprofit
28 corporation or by the terms of any agreement or other instrument
29 or as a condition precedent to taking any corporate action and
30 communication with that person is then unlawful, the giving of

1 the notice or communication to that person shall not be required
2 and there shall be no duty to apply for a license or other
3 permission to do so. Any action or meeting which is taken or
4 held without notice or communication to that person shall have
5 the same validity as if the notice or communication had been
6 duly given. If the action taken is such as to require the filing
7 of any document with respect thereto under any provision of law
8 or any agreement or other instrument, it shall be sufficient, if
9 such is the fact and if notice or communication is required, to
10 state therein that notice or communication was given to all
11 persons entitled to receive notice or communication except
12 persons with whom communication was unlawful. See section 5701
13 (relating to applicability of subchapter).

14 (b) Members without forwarding addresses.--Subsection (a)
15 shall also be applicable to any member with whom the corporation
16 has been unable to communicate for more than 24 consecutive
17 months because communications to the member are returned
18 unclaimed or the member has otherwise failed to provide the
19 corporation with a current address. Whenever the member provides
20 the corporation with a current address, subsection (a) shall
21 cease to be applicable to the member under this subsection.

22 § 5708. Use of conference telephone and similar equipment.

23 One or more persons may participate in a meeting of the
24 incorporators, the board, an other body or the members of a
25 nonprofit corporation by means of conference telephone or
26 similar communications equipment by means of which all persons
27 participating in the meeting can hear each other. Participation
28 in a meeting pursuant to this section shall constitute presence
29 in person at the meeting.

30 SUBCHAPTER B

DIRECTORS, OFFICERS AND MEMBERS OF
AN OTHER BODY

Sec.

5721. Board of directors.

5722. Qualifications of directors.

5723. Number of directors.

5724. Term of office of directors.

5725. Selection of directors.

5726. Removal of directors.

5727. Quorum of and action by directors.

5728. Interested directors or officers; quorum.

5729. Voting rights of directors.

5730. Compensation of directors.

5731. Executive and other committees of the board.

5732. Officers.

5733. Removal of officers and agents.

5734. Other body.

§ 5721. Board of directors.

(a) General rule.--Unless otherwise provided by statute or in a bylaw adopted by the members, all powers enumerated in section 5502 (relating to general powers) and elsewhere in this subpart or otherwise vested by law in a nonprofit corporation shall be exercised by or under the authority of, and the business and affairs of every nonprofit corporation shall be managed under the direction of, a board of directors. If any such provision is made in the bylaws, the powers and duties conferred or imposed upon the board of directors by this subpart shall be exercised or performed to such extent and by such person or persons or other body as shall be provided in the bylaws.

1 (b) Standard of care; justifiable reliance.--A director
2 shall perform his duties as a director, including his duties as
3 a member of any committee of the board upon which he may serve,
4 in good faith, in a manner he believes to be in the best
5 interests of the corporation and with such care as a person of
6 ordinary prudence in a like position would use under similar
7 circumstances. In performing his duties, a director shall be
8 entitled to rely in good faith on information, opinions, reports
9 or statements, including financial statements and other
10 financial data, in each case prepared or presented by:

11 (1) one or more officers or employees of the corporation
12 whom the director believes to be reliable and competent in
13 the matters presented;

14 (2) counsel, public accountants or other persons as to
15 matters which the director believes to be within the
16 professional or expert competence of that person; or

17 (3) a committee of the board upon which he does not
18 serve, duly designated in accordance with section 5731
19 (relating to executive and other committees of the board), as
20 to matters within its designated authority.

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

23 (c) Notation of dissent.--A director of a corporation who is
24 present at a meeting of its board of directors, or of a
25 committee of the board, at which action on any corporate matter
26 is taken shall be presumed to have assented to the action taken
27 unless his dissent is entered in the minutes of the meeting or
28 unless he files his written dissent to the action with the
29 secretary of the meeting before the adjournment thereof or
30 transmits the dissent in writing to the secretary of the

1 corporation immediately after the adjournment of the meeting.
2 This right to dissent shall not apply to a director who voted in
3 favor of the action.

4 § 5722. Qualifications of directors.

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

11 § 5723. Number of directors.

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

17 § 5724. Term of office of directors.

18 Each director of a nonprofit corporation shall hold office
19 until the expiration of the term for which he was selected and
20 until his successor has been selected and qualified or until his
21 earlier death, resignation or removal. Any director may resign
22 at any time upon written notice to the corporation. The
23 resignation shall be effective upon receipt thereof by the
24 corporation or at such subsequent time as shall be specified in
25 the notice of resignation. Directors, other than those selected
26 by virtue of their office or former office in the corporation or
27 in any other entity or organization, shall be selected for the
28 term of office provided in the bylaws. In the absence of a
29 provision fixing the term, it shall be one year. A decrease in
30 the number of directors shall not have the effect of shortening

1 the term of an incumbent director.

2 § 5725. Selection of directors.

3 (a) General rule.--Except as otherwise provided in this
4 section, directors of a nonprofit corporation, other than those
5 constituting the first board of directors, shall be elected by
6 the members. Unless otherwise provided in the bylaws, directors
7 shall be nominated by a nominating committee or from the floor.

8 (b) Other methods.--If a bylaw adopted by the members so
9 provides, directors may be elected, appointed, designated or
10 otherwise selected by such person or persons or by such method
11 or methods as shall be fixed by, or in the manner provided in,
12 the bylaw, and the directors may be classified as to the
13 members, securityholders or governmental or other entities who
14 exercise the power to select directors.

15 (c) Vacancies.--Except as otherwise provided in the bylaws:

16 (1) Vacancies in the board of directors, including
17 vacancies resulting from an increase in the number of
18 directors, may be filled by a majority vote of the remaining
19 members of the board though less than a quorum, or by a sole
20 remaining director, and each person so selected shall be a
21 director to serve for the balance of the unexpired term
22 unless otherwise restricted in the bylaws.

23 (2) When one or more directors resign from the board
24 effective at a future date, the directors then in office,
25 including those who have so resigned, shall have power by
26 majority vote to fill the vacancies, the vote thereon to take
27 effect when the resignations become effective.

28 (d) Alternate directors.--If the bylaws so provide, a person
29 or group of persons entitled to elect, appoint, designate or
30 otherwise select one or more directors may select one or more

1 alternates for each director. In the absence of a director from
2 a meeting of the board, one of his alternates may, in the manner
3 and upon such notice, if any, as may be provided in the bylaws,
4 attend the meeting and exercise at the meeting such of the
5 powers of the absent director as may be specified by, or in the
6 manner provided in, the bylaws. When so exercising the powers of
7 the absent director, such alternate shall be subject in all
8 respects to the provisions of this subpart relating to
9 directors.

10 § 5726. Removal of directors.

11 (a) Removal by the members.--

12 (1) Unless otherwise provided in a bylaw adopted by the
13 members, the entire board of directors, or a class of the
14 board where the board is classified with respect to the power
15 to select directors, or any individual director of a
16 nonprofit corporation may be removed from office without
17 assigning any cause by the vote of the members, or a class of
18 members, entitled to elect directors, or the class of
19 directors. In case the board or a class of the board or any
20 one or more directors are so removed, new directors may be
21 elected at the same meeting.

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

30 (b) Removal by the board.--Unless otherwise provided in a

1 bylaw adopted by the members, the board of directors may declare
2 vacant the office of a director if he is declared of unsound
3 mind by an order of court or is convicted of an offense
4 punishable by imprisonment for a term of more than one year or
5 for any other proper cause which the bylaws may specify or if,
6 within 60 days or such other time as the bylaws may specify
7 after notice of his selection, he does not accept the office
8 either in writing or by attending a meeting of the board of
9 directors and fulfill such other requirements of qualification
10 as the bylaws may specify.

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

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

25 § 5727. Quorum of and action by directors.

26 (a) General rule.--Unless otherwise provided in the bylaws,
27 a majority of the directors in office of a nonprofit corporation
28 shall be necessary to constitute a quorum for the transaction of
29 business and the acts of a majority of the directors present and
30 voting at a meeting at which a quorum is present shall be the

1 acts of the board of directors.

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

8 § 5728. Interested directors or officers; quorum.

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

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

27 (2) the material facts as to his relationship or
28 interest and as to the contract or transaction are disclosed
29 or are known to the members entitled to vote thereon, if any,
30 and the contract or transaction is specifically approved in

1 good faith by vote of those members; or

2 (3) the contract or transaction is fair as to the
3 corporation as of the time it is authorized, approved or
4 ratified by the board of directors or the members.

5 (b) Quorum.--Common or interested directors may be counted
6 in determining the presence of a quorum at a meeting of the
7 board which authorizes a contract or transaction specified in
8 subsection (a).

9 (c) Applicability.--The provisions of this section shall be
10 applicable except as otherwise restricted in the bylaws, but
11 shall not apply to a decision to indemnify a representative of
12 the corporation under section 5744 (relating to procedure for
13 effecting indemnification).

14 § 5729. Voting rights of directors.

15 (a) General rule.--Unless otherwise provided in a bylaw
16 adopted by the members, every director of a nonprofit
17 corporation shall be entitled to one vote.

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

24 § 5730. Compensation of directors.

25 Except as otherwise restricted in the bylaws, the board of
26 directors of a nonprofit corporation shall have the authority to
27 fix the compensation of directors for their services as
28 directors and a director may be a salaried officer of the
29 corporation.

30 § 5731. Executive and other committees of the board.

1 (a) Establishment and powers.--Unless otherwise restricted
2 in the bylaws:

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

12 (i) The submission to members of any action
13 requiring approval of members under this subpart.

14 (ii) The creation or filling of vacancies in the
15 board of directors.

16 (iii) The adoption, amendment or repeal of the
17 bylaws.

18 (iv) The amendment or repeal of any resolution of
19 the board which by its terms is amendable or repealable
20 only by the board.

21 (v) Action on matters committed by the bylaws or
22 resolution of the board of directors to another committee
23 of the board.

24 (2) The board may designate one or more directors as
25 alternate members of any committee who may replace any absent
26 or disqualified member at any meeting of the committee. In
27 the absence or disqualification of a member and alternate
28 member or members of a committee, the member or members
29 thereof present at any meeting and not disqualified from
30 voting, whether or not he or they constitute a quorum, may

1 unanimously appoint another director to act at the meeting in
2 the place of the absent or disqualified member.

3 (b) Term.--Each committee of the board shall serve at the
4 pleasure of the board.

5 (c) Status of committee action.--The term "board of
6 directors" or "board," when used in any provision of this
7 subpart relating to the organization or procedures of or the
8 manner of taking action by the board of directors, shall be
9 construed to include and refer to any executive or other
10 committee of the board. Any provision of this subpart relating
11 or referring to action to be taken by the board of directors or
12 the procedure required therefor shall be satisfied by the taking
13 of corresponding action by a committee of the board of directors
14 to the extent authority to take the action has been delegated to
15 the committee pursuant to this section.

16 § 5732. Officers.

17 (a) General rule.--Every nonprofit corporation shall have a
18 president, a secretary and a treasurer, or persons who shall act
19 as such, regardless of the name or title by which they may be
20 designated, elected or appointed and may have such other
21 officers and assistant officers as it may authorize from time to
22 time. The bylaws may prescribe special qualifications for the
23 officers. The president and secretary shall be natural persons
24 of full age. The treasurer may be a corporation, but if a
25 natural person shall be of full age. Unless otherwise restricted
26 in the bylaws, it shall not be necessary for the officers to be
27 directors and any number of offices may be held by the same
28 person. The officers and assistant officers shall be elected or
29 appointed at such time, in such manner and for such terms as may
30 be fixed by or pursuant to the bylaws. Unless otherwise provided

1 in the bylaws, officers shall be nominated by a nominating
2 committee or from the floor. Unless otherwise provided by or
3 pursuant to the bylaws, each officer shall hold office for a
4 term of one year and until his successor has been selected and
5 qualified or until his earlier death, resignation or removal.
6 Any officer may resign at any time upon written notice to the
7 corporation. The resignation shall be effective upon receipt
8 thereof by the corporation or at such subsequent time as may be
9 specified in the notice of resignation. The corporation may
10 secure the fidelity of any or all of the officers by bond or
11 otherwise.

12 (b) Authority.--Unless otherwise provided in the bylaws, all
13 officers of the corporation, as between themselves and the
14 corporation, shall have such authority and perform such duties
15 in the management of the corporation as may be provided by or
16 pursuant to the bylaws or, in the absence of controlling
17 provisions in the bylaws, as may be determined by or pursuant to
18 resolutions or orders of the board of directors or other body.

19 § 5733. Removal of officers and agents.

20 Unless otherwise provided in the bylaws, any officer or agent
21 of a nonprofit corporation may be removed by the board of
22 directors or other body with or without cause. The removal shall
23 be without prejudice to the contract rights, if any, of any
24 person so removed. Election or appointment of an officer or
25 agent shall not of itself create contract rights.

26 § 5734. Other body.

27 The provisions of this subchapter applicable to the board of
28 directors and to directors individually of a nonprofit
29 corporation shall be applicable also, respectively, to any
30 "other body" as defined in section 5103 (relating to

1 definitions) and to the members of an other body individually.

2 SUBCHAPTER C

3 INDEMNIFICATION

4 Sec.

5 5741. Third party actions.

6 5742. Derivative actions.

7 5743. Mandatory indemnification.

8 5744. Procedure for effecting indemnification.

9 5745. Advancing expenses.

10 5746. Scope of subchapter.

11 5747. Power to purchase insurance.

12 5748. Application to surviving or new corporations.

13 5749. Application to employee benefit plans.

14 § 5741. Third party actions.

15 Unless otherwise restricted in its bylaws, a nonprofit
16 corporation shall have power to indemnify any person who was or
17 is a party or is threatened to be made a party to any
18 threatened, pending or completed action or proceeding, whether
19 civil, criminal, administrative or investigative (other than an
20 action by or in the right of the corporation), by reason of the
21 fact that he is or was a representative of the corporation, or
22 is or was serving at the request of the corporation as a
23 representative of another domestic or foreign corporation for
24 profit or not-for-profit, partnership, joint venture, trust or
25 other enterprise, against expenses (including attorneys' fees),
26 judgments, fines and amounts paid in settlement actually and
27 reasonably incurred by him in connection with the action or
28 proceeding if he acted in good faith and in a manner he
29 reasonably believed to be in, or not opposed to, the best
30 interests of the corporation and, with respect to any criminal

1 proceeding, had no reasonable cause to believe his conduct was
2 unlawful. The termination of any action or proceeding by
3 judgment, order, settlement or conviction or upon a plea of nolo
4 contendere or its equivalent shall not of itself create a
5 presumption that the person did not act in good faith and in a
6 manner which he reasonably believed to be in, or not opposed to,
7 the best interests of the corporation and, with respect to any
8 criminal proceeding, had reasonable cause to believe that his
9 conduct was unlawful.

10 § 5742. Derivative actions.

11 Unless otherwise restricted in its bylaws, a nonprofit
12 corporation shall have power to indemnify any person who was or
13 is a party, or is threatened to be made a party, to any
14 threatened, pending or completed action by or in the right of
15 the corporation to procure a judgment in its favor by reason of
16 the fact that he is or was a representative of the corporation
17 or is or was serving at the request of the corporation as a
18 representative of another domestic or foreign corporation for
19 profit or not-for-profit, partnership, joint venture, trust or
20 other enterprise, against expenses (including attorneys' fees)
21 actually and reasonably incurred by him in connection with the
22 defense or settlement of the action if he acted in good faith
23 and in a manner he reasonably believed to be in, or not opposed
24 to, the best interests of the corporation. No indemnification
25 shall be made in respect of any claim, issue or matter as to
26 which the person has been adjudged to be liable for negligence
27 or misconduct in the performance of his duty to the corporation
28 unless and only to the extent that the court of common pleas of
29 the judicial district embracing the county in which the
30 registered office of the corporation is located or the court in

1 which the action was brought determines upon application that,
2 despite the adjudication of liability but in view of all the
3 circumstances of the case, the person is fairly and reasonably
4 entitled to indemnity for the expenses which the court of common
5 pleas or other court deems proper.

6 § 5743. Mandatory indemnification.

7 Notwithstanding any contrary provision of its articles or
8 bylaws, to the extent that a representative of a nonprofit
9 corporation has been successful on the merits or otherwise in
10 defense of any action or proceeding referred to in section 5741
11 (relating to third party actions) or 5742 (relating to
12 derivative actions) or in defense of any claim, issue or matter
13 therein, he shall be indemnified against expenses (including
14 attorneys' fees) actually and reasonably incurred by him in
15 connection therewith.

16 § 5744. Procedure for effecting indemnification.

17 Unless ordered by a court, any indemnification under section
18 5741 (relating to third party actions) or 5742 (relating to
19 derivative actions) shall be made by the nonprofit 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 (3) by such other body as may be provided in the bylaws
2 by a majority vote of a quorum of its members who were not
3 parties to the action, suit or proceeding; or

4 (4) by the members.

5 § 5745. Advancing expenses.

6 Expenses (including attorneys' fees) incurred in defending a
7 civil action or criminal proceeding may be paid by a nonprofit
8 corporation in advance of the final disposition of the action or
9 proceeding as authorized by the board of directors or other body
10 in a specific case upon receipt of an undertaking by or on
11 behalf of the representative to repay the amount unless it is
12 ultimately determined that he is entitled to be indemnified by
13 the corporation as authorized in this subchapter.

14 § 5746. Scope of subchapter.

15 The indemnification provided by this subchapter shall not be
16 deemed exclusive of any other rights to which a person seeking
17 indemnification may be entitled under any bylaw, agreement, vote
18 of members or disinterested directors or members of an other
19 body or otherwise, both as to action in his official capacity
20 and as to action in another capacity while holding that office,
21 and shall continue as to a person who has ceased to be a
22 representative and shall inure to the benefit of the heirs and
23 personal representative of that person.

24 § 5747. Power to purchase insurance.

25 Unless otherwise restricted in its bylaws, a nonprofit
26 corporation shall have power to purchase and maintain insurance
27 on behalf of any person who is or was a representative of the
28 corporation or is or was serving at the request of the
29 corporation as a representative of another domestic or foreign
30 corporation for profit or not-for-profit, partnership, joint

1 venture, trust or other enterprise against any liability
2 asserted against him and incurred by him in any such capacity,
3 or arising out of his status as such, whether or not the
4 corporation would have the power to indemnify him against that
5 liability under the provisions of this subchapter. Such
6 insurance is declared to be consistent with the public policy of
7 this Commonwealth.

8 § 5748. 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 § 5749. 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 nonprofit 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 (2) Excise taxes assessed on a person with respect to an
2 employee benefit plan pursuant to applicable law shall be
3 deemed "fines."

4 (3) Action with respect to an employee benefit plan
5 taken or omitted in good faith by a representative of the
6 corporation in a manner he reasonably believed to be in the
7 interest of the participants and beneficiaries of the plan
8 shall be deemed to be action in a manner which is not opposed
9 to the best interests of the corporation.

10 SUBCHAPTER D

11 MEMBERS

12 Sec.

13 5751. Classes and qualifications of members.

14 5752. Organization on a stock share basis.

15 5753. Membership certificates.

16 5754. Members grouped in local units.

17 5755. Time of holding meetings of members.

18 5756. Quorum.

19 5757. Action by members.

20 5758. Voting rights of members.

21 5759. Voting and other action by proxy.

22 5760. Voting by corporations.

23 5761. Determination of members of record.

24 5762. Judges of election.

25 5763. Consent of members in lieu of meeting.

26 5764. Appointment of custodian of corporation on deadlock or
27 other cause.

28 5765. Reduction of membership below stated number.

29 5766. Termination and transfer of membership.

30 5767. Voting powers and other rights of certain securityholders

1 and other entities.

2 5768. Minors as securityholders.

3 § 5751. Classes and qualifications of members.

4 (a) General rule.--Membership in a nonprofit corporation
5 shall be of such classes and shall be governed by such rules of
6 admission, retention, suspension and expulsion as bylaws adopted
7 by the members shall prescribe except that the rules shall be
8 reasonable, germane to the purpose or purposes of the
9 corporation and equally enforced as to all members of the same
10 class. Unless otherwise provided by a bylaw adopted by the
11 members, there shall be one class of members whose voting and
12 other rights and interests shall be equal.

13 (b) Corporations without voting members.--Where the articles
14 provide that the corporation shall have no members, as such, or
15 where a nonprofit corporation has under its bylaws or in fact no
16 members entitled to vote on a matter, any provision of this
17 subpart or any other provision of law requiring notice to, the
18 presence of, or the vote, consent or other action by members of
19 the corporation in connection with the matter shall be satisfied
20 by notice to, the presence of, or the vote, consent or other
21 action by the board of directors or other body of the
22 corporation.

23 § 5752. Organization on a stock share basis.

24 (a) General rule.--A nonprofit corporation may be organized
25 upon either a nonstock basis or, if so provided in its articles,
26 upon a stock share basis.

27 (b) Form of certificates.--The shares of nonprofit
28 corporations organized upon a stock share basis shall be of such
29 denominations as the bylaws shall provide and shall be
30 represented by share certificates. The fact that the corporation

1 is a nonprofit corporation shall be noted conspicuously on the
2 face of each certificate.

3 (c) Rights of shareholders.--Unless otherwise provided in a
4 bylaw adopted by the members, each share shall entitle the
5 holder thereof to one vote. No dividends shall be directly or
6 indirectly paid on the shares nor shall the shareholders be
7 entitled to any portion of the earnings of the corporation
8 derived through increment of value upon its property, or
9 otherwise incidentally made, until the dissolution of the
10 corporation.

11 (d) Transferability of shares.--Unless otherwise provided in
12 the bylaws, the shares shall not be transferable by operation of
13 law or otherwise.

14 (e) Power to cancel shares.--A nonprofit corporation shall
15 have power to exclude from further membership any shareholder
16 who fails to comply with the reasonable and lawful bylaws of the
17 corporation and may cancel the shares of any offending member
18 without liability for an accounting except as may be provided in
19 the bylaws.

20 (f) Applicability of Uniform Commercial Code.--The
21 provisions of 13 Pa.C.S. Div. 8 (relating to investment
22 securities) shall not apply in any manner to the shares of a
23 nonprofit corporation.

24 (g) Cross reference.--See the definition of "member" in
25 section 5103 (relating to definitions).

26 § 5753. Membership certificates.

27 A nonprofit corporation organized upon a nonstock basis shall
28 not issue shares of stock, but membership in the corporation may
29 be evidenced by certificates of membership. The fact that the
30 corporation is a nonprofit corporation shall be noted

1 conspicuously on the face of each certificate.

2 § 5754. Members grouped in local units.

3 (a) General rule.--The bylaws of a nonprofit corporation may
4 provide that the members of the corporation shall be grouped in
5 incorporated or unincorporated local units formed upon the basis
6 of territorial areas, or such other basis as may be determined
7 in the bylaws, for the purpose of election of delegates or
8 representatives to represent the members of the local units at
9 any regular or special meetings of the corporation. Unless
10 otherwise provided in a bylaw adopted by the members, each local
11 unit participating in a representative capacity by means of one
12 or more delegates or otherwise at a meeting of the corporation
13 shall have a number of votes equal to the total membership of
14 the local unit.

15 (b) Voting at meetings of delegates.--The requirements of
16 this subpart for action by or the consent of a specified number
17 or percentage of the members shall be satisfied by action by or
18 the consent of that number or percentage of votes of delegates
19 or representatives of members selected pursuant to this section.

20 (c) Calling and holding meetings of delegates.--The
21 provisions of this subpart relating to the manner of the calling
22 and holding of and the taking of action at meetings of members
23 shall be applicable to meetings of delegates or representatives
24 of members.

25 (d) Incorporation of local units.--A local unit of an
26 incorporated or unincorporated parent body which is incorporated
27 or organized for a purpose or purposes not involving pecuniary
28 profit, incidental or otherwise, to its members may be
29 incorporated under this subpart by an incorporated parent body
30 or by the members of the local unit.

1 § 5755. Time of holding meetings of members.

2 (a) Regular meetings.--The bylaws of a nonprofit corporation
3 may provide for the number and the time of meetings of members
4 but, unless otherwise provided in a bylaw adopted by the
5 members, at least one meeting of the members of a corporation
6 which has members, as such, entitled to vote, shall be held in
7 each calendar year for the election of directors at such time as
8 shall be provided in or fixed pursuant to authority granted by
9 the bylaws. Failure to hold the annual or other regular meeting
10 at the designated time shall not work a dissolution of the
11 corporation or affect otherwise valid corporate acts. If the
12 annual or other regular meeting is not called and held within
13 six months after the designated time, any member may call the
14 meeting at any time thereafter.

15 (b) Special meetings.--Special meetings of the members may
16 be called at any time:

17 (1) by the board of directors;

18 (2) by members entitled to cast at least 10% of the
19 votes which all members are entitled to cast at the
20 particular meeting; or

21 (3) by such other officers or persons as may be provided
22 in the bylaws.

23 At any time, upon written request of any person who has called a
24 special meeting, it shall be the duty of the secretary to fix
25 the time of the meeting which, if the meeting is called pursuant
26 to a statutory right, shall be held not more than 60 days after
27 the receipt of the request. If the secretary neglects or refuses
28 to fix the time of the meeting, the person or persons calling
29 the meeting may do so.

30 (c) Adjournments.--Adjournments of any regular or special

1 meeting may be taken but any meeting at which directors are to
2 be elected shall be adjourned only from day to day, or for such
3 longer periods not exceeding 15 days each as the members present
4 and entitled to vote shall direct, until the directors have been
5 elected.

6 § 5756. Quorum.

7 (a) General rule.--A meeting of members of a nonprofit
8 corporation duly called shall not be organized for the
9 transaction of business unless a quorum is present. Unless
10 otherwise provided in a bylaw adopted by the members:

11 (1) The presence of members entitled to cast at least a
12 majority of the votes which all members are entitled to cast
13 on a particular matter to be acted upon at the meeting shall
14 constitute a quorum for the purposes of consideration and
15 action on the matter.

16 (2) The members present at a duly organized meeting can
17 continue to do business until adjournment notwithstanding the
18 withdrawal of enough members to leave less than a quorum.

19 (3) If a meeting cannot be organized because a quorum
20 has not attended, those present may, except as otherwise
21 provided in this article, adjourn the meeting to such time
22 and place as they may determine.

23 (b) Exception.--Notwithstanding any contrary provision in
24 the articles or bylaws, those members entitled to vote who
25 attend a meeting of members which has been previously adjourned
26 for one or more periods aggregating at least 15 days because of
27 an absence of a quorum, although less than a quorum as fixed in
28 this section or in the bylaws, shall nevertheless constitute a
29 quorum for the purpose of acting upon any matter set forth in
30 the notice of the meeting if the notice states that those

1 members who attend the adjourned meeting shall nevertheless
2 constitute a quorum for the purpose of acting upon the matter.

3 § 5757. Action by members.

4 (a) General rule.--Except as otherwise provided in this
5 subpart or in a bylaw adopted by the members, whenever any
6 corporate action is to be taken by vote of the members of a
7 nonprofit corporation, it shall be authorized by a majority of
8 the votes cast at a duly organized meeting of members by the
9 members entitled to vote thereon.

10 (b) Change in required vote.--Whenever a provision of this
11 subpart requires a specified number or percentage of votes of
12 members or of a class of members for the taking of any action, a
13 nonprofit corporation may prescribe in a bylaw adopted by the
14 members that a different number or percentage of votes shall be
15 required for the action. The number or percentage of members
16 necessary to call a special meeting of members or to petition
17 for the proposal of an amendment of articles under this subpart
18 may not be increased under this subsection.

19 (c) Expenses.--Unless otherwise restricted in the articles,
20 the corporation shall pay the reasonable expenses of
21 solicitation of votes, proxies or consents of members by or on
22 behalf of the board of directors, an other body or their
23 nominees for election to the board or other body, including
24 solicitation by professional proxy solicitors and otherwise, and
25 may pay the reasonable expenses of a solicitation by or on
26 behalf of other persons.

27 § 5758. Voting rights of members.

28 (a) General rule.--Unless otherwise provided in a bylaw
29 adopted by the members, every member of a nonprofit corporation
30 shall be entitled to one vote.

1 (b) Procedures.--If a bylaw adopted by the members provides
2 a fair and reasonable procedure for the nomination of candidates
3 for any office, only candidates who have been duly nominated in
4 accordance therewith shall be eligible for election. The manner
5 of voting may be by ballot, mail or any reasonable means
6 provided in a bylaw adopted by the members. Unless otherwise
7 provided in such a bylaw, in elections for directors, voting
8 shall be by ballot. The candidates receiving the highest number
9 of votes from each class or group of classes, if any, entitled
10 to elect directors separately up to the number of directors to
11 be elected by the class or group of classes shall be elected. If
12 at any meeting of members, directors of more than one class are
13 to be elected, each class of directors shall be elected in a
14 separate election.

15 (c) Cumulative voting.--If a bylaw adopted by the members so
16 provides, in each election of directors of a nonprofit
17 corporation every member entitled to vote shall have the right
18 to multiply the number of votes to which he may be entitled by
19 the total number of directors to be elected in the same election
20 by the members of the class of members to which he belongs and
21 he may cast the whole number of his votes for one candidate or
22 he may distribute them among any two or more candidates.

23 (d) Sale of votes.--No member shall sell his vote or issue a
24 proxy for money or anything of value.

25 (e) Voting lists.--Upon request of a member, the books or
26 records of membership shall be produced at any regular or
27 special meeting of the corporation. If at any meeting the right
28 of a person to vote is challenged, the presiding officer shall
29 require the books or records to be produced as evidence of the
30 right of the person challenged to vote and all persons who

1 appear by the books or records to be members entitled to vote
2 may vote.

3 (f) Other body.--The provisions of this section applicable
4 to the board of directors and to directors individually shall be
5 applicable also, respectively, to any "other body" as defined in
6 section 5103 (relating to definitions) and to the members of an
7 other body individually.

8 § 5759. Voting and other action by proxy.

9 (a) General rule.--Voting by members of a nonprofit
10 corporation shall be only in person unless a bylaw adopted by
11 the members provides for voting by proxy. Unless otherwise
12 restricted by a bylaw adopted by the members:

13 (1) The presence of, or vote or other action at a
14 meeting of members, or the expression of consent or dissent
15 to corporate action in writing, by a proxy of a member
16 pursuant to a bylaw shall constitute the presence of, or vote
17 or action by, or written consent or dissent of the member for
18 the purposes of this subpart.

19 (2) Where two or more proxies of a member are present,
20 the corporation shall, unless otherwise expressly provided in
21 the proxy, accept as the vote of all shares represented
22 thereby the vote cast by a majority of them and, if a
23 majority of the proxies cannot agree whether the shares
24 represented shall be voted or upon the manner of voting the
25 shares, the voting of the shares shall be divided equally
26 among those persons.

27 (b) Minimum requirements.--Every proxy shall be executed in
28 writing by the member or by his duly authorized attorney-in-fact
29 and filed with the secretary of the corporation. A proxy shall
30 be revocable at will, notwithstanding any other agreement or any

1 provision in the proxy to the contrary, but the revocation of a
2 proxy shall not be effective until written notice thereof has
3 been given to the secretary of the corporation. An unrevoked
4 proxy shall not be valid after 11 months from the date of its
5 execution unless a longer time is expressly provided therein. A
6 proxy shall not be revoked by the death or incapacity of the
7 maker unless, before the vote is counted or the authority is
8 exercised, written notice of the death or incapacity is given to
9 the secretary of the corporation.

10 § 5760. Voting by corporations.

11 (a) Voting in nonprofit corporation matters.--Unless
12 otherwise provided in a bylaw of a nonprofit corporation adopted
13 by the members, any other domestic or foreign corporation for
14 profit or not-for-profit which is a member of the nonprofit
15 corporation may vote by any of its officers or agents, or by
16 proxy appointed by any officer or agent, unless some other
17 person, by resolution of the board of directors of the other
18 corporation or a provision of its articles or bylaws, a copy of
19 which resolution or provision certified to be correct by one of
20 its officers has been filed with the secretary of the nonprofit
21 corporation, is appointed its general or special proxy in which
22 case that person shall be entitled to vote as such proxy.

23 (b) Voting by nonprofit corporations.--Shares of or
24 memberships in a domestic or foreign corporation for profit or
25 not-for-profit other than a nonprofit corporation, standing in
26 the name of a shareholder or member which is a nonprofit
27 corporation, may be voted by the persons and in the manner
28 provided for in the case of nonprofit corporations by subsection

29 (a) unless the laws of the jurisdiction in which the issuer of
30 the shares or memberships is incorporated require the shares or

1 memberships to be voted by some other person or persons or in
2 some other manner in which case, to the extent that those laws
3 are inconsistent herewith, this subsection shall not apply.

4 § 5761. Determination of members of record.

5 (a) Fixing record date.--Unless otherwise restricted in the
6 bylaws, the board of directors or other body of a nonprofit
7 corporation may fix a time, not more than 90 days prior to the
8 date of any meeting of members, as a record date for the
9 determination of the members entitled to notice of or to vote at
10 the meeting. Only members of record on the date fixed shall be
11 so entitled notwithstanding any increase or other change in
12 membership on the books of the corporation after any record date
13 fixed as provided in this subsection. Unless otherwise provided
14 in the bylaws, the board of directors or other body may
15 similarly fix a record date for the determination of members of
16 record for any other purpose. When a determination of members of
17 record has been made as provided in this section for purposes of
18 a meeting, the determination shall apply to any adjournment
19 thereof unless otherwise restricted in the bylaws or unless the
20 board of directors or other body fixes a new record date for the
21 adjourned meeting.

22 (b) Determination when no record date fixed.--Unless
23 otherwise restricted in the bylaws, if no record date is fixed:

24 (1) The record date for determining members entitled to
25 notice of or to vote at a meeting of members shall be at the
26 close of business on the day next preceding the day on which
27 notice is given or, if notice is waived, at the close of
28 business on the day immediately preceding the day on which
29 the meeting is held.

30 (2) The record date for determining members entitled to

1 express consent or dissent to corporate action in writing
2 without a meeting, when no prior action by the board of
3 directors or other body is necessary, shall be the day on
4 which the first written consent or dissent is expressed.

5 (3) The record date for determining members for any
6 other purpose shall be at the close of business on the day on
7 which the board of directors or other body adopts the
8 resolution relating thereto.

9 § 5762. Judges of election.

10 Unless otherwise provided in a bylaw adopted by the members:

11 (1) Appointment.--In advance of any meeting of members
12 of a nonprofit corporation, the board of directors or other
13 body may appoint judges of election, who need not be members,
14 to act at the meeting or any adjournment thereof. If judges
15 of election are not so appointed, the presiding officer of
16 the meeting may, and on the request of any member shall,
17 appoint judges of election at the meeting. The number of
18 judges shall be one or three. No person who is a candidate
19 for office shall act as a judge.

20 (2) Vacancies.--In case any person appointed as a judge
21 fails to appear or fails or refuses to act, the vacancy may
22 be filled by appointment made by the board of directors or
23 other body in advance of the convening of the meeting or at
24 the meeting by the presiding officer thereof.

25 (3) Duties.--The judges of election shall determine the
26 number of members of record and the voting power of each, the
27 members present at the meeting, the existence of a quorum,
28 the authenticity, validity and effect of proxies if voting by
29 proxy is permitted under the bylaws, receive votes or
30 ballots, hear and determine all challenges and questions in

1 any way arising in connection with the right to vote, count
2 and tabulate all votes, determine the result and do such acts
3 as may be proper to conduct the election or vote with
4 fairness to all members. The judges of election shall perform
5 their duties impartially, in good faith, to the best of their
6 ability and as expeditiously as is practical. If there are
7 three judges of election, the decision, act or certificate of
8 a majority shall be effective in all respects as the
9 decision, act or certificate of all.

10 (4) Report.--On request of the presiding officer of the
11 meeting, or of any member, the judges shall make a report in
12 writing of any challenge or question or matter determined by
13 them, and execute a certificate of any fact found by them.
14 Any report or certificate made by them shall be prima facie
15 evidence of the facts stated therein.

16 § 5763. Consent of members in lieu of meeting.

17 (a) Unanimous consent.--Unless otherwise restricted in the
18 bylaws, any action required or permitted to be taken at a
19 meeting of the members or of a class of members of a nonprofit
20 corporation may be taken without a meeting if, prior or
21 subsequent to the action, a consent or consents thereto by all
22 of the members who would be entitled to vote at a meeting for
23 such purpose shall be filed with the secretary of the
24 corporation.

25 (b) Partial written consent.--If the bylaws so provide, any
26 action required or permitted to be taken at a meeting of the
27 members or of a class of members may be taken without a meeting
28 upon the written consent of members who would have been entitled
29 to cast the minimum number of votes which would be necessary to
30 authorize the action at a meeting at which all members entitled

1 to vote thereon were present and voting. The consents shall be
2 filed with the secretary of the corporation. The action shall
3 not become effective until after at least ten days' written
4 notice of the action has been given to each member entitled to
5 vote thereon who has not consented thereto.

6 § 5764. Appointment of custodian of corporation on deadlock or
7 other cause.

8 (a) General rule.--Upon application of any member, the court
9 may appoint one or more persons to be custodians of and for any
10 nonprofit corporation when it is made to appear that:

11 (1) at any meeting for the election of directors or
12 members of an other body, the members are so divided that
13 they have failed to elect successors to those whose terms
14 have expired or would have expired upon the qualification of
15 their successors; or

16 (2) the conditions specified in section 5981(1), (2),
17 (3) or (4) (relating to proceedings upon application of
18 member, etc.), other than that it is beneficial to the
19 interests of the members that the corporation be wound up and
20 dissolved, exist with respect to the corporation.

21 (b) Exception.--The court shall not appoint a custodian to
22 resolve a deadlock if the members by agreement or otherwise have
23 provided for the appointment of a provisional director or member
24 of an other body or other means for the resolution of the
25 deadlock, but the court shall enforce the remedy so provided if
26 appropriate.

27 (c) Power and title of custodian.--A custodian appointed
28 under this section shall have all the power and title of a
29 receiver appointed under Subchapter G of Chapter 59 (relating to
30 involuntary liquidation and dissolution) but the authority of

1 the custodian shall be to continue the business of the
2 corporation and not to liquidate its affairs and distribute its
3 assets except when the court otherwise orders.

4 § 5765. Reduction of membership below stated number.

5 Whenever the membership of a nonprofit corporation having a
6 stated number of members is reduced below that number by death,
7 withdrawal or otherwise, the corporation shall not on that
8 account be dissolved but it shall be lawful for the surviving or
9 continuing members to continue the corporate existence unless
10 otherwise restricted in the bylaws.

11 § 5766. Termination and transfer of membership.

12 (a) General rule.--Membership in a nonprofit corporation
13 shall be terminated in the manner provided in a bylaw adopted by
14 the members. If membership in any such corporation is limited to
15 persons who are members in good standing in another corporation
16 or in any lodge, church, club, society or other entity or
17 organization, the bylaws shall in each case define the
18 limitations and may provide that failure on the part of a member
19 to keep himself in good standing in the other entity or
20 organization shall be sufficient cause for expelling the member
21 from the corporation requiring such eligibility.

22 (b) Expulsion.--

23 (1) No member shall be expelled from any nonprofit
24 corporation without notice, trial and conviction, the form of
25 which shall be prescribed in the bylaws.

26 (2) Paragraph (1) shall not apply to termination of
27 membership pursuant to section 5544 (relating to dues and
28 assessments).

29 (c) Effect of termination of membership.--Unless otherwise
30 provided in the bylaws, the right of a member of a nonprofit

1 corporation to vote, and his right, title and interest in or to
2 the corporation or its property, shall cease on the termination
3 of his membership.

4 (d) Transfer of membership.--Unless otherwise provided in
5 the bylaws, a member may not transfer his membership or any
6 right arising therefrom.

7 § 5767. Voting powers and other rights of certain
8 securityholders and other entities.

9 The power to vote in respect to the corporate affairs and
10 management of a nonprofit corporation and other membership
11 rights as may be provided in a bylaw adopted by the members may
12 be conferred upon:

13 (1) Registered holders of obligations issued or to be
14 issued by the corporation.

15 (2) The Commonwealth or any political subdivision
16 thereof or other entity prohibited by law from becoming a
17 member of a corporation.

18 § 5768. Minors as securityholders.

19 (a) General rule.--A nonprofit corporation may treat a minor
20 who holds a membership in or obligations or subventions of the
21 corporation as having capacity to receive and to empower others
22 to receive interest, principal and other payments or
23 distributions, to vote or express consent or dissent and to make
24 elections and exercise rights relating to such membership,
25 obligations or subventions unless, in the case of payments or
26 distributions on obligations or subventions, the treasurer or
27 paying officer or agent has received written notice that the
28 holder is a minor.

29 (b) Disaffirmance limited.--A minor who holds a membership
30 in or obligations or subventions of a corporation and who has

1 received or who has empowered others to receive interest,
2 principal and other payments or distributions, voted or
3 expressed consent or dissent or made an election or exercised a
4 right relating to such membership, obligations or subventions
5 shall have no right thereafter to disaffirm or avoid, as against
6 the corporation, any such act on his part.

7 (c) Other statutes unaffected.--This section does not limit
8 any other statute which authorizes any corporation to deal with
9 a minor or limits the right of a minor to disaffirm his acts.

10 SUBCHAPTER E

11 DERIVATIVE ACTIONS

12 Sec.

13 5781. Institution of derivative actions by members.

14 5782. Actions against directors, officers and members of an
15 other body.

16 5783. Access to corporate confidences.

17 § 5781. Institution of derivative actions by members.

18 (a) General rule.--Before one or more members of a nonprofit
19 corporation may institute an action in the right of a
20 corporation, the member must serve upon the board of directors a
21 written demand that the action be instituted by the corporation.
22 Failure to serve the demand shall not be excused for any reason.
23 Following receipt of the demand, the board of directors shall
24 determine whether the action would be in the best interests of
25 the corporation. In making that determination, the board of
26 directors may appoint a committee of disinterested directors, or
27 other disinterested individuals if sufficient disinterested
28 directors are not available, to inquire into the allegations
29 raised by the demand and make a determination on behalf of the
30 corporation as to whether or not an action should be commenced

1 or other corrective action be taken. Within 60 days of its
2 receipt of the demand, the board of directors shall communicate
3 to the member any final decision concerning the demand or any
4 decision to appoint a committee to conduct an inquiry. Should a
5 committee be appointed to conduct an inquiry, a report of its
6 final conclusions, and any actions taken with respect thereto,
7 shall be communicated to the member.

8 (b) Waiting period.--

9 (1) An action may not be commenced by a member in the
10 right of the corporation until the earlier of:

11 (i) Receipt by the member of final notification from
12 the board of directors indicating that no further action
13 will be taken by the corporation concerning the matter.

14 (ii) Where a committee has been appointed to conduct
15 an inquiry, notification from the corporation of the
16 final action taken by the committee.

17 (iii) The expiration of 180 days following receipt
18 of the demand by the board of directors.

19 (2) Paragraph (1) shall not apply to any application for
20 a temporary restraining order or preliminary injunction where
21 imminent and irreparable harm to the corporation is
22 threatened or to the filing of a protective action within 30
23 days of the expiration of the statute of limitations.

24 (c) Control of action by corporation.--Any action instituted
25 by any member in the right of the corporation may be dismissed
26 on motion by the corporation on the ground that the board of
27 directors, or a committee designated by the board of directors,
28 has determined that the action is not in the best interests of
29 the corporation. If it is shown that the determination that the
30 action is not in the best interests of the corporation was made

1 by the affirmative votes of a majority of the disinterested
2 directors, even though the disinterested directors are less than
3 a quorum, or of a committee of disinterested directors or other
4 disinterested individuals appointed pursuant to subsection (a),
5 the motion shall be granted unless it is shown that the persons
6 making the determination have not satisfied the standard of
7 section 5721(b) (relating to standard of care; justifiable
8 reliance).

9 (d) Cross reference.--See section 6146 (relating to
10 provisions applicable to all foreign corporations).
11 § 5782. Actions against directors, officers and members of an
12 other body.

13 (a) General rule.--Except as provided in subsection (b), in
14 any action brought to enforce a secondary right on the part of
15 one or more members of a nonprofit corporation against any
16 present or former officer, director or member of an other body
17 of the corporation because the corporation refuses to enforce
18 rights which may properly be asserted by it, the plaintiff must
19 aver and it must be made to appear that the plaintiff or each
20 plaintiff was a member of the corporation at the time of the
21 transaction of which he complains.

22 (b) Exception.--Any member who, except for the provisions of
23 subsection (a), would be entitled to maintain the action and who
24 does not meet such requirements may, nevertheless in the
25 discretion of the court, be allowed to maintain the action on
26 preliminary showing to the court, by application and upon such
27 verified statements and depositions as may be required by the
28 court, that there is a strong prima facie case in favor of the
29 claim asserted on behalf of the corporation and that without the
30 action serious injustice will result.

1 (c) Security for costs.--In any action instituted or
2 maintained by less than the smaller of 50 members of any class
3 or 5% of the members of any class of the corporation, the
4 corporation in whose right the action is brought shall be
5 entitled at any stage of the proceedings to require the
6 plaintiffs to give security for the reasonable expenses,
7 including attorneys' fees, which may be incurred by it in
8 connection therewith or for which it may become liable pursuant
9 to section 5743 (relating to mandatory indemnification) (but
10 only insofar as relates to actions by or in the right of the
11 corporation) to which security the corporation shall have
12 recourse in such amount as the court having jurisdiction
13 determines upon the termination of the action. The amount of
14 security may, from time to time, be increased or decreased in
15 the discretion of the court having jurisdiction of the action
16 upon showing that the security provided has or may become
17 inadequate or excessive. The security may be denied or limited
18 in the discretion of the court upon preliminary showing to the
19 court, by application and upon such verified statements and
20 depositions as may be required by the court, establishing prima
21 facie that the requirement of full or partial security would
22 impose undue hardship on plaintiffs and serious injustice would
23 result.

24 § 5783. Access to corporate confidences.

25 In any action brought by a member of a nonprofit corporation
26 as permitted by section 5781 (relating to institution of
27 derivative actions by members), the plaintiff may not compel
28 disclosure concerning communications between any representative
29 of the corporation and legal counsel representing, or reasonably
30 believed by the representative to be then representing, the

1 corporation if the communications were made for the purpose of
2 seeking, obtaining or rendering legal advice on behalf of the
3 corporation.

4 SUBCHAPTER F

5 JUDICIAL SUPERVISION OF CORPORATE ACTION

6 Sec.

7 5791. Corporate action subject to subchapter.

8 5792. Proceedings prior to corporate action.

9 5793. Review of contested corporate action.

10 § 5791. Corporate action subject to subchapter.

11 This subchapter shall apply to and the term "corporate
12 action" in this subchapter shall mean any of the following
13 actions:

14 (1) The election, appointment, designation or other
15 selection and the suspension, removal or expulsion of
16 members, directors, members of an other body or officers of a
17 nonprofit corporation.

18 (2) The taking of any action on any matter which is
19 required under this subpart or under any other provision of
20 law to be, or which under the bylaws may be, submitted for
21 action to the members, directors, members of an other body or
22 officers of a nonprofit corporation.

23 § 5792. Proceedings prior to corporate action.

24 (a) General rule.--Where under applicable law or the bylaws
25 of a nonprofit corporation there has been a failure to hold a
26 meeting to take corporate action and the failure has continued
27 for 30 days after the date designated or appropriate therefor,
28 the court may summarily order a meeting to be held upon the
29 application of any person entitled, either alone or in
30 conjunction with other persons similarly seeking relief under

1 this section, to call a meeting to consider the corporate action
2 in issue.

3 (b) Conduct of meeting.--The court may determine the right
4 to vote at the meeting of persons claiming that right, may
5 appoint a master to hold the meeting under such orders and
6 powers as the court deems proper and may take such action as may
7 be required to give due notice of the meeting and to convene and
8 conduct the meeting in the interests of justice.

9 § 5793. Review of contested corporate action.

10 (a) General rule.--Upon application of any person whose
11 status as, or whose rights or duties as, a member, director,
12 member of an other body, officer or otherwise of a nonprofit
13 corporation are or may be affected by any corporate action, the
14 court may hear and determine the validity of the corporate
15 action.

16 (b) Powers and procedures.--The court may make such orders
17 in any such case as may be just and proper, with power to
18 enforce the production of any books, papers and records of the
19 corporation and other relevant evidence which may relate to the
20 issue. The court shall provide for notice of the pendency of the
21 proceedings under this section to all persons affected thereby.
22 If it is determined that no valid corporate action has been
23 taken, the court may order a meeting to be held in accordance
24 with section 5792 (relating to proceedings prior to corporate
25 action).

26 CHAPTER 59

27 FUNDAMENTAL CHANGES

28 Subchapter

29 A. Preliminary Provisions

30 B. Amendment of Articles

1 C. Merger, Consolidation and Sale of Assets

2 D. Division

3 E. Conversion

4 F. Voluntary Dissolution and Winding Up

5 G. Involuntary Liquidation and Dissolution

6 SUBCHAPTER A

7 PRELIMINARY PROVISIONS

8 Sec.

9 5901. Omission of certain provisions from filed plans.

10 5902. Statement of termination.

11 5903. Bankruptcy or insolvency proceedings.

12 § 5901. Omission of certain provisions from filed plans.

13 A plan as filed in the Department of State under any
14 provision of this chapter may omit all provisions of the plan
15 except provisions, if any, which are intended to amend or
16 constitute the operative provisions of the articles of a
17 corporation as in effect subsequent to the effective date of the
18 plan, if the articles of merger, consolidation, division or
19 conversion state that the full text of the plan is on file at
20 the principal place of business of the surviving or new or a
21 resulting corporation and state the address thereof. A
22 corporation which takes advantage of this section shall furnish
23 a copy of the full text of the plan, on request and without
24 cost, to any member of any corporation which was a party to the
25 plan and, on request and at cost, to any other person.

26 § 5902. Statement of termination.

27 (a) General rule.--If articles of amendment or articles of
28 merger, consolidation, division or conversion of a nonprofit
29 corporation or to which it is a party have been filed in the
30 Department of State prior to the termination of the amendment or

1 plan pursuant to provisions therefor set forth in the resolution
2 or petition relating to the amendment or in the plan, the
3 termination shall not be effective unless the corporation shall,
4 prior to the time the amendment or plan is to become effective,
5 file in the department a statement of termination, which shall
6 be executed by the corporation which filed the amendment or by
7 each corporation which is a party to the plan, unless the plan
8 permits termination by less than all of the corporations, in
9 which case the statement shall be executed on behalf of the
10 corporation or corporations exercising the right to terminate,
11 and shall set forth:

12 (1) A copy of the articles of amendment or of the
13 articles of merger, consolidation, division or conversion
14 relating to the amendment or plan which is terminated.

15 (2) A statement that the amendment or plan has been
16 terminated in accordance with the provisions therefor set
17 forth therein.

18 (b) Cross references.--See sections 134 (relating to
19 docketing statement) and 138 (relating to statement of
20 correction).

21 § 5903. Bankruptcy or insolvency proceedings.

22 (a) General rule.--Whenever a nonprofit corporation is
23 insolvent or in financial difficulty, the board of directors
24 may, by resolution and without the consent of the members,
25 authorize and designate the officers of the corporation to
26 execute a deed of assignment for the benefit of creditors, or
27 file a voluntary petition in bankruptcy, or file an answer
28 consenting to the appointment of a receiver upon a complaint in
29 the nature of equity filed by creditors or members, or, if
30 insolvent, file an answer to an involuntary petition in

1 bankruptcy admitting the insolvency of the corporation and its
2 willingness to be adjudged a bankrupt on that ground.

3 (b) Bankruptcy proceedings.--A nonprofit 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 SUBCHAPTER B

9 AMENDMENT OF ARTICLES

10 Sec.

11 5911. Amendment of articles authorized.

12 5912. Proposal of amendments.

13 5913. Notice of meeting of members.

14 5914. Adoption of amendments.

15 5915. Articles of amendment.

16 5916. Filing and effectiveness of articles of amendment.

17 5917. Change of name of religious corporation.

18 § 5911. Amendment of articles authorized.

19 (a) General rule.--A nonprofit corporation, in the manner
20 provided in this subchapter, may from time to time amend its
21 articles for one or more of the following purposes:

22 (1) To adopt a new name, subject to the restrictions
23 provided in this subpart.

24 (2) To modify any provision of the articles relating to
25 its term of existence.

26 (3) To change, add to or diminish its purposes or to set
27 forth different or additional purposes.

28 (4) To restate the articles in their entirety.

29 (5) In any and as many other respects as desired.

30 (b) Exceptions.--No amendment adopted under this section

1 shall amend articles in such a way that as so amended they would
2 not be authorized by this subpart as original articles of
3 incorporation except that:

4 (1) Restated articles shall, subject to section 109
5 (relating to name of commercial registered office provider in
6 lieu of registered address), state the address of the current
7 instead of the initial registered office of the corporation
8 in this Commonwealth and need not state the names and
9 addresses of the incorporators.

10 (2) The corporation shall not be required to revise any
11 other provision of its articles if the provision is valid and
12 operative immediately prior to the filing of the amendment in
13 the Department of State.

14 § 5912. Proposal of amendments.

15 (a) General rule.--Every amendment of the articles of a
16 nonprofit corporation shall be proposed:

17 (1) by the adoption by the board of directors or other
18 body of a resolution setting forth the proposed amendment;

19 (2) unless the articles provide that this paragraph is
20 not applicable, by petition of members entitled to cast at
21 least 10% of the votes which all members are entitled to cast
22 thereon, setting forth the proposed amendment, which petition
23 shall be directed to the board of directors and filed with
24 the secretary of the corporation; or

25 (3) by such other method as may be provided in the
26 bylaws.

27 Except where the approval of the members is unnecessary under
28 this subchapter, the board of directors or other body shall
29 direct that the proposed amendment be submitted to a vote of the
30 members entitled to vote thereon at a regular or special meeting

1 of the members.

2 (b) Form of amendment.--The resolution or petition shall
3 contain the language of the proposed amendment of the articles
4 by providing that the articles shall be amended so as to read as
5 therein set forth in full, or that any provision thereof be
6 amended so as to read as therein set forth in full, or that the
7 matter stated in the resolution or petition be added to or
8 stricken from the articles. The resolution or petition may set
9 forth the manner and basis of reclassifying the memberships in
10 or shares of the corporation. Any of the terms of a plan of
11 reclassification or other action contained in an amendment may
12 be made dependent upon facts ascertainable outside of the
13 amendment if the manner in which the facts will operate upon the
14 terms of the amendment is set forth in the amendment.

15 § 5913. Notice of meeting of members.

16 Written notice of the meeting of members of a nonprofit
17 corporation called for the purpose of considering the proposed
18 amendment shall be given to each member entitled to vote
19 thereon. There shall be included in, or enclosed with, the
20 notice a copy of the proposed amendment or a summary of the
21 changes to be effected thereby.

22 § 5914. Adoption of amendments.

23 (a) General rule.--A proposed amendment of the articles of a
24 nonprofit corporation shall be adopted upon receiving a majority
25 of the votes cast by all members present entitled to vote
26 thereon and, if any class of members is entitled to vote thereon
27 as a class, a majority of the votes cast in each class vote. Any
28 number of amendments may be submitted to the members and voted
29 upon by them at one meeting.

30 (b) Adoption by board of directors or other body.--Unless

1 otherwise restricted in the bylaws, an amendment of articles
2 shall not require the approval of the members of the corporation
3 if:

4 (1) the amendment is to provide for perpetual existence;

5 (2) to the extent the amendment has not been approved by
6 the members, it restates without change all of the operative
7 provisions of the articles as theretofore amended or as
8 amended thereby;

9 (3) any provision of this subpart permits the board of
10 directors or other body, without member approval, to
11 authorize the filing of any statement, certificate, plan or
12 other document in the Department of State which this subpart
13 provides shall operate as an amendment of the articles; or

14 (4) the amendment accomplishes any combination of
15 purposes specified in this subsection.

16 The amendment of articles shall be deemed adopted by the
17 corporation when it has been adopted by the board of directors
18 or other body in the manner provided by subsection (c).

19 (c) Adoption in absence of voting members.--If the
20 corporation has no members entitled to vote thereon, or no
21 members entitled to vote thereon other than persons who also
22 constitute the board of directors or other body, the amendment
23 shall be deemed adopted by the corporation when it has been
24 adopted by the board of directors or other body pursuant to
25 section 5912 (relating to proposal of amendments).

26 (d) Termination of proposal.--Prior to the time when an
27 amendment becomes effective, the amendment may be terminated
28 pursuant to provisions therefor, if any, set forth in the
29 resolution or petition. If articles of amendment have been filed
30 in the Department of State prior to the termination, a statement

1 under section 5902 (relating to statement of termination) shall
2 be filed in the department.

3 (e) Amendment of voting provisions.--Unless otherwise
4 provided in a bylaw adopted by the members, whenever the
5 articles require for the taking of any action by the members or
6 a class of members a specific number or percentage of votes, the
7 provision of the articles setting forth that requirement shall
8 not be amended or repealed by any lesser number or percentage of
9 votes of the members or of the class of members.

10 § 5915. Articles of amendment.

11 Upon the adoption of an amendment by a nonprofit corporation,
12 as provided in this subchapter, articles of amendment shall be
13 executed by the corporation and shall set forth:

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

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

21 (3) If the amendment is to be effective on a specified
22 date, the hour, if any, and the month, day and year of the
23 effective date.

24 (4) The manner in which the amendment was adopted by the
25 corporation.

26 (5) The amendment adopted by the corporation, which
27 shall be set forth in full.

28 (6) If the amendment effects a restatement of the
29 articles, a statement that the restated articles supersede
30 the original articles and all amendments thereto.

1 § 5916. Filing and effectiveness of articles of amendment.

2 (a) Filing.--The articles of amendment of a nonprofit
3 corporation shall be filed in the Department of State. See
4 section 134 (relating to docketing statement).

5 (b) Effectiveness.--Upon the filing of the articles of
6 amendment in the department or upon the effective date specified
7 in the articles of amendment, whichever is later, the amendment
8 shall become effective and the articles of incorporation shall
9 be deemed to be amended accordingly. No amendment shall affect
10 any existing cause of action in favor of or against the
11 corporation, or any pending action to which the corporation is a
12 party, or the existing rights of persons other than members or,
13 except as otherwise provided by order, if any, obtained pursuant
14 to section 5547(c) (relating to nondiversion of certain
15 property), divert any property subject to that section from the
16 purpose or purposes to which it was committed. In the event the
17 corporate name is changed by the amendment, no action brought by
18 or against the corporation under its former name shall be abated
19 for that reason.

20 § 5917. Change of name of religious corporation.

21 (a) General rule.--Any nonprofit corporation formed for
22 religious purposes, which desires to change its name because of
23 or as a result of a union, merger or consolidation of the
24 national or international church body with which the religious
25 corporation is an affiliate, subsidiary or component part, is
26 authorized to file a certificate of change of name in the
27 Department of State. The certificate shall be executed by the
28 corporation and shall set forth:

29 (1) The name of the corporation.

30 (2) The name the corporation intends to assume.

1 5928. Effective date of merger or consolidation.

2 5929. Effect of merger or consolidation.

3 5930. Voluntary transfer of corporate assets.

4 § 5921. Merger and consolidation authorized.

5 (a) Domestic surviving or new corporation.--Any two or more
6 domestic nonprofit corporations, or any two or more foreign
7 nonprofit corporations, or any one or more domestic nonprofit
8 corporations and any one or more foreign nonprofit corporations,
9 may, in the manner provided in this subchapter, be merged into
10 one of the domestic nonprofit corporations, designated in this
11 subchapter as the surviving corporation, or consolidated into a
12 new corporation to be formed under this article, if the foreign
13 nonprofit corporations are authorized by the laws of the
14 jurisdiction under which they are incorporated to effect a
15 merger or consolidation with a corporation of another
16 jurisdiction.

17 (b) Foreign surviving or new corporation.--Any one or more
18 domestic nonprofit corporations, and any one or more foreign
19 nonprofit corporations, may, in the manner provided in this
20 subchapter, be merged into one of such foreign nonprofit
21 corporations, designated in this subchapter as the surviving
22 corporation, or consolidated into a new corporation to be
23 incorporated under the laws of the jurisdiction under which one
24 of the foreign nonprofit corporations is incorporated, if the
25 laws of that jurisdiction authorize a merger with or
26 consolidation into a corporation of another jurisdiction.

27 § 5922. Plan of merger or consolidation.

28 (a) Preparation of plan.--A plan of merger or consolidation,
29 as the case may be, shall be prepared, setting forth:

30 (1) The terms and conditions of the merger or

1 consolidation.

2 (2) If the surviving or new corporation is or is to be a
3 domestic nonprofit corporation:

4 (i) any changes desired to be made in the articles,
5 which may include a restatement of the articles in the
6 case of a merger; or

7 (ii) in the case of a consolidation, all of the
8 statements required by this subpart to be set forth in
9 restated articles.

10 (3) Such other provisions as are deemed desirable.

11 Any of the terms of the plan may be made dependent upon facts
12 ascertainable outside of the plan if the manner in which the
13 facts will operate upon the terms of the plan is set forth in
14 the plan.

15 (b) Post-adoption amendment.--A plan of merger or
16 consolidation may contain a provision that the boards of
17 directors of the constituent corporations may amend the plan at
18 any time prior to its effective date, except that an amendment
19 made subsequent to the adoption of the plan by the members of
20 any constituent corporation shall not change:

21 (1) The terms of memberships or the amount or kind of
22 securities, obligations, cash, property or rights to be
23 received in exchange for or on conversion of all or any of
24 the memberships in the constituent corporation.

25 (2) Any term of the articles of the surviving or new
26 corporation to be effected by the merger or consolidation.

27 (3) Any of the terms and conditions of the plan if the
28 change would adversely affect the members of the constituent
29 corporation.

30 (c) Proposal.--Every merger or consolidation shall be

1 proposed in the case of each domestic nonprofit corporation by:

2 (1) the adoption by the board of directors or other body
3 of a resolution approving the plan of merger or
4 consolidation;

5 (2) petition of members entitled to cast at least 10% of
6 the votes which all members are entitled to cast thereon,
7 setting forth the proposed plan of merger or consolidation,
8 which petition shall be directed to the board of directors
9 and filed with the secretary of the corporation; or

10 (3) such other method as may be provided in the bylaws.

11 Except where the corporation has no members entitled to vote
12 thereon, the board of directors or other body shall direct that
13 the plan be submitted to a vote of the members entitled to vote
14 thereon at a regular or special meeting of the members.

15 (d) Party to plan.--A corporation which approves a plan in
16 its capacity as a member or creditor of a merging or
17 consolidating corporation, or which furnishes all or a part of
18 the consideration contemplated by a plan, does not thereby
19 become a party to the plan for the purposes of this subchapter.

20 § 5923. Notice of meeting of members.

21 Written notice of the meeting of members called for the
22 purpose of considering the proposed plan shall be given to each
23 member of record, whether or not entitled to vote thereon of
24 each domestic nonprofit corporation which is a party to the
25 plan. There shall be included in, or enclosed with, the notice a
26 copy of the proposed plan or a summary thereof.

27 § 5924. Adoption of plan.

28 (a) General rule.--The plan of merger or consolidation shall
29 be adopted upon receiving a majority of the votes cast by all
30 members present entitled to vote thereon of each of the domestic

1 nonprofit corporations which is a party to the plan and, if any
2 class of members is entitled to vote thereon as a class, a
3 majority of the votes cast in each class vote.

4 (b) Adoption by board of directors or other body.--

5 (1) Unless otherwise required by its bylaws, a plan of
6 merger or consolidation shall not require the approval of the
7 members of a corporation if:

8 (i) the plan, whether or not the corporation is the
9 surviving corporation, does not alter the status of the
10 corporation as a domestic nonprofit corporation or alter
11 in any respect the provisions of its articles, except
12 changes which under section 5914(b) (relating to adoption
13 by board of directors or other body) may be made without
14 member action; and

15 (ii) each membership or share of the corporation
16 outstanding immediately prior to the effective date of
17 the merger or consolidation is to continue as or to be
18 converted into, except as may be otherwise agreed by the
19 member, an identical membership in or share of the
20 surviving or new corporation after the effective date of
21 the merger or consolidation.

22 (2) The plan of merger or consolidation shall be deemed
23 adopted by the corporation when it has been adopted by the
24 board of directors or other body in the manner provided by
25 subsection (c).

26 (c) Adoption in absence of voting members.--If a merging or
27 consolidating corporation has no members entitled to vote
28 thereon, a plan of merger or consolidation shall be deemed
29 adopted by the corporation when it has been adopted by the board
30 of directors or other body pursuant to section 5922 (relating to

1 proposal of plan of merger or consolidation).

2 (d) Termination of plan.--Prior to the time when a merger or
3 consolidation becomes effective, the merger or consolidation may
4 be terminated pursuant to provisions therefor, if any, set forth
5 in the plan. If articles of merger or consolidation have been
6 filed in the Department of State prior to the termination, a
7 statement under section 5902 (relating to statement of
8 termination) shall be filed in the department.

9 § 5925. Authorization by foreign corporations.

10 The plan of merger or consolidation shall be authorized,
11 adopted or approved by each foreign nonprofit corporation which
12 desires to merge or consolidate in accordance with the laws of
13 the jurisdiction in which it is incorporated, and, in the case
14 of a foreign domiciliary corporation, the provisions of this
15 subpart to the extent provided by section 6145 (relating to
16 applicability of certain safeguards to foreign domiciliary
17 corporations).

18 § 5926. Articles of merger or consolidation.

19 Upon the adoption of the plan of merger or consolidation by
20 the corporations desiring to merge or consolidate, as provided
21 in this subchapter, articles of merger or articles of
22 consolidation, as the case may be, shall be executed by each
23 corporation and shall, subject to section 109 (relating to name
24 of commercial registered office provider in lieu of registered
25 address), set forth:

26 (1) The name and the location of the registered office,
27 including street and number, if any, of the domestic
28 surviving or new corporation or, in the case of a foreign
29 surviving or new corporation, the name of the corporation and
30 its jurisdiction of incorporation, together with either:

(i) If a qualified foreign nonprofit corporation, the address, including street and number, if any, of its registered office in this Commonwealth.

(ii) If a nonqualified foreign nonprofit corporation, the address, including street and number, if any, of its principal office under the laws of the jurisdiction in which it is incorporated.

(2) The name and address, including street and number, if any, of the registered office of each other domestic nonprofit corporation and qualified foreign nonprofit corporation which is a party to the plan.

(3) If the plan is to be effective on a specified date, the hour, if any, and the month, day and year of the effective date.

(4) The manner in which the plan was adopted by each domestic corporation and, if one or more foreign corporations are parties to the plan, the fact that the plan was authorized, adopted or approved, as the case may be, by each of the foreign corporations in accordance with the laws of the jurisdiction in which it is incorporated.

(5) Except as provided in section 5901 (relating to omission of certain provisions from filed plans), the plan of merger or consolidation.

§ 5927. Filing of articles of merger or consolidation.

(a) General rule.--The articles of merger or articles of consolidation, as the case may be, and the certificates or statement, if any, required by section 139 (relating to tax clearance of certain fundamental transactions) shall be filed in the Department of State.

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

1 statement).

2 § 5928. Effective date of merger or consolidation.

3 Upon the filing of the articles of merger or the articles of
4 consolidation in the Department of State or upon the effective
5 date specified in the plan of merger or consolidation, whichever
6 is later, the merger or consolidation shall be effective. The
7 merger or consolidation of one or more domestic nonprofit
8 corporations into a foreign nonprofit corporation shall be
9 effective according to the provisions of law of the jurisdiction
10 in which the foreign corporation is incorporated, but not until
11 articles of merger or articles of consolidation have been
12 adopted and filed, as provided in this subchapter.

13 § 5929. Effect of merger or consolidation.

14 (a) Single surviving or new corporation.--Upon the merger or
15 consolidation becoming effective, the several corporations
16 parties to the plan of merger or consolidation shall be a single
17 corporation which, in the case of a merger, shall be the
18 corporation designated in the plan of merger as the surviving
19 corporation and, in the case of a consolidation, shall be the
20 new corporation provided for in the plan of consolidation. The
21 separate existence of all corporations parties to the plan of
22 merger or consolidation shall cease, except that of the
23 surviving corporation, in the case of a merger. The surviving or
24 new corporation, as the case may be, if it is a domestic
25 nonprofit corporation, shall not thereby acquire authority to
26 engage in any business or exercise any right which a corporation
27 may not be incorporated under this subpart to engage in or
28 exercise.

29 (b) Property rights.--Except as otherwise provided by order,
30 if any, obtained pursuant to section 5547(c) (relating to

1 nondiversion of certain property), all the property, real,
2 personal and mixed, and franchises of each of the corporations
3 parties to the plan of merger or consolidation, and all debts
4 due on whatever account to any of them, including subscriptions
5 for membership and other choses in action belonging to any of
6 them, shall be deemed to be transferred to and vested in the
7 surviving or new corporation, as the case may be, without
8 further action and the title to any real estate, or any interest
9 therein, vested in any of the corporations shall not revert or
10 be in any way impaired by reason of the merger or consolidation.
11 The surviving or new corporation shall thenceforth be
12 responsible for all the liabilities of each of the corporations
13 so merged or consolidated. No liens upon the property of the
14 merging or consolidating corporations shall be impaired by the
15 merger or consolidation and any claim existing or action or
16 proceeding pending by or against any of the corporations may be
17 prosecuted to judgment as if the merger or consolidation had not
18 taken place or the surviving or new corporation may be proceeded
19 against or substituted in its place. Any devise, gift or grant
20 contained in any will or other instrument, in trust or
21 otherwise, made before or after the merger or consolidation to
22 or for any of the constituent corporations shall inure to the
23 surviving or new corporation, as the case may be, subject to
24 compliance with the requirements of section 5550 (relating to
25 devises, bequests and gifts after certain fundamental changes).

26 (c) Taxes.--Any taxes, penalties and public accounts of the
27 Commonwealth, claimed against any of the merging or
28 consolidating corporations but not settled, assessed or
29 determined prior to the merger or consolidation, shall be
30 settled, assessed or determined against the surviving or new

1 corporation and, together with interest thereon, shall be a lien
2 against the franchises and property, both real and personal, of
3 the surviving or new corporation.

4 (d) Articles of incorporation.--In the case of a merger, the
5 articles of incorporation of the surviving domestic nonprofit
6 corporation, if any, shall be deemed to be amended to the
7 extent, if any, that changes in its articles are stated in the
8 plan of merger. In the case of a consolidation into a domestic
9 nonprofit corporation, the statements which are set forth in the
10 plan of consolidation, or articles of incorporation set forth
11 therein, shall be deemed to be the articles of incorporation of
12 the new corporation.

13 § 5930. Voluntary transfer of corporate assets.

14 (a) General rule.--A sale, lease, exchange or other
15 disposition of all, or substantially all, the property and
16 assets, with or without the goodwill, of a nonprofit
17 corporation, if not made pursuant to Subchapter D (relating to
18 division), may be made only pursuant to a plan of asset
19 transfer. The property or assets of a direct or indirect
20 subsidiary corporation which is controlled by a parent
21 corporation shall be deemed the property or assets of the parent
22 corporation for the purposes of this subsection. The plan of
23 asset transfer shall set forth the terms and conditions of the
24 sale, lease, exchange or other disposition or may authorize the
25 board of directors to fix any or all of the terms and
26 conditions, including the consideration to be received by the
27 corporation therefor. Any of the terms of the plan may be made
28 dependent upon facts ascertained outside of the plan if the
29 manner in which the facts will operate upon the terms of the
30 plan is set forth in the plan. The plan of asset transfer shall

1 be proposed and adopted, and may be terminated, by a nonprofit
2 corporation in the manner provided in this subchapter for the
3 proposal, adoption and termination of a plan of merger, except
4 section 5924(b) (relating to adoption by board of directors or
5 other body). In order to make effective any plan of asset
6 transfer so adopted, it shall not be necessary to file any
7 articles or other documents in the Department of State but the
8 corporation shall comply with the requirements of section
9 5547(c) (relating to nondiversion of certain property).

10 (b) Exceptions.--Subsection (a) does not apply to a sale,
11 lease, exchange or other disposition of all, or substantially
12 all, of the property and assets of a nonprofit corporation:

13 (1) which directly or indirectly owns all of the
14 outstanding shares or other ownership interest of another
15 corporation to the other corporation;

16 (2) when made in connection with the dissolution or
17 liquidation of the corporation, which transaction shall be
18 governed by the provisions of Subchapter F (relating to
19 voluntary dissolution and winding up) or G (relating to
20 involuntary liquidation and dissolution), as the case may be;

21 or

22 (3) when made in connection with a transaction pursuant
23 to which all of the assets sold, leased, exchanged or
24 otherwise disposed of are simultaneously leased back to the
25 corporation.

26 (c) Mortgage.--A mortgage, pledge, grant of a security
27 interest or dedication of property to the repayment of
28 indebtedness (with or without recourse) shall not be deemed a
29 sale, lease, exchange or other disposition for the purposes of
30 this section.

(d) Restrictions.--Nothing in this section shall be construed to authorize the conversion or exchange of property or assets in fraud of corporate creditors or in violation of law.

SUBCHAPTER D

DIVISION

Sec.

5951. Division authorized.

5952. Proposal and adoption of plan of division.

5953. Division without member approval.

5954. Articles of division.

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5956. Effective date of division.

5957. Effect of division.

§ 5951. Division authorized.

(a) Division of domestic corporation.--Any domestic nonprofit corporation may, in the manner provided in this subchapter, be divided into two or more domestic nonprofit corporations incorporated or to be incorporated under this article, or into one or more domestic nonprofit corporations and one or more foreign nonprofit corporations to be incorporated under the laws of another jurisdiction or jurisdictions, or into two or more foreign nonprofit corporations, if the laws of the other jurisdictions authorize the division.

(b) Division of foreign corporation.--Any foreign nonprofit corporation may, in the manner provided in this subchapter, be divided into one or more domestic nonprofit corporations to be incorporated under this subpart and one or more foreign nonprofit corporations incorporated or to be incorporated under the laws of another jurisdiction or jurisdictions, or into two or more domestic nonprofit corporations, if the foreign

1 nonprofit corporation is authorized under the laws of the
2 jurisdiction under which it is incorporated to effect a
3 division.

4 (c) Surviving and new corporations.--The corporation
5 effecting a division, if it survives the division, is designated
6 in this subchapter as the surviving corporation. All
7 corporations originally incorporated by a division are
8 designated in this subchapter as new corporations. The surviving
9 corporation, if any, and the new corporation or corporations are
10 collectively designated in this subchapter as the resulting
11 corporations.

12 § 5952. Proposal and adoption of plan of division.

13 (a) Preparation of plan.--A plan of division shall be
14 prepared, setting forth:

15 (1) The terms and conditions of the division, including
16 the manner and basis of:

17 (i) The reclassification of the membership interests
18 or shares of the surviving corporation, if there be one.

19 (ii) The disposition of the membership interests or
20 shares or obligations, if any, of the new corporation or
21 corporations resulting from the division.

22 (2) A statement that the dividing corporation will, or
23 will not, survive the division.

24 (3) Any changes desired to be made in the articles of
25 the surviving corporation, if there be one, including a
26 restatement of the articles.

27 (4) The articles of incorporation required by subsection
28 (b).

29 (5) Such other provisions as are deemed desirable.

30 Any of the terms of the plan may be made dependent upon facts

1 ascertainable outside of the plan if the manner in which the
2 facts will operate upon the terms of the plan is set forth in
3 the plan.

4 (b) Articles of new corporations.--There shall be included
5 in or annexed to the plan of division:

6 (1) Articles of incorporation, which shall contain all
7 of the statements required by this subpart to be set forth in
8 restated articles, for each of the new domestic nonprofit
9 corporations, if any, resulting from the division.

10 (2) Articles of incorporation, certificates of
11 incorporation or other charter documents for each of the new
12 foreign nonprofit corporations, if any, resulting from the
13 division.

14 (c) Proposal and adoption.--Except as otherwise provided in
15 section 5953 (relating to division without member approval), the
16 plan of division shall be proposed and adopted, and may be
17 terminated, by a domestic nonprofit corporation in the manner
18 provided for the proposal, adoption and termination of a plan of
19 merger in Subchapter C (relating to merger, consolidation and
20 sale of assets), except section 5924(b) (relating to adoption by
21 board of directors or other body), or, if the dividing
22 corporation is a foreign nonprofit corporation, in accordance
23 with the laws of the jurisdiction in which it is incorporated
24 and, in the case of a foreign domiciliary corporation, the
25 provisions of this subpart to the extent provided by section
26 6145 (relating to applicability of certain safeguards to foreign
27 domiciliary corporations).

28 (d) Financial status of resulting corporations.--Unless the
29 plan of division provides that the dividing corporation shall
30 survive the division and that all membership interests or shares

1 or obligations, if any, of all new corporations resulting from
2 the plan shall be owned solely by the surviving corporation, no
3 plan of division may be made effective at a time when the
4 dividing corporation is insolvent or when the division would
5 render any of the resulting corporations insolvent.

6 (e) Action by holders of indebtedness.--Unless otherwise
7 provided by an indenture or other contract by which the dividing
8 corporation is bound, a plan of division shall not require the
9 approval of the holders of any debt securities or other
10 obligations of the dividing corporation or of any representative
11 of the holders, if the transfer of assets effected by the
12 division, if effected by means of a sale, lease or exchange, and
13 any related distribution of assets, would not require the
14 approval of the holders or representatives thereof.

15 (f) Special requirements.--If any provision of the articles
16 or bylaws of a dividing domestic nonprofit corporation adopted
17 before February 13, 1973 requires for the adoption of a plan of
18 merger, consolidation or asset transfer a specific number or
19 percentage of votes of directors, members or members of an other
20 body or other special procedures, the plan of division shall not
21 be adopted without that number or percentage of votes or
22 compliance with the other special procedures.

23 § 5953. Division without member approval.

24 Unless otherwise required by its bylaws or by section 5952
25 (relating to proposal and adoption of plan of division), a plan
26 of division which does not alter the state of incorporation of a
27 nonprofit corporation nor amend in any respect the provisions of
28 its articles (except amendments which under section 5914(b)
29 (relating to adoption by board of directors or other body) may
30 be made without member action) shall not require the approval of

1 the members of the corporation if:

2 (1) the dividing corporation has only one class of
3 membership and the memberships, shares and other securities,
4 if any, of each corporation resulting from the plan are
5 distributed pro rata to the members of the dividing
6 corporation;

7 (2) the dividing corporation survives the division and
8 all the memberships, shares and other securities and
9 obligations, if any, of all new corporations resulting from
10 the plan are owned solely by the surviving corporation; or

11 (3) the transfers of assets effected by the division, if
12 effected by means of a sale, lease, exchange or other
13 disposition, would not require the approval of members under
14 section 5930 (relating to voluntary transfer of corporate
15 assets).

16 § 5954. Articles of division.

17 Upon the adoption of a plan of division by the corporation
18 desiring to divide, as provided in this subchapter, articles of
19 division shall be executed by the corporation and shall, subject
20 to section 109 (relating to name of commercial registered office
21 provider 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 dividing domestic
24 nonprofit corporation or, in the case of a dividing foreign
25 nonprofit corporation, the name of the corporation and the
26 jurisdiction in which it is incorporated, together with
27 either:

28 (i) If a qualified foreign nonprofit corporation,
29 the address, including street and number, if any, of its
30 registered office in this Commonwealth.

1 (ii) If a nonqualified foreign nonprofit
2 corporation, the address, including street and number, if
3 any, of its principal office under the laws of that
4 jurisdiction.

5 (2) The statute under which the dividing corporation was
6 incorporated and the date of incorporation.

7 (3) A statement that the dividing corporation will, or
8 will not, survive the division.

9 (4) The name and the address, including street and
10 number, if any, of:

11 (i) the registered office of each new domestic
12 nonprofit corporation or qualified foreign nonprofit
13 corporation resulting from the division; and

14 (ii) the principal office under the laws of the
15 jurisdiction in which it is incorporated of each new
16 nonqualified foreign nonprofit corporation resulting from
17 the division.

18 (5) If the plan is to be effective on a specific date,
19 the hour, if any, and the month, day and year of the
20 effective date.

21 (6) The manner in which the plan was adopted by the
22 corporation.

23 (7) Except as provided in section 5901 (relating to
24 omission of certain provisions from filed plans), the plan of
25 division.

26 § 5955. Filing of articles of division.

27 (a) General rule.--The articles of division and the
28 certificates or statement, if any, required by section 139
29 (relating to tax clearance of certain fundamental transactions)
30 shall be filed in the Department of State.

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

3 § 5956. Effective date of division.

4 Upon the filing of articles of division in the Department of
5 State or upon the effective date specified in the plan of
6 division, whichever is later, the division shall become
7 effective. The division of a domestic nonprofit corporation into
8 one or more foreign nonprofit corporations or the division of a
9 foreign nonprofit corporation shall be effective according to
10 the laws of the jurisdictions where the foreign corporations are
11 or are to be incorporated and, in the case of a foreign
12 domiciliary corporation, the provisions of this subpart to the
13 extent provided by section 4145 (relating to applicability of
14 certain safeguards to foreign domiciliary corporations), but not
15 until articles of division have been adopted and filed as
16 provided in this subchapter.

17 § 5957. Effect of division.

18 (a) Multiple resulting corporations.--Upon the division
19 becoming effective, the dividing corporation shall be subdivided
20 into the distinct and independent resulting corporations named
21 in the plan of division and, if the dividing corporation is not
22 to survive the division, the existence of the dividing
23 corporation shall cease. The resulting corporations, if they are
24 domestic nonprofit corporations, shall not thereby acquire
25 authority to engage in any business or exercise any right which
26 a corporation may not be incorporated under this subpart to
27 engage in or exercise. Any resulting foreign nonprofit
28 corporation which is stated in the articles of division to be a
29 qualified foreign nonprofit corporation shall be a qualified
30 foreign nonprofit corporation under Article C (relating to

1 foreign nonprofit corporations) and the articles of division
2 shall be deemed to be the application for a certificate of
3 authority and the certificate of authority issued thereon of the
4 corporation.

5 (b) Property rights.--Except as otherwise provided by order,
6 if any, obtained pursuant to section 5547(c) (relating to
7 nondiversion of certain property), all the property, real,
8 personal and mixed, and franchises of the dividing corporation,
9 and all debts due on whatever account to it, including
10 subscriptions for membership and other choses in action
11 belonging to it, shall, to the extent transfers of assets are
12 contemplated by the plan of division, be deemed without further
13 action to be transferred to and vested in the resulting
14 corporations on such a manner and basis and with such effect as
15 is specified in the plan, or per capita among the resulting
16 corporations, as tenants in common, if no specification is made
17 in the plan, and the title to any real estate, or interest
18 therein, vested in any of the corporations shall not revert or
19 be in any way impaired by reason of the division. The resulting
20 corporations shall each thenceforth be responsible as separate
21 and distinct corporations only for such liabilities as each
22 corporation may undertake or incur in its own name but shall be
23 liable inter se for the liabilities of the dividing corporation
24 in the manner and on the basis specified in the plan of
25 division. No liens upon the property of the dividing corporation
26 shall be impaired by the division. One or more, but less than
27 all, of the resulting corporations shall be free of the
28 liabilities of the dividing corporation to the extent, if any,
29 specified in the plan, if no fraud of corporate creditors or
30 members without voting rights or violation of law shall be

1 effected thereby, and if all applicable provisions of 13 Pa.C.S.
2 Div. 6 (relating to bulk transfers) and all other applicable
3 provisions of law are complied with. Otherwise, the liability of
4 the dividing corporation shall not be affected by the division
5 nor shall the rights of creditors thereof or of any person
6 dealing with the corporation be impaired by the division and,
7 except as otherwise provided in this section, any claim existing
8 or action or proceeding pending by or against the corporation
9 may be prosecuted to judgment as if the division had not taken
10 place, or the resulting corporations may be proceeded against or
11 substituted in its place as joint and several obligors on such
12 liability, regardless of any provision of the plan of division
13 apportioning the liabilities of the dividing corporation.

14 (c) Taxes.--Any taxes, penalties and public accounts of the
15 Commonwealth, claimed against the dividing corporation but not
16 settled, assessed or determined prior to the division, shall be
17 settled, assessed or determined against any of the resulting
18 corporations and, together with interest thereon, shall be a
19 lien against the franchises and property, both real and
20 personal, of all the corporations. Upon the application of the
21 dividing corporation, the Department of Revenue, with the
22 concurrence of the Office of Employment Security of the
23 Department of Labor and Industry, shall release one or more, but
24 less than all, of the resulting corporations from liability and
25 liens for all taxes, penalties and public accounts of the
26 dividing corporation due the Commonwealth for periods prior to
27 the effective date of the division if those departments are
28 satisfied that the public revenues will be adequately secured.

29 (d) Articles of surviving corporation.--The articles of
30 incorporation of the surviving corporation, if there be one,

shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the plan of division.

(e) Articles of new corporations.--The statements which are set forth in the plan of division with respect to each new domestic nonprofit corporation and which are required or permitted to be set forth in restated articles of incorporation of corporations incorporated under this subpart, or the articles of incorporation of each new corporation set forth therein, shall be deemed to be the articles of incorporation of each new corporation.

(f) Directors and officers.--Unless otherwise provided in the plan, the directors and officers of the dividing corporation shall be the initial directors and officers of each of the resulting corporations.

SUBCHAPTER E

CONVERSION

Sec.

5961. Conversion authorized.

5962. Proposal and adoption of plan of conversion.

5963. Articles of conversion.

5964. Filing of articles of conversion.

5965. Effective date of conversion.

5966. Effect of conversion.

§ 5961. Conversion authorized.

(a) General rule.--Any nonprofit corporation may, in the manner provided in this subchapter, be converted into a business corporation, designated in this subchapter as the resulting corporation.

(b) Exceptions.--

(1) This subchapter shall not authorize any conversion

1 involving:

2 (i) Beneficial, benevolent, fraternal or fraternal
3 benefit societies having a lodge system and a
4 representative form of government, or transacting any
5 type of insurance whatsoever.

6 (ii) Any corporation which by the laws of this
7 Commonwealth is subject to the supervision of the
8 Department of Banking, the Insurance Department or the
9 Pennsylvania Public Utility Commission, unless the agency
10 expressly approves the transaction in writing.

11 (2) Paragraph (1) shall not be construed as repealing
12 any statute which provides a procedure for the conversion of
13 a nonprofit corporation into an insurance corporation.

14 § 5962. Proposal and adoption of plan of conversion.

15 (a) Preparation of plan.--A plan of conversion shall be
16 prepared, setting forth:

17 (1) The terms and conditions of the conversion.

18 (2) A restatement of the articles of the resulting
19 corporation, which articles shall comply with the
20 requirements of Subpart B (relating to business
21 corporations).

22 (3) Such other provisions as are deemed desirable.

23 Any of the terms of the plan may be made dependent upon facts
24 ascertainable outside of the plan if the manner in which the
25 facts will operate upon the terms of the plan is set forth in
26 the plan.

27 (b) Proposal and adoption.--The plan of conversion shall be
28 proposed and adopted, and may be terminated, by the nonprofit
29 corporation in the manner provided for the proposal, adoption
30 and termination of a plan of merger in Subchapter C (relating to

1 merger, consolidation and sale of assets), except section
2 5924(b) (relating to adoption by board of directors or other
3 body).

4 § 5963. Articles of conversion.

5 Upon the adoption of a plan of conversion by the nonprofit
6 corporation desiring to convert, as provided in this subchapter,
7 articles of conversion shall be executed by the corporation and
8 shall set forth:

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

14 (2) The statute under which the corporation was
15 incorporated and the date of incorporation.

16 (3) If the plan is to be effective on a specified date,
17 the hour, if any, and the month, day and year of the
18 effective date.

19 (4) The manner in which the plan was adopted by the
20 corporation.

21 (5) Except as provided in section 5901 (relating to
22 omission of certain provisions from filed plans), the plan of
23 conversion.

24 § 5964. Filing of articles of conversion.

25 (a) General rule.--The articles of conversion shall be filed
26 in the Department of State.

27 (b) Cross reference.--See section 134 (relating to docketing
28 statement).

29 § 5965. Effective date of conversion.

30 Upon the filing of articles of conversion in the Department

1 of State or upon the effective date specified in the plan of
2 conversion, whichever is later, the conversion shall become
3 effective.

4 § 5966. Effect of conversion.

5 Upon the conversion becoming effective, the converting
6 nonprofit corporation shall be deemed to be a business
7 corporation subject to Subpart B (relating to business
8 corporations) for all purposes, shall cease to be a nonprofit
9 corporation and may thereafter operate for a purpose or purposes
10 resulting in pecuniary profit, incidental or otherwise, to its
11 members or shareholders. Unless the shares of the corporation
12 are to be uncertificated, the corporation shall issue share
13 certificates to each shareholder entitled thereto. The
14 corporation shall remain liable for all existing obligations,
15 public or private, and taxes due the Commonwealth or any other
16 taxing authority for periods prior to the effective date of the
17 conversion and, as a business corporation, it shall continue to
18 be entitled to all assets theretofore pertaining to it as a
19 nonprofit corporation except as otherwise provided by order, if
20 any, obtained pursuant to section 5547(c) (relating to
21 nondiversion of certain property).

22 SUBCHAPTER F

23 VOLUNTARY DISSOLUTION AND WINDING UP

24 Sec.

25 5971. Voluntary dissolution by members or incorporators.

26 5972. Proposal of voluntary dissolution.

27 5973. Notice of meeting of members.

28 5974. Adoption of proposal.

29 5975. Winding up in voluntary dissolution proceedings.

30 5976. Judicial supervision of proceedings.

1 5977. Articles of dissolution.

2 5978. Winding up of corporation upon the expiration of its
3 period of duration.

4 5979. Survival of remedies and rights after dissolution.

5 5980. Dissolution by domestication.

6 § 5971. Voluntary dissolution by members or incorporators.

7 (a) General rule.--The members or incorporators of a
8 nonprofit corporation which has not commenced business may
9 effect the dissolution of the corporation by filing articles of
10 dissolution in the Department of State. The articles of
11 dissolution shall be executed in the name of the corporation by
12 a majority of the members or incorporators and shall set forth:

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

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

20 (3) That the corporation has not received any property
21 in trust, or otherwise commenced business.

22 (4) That the amount, if any, actually paid in on
23 subscriptions for memberships, less any part thereof
24 disbursed for necessary expenses, has been returned to those
25 entitled thereto.

26 (5) That no liabilities of the corporation remain unpaid
27 or that adequate provision has been made therefor.

28 (6) That a majority of the members or incorporators
29 elect that the corporation be dissolved.

30 (b) Filing.--The articles of dissolution shall be filed in

1 the Department of State. See section 134 (relating to docketing
2 statement).

3 (c) Effect.--Upon the filing of the articles of dissolution,
4 the existence of the corporation shall cease.

5 § 5972. Proposal of voluntary dissolution.

6 Any nonprofit corporation which has commenced business may
7 elect to dissolve voluntarily, and wind up its affairs in the
8 manner provided in this subchapter. Voluntary dissolution shall
9 be proposed by:

10 (1) the adoption by the board of directors or other body
11 of a resolution recommending that the corporation be
12 dissolved voluntarily;

13 (2) petition of members entitled to cast at least 10% of
14 the votes which all members are entitled to cast thereon,
15 setting forth a resolution recommending that the corporation
16 be dissolved voluntarily, which petition shall be directed to
17 the board of directors or other body and filed with the
18 secretary of the corporation; or

19 (3) such other method as may be provided in the bylaws.

20 The board of directors or other body shall direct that the
21 question of dissolution be submitted to a vote of the members of
22 the corporation entitled to vote thereon at a regular or special
23 meeting of the members.

24 § 5973. Notice of meeting of members.

25 Written notice of the meeting of members called for the
26 purpose of considering the advisability of voluntarily
27 dissolving a nonprofit corporation shall be given to each member
28 of record, whether or not entitled to vote thereon, and the
29 purpose shall be included in the notice of the meeting.

30 § 5974. Adoption of proposal.

1 (a) General rule.--The resolution shall be adopted upon
2 receiving a majority of the votes cast by all members present of
3 the nonprofit corporation entitled to vote thereon and, if any
4 class of members is entitled to vote thereon as a class, a
5 majority of the votes cast in each class vote.

6 (b) Adoption in absence of voting members.--If the
7 corporation has no members entitled to vote on the question of
8 the advisability of voluntarily dissolving the corporation, the
9 resolution shall be deemed adopted by the corporation when it
10 has been adopted by the board of directors or other body
11 pursuant to section 5972 (relating to proposal of voluntary
12 dissolution).

13 (c) Termination of proposal.--Prior to the time when
14 articles of dissolution are filed in the Department of State,
15 the proposal may be terminated pursuant to provisions therefor,
16 if any, set forth in the resolution.

17 (d) Action rescinding election to dissolve.--Prior to the
18 time when articles of dissolution are filed in the department,
19 any nonprofit corporation may rescind its election to dissolve
20 in the same manner and by the same procedure as that provided in
21 this subchapter for the election of a corporation to dissolve
22 voluntarily.

23 § 5975. Winding up in voluntary dissolution proceedings.

24 (a) Powers of board.--The board of directors or other body
25 of a nonprofit corporation shall have full power to wind up and
26 settle the affairs of a nonprofit corporation in the event of a
27 voluntary dissolution proceeding.

28 (b) Notice to creditors and taxing authorities.--After the
29 approval by the members or the board of directors or other body
30 pursuant to section 5974(b) (relating to adoption in absence of

1 voting members) that the corporation dissolve voluntarily, the
2 corporation shall immediately cause notice of the winding up
3 proceedings to be officially published and to be mailed by
4 certified or registered mail to each known creditor and claimant
5 and to each municipal corporation in which its registered office
6 or principal place of business in this Commonwealth is located.

7 (c) Winding up and distribution.--The corporation shall, as
8 speedily as possible, proceed to collect all sums due it,
9 convert into cash all corporate assets the conversion of which
10 into cash is required to discharge its liabilities and, out of
11 the assets of the corporation, discharge or make adequate
12 provision for the discharge of all liabilities of the
13 corporation, according to their respective priorities. Except as
14 otherwise provided in a bylaw adopted by the members or in this
15 article or by any other provision of law, any surplus remaining
16 after paying or providing for all liabilities of the corporation
17 shall be distributed to the shareholders, if any, pro rata, or
18 if there be no shareholders, among the members per capita.

19 § 5976. Judicial supervision of proceedings.

20 (a) General rule.--A nonprofit corporation, at any time
21 during the winding up proceedings, may apply to the court to
22 have the proceedings continued under the supervision of the
23 court and thereafter the proceedings shall continue under the
24 supervision of the court as provided in Subchapter G (relating
25 to involuntary liquidation and dissolution).

26 (b) Distribution of property committed to charitable
27 purposes.--If the assets of the corporation include any trust
28 property, the nonprofit corporation shall apply to the court for
29 an order pursuant to section 5547(c) (relating to nondiversion
30 of certain property) specifying the disposition of the property.

1 (c) Religious assets.--In entering an order providing for
2 the distribution of the assets of a corporation organized for
3 the support of public worship, the court shall, by its order,
4 provide for the disposition of the assets of the corporation
5 either by:

6 (1) vesting title thereto in such other corporation as
7 may, by its articles, be organized for the purpose of holding
8 title to the real estate held for public worship, according
9 to the formularies of the church or religious organization to
10 which the dissolved corporation was in allegiance;

11 (2) authorizing the sale of the assets by a master or
12 trustee appointed for that purpose and the vesting of the
13 proceeds, upon the confirmation of the sale, in such body as
14 may be directed by the court, to be held in trust for
15 carrying out the intent and purpose of public worship; or

16 (3) vesting the title to the assets in any incorporated
17 or unincorporated body designated by the petitioners for the
18 same uses and trusts as the assets were theretofore held by
19 the dissolved corporation.

20 § 5977. Articles of dissolution.

21 (a) Preparation of articles.--When all liabilities of the
22 nonprofit corporation have been discharged, or adequate
23 provision has been made therefor, and all of the remaining
24 assets of the corporation have been distributed as provided in
25 this subchapter, or in case its assets are not sufficient to
26 discharge its liabilities, when all the assets have been fairly
27 and equitably applied, as far as they will go, to the payment of
28 such liabilities, articles of dissolution shall be executed by
29 the corporation and shall set 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) The statute under which the corporation was
6 incorporated and the date of incorporation.

7 (3) The names and respective addresses, including street
8 and number, if any, of its directors and officers.

9 (4) The manner in which the proposal to dissolve
10 voluntarily was adopted by the corporation.

11 (5) A statement:

12 (i) that all liabilities of the corporation have
13 been discharged or that adequate provision has been made
14 therefor; or

15 (ii) that the assets of the corporation are not
16 sufficient to discharge its liabilities, and that all the
17 assets of the corporation have been fairly and equitably
18 applied, as far as they will go, to the payment of such
19 liabilities.

20 (6) A statement that all the remaining assets of the
21 corporation, if any, have been distributed as provided in the
22 Nonprofit Corporation Law of 1985.

23 (7) A statement that there are no actions pending
24 against the corporation in any court, or that adequate
25 provision has been made for the satisfaction of any judgment
26 or decree which may be obtained against the corporation in
27 each pending action.

28 (8) A statement that notice of the winding-up
29 proceedings of the corporation was mailed by certified or
30 registered mail to each known creditor and claimant and to

1 each municipal corporation in which the registered office or
2 principal place of business of the corporation in this
3 Commonwealth is located.

4 (b) Filing.--The articles of dissolution and the
5 certificates or statement required by section 139 (relating to
6 tax clearance of certain fundamental transactions) shall be
7 filed in the Department of State. See section 134 (relating to
8 docketing statement).

9 (c) Effect.--Upon the filing of the articles of dissolution
10 in the department, the existence of the corporation shall cease.
11 § 5978. Winding up of corporation upon the expiration of its
12 period of duration.

13 Every nonprofit corporation which is dissolved by expiration
14 of its period of duration shall, nevertheless, continue to exist
15 for the purpose of winding up its affairs, prosecuting and
16 defending actions by or against it, collecting and discharging
17 obligations, disposing of and conveying its property and
18 collecting and dividing its assets, but not for the purpose of
19 continuing business except insofar as necessary for the winding
20 up of the corporation. The board of directors or other body of
21 the corporation shall continue as such and shall have full power
22 to wind up the affairs of the corporation.

23 § 5979. Survival of remedies and rights after dissolution.

24 (a) General rule.--The dissolution of a nonprofit
25 corporation, either under this subchapter or under Subchapter G
26 (relating to involuntary liquidation and dissolution) or by
27 expiration of its period of duration, shall not take away or
28 impair any remedy available to or against the corporation or its
29 directors, members of an other body, officers or members for any
30 right or claim existing, or liability incurred, prior to the

1 dissolution, if an action thereon is brought on behalf of:

2 (1) the corporation within the time otherwise limited by
3 law; or

4 (2) any other person before or within two years after
5 the date of the dissolution or within the time otherwise
6 limited by law, whichever is less.

7 The actions may be prosecuted against and defended by the
8 corporation in its corporate name.

9 (b) Rights and assets.--The dissolution of a nonprofit
10 corporation shall not affect the limited liability of a member
11 of the corporation theretofore existing with respect to
12 transactions occurring or acts or omissions done or omitted in
13 the name of or by the corporation except that each member shall
14 be liable for his pro rata portion of the unpaid liabilities of
15 the corporation up to the amount of the net assets of the
16 corporation distributed to the member in connection with the
17 dissolution. Should any property right of a corporation be
18 discovered after the dissolution of the corporation, the
19 surviving member or members of the board of directors or other
20 body which wound up the affairs of the corporation, or a
21 receiver appointed by the court, shall have authority to enforce
22 such property right and to collect and divide the assets so
23 discovered among the persons entitled thereto and to prosecute
24 actions in the corporate name of the corporation. Any assets so
25 collected shall be distributed and disposed of in accordance
26 with the applicable order of court, if any, and otherwise in
27 accordance with this subchapter.

28 § 5980. Dissolution by domestication.

29 Whenever a domestic nonprofit corporation has domesticated
30 itself under the laws of another jurisdiction by action similar

1 to that provided by section 6161 (relating to domestication) and
2 has authorized that action by the vote required by this
3 subchapter for the approval of a proposal that the corporation
4 dissolve voluntarily, the corporation may surrender its charter
5 under the laws of this Commonwealth by filing in the Department
6 of State articles of dissolution under this subchapter
7 containing the statements specified by section 5977(a)(1)
8 through (4) (relating to preparation of articles).

9 SUBCHAPTER G

10 INVOLUNTARY LIQUIDATION AND DISSOLUTION

11 Sec.

12 5981. Proceedings upon application of member, etc.

13 5982. Proceedings upon application of creditor.

14 5983. Proceedings upon application of superior religious
15 organization.

16 5984. Appointment of receiver pendente lite and other interim
17 powers.

18 5985. Liquidating receiver.

19 5986. Qualifications of receivers.

20 5987. Proof of claims.

21 5988. Discontinuance of proceedings; reorganization.

22 5989. Involuntary articles of dissolution.

23 § 5981. Proceedings upon application of member, etc.

24 Upon application of a member or director or member of an
25 other body of a nonprofit corporation, the court may entertain
26 proceedings for the involuntary winding up and dissolution of
27 the corporation when any of the following are made to appear
28 that:

29 (1) The objects of the corporation have wholly failed or
30 are entirely abandoned or that their accomplishment is

1 impracticable.

2 (2) The acts of the directors, or those in control of
3 the corporation, are illegal, oppressive or fraudulent and
4 that it is beneficial to the interests of the members that
5 the corporation be wound up and dissolved.

6 (3) The corporate assets are being misapplied or wasted
7 and that it is beneficial to the interests of the members
8 that the corporation be wound up and dissolved.

9 (4) The directors or other body are deadlocked in the
10 direction of the management of the business and affairs of
11 the corporation and the members are unable to break the
12 deadlock and that irreparable injury to the corporation is
13 being suffered or is threatened by reason thereof. The court
14 shall not appoint a receiver or grant other similar relief
15 under this paragraph if the members by agreement or otherwise
16 have provided for the appointment of a provisional director
17 or member of an other body or other means for the resolution
18 of a deadlock but the court shall enforce the remedy so
19 provided if appropriate.

20 § 5982. Proceedings upon application of creditor.

21 The court may, upon application of a creditor of a nonprofit
22 corporation whose claim has either been reduced to judgment and
23 an execution thereon returned unsatisfied or whose claim is
24 admitted by the corporation, entertain proceedings for the
25 involuntary winding up and dissolution of the corporation when,
26 in either case, it is made to appear that the corporation is
27 unable to discharge its liabilities in the regular course of
28 business, as they mature, or is unable to afford reasonable
29 security to those who may deal with it.

30 § 5983. Proceedings upon application of superior religious

1 organization.

2 The court may, in the case of any nonprofit corporation
3 organized for the support of public worship, upon application of
4 the diocesan convention, presbytery, synod, conference, council
5 or other supervising or controlling organization of which the
6 corporation is a member or with which it is in allegiance and to
7 which it is subordinate, entertain proceedings for the
8 involuntary winding up and dissolution of the corporation when
9 it is made to appear that by reason of shifting population,
10 withdrawal of membership or any other cause whatsoever the
11 corporation has ceased to support public worship within the
12 intent and meaning of its articles and the dissolution of the
13 corporation may be effected without prejudice to the public
14 welfare and the interests of the members of the corporation.

15 § 5984. Appointment of receiver pendente lite and other interim
16 powers.

17 Upon the filing of an application under this subchapter, the
18 court shall have all the powers of a court of equity to issue
19 injunctions, to appoint a receiver pendente lite with such
20 powers and duties as the court from time to time may direct and
21 to take such other proceedings as may be requisite to preserve
22 the corporate assets wherever situated and to carry on the
23 business of the corporation until a full hearing can be had.

24 § 5985. Liquidating receiver.

25 Upon a hearing, after such notice as the court may direct to
26 be given to all parties to the proceeding and to any other
27 parties in interest designated by the court, the court may
28 appoint a liquidating receiver with authority to collect the
29 assets of the corporation. The liquidating receiver shall have
30 authority, subject to the order of the court, to dispose of all

1 or any part of the assets of the corporation wherever situated,
2 either at public or private sale. The assets of the corporation,
3 or the proceeds resulting from a disposition thereof, shall be
4 applied to the expenses of the liquidation and to the payment of
5 the liabilities of the corporation and any remaining assets or
6 proceeds shall be distributed by the court in the manner
7 provided by Subchapter F (relating to voluntary dissolution and
8 winding up). The order appointing the liquidating receiver shall
9 state his powers and duties. The powers and duties may be
10 increased or diminished at any time during the proceedings. A
11 receiver of a corporation appointed under this section shall
12 have authority to sue and defend in all courts in his own name
13 as receiver of the corporation. The court appointing the
14 receiver shall have exclusive jurisdiction of the corporation
15 and its property wherever situated.

16 § 5986. Qualifications of receivers.

17 A receiver shall in all cases be a natural person of full age
18 or a corporation authorized to act as receiver, which
19 corporation, if so authorized, may be a domestic corporation for
20 profit or not-for-profit or a foreign corporation for profit or
21 not-for-profit authorized to do business in this Commonwealth,
22 and shall give such bond, if any, as the court may direct, with
23 such sureties, if any, as the court may require.

24 § 5987. Proof of claims.

25 (a) General rule.--In a proceeding under this subchapter,
26 the court may require all creditors of the nonprofit corporation
27 to file with the office of the clerk of the court of common
28 pleas or with the receiver, in such form as the court may
29 prescribe, verified proofs of their respective claims. If the
30 court requires the filing of claims, it shall fix a date, which

1 shall not be less than four months from the date of the order,
2 as the last day for filing of claims and shall prescribe the
3 notice that shall be given to creditors and claimants of the
4 date so fixed. Prior to or after the date so fixed, the court
5 may extend the time for the filing of claims. Creditors and
6 claimants failing to file proofs of claim on or before the date
7 so fixed may be barred, by order of court, from participating in
8 the distribution of the assets of the corporation.

9 (b) Cross reference.--See section 5979 (relating to survival
10 of remedies and rights after dissolution).

11 § 5988. Discontinuance of proceedings; reorganization.

12 The proceedings under this subchapter may be discontinued at
13 any time when it is established that cause for liquidation no
14 longer exists. In that event, the court shall dismiss the
15 proceedings and direct the receiver to redeliver to the
16 nonprofit corporation all its remaining property and assets.

17 § 5989. Involuntary articles of dissolution.

18 (a) General rule.--The court, in a proceeding under this
19 subchapter, shall enter an order dissolving the nonprofit
20 corporation when the order, if any, obtained pursuant to section
21 5547(c) (relating to nondiversion of certain property) has been
22 entered and when the costs and expenses of the proceeding and
23 all liabilities of the corporation have been discharged, and all
24 of its remaining assets have been distributed to the persons
25 entitled thereto or, in case its assets are not sufficient to
26 discharge such costs, expenses and liabilities, when all the
27 assets have been applied, as far as they will go, to the payment
28 of such costs, expenses and liabilities.

29 (b) Filing.--After the court has entered an order of
30 dissolution, it shall be the duty of the office of the clerk of

1 the court of common pleas to prepare and execute articles of
2 dissolution substantially in the form provided by section 5977
3 (relating to articles of dissolution), to attach thereto a
4 certified copy of the order and to transmit the articles and
5 attached order to the Department of State. No certificate or
6 statement provided for by section 139 (relating to tax clearance
7 of certain fundamental transactions) shall be required and no
8 fee shall be charged by the department in connection with the
9 filing of articles of dissolution under this section. See
10 section 134 (relating to docketing statement).

11 (c) Effect.--Upon the filing of the articles of dissolution
12 in the department, the existence of the corporation shall cease.

13 ARTICLE C

14 FOREIGN NONPROFIT CORPORATIONS

15 Chapter

16 61. Foreign Nonprofit Corporations

17 CHAPTER 61

18 FOREIGN NONPROFIT CORPORATIONS

19 Subchapter

20 A. Preliminary Provisions

21 B. Qualification

22 C. Powers, Duties and Liabilities

23 D. Domestication

24 SUBCHAPTER A

25 PRELIMINARY PROVISIONS

26 Sec.

27 6101. Application of article.

28 6102. Foreign domiciliary corporations.

29 6103. Acquisition of foreign domiciliary corporation status.

30 6104. Termination of foreign domiciliary corporation status.

1 § 6101. Application of article.

2 (a) General rule.--Except as otherwise provided in this
3 section or in subsequent provisions of this article, this
4 article shall apply to and the words "corporation" or "foreign
5 nonprofit corporation" in this article shall include every
6 foreign corporation not-for-profit, including a corporation
7 that, if a domestic corporation not-for-profit, would be a
8 fraternal benefit society.

9 (b) Governmental entities.--This article shall also apply to
10 a government or other sovereign (other than the Commonwealth)
11 and any governmental corporation, agency or other entity
12 thereof.

13 (c) Qualified fraternal benefit society exclusion.--This
14 article shall not apply to a foreign fraternal benefit society.

15 § 6102. Foreign domiciliary corporations.

16 A foreign nonprofit corporation is a foreign domiciliary
17 corporation if it is a corporation:

18 (1) which derived more than one-half of its revenues for
19 the preceding three fiscal years, or such portion thereof as
20 the corporation was in existence, from sources in this
21 Commonwealth and was at any time during that period doing
22 business in this Commonwealth on the basis of the most
23 minimal contacts with this Commonwealth permitted under the
24 Constitution of the United States; or

25 (2) at least a majority of the bona fide members of
26 which are residents of this Commonwealth.

27 § 6103. Acquisition of foreign domiciliary corporation status.

28 (a) General rule.--A foreign nonprofit corporation shall
29 become a foreign domiciliary corporation under section 6102
30 (relating to foreign domiciliary corporations) on the first day

1 of the month following the month in which the corporation first
2 has knowledge that either test has been met or upon entry of an
3 order by any court of competent jurisdiction declaring that
4 either test has been met.

5 (b) Newly incorporated corporations.--Where the test or
6 tests under section 6102 are met at the time of the admission of
7 the first members of the corporation and continuously
8 thereafter, foreign domiciliary corporation status when
9 established shall be retroactive to the incorporation of the
10 corporation.

11 § 6104. Termination of foreign domiciliary corporation status.

12 A foreign domiciliary corporation shall cease to have that
13 status on the first day of the month following the month in
14 which the corporation first has knowledge that it no longer
15 meets either test under section 6102 (relating to foreign
16 domiciliary corporations) or upon entry of an order of any court
17 of competent jurisdiction declaring that the corporation no
18 longer meets either test.

19 SUBCHAPTER B

20 QUALIFICATION

21 Sec.

22 6121. Admission of foreign corporations.

23 6122. Excluded activities.

24 6123. Requirements for foreign corporation names.

25 6124. Application for a certificate of authority.

26 6125. Issuance of certificate of authority.

27 6126. Amended certificate of authority.

28 6127. Merger, consolidation or division of qualified foreign
29 corporations.

30 6128. Revocation of certificate of authority.

1 6129. Application for termination of authority.

2 6130. Change of address after withdrawal.

3 6131. Registration of name.

4 § 6121. Admission of foreign corporations.

5 (a) General rule.--A foreign nonprofit corporation, before
6 doing business in this Commonwealth, shall procure a certificate
7 of authority to do so from the Department of State, in the
8 manner provided in this subchapter. A foreign nonprofit
9 corporation shall not be denied a certificate of authority by
10 reason of the fact that the laws of the jurisdiction governing
11 its incorporation and internal affairs differ from the laws of
12 this Commonwealth.

13 (b) Qualification under former statutes.--If a foreign
14 corporation not-for-profit was on March 19, 1966 admitted to do
15 business in this Commonwealth by the filing of a power of
16 attorney and statement under the act of June 8, 1911 (P.L.710,
17 No.283), the power of attorney and statement shall be deemed an
18 approved application for a certificate of authority issued under
19 this subchapter and the corporation shall be deemed a holder of
20 the certificate. The corporation shall include in its initial
21 application, if any, for an amended certificate of authority
22 under this subchapter the information required by this
23 subchapter to be set forth in an application for a certificate
24 of authority. A certificate of authority issued under the former
25 provisions of the act of May 5, 1933 (P.L.289, No.105), known as
26 the Nonprofit Corporation Law of 1933, or former 15 Pa.C.S. Pt.
27 III, Art. B, known as the Nonprofit Corporation Law of 1972, as
28 added by the act of November 15, 1972 (P.L.1063, No.271), shall
29 be deemed to be issued under this subchapter and the certificate
30 of authority shall be deemed not to contain any reference to the

1 kind of business which the corporation proposes to do in this
2 Commonwealth.

3 § 6122. Excluded activities.

4 (a) General rule.--Without excluding other activities which
5 may not constitute doing business in this Commonwealth, a
6 foreign nonprofit corporation shall not be considered to be
7 doing business in this Commonwealth for the purposes of this
8 subchapter by reason of carrying on in this Commonwealth any one
9 or more of the following acts:

10 (1) Maintaining or defending any action or
11 administrative or arbitration proceeding or effecting the
12 settlement thereof or the settlement of claims or disputes.

13 (2) Holding meetings of its directors, other body or
14 members.

15 (3) Maintaining bank accounts.

16 (4) Maintaining offices or agencies for the transfer,
17 exchange and registration of its memberships or securities or
18 appointing and maintaining trustees or depositaries with
19 relation to its memberships or securities.

20 (5) Granting funds.

21 (6) Distributing information to its members.

22 (7) Creating as borrower or lender, acquiring or
23 incurring, obligations or mortgages or other security
24 interests in real or personal property.

25 (8) Securing or collecting debts or enforcing any rights
26 in property securing them.

27 (9) Transacting any business in interstate or foreign
28 commerce.

29 (10) Conducting an isolated transaction completed within
30 a period of 30 days and not in the course of a number of

1 repeated transactions of like nature.

2 (11) Inspecting, appraising and acquiring real estate
3 and mortgages and other liens thereon and personal property
4 and security interests therein, and holding, leasing,
5 conveying and transferring them, as fiduciary or otherwise.

6 (b) Exceptions.--The specification of activities in
7 subsection (a) does not establish a standard for activities
8 which may subject a foreign nonprofit corporation to:

9 (1) Service of process under any statute or general
10 rule.

11 (2) Taxation by the Commonwealth or any political
12 subdivision thereof.

13 (3) The provisions of section 6102 (relating to
14 domiciliary foreign corporations).

15 § 6123. Requirements for foreign corporation names.

16 (a) General rule.--The Department of State shall not issue a
17 certificate of authority to any foreign nonprofit corporation
18 which, except as provided in subsection (b), has a name which is
19 rendered unavailable for use by a domestic nonprofit corporation
20 by any provision of section 5303(a), (b) or (c) (relating to
21 corporate name).

22 (b) Exception; name.--The provisions of section 5303(b)
23 (relating to duplicate use of names) shall not prevent the
24 issuance of a certificate of authority to a foreign nonprofit
25 corporation setting forth a name which is confusingly similar to
26 the name of any other domestic or foreign corporation for profit
27 or corporation not-for-profit, or of any domestic or foreign
28 limited partnership which has filed a certificate or qualified
29 under Chapter 85 (relating to limited partnerships) or
30 corresponding provisions of prior law, or of any corporation or

1 other association then registered under 54 Pa.C.S. Ch. 5
2 (relating to corporate and other association names) or to any
3 name reserved or registered as provided in this part, if the
4 foreign nonprofit corporation applying for a certificate of
5 authority files in the department one of the following:

6 (1) A resolution of its board of directors or other body
7 adopting a fictitious name for use in transacting business in
8 this Commonwealth which fictitious name is not confusingly
9 similar to the name of the other corporation or other
10 association or to any name reserved or registered as provided
11 in this part.

12 (2) The written consent of the other corporation or
13 other association or holder of a reserved or registered name
14 to use the same or confusingly similar name and one or more
15 words are added to make the name applied for distinguishable
16 from the other name.

17 § 6124. Application for a certificate of authority.

18 (a) General rule.--An application for a certificate of
19 authority shall be executed by the foreign nonprofit corporation
20 and shall set forth:

21 (1) The name of the corporation.

22 (2) The name of the jurisdiction under the laws of which
23 it is incorporated.

24 (3) The address, including street and number, if any, of
25 its principal office under the laws of the jurisdiction in
26 which it is incorporated.

27 (4) Subject to section 109 (relating to name of
28 commercial registered office provider in lieu of registered
29 address), the address, including street and number, if any,
30 of its proposed registered office in this Commonwealth.

1 (5) A statement that it is a corporation incorporated
2 for a purpose or purposes not involving pecuniary profit,
3 incidental or otherwise.

4 (b) Advertisement.--A foreign nonprofit corporation shall
5 officially publish notice of its intention to apply or its
6 application for a certificate of authority. The notice may
7 appear prior to or after the day on which application is made to
8 the Department of State and shall set forth briefly:

9 (1) A statement that the corporation will apply or has
10 applied for a certificate of authority under the provisions
11 of the Nonprofit Corporation Law of 1985.

12 (2) The name of the corporation and of the jurisdiction
13 under the laws of which it is incorporated.

14 (3) The address, including street and number, if any, of
15 its principal office under the laws of the jurisdiction in
16 which it is incorporated.

17 (4) Subject to section 109, the address, including
18 street and number, if any, of its proposed registered office
19 in this Commonwealth.

20 (c) Filing.--The application for a certificate of authority
21 shall be filed in the Department of State.

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

24 § 6125. Issuance of certificate of authority.

25 Upon the filing of the application for a certificate of
26 authority, the Department of State shall issue to the foreign
27 nonprofit corporation a certificate of authority to do business
28 in this Commonwealth. The certificate of authority shall be
29 annexed to or endorsed upon the application for a certificate of
30 authority and shall state that, subject to the Constitution and

1 laws of this Commonwealth, the corporation named in the
2 application is authorized to do business in this Commonwealth.
3 § 6126. Amended certificate of authority.

4 (a) General rule.--After receiving a certificate of
5 authority, a qualified foreign nonprofit corporation may,
6 subject to the provisions of this subchapter, change the name
7 under which it is authorized to transact business in this
8 Commonwealth by filing in the Department of State an application
9 for an amended certificate of authority. The application shall
10 be executed by the corporation and shall state:

11 (1) The name under which the applicant corporation
12 currently holds a certificate of authority to do business in
13 this Commonwealth.

14 (2) The name of the jurisdiction under the laws of which
15 the corporation is incorporated.

16 (3) The address, including street and number, if any, of
17 its principal office under the laws of the jurisdiction in
18 which it is incorporated.

19 (4) Subject to section 109 (relating to name of
20 commercial registered office provider in lieu of registered
21 address), the address, including street and number, if any,
22 of its registered office in this Commonwealth which may
23 constitute a change in the address of its registered office.

24 (5) The new name of the corporation and a statement that
25 either:

26 (i) the change of name reflects a change effected in
27 the jurisdiction of incorporation; or

28 (ii) documents complying with section 6123(b)
29 (relating to exception; name) accompany the application.

30 (b) Issuance of amended certificate of authority.--Upon the

1 filing of the application, the department shall issue to the
2 applicant corporation an amended certificate of authority. The
3 amended certificate of authority shall be annexed to or endorsed
4 upon the application for an amended certificate of authority and
5 shall state that the certificate of authority of the corporation
6 named in the application is amended to reflect the change of
7 name specified in the application.

8 (c) Cross reference.--See section 134 (relating to docketing
9 statement).

10 § 6127. Merger, consolidation or division of qualified foreign
11 corporations.

12 (a) General rule.--Whenever a qualified foreign nonprofit
13 corporation is a nonsurviving party to a statutory merger,
14 consolidation or division permitted by the laws of the
15 jurisdiction under which it is incorporated, the corporation
16 surviving the merger, or the new corporation resulting from the
17 consolidation or division, as the case may be, shall file in the
18 Department of State a statement of merger, consolidation or
19 division, which shall be executed by the surviving or new
20 corporation and shall set forth:

21 (1) The name of each nonsurviving qualified foreign
22 nonprofit corporation.

23 (2) The name of the jurisdictions under the laws of
24 which each nonsurviving qualified foreign nonprofit
25 corporation was incorporated.

26 (3) The date on which each nonsurviving qualified
27 foreign nonprofit corporation received a certificate of
28 authority to do business in this Commonwealth.

29 (4) A statement that the corporate existence of each
30 nonsurviving qualified foreign nonprofit corporation has been

1 terminated by merger, consolidation or division, as the case
2 may be.

3 (5) In the case of a consolidation or division or if the
4 surviving corporation was a nonqualified foreign nonprofit
5 corporation prior to the merger, the statements on the part
6 of the surviving or new corporation required by section
7 6124(a) (relating to application for a certificate of
8 authority).

9 (b) Effect of filing.--The filing of the statement shall
10 operate, as of the effective date of the merger, consolidation
11 or division, to cancel the certificate of authority of each
12 nonsurviving constituent corporation which was a qualified
13 foreign nonprofit corporation and to qualify the surviving or
14 new corporation under this subchapter. If the surviving or new
15 corporation does not desire to continue as a qualified foreign
16 nonprofit corporation, it may thereafter withdraw in the manner
17 provided by section 6129 (relating to application for
18 termination of authority).

19 (c) Surviving qualified foreign corporations.--It shall not
20 be necessary for a surviving corporation which was a qualified
21 foreign nonprofit corporation to effect any filing under this
22 subchapter with respect to a merger or division or to procure an
23 amended certificate of authority to do business in this
24 Commonwealth unless the name of the corporation is changed by
25 the merger or division.

26 (d) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 6128. Revocation of certificate of authority.

29 (a) General rule.--Whenever the Department of State finds
30 that a qualified foreign nonprofit corporation has failed to

1 secure an amended certificate of authority as required by this
2 subchapter after changing its name, or has failed or refused to
3 appear by its proper representatives, or otherwise to comply
4 with any subpoena issued by any court having jurisdiction of the
5 subject matter, or to produce books, papers, records or
6 documents as required by a subpoena, or is violating any of the
7 laws of this Commonwealth, or that its articles have been
8 revoked or voided by its jurisdiction of incorporation, the
9 department shall give notice and opportunity for hearing by
10 registered or certified mail to the corporation that the default
11 exists and that its certificate of authority, including any
12 amendments thereof, will be revoked unless the default is cured
13 within 30 days after the mailing of the notice. If the default
14 is not cured within the period of 30 days, the department shall
15 revoke the certificate of authority, including any amendments
16 thereof, of the foreign nonprofit corporation. Upon revoking the
17 certificate of authority, the department shall mail to the
18 corporation, at its registered office in this Commonwealth, a
19 certificate of revocation.

20 (b) Effect of revocation.--Upon the issuance of the
21 certificate of revocation, the authority of the corporation to
22 do business in this Commonwealth shall cease and the corporation
23 shall not thereafter do any business in this Commonwealth unless
24 it applies for and receives a new certificate of authority.

25 § 6129. Application for termination of authority.

26 (a) General rule.--Any qualified foreign nonprofit
27 corporation may withdraw from doing business in this
28 Commonwealth and surrender its certificate of authority by
29 filing in the Department of State an application for termination
30 of authority, executed by the corporation, which shall set

1 forth:

2 (1) The name of the corporation and, subject to section
3 109 (relating to name of commercial registered office
4 provider in lieu of registered address), the address,
5 including street and number, if any, of its last registered
6 office in this Commonwealth.

7 (2) The name of the jurisdiction under the laws of which
8 it is incorporated.

9 (3) The date on which it received a certificate of
10 authority to do business in this Commonwealth.

11 (4) A statement that it surrenders its certificate of
12 authority to do business in this Commonwealth.

13 (5) A statement that notice of its intention to withdraw
14 from doing business in this Commonwealth was mailed by
15 certified or registered mail to each municipal corporation in
16 which the registered office or principal place of business of
17 the corporation in this Commonwealth is located.

18 (6) The post office address, including street and
19 number, if any, to which process may be sent in an action
20 upon any liability incurred before the filing of the
21 application for termination of authority.

22 (b) Advertisement.--A qualified foreign nonprofit
23 corporation shall, before filing an application for termination
24 of authority, officially publish and mail a notice of its
25 intention to withdraw from doing business in this Commonwealth
26 in a manner similar to that required by section 5975(b)
27 (relating to notice to creditors and taxing authorities). The
28 notice shall set forth briefly:

29 (1) The name of the corporation and the jurisdiction
30 under the laws of which it is incorporated.

1 (2) The address, including street and number, if any, of
2 its principal office under the laws of its jurisdiction of
3 incorporation.

4 (3) Subject to section 109, the address, including
5 street and number, if any, of its last registered office in
6 this Commonwealth.

7 (c) Filing.--The application for termination of authority
8 and the certificates or statement required by section 139
9 (relating to tax clearance of certain fundamental transactions)
10 shall be filed in the department. See section 134 (relating to
11 docketing statement).

12 (d) Effect of filing.--Upon the filing of the application
13 for termination of authority, the authority of the corporation
14 to do business in this Commonwealth shall cease. The termination
15 of authority shall not affect any action pending at the time
16 thereof or affect any right of action arising with respect to
17 the corporation before the filing of the application for
18 termination of authority. Process against the corporation in an
19 action upon any liability incurred before the filing of the
20 application for termination of authority may be served as
21 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
22 and interstate and international procedure) or as otherwise
23 provided or prescribed by law.

24 § 6130. Change of address after withdrawal.

25 (a) General rule.--Any foreign nonprofit corporation which
26 has withdrawn from doing business in this Commonwealth, or its
27 successor in interest, may, from time to time, change the
28 address to which process may be sent in an action upon any
29 liability incurred before the filing of an application for
30 termination of authority by filing in the Department of State of

a statement of change of address by withdrawn corporation
executed by the corporation, setting forth:

(1) The name of the withdrawn corporation and, if the
statement is filed by a successor in interest, the name and
capacity of the successor.

(2) The name of the jurisdiction under the laws of which
the corporation filing the statement is incorporated.

(3) The former post office address, including street and
number, if any, of the withdrawn corporation as of record in
the department.

(4) The new post office address, including street and
number, if any, of the withdrawn corporation or its
successor.

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

§ 6131. Registration of name.

(a) General rule.--A nonqualified foreign nonprofit
corporation may register its name under 54 Pa.C.S. Ch. 5
(relating to corporate and other association names), if the name
is available for use by a qualified foreign nonprofit
corporation under section 6123 (relating to requirements for
foreign corporation names), by filing in the Department of State
an application for registration of name, executed by the
corporation, which shall set forth:

(1) The name of the corporation.

(2) The address, including street and number, if any, of
the corporation.

(b) Annual renewal.--A corporation which has in effect a
registration of its corporate name may renew the registration
from year to year by annually filing an application for renewal

1 setting forth the facts required to be set forth in an original
2 application for registration. A renewal application may be filed
3 between October 1 and December 31 in each year and shall extend
4 the registration for the following calendar year.

5 (c) Cross reference.--See section 134 (relating to docketing
6 statement).

7 SUBCHAPTER C

8 POWERS, DUTIES AND LIABILITIES

9 Sec.

10 6141. Penalty for doing business without certificate of
11 authority.

12 6142. General powers and duties of qualified foreign
13 corporations.

14 6143. General powers and duties of nonqualified foreign
15 corporations.

16 6144. Registered office of qualified foreign corporations.

17 6145. Applicability of certain safeguards to foreign
18 domiciliary corporations.

19 6146. Provisions applicable to all foreign corporations.

20 § 6141. Penalty for doing business without certificate of
21 authority.

22 (a) Right to bring actions suspended.--A nonqualified
23 foreign nonprofit corporation doing business in this
24 Commonwealth within the meaning of Subchapter B (relating to
25 qualification) shall not be permitted to maintain any action in
26 any court of this Commonwealth until the corporation has
27 obtained a certificate of authority. Nor, except as provided in
28 subsection (b), shall any action be maintained in any court of
29 this Commonwealth by any successor or assignee of the
30 corporation on any right, claim or demand arising out of the

1 doing of business by the corporation in this Commonwealth until
2 a certificate of authority has been obtained by the corporation
3 or by a corporation which has acquired all or substantially all
4 of its assets.

5 (b) Contracts and property unaffected.--The failure of a
6 foreign nonprofit corporation to obtain a certificate of
7 authority to transact business in this Commonwealth shall not
8 impair the validity of any contract or act of the corporation,
9 shall not prevent the corporation from defending any action in
10 any court of this Commonwealth and shall not render escheatable
11 any of its real or personal property.

12 § 6142. General powers and duties of qualified foreign
13 corporations.

14 (a) General rule.--A qualified foreign nonprofit
15 corporation, so long as its certificate of authority is not
16 revoked, shall enjoy the same rights and privileges as a
17 domestic nonprofit corporation, but no more, and, except as in
18 this subpart otherwise provided, shall be subject to the same
19 liabilities, restrictions, duties and penalties now in force or
20 hereafter imposed upon domestic nonprofit corporations, to the
21 same extent as if it had been incorporated under this subpart.

22 (b) Agricultural lands.--Interests in agricultural land
23 shall be subject to the restrictions of, and escheatable as
24 provided by, the act of April 6, 1980 (P.L.102, No.39), referred
25 to as the Agricultural Land Acquisition by Aliens Law.

26 § 6143. General powers and duties of nonqualified foreign
27 corporations.

28 (a) Acquisition of real and personal property.--Every
29 nonqualified foreign nonprofit corporation may acquire, hold,
30 mortgage, lease and transfer real and personal property in this

1 Commonwealth in the same manner and subject to the same
2 limitations as a qualified foreign nonprofit corporation.

3 (b) Duties.--Except as provided in section 6141(a) (relating
4 to right to bring actions suspended), a nonqualified foreign
5 nonprofit corporation doing business in this Commonwealth within
6 the meaning of Subchapter B (relating to qualification) shall be
7 subject to the same liabilities, restrictions, duties and
8 penalties now or hereafter imposed upon a qualified foreign
9 nonprofit corporation.

10 § 6144. Registered office of qualified foreign corporations.

11 (a) General rule.--Subject to the provisions of section
12 5507(c) (relating to alternative procedure), every qualified
13 foreign nonprofit corporation shall have, and continuously
14 maintain, in this Commonwealth a registered office, which may
15 but need not be the same as its place of business in this
16 Commonwealth.

17 (b) Change.--A qualified foreign nonprofit corporation may,
18 from time to time, change the address of its registered office
19 in the manner provided by section 5507(b) (relating to statement
20 of change of registered office).

21 § 6145. Applicability of certain safeguards to foreign
22 domiciliary corporations.

23 (a) General rule.--The General Assembly hereby finds and
24 determines that foreign domiciliary corporations substantially
25 affect this Commonwealth. No court of this Commonwealth shall
26 hereafter dismiss or stay any action or proceeding by a member
27 or representative of a foreign domiciliary corporation, as such,
28 against the corporation or any one or more of the members or
29 representatives thereof, as such, on the ground that the
30 corporation is a foreign corporation not-for-profit or that the

1 cause of action relates to the internal affairs thereof, but
2 every such action shall proceed with like effect as if the
3 corporation were a domestic corporation. Except as provided in
4 subsection (b), the court having jurisdiction of the action or
5 proceeding shall apply the law of the jurisdiction under which
6 the foreign domiciliary corporation was incorporated.

7 (b) Minimum safeguards.--The following provisions of this
8 subpart shall be applicable to foreign domiciliary corporations
9 to the same extent as if they were domestic nonprofit
10 corporations, except that nothing in this subsection shall
11 require the filing of any document in the Department of State as
12 a prerequisite to the validity of any corporate action or the
13 doing of any corporate action by the foreign domiciliary
14 corporation which is impossible under the laws of the
15 jurisdiction in which it is incorporated:

16 Section 5504 (relating to adoption, amendment and
17 contents of bylaws).

18 Section 5508 (relating to corporate records; inspection).

19 Section 5554 (relating to annual report of directors or
20 other body).

21 Section 5743 (relating to mandatory indemnification).

22 Section 5755 (relating to time of holding meetings of
23 members).

24 Section 5758(e) (relating to voting lists).

25 Section 5759(b) (relating to minimum requirements).

26 Section 5762 (relating to judges of election).

27 Section 5764 (relating to appointment of custodian of
28 corporation on deadlock or other cause).

29 Section 5766(b) (relating to expulsion).

30 Subchapter F of Chapter 57 (relating to judicial

1 supervision of corporate action).

2 Chapter 59 (relating to fundamental changes).

3 (c) Required changes in organic law.--For the purposes of
4 subsection (b), corporate action shall not be deemed to be
5 impossible under the laws of the jurisdiction in which a foreign
6 domiciliary corporation is incorporated merely because
7 prohibited or restricted by the terms of the articles,
8 certificate of incorporation, bylaws or other organic law of the
9 corporation but the court may require the corporation to amend
10 the organic law so as to be consistent with the minimum
11 safeguards prescribed by subsection (b).

12 (d) Section exclusive.--No provisions of this subpart, other
13 than the provisions of this section and section 6146 (relating
14 to provisions applicable to all foreign corporations), shall be
15 construed to regulate the incorporation or internal affairs of a
16 foreign corporation not-for-profit.

17 § 6146. Provisions applicable to all foreign corporations.

18 The following provisions of this subpart shall, except as
19 otherwise provided in this section, be applicable to every
20 foreign corporation not-for-profit, whether or not required to
21 procure a certificate of authority under this chapter:

22 Section 5503 (relating to defense of ultra vires), as to
23 contracts and conveyances made in this Commonwealth and
24 conveyances affecting real property situated in this
25 Commonwealth.

26 Section 5506 (relating to form of execution of
27 instruments), as to instruments or other documents made or to
28 be performed in this Commonwealth or affecting real property
29 situated in this Commonwealth.

30 Section 5510 (relating to usury not a defense), as to

obligations (as defined in the section) executed or effected in this Commonwealth or affecting real property situated in this Commonwealth.

Subchapter E of Chapter 57 (relating to derivative actions), except that section 5781 (relating to institution of derivative actions by members) shall apply to a corporation which is not a foreign domiciliary corporation only if so provided by the law of its jurisdiction of incorporation.

SUBCHAPTER D

DOMESTICATION

Sec.

6161. Domestication.

6162. Effect of domestication.

§ 6161. Domestication.

(a) General rule.--Any qualified foreign nonprofit corporation may become a domestic nonprofit corporation by filing in the Department of State articles of domestication. The articles of domestication, upon being filed in the department, shall constitute the articles of the domesticated foreign corporation and it shall thereafter continue as a corporation which shall be a domestic nonprofit corporation subject to this subpart.

(b) Articles of domestication.--The articles of domestication shall be executed by the corporation and shall set forth in the English language:

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

(2) Subject to section 109 (relating to name of

1 commercial registered office provider in lieu of registered
2 address), the address, including street and number, if any,
3 of its registered office in this Commonwealth.

4 (3) A brief statement of the purpose or purposes for
5 which it is to be domesticated, which shall be a purpose or
6 purposes for which a domestic nonprofit corporation may be
7 incorporated under Article B, and that upon domestication it
8 will be subject to the provisions of the Nonprofit
9 Corporation Law of 1985.

10 (4) The term for which upon domestication it is to
11 exist, if not perpetual.

12 (5) Any desired provisions relating to the manner and
13 basis of reclassifying the shares of the corporation.

14 (6) A statement that the filing of articles of
15 domestication and the renunciation of the original charter or
16 articles of the corporation has been authorized (unless its
17 charter or other organic documents require a greater vote) by
18 a majority of the votes cast by all members entitled to vote
19 thereon and, if any class of members is entitled to vote
20 thereon as a class, a majority of the votes cast in each
21 class vote.

22 (7) Any other provisions authorized by Article B to be
23 set forth in the original articles.

24 (c) Cross reference.--See section 134 (relating to docketing
25 statement).

26 § 6162. Effect of domestication.

27 As a domestic nonprofit corporation, the domesticated
28 corporation shall no longer be a foreign nonprofit corporation
29 for the purposes of this subpart and shall have all the powers
30 and privileges and be subject to all the duties and limitations

1 granted and imposed upon domestic nonprofit corporations. The
2 property, franchises, debts, liens, estates, taxes, penalties
3 and public accounts due the Commonwealth shall continue to be
4 vested in and imposed upon the corporation to the same extent as
5 if it were the successor by merger of the domesticating
6 corporation with and into a domestic nonprofit corporation under
7 Subchapter C of Chapter 59 (relating to merger, consolidation
8 and sale of assets). Membership in the domesticated corporation
9 shall be unaffected by the domestication except to the extent,
10 if any, reclassified in the articles of domestication.

11 SUBPART D

12 COOPERATIVE CORPORATIONS

13 Chapter

14 71. Preliminary Provisions

15 73. Electric Cooperative Corporations

16 75. Cooperative Agricultural Associations

17 CHAPTER 71

18 PRELIMINARY PROVISIONS

19 Sec.

20 7101. Profit or nonprofit cooperative corporations generally.

21 7102. Use of term "cooperative" in corporate name.

22 7103. Voting rights.

23 7104. Distributions.

24 § 7101. Profit or nonprofit cooperative corporations generally.

25 (a) General rule.--Any corporation incorporated under this
26 part may be organized on the cooperative principle by setting
27 forth in its articles a common bond of membership among its
28 shareholders or members by reason of occupation, residence or
29 otherwise and that it is a cooperative corporation.

30 (b) Applicable law.--A corporation incorporated under this

subpart shall be governed by the applicable provisions of this subpart and, to the extent not inconsistent with this subpart:

(1) Subpart B (relating to business corporations) if its articles state that it is incorporated for a purpose or purposes involving pecuniary profit, incidental or otherwise, to its shareholders or members or if its articles are silent on the subject.

(2) Subpart C (relating to nonprofit corporations) if:

(i) its articles state that it is incorporated for a purpose or purposes not involving pecuniary profit; or

(ii) it is subject to Chapter 73 (relating to electric cooperative corporations).

(c) Credit unions.--This subpart shall not apply to a credit union, whether proposed or existing, except as otherwise expressly provided in this subpart or as otherwise provided by statute applicable to the corporation.

§ 7102. Use of term "cooperative" in corporate name.

(a) General rule.--Except as otherwise provided by statute:

(1) The corporate name of a cooperative corporation shall contain the term "cooperative" or an abbreviation thereof.

(2) The name of an association shall not contain the term "cooperative" or an abbreviation thereof unless the association is a cooperative corporation.

(b) Cross reference.--See section 7307 (relating to prohibition on use of words "electric cooperative").

§ 7103. Voting rights.

Except as otherwise provided by statute, each member of a cooperative corporation shall have one vote, unless the corporation is organized on the basis of interests in real

1 property or market shares or similar divisions of useful
2 property or cooperative activity, in which case the articles may
3 provide for voting on the basis of apartment units or market
4 shares or other similar units of useful property or cooperative
5 activity.

6 § 7104. Distributions.

7 Notwithstanding section 5551 (relating to dividends
8 prohibited; compensation and certain payments authorized), a
9 cooperative corporation may make patronage rebates or other
10 distributions to its members or patrons in conformity with the
11 purposes for which it is incorporated.

12 CHAPTER 73

13 ELECTRIC COOPERATIVE CORPORATIONS

14 Subchapter

15 A. Preliminary Provisions

16 B. Powers, Duties and Safeguards

17 C. Unincorporated Area Certified Territory

18 SUBCHAPTER A

19 PRELIMINARY PROVISIONS

20 Sec.

21 7301. Short title of chapter.

22 7302. Application of chapter.

23 7303. Definitions.

24 7304. Number and qualifications of incorporators.

25 7305. Purpose.

26 7306. Articles of incorporation.

27 7307. Prohibition on use of words "electric cooperative."

28 7308. Construction of Subchapters A and B.

29 § 7301. Short title of chapter.

30 This chapter may be cited as the Electric Cooperative Act of

1 1985.

2 § 7302. Application of chapter.

3 (a) General rule.--This chapter shall apply to and, unless
4 the context clearly indicates otherwise, the term "corporation"
5 or "electric cooperative corporation" in this chapter shall mean
6 a corporation incorporated under:

7 (1) the act of June 21, 1937 (P.L.1969, No.389), known
8 as the Electric Cooperative Corporation Act; or

9 (2) this chapter.

10 (b) Chapter complete in itself.--This chapter is complete in
11 itself and shall be controlling. The provisions of any other law
12 of this Commonwealth, except as provided in section 7101(b)(2)
13 (relating to applicable law) and in this chapter, shall not
14 apply to a corporation subject to this chapter.

15 § 7303. Definitions.

16 The following words and phrases when used in this subchapter
17 and Subchapter B (relating to powers, duties and safeguards)
18 shall have the meanings given to them in this section unless the
19 context clearly indicates otherwise:

20 "Acquire." Construct or acquire by purchase, lease, devise,
21 gift or other mode of acquisition.

22 "Board." A board of directors of a corporation.

23 "Federal agency." Includes the United States of America and
24 any department, administration, commission, board, bureau,
25 office, establishment, agency, authority or instrumentality of
26 the United States of America, heretofore or hereafter created.

27 "Member." The incorporators of a corporation and each person
28 thereafter lawfully admitted to membership therein.

29 "Obligations." Includes bonds, notes, debentures, interim
30 certificates or receipts and all other evidences of indebtedness

1 issued by a corporation, whether secured or unsecured.

2 "Person." Includes any Federal agency, State or political
3 subdivision thereof or any body politic.

4 "Rural area." Any area, not included within the boundaries
5 of any incorporated or unincorporated city, town, village or
6 borough, having a population in excess of 2,500 inhabitants
7 including both the farm and nonfarm population thereof.

8 § 7304. Number and qualifications of incorporators.

9 Three or more natural persons of full age who are residents
10 of this Commonwealth may incorporate an electric cooperative
11 corporation.

12 § 7305. Purpose.

13 Nonprofit cooperative corporations may be organized under
14 this chapter for the purpose of engaging in rural
15 electrification by any one or more of the following methods:

16 (1) Furnishing of electric energy to persons in rural
17 areas who are not receiving central station service.

18 (2) Assisting in the wiring of the premises of persons
19 in rural areas or the acquisition, supply or installation of
20 electrical or plumbing equipment therein.

21 (3) Furnishing of electric energy, wiring facilities,
22 electrical or plumbing equipment or services to any other
23 corporation or to the members thereof.

24 § 7306. Articles of incorporation.

25 (a) General rule.--The articles of incorporation shall
26 state:

27 (1) The name of the corporation, which shall include the
28 words "Electric Cooperative" and the word "Corporation,"
29 "Incorporated," "Inc." or "Company" and shall not be
30 confusingly similar to the name of any other corporation.

1 (2) The purpose for which the corporation is formed.

2 (3) The names and addresses of the incorporators who
3 shall serve as directors and manage the affairs of the
4 corporation until its first annual meeting of members or
5 until their successors are elected and qualify.

6 (4) The number of directors, not less than three, to be
7 elected at the annual meetings of members.

8 (5) Subject to section 109 (relating to name of
9 commercial registered office provider in lieu of registered
10 office), the address, including street and number, if any, of
11 its registered office.

12 (6) The period of duration of the corporation, which may
13 be perpetual.

14 (7) The terms and conditions upon which persons will be
15 admitted to membership and retain membership in the
16 corporation but, if expressly so stated, the determination of
17 these matters may be reserved to the directors by the bylaws.

18 (8) Any provisions, not inconsistent with law, which the
19 incorporators choose to insert for the regulation of the
20 business and affairs of the corporation.

21 (b) Cross references.--See section 134 (relating to
22 docketing statement) and Subchapter A of Chapter 53 (relating to
23 incorporation generally).

24 § 7307. Prohibition on use of words "electric cooperative."

25 The words "electric cooperative" shall not be used in the
26 corporate name of any domestic or foreign corporation for profit
27 or not-for-profit other than a corporation existing under this
28 chapter.

29 § 7308. Construction of Subchapters A and B.

30 All of the provisions of this subchapter and of Subchapter B

1 (relating to powers, duties and safeguards) shall be construed
2 liberally. The enumeration of any object, purpose, power,
3 manner, method or thing shall not be deemed to exclude like or
4 similar objects, purposes, powers, manners, methods or things.

5 SUBCHAPTER B

6 POWERS, DUTIES AND SAFEGUARDS

7 Sec.

8 7321. Special powers and limitations.

9 7322. Bylaws.

10 7323. Exemption of members from liability for debts of
11 corporation.

12 7324. Qualifications of members.

13 7325. Annual meeting of members.

14 7326. Voting by members.

15 7327. Certificates of membership.

16 7328. Quorum of members.

17 7329. Directors.

18 7330. Nonprofit operation.

19 7331. Merger or consolidation.

20 7332. Dissolution.

21 7333. License fee; exemption from excise taxes.

22 7334. Exemption from jurisdiction of Public Utility Commission.

23 7335. Limited exemption from Securities Act.

24 § 7321. Special powers and limitations.

25 (a) General rule.--Each electric cooperative corporation
26 shall have power (in addition to or limitation of the powers
27 conferred by section 5502 (relating to general powers)):

28 (1) To generate, manufacture, purchase, acquire and
29 accumulate electric energy and to transmit, distribute, sell,
30 furnish and dispose of such electric energy to its members

1 only; and to construct, erect, purchase, lease as lessee and,
2 in any manner, acquire, own, hold, maintain, operate, sell,
3 dispose of, lease as lessor, exchange and mortgage plants,
4 buildings, works, machinery, supplies, equipment, apparatus
5 and transmission and distribution lines or systems necessary,
6 convenient or useful.

7 (2) To assist its members only to wire their premises
8 and install therein electrical and plumbing fixtures,
9 machinery, supplies, apparatus and equipment of any and all
10 kinds and character and, in connection therewith and for
11 those purposes, to purchase, acquire, lease, sell,
12 distribute, install and repair electrical and plumbing
13 fixtures, machinery, supplies, apparatus and equipment of any
14 and all kinds and character and to receive, acquire, endorse,
15 pledge, hypothecate and dispose of notes, bonds and other
16 evidences of indebtedness.

17 (3) To furnish to other corporations organized under
18 this chapter, or to the members thereof, electric energy,
19 wiring facilities, electrical and plumbing equipment and
20 services convenient or useful.

21 (4) In connection with the acquisition, construction,
22 improvement, operation or maintenance of its lines, to use
23 any highway or any right of way, easement or other similar
24 property right owned or held by the Commonwealth or any
25 political subdivision thereof.

26 (5) To have and exercise the power of eminent domain for
27 the purpose and in the manner provided by the condemnation
28 laws of this Commonwealth relating to public utility
29 corporations for acquiring private property for public use,
30 such right to be paramount except as to property of the

1 Commonwealth or of any political subdivision thereof or any
2 public utility corporation, other than one engaged in
3 furnishing electric energy to the public, except that the
4 right of eminent domain shall exist in order to cross the
5 lines of any public utility not furnishing electric energy if
6 the crossing is effected in such manner as not to interfere
7 with the service lines or the service of the public utility.

8 (6) To fix, regulate and collect rates, fees, rents or
9 other charges for electric energy and any other facilities,
10 supplies, equipment or services furnished by the corporation.

11 (7) To accept gifts or grants of money, services or
12 property, real or personal.

13 (8) To do and perform, either for itself or its members
14 or for any other corporation, or for the members thereof, any
15 and all acts and things and to have and exercise any and all
16 powers as may be necessary, convenient or appropriate to
17 effectuate the purpose for which the corporation is
18 incorporated.

19 (b) Enumeration unnecessary.--It shall not be necessary to
20 set forth in the articles of the corporation the powers
21 enumerated in this chapter.

22 § 7322. Bylaws.

23 The power to make, alter or repeal the bylaws of an electric
24 cooperative corporation shall be vested in the board of
25 directors. The bylaws may contain any provisions for the
26 regulation and management of the affairs of the corporation, not
27 inconsistent with law or the articles.

28 § 7323. Exemption of members from liability for debts of
29 corporation.

30 No member shall be liable for the debts of an electric

1 cooperative corporation to an amount exceeding the sums
2 remaining unpaid on his membership fee but nothing in this
3 chapter shall be construed to relieve any member from the
4 payment of any debt due by him to the corporation.

5 § 7324. Qualifications of members.

6 All persons in rural areas proposed to be served by an
7 electric cooperative corporation, who are not receiving central
8 station service, shall be eligible to membership in the
9 corporation. No person other than the incorporators shall be,
10 become or remain a member of the corporation unless the person
11 uses or agrees to use electric energy or, as the case may be,
12 the facilities, supplies, equipment and services furnished by
13 the corporation. A corporation existing under this chapter may
14 become a member of another such corporation and may avail itself
15 fully of the facilities and services thereof.

16 § 7325. Annual meeting of members.

17 An annual meeting of the members of an electric cooperative
18 corporation shall be held at such time as may be provided in the
19 bylaws.

20 § 7326. Voting by members.

21 Each member present shall be entitled to one and only one
22 vote on each matter submitted to a vote at a meeting of members
23 of an electric cooperative corporation but voting by proxy or by
24 mail may be provided for in the bylaws.

25 § 7327. Certificates of membership.

26 When a member of an electric cooperative corporation has paid
27 the membership fee in full, a certificate of membership shall be
28 issued to the member. Memberships in the corporation and the
29 certificates shall be nontransferable. The certificate of
30 membership shall be surrendered to the corporation upon the

1 resignation, expulsion or death of the member.

2 § 7328. Quorum of members.

3 Unless otherwise provided in the bylaws, a majority of the
4 members present, in person or represented by proxy, shall
5 constitute a quorum for the transaction of business at a meeting
6 of members of an electric cooperative corporation but, if voting
7 by mail is provided for in the bylaws, members so voting shall
8 be counted as if present.

9 § 7329. Directors.

10 The business and affairs of an electric cooperative
11 corporation shall be managed under the direction of a board of
12 not less than three directors who shall be natural persons of
13 full age. All directors shall be members.

14 § 7330. Nonprofit operation.

15 (a) General rule.--Each electric cooperative corporation
16 shall be operated without profit to its members but the rates,
17 fees, rents or other charges for electric energy and any other
18 facilities, supplies, equipment or services furnished by the
19 corporation shall be sufficient at all times:

20 (1) To pay all operating and maintenance expenses
21 necessary or desirable for the prudent conduct of its
22 business and the principal of and interest on the obligations
23 issued or assumed by the corporation in the performance of
24 the purpose for which it was organized.

25 (2) For the creation of reserves.

26 (b) Disposition of revenues.--The revenues of the
27 corporation shall be devoted, first, to the payment of operating
28 and maintenance expenses and the principal and interest on
29 outstanding obligations and, thereafter, to such reserves for
30 improvement, new construction, depreciation and contingencies as

1 the board may, from time to time, prescribe.

2 (c) Patronage distributions.--Revenues not required for the
3 purposes set forth in subsection (b) shall be returned, from
4 time to time, to the members on a pro rata basis, according to
5 the amount of business done with each during the period, either
6 in cash, in abatement of current charges for electric energy or
7 otherwise, as the board determines, but the return may be made
8 by way of general rate reduction to members if the board so
9 elects.

10 § 7331. Merger or consolidation.

11 Any two or more electric cooperative corporations may merge
12 or consolidate but only if the surviving or resulting
13 corporation is a corporation existing under this chapter.

14 § 7332. Dissolution.

15 Any assets remaining after all liabilities or obligations of
16 an electric cooperative corporation have been satisfied or
17 discharged upon dissolution shall be distributed pro rata among
18 the members of the corporation at the time of the filing of the
19 certificate of dissolution.

20 § 7333. License fee; exemption from excise taxes.

21 Electric cooperative corporations subject to this chapter
22 shall pay annually, on or before July 1, to the Department of
23 Revenue a fee of \$10 for each 100 members, or fraction thereof,
24 but shall be exempt from all other State taxes of whatsoever
25 kind or nature.

26 § 7334. Exemption from jurisdiction of Public Utility
27 Commission.

28 Except as provided in Subchapter C (relating to
29 unincorporated area certified territory), all electric
30 cooperative corporations subject to this chapter shall be exempt

1 in any and all respects from the jurisdiction and control of the
2 Pennsylvania Public Utility Commission.

3 § 7335. Limited exemption from Securities Act.

4 Whenever any electric cooperative corporation subject to this
5 chapter has borrowed money from any Federal agency, the
6 obligations issued to secure the payment of the money shall be
7 exempt from the provisions of the act of December 5, 1972
8 (P.L.1280, No.284), known as the Pennsylvania Securities Act of
9 1972, nor shall the provisions of that act apply to the issuance
10 of membership certificates.

11 SUBCHAPTER C

12 UNINCORPORATED AREA CERTIFIED TERRITORY

13 Sec.

14 7351. Application of subchapter.

15 7352. Definitions.

16 7353. Geographical areas.

17 7354. Boundaries of certified territories; hearings.

18 7355. Obligations and rights within certified territory; new
19 electric-consuming facilities.

20 7356. Borderline service.

21 7357. Effect of incorporation, annexation or consolidation.

22 7358. Enforcement of compliance by commission.

23 7359. Expenses.

24 § 7351. Application of subchapter.

25 (a) General rule.--This subchapter shall apply only to the
26 establishment of boundaries of certified territory between
27 retail electric suppliers where one supplier is an electric
28 cooperative corporation and the other supplier is subject to the
29 jurisdiction of the Pennsylvania Public Utility Commission for
30 rates, terms and conditions for electric service.

1 (b) Municipal corporations.--Nothing contained in this
2 subchapter shall in any respect affect any of the rights,
3 privileges or obligations of any municipal corporation
4 furnishing retail electric service.

5 § 7352. 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 "Certified territory." An unincorporated area as certified
10 pursuant to section 7354 (relating to boundaries of certified
11 territories; hearings).

12 "Commission." The Pennsylvania Public Utility Commission.

13 "Electric-consuming facilities." Everything that utilizes
14 electric energy from a central station source.

15 "Existing distribution line." An electric line of a design
16 voltage of 35 kV phase to phase or less which on July 30, 1975:

17 (1) was located in an unincorporated area; and

18 (2) was or had been used for retail electric service.

19 "Hearing." A hearing by the commission pursuant to
20 reasonable notice to all affected retail electric suppliers.

21 "Retail electric service." Electric service furnished to a
22 consumer for ultimate consumption but not including wholesale
23 electric energy furnished by an electric supplier to another
24 electric supplier for resale.

25 "Retail electric supplier." Any person, exclusive of a
26 municipal corporation, engaged in the furnishing of retail
27 electric service. The term shall apply only to a retail electric
28 supplier which is an electric cooperative corporation and to a
29 retail electric supplier which is subject to the jurisdiction of
30 the commission for rates, terms and conditions for electric

1 service and has a mutual boundary in an unincorporated area with
2 an electric cooperative corporation.

3 "Unincorporated area." A geographical area outside the
4 corporate limits of cities and boroughs.

5 § 7353. Geographical areas.

6 It is hereby declared to be in the public interest that, to
7 encourage the orderly development of retail electric service in
8 unincorporated areas, to avoid wasteful duplication of
9 distribution facilities, to avoid unnecessary encumbering of the
10 landscape of the Commonwealth, to prevent the waste of materials
11 and natural resources, to minimize inconvenience, diminished
12 efficiency and higher costs in serving the consumer and
13 otherwise for the public convenience and necessity, the
14 Commonwealth is divided into geographical areas, establishing
15 the unincorporated areas within which each retail electric
16 supplier is to provide retail electric service on an exclusive
17 basis.

18 § 7354. Boundaries of certified territories; hearings.

19 (a) General rule.--Except as otherwise provided in this
20 section, the boundaries of the certified territory of each
21 retail electric supplier in any unincorporated area are hereby
22 set as a line or lines substantially equidistant between its
23 existing distribution lines and the nearest existing
24 distribution lines of any other retail electric supplier in
25 every direction with the result that there is hereby certified
26 to each retail electric supplier such unincorporated area which
27 in its entirety is located substantially in closer proximity to
28 one of its existing distribution lines than the nearest existing
29 distribution line of any other retail electric supplier.

30 (b) Exclusive territories.--Except as otherwise provided in

1 this section, no retail electric supplier shall furnish retail
2 electric service in the certified territory of another retail
3 electric supplier.

4 (c) Maps of certified territories.--On or before July 30,
5 1976 or, when requested in writing by a retail electric supplier
6 and for good cause shown, such further time as the Pennsylvania
7 Public Utility Commission may fix by order, each retail electric
8 supplier shall file with the commission a map or maps showing
9 all of its existing distribution lines as of July 30, 1975. The
10 commission shall prepare or order to be prepared and filed in
11 the manner and form prescribed by the commission within six
12 months thereafter a map or maps of uniform scale to show,
13 accurately and clearly, the boundaries of the certified
14 territory of each retail electric supplier as established under
15 subsection (a) and shall issue such map or maps of certified
16 territory to each retail electric supplier.

17 (d) Commission certification of service territories.--In
18 each unincorporated area, where the commission determines that
19 the existing distribution lines of two or more retail electric
20 suppliers are so intertwined or located that subsection (a)
21 cannot reasonably be applied, the commission shall, after
22 hearing, certify the service territory or territories for the
23 retail electric suppliers so as to promote the legislative
24 policy stated in section 7353 (relating to geographical areas).

25 (e) Examination and correction of maps.--Each retail
26 electric supplier shall have the right to examine the maps of
27 other retail electric suppliers filed with the commission
28 pursuant to this subchapter and, if any errors are observed, any
29 retail electric supplier may informally petition the commission
30 for a conference of the affected parties to resolve the alleged

1 error. The petitioner shall serve a copy of the petition by
2 certified mail on the retail electric supplier whose map is
3 alleged to contain the error. The commission shall arrange a
4 conference as promptly as practicable after receipt of the
5 petition and shall give notice thereof to all retail electric
6 suppliers affected by the alleged error. If the alleged error is
7 not corrected to the satisfaction of any affected retail
8 electric supplier, the supplier may petition the commission for
9 a hearing and the hearing shall be granted by the commission as
10 promptly as practicable. Upon completion by the commission of a
11 map or maps showing the boundaries of the certified territory of
12 a retail electric supplier as established under subsection (a),
13 other retail electric suppliers shall have the right to examine
14 the map or maps and, if any errors exist in location of boundary
15 lines, any retail electric supplier aggrieved thereby may
16 informally petition the commission for a conference to resolve
17 the issue of the alleged incorrect location of boundary. The
18 procedure shall be as specified in this section for resolution
19 of alleged errors in the maps supplied by any retail electric
20 supplier.

21 (f) Adjustment of certified territories.--After the initial
22 establishment of the certified territory of each retail electric
23 supplier, two or more retail electric suppliers may, from time
24 to time, jointly apply to the commission for adjustment of their
25 adjoining certified territories and, if the commission finds
26 that the adjustment is consistent with the purposes of this
27 subchapter and its standards, the commission shall approve the
28 adjustment and, to the extent required, shall prepare or cause
29 to be prepared revised maps in accordance with subsection (c) to
30 reflect the adjustment.

1 § 7355. Obligations and rights within certified territory; new
2 electric-consuming facilities.

3 (a) Service within certified territory.--Except as otherwise
4 provided in this section, each retail electric supplier shall be
5 obligated (upon receipt of an application in accordance with its
6 tariffs, rules, regulations or bylaws) and shall have the
7 exclusive right to furnish retail electric service to all
8 electric-consuming facilities located within its certified
9 territory and shall not furnish, make available, render or
10 extend its retail electric service to a consumer for use in
11 electric-consuming facilities located within the certified
12 territory of another retail electric supplier. Any retail
13 electric supplier may extend its facilities through the
14 certified territory of another retail electric supplier if the
15 extension is necessary for the supplier to connect any of its
16 facilities or to serve its consumers within its own certified
17 territory but any such extension shall not be deemed to be an
18 existing distribution line.

19 (b) Service to new electric-consuming facilities.--Except as
20 provided in subsections (c) and (e), any new electric-consuming
21 facility located in an unincorporated area which has not as yet
22 been included in a map issued by the Pennsylvania Public Utility
23 Commission pursuant to section 7354(c) (relating to maps of
24 certified territories) or certified pursuant to section 7354(d)
25 (relating to commission certification of service territories)
26 shall be furnished retail electric service by the retail
27 electric supplier which has an existing distribution line in
28 closer proximity to the electric-consuming facility than is the
29 nearest existing distribution line of any other retail electric
30 supplier. Any disputes under this subsection shall be resolved

1 by the commission.

2 (c) Correction of inadequate service.--If the commission,
3 after hearing, determines that the retail electric service being
4 furnished or proposed to be furnished by a retail electric
5 supplier to an electric-consuming facility is inadequate and is
6 not likely to be made adequate, the commission may authorize
7 another retail electric supplier to furnish retail electric
8 service to that facility.

9 (d) Electric-consuming facilities served by another retail
10 electric supplier.--Except as provided in subsection (c), no
11 retail electric supplier shall furnish, make available, render
12 or extend retail electric service to any electric-consuming
13 facility to which the service is being lawfully furnished by
14 another retail electric supplier on July 30, 1975 or to which
15 retail electric service is lawfully commenced thereafter in
16 accordance with this section by another retail electric
17 supplier.

18 (e) Extension of service.--The provisions of this subchapter
19 shall not preclude any retail electric supplier from extending
20 its service after July 30, 1975 to its own property and
21 facilities but any facilities involved in the extension shall
22 not be deemed an existing distribution line.

23 § 7356. Borderline service.

24 Notwithstanding the establishment of certified territories
25 pursuant to this subchapter and the obligations and rights to
26 furnish service within the territory, a retail electric supplier
27 may request another retail electric supplier to render service
28 to one or more electric-consuming facilities where, in the
29 judgment of the requesting retail electric supplier, it would be
30 more economic or otherwise in the public interest for the other

1 retail electric supplier to do so and to enter into a contract
2 for that purpose with the other retail electric supplier.

3 § 7357. Effect of incorporation, annexation or consolidation.

4 After July 30, 1975, the inclusion by incorporation,
5 consolidation or annexation of any part of the certified
6 territory of a retail electric supplier within the boundaries of
7 any city or borough shall not in any respect impair or affect
8 the rights of the retail electric supplier to continue and
9 extend electric service at retail throughout any part of its
10 certified territory.

11 § 7358. Enforcement of compliance by commission.

12 Upon proceedings brought by an interested person or by action
13 of the Pennsylvania Public Utility Commission, the commission
14 shall have the jurisdiction to enforce compliance with this
15 subchapter and shall have jurisdiction to prohibit the
16 furnishing of retail electric service by any retail electric
17 supplier except in its certified territory or territories or
18 where lawfully serving and, in connection with the enforcement
19 and prohibition, to exercise all powers granted by this
20 subchapter or otherwise to the commission.

21 § 7359. Expenses.

22 (a) General rule.--The expenses of the Pennsylvania Public
23 Utility Commission in administering this subchapter shall be
24 assessed by the commission against the affected retail electric
25 suppliers on the following basis:

26 (1) Expenses which relate to the preparation or review
27 of maps to establish the certified territory of a single
28 retail electric supplier in any county or other area where
29 there is no other retail electric supplier shall be assessed
30 solely to such single retail electric supplier.

1 COOPERATIVE AGRICULTURAL ASSOCIATIONS

2 Subchapter

3 A. Preliminary Provisions

4 B. Powers, Duties and Safeguards

5 SUBCHAPTER A

6 PRELIMINARY PROVISIONS

7 Sec.

8 7501. Short title of chapter.

9 7502. Application of chapter.

10 7503. Definitions.

11 7504. Policy.

12 7505. Number and qualifications of incorporators.

13 7506. Purposes.

14 7507. Articles of incorporation.

15 § 7501. Short title of chapter.

16 This chapter shall be known and may be cited as the
17 Cooperative Agricultural Association Act of 1985.

18 § 7502. Application of chapter.

19 (a) General rule.--Except as otherwise provided in
20 subsections (b) and (c), this chapter applies to and the word
21 "association" in this chapter means a corporation with or
22 without capital stock incorporated under any of the following:

23 (1) The act of June 12, 1919 (P.L.466, No.238), relating
24 to cooperative agricultural associations without capital
25 stock.

26 (2) The act of April 30, 1929 (P.L.885, No.394),
27 relating to cooperative agricultural associations with
28 capital stock.

29 (3) The act of June 12, 1968 (P.L.173, No.94), known as
30 the Cooperative Agricultural Association Act.

1 (4) This chapter.

2 (b) Acceptance of chapter.--Any other domestic corporation
3 for profit or corporation not-for-profit incorporated under any
4 prior statute relating to cooperative corporations may become an
5 association subject to this chapter by filing in the Department
6 of State a certificate of election of cooperative agricultural
7 association status which shall be executed by the corporation
8 and shall set forth:

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

14 (2) The statute under which the corporation was
15 incorporated and the date of incorporation.

16 (3) A statement that the members or shareholders of the
17 corporation have elected, by a majority vote of the members
18 or shareholders present and voting at a meeting called for
19 that purpose at which a quorum is present, to accept the
20 provisions of this chapter for the government and regulation
21 of the affairs of the corporation.

22 (c) Foreign corporations.--This chapter shall apply to and
23 the word "association" in this chapter shall include a foreign
24 corporation for profit or corporation not-for-profit
25 incorporated with or without capital stock under any general or
26 special statute as a cooperative agricultural association for
27 the mutual benefit of its members, shareholders, patrons and
28 producers. A foreign association shall not transact business as
29 an association in this Commonwealth unless permitted to do so by
30 this chapter and any violation of this provision may be enjoined

1 upon the application of any domestic association or qualified
2 foreign association.

3 § 7503. Definitions.

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

7 "Agricultural products." Includes all livestock and
8 livestock products, dairy and dairy products, poultry and
9 poultry products, horticultural, floricultural and viticultural
10 products, forestry and forestry products, seeds, nuts, mushrooms
11 and bee products and any and all kinds of farm products.

12 "Board." The board of directors of an association.

13 "Delegate." A member elected in the manner provided by
14 section 7531(b) (relating to election by districts) to represent
15 a local group of members, and having the powers and duties
16 specified in the bylaws.

17 "Department." The Department of Agriculture of the
18 Commonwealth.

19 "Engaging in agriculture." Includes engaging in dairying,
20 livestock raising, poultry raising, furbearing animal raising,
21 horticulture, floriculture, viticulture, forestry, bee keeping,
22 seed growing, nut growing, mushroom growing and engaging in any
23 and all kinds of farming and other allied occupations.

24 "Member." The holder of a membership in an association
25 without capital stock or the holder of voting shares in an
26 association organized with capital stock.

27 "Patron." A person using the facilities of an association
28 for the marketing of agricultural products or a person using the
29 facilities of an association for the purchase of supplies or the
30 rendering of services.

1 "Producer." A person engaging in agriculture.

2 "Supplies." Includes any and all types of supplies,
3 machinery and equipment used or consumed by persons engaging in
4 agriculture.

5 § 7504. Policy.

6 (a) General rule.--It is the policy of this Commonwealth, as
7 one means of improving the economic position of agriculture, to
8 encourage the organization of producers of agricultural products
9 into effective cooperative agricultural associations under the
10 control of the producers for their mutual benefit, and to that
11 end this chapter shall be liberally construed. Where applicable
12 to this chapter and to Chapter 71 (relating to preliminary
13 provisions), Subpart B of Part II (relating to business
14 corporations) and Subpart C of Part II (relating to nonprofit
15 corporations) shall be construed, wherever possible, consistent
16 with law applicable to cooperative agricultural associations in
17 general.

18 (b) Associations not in restraint of trade.--

19 (1) No association complying with this chapter shall be
20 deemed to be a conspiracy, or a combination in restraint of
21 trade, or an illegal monopoly; or be deemed to have been
22 formed for the purpose of lessening competition or fixing
23 prices arbitrarily, nor shall the contracts between the
24 association and its producers, or any agreements authorized
25 in this chapter, be construed as an unlawful restraint of
26 trade, or as a part of a conspiracy or combination to
27 accomplish an improper or illegal purpose or act.

28 (2) An association may acquire, exchange, interpret and
29 disseminate past, present and prospective crop, market,
30 statistical, economic and other similar information relating

1 to the business of the association either directly or through
2 an agent created or selected by it or by other associations
3 acting in conjunction with it.

4 (3) An association may advise its members in respect to
5 the adjustment of their current and prospective production of
6 agricultural commodities and its relation to the prospective
7 volume of consumption, selling prices and existing or
8 potential surplus to the end that every market may be served
9 from the most convenient productive areas under a program of
10 orderly marketing that will assure adequate supplies without
11 undue enhancement of prices or the accumulation of any undue
12 surplus of agricultural products.

13 § 7505. Number and qualifications of incorporators.

14 Five or more individuals of full age engaging in agriculture
15 or two or more cooperative agricultural associations may
16 incorporate an association. If an association is incorporated by
17 individuals, at least three of the individuals shall be
18 residents of this Commonwealth. If an association is
19 incorporated by cooperative agricultural associations, at least
20 one of the associations shall be a domestic association.

21 § 7506. Purposes.

22 An association may be incorporated under this chapter for the
23 purpose of engaging in any cooperative activity for producers of
24 agricultural products in connection with:

25 (1) Producing, assembling, marketing, buying, selling,
26 bargaining or contracting for agricultural products, or
27 harvesting, preserving, drying, processing, manufacturing,
28 blending, canning, packing, ginning, grading, storing,
29 warehousing, handling, transporting, shipping or utilizing
30 such products, or manufacturing or marketing the by-products

1 thereof.

2 (2) Manufacturing, processing, storing, transporting,
3 delivering, handling, buying for or furnishing supplies to
4 its members and patrons.

5 (3) Performing or furnishing business, educational,
6 recreational or other services, including the services of
7 labor, buildings, machinery, equipment, trucks, trailers and
8 tankers, or any other services connected with the purposes
9 set forth in paragraphs (1) and (2) on a cooperative basis.

10 (4) Financing any of the activities set forth in
11 paragraphs (1) through (3).

12 § 7507. Articles of incorporation.

13 Articles of incorporation of an association incorporated
14 under this chapter shall comply with the applicable provisions
15 of this part except that, if organized without capital stock,
16 the articles shall state whether the property rights and
17 interests of each member are equal or unequal and, if unequal,
18 the priorities of those rights and interests.

19 SUBCHAPTER B

20 POWERS, DUTIES AND SAFEGUARDS

21 Sec.

22 7521. Special powers and limitations.

23 7522. Records of salary or other payments.

24 7523. Members.

25 7524. Issuance of shares.

26 7525. Sale, transfer or redemption of shares.

27 7526. Termination of membership.

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1 7530. Bylaws.
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7 7536. Audit of operations.
8 7537. Contract assignments to association.
9 7538. Exemption from tax on capital stock and indebtedness.
10 § 7521. Special powers and limitations.

11 (a) General rule.--Each association shall have power (in
12 addition to or limitation of the powers conferred by section
13 1502 (relating to general powers) or 5502 (relating to general
14 powers)):

15 (1) To act as agent, broker or attorney-in-fact for its
16 members and patrons and for any subsidiary or affiliated
17 person.

18 (2) To hold title for its members and patrons and for
19 subsidiary and affiliated persons to property handled or
20 managed by the association on their behalf.

21 (3) In furtherance of association purposes, to make
22 loans or advances to its members and patrons or to subsidiary
23 and affiliated persons or their members.

24 (4) To establish and accumulate reserves and surplus to
25 capital and such other funds as may be authorized by the
26 articles of association or the bylaws.

27 (5) To issue membership certificates and to foster
28 membership in the association and to solicit patrons by
29 advertising or by educational or other lawful means.

30 (6) To issue and to sell common and preferred stock.

(7) To own shares of the capital stock of, to hold membership in and to hold bonds or other obligations of other persons engaged in any related activity or engaged in producing, manufacturing, warehousing or marketing any of the products handled by the association or engaged in financing its activities or those of its members.

(8) To deal in products of and handle machinery, equipment, supplies and perform services for nonmembers to an amount not greater in annual value than such as are dealt in, handled or performed for or on behalf of its members.

(b) Enumeration unnecessary.--It shall not be necessary to set forth in the articles of the association the powers enumerated in this chapter.

§ 7522. Records of salary or other payments.

Every association shall keep a record of all salaries, per diem payments or other remuneration paid to each officer and director by the association in addition to remuneration received for agricultural commodities marketed through the association.

§ 7523. Members.

An association shall admit to membership only persons who are engaging in agriculture, including both tenants and landlords receiving a share of the crop, and cooperative agricultural associations of such producers who agree to patronize the association in accordance with the uniform terms prescribed by it and only such persons shall be regarded as eligible members of an association. The bylaws may prescribe additional qualifications for membership but shall not enlarge the class eligible for membership specified in this section.

§ 7524. Issuance of shares.

(a) General rule.--Every association without capital stock

1 shall issue a certificate of membership to each member. Every
2 association with capital stock shall issue a certificate of
3 common shares to each member certifying the number of shares of
4 stock held by him. An association shall issue common shares or a
5 membership certificate only to persons eligible for membership
6 upon such terms and conditions as shall be provided in the
7 bylaws. Fractional shares may be issued.

8 (b) Voting rights.--Each eligible member shall be entitled
9 to only one vote on each question that may be presented at any
10 meeting of the members regardless of the number of shares or
11 membership capital owned by him.

12 (c) Preferred stock.--An association may issue preferred
13 shares to any person upon such terms and conditions as shall be
14 provided in the bylaws. The preferred shares shall carry no
15 voting rights other than as provided by section 7529(a)(3)
16 (relating to fundamental changes).

17 (d) Consideration.--No association shall issue a certificate
18 of membership and no certificate for common shares shall be
19 issued until fully paid for but promissory notes may be accepted
20 by the association as full or partial payment. The association
21 shall hold the membership certificate or shares as security for
22 the payment of the note but such retention as security shall not
23 affect the right of the member to vote and hold office.

24 (e) Evidence of equity in assets.--The association may, from
25 time to time, issue to any patron a certificate or other
26 evidence of the equity of the patron in any fund, capital
27 investment or other asset of the association. The certificate or
28 other evidence of equity may bear interest at a rate not in
29 excess of two points under the average treasury bill rate for
30 the 12 months preceding the date on which the payment is made

1 and may be transferred only to the association or to such other
2 person as may be approved by the association.

3 (f) Dividends.--Dividends may be paid on any shares and
4 dividends on preferred shares may be cumulative if so provided
5 in the articles. An association shall have a lien on all of its
6 issued shares and dividends declared or accrued thereon for all
7 indebtedness of the holders thereof to the association if
8 provision therefor is stated on the face of the share
9 certificate.

10 § 7525. Sale, transfer or redemption of shares.

11 (a) General rule.--The common shares of an association may
12 be transferred only with the consent of the association and on
13 the books of the association and then only to persons eligible
14 to own shares in the association. No purported assignment or
15 transfer of the shares shall pass to any ineligible person any
16 right or privilege on account of the shares or any vote or voice
17 in the management or affairs of the association.

18 (b) Redemption or conversion.--In the event a holder of
19 common shares has done no business with an association for a
20 period of 12 months or in the event the board of directors of an
21 association finds that any of the common shares has come into
22 the hands of any person who is not eligible for membership or
23 that the holder thereof has ceased to be an eligible member, the
24 holder shall have no rights or privileges on account of the
25 shares or vote or voice in the management or the affairs of the
26 association (other than the right to participate in accordance
27 with law in case of dissolution and to receive the book or par
28 value of the shares, whichever is less, in the event of its sale
29 or transfer as provided in this subsection) and the association
30 shall have the right at its option:

(1) to redeem the shares at their book or par value,
whichever is less;

(2) to require the transfer of any such shares at such
book or par value, whichever is less, to any person eligible
to hold the shares; or

(3) to require the holder of any such shares to convert
the shares into preferred shares of equal value.

In exercising its right to redeem or to require the transfer or
conversion of shares, if the holder fails to deliver the
certificate evidencing the shares for cancellation or transfer,
an association may cancel the certificate on its books and issue
a new certificate for common or preferred shares, as the case
may be, to the party entitled thereto.

(c) Preferred shares.--The preferred shares of an
association may be transferred only on the books of the
association and the bylaws may provide that the association
shall have the option, at any time, to redeem the preferred
shares at par value, plus declared or accrued dividends.

(d) Notice on certificates.--Any restriction or option which
an association places upon the transfer or sale of any of its
outstanding shares, and any association option retained thereon,
shall be printed on each share certificate.

(e) Force majeure.--A member shall not lose his membership
in the association under this section by his failure to do
business with it if the failure is due to an act of God unless
the period of time involved is at least 24 months.

§ 7526. Termination of membership.

(a) General rule.--Under the terms and conditions prescribed
in the bylaws, a member of an association without capital stock
shall lose his membership and his right to vote if he ceases to

1 belong to the class eligible for membership or has done no
2 business with an association for a period of 12 months.

3 (b) Valuation of and payment for membership.--After a member
4 has notified an association without capital stock of his
5 withdrawal or after the adoption of a resolution by the board
6 terminating his membership, the board shall appraise the value
7 in money of his membership interest in the association and shall
8 determine and fix the manner in which the association shall pay
9 him the value of his interest unless the member, with the
10 consent of the association, transfers his certificate of
11 membership. Certificates of membership in an association without
12 capital stock shall not be transferred without the consent of
13 the association.

14 (c) Force majeure.--A member shall not lose his membership
15 in the association under this section by his failure to do
16 business with it if the failure is due to an act of God unless
17 the period of time involved is at least 24 months.

18 § 7527. Voting by proxy or mail.

19 (a) General rule.--Unless otherwise provided in the bylaws,
20 no member may vote by proxy or by mail. No unrevoked proxy shall
21 be valid more than 11 months from the date of its execution. If
22 voting by mail is permitted, absent members may, under rules
23 prescribed by the bylaws, be permitted to vote on specific
24 questions by written ballot prepared by the association and sent
25 by mail to or deposited with the secretary or other designated
26 officer of the association.

27 (b) Action on marketing programs.--Except for day to day
28 operating decisions relating to existing programs, no
29 association shall vote for its members on any new programs or
30 substantially modified proposals other than those regulated by

1 Federal or State agencies affecting existing marketing or
2 marketing development programs or amendments thereto unless it
3 has either first obtained approval of the delegates or conducted
4 a mail poll of its membership, and in such later event apprised
5 the members of their rights to cast a vote and method of voting
6 under the program and notified its membership of the results and
7 its intentions at least five days prior to casting its vote. If
8 proxy voting is allowed by the bylaws of the association the
9 proxy shall be valid only for the particular date and the
10 specific issue for which the vote is called.

11 § 7528. Meetings.

12 There shall be at least one meeting of members or delegates
13 each year. Annual and special membership or delegate meetings
14 shall be governed by the bylaws.

15 § 7529. Fundamental changes.

16 (a) General rule.--An association, by action of its members
17 or delegates, may amend its articles of incorporation in the
18 manner provided by the applicable provisions of this part except
19 that:

20 (1) No amendment shall be adopted without the
21 affirmative vote of two-thirds of the members or delegates
22 voting thereon.

23 (2) No amendment affecting the priority or preferential
24 rights of any outstanding stock shall be adopted without the
25 affirmative vote of two-thirds of the holders of the
26 outstanding stock.

27 (3) Any association not having capital stock may convert
28 into an association with capital stock by amending its
29 articles to set forth a description of the shares of each
30 class which are to be issued and a statement of the voting

1 rights, preferences, limitations and relative rights granted
2 to or imposed upon the shares of each class but only if the
3 conversion is proposed by three-fourths of the board of
4 directors.

5 (b) Procedure.--Written notice shall, not less than 15 days
6 before the meeting of members or delegates called for the
7 purpose of considering the proposed amendment or any other
8 fundamental change, be given to each member or shareholder of
9 record. A notice of an amendment under subsection (a)(3) shall
10 set forth, in addition to the information otherwise required by
11 the appropriate provisions of this part, a complete description
12 of the shares proposed to be issued upon the conversion and the
13 manner of carrying the conversion into effect.

14 (c) Post-approval report.--Whenever an amendment of the
15 articles of an association is approved, the association shall
16 notify each member within 30 days after the filing of articles
17 of amendment by sending to each member a copy of the filed
18 amendment and, in the case of a conversion, a complete
19 description of the shares issued by the association.

20 § 7530. Bylaws.

21 (a) General rule.--The bylaws may provide for the following
22 matters:

23 (1) The time, place and manner of calling and conducting
24 meetings of the members or delegates and the number of
25 members or delegates (which may be less than a majority) that
26 shall constitute a quorum.

27 (2) The manner of voting and the conditions upon which
28 members or delegates may vote at general and special
29 meetings.

30 (3) Subject to any provision thereon in the articles of

1 association and in this chapter, the number, qualifications,
2 eligibility requirements, manner of nomination, duties and
3 terms of office of directors and officers, the time of their
4 election and mode and manner of giving notice thereof.

5 (4) The time, place and manner for calling and holding
6 meetings of the directors and any executive committee and the
7 number that shall constitute a quorum.

8 (5) Rules consistent with law and the articles of
9 association for the management of the association, the
10 establishment of any election districts, the making of
11 contracts, the issuance, redemption and transfer of shares,
12 the relative rights, duties, interests and preferences of
13 members and shareholders and the mode, manner and effect of
14 expulsion of a member.

15 (6) Any other provisions deemed necessary or proper to
16 carry out the purposes of the association.

17 (7) Penalties for violations of the bylaws.

18 (b) Procedure.--Bylaws authorized to be made by the board of
19 directors may be amended or repealed and new bylaws may be
20 adopted by the members or delegates. Delegates may prescribe
21 that any bylaw made by them shall not be amended or repealed by
22 the directors and members may provide that any bylaw made by
23 them shall not be amended or repealed by either the directors or
24 the delegates. The association shall notify each member of a
25 proposed change in the bylaws by sending to each member, at
26 least 15 days prior to any vote on the proposed change, a copy
27 of the proposed bylaw along with the time, date, place and
28 manner of voting for the proposed changes. Members may amend or
29 repeal bylaws adopted by the directors or the delegates by
30 filing with the secretary of the association a petition signed

1 by 25% of the voting membership and setting forth the text of
2 the proposed change. The secretary shall call a special meeting
3 or special vote of the association within 30 days of the receipt
4 of the petition. When a special meeting is called, at least 10%
5 of the voting membership shall be present to change the bylaws.
6 Whenever a proposed bylaw change is approved, the association
7 shall mail each member a copy of the approved bylaw within 30
8 days of the approval.

9 § 7531. Directors.

10 (a) General rule.--The business and affairs of the
11 association shall be managed under the direction of a board of
12 not less than five directors who shall be natural persons of
13 full age. All directors shall be members. The first directors
14 shall serve until the first annual meeting of the association at
15 which time their successors shall be elected by the members of
16 the association. Thereafter, a director shall hold office for a
17 term of not less than one year nor more than three years and
18 until his successor has been elected and qualified. Every
19 election for a director shall be by secret ballot. A director
20 may succeed himself.

21 (b) Election by districts.--The bylaws may provide that the
22 territory in which the association has members shall be divided
23 into districts and that the directors shall be elected according
24 to such districts, either directly or by district delegates
25 elected by the members in that district. In such case, the
26 bylaws shall specify or the board of directors shall determine
27 the number of directors to be elected by each district and the
28 manner and method of dividing the directors and of districting
29 and redistricting of the territory in which the association has
30 members. The board of directors may use such standards as are

1 reasonable for assigning directors and districting and
2 redistricting the territory in which the association has
3 members. The bylaws or the board of directors may provide for
4 dividing districts into locals and for the election of district
5 delegates at local meetings of members. The bylaws shall
6 prescribe the procedures by which districts shall elect
7 directors. The board of directors shall hear and decide any
8 controversy arising out of a district election and its decisions
9 shall be incontestable except for fraud. In any case in which
10 the election of directors is by districts, the board shall fill
11 a vacancy with a person who resides in or is a member of a local
12 in the district in which the vacancy exists.

13 (c) Classified board.--If the bylaws so provide, the
14 directors of an association may be classified in respect to the
15 time for which they severally hold office. In such case, each
16 class shall be as nearly equal in number as possible, the term
17 of office of at least one class shall expire in each year and
18 the members of a class shall not be elected for a shorter period
19 than one year or for a longer period than three years. If, at
20 any meeting, directors of more than one class are to be elected,
21 each class of directors to be elected shall be elected in a
22 separate election.

23 (d) Educational program.--The Department of Agriculture in
24 cooperation with the College of Agriculture of the Pennsylvania
25 State University shall develop and implement an educational
26 program relating to the powers, duties, functions and
27 responsibilities of directors of associations. The Secretary of
28 Agriculture shall appoint an advisory council consisting of nine
29 individuals including members and directors of associations, two
30 association managers and other interested individuals who shall

1 advise the department on the development of the educational
2 program. Two members of the advisory council shall be managers
3 of associations. In addition, the department shall furnish to
4 each association director, free of charge, when first elected as
5 a director, an updated copy of this title and annually
6 thereafter any amendments or replacements thereof.

7 § 7532. Removal of directors.

8 A director may be removed from office by the affirmative vote
9 of not less than a majority of the members present and voting at
10 any regular or special meeting called for that purpose or, where
11 the bylaws provide for the election of directors by districts,
12 by the affirmative vote of not less than a majority of the
13 members or delegates residing in or representing the district
14 from which he was elected. The bylaws shall provide for the
15 filing of charges, the giving of notice thereof, an opportunity
16 to be heard and the procedures under which a director may be
17 removed.

18 § 7533. Officers.

19 The board shall elect a president, a secretary and a
20 treasurer and may elect one or more vice presidents and any
21 other officers as may be authorized in the bylaws. The president
22 and at least one of the vice presidents must be members. Any two
23 of the offices of vice president, secretary and treasurer may be
24 combined in one person.

25 § 7534. Marketing arrangements.

26 (a) General rule.--An association and its members may make
27 and execute contracts requiring the members to obtain all or any
28 part of specific services from the association or to sell or
29 deliver all or any part of their specified agricultural products
30 to or through the association or any facilities to be created by

1 the association. The contract may provide that the association
2 may sell or resell the products sold or delivered by its
3 members, with or without taking title thereto, and pay over to
4 its members the resale price, after deducting all necessary
5 overhead costs, expenses, valuation reserves, interest,
6 dividends on common and preferred shares and such deductions for
7 capital and other purposes as may be specified in the contract
8 or bylaws of an association. Each marketing or service contract
9 shall contain a provision which shall specify a reasonable
10 period in each year during which any contracting member of an
11 association, upon giving notice as prescribed in the contract,
12 may terminate the contract.

13 (b) Enforcement.--The bylaws or the marketing or service
14 contract may provide:

15 (1) For applying patronage refunds or savings allocated
16 to any member or other patron toward the payment for
17 liquidated damages specified in the contract to be paid to an
18 association by the member or other patron upon the breach by
19 him of any provision of the marketing or service contract.

20 (2) That the member will pay all costs, premiums for
21 bonds, expenses and fees in case any action is brought upon
22 the contract by the association. Any such provision shall be
23 valid and enforceable in the courts of this Commonwealth.

24 (3) That the association shall have the option to redeem
25 the voting shares at book value or par value, whichever is
26 lower, plus declared dividends, or the membership
27 certificate, whenever any contract between the association
28 and a member has been canceled in accordance with the terms
29 or conditions of the contract or by reason of breach of the
30 contract by the member.

1 (c) Injunction.--In the event of any such breach or
2 threatened breach of the marketing contract by a member, the
3 association shall be entitled to an injunction to prevent
4 further breach of the contract and to specific performance
5 thereof. Pending the adjudication of the action, and upon filing
6 a verified complaint showing the breach or threatened breach and
7 upon filing a sufficient bond, the association shall be entitled
8 to a temporary restraining order and preliminary injunction
9 against the member. The right to an injunction shall be in
10 addition to the remedy provided in subsection (b).

11 (d) Inducing breach; spreading false reports.--Any person
12 who knowingly induces any member of an association to breach his
13 marketing contract with the association shall be liable to the
14 association for the full amount of damages sustained by it by
15 reason of the breach and any person who maliciously and
16 knowingly spreads false reports about the finances or management
17 of the association shall be liable to the association in an
18 action for the actual damage which it may sustain by reason of
19 the false reports and punitive damages. The association shall be
20 entitled to an injunction against any such person to prevent
21 further injury to the association. In any action brought by an
22 association pursuant to this subsection, the association shall
23 be entitled to, in addition to any other recovery or remedy,
24 reasonable attorneys' fees involved in such matter.

25 § 7535. Patronage distributions.

26 (a) General rule.--The net proceeds or savings of an
27 association shall be apportioned, distributed and paid
28 periodically on the basis of patronage to those persons entitled
29 to receive them, at such times and in such manner as the bylaws
30 shall provide. The bylaws may provide that the net proceeds or

1 savings may be restricted to members or may be made at the same
2 or a different rate for member and nonmember patrons. The bylaws
3 may contain any reasonable provisions for the apportionment and
4 charging of net losses except that no member shall thereby
5 become liable for the debts of the association beyond any money
6 or other property delivered by the member to the association.
7 The bylaws may provide that any distribution to a nonmember
8 eligible for membership may be credited to the nonmember until
9 the amount thereof equals the value of a membership certificate
10 or a common share of an association.

11 (b) Method of disbursement.--The apportionment, distribution
12 and payment of net proceeds or savings required by subsection
13 (a) may be in cash, credits, capital shares, certificates of
14 indebtedness, revolving fund certificates, letters of advice or
15 other securities or certificates issued by an association or by
16 any affiliated domestic or foreign association. Apportionment
17 and distribution of its net proceeds or savings or losses may be
18 separately determined for, and be based upon the patronage of,
19 single or multiple pools or particular departments of an
20 association, or as to particular commodities, supplies or
21 services, or such apportionment and distribution may be based
22 upon classification of patronage according to the type thereof.

23 (c) Minimum participation.--An association may provide in
24 its bylaws the minimum amount of any single annual patronage
25 transaction which shall be taken into account for the purpose of
26 participation in allocation and distribution of net proceeds or
27 savings or net losses under this section.

28 (d) Method of accounting.--For the purposes of this section
29 net proceeds or savings or net losses shall be computed in
30 accordance with generally accepted accounting principles

1 applicable to cooperative associations, and after deducting from
2 gross proceeds or savings all costs and expenses of operation
3 and any dividends paid upon capital stock and interest paid upon
4 certificates or other evidence of equity in any fund, capital
5 investment or other assets of an association.

6 § 7536. Audit of operations.

7 (a) General rule.--At the close of each fiscal year a
8 complete certified audit of the operations of the association
9 shall be made by a qualified certified public accountant or by a
10 qualified public accountant, employed by the board of directors,
11 the written report of whom shall include the balance sheet,
12 operating statement, commissions, salaries and other
13 remunerations of managers and officers and other proper
14 information and shall be submitted to the members at the next
15 regular meeting. Within six months after the expiration of the
16 fiscal year for which made, the secretary of the association
17 shall file a copy of the certified audit in the Department of
18 Agriculture upon a form prescribed by the department. The
19 secretary of the association shall also include in the yearly
20 audit report to the department a list of the current officers
21 and directors and their addresses.

22 (b) Exception.--The annual audit of an association with
23 annual gross sales of \$100,000 or less may be performed by an
24 audit committee of three or more members of the association
25 appointed by the board, at least one of whom shall be a member
26 of the board of directors. The members of the committee need not
27 be certified public accountants or public accountants.

28 (c) Enforcement.--Any association which fails, within 120
29 days from the close of the fiscal year, to file with the
30 department the certified audit required by subsection (a), shall

1 be notified by certified mail by the department that the
2 certified audit must be filed within 60 days from the date of
3 mailing of the notice and that, upon failure to file the
4 certified audit within the time so limited, the department will
5 file in the Department of State a statement of dissolution under
6 this subsection. If the certified audit is not filed in the
7 department within such 60-day period, the department shall file
8 in the Department of State with respect to each such defaulting
9 association a statement of dissolution which shall identify the
10 association. Upon the filing of the statement the articles of
11 the association shall be deemed forfeited for failure to comply
12 with the provisions of this section. However, the forfeiture
13 shall not prejudice the rights of creditors and members in and
14 to any property or assets of or belonging to the association.
15 The department shall annually, on or before April 1 of each
16 year, furnish each existing association and make public a
17 listing of the status of existing associations. Any association
18 which has so automatically forfeited its articles shall be
19 reinstated as an association under this chapter if the unfiled
20 certified audit is submitted to the department within 90 days
21 after such automatic forfeiture or within any extension thereof
22 granted by the department, which shall thereupon file in the
23 Department of State with respect to the association a notice of
24 withdrawal of statement of dissolution stating that the
25 association has complied with the provisions of this subsection.
26 In such event, no statement of revival or new articles of
27 incorporation need be filed in the Department of State and the
28 association shall resume its status as a subsisting corporation.
29 The department shall review such yearly certified audits and
30 issue such reports and recommendations to each member of the

1 board of directors of the association as the department deems
2 necessary.

3 (d) Confidentiality.--No person shall, without the consent
4 or authorization of the association, except for official
5 purposes or in obedience to judicial process, make or permit any
6 disclosure whereby any information contained in a certified
7 audit may be identified as having been furnished by the
8 association. No person shall knowingly exercise or attempt to
9 exercise any powers, privileges or franchises for an
10 association, given by this chapter, while the articles of the
11 association are forfeit unless that person is, and discloses
12 that he is acting to reinstate the good standing of the
13 association under this chapter or is acting to wind up the
14 affairs of the association. A person violating the prohibitions
15 set forth in this subsection commits a misdemeanor of the third
16 degree.

17 (e) Withdrawal.--A certified audit shall not be withdrawn
18 without the approval of the board of directors.

19 § 7537. Contract assignments to association.

20 If any contract authorized by a cooperative contains an
21 assignment to the association of any part or all of funds due or
22 to become due the member during the life of the contract for any
23 product produced or to be produced by him or for any services
24 performed or to be performed in producing any product, any
25 person who accepts or receives the product from the member is
26 bound by the assignment after receiving written notice from the
27 association and the member of the amount and duration of the
28 assignment. However, as to any seasonal crop, if no funds are
29 paid or become payable by any person under such an assignment
30 for a period of two consecutive years during the life of the

1 contract, thereafter the assignment shall not be binding upon
2 any person who receives or accepts the product from the member
3 until the assignment is reaffirmed by the member in writing and
4 written notice thereof is given by the association or the
5 member. Any such reaffirmation shall continue to be effective
6 during the life of the contract until another lapse of two
7 consecutive years occurs.

8 § 7538. Exemption from tax on capital stock and indebtedness.

9 No State or local tax shall be levied or placed upon the
10 capital stock of an association or upon any scrip, bonds,
11 certificates or other evidences of indebtedness issued by such
12 association. The association shall not be required to file in
13 the Department of Revenue, or with any other State or local
14 official of this Commonwealth, the reports relative to such
15 taxes as are or may be required of corporations not exempt from
16 the payment of such taxes.

17 PART III

18 PARTNERSHIPS

19 Chapter

20 81. General Provisions (Reserved)

21 83. General Partnerships

22 85. Limited Partnerships

23 87. Electing Partnerships

24 CHAPTER 81

25 GENERAL PROVISIONS

26 (Reserved)

27 CHAPTER 83

28 GENERAL PARTNERSHIPS

29 Subchapter

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15 § 8301. Short title and application of chapter.

16 (a) Short title of chapter.--This chapter shall be known and
17 may be cited as the Uniform Partnership Act.

18 (b) Application of chapter.--This chapter shall apply to
19 every partnership heretofore and hereafter organized. See
20 section 8311 (relating to partnership defined).

21 § 8302. Definitions.

22 The following words and phrases when used in this chapter
23 shall have the meanings given to them in this section unless the
24 context clearly indicates otherwise:

25 "Bankrupt." Includes bankrupt under the Federal Bankruptcy
26 Act or insolvent under any State insolvency act.

27 "Business." Includes every trade, occupation or profession.

28 "Conveyance." Includes every assignment, lease, mortgage or
29 encumbrance.

30 "Court." Includes every court and judge having jurisdiction

1 in the case.

2 "Real property." Includes land and any interest or estate in
3 land.

4 § 8303. "Knowledge" and "notice."

5 (a) Knowledge.--A person has "knowledge" of a fact, within
6 the meaning of this chapter, not only when he has actual
7 knowledge thereof but also when he has knowledge of such other
8 facts as in the circumstances show bad faith.

9 (b) Notice.--A person has "notice" of a fact, within the
10 meaning of this chapter, when the person who claims the benefit
11 of the notice:

12 (1) states the fact to the other person; or

13 (2) delivers through the mail, or by other means of
14 communication, a written statement of the fact to the other
15 person or to a proper person at his place of business or
16 residence.

17 § 8304. Rules of construction.

18 (a) Estoppel.--The law of estoppel shall apply under this
19 chapter.

20 (b) Agency.--The law of agency shall apply under this
21 chapter.

22 § 8305. Rules for cases not provided for in chapter.

23 In any case not provided for in this chapter, the rules of
24 law and equity, including the law merchant, shall govern.

25 SUBCHAPTER B

26 NATURE OF A PARTNERSHIP

27 Sec.

28 8311. Partnership defined.

29 8312. Rules for determining the existence of a partnership.

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1 § 8311. Partnership defined.

2 (a) General rule.--A partnership is an association of two or
3 more persons to carry on as co-owners a business for profit.

4 (b) Exceptions.--Any association formed under any statute of
5 this Commonwealth except this chapter or corresponding
6 provisions of prior law, or under any statute adopted by
7 authority other than the authority of this Commonwealth, is not
8 a partnership under this chapter unless the association would
9 have been a partnership in this Commonwealth prior to March 26,
10 1915. This chapter shall apply to limited partnerships except
11 insofar as the statutes relating to those partnerships are
12 inconsistent with this chapter.

13 § 8312. Rules for determining the existence of a partnership.

14 In determining whether a partnership exists, these rules
15 shall apply:

16 (1) Except as provided by section 8328 (relating to
17 partner by estoppel), persons who are not partners as to each
18 other are not partners as to third persons.

19 (2) Joint tenancy, tenancy in common, tenancy by the
20 entirety, joint property, common property or part ownership
21 does not of itself establish a partnership whether or not the
22 co-owners share any profits made by the use of the property.

23 (3) The sharing of gross returns does not of itself
24 establish a partnership whether or not the persons sharing
25 them have a joint or common right or interest in any property
26 from which the returns are derived.

27 (4) The receipt by a person of a share of the profits of
28 a business is prima facie evidence that he is a partner in
29 the business but no such inference shall be drawn if the
30 profits were received in payment:

- (i) As a debt by installments or otherwise.
- (ii) As wages of an employee or rent to a landlord.
- (iii) As an annuity to a surviving spouse or representative of a deceased partner.
- (iv) As interest on a loan though the amount of payment varies with the profits of the business.
- (v) As the consideration for the sale of the goodwill of a business or other property by installments or otherwise.

§ 8313. Partnership property.

(a) General rule.--All property originally brought into the partnership stock or subsequently acquired, by purchase or otherwise, on account of the partnership is partnership property.

(b) Acquisition with partnership funds.--Unless the contrary intention appears, property acquired with partnership funds is partnership property.

(c) Property in partnership name.--Any estate in real property may be acquired in the partnership name. Title so acquired can be conveyed only in the partnership name.

(d) Extent of interest acquired.--A conveyance to a partnership in the partnership name, though without words of inheritance, passes the entire estate of the grantor unless a contrary intent appears.

SUBCHAPTER C

RELATION OF PARTNERS TO PERSONS

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8321. Partner agent of partnership as to partnership business.

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1 8323. Admissions or representations by partner.

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4 8325. Wrongful act of partner.

5 8326. Breach of trust by partner.

6 8327. Nature of liability of partner.

7 8328. Partner by estoppel.

8 8329. Liability of incoming partner.

9 § 8321. Partner agent of partnership as to partnership business.

10 (a) General rule.--Every partner is an agent of the
11 partnership for the purpose of its business and the act of every
12 partner, including the execution in the partnership name of any
13 instrument, for apparently carrying on in the usual way the
14 business of the partnership of which he is a member binds the
15 partnership unless the partner so acting has in fact no
16 authority to act for the partnership in the particular matter
17 and the person with whom he is dealing has knowledge of the fact
18 that he has no such authority.

19 (b) Absence of apparent authority.--An act of a partner
20 which is not apparently for the carrying on of the business of
21 the partnership in the usual way does not bind the partnership
22 unless authorized by the other partners.

23 (c) Limitations on authority of individual partners.--Unless
24 authorized by the other partners or unless they have abandoned
25 the business, one or more but less than all the partners have no
26 authority to:

27 (1) Assign the partnership property in trust for
28 creditors or on the promise of the assignee to pay the debts
29 of the partnership.

30 (2) Dispose of the goodwill of the business.

1 (3) Do any other act which would make it impossible to
2 carry on the ordinary business of a partnership.

3 (4) Confess a judgment.

4 (5) Submit a partnership claim or liability to
5 arbitration or reference.

6 (d) Effect of knowledge of restriction.--No act of a partner
7 in contravention of a restriction on his authority shall bind
8 the partnership to persons having knowledge of the restriction.

9 § 8322. Conveyance of real property of the partnership.

10 (a) General rule.--Where title to real property is in the
11 partnership name, any partner may convey title to the property
12 by a conveyance executed in the partnership name but the
13 partnership may recover the property unless the act of the
14 partner binds the partnership under the provisions of section
15 8321(a) (relating to partner agent of partnership as to
16 partnership business) or unless the property has been conveyed
17 by the grantee or a person claiming through the grantee to a
18 holder for value without knowledge that the partner, in making
19 the conveyance, has exceeded his authority.

20 (b) Equitable ownership where partnership is record owner.--
21 Where title to real property is in the name of the partnership,
22 a conveyance executed by a partner in his own name passes the
23 equitable interest of the partnership if the act is one within
24 the authority of the partner under the provisions of section
25 8321(a).

26 (c) Conveyance by record owners.--Where title to real
27 property is in the name of one or more but not all the partners
28 and the record does not disclose the right of the partnership,
29 the partners in whose name the title stands may convey title to
30 the property but the partnership may recover the property if the

1 act of the partners does not bind the partnership under the
2 provisions of section 8321(a) unless the purchaser or his
3 assignee is a holder for value, without knowledge.

4 (d) Equitable ownership where partnership is not record
5 owner.--Where the title to real property is in the name of one
6 or more or all the partners, or in a third person in trust for
7 the partnership, a conveyance executed by a partner in the
8 partnership name or in his own name passes the equitable
9 interest of the partnership if the act is one within the
10 authority of the partner under the provisions of section
11 8321(a).

12 (e) Effect of conveyance by all partners.--Where the title
13 to real property is in the names of all the partners, a
14 conveyance executed by all the partners passes all their rights
15 in the property.

16 § 8323. Admissions or representations by partner.

17 An admission or representation made by any partner concerning
18 partnership affairs within the scope of his authority as
19 conferred by this chapter is evidence against the partnership.

20 § 8324. Partnership charged with knowledge of or notice to
21 partner.

22 Notice to any partner of any matter relating to partnership
23 affairs, and the knowledge of the partner acting in the
24 particular matter acquired while a partner or then present to
25 his mind, and the knowledge of any other partner who reasonably
26 could and should have communicated it to the acting partner
27 operate as notice to or knowledge of the partnership except in
28 the case of a fraud on the partnership committed by or with the
29 consent of that partner.

30 § 8325. Wrongful act of partner.

1 Where, by any wrongful act or omission of any partner acting
2 in the ordinary course of the business of the partnership or
3 with the authority of his copartners, loss or injury is caused
4 to any person, not being a partner in the partnership, or any
5 penalty is incurred, the partnership is liable therefor to the
6 same extent as the partner so acting or omitting to act.

7 § 8326. Breach of trust by partner.

8 The partnership is bound to make good the loss:

9 (1) Where one partner, acting within the scope of his
10 apparent authority, receives money or property of a third
11 person and misapplies it.

12 (2) Where the partnership, in the course of its
13 business, receives money or property of a third person and
14 the money or property so received is misapplied by any
15 partner while it is in the custody of the partnership.

16 § 8327. Nature of liability of partner.

17 All partners are liable:

18 (1) Jointly and severally for everything chargeable to
19 the partnership under sections 8325 (relating to wrongful act
20 of partner) and 8326 (relating to breach of trust by
21 partner).

22 (2) Jointly for all other debts and obligations of the
23 partnership but any partner may enter into a separate
24 obligation to perform a partnership contract.

25 § 8328. Partner by estoppel.

26 (a) General rule.--

27 (1) When a person, by words spoken or written or by
28 conduct, represents himself, or consents to another
29 representing him to any one, as a partner in an existing
30 partnership or with one or more persons not actual partners,

1 he is liable to the person to whom the representation has
2 been made who has, on the faith of the representation, given
3 credit to the actual or apparent partnership, and if he has
4 made the representation or consented to its being made in a
5 public manner he is liable to that person, whether the
6 representation has or has not been made or communicated to
7 the person so giving credit by or with the knowledge of the
8 apparent partner making the representation or consenting to
9 its being made.

10 (2) When a partnership liability results, he is liable
11 as though he were an actual member of the partnership.

12 (3) When no partnership liability results, he is liable
13 jointly with the other persons, if any, so consenting to the
14 contract or representation as to incur liability, otherwise
15 separately.

16 (b) Authority as representative.--When a person has been
17 thus represented to be a partner in an existing partnership or
18 with one or more persons not actual partners, he is an agent of
19 the persons consenting to the representation to bind them to the
20 same extent and in the same manner as though he were a partner
21 in fact with respect to persons who rely upon the
22 representation. Where all the members of the existing
23 partnership consent to the representation, a partnership act or
24 obligation results but in all other cases it is the joint act or
25 obligation of the person acting and the persons consenting to
26 the representation.

27 § 8329. Liability of incoming partner.

28 A person admitted as a partner into an existing partnership
29 is liable for all the obligations of the partnership arising
30 before his admission as though he had been a partner when the

1 obligations were incurred except that this liability shall be
2 satisfied only out of partnership property.

3 SUBCHAPTER D

4 RELATIONS OF PARTNERS TO ONE ANOTHER

5 Sec.

6 8331. Rules determining rights and duties of partners.

7 8332. Partnership books.

8 8333. Duty to render information.

9 8334. Partner accountable as fiduciary.

10 8335. Right of partner to an account.

11 8336. Continuation of partnership beyond fixed term.

12 § 8331. Rules determining rights and duties of partners.

13 The rights and duties of the partners in relation to the
14 partnership shall be determined, subject to any agreement
15 between them, by the following rules:

16 (1) Each partner shall be repaid his contributions,
17 whether by way of capital or advances to the partnership
18 property, and share equally in the profits and surplus
19 remaining after all liabilities, including those to partners,
20 are satisfied and must contribute towards the losses, whether
21 of capital or otherwise, sustained by the partnership,
22 according to his share in the profits.

23 (2) The partnership must indemnify every partner in
24 respect of payments made and personal liabilities reasonably
25 incurred by him in the ordinary and proper conduct of its
26 business or for the preservation of its business or property.

27 (3) A partner who, in aid of the partnership, makes any
28 payment or advance beyond the amount of capital which he
29 agreed to contribute, shall be paid interest from the date of
30 the payment or advance.

1 (4) A partner shall receive interest on the capital
2 contributed by him only from the date when repayment should
3 be made.

4 (5) All partners have equal rights in the management and
5 conduct of the partnership business.

6 (6) No partner is entitled to remuneration for acting in
7 the partnership business except that a surviving partner is
8 entitled to reasonable compensation for his services in
9 winding up the partnership affairs.

10 (7) No person can become a member of a partnership
11 without the consent of all the partners.

12 (8) Any difference arising as to ordinary matters
13 connected with the partnership business may be decided by a
14 majority of the partners but no act in contravention of any
15 agreement between the partners may be done rightfully without
16 the consent of all the partners.

17 § 8332. Partnership books.

18 The partnership books shall be kept, subject to any agreement
19 between the partners, at the principal place of business of the
20 partnership and every partner shall at all times have access to
21 and may inspect and copy any of them.

22 § 8333. Duty to render information.

23 Partners shall render on demand true and full information of
24 all things affecting the partnership to any partner or the legal
25 representative of any deceased partner or partner under legal
26 disability.

27 § 8334. Partner accountable as fiduciary.

28 (a) General rule.--Every partner must account to the
29 partnership for any benefit and hold as trustee for it any
30 profits derived by him without the consent of the other partners

1 from any transaction connected with the formation, conduct or
2 liquidation of the partnership or from any use by him of its
3 property.

4 (b) Personal representative.--Subsection (a) applies also to
5 the representatives of a deceased partner engaged in the
6 liquidation of the affairs of the partnership as the personal
7 representatives of the last surviving partner.

8 § 8335. Right of partner to an account.

9 Any partner shall have the right to a formal account as to
10 the partnership affairs:

11 (1) If he is wrongfully excluded from the partnership
12 business or possession of its property by his copartners.

13 (2) If the right exists under the terms of any
14 agreement.

15 (3) As provided by section 8334 (relating to partner
16 accountable as fiduciary).

17 (4) Whenever other circumstances render it just and
18 reasonable.

19 § 8336. Continuation of partnership beyond fixed term.

20 (a) General rule.--When a partnership for a fixed term or
21 particular undertaking is continued after the termination of
22 that term or particular undertaking without any express
23 agreement, the rights and duties of the partners remain the same
24 as they were at such termination so far as is consistent with a
25 partnership at will.

26 (b) Effect of continuation of business.--A continuation of
27 the business by the partners or such of them as habitually acted
28 therein during the term, without any settlement or liquidation
29 of the partnership affairs, is prima facie evidence of a
30 continuation of the partnership.

SUBCHAPTER E

PROPERTY RIGHTS OF A PARTNER

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property.

8343. Nature of interest of partner in partnership.

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§ 8341. Extent of property rights of partner.

The property rights of a partner are:

(1) His rights in specific partnership property.

(2) His interest in the partnership.

(3) His right to participate in the management.

§ 8342. Nature of right of partner in specific partnership
property.

(a) General rule.--A partner is co-owner with his partners
of specific partnership property, holding as a tenant in
partnership.

(b) Incidents of tenancy.--The incidents of this tenancy are
as follows:

(1) A partner, subject to the provisions of this chapter
and to any agreement between the partners, has an equal right
with his partners to possess specific partnership property
for partnership purposes but he has no right to possess the
property for any other purpose without the consent of his
partners.

(2) The right of a partner in specific partnership
property is not assignable except in connection with the
assignment of the rights of all partners in the same

1 property.

2 (3) The right of a partner in specific partnership
3 property is not subject to attachment or execution except on
4 a claim against the partnership. When partnership property is
5 attached for a partnership debt, the partners, or any of
6 them, or the representatives of a deceased partner, cannot
7 claim any right under the homestead or exemption laws.

8 (4) On the death of a partner, his right in specific
9 partnership property vests in the surviving partner or
10 partners, except where the deceased was the last surviving
11 partner, when his right in the property vests in his legal
12 representative. The surviving partner or partners, or the
13 legal representative of the last surviving partner, has no
14 right to possess the partnership property for any but a
15 partnership purpose.

16 (5) The right of a partner in specific partnership
17 property is not subject to dower, curtesy or allowances to
18 surviving spouses, heirs or next of kin.

19 § 8343. Nature of interest of partner in partnership.

20 The interest of a partner in the partnership is his share of
21 the profits and surplus and that interest is personal property.

22 § 8344. Assignment of interest of partner.

23 (a) General rule.--A conveyance by a partner of his interest
24 in the partnership does not of itself dissolve the partnership
25 nor, as against the other partners in the absence of agreement,
26 entitle the assignee, during the continuance of the partnership,
27 to interfere in the management or administration of the
28 partnership business or affairs, or to require any information
29 or account of partnership transactions, or to inspect the
30 partnership books. It merely entitles the assignee to receive,

1 in accordance with his contract, the profits to which the
2 assigning partner would otherwise be entitled.

3 (b) Dissolution.--In case of a dissolution of the
4 partnership, the assignee is entitled to receive the interest of
5 his assignor and may require an account from the date only of
6 the last account agreed to by all the partners.

7 § 8345. Interest of partner subject to charging order.

8 (a) General rule.--On due application to a competent court
9 by any judgment creditor of a partner, the court which entered
10 the judgment, order or decree, or any other court, may charge
11 the interest of the debtor partner with payment of the
12 unsatisfied amount of the judgment debt with interest thereon
13 and may then or later appoint a receiver of his share of the
14 profits, and of any other money due or to fall due to him in
15 respect of the partnership, and make all other orders,
16 directions, accounts and inquiries which the debtor partner
17 might have made or which the circumstances of the case may
18 require.

19 (b) Redemption.--The interest charged may be redeemed at any
20 time before foreclosure or, in case of a sale being directed by
21 the court, may be purchased without thereby causing a
22 dissolution:

23 (1) with separate property, by any one or more of the
24 partners; or

25 (2) with partnership property, by any one or more of the
26 partners with the consent of all the partners whose interests
27 are not so charged or sold.

28 (c) Exemptions unaffected.--Nothing in this chapter shall be
29 held to deprive a partner of his right, if any, under the
30 exemption laws, as regards his interest in the partnership.

SUBCHAPTER F

DISSOLUTION AND WINDING UP

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§ 8351. "Dissolution" defined.

The dissolution of a partnership is the change in the relation of the partners caused by any partner ceasing to be associated in the carrying on, as distinguished from the winding up, of the business.

§ 8352. Partnership continued for winding up affairs.

On dissolution the partnership is not terminated but continues until the winding up of partnership affairs is completed.

§ 8353. Causes of dissolution.

Dissolution is caused:

1 (1) Without violation of the agreement between the
2 partners:

3 (i) By the termination of the definite term or
4 particular undertaking specified in the agreement.

5 (ii) By the express will of any partner when no
6 definite term or particular undertaking is specified.

7 (iii) By the express will of all the partners who
8 have not assigned their interests or suffered them to be
9 charged for their separate debts, either before or after
10 the termination of any specified term or particular
11 undertaking.

12 (iv) By the expulsion of any partner from the
13 business bona fide in accordance with such a power
14 conferred by the agreement between the partners.

15 (2) In contravention of the agreement between the
16 partners, where the circumstances do not permit a dissolution
17 under any other provision of this section, by the express
18 will of any partner at any time.

19 (3) By any event which makes it unlawful for the
20 business of the partnership to be carried on or for the
21 members to carry it on in partnership.

22 (4) By the death of any partner.

23 (5) By the bankruptcy of any partner or the partnership.

24 (6) By decree of court under section 8354 (relating to
25 dissolution by decree of court).

26 § 8354. Dissolution by decree of court.

27 (a) General rule.--On application by or for a partner, the
28 court shall decree a dissolution whenever:

29 (1) A partner has been declared a lunatic in any
30 judicial proceeding or is shown to be of unsound mind.

1 (2) A partner becomes in any other way incapable of
2 performing his part of the partnership contract.

3 (3) A partner has been guilty of such conduct as tends
4 to affect prejudicially the carrying on of the business.

5 (4) A partner willfully or persistently commits a breach
6 of the partnership agreement or otherwise so conducts himself
7 in matters relating to the partnership business that it is
8 not reasonably practicable to carry on the business in
9 partnership with him.

10 (5) The business of the partnership can only be carried
11 on at a loss.

12 (6) Other circumstances render a dissolution equitable.

13 (b) Right of purchaser of interest.--On the application of
14 the purchaser of the interest of a partner under section 8344
15 (relating to assignment of interest of partner) or 8345
16 (relating to interest of partner subject to charging order), the
17 court shall decree a dissolution:

18 (1) After the termination of the specified term or
19 particular undertaking.

20 (2) At any time if the partnership was a partnership at
21 will when the interest was assigned or when the charging
22 order was issued.

23 § 8355. Effect of dissolution on authority of partner.

24 Except so far as may be necessary to wind up partnership
25 affairs or to complete transactions begun but not then finished,
26 dissolution terminates all authority of any partner to act for
27 the partnership:

28 (1) With respect to the partners:

29 (i) when the dissolution is not by the act,
30 bankruptcy or death of a partner; or

(ii) when the dissolution is by the act, bankruptcy or death of a partner, in cases where section 8356 (relating to right of partner to contribution from copartners) so requires.

(2) With respect to persons not partners, as declared in section 8357 (relating to power of partner to bind partnership to third persons).

§ 8356. Right of partner to contribution from copartners.

Where the dissolution is caused by the act, death or bankruptcy of a partner, each partner is liable to his copartners for his share of any liability created by any partner acting for the partnership as if the partnership had not been dissolved unless:

(1) the dissolution being by act of any partner, the partner acting for the partnership had knowledge of the dissolution; or

(2) the dissolution being by the death or bankruptcy of a partner, the partner acting for the partnership had knowledge or notice of the death or bankruptcy.

§ 8357. Power of partner to bind partnership to third persons.

(a) General rule.--After dissolution, a partner can bind the partnership, except as provided in subsection (c):

(1) By any act appropriate for winding up partnership affairs or completing transactions unfinished at dissolution.

(2) By any transaction which would bind the partnership if dissolution had not taken place if the other party to the transaction:

(i) had extended credit to the partnership prior to dissolution and had no knowledge or notice of the dissolution; or

(ii) though he had not so extended credit, had nevertheless known of the partnership prior to dissolution, and having no knowledge or notice of dissolution, and the fact of dissolution had not been advertised in a newspaper of general circulation in the place (or in each place, if more than one) at which the partnership business was regularly carried on, and in the legal periodical, if any, designated by rule of court in such place or places for the publication of legal notices.

(b) Use of partnership assets.--The liability of a partner under subsection (a)(2) shall be satisfied out of partnership assets alone when the partner had been, prior to dissolution:

(1) unknown as a partner to the persons with whom the contract is made; and

(2) so far unknown and inactive in partnership affairs that the business reputation of the partnership could not be said to have been in any degree due to his connection with it.

(c) Restrictions on post dissolution authority of partner.--The partnership is in no case bound by any act of a partner after dissolution:

(1) where the partnership is dissolved because it is unlawful to carry on the business unless the act is appropriate for winding up partnership affairs;

(2) where the partner has become bankrupt; or

(3) where the partner has no authority to wind up partnership affairs except by a transaction with one who:

(i) had extended credit to the partnership prior to dissolution, and had no knowledge or notice of his want

1 of authority; or

2 (ii) had not extended credit to the partnership
3 prior to dissolution, and, having no knowledge or notice
4 of his want of authority, and the fact of his want of
5 authority has not been advertised in the manner provided
6 for advertising the fact of dissolution in subsection
7 (a)(2)(ii).

8 (d) Partner by estoppel.--Nothing in this section shall
9 affect the liability under section 8328 (relating to partner by
10 estoppel) of any person who, after dissolution, represents
11 himself, or consents to another representing him, as a partner
12 in a partnership engaged in carrying on business.

13 § 8358. Effect of dissolution on existing liability of partner.

14 (a) General rule.--The dissolution of the partnership does
15 not of itself discharge the existing liability of any partner.

16 (b) Agreement.--A partner is discharged from any existing
17 liability upon dissolution of the partnership by an agreement to
18 that effect between himself, the partnership creditor and the
19 person or partnership continuing the business. The agreement may
20 be inferred from the course of dealing between the creditor
21 having knowledge of the dissolution and the person or
22 partnership continuing the business.

23 (c) Assumption of obligation.--Where a person agrees to
24 assume the existing obligations of a dissolved partnership, the
25 partners whose obligations have been assumed shall be discharged
26 from any liability to any creditor of the partnership who,
27 knowing of the agreement, consents to a material alteration in
28 the nature or time of payment of the obligations.

29 (d) Individual property.--The individual property of a
30 deceased partner shall be liable for all obligations of the

1 partnership incurred while he was a partner but subject to the
2 prior payment of his separate debts.

3 § 8359. Right to wind up affairs.

4 Unless otherwise agreed, the partners who have not wrongfully
5 dissolved the partnership, or the legal representative of the
6 last surviving partner, not bankrupt, has the right to wind up
7 the partnership affairs except that any partner, his legal
8 representative or his assignee, upon cause shown, may obtain
9 winding up by the court.

10 § 8360. Rights of partners to application of partnership
11 property.

12 (a) General rule.--When dissolution is caused in any way,
13 except in contravention of the partnership agreement, each
14 partner, as against his copartners and all persons claiming
15 through them in respect of their interests in the partnership,
16 unless otherwise agreed, may have the partnership property
17 applied to discharge its liabilities and the surplus applied to
18 pay in cash the net amount owing to the respective partners. But
19 if dissolution is caused by expulsion of a partner, bona fide
20 under the partnership agreement, and if the expelled partner is
21 discharged from all partnership liabilities, either by payment
22 or agreement under section 8358(b) (relating to effect of
23 dissolution on existing liability of partner), he shall receive
24 in cash only the net amount due him from the partnership.

25 (b) Dissolution in contravention of agreement.--When
26 dissolution is caused in contravention of the partnership
27 agreement the rights of the partners shall be as follows:

28 (1) Each partner who has not caused dissolution
29 wrongfully shall have:

30 (i) All the rights specified in subsection (a).

1 (ii) The right, as against each partner who has
2 caused the dissolution wrongfully, to damages for breach
3 of the agreement.

4 (2) The partners who have not caused the dissolution
5 wrongfully, if they all desire to continue the business in
6 the same name, either by themselves or jointly with others,
7 may do so, during the agreed term for the partnership, and
8 for that purpose may possess the partnership property, if
9 they secure the payment by bond approved by the court, or pay
10 to any partner who has caused the dissolution wrongfully, the
11 value of his interest in the partnership at the dissolution,
12 less any damages recoverable under paragraph (1)(ii), and in
13 like manner indemnify him against all present or future
14 partnership liabilities.

15 (3) A partner who has caused the dissolution wrongfully
16 shall have:

17 (i) If the business is not continued under the
18 provisions of paragraph (2), all the rights of a partner
19 under subsection (a) subject to paragraph (1)(ii).

20 (ii) If the business is continued under paragraph
21 (2), the right, as against his copartners and all
22 claiming through them in respect of their interests in
23 the partnership, to have the value of his interest in the
24 partnership, less any damages caused to his copartners by
25 the dissolution, ascertained and paid to him in cash, or
26 the payment secured by bond approved by the court, and to
27 be released from all existing liabilities of the
28 partnership but, in ascertaining the value of the
29 interest of the partner, the value of the goodwill of the
30 business shall not be considered.

1 § 8361. Rights after dissolution for fraud or
2 misrepresentation.

3 Where a partnership contract is rescinded on the ground of
4 the fraud or misrepresentation of one of the parties thereto,
5 the party entitled to rescind is, without prejudice to any other
6 right, entitled:

7 (1) To a lien on, or right of retention of, the surplus
8 of the partnership property, after satisfying the partnership
9 liabilities to third persons, for any sum of money paid by
10 him for the purchase of an interest in the partnership and
11 for any capital or advances contributed by him.

12 (2) To stand, after all liabilities to third persons
13 have been satisfied, in the place of the creditors of the
14 partnership for any payments made by him in respect of the
15 partnership liabilities.

16 (3) To be indemnified by the person guilty of the fraud
17 or making the representation against all debts and
18 liabilities of the partnership.

19 § 8362. Rules for distribution.

20 In settling accounts between the partners after dissolution,
21 the following rules shall be observed, subject to any agreement
22 to the contrary:

23 (1) The assets of the partnership are:

24 (i) The partnership property.

25 (ii) The contributions of the partners necessary for
26 the payment of all the liabilities specified in paragraph
27 (2).

28 (2) The liabilities of the partnership shall rank, in
29 order of payment, as follows:

30 (i) Those owing to creditors other than partners.

1 (ii) Those owing to partners other than for capital
2 and profits.

3 (iii) Those owing to partners in respect of capital.

4 (iv) Those owing to partners in respect of profits.

5 (3) The assets shall be applied, in order of their
6 declaration in paragraph (1), to the satisfaction of the
7 liabilities.

8 (4) The partners shall contribute, as provided by
9 section 8331(1) (relating to rules determining rights and
10 duties of partners), the amount necessary to satisfy the
11 liabilities but if any, but not all, of the partners are
12 insolvent or, not being subject to process, refuse to
13 contribute, the other partners shall contribute their share
14 of the liabilities and, in the relative proportions in which
15 they share the profits, the additional amount necessary to
16 pay the liabilities.

17 (5) An assignee for the benefit of creditors, or any
18 person appointed by the court, shall have the right to
19 enforce the contributions specified in paragraph (4).

20 (6) Any partner or his legal representative shall have
21 the right to enforce the contributions specified in paragraph
22 (4) to the extent of the amount which he has paid in excess
23 of his share of the liability.

24 (7) The individual property of a deceased partner shall
25 be liable for the contributions specified in paragraph (4).

26 (8) When partnership property and the individual
27 properties of the partners are in the possession of a court
28 for distribution, partnership creditors shall have priority
29 on partnership property, and separate creditors on individual
30 property, saving the rights of lien or secured creditors as

heretofore.

(9) Where a partner has become bankrupt or his estate is insolvent, the claims against his separate property shall rank in the following order:

(i) Those owing to separate creditors.

(ii) Those owing to partnership creditors.

(iii) Those owing to partners by way of contribution.

§ 8363. Liability of persons continuing the business.

(a) Admission or retirement of a partner.--When any new partner is admitted into an existing partnership or when any partner retires and assigns (or the representative of the deceased partner assigns) his rights in partnership property to two or more of the partners, or to one or more of the partners and one or more third persons, if the business is continued without liquidation of the partnership affairs, creditors of the first or dissolved partnership are also creditors of the partnership so continuing the business.

(b) Retirement of all but one partner.--When all but one partner retire and assign (or the representative of a deceased partner assigns) their rights in partnership property to the remaining partner who continues the business without liquidation of partnership affairs, either alone or with others, creditors of the dissolved partnership are also creditors of the person or partnership so continuing the business.

(c) Retirement or death without assignment of rights.--When any partner retires or dies and the business of the dissolved partnership is continued as set forth in subsections (a) and (b) with the consent of the retired partners or the representative of the deceased partner, but without any assignment of his right

1 in partnership property, rights of creditors of the dissolved
2 partnership and of the creditors of the person or partnership
3 continuing the business shall be as if the assignment had been
4 made.

5 (d) Assignment of rights of all partners.--When all the
6 partners or their representatives assign their rights in
7 partnership property to one or more third persons who promise to
8 pay the debts and who continue the business of the dissolved
9 partnership, creditors of the dissolved partnership are also
10 creditors of the person or partnership continuing the business.

11 (e) Wrongful dissolution by partner.--When any partner
12 wrongfully causes a dissolution and the remaining partners
13 continue the business under the provisions of section 8360(b)(2)
14 (relating to dissolution in contravention of agreement), either
15 alone or with others and without liquidation of the partnership
16 affairs, creditors of the dissolved partnership are also
17 creditors of the person or partnership continuing the business.

18 (f) Expulsion of partner.--When a partner is expelled and
19 the remaining partners continue the business, either alone or
20 with others and without liquidation of the partnership affairs,
21 creditors of the dissolved partnership are also creditors of the
22 person or partnership continuing the business.

23 (g) Limitation on liability of new partner.--The liability
24 of a third person becoming a partner in the partnership
25 continuing the business under this section to the creditors of
26 the dissolved partnership shall be satisfied out of partnership
27 property only.

28 (h) Priority of claims of creditors.--When the business of a
29 partnership after dissolution is continued under any conditions
30 set forth in this section, the creditors of the dissolved

1 partnership, as against the separate creditors of the retiring
2 or deceased partner or the representative of the deceased
3 partner, have a prior right to any claim of the retired partner
4 or the representative of the deceased partner against the person
5 or partnership continuing the business on account of the
6 interest of the retired or deceased partner in the dissolved
7 partnership or on account of any consideration promised for that
8 interest or for his right in partnership property.

9 (i) Setting aside assignment for fraud.--Nothing in this
10 section shall be held to modify any right of creditors to set
11 aside any assignment on the ground of fraud.

12 (j) Effect of use of name of deceased partner.--The use by
13 the person or partnership continuing the business of the
14 partnership name, or the name of a deceased partner as part
15 thereof, shall not of itself make the individual property of the
16 deceased partner liable for any debts contracted by that person
17 or partnership.

18 § 8364. Rights of retiring partner or estate of deceased
19 partner when business is continued.

20 When any partner retires or dies and the business is
21 continued under any of the conditions set forth in section
22 8360(b)(2) (relating to dissolution in contravention of
23 agreement) or 8363(a), (b), (c), (e) and (f) (relating to
24 liability of persons continuing the business) without any
25 settlement of accounts as between him or his estate and the
26 person or partnership continuing the business, unless otherwise
27 agreed, he or his legal representative as against such persons
28 or partnership may have the value of his interest at the date of
29 dissolution ascertained and shall receive as an ordinary
30 creditor an amount equal to the value of his interest in the

1 dissolved partnership with interest or, at his option or at the
2 option of his legal representative, in lieu of interest, the
3 profits attributable to the use of his right in the property of
4 the dissolved partnership except that the creditors of the
5 dissolved partnership, as against the separate creditors or the
6 representative of the retired or deceased partner, shall have
7 priority on any claim arising under this section as provided by
8 section 8363(h).

9 § 8365. Accrual of right to account.

10 The right to an account of his interest shall accrue to any
11 partner, or his legal representative, as against the winding up
12 partners or the surviving partners or the person or partnership
13 continuing the business at the date of dissolution in the
14 absence of any agreement to the contrary.

15 CHAPTER 85

16 LIMITED PARTNERSHIPS

17 Subchapter

- 18 A. Preliminary Provisions
- 19 B. Formation; Certificate of Limited Partnership
- 20 C. Limited Partners
- 21 D. General Partners
- 22 E. Finance
- 23 F. Distributions and Withdrawal
- 24 G. Assignment of Partnership Interests
- 25 H. Dissolution
- 26 I. Foreign Limited Partnerships
- 27 J. Derivative Actions

28 SUBCHAPTER A

29 PRELIMINARY PROVISIONS

30 Sec.

1 8501. Short title of chapter.
2 8502. Applicability of chapter to existing limited
3 partnerships.
4 8503. Definitions.
5 8504. Rules for cases not provided for in this chapter.
6 8505. Name.
7 8506. Registered office.
8 8507. Records to be kept.
9 8508. Business which may be carried on.
10 8509. Business transactions of partner with limited
11 partnership.

12 § 8501. Short title of chapter.

13 This chapter shall be known and may be cited as the
14 Pennsylvania Revised Uniform Limited Partnership Act.

15 § 8502. Applicability of chapter to existing limited
16 partnerships.

17 (a) General rule.--Limited partnerships formed under the
18 former provisions of the following statutes shall be governed by
19 this chapter:

20 (1) Act of March 21, 1836 (P.L.143, No.51), relating to
21 limited partnerships.

22 (2) Act of April 12, 1917 (P.L.55, No.37), known as The
23 Uniform Limited Partnership Act.

24 (3) Former 59 Pa.C.S. Ch. 5 (relating to limited
25 partnerships) as added by the act of December 19, 1975
26 (P.L.524, No.155).

27 (b) Transitional provision.--All provisions of this chapter
28 shall be applicable to a limited partnership formed under prior
29 law except that the following provisions shall be applicable to
30 the partnership only as follows:

Sections 8541 (relating to form of contribution), 8542 (relating to liability for contributions) and 8558 (relating to liability upon return of contribution) apply only to contributions and distributions made after the limited partnership becomes subject to this chapter.

Section 8564 (relating to right of assignee to become limited partner) applies only to assignments made after the limited partnership becomes subject to this chapter.

§ 8503. Definitions.

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

"Certificate of limited partnership." The certificate referred to in section 8511 (relating to certificate of limited partnership) and the certificate as amended. The term includes any other statements or certificates permitted or required to be filed in the Department of State by sections 108 (relating to change in location or status of registered office provided by agent) and 138 (relating to statement of correction) or this chapter. If an amendment of the certificate of limited partnership made in the manner permitted by this chapter restates the certificate in its entirety, thenceforth the "certificate of limited partnership" shall not include any prior documents and any certificate issued by the department with respect thereto shall so state.

"Contribution." Any cash, tangible or intangible property, services rendered or a promissory note or other binding obligation to contribute cash or tangible or intangible property or to perform services which a partner contributes to a limited partnership in his capacity as a partner.

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

3 (1) the court of common pleas of the judicial district
4 embracing the county where the registered office of the
5 limited partnership is or is to be located; or

6 (2) where a limited partnership withdraws as a foreign
7 limited partnership, the court of common pleas in which venue
8 would have been laid immediately prior to the withdrawal.

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

10 "Event of withdrawal of a general partner." An event that
11 causes a person to cease to be a general partner as provided in
12 section 8532 (relating to events of withdrawal).

13 "Except as otherwise provided." When used to introduce or
14 modify a rule, implies that the alternative provisions
15 contemplated may either relax or restrict the stated rule.

16 "Foreign limited partnership." A limited partnership formed
17 under the laws of any jurisdiction other than this Commonwealth
18 and having as partners one or more general partners and one or
19 more limited partners.

20 "General partner." A person who has been admitted to a
21 limited partnership as a general partner in accordance with the
22 partnership agreement and named in the certificate of limited
23 partnership as a general partner.

24 "Limited partner." A person who has been admitted to a
25 limited partnership as a limited partner in accordance with the
26 partnership agreement.

27 "Limited partnership" and "domestic limited partnership." A
28 partnership formed by two or more persons under the laws of this
29 Commonwealth and having one or more general partners and one or
30 more limited partners.

1 "Partner." A limited or general partner.

2 "Partnership agreement." Any valid agreement, written or
3 oral, of the partners as to the affairs of a limited partnership
4 and the conduct of its business.

5 "Partnership interest." A partner's share of the profits and
6 losses of a limited partnership and the right to receive
7 distributions of partnership assets.

8 "Registered investment company." A domestic limited
9 partnership which is registered as an investment company under
10 the Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
11 80a-1 et seq.).

12 "Registered office." That office maintained by a limited
13 partnership in this Commonwealth, the address of which is filed
14 with the Department of State. See section 109 (relating to name
15 of commercial registered office provider in lieu of registered
16 address).

17 § 8504. Rules for cases not provided for in this chapter.

18 In any case not provided for in this chapter, the provisions
19 of Chapter 83 (relating to general partnerships) govern.

20 § 8505. Name.

21 (a) General rule.--The name of each limited partnership as
22 set forth in its certificate of limited partnership:

23 (1) Shall be expressed in Roman letters or characters or
24 Arabic or Roman numerals.

25 (2) Shall not be one rendered unavailable to use by a
26 corporation by any provision of section 1303(b) and (c)
27 (relating to corporate name).

28 (3) Shall not contain the name of a limited partner
29 unless:

30 (i) it is also the name of a general partner or the

1 corporate name of a corporate general partner; or
2 (ii) the business of the limited partnership had
3 been carried on under that name before the admission of
4 the limited partner.

5 (b) Reservation of name.--The exclusive right to the use of
6 a name for purposes of this chapter may be reserved and
7 transferred in the manner provided by section 1305 (relating to
8 reservation of corporate name).

9 § 8506. Registered office.

10 (a) General rule.--Every limited partnership shall have and
11 continuously maintain in this Commonwealth a registered office
12 which may, but need not, be the same as its place of business.

13 (b) Change.--After formation, a change in the location of
14 the registered office may be effected at any time by the limited
15 partnership. Before the change becomes effective, the limited
16 partnership shall amend its certificate of limited partnership
17 under the provisions of this chapter to reflect the change in
18 location, or shall file in the Department of State a statement
19 of change of registered office setting forth:

20 (1) The name of the limited partnership.

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

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

25 (c) Alternative procedure.--A limited partnership may
26 satisfy the requirements of this chapter concerning the
27 maintenance of a registered office in this Commonwealth by
28 setting forth in any document filed in the department under any
29 provision of this chapter which permits or requires the
30 statement of the address of its then registered office, in lieu

1 of that address, the statement authorized by section 109(a)
2 (relating to name of commercial registered office provider in
3 lieu of registered address).

4 (d) Cross references.--See sections 108 (relating to change
5 in location or status of registered office provided by agent),
6 134 (relating to docketing statement), 8512 (relating to
7 amendment of certificate) and 8514 (relating to execution of
8 certificates and statements).

9 § 8507. Records to be kept.

10 Each limited partnership shall keep at the registered office
11 of the limited partnership in this Commonwealth or at its
12 principal place of business, wherever situated, the following:

13 (1) A current list of the full name and last known
14 business address of each partner set forth in alphabetical
15 order.

16 (2) A copy of the certificate of limited partnership and
17 all certificates of amendment thereto, together with executed
18 copies of any powers of attorney pursuant to which any
19 certificate has been executed.

20 (3) Copies of the limited partnership's Federal, State
21 and local income tax returns and reports, if any, for the
22 three most recent years.

23 (4) Copies of any then effective written partnership
24 agreements and of any financial statements of the limited
25 partnership for the three most recent years.

26 These records are subject to inspection and copying at the
27 reasonable request, and at the expense, of any partner during
28 ordinary business hours.

29 § 8508. Business which may be carried on.

30 A limited partnership may carry on any business that a

1 partnership without limited partners may carry on.

2 § 8509. Business transactions of partner with limited
3 partnership.

4 Except as otherwise provided in the partnership agreement, a
5 partner may lend money to and transact other business with the
6 limited partnership and, subject to other applicable law, has
7 the same rights and obligations with respect thereto as a person
8 who is not a partner.

9 SUBCHAPTER B

10 FORMATION; CERTIFICATE OF LIMITED PARTNERSHIP

11 Sec.

12 8511. Certificate of limited partnership.

13 8512. Amendment of certificate.

14 8513. Cancellation of certificate.

15 8514. Execution of certificates and statements.

16 8515. Amendment or cancellation by judicial act.

17 8516. Effect of filing in Department of State.

18 8517. Liability for false statement in certificate.

19 8518. Notice.

20 8519. Delivery of filed documents to limited partners.

21 8520. Filing of certificate of summary of record by limited
22 partnerships formed prior to 1976.

23 § 8511. Certificate of limited partnership.

24 (a) General rule.--In order to form a limited partnership,
25 two or more persons must execute a certificate of limited
26 partnership. The certificate shall be filed in the Department of
27 State and shall set forth:

28 (1) The name of the limited partnership.

29 (2) The general character of its business.

30 (3) Subject to section 109 (relating to name of

1 commercial registered office provider in lieu of registered
2 address), the address, including street and number, if any,
3 of its registered office.

4 (4) The name and business address of each general
5 partner.

6 (5) Any other matters the partners determine to include
7 therein, including:

8 (i) The name and business address of each limited
9 partner.

10 (ii) The amount of cash and a description and
11 statement of the agreed value of the other property or
12 services contributed by each partner and which each
13 partner has agreed to contribute in the future.

14 (iii) The times at which or events on the happening
15 of which any additional contributions agreed to be made
16 by each partner are to be made.

17 (iv) Any power of a limited partner to grant the
18 right to become a limited partner to an assignee of any
19 part of his partnership interest and the terms and
20 conditions of the power.

21 (v) If agreed upon, the time at which or the events
22 on the happening of which a partner may terminate his
23 membership in the limited partnership and the amount of,
24 or the method of determining, the distribution to which
25 he may be entitled respecting his partnership interest
26 and the terms and conditions of the termination and
27 distribution.

28 (vi) Any right of a partner to receive distributions
29 of property, including cash, from the limited
30 partnership.

1 (vii) Any right of a partner to receive, or of a
2 general partner to make, distributions to a partner which
3 include a return of all or any part of the contribution
4 of the partner.

5 (viii) Any time at which or events upon the
6 happening of which the limited partnership is to be
7 dissolved and its affairs wound up.

8 (ix) Any right of the remaining general partners to
9 continue the business on the happening of an event of
10 withdrawal of a general partner.

11 (b) Effective date of formation.--A limited partnership is
12 formed at the time of the filing of the certificate of limited
13 partnership in the department or at any later time specified in
14 the certificate of limited partnership if, in either case, there
15 has been substantial compliance with the requirements of this
16 section or the corresponding provisions of prior law.

17 (c) Duties of recorders of deeds.--Each recorder of deeds
18 shall continue to keep open for public inspection the record of
19 limited partnership certificates recorded under the statutes
20 supplied by this chapter and by prior law.

21 (d) Cross references.--See sections 134 (relating to
22 docketing statement) and 8514 (relating to execution of
23 certificates and statements).

24 § 8512. Amendment of certificate.

25 (a) General rule.--A certificate of limited partnership is
26 amended by filing a certificate of amendment thereto and, if
27 required by section 8520 (relating to filing of certificate of
28 summary of record by limited partnerships formed prior to 1976),
29 a certificate of summary of record in the Department of State.
30 The certificate shall set forth:

- 1 (1) The name of the limited partnership.
- 2 (2) The date of filing of the original certificate.
- 3 (3) The amendment to the certificate.
- 4 (4) If the amendment is to be effective on a specified
- 5 date, the hour, if any, and the month, day and year of the
- 6 effective date.

7 (b) Events requiring amendment.--Within 30 days after the
8 happening of any of the following events, an amendment to a
9 certificate of limited partnership reflecting the occurrence of
10 the event or events shall be filed:

- 11 (1) A change in the name of the limited partnership.
- 12 (2) The admission of a new general partner.
- 13 (3) The withdrawal of a general partner.
- 14 (4) The continuation of the business under section 8571
- 15 (relating to nonjudicial dissolution) after an event of
- 16 withdrawal of a general partner.

17 (c) Duty of a general partner.--A general partner who
18 becomes aware that any statement in a certificate of limited
19 partnership was false when made or that any arrangements or
20 other facts described have changed, making the certificate
21 inaccurate in any respect, shall promptly amend the certificate
22 but an amendment to show a change of address of a limited
23 partner (if stated in the certificate) need be filed only once
24 every 12 months.

25 (d) Other changes.--A certificate of limited partnership may
26 be amended at any time for any other proper purpose the general
27 partners may determine, including a restatement of the
28 certificate in its entirety, omitting any matter that is
29 obsolete or no longer required.

30 (e) Effectiveness of certificate of amendment.--Upon the

1 filing of the certificate of amendment in the department or upon
2 the effective date specified in the certificate of amendment,
3 whichever is later, the certificate of amendment shall become
4 effective and the certificate of limited partnership shall be
5 deemed to be amended accordingly.

6 (f) Cross references.--See sections 134 (relating to
7 docketing statement) and 8514 (relating to execution of
8 certificates and statements).

9 § 8513. Cancellation of certificate.

10 (a) General rule.--A certificate of limited partnership
11 shall be canceled upon the dissolution and the commencement of
12 winding up of the limited partnership or at any other time there
13 are no limited partners. A certificate of cancellation shall be
14 filed in the Department of State and shall set forth:

15 (1) The name of the limited partnership.

16 (2) The date of filing of its original certificate of
17 limited partnership.

18 (3) The reason for filing the certificate of
19 cancellation.

20 (4) The effective date (which shall be a date certain)
21 of cancellation if it is not to be effective upon the filing
22 of the certificate.

23 (5) Any other information the general partners filing
24 the certificate determine.

25 (b) Cross references.--See sections 134 (relating to
26 docketing statement) and 8514 (relating to execution of
27 certificates and statements).

28 § 8514. Execution of certificates and statements.

29 (a) General rule.--Each certificate or statement required by
30 this subchapter to be filed in the Department of State shall be

1 executed in the following manner:

2 (1) An original certificate of limited partnership must
3 be signed by all general partners named therein.

4 (2) A certificate of amendment must be signed by at
5 least one general partner and by each other partner
6 designated in the certificate as a new general partner.

7 (3) A certificate of cancellation must be signed by all
8 general partners or, if there is no general partner, by a
9 majority of the limited partners.

10 (4) A statement of change of registered office must be
11 signed by a general partner.

12 (5) A certificate of summary of record must be signed by
13 all general partners.

14 (6) A certificate of withdrawal must be signed by the
15 person withdrawing.

16 (b) Attorney-in-fact.--Any person may sign a certificate or
17 statement by an attorney-in-fact or fiduciary. It shall not be
18 necessary to present to or file in the department the original
19 or a copy of any document evidencing the authority of an
20 attorney-in-fact or fiduciary.

21 § 8515. Amendment or cancellation by judicial act.

22 (a) General rule.--If a person required by this subchapter
23 or by the certificate of limited partnership or the partnership
24 agreement to execute a certificate of amendment or cancellation
25 fails or refuses to do so, any other partner and any assignee of
26 a partnership interest who is adversely affected by the failure
27 or refusal may petition the court to direct the amendment or
28 cancellation. If the court finds that the amendment or
29 cancellation is proper and that any person so designated has
30 failed or refused to execute the certificate, it shall enter an

1 order of amendment or cancellation. The clerk of the court shall
2 file a certified copy of the order in the Department of State.

3 (b) Cross reference.--See section 134 (relating to docketing
4 statement).

5 § 8516. Effect of filing in Department of State.

6 Upon the filing of a certificate of amendment (or judicial
7 order of amendment) in the Department of State, the certificate
8 of limited partnership shall be amended as set forth therein
9 and, upon the effective date of a certificate of cancellation
10 (or a judicial order thereof), the certificate of limited
11 partnership shall be canceled.

12 § 8517. Liability for false statement in certificate.

13 If any certificate of limited partnership or certificate of
14 amendment or cancellation contains a materially false statement,
15 one who suffers loss by reliance on the statement may recover
16 damages for the loss from:

17 (1) any person who executes the certificate, or causes
18 another to execute it on his behalf, and knew, and any
19 general partner who knew or should have known, the statement
20 to be false in any material respect at the time the
21 certificate was executed; and

22 (2) any general partner who thereafter knows or should
23 have known that any arrangement or other fact described in
24 the certificate has changed, making the statement inaccurate
25 in any material respect within a sufficient time before the
26 statement was relied upon reasonably to have enabled that
27 general partner to cancel or amend the certificate, or to
28 file a petition for its cancellation or amendment under
29 section 8515 (relating to amendment or cancellation by
30 judicial act).

1 § 8518. Notice.

2 The fact that a certificate of limited partnership is on file
3 in the Department of State is notice that the partnership is a
4 limited partnership and that all partners are limited partners
5 except the persons designated therein as general partners, but
6 it is not notice of any other fact.

7 § 8519. Delivery of filed documents to limited partners.

8 Upon the return by the Department of State pursuant to
9 section 136 (relating to processing of documents by Department
10 of State) of a certificate or statement marked "Filed," the
11 general partners shall promptly deliver or mail a copy of the
12 original certificate of limited partnership and each certificate
13 of amendment or cancellation or other certificate or statement
14 required or permitted to be filed under this chapter to each
15 limited partner except as otherwise provided in the partnership
16 agreement.

17 § 8520. Filing of certificate of summary of record by limited
18 partnerships formed prior to 1976.

19 (a) General rule.--Any limited partnership which was not
20 formed under this chapter, has never made any filing under this
21 section or corresponding provisions of prior law and desires to
22 file any document in the Department of State under any other
23 provision of this chapter or which desires to secure from the
24 department a certified copy of the certificate of limited
25 partnership shall file in the department a certificate of
26 summary of record which shall set forth:

27 (1) The name of the limited partnership.

28 (2) Subject to section 109 (relating to name of
29 commercial registered office provider in lieu of registered
30 address), the address, including street and number, if any,

1 of its registered office.

2 (3) The statute under which the limited partnership was
3 formed.

4 (4) The name under which, and the date on which, the
5 limited partnership was originally formed, including the date
6 when and the place where the original certificate was
7 recorded.

8 (5) The place or places, including the volume and page
9 numbers or their equivalent, where the documents constituting
10 the currently effective certificate are recorded, the date or
11 dates of each recording and the text of the currently
12 effective certificate. The information specified in this
13 paragraph may be omitted in a certificate of summary of
14 record which is delivered to the department contemporaneously
15 with an amended certificate filed under this chapter which
16 restates the certificate in its entirety.

17 (6) Each name by which the limited partnership was
18 known, if any, other than its original name and its current
19 name and the date or dates on which each change of name of
20 the partnership became effective.

21 (b) Cross references.--See sections 134 (relating to
22 docketing statement) and 8514 (relating to execution of
23 certificates and statements).

24 SUBCHAPTER C

25 LIMITED PARTNERS

26 Sec.

27 8521. Admission of additional limited partners.

28 8522. Voting.

29 8523. Liability to third parties.

30 8524. Person erroneously believing himself limited partner.

1 8525. Information.

2 § 8521. Admission of additional limited partners.

3 (a) General rule.--After the filing of the original
4 certificate of limited partnership, a person may be admitted as
5 an additional limited partner:

6 (1) In the case of a person acquiring a partnership
7 interest directly from the limited partnership, upon the
8 compliance with the partnership agreement or, if the
9 partnership agreement does not so provide, upon the written
10 consent of all partners.

11 (2) In the case of an assignee of a partnership interest
12 of a partner who has the power as provided in section 8564
13 (relating to right of assignee to become limited partner) to
14 grant the assignee the right to become a limited partner,
15 upon the exercise of that power and compliance with any
16 conditions limiting the grant or exercise of the power.

17 (b) Effective date of admission.--In each case under
18 subsection (a), the person acquiring the partnership interest
19 becomes a limited partner only upon amendment of the certificate
20 of limited partnership reflecting that fact, or upon compliance
21 with the partnership agreement, if the names of the limited
22 partners are not stated in the certificate of limited
23 partnership or an amendment of the certificate is not required
24 by the partnership agreement.

25 § 8522. Voting.

26 Subject to section 8523 (relating to liability to third
27 parties), the partnership agreement may grant to all or a
28 specified group of the limited partners the right to vote (on a
29 per capita or other basis) upon any matter.

30 § 8523. Liability to third parties.

1 (a) General rule.--Except as provided in subsection (d), a
2 limited partner is not liable for the obligations of a limited
3 partnership unless he is also a general partner or, in addition
4 to the exercise of his rights and powers as a limited partner,
5 he takes part in the control of the business. However, if the
6 limited partner does participate in the control of the business,
7 he is liable only to persons who transact business with the
8 limited partnership with actual knowledge of his participation
9 in control.

10 (b) Activities compatible with limited partner status.--A
11 limited partner does not participate in the control of the
12 business within the meaning of subsection (a) solely by doing
13 one or more of the following:

14 (1) Being a contractor for or an agent or employee of
15 the limited partnership or of a general partner or a
16 director, trustee, officer or shareholder of a general
17 partner.

18 (2) Consulting with and advising a general partner with
19 respect to the business of the limited partnership.

20 (3) Acting as surety for the limited partnership, or
21 guaranteeing one or more specific debts of the limited
22 partnership.

23 (4) Proposing, approving, disapproving or calling a
24 meeting to consider an amendment to the partnership
25 agreement.

26 (5) Proposing, voting on or calling a meeting to
27 consider one or more of the following matters:

28 (i) The dissolution and winding up of the limited
29 partnership.

30 (ii) The sale, exchange, lease, mortgage, pledge or

1 other transfer of all or substantially all of the assets
2 of the limited partnership other than in the ordinary
3 course of its business.

4 (iii) The incurrence of material indebtedness by the
5 limited partnership.

6 (iv) A change in the nature of the business.

7 (v) The removal of a general partner.

8 (vi) The admission of a general partner or a limited
9 partner.

10 (6) Approving or disapproving, by vote or other action,
11 such material matters related to the business of the
12 partnership as shall be stated in the certificate of limited
13 partnership or the partnership agreement.

14 (7) Applying for dissolution of the partnership pursuant
15 to section 8572 (relating to judicial dissolution).

16 (8) In the case of a registered investment company,
17 voting on one or more of the following matters:

18 (i) The approval or termination of investment
19 advisory or underwriting contracts.

20 (ii) The approval of auditors.

21 (iii) Any other matter which by reason of the
22 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. §
23 80a-1 et seq.) the general partners consider to be a
24 proper matter for the vote of the holders of voting
25 securities or beneficial interests in the limited
26 partnership.

27 (c) Enumeration nonexclusive.--The enumeration in subsection
28 (b) does not mean that the possession or exercise of any other
29 powers by a limited partner constitutes participation by him in
30 the control of the business of the limited partnership.

(d) Use of name.--A limited partner who knowingly permits his name to be used in the name of the limited partnership, except under circumstances permitted by section 8505(a)(3) (relating to name), is liable to creditors who extend credit to the limited partnership without actual knowledge that the limited partner is not a general partner.

§ 8524. Person erroneously believing himself limited partner.

(a) General rule.--Except as provided in subsection (b), a person who makes a contribution to a business enterprise and erroneously but in good faith believes that he has become a limited partner in the enterprise is not a general partner in the enterprise and is not bound by its obligations by reason of making the contribution, receiving distributions from the enterprise or exercising any rights of a limited partner if, on ascertaining the mistake, he:

(1) causes an appropriate certificate of limited partnership or a certificate of amendment to be executed and filed; or

(2) if he has been named in the certificate of limited partnership, withdraws from future equity participation in the enterprise by executing and filing in the Department of State a certificate of withdrawal which shall set forth:

(i) The name of the limited partnership.

(ii) The date of filing of the original certificate.

(iii) The name of the person withdrawing.

The certificate of withdrawal shall be effective upon filing in the department. The person withdrawing shall send a copy of the filed certificate of withdrawal to the limited partnership.

(b) Third party liability.--A person who makes a

1 contribution of the kind described in subsection (a) is liable
2 as a general partner to any third party who transacts business
3 with the enterprise:

4 (1) before the person withdraws and an appropriate
5 certificate is filed to show withdrawal; or

6 (2) before an appropriate certificate or amendment is
7 filed clarifying his status as a limited partner;

8 but only if the third party actually believed in good faith that
9 the person was a general partner at the time of the transaction
10 and, if a certificate of limited partnership has been filed
11 prior to the transaction, the limited partner is erroneously
12 named as a general partner in the certificate or in a
13 certificate of amendment.

14 (c) Cross references.--See sections 134 (relating to
15 docketing statement) and 8514 (relating to execution of
16 certificates and statements).

17 § 8525. Information.

18 Each limited partner has the right, subject to such
19 reasonable standards as may be set forth in the partnership
20 agreement, to:

21 (1) Inspect and copy any of the limited partnership
22 records required to be maintained by section 8507 (relating
23 to records to be kept).

24 (2) Obtain from the general partners from time to time
25 upon reasonable demand:

26 (i) True and full information regarding the state of
27 the business and financial condition of the limited
28 partnership.

29 (ii) Promptly after becoming available, a copy of
30 the Federal, State and local income tax returns for each

1 year of the limited partnership.

2 (iii) Other information regarding the affairs of the
3 limited partnership as is just and reasonable.

4 SUBCHAPTER D

5 GENERAL PARTNERS

6 Sec.

7 8531. Admission of additional general partners.

8 8532. Events of withdrawal.

9 8533. General powers and liabilities.

10 8534. Contributions by a general partner.

11 8535. Voting.

12 § 8531. Admission of additional general partners.

13 (a) General rule.--Except as otherwise provided in the
14 certificate of limited partnership or partnership agreement,
15 after the filing of the original certificate of limited
16 partnership, additional general partners may be admitted only
17 with the specific written consent of each partner.

18 (b) Cross reference.--See section 8512(b) (relating to
19 events requiring amendment).

20 § 8532. Events of withdrawal.

21 (a) General rule.--A person ceases to be a general partner
22 of a limited partnership upon the happening of any of the
23 following events:

24 (1) The general partner withdraws from the limited
25 partnership as provided in section 8552 (relating to
26 withdrawal of general partner).

27 (2) The general partner ceases to be a member of the
28 limited partnership as provided in section 8562 (relating to
29 assignment of partnership interest).

30 (3) The general partner is removed as a general partner

1 in accordance with the partnership agreement.

2 (4) Unless otherwise provided in the partnership
3 agreement, the general partner:

4 (i) makes an assignment for the benefit of
5 creditors;

6 (ii) files a voluntary petition in bankruptcy;

7 (iii) is adjudicated a bankrupt or insolvent;

8 (iv) files an application or answer seeking for
9 himself any reorganization, arrangement, composition,
10 readjustment, liquidation, dissolution or similar relief
11 under any statute, law or regulation;

12 (v) files an answer or other pleading admitting or
13 failing to contest the material allegations of an
14 application filed against him in any proceeding of this
15 nature; or

16 (vi) seeks, consents to or acquiesces in the
17 appointment of a trustee, receiver or liquidator of the
18 general partner or of all or any substantial part of his
19 properties.

20 (5) Unless otherwise provided in the partnership
21 agreement, if 120 days after the commencement of any
22 proceeding against the general partner seeking
23 reorganization, arrangement, composition, readjustment,
24 liquidation, dissolution or similar relief under any statute,
25 law or regulation the proceeding has not been dismissed or if
26 within 90 days after the appointment without his consent or
27 acquiescence of a trustee, receiver or liquidator of the
28 general partner or of all or any substantial part of his
29 properties the appointment is not vacated or stayed or within
30 90 days after the expiration of any such stay the appointment

1 is not vacated.

2 (6) In the case of a general partner who is a natural
3 person:

4 (i) his death; or

5 (ii) the entry by a court of competent jurisdiction
6 of an order adjudicating him incompetent to manage his
7 person or his estate.

8 (7) In the case of a general partner who is acting as a
9 general partner by virtue of being a trustee of a trust, the
10 termination of the trust (but not merely the substitution of
11 a new trustee).

12 (8) In the case of a general partner that is a separate
13 partnership, the dissolution and commencement of winding up
14 of the separate partnership.

15 (9) In the case of a general partner that is a
16 corporation, the filing of articles of dissolution or their
17 equivalent for the corporation or the revocation of its
18 charter.

19 (10) In the case of an estate, the distribution by the
20 fiduciary of the entire interest of the estate in the
21 partnership.

22 (11) In the case of a general partner in a registered
23 investment company, the failure of the partner to be
24 reelected in accordance with the certificate of limited
25 partnership or partnership agreement.

26 (b) Certificate of withdrawal.--A person who ceases to be a
27 general partner may file a certificate of withdrawal prepared in
28 conformity with section 8524(a)(2) (relating to person
29 erroneously believing himself limited partner). See section 134
30 (relating to docketing statement).

1 § 8533. General powers and liabilities.

2 Except as otherwise provided in this chapter or in the
3 partnership agreement, a general partner of a limited
4 partnership has the rights and powers and is subject to the
5 restrictions and liabilities of a partner in a partnership
6 without limited partners.

7 § 8534. Contributions by a general partner.

8 A general partner of a limited partnership may make
9 contributions to the partnership and share in the profits and
10 losses of, and in distributions from, the limited partnership as
11 a general partner. A general partner also may make contributions
12 to and share in profits, losses and distributions as a limited
13 partner. A person who is both a general partner and a limited
14 partner has the rights and powers, and is subject to the
15 restrictions and liabilities, of a general partner and, except
16 as otherwise provided in the partnership agreement, also has the
17 powers, and is subject to the restrictions, of a limited partner
18 to the extent of his participation in the partnership as a
19 limited partner.

20 § 8535. Voting.

21 The partnership agreement may grant to all or certain
22 identified general partners the right to vote (on a per capita
23 or any other basis), separately or with all or any class of the
24 limited partners, on any matter.

25 SUBCHAPTER E

26 FINANCE

27 Sec.

28 8541. Form of contribution.

29 8542. Liability for contributions.

30 8543. Sharing of profits and losses.

1 8544. Sharing of distributions.

2 § 8541. Form of contribution.

3 The contribution of a partner may be in cash, tangible or
4 intangible property or services rendered or a promissory note or
5 other obligation to contribute cash or tangible or intangible
6 property or to perform services.

7 § 8542. Liability for contributions.

8 (a) General rule.--Except as otherwise provided in the
9 certificate of limited partnership or partnership agreement, a
10 partner is obligated to the limited partnership to perform any
11 promise stated in the certificate of limited partnership or
12 partnership agreement to contribute cash or property or to
13 perform services even if he is unable to perform because of
14 death, disability or any other reason. If a partner does not
15 make the required contribution of property or services, he is
16 obligated at the option of the limited partnership to contribute
17 cash equal to that portion of the value (as stated in the
18 certificate of limited partnership or partnership agreement, if
19 stated therein) of the stated contribution that has not been
20 made.

21 (b) Compromise of obligation to contribute.--Except as
22 otherwise provided in the partnership agreement, the obligation
23 of a partner to make a contribution or return money or other
24 property paid or distributed in violation of this chapter may be
25 compromised only by consent of all the partners. Notwithstanding
26 the compromise, a creditor of a limited partnership who extends
27 credit, or whose claim arises, after the filing of the
28 certificate of limited partnership or an amendment thereto
29 which, in either case, reflects the obligation, and before the
30 amendment or cancellation thereof to reflect the compromise, may

1 enforce the original obligation.

2 § 8543. Sharing of profits and losses.

3 The profits and losses of a limited partnership shall be
4 allocated among the partners, and among classes of partners, in
5 the manner provided in the partnership agreement. If the
6 partnership agreement does not so provide, profits and losses
7 shall be allocated on the basis of the value (as stated in the
8 certificate of limited partnership or partnership agreement, if
9 stated therein) of the contributions made by each partner to the
10 extent they have been received by the partnership and have not
11 been returned, and otherwise per capita.

12 § 8544. Sharing of distributions.

13 Distributions of cash or other assets of a limited
14 partnership shall be allocated among the partners, and among
15 classes of partners, in the manner provided in the partnership
16 agreement. If the partnership agreement does not so provide,
17 distributions shall be made on the basis of the value (as stated
18 in the certificate of limited partnership or partnership
19 agreement, if stated therein) of the contributions made by each
20 partner to the extent they have been received by the partnership
21 and have not been returned, and otherwise per capita..

22 SUBCHAPTER F

23 DISTRIBUTIONS AND WITHDRAWAL

24 Sec.

25 8551. Interim distributions.

26 8552. Withdrawal of general partner.

27 8553. Withdrawal of limited partner.

28 8554. Distribution upon withdrawal.

29 8555. Distribution in kind.

30 8556. Right to distribution.

1 8557. Limitations on distribution.

2 8558. Liability upon return of contribution.

3 § 8551. Interim distributions.

4 Except as provided in this subchapter, a partner is entitled
5 to receive distributions from a limited partnership before his
6 withdrawal from the limited partnership and before the
7 dissolution and winding up thereof:

8 (1) to the extent and at the times or upon the happening
9 of the events specified in the partnership agreement; and

10 (2) if any distribution constitutes a return of any part
11 of his contribution under section 8558(c) (relating to
12 determination of return of contribution), to the extent and
13 at the times or upon the happening of the events specified in
14 the certificate of limited partnership or partnership
15 agreement.

16 § 8552. Withdrawal of general partner.

17 (a) General rule.--A general partner may withdraw from a
18 limited partnership at any time by giving written notice to the
19 other partners but, if the withdrawal violates the partnership
20 agreement, the limited partnership may recover from the
21 withdrawing general partner damages for breach of the
22 partnership agreement and offset the damages against the amount
23 otherwise distributable to him.

24 (b) Cross reference.--See section 8512(b) (relating to
25 events requiring amendment).

26 § 8553. Withdrawal of limited partner.

27 A limited partner may withdraw from a limited partnership at
28 the time or upon the happening of events specified in, and in
29 accordance with any applicable provisions of, the partnership
30 agreement. If the partnership agreement does not specify the

1 time or the events upon the happening of which a limited partner
2 may withdraw or a definite time for the dissolution and winding
3 up of the limited partnership, a limited partner may withdraw
4 upon not less than six months' prior written notice to each
5 general partner at his address on the books of the limited
6 partnership.

7 § 8554. Distribution upon withdrawal.

8 Except as provided in this subchapter, upon withdrawal any
9 withdrawing partner is entitled to receive any distribution to
10 which he is entitled under the partnership agreement and, except
11 as otherwise provided in the partnership agreement, he is
12 entitled to receive, within a reasonable time after withdrawal,
13 the fair value of his interest in the limited partnership as of
14 the date of withdrawal based upon his right to share in
15 distributions from the limited partnership.

16 § 8555. Distribution in kind.

17 Except as otherwise provided in the certificate of limited
18 partnership or partnership agreement, a partner has no right to
19 demand and receive any distribution from a limited partnership
20 in any form other than cash, regardless of the nature of his
21 contribution. Except as otherwise provided in the partnership
22 agreement, a partner may not be compelled to accept a
23 distribution of any asset in kind from a limited partnership to
24 the extent that the percentage of the asset distributed to him
25 exceeds a percentage of that asset which is equal to the
26 percentage in which he shares in distributions from the limited
27 partnership.

28 8556. Right to distribution.

29 At the time a partner becomes entitled to receive a
30 distribution, he has the status of, and is entitled to all

1 remedies available to, a creditor of the limited partnership
2 with respect to the distribution.

3 § 8557. Limitations on distribution.

4 A partner may not receive a distribution from a limited
5 partnership to the extent that, after giving effect to the
6 distribution, all liabilities of the limited partnership, other
7 than liabilities to partners on account of their partnership
8 interests and liabilities as to which recourse of creditors is
9 limited to specified property of the limited partnership, exceed
10 the fair value of the partnership assets other than those assets
11 that are subject to liabilities as to which recourse of
12 creditors is so limited.

13 § 8558. Liability upon return of contribution.

14 (a) General rule.--If a general partner has received the
15 return of any part of his contribution without violation of the
16 partnership agreement or this chapter, he is liable to the
17 limited partnership for a period of one year thereafter for the
18 amount of the returned contribution but only to the extent
19 necessary to discharge the liabilities of the limited
20 partnership to creditors who extended credit to the limited
21 partnership during the period the contribution was held by the
22 partnership.

23 (b) Unlawful distributions.--If a partner has received the
24 return of any part of his contribution in violation of the
25 partnership agreement or this chapter, he is liable to the
26 limited partnership for a period of six years thereafter for the
27 amount of the contribution wrongfully returned.

28 (c) Determination of return of contribution.--A partner
29 receives a return of his contribution to the extent that a
30 distribution to him reduces his share of the fair value of the

1 net assets of the limited partnership, as determined under
2 section 8557 (relating to limitations on distribution), below
3 the value (as set forth in the certificate of limited
4 partnership or partnership agreement, if set forth therein) of
5 his contribution (to the extent it has been received by the
6 limited partnership) which has not been distributed to him, and
7 otherwise to the extent of the fair value of the distribution.

8 SUBCHAPTER G

9 ASSIGNMENT OF PARTNERSHIP INTERESTS

10 Sec.

11 8561. Nature of partnership interest.

12 8562. Assignment of partnership interest.

13 8563. Rights of creditor.

14 8564. Right of assignee to become limited partner.

15 8565. Power of estate of deceased or incompetent partner.

16 § 8561. Nature of partnership interest.

17 A partnership interest is personal property.

18 § 8562. Assignment of partnership interest.

19 Except as otherwise provided in the partnership agreement, a
20 partnership interest is assignable in whole or in part. An
21 assignment of a partnership interest does not dissolve a limited
22 partnership or entitle the assignee to become or to exercise any
23 rights of a partner. An assignment entitles the assignee to
24 receive, to the extent assigned, only the distribution to which
25 the assignor would be entitled. Except as otherwise provided in
26 the partnership agreement, a partner ceases to be a partner upon
27 assignment of all his partnership interest.

28 § 8563. Rights of creditor.

29 On application to a court of competent jurisdiction by any
30 judgment creditor of a partner, the court may charge the

1 partnership interest of the partner with payment of the
2 unsatisfied amount of the judgment with interest. To the extent
3 so charged, the judgment creditor has only the rights of an
4 assignee of the partnership interest. This chapter does not
5 deprive any partner of the benefit of any exemption laws
6 applicable to his partnership interest.

7 § 8564. Right of assignee to become limited partner.

8 (a) General rule.--An assignee of a partnership interest,
9 including an assignee of a general partner, may become a limited
10 partner if and to the extent that:

11 (1) the assignor gives the assignee that right in
12 accordance with authority described in the certificate of
13 limited partnership or partnership agreement; or

14 (2) all other partners consent.

15 (b) Effect of admission of assignee generally.--An assignee
16 who has become a limited partner has, to the extent assigned,
17 the rights and powers, and is subject to the restrictions and
18 liabilities, of a limited partner under the partnership
19 agreement and this chapter. An assignee who becomes a limited
20 partner also is liable for the obligations of his assignor to
21 make and return contributions as provided in section 8542
22 (relating to liability for contributions) and Subchapter F
23 (relating to distributions and withdrawal). However, the
24 assignee is not obligated for liabilities unknown to the
25 assignee at the time he became a limited partner and which could
26 not be ascertained from the certificate of limited partnership
27 or partnership agreement.

28 (c) Liability of assignor.--If an assignee of a partnership
29 interest becomes a limited partner, the assignor is not released
30 from his liability to the limited partnership under sections

1 8517 (relating to liability for false statement in certificate)
2 and 8542 (relating to liability for contributions).

3 § 8565. Power of estate of deceased or incompetent partner.

4 If a partner who is an individual dies or a court of
5 competent jurisdiction adjudges him to be incompetent to manage
6 his person or his property, the executor, administrator,
7 guardian, conservator or other legal representative of the
8 partner may exercise all of the rights of the partner for the
9 purpose of settling his estate or administering his property,
10 including any power the partner had to give an assignee the
11 right to become a limited partner. If a partner is a
12 corporation, trust or other entity and is dissolved or
13 terminated, the powers of that partner may be exercised by its
14 legal representative or successor.

15 SUBCHAPTER H

16 DISSOLUTION

17 Sec.

18 8571. Nonjudicial dissolution.

19 8572. Judicial dissolution.

20 8573. Winding up.

21 8574. Distribution of assets.

22 8575. Survival of remedies and rights after dissolution.

23 § 8571. Nonjudicial dissolution.

24 (a) General rule.--A limited partnership is dissolved and
25 its affairs shall be wound up upon the happening of the first to
26 occur of the following:

27 (1) At the time or upon the happening of events
28 specified in the certificate of limited partnership.

29 (2) Written consent of all partners.

30 (3) An event of withdrawal of a general partner unless

1 at the time there is at least one other general partner and
2 the certificate of limited partnership permits the business
3 of the limited partnership to be carried on by the remaining
4 general partner and that partner does so. The limited
5 partnership is not dissolved and is not required to be wound
6 up by reason of any event of withdrawal if, within 180 days
7 after the withdrawal, all partners agree to the appointment
8 of one or more replacement general partners.

9 (4) Entry of an order of judicial dissolution under
10 section 8572 (relating to judicial dissolution).

11 (b) Exception for bank holding companies.--The certificate
12 of limited partnership of a limited partnership in which a bank
13 holding company that is subject to the Bank Holding Company Act
14 (Public Law 84-511, 12 U.S.C. § 1841 et seq.) holds, directly or
15 indirectly, a partnership interest of a limited partner may
16 provide that it is not necessary under subsection (a)(3) for the
17 continuation of the business of the limited partnership for all
18 of the partners to agree in writing to continue the business of
19 the limited partnership or to the appointment of one or more
20 additional general partners if necessary or desired, but the
21 consent of such number or proportion of the remaining partners
22 as may be specified in the certificate of limited partnership
23 shall be sufficient.

24 (c) Interim management.--In the case of an event of
25 withdrawal by a sole remaining general partner, the court may,
26 upon application of a limited partner or his assignee, appoint a
27 person to manage the business of the limited partnership subject
28 to such terms as the court shall find are in the best interests
29 of the partnership, until the earlier of:

30 (1) the expiration of the 180-day period specified in

subsection (a)(3); or

(2) the appointment of one or more replacement general partners.

(d) Modification by agreement.--If the partnership agreement so provides, the action under subsection (a)(3) to appoint one or more replacement general partners may be effected by less than all, but not less than a majority in interest, of the partners.

(e) Cross reference.--See section 8512(b) (relating to events requiring amendment).

§ 8572. Judicial dissolution.

On application by or for a partner, the court may order dissolution of a limited partnership whenever it is not reasonably practicable to carry on the business in conformity with the partnership agreement.

§ 8573. Winding up.

Except as otherwise provided in the partnership agreement, the general partners who have not wrongfully dissolved a limited partnership or, if none, the limited partners, may wind up the affairs of the limited partnership but the court may wind up the affairs of the limited partnership upon application of any partner, his legal representative or assignee.

§ 8574. Distribution of assets.

Upon the winding up of a limited partnership, the assets shall be distributed in the following order:

(1) To creditors, including partners who are creditors, to the extent otherwise permitted by law, in satisfaction of liabilities of the limited partnership other than liabilities for distributions to partners under section 8551 (relating to interim distributions) or 8554 (relating to distribution upon

1 withdrawal).

2 (2) Except as otherwise provided in the partnership
3 agreement, to partners and former partners in satisfaction of
4 liabilities for distributions under section 8551 or 8554.

5 (3) Except as otherwise provided in the partnership
6 agreement, to partners:

7 (i) For the return of their contributions.

8 (ii) Respecting their partnership interests, in the
9 proportions in which the partners share in distributions.

10 § 8575. Survival of remedies and rights after dissolution.

11 (a) General rule.--The dissolution of a limited partnership
12 shall not eliminate or impair any remedy available to or against
13 the limited partnership or its partners for any right or claim
14 existing, or liability incurred, prior to the dissolution, if an
15 action thereon is brought on behalf of:

16 (1) the limited partnership with the time otherwise
17 limited by law; or

18 (2) any other person before or within six years after
19 the date of the dissolution or within the time otherwise
20 limited by law, whichever is less.

21 The actions may be prosecuted against and defended by the
22 limited partnership under the name of the limited partnership.

23 (b) Rights and assets.--The dissolution of a limited
24 partnership shall not affect the limited liability of a limited
25 partner theretofore existing with respect to transactions
26 occurring or acts or omissions done or omitted in the name of or
27 by the limited partnership except that each limited partner
28 shall be liable for his pro rata portion of the unpaid
29 liabilities of the limited partnership up to the amount of the
30 net assets of the limited partnership distributed to the limited

1 partner in connection with the dissolution. Should any property
2 right of a limited partnership be discovered after the
3 dissolution of the limited partnership, the surviving general
4 partner or partners which wound up the affairs of the limited
5 partnership, or a receiver appointed by the court, shall have
6 authority to enforce the property right and to collect and
7 divide the assets so discovered among the persons entitled
8 thereto and to prosecute actions in the name of the limited
9 partnership. Any assets so collected shall be distributed and
10 disposed of in accordance with the applicable order of court, if
11 any, and otherwise in accordance with this subchapter.

12 SUBCHAPTER I

13 FOREIGN LIMITED PARTNERSHIPS

14 Sec.

15 8581. Governing law.

16 8582. Registration.

17 8583. Effect of filing.

18 8584. Name.

19 8585. Changes and amendments.

20 8586. Cancellation of registration.

21 8587. Transaction of business without registration.

22 8588. Action by Attorney General.

23 § 8581. Governing law.

24 Subject to the Constitution of Pennsylvania:

25 (1) The laws of the jurisdiction under which a foreign
26 limited partnership is organized govern its organization and
27 internal affairs and the liability of its limited partners.

28 (2) A foreign limited partnership may not be denied
29 registration by reason of any difference between those laws
30 and the laws of this Commonwealth.

1 § 8582. Registration.

2 (a) General rule.--Before transacting business in this
3 Commonwealth, a foreign limited partnership shall register under
4 this subchapter. In order to register, a foreign limited
5 partnership shall file in the Department of State an application
6 for registration as a foreign limited partnership, signed by a
7 general partner and setting forth:

8 (1) The name of the foreign limited partnership and, if
9 different, the name under which it proposes to register and
10 transact business in this Commonwealth.

11 (2) The jurisdiction and date of its formation.

12 (3) The general character of the business it proposes to
13 transact in this Commonwealth which shall not be one which a
14 domestic limited partnership may not lawfully do in this
15 Commonwealth.

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

20 (5) The address of the office required to be maintained
21 in the jurisdiction of its organization by the laws of that
22 jurisdiction or, if not so required, of the principal office
23 of the foreign limited partnership.

24 (6) If the certificate of limited partnership filed in
25 the jurisdiction of organization of the foreign limited
26 partnership is not required to include the names and business
27 addresses of the partners, a list of the names and business
28 addresses of all partners.

29 (b) Exceptions.--None of the activities described in section
30 4122 (relating to excluded activities) shall be considered doing

1 business in this Commonwealth for the purposes of this
2 subchapter.

3 (c) Cross reference.--See section 134 (relating to docketing
4 statement).

5 § 8583. Effect of filing.

6 Upon the filing of the application for registration as a
7 foreign limited partnership, the partnership shall be authorized
8 to transact business in this Commonwealth.

9 § 8584. Name.

10 A foreign limited partnership may register with the
11 Department of State under any name (whether or not it is the
12 name under which it is registered in its jurisdiction of
13 organization) that could be used by a domestic limited
14 partnership.

15 § 8585. Changes and amendments.

16 (a) General rule.--If any statement in the application for
17 registration of a foreign limited partnership was false when
18 made or any arrangements or other facts described have changed,
19 making the application inaccurate in any respect, the foreign
20 limited partnership shall promptly file in the Department of
21 State a certificate, signed by a general partner, correcting the
22 statement.

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

25 § 8586. Cancellation of registration.

26 (a) General rule.--A foreign limited partnership may cancel
27 its registration by filing in the Department of State a
28 certificate of cancellation of registration signed by a general
29 partner.

30 (b) Cross reference.--See section 134 (relating to docketing

1 statement).

2 § 8587. Transaction of business without registration.

3 (a) Maintenance of actions prohibited.--A foreign limited
4 partnership transacting business in this Commonwealth may not
5 maintain any action in any court of this Commonwealth until it
6 has registered under this subchapter.

7 (b) Contracts and defense of actions.--The failure of a
8 foreign limited partnership to register under this subchapter
9 does not impair the validity of any contract or act of the
10 foreign limited partnership or prevent the foreign limited
11 partnership from defending any action in any court of this
12 Commonwealth.

13 (c) Liability of limited partner.--A limited partner of a
14 foreign limited partnership is not liable as a general partner
15 of the foreign limited partnership solely by reason of the
16 foreign limited partnership having transacted business in this
17 Commonwealth without registration under this subchapter.

18 § 8588. Action by Attorney General.

19 The Attorney General may bring an action to restrain a
20 foreign limited partnership from transacting business in this
21 Commonwealth in violation of this subchapter.

22 SUBCHAPTER J

23 DERIVATIVE ACTIONS

24 Sec.

25 8591. Right of action.

26 8592. Proper plaintiff.

27 8593. Pleading.

28 8594. Expenses.

29 § 8591. Right of action.

30 A limited partner may bring an action in the right of a

1 limited partnership to recover a judgment in its favor if
2 general partners with authority to do so have refused to bring
3 the action or if an effort to cause those general partners to
4 bring the action is not likely to succeed.

5 § 8592. Proper plaintiff.

6 (a) General rule.--In a derivative action under this
7 subchapter, the plaintiff must be a partner at the time of
8 bringing the action and:

9 (1) at the time of the transaction of which he
10 complains; or

11 (2) his status as a partner shall have devolved upon him
12 by operation of law or pursuant to the terms of the
13 partnership agreement from a person who was a partner at the
14 time of the transaction.

15 (b) Exception.--Any partner who, except for the provisions
16 of subsection (a), would be entitled to maintain the action and
17 who does not meet such requirements may, nevertheless in the
18 discretion of the court, be allowed to maintain the action on
19 preliminary showing to the court, by application and upon such
20 verified statements and depositions as may be required by the
21 court, that there is a strong prima facie case in favor of the
22 claim asserted on behalf of the limited partnership and that
23 without the action serious injustice will result.

24 § 8593. Pleading.

25 Except as otherwise prescribed by general rule, in a
26 derivative action under this subchapter, the complaint shall set
27 forth with particularity the effort of the plaintiff to secure
28 initiation of the action by a general partner or the reasons for
29 not making the effort.

30 § 8594. Expenses.

1 (a) General rule.--Except as otherwise prescribed by general
2 rule, if a derivative action under this subchapter is
3 successful, in whole or in part, or if anything is received by
4 the plaintiff as a result of a judgment, compromise or
5 settlement of an action or claim, the court may award the
6 plaintiff reasonable expenses, including reasonable attorney's
7 fees, and shall direct him to remit to the limited partnership
8 the remainder of those proceeds received by him. If the proceeds
9 received by the plaintiff are insufficient to reimburse the
10 reasonable expenses awarded to the plaintiff, the court may
11 direct that the award of expenses or a portion thereof be paid
12 by the limited partnership.

13 (b) Security for costs.--In any action instituted or
14 maintained by holders or owners of less than 5% of the
15 outstanding ownership interests in the limited partnership,
16 unless those interests have an aggregate fair market value in
17 excess of \$200,000, the limited partnership in whose right the
18 action is brought shall be entitled at any stage of the
19 proceedings to require the plaintiffs to give security for the
20 reasonable expenses, including attorneys' fees, which may be
21 incurred by it in connection therewith, to which security the
22 limited partnership shall have recourse in such amount as the
23 court having jurisdiction determines upon the termination of the
24 action. The amount of security may, from time to time, be
25 increased or decreased in the discretion of the court having
26 jurisdiction of the action upon showing that the security
27 provided has or may become inadequate or excessive. The security
28 may be denied or limited in the discretion of the court upon
29 preliminary showing to the court, by application and upon such
30 verified statements and depositions as may be required by the

1 court, establishing prima facie that the requirement of full or
2 partial security would impose undue hardship on plaintiffs and
3 serious injustice would result.

4 CHAPTER 87

5 ELECTING PARTNERSHIPS

6 Sec.

7 8701. Scope and definition.

8 8702. Centralized management.

9 8703. Continuity of life.

10 8704. Free transferability of interests.

11 8705. Limited liability in certain cases.

12 8706. One person both a partner and employee.

13 8707. Modification by agreement.

14 § 8701. Scope and definition.

15 (a) Application of chapter.--This chapter applies to a
16 general or limited partnership formed under the laws of this
17 Commonwealth which elects to be governed by this chapter. Any
18 partnership which desires to elect to be governed by this
19 chapter, or to amend or terminate the election, shall file in
20 the Department of State a statement of election, amendment or
21 termination, as the case may be, which shall be signed by a
22 general partner and shall set forth:

23 (1) The name of the partnership.

24 (2) The location of the principal place of business.

25 (3) The name of each member of the partnership as of the
26 date of the statement.

27 (4) A statement that the partnership elects to be
28 governed by this chapter or that the election to be governed
29 by this chapter shall be amended or terminated, as the case
30 may be.

1 (5) If the election is to be made or terminated, a
2 statement that the election or termination has been
3 authorized by at least a majority in interest of the
4 partners.

5 Upon the filing of the statement of election, amendment or
6 termination in the department, the election to be governed by
7 this chapter shall be effective, amended or terminated, as the
8 case may be.

9 (b) Effect of election.--As long as an election under
10 subsection (a) is in effect, the partnership shall be governed
11 by the provisions of this chapter and, to the extent not
12 inconsistent with this chapter, Chapter 83 (relating to general
13 partnerships) and, if a limited partnership, Chapter 85
14 (relating to limited partnerships).

15 (c) Definition.--As used in this chapter the term "electing
16 partnership" means a partnership as to which an election under
17 subsection (a) is in effect.

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

20 § 8702. Centralized management.

21 The business and affairs of every electing partnership shall
22 be managed by one-third or less, but not less than one, partners
23 selected for that purpose in the manner provided by any
24 agreement between the partners and no other partner shall have a
25 right to participate in the management of the partnership. A
26 partner of an electing partnership shall be an agent of the
27 partnership only to the extent that an employee of the
28 partnership would be under like circumstances. In making such a
29 determination the court may consider among other things whether
30 a person dealing with the partnership has knowledge, as defined

1 in section 8303(a) (relating to knowledge), that this section is
2 applicable to the partnership.

3 § 8703. Continuity of life.

4 An electing partnership shall not be dissolved by the death,
5 dissolution, insanity, retirement, resignation or expulsion of a
6 partner or by the bankruptcy of a partner or the partnership.

7 Changes in the composition of the partnership shall be evidenced
8 by the prompt filing of a statement of amendment under section
9 8701(a) (relating to application of chapter). If fewer than two
10 partners who are not bankrupt or insane remain, the court shall
11 appoint a custodian of the partnership property for the purpose
12 of continuing its business or, upon cause shown, winding up its
13 affairs.

14 § 8704. Free transferability of interests.

15 The agreement between the partners of an electing partnership
16 may provide that the property rights of a partner in the
17 partnership shall be evidenced by shares of one or more classes
18 or series. In that event, the transfer of all of the shares by a
19 partner shall operate to terminate his membership in the
20 partnership and the transfer of any share by a partner shall
21 operate to make the transferee a member of the partnership
22 without the consent of any other partner. The transfer of
23 certificates and the shares represented thereby may be regulated
24 by the agreement between the partners if the agreement is not
25 inconsistent with 13 Pa.C.S. Div. 8 (relating to investment
26 securities).

27 § 8705. Limited liability in certain cases.

28 (a) General rule.--The liability of a partner of an electing
29 partnership for the debts and obligations of the partnership
30 shall be satisfied out of partnership assets alone if:

1 (1) the debt or obligation arises from a transaction or
2 occurrence in which the person dealing with the partnership
3 has notice, as defined in section 8303(b) (relating to
4 notice), that this section is applicable to the partnership;
5 or

6 (2) the fact that this section is applicable to the
7 partnership has been advertised in the manner provided by
8 section 8357(a)(2)(ii) (relating to power of partner to bind
9 partnership to third persons).

10 (b) Exceptions.--Subsection (a) does not apply:

11 (1) Unless otherwise agreed by the obligee, to a debt or
12 obligation arising prior to the time a partnership becomes an
13 electing partnership and complies with subsection (a)(1) or
14 (2).

15 (2) To a transaction or occurrence involving the
16 furnishing or sale of any goods or services by the
17 partnership.

18 § 8706. One person both a partner and employee.

19 (a) General rule.--A person may be a partner in and an
20 employee of the same electing partnership at the same time.

21 (b) Effect.--A person who is a partner and also, at the same
22 time, an employee shall in his capacity as an employee have such
23 rights and duties with respect to the employing partnership as
24 may be agreed between employer and employee generally.

25 § 8707. Modification by agreement.

26 (a) General rule.--The provisions of this chapter are
27 intended to permit an electing partnership to qualify for
28 taxation as an association under the United States Internal
29 Revenue Code and to permit partners of an electing partnership
30 to be employed by, and compensated as employees of, the

1 association. The agreement between the partners of an electing
2 partnership may effect any change in the form of organization of
3 the partnership in addition to or in contravention of the
4 changes authorized by this chapter which may be necessary to
5 accomplish those purposes but only to the extent necessary to
6 accomplish those purposes.

7 (b) Exception.--A provision adopted under subsection (a)
8 shall not modify section 8705 (relating to limited liability in
9 certain cases).

10 PART IV

11 UNINCORPORATED ASSOCIATIONS

12 Chapter

13 91. Unincorporated Associations Generally

14 93. Professional Associations

15 CHAPTER 91

16 UNINCORPORATED ASSOCIATIONS GENERALLY

17 Sec.

18 9101. Customary parliamentary law applicable.

19 9102. Funeral and similar benefits.

20 9103. Nontransferable membership interests.

21 § 9101. Customary parliamentary law applicable.

22 Except as otherwise provided by statute or by the organic
23 documents under which an unincorporated association is
24 constituted, each unincorporated association shall be governed
25 by customary usages and principles of parliamentary law and
26 procedure.

27 § 9102. Funeral and similar benefits.

28 Members of unincorporated associations paying periodical or
29 funeral benefits shall not be individually liable for the
30 payment of periodical or funeral benefits or other similar

1 liabilities of the association. The liabilities shall be payable
2 only out of the treasury of the association.

3 § 9103. Nontransferable membership interests.

4 (a) General rule.--For the purpose of encouraging lawful
5 associational activity among agricultural and industrial workers
6 through the organization of unincorporated associations for
7 mutual benefit insurance, saving or other lawful objects where
8 the persons so organizing derive benefits from the preservation
9 and continuance of the membership and interest among persons
10 engaged in a common calling, labor or enterprise, the
11 unincorporated association may provide, in its organic
12 documents, that membership in the association or interest in its
13 funds or property shall be nontransferable without the consent
14 of the association.

15 (b) Assignments and pledges.--No attempted assignment,
16 transfer or pledge of a membership or interest made in violation
17 of a transfer restriction adopted pursuant to subsection (a)
18 shall pass any right or interest, legal or equitable, to the
19 person to whom it is attempted to be made if the transfer
20 restriction is brought to the knowledge of that person.

21 (c) Knowledge of nontransferability.--Whenever the interest
22 of a member in the funds or property of any unincorporated
23 association subject to subsection (a) is evidenced by a
24 certificate, an endorsement thereon that the certificate is
25 nontransferable shall be conclusive evidence that the person to
26 whom any attempted assignment, transfer or pledge of the
27 certificate is made has knowledge of the nontransferable
28 character of the interest of the member.

29 CHAPTER 93

30 PROFESSIONAL ASSOCIATIONS

1 Sec.
2 9301. Short title of chapter.
3 9302. Application of chapter.
4 9303. Definitions.
5 9304. Purpose of association.
6 9305. Articles of association.
7 9306. Board of governors.
8 9307. Bylaws.
9 9308. Employees.
10 9309. Compensation.
11 9310. Distribution of excess earnings.
12 9311. Interests of associates.
13 9312. Transfer of interests.
14 9313. Redemption of interests.
15 9314. Term of existence.
16 9315. Name.
17 9316. Voting of associates.
18 9317. Liability of associates.
19 9318. Professional disqualifications.
20 9319. Dissolution.

21 § 9301. Short title of chapter.

22 This chapter shall be known and may be cited as the
23 Professional Association Act of 1985.

24 § 9302. Application of chapter.

25 This chapter shall apply to and the word "association" in
26 this chapter shall mean a professional association organized
27 under the act of August 7, 1961 (P.L.941, No.416), known as the
28 Professional Association Act, which has not:

29 (1) Reorganized as an electing partnership under chapter
30 87 (relating to electing partnerships).

(2) Elected to become a professional corporation in the manner provided by section 2905 (relating to election of professional associations to become professional corporations).

An association may not be originally organized under this chapter.

§ 9303. Definitions.

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

"Associates." The members of any association.

"Profession." Includes all occupations legally or traditionally designated as professions in which members by law (apart from Chapter 29 (relating to professional corporations)), tradition or ethics are forbidden to incorporate for the purpose of rendering professional services including, but not limited to, architects, attorneys at law, certified public accountants, chiropractors, dentists, osteopaths, physicians and surgeons.

"Professional service." Any type of service which can be rendered by the member of any profession within the purview of that profession.

§ 9304. Purpose of association.

An association may be organized only for the purpose of rendering the one specific kind of professional service its associates are authorized to render and it shall not engage in any business other than rendering the professional service for which it was organized. The professional services shall be rendered subject to rules and regulations of the professional licensing boards with particular reference to manner of practice, number of locations of practice and professional

1 conduct as well as any other matter which may properly come
2 within the jurisdiction of the professional licensing boards.
3 However, it may invest its funds in real estate, mortgages,
4 shares, bonds or any other type of investment and it may own
5 real and personal property necessary or appropriate for
6 rendering its professional service.

7 § 9305. Articles of association.

8 (a) General rule.--The articles of association shall contain
9 the name of the association, the names and addresses of all of
10 the associates, the address of the principal office of the
11 association and a general purpose clause of the association. One
12 copy of the articles of association, fully executed, shall be
13 filed with the office of the clerk of the court of common pleas
14 of the county in which the association has its principal office.

15 (b) Amended articles of association.--Amended articles of
16 association shall be filed in the Department of State by the
17 association within 30 days of any change in its membership or
18 principal office address.

19 (c) Statement of summary of record.--The association shall
20 be subject to section 1311 (relating to filing of statement of
21 summary of record by certain corporations) to the same extent as
22 if it were a business corporation except that any subsistence
23 certificate issued by the department thereunder shall state that
24 the association is a professional association duly existing
25 under the laws of this Commonwealth.

26 (d) Cross reference.--See section 134 (relating to docketing
27 statement).

28 § 9306. Board of governors.

29 The associates shall elect a board of governors which shall
30 manage all of the affairs of the association. The membership of

1 the board of governors shall consist of one or more persons who
2 may but need not be associates. The board shall elect a
3 chairman, a secretary, a treasurer and any other officers it
4 deems necessary for the successful management of the
5 association.

6 § 9307. Bylaws.

7 The associates shall adopt bylaws to regulate the affairs of
8 the association. The bylaws shall provide for:

9 (1) The method of election of the members of the board
10 of governors.

11 (2) The number of members of the board of governors.

12 (3) The method of election of officers of the board of
13 governors.

14 (4) The dates of the regular meetings of the associates
15 which shall occur at least once each year.

16 (5) The dates of the regular meetings of the board of
17 governors which shall occur at least once each year.

18 (6) A method for determining the values of the
19 respective interests of the associates.

20 (7) The method of amending the bylaws.

21 (8) The term of existence of the association.

22 (9) Such other provisions as the associates may deem
23 necessary for the successful regulation of the affairs of the
24 association.

25 § 9308. Employees.

26 The board of governors may engage such employees as it deems
27 necessary for the operation of the association. An employee
28 shall not be engaged to render professional services unless he
29 is duly licensed or otherwise legally authorized to render the
30 professional services in this Commonwealth except that the

1 association may engage agents or employees who are not duly
2 licensed or otherwise legally authorized to render professional
3 services to render services of a nonprofessional nature. An
4 associate may be an employee of the association.

5 § 9309. Compensation.

6 The board of governors shall have the right to establish the
7 amount and method of compensation of all of the employees.

8 § 9310. Distribution of excess earnings.

9 The board of governors may establish what portion of excess
10 earnings of the association shall be distributed among the
11 associates. Any distribution of excess earnings of the
12 association shall be made to each associate according to his
13 proportionate ownership in the association.

14 § 9311. Interests of associates.

15 The portion of ownership of each associate in an association
16 shall be evidenced by an ownership certificate.

17 § 9312. Transfer of interests.

18 Any associate or the personal representative of his estate
19 may transfer, in whole or in part, his interest in an
20 association only to a transferee who is licensed or otherwise
21 legally authorized to render the same kind of professional
22 service which the association was organized to render. If any
23 restrictions are imposed on the right to transfer, the
24 restrictions shall be specifically set forth in the bylaws of
25 the association and reference to the restriction shall be set
26 forth either generally or specifically on any certificates which
27 evidence ownership in the association.

28 § 9313. Redemption of interests.

29 An association may, upon agreement with any associate
30 (including any associate who has been expelled) or the personal

1 representative of his estate, redeem the interest in the
2 association of the associate or his estate.

3 § 9314. Term of existence.

4 An association may be organized for any term of years or its
5 existence may be perpetual. Neither death, bankruptcy,
6 resignation, expulsion, insanity, retirement nor transfer or
7 redemption of the interest of any associate shall cause its
8 dissolution.

9 § 9315. Name.

10 The associates may adopt any name for their association which
11 is not contrary to law or the ethics of their profession.

12 § 9316. Voting of associates.

13 At any meeting of the associates of an association, each
14 associate shall have the right to vote according to his
15 proportionate ownership in the association.

16 § 9317. Liability of associates.

17 (a) Joint and several liability.--All of the associates of
18 an association are liable, jointly and severally, for:

19 (1) The torts of any agent or employee of the
20 association committed while the agent or employee is acting
21 within the ordinary course of operation of the association.

22 (2) The misapplication by any associate of any money or
23 property of a third person if the money or property was
24 received by the association in the ordinary course of its
25 operation.

26 (b) Joint liability.--All of the associates of an
27 association are liable, jointly, for all debts and legal
28 obligations of the association other than those chargeable under
29 subsection (a).

30 § 9318. Professional disqualifications.

1 If any agent or employee of the association engaged for the
2 purpose of rendering professional services or any associate
3 becomes legally disqualified to render professional services,
4 the agency or employment shall be immediately terminated upon
5 disqualification and, in the case of an associate, the associate
6 shall be immediately expelled from the association. The expelled
7 associate shall have the right to transfer his interest in the
8 association in accordance with section 9312 (relating to
9 transfer of interests).

10 § 9319. Dissolution.

11 (a) General rule.--An association shall be dissolved only
12 upon the occurrence of one of the following:

13 (1) Expiration of the term of existence as provided in
14 the bylaws of the association but not until articles of
15 dissolution have been filed as provided in subsection (c).

16 (2) Upon vote of a majority (or such percentage as may
17 be provided in the bylaws but in no event less than a simple
18 majority) of the associates, voting according to their
19 proportionate shares of ownership, to dissolve prior to the
20 expiration of the term of existence of the association.

21 (b) Procedure.--If a special meeting is called for the
22 purpose of voting to dissolve an association, notice shall be
23 given to each of the associates at his address of record with
24 the association of the time, place and purpose of the meeting,
25 by first class mail, at least ten days prior to the meeting
26 unless a greater period is required by the bylaws.

27 (c) Articles of dissolution.--The association shall file
28 articles of dissolution substantially as provided by section
29 1977 (relating to articles of dissolution).

30 (d) Effect of dissolution.--Upon dissolution, all debts and

1 obligations of the association shall be satisfied and, if any
2 property of the association remains, it shall be divided among
3 the associates proportionally according to their ownership in
4 the association. If all of the debts and legal obligations of
5 the association have not been satisfied at the time of
6 dissolution, all of the associates shall remain jointly and
7 severally liable until all the debts and obligations are
8 satisfied.

9 Section 104. Legislative findings as to acceptance of
10 Constitution of Pennsylvania.

11 (a) General rule.--The General Assembly finds and determines
12 as follows for the purpose of section 3B of the act of May 5,
13 1933 (P.L.289 No.105), known as the Nonprofit Corporation Law of
14 1933, as added by the act of January 18, 1966 (1965 P.L.1406,
15 No.520), section 3B of the act of May 5, 1933 (P.L.364, No.106),
16 known as the Business Corporation Law of 1933, as added by the
17 act of January 18, 1966 (1965 P.L.1305 No.519), and sections 3
18 and 5 of the act of January 18, 1966 (1965 P.L.1443, No.521)
19 (referred to collectively in this section as the Registry Acts
20 of 1966):

21 (1) The corporation incorporated by the act of February
22 24, 1846 (P.L.56, No.47) is subject to the Constitution of
23 Pennsylvania by reason of the enactment and acceptance of the
24 act of April 8, 1867 (P.L.916, No.836).

25 (2) The corporation incorporated by the act signed March
26 27, 1855 (1857 P.L.729, No.732) is subject to the
27 Constitution of Pennsylvania by reason of having its charter
28 enrolled under the act of April 16, 1845 (P.L.532, No.348)
29 after the enactment of the act of May 3, 1855 (P.L.423,
30 No.448).

1 (3) The Cedar Grove Cemetery Association, incorporated
2 pursuant to the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
3 Stat. 50), referred to as the Corporation Act of 1791, as
4 supplemented by the act of October 13, 1840 (1841 P.L.1,
5 No.258), is subject to the Constitution of Pennsylvania by
6 reason of the reserved power contained in the proviso to
7 section 3 of the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
8 Stat. 50).

9 (4) The corporation incorporated by the act of May 11,
10 1751 (1 Sm.L.208, Ch.390, 5 Stat. 128) is subject to the
11 Constitution of Pennsylvania by reason of the acceptance of
12 the benefits of laws passed by the General Assembly after
13 1873 governing the affairs of corporations, as evidenced by a
14 written acknowledgment of that fact filed by the corporation
15 in the Department of State on December 17, 1981.

16 (5) As reported by the Department of State, no
17 corporations other than those mentioned in paragraphs (1)
18 through (4) filed in the Department of State under the
19 Registry Acts of 1966 on or before January 1, 1967, a
20 certificate declining to accept the provisions of the
21 Constitution of Pennsylvania.

22 (6) All corporations incorporated prior to October 14,
23 1857, under the authority of the Commonwealth or of the late
24 Proprietaries of the Province of Pennsylvania are now subject
25 to the Constitution of Pennsylvania and the general
26 legislative jurisdiction of the General Assembly.

27 (b) Proceedings to challenge findings.--Unless a person
28 adversely affected by the findings set forth in subsection (a)
29 commences a declaratory judgment proceeding against the
30 Commonwealth under 42 Pa.C.S. Ch. 75, Subch. C (relating to

1 declaratory judgments), challenging such findings and
2 determinations within one year after the enactment of this act,
3 the findings and determinations shall be final and conclusive.
4 In any such proceeding the Commonwealth may assert any proper
5 ground, whether or not specified in this section, in support of
6 the determination that the objecting corporation is subject to
7 the Constitution of Pennsylvania and the general legislative
8 jurisdiction of the General Assembly.

9 Section 105. Contents of articles of Young Men's Christian
10 Associations.

11 The articles of every Young Men's Christian Association
12 incorporated prior to January 1, 1972, shall be deemed to
13 contain the language of the former provisions of section 215 of
14 the act of May 5, 1933 (P.L.289, No.105), known as the Nonprofit
15 Corporation Law of 1933, until removed by amendment and,
16 whenever any such association amends its articles to eliminate
17 the board of trustees required by such former provisions of law,
18 all real and personal property held by the board of trustees
19 shall be deemed and taken to be transferred to and vested in the
20 Young Men's Christian Association without further act or deed.

21 Section 106. Additional filing fees.

22 The fee payable for filing a statement of change of
23 registered office by agent under 15 Pa.C.S. § 108 (relating to
24 change in location or status of registered office provided by
25 agent) shall be \$3.

26 Section 107. Taxation of electing partnerships.

27 Notwithstanding any other provision of law a partnership as
28 to which an election under 15 Pa.C.S. Ch. 87 (relating to
29 electing partnerships) is in effect shall be deemed to be a
30 corporation organized and existing under 15 Pa.C.S. Pt. II,

1 Subpt. B, known as the Business Corporation Law of 1985, for the
2 purposes of the imposition by the Commonwealth or any political
3 subdivision of any tax or license fee on or with respect to any
4 property, privilege, transaction, subject or occupation.

5 Section 108. Study of transfer of local corporate records.

6 The Department of State shall study the feasibility and cost
7 of transferring to the custody or control of the department all
8 corporate records in the possession of the offices of the clerk
9 of the courts of common pleas and recorders of deeds and
10 officers serving similar functions in home rule charter counties
11 under repealed statutes, and the present and prospective
12 condition, integrity and availability of those records, and
13 shall report the results of the study to the General Assembly
14 within one year after the enactment of this act.

15 Section 109. Optional effective date.

16 (a) General rule.--A business corporation as defined in 15
17 Pa.C.S. § 1103 (relating to definitions) that would otherwise be
18 subject to 15 Pa.C.S. Pt. II, Subpt. B (relating to business
19 corporations) on the effective date of this act, may elect to
20 delay the effectiveness of that subpart as to it by filing in
21 the Department of State, within 30 days after the general
22 effective date of this act, a statement of delayed effective
23 date executed by the corporation and setting forth:

24 (1) The name of the corporation.

25 (2) A statement that the corporation elects to have the
26 effectiveness of 15 Pa.C.S. Pt. II, Subpt. B delayed as to
27 it.

28 (3) A statement that the election of the delayed
29 effective date was authorized by the board of directors.

30 (b) Effect of filing.--The provisions of 15 Pa.C.S. Pt. II,

1 Subpt. B shall become applicable to a corporation filing a
2 statement of delayed effective date under subsection (a) 15
3 months after the general effective date of this act. Until the
4 corporation becomes subject to that subpart, it shall continue
5 to be governed by the corporation laws applicable to it
6 immediately before the general effective date of this act,
7 notwithstanding the repeal of any of those laws by this act.

8 DIVISION II

9 UNIFORM MANAGEMENT OF INSTITUTIONAL FUNDS

10 Section 201. Short title of division.

11 This division shall be known and may be cited as the Uniform
12 Management of Institutional Funds Act of 1985.

13 Section 202. Scope and application.

14 This division shall apply to an institution which is an
15 association as defined in 15 Pa.C.S. § 102 (relating to
16 definitions).

17 Section 203. Definitions.

18 The following words and phrases when used in this division
19 shall have the meanings given to them in this section unless the
20 context clearly indicates otherwise:

21 "Endowment fund." An institutional fund, or any part
22 thereof, not wholly expendable by the institution on a current
23 basis under the terms of the applicable gift instrument.

24 "Gift instrument." A will, deed, grant, conveyance,
25 agreement, memorandum, writing or other governing document
26 (including the terms of any institutional solicitations from
27 which an institutional fund resulted) under which property is
28 transferred to or held by an institution as an institutional
29 fund.

30 "Governing board." The body responsible for the management

1 of an institution or of an institutional fund.

2 "Historic dollar value." The aggregate fair value in dollars
3 of:

4 (1) An endowment fund at the time it became an endowment
5 fund.

6 (2) Each subsequent donation to the fund at the time it
7 is made.

8 (3) Each accumulation made pursuant to a direction in
9 the applicable gift instrument at the time the accumulation
10 is added to the fund.

11 The determination of historic dollar value made in good faith by
12 the institution is conclusive.

13 "Institution." An incorporated or unincorporated
14 organization organized and operated exclusively for educational,
15 religious, charitable or other eleemosynary purposes or another
16 association or a governmental organization to the extent that
17 the association or organization holds funds exclusively for any
18 of these purposes.

19 "Institutional fund." A fund held by an institution for its
20 exclusive use, benefit or purposes. The term does not include a
21 fund:

22 (1) held for an institution by a trustee that is not an
23 institution; or

24 (2) in which a beneficiary that is not an institution
25 has an interest other than possible rights that could arise
26 upon violation or failure of the purposes of the fund.

27 Section 204. Appropriation of appreciation.

28 (a) General rule.--The governing board may appropriate for
29 expenditure for the uses and purposes for which an endowment
30 fund is established so much of the net appreciation, realized

1 and unrealized, in the fair value of the assets of an endowment
2 fund over the historic dollar value of the fund as is prudent
3 under the standard established by section 208 (relating to
4 standard of conduct). This section does not limit the authority
5 of the governing board to expend funds as permitted under other
6 law, the terms of the applicable gift instrument or the charter
7 of the institution.

8 (b) Definition.--As used in this section the term "endowment
9 fund" includes any fund, or any part thereof, not wholly
10 expendable by the institution on a current basis under the terms
11 of the applicable gift instrument, which is held for an
12 institution by a trustee that is not an institution.

13 Section 205. Rules of construction.

14 (a) General rule.--Section 204 (relating to appropriation of
15 appreciation) does not apply if the applicable gift instrument
16 indicates the intention of the donor that net appreciation shall
17 not be expended. A restriction upon the expenditure of net
18 appreciation may not be implied from a designation of a gift as
19 an endowment or from a direction or authorization in the
20 applicable gift instrument to use only "income," "interest,"
21 "dividends" or "rents, issues or profits" or "to preserve the
22 principal intact" or a direction which contains other words of
23 similar import or from the absence of any specific authorization
24 to appropriate net appreciation.

25 (b) Power to pledge.--Section 206(5) (relating to investment
26 authority) does not apply if the applicable gift instrument
27 indicates the intention of the donor that endowment funds shall
28 not be pledged. A restriction upon the pledging of endowment
29 funds may not be implied from a designation of a gift as an
30 endowment or from a direction or authorization in the applicable

1 gift instrument to use only "income," "interest," "dividends" or
2 "rents, issues or profits" or "to preserve the principal intact"
3 or a direction which contains other words of similar import or
4 from the absence of any specific authorization to pledge.

5 (c) Applicability.--The rules of construction in this
6 section apply to gift instruments executed or in effect before
7 or after the effective date of this division.

8 Section 206. Investment authority.

9 In addition to an investment otherwise authorized by law or
10 by the applicable gift instrument, and without restriction to
11 investments a fiduciary may make, the governing board, subject
12 to any specific limitations set forth in the applicable gift
13 instrument or in the applicable law other than law relating to
14 investments by a fiduciary, may:

15 (1) Invest and reinvest an institutional fund in any
16 real or personal property deemed advisable by the governing
17 board, whether or not it produces a current return, including
18 mortgages, stocks, bonds, debentures and other securities of
19 profit or nonprofit corporations, shares in or obligations of
20 associations, partnerships or individuals and obligations of
21 any government or subdivision or instrumentality thereof.

22 (2) Retain property contributed by a donor to an
23 institutional fund for as long as the governing board deems
24 advisable.

25 (3) Include all or any part of an institutional fund in
26 any pooled or common fund maintained by the institution.

27 (4) Invest all or any part of an institutional fund in
28 any other pooled or common fund available for investment,
29 including shares or interests in regulated investment
30 companies, mutual funds, common trust funds, investment

1 partnerships, real estate investment trusts or similar
2 organizations in which funds are commingled and investment
3 determinations are made by persons other than the governing
4 board.

5 (5) Pledge any part of an institutional fund as security
6 for loans (including loans effected through a financing
7 agency) the proceeds of which shall be used for the purposes
8 for which such funds were given. Prior to any such pledge of
9 endowment funds:

10 (i) the governing board shall have made a good faith
11 determination that there is a reasonable probability that
12 the debt will be repaid without resort to the pledged
13 endowment funds; and

14 (ii) a court vested with jurisdiction by or pursuant
15 to Title 42 of the Pennsylvania Consolidated Statutes
16 (relating to judiciary and judicial procedure), upon
17 petition of the governing board, and after such notice as
18 the court shall direct, aided by a report of a master if
19 necessary, shall find that there is a reasonable
20 probability that the debt will be repaid without resort
21 to the pledged endowment funds.

22 Section 207. Delegation of investment management.

23 Except as otherwise provided by the applicable gift
24 instrument or by applicable law relating to governmental
25 institutions or funds, the governing board may:

26 (1) Delegate to its committees, officers or employees of
27 the institution or the fund, or agents, including investment
28 counsel, the authority to act in place of the board in
29 investment and reinvestment of institutional funds.

30 (2) Contract with independent investment advisors,

1 investment counsel or managers, banks or trust companies so
2 to act.

3 (3) Authorize the payment of compensation for investment
4 advisory or management services.

5 Section 208. Standard of conduct.

6 In the administration of the powers to appropriate
7 appreciation, to make and retain investments, to pledge
8 endowment funds and to delegate investment management of
9 institutional funds, a member of a governing board shall perform
10 his duties, including his duties as a member of any committee of
11 the governing board upon which he may serve, in good faith, in a
12 manner he believes to be in the best interests of the
13 institution and with such care as a person of ordinary prudence
14 in a like position would use under similar circumstances.

15 Section 209. Release of restrictions on use or investment.

16 (a) With written consent.--With the written consent of the
17 donor, the governing board may release, in whole or in part, a
18 restriction imposed by the applicable gift instrument on the use
19 or investment of an institutional fund.

20 (b) Without written consent.--If written consent of the
21 donor cannot be obtained by reason of his death, disability,
22 unavailability or impossibility of identification, the governing
23 board may apply in the name of the institution to a court vested
24 with jurisdiction by or pursuant to Title 42 of the Pennsylvania
25 Consolidated Statutes (relating to judiciary and judicial
26 procedure) for release of a restriction imposed by the
27 applicable gift instrument on the use or investment of an
28 institutional fund. The Attorney General shall be notified of
29 the application and shall be given an opportunity to be heard.
30 If the court finds that the restriction is obsolete,

1 inappropriate or impracticable, it may by order release the
2 restriction in whole or in part. A release under this subsection
3 may not change an endowment fund to a fund that is not an
4 endowment fund.

5 (c) Nondiversion.--A release under this section may not
6 allow a fund to be used for purposes other than the educational,
7 religious, charitable or other eleemosynary purposes of the
8 institution affected.

9 (d) Cy pres.--This section does not limit the application of
10 the doctrine of cy pres.

11 DIVISION III

12 CONFORMING AMENDMENTS

13 Section 301. Conforming amendments to Title 20.

14 Sections 726 and 727 of Title 20 are amended to read:

15 § 726. Venue of nonprofit corporations.

16 Except as otherwise [specifically provided in Part III of
17 Title 15 (relating to corporations not-for-profit)] prescribed
18 by general rules, in exercising the jurisdiction [conferred upon
19 orphans' court divisions by rules of judicial administration] of
20 the court over the property or affairs of a [nonprofit] domestic
21 or foreign nonprofit corporation, the venue shall be in the
22 county where the registered office of the corporation is located
23 or deemed to be located for venue purposes or, in the absence of
24 a registered office within this Commonwealth, in a county where
25 any property held or controlled by the nonprofit corporation is
26 located.

27 § 727. Venue of cemetery companies.

28 Except as otherwise [specifically] provided in [Part III of]
29 Title [15] 9 (relating to [corporations not-for-profit]) burial
30 grounds) or prescribed by general rules, in exercising the

jurisdiction [conferred upon orphans' court divisions by rules
of judicial administration] of the court over the property or
affairs of a domestic or foreign cemetery company in matters
relating to burial grounds or to property held for the burial of
the dead or for the care or adornment of burial grounds, the
venue shall be in the county where the burial ground, or any
part thereof is located or, in the absence of any involved
burial grounds within this Commonwealth, in a county where any
property held or controlled by the cemetery company is located.

Section 302. Conforming amendment to Title 22.

Section 501(a) of Title 22 is amended to read:

§ 501. Appointment of nonprofit corporations.

(a) Appointment authorized.--Any nonprofit corporation, as
defined in [Part III of Title] 15 Pa.C.S. Pt.II, Subpt. C.
(relating to nonprofit corporations [not-for-profit])
maintaining a cemetery or any buildings or grounds open to the
public, or organized for the prevention of cruelty to children
or aged persons or animals, or one or more of such purposes, may
apply to the court of common pleas of the county of the
registered office of the corporation for the appointment of such
persons as the corporation may designate to act as policemen for
the corporation. The court, upon such application, may order and
decree such persons, or as many of them as it may deem proper
and necessary, to be such policemen.

* * *

Section 303. Conforming amendment to Title 24.

Title 24 is amended by adding parts to read:

PART I

PRELIMINARY PROVISIONS

Chapter

1 1. General Provisions

2 CHAPTER 1

3 GENERAL PROVISIONS

4 Sec.

5 102. Definitions.

6 § 102. Definitions.

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

12 "Certificate of authority." An instrument in writing issued
13 by the department authorizing a person to engage in this
14 Commonwealth in the business or occupation specified in the
15 instrument.

16 "Department." The Department of Education of the
17 Commonwealth.

18 "State board." The State Board of Education of the
19 Commonwealth.

20 PART III

21 HIGHER EDUCATION

22 Chapter

23 65. Private Colleges, Universities and Seminaries

24 CHAPTER 65

25 PRIVATE COLLEGES, UNIVERSITIES AND SEMINARIES

26 Sec.

27 6501. Applicability of chapter.

28 6502. State board to prescribe standards.

29 6503. Certification of institutions.

30 6504. Fundamental changes.

1 6505. Power to confer degrees.

2 6506. Visitation of institutions and revocation of authority.

3 6507. Institution names to be approved by department.

4 6508. Restraining use of term "college," "university" or
5 "seminary."

6 6509. Penalty for violation of chapter.

7 § 6501. Applicability of chapter.

8 (a) General rule.--This chapter applies to, and the word
9 "institution" in this chapter means, any institution which
10 applies to itself, either as part of its name or in any other
11 manner, the designation of "college," "university" or "seminary"
12 in such a way as to give the impression that it is an
13 educational institution conforming to the standards and
14 qualifications prescribed by the State board. Nothing in this
15 chapter shall be construed to expand the powers of the State
16 board with respect to any institution heretofore existing.

17 (b) Exceptions.--Notwithstanding subsection (a), this
18 chapter does not apply to any:

19 (1) Incorporated or unincorporated theological seminary
20 without power to confer degrees.

21 (2) Public instrumentality subject to the policy
22 supervision and direction of the State board.

23 § 6502. State board to prescribe standards.

24 (a) General rule.--The State board shall prescribe standards
25 and qualifications for all institutions entitled to apply to
26 themselves the designation of "college," "university" or
27 "seminary."

28 (b) Minimum standards.--No institution shall be authorized
29 to confer degrees in the arts, pure and applied science,
30 philosophy, literature, law, medicine and theology, or any of

1 them, unless it has:

2 (1) A minimum protective endowment of at least \$500,000,
3 beyond all indebtedness and assets invested in buildings and
4 apparatus for the exclusive purpose of promoting instruction,
5 except that in the case of tax supported institutions, or
6 those maintained by religious or other eleemosynary
7 organizations, financial support or contributed services
8 equivalent in value to the endowment herein specified may be
9 substituted for such endowment.

10 (2) A faculty consisting of at least eight regular
11 professors who devote all their time to the instruction of
12 its higher education classes, unless the institution is
13 devoted to a specific subject in the arts, archaeology,
14 literature, or science (medical and law schools excepted), in
15 which case the faculty shall consist of at least three
16 regular professors who devote all their time to the
17 instruction in the special branch for which the institution
18 is established, and two or more instructors or fellows in the
19 particular branch, who shall be provided to assist in the
20 instruction to be given the students for the promotion of
21 original investigation and in the development and growth of
22 the special branch of science to which such institution may
23 be devoted.

24 § 6503. Certification of institutions.

25 (a) General rule.--No person shall apply to itself, either
26 as part of its name or in any other manner, the designation of
27 "college," "university" or "seminary" in such a way as to give
28 the impression that it is an educational institution conforming
29 to the standards and qualifications prescribed by the State
30 board unless it shall have received from the department a

1 certificate of authority authorizing the institution to use such
2 designation, and, if the institution is authorized to confer
3 degrees, specifying the degrees which the institution is
4 authorized to confer.

5 (b) Exemptions.--Subsection (a) does not apply to:

6 (1) Any nonprofit corporation incorporated with the
7 approval of the department or the former Department of Public
8 Instruction under the former provisions of sections 211 and
9 312 of the act of May 5, 1933 (P.L.289, No.105), known as the
10 Nonprofit Corporation Law of 1933, or otherwise incorporated
11 with the power to confer degrees under corresponding
12 provisions of prior law. For the purposes of this chapter
13 such a corporation shall be deemed to be a holder of a
14 certificate of authority issued under this section
15 authorizing the conferring of those degrees which the
16 institution was authorized by law to confer immediately prior
17 to the effective date of this chapter.

18 (2) Any corporation incorporated prior to September 1,
19 1937, the corporate name of which, or any unincorporated
20 person then conducting any educational institution, the trade
21 or fictitious name of which, included the designation
22 "college" or "university."

23 (c) Form of application.--Every application for a
24 certificate of authority under this section shall be made to the
25 department in writing and shall be in such form and contain such
26 information as the regulations of the department may require.

27 (d) Standards for issuance of certificate.--A certificate of
28 authority shall be issued by order of the department only if and
29 when the department finds and determines that:

30 (1) The application complies with the provisions of this

chapter, the regulations of the department thereunder, and the standards and qualifications for institutions prescribed by the State board thereunder.

(2) The courses of instruction, the standards of admission to the institution and the composition of the faculty appear to be sufficient and to conform to the requirements of this chapter.

(3) The educational needs of the particular locality in which the institution is to be situated and of the Commonwealth at large are likely to be furthered by the granting of the application.

(e) Procedure.--For the purpose of enabling the department to make the finding or determination required by subsection (d), the department shall, by publication of notice in the Pennsylvania Bulletin, afford reasonable opportunity for hearing, which shall be public, and, before or after any such hearing, it may make such inquiries, audits and investigations, and may require the submission of such supplemental studies and information, as it may deem necessary or proper to enable it to reach a finding or determination. The department, in issuing a certificate of authority, may impose such conditions as it may deem to be just and reasonable. In every case the department shall make a finding or determination in writing, stating whether or not the application has been approved, and, if it has been approved in part only, specifying the part which has been approved and the part which has been denied. Any holder of a certificate of authority, exercising the authority conferred thereby, shall be deemed to have waived any and all objections to the terms and conditions of such certificate.

(f) Judicial review.--Orders of the department upon an

1 application for a certificate of authority under this section
2 shall be subject to judicial review in the manner and within the
3 time provided or prescribed by law.

4 § 6504. Fundamental changes.

5 (a) General rule.--It is unlawful for any institution
6 holding a certificate of authority under this chapter
7 authorizing the conferring of degrees to amend its articles of
8 incorporation, to merge or consolidate with any other
9 corporation or to divide or convert without first securing the
10 approval of the department with respect thereto.

11 (b) Form of application.--Every application for approval of
12 a fundamental change under this section shall be made to the
13 department in writing and shall be in such form and shall
14 contain such information as the department shall require.

15 (c) Standards for approval.--The amendment of articles,
16 merger, consolidation, division or conversion shall be approved
17 by order of the department only if and when the department finds
18 and determines that such fundamental change conforms to law,
19 including the regulations of the department under this chapter,
20 and the standards and qualifications for institutions prescribed
21 by the State board thereunder, and will result in an institution
22 which, under the then current provisions of this chapter and
23 standards and qualifications for institutions of the State board
24 thereunder, would be eligible to receive a certificate of
25 authority as an institution.

26 (d) Procedure.--The proceedings before the department shall
27 be subject to the provisions of section 6503(e) (relating to
28 procedure).

29 (e) Judicial review.--Orders of the department upon an
30 application for approval under this section shall be subject to

1 judicial review in the manner and within the time provided or
2 prescribed by law.

3 § 6505. Power to confer degrees.

4 A nonprofit corporation as defined in Title 15 (relating to
5 corporations and unincorporated associations) which receives a
6 certificate of authority under this chapter authorizing the
7 conferring of degrees may confer baccalaureate degrees in the
8 arts, science, philosophy or literature, but only upon students
9 who have completed a college or university course normally
10 covering four years, or such other degrees at the associate,
11 baccalaureate or advanced level as may be specified in the
12 certificate of authority. The qualifications of admission to
13 these four-year courses, or to advanced classes in these
14 courses, shall be not less than four years of academic or high
15 school preparation, or its equivalent, and shall be subject to
16 the standards promulgated by the State board.

17 § 6506. Visitation of institutions and revocation of authority.

18 (a) General rule.--Any institution holding a certificate of
19 authority under this chapter authorizing the conferring of
20 degrees shall be subject to visitation and inspection by
21 representatives of the department. If any such institution shall
22 fail to maintain the standards and qualifications prescribed by
23 the State board under this chapter the department may, after
24 notice to the institution and opportunity for hearing, suspend
25 or revoke the certificate of authority of the institution.

26 (b) Judicial review.--Orders of the department in any
27 proceeding relating to the suspension or revocation of a
28 certificate of authority of an institution under this section
29 shall be subject to judicial review in the manner and within the
30 time provided or prescribed by law.

1 § 6507. Institution names to be approved by department.

2 The Department of State shall not approve any corporate name
3 or register any assumed or fictitious or other name including
4 the words "college," "university" or "seminary" used in such a
5 way as to give the impression that the proprietor of such name
6 is an educational institution conforming to the standards and
7 qualifications prescribed by the State board, unless the
8 application for incorporation, qualification or change of name
9 or the application for registration is accompanied by a
10 certificate from the department that the corporation or proposed
11 corporation or the person or persons applying for registration
12 are entitled to use such designation.

13 § 6508. Restraining use of term "college," "university" or
14 "seminary."

15 Upon the application of the Attorney General, any court of
16 competent jurisdiction shall, in a proper case where a violation
17 of this chapter is shown, grant an injunction restraining the
18 use of the designation of "college," "university" or "seminary."

19 § 6509. Penalty for violation of chapter.

20 A person who violates this chapter commits a summary offense.

21 Section 304. Conforming amendment to Title 40.

22 Title 40 is amended by adding a section to read:

23 § 6546. Dividends.

24 As used in 15 Pa.C.S. § 5545 (relating to income from
25 corporate activities) the terms "fees" and "prices" do not
26 include rates of contribution, fees or dues levied under an
27 insurance certificate issued by a fraternal benefit society so
28 long as the distribution of profits arising from the fees or
29 prices is limited to the purposes set forth in that section and
30 15 Pa.C.S. § 5551 (relating to dividends prohibited;

1 compensation and certain payments authorized). Nothing contained
2 in 15 Pa.C.S. § 5551 shall prohibit a fraternal benefit society
3 operating under the insurance laws of this Commonwealth from
4 paying dividends or refunds by whatever name known pursuant to
5 the terms of its insurance contracts.

6 Section 305. Conforming amendment to Title 42.

7 Section 2524 of Title 42 is amended to read:

8 § 2524. Penalty for unauthorized practice of law.

9 Any person who within this Commonwealth shall practice law,
10 or who shall hold himself out to the public as being entitled to
11 practice law, or use or advertise the title of lawyer, attorney
12 at law, attorney and [counsellor] counselor at law, [counsellor]
13 counselor, or the equivalent in any language, in such a manner
14 as to convey the impression that he is a practitioner of the law
15 of any jurisdiction, without being an attorney at law or a
16 corporation complying with [the act of July 9, 1970 (P.L.461,
17 No.160), known as the "Professional Corporation Law,"] 15
18 Pa.C.S. Ch. 29 (relating to professional corporations), commits
19 a misdemeanor of the third degree.

20 Section 306. Conforming amendments to Title 54.

21 Sections 101, 103, 303(b)(2), 311(a)(3), (b)(1), (d), (e),
22 (f)(1) and (4), (g) and (h), 312(d), 313(c) and 321(d), Chapter
23 5 heading and sections 501, 502, 503, 506, 1112(c), 1114,
24 1115(c), 1116, 1311(d), 1312(c), 1313, 1314(d), 1511(d), 1512,
25 1513, 1514 and 1515(d) of Title 54 are amended or added to read:
26 § 101. Definitions.

27 Subject to additional definitions contained in subsequent
28 provisions of this title which are applicable to specific
29 provisions of this title, the following words and phrases when
30 used in this title shall have, unless the context clearly

1 indicates otherwise, the meanings given to them in this section:

2 ["Corporation not-for-profit." A corporation not-for-profit
3 as defined in Title 15 (relating to corporations and
4 unincorporated associations).]

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

6 "Domestic corporation." A corporation incorporated under the
7 laws of this Commonwealth.

8 "Domestic corporation not-for-profit." A domestic
9 corporation not-for-profit as defined in 15 Pa.C.S. § 1103
10 (relating to definitions).

11 "Officially publish." The meaning specified in 15 Pa.C.S. §
12 [102] 1103 (relating to definitions) except that the county of
13 publication shall be as specified in this title.

14 "Qualified foreign corporation." A corporation incorporated
15 under any laws other than those of this Commonwealth that is
16 authorized to do business in this Commonwealth under either 15
17 Pa.C.S. Ch. 41 (relating to foreign business corporations) or
18 Ch. 61 (relating to foreign nonprofit corporations).

19 "Verified statement." A document field under this title
20 containing statements of fact and a statement by the signatory
21 that it is made subject to the penalties of 18 Pa.C.S. § 4904
22 (relating to falsification to authorities).

23 § 103. Execution of documents.

24 (a) General rule.--Any document filed in the Department of
25 State under this title by a corporation may be executed on
26 behalf of the corporation by any one duly authorized officer
27 thereof. The corporate seal may be affixed and attested but the
28 affixation and attestation of the corporate seal shall not be
29 necessary for the due execution of any filing by a corporation
30 under this title.

1 (b) Cross reference.--See 15 Pa.C.S. § 135 (relating to
2 requirements to be met by filed documents).

3 § 303. Scope of chapter.

4 * * *

5 (b) Mandatory registration.--

6 * * *

7 (2) Paragraph (1) shall not apply to any:

8 (i) Nonprofit or professional activities.

9 (ii) Activities which are expressly or impliedly
10 prohibited by law from being carried on under a
11 fictitious name.

12 (iii) Limited partnership which is registered in the
13 department pursuant to [Chapter 5 of Title 59] 15 Pa.C.S.
14 Ch. 85 (relating to limited partnerships) or under
15 corresponding provisions of prior law. The preceding
16 sentence shall not apply to any entity which includes the
17 limited partnership as a participant unless the entity is
18 itself such a limited partnership.

19 (iv) [An unincorporated] Unincorporated association.

20 (v) Electing partnership existing under 15 Pa.C.S.
21 Ch. 87 (relating to electing partnerships).

22 * * *

23 § 311. Registration.

24 (a) General rule.--A fictitious name may be registered under
25 this chapter by filing in the department an application for
26 registration of fictitious name, which shall be executed as
27 provided in subsection (d), and shall set forth:

28 * * *

29 (3) The address, including street and number, if any, of
30 the principal place of business of the business or other

1 activity to be carried on under or through the fictitious
2 name.

3 * * *

4 (b) Use of corporate designators.--A fictitious name
5 registered under this chapter:

6 (1) May not contain a corporate designator such as
7 "corporation," "incorporated" or "limited" or any derivation
8 or abbreviation thereof unless the entity or at least one
9 entity named in the application for registration of
10 fictitious name is a corporation. The use of the word
11 "company" or any derivation or abbreviation thereof by a sole
12 proprietorship, a partnership or a corporation is
13 permissible.

14 * * *

15 (d) Execution.--

16 (1) Where the application for registration relates to an
17 entity which includes one or more participants which are
18 partnerships or other entities composed of two or more
19 parties, it shall not be necessary for each ultimate party to
20 be named in and to execute the application, but only the
21 constituent participants shall be named in the application
22 and a partner or other authorized representative of a
23 participant may execute the application on behalf of the
24 participant.

25 (2) Where the application for registration relates to a
26 trust or similar entity, it shall not be necessary for each
27 beneficial owner or similar ultimate party to be named in and
28 to execute the application, but only the trustees of the
29 trust or the governing body of the similar entity shall be
30 named in and shall execute the application.

1 (3) Otherwise, the application for registration shall be
2 executed by each individual party thereto and, in the case of
3 any other entity, by [two duly authorized officers thereof
4 under the seal, if any, of] the entity. See section 103
5 (relating to execution of documents).

6 (4) The application of any party may be executed by the
7 attorney-in-fact of the party [accompanied by written
8 evidence of the authority of the attorney-in-fact].

9 (e) Duplicate use of names.--The fictitious name shall not
10 be the same as or [deceptively] confusingly similar to:

11 (1) The name of any domestic corporation, or any foreign
12 corporation authorized to do business in this Commonwealth,
13 or the name of any [nonprofit unincorporated] corporation or
14 other association registered at any time under Chapter 5
15 (relating to corporate and other association names) unless
16 such name is available or is made available for use under the
17 provisions or procedures of 15 Pa.C.S. § [7313] 5303(b)(1)(i)
18 or (ii) (relating to duplicate use of names) or the
19 equivalent.

20 (2) The name of any limited partnership organized under
21 [Chapter 5 of Title 59] 15 Pa.C.S. Ch. 85 (relating to
22 limited partnerships).

23 (3) The name of any administrative department, board or
24 commission or other agency of this Commonwealth.

25 (4) A name the exclusive right to which is at the time
26 reserved by any other person whatsoever in the manner
27 provided by statute.

28 (f) Required approvals.--The fictitious name shall not
29 contain:

30 (1) [The] Except in the case of the use of the word

1 "seminary" by a nonprofit corporation or other association
2 exempt from 24 Pa.C.S. Ch. 65 (relating to private colleges,
3 universities and seminaries) by reason of 24 Pa.C.S. §
4 6501(b)(1) (relating to exceptions), the words "college,"
5 "university" or "seminary" when used in such a way as to
6 imply that the entity is an educational institution
7 conforming to the standards and qualifications prescribed by
8 the State Board of Education unless there is submitted a
9 certificate from the Department of Education certifying that
10 the entity is entitled to use such designation.

11 * * *

12 (4) The word "cooperative" or any abbreviation thereof
13 unless it [has complied with one of the Acts of Assembly
14 relative to cooperative corporations or associations] is
15 subject to 15 Pa.C.S. Pt. II, Subpt. D (relating to
16 cooperative corporations).

17 * * *

18 (g) Advertisement.--An entity which includes an individual
19 party shall officially publish in the county in which the
20 principal office or place of business of the entity is, or in
21 the case of a proposed entity is to be, located, notice of its
22 intention to file or the filing of an application for
23 registration of a fictitious name under this chapter. The notice
24 may appear prior to or after the day upon which the application
25 is filed in the department and shall be kept with the permanent
26 records of the business and shall set forth briefly:

27 (1) The fictitious name.

28 (2) The address, including street and number, if any, of
29 the principal office or place of business of the business to
30 be carried on under or through the fictitious name.

1 voluntary termination of registration by [nonprofit]
2 corporations and other associations):

3 (1) A name registered prior to February 13, 1973 under
4 the act of May 16, 1923 (P.L.246, No.160), relating to
5 registration of certain names.

6 (2) A name registered under section 502 (relating to
7 certain additions to register).

8 (3) In the case of a domestic or qualified foreign
9 corporation [not-for-profit], a name rendered unavailable for
10 corporate use by other corporations by reason of any filing
11 in the department by such domestic or qualified foreign
12 corporation [not-for-profit].

13 (4) A name registered under 15 Pa.C.S. § 4131 (relating
14 to registration of name).

15 (5) A name registered under 15 Pa.C.S. § 6131 (relating
16 to registration of name).

17 (b) Subsequent availability of certain names.--Whenever, by
18 reason of change in name, withdrawal or dissolution of a
19 domestic or qualified foreign corporation [not-for-profit],
20 failure to renew a registration of its name by a nonqualified
21 foreign corporation, or for any other cause, its name is no
22 longer rendered unavailable by the express provisions of Title
23 15 (relating to corporations and unincorporated associations),
24 such name shall no longer be deemed to be registered under
25 subsection (a)(3), (4) or (5) on the register established by
26 this chapter.

27 § 502. Certain additions to register.

28 (a) Corporations.--A domestic corporation not-for-profit
29 incorporated prior to May 16, 1923 may register its name with
30 the department under this chapter by effecting the filing

1 specified in 15 Pa.C.S. § [7321] 5311 (relating to filing of
2 [certificate] statement of summary of record by certain
3 corporations [incorporated prior to 1973]).

4 (b) Unincorporated associations.--A nonprofit unincorporated
5 association may register with the department the name under
6 which it is doing business or operating by filing an application
7 for registration, which shall be executed by [two duly
8 authorized officers of] the association, and shall set forth:

9 (1) The name to be registered.

10 (2) The address, including street and number, if any, of
11 the association.

12 (3) The length of time, if any, during which the name
13 has been used by the applicant.

14 (4) Such other information necessary to the
15 administration of this chapter as the department may specify
16 by regulation.

17 (c) Limitation on names which may be registered.--

18 Notwithstanding subsections (a) and (b), no new name shall be
19 registered or deemed to be registered under this section which
20 is the same as or [deceptively] confusingly similar to any other
21 name then registered or deemed to be registered under this
22 chapter, without the consent of the senior registrant.

23 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
24 docketing statement).

25 § 503. Decennial filings required.

26 (a) General rule.--Every corporation [not-for-profit] or
27 [nonprofit] other association whose name is registered under
28 this chapter shall decennially, during the year 1990 and each
29 year thereafter divisible by ten, file in the department a
30 report, which shall be executed by [two duly authorized officers

1 under the seal, if any, of] the corporation or other
2 association, and shall set forth:

3 (1) The name of the corporation or other association.

4 (2) The address, including street and number, if any, of
5 its registered or other office.

6 (3) A statement that the corporation or other
7 association continues to exist.

8 (4) Such other information necessary to the
9 administration of this chapter as the department may specify
10 by regulation.

11 (b) [Requirement satisfied by other filings] Exceptions.--
12 Subsection (a) shall not apply to:

13 (1) a corporation or other association which during the
14 preceding ten years has made any filing in the department a
15 permanent record of which is retained by the department; or

16 (2) a corporation whose name is registered pursuant to
17 section 501(a)(4) or (5) (relating to register established).

18 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
19 docketing statement).

20 § 506. Voluntary termination of registration by [nonprofit]
21 corporations and other associations.

22 (a) General rule.--Any [nonprofit] corporation or other
23 association which has its name registered under this chapter may
24 terminate such registration by filing in the department a
25 statement of termination of registration of name, which shall be
26 executed by [two duly authorized officers under the seal, if
27 any, of] the corporation or other association, and shall set
28 forth:

29 (1) The name of the corporation or other association.

30 (2) The address, including street and number, if any, of

1 the corporation or other association.

2 (3) The date on which and the statute under which the
3 name of the corporation or other association was registered.

4 (4) A statement that the registration of the name of the
5 corporation or other association under this chapter is
6 terminated.

7 (5) Such other information necessary to the
8 administration of this chapter as the department may specify
9 by regulation.

10 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
11 docketing statement).

12 § 1112. Application for registration.

13 * * *

14 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
15 docketing statement).

16 § 1114. Duration and renewal.

17 (a) General rule.--Registration of a mark under this chapter
18 shall be effective for a term of ten years from the date of
19 registration, and upon application for renewal filed within six
20 months prior to the expiration of such term the registration may
21 be renewed for a like term. A mark registration may be renewed
22 for successive periods of ten years in like manner. All
23 applications for renewals shall include a statement that the
24 mark is still in use in this Commonwealth.

25 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
26 docketing statement).

27 § 1115. Assignment.

28 * * *

29 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
30 docketing statement).

1 § 1116. Cancellation.

2 (a) General rule.--The department shall cancel from the
3 register under this chapter:

4 (1) All registrations under this chapter which are more
5 than ten years old and not renewed in accordance with this
6 chapter.

7 (2) Any registration concerning which the department
8 shall receive an application for cancellation thereof from
9 the registrant or the assignee of record.

10 (3) Any registration concerning which a court of
11 competent jurisdiction shall find:

12 (i) That the registered mark has been abandoned.

13 (ii) That the registrant is not the owner of the
14 mark.

15 (iii) That the registration was granted improperly.

16 (iv) That the registration was obtained
17 fraudulently.

18 (v) That the registered mark is so similar, as to be
19 likely to cause confusion or mistake or to deceive, to a
20 mark registered by another person in the United States
21 Patent and Trademark Office, prior to the date of the
22 filing of the application for registration by the
23 registrant under this chapter or former provisions of law
24 and not abandoned, except that if the registrant proves
25 that the registrant is the owner of a concurrent
26 registration of the mark in the United States Patent and
27 Trademark Office, covering an area including this
28 Commonwealth, the registration under this chapter shall
29 not be cancelled.

30 (4) When a court of competent jurisdiction shall order

1 cancellation of a registration on any ground.

2 (5) Any registration in the following circumstances:

3 (i) Where an applicant, by verified statement or
4 other good and sufficient evidence, shall prove to the
5 satisfaction of the department that the applicant is
6 entitled by virtue of prior adoption and use to any mark
7 theretofore registered in the department.

8 (ii) In the case of a corporation having filed
9 articles of dissolution or a decree of dissolution, any
10 person may, at any time at least three years thereafter,
11 present a petition to the department setting forth such
12 fact.

13 (iii) In the case of a person not having filed
14 articles of dissolution or a decree of dissolution, but
15 having discontinued or gone out of the business to which
16 such registration is pertinent.

17 (iv) When a registered mark has been abandoned or
18 discontinued for a period of at least five years
19 subsequent to registration and such abandonment and
20 nonuse still persists.

21 In all circumstances enumerated in this paragraph, any person
22 may present a petition for cancellation to the department.

23 The petition shall set forth the pertinent facts relative
24 thereto, and shall contain proof of service of notice of the
25 petition on the person in whose name the registration is
26 recorded, and asking that such registration be cancelled. The
27 department shall fix a time to hear the parties concerned in
28 the matter, and shall send, by certified mail, a notice of
29 hearing to the person in whose name such registration is
30 recorded. If, after hearing, the department is satisfied of

1 the truth of the facts alleged in the petition in accordance
2 with the provisions of this paragraph, it shall cancel the
3 registration.

4 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
5 docketing statement).

6 § 1311. Registration of insignia.

7 * * *

8 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
9 docketing statement).

10 § 1312. Amendment.

11 * * *

12 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
13 docketing statement).

14 § 1313. Cancellation.

15 (a) General rule.--The registration under this chapter of
16 the insignia of an organization may be cancelled by the
17 organization by filing in the department a statement of
18 cancellation of insignia registration, which shall set forth:

19 (1) The name of the organization and its address,
20 including street and number, if any.

21 (2) An identification of the last preceding filing in
22 the department with respect to the insignia.

23 (3) A statement that the registration of the insignia is
24 cancelled.

25 (4) 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 § 1314. Decennial filings required.

1 * * *

2 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
3 docketing statement).

4 § 1511. Registration of articles or supplies.

5 * * *

6 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
7 docketing statement).

8 § 1512. Amendment.

9 (a) General rule.--The registration under this chapter of a
10 mark may be amended by the registrant by filing in the
11 department of an application for amendment of mark used with
12 articles or supplies, which shall set forth:

13 (1) The name and address, including street and number,
14 if any, of the registrant.

15 (2) An identification of the last preceding filing in
16 the department with respect to the mark.

17 (3) The amendment, which shall revise any information
18 set forth in the preceding filing which has become inaccurate
19 and shall restate in full all such information as so revised.

20 (4) Such other information necessary to the
21 administration of this chapter as the department may specify
22 by regulation.

23 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
24 docketing statement).

25 § 1513. Assignment.

26 (a) General rule.--Any mark and its registration under this
27 chapter shall be assignable with the sale of the articles or
28 supplies on which the mark is produced and used. Assignments
29 shall be by instruments in writing, duly executed, and may be
30 recorded with the department.

1 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
2 docketing statement).

3 § 1514. Cancellation of registration.

4 (a) General rule.--The department shall cancel from the
5 register under this chapter:

6 (1) Any registration concerning which the department
7 shall receive an application for cancellation thereof from
8 the registrant or from the assignee of record.

9 (2) Any registration in respect of which a court of
10 competent jurisdiction shall order cancellation.

11 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
12 docketing statement).

13 § 1515. Decennial filings required.

14 * * *

15 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
16 docketing statement).

17 Section 307. Conforming amendment to Title 66.

18 Section 3103 of Title 66 is repealed.

19 Section 308. Conforming cross references in unconsolidated
20 statutes.

21 (a) Business Corporation Law of 1933.--References in the
22 following acts and parts of acts enacted prior to July 1, 1971
23 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
24 regulations)) to the act of May 5, 1933 (P.L.364, No.106), known
25 as the Business Corporation Law, shall be deemed to be a
26 reference to 15 Pa.C.S. Pt. II, Subpt. B, known as the Business
27 Corporation Law of 1985, and all such acts and parts of acts are
28 repealed to the extent inconsistent with this subsection:

29 Sections 3, 7 and 13 of the act of April 8, 1937 (P.L.262,
30 No.66), known as the Consumer Discount Company Act.

1 Section 8(b) of the act of January 14, 1952 (1951 P.L.1898,
2 No.522), known as the Funeral Director Law.

3 Sections 4 and 8 of the act of December 1, 1959 (P.L.1647,
4 No.606), known as the Business Development Credit Corporation
5 Law.

6 Sections 1204, 1207 and 1222 of the act of November 30, 1965
7 (P.L.847, No.356), known as the Banking Code of 1965.

8 (b) Section 202B of the Business Corporation Law of 1933.--
9 References in the following act enacted prior to July 1, 1971
10 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
11 regulations)) to section 202B of the act of May 5, 1933
12 (P.L.364, No.106), known as the Business Corporation Law, shall
13 be deemed to be a reference to 15 Pa.C.S. § 1303(b) (relating to
14 duplicate use of names) and such act is repealed to the extent
15 inconsistent with this subsection: section 802 of the act of
16 November 30, 1965 (P.L.847, No.356), known as the Banking Code
17 of 1965.

18 (c) Article VIII of the Business Corporation Law of 1933.--
19 References in the following act enacted prior to July 1, 1971
20 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
21 regulations)) to Article VIII of the act of May 5, 1933
22 (P.L.364, No.106), known as the Business Corporation Law, shall
23 be deemed to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A
24 (relating to preliminary provisions) and B (relating to
25 amendment of articles) and such act is repealed to the extent
26 inconsistent with this subsection: section 9.1 of the act of
27 December 1, 1959 (P.L.1647, No.606), known as the Business
28 Development Credit Corporation Act.

29 (d) Article IX of the Business Corporation Law of 1933.--
30 References in the following act enacted prior to July 1, 1971

1 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
2 regulations)) to Article IX of the act of May 5, 1933 (P.L.364,
3 No.106), known as the Business Corporation Law, shall be deemed
4 to be a reference to 15 Pa.C.S. Ch. 19, Subchs. A (relating to
5 preliminary provisions) and C (relating to merger,
6 consolidation, share exchanges and sale of assets) and such act
7 is repealed to the extent inconsistent with this subsection:
8 section 751(a) of the act of May 17, 1921 (P.L.682, No.284),
9 known as The Insurance Company Law of 1921.

10 (e) Professional Corporation Law.--References in the
11 following acts and parts of acts enacted prior to July 1, 1971
12 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
13 regulations)) to the act of July 9, 1970 (P.L.461, No.160),
14 known as the Professional Corporation Law, shall be deemed to be
15 a reference to 15 Pa.C.S. Ch. 29 (relating to professional
16 corporations) and all such acts and parts of acts are repealed
17 to the extent inconsistent with this subsection:

18 Sections 2, 8.4 and 8.6 of the act of May 26, 1947 (P.L.318,
19 No.140), known as The C.P.A. Law.

20 Section 8(d) of the act of January 14, 1952 (1951 P.L.1898,
21 No.522), known as the Funeral Director Law.

22 (f) Professional Association Act.--References in the
23 following act enacted prior to July 1, 1971 (see 1 Pa.C.S. §
24 1937 (relating to references to statutes and regulations)) to
25 the act of of August 7, 1961 (P.L.941, No.416), known as the
26 Professional Association Act, shall be deemed to be a reference
27 to 15 Pa.C.S. Ch. 93 (relating to professional associations) and
28 such act is repealed to the extent inconsistent with this
29 subsection: sections 2, 8.4 and 8.6 of the act of May 26, 1947
30 (P.L.318, No.140), known as The C.P.A. Law.

1 (g) Electric Cooperative Corporation Act.--References in the
2 following act enacted prior to July 1, 1971 (see 1 Pa.C.S. §
3 1937 (relating to references to statutes and regulations)) to
4 the act of June 21, 1937 (P.L.1969, No.389), known as the
5 Electric Cooperative Corporation Act, shall be deemed to be a
6 reference to 15 Pa.C.S. Ch. 73, Subchs. A (relating to
7 preliminary provisions) and B (relating to powers, duties and
8 safeguards) and such act is repealed to the extent inconsistent
9 with this subsection: sections 2471.1(b) and 2472.2(k) of the
10 act of February 1, 1966 (1965 P.L.1656, No.581), known as The
11 Borough Code, added by section 1 of the act of December 30, 1982
12 (P.L.1465, No.333).

13 DIVISION IV

14 MISCELLANEOUS PROVISIONS

15 Section 401. Repeals.

16 (a) Except as otherwise expressly provided in this
17 subsection, the following acts and parts of acts are repealed:

18 Act of April 6, 1833 (P.L.167, No.83), entitled "An act
19 relating to the escheat of lands held by corporations, without
20 the license of the Commonwealth."

21 Act of June 14, 1836 (P.L.621, No.174), entitled "An act
22 relating to writs Quo Warranto and Mandamus."

23 Resolution of April 17, 1838 (P.L.694, No.22), entitled "A
24 resolution relative to changing the lots attached to certain
25 lock houses on the Juniata division of the Pennsylvania canal,
26 and relative to other purposes."

27 Act of March 28, 1840 (P.L.196, No.91), entitled "A
28 supplement to the act entitled 'An act regulating Lateral Rail
29 Roads.' "

30 Act of February 12, 1842 (P.L.18, No.14), entitled "A further

1 supplement to the act entitled 'an act regulating Lateral Rail
2 Roads.' "

3 Section 10 of the act of April 24, 1843 (P.L.359, No.173),
4 entitled "An act to incorporate the Butler County Mutual
5 Insurance Company, and for other purposes."

6 Act of April 11, 1845 (P.L.364, No.243), entitled "An act to
7 relieve canal and railroad companies from penalties for not
8 performing certain acts on the Sabbath day."

9 Act of March 13, 1847 (P.L.333, No.273), entitled "An act
10 relating to certain corporations."

11 Act of March 13, 1847 (P.L. 337, No.276), entitled "An act in
12 reference to running of locomotive engines and cars on
13 connecting railroads."

14 Act of January 6, 1848 (P.L.1, No.1), entitled "A supplement
15 to the act of fifth of May, one thousand eight hundred and
16 thirty-two, entitled 'An Act regulating lateral railroads.' "

17 Act of April 11, 1848 (P.L.516, No.363), entitled "An act to
18 authorize Margaret Parthemore, administratrix with the will
19 annexed of John Parthemore, deceased, to collect certain
20 outstanding taxes of the North ward of the borough of
21 Harrisburg, in the county of Dauphin, relative to school taxes
22 in Manor township, Lancaster county, to the appeal of the Easton
23 Bank, and relative to lateral railroads, and the accounts of
24 John Foresman, of Lycoming county."

25 Act of February 19, 1849 (P.L.79, No.76), entitled "An act
26 regulating railroad companies."

27 Act of April 11, 1853 (P.L.366, No.239), entitled "An act
28 repealing the acts regulating the gauge of the track of
29 railroads."

30 Act (except sections 5 and 7) of April 26, 1855 (P.L.328,

1 No.347), entitled "An act relating to Corporations and to
2 Estates held for Corporate, Religious and Charitable uses."

3 Act of April 27, 1855 (P.L.365, No.383), entitled "An act
4 extending the right of Trial by Jury to certain cases."

5 Act of May 3, 1855 (P.L.423, No.448), entitled "An act
6 relating to Corporations."

7 Act of February 25, 1856 (P.L.61, No.74), entitled "An act
8 declaratory of the construction of the eleventh section of an
9 act passed on the twenty-sixth day of July, Anno Domini one
10 thousand eight hundred and forty-two."

11 Act of May 16, 1857 (P.L.538, No.595), entitled "An act
12 relative to Assignees and Trustees of Railroad Companies."

13 Act of May 20, 1857 (P.L.629, No.664), entitled "A supplement
14 to the act Regulating Railroads."

15 Act of April 20, 1858 (P.L.361, No.402), entitled "A further
16 supplement to the act, entitled 'An Act regulating Lateral
17 Railroads,' passed May fifth, one thousand eight hundred and
18 thirty-two."

19 Act of March 29, 1859 (P.L.290, No.293), entitled "A
20 supplement to an act in reference to running of Locomotive
21 Engines and Cars on Connecting Railroads, approved thirteenth
22 March, one thousand eight hundred forty-seven."

23 Act of January 9, 1861 (P.L.2, No.3), entitled "An act to
24 enable citizens to hold title which had been held by Aliens and
25 Corporations." Except as otherwise provided by statute, a
26 nonresident or an alien may hold title to property located in
27 this Commonwealth to the same extent as a resident citizen.

28 Act of April 8, 1861 (P.L.259, No.262), entitled "An act
29 concerning the Sale of Railroads, Canals, Turnpikes, Bridges and
30 Plank Roads."

1 Act of April 23, 1861 (P.L.410, No.379), entitled "An act
2 relating to certain Corporations."

3 Act of May 1, 1861 (P.L.433, No.405), entitled "A supplement
4 to an act relating to Corporations, passed the twenty-sixth day
5 of April, one thousand eight hundred and fifty-five."

6 Act of May 1, 1861 (P.L.485, No.453), entitled "A further
7 supplement to an act in reference to running of Locomotive
8 Engines and Cars on Connecting Railroads, approved thirteenth
9 March, one thousand eight hundred and forty-seven."

10 Act of May 16, 1861 (P.L.702, No.657), entitled "An act
11 relating to Railroad Companies."

12 Act of March 21, 1862 (P.L.149, No.148), entitled "An act to
13 encourage the development of Coal and Mineral Lands in the
14 counties of Huntingdon, Cambria and Bedford."

15 Act of April 11, 1862 (P.L.497, No.490), entitled "An act
16 authorizing Railroad Companies to re-locate their Roads in
17 certain cases."

18 Act of April 22, 1863 (P.L.534, No.530), entitled "An act to
19 regulate railroad gauges."

20 Act of March 23, 1865 (P.L.33, No.18), entitled "An act to
21 authorize railroad companies, whose lines reach navigable
22 streams, to erect docks, piers or wharves therein, and to take
23 private property for such public use, on compensation, and
24 ratifying the purchase of the same."

25 Act of March 24, 1865 (P.L.43, No.28), entitled "A supplement
26 to the general law relating to railroad companies, approved
27 nineteenth February, one thousand eight hundred and forty-nine."

28 Act of March 24, 1865 (P.L.49, No.35), entitled "An act
29 supplementary to an act, regulating railroad companies, approved
30 the nineteenth day of February, Anno Domini one thousand eight

1 hundred and forty-nine."

2 Section 2 of the act of March 23, 1865 (P.L.631, No.626),
3 entitled "A supplement to an act, approved the first day of May,
4 Anno Domini one thousand eight hundred and sixty-one, entitled
5 'A supplement to an act relating to corporations, passed the
6 twenty-sixth day of April, Anno Domini one thousand eight
7 hundred and fifty-five,' and to extend the benefit of the said
8 act to purchases, or sales, of real estate, for, or by, aliens,
9 before that date."

10 Act of May 20, 1865 (P.L.847, No.837), entitled "An act to
11 entitle the stockholders of any railroad company, incorporated
12 by this commonwealth, accepting this act, to one vote for each
13 share of stock."

14 Act of June 21, 1865 (P.L.849, No.839), entitled "An act
15 relating to the use of tunnels and bridges by railroad
16 companies."

17 Act of June 21, 1865 (P.L.852, No.841), entitled "An act
18 authorizing the purchase, by railroad companies, of branch, or
19 connecting, roads."

20 Act of March 23, 1866 (P.L.299, No.273), entitled "An act
21 supplementary to an act to incorporate the city of Philadelphia,
22 authorizing the improvement of Broad street, in said city."

23 Act of April 17, 1866 (P.L.106, No.95), entitled "An act
24 relating to railroads."

25 Act of January 7, 1867 (P.L.1368, No.1283), entitled "An act
26 relating to the qualifications of directors of railroad
27 companies."

28 Act of April 10, 1867 (P.L.61, No.40), entitled "An act to
29 authorize the president and directors of any railroad company to
30 determine, by resolution, the manner in which, and the persons

1 to whom, the increased capital thereof may be sold, and the
2 amounts of the instalments thereon, and the times and manner of
3 their payment."

4 Act of February 14, 1868 (P.L.40, No.4), entitled "A
5 supplement to an act, entitled 'An Act relating to certain
6 corporations,' approved March thirteenth, Anno Domini one
7 thousand eight hundred and forty-seven, authorizing the governor
8 to appoint directors for certain corporations in certain cases."

9 Act of March 10, 1868 (P.L.294, No.267), entitled "A
10 supplement to an act, entitled 'An Act concerning the sale of
11 railroads, canals, turnpikes, bridges and plank roads,' approved
12 the eighth day of April, Anno Domini one thousand eight hundred
13 and sixty-one, so far as relates to certain counties.'"

14 Act of March 18, 1868 (P.L.372, No.335), entitled "A
15 supplement to an act, entitled 'An Act to authorize the sale of
16 the property of any incorporated company, upon the bonds secured
17 by a mortgage given by it with like effect as if sold upon the
18 mortgage,' approved the tenth day of April, Anno Domini one
19 thousand eight hundred and sixty-seven, extending the same to
20 incorporated coal companies in the county of Luzerne,
21 authorizing the purchasers of the same to organize new
22 corporations."

23 Act of March 31, 1868 (P.L.50, No.17), entitled "An act to
24 authorize incorporated companies to invest and re-invest surplus
25 funds in mortgages, stocks and other securities, and fixing the
26 time for holding elections for directors."

27 Act of April 2, 1868 (P.L.53, No.20), entitled "An act
28 relating to the consolidation of railroad companies."

29 Act of April 14, 1868 (P.L.62, No.29), entitled "An act to
30 authorize the formation and regulation of railroad

1 corporations."

2 Act of April 14, 1868 (P.L.100, No.61), entitled "An act to
3 authorize railroad companies leasing or using other railroads to
4 provide for the payment of liens thereon."

5 Act of March 17, 1869 (P.L.11, No.9), entitled "An act
6 supplementary to an act relating to certain corporations,
7 approved the twenty-third day of April, Anno Domini one thousand
8 eight hundred and sixty-one."

9 Act of March 17, 1869 (P.L.11, No.10), entitled "An act to
10 authorize an increase in the number of directors or managers of
11 railroad companies, and to give stockholders the power to locate
12 the general office of such companies."

13 Act of March 17, 1869 (P.L.12, No.11), entitled "An act to
14 enable railroad, canal and slack-water navigation companies to
15 straighten, widen, deepen and otherwise improve their lines of
16 railroads, canals and slack-water navigation, and the bridges,
17 aqueducts, piers and structures thereof."

18 Act of April 6, 1869 (P.L.17, No.16), entitled "A further
19 supplement to an act regulating lateral railroads, approved the
20 fifth day of May, Anno Domini one thousand eight hundred and
21 thirty-two."

22 Act of April 10, 1869 (P.L.24, No.24), entitled "An act
23 supplementary to an act relating to railroad companies, approved
24 May sixteenth, Anno Domini one thousand eight hundred and sixty-
25 one."

26 Act of April 15, 1869 (P.L.31, No.33), entitled "An act to
27 authorize railroad and canal companies to aid in the development
28 of the coal, iron, lumber and other material interests of this
29 Commonwealth."

30 Act of April 26, 1869 (P.L.96, No.70), entitled "A further

1 supplement to the act, entitled 'An act to enable citizens to
2 hold title which had been held by aliens and corporations,'
3 approved the ninth day of January, Anno Domini one thousand
4 eight hundred and sixty-one."

5 Act of February 17, 1870 (P.L.31, No.8), entitled "An act to
6 authorize railroad companies to lease or become lessees, and to
7 make contracts with other railroad companies, corporations and
8 parties."

9 Act of April 1, 1870 (P.L.45, No.26), entitled "An act to
10 authorize and direct the Attorney General, upon complaint made
11 by parties whose interests are thereby affected, to institute
12 proceedings, according to law, against corporations alleged to
13 have violated duties imposed upon them by law."

14 Act of April 14, 1870 (P.L.73, No.46), entitled "A supplement
15 to an act regulating railroad companies, approved February
16 nineteenth, one thousand eight hundred and forty-nine."

17 Resolution of April 14, 1870 (P.L.1334, No.13), entitled "A
18 Joint Resolution for the protection of the rights of
19 corporations chartered by the Commonwealth."

20 Act of April 14, 1870 (P.L.75, No.48), entitled "A supplement
21 to an act, entitled 'An Act relating to railroad and canal
22 companies,' approved April eleventh, one thousand eight hundred
23 and sixty-four."

24 Act of April 26, 1870 (P.L.1274, No.1170), entitled "An act
25 further supplementary to an act regulating railroad companies,
26 approved the nineteenth day of February, Anno Domini one
27 thousand eight hundred and forty-nine."

28 Act of February 17, 1871 (P.L.56, No.61), entitled "An act
29 supplementary to the acts relating to lateral railroads."

30 Act of April 28, 1871 (P.L.246, No.232), entitled "A

1 supplement to the act of April fourth, one thousand eight
2 hundred and sixty-eight, relative to the formation and
3 regulation of railroad corporations."

4 Act of May 2, 1871 (P.L.248, No.234), entitled "A supplement
5 to an act to enable railroad, canal and slack-water navigation
6 companies to straighten, widen, deepen and otherwise improve
7 their lines of railroads, canals and slack-water navigation, and
8 the bridges, aqueducts, piers and structures thereof, approved
9 the seventeenth day of March, Anno Domini one thousand eight
10 hundred and sixty-nine."

11 Act of May 18, 1871 (P.L.942, No.830), entitled "An act
12 relating to certain railroad, canal and incorporated companies
13 authorized to construct railroads, and authorizing such
14 companies to purchase and hold stock and bonds, to lease roads
15 and property of and consolidate with each other, in the counties
16 of Susquehanna, Wyoming, Wayne and Luzerne."

17 Act of June 2, 1871 (P.L.283, No.263), entitled "An act to
18 authorize married women owning capital stock of any railroad
19 company to sell and transfer the same."

20 Act of April 3, 1872 (P.L.35, No.25), entitled "An act
21 relating to straightened or improved lines of railroad."

22 Act of April 4, 1872 (P.L.46, No.39), entitled "An act for
23 the appointment of a receiver in cases where corporations have
24 been dissolved by judgment of ouster, upon proceedings of quo
25 warranto."

26 Act of April 9, 1873 (P.L.67, No.45), entitled "An act for
27 the further protection of cemeteries in the state of
28 Pennsylvania."

29 Act of February 7, 1873 (P.L.126, No.95), entitled "An act
30 extending the time for the completion of the Pittsburg, Virginia

1 and Charleston Railway."

2 Act of March 27, 1873 (P.L.435, No.450), entitled "An act
3 providing for the surrender by the Thirteenth and Fifteenth
4 Streets Passenger Railway Company of the city of Philadelphia,
5 of certain corporate rights upon Broad street, and in
6 consideration thereof, confirming the merger with the Navy Yard,
7 Broad Street and Fairmount Railway Company, and granting and
8 confirming unto said Thirteenth and Fifteenth Streets Passenger
9 Railway Company, certain rights as to laying tracks upon said
10 Broad street and Thirteenth and Fifteenth streets, and excluding
11 all other persons or bodies corporate from hereafter laying
12 tracks upon any of said streets."

13 Act of June 5, 1873 (1874 P.L.331, No.219), entitled "An act
14 authorizing directors of railroad companies to elect vice
15 president."

16 Act of June 6, 1873 (1874 P.L.417, No.303), entitled "A
17 supplement to an act, entitled 'An Act regulating lateral
18 railroads,' approved the fifth day of May, Anno Domini one
19 thousand eight hundred and thirty-two, in the county of
20 Armstrong."

21 Act of April 1, 1874 (P.L.51, No.13), entitled "An act to
22 validate acts done by corporations created by the courts before
23 the recording of their charters."

24 Act of April 29, 1874 (P.L.73, No.32), entitled "An act to
25 provide for the incorporation and regulation of certain
26 corporations." The repeal of clause 7 of section 34 of the act
27 shall not affect any pending proceeding thereunder before the
28 Pennsylvania Public Utility Commission or any court of this
29 Commonwealth or otherwise.

30 Act of April 20, 1874 (P.L.110, No.36), entitled, as amended,

1 "An act to enable the officers of dissolved corporations to
2 convey real estate held by such corporations."

3 Act of May 11, 1874 (P.L.133, No.64), entitled "An act
4 relating to the validity of the charters of certain
5 incorporations."

6 Act of May 15, 1874 (P.L.185, No.117), entitled "An act to
7 provide for the adjustment, settlement and collection of
8 compensation from railroad companies, for railroads located or
9 that may be located on county bridges, and to empower county
10 commissioners to make contracts relating thereto."

11 Act of June 8, 1874 (P.L.277, No.162), entitled "A supplement
12 to an act, entitled 'An Act to authorize the formation and
13 regulation of railroad corporations.'"

14 Act of June 9, 1874 (P.L.282, No.169), entitled "An act to
15 authorize the counties, cities, towns or townships of this
16 state, respectively, to enter into contracts with railroad
17 companies whose roads enter their limits, whereby said companies
18 may re-locate, change or elevate their railroads."

19 Act of June 15, 1874 (P.L.289, No.175), entitled "An act
20 requiring every railroad or canal corporation, organized in this
21 state, to maintain an office therein for the transaction of its
22 business."

23 Act of March 17, 1875 (P.L.7, No.9), entitled "An act to
24 extend the time for the completion of railroads authorized to be
25 constructed by railroad or railway corporations of this
26 commonwealth under any general law."

27 Act of March 18, 1875 (P.L.28, No.30), entitled "A supplement
28 to an act to authorize the formation and regulation of railroad
29 corporations, approved April four, Anno Domini one thousand
30 eight hundred and sixty-eight."

1 Act of April 25, 1876 (P.L.47, No.36), entitled "An act
2 supplementary to the act, entitled 'An Act to provide for the
3 incorporation and regulation of certain corporations,' approved
4 the twenty-ninth day of April, Anno Domini eighteen hundred and
5 seventy-four, extending its provisions to all who may have the
6 right to vote at elections for directors, managers or trustees."

7 Act of April 28, 1876 (P.L.53, No.45), entitled "An act
8 relieving members of beneficial societies from individual
9 liability for lodge indebtedness."

10 Act of May 1, 1876 (P.L.90, No.52), entitled "An act
11 supplementary to an act, entitled 'An Act to provide for the
12 incorporation and regulation of certain corporations,' approved
13 April twenty-ninth, one thousand eight hundred and seventy-four,
14 relative to the incorporation and powers of telegraph companies
15 for the use of individuals, firms and corporations, and for fire
16 alarm, police and messenger business."

17 Act of May 1, 1876 (P.L.93, No.57), entitled "An act defining
18 the rights and obligations of corporations formed under the laws
19 of other states, and under the said laws succeeding to or
20 becoming invested with the rights of purchasers or mortgagees
21 under mortgages executed by railroad companies of other states,
22 but authorized or confirmed by the laws of this state, where
23 such mortgages extend to or include railroads partly within this
24 and partly within another or other state or states, and where
25 foreclosures or sales of the mortgaged premises have been
26 decreed by courts of the states within which the said last named
27 companies were incorporated, and such decrees of sale or
28 foreclosure have been confirmed or enforced by confirmatory or
29 ancillary decrees rendered by state or federal courts of or in
30 this commonwealth."

1 Act of May 8, 1876 (P.L.127, No.93), entitled "An act to
2 enable citizens of the United States and corporations chartered
3 under the laws of this commonwealth, and authorized to hold real
4 estate, to hold and convey title which had been held by aliens
5 and corporations not authorized by law to hold the same."

6 Act of May 13, 1876 (P.L.157, No.128), entitled "A further
7 supplement to an act, entitled 'An Act to authorize the
8 formation and regulation of railroad corporations,' approved
9 April fourth, Anno Domini one thousand eight hundred and sixty-
10 eight, authorizing articles of association to be filed and
11 recorded in the office of the secretary of the commonwealth, and
12 companies to organize, when two thousand dollars of stock is
13 subscribed and ten per centum thereon paid in good faith, in
14 cash, to the directors, for roads not exceeding fifteen miles in
15 length."

16 Act of May 22, 1878 (P.L.85, No.108), entitled "A supplement
17 to an act, entitled 'An act to enable citizens to hold title
18 which has been held by aliens and corporations,' approved the
19 ninth day of January, Anno Domini one thousand eight hundred and
20 sixty-one."

21 Act of May 25, 1878 (P.L.145, No.184), entitled "A supplement
22 to an act, entitled 'An act concerning the sale of railroads,
23 canals, turnpikes, bridges and plank roads,' approved the eighth
24 day of April, Anno Domini one thousand eight hundred and sixty-
25 one, extending the provisions of said act to coal, iron, steel,
26 lumber, or oil or mining, manufacturing, transportation and
27 telegraph companies, in this commonwealth."

28 Act of June 12, 1878 (P.L.183, No.224), entitled "A
29 supplement to an act to authorize railroad corporations to
30 secure the payment of their bonds and obligations, by a mortgage

1 upon their property, rights and franchises,' approved the
2 thirteenth day of March, Anno Domini one thousand eight hundred
3 and seventy-three, applying the provisions thereof to mortgages
4 upon certain personal property of such corporations."

5 Act of April 22, 1879 (P.L.31, No.26), entitled "An act to
6 extend the time for the completion of public works by
7 corporations chartered for the construction thereof, and
8 authorizing such corporations to borrow money for that purpose."

9 Act of April 8, 1881 (P.L.9, No.8), entitled "A supplement to
10 the act, entitled, 'An act to enable citizens of the United
11 States and corporations chartered under the laws of this
12 commonwealth, and authorized to hold real estate, to hold and
13 convey title, which had been held by aliens and corporations not
14 authorized by law to hold the same,' approved the eighth day of
15 May, Anno Domini one thousand eight hundred and seventy-six."

16 Act of May 21, 1881 (P.L.27, No.31), entitled "A further
17 supplement to an act, entitled 'An act to authorize the
18 formation and regulation of railroad corporations' approved the
19 fourth day of April, Anno Domini one thousand eight hundred and
20 sixty-eight, authorizing railroad companies incorporated under
21 said act, and supplements thereto, not exceeding fifteen miles
22 in length, to extend their lines."

23 Act of May 24, 1881 (P.L.27, No.30), entitled "An act to
24 extend the time for the completion of railroads in this
25 commonwealth."

26 Act of April 26, 1883 (P.L.14, No.13), entitled "An act for
27 the protection of agricultural and horticultural societies."

28 Act of June 1, 1883 (P.L.49, No.40), entitled "An act to
29 extend the time for the completion of railroads in this
30 Commonwealth."

1 Act of June 1, 1883 (P.L.57, No.52), entitled "An act
2 relating to the terminal points to which railroads may be
3 constructed."

4 Act of June 2, 1883 (P.L.61, No.54), entitled "An act
5 supplementary to an act, entitled 'An act for the incorporation
6 and regulation of corporations,' approved April twenty-ninth,
7 one thousand eight hundred and seventy-four, authorizing the
8 incorporation of pipe lines for the transportation of petroleum,
9 and providing for the exercise of the right of eminent domain in
10 taking lands and property for such purposes."

11 Act of June 13, 1883 (P.L.122, No.108), entitled "A
12 supplement to an act, entitled 'An act to provide for the
13 incorporation and regulation of certain corporations,' approved
14 April twenty-ninth, one thousand eight hundred and seventy-four,
15 providing for the improvement, amendment and alteration of the
16 charters of corporations of the second class, and authorizing
17 the incorporation of traction motor companies."

18 Act of July 5, 1883 (P.L.176, No.165), entitled "A supplement
19 to an act, entitled 'An act regulating lateral railroads,'
20 approved the fifth day of May, Anno Domini one thousand eight
21 hundred and thirty-two, authorizing the owners or lessees of
22 iron ore or coal mines to construct lateral railroads from said
23 mines to any railroad, public road or navigable stream, within
24 the county in which such mines are situated."

25 Act of May 29, 1885 (P.L.29, No.32), entitled "An act to
26 provide for the incorporation and regulation of natural gas
27 companies."

28 Act of June 25, 1885 (P.L.186, No.155), entitled "An act
29 limiting the time for the completion of railroads by
30 corporations organized by purchasers at judicial sales."

1 Act of May 7, 1887 (P.L.94, No.44), entitled "An act to
2 enforce against railroad corporations the provisions of section
3 seven of Article sixteen, of the Constitution."

4 Act of May 31, 1887 (P.L.275, No.162), entitled "A supplement
5 to an act, entitled 'An act to authorize the formation and
6 regulation of railroad corporations,' approved the fourth day of
7 April, Anno Domini one thousand eight hundred and sixty-eight."

8 Act of June 6, 1887 (P.L.350, No.242), entitled "An act to
9 enable the citizens of the United States and corporations,
10 chartered under the laws of this Commonwealth and authorized to
11 hold real estate, to hold and convey title which had been held
12 by aliens and corporations not authorized by law to hold the
13 same."

14 Act of June 7, 1887 (P.L.365, No.252), entitled "An act to
15 encourage and authorize the formation of cooperative
16 associations, productive and distributive, by farmers,
17 mechanics, laborers, or other persons."

18 Act of April 22, 1889 (P.L.42, No.40), entitled "A supplement
19 to 'An act relating to corporations and to estates held for
20 corporate, religious and charitable uses,' approved the twenty-
21 sixth day of April, Anno Domini one thousand eight hundred and
22 fifty-five, increasing the limit of real and personal estates
23 which may be held by such corporations."

24 Act of May 7, 1889 (P.L.102, No.108), entitled "An act
25 defining evidence of stock ownership in corporations and for
26 determining the right to vote thereon."

27 Act of May 8, 1889 (P.L.136, No.153), entitled "An act to
28 amend an act, entitled 'An act to provide for the incorporation
29 and regulation of certain corporations,' approved the twenty-
30 ninth day of April, Anno Domini one thousand eight hundred and

1 seventy-four, providing for the incorporation and regulation of
2 electric light, heat and power companies."

3 Act of May 13, 1889 (P.L.205, No.223), entitled "An act
4 prescribing the amount of stock and bonds which may be issued by
5 railroad companies heretofore or hereafter consolidated and
6 merged."

7 Act of June 16, 1891 (P.L.301, No.231), entitled "An act
8 authorizing the extension of the corporate existence of any
9 railroad corporation organized under either a special or general
10 law of this Commonwealth."

11 Act of May 26, 1893 (P.L.141, No.90), entitled "An act
12 amending an act, entitled 'An act defining evidence of stock
13 ownership in corporations, and for determining the right to vote
14 thereon,' approved May seventh, one thousand eight hundred and
15 eighty-nine, further defining evidence of stock ownership and
16 the right to vote thereon."

17 Act of May 26, 1893 (P.L.158, No.103), entitled "An act
18 authorizing water companies to re-locate roads destroyed, and to
19 acquire land to preserve water supply from contamination."

20 Act of June 8, 1893 (P.L.355, No.289), entitled "An act to
21 regulate the change of location of the principal office, the
22 place of annual and other meetings of stockholders, and the time
23 of such annual meeting of corporations of this Commonwealth."

24 Act of June 18, 1895 (P.L.195, No.116), entitled "An act
25 validating purchases or leases heretofore made or acquired by
26 water companies of lands to preserve their water supply from
27 contamination."

28 Act of June 24, 1895 (P.L.258, No.172), entitled "An act
29 relating to and regulating the issue and transfer of
30 certificates of stock by companies incorporated under the laws

1 of this Commonwealth."

2 Act of June 24, 1895 (P.L.264, No.176), entitled "An act to
3 enable the citizens of the United States, and corporations
4 chartered under the laws of this Commonwealth and authorized to
5 hold real estate, to hold and convey title which had been held
6 by aliens and corporations not authorized by law to hold the
7 same."

8 Act of July 2, 1895 (P.L.425, No.302), entitled "An act
9 granting to water power companies, and other corporations owning
10 or controlling water power, authority to develop and distribute
11 electric power by means of their water power, and to erect,
12 construct and maintain the necessary buildings, plant and
13 apparatus for that purpose."

14 Act of July 2, 1895 (P.L.432, No.309), entitled "An act being
15 a further supplement to an act, entitled 'An act to provide for
16 the incorporation and regulation of certain corporations,'
17 approved the twenty-ninth day of April, one thousand eight
18 hundred and seventy-four, to further provide for the
19 incorporation and regulation of corporations heretofore or
20 hereafter incorporated for the purpose of the supply, storage or
21 transportation of water and water power for commercial and
22 manufacturing purposes."

23 Act of May 2, 1899 (P.L.160, No.107), entitled "An act to
24 validate changes heretofore made in the names of certain
25 corporations not conducted for profit, and to provide a method
26 of making such changes hereafter."

27 Act of May 5, 1899 (P.L.253, No.148), entitled "An act to
28 allow Medical Colleges of the Commonwealth of Pennsylvania to
29 confer diplomas in public health."

30 Act of February 9, 1901 (P.L.3, No.1), entitled "An act to

1 provide for increasing the capital stock and indebtedness of
2 corporations."

3 Act of February 9, 1901 (P.L.6, No.2), entitled "An act to
4 permit the classification by railroad, railway and
5 transportation corporations of their boards of directors or
6 managers."

7 Act of March 22, 1901 (P.L.53, No.20), entitled "An act to
8 authorize and empower any railroad corporation of this
9 Commonwealth, which shall own at least two-thirds of the whole
10 capital stock of any other like corporation of this
11 Commonwealth, and shall have a railroad connecting with the
12 railroad of the latter, to acquire the franchises, property,
13 rights and credits of the latter."

14 Act of April 4, 1901 (P.L.63, No.29), entitled "An act to
15 authorize railroads, heretofore or hereafter constructed to any
16 river forming the boundary between this and any adjoining State,
17 to be built by means of a bridge and its approaches to the
18 middle of such river, and there connect with any railroad of
19 such adjoining State, heretofore or hereafter constructed."

20 Act of April 4, 1901 (P.L.67, No.36), entitled "An act to
21 validate changes heretofore made in the names of corporations by
22 the several courts of common pleas of this Commonwealth."

23 Act of May 21, 1901 (P.L.270, No.177), entitled "An act
24 granting certain rights and privileges to regularly organized
25 and incorporated water companies."

26 Act of May 29, 1901 (P.L.326, No.207), entitled "A supplement
27 to an act, entitled 'An act to provide for the incorporation and
28 regulation of certain corporations,' approved April twenty-
29 ninth, one thousand eight hundred and seventy-four; authorizing
30 formation of corporations for profit by voluntary association of

1 three or more persons, one of whom, at least, must be a citizen
2 of this Commonwealth."

3 Act of July 10, 1901 (P.L.651, No.329), entitled "An act to
4 validate acts done by corporations before the recording of their
5 charters."

6 Act of March 19, 1903 (P.L.34, No.41), entitled "An act to
7 prevent the multiplication of poles, wires, and conduits for
8 electrical purposes, by authorizing corporations, manufacturing
9 or using electrical current for any purposes, to enter into
10 contracts with each other relating to the exchange of current,
11 the joint use of poles, wires, and conduits, or the lease or
12 operation of each others systems."

13 Act of March 24, 1903 (P.L.50, No.52), entitled "An act
14 relating to the taking of stock votes, upon subjects presented
15 to stockholders of corporations of this Commonwealth for their
16 action."

17 Act of April 22, 1903 (P.L.251, No.185), entitled "An act
18 regulating the change of corporate titles."

19 Act of April 23, 1903 (P.L.280, No.208), entitled "A further
20 supplement to the act approved April fourth, Anno Domini one
21 thousand eight hundred and sixty-eight, entitled 'An act to
22 authorize the formation and regulation of railroad
23 corporations.'"

24 Act of March 24, 1905 (P.L.56, No.39), entitled "A supplement
25 to an act, entitled 'A supplement to an act, entitled "An act to
26 provide for the incorporation and regulation of certain
27 corporations," approved the twenty-ninth day of April, Anno
28 Domini one thousand eight hundred and seventy-four, further
29 amending the twelfth section thereof so as to permit
30 corporations organized thereunder, either for the purpose of

1 carrying on any manufacturing business, or for the supply of
2 water, or for the manufacture or supplying of light, to purchase
3 bonds or stock of other corporations of the same character, or
4 to guarantee the payment of interest and principal of such
5 bonds, or either principal or interest, or to lease and operate
6 corporate property,' approved the twenty-sixth day of June, Anno
7 Domini one thousand eight hundred and ninety-five, correcting
8 errors therein and validating all acts done in pursuance
9 thereof."

10 Act of April 22, 1905 (P.L.264, No.184), entitled "An act to
11 authorize railroad companies of this Commonwealth, in order to
12 secure an adequate supply of water for their corporate purpose,
13 to acquire, hold, dispose of, and guarantee the stock and
14 securities of water companies."

15 Act of June 6, 1907 (P.L.417, No.287), entitled "An act
16 requiring that all water, gas, or electric light corporations,
17 before entering upon or occupying any public street or highway
18 in any township of the first class of this Commonwealth, shall
19 first make application to the proper authorities of such
20 township of the first class and obtain its consent to such entry
21 or occupancy."

22 Act of April 27, 1909 (P.L.244, No.154), entitled "An act to
23 validate acts done by corporations before the recording of their
24 charter."

25 Act of May 3, 1909 (P.L.408, No.229), entitled, as amended,
26 "An act authorizing the merger or consolidation of certain
27 corporations."

28 Act of March 15, 1911 (P.L.17, No.15), entitled "An act to
29 validate acts done and conveyances made by or to corporations
30 after letters patent are issued, and before the recording of

1 their charters."

2 Act of May 11, 1911 (P.L.261, No.165), entitled "An act
3 relating to Receivers' Sales."

4 Act of June 3, 1911 (P.L.635, No.243), entitled "An act to
5 further amend the eighteenth paragraph of the second section of
6 an act, entitled 'An act to provide for the incorporation and
7 regulation of certain corporations,' approved the twenty-ninth
8 day of April, Anno Domini one thousand eight hundred and
9 seventy-four, so as to compel corporations heretofore or
10 hereafter incorporated for the purpose of the storage,
11 transportation and furnishing of water for manufacturing and
12 other purposes, and for the creation, establishing, furnishing,
13 transmission and using of water-power therefrom, to furnish such
14 power for public purposes."

15 Act of April 24, 1913 (P.L.114, No.77), entitled "An act to
16 validate receiver's sales of real estate, held subsequent to the
17 passage of an act, entitled 'An act relating to receiver's
18 sales,' approved the eleventh day of May, Anno Domini one
19 thousand nine hundred and eleven, in all cases where notices of
20 said sales have been mailed within the time specified in said
21 act."

22 Act of May 15, 1913 (P.L.213, No.149), entitled "An act to
23 validate certain charters issued by the Governor of the
24 Commonwealth to electric light companies, for districts
25 comprising two or more municipalities or townships, under the
26 thirty-fourth section of the act approved April twenty-nine, one
27 thousand eight hundred seventy-four, entitled 'An act to provide
28 for the incorporation and regulation of certain corporations,'
29 and its supplements."

30 Act of June 6, 1913 (P.L.458, No.304), entitled "An act

1 providing for the making valid of the charters of certain
2 corporations, heretofore incorporated for the purpose of
3 supplying heat, light, and power, by means of electricity, to
4 the public, upon the filing of certain certificates with the
5 Secretary of the Commonwealth."

6 Act of April 26, 1917 (P.L.102, No.61), entitled "A
7 supplement to an act, entitled 'An act to provide for the
8 incorporation and regulation of natural gas companies,' approved
9 the twenty-ninth day of May, one thousand eight hundred and
10 eighty-five; providing that corporations engaged in the business
11 of supplying natural gas may manufacture or purchase, and
12 transport and supply, manufactured fuel gas."

13 Act of May 3, 1917 (P.L.146, No.78), entitled "An act to
14 validate acts done by corporations before the recording of their
15 charters."

16 Act of May 17, 1917 (P.L.228, No.126), entitled "An act to
17 authorize the payment by corporations to their directors of
18 compensation for services rendered by them."

19 Act of July 5, 1917 (P.L.698, No.258), entitled "An act to
20 authorize corporations organized for profit, under the laws of
21 Pennsylvania, to continue the salaries of employes enlisting or
22 enrolling in any branch of the military or naval service of the
23 United States, or other protective organization."

24 Act of July 19, 1917 (P.L.1123, No.382), entitled "An act to
25 authorize the construction of branches by railroad companies."

26 Act of April 18, 1919 (P.L.67, No.52), entitled "An act to
27 give to women, married and single, the same right as men to be
28 corporators, and, in furtherance of their interests as
29 stockholders, to serve as directors and officers of corporations
30 for profit."

1 Act of May 23, 1919 (P.L.240, No.132), entitled "An act
2 validating the holding, ownership, and exercise of material,
3 rolling stock, property, and franchises, sold and conveyed under
4 and by virtue of any process or decree of any court or under or
5 by virtue of a power of sale contained in any mortgage or deed
6 of trust, as the property of any gas, water, coal, iron, steel,
7 lumber, oil or mining or manufacturing, transportation or
8 telegraph company, or any railroad, canal, turnpike, bridge, or
9 plank road or any corporation, notwithstanding the failure of
10 the owner or owners thereof to reorganize said company or
11 corporation in accordance with the act of Assembly, entitled 'An
12 act concerning the sale of railroads, canals, turnpikes,
13 bridges, and plank roads,' approved the eighth day of April,
14 Anno Domini one thousand eight hundred sixty-one, and the
15 supplements and amendments thereto."

16 Act of May 23, 1919 (P.L.253, No.135), entitled "A supplement
17 to the act, approved the twenty-ninth day of May, one thousand
18 eight hundred and eighty-five (Pamphlet Laws, twenty-nine),
19 entitled 'An act to provide for the incorporation and regulation
20 of natural gas companies,' authorizing corporations created
21 under said act to renew their charters which are about to expire
22 or have already expired, and providing a procedure therefor, and
23 for the payment of fees and bonus."

24 Act of June 20, 1919 (P.L.509, No.249), entitled "A
25 supplement to an act, approved the eighth day of May, one
26 thousand eight hundred and eighty-nine (Pamphlet Laws, one
27 hundred and thirty-six), entitled 'An act to amend an act,
28 entitled "An act to provide for the incorporation and regulation
29 of certain corporations," approved the twenty-ninth day of
30 April, Anno Domini one thousand eight hundred and seventy-four,

1 providing for the incorporation and regulation of electric
2 light, heat and power companies,' granting electric light, heat,
3 and power companies the right to exercise their charter powers
4 in adjoining States."

5 Act of July 22, 1919 (P.L.1123, No.456), entitled "A
6 supplement to an act, entitled 'An act to provide for the
7 incorporation and regulation of certain corporations,' approved
8 the twenty-ninth day of April, Anno Domini one thousand eight
9 hundred and seventy-four; providing for the incorporation and
10 regulation of telephone companies; defining the rights, powers,
11 and privileges of such corporations; authorizing and regulating
12 the purchase, acquisition, and leasing the whole or any part of
13 the properties, systems, capital stock, and securities of other
14 corporations, associations, and persons engaged in the telephone
15 business; and authorizing existing telegraph corporations to
16 accept the provisions of this act."

17 Act of May 20, 1921 (P.L.949, No.334), entitled "An act
18 authorizing certain telephone companies and certain telephone
19 and telegraph companies to acquire all or any part of the
20 capital stock, franchises, property, rights, and credits of each
21 other, and to purchase, lease, or otherwise acquire all or any
22 part of the lines, systems, rights, privileges, municipal
23 consents, and corporate franchises of each other."

24 Act of May 25, 1921 (P.L.1159, No.426), entitled "An act
25 authorizing certain corporations to issue preferred or common
26 stock of one or more classes; providing for the manner of
27 issuance, restrictions and regulations in the manner of voting
28 thereof, and the rights and privileges of the holders thereof;
29 validating certain acts of corporations not participated in by
30 the holders of non-voting stock; and repealing all acts and

1 parts of acts inconsistent therewith."

2 Act of March 20, 1923 (P.L.27, No.19), entitled "An act to
3 validate acts done by or rights accrued to corporations before
4 the recording of their charters."

5 Act of May 21, 1923 (P.L.288, No.185), entitled "An act
6 authorizing certain corporations to authorize, create, and issue
7 capital stock of any class or kind without nominal or par value,
8 and to change or convert their authorized or outstanding capital
9 stock of any class or kind into shares of any class or kind,
10 either with or without nominal or par value; and validating the
11 creations and issues of stock heretofore made by corporations in
12 accordance with the provisions hereof."

13 Act of June 30, 1923 (P.L.984, No.404), entitled "An act for
14 the encouragement of unincorporated cooperative associations of
15 agricultural and industrial workers; providing that membership
16 therein, and interest in the funds and property thereof, may be
17 made nontransferable; and imposing penalties upon persons making
18 or accepting unlawful assignment, transfer, or pledge of such
19 membership or interest."

20 Act of March 3, 1925 (P.L.9, No.7), entitled "An act to
21 validate acts done by corporations before the recording of their
22 charters."

23 Section 2 of the act of April 7, 1925 (P.L.183, No.131),
24 entitled "An act providing that certificates of association and
25 articles of incorporation or of any improvements, amendments, or
26 alterations thereto may be acknowledged and sworn or affirmed to
27 before a notary public or justice of the peace; validating such
28 acknowledgments made prior to the approval of this act."

29 Act of March 22, 1927 (P.L.51, No.32), entitled "An act to
30 validate acts done by corporations before the recording of their

1 charters."

2 Act of April 6, 1927 (P.L.126, No.97), entitled "A supplement
3 to an act, entitled 'An act to provide for the incorporation and
4 regulation of certain corporations,' approved the twenty-ninth
5 day of April, one thousand eight hundred and seventy-four,
6 providing that companies incorporated for the manufacture and
7 supply of gas, or the supply of light or heat to the public by
8 any other means, or for the manufacture and supply of light,
9 heat, and fuel or any of them by any process of manufacture,
10 shall, in addition to the powers heretofore granted, be
11 authorized and empowered to produce, deal in, transport, convey,
12 and distribute natural gas or gas formed by mixing natural gas
13 with manufactured gas."

14 Act of April 14, 1927 (P.L.297, No.169), entitled "An act
15 authorizing any natural gas company, or any manufactured gas
16 company, incorporated under the laws of this Commonwealth, to
17 sell, assign, dispose of, convey, or lease to any natural gas
18 company, or to any manufactured gas company, incorporated under
19 the laws of this Commonwealth, its franchises and property or
20 any part thereof; providing the manner in which such sales,
21 conveyances, or leases, shall be consummated; and requiring the
22 payment of all taxes due the Commonwealth before the returns
23 authorizing such sales, conveyances, and leases shall be filed
24 in the office of the Secretary of the Commonwealth."

25 Act of April 28, 1927 (P.L.503, No.327), entitled "An act
26 authorizing churches, cemetery companies, and burial
27 associations to lease or convey coal and other minerals;
28 providing for the use and expenditure of the funds derived
29 therefrom and for the support of the overlying surface."

30 Act of March 27, 1929 (P.L.74, No.84), entitled "An act

1 amending section one of an act entitled 'An act authorizing
2 corporations, organized for profit, to purchase, hold, sell,
3 assign, transfer, mortgage, pledge, or otherwise dispose of, the
4 shares of capital stock of, or any bonds, securities or
5 evidences of indebtedness created by, any other corporation,'
6 approved the second day of July, Anno Domini one thousand nine
7 hundred and one (Pamphlet Laws, six hundred and three), so as to
8 include corporations, either public or private, of this or any
9 other State or of the United States of America, or of any
10 territory or dependency thereof, or of any foreign country or
11 any subdivision or agency thereof; and to validate all
12 purchases, sales, assignments, transfers, mortgages, pledges, or
13 other disposition thereof at any time heretofore made."

14 As much as reads "examine and" and all of the proviso of
15 section 805 of the act of April 9, 1929 (P.L.177, No.175), known
16 as The Administrative Code of 1929.

17 Section 730 (except as to corporations specified in 15
18 Pa.C.S. § 1102(b) (relating to exclusions) and joint stock
19 associations) and the penultimate sentence of section 1401,
20 insofar as it relates to the release of lien as provided by 15
21 Pa.C.S. §§ 1957(c) (relating to taxes) and 5957(c) (relating to
22 taxes), of the act of April 9, 1929 (P.L.364, No.176), known as
23 The Fiscal Code.

24 Act of April 11, 1929 (P.L.482, No.200), entitled "An act to
25 validate acts done by corporations before the recording of their
26 charters."

27 Act of April 17, 1929 (P.L.531, No.234), entitled "An act
28 authorizing the courts of common pleas to direct the filing by
29 corporations of bonds to the Commonwealth, to secure payment of
30 damages for the taking of lands, waters, materials, or other

1 property or rights, or for injury thereto, in cases where there
2 is a disputed, doubtful, or defective title, or where any party
3 interested is absent, unknown, not of full age, of unsound mind,
4 or is an unincorporated association, or, from any cause, cannot
5 be bargained with or be served with notice or tendered a bond
6 within the county, and to appoint guardians ad litem or trustees
7 for such persons."

8 Act of April 18, 1929 (P.L.544, No.241), entitled "An act to
9 amend the act, approved the second day of July, one thousand
10 nine hundred and one (Pamphlet Laws, six hundred three) entitled
11 'An act authorizing corporations, organized for profit, to
12 purchase, hold, sell, assign, transfer, mortgage, pledge, or
13 otherwise dispose of, the shares of capital stock of, or any
14 bonds, securities, or evidences of indebtedness created by, any
15 other corporation' by extending the provisions thereof so as to
16 apply to all corporations, and validating past transactions of
17 such character."

18 Act of June 25, 1931 (P.L.1366, No.338), entitled "An act to
19 authorize any corporation of this Commonwealth, created by
20 virtue of any special act of Assembly, and possessing under such
21 act, or supplements thereto, franchises for various purposes,
22 including the right to construct and operate railroads for
23 public use, to segregate its railroad lines and franchises by
24 the sale and conveyance thereof to any duly organized railroad
25 corporation of this Commonwealth which owns or controls a line
26 or lines of railroad connecting therewith not parallel or
27 competing."

28 Act of April 13, 1933 (P.L.34, No.28), entitled "An act to
29 validate acts done by corporations before the recording of their
30 charters."

1 Act of May 3, 1933 (P.L.227, No.80), entitled "An act
2 authorizing stock corporations, with certain exceptions, to make
3 provision for, and to issue, shares of capital stock of any
4 class or classes, or to change shares of authorized or
5 outstanding capital stock of any class into one or more classes,
6 with or without nominal or par value, and with such
7 designations, terms, relative rights, powers, privileges,
8 preferences, limitations, restrictions and qualifications as may
9 be specified; regulating such corporations and the liabilities
10 of their directors; making other provisions relating to the
11 capital and capital stock of such corporations; and repealing
12 all acts or parts of acts inconsistent herewith."

13 Act of May 5, 1933 (P.L.289, No.105), known as the Nonprofit
14 Corporation Law.

15 Act of May 5, 1933 (P.L.364, No.106), known as the Business
16 Corporation Law of 1933, except that the provisions and
17 requirements of sections 2, 206, 909 and 1004 relating to
18 registry statements shall continue to be applicable until the
19 Department of State adopts initial regulations under 15 Pa.C.S.
20 § 134 (relating to docketing statement) and such regulations
21 become effective.

22 Act of May 25, 1933 (P.L.1027, No.236), entitled "An act to
23 provide for the incorporation and regulation of cooperative
24 agricultural credit associations having capital stock; and
25 defining the limitations, powers and duties of such
26 associations."

27 Act of April 18, 1935 (P.L.43, No.21), entitled "An act to
28 permit certain cooperative associations to give chattel
29 mortgages, on rotating stocks of goods or inventories, to secure
30 loans from banks for cooperatives, organized under the Farm

1 Credit Act of one thousand nine hundred thirty-three, or from
2 Federal intermediate credit banks, organized under the
3 Agricultural Credits Act of one thousand nine hundred twenty-
4 three."

5 Act of July 17, 1935 (P.L.1139, No.364), entitled "An act
6 relating to the recording of certificates of incorporation of
7 domestic corporations, incorporated prior to July third, one
8 thousand nine hundred and thirty-three; validating acts done,
9 and transfers and conveyances made to or by corporations before
10 the recording of their certificates, or of certified copies
11 thereof; permitting the recording of such certificates or copies
12 thereof; and making certified copies of the record of certified
13 copies of certificates competent evidence for all purposes."

14 Act of May 7, 1937 (P.L.585, No.150), entitled, as amended,
15 "An act prohibiting the use of the designation of 'college' by
16 any institution not conforming to the standards of a college
17 prescribed by the State Board of Education; and providing for
18 injunctions, and penalties."

19 Act of May 18, 1937 (P.L.704, No.181), known as the Limited
20 Dividend Housing Company Law.

21 Act of May 25, 1937 (P.L.794, No.219), entitled "An act
22 authorizing the election of officers of certain corporations of
23 this Commonwealth, created by special act of Assembly prior to
24 January 1, 1874, to be held in accordance with the provisions of
25 by-laws duly adopted by their shareholders."

26 Act of June 21, 1937 (P.L.1969, No.389), known as the
27 Electric Cooperative Corporation Act.

28 Act of July 2, 1937 (P.L.2859, No.600), entitled "An act
29 concerning proxies authorizing representation and voting of
30 capital stock of railroad corporations, at meetings and

1 elections thereof."

2 Act of June 9, 1939 (P.L.313, No.170), entitled "An act
3 permitting railroad corporations to fix in their by-laws the
4 time for annual and other meetings and the election of
5 directors."

6 Act of June 9, 1939 (P.L.313, No.171), entitled "An act to
7 provide for increasing the indebtedness of railroad
8 corporations, with the privilege of converting the same into
9 capital stock."

10 Act of April 18, 1945 (P.L.253, No.114), entitled "An act
11 relating to suits by shareholders against officers or directors
12 in a corporation, domestic or foreign, to enforce a secondary
13 right because the corporation refuses to enforce rights, which
14 may be asserted by it, requiring that plaintiff be a shareholder
15 at the time of the transaction of which he complains, or that
16 his shares thereafter devolved upon him by operation of law;
17 requiring security for defendant's expenses, including
18 attorneys' fees; and providing for the assessment and recovery
19 of such expenses, including attorney's fees."

20 Act of May 8, 1947 (P.L.178, No.79), entitled "An act to
21 authorize railroad corporations, incorporated in this
22 Commonwealth, to hold directors' meetings at such place within
23 this Commonwealth or elsewhere as appointed by a majority of the
24 directors."

25 Act of May 23, 1947 (P.L.307, No.136), entitled "An act
26 providing for and regulating the merger and consolidation of
27 corporations organized for the transportation and storage of oil
28 or any petroleum products by means of pipe lines and tanks;
29 defining the rights and powers of the surviving or new
30 corporation; providing for the service of process on foreign

1 corporations and defining the rights of dissenting
2 stockholders."

3 Act of June 5, 1947 (P.L.424, No.196), entitled "A further
4 supplement to the act, approved the twenty-ninth day of April,
5 one thousand eight hundred seventy-four (Pamphlet Laws 73),
6 entitled 'An act to provide for the incorporation and regulation
7 of certain corporations,' granting to every corporation
8 heretofore or hereafter incorporated for the purpose of engaging
9 in the telephone or telegraph business the power to appropriate
10 private property, in certain cases, and, subject to approval by
11 the Public Utility Commission, for the construction, maintenance
12 and operation of its lines and facilities, and providing for the
13 assessment of damages arising from such appropriation and the
14 method of appropriation."

15 Act of June 10, 1947 (P.L.534, No.243), entitled "An act
16 validating the charters and the registration of the corporate
17 name of certain nonprofit corporations."

18 Act of March 10, 1949 (P.L.307, No.17), entitled "An act
19 making it lawful for the board of directors of any railroad
20 company to elect a chairman of said board, in such manner and
21 with such powers and duties and compensation, including
22 pensions, as may be fixed by said board; making it lawful for
23 the board of directors of any such company to select from among
24 their number or from the stockholders, a president and one or
25 more vice-presidents, in such manner and with such powers and
26 duties and compensation, including pensions, as may be fixed by
27 said board; making it lawful for the board of directors of any
28 such company to provide for the number of directors thereof, not
29 less than three; and providing for the effectiveness of action
30 taken by any such board in accordance herewith, without further

1 corporate action and notwithstanding any contrary or
2 inconsistent provision in any previously enacted act or in any
3 existing charter or by-laws of any such company; and for other
4 purposes."

5 Act of April 18, 1949 (P.L.583, No.123), entitled "An act to
6 further amend the act, approved the fifth day of May, one
7 thousand nine hundred thirty-three (Pamphlet Laws 289), entitled
8 'An act relating to nonprofit corporations; defining and
9 providing for the organization, merger, consolidation, and
10 dissolution of such corporations; conferring certain rights,
11 powers, duties, and immunities upon them and their officers and
12 members; prescribing the conditions on which such corporations
13 may exercise their powers; providing for the inclusion of
14 certain existing corporations of the first class within the
15 provisions of this act; prescribing the terms and conditions
16 upon which foreign nonprofit corporations may be admitted or may
17 continue to do business within the Commonwealth; conferring
18 powers and imposing duties on the courts of common pleas,
19 prothonotaries of such courts, recorders of deeds, and certain
20 State departments, commissions, and officers; authorizing
21 certain local public officers and State departments to collect
22 fees for services required to be rendered by this act; imposing
23 penalties; and repealing certain acts and parts of acts relating
24 to corporations,' by making further provisions relating to
25 nonprofit medical service corporations, by extending the
26 provisions of said act relating to the furnishing of medical
27 services by nonprofit medical service corporations so as to
28 include the furnishing of osteopathic service by doctors of
29 osteopathy to subscribers and their dependents, and by providing
30 that the articles of incorporation of existing nonprofit medical

1 service corporations are amended by the provisions of this act
2 so as to authorize the furnishing of such osteopathic services
3 by doctors of osteopathy."

4 Act of May 12, 1949 (P.L.1274, No.379), entitled "An act to
5 further amend the act, approved the fifth day of May, one
6 thousand nine hundred thirty-three (Pamphlet Laws 289), entitled
7 'An act relating to nonprofit corporations; defining and
8 providing for the organization, merger, consolidation, and
9 dissolution of such corporations; conferring certain rights,
10 powers, duties, and immunities upon them and their officers and
11 members; prescribing the conditions on which such corporations
12 may exercise their powers; providing for the inclusion of
13 certain existing corporations of the first class within the
14 provisions of this act; prescribing the terms and conditions
15 upon which foreign nonprofit corporations may be admitted or may
16 continue to do business within the Commonwealth; conferring
17 powers and imposing duties on the courts of common pleas,
18 prothonotaries of such courts, recorders of deeds, and certain
19 State departments, commissions, and officers; authorizing
20 certain local public officers and State departments to collect
21 fees for services required to be rendered by this act; imposing
22 penalties; and repealing certain acts and parts of acts relating
23 to corporations,' by making further provisions relating to
24 nonprofit medical service corporations; by extending the
25 provisions of said act relating to the furnishing of medical
26 services by nonprofit medical service corporations so as to
27 include the furnishing of certain dental services to subscribers
28 and their dependents; and by providing that the articles of
29 incorporation of existing nonprofit medical service corporations
30 are amended by the provisions of this act so as to authorize the

1 furnishing of such dental services by doctors of dental
2 surgery."

3 Act of August 17, 1951 (P.L.1267, No.302), entitled "An act
4 to amend the title and the act, approved the third day of May,
5 one thousand nine hundred and nine (Pamphlet Laws 408), entitled
6 'An act authorizing the merger and consolidation of certain
7 corporations,' by permitting the merger or consolidation of
8 certain foreign and domestic corporations; prescribing the
9 procedure for and the effect of a merger or consolidation;
10 providing for payment of certain fees, taxes and bonus; and
11 defining the rights, powers and privileges of dissenting
12 stockholders and the surviving corporation in the case of a
13 merger and of the new corporation in the case of a
14 consolidation."

15 Sections 2, 3 and 4 of the act of August 19, 1953 (P.L.1075,
16 No.280), entitled "An act authorizing corporations to grant
17 stock options, pensions and allowances, under certain
18 circumstances; and validating stock options, pensions and
19 allowances heretofore granted."

20 Act of December 9, 1955 (P.L.818, No.238), entitled "An act
21 amending the act of May five, one thousand nine hundred thirty-
22 three (Pamphlet Laws 289), entitled 'An act relating to
23 nonprofit corporations; defining and providing for the
24 organization, merger, consolidation, and dissolution of such
25 corporations; conferring certain rights, powers, duties, and
26 immunities upon them and their officers and members; prescribing
27 the conditions on which such corporations may exercise their
28 powers; providing for the inclusion of certain existing
29 corporations of the first class within the provisions of this
30 act; prescribing the terms and conditions upon which foreign

1 nonprofit corporations may be admitted or may continue to do
2 business within the Commonwealth; conferring powers and imposing
3 duties on the courts of common pleas, prothonotaries of such
4 courts, recorders of deeds, and certain State departments,
5 commissions, and officers; authorizing certain local public
6 officers and State departments to collect fees for services
7 required to be rendered by this act; imposing penalties; and
8 repealing certain acts and parts of acts relating to
9 corporations,' providing for the incorporation and regulation of
10 nonprofit dental service corporations furnishing dental services
11 only to certain subscribers and their dependents."

12 Act of June 14, 1957 (P.L.321, No.169), entitled "An act
13 authorizing corporations subject to the Corporation Amendment
14 Act of one thousand eight hundred and eighty-three, to restate
15 their articles of incorporation in their entirety."

16 Act of July 11, 1957 (P.L.691, No.366), entitled "An act to
17 eliminate the requirement of certificates evidencing payment of
18 bonus taxes and charges in cases of merger or consolidation of
19 certain corporations whenever the surviving or new corporation
20 is a domestic corporation or a foreign corporation duly
21 authorized to do business in Pennsylvania."

22 Act of July 11, 1957 (P.L.707, No.368), entitled "An act
23 relating to the form and manner of service of corporate notices
24 required to be given by certain corporations organized or
25 existing under the laws of the Commonwealth of Pennsylvania, and
26 authorizing the waiver of such notices and consent to corporate
27 action without a meeting."

28 Act of November 10, 1959 (P.L.1461, No.508), entitled "An act
29 authorizing the board of directors of railroad companies to
30 constitute an executive committee from among their number, and

1 conferring such authority upon the committee as the board shall
2 provide."

3 Act of November 10, 1959 (P.L.1461, No.509), entitled "An act
4 concerning the right of stockholders of record of railroad
5 corporations to vote at meetings and elections thereof;
6 providing for the voting in person, or by proxy, of shares of
7 capital stock of railroad corporations held of record by
8 fiduciaries or by two or more persons and for voting shares
9 pledged by the holder thereof; and repealing certain acts and
10 parts of acts relating to railroad corporations."

11 Act of August 7, 1961 (P.L.941, No.416), known as the
12 Professional Association Act.

13 As much as follows the words "act of June 1, 1945 (P.L.1242),
14 as amended," of section 901 of the act of June 22, 1964 (P.L.84,
15 No.6), known as the Eminent Domain Code. A court may issue a
16 writ of possession to the condemnor prior to the disposition of
17 preliminary objections which challenge the validity of a
18 condemnation of rights-of-way or easements for occupation by
19 water, electric, gas, oil and/or petroleum products, telephone
20 or telegraph lines used directly or indirectly in furnishing
21 service to the public, and if it shall be determined finally
22 that the condemnation is invalid in whole or in part, the
23 affected owners may recover damages for any injuries sustained
24 thereby and shall be entitled to such equitable relief as may be
25 appropriate in the circumstances.

26 Act of September 30, 1965 (P.L.569, No.293), entitled "An act
27 amending the act of May 5, 1933 (P.L.364), entitled 'An act
28 relating to business corporations; defining and providing for
29 the organization, merger, consolidation, reorganization, winding
30 up and dissolution of such corporations; conferring certain

1 rights, powers, duties and immunities upon them and their
2 officers and shareholders; prescribing the conditions on which
3 such corporations may exercise their powers; providing for the
4 inclusion of certain existing corporations of the second class
5 within the provisions of this act; prescribing the terms and
6 conditions upon which foreign business corporations may be
7 admitted, or may continue, to do business within the
8 Commonwealth; conferring powers and imposing duties on the
9 courts of common pleas, and certain State departments,
10 commissions, and officers; authorizing certain State
11 departments, boards, commissions, or officers to collect fees
12 for services required to be rendered by this act; imposing
13 penalties; and repealing certain acts and parts of acts relating
14 to corporations,' requiring approval by the State Registration
15 Board for Professional Engineers prior to the use of certain
16 words in corporate names."

17 Act of September 30, 1965 (P.L.570, No.294), entitled "An act
18 amending the act of May 5, 1933 (P.L.289), entitled 'An act
19 relating to nonprofit corporations; defining and providing for
20 the organization, merger, consolidation, and dissolution of such
21 corporations; conferring certain rights, powers, duties, and
22 immunities upon them and their officers and members; prescribing
23 the conditions on which such corporations may exercise their
24 powers; providing for the inclusion of certain existing
25 corporations of the first class within the provisions of this
26 act; prescribing the terms and conditions upon which foreign
27 nonprofit corporations may be admitted or may continue to do
28 business within the Commonwealth; conferring powers and imposing
29 duties on the courts of common pleas, prothonotaries of such
30 courts, recorders of deeds, and certain State departments,

1 commissions, and officers; authorizing certain local public
2 officers and State departments to collect fees for services
3 required to be rendered by this act; imposing penalties; and
4 repealing certain acts and parts of acts relating to
5 corporations,' requiring approval by the State Registration
6 Board for Professional Engineers prior to the use of certain
7 words in corporate names."

8 Act of December 27, 1965 (P.L.1250, No.507), entitled "An act
9 amending the act of May 5, 1933 (P.L.289), entitled 'An act
10 relating to nonprofit corporations; defining and providing for
11 the organization, merger, consolidation, and dissolution of such
12 corporations; conferring certain rights, powers, duties, and
13 immunities upon them and their officers and members; prescribing
14 the conditions on which such corporations may exercise their
15 powers; providing for the inclusion of certain existing
16 corporations of the first class within the provisions of this
17 act; prescribing the terms and conditions upon which foreign
18 nonprofit corporations may be admitted or may continue to do
19 business within the Commonwealth; conferring powers and imposing
20 duties on the courts of common pleas, prothonotaries of such
21 courts, recorders of deeds, and certain State departments,
22 commissions, and officers; authorizing certain local public
23 officers and State departments to collect fees for services
24 required to be rendered by this act; imposing penalties; and
25 repealing certain acts and parts of acts relating to
26 corporations,' making further provisions relating to nonprofit
27 medical, dental and osteopathic service corporations; extending
28 the provisions of said act relating to the furnishing of
29 medical, dental and osteopathic services by nonprofit medical,
30 dental and osteopathic service corporations so as to include the

1 furnishing of optometric services to subscribers and their
2 dependents, and providing that the articles of incorporation of
3 existing nonprofit medical, dental and osteopathic service
4 corporations are amended by the provisions of this act so as to
5 authorize the furnishing of optometric services by doctors of
6 optometry."

7 Act of January 18, 1966 (1965 P.L.1443, No.521), entitled "An
8 act for the registration of certain pre-1858 corporations;
9 providing that such corporations shall be conclusively deemed to
10 have accepted the Constitution of Pennsylvania unless such
11 corporations file a certificate of nonacceptance with the
12 Department of State."

13 Act of January 25, 1966 (1965 P.L.1587, No.556), entitled "An
14 act relating to railroad corporations and other corporations
15 subject to the jurisdiction of the Pennsylvania Public Utility
16 Commission which have shareholders outside of Pennsylvania,
17 eliminating any requirement that any members of the board of
18 directors be residents of this Commonwealth, validating certain
19 corporate action, and repealing inconsistent legislation."

20 Act of June 12, 1968 (P.L.173, No.94), known as the
21 Cooperative Agricultural Association Act.

22 Act of November 18, 1968 (P.L.1050, No.321), entitled "An act
23 providing for the exercise of the right of eminent domain by
24 certain corporations for the transportation of oxygen or
25 nitrogen with certain restrictions, exceptions and limitations,
26 and preserving the jurisdiction of the Pennsylvania Public
27 Utility Commission."

28 Act of July 9, 1970 (P.L.461, No.160), known as the
29 Professional Corporation Law.

30 Act (except section 1) of November 15, 1972 (P.L.1063,

1 No.271), entitled "An act amending the act of November 25, 1970
2 (No.230), entitled 'An act codifying and compiling a part of the
3 law of the Commonwealth,' adding provisions relating to burial
4 grounds, corporations, including corporations not-for-profit,
5 educational institutions, private police, certain charitable or
6 eleemosynary institutions, certain nonprofit insurers, service
7 of process on certain nonresident persons, names, prescribing
8 penalties and making repeals."

9 Act of July 30, 1975 (P.L.113, No.57), known as the Retail
10 Electric Supplier Unincorporated Area Certified Territory Act.

11 As much as reads "and acknowledge before an officer competent
12 to take acknowledgment of deeds," of the second sentence of
13 section 201 of the act of July 29, 1977 (P.L.105, No.38), known
14 as the Fraternal Benefit Society Code. If the Insurance
15 Commissioner shall approve under the act the incorporation,
16 merger, consolidation, conversion or division of any fraternal
17 benefit society or any other amendment of articles or other
18 fundamental change in the charter of any society under the act,
19 he shall deliver the papers relating thereto to the Department
20 of State. The provisions of sections 204 and 205 of the act
21 shall not apply to any fraternal benefit society incorporated
22 under the provisions of the Nonprofit Corporation Law of 1972
23 prior to January 29, 1978. The provisions of the act shall
24 control over Title 15 of the Pennsylvania Consolidated Statutes
25 (relating to corporations and associations) as provided in 15
26 Pa.C.S. § 103 (relating to subordination of title to regulatory
27 laws).

28 Act of July 10, 1981 (P.L.237, No.77), entitled "An act
29 amending Title 59 (Partnerships) of the Pennsylvania
30 Consolidated Statutes, further providing for the government and

1 regulation of certain partnerships and their relationships with
2 third parties, adding provisions relating to foreign limited
3 partnerships and making a conforming amendment to Title 42 as to
4 foreign partnerships and other entities."

5 As much as reads "Incorporation" of the section heading, the
6 entire text of subsections (a) and (b) and as much as reads
7 "organized under this act" of the first sentence of subsection
8 (c) of section 203 of the act of December 17, 1981 (P.L.435,
9 No.135), known as the Race Horse Industry Reform Act. A
10 corporation licensed under the act shall be incorporated by not
11 less than five persons and the number of its directors shall be
12 not less than five nor more than 13.

13 Section 5 of the act of December 16, 1982 (P.L.1309, No.295),
14 entitled, "An act amending Title 54 (Names) of the Pennsylvania
15 Consolidated Statutes, adding revised, codified and compiled
16 provisions relating to names and marks and making conforming and
17 related amendments to Titles 15 (Corporations and Unincorporated
18 Associations) and 18 (Crimes and Offenses) and separately
19 enacting certain related provisions of law."

20 Act of December 23, 1983 (P.L.395, No.92), entitled "An act
21 amending the act of May 5, 1933 (P.L.364, No.106), entitled, as
22 amended, 'An act relating to corporations; defining and
23 providing for the organization, merger, consolidation,
24 reorganization, winding up and dissolution of certain
25 corporations for profit; conferring certain rights, powers,
26 duties and immunities upon them and their officers and
27 shareholders; prescribing the conditions on which such
28 corporations may exercise their powers; providing for the
29 inclusion of certain existing corporations and associations
30 within the provisions of this act; prescribing the terms and

1 conditions upon which certain foreign corporations may be
2 admitted, or may continue, to do business within the
3 Commonwealth; conferring powers and imposing duties on the
4 courts of common pleas, and certain State departments,
5 commissions, and officers; authorizing certain State
6 departments, boards, commissions, or officers to collect fees
7 for services required to be rendered by this act; imposing
8 penalties; and repealing certain acts and parts of acts relating
9 to corporations and other entities,' clarifying the right of
10 directors and officers to consider the effects of corporate
11 actions upon employees, suppliers, customers and communities;
12 providing for interested shareholder transactions; and
13 conferring certain rights on noncontrolling shareholders."

14 (b) The following acts and parts of acts are repealed but
15 shall continue to be applicable to corporations incorporated
16 under or subject to the act of May 17, 1921 (P.L.682, No.284),
17 known as The Insurance Company Law of 1921, or any other statute
18 relating to the incorporation or reincorporation of limited life
19 insurance companies:

20 Act of November 27, 1865 (1866 P.L.1228, No.1119), entitled
21 "An act relating to the organization and meetings of certain
22 corporations, incorporated under the laws of this commonwealth."

23 Act of April 15, 1869 (P.L.29, No.30), entitled "An act
24 requiring a majority of the directors or managers of
25 corporations to constitute a quorum."

26 Act of May 15, 1874 (P.L.186, No.118), entitled "An act to
27 authorize the issuing of letters patent to certain
28 corporations."

29 Act of June 17, 1887 (P.L.411, No.274), entitled "A further
30 supplement to an act, entitled 'An act to provide for the

1 incorporation and regulation of certain corporations,' approved
2 April twenty-ninth, one thousand eight hundred and seventy-four,
3 providing for the further regulation of such corporations."

4 Act of May 20, 1891 (P.L.101, No.77), entitled "An act
5 authorizing salaried officers of private or business
6 corporations to concurrently serve as directors therein."

7 Act of April 19, 1901 (P.L.80, No.51), entitled "An act to
8 regulate the number of directors in corporations chartered under
9 the laws of this Commonwealth."

10 Act of July 2, 1901 (P.L.603, No.298), entitled "An act
11 authorizing corporations, organized for profit, to purchase,
12 hold, sell, assign, transfer, mortgage, pledge, or otherwise
13 dispose of, the shares of capital stock of, or any bonds,
14 securities or evidences of indebtedness created by, any other
15 corporation."

16 Act of March 5, 1903 (P.L.14, No.17), entitled "An act
17 concerning proxies, authorizing representation and voting of
18 shares of capital stock of corporations at meetings and
19 elections thereof."

20 Act of March 16, 1905 (P.L.42, No.26), entitled "An act
21 providing for the voting of shares of stock in corporations in
22 this Commonwealth, held by executors, administrators, guardians,
23 and trustees, and the manner of voting the same."

24 Act of May 28, 1913 (P.L.336, No.222), entitled "An act
25 authorizing corporations of this Commonwealth to declare, at any
26 time or times, dividends out of net profits; and prescribing the
27 time within which the same shall be paid."

28 Act of March 30, 1921 (P.L.54, No.28), entitled "An act
29 permitting corporations to change the date of their annual
30 meeting as fixed by its charter."

1 Act of March 15, 1923 (P.L.10, No.8), entitled "An act
2 relating to the recording of certificates of incorporation of
3 domestic corporations; providing for the recording of certified
4 copies thereof in certain cases; validating the recording of
5 such certified copies heretofore recorded; and making the record
6 of such certified copies competent evidence for all purposes."

7 Act of July 12, 1923 (P.L.1083, No.443), entitled "An act
8 authorizing corporations to issue stock at a price in excess of
9 the par value thereof."

10 Act of April 7, 1925 (P.L.183, No.131), entitled "An act
11 providing that certificates of association and articles of
12 incorporation or of any improvements, amendments, or alterations
13 thereto may be acknowledged and sworn or affirmed to before a
14 notary public or justice of the peace; validating such
15 acknowledgments made prior to the approval of this act."

16 Act of May 12, 1925 (P.L.615, No.329), entitled "An act
17 pertaining to corporations organized or doing business within
18 the Commonwealth; limiting the operation of their by-laws; and
19 providing for the execution of contracts, notes, mortgages, et
20 cetera, by such corporations."

21 Act of May 13, 1925 (P.L.679, No.368), entitled, as amended,
22 "An act authorizing corporations to issue stock to their
23 employes and to employes of their subsidiaries, and authorizing
24 such an issue without first offering such shares to the
25 stockholders, subject to certain limitations."

26 Act of April 27, 1927 (P.L.404, No.260), entitled "An act
27 prohibiting corporations from pleading usury as a defense."

28 Act of April 30, 1929 (P.L.903, No.401), entitled "An act
29 relating to corporations; providing methods of determining what
30 stockholders shall be entitled to vote at meetings, or to

1 receive dividends, or allotments of rights, or to exercise
2 rights; and the effect thereon of transfers of stock within
3 sixty days of any election or meeting."

4 Act of May 16, 1945 (P.L.594, No.249), entitled, as amended,
5 "An act authorizing and empowering any corporation for profit,
6 and any mutual insurance company, mutual savings bank, or other
7 corporation on a mutual plan heretofore or hereafter organized
8 under any general or special law of this Commonwealth, by action
9 of its board of directors to make contributions for public and
10 charitable purposes; and ratifying certain contributions."

11 Section 1 of the act of August 19, 1953 (P.L.1075, No.280),
12 entitled "An act authorizing corporations to grant stock
13 options, pensions and allowances, under certain circumstances;
14 and validating stock options, pensions and allowances heretofore
15 granted."

16 (c) The following acts and parts of acts are repealed
17 absolutely as of the effective date of the act of January 18,
18 1966 (1965 P.L.1406, No.520):

19 Section 5 of the act of April 26, 1855 (P.L.328, No.347),
20 entitled "An act relating to Corporations and to Estates held
21 for Corporate, Religious and Charitable uses."

22 Act of May 23, 1887 (P.L.176, No.112), entitled "An act to
23 authorize certain corporations, incorporated and existing under
24 the laws of any other State of the United States, to purchase
25 certain real estate at judicial sales, and to hold and convey
26 the same under certain conditions."

27 Act of May 3, 1909 (P.L.386, No.215, entitled "An act to
28 provide that notice, whenever required by law, in connection
29 with the formation, amendment, increase or reduction of capital
30 stock, conduct of business, merger, transfer of franchises, or

1 dissolution of corporations, joint-stock companies, limited
2 partnerships or partnership association, shall be published in
3 the legal journal, of the proper county, in which court notices
4 usually appear."

5 Act of June 8, 1911 (P.L.710, No.283), entitled "An act to
6 regulate the doing of business in this Commonwealth by foreign
7 corporations; the registration thereof and service of process
8 thereon; and providing punishment and penalties for the
9 violation of its provisions; and repealing previous legislation
10 on the subject."

11 Act of June 23, 1911 (P.L.1114, No.840), entitled "An act
12 enabling corporations, not authorized by law to hold real estate
13 in Pennsylvania, to convey and make title to such real estate as
14 may have been purchased and held by them prior to the passage of
15 this act."

16 Act of May 13, 1915 (P.L.296, No.179), entitled "An act
17 validating contracts, bonds, or obligations of or belonging to
18 corporations of other States, made, entered into, or acquired
19 prior to the passage of an act, entitled 'An act to regulate the
20 doing of business in this Commonwealth by foreign corporations;
21 the registration thereof and service of process thereon; and
22 providing punishment and penalties for the violation of its
23 provisions; and repealing previous legislation on the subject,'
24 approved the eighth day of June, Anno Domini one thousand nine
25 hundred and eleven (Pamphlet Laws, seven hundred and ten),
26 without such corporations first having established known places
27 of business and designated authorized agents for the transaction
28 of their business within this Commonwealth, and providing for
29 the enforcement of such contracts, bonds, or obligations upon
30 the payment of a penalty and taxes to the Commonwealth."

1 Act of May 24, 1923 (P.L.438, No.232), entitled "An act
2 authorizing corporations incorporated under the laws of any
3 other State of the United States to acquire, use, encumber, and
4 dispose of such real estate, and rights, and interests in, in
5 the nature of or in respect to real estate, in Pennsylvania, as
6 may be necessary and proper for the exercise of such of their
7 corporate purposes as it may be lawful for them to exercise in
8 this State; defining certain of their powers, rights, and
9 liabilities in connection therewith; regulating the exercise of
10 said rights by foreign public service corporations; repealing
11 certain acts; and validating certain titles, rights, and
12 interests heretofore acquired."

13 Act of June 15, 1939 (P.L.344, No.201), entitled "An act to
14 validate mortgages on real estate in this Commonwealth given by
15 a foreign corporation unauthorized to hold title to the said
16 real estate."

17 Act of January 14, 1952 (1951 P.L.1946, No.546), entitled "An
18 act to validate and quiet the title to real estate in this
19 Commonwealth held by a foreign corporation not authorized to
20 transact business in Pennsylvania, and heretofore conveyed to a
21 citizen or citizens of the United States or a corporation
22 authorized to hold such real estate."

23 Act of November 19, 1959 (P.L.1541, No.549), entitled "An act
24 to validate and quiet the title to real estate in this
25 Commonwealth held by a foreign corporation not authorized to
26 transact business in Pennsylvania and heretofore conveyed to a
27 citizen or citizens of the United States or a corporation
28 authorized to hold such real estate."

29 (d) The following acts and parts of acts are repealed
30 insofar as they are inconsistent with 15 Pa.C.S. § 1511

1 (relating to additional powers of certain public utility
2 corporations):

3 Section 3 of the act of April 16, 1838 (P.L.626, No.96),
4 entitled "An act granting certain powers to the Authorities of
5 the cities of Lancaster and Philadelphia, and for other
6 purposes."

7 Last paragraph of section 18 of the act of May 11, 1911
8 (P.L.244, No.158), entitled "An act providing for the original
9 location, laying out and construction of public roads or
10 highways in the several counties of this Commonwealth, and for
11 the permanent improvement of certain public roads or highways
12 therein; making such originally constructed or improved roads
13 and highways county roads; authorizing the relocation, opening,
14 straightening, widening, extension and alteration of the same,
15 and the vacation of so much of any road as may thereby become
16 unnecessary; providing that the county commissioners of any
17 county may prescribe rules regulating the use of roads
18 constructed or maintained by the various counties, and
19 prescribing penalties for the violation thereof; providing for
20 the taking of property for such improvement, the compensation to
21 be paid therefor, and the payment of damages resulting from such
22 taking, and the manner in which such damages may be determined;
23 providing for the payment of the costs and expenses of such
24 construction or improvement and in thereafter repairing and
25 maintaining said roads; authorizing the levy of a tax or the
26 issuing of bonds to provide a fund for the expense thereof;
27 prescribing a method for improving a county road lying within or
28 traversing a borough, and apportioning the cost of such
29 improvement; and authorizing the vacation of any county road."

30 Section 1057 of the act of June 23, 1931 (P.L.932, No.317),

1 known as The Third Class City Code.

2 Clause LVII of section 1502 and section 2084 of the act of
3 June 24, 1931 (P.L.1206, No.331), known as The First Class
4 Township Code.

5 Section 1156 of the act of May 1, 1933 (P.L.103, No.69),
6 known as The Second Class Township Code.

7 Section 1202 of the act of February 1, 1966 (1965 P.L.1656,
8 No.581), known as The Borough Code.

9 (e)(1) Title 59 of the Pennsylvania Consolidated Statutes is
10 repealed.

11 (2) In printing the Pennsylvania Consolidated Statutes,
12 after the repeal of 59 Pa.C.S. Ch. 5 has taken effect
13 pursuant to section 402(1) of the act of , 1985
14 (P.L. , No.), known as the General Association Act of
15 1985, the Legislative Reference Bureau shall change the title
16 of Title 59 to "(Reserved)" and shall not indicate any
17 division of Title 59 into chapters or major subdivisions.

18 (f) All other parts of those acts which are specified in
19 this section and all other acts and parts of acts are repealed
20 insofar as they are in any manner inconsistent with this act.

21 Section 402. Effective date and applicability.

22 This act shall take effect in 90 days except that:

23 (1) (i) Section 401(e), insofar as it repeals 59
24 Pa.C.S. Ch. 5 (relating to limited partnerships), and
25 section 103, insofar as it enacts 15 Pa.C.S. § 8502(a)
26 (relating to applicability of chapter to existing limited
27 partnerships), shall take effect 90 days after the
28 Governor publishes a proclamation in the Pennsylvania
29 Bulletin stating that the Governor has found that the
30 United States Internal Revenue Service has determined

1 that 15 Pa.C.S. Ch. 85 (relating to limited partnerships)
2 corresponds to the Uniform Limited Partnership Act for
3 purposes of 26 C.F.R. § 301.7701-2. The Governor shall
4 issue such a proclamation upon being furnished with a
5 copy of a ruling by the Internal Revenue Service to that
6 effect. Delay in the repeal of 59 Pa.C.S. Ch. 5 and
7 enactment of 15 Pa.C.S. § 8502(a) shall not postpone the
8 effective date of 15 Pa.C.S. Ch. 85, and pending repeal
9 of 59 Pa.C.S. Ch. 5 persons may utilize either statute at
10 their election, which shall be expressed in the
11 partnership agreement, for the government and regulation
12 of the affairs of the limited partnership. A partnership
13 agreement which fails to identify expressly the statute
14 applicable to the partnership shall be deemed to contain
15 an election to be governed by 59 Pa.C.S. Ch. 5. On the
16 effective date of the repeal of 59 Pa.C.S. Ch. 5, any
17 partnership then governed by that chapter shall
18 thereafter be governed by 15 Pa.C.S. Ch. 85.

19 (ii) Section 103, insofar as it enacts 15 Pa.C.S. §
20 8571(d) (relating to modification by agreement), shall
21 take effect 90 days after the Governor publishes a
22 proclamation in the Pennsylvania Bulletin stating that
23 the Governor has found that the United States Internal
24 Revenue Service has determined that the effectiveness of
25 15 Pa.C.S. § 8571(d) will not cause 15 Pa.C.S. Ch. 85 not
26 to correspond to the Uniform Limited Partnership Act for
27 purposes of 26 C.F.R. § 301.7701-2. The Governor shall
28 issue such a proclamation upon being furnished with a
29 copy of a ruling by the Internal Revenue Service to that
30 effect.

1 (2) The sixth sentence of 15 Pa.C.S. § 1724(a) relating
2 to term of office of directors), 15 Pa.C.S. § 1726(a)
3 (relating to removal by the shareholders), 15 Pa.C.S. § 1745
4 (relating to advancing expenses), 15 Pa.C.S. § 2522(b)
5 (relating to removal), 15 Pa.C.S. § 2521 (relating to call of
6 special meetings of shareholders), 15 Pa.C.S. § 2535
7 (relating to proposal of amendment to articles) and as much
8 of the act as may be necessary to make these provisions
9 operative shall take effect immediately.

10 (3) 15 Pa.C.S. Pt. II, Subpt. C (relating to nonprofit
11 corporations) shall take effect immediately and shall be
12 retroactive to the effective date of the act of July 29, 1977
13 (P.L.105, No.38), known as the Fraternal Benefit Society
14 Code, except insofar as it effects a change in the law as in
15 effect immediately prior to the effective date of the act and
16 except that the amendments effected by 15 Pa.C.S. §§ 5550
17 (relating to devises, bequests and gifts after certain
18 fundamental changes) and 5952(f) (relating to special
19 requirements) shall take effect immediately and shall be
20 retroactive to February 13, 1973.

21 (4) The amendments to 15 Pa.C.S. Ch. 87 (relating to
22 electing partnerships) shall take effect immediately and
23 shall be retroactive to July 10, 1981.

24 (5) The amendment to 54 Pa.C.S. § 311(b)(1) (relating to
25 use of corporate designators) shall take effect immediately
26 and shall be retroactive to March 16, 1983.

27 Section 403. Preparation of act for printing.

28 In editing and preparing this act for printing in the Laws of
29 Pennsylvania, or pursuant to 1 Pa.C.S. Ch. 5 (relating to
30 official publication of the Consolidated Statutes), the Director

1 of the Legislative Reference Bureau shall insert the date of
2 enactment, pamphlet law page number and act number of this act
3 in the appropriate blanks of the enrolled bill version of this
4 act, without obtaining the approvals or marking the notations
5 required under 1 Pa.C.S. § 1105 (relating to editing statutes
6 for printing).

7 SOURCE NOTES

8 PREPARED BY THE PENNSYLVANIA BAR ASSOCIATION

9 DIVISION I

10 Section 101: New.

11 Section 102: The provisions repealed by this section are
12 supplied by this act as follows:

13	Official	Superseding
14	<u>Citation</u>	<u>Provision</u>
15	15 Pa.C.S. §101(a)	15 Pa.C.S. §502
16	(b)	15 Pa.C.S. §1102(b)
17	(c)	Section 104 of Act
18	15 Pa.C.S. §102	15 Pa.C.S. §§102,
19		1103, 5103
20	15 Pa.C.S. §103	15 Pa.C.S. §103
21	15 Pa.C.S. §104	15 Pa.C.S. §104
22	15 Pa.C.S. §105	15 Pa.C.S. §105
23	15 Pa.C.S. §106	15 Pa.C.S. §501(a)
24	15 Pa.C.S. §108	15 Pa.C.S. §106
25	15 Pa.C.S. §109	15 Pa.C.S. §504

1	15 Pa.C.S. §110	15 Pa.C.S. §505
2	15 Pa.C.S. §111	15 Pa.C.S. §107
3	15 Pa.C.S. §112	15 Pa.C.S. §108
4	15 Pa.C.S. §131	15 Pa.C.S. §132(a)-(c)
5	15 Pa.C.S. §132	15 Pa.C.S. §133(a)-(d)
6	15 Pa.C.S. §133	15 Pa.C.S. §135(a)
7	15 Pa.C.S. §134	15 Pa.C.S. §136
8	15 Pa.C.S. §135	15 Pa.C.S. §137
9	15 Pa.C.S. §136	15 Pa.C.S. §138
10	15 Pa.C.S. §7101	Omitted
11	15 Pa.C.S. §7102	Omitted
12	15 Pa.C.S. §7103	15 Pa.C.S. §5103
13	15 Pa.C.S. §7104(a)	15 Pa.C.S. §110
14		1 Pa.C.S. §1976
15		(b) 15 Pa.C.S. §5105
16	15 Pa.C.S. §7105	15 Pa.C.S. §5106
17	15 Pa.C.S. §7106	15 Pa.C.S. §5109
18	15 Pa.C.S. §7107	15 Pa.C.S. §5107
19	15 Pa.C.S. §7301	15 Pa.C.S. §5101
20	15 Pa.C.S. §7302	15 Pa.C.S. §5102
21	15 Pa.C.S. §7311	15 Pa.C.S. §5301
22	15 Pa.C.S. §7312	15 Pa.C.S. §5302
23	15 Pa.C.S. §7313	15 Pa.C.S. §5303
24	15 Pa.C.S. §7314	15 Pa.C.S. §5304
25	15 Pa.C.S. §7315	15 Pa.C.S. §5305
26	15 Pa.C.S. §7316	15 Pa.C.S. §5306
27	15 Pa.C.S. §7317	15 Pa.C.S. §5307
28	15 Pa.C.S. §7318	15 Pa.C.S. §5308
29	15 Pa.C.S. §7319	15 Pa.C.S. §5309
30	15 Pa.C.S. §7320	15 Pa.C.S. §5310

1	15 Pa.C.S. §7321	15 Pa.C.S. §5311
2	15 Pa.C.S. §7341	15 Pa.C.S. §5331
3	15 Pa.C.S. §7501	15 Pa.C.S. §5501
4	15 Pa.C.S. §7502	15 Pa.C.S. §5502
5	15 Pa.C.S. §7503	15 Pa.C.S. §5503
6	15 Pa.C.S. §7504	15 Pa.C.S. §5504
7	15 Pa.C.S. §7505	15 Pa.C.S. §5505
8	15 Pa.C.S. §7506	15 Pa.C.S. §5506
9	15 Pa.C.S. §7507	15 Pa.C.S. §5507
10	15 Pa.C.S. §7508	15 Pa.C.S. §5508
11	15 Pa.C.S. §7509	15 Pa.C.S. §5509
12	15 Pa.C.S. §7510	15 Pa.C.S. §5511
13	15 Pa.C.S. §7541	15 Pa.C.S. §5541
14	15 Pa.C.S. §7542	15 Pa.C.S. §5542
15	15 Pa.C.S. §7543	15 Pa.C.S. §5543
16	15 Pa.C.S. §7544	15 Pa.C.S. §5510
17	15 Pa.C.S. §7545	15 Pa.C.S. §5544
18	15 Pa.C.S. §7546	15 Pa.C.S. §5545
19		40 Pa.C.S. §6546
20	15 Pa.C.S. §7547	15 Pa.C.S. §5546
21	15 Pa.C.S. §7548	15 Pa.C.S. §5903
22	15 Pa.C.S. §7549	15 Pa.C.S. §5547
23	15 Pa.C.S. §7550	15 Pa.C.S. §5548
24	15 Pa.C.S. §7551	15 Pa.C.S. §5549
25	15 Pa.C.S. §7552	15 Pa.C.S. §5550
26	15 Pa.C.S. §7553	15 Pa.C.S. §5551
27	15 Pa.C.S. §7554	15 Pa.C.S. §5553
28	15 Pa.C.S. §7555	15 Pa.C.S. §5554
29	15 Pa.C.S. §7581	15 Pa.C.S. §5585
30	15 Pa.C.S. §7582	15 Pa.C.S. §5586

1	15 Pa.C.S. §7583	15 Pa.C.S. §5587
2	15 Pa.C.S. §7584	15 Pa.C.S. §5588
3	15 Pa.C.S. §7585	15 Pa.C.S. §5589
4	15 Pa.C.S. §7701	15 Pa.C.S. §5701
5	15 Pa.C.S. §7702	15 Pa.C.S. §5702(a), (b)
6	15 Pa.C.S. §7703	15 Pa.C.S. §5702(c)-(e)
7	15 Pa.C.S. §7704	15 Pa.C.S. §5703
8	15 Pa.C.S. §7705	15 Pa.C.S. §5704
9	15 Pa.C.S. §7706	15 Pa.C.S. §5705
10	15 Pa.C.S. §7707	15 Pa.C.S. §5706
11	15 Pa.C.S. §7708	15 Pa.C.S. §5707(a)
12	15 Pa.C.S. §7709	15 Pa.C.S. §5708
13	15 Pa.C.S. §7721	15 Pa.C.S. §5721(a)
14	15 Pa.C.S. §7722	15 Pa.C.S. §5722
15	15 Pa.C.S. §7723	15 Pa.C.S. §5723
16	15 Pa.C.S. §7724	15 Pa.C.S. §5724
17	15 Pa.C.S. §7725	15 Pa.C.S. §5725
18	15 Pa.C.S. §7726	15 Pa.C.S. §5726
19	15 Pa.C.S. §7727	15 Pa.C.S. §5727
20	15 Pa.C.S. §7728	15 Pa.C.S. §5728
21	15 Pa.C.S. §7729	15 Pa.C.S. §5729
22	15 Pa.C.S. §7730	15 Pa.C.S. §5730
23	15 Pa.C.S. §7731(a)	15 Pa.C.S. §5731(a)
24		(b) 15 Pa.C.S. §5731(b)
25		(c) 15 Pa.C.S. §5721(c)(3)
26	15 Pa.C.S. §7732	15 Pa.C.S. §5732
27	15 Pa.C.S. §7733	15 Pa.C.S. §5733
28	15 Pa.C.S. §7734	15 Pa.C.S. §5721(b)-(d)
29	15 Pa.C.S. §7735	15 Pa.C.S. §5734
30	15 Pa.C.S. §7741	15 Pa.C.S. §5741

1	15 Pa.C.S. §7742	15 Pa.C.S. §5742
2	15 Pa.C.S. §7743	15 Pa.C.S. §5743
3	15 Pa.C.S. §7744	15 Pa.C.S. §5744
4	15 Pa.C.S. §7745	15 Pa.C.S. §5745
5	15 Pa.C.S. §7746(a)	15 Pa.C.S. §5746
6	(b) Omitted	
7	15 Pa.C.S. §7747	15 Pa.C.S. §5747
8	15 Pa.C.S. §7748	15 Pa.C.S. §5748
9	15 Pa.C.S. §7751	15 Pa.C.S. §5751
10	15 Pa.C.S. §7752	15 Pa.C.S. §5752
11	15 Pa.C.S. §7753	15 Pa.C.S. §5753
12	15 Pa.C.S. §7754	15 Pa.C.S. §5754
13	15 Pa.C.S. §7755	15 Pa.C.S. §5755
14	15 Pa.C.S. §7756	15 Pa.C.S. §5756
15	15 Pa.C.S. §7757	15 Pa.C.S. §5757(a), (b)
16	15 Pa.C.S. §7758	15 Pa.C.S. §5758
17	15 Pa.C.S. §7759	15 Pa.C.S. §5759
18	15 Pa.C.S. §7760	15 Pa.C.S. §5760
19	15 Pa.C.S. §7761	15 Pa.C.S. §5761
20	15 Pa.C.S. §7762	15 Pa.C.S. §5762
21	15 Pa.C.S. §7763	15 Pa.C.S. §5763(a)
22	15 Pa.C.S. §7764	15 Pa.C.S. §5764
23	15 Pa.C.S. §7765	15 Pa.C.S. §5782
24	15 Pa.C.S. §7766	15 Pa.C.S. §5765
25	15 Pa.C.S. §7767	15 Pa.C.S. §5766
26	15 Pa.C.S. §7768	15 Pa.C.S. §5767
27	15 Pa.C.S. §7781	15 Pa.C.S. §5791
28	15 Pa.C.S. §7782	15 Pa.C.S. §5792
29	15 Pa.C.S. §7783	15 Pa.C.S. §5793
30	15 Pa.C.S. §7901	15 Pa.C.S. §5911

1	15 Pa.C.S. §7902	15 Pa.C.S. §5912
2	15 Pa.C.S. §7903	15 Pa.C.S. §5913
3	15 Pa.C.S. §7904	15 Pa.C.S. §5914
4	15 Pa.C.S. §7905	15 Pa.C.S. §5915
5	15 Pa.C.S. §7906	15 Pa.C.S. §5916
6	15 Pa.C.S. §7921	15 Pa.C.S. §5921
7	15 Pa.C.S. §7922	15 Pa.C.S. §5922
8	15 Pa.C.S. §7923	15 Pa.C.S. §5923
9	15 Pa.C.S. §7924	15 Pa.C.S. §5924
10	15 Pa.C.S. §7925	15 Pa.C.S. §5925
11	15 Pa.C.S. §7926	15 Pa.C.S. §5926
12	15 Pa.C.S. §7927	15 Pa.C.S. §5927
13	15 Pa.C.S. §7928	15 Pa.C.S. §5928
14	15 Pa.C.S. §7929	15 Pa.C.S. §5929
15	15 Pa.C.S. §7930	15 Pa.C.S. §5930
16	15 Pa.C.S. §7941	15 Pa.C.S. §5951
17	15 Pa.C.S. §7942	15 Pa.C.S. §5952
18	15 Pa.C.S. §7943	15 Pa.C.S. §5954
19	15 Pa.C.S. §7944	15 Pa.C.S. §5955
20	15 Pa.C.S. §7945	15 Pa.C.S. §5956
21	15 Pa.C.S. §7946	15 Pa.C.S. §5957
22	15 Pa.C.S. §7951(a)	15 Pa.C.S. §1961(a)
23		(b) 15 Pa.C.S. §5961(a)
24		(c) 15 Pa.C.S. §1961(b)
25		15 Pa.C.S. §5961(b)
26	15 Pa.C.S. §7952(a)	15 Pa.C.S. §1962(a)
27		15 Pa.C.S. §5962(b)
28		(b) 15 Pa.C.S. §1962(b)
29		15 Pa.C.S. §5962(b)
30		(c) 15 Pa.C.S. §1962(c)

1	15 Pa.C.S. §7953	15 Pa.C.S. §1963
2		15 Pa.C.S. §5963
3	15 Pa.C.S. §7954	15 Pa.C.S. §1964(a)
4		15 Pa.C.S. §5964(a)
5	15 Pa.C.S. §7955	15 Pa.C.S. §1965
6		15 Pa.C.S. §5965
7	15 Pa.C.S. §7956(a)	15 Pa.C.S. §1966
8	(b)	15 Pa.C.S. §5966
9	15 Pa.C.S. §7961	15 Pa.C.S. §5971
10	15 Pa.C.S. §7962	15 Pa.C.S. §5972
11	15 Pa.C.S. §7963	15 Pa.C.S. §5973
12	15 Pa.C.S. §7964	15 Pa.C.S. §5974(a), (b), (c)
13	15 Pa.C.S. §7965	Omitted
14	15 Pa.C.S. §7966	15 Pa.C.S. §5974(d)
15	15 Pa.C.S. §7967	15 Pa.C.S. §5975
16	15 Pa.C.S. §7968	15 Pa.C.S. §5976
17	15 Pa.C.S. §7969	15 Pa.C.S. §5977
18	15 Pa.C.S. §7970	15 Pa.C.S. §5978
19	15 Pa.C.S. §7971	15 Pa.C.S. §5979
20	15 Pa.C.S. §7981	15 Pa.C.S. §5981
21	15 Pa.C.S. §7982	15 Pa.C.S. §5982
22	15 Pa.C.S. §7983	15 Pa.C.S. §5983
23	15 Pa.C.S. §7984	15 Pa.C.S. §5984
24	15 Pa.C.S. §7985	15 Pa.C.S. §5985
25	15 Pa.C.S. §7986	15 Pa.C.S. §5986
26	15 Pa.C.S. §7987	15 Pa.C.S. §5987(a)
27	15 Pa.C.S. §7988	15 Pa.C.S. §5988
28	15 Pa.C.S. §7989	15 Pa.C.S. §5989
29	15 Pa.C.S. §7990	15 Pa.C.S. §503
30	15 Pa.C.S. §8101	15 Pa.C.S. §6101

1	15 Pa.C.S. §8121	15 Pa.C.S. §6121
2	15 Pa.C.S. §8122	15 Pa.C.S. §6122
3	15 Pa.C.S. §8123	15 Pa.C.S. §6123
4	15 Pa.C.S. §8124	15 Pa.C.S. §6124
5	15 Pa.C.S. §8125	15 Pa.C.S. §6125
6	15 Pa.C.S. §8126	15 Pa.C.S. §6126
7	15 Pa.C.S. §8127	15 Pa.C.S. §6127
8	15 Pa.C.S. §8128	15 Pa.C.S. §6128
9	15 Pa.C.S. §8129	15 Pa.C.S. §6129
10	15 Pa.C.S. §8130	15 Pa.C.S. §6130
11	15 Pa.C.S. §8141	15 Pa.C.S. §6141
12	15 Pa.C.S. §8142	15 Pa.C.S. §6142
13	15 Pa.C.S. §8143	15 Pa. C.S. §6143
14	15 Pa.C.S. §8144	15 Pa.C.S. §6144
15	15 Pa.C.S. §8145	15 Pa.C.S. §§6102,
16		6145

17 Section 103: The source notes for new Title 15 are as
18 follows:

19 15 Pa.C.S. §101: Compare new 15 Pa.C.S. §§502, 1102, 2101,
20 2301, 2501, 2701, 2901, 4101, 5102, 6101, 7101, 7302, 7502,
21 8301, 8502, 8701 and 9302. As to subsection (c), compare 1
22 Pa.C.S. §1937.

23 15 Pa.C.S. §102: Derived from former 15 Pa.C.S. §102. The
24 definition of "court" is revised and made subject to general
25 rules. The definitions of "association" and "credit union" are
26 new. The definitions of "business corporation" and "foreign
27 insurance corporation" appear in new 15 Pa.C.S. §1103. The
28 definitions of "corporation for profit" and "corporation not-
29 for-profit" appear in new 15 Pa.C.S. §§1103 and 5103. The
30 definition of "nonprofit corporation" appears in new 15 Pa.C.S.

1 §5103. The definition of "officially publish" appears in new 15
2 Pa.C.S. §§1103 and 5103. The definition of "written" is supplied
3 by 1 Pa.C.S. §1991. The definitions of "foreign business
4 corporation" and "unconsolidated utility corporation" are
5 omitted from this section as a result of the clarification and
6 redefinition of the applicability of the various provisions of
7 new Title 15.

8 15 Pa.C.S. §103: Generalization of former 15 Pa.C.S. §103.
9 See act of May 5, 1933 (P.L.364, No.106), §6D (15 P.S. §1006D).

10 15 Pa.C.S. §104: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §6D (last sentence) (15 P.S. §1006D (last sentence)),
12 and former 15 Pa.C.S. §104. As to jurisdiction of courts, see 42
13 Pa.C.S. §931.

14 15 Pa.C.S. §105: Reenactment of former 15 Pa.C.S. §105.
15 Derived from act of May 5, 1933 (P.L.364, No.106), §7 (15 P.S.
16 §1007).

17 15 Pa.C.S. §106: Reenactment of former 15 Pa.C.S. §108.
18 Derived from act of May 5, 1933 (P.L.364, No.106), §9 (15 P.S.
19 §1009).

20 15 Pa.C.S. §107: Generalization of former 15 Pa.C.S. §111.

21 15 Pa.C.S. §108: Generalization of former 15 Pa.C.S. §112.
22 Provision is made for the termination of registered office
23 address provided by agent, relieving the agent of responsibility
24 for matters tendered to the office, but the old address
25 continues in effect for venue and other purposes. Provision on
26 change of name of agent is patterned in general after Delaware
27 General Corporation Law §134(b).

28 15 Pa.C.S. §109: New.

29 15 Pa.C.S. §110: Patterned in part after 13 Pa.C.S. §1103.
30 Compare new 15 Pa.C.S. §§8304, 8305, 8504 and 9101.

1 15 Pa.C.S. §131: Derived from 54 Pa.C.S. §102.

2 15 Pa.C.S. §132: Subsections (a), (b) and (c) are a
3 generalization of former 15 Pa.C.S. §131. Subsection (d) is a
4 reenactment of section 5(a) of the act of December 16, 1982
5 (P.L.1309, No.295).

6 15 Pa.C.S. §133: Subsections (a)-(d) are substantially a
7 reenactment of former 15 Pa.C.S. §132, except for the
8 penultimate sentence of subsection (d). Subsection (e) is a
9 generalization of section 5(c) of the act of December 16, 1982
10 (P.L.1309, No.295).

11 15 Pa.C.S. §134: Derived from act of May 5, 1933 (P.L.364,
12 No.406), §206B and C (15 P.S. §1206B and C). See new 15 Pa.C.S.
13 §5111.

14 15 Pa.C.S. §135: Subsection (a) is a generalization of
15 former 15 Pa.C.S. §133. References to the docketing statement
16 required by new 15 Pa.C.S. §134 and the provision on documents
17 setting forth a name or mark have been added. Reference to
18 submission of proofs of publication to the Department of State
19 omitted as obsolete. Subsection (b) is intended to abrogate
20 Pa. Code §13.8(b). Subsection (c) is a generalization of section
21 5(b) of the act of December 16, 1982 (P.L.1309, No.295).

22 15 Pa.C.S. §136: Substantially a reenactment of former 15
23 Pa.C.S. §134.

24 15 Pa.C.S. §137: Generalization of former 15 Pa.C.S. §135.

25 15 Pa.C.S. §138: Generalization of former 15 Pa.C.S. §136.
26 The description of the document to be filed is changed from a
27 "certificate" to a "statement." Execution of the statement by
28 corporations is governed by new 15 Pa.C.S. §§1108 and 5108.

29 15 Pa.C.S. §139: Derived from act of July 11, 1957 (P.L.691,
30 No.366) (15 P.S. §§806 and 807). A formal assumption of tax

1 liability by a surviving, new or withdrawing corporation, or by
2 one or more of the directors or shareholders of a dissolving
3 corporation, or evidence of some other approved arrangement, is
4 made acceptable in lieu of tax clearance certificates.

5 15 Pa.C.S. §151: Patterned in part after Delaware General
6 Corporation Law §388. Compare 15 Pa.C.S. §4161.

7 15 Pa.C.S. §152: Patterned in part after Delaware General
8 Corporation Law §389.

9 15 Pa.C.S. §501: Derived from Constitution, Article 10, §§2
10 and 3; former 15 Pa.C.S. §106; act of January 18, 1966 (1965
11 P.L.1443, No.521), §3 (15 P.S. §3); act of May 3, 1855 (P.L.423,
12 No.448), §1 (15 P.S. §101); and act of May 5, 1933 (P.L.364,
13 No.106), §§3B and 211 (15 P.S. §§1003B and 1211). See also act
14 of May 5, 1933 (P.L.289, No.105), §3B, as added by act of
15 January 18, 1966 (1965 P.L.1406, No.520) (former 15 P.S.
16 §7003B), and act of May 17, 1921 (P.L.682, No.284), §106 (40
17 P.S. §366).

18 15 Pa.C.S. §502: Derived from former 15 Pa.C.S. §101. Former
19 subsection (b) is omitted from this section as a result of the
20 clarification and redefinition of the applicability of new 15
21 Pa.C.S. Part II, Subpart B.

22 15 Pa.C.S. §503: Generalization of former 15 Pa.C.S. §7990
23 and act of May 5, 1933 (P.L.364, No.106), §1112 (15 P.S. §2112).

24 15 Pa.C.S. §504: Reenactment of former 15 Pa.C.S. §109. See
25 also act of May 5, 1933 (P.L.364, No.106), §12 (15 P.S. §1012).

26 15 Pa.C.S. §505: Substantially a reenactment of former 15
27 Pa.C.S. §110. See also act of May 5, 1933 (P.L.364, No.106), §13
28 (15 P.S. §1013).

29 15 Pa.C.S. §506: Substantially a reenactment of act of May
30 5, 1933 (P.L.364, No.106), §14 (15 P.S. §1014). Section 15 of

1 the act of May 5, 1933 (P.L.364, No.106) (15 P.S. §1015) which
2 limited the applicability of this section is omitted.

3 15 Pa.C.S. §521: Substantially a reenactment of act of
4 August 19, 1953 (P.L.1075, No.280), §2 (15 P.S. §113).

5 15 Pa.C.S. §522: Derived from act of April 18, 1945
6 (P.L.253, No.114) §4 (15 P.S. §410).

7 15 Pa.C.S. §523: Derived from act of April 18, 1945
8 (P.L.253, No.114), §§1, 2 and 3 (15 P.S. §§432, 433 and 434).

9 15 Pa.C.S. §1101: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §1 (15 P.S. §1001). Patterned after former 15 Pa.C.S.
11 §7301. Compare new 15 Pa.C.S. §5101.

12 15 Pa.C.S. §1102: Subsections (a), (c) and (d) are derived
13 from act of May 5, 1933 (P.L.364, No.106), §§3 and 4 (15 P.S.
14 §§1003 and 1004). Former subsections 3B and 4C and D are omitted
15 as supplied by section 104 of the act of _____, 1985 (P.L.____,
16 No.____), known as the General Association Act of 1985 (15 P.S.
17 §____), and otherwise obsolete. Subsection (b) is derived from
18 former 15 Pa.C.S. §101(b). Former unconsolidated utility
19 corporations are made subject exclusively to new Title 15.
20 Subsection (a) is patterned after former 15 Pa.C.S. §7102.
21 Compare new 15 Pa.C.S. §5102.

22 15 Pa.C.S. §1103: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §2 (15 P.S. §1002), and former 15 Pa.C.S. §102.
24 Patterned in part after former 15 Pa.C.S. §7103. The definitions
25 of "amendment," "articles," "authorized shares," "board of
26 directors," "business corporation," "business development credit
27 corporation," "bylaws," "closely-held corporation,"
28 "corporation-not-for-profit," "court," "credit union,"
29 "directors," "disparate treatment," "dissenters rights,"
30 "distribution," "employee," "entitled to vote," "fair value,"

1 "foreign business corporation," "foreign domiciliary
2 corporation," "full age," "issue," "management corporation,"
3 "nonqualified foreign corporation," "nonstock corporation,"
4 "obligation," "officer," "officially publish," "plan,"
5 "preference," "professional corporation," "public utility
6 corporation," "qualified foreign business corporation,"
7 "reclassification," "registered corporation," "representative,"
8 "share certificate," "shareholder," "shares," "statutory close
9 corporation," "subscriber," "unless (or "except as") otherwise
10 provided," "unless (or "except as") otherwise restricted," and
11 "voting" are new or revised. The terms "assets," "capital
12 surplus," "earned surplus," "insolvency," "net assets," "open-
13 end investment company," "stated capital," "surplus," "treasury
14 shares," "unreserved," and "unrestricted" are omitted. The term
15 "close corporation" is supplied by "statutory close
16 corporation." The definitions of "cooperative corporation" and
17 "unconsolidated utility corporation" are omitted from this
18 section as a result of the clarification and redefinition of the
19 applicability of new Title 15. The definition of "distribution"
20 is patterned after Model Business Corporation Act §2(i) (1979).
21 The definition of "reclassification" codifies existing law. The
22 definitions of "person" and "written" are supplied by 1 Pa.C.S.
23 §1991. The term "unlisted corporation" is supplied by
24 "registered corporation." Compare new 15 Pa.C.S. §5103.

25 15 Pa.C.S. §1104: New. Compare new 15 Pa.C.S. §5104.

26 15 Pa.C.S. §1105: Substantially a reenactment of act of May
27 5, 1933 (P.L.364, No.106), §§5E and 515K (15 P.S. §1005E and
28 1515K), except last sentence which is new. See new 15 Pa.C.S.
29 §1904. See also new 15 Pa.C.S. Subch. 17F. Compare new 15
30 Pa.C.S. §5105.

1 15 Pa.C.S. §1106: Generalization of act of May 5, 1933
2 (P.L.364, No.106), §5D (15 P.S. §1005D). Patterned after former
3 15 Pa.C.S. §7105. Former paragraphs (3)(ii) and (iv) and (4) are
4 omitted. Subsection (b)(3)(i), (ii) and (v)-(viii) is new.
5 Compare new 15 Pa.C.S. §5106.

6 15 Pa.C.S. §1107: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §6C (15 P.S. §1006C). Patterned after former 15 Pa.C.S.
8 §7107. The concurrent incorporation of unconsolidated utility
9 corporations is abolished. Compare new 15 Pa.C.S. §5107.

10 15 Pa.C.S. §1108: New. Compare new 15 Pa.C.S. §5108.

11 15 Pa.C.S. §1301: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §201 (15 P.S. §1201). Patterned after former 15 Pa.C.S.
13 §7311. Compare new 15 Pa.C.S. §5301.

14 15 Pa.C.S. §1302: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §201 (15 P.S. §1201). Patterned after former 15 Pa.C.S.
16 §7312. Compare new 15 Pa.C.S. §5302.

17 15 Pa.C.S. §1303: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §202A, B, C, D and F (15 P.S. §1202A, B, C, D and F).
19 Patterned after former 15 Pa.C.S. §7313. Subsection (a) is
20 patterned in part after N.J.S.A. §14A:1-6(1)(a). Restrictions on
21 use of the terms "company" and "Co." are omitted. Subsection
22 (a)(3) is patterned after Delaware General Corporation Law
23 §102(a)(1). "Confusingly" substituted for "deceptively" to avoid
24 any implication that the provisions of subsection (b) are
25 operative only in cases of deceit (see N.J.S.A. §14A:2-2(1)(b)).
26 References to domestic and qualified foreign limited
27 partnerships are added to subsection (b)(1). Reference to the
28 former bonus reports is omitted from subsection (b)(1)(i)(B).
29 Subsection (b)(1)(i)(C) is new. The reference to bank holding
30 companies in subsection (c)(1)(ii) is derived from section

1 805(b)(vii) of the Banking Code of 1965, as added by the act of
2 July 6, 1984 (P.L.621, No.128), §8. The word "seminary" is added
3 to subsection (c)(2)(i). Subsection (c)(2)(iv) is new (see new
4 15 Pa.C.S. §7102). The last sentence of subsection (d) is
5 patterned after Model Business Corporation Act §8(c)(2) (1971).
6 See new 15 Pa.C.S. §1106(b)(2) as to the status of certain
7 nonconforming names of existing corporations. Compare new 15
8 Pa.C.S. §5303.

9 15 Pa.C.S. §1304: Substantially a reenactment of act of May
10 5, 1933 (P.L.364, No.106), §202E and G (15 P.S. §1202E and G),
11 after giving effect to the enactment of new 15 Pa.C.S. Ch. 85.
12 Patterned after former 15 Pa.C.S. §7314. The three-year period
13 for filing reports appears in new 15 Pa.C.S. §1303(b)(1)(i)(B).
14 "Confusingly" substituted for "deceptively" to avoid any
15 implication that the provisions are operative only in cases of
16 deceit (see N.J.S.A. §14A:2-2(1)(b)). Compare new 15 Pa.C.S.
17 §5304.

18 15 Pa.C.S. §1305: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §203 (15 P.S. §1203). Patterned after former 15
20 Pa.C.S. §7315. The restrictions on who may reserve a name are
21 omitted. The reservation period is increased to 120 days (see
22 N.J.S.A. §14A:2-3(2) and Model Business Corporation Act §9,
23 second paragraph (1971)). Compare new 15 Pa.C.S. §5305.

24 15 Pa.C.S. §1306: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §204 (15 P.S. §1204). Patterned after former 15 Pa.C.S.
26 §7316. Subsection (a)(1) is patterned in part after N.J.S.A.
27 §14A:1-6(1)(a). The reference in subsection (a)(4) to
28 organization upon a nonstock basis is new (see new 15 Pa.C.S.
29 §2101). The second sentence of subsection (a)(4)(i) is new. A
30 reference to "voting rights" is added to subsection (a)(4)(ii)

1 and (iii). Subsection (a)(4)(iii) is patterned in part after
2 N.J.S.A. §14A:2-7(1)(e). In subsection (a)(6) the duration of a
3 corporation is made perpetual in the absence of a provision in
4 the articles to the contrary. Subsection (a)(7) is new.
5 Provisions on par value and the purpose of the corporation are
6 made optional by transfer to subsection (a)(8). The requirement
7 that the incorporators subscribe for shares is omitted. Compare
8 new 15 Pa.C.S. §5306.

9 15 Pa.C.S. §1307: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §205 (15 P.S. §1205). Patterned after former 15 Pa.C.S.
11 §7317. The requirements that the advertisement state the date
12 that the articles will be or were filed with the Department of
13 State and the purpose of the corporation are omitted. Compare
14 new 15 Pa.C.S. §5307.

15 15 Pa.C.S. §1308: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §206A (15 P.S. §1206A). Patterned after former 15
17 Pa.C.S. §7318. The requirement for issuance of a certificate of
18 incorporation is supplied by new 15 Pa.C.S. §133(e). Compare new
19 15 Pa.C.S. §5308.

20 15 Pa.C.S. §1309: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §207 (15 P.S. §1207). Patterned after former 15 Pa.C.S.
22 §7319. Reference to subscribers automatically becoming
23 shareholders is omitted. Subscribers, however, are shareholders
24 under the definition of the latter term in 15 Pa.C.S. §1103.
25 Reference to effective date specified in the articles is new
26 (see new 15 Pa.C.S. §1306(a)(7)). Compare new 15 Pa.C.S. §5309.

27 15 Pa.C.S. §1310: Subsections (a) and (b) are derived from
28 act of May 5, 1933 (P.L.364, No.106), §210 (15 P.S. §1210). The
29 last sentences of subsections (a) and (b) and all of subsection
30 (c) are new. Patterned after former 15 Pa.C.S. §7320. In

1 subsection (b) the number of persons required to call a meeting
2 is reduced to any one director or incorporator. Compare new 15
3 Pa.C.S. §5310.

4 15 Pa.C.S. §1311: Generalization of act of July 9, 1970
5 (P.L.461, No.160), §4(d) (15 P.S. §2904(d)). Patterned after
6 former 15 Pa.C.S. §7321. The last sentence of subsection (a)(4)
7 and subsections (b) and (c) are new. The designation of the
8 document is changed from "certificate" to "statement." Execution
9 of the statement of summary of record is governed by new 15
10 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5311.

11 15 Pa.C.S. §1341: Patterned in part after Delaware General
12 Corporation Law §312. Compare new 15 Pa.C.S. §5341.

13 15 Pa.C.S. §1501: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §301 (15 P.S. §1301). Patterned after former 15 Pa.C.S.
15 §7501. The limitation on corporate capacity to acts necessary to
16 accomplish the corporation's purposes is omitted as obsolete
17 (cf. new 15 Pa.C.S. §1301). Compare new 15 Pa.C.S. §5501.

18 15 Pa.C.S. §1502: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §§302, 314, 315, 316 and 613B (15 P.S. §§1302, 1314,
20 1315, 1316 and 1613B). Patterned after former 15 Pa.C.S. §7502.
21 Subsection (a)(1) is patterned in part after Model Business
22 Corporation Act §4(a) (1971). References to "evidences of
23 indebtedness" are supplied by the definition of "obligation" in
24 new 15 Pa.C.S. §1103. The limitations in former paragraph 302(8)
25 on the consideration receivable for the issuance of debt
26 obligations are omitted as obsolete, and those on the
27 reacquisition of shares are supplied by new 15 Pa.C.S. §1551.
28 The power to make, alter, amend and repeal bylaws appears in new
29 15 Pa.C.S. §1504. Subsection (a)(5) is patterned in part after
30 proposed 1983 Revised Model Business Corporation Act §3.02(6)

1 (exposure draft, March 1983). Subsection (a)(6) is patterned in
2 part after Delaware General Corporation Law §122(13). Subsection
3 (a)(9) is patterned in general after proposed 1983 Revised Model
4 Business Corporation Act §3.02(14) (exposure draft, March 1983).
5 Subsection (a)(14) is patterned in part after Model Business
6 Corporation Act §4(o) (1971). The express statement in
7 subsection (a)(16) of the power to lend money and credit to
8 representatives of the corporation is patterned after proposed
9 1983 Revised Model Business Corporation Act §3.02(12) (exposure
10 draft, March 1983). The express statement in subsection (a)(16)
11 of the power to pay bonuses or other additional compensation for
12 past services by representatives of the corporation is intended
13 as a codification of existing law. The power to dissolve and
14 wind up appears in new 15 Pa.C.S. §§1971 and 1972. The first
15 sentence of the final paragraph of former section 302 is omitted
16 as obsolete. Former section 613B is supplied by new subsection
17 (a)(15) and (16), the general principles of agency incorporated
18 by new 15 Pa.C.S. §110 and new 15 Pa.C.S. §1508. Subsection
19 (a)(18) is new and is intended as a codification of existing law
20 and practice. Compare new 15 Pa.C.S. §5502.

21 15 Pa.C.S. §1503: Derived from act of May 5, 1933 (P.L.364,
22 No.106), § 303 (15 P.S. §1303). Patterned after former 15
23 Pa.C.S. §7503. Subsection (a) expanded to include limitations on
24 the business, purpose or powers of the corporation contained in
25 the bylaws. Subsection (b) expanded to include conveyances or
26 transfers made by employees or agents. Compare new 15 Pa.C.S.
27 §5503.

28 15 Pa.C.S. §1504: The first three sentences of subsection
29 (a) and subsection (d) are derived from act of May 5, 1933
30 (P.L.364, No.106), §304 (15 P.S. §1304). The balance of

1 subsection (a) and subsections (b) and (c) are new. Requirement
2 that notice be given that a purpose of a meeting is to change
3 the bylaws has been limited to meetings of the shareholders.
4 Patterned after former 15 Pa.C.S. §7504. Compare new 15 Pa.C.S.
5 §5504.

6 15 Pa.C.S. §1505: Reenactment of act of May 5, 1933
7 (P.L.364, No.106), §305 (first sentence) (15 P.S. §1305 (first
8 sentence)). Patterned after former 15 Pa.C.S. §7505. Compare new
9 15 Pa.C.S. §5505.

10 15 Pa.C.S. §1506: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §305 (except first sentence) (15 P.S. §1305 (except
12 first sentence)). Patterned after former 15 Pa.C.S. §7506.
13 Subsection (a) is extended to execution by one or more officers
14 or agents having actual or apparent authority. In subsection (b)
15 the exception relating to inconsistent statutes is omitted (cf.
16 new 15 Pa.C.S. §1108). Compare new 15 Pa.C.S. §5506.

17 15 Pa.C.S. §1507: Subsections (a) and (b) are derived from
18 act of May 5, 1933 (P.L.364, No.106), §§306 and 307 (15 P.S.
19 §§1306 and 1307), and are patterned after former 15 Pa.C.S.
20 §7507. The second sentence of former section 306 is supplied by
21 new 15 Pa.C.S. §1306(a)(2). Requirement of an absolute majority
22 vote of the board of directors to change the registered office
23 is supplied by new 15 Pa.C.S. §1727. The reference in subsection
24 (b) to change of registered office by amendment of the articles
25 has been added. Execution of the statement of change of
26 registered office is governed by new 15 Pa.C.S. §1108. The final
27 paragraph of former section 307 is supplied by new 15 Pa.C.S.
28 §136(c). Subsections (c) and (d) are new. Compare new 15 Pa.C.S.
29 §5507.

30 15 Pa.C.S. §1508: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §308 (15 P.S. §1308). Patterned after former 15 Pa.C.S.
2 §7508. Specific reference to text of the bylaws, and requirement
3 that corporate records, other than the share register, be kept
4 at the registered office or principal place of business of the
5 corporation, are omitted. The last sentence of subsection (a) is
6 patterned after the last sentence of Model Business Corporation
7 Act §52, first paragraph (1971) (see also N.J.S.A. §14A:5-
8 28(1)). The reference in prior law to venue is supplied by the
9 definition of "court" in new 15 Pa.C.S. §1103. See also new 15
10 Pa.C.S. §1554. Compare new 15 Pa.C.S. §5508.

11 15 Pa.C.S. §1509: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §321 (15 P.S. §1321). Regular bylaws may restrict the
13 adoption of emergency bylaws, and offices of the corporation may
14 be changed. Subsection (a) is patterned in part after 1983
15 Revised Model Business Corporation Act §3.03(d) (exposure draft,
16 March 1983). Subsection (c)(2) is patterned after the last
17 sentence of Model Business Corporation Act §27A, last paragraph
18 (1971) (see also N.J.S.A. §14A:2-10(7)). Compare new 15 Pa.C.S.
19 §5509.

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 former 15
22 Pa.C.S. §7544. The general reference to the lawful rate of
23 interest (rather than 6%) is added. The reference in subsection
24 (a) to finance, service and default charges and subsection (b)
25 are 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. Compare new 15 Pa.C.S. §5510.

1 15 Pa.C.S. §1511: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §322 (15 P.S. §1322), as supplemented as to oxygen or
3 nitrogen pipeline transportation by the act of November 18, 1968
4 (P.L.1050, No.321), §2 (15 P.S. §4382). Reference in subsection
5 (e) to "other statutes" eliminated as obsolete. Subsection
6 (g)(2) is derived from act of April 29, 1874 (P.L.73, No.32),
7 §41 (15 P.S. §§3021-3) and act of April 17, 1929 (P.L.531,
8 No.234) §§1 and 2 (15 P.S. §§115 and 116) (see 40 P.S. §§831 and
9 835). The distance in subsection (b)(1)(i) is converted from 300
10 feet to 100 meters. The Eminent Domain Code procedure is made
11 available as an alternative to the "lines" condemnation
12 procedure of the Corporation Act of 1874 as to electric, gas,
13 oil and petroleum products condemnations, and as a substitute
14 for the 1874 Act procedure in the case of water, telephone and
15 telegraph condemnations.

16 15 Pa.C.S. §1521: Derived from act of May 5, 1933 (P.L.364,
17 No.106), §601 (15 P.S. §1601). The fourth sentence of former
18 section 601 is omitted. Whether or not a class vote will be
19 available to a series of shares will depend on the substantive
20 effect of any particular fundamental transaction on the series.
21 The penultimate sentence of former section 601 is omitted in
22 light of 15 Pa.C.S. §1721(a). The last sentence of former
23 section 601 is omitted as redundant. The last sentence of
24 subsection (a) is patterned after New York Business Corporation
25 Law §803(b). Subsection (b)(1) is new and, except for the second
26 sentence of subsection (b)(1)(i), is patterned after Model
27 Business Corporation Act §15, second paragraph (1979). The
28 second sentence of subsection (b)(1)(i) is substantially a
29 reenactment of act of May 5, 1933 (P.L.364, No.106), §701A
30 (second sentence) (15 P.S. §1701A (second sentence)). Subsection

1 (b)(2) is new (cf. similar provisions added in new 15 Pa.C.S.
2 Ch.19). Subsection (b)(3) is intended as a codification of
3 existing law. West Chester and Philadelphia R.R. Co. v. Jackson,
4 77 Pa. 321 (1875) (dividends); Warren v. Queen & Co., 240 Pa.
5 154, 87 At. 595 (1913) (redemption). Subsection (c) is new (cf.
6 new 15 Pa.C.S. §1504(b)).

7 15 Pa.C.S. §1522: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §602 (15 P.S. §1602). Patterned after N.J.S.A. §14A:7-
9 2. See new 15 Pa.C.S. §1914(c). Execution of the statement with
10 respect to shares is governed by new 15 Pa.C.S. §1108.
11 Subsections (d)(5) and (f) are new.

12 15 Pa.C.S. §1523: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §603 (15 P.S. §1603). Provisions on the payment of
14 subscriptions are supplied by new 15 Pa.C.S. §1524. Reference to
15 treasury shares omitted since the sale or other disposition of
16 treasury shares is included in the definition of "issue" in 15
17 Pa.C.S. §1103 and is therefore covered by this section. Under
18 new 15 Pa.C.S. §1524(c), all shares are deemed fully paid.
19 Former subsections B and C are omitted as obsolete.

20 15 Pa.C.S. §1524: Subsections (a) and (c) are derived from
21 act of May 5, 1933 (P.L.364, No.106), §§604, 605, 606 and 610
22 (15 P.S. §§1604, 1605, 1606 and 1610). The references to future
23 services or the note or obligation of a shareholder as good
24 consideration are new. Calls on shares are abolished and all
25 shares are deemed fully paid, except against the subscriber, but
26 shares may be assessable only if and to the extent provided by a
27 regulatory law. Subsection (b) is derived from act of May 5,
28 1933 (P.L.364, No.106), §702.1 (15 P.S. §1702.1) and is intended
29 as a codification of existing law. Subsection (d) is new (cf.
30 the definitions of "shareholder" and "subscriber" in new 15

1 Pa.C.S. §1103). Subsection (e) is new.

2 15 Pa.C.S. §1525: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §612 (15 P.S. §1612). Subsection (a) is patterned in
4 part after Model Business Corporation Act §20 (first and second
5 sentences) (1971).

6 15 Pa.C.S. §1526: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §609 (first sentence) (15 P.S. §1609 (first sentence)).
8 The balance of former section 609 is omitted as obsolete.

9 Compare new 15 Pa.C.S. §5553.

10 15 Pa.C.S. §1527: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §608 (15 P.S. §1608). Provision for uncertificated
12 fractions of a share has been added (cf. new 15 Pa.C.S.
13 §1528(f)). Subsection (a) is patterned after Delaware General
14 Corporation Law §155 (first three sentences). Reference to "fair
15 value" in subsection (a)(2) is not intended to imply that the
16 procedures of new Subchapter 15D are available since fair value
17 is to be determined in the manner provided in the plan,
18 amendment or resolution of the board providing for the creation
19 of the fractional interests, but it is intended that the
20 standard for fair value in new 15 Pa.C.S. §1572 will apply.
21 Subsection (b) is substantially a reenactment of the last
22 sentence of former section 608. See 15 Pa.C.S. §1502(c).

23 15 Pa.C.S. §1528: Subsection (a) is new. Subsections (b) -
24 (e) are derived from act of May 5, 1933 (P.L.364, No.106), §607
25 (15 P.S. §1607). Former subsection A(4) and former subsection C
26 are omitted as obsolete. Reference to voting rights in
27 subsection (d) and the use of any form of execution of a share
28 certificate in subsection (e) are new. Subsection (f) is
29 patterned after the last paragraph of Model Business Corporation
30 Act §23 (1977).

1 15 Pa.C.S. §1529: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §§613A and 613.1 (15 P.S. §§1613A and 1613.1).
3 Provisions regarding uncertificated securities in subsection (f)
4 are new (cf. new 15 Pa.C.S. §1528(f)).

5 15 Pa.C.S. §1530: Substantially a reenactment of act of May
6 5, 1933 (P.L.364, No.106), §611A (15 P.S. §1611A). Former
7 subsections 611B and C are omitted, and preemptive rights are
8 made exclusively a matter of contract set forth in the articles.

9 15 Pa.C.S. §1531: Substantially a reenactment of act of May
10 5, 1933 (P.L.364, No.106), §309.1 (15 P.S. §1309.1). Patterned
11 after former 15 Pa.C.S. §7768. See new 15 Pa.C.S. §1725(b).
12 Compare new 15 Pa.C.S. §5767.

13 15 Pa.C.S. §1532: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), §615 (15 P.S. §1615), except that the
15 applicability to divisions is new (cf. new 15 Pa.C.S. Ch.19D).

16 15 Pa.C.S. §1551: Patterned in part after Model Business
17 Corporation Act §45 (1979). Compare act of May 5, 1933 (P.L.364,
18 No.106), §§702 and 703 (15 P.S. §§1702 and 1703). Subsections
19 (c) and (d) are intended to overrule In re Trimble Co., 339 F.2d
20 838 (3d Cir. 1964).

21 15 Pa.C.S. §1552: Patterned in part after Model Business
22 Corporation Act §6, first paragraph (1979). Compare act of May
23 5, 1933 (P.L.364, No.106), §§701, 708 and 709 5 P.S. §§1701,
24 1708 and 1709).

25 15 Pa.C.S. §1553: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §707 (15 P.S. §1707). Patterned in part after Model
27 Business Corporation Act §48 (1979), except that a restriction
28 on the declaration of distributions by the directors may be
29 contained in the bylaws.

30 15 Pa.C.S. §1554: Subsection (a) is derived from act of May

1 5, 1933 (P.L.364, No.106), §318 (15 P.S. §1318); and is
2 patterned in part after Model Business Corporation Act §52,
3 final paragraph (1978). Subsections (b) and (c) are new. Compare
4 new 15 Pa.C.S. §5554.

5 15 Pa.C.S. §1571: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §§311F and 515A, L and M (15 P.S. §§1311F and 1515A, L
7 and M). Subsection (a) is patterned in part after Model Business
8 Corporation Act §80(a) (1978). Subsection (b)(1) reflects the
9 expansion of the exclusion in the Delaware General Corporation
10 Law to cover all national securities exchanges and to reduce the
11 number of shareholders from 2,500 to 2,000. See Delaware General
12 Corporation Law §262(b)(1). Subsection (b)(3) is broadened to
13 eliminate dissenters rights on all "de facto merger" purchases
14 of shares, property or assets, and is intended to overrule
15 footnote seven of Terry v. Penn Central Corp. 668 F.2d 188, 194
16 (3rd Cir. 1981) (see new 15 Pa.C.S. §1904).

17 15 Pa.C.S. §1572: Patterned after Model Business Corporation
18 Act §81(a) (1978). The reference to consideration of all
19 relevant factors in the definition of "fair value" is patterned
20 after Delaware General Corporation Law §262(h), and is intended
21 as a codification of Weinberger v. UOP, Inc., ___ Del. ___, 457
22 A.2d 701 (1983). The definition of "interest" is patterned after
23 Delaware General Corporation Law §262(h).

24 15 Pa.C.S. §1573: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §515B (fourth sentence) (15 P.S. §1515B (fourth
26 sentence)). Patterned after Model Business Corporation Act
27 §80(b) (1978).

28 15 Pa.C.S. §1574: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §515B (15 P.S. §1515B). Patterned in part after Model
30 Business Corporation Act §81(c) (1980).

1 15 Pa.C.S. §1575: Patterned after Model Business Corporation
2 Act §81(d) (1978).

3 15 Pa.C.S. §1576: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §515I (15 P.S. §1515I). Patterned after Model Business
5 Corporation Act §81(e) (1978).

6 15 Pa.C.S. §1577: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §515D, E and I (15 P.S. §1515D, E and I). Patterned in
8 part after Model Business Corporation Act §81(f) (1978) and
9 Delaware General Corporation Law §262.

10 15 Pa.C.S. §1578: Patterned in part after Model Business
11 Corporation Act §81(g) (1978).

12 15 Pa.C.S. §1579: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §§515C, F and G (15 P.S. §§1515C, F and G). Patterned
14 in part after Model Business Corporation Act §81(h) (1978).

15 Subsection (h)(2) of the Model Act is supplied by the definition
16 of "court" in new 15 Pa.C.S. §1103, and the provision on
17 discovery has been omitted.

18 15 Pa.C.S. §1580: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §515H (15 P.S. §1515H) and 42 Pa.C.S. §2503. Patterned
20 after Model Business Corporation Act §81(i) (1978).

21 15 Pa.C.S. §1701: Patterned after former 15 Pa.C.S. §7701.
22 Compare new 15 Pa.C.S. §5701.

23 15 Pa.C.S. §1702: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §§8A, 404 (last sentence) and 502 (last sentence) (15
25 P.S. §§1008A, 1404 (last sentence) and 1502 (last sentence)).
26 Patterned after former 15 Pa.C.S. §7702. The last clause of
27 subsection (b) is patterned in part after Delaware General
28 Corporation Law §222(c). Compare new 15 Pa.C.S. §5702.

29 15 Pa.C.S. §1703: Substantially a reenactment of act of May
30 5, 1933 (P.L.364, No.106), §§402(4) and 404 (except last

1 sentence) (15 P.S. §§1402(4) and 1404 (except last sentence)).
2 Patterned after former 15 Pa.C.S. §7704. The last sentence of
3 subsection (b) is intended as a codification of existing law.
4 Compare new 15 Pa.C.S. §5703.

5 15 Pa.C.S. §1704: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §§8A (last sentence), 501A, 501C (except first
7 sentence) and 502 (first sentence) (15 P.S. §§1008A (last
8 sentence), 1501A, 1501C (except first sentence) and 1502 (first
9 sentence)). Patterned after former 15 Pa.C.S. §7705. The minimum
10 period for giving notice of meetings of shareholders is
11 increased by five days. Compare new 15 Pa.C.S. §5704.

12 15 Pa.C.S. §1705: Substantially a reenactment of act of May
13 5, 1933 (P.L.364, No.106), §8B and C (15 P.S. §1008B and C).
14 Patterned after former 15 Pa.C.S. §7706. Reference to attendance
15 by proxy appears in new 15 Pa.C.S. §1759(a)(2). The requirement
16 in subsection (b) that objection be made at the beginning of the
17 meeting is new. Compare new 15 Pa.C.S. §5705.

18 15 Pa.C.S. §1706: Derived from act of May 5, 1933 (P.L.364,
19 No.106), §8D (15 P.S. §1008D). Patterned after former 15 Pa.C.S.
20 §7707. Compare new 15 Pa.C.S. §5706.

21 15 Pa.C.S. §1707: Subsection (a) is patterned after former
22 15 Pa.C.S. §7708. Subsection (b) is new. Compare new 15 Pa.C.S.
23 §5707.

24 15 Pa.C.S. §1708: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §8E (15 P.S. §1008E). The reference in former section
26 8E to committees of the board has been deleted in light of new
27 15 Pa.C.S. §1731(c). Patterned after former 15 Pa.C.S. §7709.
28 The requirement of an enabling bylaw provision is omitted. The
29 second sentence is intended as a codification of existing law.
30 Compare new 15 Pa.C.S. §5708.

1 15 Pa.C.S. §1721: Subsection (a) is derived from the act of
2 May 5, 1933 (P.L.364, No.106), §401 (first sentence) (15 P.S.
3 §1401 (first sentence)), and patterned after Model Business
4 Corporation Act §35, first subsection (1974). Subsections (b)
5 and (c) are derived from act of May 5, 1933 (P.L.364, No.106),
6 §408A (15 P.S. §1408A); and patterned after Model Business
7 Corporation Act §35, second and third paragraphs (1974),
8 California Corporations Code §309 and New York Business
9 Corporation Law §717. The first sentence of subsection (d) is a
10 reenactment of act of May 5, 1933 (P.L.364, No.106), § 408B (15
11 P.S. § 1408B), as added by act of December 23, 1983 (P.L.395,
12 No.92), § 1. The balance of subsection (d) is new. See 1981 S.B.
13 1361 (P.N.2239). Once the board of directors has considered the
14 interests it deems relevant, it is intended that the board be
15 free to take any lawful action it deems appropriate, including
16 in the content of a tender offer or takeover attempt. Compare
17 new 15 Pa.C.S. §5721 and Section 208 of the act of _____, 1985
18 (P.L._____, No.____), known as the General Association Act of 1985
19 (15 P.S. §____).

20 15 Pa.C.S. §1722: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §§401 (first sentence) and 402 (first sentence) (15
22 P.S. §§1401 (first sentence) and 1402 (first sentence)).
23 Patterned after former 15 Pa.C.S. §7722. Compare new 15 Pa.C.S.
24 §5722.

25 15 Pa.C.S. §1723: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §402 (second sentence and paragraph (2)) (15 P.S. §1402
27 (second sentence and paragraph (2))). Patterned after former 15
28 Pa.C.S. §7723. The requirement of a minimum size of the board is
29 omitted. Compare new 15 Pa.C.S. §5723.

30 15 Pa.C.S. §1724: Derived from act of May 5, 1933 (P.L.364,

1 No.106), §§401 (second sentence), 402(1) and 403 (except first
2 and last sentences) (15 P.S. §§1401 (second sentence), 1402(1)
3 and 1403 (except first and last sentences)). Patterned after
4 former 15 Pa.C.S. §7724. The second and third sentences of
5 subsection (a) are intended as a codification of existing law
6 and practice. The restrictions that the first directors may
7 serve only until the first annual meeting and that members of a
8 class of directors shall not be elected for a period shorter
9 than one year are omitted. The last sentence of subsection (a)
10 is patterned after Model Business Corporation Act §36 (third
11 sentence) (1971). See section 402(2) of the act of ,
12 1985 (P.L. , No.), known as the General Association Act
13 of 1985 (15 P.S. §). Compare new 15 Pa.C.S. §5724.

14 15 Pa.C.S. §1725: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §§401 (third sentence), 402 (first sentence), 402(3)
16 and 403 (first sentence) (15 P.S. §§1401 (third sentence), 1402
17 (first sentence), 1402(3) and 1403 (first sentence)). Patterned
18 after former 15 Pa.C.S. §7725. The reference to a sole remaining
19 director in subsection (c)(1)(i) is new. The last clause of
20 subsection (c)(1)(i) reverses the prior law. Subsection
21 (c)(1)(ii) and subsection (d) are new. Subsection (c)(2) is
22 patterned after Delaware General Corporation Law §223(b).
23 Compare new 15 Pa.C.S. §5725.

24 15 Pa.C.S. §1726: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §405 (15 P.S. §1405). Patterned after former 15 Pa.C.S.
26 §7726. The introductory clauses of subsections (a)(1) and (b)
27 and subsection (a)(3) and (5) are added. Provision in subsection
28 (a)(1) that directors may be removed by vote of the series of
29 shares entitled to elect them is patterned after Delaware
30 General Corporation Law §141(k). See also Md. Corps. and Ass'ns

1 Code Ann. §2-406(b). Subsection (a)(2) is patterned after
2 Delaware General Corporation Law §141(k)(i). In subsection (b)
3 conviction of a crime punishable by imprisonment for more than
4 one year is substituted for conviction of a felony (cf. 18
5 Pa.C.S. §106), and a requirement for cause specified in the
6 bylaws is added. In subsection (c) the references to petition by
7 a director and to removal for other proper cause are new. The
8 last clause of subsection (c) substitutes for the prior
9 requirement that a petitioning shareholder hold at least a 10%
10 stock interest. The reference in prior law to venue is supplied
11 by the definition of "court" in new 15 Pa.C.S. §1103. Subsection
12 (d) is patterned after N.J.S.A. §14A:6-6(5). Compare new 15
13 Pa.C.S. §5726.

14 15 Pa.C.S. §1727: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §402(5) and 402(7) (15 P.S. §1402(5) and (7)).
16 Patterned after former 15 Pa.C.S. §7727. The introductory
17 clauses of subsections (a) and (b) are added. The words "and
18 voting" in subsection (a) are added. The reference in subsection
19 (b) to consents prior or subsequent to an action is added. The
20 reference to action by a committee of the board appears in new
21 15 Pa.C.S. §1731(c). Compare new 15 Pa.C.S. §5727.

22 15 Pa.C.S. §1728: Subsections (a) and (b) are substantially
23 a reenactment of act of May 5, 1933 (P.L.364, No.106), §409.1
24 (15 P.S. §1409.1), and are patterned after former 15 Pa.C.S.
25 §7728(a) and (b), except that the reference in subsection (a) to
26 an "other" interest is added, and the voting procedure in
27 subsection (a)(1) is clarified. The standard of conduct for the
28 board appears in new 15 Pa.C.S. §1721(b). Subsection (c) is
29 patterned in part after former 15 Pa.C.S. §7728(c). Compare new
30 15 Pa.C.S. §5728.

1 15 Pa.C.S. §1729: Patterned after former 15 Pa.C.S. §7729.

2 Compare new 15 Pa.C.S. §5729.

3 15 Pa.C.S. §1730: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §401 (penultimate and last sentences)
5 (15 P.S. §1401 (penultimate and last sentences)). Patterned
6 after former 15 Pa.C.S. §7730. Compare new 15 Pa.C.S. §5730.

7 15 Pa.C.S. §1731: Subsection (a) is derived from act of May
8 5, 1933 (P.L.364, No.106), §402(6) (15 P.S. §1402(6)), and is
9 patterned after former 15 Pa.C.S. §7731(a). The requirement that
10 committees must be established by at least the specified
11 majority of the directors is added. The restrictions in
12 subsection (a)(1) are added. Subsection (b) is patterned after
13 former 15 Pa.C.S. §7731(b). Subsection (c) is patterned after
14 the penultimate and last sentences of the definition of "board
15 of directors" in former 15 Pa.C.S. §7103. Compare new 15 Pa.C.S.
16 §5731.

17 15 Pa.C.S. §1732: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §406 (15 P.S. §1406). Patterned after former 15 Pa.C.S.
19 §7732. The requirement that a corporation have a president,
20 secretary and treasurer, by name, is omitted. The reference in
21 the sixth sentence of subsection (a) to election or appointment
22 in a manner or for a term fixed pursuant to the bylaws is added.
23 The seventh, eighth and ninth sentences of subsection (a) are
24 new. The powers of the board of directors to elect and fix the
25 compensation of officers and fill vacancies appear in new 15
26 Pa.C.S. §1502(a)(16). Compare new 15 Pa.C.S. §5732.

27 15 Pa.C.S. §1733: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §407 (15 P.S. §1407). Patterned after former 15 Pa.C.S.
29 §7733. The standard of conduct of the board of directors appears
30 in new 15 Pa.C.S. §1721. The last sentence is patterned after

1 Model Business Corporation Act §51 (last sentence) (1971).

2 Compare new 15 Pa.C.S. §5733.

3 15 Pa.C.S. §1741: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §410A (15 P.S. §1410A), except that
5 the introductory clause is new (but see new 15 Pa.C.S. §1743).
6 Patterned after former 15 Pa.C.S. §7741. Compare new 15 Pa.C.S.
7 §5741.

8 15 Pa.C.S. §1742: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), §410B (15 P.S. §1410B), except that
10 the introductory clause is new (but see new 15 Pa.C.S. §1743).
11 Patterned after former 15 Pa.C.S. §7742. Compare new 15 Pa.C.S.
12 §5742.

13 15 Pa.C.S. §1743: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), §410C (15 P.S. §1410C). Patterned
15 after former 15 Pa.C.S. §7743. The first clause is intended as a
16 codification of existing law. Compare new 15 Pa.C.S. §5743.

17 15 Pa.C.S. §1744: Substantially a reenactment of act of May
18 5, 1933 (P.L.364, No.106), §410D (15 P.S. §1410D). Patterned
19 after former 15 Pa.C.S. §7744. Compare new 15 Pa.C.S. §5744.

20 15 Pa.C.S. §1745: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §410E (15 P.S. §1410E). Patterned after former 15
22 Pa.C.S. §7745 and Delaware General Corporation Law §145(e). The
23 reference to attorneys' fees is intended as a codification of
24 existing law. The determination to advance expenses may be made
25 by the board, subject to the generally applicable standard of
26 care (see new 15 Pa.C.S. §1721). See section 402(2) of the act
27 of _____, 1985 (P.L. _____, No. _____), known as the General
28 Association Act of 1985 (15 P.S. § _____). Compare new 15 Pa.C.S.
29 §5745.

30 15 Pa.C.S. §1746: Substantially a reenactment of act of May

1 5, 1933 (P.L.364, No.106), §410F (15 P.S. §1410F). Patterned
2 after former 15 Pa.C.S. §7746. Compare new 15 Pa.C.S. §5746.

3 15 Pa.C.S. §1747: Derived from act of May 5, 1933 (P.L.364,
4 No.106), §410G (15 P.S. §1410G). Patterned after former 15
5 Pa.C.S. §7747. The introductory clause is new. The final
6 sentence is intended to overrule Nationwide Mutual Ins. Co. v.
7 Hassinger, Pa. Super. , 473 A.2d 171 (1984), insofar as it
8 relates to the purchase and maintenance of insurance coverage
9 under this section against intentional acts. Compare new 15
10 Pa.C.S. §5747.

11 15 Pa.C.S. §1748: Patterned after former 15 Pa.C.S. §7748.
12 Compare new 15 Pa.C.S. §5748.

13 15 Pa.C.S. §1749: Patterned after Delaware General
14 Corporation Law §145(i). Compare new 15 Pa.C.S. §5749.

15 15 Pa.C.S. §1754: Intended as a codification of existing
16 law.

17 15 Pa.C.S. §1755: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §501B, C and D (15 P.S. §1501B, C and D). Patterned
19 after former 15 Pa.C.S. §7755. The right of a shareholder to
20 call the annual meeting as set forth in the text is substituted
21 for the right to call the meeting during the next calendar year.
22 The right of the president to call a special meeting is omitted.
23 Requirements on notice of special meetings appear in new 15
24 Pa.C.S. §1704(b). Compare new 15 Pa.C.S. §5755.

25 15 Pa.C.S. §1756: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §503A (15 P.S. §1503A). Patterned in part after former
27 15 Pa.C.S. §7756. Subsection (b) is added. Compare new 15
28 Pa.C.S. §5756.

29 15 Pa.C.S. §1757: Subsections (a) and (b) are derived from
30 act of May 5, 1933 (P.L.364, No.106), §503A(1) and B (15 P.S.

1 §1503A(1) and B), and are patterned after former 15 Pa.C.S.
2 §7757. Subsection (c) is intended as a codification of existing
3 law and practice. Compare new 15 Pa.C.S. §5757.

4 15 Pa.C.S. §1758: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §§403 (last sentence), 504A (first sentence), 504B and
6 505 (15 P.S. §1403 (last sentence), 1504A (first sentence),
7 1504B and 1505). Patterned in part after former 15 Pa.C.S.
8 §7758. The last sentence of subsection (a) is intended as a
9 codification of existing law. Detwiler v. Commonwealth ex rel.
10 Dickinson, 131 Pa. 614, 18 At. 990 (1890); Providence &
11 Worcester Co. v. Baker, ___ Del. ___, 378 A.2d 121 (1977).
12 Compare, e.g., act of June 16, 1836 (P.L.799, No.193), §3 and
13 act of April 7, 1849 (P.L.563, No.368), §4, which mandated such
14 provisions. Subsection (c)(1) reverses the rule of the prior law
15 requiring language in the articles eliminating cumulative
16 voting. As to cumulative voting in statutory close corporations,
17 see new 15 Pa.C.S. §2331(a). The provision of prior law relating
18 to sale of votes has been omitted as uncertain and inappropriate
19 in the context of a modern corporation for profit. Compare new
20 15 Pa.C.S. §5758.

21 15 Pa.C.S. §1759: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §504A (15 P.S. §1504A). Patterned in part after former
23 15 Pa.C.S. §7759. Subsection (a)(2) and (3) is intended as a
24 codification of existing law and practice. Durational limits on
25 proxies eliminated. The reference in subsection (b) to written
26 notice of revocation of a proxy is new. Subsection (c)(1) and
27 (2) is intended as a codification of existing law and practice.
28 Compare new 15 Pa.C.S. §5759.

29 15 Pa.C.S. §1760: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §506 (15 P.S. §1506). The last clause is intended as a

1 codification of existing law. See new 15 Pa.C.S. §1759 as to
2 proxy voting.

3 15 Pa.C.S. §1761: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §507 (15 P.S. §1507).

5 15 Pa.C.S. §1762: Subsections (a) and (b) are derived from
6 act of May 5, 1933 (P.L.364, No.106), §508 (15 P.S. §1508), and
7 are patterned after former 15 Pa.C.S. §7760. The reference in
8 subsection (a) to a proxy appointed by an officer or agent is
9 intended as a codification of existing law and practice.

10 Provision on voting treasury shares is omitted and subsection
11 (c) is added in view of the elimination of references to
12 treasury shares (cf. new 15 Pa.C.S. §1552). Compare new 15
13 Pa.C.S. §5760.

14 15 Pa.C.S. §1763: Subsection (a) is derived from act of May
15 5, 1933 (P.L.364, No.106), §509 (15 P.S. §1509), and is
16 patterned after former 15 Pa.C.S. §7761(a). The concept of the
17 closing of the transfer books is omitted as obsolete. The
18 introductory clause of subsection (a) is added and the maximum
19 record date period is extended. The last sentence of subsection
20 (a) is patterned after Delaware General Corporation Law §213(c).
21 Subsection (b) is patterned after former 15 Pa.C.S. §7761(b) and
22 Delaware General Corporation Law §213(b). Subsection (c) is
23 patterned after the definition of "shareholder" in Model
24 Business Corporation Act §2(f) (1973). Compare new 15 Pa.C.S.
25 §5761.

26 15 Pa.C.S. §1764: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §510 (15 P.S. §1510). Subsection (a) is patterned in
28 part after Model Business Corporation Act §31, first paragraph
29 (1971). The first sentence of subsection (b) is patterned after
30 N.J.S.A. §14A:5-8(2) (last sentence). See new 15 Pa.C.S. §1759

1 as to voting by proxy. Compare new 15 Pa.C.S. §5758(e).

2 15 Pa.C.S. §1765: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §512 (15 P.S. §1512). Patterned after former 15 Pa.C.S.
4 §7762. Required vote for shareholder action appears in new 15
5 Pa.C.S. §1757(a) and reference to attendance by proxy appears in
6 new 15 Pa.C.S. §1759. Compare new 15 Pa.C.S. §5762.

7 15 Pa.C.S. §1766: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §513 (15 P.S. §1513). Patterned after former 15 Pa.C.S.
9 §7763. The reference in subsection (a) to consents prior or
10 subsequent to action is added. Subsection (b) is patterned after
11 Delaware General Corporation Law §228 and N.J.S.A. §14A:5-6(2).
12 The reference to authorization in the bylaws is added. Compare
13 new 15 Pa.C.S. §5763.

14 15 Pa.C.S. §1767: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §513.1. Patterned after former 15 Pa.C.S. §7764.
16 Subsection (a)(2) is patterned in part after N.J.S.A. §14A:12-
17 7(1)(c). Subsection (b) is new. The reference in prior law to
18 venue is supplied by the definition of "court" in new 15 Pa.C.S.
19 §1103. As to the right of a custodian of a statutory close
20 corporation to liquidate notwithstanding subsection (c), see new
21 15 Pa.C.S. §2333(a)(2). See the definition of "officer" in new
22 15 Pa.C.S. §1103. Compare new 15 Pa.C.S. §5764.

23 15 Pa.C.S. §1768: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §511 (15 P.S. §1511). Subsection (b) is intended as a
25 codification of existing law and practice. It is intended that
26 voting trusts shall be limited only by the Rule Against
27 Perpetuities or analogous considerations. Compare 20 Pa.C.S.
28 §6104.

29 15 Pa.C.S. §1769: Patterned in part after N.J.S.A. §14A:5-
30 22. Compare new 15 Pa.C.S. §5768.

1 15 Pa.C.S. §1770: Reenactment of act of May 5, 1933
2 (P.L.364, No.106), § 409.1C (15 P.S. § 1409.1C), as added by act
3 of December 23, 1983 (P.L.395, No.92), § 2.

4 15 Pa.C.S. §1781: New. Subsection (c) is derived from
5 Auerbach v. Bennett, 47 N.Y.2d 619, 419 N.Y.S.2d 920, 393 N.E.2d
6 994(1979). Compare new 15 Pa.C.S. §5781.

7 15 Pa.C.S. §1782: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §516 (15 Pa.C.S. §1516). Patterned after former 15
9 Pa.C.S. §7765. The reference in prior law to voting trust
10 certificates is omitted in light of the extension of subsection
11 (c) to beneficial owners, and the \$50,000 threshold of prior law
12 is increased to the amount set forth in the text. Compare new 15
13 Pa.C.S. §5782.

14 15 Pa.C.S. §1783: New. Compare new 15 Pa.C.S. §5783.

15 15 Pa.C.S. §1791: Patterned after former 15 Pa.C.S. §7781.
16 Compare new 15 Pa.C.S. §5791.

17 15 Pa.C.S. §1792: Patterned after former 15 Pa.C.S. §7782.
18 See Delaware General Corporation Law §211(c). Compare new 15
19 Pa.C.S. §5792.

20 15 Pa.C.S. §1793: Patterned after former 15 Pa.C.S. §7783.
21 See new 15 Pa.C.S. §1105. Compare new 15 Pa.C.S. §5793.

22 15 Pa.C.S. §1901: New. See Delaware General Corporation Law
23 §251(c). Compare new 15 Pa.C.S. §5901.

24 15 Pa.C.S. §1902: New. Compare new 15 Pa.C.S. §5902.

25 15 Pa.C.S. §1903: Subsection (a) is a reenactment of act of
26 May 5, 1933 (P.L.364, No.106), §319 (15 P.S. §1319). Subsection
27 (b) is a generalization of act of May 5, 1933 (P.L.364, No.106),
28 §320 (15 P.S. §1320). Compare new 15 Pa.C.S. §5903.

29 15 Pa.C.S. §1904: Generalization of act of November 10, 1959
30 (P.L.1406, No.502), title, and codification and expansion to

1 fundamental transactions generally of Terry v. Penn Central
2 Corp., 527 F.Supp. 118 (E.D. Pa. 1981), aff'd, 668 F.2d 188 (3rd
3 Cir. 1981). See new 15 Pa.C.S. §§1105 and 1571(b)(3). No
4 provision comparable to new 15 Pa.C.S. §1904 is required in new
5 15 Pa.C.S. Ch. 59 since members of a nonprofit corporation, by
6 reason of the absence of any expectation of gain from the
7 activities of the corporation, have never been considered to
8 enjoy the vested rights which triggered common law dissenters
9 rights.

10 15 Pa.C.S. §1905: Generalization of act of May 5, 1933
11 (P.L.364, No.106), §1102 (first sentence) (15 P.S. §2102 (first
12 sentence)).

13 15 Pa.C.S. §1906: New. Subsection (c) is patterned after new
14 15 Pa.C.S. §1917.

15 15 Pa.C.S. §1911: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), §801 (15 P.S. §1801), except that
17 subsection (b)(2) is added as a codification of existing law.
18 Patterned after former 15 Pa.C.S. §7901. Compare new 15 Pa.C.S.
19 §5911.

20 15 Pa.C.S. §1912: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §802 (15 P.S. §1802). Patterned after former 15 Pa.C.S.
22 §7902. The introductory clauses of paragraph (a)(2) and the
23 penultimate sentence of subsection (a) and the last sentence of
24 subsection (a) are new. The last sentence of subsection (b) is
25 intended as a codification of existing law and practice, and is
26 patterned in part after Delaware General Corporation Law §251(b)
27 (last sentence). Compare new 15 Pa.C.S. §5912.

28 15 Pa.C.S. §1913: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §803 (15 P.S. §1803). Patterned after former 15 Pa.C.S.
30 §7903. The requirement of minimum notice to shareholders appears

1 at new 15 Pa.C.S. §1704(b). Compare new 15 Pa.C.S. §5913.

2 15 Pa.C.S. §1914: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§804 and 805 (15 P.S. §§1804 and 1805). Patterned
4 after former 15 Pa.C.S. §7904. The last sentence of subsection
5 (a) is added. The special voting rights requirements of prior
6 law relating to revocation of the authority of the board to fix
7 the relative rights and preferences of series and on changes in
8 the par value of shares are omitted. Subsection (c) is patterned
9 in part after Delaware General Corporation Law §241, and in part
10 after Model Business Corporation Act §§59(a) (1979) and 64
11 (1971). The reference in subsection (c)(3)(ii) to a split of
12 shares is not intended to include a combination of shares
13 although such a combination is sometimes referred to as a
14 "reverse split." Compare new 15 Pa.C.S. §§1504(a) and 5914.

15 15 Pa.C.S. §1915: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §§806 and 809 (15 P.S. §§1806 and 1809). Patterned
17 after former 15 Pa.C.S. §7905. Execution of the articles of
18 amendment is governed by new 15 Pa.C.S. §1108. Former paragraphs
19 (3), (4) and (5) are supplied by new paragraph (4). Paragraph
20 (6) is patterned in general after Model Business Corporation Act
21 §64 (1971). Compare new 15 Pa.C.S. §5915.

22 15 Pa.C.S. §1916: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §§808 and 809 (15 P.S. §§1808 and 1809). Patterned in
24 part after former 15 Pa.C.S. §7906. The requirement of prior law
25 that a certificate of amendment be issued is omitted (cf. new 15
26 Pa.C.S. 133(e)). The limitation in prior law on attack on the
27 validity of an amendment of articles appears in new 15 Pa.C.S.
28 §138(c). Compare new 15 Pa.C.S. §5916.

29 15 Pa.C.S. §1917: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §810 (15 P.S. §1810). Dissenters rights on the

1 elimination of cumulative voting or accrued dividends on
2 preferred shares are omitted.

3 15 Pa.C.S. §1921: Subsections (a) and (b) are substantially
4 a reenactment of act of May 5, 1933 (P.L.364, No.106), §901 (15
5 P.S. §1901), and are patterned after former 15 Pa.C.S. §7921.
6 The last clauses of subsections (a) and (b) are patterned after
7 Delaware General Corporation Law §252(a). Subsection (c) is
8 patterned in general after Delaware General Corporation Law
9 §254. See the definitions of "shareholder" and "shares" in new
10 15 Pa.C.S. §1103. Compare new 15 Pa.C.S. §5921.

11 15 Pa.C.S. §1922: Subsections (a) and (c) are derived from
12 act of May 5, 1933 (P.L.364, No.106), §902A and B (first
13 sentence) (15 P.S. §1902A and B (first sentence)), and are
14 patterned after former 15 Pa.C.S. §7922. The references in
15 subsection (a)(3) to "property or rights" are added. Provision
16 with respect to cash in lieu of the issuance of fractional
17 shares appears in new 15 Pa.C.S. §1527. The last sentence of
18 subsection (a) is patterned after Delaware General Corporation
19 Law §251(b) (last sentence). Subsection (b) is patterned after
20 Delaware General Corporation Law §251(d) (last sentence).
21 Subsection (d) is new. Compare new 15 Pa.C.S. §5922.

22 15 Pa.C.S. §1923: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §902B (except first sentence) (15 P.S. §1902B (except
24 first sentence)). Patterned after former 15 Pa.C.S. §7923. The
25 requirement of minimum notice to shareholders appears in new 15
26 Pa.C.S. §1704(b). The penultimate sentence of former subsection
27 902B appears in new 15 Pa.C.S. §§1702(a) and 1704. Compare new
28 15 Pa.C.S. §5923.

29 15 Pa.C.S. §1924: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §§902C and 902.1 (15 P.S. §§1902C and 1902.1).

1 Patterned after former 15 Pa.C.S. §7924. The last two sentences
2 of subsection (a) and the introductory clause of subsection
3 (b)(1) are added. The 15% limitation of the prior law is
4 omitted. Subsection (b)(1)(i) is patterned in part after
5 Delaware General Corporation Law §251(f). Subsection (b)(2) is
6 new. Subsection (b)(1)(ii) and subsection (b)(3) are patterned
7 in general after Delaware General Corporation Law §253. The
8 provision of subsection (c) relating to termination of a plan of
9 merger or consolidation at any time prior to its effective date,
10 regardless of whether articles of merger or consolidation have
11 been filed, is new. Former subsection 902.1B appears in new 15
12 Pa.C.S. §1926(4). Compare new 15 Pa.C.S. §5924.

13 15 Pa.C.S. §1925: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), §902D (15 P.S. §1902D). Patterned
15 after former 15 Pa.C.S. §7925. Compare new 15 Pa.C.S. §5925.

16 15 Pa.C.S. §1926: Derived from act of May 5, 1933 (P.L.364,
17 No.106), §903 (15 P.S. §1903). Patterned after former 15 Pa.C.S.
18 §7926. Execution of the articles of merger or consolidation is
19 governed by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5926.

20 15 Pa.C.S. §1927: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §905 (15 P.S. §1905). Patterned after former 15 Pa.C.S.
22 §7927. The requirement of prior law that a certificate of merger
23 or consolidation be issued is omitted (cf. new 15 Pa.C.S.
24 §133(e)). Compare new 15 Pa.C.S. §5927.

25 15 Pa.C.S. §1928: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §906 (15 P.S. §1906). Patterned after former 15 Pa.C.S.
27 §7928. The limitation in prior law on attack on the validity of
28 the transaction appears in new 15 Pa.C.S. §138(c). Compare new
29 15 Pa.C.S. §5928.

30 15 Pa.C.S. §1929: Substantially a reenactment of act of May

1 5, 1933 (P.L.364, No.106), §907 (15 P.S. §1907). Patterned after
2 former 15 Pa.C.S. §7929. The last clause of the first sentence
3 of subsection (b) is intended as a codification of existing law
4 and is patterned after Model Business Corporation Act §76(d)
5 (1971) and N.J.S.A. §14A:10-6(d). Provisions of prior law to the
6 effect that the liabilities of shareholders, directors and
7 officers and the rights of creditors cannot be affected by a
8 merger or consolidation are omitted. Compare new 15 Pa.C.S. §
9 5929.

10 15 Pa.C.S. §1930: The first sentence of subsection (a) is
11 substantially a reenactment of act of May 5, 1933 (P.L.364,
12 No.106), §908A (15 P.S. §1908A). The second and third sentences
13 of subsection (a) are added. The subject matter of former
14 subsection 908B is supplied by new 15 Pa.C.S. §1571(b)(3).
15 Subsections (b) and (c) are new.

16 15 Pa.C.S. §1931: New. Subsections (a) and (b) are
17 patterned in general after Model Business Corporation Act §72-A
18 (1976).

19 15 Pa.C.S. §1932: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §311A-E (15 P.S. §1311A-E). The final two sentences of
21 former subsection 311A are supplied by new 15 Pa.C.S. Chs. 19F
22 and 19G. The introductory clause of subsection (a)(2) is added.
23 The reference in subsection (b) to transactions involving
24 distributions or division is added. The requirement for a "plan
25 of asset transfer" is new. The fourth sentence of subsection (b)
26 is patterned in part after Delaware General Corporation Law
27 §251(b) (last sentence). The last sentence of subsection (b) and
28 subsection (c)(2) are new. Subsection (d)(3) is intended as a
29 codification of existing law. Jennings v. Pittsburgh Mercantile
30 Co., 112 P.L.J. 84 (C.P. Allegh. Cty. 1963), rev'd on other

1 grounds, 414 Pa. 641 (1964). References in subsection (e) to the
2 treatment of security interests and the dedication of property
3 to the repayment of indebtedness are intended as a codification
4 of existing law. Compare new 15 Pa.C.S. §5930.

5 15 Pa.C.S. §1951: Patterned after former 15 Pa.C.S. §7941.
6 Compare new 15 Pa.C.S. §5951.

7 15 Pa.C.S. §1952: Patterned after former 15 Pa.C.S. §7942.
8 The last sentence of subsection (a) is patterned in part after
9 Delaware General Corporation Law §251(b) (last sentence).
10 Compare new 15 Pa.C.S. §5952.

11 15 Pa.C.S. §1953: New. Compare new 15 Pa.C.S. §5953.

12 15 Pa.C.S. §1954: Patterned after former 15 Pa.C.S. §7943.
13 Compare new 15 Pa.C.S. §5954.

14 15 Pa.C.S. §1955: Patterned after former 15 Pa.C.S. §7944.
15 Compare new 15 Pa.C.S. §5955.

16 15 Pa.C.S. §1956: Patterned after former 15 Pa.C.S. §7945.
17 Compare new 15 Pa.C.S. §5956.

18 15 Pa.C.S. §1957: Patterned after former 15 Pa.C.S. §7946.
19 The last clause of the first sentence of subsection (b)(1) is
20 patterned in part after Model Business Corporation Act §76(d)
21 (1971) and N.J.S.A. §14A:10-6(d). Compare new 15 Pa.C.S. §5957.

22 15 Pa.C.S. §1961: Derived from former 15 Pa.C.S. §7951(a)
23 and (c). Compare new 15 Pa.C.S. §5961.

24 15 Pa.C.S. §1962: Derived from former 15 Pa.C.S. §7952. The
25 last sentence of subsection (a) is patterned in part after
26 Delaware General Corporation Law §251(b) (last sentence).
27 Compare new 15 Pa.C.S. §5962.

28 15 Pa.C.S. §1963: Substantially a reenactment of former 15
29 Pa.C.S. §7953. Execution of the articles of conversion is
30 governed by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §5963.

1 15 Pa.C.S. §1964: Subsection (a) is a reenactment of former
2 15 Pa.C.S. §7954. Compare new 15 Pa.C.S. §5964.

3 15 Pa.C.S. §1965: Reenactment of former 15 Pa.C.S. §7955.
4 Compare new 15 Pa.C.S. §5965.

5 15 Pa.C.S. §1966: Substantially a reenactment of former 15
6 Pa.C.S. §7956(a). Compare new 15 Pa.C.S. §5966.

7 15 Pa.C.S. §1971: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §1101 (15 P.S. §2101). Patterned after former 15
9 Pa.C.S. §7961. The first clause of subsection (a)(2) is added.
10 In subsection (a)(6) the unanimous consent requirement of the
11 prior law is reduced to the vote set forth in the text. Compare
12 new 15 Pa.C.S. §5971.

13 15 Pa.C.S. §1972: Derived from act of May 5, 1933 (P.L.364,
14 No.106), §1102 (first sentence) (15 P.S. §2102 (first
15 sentence)). Patterned after former 15 Pa.C.S. §7962. Compare new
16 15 Pa.C.S. §5972.

17 15 Pa.C.S. §1973: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §1102 (second and third sentences) (15 P.S. §2102
19 (second and third sentences)). Patterned after former 15 Pa.C.S.
20 §7963. The requirement of prior law that notice be given to
21 shareholders not entitled to vote is omitted. Compare new 15
22 Pa.C.S. §5973.

23 15 Pa.C.S. §1974: Derived from act of May 5, 1933 (P.L.364,
24 No.106), §§1102 (last sentence) and 1103.1 (15 P.S. §§2102 (last
25 sentence) and 2103.1). Patterned after former 15 Pa.C.S. §7964.
26 The last sentence of subsection (a) and subsection (b) are
27 added. The provisions of prior law relating to certificate of
28 election to dissolve are omitted. Compare new 15 Pa.C.S. §5974.

29 15 Pa.C.S. §1975: Derived from act of May 5, 1933 (P.L.364,
30 No.106), §1104A, B and C (15 P.S. §2104A, B and C). Patterned

1 after former 15 Pa.C.S. §7967. Reference to collection of unpaid
2 subscriptions is supplied by new 15 Pa.C.S. §1979(b). Compare
3 new 15 Pa.C.S. §5975.

4 15 Pa.C.S. §1976: Substantially a reenactment of act of May
5 5, 1933 (P.L.364, No.106), §1104D (15 P.S. §2104D). Patterned
6 after former 15 Pa.C.S. §7968(a). The reference in prior law to
7 venue is supplied by the definition of "court" in new 15 Pa.C.S.
8 §1103. Compare new 15 Pa.C.S. §5976.

9 15 Pa.C.S. §1977: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §§1103 and 1105 (15 P.S. §§2103 and 2105). Patterned
11 after former 15 Pa.C.S. §7969. Execution of the articles of
12 dissolution is governed by new 15 Pa.C.S. §1108. The requirement
13 of prior law that proofs of publication be filed is omitted. The
14 requirement that a certificate of dissolution be issued is
15 omitted (cf. new 15 Pa.C.S. §133(e)). Compare new 15 Pa.C.S.
16 §5977.

17 15 Pa.C.S. §1978: Substantially a reenactment of act of May
18 5, 1933 (P.L.364, No.106), §1106 (15 P.S. §2106). Patterned
19 after former 15 Pa.C.S. §7970. Compare new 15 Pa.C.S. §5978.

20 15 Pa.C.S. §1979: Derived from act of May 5, 1933 (P.L.364,
21 No.106), §1111 (15 P.S. §2111). Patterned after former 15
22 Pa.C.S. §7971. The first and last sentences of subsection (b)
23 are added. The reference in prior law to venue is supplied by
24 the definition of "court" in new 15 Pa.C.S. §1103. Compare new
25 15 Pa.C.S. §5979.

26 15 Pa.C.S. §1980: New. Compare new 15 Pa.C.S. §5980.

27 15 Pa.C.S. §1981: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §1107A (15 P.S. §2107A). Patterned after former 15
29 Pa.C.S. §7981. The reference to a director in the introductory
30 clause is added. Former paragraph A(1) is omitted. The last

1 sentence of paragraph (3) is added (cf. 15 Pa.C.S. §1767(b)).

2 Compare new 15 Pa.C.S. §5981.

3 15 Pa.C.S. §1982: Substantially a reenactment of act of May
4 5, 1933 (P.L.364, No.106), §1107B (15 P.S. §2107B). Patterned
5 after former 15 Pa.C.S. §7982. The venue as set forth in prior
6 law is restricted by the definition of "court" in new 15 Pa.C.S.
7 §1103. Compare new 15 Pa.C.S. §5982.

8 15 Pa.C.S. §1984: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), §1108A (15 P.S. §2108A). Patterned
10 after former 15 Pa.C.S. §7984. The reference to assets wherever
11 situated is added. Compare new 15 Pa.C.S. §5984.

12 15 Pa.C.S. §1985: Substantially a reenactment of act of May
13 5, 1933 (P.L.364, No.106), §1108B (15 P.S. §2108B). Patterned
14 after former 15 Pa.C.S. §7985. Reference in prior law to the
15 power of a liquidating receiver to collect any unpaid
16 consideration for shares is supplied by new 15 Pa.C.S. §1526.
17 The references to the disposition of corporate assets and to
18 jurisdiction of the corporation and its property, wherever
19 situated, are added. The former last sentence is supplied by 42
20 Pa.C.S. §912. See the definition of "officer" in new 15 Pa.C.S.
21 §1103. Compare new 15 Pa.C.S. §5985.

22 15 Pa.C.S. §1986: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §1108C (15 P.S. §2108C). Patterned after former 15
24 Pa.C.S. §7986. Reference in prior law to residence as a
25 qualification is omitted. Compare new 15 Pa.C.S. §5986.

26 15 Pa.C.S. §1987: Substantially a reenactment of act of May
27 5, 1933 (P.L.364, No.106), §1108D (15 P.S. §2108D), except that
28 references to prescription of the form of proofs of claim and to
29 bar date extensions by the court are added. Patterned after
30 former 15 Pa.C.S. §7987. Compare new 15 Pa.C.S. §5987.

1 15 Pa.C.S. §1988: Patterned after Model Business Corporation
2 Act §101 (1971). Compare act of May 5, 1933 (P.L.364, No.106),
3 §1109 (15 P.S. §2109); and new 15 Pa.C.S. §5988.

4 15 Pa.C.S. §1989: Derived from act of May 5, 1933 (P.L.364,
5 No.106), §1110 (15 P.S. §2110). Patterned after former 15
6 Pa.C.S. §7989. Dissolution is postponed from issuance of the
7 decree, as provided by the prior law, to the time set forth in
8 the text. Compare new 15 Pa.C.S. §5989.

9 15 Pa.C.S. §2101: New. Compare new 15 Pa.C.S. §§2301, 2501,
10 2701 and 2901.

11 15 Pa.C.S. §2102: New. Compare new 15 Pa.C.S. §§2303 and
12 2903.

13 15 Pa.C.S. §2103: New. Compare new 15 Pa.C.S. §2304.

14 15 Pa.C.S. §2104: New. Compare new 15 Pa.C.S. §§2305, 2702
15 and 2905.

16 15 Pa.C.S. §2105: New. Compare new 15 Pa.C.S. §§2307 and
17 2906.

18 15 Pa.C.S. §2121: New.

19 15 Pa.C.S. §2122: New.

20 15 Pa.C.S. §2123: New.

21 15 Pa.C.S. §2124: New.

22 15 Pa.C.S. §2125: New.

23 15 Pa.C.S. §2126: New.

24 15 Pa.C.S. §2301: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §371 (15 P.S. §1371). The prohibition against a
26 management corporation electing statutory close corporation
27 status is new. Compare new 15 Pa.C.S. §§2101, 2501, 2701 and
28 2901.

29 15 Pa.C.S. §2302: Subsection (a) is patterned in part after
30 the Statutory Close Corporation Supplement to the Model Business

1 Corporation Act (1982). See, 37 Bus. Law. 269, 278-9 (1981).
2 Subsection (b) is a generalization of act of May 5, 1933
3 (P.L.364, No.106), §376B (15 P.S. §1376B).

4 15 Pa.C.S. §2303: Substantially a reenactment of act of May
5 5, 1933 (P.L.364, No.106), §373 (15 P.S. §1373). Patterned in
6 part after the Statutory Close Corporation Supplement to the
7 Model Business Corporation Act §3(a) (1982). Compare new 15
8 Pa.C.S. §§2102 and 2903.

9 15 Pa.C.S. §2304: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §372 (15 P.S. §1372). Statutory limitation on the
11 number of shareholders omitted. Cf., Comment 1 to section 3 of
12 the Proposed Statutory Close Corporation Supplement to the Model
13 Business Corporation Act (1981), 37 Bus. Law. 269, 277-8 (1981).
14 Subsection (c) is new except as to record holders in joint or
15 common tenancy or by the entireties. Compare new 15 Pa.C.S.
16 §2103.

17 15 Pa.C.S. §2305: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §374 (15 P.S. §1374). Patterned in part after the
19 Statutory Close Corporation Supplement to the Model Business
20 Corporation Act §3(b) (1982). Compare new 15 Pa.C.S. §§2104,
21 2702 and 2905.

22 15 Pa.C.S. §2306: Substantially a reenactment of act of May
23 5, 1933 (P.L.364, No.106), §375 (15 P.S. §1375).

24 15 Pa.C.S. §2307: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §376A (15 P.S. §1376A). Patterned in part after the
26 Statutory Close Corporation Supplement to the Model Business
27 Corporation Act §8(a) (1982). Compare new 15 Pa.C.S. §§2105 and
28 2906.

29 15 Pa.C.S. §2308: Substantially a reenactment of act of May
30 5, 1933 (P.L.364, No.106), §377 (15 P.S. §1377). The reference

1 in subsection (a) to section 2321(c) is added. Former subsection
2 C and paragraph (3) of subsection D are supplied by new 15
3 Pa.C.S. §2323.

4 15 Pa.C.S. §2309: Substantially a reenactment of act of May
5 5, 1933 (P.L.364, No.106), §378 (15 P.S. §1378). Execution of
6 the certificates filed in the Department of State is governed by
7 new 15 Pa.C.S. §1108. The reference in prior law to venue is
8 supplied by the definition of "court" in new 15 Pa.C.S. §1103.
9 The reference to enjoining or setting aside a transfer which is
10 in breach of a transfer restriction is supplied by new 15
11 Pa.C.S. §2323.

12 15 Pa.C.S. §2321: Subsection (a) is new (cf. new 15 Pa.C.S.
13 §1528). Subsection (b) is derived from act of May 5, 1933
14 (P.L.364, No.106), §379 (15 P.S. §1379). The reference in the
15 introductory clause of subsection (b)(1) to a bylaw adopted by
16 the shareholders is added. Reference to issuing or selling
17 treasury shares is omitted (cf. new 15 Pa.C.S. §1552).
18 Subsection (c) is patterned after the Statutory Close
19 Corporation Supplement to the Model Business Corporation Act §5
20 (1982).

21 15 Pa.C.S. §2322: Patterned after the Statutory Close
22 Corporation Supplement to the Model Business Corporation Act §4
23 (1982).

24 15 Pa.C.S. §2323: Patterned after the Statutory Close
25 Corporation Supplement to the Model Business Corporation Act §6
26 (1982).

27 15 Pa.C.S. §2324: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §380 (15 P.S. §1380). The references to new 15 Pa.C.S.
29 §2322(a) and new 15 Pa.C.S. Ch. 15D are added.

30 15 Pa.C.S. §2325: Patterned after the Statutory Close

1 Corporation Supplement to the Model Business Corporation Act §14
2 (1982).

3 15 Pa.C.S. §2331: Subsection (a) is new. Subsections (b) and
4 (c) are substantially a reenactment of act of May 5, 1933
5 (P.L.364, No.106), §381 (15 P.S. §1381).

6 15 Pa.C.S. §2332: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §382 (15 P.S. §1382). References to the bylaws are
8 added.

9 15 Pa.C.S. §2333: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §383 (15 P.S. §1383). The reference in prior law to
11 venue is supplied by the definition of "court" in new 15 Pa.C.S.
12 §1103. The last sentence of subsection (a) is added. See the
13 definition of "officer" in new 15 Pa.C.S. §1103.

14 15 Pa.C.S. §2334: Substantially a reenactment of act of May
15 5, 1933 (P.L.364, No.106), §384 (15 P.S. §1384), except that
16 reference in subsection (b)(1) to a bylaw is added. The
17 reference in prior law to venue is supplied by the definition of
18 "court" in new 15 Pa.C.S. §1103.

19 15 Pa.C.S. §2335: Substantially a reenactment of act of May
20 5, 1933 (P.L.364, No.106), §385 (15 P.S. §1385). The final
21 clause is patterned after the Statutory Close Corporation
22 Supplement to the Model Business Corporation Act §17 (1982).

23 15 Pa.C.S. §2336: Patterned in part after the Statutory
24 Close Corporation Supplement to the Model Business Corporation
25 Act §7 (1982).

26 15 Pa.C.S. §2337: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §386 (15 P.S. §1386). References to the bylaws are
28 added. Patterned after the Statutory Close Corporation
29 Supplement to the Model Business Corporation Act §15 (1982).

30 15 Pa.C.S. §2501: New. Compare new 15 Pa.C.S. §§2101, 2301,

1 2701 and 2901.

2 15 Pa.C.S. §2502: New.

3 15 Pa.C.S. §2503: New.

4 15 Pa.C.S. §2504: New.

5 15 Pa.C.S. §2511: Codification of existing law as to

6 registered corporations. Compare new 15 Pa.C.S. §1554.

7 15 Pa.C.S. §2512: New.

8 15 Pa.C.S. §2521: New. Compare new 15 Pa.C.S. §1755(b). See

9 new 15 Pa.C.S. §2535. See also section 402(2) of the act of

10 , 1985 (P.L. , No.), known as the General

11 Association Act of 1985 (15 P.S. §).

12 15 Pa.C.S. §2522: New. Compare new 15 Pa.C.S. §1755(c).

13 15 Pa.C.S. §2523: New.

14 15 Pa.C.S. §2524: Patterned in general after Delaware

15 General Corporation Law §228. Compare new 15 Pa.C.S. §1766(b).

16 15 Pa.C.S. §2535: New. Compare new 15 Pa.C.S. §1912(a)(2).

17 See new 15 Pa.C.S. §2521. See also section 402(2) of the act of

18 , 1985 (P.L. , No.), known as the General

19 Association Act of 1985 (15 P.S. §).

20 15 Pa.C.S. §2536: New. Compare new 15 Pa.C.S. §1981.

21 15 Pa.C.S. §2537: New. Compare new 15 Pa.C.S. §1932(c)(1).

22 15 Pa.C.S. §2538: Substantially a reenactment of act of May

23 5, 1933 (P.L.364, No.106), § 910 (15 P.S. § 1910), as added by

24 act of December 23, 1983 (P.L.395, No.92), § 4. The penultimate

25 sentence of subsection (a) is a reenactment of act of December

26 23, 1983 (P.L.395, No.92), § 5. Subsection (h)(1) is new.

27 15 Pa.C.S. §2701: New. Compare new 15 Pa.C.S. §§2101, 2301,

28 2501 and 2901.

29 15 Pa.C.S. §2702: New. Compare new 15 Pa.C.S. §§2104, 2305

30 and 2905.

1 15 Pa.C.S. §2703: New.

2 15 Pa.C.S. §2704: New.

3 15 Pa.C.S. §2711: New.

4 15 Pa.C.S. §2721: New. The provisions of new 15 Pa.C.S.

5 Subchapter 27C are intended to provide enabling legislation

6 consistent with the proposals for mutual fund governance in

7 S.E.C. Investment Company Act Release 12,888 (December 10, 1982)

8 (CCH Fed. Sec. L. Rep. Par. 83,303). See new 15 Pa.C.S. §2722.

9 15 Pa.C.S. §2722: New. See new 15 Pa.C.S. §2721.

10 15 Pa.C.S. §2901: Derived from act of July 9, 1970 (P.L.461,

11 No.160), §§5(a) and 6(a) (15 P.S. §§2905(a) and 2906(a)). The

12 prohibition against a management corporation electing

13 professional corporation status is new. Compare new 15 Pa.C.S.

14 §§2101, 2301, 2501 and 2701.

15 15 Pa.C.S. §2902: Derived from act of July 9, 1970 (P.L.461,

16 No.160), §2 (15 P.S. §2902). The definitions of "business

17 corporation" and "professional corporation" appear in new 15

18 Pa.C.S. §1103.

19 15 Pa.C.S. §2903: Substantially a reenactment of act of July

20 9, 1970 (P.L.461, No.160), §§3 (first paragraph), 6(a) and 7

21 (except last sentence of subsection (a)) (15 P.S. §§2903 (first

22 paragraph), 2906(a) and 2907 (except last sentence of subsection

23 (a))), except that the reference in subsection (a) to a heading

24 is added. Compare new 15 Pa.C.S. §§2102 and 2303.

25 15 Pa.C.S. §2904: Derived from act of July 9, 1970 (P.L.461,

26 No.160), §5(b) (15 P.S. §2905(b)). Articles of amendment

27 substituted for certificate of acceptance under prior law.

28 Compare new 15 Pa.C.S. §§2305 and 2702.

29 15 Pa.C.S. §2905: Substantially a reenactment of act of July

30 9, 1970 (P.L.461, No.160), §4(a), (b) and (c) (15 P.S. §2904(a),

1 (b) and (c)). The designation of the document filed is changed
2 from "certificate" to "statement." Former subsection (d) appears
3 as new 15 Pa.C.S. §1311(a)(6).

4 15 Pa.C.S. §2906: New. Compare new 15 Pa.C.S. §§2105 and
5 2307.

6 15 Pa.C.S. §2907: Substantially a reenactment of act of July
7 9, 1970 (P.L.461, No.160), §11(b), (c) and (d). (15 P.S.
8 §2911(b), (c) and (d)). The reference in prior law to venue is
9 supplied by the definition of "court" in new 15 Pa.C.S. §1103.

10 15 Pa.C.S. §2921: Substantially a reenactment of act of July
11 9, 1970 (P.L.461, No.160), §8(a) and (b) (15 P.S. §2908 (a) and
12 (b)), except that reference to the term "P.C." is added.

13 15 Pa.C.S. §2922: Subsection (a) is a reenactment of act of
14 July 9, 1970 (P.L.461, No.160), §7(a) (third sentence) (15 P.S.
15 §2907(a) (third sentence)). Subsection (b) is derived from act
16 of July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701 note) and
17 is otherwise intended as a codification of existing law.

18 15 Pa.C.S. §2923: Derived from act of July 9, 1970 (P.L.461,
19 No.160), §§10 and 11(a) (15 P.S. §§2910 and 2911(a)), and act of
20 July 10, 1981 (P.L.237, No.77), §7 (59 Pa.C.S. §701 note).

21 15 Pa.C.S. §2924: Reenactment of act of July 9, 1970
22 (P.L.461, No.160), §12 (15 P.S. §2912).

23 15 Pa.C.S. §2925: Substantially a reenactment of act of July
24 9, 1970 (P.L.461, No.160), §13 (15 P.S. §2913). As to the
25 nonassessability of shares in subsections (b) and (c), see new
26 15 Pa.C.S. §1524(c).

27 15 Pa.C.S. §4101: Derived from act of May 5, 1933 (P.L.364,
28 No.106), §§3 and 4B(3) (15 P.S. §§1003 and 1004B(3)). Subsection
29 (a) is patterned after former 15 Pa.C.S. §8101. Compare new 15
30 Pa.C.S. §6101.

1 15 Pa.C.S. §4102: Patterned in part after California General
2 Corporation Law §2115(a) and (e). See former 15 Pa.C.S. §8145(a)
3 and new 15 Pa.C.S. §2502. Compare new 15 Pa.C.S. §6102.

4 15 Pa.C.S. §4103: Patterned in part after California General
5 Corporation Law §2115(c). See new 15 Pa.C.S. §2503. Compare new
6 15 Pa.C.S. §6103.

7 15 Pa.C.S. §4104: Patterned in part after California General
8 Corporation Law §2115(d). See new 15 Pa.C.S. §2504. Compare new
9 15 Pa.C.S. §6104.

10 15 Pa.C.S. §4121: Derived from act of May 5, 1933 (P.L.364,
11 No.106), §§3C and 1001A (15 P.S. §§1003C and 2001A). Patterned
12 after former 15 Pa.C.S. §8121. The last sentence of subsection
13 (b) is added. Compare new 15 Pa.C.S. §6121.

14 15 Pa.C.S. §4122: Derived from act of May 5, 1933 (P.L.364,
15 No.106), §1001B (15 P.S. §2001B). Patterned after former 15
16 Pa.C.S. §8122. Subsection (a)(7) and (8) is patterned in part
17 after Model Business Corporation Act §106(g) and (h) (1973).
18 Compare new 15 Pa.C.S. §6122.

19 15 Pa.C.S. §4123: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §1002 (15 P.S. §2002). Patterned after former 15
21 Pa.C.S. §8123. Subsection (b)(1) is added. The requirement of
22 prior law that the application for a certificate of authority
23 contain a statement of the business that the applicant
24 corporation proposes to transact in this Commonwealth appears in
25 new 15 Pa.C.S. §134(a). Compare new 15 Pa.C.S. §6123.

26 15 Pa.C.S. §4124: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §§1003 and 1004 (15 P.S. §§2003 and 2004). Patterned
28 after former 15 Pa.C.S. §8124. The requirements of prior law
29 that a current subsistence certificate be submitted in order to
30 qualify, that the official publication of notice of

1 qualification include the character and nature of the business
2 to be done and the date of qualification, and that the
3 application for a certificate of authority state the business
4 proposed to be done and that such business is authorized by the
5 articles are omitted. Execution of the application for a
6 certificate of authority is governed by new 15 Pa.C.S. §1108.
7 Provisions regarding the corporate name are supplied by new 15
8 Pa.C.S. §4123. Compare new 15 Pa.C.S. §6124.

9 15 Pa.C.S. §4125: Derived from act of May 5, 1933 (P.L.364,
10 No.106), §1005 (15 P.S. §2005). Patterned after former 15
11 Pa.C.S. §8125. Compare new 15 Pa.C.S. §6125.

12 15 Pa.C.S. §4126: Derived from act of May 5, 1933 (P.L.364,
13 No.106), §1007 (15 P.S. §2007). Patterned after former 15
14 Pa.C.S. §8126. Former subsection B is omitted. The requirement
15 of prior law that a current subsistence certificate be submitted
16 with an application for an amended certificate of authority
17 reflecting a change of name is omitted. Execution of the
18 application for an amended certificate of authority is governed
19 by new 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §6126.

20 15 Pa.C.S. §4127: Compare act of May 5, 1933 (P.L.364,
21 No.106), §1009 (15 P.S. §2009). Patterned after former 15
22 Pa.C.S. §8127. Execution of the statement of merger,
23 consolidation or division is governed by new 15 Pa.C.S. §1108.
24 Compare new 15 Pa.C.S. §6127.

25 15 Pa.C.S. §4128: Derived from act of May 5, 1933 (P.L.364,
26 No.106), §§1013 and 1016 (15 P.S. §§2013 and 2016). Patterned
27 after former 15 Pa.C.S. §8128. Compare new 15 Pa.C.S. §6128.

28 15 Pa.C.S. §4129: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §1015 (15 P.S. §2015). Patterned after former 15
30 Pa.C.S. §8129. Subsection (a)(5) is added. Execution of the

1 application for a certificate of withdrawal is governed by new
2 15 Pa.C.S. §1108. Compare new 15 Pa.C.S. §6129.

3 15 Pa.C.S. §4130: Patterned after former 15 Pa.C.S. §8130.
4 Compare new 15 Pa.C.S. §6130.

5 15 Pa.C.S. §4131: Patterned in general after Model Business
6 Corporation Act §§10 and 11 (1971). Compare new 15 Pa.C.S.
7 §6131.

8 15 Pa.C.S. §4141: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §§4B(3) and 1014 (15 P.S. §§1004B(3) and 2014).

10 Patterned after former 15 Pa.C.S. §8141. The last clause of
11 subsection (b) is intended to make clear that, since at least
12 1966, escheat of property has not been a penalty for failure to
13 qualify as a foreign corporation for profit. Compare new 15
14 Pa.C.S. §6141.

15 15 Pa.C.S. §4142: Subsection (a) is derived from act of May
16 5, 1933 (P.L.364, No.106), §1010A (15 P.S. §2010A), and
17 patterned in part after former 15 Pa.C.S. §8142. Subsection (b)
18 is new. Compare new 15 Pa.C.S. §6142.

19 15 Pa.C.S. §4143: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §§1010B and 1012 (15 P.S. §§2010B and 2012). Patterned
21 after former 15 Pa.C.S. §8143. Compare new 15 Pa.C.S. §6143.

22 15 Pa.C.S. §4144: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §1006 (15 P.S. §2006). Patterned after former 15
24 Pa.C.S. §8144. Compare new 15 Pa.C.S. §6144.

25 15 Pa.C.S. §4145: Patterned after former 15 Pa.C.S. §8145.
26 Compare new 15 Pa.C.S. §6145.

27 15 Pa.C.S. §4146: New. Compare new 15 Pa.C.S. §6146.

28 15 Pa.C.S. §4161: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §909 (15 P.S. §1909). Subsection (b)(1) is patterned in
30 part after N.J.S.A. §14A:1-6(1)(a). The requirement for issuance

1 of a certificate of domestication is supplied by new 15 Pa.C.S.
2 §133(e). Compare new 15 Pa.C.S. §6161.

3 15 Pa.C.S. §4162: New. Compare new 15 Pa.C.S. §6162.

4 15 Pa.C.S. §5101: Derived from former 15 Pa.C.S. §7301.

5 Compare new 15 Pa.C.S. §1101.

6 15 Pa.C.S. §5102: Subsections (a) and (b) are derived from
7 former 15 Pa.C.S. §7302. Subsection (c) is new. Compare new 15
8 Pa.C.S. §1102. See section 402(3) of the act of , 1985
9 (P.L. , No.), known as the General Association Act of 1985
10 (15 P.S. §), as to the effective date of new 15 Pa.C.S. Pt.
11 II, Subpt. C.

12 15 Pa.C.S. §5103: Derived from former 15 Pa.C.S. §§102 and
13 7103. The definitions of "amendment," "articles," "bylaws,"
14 "board of directors," "business," "court," "employee," "entitled
15 to vote," "foreign domiciliary corporation," "foreign fraternal
16 benefit society," "foreign nonprofit corporation," "fraternal
17 benefit society," "institutional fund," "member," "nonprofit
18 corporation," "obligation," "officer," "officially publish,"
19 "plan," "representative," "unless (or "except as") otherwise
20 provided," "unless (or "except as") otherwise restricted" and
21 "voting" are new or revised. The term "nonqualified foreign
22 corporation" is supplied by "nonqualified foreign nonprofit
23 corporation." The term "qualified foreign corporation" is
24 supplied by "qualified foreign nonprofit corporation." The
25 balance of the former definition of "board of directors" appears
26 in new 15 Pa.C.S. §5731(c). Compare new 15 Pa.C.S. §1103.

27 15 Pa.C.S. §5104: New. Compare new 15 Pa.C.S. §1104.

28 15 Pa.C.S. §5105: Substantially a reenactment of former 15
29 Pa.C.S. §7104(b). See new 15 Pa.C.S. Subch. 57F. Compare new 15
30 Pa.C.S. §1105.

1 15 Pa.C.S. §5106: Derived from former 15 Pa.C.S. §7105. The
2 reference to "other bodies" in subsection (a) and subsection
3 (b)(3) are added. Former subsection (b)(3) omitted. Compare new
4 15 Pa.C.S. §1106.

5 15 Pa.C.S. §5107: Substantially a reenactment of former 15
6 Pa.C.S. §7107. Compare new 15 Pa.C.S. §1107.

7 15 Pa.C.S. §5108: New. Compare new 15 Pa.C.S. §1108.

8 15 Pa.C.S. §5109: Reenactment of former 15 Pa.C.S. §7106.

9 15 Pa.C.S. §5110: Derived from act of November 15, 1972
10 (P.L.1063, No.271), §8 (last sentence).

11 15 Pa.C.S. §5301: Reenactment of former 15 Pa.C.S. §7311.
12 Compare new 15 Pa.C.S. §1301.

13 15 Pa.C.S. §5302: Reenactment of former 15 Pa.C.S. §7312.
14 Compare new 15 Pa.C.S. §1302.

15 15 Pa.C.S. §5303: Derived from former 15 Pa.C.S. §7313.
16 Subsection (a) patterned in part after N.J.S.A. §14A:1-6(1)(a).
17 "Confusingly" substituted for "deceptively" to avoid any
18 implication that the restriction is operative only in cases of
19 deceit (see N.J.S.A. §14A:2-2(1)(b)). References to domestic and
20 qualified foreign limited partnerships are added to subsection
21 (b)(1). Subsection (b)(1)(i)(C) and subsection (c)(2)(v) are
22 new. The last sentence of subsection (d) is patterned after
23 Model Business Corporation Act §8(c)(2) (1971). See new 15
24 Pa.C.S. §5106(b)(2) as to the status of certain nonconforming
25 names of existing corporations. Compare new 15 Pa.C.S. §1303.

26 15 Pa.C.S. §5304: Substantially a reenactment of former 15
27 Pa.C.S. §7314, after giving effect to the enactment of new 15
28 Pa.C.S. Ch. 85, except that "confusingly" substituted for
29 "deceptively" (see N.J.S.A. §14A:2-2(1)(b)). Compare new 15
30 Pa.C.S. §1304.

1 15 Pa.C.S. §5305: Substantially a reenactment of former 15
2 Pa.C.S. §7315. The reservation period is increased to 120 days
3 (see N.J.S.A. §14A:2-3(2) and Model Business Corporation Act §9,
4 second paragraph (1971)). Compare new 15 Pa.C.S. §1305.

5 15 Pa.C.S. §5306: Derived from former 15 Pa.C.S. §7316.
6 Subsection (a)(1) is patterned in part after N.J.S.A. §14A:1-
7 6(1)(a). In subsection (a)(6) the duration of a corporation is
8 made perpetual in the absence of a provision in the articles to
9 the contrary. Provision on par value is made optional by
10 transfer from subsection (a)(6)(i) to subsection (a)(10). A
11 reference to "voting rights" is added to subsection (a)(7)(ii)
12 and (iii). Subsection (a)(9) is new. Reference to members of an
13 other body added to subsection (a)(10)(ii). Compare new 15
14 Pa.C.S. §1306.

15 15 Pa.C.S. §5307: Derived from former 15 Pa.C.S. §7317. The
16 requirements that the advertisement state the date that the
17 articles will be or were filed with the Department of State and
18 the purpose of the corporation are omitted. Compare new 15
19 Pa.C.S. §1307.

20 15 Pa.C.S. §5308: Subsection (a) is a reenactment of former
21 15 Pa.C.S. §7318. Compare new 15 Pa.C.S. §1308.

22 15 Pa.C.S. §5309: Substantially a reenactment of former 15
23 Pa.C.S. §7319, except that reference to effective date specified
24 in the articles is added (see new 15 Pa.C.S. §5306(a)(9)).
25 Compare new 15 Pa.C.S. §1309.

26 15 Pa.C.S. §5310: Substantially a reenactment of former 15
27 Pa.C.S. §7320, except that subsection (b) permits an
28 incorporator to act by written consent. Compare new 15 Pa.C.S.
29 §1310.

30 15 Pa.C.S. §5311: Substantially a reenactment of former 15

1 Pa.C.S. §7321, except that execution of the statement of summary
2 of record is governed by new 15 Pa.C.S. §5108. The designation
3 of the document is changed from "certificate" to "statement."
4 Compare new 15 Pa.C.S. §1311.

5 15 Pa.C.S. §5331: Reenactment of former 15 Pa.C.S. §7341.

6 15 Pa.C.S. §5341: Patterned in part after Delaware General
7 Corporation Law §312. Compare new 15 Pa.C.S. §1341.

8 15 Pa.C.S. §5501: Reenactment of former 15 Pa.C.S. §7501.
9 Compare new 15 Pa.C.S. §1501.

10 15 Pa.C.S. §5502: Derived from former 15 Pa.C.S. §7502.

11 Subsection (a)(1) is patterned in part after Model Business
12 Corporation Act §4(a) (1971). Subsection (a)(5) is patterned in
13 part after act of May 5, 1933 (P.L.364, No.106), §302(5) (15
14 P.S. §1302(5)). Subsection (a)(6) is patterned in part after
15 Delaware General Corporation Law §122(13). References to
16 "evidences of indebtedness" are supplied by the definition of
17 "obligation" in new 15 Pa.C.S. §5103. The limitations in former
18 subsection (a)(7) on the consideration receivable for the
19 issuance of debt obligations are supplied by new 15 Pa.C.S.

20 §5543. Subsection (a)(9) is patterned in general after proposed
21 1983 Revised Model Business Corporation Act §3.02(14) (exposure
22 draft, March 1983). Subsection (a)(14) is patterned in part
23 after Model Business Corporation Act §4(o) (1971). The power to
24 adopt, amend and repeal bylaws appears in new 15 Pa.C.S. §5504.

25 A reference to members of an other body is added to subsection
26 (a)(16). The express statement in subsection (a)(16) of the
27 power to pay bonuses or other additional compensation for past
28 services by representatives of the corporation is intended as a
29 codification of existing law. The express statement in
30 subsection (a)(16) of the power to lend money and credit to

1 representatives of the corporation is patterned after proposed
2 1983 Revised Model Business Corporation Act §3.02(12) (exposure
3 draft, March 1983). The power to indemnify corporate personnel
4 appears in new 15 Pa.C.S. §§5741 and 5742. The power to dissolve
5 and wind up appears in new 15 Pa.C.S. §§5971 and 5972.

6 Subsection (a)(19) is new. Compare new 15 Pa.C.S. §1502.

7 15 Pa.C.S. §5503: Derived from former 15 Pa.C.S. §7503.

8 Subsection (a) expanded to include limitations on the business,
9 purpose or powers of the corporation contained in the bylaws.

10 Subsection (b) expanded to include conveyances or transfers made
11 by employees or agents. Compare new 15 Pa.C.S. §1503.

12 15 Pa.C.S. §5504: Derived from former 15 Pa.C.S. §7504.

13 Requirements in subsection (a) for notice of meetings at which
14 bylaws are to be adopted, amended or repealed are patterned
15 after those applicable to amendments of the articles (cf. new 15
16 Pa.C.S. §5913). Provision in subsection (a) that changes in the
17 bylaws shall take effect when adopted unless otherwise provided
18 is new. Subsection (b) is extended to amendment and repeal of
19 the bylaws. Subsection (d) is intended as a codification of
20 existing law. Compare new 15 Pa.C.S. §1504.

21 15 Pa.C.S. §5505: Reenactment of former 15 Pa.C.S. §7505.

22 Compare new 15 Pa.C.S. §1505.

23 15 Pa.C.S. §5506: Derived from former 15 Pa.C.S. §7506. In
24 subsection (b) the exception relating to inconsistent statutes
25 is omitted (cf. new 15 Pa.C.S. §5108). Compare new 15 Pa.C.S.
26 §1506.

27 15 Pa.C.S. §5507: Subsections (a) and (b) are derived from
28 former 15 Pa.C.S. §7507. Requirement of an absolute majority
29 vote of the board of directors or other body to change the
30 registered office is supplied by new 15 Pa.C.S. §5727. Execution

1 of the statement of change of registered office is governed by
2 new 15 Pa.C.S. §5108. Subsections (c) and (d) are new. Compare
3 new 15 Pa.C.S. §1507.

4 15 Pa.C.S. §5508: Derived from former 15 Pa.C.S. §7508.
5 Specific reference to text of the bylaws, and requirement that
6 corporate records, other than the membership register, be kept
7 at the registered office or principal place of business of the
8 corporation are omitted. The last sentence of subsection (a) is
9 patterned after the last sentence of Model Business Corporation
10 Act §52, first paragraph (1971) (see also N.J.S.A. §14A:5-
11 28(1)). Compare new 15 Pa.C.S. §1508.

12 15 Pa.C.S. §5509: Derived from former 15 Pa.C.S. §7509.
13 Regular bylaws may restrict the adoption of emergency bylaws.
14 The last clause of the first sentence of subsection (a) is
15 patterned after 1983 Revised Model Business Corporation Act
16 §3.03(d) (exposure draft, March 1983). Subsection (c)(2) is
17 patterned after the last sentence of Model Business Corporation
18 Act §27A, last paragraph (1971) (see also N.J.S.A. §14A:2-
19 10(7)). Compare new 15 Pa.C.S. §1509.

20 15 Pa.C.S. §5510: Subsection (a) is derived from former 15
21 Pa.C.S. §7544. See the definition of "obligation" in new 15
22 Pa.C.S. §5103. The reference in subsection (a) to finance,
23 service and default charges and subsection (b) are intended,
24 inter alia, to make clear that the policy of this section
25 applies to installment sale contracts subject to the act of June
26 28, 1947 (P.L.1110, No.476), known as the "Motor Vehicle Sales
27 Finance Act" (69 P.S. §§601, et seq.) and all other economic
28 regulation of interest paid or incurred by bona fide
29 corporations. Compare new 15 Pa.C.S. §1510.

30 15 Pa.C.S. §5511: Reenactment of former 15 Pa.C.S. §7510.

1 15 Pa.C.S. §5541: Subsections (a), (c), (d) and (e) are a
2 reenactment of former 15 Pa.C.S. §7541(a), (c), (d) and (e).
3 Subsection (b) is derived from former 15 Pa.C.S. §7541(b). The
4 references to future services or the obligation of a member as
5 good consideration are added (cf. new 15 Pa.C.S. §1524(a)).

6 15 Pa.C.S. §5542: Derived from former 15 Pa.C.S. §7542. The
7 references to future services or the obligation of a member as
8 good consideration are added (cf. new 15 Pa.C.S. §1524(a)).
9 Provision is made for uncertificated subventions, similar to
10 uncertificated shares of a business corporation (cf. new 15
11 Pa.C.S. §1528(f)).

12 15 Pa.C.S. §5543: Derived from former 15 Pa.C.S. §7543.
13 Reference to real property in subsection (b) is added. See also
14 new 15 Pa.C.S. §5546.

15 15 Pa.C.S. §5544: Reenactment of former 15 Pa.C.S. §7545.

16 15 Pa.C.S. §5545: Derived from former 15 Pa.C.S. §7546.
17 Former last sentence, added by act of July 30, 1975 (P.L.128,
18 No.63), is transferred to the Fraternal Benefit Society Code.
19 See new 40 Pa.C.S. §6546 (added by Section 304 of the act of
20 _____, 1985 (P.L.____, No.____), known as the General
21 Association Act of 1985). Reference to transfers of income among
22 affiliated not-for-profit entities is intended as a codification
23 of existing law.

24 15 Pa.C.S. §5546: Derived from former 15 Pa.C.S. §7547. The
25 requirement of an extraordinary vote of the board of directors
26 or other body, which is the last vestige of the act of June 7,
27 1917 (P.L.388, No.189), known as the Revised Price Act of 1917,
28 has been omitted.

29 15 Pa.C.S. §5547: Derived from former 15 Pa.C.S. §7549.
30 Income from operations (see new 15 Pa.C.S. §5545) is not trust

1 property within the meaning of this section, since it is not
2 "given, devised," etc. within the meaning of this section.
3 Phrase "or otherwise" added to subsection (a). Subsection (b)(2)
4 is added. See Division II of the act of _____, 1985
5 (P.L.____, No.____), known as the General Association Act of 1985
6 (15 P.S. § ____ et seq.).

7 15 Pa.C.S. §5548: Subsections (a) and (b) are derived from
8 former 15 Pa.C.S. §7550. Subsection (c) is added. Former
9 subsections (c), (d) and (e) are supplied by Division II of the
10 act of _____, 1985 (P.L.____, No.____), known as the
11 General Association Act of 1985 (15 P.S. § ____ et seq.).
12 References to "the board of directors or other body" are changed
13 to "the corporation."

14 15 Pa.C.S. §5549: Derived from former 15 Pa.C.S. §7551. The
15 standards of the Uniform Management of Institutional Funds Act
16 (Division II of the act of _____, 1985 (P.L.____,
17 No.____), known as the General Association Act of 1985 (15 P.S. §
18 ____ et seq.)) are incorporated into subsection (c).

19 15 Pa.C.S. §5550: Derived from former 15 Pa.C.S. §7552. The
20 reference to a "court having jurisdiction over the assets" is
21 intended to be different from the "court" defined in 15 Pa.C.S.
22 §5103. See section 402(3) of the act of _____, 1985 (P.L.
23 , No. ____), known as the General Association Act of 1985 (15 P.S.
24 § ____).

25 15 Pa.C.S. §5551: Derived from former 15 Pa.C.S. §7553. The
26 former last sentence of subsection (a) is omitted (cf. new 15
27 Pa.C.S. §103). See the definition of "obligation" in new 15
28 Pa.C.S. §5103. Compare new 15 Pa.C.S. §1551.

29 15 Pa.C.S. §5553: Reenactment of former 15 Pa.C.S. §7554.
30 Compare new 15 Pa.C.S. §1526.

1 15 Pa.C.S. §5554: Substantially a reenactment of former 15
2 Pa.C.S. §7555. Compare new 15 Pa.C.S. §1554.

3 15 Pa.C.S. §5585: Reenactment of former 15 Pa.C.S. §7581.

4 15 Pa.C.S. §5586: Subsections (a) and (b) are substantially
5 a reenactment of former 15 Pa.C.S. §7582. Subsection (c) is
6 added. See Division II of the act of _____, 1985
7 (P.L.____, No.____), known as the General Association Act of 1985
8 (15 P.S. § ____ et seq.).

9 15 Pa.C.S. §5587: Reenactment of former 15 Pa.C.S. §7583.

10 15 Pa.C.S. §5588: Reenactment of former 15 Pa.C.S. §7584.

11 15 Pa.C.S. §5589: Reenactment of former 15 Pa.C.S. §7585.

12 15 Pa.C.S. §5701: Substantially a reenactment of former 15
13 Pa.C.S. §7701. Compare new 15 Pa.C.S. §1701.

14 15 Pa.C.S. §5702: Substantially a reenactment of former 15
15 Pa.C.S. §§7702 and 7703, except that the last clause of
16 subsection (b) and the first clause of subsection (c) are added.
17 Compare new 15 Pa.C.S. §1702.

18 15 Pa.C.S. §5703: Substantially a reenactment of former 15
19 Pa.C.S. §7704. The last sentence of subsection (b) is intended
20 as a codification of existing law. Compare new 15 Pa.C.S. §1703.

21 15 Pa.C.S. §5704: Substantially a reenactment of former 15
22 Pa.C.S. §7705, except that the minimum period for giving notice
23 of meetings of members is increased by five days. Compare new 15
24 Pa.C.S. §1704.

25 15 Pa.C.S. §5705: Reenactment of former 15 Pa.C.S. §7706.
26 Compare new 15 Pa.C.S. §1705.

27 15 Pa.C.S. §5706: Derived from former 15 Pa.C.S. §7707.
28 Compare new 15 Pa.C.S. §1706.

29 15 Pa.C.S. §5707: Subsection (a) is substantially a
30 reenactment of former 15 Pa.C.S. §7708, except last sentence

1 which is added. Subsection (b) is new. Compare new 15 Pa.C.S.
2 §1707.

3 15 Pa.C.S. §5708: Substantially a reenactment of former 15
4 Pa.C.S. §7709, except that the reference to incorporators is
5 added. Compare new 15 Pa.C.S. §1708.

6 15 Pa.C.S. §5721: Subsection (a) is derived from former 15
7 Pa.C.S. §7721, and patterned after Model Business Corporation
8 Act §35, first subsection (1974). Subsections (b) and (c) are
9 derived from former 15 Pa.C.S. §§7731(c) and 7734; and patterned
10 after Model Business Corporation Act §35, second and third
11 paragraphs (1974), California Corporations Code §309 and New
12 York Business Corporation Law §717. Compare new 15 Pa.C.S. §1721
13 and section 208 of the act of _____, 1985
14 (P.L.____, No.____), known as the General Association Act of 1985
15 (15 P.S. §____).

16 15 Pa.C.S. §5722: Reenactment of former 15 Pa.C.S. §7722.
17 Compare new 15 Pa.C.S. §1722.

18 15 Pa.C.S. §5723: Substantially a reenactment of former 15
19 Pa.C.S. §7723. Compare new 15 Pa.C.S. §1723.

20 15 Pa.C.S. §5724: Derived from former 15 Pa.C.S. §7724. The
21 second and third sentences are intended as a codification of
22 existing law and practice. The last sentence is patterned after
23 Model Business Corporation Act §36 (third sentence) (1971).
24 Compare new 15 Pa.C.S. §1724.

25 15 Pa.C.S. §5725: Derived from former 15 Pa.C.S. §7725. The
26 last sentence of subsection (a) is a reenactment of former 15
27 Pa.C.S. §7725(e), as added by section 1 of the act of December
28 12, 1984 (P.L.977, No.193). The last clause of subsection (b) is
29 patterned after the first sentence of act of May 5, 1933
30 (P.L.364, No.106), §403 (15 P.S. §1403). The reference to a sole

1 remaining director in subsection (c)(1) is added. Subsection
2 (c)(2) is added. Compare new 15 Pa.C.S. §1725.

3 15 Pa.C.S. §5726: Derived from former 15 Pa.C.S. §7726. In
4 subsection (b) conviction of a crime punishable by imprisonment
5 for more than one year is substituted for conviction of a felony
6 (cf. 18 Pa.C.S. §106). The last clause of subsection (c) is
7 added. Subsection (d) is patterned after N.J.S.A. §14A:6-6(5).
8 Compare new 15 Pa.C.S. §1726.

9 15 Pa.C.S. §5727: Derived from former 15 Pa.C.S. §7727. The
10 words "and voting" in subsection (a) are added (cf. the
11 definition of "voting" in new 15 Pa.C.S. §5103). The reference
12 in subsection (b) to consents prior or subsequent to an action
13 is added. Compare new 15 Pa.C.S. §1727.

14 15 Pa.C.S. §5728: Substantially a reenactment of former 15
15 Pa.C.S. §7728. The reference in subsection (a) to an "other"
16 interest is added. The standard of conduct for the board appears
17 in new 15 Pa.C.S. §5721(b). The last clause of subsection (c) is
18 added. Compare new 15 Pa.C.S. §1728.

19 15 Pa.C.S. §5729: Substantially a reenactment of former 15
20 Pa.C.S. §7729. The reference to "voting" directors in the last
21 clause of subsection (b) is intended to make clear that this
22 section contemplates the possibility of nonvoting directors.
23 Compare new 15 Pa.C.S. §1729.

24 15 Pa.C.S. §5730: Reenactment of former 15 Pa.C.S. §7730.
25 Compare new 15 Pa.C.S. §1730.

26 15 Pa.C.S. §5731: Subsections (a) and (b) are derived from
27 former 15 Pa.C.S. §7731(a) and (b). The last clause of
28 subsection (a)(1)(iv) is new. Former subsection (c) is supplied
29 by new 15 Pa.C.S. §5721. Subsection (c) is derived from the
30 definition of "board of directors" in former 15 Pa.C.S. §7103.

1 Compare new 15 Pa.C.S. §1731.

2 15 Pa.C.S. §5732: Derived from former 15 Pa.C.S. §7732. The
3 reference in the sixth sentence of subsection (a) to election or
4 appointment in a manner or for a term fixed pursuant to the
5 bylaws is added. The seventh sentence of subsection (a) is a
6 reenactment of former 15 Pa.C.S. §7732(c), as added by section 1
7 of the act of December 12, 1984 (P.L.977, No.193). The eighth,
8 ninth and tenth sentences of subsection (a) are new. The powers
9 of the board of directors to elect and fix the compensation of
10 officers and fill vacancies appears in new 15 Pa.C.S.
11 §5502(a)(16). Compare new 15 Pa.C.S. §1732.

12 15 Pa.C.S. §5733: Derived from former 15 Pa.C.S. §7733. The
13 standard of conduct of the board of directors appears in new 15
14 Pa.C.S. §5721. The last sentence is patterned after Model
15 Business Corporation Act §51 (last sentence) (1971). Compare new
16 Pa.C.S. §1733.

17 15 Pa.C.S. §5734: Derived from former 15 Pa.C.S. §7735. The
18 references to directors and members of an other body
19 individually are added.

20 15 Pa.C.S. §5741: Substantially a reenactment of former 15
21 Pa.C.S. §7741. Compare new 15 Pa.C.S. §1741.

22 15 Pa.C.S. §5742: Substantially a reenactment of former 15
23 Pa.C.S. §7742. Compare new 15 Pa.C.S. §1742.

24 15 Pa.C.S. §5743: Reenactment of former 15 Pa.C.S. §7743.
25 Compare new 15 Pa.C.S. §1743.

26 15 Pa.C.S. §5744: Substantially a reenactment of former 15
27 Pa.C.S. §7744, except that the last clause of paragraph (3) is
28 added. Compare new 15 Pa.C.S. §1744.

29 15 Pa.C.S. §5745: Substantially a reenactment of former 15
30 Pa.C.S. §7745. The reference to attorneys' fees is intended as a

1 codification of existing law. Compare new 15 Pa.C.S. §1745.

2 15 Pa.C.S. §5746: Substantially a reenactment of former 15
3 Pa.C.S. §7746(a), except that reference to members of an other
4 body is added. Former subsection 7746(b) is omitted. Compare new
5 15 Pa.C.S. §1746.

6 15 Pa.C.S. §5747: Substantially a reenactment of former 15
7 Pa.C.S. §7747. Compare new 15 Pa.C.S. §1747. The final sentence
8 is intended to overrule Nationwide Mutual Ins. Co. v. Hassinger,
9 Pa. Super. , 473 A.2d 171 (1984), insofar as it relates to
10 the purchase and maintenance of insurance coverage under this
11 section against intentional acts.

12 15 Pa.C.S. §5748: Substantially a reenactment of former 15
13 Pa.C.S. §7748. Compare new 15 Pa.C.S. §1748.

14 15 Pa.C.S. §5749: Patterned after Delaware General
15 Corporation Law §145(i). Compare new 15 Pa.C.S. §1749.

16 15 Pa.C.S. §5751: Reenactment of former 15 Pa.C.S. §7751.

17 15 Pa.C.S. §5752: Reenactment of former 15 Pa.C.S. §7752.

18 15 Pa.C.S. §5753: Reenactment of former 15 Pa.C.S. §7753.

19 15 Pa.C.S. §5754: Reenactment of former 15 Pa.C.S. §7754.

20 15 Pa.C.S. §5755: Substantially a reenactment of former 15
21 Pa.C.S. §7755, except that the last clause of the penultimate
22 sentence of subsection (a) is added and the time limit for
23 calling a meeting in subsection (b) is limited to meetings
24 called pursuant to a statutory right. Compare new 15 Pa.C.S.
25 §1755.

26 15 Pa.C.S. §5756: Derived from former 15 Pa.C.S. §7756. The
27 last phrase of subsection (a)(1) is added. In subsection (b) the
28 waiting period is substituted for the former requirement of
29 written notice. The separate rule on lack of a quorum at an
30 election of directors in former 15 Pa.C.S. §7756(b)(1) is

1 omitted. Compare new 15 Pa.C.S. §1756.

2 15 Pa.C.S. §5757: Subsections (a) and (b) are derived from
3 former 15 Pa.C.S. §7757. The last sentence of subsection (b) is
4 new. Subsection (c) is intended as a codification of existing
5 law and practice. Compare new 15 Pa.C.S. §1757.

6 15 Pa.C.S. §5758: Subsections (a) through (e) are
7 substantially a reenactment of former 15 Pa.C.S. §7758, except
8 that the last sentence of subsection (b) is added. See new 15
9 Pa.C.S. §§5725(a) and 5732(a) regarding procedures for
10 nomination. Subsection (f) is new (cf. new 15 Pa.C.S. §5734).
11 Compare new 15 Pa.C.S. §§1758 and 1764.

12 15 Pa.C.S. §5759: Derived from former 15 Pa.C.S. §7759. The
13 first clause of the second sentence of subsection (a) and
14 subsection (a)(2) are added. The reference in subsection (b) to
15 written notice of revocation of a proxy is added. Compare new 15
16 Pa.C.S. §1759.

17 15 Pa.C.S. §5760: Substantially a reenactment of former 15
18 Pa.C.S. §7760. The reference in subsection (a) to a proxy
19 appointed by an officer or agent is intended as a codification
20 of existing law and practice. Compare new 15 Pa.C.S. §1762.

21 15 Pa.C.S. §5761: Derived from former 15 Pa.C.S. §7761.
22 References to an other body in subsection (a) are added. The
23 last sentence of subsection (a) is patterned in part after
24 Delaware General Corporation Law §213(c). See new 15 Pa.C.S.
25 §5702(b). Compare new 15 Pa.C.S. §1763.

26 15 Pa.C.S. §5762: Reenactment of former 15 Pa.C.S. §7762.
27 Compare new 15 Pa.C.S. §1765.

28 15 Pa.C.S. §5763: Subsection (a) is derived from former 15
29 Pa.C.S. §7763. The reference in subsection (a) to consents prior
30 or subsequent to action is added. Subsection (b) is patterned

1 after act of May 5, 1933 (P.L.364, No.106), §513 (15 P.S.
2 §1513), Delaware General Corporation Law §228 and N.J.S.A.
3 §14A:5-6(2). Compare new 15 Pa.C.S. §1766.

4 15 Pa.C.S. §5764: Derived from former 15 Pa.C.S. §7764. The
5 references to members of an other body in subsection (a)(1) and
6 subsection (b) are added. See the definition of "officer" in new
7 15 Pa.C.S. §5103. Compare new 15 Pa.C.S. §1767.

8 15 Pa.C.S. §5765: Reenactment of former 15 Pa.C.S. §7766.

9 15 Pa.C.S. §5766: Reenactment of former 15 Pa.C.S. §7767.

10 15 Pa.C.S. §5767: Substantially a reenactment of former 15
11 Pa.C.S. §7768. See the definition of "obligation" in new 15
12 Pa.C.S. §5103. Compare new 15 Pa.C.S. §1531.

13 15 Pa.C.S. §5768: Patterned in part after N.J.S.A. §14A:5-
14 22. Compare new 15 Pa.C.S. §1769.

15 15 Pa.C.S. §5781: New. Subsection (c) is derived from
16 Auerbach v. Bennett, 47 N.Y.2d 619, 419 N.Y.S.2d 920, 393 N.E.2d
17 994 (1979). Compare new 15 Pa.C.S. §1781.

18 15 Pa.C.S. §5782: Substantially a reenactment of former 15
19 Pa.C.S. §7765(a)-(c), except that the reference in subsection
20 (a) to members of an other body is added. Former subsection
21 7765(d) is omitted (cf. new 15 Pa.C.S. §6146). Compare new 15
22 Pa.C.S. §1782.

23 15 Pa.C.S. §5783: New. Compare new 15 Pa.C.S. §1783.

24 15 Pa.C.S. §5791: Reenactment of former 15 Pa.C.S. §7781.
25 Compare new 15 Pa.C.S. §1791.

26 15 Pa.C.S. §5792: Reenactment of former 15 Pa.C.S. §7782.
27 Compare new 15 Pa.C.S. §1792.

28 15 Pa.C.S. §5793: Reenactment of former 15 Pa.C.S. §7783.
29 Compare new 15 Pa.C.S. §1793.

30 15 Pa.C.S. §5901: New. See Delaware General Corporation Law

1 §251(c). Compare new 15 Pa.C.S. §1901.

2 15 Pa.C.S. §5902: New. Compare new 15 Pa.C.S. §1902.

3 15 Pa.C.S. §5903: New. Compare former 15 Pa.C.S. §7548 and
4 new 15 Pa.C.S. §1903.

5 15 Pa.C.S. §5911: Substantially a reenactment of former 15
6 Pa.C.S. §7901. Compare new 15 Pa.C.S. §1911.

7 15 Pa.C.S. §5912: Substantially a reenactment of former 15
8 Pa.C.S. §7902; except for the introductory clauses of subsection
9 (a)(2) and the last sentence of subsection (a) which are added
10 and the last sentence of subsection (b) which is patterned in
11 part after Delaware General Corporation Law §251(b) (last
12 sentence). Compare new 15 Pa.C.S. §1912.

13 15 Pa.C.S. §5913: Substantially a reenactment of former 15
14 Pa.C.S. §7903. The requirement of minimum notice to members
15 appears in new 15 Pa.C.S. §5704(b). Compare new 15 Pa.C.S.
16 §1913.

17 15 Pa.C.S. §5914: Derived from former 15 Pa.C.S. §7904.
18 Subsection (b) is new. The provision of subsection (d) relating
19 to termination of an amendment before it becomes effective,
20 regardless of whether it has been filed, is new. Compare new 15
21 Pa.C.S. §1914.

22 15 Pa.C.S. §5915: Derived from former 15 Pa.C.S. §7905.
23 Subsection (6) is patterned in general after Model Business
24 Corporation Act §64 (1971). Execution of the articles of
25 amendment is governed by new 15 Pa.C.S. §5108. Compare new 15
26 Pa.C.S. §1915.

27 15 Pa.C.S. §5916: Derived from former 15 Pa.C.S. §7906. The
28 last sentence of subsection (a) is added. Former subsection (c)
29 is omitted. Compare new 15 Pa.C.S. §1916.

30 15 Pa.C.S. §5917: Restores act of August 17, 1951 (P.L.1286,

1 No.310) (former 15 P.S. §§8421, 8422).

2 15 Pa.C.S. §5921: Substantially a reenactment of former 15
3 Pa.C.S. §7921. The last clauses of subsections (a) and (b) are
4 patterned after Delaware General Corporation Law §252(a).
5 Compare new 15 Pa.C.S. §1921.

6 15 Pa.C.S. §5922: Derived from former 15 Pa.C.S. §7922. The
7 last sentence of subsection (a) is patterned after Delaware
8 General Corporation Law §251(b) (last sentence). Subsection (b)
9 is patterned after Delaware General Corporation Law §251(d)
10 (last sentence). Subsection (d) is new. Compare new 15 Pa.C.S.
11 §1922.

12 15 Pa.C.S. §5923: Derived from former 15 Pa.C.S. §7923. The
13 requirement of minimum notice to members appears in new 15
14 Pa.C.S. §5704(b). The reference to members not entitled to vote
15 is added. Compare new 15 Pa.C.S. §1923.

16 15 Pa.C.S. §5924: Derived from former 15 Pa.C.S. §7924.
17 Subsection (b) is new. Subsection (b)(1) is patterned in part
18 after Delaware General Corporation Law §251(f). The provision of
19 subsection (d) relating to termination of a plan of merger or
20 consolidation at any time prior to its effective date,
21 regardless of whether articles of merger or consolidation have
22 been filed, is new. Compare new 15 Pa.C.S. §1924.

23 15 Pa.C.S. §5925: Derived from former 15 Pa.C.S. §7925.
24 Compare new 15 Pa.C.S. §1925.

25 15 Pa.C.S. §5926: Substantially a reenactment of former 15
26 Pa.C.S. §7926, except that execution of the articles of merger
27 or consolidation is governed by new 15 Pa.C.S. §5108. Compare
28 new 15 Pa.C.S. §1926.

29 15 Pa.C.S. §5927: Derived from former 15 Pa.C.S. §7927.
30 Compare new 15 Pa.C.S. §1927.

1 15 Pa.C.S. §5928: Reenactment of former 15 Pa.C.S. §7928.

2 Compare new 15 Pa.C.S. §1928.

3 15 Pa.C.S. §5929: Substantially a reenactment of former 15

4 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 Model Business Corporation Act §76(d) (1971)

7 and N.J.S.A. §14A:10-6(d). Compare new 15 Pa.C.S. §1929.

8 15 Pa.C.S. §5930: Derived from former 15 Pa.C.S. §7930. The

9 requirement for a "plan of asset transfer" is new. The second

10 and third sentences of subsection (a) are patterned after the

11 act of May 5, 1933 (P.L.364, No.106), §311B (15 P.S. §1311B).

12 The fourth sentence of subsection (a) is patterned in part after

13 Delaware General Corporation Law §251(b) (last sentence).

14 Subsection (b)(1) is new. Subsection (b)(3) is intended as a

15 codification of existing law. Jennings v. Pittsburgh Mercantile

16 Co., 112 P.L.J. 84 (C.P. Allegh. Cty. 1963), rev'd on other

17 grounds, 414 Pa. 641 (1964). References in subsection (c) to the

18 treatment of security interests and the dedication of property

19 to the repayment of indebtedness are intended as a codification

20 of existing law. Compare new 15 Pa.C.S. §1932.

21 15 Pa.C.S. §5951: Substantially a reenactment of former 15

22 Pa.C.S. §7941. Compare new 15 Pa.C.S. §1951.

23 15 Pa.C.S. §5952: Derived from former 15 Pa.C.S. §7942. The

24 last sentence of subsection (a) is patterned in part after

25 Delaware General Corporation Law §251(b) (last sentence). The

26 introductory and final clauses of subsection (c) and the

27 reference in that subsection to section 5924(b) are added.

28 Subsections (d) and (e) are new. Subsection (f) is effective

29 retroactive to February 13, 1973. See section 402(3) of the act

30 of , 1985 (P.L. , No.), known as the General

1 Association Act of 1985 (15 P.S. §). Compare new 15 Pa.C.S.
2 §1952.

3 15 Pa.C.S. §5953: New. Compare new 15 Pa.C.S. §1953.

4 15 Pa.C.S. §5954: Substantially a reenactment of former 15
5 Pa.C.S. §7943, except that execution of the articles of division
6 is governed by new 15 Pa.C.S. §5108 and that paragraph (4)(ii)
7 is added. Compare new 15 Pa.C.S. §1954.

8 15 Pa.C.S. §5955: Derived from former 15 Pa.C.S. §7944.
9 Compare new 15 Pa.C.S. §1955.

10 15 Pa.C.S. §5956: Derived from former 15 Pa.C.S. §7945.
11 Compare new 15 Pa.C.S. §1956.

12 15 Pa.C.S. §5957: Derived from former 15 Pa.C.S. §7946. The
13 last clause of the first sentence of subsection (b) is intended
14 as a codification of existing law and is patterned in part after
15 Model Business Corporation Act §76(d) (1971) and N.J.S.A.
16 §14A:10-6(d). References in subsection (c) to the Bureau of
17 Employment Security and the release of liens are added.
18 Provision of prior law to the effect that the liability of
19 members, directors or officers cannot be affected by a division
20 is omitted. Compare new 15 Pa.C.S. §1957.

21 15 Pa.C.S. §5961: Derived from former 15 Pa.C.S. §7951(b)
22 and (c). Compare new 15 Pa.C.S. §1961.

23 15 Pa.C.S. §5962: Derived from former 15 Pa.C.S. §7952(a)
24 and (b). The last sentence of subsection (a) is patterned in
25 part after Delaware General Corporation Law §251(b) (last
26 sentence). Compare new 15 Pa.C.S. §1962.

27 15 Pa.C.S. §5963: Substantially a reenactment of former 15
28 Pa.C.S. §7953, except that execution of the articles of
29 conversion is governed by new 15 Pa.C.S. §5108. Compare new 15
30 Pa.C.S. §1963.

1 15 Pa.C.S. §5964: Subsection (a) is a reenactment of former
2 15 Pa.C.S. §7954. Compare new 15 Pa.C.S. §1964.

3 15 Pa.C.S. §5965: Reenactment of former 15 Pa.C.S. §7955.
4 Compare new 15 Pa.C.S. §1965.

5 15 Pa.C.S. §5966: Substantially a reenactment of former 15
6 Pa.C.S. §7956(b), except that reference to uncertificated shares
7 is added (cf. new 15 Pa.C.S. §1528(f)). Compare new 15 Pa.C.S.
8 §1956.

9 15 Pa.C.S. §5971: Substantially a reenactment of former 15
10 Pa.C.S. §7961. Compare new 15 Pa.C.S. §1971.

11 15 Pa.C.S. §5972: Substantially a reenactment of former 15
12 Pa.C.S. §7962. Compare new 15 Pa.C.S. §1972.

13 15 Pa.C.S. §5973: Derived from former 15 Pa.C.S. §7963. The
14 requirement of minimum notice to members appears in new 15
15 Pa.C.S. §5704(b). Reference to members not entitled to vote is
16 added. Compare new 15 Pa.C.S. §1973.

17 15 Pa.C.S. §5974: Subsections (a), (b) and (c) are derived
18 from former 15 Pa.C.S. §7964. The provision that the resolution
19 may be adopted by a majority vote of the members present is
20 patterned after act of June 21, 1937 (P.L.1969, No.389), §29(a)
21 (15 P.S. §12429(a)). The provision of subsection (c) relating to
22 termination of a proposal to dissolve at any time prior to
23 filing of articles of dissolution is new. Subsection (d) is
24 derived from former 15 Pa.C.S. §7966(a). The balance of former
25 15 Pa.C.S. §7966 and former 15 Pa.C.S. §7965 are omitted as
26 obsolete (cf. new 15 Pa.C.S. §5975(b)). Compare new 15 Pa.C.S.
27 §1974.

28 15 Pa.C.S. §5975: Derived from former 15 Pa.C.S. §7967.
29 Reference to collection of unpaid subscriptions is supplied by
30 new 15 Pa.C.S. §5979(b). Compare new 15 Pa.C.S. §1975.

1 15 Pa.C.S. §5976: Substantially a reenactment of former 15
2 Pa.C.S. §7968. Compare new 15 Pa.C.S. §1976.

3 15 Pa.C.S. §5977: Derived from former 15 Pa.C.S. §7969.
4 Execution of the articles of dissolution is governed by new 15
5 Pa.C.S. §5108. The requirement of prior law that proofs of
6 publication be filed is omitted. Compare new 15 Pa.C.S. §§1977
7 and 5971.

8 15 Pa.C.S. §5978: Reenactment of former 15 Pa.C.S. §7970.
9 Compare new 15 Pa.C.S. §1978.

10 15 Pa.C.S. §5979: Derived from former 15 Pa.C.S. §7971. The
11 first sentence of subsection (b) is intended as a codification
12 of existing law. Compare new 15 Pa.C.S. §1979.

13 15 Pa.C.S. §5980: New. Compare new 15 Pa.C.S. §1980.

14 15 Pa.C.S. §5981: Derived from former 15 Pa.C.S. §7981.
15 Reference to a member of an other body is added. The last
16 sentence of paragraph (4) is added (cf. new 15 Pa.C.S.
17 §5764(a)). Compare new 15 Pa.C.S. §1981.

18 15 Pa.C.S. §5982: Substantially a reenactment of former 15
19 Pa.C.S. §7982. Compare new 15 Pa.C.S. §1982.

20 15 Pa.C.S. §5983: Reenactment of former 15 Pa.C.S. §7983.

21 15 Pa.C.S. §5984: Substantially a reenactment of former 15
22 Pa.C.S. §7984, except that the reference to assets wherever
23 situated is added. Compare new 15 Pa.C.S. §1984.

24 15 Pa.C.S. §5985: Derived from former 15 Pa.C.S. §7985.
25 Reference in prior law to the power of a liquidating receiver to
26 collect any unpaid portions of membership contributions is
27 supplied by new 15 Pa.C.S. §5553. The references to disposition
28 of the corporate assets and to jurisdiction of the corporation
29 and its property, wherever situated, are added. The former last
30 sentence is supplied by 42 Pa.C.S. §912. See the definition of

1 "officer" in new 15 Pa.C.S. §5103. Compare new 15 Pa.C.S. §1985.

2 15 Pa.C.S. §5986: Derived from former 15 Pa.C.S. §7986.

3 Reference in prior law to residence as a qualification is
4 omitted. Compare new 15 Pa.C.S. §1986.

5 15 Pa.C.S. §5987: Substantially a reenactment of former 15
6 Pa.C.S. §7987, except that reference to prescription of the form
7 of proofs of claim is added. Compare new 15 Pa.C.S. §1987.

8 15 Pa.C.S. §5988: New. Compare former 15 Pa.C.S. §7988 and
9 new 15 Pa.C.S. §1988.

10 15 Pa.C.S. §5989: Substantially a reenactment of former 15
11 Pa.C.S. §7989, except for the reference to tax clearance
12 certificates and the last sentence of subsection (b) which are
13 added. Compare new 15 Pa.C.S. §1989.

14 15 Pa.C.S. §6101: Subsections (a) and (b) are derived from
15 former 15 Pa.C.S. §8101. Subsection (c) is new. See the
16 definition of "foreign fraternal benefit society" in new 15
17 Pa.C.S. §5103. Compare new 15 Pa.C.S. §4101.

18 15 Pa.C.S. §6102: Patterned after former 15 Pa.C.S.
19 §8145(a). Compare new 15 Pa.C.S. §4102.

20 15 Pa.C.S. §6103: New. Compare new 15 Pa.C.S. §4103.

21 15 Pa.C.S. §6104: New. Compare new 15 Pa.C.S. §4104.

22 15 Pa.C.S. §6121: Substantially a reenactment of former 15
23 Pa.C.S. §8121, except that the last sentence of subsection (b)
24 is new. Compare new 15 Pa.C.S. §4121.

25 15 Pa.C.S. §6122: Derived from former 15 Pa.C.S. §8122. The
26 words "other body" in subsection (a)(2) are added. Subsection
27 (a)(7) and (8) is patterned in part after Model Business
28 Corporation Act §106(g) and (h) (1973). Compare new 15 Pa.C.S.
29 §4122.

30 15 Pa.C.S. §6123: Derived from former 15 Pa.C.S. §8123.

1 Subsection (a)(1) is patterned in part after N.J.S.A. §14A:1-
2 6(1)(a). Subsection (b)(1) is new. The requirement of prior law
3 that the application for a certificate of authority contain a
4 statement of the business that the applicant corporation
5 proposes to transact in this Commonwealth appears in new 15
6 Pa.C.S. §134(a). Compare new 15 Pa.C.S. §4123.

7 15 Pa.C.S. §6124: Derived from former 15 Pa.C.S. §8124. The
8 requirements of prior law that a current subsistence certificate
9 be submitted in order to qualify, that the official publication
10 of notice of qualification include the character and nature of
11 the business to be done and the date of qualification, and that
12 the application for a certificate of authority state the
13 business proposed to be done and that such business is
14 authorized by the articles are omitted. Execution of the
15 application for a certificate of authority is governed by new 15
16 Pa.C.S. §5108. Compare new 15 Pa.C.S. §4124.

17 15 Pa.C.S. §6125: Derived from former 15 Pa.C.S. §8125. The
18 requirement of prior law that the certificate of authority state
19 the business the corporation is authorized to transact is
20 omitted. Compare new 15 Pa.C.S. §4125.

21 15 Pa.C.S. §6126: Derived from former 15 Pa.C.S. §8126.
22 Former subsection (b) is omitted. The requirement of prior law
23 that a current subsistence certificate be submitted with an
24 application for an amended certificate of authority reflecting a
25 change of name is omitted. Execution of the application for an
26 amended certificate of authority is governed by new 15 Pa.C.S.
27 §5108. Compare new 15 Pa.C.S. §4126.

28 15 Pa.C.S. §6127: Substantially a reenactment of former 15
29 Pa.C.S. §8127, except for the references to division and the
30 last sentence of subsection (b) which are added. Execution of

1 the statement of merger, consolidation or division is governed
2 by new 15 Pa.C.S. §5108. Compare new 15 Pa.C.S. §4127.

3 15 Pa.C.S. §6128: Derived from former 15 Pa.C.S. §8128. See
4 the definition of "representative" in new 15 Pa.C.S. §5103.
5 Compare new 15 Pa.C.S. §4128.

6 15 Pa.C.S. §6129: Derived from former 15 Pa.C.S. §8129.
7 Execution of the application for termination of authority is
8 governed by new 15 Pa.C.S. §5108. Reference to registered office
9 in subsection (a)(1) is added. Former subsections (a)(4) and
10 (b)(4) are omitted. Penultimate sentence of subsection (d)
11 patterned after act of May 5, 1933 (P.L.364, No.106), §1015C
12 (penultimate sentence) (15 P.S. §2015C (penultimate sentence)).
13 The last sentence of subsection (d) is new. Compare new 15
14 Pa.C.S. §4129.

15 15 Pa.C.S. §6130: Derived from former 15 Pa.C.S. §8130.
16 References to a successor in interest are added. Execution of
17 the statement of change of address by withdrawn corporation is
18 governed by new 15 Pa.C.S. §5108. Compare new 15 Pa.C.S. §4130.

19 15 Pa.C.S. §6131: New. Patterned in general after Model
20 Business Corporation Act §§10 and 11 (1971). Compare new 15
21 Pa.C.S. §4131.

22 15 Pa.C.S. §6141: Derived from former 15 Pa.C.S. §8141. The
23 last clause of subsection (b) is intended to make clear that
24 escheat of property is not a penalty for failure to qualify as a
25 foreign nonprofit corporation, and supplies former subsection
26 (b). Compare new 15 Pa.C.S. §4141.

27 15 Pa.C.S. §6142: Subsection (a) is substantially a
28 reenactment of former 15 Pa.C.S. §8142. Subsection (b) is new.
29 Compare new 15 Pa.C.S. §4142.

30 15 Pa.C.S. §6143: Derived from former 15 Pa.C.S. §8143. The

1 reference in prior law to corporations whose activities do not
2 constitute doing business in the Commonwealth is omitted. The
3 references to personal property in subsection (a) and to new 15
4 Pa.C.S. §6141(a) in subsection (b) are added. Compare new 15
5 Pa.C.S. §4143.

6 15 Pa.C.S. §6144: Derived from former 15 Pa.C.S. §8144.
7 Compare new 15 Pa.C.S. §4144.

8 15 Pa.C.S. §6145: Substantially a reenactment of former 15
9 Pa.C.S. §8145 (b), (c) and (d). See the definition of
10 "representative" in new 15 Pa.C.S. §5103. As to former
11 subsection (a), see new 15 Pa.C.S. §6102. Compare new 15 Pa.C.S.
12 §4145.

13 15 Pa.C.S. §6146: New. Compare new 15 Pa.C.S. §4146.

14 15 Pa.C.S. §6161: Patterned in part after act of May 5, 1933
15 (P.L.364, No.106) §909 (15 P.S. §1909). Compare new 15 Pa.C.S.
16 §4161.

17 15 Pa.C.S. §6162: New. Compare new 15 Pa.C.S. §4162.

18 15 Pa.C.S. §7101: Subsections (a) and (b) are a
19 generalization of act of June 7, 1887 (P.L.365, No.252) (15 P.S.
20 §12001 et seq.). Subsection (c) is new.

21 15 Pa.C.S. §7102: Generalization of act of June 7, 1887
22 (P.L.365, No.252) (15 P.S. §12001 et seq.).

23 15 Pa.C.S. §7103: Generalization of act of June 7, 1887
24 (P.L.365, No.252) (15 P.S. §12001 et seq.).

25 15 Pa.C.S. §7104: Generalization of act of June 7, 1887
26 (P.L.365, No.252) (15 P.S. §12001 et seq.).

27 15 Pa.C.S. §7301: Derived from act of June 21, 1937
28 (P.L.1969, No.389), §1 (15 P.S. §12401).

29 15 Pa.C.S. §7302: Subsection (a) is new. Subsection (b)
30 derived from act of June 21, 1937 (P.L.1969, No.389), §38 (15

1 P.S. §12438).

2 15 Pa.C.S. §7303: Derived from act of June 21, 1937
3 (P.L.1969, No.389), §2 (15 P.S. §12402). The balance of the
4 definition of "person" appears in 1 Pa.C.S. §1991.

5 15 Pa.C.S. §7304: Derived from act of June 21, 1937
6 (P.L.1969, No.389), §5 (15 P.S. §12405).

7 15 Pa.C.S. §7305: Reenactment of act of June 21, 1937
8 (P.L.1969, No.389), §3 (15 P.S. §12403).

9 15 Pa.C.S. §7306: Derived from act of June 21, 1937
10 (P.L.1969, No.389), §6(a) (15 P.S. §12406(a)).

11 15 Pa.C.S. §7307: Substantially a reenactment of act of June
12 21, 1937 (P.L.1969, No.389), §7 (15 P.S. §12407).

13 15 Pa.C.S. §7308: Substantially a reenactment of act of June
14 21, 1937 (P.L.1969, No.389), §36 (15 P.S. §12436). No
15 corresponding provision is considered necessary for new Title 15
16 in general because of the applicability of 1 Pa.C.S. §1928. This
17 section is not intended to imply that any other section of new
18 Title 15 is not to be construed liberally.

19 15 Pa.C.S. §7321: Derived from act of June 21, 1937
20 (P.L.1969, No.389), §§4 and 6(b) (15 P.S. §§12404 and 12406(b)).
21 The requirement of prior law for approval of the members after
22 60 days' notice for the authorization of debt is eliminated in
23 view of the repeal in 1956 of former section 7 of Article 16 of
24 the Constitution of 1874. Balance of former section 4 supplied
25 by new 15 Pa.C.S. §5502.

26 15 Pa.C.S. §7322: Reenactment of act of June 21, 1937
27 (P.L.1969, No.389), §11 (15 P.S. §12411).

28 15 Pa.C.S. §7323: Substantially a reenactment of act of June
29 21, 1937 (P.L.1969, No.389), §12 (15 P.S. §12412).

30 15 Pa.C.S. §7324: Reenactment of act of June 21, 1937

1 (P.L.1969, No.389), §13 (15 P.S. §12413).

2 15 Pa.C.S. §7325: Derived from act of June 21, 1937

3 (P.L.1969, No.389), §14 (15 P.S. §12414). Balance of section

4 supplied by new 15 Pa.C.S. §§5704 and 5755.

5 15 Pa.C.S. §7326: Reenactment of act of June 21, 1937

6 (P.L.1969, No.389), §16 (15 P.S. §12416).

7 15 Pa.C.S. §7327: Reenactment of act of June 21, 1937

8 (P.L.1969, No.389), §17 (15 P.S. §12417).

9 15 Pa.C.S. §7328: Derived from act of June 21, 1937

10 (P.L.1969, No.389), §18 (15 P.S. §12418). Reference to the

11 bylaws is added.

12 15 Pa.C.S. §7329: Derived from act of June 21, 1937

13 (P.L.1969, No.389), §§19 and 20 (15 P.S. §§12419 and 12420).

14 Balance of sections supplied by new 15 Pa.C.S. §§5721, 5722,

15 5724, 5725 and 5730.

16 15 Pa.C.S. §7330: Reenactment of act of June 1, 1937

17 (P.L.1969, No.389), §26 (15 P.S. §12426).

18 15 Pa.C.S. §7331: Derived from act of June 21, 1937

19 (P.L.1969, No.389), §28 (15 P.S. §12428). Balance of section

20 supplied by new 15 Pa.C.S. Ch. 59C.

21 15 Pa.C.S. §7332: Derived from act of June 21, 1937

22 (P.L.1969, No.389), §29 (15 P.S. §12429). Balance of section

23 supplied by new 15 Pa.C.S. Ch. 59F.

24 15 Pa.C.S. §7333: Substantially a reenactment of act of June

25 21, 1937 (P.L.1969, No.389), §31 (15 P.S. §12431).

26 15 Pa.C.S. §7334: Derived from act of June 21, 1937

27 (P.L.1969, No.389), §32 (15 P.S. §12432).

28 15 Pa.C.S. §7335: Derived from act of June 21, 1937

29 (P.L.1969, No.389), §33 (15 P.S. §12433). The reference to the

30 act of December 5, 1972 (P.L.1280, No.284) (70 P.S. §1-101 et

1 seq.) is added.

2 15 Pa.C.S. §7351: Derived from act of July 30, 1975
3 (P.L.113, No.57), §§1.1 and 9 (15 P.S. §§3277.1 and 3285).

4 15 Pa.C.S. §7352: Derived from act of July 30, 1975
5 (P.L.113, No.57), §2 (15 P.S. §3278). The definition of
6 "association or cooperative corporation" is supplied by new 15
7 Pa.C.S. §7302.

8 15 Pa.C.S. §7353: Reenactment of act of July 30, 1975
9 (P.L.113, No.57), §3 (15 P.S. §3279).

10 15 Pa.C.S. §7354: Substantially a reenactment of act of July
11 30, 1975 (P.L.113, No.57), §4 (15 P.S. §3280).

12 15 Pa.C.S. §7355: Substantially a reenactment of act of July
13 30, 1975 (P.L.113, No.57), §5 (15 P.S. §3281).

14 15 Pa.C.S. §7356: Reenactment of act of July 30, 1975
15 (P.L.113, No.57), §6 (15 P.S. §3282).

16 15 Pa.C.S. §7357: Reenactment of act of July 30, 1975
17 (P.L.113, No.57), §7 (15 P.S. §3283).

18 15 Pa.C.S. §7358: Substantially a reenactment of act of July
19 30, 1975 (P.L.113, No.57), §8 (15 P.S. §3284).

20 15 Pa.C.S. §7359: Substantially a reenactment of act of July
21 30, 1975 (P.L.113, No.57), §10 (15 P.S. §3286).

22 15 Pa.C.S. §7501: Derived from act of June 12, 1968
23 (P.L.173, No.94), §1 (15 P.S. §12101).

24 15 Pa.C.S. §7502: Derived from act of June 12, 1968
25 (P.L.173, No.94), §§4, 5 and 33 (15 P.S. §§12104, 12105 and
26 12133).

27 15 Pa.C.S. §7503: Derived from act of June 12, 1968
28 (P.L.173, No.94), §4 (15 P.S. §12104). The definition of
29 "person" appears in 1 Pa.C.S. §1991. The definitions of
30 "delegate" and "department" are added.

1 15 Pa.C.S. §7504: Derived from act of June 12, 1968
2 (P.L.173, No.94), §§2 and 3 (15 P.S. §§12102 and 12103). The
3 last clause of the first sentence of subsection (a) is not
4 intended to imply that any other section of new Title 15 is not
5 to be construed liberally. No provision for liberal construction
6 is considered necessary for new Title 15 in general because of
7 the applicability of 1 Pa.C.S. §1928.

8 15 Pa.C.S. §7505: Derived from act of June 12, 1968
9 (P.L.173, No.94), §8 (15 P.S. §12108). Requirement of prior law
10 for Pennsylvania citizenship changed to the requirement set
11 forth in the text.

12 15 Pa.C.S. §7506: Substantially a reenactment of act of June
13 12, 1968 (P.L.173, No.94), §9 (15 P.S. §12109).

14 15 Pa.C.S. §7507: Derived from act of June 12, 1968
15 (P.L.173, No.94), §10 (15 P.S. §12110). Balance of section
16 supplied by the provisions of new Part II of Title 15 made
17 applicable by this section. See new 15 Pa.C.S. §§1306 and 5306.

18 15 Pa.C.S. §7521: Derived from act of June 12, 1968
19 (P.L.173, No.94), §12 (15 P.S. §12112). See new 15 Pa.C.S.
20 §§1502 and 5502.

21 15 Pa.C.S. §7522: Derived from act of June 12, 1968
22 (P.L.173, No.94), §12.2(a) (last sentence) (15 P.S. §12112.2(a)
23 (last sentence)). Balance of section supplied by new 15 Pa.C.S.
24 §§1508 and 5508.

25 15 Pa.C.S. §7523: Substantially a reenactment of act of June
26 12, 1968 (P.L.173, No.94), §13 (15 P.S. §12113).

27 15 Pa.C.S. §7524: Derived from act of June 12, 1968
28 (P.L.173, No.94), §14 (15 P.S. §12114). The first clause of
29 subsection (f) is patterned in general after Ohio Rev. Code Ann.
30 §1729.10(F) (Page Supp. 1981). Although payment of a dividend in

1 excess of 8% will not be a violation of this section, payment of
2 such a dividend by a corporation not organized on the one
3 member/one vote principle may fail to qualify for the antitrust
4 exemptions contained in the Capper-Volstead Act, 7 U.S.C. §291.
5 Provisions on the form of membership and share certificates are
6 supplied by new 15 Pa.C.S. §§1528 and 5753. Provision on
7 preemptive rights is supplied by new 15 Pa.C.S. §1530.

8 15 Pa.C.S. §7525: Substantially a reenactment of act of June
9 12, 1968 (P.L.173, No.94), §15 (15 P.S. §12115). Reference to
10 the board of directors in subsection (a) is omitted as supplied
11 by new 15 Pa.C.S. §1502(c).

12 15 Pa.C.S. §7526: Substantially a reenactment of act of June
13 12, 1968 (P.L.173, No.94), §16 (15 P.S. §12116).

14 15 Pa.C.S. §7527: Derived from act of June 12, 1968
15 (P.L.173, No.94), §18 (15 P.S. §12118). Provisions on proxy
16 voting are supplied by new 15 Pa.C.S. §§1759 and 5759.

17 15 Pa.C.S. §7528: Derived from act of June 12, 1968
18 (P.L.173, No.94), §19 (15 P.S. §12119). Provisions on
19 organizational meeting of incorporators and notice of meetings
20 of members or delegates are supplied, respectively, by new 15
21 Pa.C.S. §§1320 and 5320 and new 15 Pa.C.S. §§1704 and 5704.

22 15 Pa.C.S. §7529: Derived from act of June 12, 1968
23 (P.L.173, No.94), §§20 and 29 (15 P.S. §§12120 and 12129). See
24 new 15 Pa.C.S. Chs. 19 and 59.

25 15 Pa.C.S. §7530: Substantially a reenactment of act of June
26 12, 1968 (P.L.173, No.94), §21 (15 P.S. §12121). See new 15
27 Pa.C.S. §1504 and 5504.

28 15 Pa.C.S. §7531: Derived from act of June 12, 1968
29 (P.L.173, No.94), §§22(a), (c), (d) and 27(d) (15 P.S.
30 §§12122(a), (c), (d) and 12127(d)). Provisions of former

1 subsection 22(b) are supplied by new 15 Pa.C.S. §§ 1703, 1724,
2 1725, 1727, 5703, 5724, 5725 and 5727. Compare new 15 Pa.C.S.
3 §5754.

4 15 Pa.c.S. §7532: Reenactment of act of June 12, 1968
5 (P.L.173, No.94), §24(a) (15 P.S. §12124(a)). Provision for the
6 removal of officers is supplied by new 15 Pa.C.S. §§1733 and
7 5733.

8 15 Pa.C.S. §7533: Reenactment of act of June 12, 1968
9 (P.L.173, No.94), §23 (15 P.S. §12123).

10 15 Pa.C.S. §7534: Substantially a reenactment of act of June
11 12, 1968 (P.L.173, No.94), §25 (15 P.S. §12125).

12 15 Pa.C.S. §7535: Substantially a reenactment of act of June
13 12, 1968 (P.L.173, No.94), §§17 and 26 (15 P.S. §§12117 and
14 12126). See new 15 Pa.C.S. §§1526 and 5553. Reference in
15 subsection (a) to "money or other property delivered by the
16 member to the association" is intended to include patronage,
17 capital retains, reserves, surplus to capital and all other
18 proceeds attributable thereto.

19 15 Pa.C.S. §7536: Derived from act of June 12, 1968
20 (P.L.173, No.94), §27(a), (b), (c) and (e) (15 P.S. §12127(a),
21 (b), (c) and (e)).

22 15 Pa.C.S. §7537: Substantially a reenactment of act of June
23 12, 1968 (P.L.173, No.94), §28 (15 P.S. §12128), except that the
24 last sentence is omitted as obsolete.

25 15 Pa.C.S. §7538: Substantially a reenactment of act of June
26 12, 1968 (P.L.173, No.94), §30 (15 P.S. §12130).

27 15 Pa.C.S. §8301: Subsection (a) is a reenactment of former
28 59 Pa.C.S. §301. Subsection (b) is new. See new 15 Pa.C.S.
29 §101(b).

30 15 Pa.C.S. §8302: Reenactment of former 59 Pa.C.S. §302.

1 15 Pa.C.S. §8303: Reenactment of former 59 Pa.C.S. §303.
2 15 Pa.C.S. §8304: Reenactment of former 59 Pa.C.S. §304. See
3 new 15 Pa.C.S. §110.
4 15 Pa.C.S. §8305: Reenactment of former 59 Pa.C.S. §305. See
5 new 15 Pa.C.S. §110.
6 15 Pa.C.S. §8311: Substantially a reenactment of former 59
7 Pa.C.S. §311.
8 15 Pa.C.S. §8312: Reenactment of former 59 Pa.C.S. §312.
9 15 Pa.C.S. §8313: Reenactment of former 59 Pa.C.S. §313.
10 15 Pa.C.S. §8321: Reenactment of former 59 Pa.C.S. §321.
11 15 Pa.C.S. §8322: Reenactment of former 59 Pa.C.S. §322.
12 15 Pa.C.S. §8323: Reenactment of former 59 Pa.C.S. §323.
13 15 Pa.C.S. §8324: Reenactment of former 59 Pa.C.S. §324.
14 15 Pa.C.S. §8325: Reenactment of former 59 Pa.C.S. §325.
15 15 Pa.C.S. §8326: Reenactment of former 59 Pa.C.S. §326.
16 15 Pa.C.S. §8327: Reenactment of former 59 Pa.C.S. §327.
17 15 Pa.C.S. §8328: Reenactment of former 59 Pa.C.S. §328.
18 15 Pa.C.S. §8329: Reenactment of former 59 Pa.C.S. §329.
19 15 Pa.C.S. §8331: Reenactment of former 59 Pa.C.S. §331.
20 15 Pa.C.S. §8332: Reenactment of former 59 Pa.C.S. §332.
21 15 Pa.C.S. §8333: Reenactment of former 59 Pa.C.S. §333.
22 15 Pa.C.S. §8334: Reenactment of former 59 Pa.C.S. §334.
23 15 Pa.C.S. §8335: Reenactment of former 59 Pa.C.S. §335.
24 15 Pa.C.S. §8336: Reenactment of former 59 Pa.C.S. §336.
25 15 Pa.C.S. §8341: Reenactment of former 59 Pa.C.S. §341.
26 15 Pa.C.S. §8342: Reenactment of former 59 Pa.C.S. §342.
27 15 Pa.C.S. §8343: Reenactment of former 59 Pa.C.S. §343.
28 15 Pa.C.S. §8344: Reenactment of former 59 Pa.C.S. §344.
29 15 Pa.C.S. §8345: Reenactment of former 59 Pa.C.S. §345.
30 15 Pa.C.S. §8351: Reenactment of former 59 Pa.C.S. §351.

1 15 Pa.C.S. §8352: Reenactment of former 59 Pa.C.S. §352.

2 15 Pa.C.S. §8353: Reenactment of former 59 Pa.C.S. §353.

3 15 Pa.C.S. §8354: Substantially a reenactment of former 59

4 Pa.C.S. §354. The words "the court shall decree a dissolution"

5 are added to subsection (b) to supply an error in the original

6 text of the Uniform Partnership Act §32. See Uniform Partnership

7 Act (U.L.A.) §32 (Supp. 1984) for similar amendments in other

8 adopting jurisdictions.

9 15 Pa.C.S. §8355: Reenactment of former 59 Pa.C.S. §355.

10 15 Pa.C.S. §8356: Reenactment of former 59 Pa.C.S. §356.

11 15 Pa.C.S. §8357: Reenactment of former 59 Pa.C.S. §357.

12 15 Pa.C.S. §8358: Reenactment of former 59 Pa.C.S. §358.

13 15 Pa.C.S. §8359: Reenactment of former 59 Pa.C.S. §359.

14 15 Pa.C.S. §8360: Reenactment of former 59 Pa.C.S. §360.

15 15 Pa.C.S. §8361: Reenactment of former 59 Pa.C.S. §361.

16 15 Pa.C.S. §8362: Reenactment of former 59 Pa.C.S. §362.

17 15 Pa.C.S. §8363: Reenactment of former 59 Pa.C.S. §363.

18 15 Pa.C.S. §8364: Reenactment of former 59 Pa.C.S. §364.

19 15 Pa.C.S. §8365: Reenactment of former 59 Pa.C.S. §365.

20 15 Pa.C.S. §8501: Derived from former 59 Pa.C.S. §501.

21 Patterned after Revised Uniform Limited Partnership Act §1102

22 (1983).

23 15 Pa.C.S. §8502: Subsection (a) is derived from former 59

24 Pa.C.S. §502. Subsection (b) is patterned in part after Revised

25 Uniform Limited Partnership Act §1104 (1983). See section 402(1)

26 of the act of , 1985 (P.L. , No.), known as the

27 General Association Act of 1985 (15 P.S. §).

28 15 Pa.C.S. §8503: Derived from former 59 Pa.C.S. §§511 and

29 561. Patterned after Revised Uniform Limited Partnership Act

30 §101 (1983). The definitions of "person" and "state" in the

1 Revised Uniform Act appear in 1 Pa.C.S. §1991. The last two
2 sentences of the definition of "certificate of limited
3 partnership" are patterned after the definition of "articles" in
4 new 15 Pa.C.S. §1103. The definitions of "court," "department,"
5 "except as otherwise provided" and "registered office" are
6 patterned after new 15 Pa.C.S. §1103. The definition of
7 "registered investment company" is used in new 15 Pa.C.S. §§8523
8 and 8532.

9 15 Pa.C.S. §8504: Derived from former 59 Pa.C.S. §503.
10 Patterned after Revised Uniform Limited Partnership Act §1105
11 (1983). See new 15 Pa.C.S. §110.

12 15 Pa.C.S. §8505: Subsection (a) is derived from former 59
13 Pa.C.S. §515(a), and is patterned in part after Revised Uniform
14 Limited Partnership Act §102 (1983). Subsection (b) is patterned
15 in part after Revised Uniform Limited Partnership Act §103
16 (1983).

17 15 Pa.C.S. §8506: Patterned after new 15 Pa.C.S. §1507.
18 Subsection (a) is patterned in part after Revised Uniform
19 Limited Partnership Act §104 (1983).

20 15 Pa.C.S. §8507: Patterned in part after Revised Uniform
21 Limited Partnership Act §105 (1983). Compare new 15 Pa.C.S.
22 §1508(a) and (b).

23 15 Pa.C.S. §8508: Reenactment of former 59 Pa.C.S. §513.
24 Patterned after Revised Uniform Limited Partnership Act §106
25 (1983).

26 15 Pa.C.S. §8509: Derived from former 59 Pa.C.S. §527.
27 Patterned after Revised Uniform Limited Partnership Act §107
28 (1983).

29 15 Pa.C.S. §8511: Derived from former 59 Pa.C.S. §512.
30 Patterned in part after Revised Uniform Limited Partnership Act

1 §201 (1983). Subsection (c) is substantially a reenactment of
2 former 59 Pa.C.S. §512(c).

3 15 Pa.C.S. §8512: Derived from former 59 Pa.C.S. §§542(b)
4 and 543(a) and (e). Patterned in part after Revised Uniform
5 Limited Partnership Act §202 (1983). Subsection (a)(4) is
6 patterned after new 15 Pa.C.S. §1915(3). Subsection (b)(1) is
7 patterned in part after 6 Del. Code §17-202(c)(5). The provision
8 in subsection (d) for restatement of the certificate of limited
9 partnership is patterned in general after 6 Del. Code §17.210.
10 Subsection (e) is patterned after new 15 Pa.C.S. §1916(b) and 6
11 Del. Code §17-202(e).

12 15 Pa.C.S. §8513: Derived from former 59 Pa.C.S. §§542(a)
13 and 543(b). Patterned after Revised Uniform Limited Partnership
14 Act §203 (1983).

15 15 Pa.C.S. §8514: Patterned in part after Revised Uniform
16 Limited Partnership Act §§204 and 206(a) (second sentence)
17 (1983). Section 204(c) of the Revised Uniform Act is supplied by
18 18 Pa.C.S. §4904.

19 15 Pa.C.S. §8515: Derived from former 59 Pa.C.S. §543(c).
20 Patterned in part after Revised Uniform Limited Partnership Act
21 §205 (1983).

22 15 Pa.C.S. §8516: Derived from former 59 Pa.C.S. §543(d) and
23 (e). Patterned after Revised Uniform Limited Partnership Act
24 §206(b) (1983). Section 206(a) of the Revised Uniform Act is
25 supplied by new 15 Pa.C.S. §§136 and 8514.

26 15 Pa.C.S. §8517: Derived from former 59 Pa.C.S. §516.
27 Patterned after Revised Uniform Limited Partnership Act §207
28 (1983). The tests of materiality are patterned after 6 Del. Code
29 §17.207.

30 15 Pa.C.S. §8518: Patterned in part after Revised Uniform

1 Limited Partnership Act §208 (1983).

2 15 Pa.C.S. §8519: Patterned in part after Revised Uniform

3 Limited Partnership Act §209 (1983).

4 15 Pa.C.S. §8520: Derived from former 59 Pa.C.S. §544.

5 Compare new 15 Pa.C.S. §§ 1311 and 5311.

6 15 Pa.C.S. §8521: Derived from former 59 Pa.C.S. §§522 and

7 533. Patterned in part after Revised Uniform Limited Partnership

8 Act § 301 (1983).

9 15 Pa.C.S. §8522: Patterned after Revised Uniform Limited

10 Partnership Act §302 (1983).

11 15 Pa.C.S. §8523: Derived from former 59 Pa.C.S. §§515(b)

12 and 521. Patterned in part after Revised Uniform Limited

13 Partnership Act §303 (1983). The second sentence of subsection

14 (a) is patterned after Cal. Corp. Code §15632(a) and 6 Del. Code

15 §17-303(a). Subsection (b)(3) is patterned after Cal. Corp. Code

16 §15632(b)(3). Subsection (b)(5) and (6) are patterned after 6

17 Del. Code §17-303(b)(5) and (6). Subsection (b)(8) is patterned

18 after former Nebraska Statutes §67-210(3).

19 15 Pa.C.S. §8524: Derived from former 59 Pa.C.S. §525.

20 Patterned after Revised Uniform Limited Partnership Act §304

21 (1983).

22 15 Pa.C.S. §8525: Derived from former 59 Pa.C.S. §524(a).

23 Patterned after Revised Uniform Limited Partnership Act §305

24 (1983). The proviso in the introductory clause is patterned

25 after 6 Del. Code §17-305.

26 15 Pa.C.S. §8531: Derived from former 59 Pa.C.S. §543(a)(2).

27 Patterned after Revised Uniform Limited Partnership Act §401

28 (1983). The introductory clause of subsection (a) is patterned

29 in part after 6 Del. Code §17-401.

30 15 Pa.C.S. §8532: Subsection (a) is derived from former 59

1 Pa.C.S. §534, and is patterned after Revised Uniform Limited
2 Partnership Act §402 (1983). Subsection (b) is new.

3 15 Pa.C.S. §8533: Derived from former 59 Pa.C.S. §523.
4 Patterned after Revised Uniform Limited Partnership Act § 403
5 (1983).

6 15 Pa.C.S. §8534: Derived from former 59 Pa.C.S. §526.
7 Patterned after Revised Uniform Limited Partnership Act §404
8 (1983).

9 15 Pa.C.S. §8535: Patterned after Revised Uniform Limited
10 Partnership Act §405 (1983).

11 15 Pa.C.S. §8541: Derived from former 59 Pa.C.S. §514.
12 Patterned after Revised Uniform Limited Partnership Act §501
13 (1983).

14 15 Pa.C.S. §8542: Derived from former 59 Pa.C.S. §531.
15 Patterned after Revised Uniform Limited Partnership Act §502
16 (1983).

17 15 Pa.C.S. §8543: Derived from former 59 Pa.C.S. §524(b).
18 Patterned after Revised Uniform Limited Partnership Act §503
19 (1983).

20 15 Pa.C.S. §8544: Derived from former 59 Pa.C.S. §528.
21 Patterned after Revised Uniform Limited Partnership Act §504
22 (1983).

23 15 Pa.C.S. §8551: Patterned after Revised Uniform Limited
24 Partnership Act §601 (1983).

25 15 Pa.C.S. §8552: Patterned after Revised Uniform Limited
26 Partnership Act §602 (1983). Compare new 15 Pa.C.S. §8360.

27 15 Pa.C.S. §8553: Derived from former 59 Pa.C.S. §530(a)(3)
28 and (b). Patterned in part after Revised Uniform Limited
29 Partnership Act §603 (1983). Compare new 15 Pa.C.S. §8507.

30 15 Pa.C.S. §8554: Derived from former 59 Pa.C.S. §530(a)(2).

1 Patterned after Revised Uniform Limited Partnership Act §604
2 (1983).

3 15 Pa.C.S. §8555: Derived from former 59 Pa.C.S. §530(c).

4 Patterned after Revised Uniform Limited Partnership Act §605
5 (1983).

6 15 Pa.C.S. §8556: Patterned after Revised Uniform Limited
7 Partnership Act §606 (1983).

8 15 Pa.C.S. §8557: Derived from former 59 Pa.C.S. §§529 and
9 530(a)(1). Patterned after Revised Uniform Limited Partnership
10 Act §607 (1983), as adopted in California. See Cal. Corp. Code §
11 15666.

12 15 Pa.C.S. §8558: Derived from former 59 Pa.C.S. §531.
13 Patterned after Revised Uniform Limited Partnership Act §608
14 (1983).

15 15 Pa.C.S. §8561: Derived from former 59 Pa.C.S. §532.
16 Patterned after Revised Uniform Limited Partnership Act §701
17 (1983).

18 15 Pa.C.S. §8562: Derived from former 59 Pa.C.S. §533.
19 Patterned after Revised Uniform Limited Partnership Act §702
20 (1983).

21 15 Pa.C.S. §8563: Derived from former 59 Pa.C.S. §536.
22 Patterned after Revised Uniform Limited Partnership Act §703
23 (1983).

24 15 Pa.C.S. §8564: Derived from former 59 Pa.C.S. §533.
25 Patterned after Revised Uniform Limited Partnership Act §704
26 (1983). The reference in subsection (b) to 15 Pa.C.S. §8542 is
27 patterned after 6 Del. Code §17-704.

28 15 Pa.C.S. §8565: Derived from former 59 Pa.C.S. §535.
29 Patterned after Revised Uniform Limited Partnership Act §705
30 (1983).

1 15 Pa.C.S. §8571: Subsection (a) is derived from former 59
2 Pa.C.S. §§523(7) and 534, and is patterned after Revised Uniform
3 Limited Partnership Act §801 (1983). The balance of the section
4 is added. As to subsection (d), see section 402(1)(ii) of the
5 act of , 1985 (P.L. , No.), known as the
6 General Association Act of 1985 (15 P.S. §).

7 15 Pa.C.S. §8572: Patterned after Revised Uniform Limited
8 Partnership Act §802 (1983).

9 15 Pa.C.S. §8573: Patterned after Revised Uniform Limited
10 Partnership Act §803 (1983). Compare new 15 Pa.C.S. §8359.

11 15 Pa.C.S. §8574: Derived from former 59 Pa.C.S. §541.
12 Patterned after Revised Uniform Limited Partnership Act §804
13 (1983).

14 15 Pa.C.S. §8575: Patterned after new 15 Pa.C.S. §1979.

15 15 Pa.C.S. §8581: Derived from former 59 Pa.C.S. §562.
16 Patterned after Revised Uniform Limited Partnership Act §901
17 (1983).

18 15 Pa.C.S. §8582: Subsection (a) is substantially a
19 reenactment of former 59 Pa.C.S. §563 and is patterned in part
20 after Revised Uniform Limited Partnership Act §902 (1983).
21 Subsection (b) is patterned after Conn. G.S.A. §34-380 and Mich.
22 Con. L.A. §449.1909.

23 15 Pa.C.S. §8583: Reenactment of former 59 Pa.C.S. §564.
24 Patterned in part after Revised Uniform Limited Partnership Act
25 §903 (1983).

26 15 Pa.C.S. §8584: Reenactment of former 59 Pa.C.S. §565.
27 Patterned in part after Revised Uniform Limited Partnership Act
28 §904 (1983).

29 15 Pa.C.S. §8585: Subsection (a) is substantially a
30 reenactment of former 59 Pa.C.S. §566. Patterned after Revised

1 Uniform Limited Partnership Act §905 (1983).

2 15 Pa.C.S. §8586: Subsection (a) is a reenactment of former
3 59 Pa.C.S. §567. Patterned in part after Revised Uniform Limited
4 Partnership Act §906 (1983).

5 15 Pa.C.S. §8587: Substantially a reenactment of former 59
6 Pa.C.S. §568. Patterned in part after Revised Uniform Limited
7 Partnership Act §907(a)-(c) (1983). Section 907(d) of the
8 Revised Uniform Act is supplied by 42 Pa.C.S. Ch. 53B.

9 15 Pa.C.S. §8588: Reenactment of former 59 Pa.C.S. §569.
10 Patterned after Revised Uniform Limited Partnership Act §908
11 (1983).

12 15 Pa.C.S. §8591: Patterned after Revised Uniform Limited
13 Partnership Act §1001 (1983).

14 15 Pa.C.S. §8592: Subsection (a) is patterned after Revised
15 Uniform Limited Partnership Act §1002 (1983). Subsection (b) is
16 patterned after new 15 Pa.C.S. § 1782(b).

17 15 Pa.C.S. §8593: Patterned in part after Revised Uniform
18 Limited Partnership Act §1003 (1983). The introductory proviso
19 is derived from Pa. Const. Art. V, §10 and 42 Pa.C.S. §1722.

20 15 Pa.C.S. §8594: The first sentence of subsection (a) is
21 patterned after Revised Uniform Limited Partnership Act §1004
22 (1983). The introductory proviso is derived from Pa. Const. Art.
23 V, §10 and 42 Pa.C.S. §1726. The second sentence of subsection
24 (a) is patterned after 6 Del. Code §17-1004. Subsection (b) is
25 patterned after new 15 Pa.C.S. §1782(c).

26 15 Pa.C.S. §8701: Subsections (a), (b) and (c) are
27 substantially a reenactment of former 59 Pa.C.S. §701. The
28 designation of the document filed in the Department of State is
29 changed from "certificate" to "statement." Subsection (d) is
30 new.

1 15 Pa.C.S. §8702: Reenactment of former 59 Pa.C.S. §702.

2 15 Pa.C.S. §8703: Substantially a reenactment of former 59
3 Pa.C.S. §703. The designation of the document is changed from
4 "certificate" to "statement."

5 15 Pa.C.S. §8704: Reenactment of former 59 Pa.C.S. §704.

6 15 Pa.C.S. §8705: Reenactment of former 59 Pa.C.S. §705,
7 except that subsection (b)(1) is new and is intended as a
8 codification of existing law. See section 402(4) of the act of
9 , 1985 (P.L. , No.), known as the General Association
10 Act of 1985 (15 P.S. §).

11 15 Pa.C.S. §8706: Reenactment of former 59 Pa.C.S. §706.

12 15 Pa.C.S. §8707: Derived from former 59 Pa.C.S. §707. The
13 words "of the partnership in addition to or in contravention of
14 the changes" in the second sentence of subsection (a) are
15 intended as a codification of existing law. See section 402(4)
16 of the act of , 1985 (P.L. , No.), known as the
17 General Association Act of 1985 (15 P.S. §).

18 15 Pa.C.S. §9101: Intended as a codification of existing
19 law. See new 15 Pa.C.S. § 110.

20 15 Pa.C.S. §9102: Substantially a reenactment of act of
21 April 28, 1876 (P.L.53, No.45), §1 (15 P.S. §12903).

22 15 Pa.C.S. §9103: Substantially a reenactment of act of June
23 30, 1923 (P.L.984, No.404), §§1, 2 and 4 (15 P.S. §§12501, 12502
24 and 12503).

25 15 Pa.C.S. §9301: Derived from act of August 7, 1961
26 (P.L.941, No.416), §1 (15 P.S. §12601).

27 15 Pa.C.S. §9302: New. Compare act of August 7, 1961
28 (P.L.941, No.416), §3 (15 P.S. §12603).

29 15 Pa.C.S. §9303: Derived from act of August 7, 1961
30 (P.L.941, No.416), §2 (15 P.S. §12602). The reference to Chapter

29 in the definition of "profession" is added. The definition of
"professional association" is supplied by new 15 Pa.C.S. §9302.

15 Pa.C.S. §9304: Reenactment of act of August 7, 1961
(P.L.941, No.416), §4 (15 P.S. §12604).

15 Pa.C.S. §9305: Subsections (a) and (b) are derived from
act of August 7, 1961 (P.L.941, No.416), §5 (15 P.S. §12605).

The provision for filing new articles of association is omitted
and the place of filing amended articles of association is
changed from the prothonotary to the place stated in the text.

Subsections (c) and (d) are new.

15 Pa.C.S. §9306: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §6 (15 P.S. §12606).

15 Pa.C.S. §9307: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §7 (15 P.S. §12607).

15 Pa.C.S. §9308: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §8 (15 P.S. §12608).

15 Pa.C.S. §9309: Reenactment of act of August 7, 1961
(P.L.941, No.416), §9 (15 P.S. §12609).

15 Pa.C.S. §9310: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §10 (15 P.S. §12610).

15 Pa.C.S. §9311: Reenactment of act of August 7, 1961
(P.L.941, No.416), §11 (15 P.S. §12611).

15 Pa.C.S. §9312: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §12 (15 P.S. §12612).

15 Pa.C.S. §9313: Substantially a reenactment of act of
August 7, 1961 (P.L.941, No.416), §13 (15 P.S. §12613).

15 Pa.C.S. §9314: Reenactment of act of August 7, 1961
(P.L.941, No.416), §14 (15 P.S. §12614).

15 Pa.C.S. §9315: Reenactment of act of August 7, 1961
(P.L.941, No.416), §15 (15 P.S. §12615).

1 15 Pa.C.S. §9316: Reenactment of act of August 7, 1961
2 (P.L.941, No.416), §16 (15 P.S. §12616).

3 15 Pa.C.S. §9317: Reenactment of act of August 7, 1961
4 (P.L.941, No.416), §17 (15 P.S. §12617).

5 15 Pa.C.S. §9318: Reenactment of act of August 7, 1961
6 (P.L.941, No.416), §18 (15 P.S. §12618).

7 15 Pa.C.S. §9319: Subsections (a), (b) and (d) are derived
8 from act of August 7, 1961 (P.L.941, No.416), §19 (15 P.S.
9 §12619). The requirement of prior law for 60 days' registered or
10 certified mail notice is replaced by the requirement set forth
11 in the text. Subsection (c) is new.

12 AMENDATORY BILL

13 Section 104: New. Compare former 15 Pa.C.S. §101(c) and 15
14 P.S. §4 note.

15 Section 105: Reenactment of act of November 15, 1972
16 (P.L.1063, No.271), §2 (15 Pa.C.S. §101 note).

17 Section 106: Derived from act of November 15, 1972
18 (P.L.1063, No.271), §7 (15 Pa.C.S. §101 note).

19 Section 107: Substantially a reenactment of act of July 10,
20 1981 (P.L.237, No.77), §6 (59 Pa.C.S.A. §701 note).

21 Section 108: New.

22 Section 109: New.

23 DIVISION II

24 Section 201: Patterned after Uniform Management of
25 Institutional Funds Act §10 (1972).

26 Section 202: New.

Section 203: Patterned in part after Uniform Management of Institutional Funds Act §1 (1972).

Section 204: Subsection (a) is patterned after Uniform Management of Institutional Funds Act §2 (1972).

Section 205: Subsections (a) and (c) are patterned after Uniform Management of Institutional Funds Act §3 (1972).

Section 206: Paragraphs (1) through (4) are patterned in part after Uniform Management of Institutional Funds Act §4 (1972). Paragraph (5)(ii) is patterned after 20 Pa.C.S. §7381.

Section 207: Patterned after Uniform Management of Institutional Funds Act §5 (1972).

Section 208: Patterned after new 15 Pa.C.S. §§1721(b) and 5721(b). Compare Uniform Management of Institutional Funds Act §6 (1972).

Section 209: Patterned after Uniform Management of Institutional Funds Act §7 (1972).

DIVISION III

Section 301: New.

Section 302: New.

Section 303: The source notes for new 24 Pa.C.S. Pts. I and III are as follows:

24 Pa.C.S. §102: New.

24 Pa.C.S. §6501: Derived from act of May 5, 1933 (P.L.289, No.105), §211 (15 P.S. §7211) and act of May 7, 1937 (P.L.585, No.150), §2 (24 P.S. §2422).

24 Pa.C.S. §6502: Substantially a reenactment of act of May 5, 1933 (P.L.289, No.105), §312A (15 P.S. §7312A) and act of May 7, 1937 (P.L.585, No.150), §1 (24 P.S. §2421).

1 24 Pa.C.S. §6503: Derived from act of May 5, 1899 (P.L.253,
2 No.148) (24 P.S. §§2491-92), act of May 5, 1933 (P.L.289,
3 No.105), §§211, 312 and 902(4) (15 P.S. §§7211, 7312 and
4 7902(4), act of May 7, 1937 (P.L.585, No.150), §2 (24 P.S.
5 §2422), and act of November 15, 1972 (P.L.1063, No.271), §3 (24
6 P.S. §2426).

7 24 Pa.C.S. §6504: Derived from act of November 15, 1972
8 (P.L.1063, No.271), §4 (24 P.S. §2427).

9 24 Pa.C.S. §6505: Substantially a reenactment of act of May
10 5, 1899 (P.L.253, No.148) (24 P.S. §§2491-92) and act of May 5,
11 1933 (P.L.289, No.105), §312B (15 P.S. §7312B).

12 24 Pa.C.S. §6506: Derived from act of May 5, 1933 (P.L.289,
13 No.105) §3126 (15 P.S. §7312C).

14 24 Pa.C.S. §6507: Derived from act of May 7, 1937 (P.L.585,
15 No.150), §3 (24 P.S. §2423).

16 24 Pa.C.S. §6508: Derived from act of May 7, 1937 (P.L.585,
17 No.150), §4 (24 P.S. §2424).

18 24 Pa.C.S. §6509: Derived from act of May 7, 1937 (P.L.585,
19 No.150), §5 (24 P.S. §2425).

20 Section 304: First sentence is substantially a reenactment
21 of the last sentence of former 15 Pa.C.S. §7546. Second sentence
22 is new.

23 Section 305: New.

24 Section 306: New. See section 402(5) of the act of ,
25 1985 (P.L. , No.), known as the General Association Act of
26 1985 (15 P.S. §), as to the effectiveness of the amendment
27 to 54 Pa.C.S. §311(b)(1).

28 Section 307: New. Repeals 66 Pa.C.S. §3103 as obsolete
29 since business corporations may be organized for public utility
30 purposes without specific statutory authority.

1 Section 308. New. The unofficial citations of the statutes
2 affected by this section are as follows:

		Unofficial
<u>Act</u>	<u>Section</u>	<u>Citation</u>
5 1921, No.284	751(a)	40 P.S. § 910-51(a)
6 1937, No.66	3	7 P.S. § 6203
7	7	7 P.S. § 6207
8	13	7 P.S. § 6213
9 1947, No.140	2	63 P.S. § 9.2
10	8.4	63 P.S. § 9.8d
11	8.6	63 P.S. § 9.8f
12 1952, (1951) No.522	8(b)	63 P.S. § 479.8(b)
13	8(d)	63 P.S. § 479.8(d)
14 1959, No.606	4	15 P.S. § 2704
15	8	15 P.S. § 2708
16	9.1	15 P.S. § 2709.1
17 1965, No.356	802	7 P.S. § 802
18	1204	7 P.S. § 1204
19	1207	7 P.S. § 1207
20	1222	7 P.S. § 1222
21 1966, (1965), No.581	2471.1(b)	53 P.S. § 47471.1(b)
22	2471.2(k)	53 P.S. § 47471.2(k)

23 DIVISION IV

24 Section 401(a): The provisions repealed by this subsection
25 are supplied in this act as follows (an asterisk indicates that
26 a provision is repealed in part):

Repealed	Unofficial	Superseding
Act	Section	Citation
		Provision of

1

Title 15

2

(unless otherwise noted)

3	1833, No.83	1	27 P.S. § 161	Obsolete
4		2	-	Obsolete
5		3	-	Obsolete
6		4	27 P.S. § 201	Obsolete
7		5	27 P.S. § 211	Obsolete
8	1836, No.174	1	-	Repealed 1971
9		2	-	Repealed 1978
10		3	15 P.S. § 117.1	503(a)
11		4-34	-	Repealed 1978
12	1838, No.22	-	15 P.S. § 4064	Obsolete
13	1840, No.91	1	15 P.S. § 4313	Obsolete
14		2	15 P.S. § 4314	Obsolete
15	1842, No.14	1	15 P.S. § 4301 note	Obsolete
16	1843, No.173	1-7	-	Special
17		8	-	Repealed 1917
18		9	-	Special
19		10	15 P.S. § 4320	Obsolete
20		11-18	-	Special
21	1845, No.243	1	15 P.S. § 4163	Obsolete
22	1847, No.273	1	15 P.S. § 4002	1755(a), 1732(a)
23		2	15 P.S. § 4012	Obsolete
24	1847, No.276	1	15 P.S. § 4161	66 Pa.C.S. § 2701
25	1848, No.1	1	15 P.S. § 4315	Obsolete
26		2	-	Obsolete
27		3	15 P.S. § 4321	Obsolete
28		4	-	Obsolete
29	1848, No.363	1-3	-	Obsolete

1	4	15 P.S. § 4316	Obsolete
2	5	-	Obsolete
3	1849, No.76	1 15 P.S. § 3953	Obsolete
4		2 15 P.S. § 3901	Ch.13A
5		3 15 P.S. § 3902	1310, 1504, 1732
6		4 15 P.S. § 3965	Chs.11 to 19
7		5 15 P.S. § 4003	Ch.17D
8		6 15 P.S. § 4020	Chs.11 to 19
9		7 15 P.S. § 3954	Ch.15B
10		8 15 P.S. § 3955	Ch.15B
11		9 15 P.S. § 3956	Ch.15C
12		10 15 P.S. § 4061	1511
13		11 -	Repealed 1978
14		12 -	Repealed 1978
15		13 15 P.S. § 4067	66 Pa.C.S. § 2704
16		14 -	Repealed 1978
17		15 -	Repealed 1972
18		16 -	Repealed 1860
19		17 -	Repealed 1968
20		18 -	Repealed 1978
21		19 15 P.S. § 4062	Obsolete
22		20 15 P.S. § 3903	501
23	1853, No.239	1 15 P.S. § 4072 note	Obsolete
24	1855, No.347	1 -	Repealed 1860
25		2 -	Repealed 1860
26		3 -	Repealed 1959
27		4 10 P.S. § 21	Obsolete
28		5 -	Sec. 401(c) of Act
29		6 -	Repealed 1913
30		7 10 P.S. § 81	Saved

1		8	10 P.S. § 34	Obsolete
2		9	27 P.S. § 162	Obsolete
3		10	-	Repealed 1947
4		11	-	Repealed 1939
5		12	10 P.S. § 32	Obsolete
6		13	27 P.S. § 212	Obsolete
7		14	-	Supplied 1929
8		15	10 P.S. § 11	Obsolete
9	1855, No.383	1	15 P.S. § 4083 note	1511
10	1855, No.448	1	15 P.S. § 101	501
11	1856, No.74	1	15 P.S. § 4208	1510
12	1857, No.595	1	15 P.S. § 4206	1903
13	1857, No.664	1	15 P.S. § 4317	66 Pa.C.S. § 2702
14	1858, No.402	1	15 P.S. § 4318	1511
15	1859, No.293	1	15 P.S. § 4254	Obsolete
16	1861, No.3	1	68 P.S. § 55	4143(a), Sec. 401(a)
17				of Act
18	1861, No.262	1	15 P.S. § 118	1903
19		2	-	Supplied 1878
20	1861, No.379	1	15 P.S. § 4255	1502
21	1861, No.405	1	68 P.S. § 32	4143(a)
22			68 P.S. § 51	Section 401(a) of Act
23	1861, No.453	1	15 P.S. § 4254 note	Obsolete
24	1861, No.657	1	15 P.S. § 4262	1921
25		2	15 P.S. § 4263	1922-24
26		3	15 P.S. § 4264	Ch.15D, 1928-30
27	1862, No.148	1	15 P.S. § 4301 note	Obsolete
28		2	15 P.S. § 4301 note	Obsolete
29		3	15 P.S. § 4301 note	Obsolete
30	1862, No.490	1	15 P.S. § 4077	1511

1	1863, No.530	1	15 P.S. § 4073	Obsolete
2	1865, No.18	1	15 P.S. § 4071	1511
3	1865, No.28	1	-	Repealed 1968
4		2	15 P.S. § 4019	1723
5	1865, No.35	1	15 P.S. § 4272	1921
6		2	15 P.S. § 4273	1922-24
7		3	15 P.S. § 4274	1928
8		4	15 P.S. § 4275	1929(a)
9		5	15 P.S. § 4276	1926
10		6	15 P.S. § 4277	1929(b)
11		7	15 P.S. § 4278	1929(c)
12		8	15 P.S. § 4279	1930
13	1865, No.626	2	68 P.S. § 59	4143(a), Sec. 401(a)
14				of Act
15	1865, No.837	1	15 P.S. § 3966	1758(a)
16	1865, No.839	1	15 P.S. § 4162	Obsolete
17	1865, No.841	1	15 P.S. § 4213	1903
18	1866, No.273	1	53 P.S. § 16433 note	Obsolete
19		2	-	Obsolete
20		3	-	Obsolete
21		4	53 P.S. § 16433	Obsolete
22		5	53 P.S. § 16434	Obsolete
23	1866, No.95	1	15 P.S. § 4004	1765
24	1867, No.1283	1	15 P.S. § 4001	1722
25	1867, No.40	1	15 P.S. § 3962	1523
26	1868, No.4	1	15 P.S. § 4013	1755(a), 1732(a)
27	1868, No.267	1	15 P.S. § 118 note	Obsolete
28	1868, No.335	1	15 P.S. § 118 note	Obsolete
29	1868, No.17	1	15 P.S. § 111	1502(a)
30	1868, No.20	1	15 P.S. § 4271	Obsolete

1	1868, No.29	1	15 P.S. § 3904	Ch.13A, 1502
2		2	15 P.S. § 3906	Obsolete
3		3	-	Repealed 1978
4		4	15 P.S. § 3951	Obsolete
5		5	15 P.S. § 3909	1309
6		6	-	Repealed 1968
7		7	15 P.S. § 4018	1722, 1723
8		8	-	Repealed 1968
9		9	15 P.S. § 4070 note	Supplied 1917
10		10	-	Repealed 1978
11		11	-	Repealed 1978
12		12	15 P.S. § 3912	Obsolete
13		13	15 P.S. § 3913	501
14	1868, No.61	1	15 P.S. § 4260	1502(a)(6)
15	1869, No.9	1	15 P.S. § 4042	1502(a)(6)-(8)
16	1869, No.10	1	15 P.S. § 4010	1722, 1723, 1730,
17				1732
18		2	15 P.S. § 3941	1502(a)(15), 1703,
19				1704
20	1869, No.11	1	15 P.S. § 4081	1511
21		2	15 P.S. § 4082	1511
22	1869, No.16	1	15 P.S. § 4303	1511
23	1869, No.24	1	15 P.S. § 4269	1929
24	1869, No.33	1	15 P.S. § 4041	1502(a)(6)-(8)
25	1869, No.70	1	68 P.S. § 55 note	4143(a), Sec. 401(a)
26				of Act
27	1870, No.8	1	15 P.S. § 4259	Obsolete
28	1870, No.26	1	15 P.S. § 856	503
29	1870, No.46	1	15 P.S. § 4204	1502(a)(6)
30	1870, No.13	1	15 P.S. § 3903 note	503, 66 Pa.C.S. § 503

1	1870, No.48	1	15 P.S. § 4270	1502, 1921
2	1870, No.1170	1	15 P.S. § 4281	1921
3	1871, No.61	1	15 P.S. § 4322	66 Pa.C.S. § 1102
4	1871, No.232	1	15 P.S. § 3917	1301
5		2	15 P.S. § 3918	Obsolete
6	1871, No.234	1	15 P.S. § 4083	1511
7	1871, No.830	1	15 P.S. § 4261	1502, 1921
8	1871, No.263	1	15 P.S. § 3952	Obsolete
9	1872, No.25	1	15 P.S. § 4084	1511
10	1872, No.39	1	15 P.S. § 851	1985
11		2	-	Repealed 1971
12		3	-	Repealed 1978
13	1873, No.45	1	9 P.S. § 7	22 Pa.C.S. § 501
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. 401(a)
12			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. 401(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. 401(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. 401(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.13	1	3 P.S. § 1	22 Pa.C.S. § 501
10		2	-	Repealed 1939
11	1883, No.40	1	15 P.S. § 3909 note	Obsolete
12	1883, No.52	1	15 P.S. § 4068	1511
13		2	15 P.S. § 4069	Ch.19B
14	1883, No.54	1	15 P.S. § 3014 note	Amendatory
15		2	15 P.S. § 3351	1511
16		3	15 P.S. § 3352	1511
17			15 P.S. § 3353	
18			15 P.S. § 3354	
19	1883, No.108	1	15 P.S. § 3161	Ch.19B
20		2	15 P.S. § 3162	Ch.19B
21		3	15 P.S. § 3163	Ch.19B
22		4	15 P.S. § 3164	Ch.19B
23		5	-	Repealed 1966
24		6	-	Repealed 1966
25		7	15 P.S. § 3001	Obsolete
26			15 P.S. § 3160	Obsolete
27	1883, No.165	1	15 P.S. § 4325	Obsolete
28	1885, No.32	1	15 P.S. § 3541	Ch.13A
29		2	15 P.S. § 3542	Ch.13A
30			15 P.S. § 3543	

1	3	-	Repealed 1966
2	4	-	Repealed 1966
3	5	15 P.S. § 3546	Ch.19B
4	6-9	-	Repealed 1966
5	10	15 P.S. § 3547	1511
6		15 P.S. § 3549	
7		15 P.S. § 3550	
8		15 P.S. § 3551	
9		15 P.S. § 3552	
10	11	15 P.S. § 3553	1511
11	12	-	Repealed 1978
12	13	15 P.S. § 3555	1511
13	14-16	-	Repealed 1966
14	17	15 P.S. § 3545	Ch.19C
15	18	-	Repealed 1972
16	19	-	Repealed 1966
17	20	-	Repealed 1921
18	21	-	Repealed 1966
19	22	-	Repealed 1921
20	23	-	Repealer
21	1885, No.155	-	15 P.S. § 4211 1903
22	1887, No.44	1	15 P.S. § 3958 1524
23		2	15 P.S. § 3959 1524
24		3	- Repealed 1968
25		4	15 P.S. § 3960 Obsolete
26		5	15 P.S. § 3961 Obsolete
27	1887, No.162	1	15 P.S. § 4079 66 Pa.C.S. § 2702
28		2	15 P.S. § 4080 66 Pa.C.S. § 2702
29	1887, No.242	1	68 P.S. § 57 4143(a), Sec. 401(a)
30			of Act

1	1887, No.252	1	15 P.S. § 12001	Ch.71
2		2	15 P.S. § 12002	Ch.71
3		3	15 P.S. § 12003	Ch.71
4		4	15 P.S. § 12004	Ch.71
5		5	15 P.S. § 12005	Ch.71
6		6	15 P.S. § 12006	Ch.71
7		7	15 P.S. § 12007	Ch.71
8		8	15 P.S. § 12008	Ch.71
9		9	15 P.S. § 12009	Ch.71
10		10	15 P.S. § 12010	Ch.71
11		11	15 P.S. § 12011	Ch.71
12		12	15 P.S. § 12012	Ch.71
13		13	15 P.S. § 12013	Ch.71
14		14	15 P.S. § 12014	Ch.71
15		15	15 P.S. § 12015	Ch.71
16		16	15 P.S. § 12016	Ch.71
17		17	15 P.S. § 12017	Ch.71
18		18	15 P.S. § 12018	Ch.71
19		19	15 P.S. § 12019	Ch.71
20		20	15 P.S. § 12020	Ch.71
21		21	15 P.S. § 12021	Ch.71
22		22	15 P.S. § 12022	Ch.71
23		23	15 P.S. § 12023	Ch.71
24		24	-	Repealer
25	1889, No.40	1	10 P.S. § 33	5502(a)(4)
26	1889, No.108	1	15 P.S. § 425	Ch.17D
27		2	15 P.S. § 426	Ch.17D
28	1889, No.153	1	15 P.S. § 3014 note	Amendatory
29		2	15 P.S. § 3271	1511
30		3	15 P.S. § 3274	Obsolete

1		4	15 P.S. § 3272	1511
2	1889, No.223	1	15 P.S. § 4282	Ch.19C
3		2	15 P.S. § 4283	Ch.19C
4		3	-	Effective date
5	1891, No.231	1	15 P.S. § 3923	Ch.19B
6		2	15 P.S. § 3924	Ch.19B
7	1893, No.90	1	15 P.S. § 425	Amendatory
8		2	15 P.S. § 426	Amendatory
9		3	15 P.S. § 427	1760
10	1893, No.103	1	15 P.S. § 3249	1511
11		2	15 P.S. § 3250	1511
12		3	15 P.S. § 3251	1511
13	1893, No.289	1	15 P.S. § 420	1507, 1704, 1755
14	1895, No.116	1	15 P.S. § 3252	1502
15	1895, No.172	1	15 P.S. § 721	1528
16		2	-	Repealer
17	1895, No.176	1	68 P.S. § 56	4143(a), Sec. 401(a)
18				of Act
19	1895, No.302	1	15 P.S. § 3243	1511
20		2	15 P.S. § 3244	1511
21	1895, No.309	1	15 P.S. § 3242	1502
22	1899, No.107	1	15 P.S. § 7701 note	Obsolete
23		2	-	Repealed 1963
24	1899, No.148	1	24 P.S. § 2491	24 Pa.C.S. §§6503, 6505
25		2	24 P.S. § 2492	24 Pa.C.S. §§6503, 6505
26	1901, No.1	1	15 P.S. § 681	Ch.15B
27		2	15 P.S. § 682	Ch.15B
28		3	15 P.S. § 683	Ch.15B
29		4	15 P.S. § 107	1502
30	1901, No.2	1	15 P.S. § 4005	1724(b)

1			15 P.S. § 4006	1724(b)
2			15 P.S. § 4007	1724(b)
3			15 P.S. § 4008	1725(c)
4			15 P.S. § 4009	1724
5	1901, No.20	1	15 P.S. § 4284	Ch.19C
6		2	15 P.S. § 4285	Ch.19C
7			15 P.S. § 4286	Ch.19C
8			15 P.S. § 4287	Ch.19C
9		3	15 P.S. § 4288	Ch.19C
10			15 P.S. § 4289	Ch.15D
11		4	15 P.S. § 4290	1502
12	1901, No.29	1	15 P.S. § 4280	1511
13	1901, No.36	1	15 P.S. § 7701 note	Obsolete
14	1901, No.177	1	15 P.S. § 3245	1502
15	1901, No.207	1	15 P.S. § 3013	1302
16	1901, No.329	1	15 P.S. § 3017 note	Obsolete
17	1903, No.41	1	15 P.S. § 121	1502
18	1903, No.52	1	15 P.S. § 430	1755, 1765
19		2	-	Repealer
20	1903, No.185	1	15 P.S. § 904	Ch.19B
21		2	-	Repealer
22	1903, No.208	1	15 P.S. § 4072	Obsolete
23	1905, No.39	1	-	Amendatory
24		2	15 P.S. § 3135 note	Obsolete
25	1905, No.184	1	15 P.S. § 4043	1502
26	1907, No.287	1	15 P.S. § 3211	1511
27	1909, No.154		15 P.S. § 3017 note	Obsolete
28	1909, No.229	1	15 P.S. § 801	Ch.19C
29		2	15 P.S. § 802	Ch.19C
30		3	15 P.S. § 803	Ch.19C

1		4	15 P.S. § 804	Ch.19C
2		5	15 P.S. § 805	Ch.15D
3	1911, No.15	1	15 P.S. § 3017 note	Obsolete
4	1911, No.165	1	15 P.S. § 854	1985
5		2	15 P.S. § 855	1985
6		3	15 P.S. § 855 note	Validating act
7		4	-	Repealer
8	1911, No.243	1	-	Amendatory
9		2	15 P.S. § 3014 note	Obsolete
10	1913, No.77	1	15 P.S. § 855 note	Obsolete
11	1913, No.149	1	15 P.S. § 3271 note	Obsolete
12	1913, No.304	1	15 P.S. § 3271 note	Obsolete
13		2	15 P.S. § 3271 note	Obsolete
14	1917, No.61	1	15 P.S. § 3548	1511
15	1917, No.78	1	15 P.S. § 3017 note	Obsolete
16	1917, No.126	1	15 P.S. § 409	1730
17	1917, No.258	1	15 P.S. § 903	1502(a)(13)
18	1917, No.382	1	15 P.S. § 4070	1511
19	1919, No.52	1	15 P.S. § 907	Obsolete
20	1919, No.132	1	15 P.S. § 118 note	Obsolete
21	1919, No.135	1	15 P.S. § 3544	Ch.19B
22		2	-	Repealer
23	1919, No.249	1	15 P.S. § 3273	1502
24		2	-	Repealer
25	1919, No.456	1	15 P.S. § 3309	Ch.13A
26		2	15 P.S. § 3310	1511
27		3	15 P.S. § 3311	1511
28		4	15 P.S. § 3323	1502
29		5	15 P.S. § 3324	Ch.19C
30		6	15 P.S. § 3325	Ch.15D

1	7	15 P.S. § 3326	1502
2	8	15 P.S. § 3327	1502
3	9	15 P.S. § 3312	Obsolete
4	10	15 P.S. § 3313	Obsolete
5	11	15 P.S. § 3314	Obsolete
6	12	15 P.S. § 3315	Obsolete
7	13	-	Repealer
8	1921, No.334	1 15 P.S. § 3328	1502
9		2 15 P.S. § 3329	1502
10		3 15 P.S. § 3330	Ch.19C
11		4 15 P.S. § 3331	Ch.19C
12		5 15 P.S. § 3332	Ch.15D
13		6 15 P.S. § 3333	1502
14		7 15 P.S. § 3334	1502
15		8 15 P.S. § 3335	1502
16		9 15 P.S. § 3336	1502
17		10 15 P.S. § 3337	Omitted
18		11 15 P.S. § 3338	Ch.15D
19		12 15 P.S. § 3339	Obsolete
20		13 -	Repealer
21	1921, No.426	1 -	Repealed 1966
22		2 15 P.S. § 604	Obsolete
23		3 -	Repealed 1949
24		4 15 P.S. § 419	1704(b)
25		5 -	Repealed 1966
26		6 -	Repealer
27	1923, No.19	1 15 Pa.S. § 3017 note	Obsolete
28	1923, No.185	1 -	Repealed 1933
29		2 -	Repealed 1933
30		3 -	Validating act

1	1923, No.404	1	15 P.S. § 12501	9103(a)
2		2	15 P.S. § 12502	9103(b)
3		3	-	Repealed 1929
4		4	15 P.S. § 12503	9103(c)
5		5	-	Repealer
6	1925, No.7	1	15 P.S. § 3017 note	Obsolete
7	1925, No.131	2	15 P.S. § 102 note	Obsolete
8	1927, No.32	1	15 P.S. § 3017 note	Obsolete
9	1927, No.97	1	15 P.S. § 3222	1502
10	1927, No.169	1	15 P.S. § 4371	1502
11		2	15 P.S. § 4372	Ch.19C
12		3	15 P.S. § 4373	Ch.19C
13		4	15 P.S. § 4374	Ch.19C
14		5	15 P.S. § 4375	Ch.19C
15		6	15 P.S. § 4376	Obsolete
16		7	15 P.S. § 4377	66 Pa.C.S. § 1102
17	1927, No.327	1	15 P.S. § 12901	Obsolete
18		2	15 P.S. § 12902	Obsolete
19		3	-	Repealer
20	1929, No.84	1	-	Amendatory
21		2	15 P.S. § 110 note	Obsolete
22	1929, No.175	805*	71 P.S. § 275*	Ch.1B
23	1929, No.176	730*	72 P.S. § 730*	Obsolete
24		1401*	72 P.S. § 1401*	1957(c), 5957(c)
25	1929, No.200	1	15 P.S. § 3017 note	Obsolete
26	1929, No.234	1	15 P.S. § 115	1511(g)(2)
27		2	15 P.S. § 116	1511(g)(2)
28	1929, No.241	1	-	Amendatory
29		2	15 P.S. § 110 note	Obsolete
30	1931, No.338	1	15 P.S. § 4251	1502

1	2	15 P.S. § 4252	Ch.19C
2	3	-	Repealed 1978
3	4	-	Repealer
4	5	-	Effective date
5	1933, No.28	1 15 P.S. § 3017 note	Obsolete
6	1933, No.80	1 15 P.S. § 651	Ch.15B
7		2 15 P.S. § 652	Ch.15B
8		3 15 P.S. § 653	Ch.15B
9		4 15 P.S. § 654	Ch.15B
10		5 15 P.S. § 655	Ch.15B
11		6 15 P.S. § 656	Ch.15B
12		7 15 P.S. § 657	Ch.15B
13		8 15 P.S. § 658	Ch.15B
14		9 15 P.S. § 659	Ch.15C
15		10 15 P.S. § 660	Ch.19B
16		11 15 P.S. § 661	Ch.15B
17		12 15 P.S. § 662	Ch.15B
18		13 15 P.S. § 663	Obsolete
19		14 -	Repealer
20		15 15 P.S. § 664	Obsolete
21		16 -	Effective date
22	1933, No.105	211 15 P.S. § 7211	24 Pa.C.S. § 6501
23		312A 15 P.S. § 7312A	24 Pa.C.S. § 6502
24		312B 15 P.S. § 7312B	24 Pa.C.S. § 6505
25		312C 15 P.S. § 7312C	24 Pa.C.S. § 6506
26		902(4) 15 P.S. § 7902(4)	6123(a)
27	1933, No.106	1 15 P.S. § 1001	1101
28		2 15 P.S. § 1002	1103
29		3A 15 P.S. § 1003A	1102, 4101
30		3B 15 P.S. § 1003B	501

1	3C	15 P.S. § 1003C	4121(b)
2	4A	15 P.S. § 1004A	1102
3	4B	15 P.S. § 1004B	1102
4	4B(3)	15 P.S. § 1004B(3)	4101, 4141
5	5A	15 P.S. § 1005A	110
6			1 Pa.C.S. § 1976
7	5B	15 P.S. § 1005B	1 Pa.C.S. § 1962
8	5C	15 P.S. § 1005C	1 Pa.C.S. §§ 1961,
9			1976
10	5D	15 P.S. § 1005D	1106
11	5E	15 P.S. § 1005E	1105
12	6A	15 P.S. § 1006A	1 Pa.C.S. § 1925
13	6B	15 P.S. § 1006B	1 Pa.C.S. § 1937
14	6C	15 P.S. § 1006C	1107
15	6D	15 P.S. § 1006D	103, 104
16	6E	15 P.S. § 1006E	1 Pa.C.S. §§ 1902,
17			1924
18	7	15 P.S. § 1007	105
19	8A	15 P.S. § 1008A	1702(a), 1704(b)
20	8B	15 P.S. § 1008B	1705(a)
21	8C	15 P.S. § 1008C	1705(b)
22	8D	15 P.S. § 1008D	1706
23	8E	15 P.S. § 1008E	1708
24	9	15 P.S. § 1009	106
25	10	15 P.S. § 1010	131-136
26	11	-	Repealed 1978
27	12	15 P.S. § 1012	504
28	13	15 P.S. § 1013	505
29	14	15 P.S. § 1014	506
30	15	15 P.S. § 1015	Omitted

1	16	15 P.S. § 1016	Omitted
2	201	15 P.S. § 1201	1301, 1302
3	202A	15 P.S. § 1202A	1303(a)
4	202B	15 P.S. § 1202B	1303(b)
5	202C	15 P.S. § 1202C	1303(d)
6	202D	15 P.S. § 1202D	1303(e)
7	202E	15 P.S. § 1202E	1304(a)
8	202F	15 P.S. § 1202F	1303(c)
9	202G	15 P.S. § 1202G	1304(b)
10	203	15 P.S. § 1203	1305
11	204	15 P.S. § 1204	1306
12	205	15 P.S. § 1205	1307
13	206A	15 P.S. § 1206A	1308
14	206B	15 P.S. § 1206B	134
15	206C	15 P.S. § 1206C	134
16	207	15 P.S. § 1207	1309
17	208	-	Repealed 1957
18	209	-	Repealed 1972
19	209.1	-	Repealed 1972
20	209.2	-	Repealed 1972
21	210	15 P.S. § 1210	1310
22	211	15 P.S. § 1211	501
23	301	15 P.S. § 1301	1501
24	302	15 P.S. § 1302	1502
25	303	15 P.S. § 1303	1503
26	304	15 P.S. § 1304	1504(a)
27	305	15 P.S. § 1305	1505, 1506
28	306	15 P.S. § 1306	1507(a)
29	307	15 P.S. § 1307	1507(b)
30	308	15 P.S. § 1308	1508

1	309	-	Repealed 1957
2	309.1	15 P.S. § 1309.1	1531
3	310	-	Repealed 1968
4	311A	15 P.S. § 1311A	1932(a), 1932(d)
5	311B	15 P.S. § 1311B	1932(b)
6	311C	15 P.S. § 1311C	1932(f)
7	311D	15 P.S. § 1311D	1932(c)
8	311E	15 P.S. § 1311E	1932(e)
9	311F	15 P.S. § 1311F	1571(b)(3)
10	312	15 P.S. § 1312	Omitted
11	313	15 P.S. § 1313	1510(a)
12	314	15 P.S. § 1314	1502(a)(12)
13	315	15 P.S. § 1315	1502(a)(13)
14	316	15 P.S. § 1316	1502(a)(14)
15	317	-	Repealed 1968
16	318	15 P.S. § 1318	1554
17	319	15 P.S. § 1319	1903(a)
18	320	15 P.S. § 1320	1903(b)
19	321	15 P.S. § 1321	1509
20	322	15 P.S. § 1322	1511
21	371	15 P.S. § 1371	2301(a)-(c)
22	372	15 P.S. § 1372	2304
23	373	15 P.S. § 1373	2303
24	374	15 P.S. § 1374	2305
25	375	15 P.S. § 1375	2306
26	376A	15 P.S. § 1376A	2307
27	376B	15 P.S. § 1376B	2302(b)
28	377	15 P.S. § 1377	2308
29	378	15 P.S. § 1378	2309
30	379	15 P.S. § 1379	2321(b)

1	380	15 P.S. § 1380	2324
2	381	15 P.S. § 1381	2331(b), (c)
3	382	15 P.S. § 1382	2332
4	383	15 P.S. § 1383	2333
5	384	15 P.S. § 1384	2334
6	385	15 P.S. § 1385	2335
7	386	15 P.S. § 1386	2337
8	401	15 P.S. § 1401	1721(a), 1722,
9			1724(a), 1725(a),
10			1730
11	402	15 P.S. § 1402	1722, 1723,
12			1725(b)
13	402(1)	15 P.S. § 1402(1)	1724(a)
14	402(2)	15 P.S. § 1402(2)	1723
15	402(3)	15 P.S. § 1402(3)	1725(c)
16	402(4)	15 P.S. § 1402(4)	1703(a)
17	402(5)	15 P.S. § 1402(5)	1727(a)
18	402(6)	15 P.S. § 1402(6)	1731(a)
19	402(7)	15 P.S. § 1402(7)	1727(b)
20	403	15 P.S. § 1403	1724(b), 1725(b),
21			1758(c)
22	404	15 P.S. § 1404	1702(b), 1703(b)
23	405	15 P.S. § 1405	1726(a)-(c)
24	406	15 P.S. § 1406	1732
25	407	15 P.S. § 1407	1733
26	408A	15 P.S. § 1408A	1721(b), (c)
27	408B	15 P.S. § 1408B	1721(d)
28	409	-	Repealed 1968
29	409.1A	15 P.S. § 1409.1A	1728(a)
30	409.1B	15 P.S. § 1409.1B	1728(b)

1	409.1C	15 P.S. § 1409.1C	1770
2	410A	15 P.S. § 1410A	1741
3	410B	15 P.S. § 1410B	1742
4	410C	15 P.S. § 1410C	1743
5	410D	15 P.S. § 1410D	1744
6	410E	15 P.S. § 1410E	1745
7	410F	15 P.S. § 1410F	1746
8	410G	15 P.S. § 1410G	1747
9	501A	15 P.S. § 1501A	1704(a)
10	501B	15 P.S. § 1501B	1755(a)
11	501C	15 P.S. § 1501C	1704(b), 1755(b)
12	501D	15 P.S. § 1501D	1755(c)
13	502	15 P.S. § 1502	1702(b), 1704(b)
14	503A	15 P.S. § 1503A	1756
15	503A(1)	15 P.S. § 1503A(1)	1757(a)
16	503A(2)	15 P.S. § 1503A(2)	1756(a)
17	503A(3)	15 P.S. § 1503A(3)	1756(b)
18	503B	15 P.S. § 1503B	1757(b)
19	504A	15 P.S. § 1504A	1758(a), 1759
20	504B	15 P.S. § 1504B	1758(d)
21	505	15 P.S. § 1505	1758(b), (c)
22	506	15 P.S. § 1506	1760
23	507	15 P.S. § 1507	1761
24	508	15 P.S. § 1508	1762
25	509	15 P.S. § 1509	1763(a)
26	510	15 P.S. § 1510	1764
27	511	15 P.S. § 1511	1768
28	512	15 P.S. § 1512	1765
29	513	15 P.S. § 1513	1766
30	513.1	15 P.S. § 1513.1	1767

1	514	-	Repealed 1966
2	515A	15 P.S. § 1515A	1571(a)
3	515B	15 P.S. § 1515B	1573, 1574
4	515C	15 P.S. § 1515C	1579
5	515D	15 P.S. § 1515D	1577
6	515E	15 P.S. § 1515E	1577
7	515F	15 P.S. § 1515F	1579
8	515G	15 P.S. § 1515G	1579(d)
9	515H	15 P.S. § 1515H	1580
10	515I	15 P.S. § 1515I	1576, 1577
11	515J	15 P.S. § 1515J	Omitted
12	515K	15 P.S. § 1515K	1105
13	515L	15 P.S. § 1515L	1571(b)
14	515M	15 P.S. § 1515M	1571(b)
15	516	15 P.S. § 1516	1782
16	601	15 P.S. § 1601	1521
17	602	15 P.S. § 1602	1522
18	603	15 P.S. § 1603	1523
19	604	15 P.S. § 1604	1524
20	605	15 P.S. § 1605	1524
21	606	15 P.S. § 1606	1524
22	607	15 P.S. § 1607	1528(b)-(e)
23	608	15 P.S. § 1608	1527
24	609	15 P.S. § 1609	1526
25	610	15 P.S. § 1610	1524(c)
26	611	15 P.S. § 1611A	1530
27		15 P.S. § 1611B	Omitted
28		15 P.S. § 1611C	Omitted
29	612	15 P.S. § 1612	1525
30	613A	15 P.S. § 1613A	1529(a)

1	613B	15 P.S. § 1613B	110, 1502(a)(15),
2			1502(a)(16), 1508
3	613.1	15 P.S. § 1613.1	1529(b)-(f)
4	614	15 P.S. § 1614	Omitted
5	615	15 P.S. § 1615	1532
6	701	15 P.S. § 1701	1521(b), 1552(a)
7	702	15 P.S. § 1702	1551
8	702.1	15 P.S. § 1702.1	1524(b)
9	703	15 P.S. § 1703	1551
10	704	15 P.S. § 1704	Omitted
11	705	-	Repealed 1966
12	706	15 P.S. § 1706	Omitted
13	707	15 P.S. § 1707	1553
14	708	15 P.S. § 1708	1552(a)
15	709	15 P.S. § 1709	1552(a)
16	801	15 P.S. § 1801	1911
17	802	15 P.S. § 1802	1912
18	803	15 P.S. § 1803	1913
19	804	15 P.S. § 1804	1914
20	805	15 P.S. § 1805	1914
21	806	15 P.S. § 1806	1915
22	807	15 P.S. § 1807	Omitted
23	808	15 P.S. § 1808	1916(a)
24	809	15 P.S. § 1809	1915, 1916(b)
25	810	15 P.S. § 1810	1917
26	901	15 P.S. § 1901	1921(a), (b)
27	902A	15 P.S. § 1902A	1922(a)
28	902B	15 P.S. § 1902B	1922(c), 1923
29	902C	15 P.S. § 1902C	1924(a), (c)
30	902D	15 P.S. § 1902D	1925

1	902.1	15 P.S. § 1902.1	1924(b)
2	903	15 P.S. § 1903	1926
3	904	-	Repealed 1966
4	905	15 P.S. § 1905	1927
5	906	15 P.S. § 1906	1928
6	907	15 P.S. § 1907	1929
7	908	15 P.S. § 1908	1930
8	909	15 P.S. § 1909	4161
9	910	15 P.S. § 1910	2538
10	1001A	15 P.S. § 2001A	4121(a)
11	1001B	15 P.S. § 2001B	4122
12	1002	15 P.S. § 2002	4123
13	1003	15 P.S. § 2003	4124(b)
14	1004	15 P.S. § 2004	4124(a)
15	1005	15 P.S. § 2005	4125
16	1006	15 P.S. § 2006	4144
17	1007	15 P.S. § 2007	4126
18	1008	-	Repealed 1957
19	1009	15 P.S. § 2009	4127
20	1010A	15 P.S. § 2010A	4142(a)
21	1010B	15 P.S. § 2010B	4143(b)
22	1011	-	Repealed 1972
23	1011.1	-	Repealed 1972
24	1012	15 P.S. § 2012	4143(a)
25	1013	15 P.S. § 2013	4128
26	1014	15 P.S. § 2014	4141
27	1015	15 P.S. § 2015	4129
28	1016	15 P.S. § 2016	4128
29	1101	15 P.S. § 2101	1971
30	1102	15 P.S. § 2102	1972, 1973, 1974

1	1103	15 P.S. § 2103	1977
2	1103.1	15 P.S. § 2103.1	1974(c)
3	1104A	15 P.S. § 2104A	1975(a)
4	1104B	15 P.S. § 2104B	1975(b)
5	1104C	15 P.S. § 2104C	1975(c)
6	1104D	15 P.S. § 2104D	1976
7	1105	15 P.S. § 2105	1977
8	1106	15 P.S. § 2106	1978
9	1107A	15 P.S. § 2107A	1981
10	1107B	15 P.S. § 2107B	1982
11	1107C	15 P.S. § 2107C	1103 ("court")
12	1108A	15 P.S. § 2108A	1984
13	1108B	15 P.S. § 2108B	1985
14	1108C	15 P.S. § 2108C	1986
15	1108D	15 P.S. § 2108D	1987
16	1109	15 P.S. § 2109	1988
17	1110	15 P.S. § 2110	1989
18	1111	15 P.S. § 2111	1979
19	1112	15 P.S. § 2112	503
20	1201	15 P.S. § 2201	Effective date,
21			Sec. 402 of Act
22	1202	15 P.S. § 2202	Repealer
23	1203	15 P.S. § 2203	Repealer
24	1203(b)	15 P.S. § 2203(b)	Sec. 401(c) of Act
25	1204	15 P.S. § 2204	Repealer
26	1204(d)	15 P.S. § 2204(d)	Sec. 401(d) of Act
27	1933, No.236	1 15 P.S. § 12201	Obsolete
28		2 15 P.S. § 12202	Obsolete
29		3 15 P.S. § 12203	Obsolete
30		4 15 P.S. § 12204	Obsolete

1	5	15 P.S. § 12205	Obsolete
2	6	15 P.S. § 12206	Obsolete
3	7	15 P.S. § 12207	Obsolete
4	8	15 P.S. § 12208	Obsolete
5	9	15 P.S. § 12209	Obsolete
6	10	15 P.S. § 12210	Obsolete
7	11	15 P.S. § 12211	Obsolete
8	12	15 P.S. § 12212	Obsolete
9	13	15 P.S. § 12213	Obsolete
10	14	15 P.S. § 12214	Obsolete
11	15	15 P.S. § 12215	Obsolete
12	16	15 P.S. § 12216	Obsolete
13	17	-	Repealer
14	18	-	Effective date
15	1935, No.21	1 15 P.S. § 9901	13 Pa.C.S. Div.9
16		2 15 P.S. § 9902	13 Pa.C.S. Div.9
17		3 15 P.S. § 9903	13 Pa.C.S. Div.9
18		4 15 P.S. § 9904	13 Pa.C.S. Div.9
19		5 15 P.S. § 9905	13 Pa.C.S. Div.9
20		6 -	Effective date
21	1935, No.364	1 15 P.S. § 3017	505
22		2 15 P.S. § 3018	Obsolete
23		3 -	Repealed 1978
24		4 -	Effective date
25	1937, No.150	1 24 P.S. § 242	24 Pa.C.S. § 6502
26		2 24 P.S. § 2422	24 Pa.C.S. §§ 6501, 6503
27		3 24 P.S. § 2423	24 Pa.C.S. § 6507
28		4 24 P.S. § 2424	24 Pa.C.S. § 6508
29		5 24 P.S. § 2425	24 Pa.C.S. § 6509
30		6 -	Repealer

1	1937, No.181	1	15 P.S. § 2801	Obsolete
2		2	15 P.S. § 2802	Obsolete
3		3	15 P.S. § 2803	Obsolete
4		4	15 P.S. § 2804	Obsolete
5		5	15 P.S. § 2805	Obsolete
6		6	15 P.S. § 2806	Obsolete
7		7	15 P.S. § 2807	Obsolete
8		8	15 P.S. § 2808	Obsolete
9		9	15 P.S. § 2809	Obsolete
10		10	15 P.S. § 2810	Obsolete
11		11	15 P.S. § 2811	Obsolete
12		12	15 P.S. § 2812	Obsolete
13		13	15 P.S. § 2813	Obsolete
14		14	15 P.S. § 2814	Obsolete
15		15	15 P.S. § 2815	Obsolete
16		16	15 P.S. § 2816	Obsolete
17		17	15 P.S. § 2817	Obsolete
18		18	15 P.S. § 2818	Obsolete
19		19	15 P.S. § 2819	Obsolete
20		20	15 P.S. § 2820	Obsolete
21		21	15 P.S. § 2821	Obsolete
22		22	15 P.S. § 2822	Obsolete
23		23	-	Repealer
24		24	-	Effective date
25	1937, No.219	1	15 P.S. § 1406 note	1732
26	1937, No.389	1	15 P.S. § 12401	7301
27		2	15 P.S. § 12402	7303
28		3	15 P.S. § 12403	7305
29		4	15 P.S. § 12404	5502, 7321
30		5	15 P.S. § 12405	7304

1	6(a)	15 P.S. § 12406(a)	7306(a)
2	6(b)	15 P.S. § 12406(b)	7321
3	7	15 P.S. § 12407	7307
4	8	15 P.S. § 12408	5318
5	9	15 P.S. § 12409	5319
6	10	15 P.S. § 12410	5320
7	11	15 P.S. § 12411	7322
8	12	15 P.S. § 12412	7323
9	13	15 P.S. § 12413	7324
10	14	15 P.S. § 12414	5704, 5755, 7325
11	15	15 P.S. § 12415	5704
12	16	15 P.S. § 12416	7326
13	17	15 P.S. § 12417	7327
14	18	15 P.S. § 12418	7328
15	19	15 P.S. § 12419	5721, 5722, 7329
16	20	15 P.S. § 12420	5724, 5725, 5730,
17			7329
18	21	15 P.S. § 12421	5725
19	22	15 P.S. § 12422	5727
20	23	15 P.S. § 12423	5703, 5705
21	24	15 P.S. § 12424	5732, 5733
22	25	15 P.S. § 12425	5731
23	26	15 P.S. § 12426	7330
24	27	15 P.S. § 12427	Ch.59B
25	28	15 P.S. § 12428	Ch.59C, 7331
26	29	15 P.S. § 12429	Ch.59F, 7332
27	30	15 P.S. § 12430	105
28	31	15 P.S. § 12431	7333
29	32	15 P.S. § 12432	7334
30	33	15 P.S. § 12433	7335

1		34	15 P.S. § 12434	Obsolete
2		35	15 P.S. § 12435	Obsolete
3		36	15 P.S. § 12436	7308
4		37	15 P.S. § 12437	1 Pa.C.S. § 1925
5		38	15 P.S. § 12438	7302(b)
6		39	-	Effective date
7	1937, No.600	1	15 P.S. § 3967	1758(e), 1759
8		2	-	Repealer
9	1939, No.170	1	15 P.S. § 3905	1755
10	1939, No.171	1	15 P.S. § 4210	1502
11		2	-	Effective date
12	1945, No.114	1	15 P.S. § 432	523
13		2	15 P.S. § 433	523
14		3	15 P.S. § 434	523
15		4	15 P.S. § 410	522
16	1947, No.79	1	15 P.S. § 4022	1703
17		2	-	Repealer
18		3	-	Effective date
19	1947, No.136	1	15 P.S. § 3355	Ch.19C
20		2	15 P.S. § 3356	Ch.19C
21		3	15 P.S. § 3357	Ch.19C
22		4	15 P.S. § 3358	Omitted
23		5	15 P.S. § 3359	Ch.19C
24		6	15 P.S. § 3360	Ch.19C
25		7	15 P.S. § 3361	Ch.19C
26		8	15 P.S. § 3362	Ch.15D
27	1947, No.196	1	15 P.S. § 3304	1511
28	1947, No.243	1	15 P.S. § 7207 note	Obsolete
29	1949, No.17	1	15 P.S. § 4014	1502, 1730, 1732
30		2	15 P.S. § 4015	1502, 1732

1	3	15 P.S. § 4016	1723
2	4	15 P.S. § 4017	Obsolete
3	5	-	Effective date
4	1949, No.123	1	-
5	2	-	Repealed 1972
6	3	15 P.S. § 7004 note	40 Pa.C.S. § 6322(f)
7	4	-	Effective date
8	1949, No.379	1	-
9	2	-	Repealed 1972
10	3	15 P.S. § 7004 note	40 Pa.C.S. § 6322(f)
11	4	-	Effective date
12	1951, No.302	1	-
13	2	-	Amendatory
14	3	-	Amendatory
15	4	15 P.S. § 801 note	Effective date
16	1953, No.280	2	15 P.S. § 113
17	3	15 P.S. § 114	521
18	4	-	Obsolete
19	1955, No.238	1	-
20	2	-	Effective date
21	3	15 P.S. § 7220 note	Repealed 1972
22	4	-	Repealed 1972
23	1957, No.169	1	15 P.S. § 3165
24	1957, No.366	1	15 P.S. § 806
25	2	15 P.S. § 807	Ch.19B
26	3	-	139
27	4	-	139
28	1957, No.368	1	Repealer
29	2	15 P.S. § 415	Effective date
30	3	15 P.S. § 416	Obsolete

1	4	15 P.S. § 417	1705(a)
2	5	15 P.S. § 418	1705(b)
3	6	15 P.S. § 431	1766
4	7	-	Repealer
5	8	-	Effective date
6	1959, No.508	1 15 P.S. § 4021	1731
7	2	-	Effective date
8	1959, No.509	1 15 P.S. § 3968	1759
9	2	15 P.S. § 3969	1760
10	3	15 P.S. § 3970	1761
11	4	-	Repealer
12	5	-	Effective date
13	1961, No.416	1 15 P.S. § 12601	9301
14	2	15 P.S. § 12602	9303
15	3	15 P.S. § 12603	Obsolete
16	4	15 P.S. § 12604	9304
17	5	15 P.S. § 12605	9305(a), (b)
18	6	15 P.S. § 12606	9306
19	7	15 P.S. § 12607	9307
20	8	15 P.S. § 12608	9308
21	9	15 P.S. § 12609	9309
22	10	15 P.S. § 12610	9310
23	11	15 P.S. § 12611	9311
24	12	15 P.S. § 12612	9312
25	13	15 P.S. § 12613	9313
26	14	15 P.S. § 12614	9314
27	15	15 P.S. § 12615	9315
28	16	15 P.S. § 12616	9316
29	17	15 P.S. § 12617	9317
30	18	15 P.S. § 12618	9318

1		19(a)	15 P.S. § 12619(a)	9319(a)
2		19(b)	15 P.S. § 12619(b)	9319(d)
3		19(c)	15 P.S. § 12619(c)	9319(b)
4		20	-	Effective date
5	1964, No.6	901*	26 P.S. § 1-901*	1511
6	1965, No.293	1	-	Amendatory
7		2	-	Repealed 1966
8		3	15 P.S. § 1202 note	1105(b)(2)
9		4	-	Effective date
10	1965, No.294	1	-	Repealed 1972
11		2	-	Repealed 1966
12		3	15 P.S. § 7202 note	5105(b)(2)
13		4	-	Effective date
14	1965, No.507	1-5	-	Repealed 1972
15		6	15 P.S. § 7004 note	40 Pa.C.S. § 6322(f)
16	1966, No.521	1	15 P.S. § 1	Obsolete
17		2	15 P.S. § 2	Sec. 104 of Act
18		3	15 P.S. § 3	501(b)
19		4	15 P.S. § 4	Obsolete
20		5	15 P.S. § 5	Obsolete
21		6	15 P.S. § 6	Obsolete
22		7	15 P.S. § 7	Obsolete
23		8	-	Effective date
24	1966, No.556	1	15 P.S. § 4351	1722
25		2	15 P.S. § 4352	1722
26		3	-	Severability
27				Section
28		4	-	Repealer
29		5	-	Effective date
30	1968, No.94	1	15 P.S. § 12101	7501

1	2	15 P.S. § 12102	7504
2	3	15 P.S. § 12103	7504
3	4	15 P.S. § 12104	7502(a), 7503
4	5	15 P.S. § 12105	7502
5	6	15 P.S. § 12106	1 Pa.C.S. § 1976
6	7	15 P.S. § 12107	133, 135
7	8	15 P.S. § 12108	7505
8	9	15 P.S. § 12109	7506
9	10	15 P.S. § 12110	1306, 5306, 7507
10	11	15 P.S. § 12111	1308, 5308
11	12	15 P.S. § 12112	1502, 5502, 7521
12	12.1	15 P.S. § 12112.1	1741 et seq.
13			5741 et seq.
14	12.2	15 P.S. § 12112.2	1508, 5508, 7522
15	13	15 P.S. § 12113	7523
16	14(a)	15 P.S. § 12114(a)	7524(a), (b), (c)
17	14(b)	15 P.S. § 12114(b)	7524(d)
18	14(c)	15 P.S. § 12114(c)	7524(e)
19	14(d)	15 P.S. § 12114(d)	7524(a)
20	14(e)	15 P.S. § 12114(e)	1528, 5753
21	14(f)	15 P.S. § 12114(f)	7524(f)
22	14(g)	15 P.S. § 12114(g)	1530
23	15	15 P.S. § 12115	7525
24	16	15 P.S. § 12116	7526
25	17	15 P.S. § 12117	1526, 5553, 7535
26	18	15 P.S. § 12118	1759, 5759, 7527
27	19	15 P.S. § 12119	1320, 1704, 5320,
28			5704, 7528
29	20	15 P.S. § 12120	7529
30	21	15 P.S. § 12121	1504, 5504, 7530

1		22(a)	15 P.S. § 12122(a)	7531(a)
2		22(b)	15 P.S. § 12122(b)	1703, 1724, 1725,
3				1727, 5703, 5724,
4				5725, 5727
5		22(c)	15 P.S. § 12122(c)	7531(b)
6		22(d)	15 P.S. § 12122(d)	7531(c)
7		23	15 P.S. § 12123	7533
8		24(a)	15 P.S. § 12124(a)	7532
9		24(b)	15 P.S. § 12214(b)	1733, 5733
10		25	15 P.S. § 12125	7534
11		26	15 P.S. § 12126	7535
12		27(a)	15 P.S. § 12127(a)	7536(a), (b)
13		27(b)	15 P.S. § 12127(b)	7536(c)
14		27(c)	15 P.S. § 12127(c)	7536(d)
15		27(d)	15 P.S. § 12127(d)	7531(d)
16		27(e)	15 P.S. § 12127(e)	7536(e)
17		28	15 P.S. § 12128	7537
18		29	15 P.S. § 12129	Chs.19, 59, 7529
19		30	15 P.S. § 12130	7538
20		31	15 P.S. § 12131	7102
21		32	-	Repealed 1972
22		33	15 P.S. § 12133	7502
23		34	15 P.S. § 12134	Obsolete
24		35	15 P.S. § 12135	1 Pa.C.S. § 1925
25		36	-	Effective date
26	1968, No.321	1	15 P.S. § 4381	Obsolete
27		2	15 P.S. § 4382	1511
28		3	15 P.S. § 4383	Ch.19B
29		4	15 P.S. § 4384	1511
30		5	15 P.S. § 4385	Repealer

1	6	-	Effective date
2	1970, No.160	1 15 P.S. § 2901	Obsolete
3		2 15 P.S. § 2902	2902
4		3(1) 15 P.S. § 2903	2903(b)
5		3(2) 15 P.S. § 2903	Obsolete
6		4(a) 15 P.S. § 2904(a)	2905(a)
7		4(b) 15 P.S. § 2904(b)	2905(b)
8		4(c) 15 P.S. § 2904(c)	2905(c)
9		4(d) 15 P.S. § 2904(d)	1311
10		5(a) 15 P.S. § 2905(a)	2901(b)
11		5(b) 15 P.S. § 2905(b)	2904
12		6(a) 15 P.S. § 2906(a)	2901(c), 2903(a)
13		6(b) 15 P.S. § 2906(b)	Ch.41
14		7(a) 15 P.S. § 2907(a)	2903(c), 2922(a)
15		7(b) 15 P.S. § 2907(b)	2903(d)(1)
16		7(c) 15 P.S. § 2907(c)	2903(d)(2)
17		8(a) 15 P.S. § 2908(a)	2921(a)
18		8(b) 15 P.S. § 2908(b)	2921(b)
19		8(c) 15 P.S. § 2908(c)	135
20		9 15 P.S. § 2909	1723
21		10(a) 15 P.S. § 2910(a)	2923(a), (c)
22		10(b) 15 P.S. § 2910(b)	2923(d)
23		11(a) 15 P.S. § 2911(a)	2923(b)
24		11(b) 15 P.S. § 2911(b)	2907(c)
25		11(c) 15 P.S. § 2911(c)	2907(a)
26		11(d) 15 P.S. § 2911(d)	2907(b)
27		12 15 P.S. § 2912	2924
28		13 15 P.S. § 2913	2925
29		14 15 P.S. § 2914	Repealer
30		15 -	Effective date

1	1972, No.271	1	-	Saved
2		2	15 Pa.C.S.A. § 101 note	Sec. 105 of Act
3		3	15 Pa.C.S.A. § 101 note	24 Pa.C.S. § 6503
4		4	15 Pa.C.S.A. § 101 note	24 Pa.C.S. § 6504
5		5	15 Pa.C.S.A. § 101 note	Repealer
6		6	15 Pa.C.S.A. § 101 note	Saving clause
7		7	15 Pa.C.S.A. § 101 note	Sec. 106 of Act
8		8	15 Pa.C.S.A. § 101 note	5110
9		9	-	Effective date
10	1975, No.57	1	15 P.S. § 3277	Omitted
11		1.1	15 P.S. § 3277.1	7351(a)
12		2	15 P.S. § 3278	7352
13		3	15 P.S. § 3279	7353
14		4	15 P.S. § 3280	7354
15		5	15 P.S. § 3281	7355
16		6	15 P.S. § 3282	7356
17		7	15 P.S. § 3283	7357
18		8	15 P.S. § 3284	7358
19		9	15 P.S. § 3285	7351(b)
20		10	15 P.S. § 3286	7359
21		11	15 P.S. § 3287	7302(b)
22		12	-	Effective date
23	1977, No.38	201*	40 P.S. § 1141-201*	5306
24	1981, No.77	1	-	Amendatory
25		2	-	Amendatory
26		3	-	Amendatory
27		4	59 Pa.C.S.A. § 561 note	54 Pa.C.S. § 303(b)
28		5	59 Pa.C.S.A. § 701 note	54 Pa.C.S. § 303(b)
29		6	59 Pa.C.S.A. § 701 note	Sec. 107 of Act
30		7	59 Pa.C.S.A. § 701 note	2922, 2923

1		8	-	Repealer
2		9	-	Effective date
3	1981, No.135	203*	4 P.S. § 325.203*	Chs.11-19
4	1982, No.295	5(a)	54 P.S. §	132(d)
5		5(b)	54 P.S. §	135(c)
6		5(c)	54 P.S. §	133(e)
7	1983, No.92	1	-	Amendatory
8		2	-	Amendatory
9		3	-	Amendatory
10		4	-	Amendatory
11		5	-	2538(a)
12		6	-	Obsolete
13		7	-	Effective date

14 The provision attached to the partial repeal of section 901
15 of the act of June 22, 1964 (P.L.84, No.6) reverses the result
16 in Appeal of Conway, 60 Pa.Cmwlt. 520, 432 A.2d 276 (1981), and
17 cures the constitutional defect in the Eminent Domain Code noted
18 in footnote 3 to the court's opinion in that case, 432 A.2d at
19 278.

20 Section 7 of the act of July 10, 1981 (P.L.237, No.77) is
21 omitted as supplied in part by new 15 Pa.C.S. §§ 2922 and 2923
22 and otherwise obsolete.

23 Section 401(b): The provisions repealed by this subsection
24 are supplied in this act as to associations not incorporated
25 under or subject to The Insurance Company Law of 1921 as
26 follows:

27	Repealed		Unofficial	Superseding
28	Act	Section	Citation	Provision of
29				Title 15
30				(unless otherwise noted)

1	1865, No.1119	1	15 P.S. § 424	1703(a), 1704(a)
2	1869, No.30	1	15 P.S. § 405	1727
3	1874, No.118	1	15 P.S. § 103	1309
4	1887, No.274	1	15 P.S. § 406	1724
5		2	-	Validating
6				section
7		3	-	Repealed 1959
8	1891, No.77	1	15 P.S. § 408	1730
9	1901, No.51	1	15 P.S. § 403	1723
10			15 P.S. § 404	1723
11	1901, No.298	1	15 P.S. § 110	1502
12		2	-	Repealer
13	1903, No.17	1	15 P.S. § 429	1759
14		2	-	Repealer
15	1905, No.26	1	15 P.S. § 428	1760
16	1913, No.222	1	15 P.S. § 751	1551
17		2	-	Repealer
18	1921, No.28	1	15 P.S. § 422	1755
19		2	15 P.S. § 423	1704
20	1923, No.8	1	15 P.S. § 905	Obsolete
21		2	15 P.S. § 905 note	Validating
22				section
23		3	15 P.S. § 906	42 Pa.C.S. § 6103
24				42 Pa.C.S. § 6104
25	1923, No.443	1	15 P.S. § 601	1523
26		2	15 P.S. § 602	1530
27		3	-	Repealer
28	1925, No.131	1	15 P.S. § 102	Obsolete
29		2	-	Validating
30				section

1		3	-	Repealer
2	1925, No.329	1	15 P.S. § 401	1505
3		2	15 P.S. § 402	1506
4	1925, No.368	1	15 P.S. § 701	1502(a), 1525,
5				1530
6		2	15 P.S. § 702	Omitted
7		3	-	Repealer
8	1927, No.260	1	41 P.S. § 2	1510, 5510
9		2	-	Repealer
10	1929, No.401	1	15 P.S. § 411	1763
11		2	15 P.S. § 412	1763
12		3	15 P.S. § 413	1763
13		4	-	Repealer
14	1945, No.249	1	15 P.S. § 901	1502, 7 P.S. § 6020-101,
15				7 P.S. § 201(a)(vii)
16		2	-	Effective date
17	1953, No.280	1	15 P.S. § 703	1525, 7 P.S. § 1409

18 Section 401(c): Derived from act of May 5, 1933 (P.L.364,
 19 No.106), § 1203(b), added by the act of January 18, 1966 (1965
 20 P.L.1305, No.519), § 50. The provisions repealed by this
 21 subsection were repealed as to corporations for profit with the
 22 proviso that they were repealed absolutely if repealed as to
 23 corporations not for profit by any amendment to the Nonprofit
 24 Corporation Law of 1933. They were repealed as to corporations
 25 not for profit by the act of January 18, 1966 (1965 P.L.1406,
 26 No.520), § 26(b), adding § 1103(b) to the Nonprofit Corporation
 27 Law of 1933.

28 Section 401(d): Substantially a reenactment of act of May 5,
 29 1933 (P.L.364, No.106), § 1204(d), added by the act of July 20,
 30 1968 (P.L.459, No.216), § 59.

1 Section 401(e): See section 402(1) of the act of ,
2 1985 (P.L. , No.), known as the General Association Act
3 of 1985 (15 P.S. §), as to the effective date of the repeal
4 of 59 Pa.C.S. Ch. 5. The provisions repealed by this subsection
5 are supplied by this act as follows:

6	Official	Superseding
7	<u>Citation</u>	<u>Provision</u>
8	59 Pa.C.S. §301	15 Pa.C.S. §8301(a)
9	59 Pa.C.S. §302	15 Pa.C.S. §8302
10	59 Pa.C.S. §303	15 Pa.C.S. §8303
11	59 Pa.C.S. §304	15 Pa.C.S. §8304
12	59 Pa.C.S. §305	15 Pa.C.S. §8305
13	59 Pa.C.S. §311	15 Pa.C.S. §8311
14	59 Pa.C.S. §312	15 Pa.C.S. §8312
15	59 Pa.C.S. §313	15 Pa.C.S. §8313
16	59 Pa.C.S. §321	15 Pa.C.S. §8321
17	59 Pa.C.S. §322	15 Pa.C.S. §8322
18	59 Pa.C.S. §323	15 Pa.C.S. §8323
19	59 Pa.C.S. §324	15 Pa.C.S. §8324
20	59 Pa.C.S. §325	15 Pa.C.S. §8325
21	59 Pa.C.S. §326	15 Pa.C.S. §8326
22	59 Pa.C.S. §327	15 Pa.C.S. §8327
23	59 Pa.C.S. §328	15 Pa.C.S. §8328
24	59 Pa.C.S. §329	15 Pa.C.S. §8329
25	59 Pa.C.S. §331	15 Pa.C.S. §8331
26	59 Pa.C.S. §332	15 Pa.C.S. §8332
27	59 Pa.C.S. §333	15 Pa.C.S. §8333
28	59 Pa.C.S. §334	15 Pa.C.S. §8334
29	59 Pa.C.S. §335	15 Pa.C.S. §8335
30	59 Pa.C.S. §336	15 Pa.C.S. §8336

1	59 Pa.C.S. §341	15 Pa.C.S. §8341
2	59 Pa.C.S. §342	15 Pa.C.S. §8342
3	59 Pa.C.S. §343	15 Pa.C.S. §8343
4	59 Pa.C.S. §344	15 Pa.C.S. §8344
5	59 Pa.C.S. §345	15 Pa.C.S. §8345
6	59 Pa.C.S. §351	15 Pa.C.S. §8351
7	59 Pa.C.S. §352	15 Pa.C.S. §8352
8	59 Pa.C.S. §353	15 Pa.C.S. §8353
9	59 Pa.C.S. §354	15 Pa.C.S. §8354
10	59 Pa.C.S. §355	15 Pa.C.S. §8355
11	59 Pa.C.S. §356	15 Pa.C.S. §8356
12	59 Pa.C.S. §357	15 Pa.C.S. §8357
13	59 Pa.C.S. §358	15 Pa.C.S. §8358
14	59 Pa.C.S. §359	15 Pa.C.S. §8359
15	59 Pa.C.S. §360	15 Pa.C.S. §8360
16	59 Pa.C.S. §361	15 Pa.C.S. §8361
17	59 Pa.C.S. §362	15 Pa.C.S. §8362
18	59 Pa.C.S. §363	15 Pa.C.S. §8363
19	59 Pa.C.S. §364	15 Pa.C.S. §8364
20	59 Pa.C.S. §365	15 Pa.C.S. §8365
21	59 Pa.C.S. §501	15 Pa.C.S. §8501
22	59 Pa.C.S. §502	15 Pa.C.S. §8502(a)
23	59 Pa.C.S. §503	15 Pa.C.S. §8504
24	59 Pa.C.S. §504	15 Pa.C.S. §101(b)
25	59 Pa.C.S. §511	15 Pa.C.S. §8503
26	59 Pa.C.S. §512	15 Pa.C.S. §8511
27	59 Pa.C.S. §513	15 Pa.C.S. §8508
28	59 Pa.C.S. §514	15 Pa.C.S. §8541
29	59 Pa.C.S. §515(a)	15 Pa.C.S. §8505(a)
30	(b)	15 Pa.C.S. §8523

1	59 Pa.C.S. §516	15 Pa.C.S. §8517
2	59 Pa.C.S. §521	15 Pa.C.S. §8523
3	59 Pa.C.S. §522	15 Pa.C.S. §8521
4	59 Pa.C.S. §523	15 Pa.C.S. §8533
5	(7)	15 Pa.C.S. §8571
6	59 Pa.C.S. §524(a)	15 Pa.C.S. §8525
7	(b)	15 Pa.C.S. §8543
8	59 Pa.C.S. §525	15 Pa.C.S. §8524
9	59 Pa.C.S. §526	15 Pa.C.S. §8534
10	59 Pa.C.S. §527	15 Pa.C.S. §8509
11	59 Pa.C.S. §528	15 Pa.C.S. §8544
12	59 Pa.C.S. §529	15 Pa.C.S. §8557
13	59 Pa.C.S. §530(a)(1)	15 Pa.C.S. §8557
14	(a)(2)	15 Pa.C.S. §8554
15	(a)(3)	15 Pa.C.S. §8553
16	(b)	15 Pa.C.S. §8553
17	(c)	15 Pa.C.S. §8555
18	(d)	Omitted
19	59 Pa.C.S. §531	15 Pa.C.S. §8542
20		15 Pa.C.S. §8558
21	59 Pa.C.S. §532	15 Pa.C.S. §8561
22	59 Pa.C.S. §533	15 Pa.C.S. §8521
23		15 Pa.C.S. §8562
24		15 Pa.C.S. §8564
25	59 Pa.C.S. §534	15 Pa.C.S. §8532
26		15 Pa.C.S. §8571
27	59 Pa.C.S. §535	15 Pa.C.S. §8565
28	59 Pa.C.S. §536	15 Pa.C.S. §8563
29	59 Pa.C.S. §541	15 Pa.C.S. §8574
30	59 Pa.C.S. §542(a)	15 Pa.C.S. §8513

1		(b)	15 Pa.C.S. §8512(b)
2	59 Pa.C.S. §543(a)	15 Pa.C.S. §8512	
3		(a)(2)	15 Pa.C.S. §8531
4		(b)	15 Pa.C.S. §8512
5			15 Pa.C.S. §8513
6		(c)	15 Pa.C.S. §8515
7		(d)	15 Pa.C.S. §8516
8		(e)	15 Pa.C.S. §8516
9	59 Pa.C.S. §544	15 Pa.C.S. §8520	
10	59 Pa.C.S. §545	Omitted	
11	59 Pa.C.S. §561	15 Pa.C.S. §8503	
12	59 Pa.C.S. §562	15 Pa.C.S. §8581	
13	59 Pa.C.S. §563	15 Pa.C.S. §8582(a)	
14	59 Pa.C.S. §564	15 Pa.C.S. §8583	
15	59 Pa.C.S. §565	15 Pa.C.S. §8584	
16	59 Pa.C.S. §566	15 Pa.C.S. §8585(a)	
17	59 Pa.C.S. §567	15 Pa.C.S. §8586(a)	
18	59 Pa.C.S. §568	15 Pa.C.S. §8587	
19	59 Pa.C.S. §569	15 Pa.C.S. §8588	
20	59 Pa.C.S. §701	15 Pa.C.S. §8701	
21	59 Pa.C.S. §702	15 Pa.C.S. §8702	
22	59 Pa.C.S. §703	15 Pa.C.S. §8703	
23	59 Pa.C.S. §704	15 Pa.C.S. §8704	
24	59 Pa.C.S. §705	15 Pa.C.S. §8705	
25	59 Pa.C.S. §706	15 Pa.C.S. §8706	
26	59 Pa.C.S. §707	15 Pa.C.S. §8707	

27 Section 401(f): New.

28 Section 402: New. See section 109 of the act of
29 , 1985 (P.L. , No.), known as the General Association Act of
30 1985 (15 P.S. §).

1 Section 403: New.