
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 884 Session of
2011

INTRODUCED BY GREENLEAF, BROWNE AND FERLO, MARCH 28, 2011

REFERRED TO JUDICIARY, MARCH 28, 2011

AN ACT

1 Amending Titles 15 (Corporations and Unincorporated
2 Associations) and 54 (Names) of the Pennsylvania Consolidated
3 Statutes, in Title 15, making extensive revisions, additions
4 and deletions to preliminary material on general provisions;
5 to corporation material on general provisions, on
6 incorporation, on corporate powers, duties and safeguards, on
7 officers, directors and shareholders, on fundamental changes,
8 on registered corporations, on insurance corporations, on
9 foreign business corporations, on incorporation and on
10 foreign nonprofit corporations and to material on business
11 trusts; in Title 54, further providing for general provisions
12 and for corporate and other association names; and making
13 related repeals.

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

16 Section 1. This act shall be known and may be cited as the
17 GAA Amendments Act of 2011.

18 Section 2. The definitions of "banking institution,"
19 "limited liability company," "representative" and "savings
20 association" in section 102 of Title 15 of the Pennsylvania
21 Consolidated Statutes are amended and the section is amended by
22 adding definitions to read:

23 § 102. Definitions.

24 Subject to additional or inconsistent definitions contained

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

6 * * *

7 "Banking institution." A [banking institution as defined in
8 section 1103 (relating to definitions).] domestic corporation
9 for profit which is an institution as defined in the act of
10 November 30, 1965 (P.L.847, No.356), known as the Banking Code
11 of 1965.

12 * * *

13 "Domestic banking institution." A domestic corporation for
14 profit which is an institution as defined in section 102(r) of
15 the act of November 30, 1965 (P.L.847, No.356), known as the
16 Banking Code of 1965.

17 * * *

18 "Domestic insurance corporation." An insurance corporation
19 as defined in section 3102 (relating to definitions).

20 "Domestic savings association." A domestic corporation for
21 profit which is an association as defined in section 102(3) of
22 the act of December 14, 1967 (P.L.746, No.345), known as the
23 Savings Association Code of 1967.

24 * * *

25 "Execute." When used with respect to authenticating or
26 adopting a filing, document or other record, means "sign."

27 * * *

28 "Limited liability company." A domestic or foreign limited
29 liability company as defined in section 8903 (relating to
30 definitions and index of definitions).

1 "Obligation." Includes a note or other form of indebtedness,
2 whether secured or unsecured.

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

14 * * *

15 "Record form." Inscribed on a tangible medium or stored in
16 an electronic or other medium and retrievable in perceivable
17 form.

18 "Representative." [A representative as defined in section
19 1103 (relating to definitions).] When used with respect to an
20 association, joint venture, trust or other enterprise, a person
21 occupying the position or discharging the functions of a
22 director, officer, partner, manager, trustee, fiduciary,
23 employee or agent, regardless of the name or title by which the
24 person may be designated. The term does not imply that a
25 director, as such, is an agent of a corporation.

26 "Savings association." A [savings association as defined in
27 section 1103.] domestic corporation for profit which is an
28 association as defined in section 102(3) of the act of December
29 14, 1967 (P.L.746, No.345), known as the Savings Association
30 Code of 1967.

1 "Sign." With present intent to authenticate or adopt
2 information in record form:
3 (1) to sign manually or adopt a tangible symbol; or
4 (2) to attach to, or logically associate with,
5 information in record form, an electronic sound, symbol or
6 process.

7 * * *

8 Section 3. Section 107 of Title 15 is amended to read:

9 § 107. Form of records.

10 (a) General rule.--Any records maintained by a corporation
11 or other association in the regular course of its business,
12 including shareholder or membership records, books of account
13 and minute books, may be kept [on, or be in the form of, punch
14 cards, magnetic storage media, photographs, microphotographs or
15 any other information storage device if the records so kept can
16 be converted into reasonably legible written form within a
17 reasonable time] in record form. Any corporation or other
18 association shall [so] convert any of its records [so kept] into
19 a tangible and reasonably legible form to the extent they are
20 not kept in that form upon the request of any person entitled to
21 inspect the records. [Where] If records are kept in [this
22 manner, a] record form, a tangible and reasonably legible
23 [written] form [produced from the information storage device]
24 that accurately portrays the record shall be admissible in
25 evidence, and shall be accepted for all other purposes, to the
26 same extent as an original written record of the same
27 information would have been accepted.

28 (b) Meaning of "written."--References in this title to a
29 document in writing or to a written provision of an agreement or
30 other document shall be deemed to include and be satisfied by a

1 document or provision of an agreement or document in record
2 form.

3 Section 4. Title 15 is amended by adding a section to read:
4 § 111. Relation of title to Electronic Signatures in Global and
5 National Commerce Act.

6 (a) General rule.--Except as set forth in subsection (b),
7 this title modifies, limits and supersedes the Electronic
8 Signatures in Global and National Commerce Act (Public Law
9 106-229, 15 U.S.C. § 7001, et seq.).

10 (b) Exception.--This title does not do any of the following:

11 (1) Modify, limit or supersede section 101(c) of the
12 Electronic Signatures in Global and National Commerce Act (15
13 U.S.C. § 7001(c)).

14 (2) Authorize electronic delivery of a notice described
15 in section 103(b) of the Electronic Signatures in Global and
16 National Commerce Act (15 U.S.C. § 7003(b)).

17 Section 5. Sections 131, 133(a) and (d), 135(a) (7), 136(b)
18 (2) and (3), 152, 153(a) and 155(a) of Title 15 are amended to
19 read:

20 § 131. Application of subchapter.

21 As used in this subchapter, the term "this title" includes
22 Titles 17 (relating to credit unions) and 54 (relating to names)
23 and any other provision of law that makes reference to the
24 powers and procedures of this subchapter or, to the extent not
25 inconsistent with this subchapter, requires a filing in the
26 Corporation Bureau of the department and does not specify some
27 or all of the necessary procedures therefor provided in this
28 subchapter.

29 § 133. Powers of Department of State.

30 (a) General rule.--The [Department of State shall have]

1 department has the power and authority reasonably necessary to
2 enable it to administer this subchapter efficiently and to
3 perform the functions specified in section 132 (relating to
4 functions of Department of State), in 13 Pa.C.S. (relating to
5 commercial code) and in 17 Pa.C.S. (relating to credit unions).
6 The following shall not be agency regulations for the purposes
7 of section 612 of the act of April 9, 1929 (P.L.177, No.175),
8 known as The Administrative Code of 1929, the act of October 15,
9 1980 (P.L.950, No.164), known as the Commonwealth Attorneys Act,
10 the act of June 25, 1982 (P.L.633, No.181), known as the
11 Regulatory Review Act, or any similar provision of law, but
12 shall be subject to the opportunity of public comment
13 requirement under section 201 of the act of July 31, 1968 (P.L.
14 769, No.240), referred to as the Commonwealth Documents Law:

15 (1) Sample filing forms promulgated by the department
16 under subsection (d).

17 (2) Instructions accompanying sample filing forms and
18 other explanatory material published in the Pennsylvania Code
19 that is intended to substantially track applicable statutory
20 provisions relating to the particular filing or to any of the
21 functions of the department covered by this subsection, if a
22 regulation of the department expressly states that [such]
23 those instructions or explanatory materials shall not have
24 the force of law.

25 (3) Regulations, which the department is hereby
26 authorized to promulgate, that:

27 (i) Authorize payment of fees and other remittances
28 through or by a credit or debit card issuer or other
29 financial intermediary.

30 (ii) Authorize contracts with credit or debit card

1 issuers and other financial intermediaries relating to
2 the collection, transmission and payment of fees and
3 other remittances.

4 [(iii) Adjust the level of fees and other
5 remittances as otherwise fixed by law so as to facilitate
6 their transmission through or by a credit card issuer or
7 other financial intermediary pursuant to such regulations
8 without net cost to the department.]

9 (iv) Adjust, not more than once per year, the fees
10 set forth in section 153(a) (relating to fee schedule)
11 and 13 Pa.C.S. § 9525 (relating to fees) for filings
12 transmitted to the department electronically.

13 * * *

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

26 * * *

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

28 (a) General rule.--A document shall be accepted for filing
29 by the [Department of State] department if it satisfies the
30 following requirements:

1 * * *

2 (7) It is in record form and executed. The department
3 shall not examine a document to determine whether the
4 document has been executed by an authorized person or by
5 sufficient authorized persons or otherwise is duly executed.
6 [A document shall be deemed executed if it contains a
7 facsimile signature, so long as the operative portions of the
8 document meet any applicable requirements prescribed under
9 section 133(d) (relating to physical characteristics and
10 copies of documents).]

11 * * *

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

13 * * *

14 (b) Immediate certified copy.--

15 * * *

16 [(2) If the duplicate copy is delivered by hand to the
17 office of the department at the seat of government at least
18 four hours before the close of business on any day not a
19 holiday and relates to a matter other than a label or other
20 mark requiring examination under Title 54 (relating to names)
21 or the reservation or registration of a name under this title
22 and, in the case of a document that creates a new
23 association, effects or reflects a change in name or
24 qualifies a foreign association to do business in this
25 Commonwealth, if the duplicate copy is accompanied by
26 evidence that the proposed name has been reserved or
27 registered by or on behalf of the applicant, the department
28 before the close of business on that day shall either:

29 (i) Certify the duplicate copy as required by this
30 subsection and make such certified copy available at the

1 office of the department to or upon the order of the
2 person who delivered it to the department.

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

8 See section 153(a)(10) (relating to certification fees).]

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

14 * * *

15 § 152. Definitions.

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

19 "Ancillary transaction." Includes:

20 (1) preclearance of document[,];

21 (2) amendment of articles, charter, certificate or other
22 organic document, restatement of articles, charter,
23 certificate or other organic document[, change in registered
24 or principal office, change in share structure,];

25 (3) dissolution, cancellation or termination[,
26 reorganization,] of an association;

27 (4) withdrawal by foreign association[,];

28 (5) withdrawal by a partner[, or];

29 (6) any [similar transaction,] transaction similar to
30 any item listed in paragraphs (1) through (5); or

1 (7) the deposit in the [Department of State] department
2 for filing in, by or with the [Department of State]
3 department or the Secretary of the Commonwealth of any
4 articles, statements, proceedings, agreements or any [like]
5 similar papers affecting associations under the statutes of
6 this Commonwealth[.] for which a specific fee is not set
7 forth in section 153 (relating to fee schedule) or other
8 applicable statute.

9 "Bureau." The Corporation Bureau of the Department of State
10 or any successor agency within the department.

11 § 153. Fee schedule.

12 (a) General rule.--The fees of the bureau, including fees
13 for the public acts and transactions of the Secretary of the
14 Commonwealth administered through the bureau, shall be as
15 follows:

16 (1) Domestic corporations:

17 (i) Articles of incorporation, letters
18 patent or similar instruments incorporating a
19 corporation or association..... \$125

20 (ii) Articles or agreement or similar
21 instrument of merger, consolidation or division.. 70

22 (iii) Additional fee for each association
23 which is a party to a merger or consolidation.... 40

24 (iv) Additional fee for each new association
25 resulting from a division..... 125

26 (v) Articles of conversion or a similar
27 instrument..... 70

28 (vi) Each ancillary transaction..... 70

29 (2) Foreign corporations:

30 (i) Certificates of authority or similar

1	<u>qualifications to do business.....</u>	<u>250</u>
2	(ii) <u>Amended certificate of authority or</u>	
3	<u>similar change in qualification to do business...</u>	<u>250</u>
4	(iii) <u>Domestication.....</u>	<u>125</u>
5	(iv) <u>Statement of merger or consolidation or</u>	
6	<u>similar instrument reporting occurrence of merger</u>	
7	<u>or consolidation not effected by a filing in the</u>	
8	<u>department.....</u>	<u>70</u>
9	(v) <u>Additional fee for each qualified</u>	
10	<u>foreign corporation which is named in a statement</u>	
11	<u>of merger or consolidation or similar instrument.</u>	<u>40</u>
12	(vi) <u>Each ancillary transaction.....</u>	<u>70</u>
13	<u>(3) Partnerships and limited liability companies:</u>	
14	(i) <u>Certificate of limited partnership or</u>	
15	<u>certificate of organization of a limited</u>	
16	<u>liability company or similar instrument forming a</u>	
17	<u>limited partnership or organizing a limited</u>	
18	<u>liability company.....</u>	<u>125</u>
19	(ii) <u>Certificate of merger, consolidation or</u>	
20	<u>division.....</u>	<u>70</u>
21	(iii) <u>Additional fee for each association</u>	
22	<u>which is a party to a merger or consolidation....</u>	<u>40</u>
23	(iv) <u>Additional fee for each new association</u>	
24	<u>resulting from a division.....</u>	<u>125</u>
25	(v) <u>Application for registration of foreign</u>	
26	<u>limited partnership or limited liability</u>	
27	<u>company.....</u>	<u>250</u>
28	(vi) <u>Certificate of amendment of</u>	
29	<u>registration of foreign limited partnership or</u>	
30	<u>limited liability company.....</u>	<u>250</u>

1	<u>(vii) Statement of registration of</u>	
2	<u>registered limited liability partnership or</u>	
3	<u>statement of election as an electing</u>	
4	<u>partnership.....</u>	<u>125</u>
5	<u>(viii) Domestication of foreign limited</u>	
6	<u>liability company.....</u>	<u>125</u>
7	<u>(ix) Each ancillary transaction.....</u>	<u>70</u>
8	<u>(4) Business trusts:</u>	
9	<u>(i) Deed of trust or other initial</u>	
10	<u>instrument for a business trust.....</u>	<u>125</u>
11	<u>(ii) Each ancillary transaction.....</u>	<u>70</u>
12	<u>(5) Fictitious names:</u>	
13	<u>(i) Registration.....</u>	<u>70</u>
14	<u>(ii) Each ancillary transaction.....</u>	<u>70</u>
15	<u>(6) Service of process:</u>	
16	<u>(i) Each defendant named or served.....</u>	<u>70</u>
17	<u>(ii) (Reserved).....</u>	
18	<u>(7) Trademarks, emblems, union labels,</u>	
19	<u>description of bottles and similar matters:</u>	
20	<u>(i) Trademark registration.....</u>	<u>50</u>
21	<u>(ii) Each ancillary trademark transaction...</u>	<u>50</u>
22	<u>(iii) Any other registration under this</u>	
23	<u>paragraph.....</u>	<u>70</u>
24	<u>(iv) Any other ancillary transaction under</u>	
25	<u>this paragraph.....</u>	<u>70</u>
26	<u>(8) Uniform Commercial Code: As provided in 13</u>	
27	<u>Pa.C.S. § 9525 (relating to fees).</u>	
28	<u>(9) Copy fees, including copies furnished under</u>	
29	<u>the Uniform Commercial Code:</u>	
30	<u>(i) Each page of photocopy furnished.....</u>	<u>3</u>

1	<u>(ii) (Reserved).....</u>	
2	<u>(10) Certification fees:</u>	
3	<u>(i) For certifying copies of any document or</u>	
4	<u>paper on file, the fee specified in paragraph</u>	
5	<u>(9), if the department furnished the copy, plus..</u>	<u>40</u>
6	<u>(ii) (Reserved).....</u>	
7	<u>(iii) For issuing any other certificate of</u>	
8	<u>the Secretary of the Commonwealth or the</u>	
9	<u>department (other than an engrossed</u>	
10	<u>certificate).....</u>	<u>40</u>
11	<u>(11) Report of record search other than a search</u>	
12	<u>under paragraph (8):</u>	
13	<u>(i) For preparing and providing a report of</u>	
14	<u>a record search, the fee specified in paragraph</u>	
15	<u>(9), if any, plus.....</u>	<u>15</u>
16	<u>(ii) (Reserved).....</u>	
17	<u>(12) Reservation and registration of names:</u>	
18	<u>(i) Reservation of association name.....</u>	<u>70</u>
19	<u>(ii) Registration of foreign or other</u>	
20	<u>corporation name.....</u>	<u>70</u>
21	<u>(13) Change of registered office or address:</u>	
22	<u>(i) Each statement of change of registered</u>	
23	<u>office by agent.....</u>	<u>5</u>
24	<u>(ii) Each statement or certificate of change</u>	
25	<u>of registered office.....</u>	<u>5</u>
26	<u>(iii) Each statement of change of address...</u>	<u>5</u>
27	<u>(14) Contingent domestication:</u>	
28	<u>(i) Statement of contingent domestication...</u>	<u>125</u>
29	<u>(ii) Each year, or portion of a year, during</u>	
30	<u>which a contingent domestication or temporary</u>	

1	<u>domiciliary status is in effect.....</u>	<u>1,500</u>
2	<u>(15) Expedited service:</u>	
3	<u>(i) For the processing of any filing under</u>	
4	<u>this title or 13 Pa.C.S. (relating to commercial</u>	
5	<u>code) which is received by the bureau before 4</u>	
6	<u>p.m. and is requested to be completed within one</u>	
7	<u>hour, an additional fee of.....</u>	<u>1,000</u>
8	<u>(ii) For the processing of any filing under</u>	
9	<u>this title or Title 13 which is received by the</u>	
10	<u>bureau before 2 p.m. and is requested to be</u>	
11	<u>completed within three hours, an additional fee</u>	
12	<u>of.....</u>	<u>300</u>
13	<u>(iii) For processing of any filing under</u>	
14	<u>this title or Title 13 which is received by the</u>	
15	<u>bureau before 10 a.m. and is requested to be</u>	
16	<u>completed the same day, an additional fee of.....</u>	<u>100</u>

17 * * *

18 § 155. Disposition of funds.

19 (a) [Establishment of restricted account.--] Corporation
20 Bureau Restricted Account.--The Corporation Bureau Restricted
21 Account, established under section 814 of the act of April 9,
22 1929 (P.L.177, No.175), known as The Administrative Code of
23 1929, is continued. This account shall receive 30% of the amount
24 received by the department under this subchapter except for the
25 fees collected under 13 Pa.C.S. § 9525(a)(1)(ii) (relating to
26 fees). This account shall receive 5% of the amount received by
27 the department under 13 Pa.C.S. § 9525(a)(1)(ii). The balance of
28 the amount received by the department under this subchapter
29 shall be deposited in the General Fund. Money in the account
30 shall be used solely for the operation of the bureau and for its

1 modernization as may be required for improved operations of the
2 bureau unless a surplus arises after two consecutive years, at
3 which time the Secretary of the Commonwealth shall transfer any
4 amount in excess of the bureau's budget into the General Fund.

5 * * *

6 Section 6. The introductory paragraph and the definitions of
7 "act," "banking institution," "corporation for profit,"
8 "corporation not-for-profit," "court," "credit union,"
9 "department," "distribution," "domestic corporation for profit,"
10 "domestic corporation not-for-profit," "foreign corporation for
11 profit," "foreign corporation not-for-profit," "insurance
12 corporation," "Internal Revenue Code of 1986," "obligation,"
13 "officially publish," "representative," "savings association"
14 and "voting" in section 1103 of Title 15 are amended and the
15 section is amended by adding a subsection to read:

16 § 1103. Definitions.

17 (a) General definitions.--Subject to additional definitions
18 contained in subsequent provisions of this subpart that are
19 applicable to specific provisions of this subpart, the following
20 words and phrases when used in this subpart shall have the
21 meanings given to them in this section unless the context
22 clearly indicates otherwise:

23 ["Act" or "action." Includes failure to act.]

24 * * *

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

29 * * *

30 ["Corporation for profit." A corporation incorporated for a

1 purpose or purposes involving pecuniary profit, incidental or
2 otherwise, to its shareholders or members.

3 "Corporation not-for-profit." A corporation not incorporated
4 for a purpose or purposes involving pecuniary profit, incidental
5 or otherwise.

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

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

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

17 "Credit union." A credit union as defined in 17 Pa.C.S. §
18 102 (relating to application of title).

19 "Department." The Department of State of the Commonwealth.]

20 * * *

21 "Distribution." A direct or indirect transfer of money or
22 other property (except its own shares or options, rights or
23 warrants to acquire its own shares) or incurrence of
24 indebtedness by a corporation to or for the benefit of any or
25 all of its shareholders in respect of any of its shares whether
26 by dividend or by purchase, redemption or other acquisition of
27 its shares or otherwise. Neither the making of, nor payment or
28 performance upon, a guaranty or similar arrangement by a
29 corporation for the benefit of any or all of its shareholders
30 nor a direct or indirect transfer or allocation of assets or

1 liabilities effected under Chapter 19 (relating to fundamental
2 changes) with the approval of the shareholders shall constitute
3 a distribution for the purposes of this subpart.

4 ["Domestic corporation for profit." A corporation for profit
5 incorporated under the laws of this Commonwealth.

6 "Domestic corporation not-for-profit." A corporation not-
7 for-profit incorporated under the laws of this Commonwealth.]

8 * * *

9 ["Foreign corporation for profit." A corporation for profit
10 incorporated under any laws other than those of this
11 Commonwealth.

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

15 * * *

16 ["Insurance corporation" or "domestic insurance corporation."
17 An insurance corporation as defined in section 3102 (relating to
18 definitions).

19 "Internal Revenue Code of 1986." The Internal Revenue Code
20 of 1986 (Public Law 99-514, 26 U.S.C. § 1 et seq.).]

21 * * *

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

24 * * *

25 ["Officially publish." Publish in two newspapers of general
26 circulation in the English language in the county in which the
27 registered office of the corporation is located, or in the case
28 of a proposed corporation is to be located, one of which shall
29 be the legal newspaper, if any, designated by the rules of court
30 for the publication of legal notices or, if there is no legal

1 newspaper, in two newspapers of general circulation in the
2 county. When there is but one newspaper of general circulation
3 in any county, advertisement in that newspaper shall be
4 sufficient. Where no other frequency is specified, the notice
5 shall be published one time in the appropriate newspaper or
6 newspapers. See section 109(a)(2) (relating to name of
7 commercial registered office provider in lieu of registered
8 address).]

9 * * *

10 ["Representative." When used with respect to an association,
11 joint venture, trust or other enterprise, means a person
12 occupying the position or discharging the functions of a
13 director, officer, employee or agent thereof, regardless of the
14 name or title by which the person may be designated. The term
15 does not imply that a director, as such, is an agent of a
16 corporation.

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

21 * * *

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

28 (b) Index of other definitions.--The following is a
29 nonexclusive list of words and phrases which when used in this
30 subpart shall have the meanings given to them in section 102

1 (relating to definitions):

2 "Act" or "action."

3 "Banking institution" or "domestic banking institution."

4 "Corporation for profit."

5 "Corporation not-for-profit."

6 "Court."

7 "Credit union."

8 "Department."

9 "Domestic corporation for profit."

10 "Domestic corporation not-for-profit."

11 "Execute."

12 "Foreign corporation for profit."

13 "Foreign corporation not-for-profit."

14 "Insurance corporation" or "domestic insurance corporation."

15 "Internal Revenue Code of 1986."

16 "Obligation."

17 "Officially publish."

18 "Record form."

19 "Representative."

20 "Savings association" or "domestic savings association."

21 "Sign."

22 Section 7. Section 1104 of Title 15 is repealed:

23 [§ 1104. Other general provisions.

24 The following provisions of this title are applicable to
25 corporations subject to this subpart:

26 Section 101 (relating to short title and application of
27 title).

28 Section 102 (relating to definitions).

29 Section 103 (relating to subordination of title to regulatory
30 laws).

1 Section 104 (relating to equitable remedies).

2 Section 105 (relating to fees).

3 Section 106 (relating to effect of filing papers required to
4 be filed).

5 Section 107 (relating to form of records).

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

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

10 Section 110 (relating to supplementary general principles of
11 law applicable).

12 Section 132 (relating to functions of Department of State).

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

14 Section 134 (relating to docketing statement).

15 Section 135 (relating to requirements to be met by filed
16 documents).

17 Section 136 (relating to processing of documents by
18 Department of State).

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

21 Section 138 (relating to statement of correction).

22 Section 139 (relating to tax clearance of certain fundamental
23 transactions).

24 Section 140 (relating to custody and management of orphan
25 corporate and business records).

26 Section 152 (relating to definitions).

27 Section 153 (relating to fee schedule).

28 Section 154 (relating to enforcement and collection).

29 Section 155 (relating to disposition of funds).

30 Section 162 (relating to contingent domestication of certain

1 foreign associations).

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

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

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

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

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

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

13 Section 8. Section 1306 of Title 15 is amended by adding a
14 subsection to read:

15 § 1306. Articles of incorporation.

16 * * *

17 (e) Reference to external facts.--Except for the provisions
18 required by subsection (a) (1), (2), (3), (4) (i), (5) and (7),
19 any provision of the articles of incorporation may be made
20 dependent upon facts ascertainable outside of the articles if
21 the manner in which the facts will operate upon the provision is
22 set forth in the articles. The facts may include actions or
23 events within the control of or determinations made by the
24 corporation or a representative of the corporation.

25 Section 9. Sections 1504(c), 1521(d) and 1523 of Title 15
26 are amended to read:

27 § 1504. Adoption, amendment and contents of bylaws.

28 * * *

29 (c) Bylaw provisions in articles.--Where any provision of
30 this subpart or any other provision of law refers to a rule as

1 set forth in the bylaws of a corporation or in a bylaw adopted
2 by the shareholders, the reference shall be construed to include
3 and be satisfied by any rule on the same subject as set forth in
4 the articles of the corporation.

5 * * *

6 § 1521. Authorized shares.

7 * * *

8 (d) Status and rights.--Shares of a business corporation
9 shall be deemed personal property. Except as otherwise provided
10 by the articles or, when so permitted by subsection (c), by one
11 or more bylaws adopted by the shareholders, the terms of each
12 share shall be in all respects equal to every other share. See
13 section 1906(d) (4) (relating to special treatment of holders of
14 shares of same class or series).

15 § 1523. Pricing and issuance of shares.

16 Except as otherwise restricted in the bylaws, shares of a
17 business corporation may be issued at a price determined by the
18 board of directors[,]; or the board may [set a minimum price or
19 establish a formula or method by which the price may be
20 determined] authorize one or more directors or one or more
21 officers, acting alone or with the participation of one or more
22 directors, to determine the purchasers, number of shares, price
23 or consideration and other terms on which shares will be issued,
24 within limits, pursuant to a formula or method or subject to
25 relevant criteria specifically prescribed by the board.

26 Section 10. Section 1527(a) (3) of Title 15 is amended and
27 the section is amended by adding a subsection to read:

28 § 1527. Issuance of fractional shares or scrip.

29 (a) General rule.--A business corporation may but shall not
30 be required to create and issue fractions of a share, either

1 represented by a certificate or uncertificated, which, unless
2 otherwise provided in the articles, shall represent proportional
3 interests in all the voting rights, preferences, limitations and
4 special rights, if any, of full shares. If the corporation
5 creates but does not provide for the issuance of fractions of a
6 share, it shall:

7 * * *

8 (3) issue scrip or other evidence of ownership, in
9 registered form (either represented by a certificate or
10 uncertificated) or in bearer form (represented by a
11 certificate), entitling the holder to receive a full share
12 upon the surrender of the scrip or other evidence of
13 ownership aggregating a full share, or the transfer of
14 uncertificated scrip aggregating a full share, but which
15 shall not[, unless otherwise provided therein or with respect
16 thereto,] entitle the holder to exercise any voting right, to
17 receive dividends or to participate in any of the assets of
18 the corporation in the event of liquidation.

19 * * *

20 (c) Limitation.--The articles may not provide that scrip or
21 other evidence of ownership entitles the holder to exercise any
22 voting right, to receive dividends or to participate in any of
23 the assets of the corporation in the event of liquidation.

24 Section 11. Section 1528 of Title 15 is amended by adding a
25 subsection to read:

26 § 1528. Shares represented by certificates and uncertificated
27 shares.

28 * * *

29 (g) Bearer shares prohibited.--A business corporation may
30 not issue share certificates in bearer form. This subsection may

1 not be varied by the articles.

2 Section 12. Section 1529(b) of Title 15 is amended to read:

3 § 1529. Transfer of securities; restrictions.

4 * * *

5 (b) Transfer restrictions generally.--A restriction on the
6 transfer or registration of transfer of securities of a business
7 corporation may be imposed by the bylaws or by an agreement
8 among any number of securityholders or among them and the
9 corporation. A restriction so imposed shall not be binding with
10 respect to securities issued prior to the adoption of the
11 restriction unless the holders of the securities are parties to
12 the agreement or voted in favor of the restriction. A
13 restriction may be amended by the vote or consent, and otherwise
14 in the manner, provided in the bylaws or agreement for amending
15 the restriction or, in the absence of such a provision, as
16 provided for amending the bylaws or agreement generally.

17 * * *

18 Section 13. Section 1552(b) of Title 15 is redesignated and
19 the section is amended by adding subsections to read:

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

21 * * *

22 (b) Security for acquisition.--In connection with an
23 acquisition by a corporation of its shares, the corporation may
24 grant a security interest in the acquired shares to secure an
25 obligation to pay for the acquisition. The shares shall not be
26 canceled on the books of the corporation until the obligation of
27 the corporation is fully paid or discharged.

28 (c) Application of distribution tests.--A corporation may
29 acquire or agree to acquire its shares, even though the
30 acquisition would violate section 1551 (relating to

1 distributions to shareholders), if payment of all or part of the
2 purchase price is deferred until the payment would not violate
3 that section.

4 [(b)] (d) Cross reference.--See section 1914(c)(2) (relating
5 to adoption by board of directors).

6 Section 14. Section 1575(a) introductory paragraph of Title
7 15 is amended to read:

8 § 1575. Notice to demand payment.

9 (a) General rule.--If the proposed corporate action is
10 approved by the required vote at a meeting of shareholders of a
11 business corporation, the corporation shall mail a further
12 notice to all dissenters who gave due notice of intention to
13 demand payment of the fair value of their shares and who
14 refrained from voting in favor of the proposed action. If the
15 proposed corporate action is [to be] approved by the
16 shareholders by less than unanimous consent without a meeting or
17 is taken without [a vote of] the need for approval by the
18 shareholders, the corporation shall send to all shareholders who
19 are entitled to dissent and demand payment of the fair value of
20 their shares a notice of the adoption of the plan or other
21 corporate action. In either case, the notice shall:

22 * * *

23 Section 15. Section 1704(a) and (b) of Title 15 are amended
24 and the section is amended by adding subsections to read:

25 § 1704. Place and notice of meetings of shareholders.

26 (a) Place.--Meetings of shareholders may be held at such
27 geographic location within or without this Commonwealth as may
28 be provided in or fixed pursuant to the bylaws. Unless otherwise
29 provided in or pursuant to the bylaws, all meetings of the
30 shareholders shall be held at the executive office of the

1 corporation wherever situated. If a meeting of the shareholders
2 is held by means of the Internet or other electronic
3 communications technology in a fashion pursuant to which the
4 shareholders have the opportunity to read or hear the
5 proceedings substantially concurrently with their occurrence,
6 vote on matters submitted to the shareholders [and], pose
7 questions to the directors, make appropriate motions and comment
8 on the business of the meeting, the meeting need not be held at
9 a particular geographic location.

10 (b) Notice.--[Written notice] Notice in record form of every
11 meeting of the shareholders shall be given by, or at the
12 direction of, the secretary or other authorized person to each
13 shareholder of record entitled to vote at the meeting at least:

14 (1) ten days prior to the day named for a meeting that
15 will consider a fundamental change under Chapter 19 (relating
16 to fundamental changes); or

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

19 [If the secretary or other authorized person neglects or refuses
20 to give notice of a meeting, the person or persons calling the
21 meeting may do so.]

22 * * *

23 (d) Alternative authority.--If the secretary or other
24 authorized person neglects or refuses to give notice of a
25 meeting, a person calling the meeting may do so.

26 (e) Cross reference.--See section 2528 (relating to notice
27 of shareholder meetings).

28 Section 16. Sections 1705(a), 1727(b), 1756(a)(4) and
29 1759(a), (c) and (e) of Title 15 are amended to read:
30 § 1705. Waiver of notice.

1 (a) [Written waiver] General rule.--Whenever any [written]
2 notice is required to be given under the provisions of this
3 subpart or the articles or bylaws of any business corporation, a
4 waiver thereof [in writing, signed] which is filed with the
5 secretary of the corporation in record form signed by the person
6 or persons entitled to the notice, whether before or after the
7 time stated therein, shall be deemed equivalent to the giving of
8 the notice. Neither the business to be transacted at, nor the
9 purpose of, a meeting need be specified in the waiver of notice
10 of the meeting.

11 * * *

12 § 1727. Quorum of and action by directors.

13 * * *

14 (b) Action by consent.--Unless otherwise restricted in the
15 bylaws, any action required or permitted to be [taken] approved
16 at a meeting of the directors may be taken without a meeting
17 if[, prior or subsequent to the action,] a consent or consents
18 [thereto] to the action in record form are signed, before, on or
19 after the effective date of the action, by all of the directors
20 in office [is] on the date the last consent is signed. The
21 consent or consents must be filed with the secretary of the
22 corporation.

23 § 1756. Quorum.

24 (a) General rule.--A meeting of shareholders of a business
25 corporation duly called shall not be organized for the
26 transaction of business unless a quorum is present. Unless
27 otherwise provided in a bylaw adopted by the shareholders:

28 * * *

29 (4) If a proxy casts a vote or takes other action on
30 behalf of a shareholder on any issue other than a procedural

1 motion considered at a meeting of shareholders, the
2 shareholder shall be deemed to be present during the entire
3 meeting for purposes of determining whether a quorum is
4 present for consideration of any other issue.

5 * * *

6 § 1759. Voting and other action by proxy.

7 (a) General rule.--

8 (1) Every shareholder entitled to vote at a meeting of
9 shareholders or to express consent or dissent to corporate
10 action [in writing] without a meeting may authorize another
11 person to act for him by proxy.

12 (2) The [presence of, or] vote or other action on behalf
13 of a shareholder at a meeting of shareholders, or the
14 expression of consent or dissent to corporate action [in
15 writing], by a proxy of a shareholder shall constitute the
16 presence of, or vote or action by, or [written] consent or
17 dissent of the shareholder for the purposes of this subpart.

18 (3) Where two or more proxies of a shareholder are
19 present, the corporation shall, unless otherwise expressly
20 provided in the proxy, accept as the vote or other action of
21 all shares represented thereby the vote cast or other action
22 taken by a majority of them and, if a majority of the proxies
23 cannot agree whether the shares represented shall be voted or
24 upon the manner of voting the shares or taking the other
25 action, the voting of the shares or right to take other
26 action shall be divided equally among those persons.

27 * * *

28 (c) Revocation.--A proxy, unless coupled with an interest,
29 shall be revocable at will, notwithstanding any other agreement
30 or any provision in the proxy to the contrary, but the

1 revocation of a proxy shall not be effective until notice
2 thereof has been given to the secretary of the corporation or
3 its designated agent in writing or by electronic transmission.
4 An unrevoked proxy shall not be valid after three years from the
5 date of its execution, authentication or transmission unless a
6 longer time is expressly provided therein. A proxy shall not be
7 revoked by the death or incapacity of the maker unless, before
8 the vote is counted or the authority is exercised, [written]
9 notice in record form of the death or incapacity is given to the
10 secretary of the corporation or its designated agent.

11 * * *

12 (e) Cross [reference] references.--See [section] sections
13 1702 (relating to manner of giving notice) and 3135 (relating to
14 proxies of members of mutual insurance companies).

15 Section 17. Section 1764(a) of Title 15 is amended and the
16 section is amended by adding a subsection to read:

17 § 1764. Voting lists.

18 (a) General rule.--The officer or agent having charge of the
19 transfer books for shares of a business corporation shall make a
20 complete list of the shareholders entitled to vote at any
21 meeting of shareholders, arranged in alphabetical order, with
22 the address of and the number of shares held by each. This
23 section does not require the corporation to include electronic
24 mail addresses or other electronic contact information on the
25 list. The list shall be produced and kept open at the time and
26 place of [the] each meeting of shareholders of a nonregistered
27 corporation held at a geographic location and shall be subject
28 to the inspection of any shareholder during the whole time of
29 the meeting for the purposes thereof [except that, if a business
30 corporation has 5,000 or more shareholders, in lieu of the

1 making of the list the corporation may make the information
2 therein available at the meeting by any other means]. See
3 section 2529 (relating to voting lists).

4 * * *

5 (c) Electronic meetings.--If a meeting of shareholders of a
6 nonregistered corporation is not held at a geographic location,
7 the corporation shall make the list of shareholders required by
8 subsection (a) available on a reasonably accessible electronic
9 network during the whole time of the meeting and shall provide
10 the information required to gain access to the list with the
11 notice of the meeting.

12 Section 18. Section 1766(a), (b) and (d) of Title 15 are
13 amended to read:

14 § 1766. Consent of shareholders in lieu of meeting.

15 (a) Unanimous consent.--Unless otherwise restricted in the
16 bylaws, any action required or permitted to be taken at a
17 meeting of the shareholders or of a class of shareholders of a
18 business corporation may be taken without a meeting if[, prior
19 or subsequent to the action,] a consent or consents [thereto] to
20 the action in record form are signed, before, on or after the
21 effective date of the action, by all of the shareholders who
22 would be entitled to vote at a meeting for such purpose [shall
23 be filed]. The consent or consents must be filed with the
24 secretary of the corporation.

25 (b) Partial consent.--If the bylaws so provide, any action
26 required or permitted to be taken at a meeting of the
27 shareholders or of a class of shareholders may be taken without
28 a meeting upon the signed consent of shareholders who would have
29 been entitled to cast the minimum number of votes that would be
30 necessary to authorize the action at a meeting at which all

1 shareholders entitled to vote thereon were present and voting.
2 The consents shall be filed in record form with the secretary of
3 the corporation.

4 * * *

5 (d) Cross [reference] references.--See [section] sections
6 1702 (relating to manner of giving notice) and 2524 (relating to
7 consent of shareholders in lieu of meeting).

8 Section 19. Section 1906(d)(3) of Title 15 is amended and
9 the section is amended by adding a subsection to read:

10 § 1906. Special treatment of holders of shares of same class or
11 series.

12 * * *

13 (c.1) Determination of groups.--For purposes of applying
14 subsections (a)(1) and (b), the determination of which
15 shareholders are part of each group receiving special treatment
16 shall be made as of the record date for shareholder action on
17 the plan.

18 (d) Exceptions.--This section shall not apply to:

19 * * *

20 (3) A plan that contains an express provision that this
21 section shall not apply or that fails to contain an express
22 provision that this section shall apply. [The shareholders of
23 a corporation that proposes a plan to which this section is
24 not applicable by reason of this paragraph shall have the
25 remedies contemplated by section 1105 (relating to
26 restriction on equitable relief).]

27 * * *

28 Section 20. Title 15 is amended by adding sections to read:

29 § 1907. Purpose of fundamental transactions.

30 A transaction under this chapter does not require an

1 independent business purpose in order for the transaction to be
2 lawful.

3 § 1908. Submission of matters to shareholders.

4 A business corporation may agree, in record form, to submit
5 an amendment, plan or other matter to its shareholders whether
6 or not the board of directors determines, at any time after
7 approving the matter, that the matter is no longer advisable and
8 recommends that the shareholders reject or vote against it,
9 regardless of whether the board of directors changes its
10 recommendation. If a corporation so agrees to submit a matter to
11 its shareholders, the matter is deemed to have been validly
12 adopted by the corporation when it has been approved by the
13 shareholders.

14 Section 21. Sections 1911(a)(4), 1913, 1922(a)(3), 1923,
15 1931(a), (b)(2), (d) and (g), 1957(b)(1)(iv), 1973, 1978(b) and
16 2522 of Title 15 are amended to read:

17 § 1911. Amendment of articles authorized.

18 (a) General rule.--A business corporation, in the manner
19 provided in this subchapter, may from time to time amend its
20 articles for one or more of the following purposes:

21 * * *

22 (4) To cancel or otherwise affect the right of holders
23 of the shares of any class or series to receive dividends
24 that have accrued but have not been declared or to otherwise
25 effect a reclassification of or otherwise affect the
26 substantial rights of the holders of any shares, including,
27 without limitation, by providing special treatment of shares
28 held by any shareholder or group of shareholders [as
29 authorized by, and subject to the provisions of,] consistent
30 with section 1906 (relating to special treatment of holders

1 of shares of same class or series).

2 * * *

3 § 1913. Notice of meeting of shareholders.

4 (a) General rule.--[Written notice] Notice in record form of
5 the meeting of shareholders of a business corporation that will
6 act on the proposed amendment [shall] must be given to each
7 shareholder entitled to vote thereon. [There shall be included
8 in, or enclosed with, the notice] The notice must include a copy
9 of the proposed amendment or a summary of the changes to be
10 effected thereby and, if Subchapter D of Chapter 15 (relating to
11 dissenters rights) is applicable, a copy of that subchapter.

12 (b) Cross [reference] references.--See Subchapter A of
13 Chapter 17 (relating to notice and meetings generally) and
14 section 2528 (relating to notice of shareholder meetings).

15 § 1922. Plan of merger or consolidation.

16 (a) Preparation of plan.--A plan of merger or consolidation,
17 as the case may be, shall be prepared, setting forth:

18 * * *

19 (3) The manner and basis of converting the shares of
20 each corporation into shares or other securities or
21 obligations of the surviving or new corporation, or of
22 canceling some or all of the shares of a corporation, as the
23 case may be, and, if any of the shares of any of the
24 corporations that are parties to the merger or consolidation
25 are not to be canceled or converted solely into shares or
26 other securities or obligations of the surviving or new
27 corporation, the shares or other securities or obligations of
28 any other person or cash, property or rights that the holders
29 of such shares are to receive in exchange for, or upon
30 conversion of, such shares, and the surrender of any

1 certificates evidencing them, which securities or
2 obligations, if any, of any other person or cash, property or
3 rights may be in addition to or in lieu of the shares or
4 other securities or obligations of the surviving or new
5 corporation.

6 * * *

7 § 1923. Notice of meeting of shareholders.

8 (a) General rule.--[Written notice] Notice in record form of
9 the meeting of shareholders that will act on the proposed plan
10 [shall] must be given to each shareholder of record, whether or
11 not entitled to vote thereon, of each domestic business
12 corporation that is a party to the merger or consolidation.
13 [There shall be included in, or enclosed with, the notice] The
14 notice must include or be accompanied by a copy of the proposed
15 plan or a summary thereof [and, if]. If Subchapter D of Chapter
16 15 (relating to dissenters rights) is applicable to the holders
17 of shares of any class or series, a copy of that subchapter and
18 of section 1930 (relating to dissenters rights) [shall] must be
19 furnished to the holders of shares of that class or series. If
20 the surviving or new corporation will be a nonregistered
21 corporation, the notice [shall] must state that a copy of its
22 bylaws as they will be in effect immediately following the
23 merger or consolidation will be furnished to any shareholder on
24 request and without cost.

25 (b) Cross references.--See Subchapter A of Chapter 17
26 (relating to notice and meetings generally) and [section]
27 sections 2512 (relating to dissenters rights procedure) and 2528
28 (relating to notice of shareholder meetings).

29 § 1931. Share exchanges.

30 (a) General rule.--All the outstanding shares of one or more

1 classes or series of a domestic business corporation, designated
2 in this section as the exchanging corporation, may, in the
3 manner provided in this section, be acquired by any person,
4 designated in this section as the acquiring person, through an
5 exchange of all the shares pursuant to a plan of exchange. The
6 plan of exchange may also provide for the [conversion of any
7 other] shares of any other class or series of the exchanging
8 corporation to be canceled or converted into shares, other
9 securities or obligations of any person or cash, property or
10 rights. The procedure authorized by this section shall not be
11 deemed to limit the power of any person to acquire all or part
12 of the shares or other securities of any class or series of a
13 corporation through a voluntary exchange or otherwise by
14 agreement with the holders of the shares or other securities.

15 (b) Plan of exchange.--A plan of exchange shall be prepared,
16 setting forth:

17 * * *

18 (2) The manner and basis of canceling the shares of the
19 exchanging corporation or exchanging or converting the shares
20 of the exchanging corporation into shares or other securities
21 or obligations of the acquiring person, and, if any of the
22 shares of the exchanging corporation are not to be exchanged
23 or converted solely into shares or other securities or
24 obligations of the acquiring person, the shares or other
25 securities or obligations of any other person or cash,
26 property or rights that the holders of the shares of the
27 exchanging corporation are to receive in exchange for, or
28 upon conversion of, the shares and the surrender of any
29 certificates evidencing them, which securities or
30 obligations, if any, of any other person or cash, property

1 and rights may be in addition to or in lieu of the shares or
2 other securities or obligations of the acquiring person.

3 * * *

4 (d) Dissenters rights in share exchanges.--Any holder of
5 shares that are to be canceled, exchanged or converted pursuant
6 to a plan of exchange who objects to the plan and complies with
7 the provisions of Subchapter D of Chapter 15 shall be entitled
8 to the rights and remedies of dissenting shareholders therein
9 provided, if any. See section 1906(c) (relating to dissenters
10 rights upon special treatment).

11 * * *

12 (g) Effect of plan.--Upon the plan of exchange becoming
13 effective, the shares of the exchanging corporation that are,
14 under the terms of the plan, to be canceled, converted or
15 exchanged shall cease to exist or shall be converted or
16 exchanged. The former holders of the shares shall thereafter be
17 entitled only to the shares, other securities or obligations or
18 cash, property or rights into which they have been converted or
19 for which they have been exchanged in accordance with the plan,
20 and the acquiring person shall be the holder of the shares of
21 the exchanging corporation stated in the plan to be acquired by
22 such person. The articles of incorporation of the exchanging
23 corporation shall be deemed to be amended to the extent, if any,
24 that changes in its articles are stated in the plan of exchange.

25 * * *

26 § 1957. Effect of division.

27 * * *

28 (b) Property rights; allocations of assets and
29 liabilities.--

30 (1) * * *

1 (iv) [To] Except as provided in section 1952(g)
2 (relating to proposal and adoption of plan of division),
3 to the extent allocations of liabilities are contemplated
4 by the plan of division, the liabilities of the dividing
5 corporation shall be deemed without further action to be
6 allocated to and become the liabilities of the resulting
7 corporations on such a manner and basis and with such
8 effect as is specified in the plan; and one or more, but
9 less than all, of the resulting corporations shall be
10 free of the liabilities of the dividing corporation to
11 the extent, if any, specified in the plan, if in either
12 case:

13 (A) no fraud on minority shareholders or
14 shareholders without voting rights or violation of
15 law shall be effected thereby; and

16 (B) the plan does not constitute a fraudulent
17 transfer under 12 Pa.C.S. Ch. 51 (relating to
18 fraudulent transfers).

19 * * *

20 § 1973. Notice of meeting of shareholders.

21 (a) General rule.--[Written notice] Notice in record form of
22 the meeting of shareholders that will consider the resolution
23 recommending dissolution of the business corporation [shall]
24 must be given to each shareholder of record entitled to vote
25 thereon [and the purpose shall be included]. The purpose of the
26 meeting must be stated in the notice [of the meeting].

27 (b) Cross [reference] references.--See Subchapter A of
28 Chapter 17 (relating to notice and meetings generally) and
29 section 2528 (relating to notice of shareholder meetings).

30 § 1978. Winding up of corporation after dissolution.

1 * * *

2 (b) Standard of care of directors and officers.--The
3 dissolution of the corporation shall not subject its directors
4 or officers to standards of conduct different from those
5 prescribed by or pursuant to Chapter 17 (relating to officers,
6 directors and shareholders). Directors of a dissolved
7 corporation who have complied with section 1975 (relating to
8 predissolution provision for liabilities) or Subchapter H
9 (relating to postdissolution provision for liabilities) and
10 governing persons of a successor entity who have complied with
11 Subchapter H shall not be personally liable to the creditors or
12 claimants of the dissolved corporation.

13 § 2522. Adjournment of meetings of shareholders.

14 [Any] Except as otherwise provided in the bylaws, any regular
15 or special meeting of the shareholders of a registered
16 corporation, including one at which directors are to be elected,
17 may be adjourned for such period as the shareholders present and
18 entitled to vote shall direct.

19 Section 22. Title 15 is amended by adding sections to read:

20 § 2528. Notice of shareholder meetings.

21 If a registered corporation solicits proxies generally with
22 respect to a meeting of its shareholders, the corporation is not
23 required to give notice of the meeting to any shareholder to
24 whom the corporation is not required to send a proxy statement
25 pursuant to the rules of the Securities and Exchange Commission.

26 § 2529. Voting lists.

27 A registered corporation is not required to produce or make
28 available to its shareholders a list of shareholders in
29 connection with any meeting of its shareholders for which a
30 judge or judges of election are appointed, but such a list must

1 be furnished to the judge or judges of election.

2 Section 23. Section 2545(b) of Title 15 is amended and the
3 section is amended by adding a subsection to read:

4 § 2545. Notice to shareholders.

5 * * *

6 (b) Obligations of the corporation.--If the controlling
7 person or group so requests, the corporation shall, at the
8 option of the corporation and at the expense of the person or
9 group, either furnish a list of all such shareholders and their
10 postal addresses to the person or group or [mail] provide the
11 notice to all such shareholders.

12 * * *

13 (e) Cross reference.--See section 1702 (relating to manner
14 of giving notice).

15 Section 24. Sections 3133(a) introductory paragraph, 3135
16 and 4127(a) introductory paragraph and (5), (b) and (d) are
17 amended to read:

18 § 3133. Notice of meetings of members of mutual insurance
19 companies.

20 (a) General rule.--Unless otherwise restricted in the
21 bylaws, persons authorized or required to give notice of an
22 annual meeting of members of a mutual insurance company for the
23 election of directors or of a meeting of members of a mutual
24 insurance company called for the purpose of considering
25 amendment of the articles or bylaws, or both, of the corporation
26 may, in lieu of any [written] notice of meeting of members
27 required to be given by this subpart, give notice of such
28 meeting by causing notice of such meeting to be officially
29 published. Such notice shall be published each week for at
30 least:

1 * * *

2 § 3135. Proxies of members of mutual insurance companies.

3 In no event shall a proxy given by a member of a mutual
4 insurance company, unless coupled with an interest, be voted on
5 or utilized to express consent or dissent to corporate action
6 [in writing] after 11 months from the date of execution of the
7 proxy.

8 § 4127. Merger, consolidation or division of qualified foreign
9 corporations.

10 (a) General rule.--Whenever a qualified foreign business
11 corporation is a nonsurviving party to a statutory merger,
12 consolidation or division permitted by the laws of the
13 jurisdiction under which it is incorporated, the corporation or
14 other association surviving the merger, or the new corporation
15 or other association resulting from the consolidation or
16 division, as the case may be, shall file in the [Department of
17 State] department a statement of merger, consolidation or
18 division, which shall be executed by the surviving or new
19 corporation or other association and shall set forth:

20 * * *

21 (5) In the case of a merger, consolidation or division
22 in which any of the new or resulting associations is a
23 corporation, or if the surviving corporation in a merger was
24 a nonqualified foreign business corporation prior to the
25 merger, the statements on the part of the surviving or each
26 new or resulting corporation required by section 4124(a)
27 (relating to application for a certificate of authority).

28 (b) Effect of filing.--The filing of the statement shall
29 operate, as of the effective date of the merger, consolidation
30 or division, to cancel the certificate of authority of each

1 nonsurviving constituent corporation that was a qualified
2 foreign business corporation and to qualify the surviving [or
3 new corporation], new or resulting corporations, under this
4 subchapter. If the surviving [or new corporation does], new or
5 resulting corporations do not desire to continue as [a]
6 qualified foreign business [corporation, it] corporations, they
7 may thereafter withdraw in the manner provided by section 4129
8 (relating to application for termination of authority).

9 * * *

10 (d) Cross [reference] references.--See [section] sections
11 134 (relating to docketing statement) and 135 (relating to
12 requirements to be met by filed documents).

13 Section 25. The introductory paragraph and the definitions
14 of "act," "board of directors," "bylaws," "charitable purposes,"
15 "corporation for profit," "corporation not-for-profit," "court,"
16 "department," "directors," "domestic corporation for profit,"
17 "domestic corporation not-for-profit," "foreign corporation for
18 profit," "foreign corporation not-for-profit," "fraternal
19 benefit society," "member," "nonprofit corporation,"
20 "nonqualified foreign corporation," "other body,"
21 "representative," "trust instrument," "unless otherwise
22 provided" and "unless otherwise restricted," in section 5103 of
23 Title 15 are amended and the section is amended by adding
24 definitions and a subsection to read:

25 § 5103. Definitions.

26 (a) General definitions.--Subject to additional definitions
27 contained in subsequent provisions of this subpart that are
28 applicable to specific provisions of this subpart, the following
29 words and phrases when used in this subpart shall have the
30 meanings given to them in this section unless the context

1 clearly indicates otherwise:

2 ["Act" or "action." Includes failure to act.]

3 "Amendment." An amendment of the articles.

4 * * *

5 "Board of directors" or "board." The group of persons

6 [vested with the management of] under the direction of whom the

7 business and affairs of the corporation are managed irrespective

8 of the name by which [such] the group is designated. The term

9 does not include an other body. [The term, when used in any

10 provision of this subpart relating to the organization or

11 procedures of or the manner of taking action by the board of

12 directors, shall be construed to include and refer to any

13 executive or other committee of the board. Any provision of this

14 subpart relating or referring to action to be taken by the board

15 of directors or the procedure required therefor shall be

16 satisfied by the taking of corresponding action by a committee

17 of the board of directors to the extent authority to take such

18 action has been delegated to such committee pursuant to section

19 5731 (relating to executive and other committees of the board).]

20 See section 5731(c) (relating to executive and other committees
21 of the board).

22 * * *

23 "Business corporation." A domestic corporation for profit
24 defined in section 1103 (relating to definitions).

25 "Bylaws." The code or codes of rules adopted for the

26 regulation or management of the business and affairs of the

27 corporation irrespective of the name or names by which [such]

28 the rules are designated. The term includes provisions of the

29 articles as provided by section 5504(c) (relating to adoption,

30 amendment and contents of bylaws).

1 "Charitable purposes." The relief of poverty, the
2 advancement and provision of education, including postsecondary
3 education, the advancement of religion, [the promotion of
4 health,] the prevention and treatment of disease or injury,
5 including mental retardation and mental disorders, governmental
6 or municipal purposes, and any other [purposes] purpose the
7 accomplishment of which is recognized as important and
8 beneficial to the [community] public.

9 * * *

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

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

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

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

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

27 "Department." The Department of State of the Commonwealth.]

28 "Directors." [Persons] Individuals designated, elected or
29 appointed, by that or any other name or title, to act as members
30 of the board of directors, and their successors. The term does

1 not include a member of an other body, [as such] unless the
2 person is also a director. The term, when used in relation to
3 any power or duty requiring collective action, shall be
4 construed to mean "board of directors."

5 * * *

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." The term does not include a member, director or
11 member of an other body, unless the person is also an employee.
12 See section 5730 (relating to compensation of directors) as to
13 acceptance by a director of duties that make the director also
14 an employee.

15 * * *

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

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

22 "Foreign domiciliary corporation." A foreign nonprofit
23 corporation described in section 6102 (relating to foreign
24 domiciliary corporations).

25 * * *

26 "Fraternal benefit society." A domestic corporation not-for-
27 profit that is a society as defined in [the act of July 29, 1977
28 (P.L.105, No.38) known as the Fraternal Benefit Society Code]
29 section 2402 of the act of May 17, 1921 (P.L.682, No.284), known
30 as The Insurance Company Law of 1921.

1 * * *

2 "Member." [One having membership rights in a corporation in
3 accordance with the provisions of its bylaws. The term, when
4 used in relation to the taking of corporate action includes:

5 (1) the proxy of a member, if action by proxy is
6 permitted under the bylaws of the corporation; and

7 (2) a delegate to any convention or assembly of
8 delegates of members established pursuant to any provision of
9 this subpart.

10 If and to the extent the bylaws confer rights of members upon
11 holders of securities evidencing indebtedness or governmental or
12 other entities pursuant to any provision of this subpart the
13 term shall be construed to include such security holders and
14 governmental or other entities. The term shall be construed to
15 include "shareholder" if the corporation issues shares of
16 stock.] Any of the following:

17 (1) A person that has voting rights.

18 (2) When used in relation to the taking of corporate
19 action by a membership corporation, a delegate to a
20 convention or assembly of delegates of members established
21 pursuant to any provision of this subpart who has the right
22 to vote at the convention or assembly in accordance with the
23 rules of the convention or assembly.

24 (3) A person that has been given voting rights or other
25 membership rights in a membership corporation by a bylaw
26 adopted by the members pursuant to section 5770 (relating to
27 voting powers and other rights of certain securityholders and
28 other entities) or other provision of law, but only to the
29 extent of those rights.

30 (4) A shareholder of a corporation, if the corporation

1 issues shares of stock.

2 "Membership corporation." A nonprofit corporation having
3 articles of incorporation that do not provide that the
4 corporation is to have no members.

5 "Nonprofit corporation" or "domestic nonprofit corporation."
6 A domestic corporation not-for-profit [which] that is not
7 excluded from the scope of this subpart by section 5102
8 (relating to application of subpart).

9 "Nonqualified foreign corporation" or "nonqualified foreign
10 nonprofit corporation." A foreign corporation not-for-profit
11 [which] that is not a qualified foreign corporation, as defined
12 in this section.

13 * * *

14 "Other body." A term employed in this subpart to denote a
15 person or group, other than the board of directors or a
16 committee thereof, who pursuant to authority expressly conferred
17 by this subpart may be vested by the bylaws of the corporation
18 with powers [which] that, if not vested by the bylaws in [such]
19 the person or group, would by this subpart be required to be
20 exercised by [either]:

21 (1) the [membership of a corporation taken as a whole]
22 members;

23 (2) a convention or assembly of delegates of members
24 established pursuant to any provision of this subpart; or

25 (3) the board of directors.

26 Except as otherwise provided in this subpart, a corporation may
27 establish distinct persons or groups to exercise different
28 powers [which] that this subpart authorizes a corporation to
29 vest in an other body.

30 "Plan." A plan of reclassification, merger, consolidation,

1 asset transfer, division or conversion.

2 * * *

3 ["Representative." When used with respect to a corporation,
4 partnership, joint venture, trust or other enterprise, means a
5 director, officer, employee or agent thereof.]

6 "Trust instrument." Any lawful deed of gift, grant, will or
7 other document by which the donor, grantor or testator [shall
8 give, grant or devise] gives, grants or devises any real or
9 personal property or the income [therefrom] from any real or
10 personal property in trust for any charitable purpose.

11 "Unless otherwise provided" or "except as otherwise
12 provided." When used to introduce or modify a rule, the term
13 implies that the alternative provisions contemplated may either
14 relax or restrict the stated rule.

15 "Unless otherwise restricted" or "except as otherwise
16 restricted." When used to introduce or modify a rule, the term
17 implies that the alternative provisions contemplated may further
18 restrict, but may not relax, the stated rule.

19 "Voting" or "casting a vote." Includes the giving of consent
20 in lieu of voting. Whether or not the person entitled to vote
21 characterizes the conduct as voting or casting a vote, the term
22 does not include:

23 (1) recording the fact of abstention; or

24 (2) failing to vote for a candidate or for approval or
25 disapproval of a matter.

26 "Voting rights." The right of a person in a membership
27 corporation, other than in the capacity of a director or member
28 of an other body, to vote on the election or removal of
29 directors or members of an other body or on approval of an
30 amendment, a plan or the dissolution of the corporation.

1 (b) Index of other definitions.--The following is a
2 nonexclusive list of words and phrases which when used in this
3 subpart shall have the meanings given to them in section 102
4 (relating to definitions):

5 "Act" or "action."

6 "Corporation for profit."

7 "Corporation not-for-profit."

8 "Court."

9 "Department."

10 "Domestic corporation for profit."

11 "Domestic corporation not-for-profit."

12 "Execute."

13 "Foreign corporation for profit."

14 "Foreign corporation not-for-profit."

15 "Internal Revenue Code of 1986."

16 "Obligation."

17 "Officially publish."

18 "Record form."

19 "Representative."

20 "Sign."

21 Section 26. Sections 5104, 5105, 5106, 5107, 5108, 5109,
22 5302, 5306(a)(6) introductory paragraph and (11)(ii), 5307,
23 5308, 5309, 5310, 5331 and 5501 of Title 15 are amended to read:
24 [§ 5104. Other general provisions.

25 The following provisions of this title are applicable to
26 corporations subject to this subpart:

27 Section 101 (relating to short title and application of
28 title).

29 Section 102 (relating to definitions).

30 Section 103 (relating to subordination of title to regulatory

1 laws).

2 Section 104 (relating to equitable remedies).

3 Section 105 (relating to fees).

4 Section 106 (relating to effect of filing papers required to
5 be filed).

6 Section 107 (relating to form of records).

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

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

11 Section 110 (relating to supplementary general principles of
12 law applicable).

13 Section 132 (relating to functions of Department of State).

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

15 Section 134 (relating to docketing statement).

16 Section 135 (relating to requirements to be met by filed
17 documents).

18 Section 136 (relating to processing of documents by
19 Department of State).

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

22 Section 138 (relating to statement of correction).

23 Section 139 (relating to tax clearance of certain fundamental
24 transactions).

25 Section 140 (relating to custody and management of orphan
26 corporate and business records).

27 Section 152 (relating to definitions).

28 Section 153 (relating to fee schedule).

29 Section 154 (relating to enforcement and collection).

30 Section 155 (relating to disposition of funds).

1 Section 162 (relating to contingent domestication of certain
2 foreign associations).

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

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

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

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

10 Section 2552 (relating to definitions) (definitions of
11 "affiliate" and "associate").]

12 § 5105. [Saving clause and restriction] Restriction on
13 equitable relief.

14 [(a) General rule.--Except as otherwise provided in
15 subsection (b) of this section, this subpart and its amendments
16 shall not impair or affect any act done, offense committed, or
17 substantial right accruing, accrued, or acquired, or liability,
18 duty, obligation, penalty, judgment or punishment incurred prior
19 to the time this subpart or any amendment thereto takes effect,
20 but the same may be enjoyed, asserted, enforced, prosecuted, or
21 inflicted as fully and to the same extent as if this subpart or
22 any amendment thereto had not been enacted.

23 (b) Exception.--] A member of a nonprofit corporation shall
24 not have any right to claim the right to valuation [of] and
25 payment [for] of the fair value of his membership interest or
26 shares because of any proposed plan or amendment [of articles]
27 authorized under any provision of this subpart, or to obtain, in
28 the absence of fraud or fundamental unfairness, an injunction
29 against [any such] the plan or amendment.

30 § 5106. [Limited uniform] Uniform application of subpart.

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

8 (b) Exceptions.--

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

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

20 (3) [Nothing in subsection] Subsection (a) shall not
21 adversely affect the rights specifically provided for or
22 saved [by the general terms of section 5105 (relating to
23 saving clause and restriction on equitable relief)] in this
24 subpart, including, without limiting the generality of the
25 foregoing, the provisions of section 5952(d) (relating to
26 proposal and adoption of plan of division).

27 (4) Nothing in this subpart shall be deemed to repeal or
28 supersede any provision in section 7 of the act of April 26,
29 1855 (P.L.328, No.347), entitled "An act relating to
30 Corporations and to Estates held for Corporate, Religious and

1 Charitable uses."

2 § 5107. Subordination of subpart to canon law.

3 If and to the extent canon law or similar principles
4 applicable to a corporation incorporated for religious purposes
5 [shall set] sets forth provisions relating to the government and
6 regulation of the affairs of the corporation [which] that are
7 inconsistent with the provisions of this subpart on the same
8 subject, the [provisions of] canon law or similar principles
9 shall control except to the extent[, and only to the extent,
10 required] prohibited by the Constitution of the United States or
11 the Constitution of Pennsylvania[, or both].

12 § 5108. Limitation on incorporation.

13 [No corporation which might] A corporation that can be
14 incorporated under this subpart shall [hereafter] not be
15 incorporated except under the provisions of this subpart.

16 § 5109. Execution of documents.

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

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

28 [(c) Transitional provision.--This section supersedes any
29 contrary provision of this subpart enacted prior to the
30 enactment of the act of December 21, 1988 (P.L.1444, No.177),

1 known as the General Association Act of 1988.]

2 § 5302. Number and qualifications of incorporators.

3 One or more corporations for profit or not-for-profit or
4 natural persons of full age may incorporate a nonprofit
5 corporation under the provisions of this [article] subpart.

6 § 5306. Articles of incorporation.

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

10 * * *

11 (6) [A] If the corporation is a membership corporation,
12 a statement whether the corporation is to be organized upon a
13 nonstock basis or a stock share basis, and, if it is to be
14 organized on a stock share basis:

15 * * *

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

18 * * *

19 (ii) such provisions are not inconsistent with this
20 subpart and relate to the purpose or purposes of the
21 corporation, the management of its business or affairs or
22 the rights, powers or duties of its members, security
23 holders, directors, members of an other body or officers.

24 * * *

25 § 5307. Advertisement.

26 The incorporators or the corporation shall officially publish
27 a notice of intention to file or of the filing of articles of
28 incorporation. The notice may appear prior to or after the day
29 the articles of incorporation are filed in the [Department of
30 State,] department and shall set forth briefly:

1 (1) The name of the proposed corporation.

2 (2) A statement that the corporation is to be or has
3 been incorporated under the provisions of this [article]
4 subpart.

5 [(3) A brief summary of the purpose or purposes of the
6 corporation.

7 (4) A date on or before which the articles will be filed
8 in the Department of State or the date the articles were
9 filed.]

10 § 5308. Filing of articles.

11 (a) General rule.--The articles of incorporation shall be
12 filed in the [Department of State] department.

13 (b) Cross [reference] references.--See [section] sections
14 134 (relating to docketing statement) and 135 (relating to
15 requirements to be met by filed documents).

16 § 5309. Effect of filing of articles of incorporation.

17 (a) Corporate existence.--Upon the filing of the articles of
18 incorporation in the [Department of State] department or upon
19 the effective date specified in the articles of incorporation,
20 whichever is later, the corporate existence shall begin.

21 (b) Evidence of incorporation.--Subject to the provisions of
22 section 503 (relating to actions to revoke corporate
23 franchises), the articles of incorporation filed in the
24 [Department of State, or approved by the court and] department,
25 or recorded in the office of the recorder of deeds under the
26 former provisions of law, shall be conclusive evidence of the
27 fact that the corporation has been incorporated.

28 § 5310. Organization meeting.

29 (a) General rule.--After the [filing of the articles of
30 incorporation] corporate existence begins, an organization

1 meeting of the initial directors[,] or, if directors are not
2 named in the articles, of the incorporator [or incorporators],
3 shall be held, within or without this Commonwealth, for the
4 purpose of adopting bylaws, [which they shall have authority to
5 do at such meeting, of] electing directors [to hold office as
6 provided in the bylaws,] if directors are not named in the
7 articles[,] and the transaction of such other business as may
8 come before the meeting. A bylaw adopted at [such] the
9 organization meeting of directors or incorporators shall be
10 deemed to be a bylaw adopted by the members for the purposes of
11 this [article and of] subpart and any other provision of law.

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

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

27 § 5331. [Unincorporated] Incorporation of unincorporated
28 associations.

29 In the case of the incorporation as a nonprofit corporation
30 under this [article] subpart of an unincorporated association

1 the articles of incorporation shall contain, in addition to the
2 provisions [heretofore required in this chapter] required in
3 Subchapter A (relating to incorporation generally), a statement
4 that the incorporators constitute a majority of the members of
5 the committee authorized to incorporate [such] the association
6 by the requisite vote required by the organic law of the
7 association for the amendment of [such] the organic law.

8 § 5501. Corporate capacity.

9 Except as provided in section 103 [of this title] (relating
10 to subordination of title to regulatory laws), a nonprofit
11 corporation shall have the legal capacity of natural persons to
12 act.

13 Section 27. Section 5504(b), (c) and (d) of Title 15 are
14 amended and the section is amended by adding a subsection to
15 read:

16 § 5504. Adoption, amendment and contents of bylaws.

17 * * *

18 (b) Exception.--Except as provided in section 5310(a)
19 (relating to organization meeting), the board of directors or
20 other body shall not have the authority to adopt or change a
21 bylaw on any subject that is committed expressly to the members
22 by any of the provisions of this subpart. See:

23 Subsection (d) (relating to amendment of voting provisions).

24 Section 5713 (relating to personal liability of directors).

25 Section 5721 (relating to board of directors).

26 Section 5725(b) (relating to selection of directors).

27 Section 5726(a) (relating to removal of directors by the
28 members).

29 Section 5726(b) (relating to removal of directors by the
30 board).

1 Section 5729 (relating to voting rights of directors).

2 Section 5751(a) (relating to classes and qualifications of
3 membership).

4 Section 5752(c) (relating to rights of shareholders).

5 Section 5754(a) (relating to members grouped in local units).

6 Section 5755(a) (relating to regular meetings).

7 Section 5756 (relating to quorum).

8 Section 5757 (relating to action by members).

9 Section 5758 (relating to voting rights of members).

10 Section 5759(a) (relating to voting and other action by
11 proxy).

12 Section [5760(a)] 5762(a) (relating to voting [in nonprofit
13 corporation matters] by corporations).

14 Section [5762] 5765 (relating to judges of election).

15 Section [5766(a)] 5769(a) (relating to termination and
16 transfer of membership).

17 Section [5767] 5770 (relating to voting powers and other
18 rights of certain [security holders] securityholders and other
19 entities).

20 Section 5975(c) (relating to [winding up and distribution]
21 predissolution provision for liabilities).

22 (c) Bylaw provisions in articles.--Where any provision of
23 this subpart or any other provision of law refers to a rule as
24 set forth in the bylaws of a corporation or in a bylaw adopted
25 by the members, the reference shall be construed to include and
26 be satisfied by any rule on the same subject as set forth in the
27 articles of the corporation.

28 (d) Amendment of voting provisions.--

29 (1) Unless otherwise restricted in a bylaw adopted by
30 the members, whenever the bylaws require for the taking of

1 any action by the members or a class of members a specific
2 number or percentage of votes, the provision of the bylaws
3 setting forth that requirement shall not be amended or
4 repealed by any lesser number or percentage of votes of the
5 members or of the class of members.

6 (2) Paragraph (1) shall not apply to a bylaw setting
7 forth the right of members to act by unanimous written
8 consent as provided in section 5766(a) (relating to consent
9 of members in lieu of meeting).

10 (e) Cross reference.--See section 6145 (relating to
11 applicability of certain safeguards to foreign domiciliary
12 corporations).

13 Section 28. Section 5509 of Title 15 is amended to read:

14 § 5509. Bylaws and other powers in emergency.

15 (a) General rule.--[The] Except as otherwise restricted in
16 the bylaws, the board of directors or other body of any
17 nonprofit corporation may adopt emergency bylaws, subject to
18 repeal or change by action of the members, which shall,
19 notwithstanding any different provisions of law or of the
20 articles or bylaws, be [operative] effective during any
21 emergency resulting from [warlike damage or] an attack on the
22 United States [or any], a nuclear [or atomic] disaster or
23 another catastrophe a result of which a quorum of the board
24 cannot readily be assembled. The emergency bylaws may make any
25 provision that may be [practical and necessary] appropriate for
26 the circumstances of the emergency, including [provisions that]:

27 (1) [A meeting of the board of directors or other body
28 may be called by any officer or director or member of such
29 other body in such manner and under such conditions as shall
30 be prescribed in the emergency bylaws.] Procedures for

1 calling meetings of the board or other body.

2 (2) [The director or directors or the member or members
3 of such other body in attendance at the meeting, or any other
4 number fixed in the emergency bylaws, shall constitute a
5 quorum.] Quorum requirements for meetings.

6 (3) [The officers or other persons designated on a list
7 approved by the board of directors or other body before the
8 emergency, all in such order of priority and subject to such
9 conditions and for such period of time, not longer than
10 reasonably necessary after the termination of the emergency
11 as may be provided in the emergency bylaws or in the
12 resolution approving the list, shall, to the extent required
13 to provide a quorum at any meeting of the board of directors
14 or such other body, be deemed directors or members of such
15 other body for such meeting.] Procedures for designating
16 additional or substitute directors or members of an other
17 body.

18 (b) Lines of succession; head office.--The board of
19 directors or [such] other body, or the officers, if given
20 authorization by the board of directors or other body, either
21 before or during any [such] emergency, may [provide,]:

22 (1) provide, and from time to time modify, lines of
23 succession in the event that during [such an] the emergency
24 any or all officers or agents of the corporation shall for
25 any reason be rendered incapable of discharging their
26 duties[, and may,]; and

27 (2) effective in the emergency, change the head offices
28 or designate several alternative head offices or regional
29 offices of the corporation[, or authorize the officers so to
30 do].

1 (c) Personnel not liable.--[No officer, director, member of
2 such other body, or employee acting in accordance with any
3 emergency bylaws shall be liable except for wilful misconduct.]

4 A representative of the corporation:

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

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

11 (d) Effect on regular bylaws.--To the extent that they are
12 not inconsistent with any emergency bylaws [so] adopted, the
13 bylaws of the corporation shall remain in effect during any
14 emergency[,] and, upon its termination, the emergency bylaws
15 shall cease to be [operative] effective.

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

30 Section 29. Section 5511 of Title 15 is reenacted to read:

1 § 5511. Establishment of subordinate units.

2 A nonprofit corporation may establish and terminate local
3 branches, chapters, councils, clubs, churches, lodges, parishes
4 or other subordinate units regardless of their designation, form
5 of government, incorporated or unincorporated status or
6 relationship to the corporation or other supervising and
7 controlling organization of which the corporation is a member or
8 with which it is in allegiance and to which it is subordinate.

9 Section 30. Sections 5541, 5542, 5543, 5544 and 5546 of
10 Title 15 are amended to read:

11 § 5541. Capital contributions of members.

12 (a) General rule.--A nonprofit corporation organized on a
13 nonstock basis may provide in its bylaws that members, upon or
14 subsequent to admission, shall make capital contributions. The
15 amount shall be specified in, or fixed by the board of directors
16 or other body pursuant to authority granted by, the bylaws. The
17 requirement of a capital contribution may apply to all members,
18 [or] to the members of a single class, or to members of
19 different classes in different amounts or proportions.

20 (b) Consideration receivable.--[The capital contribution of
21 a member shall consist of money or other property, tangible or
22 intangible, or labor or services actually received by or
23 performed for the corporation or for its benefit or in its
24 formation or reorganization, or a combination thereof. In the
25 absence of fraud in the transaction, the judgment of the board
26 of directors or other body as to the value of the consideration
27 received by the corporation shall be conclusive.] The capital
28 contribution of a member, unless otherwise provided in the
29 bylaws:

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

1 obligation of a member), services performed whether or not
2 contracted for, contracts for services to be performed,
3 memberships in or securities or obligations of the
4 corporation or any other tangible or intangible property or
5 benefit to the corporation. If a capital contribution is made
6 in a form other than money, the value of the contribution
7 shall be determined by or in the manner provided by the board
8 of directors or other body.

9 (2) Shall be provided or paid to or as ordered by the
10 corporation.

11 (c) Evidence of contribution.--The capital contribution of a
12 member shall be recorded on the books of the corporation and may
13 be evidenced by a written instrument delivered to the member,
14 but [such] the instrument shall not be denominated a "share
15 certificate" or by any other word or term implying that the
16 instrument is a share certificate subject to section 5752
17 (relating to organization on a stock share basis).

18 (d) Transferability of interest.--Unless otherwise provided
19 in the bylaws, the capital contribution of a member shall not be
20 transferable.

21 (e) Repayment of contribution.--The capital contribution of
22 a member shall not be repaid by the corporation except upon
23 dissolution of the corporation or as provided in this [article]
24 subpart. A corporation may provide in its bylaws that its
25 capital contributions, or some of them, shall be repayable, in
26 whole or in part, at the option of the corporation only, [at
27 such] in the amount or amounts (not to exceed the amount of the
28 capital contribution), within [such] the period or periods[,]
29 and on [such] the terms and conditions, not inconsistent with
30 this [article] subpart, as are stated in, or fixed by the board

1 of directors or other body pursuant to authority granted by, the
2 bylaws.

3 § 5542. Subventions.

4 (a) General rule.--The bylaws of a nonprofit corporation may
5 provide that the corporation shall be authorized by resolution
6 of the board of directors or other body to accept subventions
7 from members or nonmembers on terms and conditions not
8 inconsistent with this [article, and to issue certificates
9 therefor] subpart. The resolution of the board or other body may
10 provide that [holders of] the maker of a subvention
11 [certificates] shall be entitled to a fixed or contingent
12 periodic payment out of the corporate assets equal to a
13 percentage of the original amount or value of the subvention.
14 The rights of [holders of subvention certificates] makers of
15 subventions shall at all times be subordinate to the rights of
16 creditors of the corporation.

17 (b) Consideration receivable.--[A subvention shall consist
18 of money or other property, tangible or intangible, actually
19 received by the corporation or expended for its benefit or in
20 its formation or reorganization, or a combination thereof. In
21 the absence of fraud in the transaction, the judgment of the
22 board of directors or other body as to the value of the
23 consideration received by the corporation shall be conclusive.

24 (c) Form of certificate.--Each subvention certificate shall
25 be signed by two duly authorized officers of the corporation,
26 and may be sealed with the seal of the corporation or a
27 facsimile thereof. The signatures of the officers upon a
28 certificate may be facsimiles if the certificate is
29 countersigned by a transfer agent or registered by a registrar
30 other than the corporation itself or its employees. In case any

1 officer who has signed or whose facsimile signature has been
2 placed upon a certificate shall have ceased to be such officer
3 before such certificate is issued, it may be issued by the
4 corporation with the same effect as if he were such officer at
5 the date of issue. The fact that the corporation is a nonprofit
6 corporation shall be noted conspicuously on the face or back of
7 each certificate.] Consideration for subventions, unless
8 otherwise provided in the bylaws:

9 (1) May consist of money, obligations (including an
10 obligation of a subventor), services performed whether or not
11 contracted for, contracts for services to be performed,
12 memberships in or securities or obligations of the
13 corporation, or any other tangible or intangible property or
14 benefit to the corporation. If subventions are issued for
15 other than money, the value of the consideration shall be
16 determined by or in the manner provided by the board of
17 directors or other body.

18 (2) Shall be provided or paid to or as ordered by the
19 corporation.

20 (c.1) Form of subventions.--Subventions shall be represented
21 by certificates or shall be uncertificated subventions. Each
22 subvention certificate shall be executed by or on behalf of the
23 corporation issuing the subvention in the manner it may
24 determine. The fact that the corporation is a nonprofit
25 corporation shall be noted conspicuously on the face or back of
26 each certificate.

27 (d) Transferability of subvention.--[Subvention
28 certificates] Subventions shall be nontransferable unless the
29 resolution of the board of directors or other body [shall
30 provide] provides that they shall be transferable either at will

1 or subject to specified restrictions.

2 (e) Redemption at option of corporation.--The resolution of
3 the board of directors or other body may provide that a
4 subvention shall be redeemable, in whole or in part, at the
5 option of the corporation at [such] the price or prices (not to
6 exceed the original amount or value of the subvention plus any
7 periodic payments due or accrued thereon), within [such] the
8 period or periods, and on [such] the terms and conditions, not
9 inconsistent with this [article] subpart, as are stated in the
10 resolution.

11 (f) Redemption at option of holders.--The resolution of the
12 board of directors or other body may provide that makers or
13 holders of all or some [subvention certificates] subventions
14 shall have the right to require the corporation after a
15 specified period of time to redeem [such certificates] the
16 subventions, in whole or in part, at a price or prices that do
17 not exceed the original amount or value of the subvention plus
18 any periodic payments due or accrued [thereon] on the
19 subvention, upon an affirmative showing that the financial
20 condition of the corporation will permit the required payment to
21 be made without impairment of its operations or injury to its
22 creditors. The right to require redemption may in addition be
23 conditioned upon the occurrence of a specified event. For the
24 purpose of enforcing their rights under this subsection, makers
25 or holders of [subvention certificates] subventions shall be
26 entitled to inspect the books and records of the corporation.

27 (g) Rights of makers or holders on dissolution.--[Holders]
28 Makers or holders of [subvention certificates] subventions, upon
29 dissolution of the corporation, shall be entitled, after the
30 claims of creditors have been satisfied, to repayment of the

1 original amount or value of the subvention plus any periodic
2 payments due or accrued [thereon] on the subvention, unless a
3 lesser sum is specified in the resolution of the board of
4 directors or other body concerning [such] the subvention.

5 § 5543. Debt and security interests.

6 (a) General rule.--[No corporation shall issue bonds or
7 other evidences of indebtedness except for money or other
8 property, tangible or intangible, or labor or services actually
9 received by or performed for the corporation or for its benefit
10 or in its formation or reorganization, or a combination thereof.
11 In the absence of fraud in the transaction, the judgment of the
12 board of directors or other body as to the value of the
13 consideration received by the corporation shall be conclusive.]
14 Unless otherwise provided in the bylaws, a nonprofit corporation
15 may issue its bonds or other obligations for an amount and form
16 of consideration as may be determined by or in the manner
17 provided by the board of directors or other body.

18 (b) Creation of lien on real or personal property.--The
19 board of directors or other body may authorize any mortgage or
20 pledge of, or the creation of a security interest in, all or any
21 part of the real or personal property of the corporation, or any
22 interest [therein. Unless] in the real or personal property. No
23 application to or confirmation by a court shall be required and,
24 unless otherwise restricted in the bylaws, no vote or consent of
25 the members shall be required to make effective [such] the
26 action by the board or other body.

27 § 5544. [Fees, dues] Dues and assessments.

28 (a) General rule.--A nonprofit corporation may levy dues or
29 assessments, or both, on its members, if authority to do so is
30 conferred by the bylaws, subject to any limitations [therein]

1 contained in the bylaws. [Such] The dues or assessments, or
2 both, may be imposed upon all members of the same class either
3 alike or in different amounts or proportions, and upon a
4 different basis upon different classes of members. Members of
5 one or more classes may be made exempt from either dues or
6 assessments, or both, in the manner or to the extent provided in
7 the bylaws.

8 (b) Amount and method of collection.--The amount of the levy
9 and method of collection of [such] the dues or assessments, or
10 both, may be fixed in the bylaws, or the bylaws may authorize
11 the board of directors or other body to fix the amount [thereof]
12 of the dues or assessments from time to time, and make them
13 payable at [such] the time and by [such] the methods of
14 collection as the board of directors or other body may
15 prescribe.

16 (c) Enforcement of payment.--A nonprofit corporation may
17 make bylaws necessary to enforce the collection of [such] dues
18 or assessments, including provisions for the termination of
19 membership, upon reasonable notice, for nonpayment of [such]
20 dues or assessments, and for reinstatement of membership.

21 § 5546. Purchase, sale, mortgage and lease of real property.

22 [Except for an industrial development corporation whose
23 articles or bylaws otherwise provide, no purchase of real
24 property shall be made by a nonprofit corporation and no
25 corporation shall sell, mortgage, lease away or otherwise
26 dispose of its real property, unless authorized by the vote of
27 two-thirds of the members in office of the board of directors or
28 other body, except that if there are 21 or more directors or
29 members of such other body, the vote of a majority of the
30 members in office shall be sufficient. No application to or

1 confirmation of any court shall be required and, unless
2 otherwise restricted in the bylaws, no vote or consent of the
3 members shall be required to make effective such action by the
4 board or other body. If the real property is subject to a trust
5 the conveyance away shall be free of trust and the trust shall
6 be impinged upon the proceeds of such conveyance.] Except as
7 otherwise provided in this subpart and unless otherwise provided
8 in the bylaws, no application to or confirmation of any court
9 shall be required for the purchase by or the sale, lease or
10 other disposition of the real or personal property, or any part
11 of the real or personal property of a nonprofit corporation,
12 and, unless otherwise restricted in section 5930 (relating to
13 voluntary transfer of corporate assets) or in the bylaws, no
14 vote or consent of the members shall be required to make
15 effective such action by the board or other body. If the
16 property is subject to a trust, the conveyance away shall be
17 free of trust, and the trust shall be impinged upon the proceeds
18 of the conveyance.

19 Section 31. Sections 5547(b) and 5548(b) of Title 15,
20 amended October 27, 2010 (P.L.837, No.85), are amended to read:
21 § 5547. Authority to take and hold trust property.

22 * * *

23 (b) Nondiversion of certain property.--Property committed to
24 charitable purposes shall not, by any proceeding under Chapter
25 59 (relating to fundamental changes) or otherwise, be diverted
26 from the objects to which it was donated, granted or devised,
27 unless and until the board of directors or other body obtains
28 from the court an order under 20 Pa.C.S. Ch. 77 [Subch. D]
29 (relating to [creation, validity, modification and termination of
30 trust] trusts) specifying the disposition of the property.

1 § 5548. Investment of trust funds.

2 * * *

3 (b) Use and management.--Except as otherwise permitted under
4 20 Pa.C.S. Ch. 77 [Subch. D] (relating to [creation, validity,
5 modification and termination of trust] trusts), the board of
6 directors or other body shall apply all assets thus received to
7 the purposes specified in the trust instrument. The directors or
8 other body shall keep accurate accounts of all trust funds,
9 separate and apart from the accounts of other assets of the
10 corporation.

11 * * *

12 Section 32. Section 5550 of Title 15 is amended to read:

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 away or exchanged all or substantially
19 all 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 [such] the
26 devise, bequest or gift and before the nonprofit corporation
27 acquires a vested interest in the devise, bequest or gift shall
28 be effective only as a court having jurisdiction over the assets
29 may order under [the Estates Act of 1947] 20 Pa.C.S. Ch. 77
30 (relating to trusts) or other applicable provisions of law.

1 Section 33. Section 5551 of Title 15 is reenacted to read:
2 § 5551. Dividends prohibited; compensation and certain payments
3 authorized.

4 (a) General rule.--A nonprofit corporation shall not pay
5 dividends or distribute any part of its income or profits to its
6 members, directors, or officers. Nothing herein contained shall
7 prohibit a fraternal benefit society operating under the
8 insurance laws of Pennsylvania from paying dividends or refunds
9 by whatever name known pursuant to the terms of its insurance
10 contracts.

11 (b) Reasonable compensation for services.--A nonprofit
12 corporation may pay compensation in a reasonable amount to
13 members, directors, or officers for services rendered.

14 (c) Certain payments authorized.--A nonprofit corporation
15 may confer benefits upon members or nonmembers in conformity
16 with its purposes, may repay capital contributions, and may
17 redeem its subvention certificates or evidences of indebtedness,
18 as authorized by this article, except when the corporation is
19 currently insolvent or would thereby be made insolvent or
20 rendered unable to carry on its corporate purposes, or when the
21 fair value of the assets of the corporation remaining after such
22 conferring of benefits, payment or redemption would be
23 insufficient to meet its liabilities. A nonprofit corporation
24 may make distributions of cash or property to members upon
25 dissolution or final liquidation as permitted by this article.

26 Section 34. Title 15 is amended by adding a section to read:
27 § 5552. (Reserved).

28 Section 35. Section 5552 of Title 15 is renumbered to read:
29 § [5552] 5553. Liabilities of members.

30 (a) General rule.--A member of a nonprofit corporation shall

1 not be liable, solely by reason of being a member, under an
2 order of a court or in any other manner for a debt, obligation
3 or liability of the corporation of any kind or for the acts of
4 any member or representative of the corporation.

5 (b) Obligations of member to corporation.--A member shall be
6 liable to the corporation only to the extent of any unpaid
7 portion of the capital contributions, membership dues or
8 assessments which the corporation may have lawfully imposed upon
9 him, or for any other indebtedness owed by him to the
10 corporation. No action shall be brought by any creditor of the
11 corporation to reach and apply any such liability to any debt of
12 the corporation until after:

13 (1) final judgment has been rendered against the
14 corporation in favor of the creditor and execution thereon
15 returned unsatisfied;

16 (2) a case involving the corporation has been brought
17 under 11 U.S.C. Ch. 7 (relating to liquidation) and a
18 distribution has been made and the case closed or a notice of
19 no assets has been issued; or

20 (3) a receiver has been appointed with power to collect
21 debts, and the receiver, on demand of a creditor to bring an
22 action thereon, has refused to sue for the unpaid amount, or
23 the corporation has been dissolved or ceased its activities
24 leaving debts unpaid.

25 (c) Action by a creditor.--An action by a creditor under
26 subsection (b) shall not be brought more than three years after
27 the happening of the first to occur of the events listed in
28 subsection (b) (1) through (3).

29 Section 36. Section 5553 of Title 15 is renumbered and
30 amended to read:

1 § [5553] 5554. Annual report of directors or other body.

2 (a) Contents.--The board of directors or other body of a
3 nonprofit corporation shall present annually to the members a
4 report, verified by the president and treasurer or by a majority
5 of the directors or members of [such] the other body, showing in
6 appropriate detail the following:

7 (1) The assets and liabilities, including [the] trust
8 funds, of the corporation as of the end of the fiscal year
9 immediately preceding the date of the report.

10 (2) The principal changes in assets and liabilities,
11 including trust funds, during the fiscal year immediately
12 preceding the date of the report.

13 (3) The revenue or receipts of the corporation, both
14 unrestricted and restricted to particular purposes, for the
15 fiscal year immediately preceding the date of the report,
16 including separate data with respect to each trust fund held
17 by or for the corporation.

18 (4) The expenses or disbursements of the corporation,
19 for both general and restricted purposes, during the fiscal
20 year immediately preceding the date of the report, including
21 separate data with respect to each trust fund held by or for
22 the corporation.

23 (5) The number of members of the corporation as of the
24 date of the report, together with a statement of increase or
25 decrease in [such] their number during the year immediately
26 preceding the date of the report, and a statement of the
27 place where the names and addresses of the current members
28 may be found.

29 (b) Place of filing.--The annual report of the board of
30 directors or other body shall be filed with the minutes of the

1 meetings of members.

2 (c) Report in absence of meeting of members.--The board of
3 directors or other body of a corporation having no members shall
4 direct the president and treasurer to present at the annual
5 meeting of the board or [of such] other body a report in
6 accordance with subsection (a) [of this section], but omitting
7 the requirement of paragraph (5) [thereof]. [Such] The report
8 shall be filed with the minutes of the annual meeting of the
9 board or [of such] other body.

10 (d) Cross reference.--See section 6145 (relating to
11 applicability of certain safeguards to foreign domiciliary
12 corporations).

13 Section 37. Sections 5585, 5586, 5587, 5588, 5589, 5702(a),
14 5704(a) and (b), 5705(a), 5708, 5722(a), 5723, 5724, 5725, 5726,
15 5727, 5728(a) and (b), 5729(b) and 5730 of Title 15 are amended
16 to read:

17 § 5585. Establishment or use of common trust funds authorized.

18 (a) General rule.--Every nonprofit corporation may establish
19 and maintain one or more common trust funds, the assets of which
20 shall be held, invested and reinvested by the corporation itself
21 or by a corporate trustee to which the assets have been
22 transferred pursuant to section 5549 (relating to transfer of
23 trust or other assets to institutional trustee). Upon the
24 payment by the corporate trustee to the nonprofit corporation of
25 the net income from [such] the assets, which income may be
26 determined under section 5548(c) (relating to investment of
27 trust funds) if [such] the election is properly made by the
28 board of directors or other body of the corporation, for use and
29 application to the several participating interests in [such] the
30 common trust fund, the proportionate participation of each

1 interest in [such] the net income shall be designated by the
2 corporate trustee. The nonprofit corporation may, at any time,
3 withdraw the whole or part of any participating interest in
4 [such] the common trust fund for distribution by it as provided
5 in this subchapter.

6 (b) Limitations in trust instrument.--Nothing contained in
7 this section shall be construed to authorize the corporation to
8 invest assets of a trust or fund in any [such] common trust fund
9 contrary to any specific limitation or restriction contained in
10 the trust instrument[,] nor to limit or restrict the authority
11 conferred upon the corporation with respect to investments by
12 [any such] the trust instrument.

13 (c) Effect of good faith mistakes.--[No mistakes] Mistakes
14 made in good faith[,] and in the exercise of due care and
15 prudence[,] in connection with the administration of any [such]
16 common trust fund[,] shall not be held to exceed any power
17 granted to or violate any duty imposed upon the corporation[,]
18 if, promptly after the discovery of the mistake, the corporation
19 takes [such] whatever action [as] may be practicable under the
20 circumstances to remedy the mistake.

21 § 5586. Restrictions on investments.

22 (a) Legal investments.--If the trust instrument [shall limit
23 or restrict] limits or restricts the investment of [such] the
24 assets to investments of the class authorized by law as legal
25 investments, [the] a nonprofit corporation may invest and
26 reinvest the assets of the trust or fund in any [such] common
27 trust fund maintained by the corporation[, provided] if the
28 investments composing [such] the fund consist solely of
29 investments of the class authorized by [the Fiduciaries
30 Investment Act of 1949] 20 Pa.C.S. Ch. 72 (relating to prudent

1 investor rule) to be held by fiduciaries.

2 (b) Other than legal investments.--If the trust instrument
3 [shall] does not limit or restrict the investment of [such] the
4 assets to investments of the class authorized by law as legal
5 investments, the corporation may invest and reinvest the assets
6 of the trust or fund in any [such] common trust fund maintained
7 by the corporation[,] composed of [such] the investments as in
8 the honest exercise of the judgment of the directors or other
9 body of the corporation they may, after investigation, determine
10 to be safe and proper investments.

11 § 5587. Determination of interests.

12 A nonprofit corporation shall invest the assets of a trust or
13 fund in a common trust fund authorized by this subchapter by
14 adding [such] those assets thereto, and by apportioning a
15 participation therein to [such] the trust or fund in the
16 proportion that the assets of the trust or fund added thereto
17 bears to the aggregate value of all the assets of [such] the
18 common trust fund at the time of [such] the investment,
19 including in [such] those assets the assets of the trust or fund
20 so added. The withdrawal of a participation from [such] the
21 common trust fund shall be on a basis of its proportionate
22 interest in the aggregate value of all the assets of [such] the
23 common trust fund at the time of [such] the withdrawal. The
24 participating interest of any trust or fund in [such] the common
25 trust fund may from time to time be withdrawn, in whole or in
26 part, by the corporation. Upon [such withdrawals] a withdrawal,
27 the corporation may make distribution in cash, or ratably in
28 kind, or partly in cash and partly in kind. Participations in
29 [such] the common trust funds shall not be sold by the
30 corporation to any other corporation or person, but this

1 sentence shall not prevent a corporate trustee designated under
2 section 5585 (relating to establishment or use of common trust
3 funds authorized) from investing the assets of [such a] the
4 common trust fund in any collective investment fund established
5 and maintained by it in accordance with law and to which the
6 assets comprising [such a] the common trust fund are eligible
7 contributions.

8 § 5588. Amortization of premiums on securities held.

9 If a bond or other obligation for the payment of money is
10 acquired as an investment for any common trust fund at a cost in
11 excess of the par or maturity value thereof, the nonprofit
12 corporation may, during [(but not beyond)] but not beyond the
13 period that [such] the obligation is held as an investment in
14 [such] the fund, amortize [such] the excess cost out of the
15 income on [such] the obligation, by deducting from each payment
16 of income and adding to principal an amount equal to the sum
17 obtained by dividing [such] the excess cost by the number of
18 periodic payments of income to accrue on [such] the obligation
19 from the date of [such] the acquisition until its maturity date.

20 § 5589. Records; ownership of assets.

21 The nonprofit corporation shall designate clearly upon its
22 records the names of the trusts or funds on behalf of which
23 [such] the corporation, as fiduciary or otherwise, owns a
24 participation in any common trust fund and the extent of the
25 interest of the trust or fund therein. [No such] The trust or
26 fund shall not be deemed to have individual ownership of any
27 asset in [such] the common trust fund, but shall be deemed to
28 have a proportionate undivided interest in the common trust
29 fund. The ownership of the individual assets comprising any
30 common trust fund shall be solely in the nonprofit corporation

1 as fiduciary or otherwise.

2 § 5702. Manner of giving notice.

3 (a) General rule.--[Whenever written]

4 (1) Any notice [is] required to be given to any person
5 under the provisions of this subpart or by the articles or
6 bylaws of any nonprofit corporation[, it may] shall be given
7 to the person either personally or by sending a copy thereof
8 [by]:

9 (i) By first class or express mail, postage prepaid,
10 [or by telegram (with messenger service specified), telex
11 or TWX (with answer back received)] or courier service,
12 charges prepaid, [or by facsimile transmission,] to [his]
13 the person's postal address [(or to his telex, TWX or
14 facsimile number)] appearing on the books of the
15 corporation or, in the case of directors or members of an
16 other body, supplied by [him] the person to the
17 corporation for the purpose of notice. [If the notice is
18 sent by mail, telegraph or courier service, it shall be
19 deemed to have been given to the person entitled thereto
20 when deposited in the United States mail or with a
21 telegraph office or courier service for delivery to that
22 person or, in the case of telex or TWX, when dispatched.]
23 Notice under this subparagraph shall be deemed to have
24 been given to the person entitled thereto when deposited
25 in the United States mail or with a courier service for
26 delivery to that person.

27 (ii) By facsimile transmission, e-mail or other
28 electronic communication to the person's facsimile number
29 or address for e-mail or other electronic communications
30 supplied by the person to the corporation for the purpose

1 of notice. Notice under this subparagraph shall be deemed
2 to have been given to the person entitled thereto when
3 sent.

4 (2) A notice of meeting shall specify the [place,] day
5 [and], hour and geographic location, if any, of the meeting
6 and any other information required by any other provision of
7 this subpart.

8 * * *

9 § 5704. Place and notice of meetings of members.

10 (a) Place.--Meetings of members may be held at [such place]
11 the geographic location within or without this Commonwealth as
12 may be provided in or fixed pursuant to the bylaws. Unless
13 otherwise provided in or pursuant to the bylaws, all meetings of
14 the members shall be held [in this Commonwealth at the
15 registered office of the corporation.] at the executive office
16 of the corporation wherever situated. If a meeting of members is
17 held by means of the Internet or other electronic communications
18 technology in a fashion pursuant to which the members have the
19 opportunity to read or hear the proceedings substantially
20 concurrently with their occurrence, vote on matters submitted to
21 the members, pose questions to the directors and members of any
22 other body, make appropriate motions and comment on the business
23 of the meeting, the meeting need not be held at a particular
24 geographic location.

25 (b) Notice.--[Written notice] Notice in record form of every
26 meeting of the members shall be given by, or at the direction
27 of, the secretary or other authorized person to each member of
28 record entitled to vote at the meeting at least:

29 (1) ten days prior to the day named for a meeting that
30 will consider a fundamental change under Chapter 59 (relating

1 to fundamental changes); or

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

4 If the secretary or other authorized person neglects or refuses
5 to give notice of a meeting, the person or persons calling the
6 meeting may do so.

7 * * *

8 § 5705. Waiver of notice.

9 (a) [Written waiver] General rule.--Whenever any [written]
10 notice is required to be given under the provisions of this
11 subpart or the articles or bylaws of any nonprofit corporation,
12 a waiver thereof [in writing, signed] that is filed with the
13 secretary of the corporation in record form, signed by the
14 person or persons entitled to the notice, whether before or
15 after the time stated therein, shall be deemed equivalent to the
16 giving of the notice. [Except as otherwise required by this
17 subsection, neither] Neither the business to be transacted at,
18 nor the purpose of, a meeting need be specified in the waiver of
19 notice of the meeting.

20 * * *

21 § 5708. Use of conference telephone [and similar equipment.] or
22 other electronic technology.

23 (a) Incorporators, directors and members of an other body.--
24 Except as otherwise provided in the bylaws, one or more persons
25 may participate in a meeting of the incorporators, the board of
26 directors or an other body[, or the members] of a nonprofit
27 corporation by means of conference telephone or [similar
28 communications equipment] other electronic technology by means
29 of which all persons participating in the meeting can hear each
30 other. Participation in a meeting pursuant to this section shall

1 constitute presence in person at the meeting.

2 (b) Members.--Except as otherwise provided in the bylaws,
3 the presence or participation, including voting and taking other
4 action, at a meeting of members, or the expression of consent or
5 dissent to corporate action, by a member by conference telephone
6 or other electronic means, including, without limitation, the
7 Internet, shall constitute the presence of, or vote or action
8 by, or consent or dissent of the member for the purposes of this
9 subpart.

10 § 5722. Qualifications of directors.

11 (a) General rule.--Each director of a nonprofit corporation
12 shall be a natural person of full age, except as provided in
13 subsection (b), who, unless otherwise restricted in the bylaws,
14 need not be a resident of this Commonwealth or a member of the
15 corporation. Except as otherwise provided in this section, the
16 qualifications of directors may be prescribed in the bylaws.

17 * * *

18 § 5723. Number of directors.

19 The board of directors of a nonprofit corporation shall
20 consist of one or more members. [Except as otherwise provided in
21 this section, the] The number of directors shall be fixed by[,]
22 or in the manner provided in[,] the bylaws[; or if]. If not so
23 fixed, the number of directors shall be the same as that stated
24 in the articles or three if no number is so stated.

25 § 5724. Term of office of directors.

26 (a) General rule.--Each director of a nonprofit corporation
27 shall hold office until the expiration of the term for which
28 [he] the director was selected and until [his] a successor has
29 been selected and qualified or until [his] the director's
30 earlier death, resignation or removal. Directors, other than

1 those selected by virtue of their office or former office in the
2 corporation or in any other entity or organization, shall be
3 selected for the term of office provided in the bylaws. In the
4 absence of a provision fixing the term, it shall be one year.

5 (b) Resignations.--Any director may resign at any time upon
6 notice in record form to the corporation. The resignation shall
7 be effective upon its receipt by the corporation or at a
8 subsequent time specified in the notice of resignation.

9 (c) Decrease in number.--A decrease in the number of
10 directors shall not have the effect of shortening the term of
11 any incumbent director.

12 (d) Classified board of directors.--Except as otherwise
13 provided in the bylaws, if the directors are classified in
14 respect of the time for which they shall severally hold office:

15 (1) Each class shall be as nearly equal in number as
16 possible.

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

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

21 § 5725. Selection of directors.

22 (a) General rule.--Except as otherwise provided in this
23 section, directors of a nonprofit corporation, other than those
24 [named in the articles, if any,] constituting the first board of
25 directors, shall be elected by the members.

26 (b) Other methods.--If a bylaw adopted by the members so
27 provides, directors may be elected, appointed, designated or
28 otherwise selected by [such] the person or persons or by [such]
29 the method or methods as shall be fixed by, or in the manner
30 provided in, [such] the bylaw, and the directors may be

1 classified as to the members who exercise the power to select
2 directors.

3 (c) Vacancies.--Except as otherwise provided in the
4 bylaws[,]:

5 (1) [vacancies] Vacancies in the board of directors,
6 including vacancies resulting from an increase in the number
7 of directors, [shall] may be filled by a majority of the
8 remaining members of the board though less than a quorum, or
9 by a sole remaining director, and each person so [elected]
10 selected shall be a director to serve for the balance of the
11 unexpired term unless otherwise restricted in the bylaws.

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

17 (3) In the case of a corporation having a board of
18 directors classified in respect of the time for which
19 directors shall severally hold office, any director chosen to
20 fill a vacancy, including a vacancy resulting from an
21 increase in the number of directors, shall hold office until
22 the next election of the class for which the director has
23 been chosen and until a successor has been selected and
24 qualified or until the director's earlier death, resignation
25 or removal.

26 (d) Alternate directors.--If the bylaws so provide, a person
27 or group of persons entitled to elect, appoint, designate or
28 otherwise select one or more directors may select [one or more
29 alternates] an alternate for each [such] director. In the
30 absence of a director from a meeting of the board [one of his

1 alternates], the director's alternate may, in the manner and
2 upon [such] the notice, if any, as may be provided in the
3 bylaws, attend [such] the meeting or execute a consent in record
4 form and exercise at the meeting [such of] or in the consent,
5 the powers of the absent director as may be specified by, or in
6 the manner provided in, the bylaws. When so exercising the
7 powers of the absent director, [such] the alternate shall be
8 subject in all respects to the provisions of this [article]
9 subpart relating to directors.

10 (e) Nomination of directors.--Unless otherwise provided in
11 the bylaws [provide otherwise], directors shall be nominated by
12 a nominating committee or from the floor.

13 (f) Cross reference.--See the definition of "member" in
14 section 5103 (relating to definitions).

15 § 5726. Removal of directors.

16 (a) [By] Removal by the members.--

17 (1) Unless otherwise provided in a bylaw adopted by the
18 members, the entire board of directors, or a class of the
19 board[,] where the board is classified with respect to the
20 power to select directors, or any individual director[,] of a
21 nonprofit corporation may be removed from office without
22 assigning any cause by the vote of members, or a class of
23 members, entitled to [cast at least a majority of the votes
24 which all members present would be entitled to cast at any
25 annual or other regular election of the directors or of such
26 class of directors] elect directors, or the class of
27 directors. In case the board or [such] a class of the board
28 or any one or more directors are so removed, new directors
29 may be elected at the same meeting. [If members are entitled
30 to vote cumulatively for the board or a class of the board,

1 no individual director shall be removed unless the entire
2 board or class of the board is removed in case sufficient
3 votes are cast against the resolution for his removal, which,
4 if cumulatively voted at an annual or other regular election
5 of directors, would be sufficient to elect one or more
6 directors to the board or to the class.]

7 (2) An individual director shall not be removed, unless
8 the entire board or class of the board is removed, from the
9 board of a corporation in which members are entitled to vote
10 cumulatively for the board or a class of the board if
11 sufficient votes are cast against the resolution for removal
12 of the director which, if cumulatively voted at an annual or
13 other regular election of directors, would be sufficient to
14 elect one or more directors to the board or to the class.

15 (b) [By] Removal by the board.--Unless otherwise provided in
16 a bylaw adopted by the members, the board of directors may
17 declare vacant the office of a director [if he is declared] who
18 has been judicially declared of unsound mind [by an order of
19 court or is convicted of felony] or who has been convicted of an
20 offense punishable by imprisonment for a term of more than one
21 year, or for any other proper cause which the bylaws may
22 specify, or if, within 60 days, or [such] other time as the
23 bylaws may specify, after notice of [his] selection, [he] a
24 director does not accept [such] the office either in writing or
25 by attending a meeting of the board of directors[,] and fulfill
26 [such] the other requirements of qualification as the bylaws may
27 specify.

28 (c) [By] Removal by the court.--[The court may, upon
29 petition of any member or director, remove from office any
30 director in case of fraudulent or dishonest acts, or gross abuse

1 of authority or discretion with reference to the corporation, or
2 for any other proper cause, and may bar from office any director
3 so removed for a period prescribed by the court. The corporation
4 shall be made a party to such action.] Upon application of any
5 member or director, the court may remove from office any
6 director in case of fraudulent or dishonest acts, or gross abuse
7 of authority or discretion with reference to the corporation, or
8 for any other proper cause, and may bar from office any director
9 so removed for a period prescribed by the court. The corporation
10 shall be made a party to the action and as a prerequisite to the
11 maintenance of an action under this subsection a member shall
12 comply with Subchapter G (relating to judicial supervision of
13 corporate action).

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

19 § 5727. Quorum of and action by directors.

20 (a) General rule.--Unless otherwise provided in the bylaws,
21 a majority of the directors in office of a nonprofit corporation
22 shall be necessary to constitute a quorum for the transaction of
23 business, and the acts of a majority of the directors present
24 and voting at a meeting at which a quorum is present shall be
25 the acts of the board of directors.

26 (b) Action by [written] consent.--Unless otherwise
27 restricted in the bylaws, any action [which may] required or
28 permitted to be [taken] approved at a meeting of the directors
29 may be [taken] approved without a meeting[,] if a consent or
30 consents [in writing setting forth the action so taken shall be

1 signed] to the action in record form are signed, before, on or
2 after the effective date of the action, by all of the directors
3 in office [and shall be] on the date the last consent is signed.
4 The consent or consents must be filed with the secretary of the
5 corporation.

6 § 5728. Interested [members,] directors or officers; quorum.

7 (a) General rule.--[No] A contract or transaction between a
8 nonprofit corporation and one or more of its [members,]
9 directors or officers or between a nonprofit corporation and
10 [any other corporation, partnership, association, or other
11 organization] another domestic or foreign corporation for profit
12 or not-for-profit, partnership, joint venture, trust or other
13 association in which one or more of its directors or officers
14 are directors or officers[,] or have a financial or other
15 interest, shall not be void or voidable solely for [such] that
16 reason, or solely because the [member,] director or officer is
17 present at or participates in the meeting of the board of
18 directors [which] that authorizes the contract or transaction,
19 or solely because [his or their votes are] the vote of the
20 director or officer is counted for [such] that 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 [in good
24 faith] authorizes the contract or transaction by the
25 affirmative votes of a majority of the disinterested
26 directors even though the disinterested directors are less
27 than a quorum;

28 (2) the material facts as to [his] the director's or
29 officer's relationship or interest and as to the contract or
30 transaction are disclosed or are known to the members

1 entitled to vote thereon, if any, and the contract or
2 transaction is specifically approved in good faith by vote of
3 [such] those members; or

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

7 (b) Quorum.--Common or interested directors may be counted
8 in determining the presence of a quorum at a meeting of the
9 board [which] that authorizes a contract or transaction
10 specified in subsection (a) [of this section].

11 * * *

12 § 5729. Voting rights of directors.

13 * * *

14 (b) Multiple and fractional voting.--The requirement of this
15 [article] subpart for the presence of or vote or other action by
16 a specified percentage of directors shall be satisfied by the
17 presence of or vote or other action by directors entitled to
18 cast [such] the specified percentage of the votes which all
19 directors are entitled to cast.

20 § 5730. Compensation of directors.

21 Except as otherwise restricted in the bylaws, the board of
22 directors of a nonprofit corporation shall have the authority to
23 fix the compensation of directors for their services as [such]
24 directors, and a director may be a salaried officer of the
25 corporation.

26 Section 38. Section 5731 of Title 15 is amended by adding a
27 subsection to read:

28 § 5731. Executive and other committees of the board.

29 * * *

30 (c) Status of committee action.--The term "board of

1 directors" or "board," when used in any provision of this
2 subpart relating to the organization or procedures of or the
3 manner of taking action by the board of directors, shall be
4 construed to include and refer to any executive or other
5 committee of the board. Any provision of this subpart relating
6 or referring to action to be taken by the board of directors or
7 the procedure required therefor shall be satisfied by the taking
8 of corresponding action by a committee of the board of directors
9 to the extent authority to take the action has been delegated to
10 the committee under this section.

11 Section 39. Sections 5733, 5746(a), 5751, 5752, 5753, 5754,
12 5755, 5756(a) (1) and (3) and (b), 5757 and 5759 of Title 15 are
13 amended to read:

14 § 5733. Removal of officers and agents.

15 Unless otherwise provided in the bylaws, any officer or agent
16 of a nonprofit corporation may be removed by the board of
17 directors or other body [whenever in its judgment the best
18 interests of the corporation will be served thereby, but such]
19 with or without cause. The removal shall be without prejudice to
20 the contract rights, if any, of any person so removed. Election
21 or appointment of an officer or agent shall not of itself create
22 contract rights.

23 § 5746. Supplementary coverage.

24 (a) General rule.--The indemnification and advancement of
25 expenses provided by or granted pursuant to the other sections
26 of this subchapter shall not be deemed exclusive of any other
27 rights to which a person seeking indemnification or advancement
28 of expenses may be entitled under any bylaw, agreement, vote of
29 members or disinterested directors or otherwise, both as to
30 action in [his] an official capacity and as to action in another

1 capacity while holding that office. Section 5728 (relating to
2 interested [members,] directors or officers; quorum) shall be
3 applicable to any bylaw, contract or transaction authorized by
4 the directors under this section. A corporation may create a
5 fund of any nature, which may, but need not, be under the
6 control of a trustee, or otherwise secure or insure in any
7 manner its indemnification obligations, whether arising under or
8 pursuant to this section or otherwise.

9 * * *

10 § 5751. Classes and qualifications of membership.

11 (a) General rule.--Membership in a nonprofit corporation
12 shall be of [such] the classes, and shall be governed by [such]
13 the rules of admission, retention, suspension and expulsion,
14 [as] prescribed in bylaws adopted by the members [shall
15 prescribe], except that [all such] the rules shall be
16 reasonable, germane to the purpose or purposes of the
17 corporation[,] and equally enforced as to all members of the
18 same class. Unless otherwise provided by a bylaw adopted by the
19 members[, there]:

20 (1) There shall be one class of members whose voting and
21 other rights and interests shall be equal.

22 (2) If there is only one class of members, the members
23 shall have all the rights of members generally in a nonprofit
24 corporation.

25 (b) Corporations without voting members.--Where the articles
26 provide that the corporation shall have no members, as such, or
27 where a nonprofit corporation has under its bylaws or in fact no
28 members entitled to vote on a matter, any provision of this
29 [article] subpart or any other provision of law requiring notice
30 to, the presence of, or the vote, consent or other action by

1 members of the corporation in connection with [such] the matter
2 shall be satisfied by notice to, the presence of, or the vote,
3 consent or other action by the board of directors or other body
4 of the corporation.

5 (c) Membership status.--Regardless of whether a nonprofit
6 corporation designates or refers to a person as a member of the
7 corporation, the person is not a member of the corporation for
8 purposes of this subpart unless the person satisfies the
9 definition of "member" in section 5103 (relating to
10 definitions).

11 § 5752. Organization on a stock share basis.

12 (a) General rule.--A nonprofit corporation may be organized
13 upon either a nonstock basis or, if so provided in its articles,
14 upon a stock share basis[, as set forth in its articles].

15 (b) Form of certificates; uncertificated shares.--The shares
16 of nonprofit corporations organized upon a stock share basis
17 shall be of [such] the denominations [as] provided in the bylaws
18 [shall provide] and shall be represented by share
19 certificates[.] unless the articles provide that any or all
20 classes and series of shares, or any part thereof, shall be
21 uncertificated shares. A provision of the articles providing for
22 uncertificated shares shall not apply to shares represented by a
23 certificate until the certificate is surrendered to the
24 corporation. Except as otherwise expressly provided by law, the
25 rights and obligations of the holders of shares represented by
26 certificates and the rights and obligations of the holders of
27 uncertificated shares of the same class and series shall be
28 identical. The fact that the corporation is a nonprofit
29 corporation shall be noted conspicuously on the face of each
30 certificate. Within a reasonable time after the issuance or

1 transfer of uncertificated shares, the corporation shall send to
2 the registered owner thereof a written notice stating:

3 (1) That the corporation is a nonprofit corporation
4 incorporated under the laws of this Commonwealth.

5 (2) The name of the registered owner.

6 (3) The denomination and class of shares and the
7 designation of the series, if any, of the shares issued or
8 transferred.

9 (c) Rights of shareholders.--Unless otherwise provided in a
10 bylaw adopted by the members, each share shall entitle the
11 holder thereof to one vote. No dividends shall be directly or
12 indirectly paid on [any such] the shares, nor shall the
13 shareholders be entitled to any portion of the earnings of
14 [such] the corporation derived through increment of value upon
15 its property, or otherwise incidentally made, until the
16 dissolution of [any such] the corporation.

17 (d) Transferability of shares.--Unless otherwise provided in
18 the bylaws, [such] the shares shall not be transferable by
19 operation of law or otherwise.

20 (e) Power to cancel shares.--A nonprofit corporation shall
21 have power to exclude from further membership any shareholder
22 who fails to comply with the reasonable and lawful bylaws of the
23 corporation, and may cancel the shares of any [such] offending
24 member without liability for an accounting[,] except as may be
25 provided in the bylaws.

26 (f) Applicability of the Uniform Commercial Code.--The
27 provisions of [Division 8 of Title 13] 13 Pa.C.S. Div. 8
28 (relating to investment securities) shall not apply in any
29 manner to the shares of a nonprofit corporation.

30 (g) Cross reference.--See the definition of "member" in

1 section 5103 (relating to definitions).

2 § 5753. Membership certificates.

3 A nonprofit corporation organized upon a nonstock basis shall
4 not issue shares of stock, but membership in [such] the
5 corporation may be evidenced by certificates of membership. The
6 fact that the corporation is a nonprofit corporation shall be
7 noted conspicuously on the face of each certificate.

8 § 5754. Members grouped in local units.

9 (a) General rule.--The bylaws of a nonprofit corporation may
10 provide that the members of the corporation shall be grouped in
11 incorporated or unincorporated local units formed upon the basis
12 of territorial areas, or [such] other basis as may be determined
13 in the bylaws, for the purpose of election of delegates or
14 representatives to represent the members of [such] the local
15 units at any regular or special meetings of [such] the
16 corporation. Unless otherwise provided in a bylaw adopted by the
17 members, each local unit participating in a representative
18 capacity by means of one or more delegates or otherwise at a
19 meeting of the corporation shall have a number of votes equal to
20 the total membership of the local unit.

21 (b) Voting at meetings of delegates.--The requirements of
22 this [article] subpart for action by or the consent of a
23 specified number or percentage of the members shall be satisfied
24 by action by or the consent of [such] that number or percentage
25 of votes of delegates or representatives of members selected
26 pursuant to this section.

27 (c) Calling and holding meetings of delegates.--The
28 provisions of this [article] subpart relating to the manner of
29 the calling and holding of and the taking of action at meetings
30 of members shall be applicable to meetings of delegates or

1 representatives of members.

2 (d) Incorporation of local units.--A local unit of an
3 incorporated or unincorporated parent body [which] that is
4 incorporated or organized for a purpose or purposes not
5 involving pecuniary profit, incidental or otherwise, to its
6 members[,] may be incorporated under this [article] subpart by
7 an incorporated parent body or by the members of [such] the
8 local unit.

9 § 5755. Time of holding meetings of members.

10 (a) Regular meetings.--The bylaws of a nonprofit corporation
11 may provide for the number and the time of meetings of members,
12 but unless otherwise provided in a bylaw adopted by the members
13 at least one meeting of the members of a corporation [which]
14 that has members, as such, entitled to vote, shall be held in
15 each calendar year for the election of directors[, at such] at
16 the time [as shall be] provided in or fixed pursuant to
17 authority granted by the bylaws. Failure to hold the annual or
18 other regular meeting at the designated time shall not work a
19 dissolution of the corporation or affect otherwise valid
20 corporate acts. If the annual or other regular meeting [shall
21 not be] is not called and held within six months after the
22 designated time, any member may call [such] the meeting at any
23 time thereafter.

24 (b) Special meetings.--Special meetings of the members may
25 be called at any time by:

26 (1) [by] the board of directors[, or];

27 (2) members entitled to cast at least 10% of the votes
28 [which] that all members are entitled to cast at the
29 particular meeting[, or by such]; or

30 (3) other officers or persons as may be provided in the

1 bylaws.

2 At any time, upon written request of any person who has called a
3 special meeting, it shall be the duty of the secretary to fix
4 the time of the meeting[,] which, if the meeting is called
5 pursuant to a statutory right, shall be held not more than 60
6 days after the receipt of the request. If the secretary [shall
7 neglect or refuse] neglects or refuses to fix the time of the
8 meeting, the person or persons calling the meeting may do so.

9 (c) Adjournments.--Adjournments of any regular or special
10 meeting may be taken[,] but any meeting at which directors are
11 to be elected shall be adjourned only from day to day, or for
12 [such] longer periods not exceeding 15 days each, as the members
13 present and entitled to [cast at least a majority of the votes
14 which all members present and voting are entitled to cast] vote
15 shall direct, until [such] the directors have been elected.

16 (d) Cross reference.--See section 6145 (relating to
17 applicability of certain safeguards to foreign domiciliary
18 corporations).

19 § 5756. Quorum.

20 (a) General rule.--A meeting of members of a nonprofit
21 corporation duly called shall not be organized for the
22 transaction of business unless a quorum is present. Unless
23 otherwise provided in a bylaw adopted by the members:

24 (1) The presence of members entitled to cast at least a
25 majority of the votes [which] that all members are entitled
26 to cast on [the matters] a particular matter to be acted upon
27 at the meeting shall constitute a quorum for the purposes of
28 consideration and action on the matter.

29 * * *

30 (3) If a meeting cannot be organized because a quorum

1 has not attended, those present may, except as otherwise
2 provided in this [article] subpart, adjourn the meeting to
3 [such] a time and place [as] they may determine.

4 (b) Exceptions.--Notwithstanding any contrary provision in
5 the articles or bylaws, those members entitled to vote who
6 attend a meeting of members:

7 (1) [In the case of any meeting called for the election
8 of directors those who attend the second of such adjourned
9 meetings] at which directors are to be elected that has been
10 previously adjourned for lack of a quorum, although less than
11 a quorum as fixed in this section[,] or in the [articles or]
12 bylaws, shall nevertheless constitute a quorum for the
13 purpose of election of directors[.];

14 (2) [In the case of any meeting called for any other
15 purpose those who attend the second of such adjourned
16 meetings] that has been previously adjourned for one or more
17 periods aggregating at least 15 days because of an absence of
18 a quorum, although less than a quorum as fixed in this
19 section[,] or in the [articles or] bylaws, shall nevertheless
20 constitute a quorum for the purpose of acting upon any
21 [resolution or other] matter set forth in the notice of the
22 meeting[, if written notice of such second adjourned meeting,
23 stating] if the notice states that those members who attend
24 the adjourned meeting shall nevertheless constitute a quorum
25 for the purpose of acting upon [such resolution or other] the
26 matter[, is given to each member of record entitled to vote
27 at such second adjourned meeting at least ten days prior to
28 the day named for the second adjourned meeting].

29 § 5757. Action by members.

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

1 article or in a bylaw adopted by the members, the acts at a duly
2 organized meeting of members present entitled to cast at least a
3 majority of the votes which all members present and voting are
4 entitled to cast shall be the acts of the members.

5 (b) Increased minimum vote.--Whenever in this article a
6 specified number or percentage of votes of members or of a class
7 of members is required for the taking of any action, a nonprofit
8 corporation may prescribe in a bylaw adopted by the members that
9 a higher number or percentage of votes shall be required for
10 such action.] Except as otherwise provided in this subpart or in
11 a bylaw adopted by the members, whenever any corporate action is
12 to be taken by vote of the members of a nonprofit corporation,
13 it shall be authorized upon receiving the affirmative vote of a
14 majority of the votes cast by the members entitled to vote
15 thereon and, if any members are entitled to vote thereon as a
16 class, upon receiving the affirmative vote of a majority of the
17 votes cast by the members entitled to vote as a class.

18 (b) Changes in required vote.--Whenever a provision of this
19 subpart requires a specified number or percentage of votes of
20 members or of a class of members for the taking of any action, a
21 nonprofit corporation may prescribe in a bylaw adopted by the
22 members that a higher number or percentage of votes shall be
23 required for the action. The number or percentage of members
24 necessary to call a special meeting of members or to petition
25 for the proposal of an amendment of articles under this subpart
26 may not be increased under this subsection. See sections 5504(d)
27 (relating to adoption, amendment and contents of bylaws) and
28 5914(d) (relating to adoption of amendments).

29 (c) Expenses.--Unless otherwise restricted in the articles,
30 the corporation shall pay the reasonable expenses of

1 solicitation of votes, proxies or consents of members by or on
2 behalf of the board of directors or its nominees for election to
3 the board, including solicitation by professional proxy
4 solicitors and otherwise, and may pay the reasonable expenses of
5 a solicitation by or on behalf of other persons.

6 § 5759. Voting and other action by proxy.

7 (a) General rule.--Voting by members of a nonprofit
8 corporation shall be only in person unless a bylaw adopted by
9 the members provides for voting by proxy. [The presence of or
10 vote or other action at a meeting of members, or the expression
11 of consent or dissent to corporate action in writing, by a proxy
12 of a member pursuant to such a bylaw shall constitute the
13 presence of, or vote or action by, or written consent or dissent
14 of such member for the purposes of this article.] Unless
15 otherwise restricted by a bylaw adopted by the members:

16 (1) The presence of, or vote or other action at a
17 meeting of members, or the expression of consent or dissent
18 to corporate action, by a proxy of a member pursuant to a
19 bylaw shall constitute the presence of, or vote or action by,
20 or consent or dissent of the member for the purposes of this
21 subpart.

22 (2) Where two or more proxies of a member are present,
23 the corporation shall, unless otherwise expressly provided in
24 the proxy, accept as the vote or other action of all the
25 members or shares represented thereby the vote cast or other
26 action taken by a majority of them, and, if a majority of the
27 proxies cannot agree whether the memberships or shares
28 represented shall be voted or upon the manner of voting the
29 memberships or shares or taking the other action, the voting
30 of the memberships or shares or right to take other action

1 shall be divided equally among those persons.

2 (b) [Minimum requirements] Execution and filing.--Every
3 proxy shall be executed [in writing] or authenticated by the
4 member or by [his] the member's duly authorized [attorney in
5 fact] attorney-in-fact and filed with or transmitted to the
6 secretary of the corporation[.] or its designated agent. A
7 member or the member's duly authorized attorney-in-fact may
8 execute or authenticate a writing or transmit an electronic
9 message authorizing another person to act for the member by
10 proxy. A telegram, telex, cablegram, datagram, e-mail, Internet
11 communication or other means of electronic transmission from a
12 member or attorney-in-fact, or a photographic, facsimile or
13 similar reproduction of a writing executed by a member or
14 attorney-in-fact:

15 (1) may be treated as properly executed or authenticated
16 for purposes of this subsection; and

17 (2) shall be so treated if it sets forth or utilizes a
18 confidential and unique identification number or other mark
19 furnished by the corporation to the member for the purposes
20 of a particular meeting or transaction.

21 (c) Revocation.--A proxy shall be revocable at will,
22 notwithstanding any other agreement or any provision in the
23 proxy to the contrary, but the revocation of a proxy shall not
24 be effective until notice thereof has been given to the
25 secretary of the corporation[. No] or its designated agent in
26 writing or by electronic transmission. An unrevoked proxy shall
27 not be valid after 11 months from the date of its execution,
28 authentication or transmission unless a longer time is expressly
29 provided therein[, but in no event shall a proxy be voted on
30 after three years from the date of its execution]. A proxy shall

1 not be revoked by the death or incapacity of the maker unless,
2 before the vote is counted or the authority is exercised,
3 [written] notice of [such] the death or incapacity is given to
4 the secretary of the corporation[.] or its designated agent. See
5 section 6145 (relating to applicability of certain safeguards to
6 foreign domiciliary corporations).

7 Section 40. Title 15 is amended by adding sections to read:

8 § 5760. (Reserved).

9 § 5761. (Reserved).

10 Section 41. Sections 5760 and 5761 of Title 15 are
11 renumbered and amended to read:

12 § [5760] 5762. Voting by corporations.

13 (a) Voting in nonprofit corporation matters.--Unless
14 otherwise provided in a bylaw of a nonprofit corporation adopted
15 by the members, any other [corporation which is a member of such
16 a nonprofit corporation may vote therein by any of its
17 officers,] domestic or foreign corporation for profit or not-
18 for-profit that is a member of the nonprofit corporation may
19 vote by any of its officers or agents, or by proxy appointed by
20 any officer or agent, unless some other person, by resolution of
21 the board of directors of [such] the other corporation[,], or a
22 provision of its articles or bylaws, a copy of which resolution
23 or provision certified to be correct by one of its officers
24 [shall have] has been filed with the secretary of the nonprofit
25 corporation, [shall be] is appointed its general or special
26 proxy[,], in which case [such] that person shall be entitled to
27 vote [therein] as the proxy.

28 (b) Voting by nonprofit corporations.--Shares of or
29 memberships in a domestic or foreign corporation for profit or
30 not-for-profit other than a nonprofit corporation, standing in

1 the name of a shareholder or member [which] that is a nonprofit
2 corporation, may be voted by the persons and in the manner
3 provided for in the case of nonprofit corporations by subsection
4 (a) [of this section] unless the laws of the jurisdiction in
5 which the issuer of [any such] the shares or memberships is
6 incorporated [shall] require the shares or memberships to be
7 voted by some other person or persons or in some other manner[,]
8 in which case, to the extent that [such] those laws are
9 inconsistent [herewith] with this subsection, this subsection
10 shall not apply.

11 § [5761] 5763. Determination of members of record.

12 (a) Fixing record date.--Unless otherwise restricted in the
13 bylaws, the board of directors of a nonprofit corporation may
14 fix a time[, not more than 70 days] prior to the date of any
15 meeting of members [or any adjournment thereof,] as a record
16 date for the determination of the members entitled to notice of,
17 or to vote at, [such] the meeting[. In such case only], which
18 time, except in the case of an adjourned meeting, shall not be
19 more than 90 days prior to the date of the meeting of members.
20 Only members of record on the date [so] fixed shall [so] be so
21 entitled notwithstanding any increase or other change in
22 membership on the books of the corporation after any record date
23 fixed as [aforesaid] provided in this subsection. Unless
24 otherwise [restricted] provided in the bylaws, the board of
25 directors may similarly fix a record date for the determination
26 of members of record for any other purpose. When a determination
27 of members of record has been made as provided in this section
28 for purposes of a meeting, the determination shall apply to any
29 adjournment thereof unless otherwise restricted in the bylaws or
30 unless the board fixes a new record date for the adjourned

1 meeting.

2 (b) Determination when no record date fixed.--Unless
3 otherwise [restricted] provided in the bylaws, if [no] a record
4 date is not fixed:

5 (1) The record date for determining members entitled to
6 notice of or to vote at a meeting of members shall be at the
7 close of business on the day next preceding the day on which
8 notice is given, or, if notice is waived, at the close of
9 business on the day [next] immediately preceding the day on
10 which the meeting is held.

11 (2) The record date for determining members entitled to:

12 (i) express consent or dissent to corporate action
13 in writing without a meeting, when [no] prior action by
14 the board of directors or other body is not necessary[,];

15 (ii) call a special meeting of the members; or

16 (iii) propose an amendment of the articles;

17 shall be the close of business on the day on which the first
18 written consent or dissent, request for a special meeting or
19 petition proposing an amendment of the articles is
20 [expressed] filed with the secretary of the corporation.

21 (3) The record date for determining members for any
22 other purpose shall be at the close of business on the day on
23 which the board of directors or other body adopts the
24 resolution relating thereto.

25 Section 42. Title 15 is amended by adding a section to read:
26 § 5764. (Reserved).

27 Section 43. Sections 5762, 5763, 5764, 5765, 5766 and 5767
28 of Title 15 are renumbered and amended to read:

29 § [5762] 5765. Judges of election.

30 (a) General rule.--Unless otherwise provided in a bylaw

1 adopted by the members:

2 (1) In advance of any meeting of members of a nonprofit
3 corporation, the board of directors or other body may appoint
4 judges of election, who need not be members, to act at [such]
5 the meeting or any adjournment thereof. If judges of election
6 are not so appointed, the presiding officer of [any such] the
7 meeting may, and on the request of any member shall, [make
8 such appointment] appoint judges of election at the meeting.
9 The number of judges shall be one or three. [No] A person who
10 is a candidate for office to be filled at the meeting shall
11 not act as a judge.

12 (2) In case any person appointed as judge fails to
13 appear or fails or refuses to act, the vacancy may be filled
14 by appointment made by the board of directors or other body
15 in advance of the convening of the meeting, or at the meeting
16 by the presiding officer thereof.

17 (3) The judges of election shall determine the number of
18 members of record and the voting power of each, the members
19 present at the meeting, the existence of a quorum, the
20 authenticity, validity[,] and effect of proxies, if voting by
21 proxy is permitted under the bylaws, receive votes or
22 ballots, hear and determine all challenges and questions in
23 any way arising in connection with the right to vote, count
24 and tabulate all votes, determine the result[,] and [do such]
25 perform the acts as may be proper to conduct the election or
26 vote with fairness to all members. The judges of election
27 shall perform their duties impartially, in good faith, to the
28 best of their ability[,] and as expeditiously as is
29 practical. If there are three judges of election, the
30 decision, act or certificate of a majority shall be effective

1 in all respects as the decision, act or certificate of all.

2 (4) On request of the presiding officer of the meeting,
3 or of any member, the judges shall make a report in writing
4 of any challenge or question or matter determined by them,
5 and execute a certificate of any fact found by them. Any
6 report or certificate made by them shall be prima facie
7 evidence of the facts stated therein.

8 (b) Cross reference.--See section 6145 (relating to
9 applicability of certain safeguards to foreign domiciliary
10 corporations).

11 § [5763] 5766. Consent of members in lieu of meeting.

12 (a) Unanimous consent.--Unless otherwise restricted in the
13 bylaws, any action [which may] required or permitted to be taken
14 at a meeting of the members or of a class of members of a
15 nonprofit corporation may be taken without a meeting[,] if a
16 consent or consents [in writing, setting forth the action so
17 taken, shall be signed] to the action in record form are signed,
18 before, on or after the effective date of the action, by all of
19 the members who would be entitled to vote at a meeting for [such
20 purpose and shall be filed] that purpose. The consent or
21 consents must be filed with the secretary of the corporation.

22 (b) Partial consent.--If the bylaws so provide, any action
23 required or permitted to be taken at a meeting of the members or
24 of a class of members may be taken without a meeting upon the
25 signed consent of members who would have been entitled to cast
26 the minimum number of votes that would be necessary to authorize
27 the action at a meeting at which all members entitled to vote
28 thereon were present and voting. The consents must be filed in
29 record form with the secretary of the corporation.

30 (c) Effectiveness of action by partial consent.--An action

1 taken pursuant to subsection (b) shall not become effective
2 until after at least ten days' notice of the action has been
3 given to each member entitled to vote thereon who has not
4 consented thereto.

5 § [5764] 5767. Appointment of custodian of corporation on
6 deadlock or other cause.

7 (a) General rule.--[The court, upon] Upon application of any
8 member, the court may appoint one or more persons to be
9 custodians of and for any nonprofit corporation when it [is made
10 to appear] appears that:

11 (1) [that] at any meeting for the election of directors
12 or members of an other body, the members are so divided that
13 they have failed to elect successors to [directors] those
14 whose terms have expired or would have expired upon the
15 qualification of their successors; or

16 (2) [that] any of the conditions specified in section
17 5981 (relating to proceedings upon [petition of member, etc.]
18 exists] application of member or director), other than that
19 it is beneficial to the interest of the members that the
20 corporation be wound up and dissolved, exist with respect to
21 the corporation.

22 (a.1) Exception.--The court shall not appoint a custodian to
23 resolve a deadlock if the members by agreement or otherwise have
24 provided for the appointment of a provisional director or member
25 of an other body or other means for the resolution of the
26 deadlock, but the court shall enforce the remedy so provided, if
27 appropriate.

28 (b) Power and title of custodian.--A custodian appointed
29 under this section shall have all the power and title of a
30 receiver appointed under Subchapter G of Chapter 59 (relating to

1 involuntary liquidation and dissolution), but the authority of
2 the custodian shall be to continue the business of the
3 corporation and not to liquidate its affairs and distribute its
4 assets[,] except when the court shall otherwise order [and
5 except in cases arising under section 5981(1), (2) and (3)
6 (relating to proceedings upon petition of member, etc.)].

7 (c) Cross reference.--See section 6145 (relating to
8 applicability of certain safeguards to foreign domiciliary
9 corporations).

10 § [5765] 5768. Reduction of membership below stated number.

11 Whenever the membership of a nonprofit corporation having a
12 stated number of members [shall be] is reduced below [such] that
13 number by death, withdrawal[,] or otherwise, the corporation
14 shall not on that account be dissolved, but it shall be lawful
15 for the surviving or continuing members to continue the
16 corporate existence[,] unless otherwise restricted in the
17 bylaws.

18 § [5766] 5769. Termination and transfer of membership.

19 (a) General rule.--Membership in a nonprofit corporation
20 shall be terminated in the manner provided in a bylaw adopted by
21 the members. If [the] membership in any such corporation is
22 limited to persons who are members in good standing in another
23 corporation, or in any lodge, church, club, society or other
24 entity or organization, the bylaws shall in each case define
25 [such] the limitations, and may provide that failure on the part
26 of [any such] a member to keep himself in good standing in
27 [such] the other entity or organization shall be sufficient
28 cause for [expelling the member from] terminating the membership
29 of the member in the corporation requiring such eligibility.

30 (b) Expulsion.--

1 (1) [No] A member shall not be expelled from any
2 nonprofit corporation without notice, trial and conviction,
3 the form of which shall be prescribed by the bylaws.

4 (2) Paragraph (1) [of this subsection] shall not apply
5 to termination of membership pursuant to section 5544[(c)]
6 (relating to [enforcement of payment of fees,] dues and
7 assessments).

8 (3) See section 6145 (relating to applicability of
9 certain safeguards to foreign domiciliary corporations).

10 (c) Effect of termination of membership.--Unless otherwise
11 provided in the bylaws, the right of a member of a nonprofit
12 corporation to vote, and his right, title and interest in or to
13 the corporation or its property, shall cease [on the] upon
14 termination of [his] membership.

15 (d) Transfer of membership.--Unless otherwise provided in
16 the bylaws, [no] a member may not transfer his membership or any
17 right arising therefrom. The adoption of an amendment to the
18 articles or bylaws of a nonprofit corporation that changes the
19 identity of some or all of the members or the criteria for
20 membership does not constitute a transfer for purposes of this
21 subsection.

22 § [5767] 5770. Voting powers and other rights of certain
23 securityholders and other entities.

24 [Such] The power to vote in respect to the corporate affairs
25 and management of a [nonprofit] membership corporation and other
26 membership rights as may be provided in a bylaw adopted by the
27 members may be conferred upon:

28 (1) Registered holders of [securities evidencing
29 indebtedness] obligations issued or to be issued by the
30 corporation.

1 (2) The United States of America, the Commonwealth, a
2 state, or any political subdivision [thereof or other] of any
3 of the foregoing, or any entity prohibited by law from
4 becoming a member of a corporation.

5 Section 44. Sections 5791, 5792, 5793, 5911, 5913, 5914,
6 5921, 5923(a), 5924, 5925, 5926(2) and (4), 5928, 5930, 5951,
7 5956, 5957(b)(1)(ii) and (iv) and (h)(1) and (3), 5972(b),
8 5973(a), 5975(c), 5976(a), 5977(a) and 5978(b) of Title 15 are
9 amended to read:

10 § 5791. Corporate action subject to subchapter.

11 (a) General rule.--This subchapter shall apply to, and the
12 term "corporate action" in this subchapter shall mean any of the
13 following 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] that
19 is required under this [article] subpart or under any other
20 provision of law to be, or [which] that under the bylaws may
21 be, submitted for action to the members, directors, members
22 of an other body or officers of a nonprofit corporation.

23 (b) Cross reference.--See section 6145 (relating to
24 applicability of certain safeguards to foreign domiciliary
25 corporations).

26 § 5792. Proceedings prior to corporate action.

27 (a) General rule.--Where under applicable law or the bylaws
28 of a nonprofit corporation there has been a failure to hold a
29 meeting to take corporate action and [such] the failure has
30 continued for 30 days after the [date] designated or appropriate

1 [therefor] date, the court may summarily order a meeting to be
2 held upon the application of any person entitled, either alone
3 or in conjunction with other persons similarly seeking relief
4 under this section, to call a meeting to consider the corporate
5 action in issue.

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

13 (c) Cross reference.--See section 6145 (relating to
14 applicability of certain safeguards to foreign domiciliary
15 corporations).

16 § 5793. Review of contested corporate action.

17 (a) General rule.--Upon [petition] application of any person
18 [whose status as, or whose rights or duties as, a member,
19 director, member of an other body, officer or otherwise of a
20 nonprofit corporation are or may be affected] aggrieved by any
21 corporate action, the court may hear and determine the validity
22 of [such] the corporate action.

23 (b) Powers and procedures.--[The court may make such orders
24 in any such case as may be just and proper, with power to] By
25 entering an appropriate order, the court may enforce the
26 production of any books, papers and records of the corporation
27 and other relevant evidence [which] that may relate to the
28 issue. The court shall provide for notice of the pendency of the
29 proceedings under this section to all persons affected thereby.
30 If it is determined that no valid corporate action has been

1 taken, the court may order a meeting to be held in accordance
2 with section 5792 (relating to proceedings prior to corporate
3 action).

4 (c) Cross reference.--See section 6145 (relating to
5 applicability of certain safeguards to foreign domiciliary
6 corporations).

7 § 5911. Amendment of articles authorized.

8 (a) General rule.--A nonprofit corporation, in the manner
9 [hereinafter] provided in this subchapter, may [from time to
10 time] amend its articles for one or more of the following
11 purposes:

12 (1) To adopt a new name, subject to the restrictions
13 [heretofore] provided in this [article] subpart.

14 (2) To modify any provision of the articles relating to
15 its term of existence.

16 (3) To change, add to[,] or diminish its purposes[,] or
17 to set forth different or additional purposes.

18 (4) To restate the articles in their entirety.

19 (5) [In] To make any and as many other [respects]
20 changes as desired.

21 (b) Exceptions.--[No] An amendment adopted under this
22 section shall not amend articles in such a way that as so
23 amended they would not be authorized by this [article] subpart
24 as original articles of incorporation[,] except that:

25 (1) Restated articles shall, subject to section 109
26 (relating to name of commercial registered office provider in
27 lieu of registered address), state the address of the current
28 instead of the initial registered office of the corporation
29 in this Commonwealth[,] and need not state the names and
30 addresses [of the first directors or] of the incorporators.

1 (2) The corporation shall not be required to revise any
2 other provision of its articles if [such] the provision is
3 valid and operative immediately prior to the filing of [such]
4 the amendment in the [Department of State] department.

5 § 5913. Notice of meeting of members.

6 [Written notice shall, not less than ten days before the
7 meeting of members called for the purpose of considering the
8 proposed amendment,] (a) General rule.--Notice in record form
9 of the meeting of members of a nonprofit corporation that will
10 act on the proposed amendment shall be given to each member of
11 record entitled to vote thereon. [There shall be included in, or
12 enclosed with, such notice] The notice shall include a copy of
13 the proposed amendment or a summary of the changes to be
14 effected thereby.

15 (b) Cross reference.--See Subchapter A of Chapter 57
16 (relating to notice and meetings generally).

17 § 5914. Adoption of amendments.

18 (a) General rule.--[The] Unless a bylaw adopted by the
19 members or a specific provision of this subpart requires a
20 greater vote, a proposed amendment of the articles of a
21 nonprofit corporation shall be adopted upon receiving the
22 affirmative vote of the members present entitled to cast at
23 least a majority of the votes [which] that all members present
24 are entitled to cast thereon, and if any class of members is
25 entitled to vote thereon as a class, the affirmative vote of the
26 members present of such class entitled to cast at least a
27 majority of the votes [which] that all members present of such
28 class are entitled to cast thereon. Any number of amendments may
29 be submitted to the members and voted upon by them at one
30 meeting.

1 (a.1) Adoption by board of directors or other body.--Unless
2 otherwise restricted in the bylaws, an amendment of articles
3 shall not require the approval of the members of the corporation
4 if:

5 (1) the amendment is to provide for perpetual existence;

6 (2) to the extent the amendment has not been approved by
7 the members, it restates without change all of the operative
8 provisions of the articles as theretofore amended or as
9 amended thereby; or

10 (3) the amendment accomplishes any combination of
11 purposes specified in this subsection.

12 Whenever a provision of this subpart authorizes the board of
13 directors or other body to take any action without the approval
14 of the members and provides that a statement, certificate, plan
15 or other document relating to such action shall be filed in the
16 department and shall operate as an amendment of the articles,
17 the board upon taking such action may, in lieu of filing the
18 statement, certificate, plan or other document, amend the
19 articles under this subsection without the approval of the
20 members to reflect the taking of such action. The amendment
21 shall be deemed adopted by the corporation when it has been
22 adopted by the board of directors or other body in the manner
23 provided by subsection (b).

24 (b) Adoption in absence of voting members.--If the
25 corporation has no members entitled to vote thereon, or no
26 members entitled to vote thereon other than persons who also
27 constitute the board of directors or other body, the amendment
28 shall be deemed adopted by the corporation when it has been
29 adopted by the board of directors or other body pursuant to
30 section 5912 (relating to proposal of amendments).

1 (c) Termination of proposal.--[The resolution or petition
2 may contain a provision that at any time prior to the filing of
3 articles of amendment in the Department of State the proposal
4 may be terminated by the board of directors or other body
5 notwithstanding the adoption of the amendment by the
6 corporation.] Prior to the time when an amendment becomes
7 effective, the amendment may be terminated pursuant to
8 provisions for amendment, if any, set forth in the resolution or
9 petition. If articles of amendment have been filed in the
10 department prior to the termination, a statement under section
11 5902 (relating to statement of termination) shall be filed in
12 the department.

13 (d) Amendment of voting provisions.--[Notwithstanding any
14 contrary provision of the articles or bylaws,] Unless otherwise
15 provided in the articles, whenever the articles [shall] require
16 for the taking of any action by the members or a class of
17 members a specific number or percentage of votes, the provision
18 of the articles setting forth [such] that requirement shall not
19 be amended or repealed by any lesser number or percentage of
20 votes of the members or of [such] the class of members.

21 § 5921. Merger and consolidation authorized.

22 (a) Domestic surviving or new corporation.--Any two or more
23 domestic nonprofit corporations, or any two or more foreign
24 nonprofit corporations [not-for-profit], or any one or more
25 domestic nonprofit corporations[,] and any one or more foreign
26 nonprofit corporations [not-for-profit], may, in the manner
27 provided in this subchapter, be merged into one of [such] the
28 domestic nonprofit corporations, [hereinafter] designated in
29 this subchapter as the surviving corporation, or consolidated
30 into a new corporation to be formed under this [article, if

1 such] subpart, if the foreign corporations [not-for-profit] are
2 authorized by the [law or] laws of the jurisdiction under which
3 they are incorporated to effect [such] a merger or consolidation
4 with a corporation of another jurisdiction.

5 (b) Foreign surviving or new corporation.--Any one or more
6 domestic nonprofit corporations, and any one or more foreign
7 nonprofit corporations [not-for-profit], may, in the manner
8 [hereinafter] provided in this subchapter, be merged into one of
9 [such foreign corporations not-for-profit, hereinafter] the
10 foreign nonprofit corporations, designated in this subchapter as
11 the surviving corporation, or consolidated into a new
12 corporation to be incorporated under the [law or] laws of the
13 jurisdiction under which one of the foreign nonprofit
14 corporations [not-for-profit] is incorporated, if the laws of
15 [such] that jurisdiction authorize [such] a merger with or
16 consolidation into a corporation of another jurisdiction.

17 § 5923. Notice of meeting of members.

18 (a) General rule.--[Written notice] Notice in record form of
19 the meeting of members that will act on the proposed plan shall
20 be given to each member of record, whether or not entitled to
21 vote thereon, of each domestic nonprofit corporation that is a
22 party to the merger or consolidation. [There shall be included
23 in, or enclosed with, the notice] The notice shall include or be
24 accompanied by a copy of the proposed plan or a summary thereof.
25 The notice shall [state] provide that a copy of the bylaws of
26 the surviving or new corporation will be furnished to any member
27 on request and without cost.

28 * * *

29 § 5924. Adoption of plan.

30 (a) General rule.--The plan of merger or consolidation shall

1 be adopted upon receiving the affirmative vote of the members
2 present entitled to cast at least a majority of the votes
3 [which] that all members present are entitled to cast thereon of
4 each of the [merging or consolidating] domestic nonprofit
5 corporations[,] that is a party to the merger or consolidation
6 and, if any class of members is entitled to vote thereon as a
7 class, the affirmative vote of the members present of such class
8 entitled to cast at least a majority of the votes [which] that
9 all members present of such class are entitled to cast thereon.

10 (b) Adoption in absence of voting members.--If [the] a
11 merging or consolidating corporation has no members entitled to
12 vote thereon, or no members entitled to vote thereon other than
13 persons who also constitute the board of directors or other
14 body, a plan of merger or consolidation shall be deemed adopted
15 by the corporation when it has been adopted by the board of
16 directors or other body pursuant to section 5922 (relating to
17 plan of merger or consolidation).

18 (c) Termination of plan.--[Any plan of merger or
19 consolidation may contain a provision that at any time prior to
20 the filing of articles of merger or consolidation in the
21 Department of State the plan may be terminated by the board of
22 directors or other body of any corporation which is a party to
23 the plan notwithstanding adoption of the plan by all or any of
24 the corporations which are parties to the plan.] Prior to the
25 time when a merger or consolidation becomes effective, the
26 merger or consolidation may be terminated pursuant to provisions
27 for termination, if any, set forth in the plan. If articles of
28 merger or consolidation have been filed in the department prior
29 to the termination, a statement under section 5902 (relating to
30 statement of termination) shall be filed in the department.

1 § 5925. Authorization by foreign corporations.

2 The plan of merger or consolidation shall be authorized,
3 adopted or approved by each foreign nonprofit corporation
4 [which] that desires to merge or consolidate[,] in accordance
5 with the laws of the jurisdiction in which it is incorporated[.]
6 and, in the case of a foreign domiciliary corporation, in
7 accordance with the provisions of this subpart to the extent
8 provided by section 6145 (relating to applicability of certain
9 safeguards to foreign domiciliary corporations).

10 § 5926. Articles of merger or consolidation.

11 Upon the adoption of the plan of merger or consolidation by
12 the corporations desiring to merge or consolidate, as provided
13 in this subchapter, articles of merger or articles of
14 consolidation, as the case may be, shall be executed by each
15 corporation and shall, subject to section 109 (relating to name
16 of commercial registered office provider in lieu of registered
17 address), set forth:

18 * * *

19 (2) The name and address, including street and number,
20 if any, of the registered office of each other domestic
21 nonprofit corporation and qualified foreign nonprofit
22 corporation that is a party to the [plan] merger or
23 consolidation.

24 * * *

25 (4) The manner in which the plan was adopted by each
26 domestic corporation and, if one or more foreign corporations
27 are parties to the [plan] merger or consolidation, the fact
28 that the plan was authorized, adopted or approved, as the
29 case may be, by each of the foreign corporations in
30 accordance with the laws of the jurisdiction in which it is

1 incorporated.

2 * * *

3 § 5928. Effective date of merger or consolidation.

4 Upon the filing of the articles of merger or the articles of
5 consolidation in the [Department of State,] department or upon
6 the effective date specified in the plan of merger or
7 consolidation, whichever is later, the merger or consolidation
8 shall be effective. The merger or consolidation of one or more
9 domestic nonprofit corporations into a foreign nonprofit
10 corporation shall be effective according to the provisions of
11 law of the jurisdiction in which [such] the foreign corporation
12 is incorporated, but not until articles of merger or articles of
13 consolidation have been adopted and filed, as provided in this
14 subchapter.

15 § 5930. Voluntary transfer of corporate assets.

16 (a) General rule.--[A nonprofit corporation shall not sell,
17 lease away or exchange all, or substantially all, its property
18 and assets, with or without good will, unless and until a plan
19 of sale, lease or exchange of assets with respect thereto shall
20 have been adopted by the corporation in the manner provided in
21 this subchapter with respect to the adoption of a plan of
22 merger.] A sale, lease, exchange or other disposition of all, or
23 substantially all, of the property and assets, with or without
24 goodwill, of a nonprofit corporation, if not made pursuant to
25 Subchapter D of Chapter 19 (relating to division), may be made
26 only pursuant to a plan of asset transfer. The property or
27 assets of a direct or indirect subsidiary corporation that is
28 controlled by a parent corporation shall also be deemed the
29 property or assets of the parent corporation for purposes of
30 this subsection. The plan of asset transfer shall set forth the

1 terms and consideration of the sale, lease, exchange or other
2 disposition or may authorize the board of directors or other
3 body to fix any or all of the terms and conditions, including
4 the consideration to be received by the corporation. Any of the
5 terms of the plan may be made dependent upon facts ascertainable
6 outside of the plan if the manner in which the facts will
7 operate upon the terms of the plan is set forth in the plan. The
8 plan of asset transfer shall be proposed and adopted, and may be
9 amended after its adoption and terminated, by a nonprofit
10 corporation in the manner provided in this subchapter for the
11 proposal, adoption, amendment and termination of a plan of
12 merger. A copy or summary of the plan shall be included in, or
13 enclosed with, the notice of the meeting at which members will
14 act on the plan. In order to make effective any plan [of sale,
15 lease or exchange of assets] so adopted, it shall not be
16 necessary to file any articles or other document in the
17 [Department of State] department, but the corporation shall
18 comply with the requirements of section 5547(b) (relating to
19 nondiversion of certain property).

20 (b) Exceptions.--Subsection (a) [of this section] shall not
21 apply to a sale, lease [away or], exchange or other disposition
22 of all, or substantially all, the property and assets of a
23 nonprofit corporation [when made in connection with the
24 dissolution or liquidation of the corporation. Such a
25 transaction shall be governed by the provisions of Subchapter F
26 (relating to voluntary dissolution and winding up) or Subchapter
27 G (relating to involuntary liquidation and dissolution), as the
28 case may be.]:

29 (1) that directly or indirectly owns all of the
30 outstanding shares or other ownership interest of another

1 corporation to the other corporation;

2 (2) if made in connection with the dissolution or
3 liquidation of the corporation, which transaction shall be
4 governed by the provisions of Subchapter F (relating to
5 voluntary dissolution and winding up) or G of Chapter 19
6 (relating to involuntary liquidation and dissolution), as
7 appropriate; or

8 (3) if made in connection with a transaction pursuant to
9 which all the assets sold, leased, exchanged or otherwise
10 disposed of are simultaneously leased back to the
11 corporation.

12 (c) Mortgage.--A mortgage [or pledge], pledge or grant of a
13 security interest or dedication of property to the repayment of
14 indebtedness, with or without recourse, shall not be deemed a
15 sale, lease [or exchange], exchange or other disposition for the
16 purposes of this section.

17 (d) Restrictions.--[Nothing in this] This section shall not
18 be construed to authorize the conversion or exchange of property
19 or assets in fraud of corporate creditors or in violation of
20 law.

21 § 5951. Division authorized.

22 (a) Division of domestic corporation.--Any domestic
23 nonprofit corporation may, in the manner provided in this
24 subchapter, be divided into two or more domestic nonprofit
25 corporations incorporated or to be incorporated under this
26 article, or into one or more [such] domestic nonprofit
27 corporations and one or more foreign nonprofit corporations
28 [not-for-profit] to be incorporated under the laws of another
29 jurisdiction or jurisdictions, or into two or more [of such]
30 foreign nonprofit corporations [not-for-profit], if the [law or]

1 laws of [such] the other jurisdictions [authorized such]
2 authorize the division.

3 (b) Division of foreign corporation.--Any foreign nonprofit
4 corporation [not-for-profit] may, in the manner provided in this
5 subchapter, be divided into one or more domestic nonprofit
6 corporations to be incorporated under this [article] subpart and
7 one or more foreign nonprofit corporations [not-for-profit]
8 incorporated or to be incorporated under the laws of another
9 jurisdiction or jurisdictions, or into two or more [of such]
10 domestic nonprofit corporations, if [such foreign] the foreign
11 nonprofit corporation [not-for-profit] is authorized under the
12 laws of the jurisdiction under which it is incorporated to
13 effect [such] a division.

14 (c) Surviving and new corporations.--The corporation
15 effecting a division, if it [shall survive] survives the
16 division, is [hereinafter] designated in this subchapter as the
17 surviving corporation. All corporations originally incorporated
18 by a division are [hereinafter] designated in this subchapter as
19 new corporations. The surviving corporation, if any, and the new
20 corporation or corporations are [hereinafter] collectively
21 designated in this subchapter as the resulting corporations.

22 § 5956. Effective date of division.

23 Upon the filing of articles of division in the [Department of
24 State,] department or upon the effective date specified in the
25 plan of division, whichever is later, the division shall become
26 effective. The division of a domestic nonprofit corporation into
27 one or more foreign nonprofit corporations [not-for-profit] or
28 the division of a foreign nonprofit corporation [not-for-profit]
29 shall be effective according to the laws of the jurisdictions
30 where [such] the foreign corporations are or are to be

1 incorporated and, in the case of a foreign domiciliary
2 corporation, the provisions of this subpart to the extent
3 provided by section 6145 (relating to applicability of certain
4 safeguards to foreign domiciliary corporations), but not until
5 articles of division have been adopted and filed[,] as provided
6 in this subchapter.

7 § 5957. Effect of division.

8 * * *

9 (b) Property rights; allocations of assets and
10 liabilities.--

11 (1) Except as otherwise provided by order, if any,
12 obtained pursuant to section 5547(b) (relating to
13 nondiversion of certain property):

14 * * *

15 (ii) Upon the division becoming effective, the
16 resulting corporations shall each thenceforth be
17 responsible as separate and distinct corporations only
18 for such liabilities as each corporation may undertake or
19 incur in its own name, but shall be liable for the
20 liabilities of the dividing corporation in the manner and
21 on the basis provided in [paragraphs (4) and (5)]
22 subparagraphs (iv) and (v).

23 * * *

24 (iv) [To] Except as provided in section 5952(f)
25 (relating to proposal and adoption of plan of division),
26 to the extent allocations of liabilities are contemplated
27 by the plan of division, the liabilities of the dividing
28 corporation shall be deemed without further action to be
29 allocated to and become the liabilities of the resulting
30 corporations on such a manner and basis and with such

1 effect as is specified in the plan; and one or more, but
2 less than all, of the resulting corporations shall be
3 free of the liabilities of the dividing corporation to
4 the extent, if any, specified in the plan, if in either
5 case:

6 (A) no fraud on members without voting rights or
7 violation of law shall be effected thereby; and

8 (B) the plan does not constitute a fraudulent
9 transfer under 12 Pa.C.S. Ch. 51 (relating to
10 fraudulent transfers).

11 * * *

12 (h) Conflict of laws.--It is the intent of the General
13 Assembly that:

14 (1) The effect of a division of a domestic [business]
15 nonprofit corporation shall be governed solely by the laws of
16 this Commonwealth and any other jurisdiction under the laws
17 of which any of the resulting corporations is incorporated.

18 * * *

19 (3) The validity of any allocations of assets or
20 liabilities by a plan of division of a domestic [business]
21 nonprofit corporation, regardless of whether [or not] any of
22 the new corporations is a foreign [business] nonprofit
23 corporation, shall be governed solely by the laws of this
24 Commonwealth.

25 * * *

26 § 5972. Proposal of voluntary dissolution.

27 * * *

28 (b) Submission to members.--The board of directors or other
29 body or the petitioning members shall direct that the [question
30 of] resolution recommending dissolution be submitted to a vote

1 of the members of the corporation entitled to vote thereon at a
2 regular or special meeting of the members.

3 * * *

4 § 5973. Notice of meeting of members.

5 (a) General rule.--[Written notice] Notice in record form of
6 the meeting of members that will consider the [advisability of
7 voluntarily dissolving a] resolution recommending dissolution of
8 the nonprofit corporation shall be given to each member of
9 record entitled to vote thereon [and the purpose shall be
10 included]. The purpose of the meeting shall be stated in the
11 notice [of the meeting].

12 * * *

13 § 5975. Predissolution provision for liabilities.

14 * * *

15 (c) Winding up and distribution.--The corporation shall, as
16 speedily as possible, proceed to collect all sums due it,
17 convert into cash all corporate assets the conversion of which
18 into cash is required to discharge its liabilities and, out of
19 the assets of the corporation, discharge or make adequate
20 provision for the discharge of all liabilities of the
21 corporation, according to their respective priorities. Except as
22 otherwise provided in a bylaw adopted by the members or in this
23 subpart or by any other provision of law, any surplus remaining
24 after paying or providing for all liabilities of the corporation
25 shall be distributed to the shareholders, if any, pro rata, or
26 if there be no shareholders, among the members per capita. See
27 section [1972(a)] 5972(a) (relating to proposal of voluntary
28 dissolution).

29 § 5976. Judicial supervision of proceedings.

30 (a) General rule.--A nonprofit corporation that has elected

1 to proceed under section [1975] 5975 (relating to predissolution
2 provision for liabilities), at any time during the winding up
3 proceedings, may apply to the court to have the proceedings
4 continued under the supervision of the court and thereafter the
5 proceedings shall continue under the supervision of the court as
6 provided in Subchapter G (relating to involuntary liquidation
7 and dissolution).

8 * * *

9 § 5977. Articles of dissolution.

10 (a) General rule.--Articles of dissolution and the
11 certificates or statement required by section 139 (relating to
12 tax clearance of certain fundamental transactions) shall be
13 filed in the [Department of State] department when:

14 (1) all liabilities of the nonprofit corporation have
15 been discharged, or adequate provision has been made
16 therefor, in accordance with section 5975 (relating to
17 predissolution provision for liabilities), and all of the
18 remaining assets of the corporation have been distributed as
19 provided in section 5975 or in case its assets are not
20 sufficient to discharge its liabilities, when all the assets
21 have been fairly and equitably applied, as far as they will
22 go, to the payment of such liabilities; or

23 (2) an election to proceed under Subchapter H (relating
24 to postdissolution provision for liabilities) has been made.
25 [See section 134 (relating to docketing statement).]

26 * * *

27 § 5978. Winding up of corporation after dissolution.

28 * * *

29 (b) Standard of care of directors, members of an other body
30 and officers.--The dissolution of the corporation shall not

1 subject its directors, members of an other body or officers to
2 standards of conduct different from those prescribed by or
3 pursuant to Chapter 57 (relating to officers, directors and
4 members). Directors and members of an other body of a dissolved
5 corporation who have complied with section 5975 (relating to
6 predissolution provision for liabilities) or Subchapter H
7 (relating to postdissolution provision for liabilities) and
8 governing persons of a successor entity who have complied with
9 Subchapter H shall not be personally liable to the creditors or
10 claimants of the dissolved corporation.

11 Section 45. Section 5979(a) of Title 15 is amended and the
12 section is amended by adding a subsection to read:

13 § 5979. Survival of remedies and rights after dissolution.

14 (a) General rule.--The dissolution of a nonprofit
15 corporation, either under this subchapter or under Subchapter G
16 (relating to involuntary liquidation and dissolution) or by
17 expiration of its period of duration or otherwise, shall not
18 eliminate nor impair any remedy available to or against the
19 corporation or its directors, members of an other body, officers
20 or members for any right or claim existing, or liability
21 incurred, prior to the dissolution, if an action thereon is
22 brought on behalf of:

23 (1) the corporation within the time otherwise limited by
24 law; or

25 (2) any other person before or within two years after
26 the date of the dissolution or within the time otherwise
27 limited by this subpart or other provision of law, whichever
28 is less. See sections 5987 (relating to proofs of claims),
29 5993 (relating to acceptance or rejection of matured claims)
30 and 5994 (relating to disposition of unmatured claims).

1 [The actions or proceedings may be prosecuted against and
2 defended by the corporation in its corporate name.]

3 * * *

4 (e) Conduct of actions.--An action or proceeding may be
5 prosecuted against and defended by a dissolved corporation in
6 its corporate name.

7 Section 46. Title 15 is amended by adding a section to read:
8 § 5980. Dissolution by domestication.

9 Whenever a domestic nonprofit corporation has domesticated
10 itself under the laws of another jurisdiction by action similar
11 to that provided under section 6161 (relating to domestication)
12 and has authorized that action by the vote required by this
13 subchapter for the approval of a proposal that the corporation
14 dissolve voluntarily, the corporation may surrender its charter
15 under the laws of this Commonwealth by filing in the department
16 articles of dissolution under this subchapter containing the
17 statements specified under section 5977(b) (1) through (4)
18 (relating to articles of dissolution). If the corporation as
19 domesticated in the other jurisdiction qualifies to do business
20 in this Commonwealth either prior to or simultaneously with the
21 filing of the articles of dissolution under this section, the
22 corporation shall not be required to file with the articles of
23 dissolution the tax clearance certificates that would otherwise
24 be required under section 139 (relating to tax clearance of
25 certain fundamental transactions).

26 Section 47. Sections 5981, 5982, 5983, 5984, 5986, 5987,
27 5988, 5992(c) (2), 5997(d) and 6101(c) of Title 15 are amended to
28 read:

29 § 5981. Proceedings upon [petition] application of member[,
30 etc.] or director.

1 [The court may, upon petition] Upon application filed by a
2 member or director of a nonprofit corporation, the court may
3 entertain proceedings for the involuntary winding up and
4 dissolution of the corporation[,] when any of the following [are
5 made to appear] occur:

6 (1) [That the] The objects of the corporation have
7 wholly failed[;], or are entirely abandoned, or [that] their
8 accomplishment is impracticable.

9 (2) [That the] The acts of the directors, or those in
10 control of the corporation, are illegal, oppressive[,] or
11 fraudulent[, and that] and it is beneficial to the interests
12 of the members that the corporation be wound up and
13 dissolved.

14 (3) [That the] The corporate assets are being misapplied
15 or wasted[, and that] and it is beneficial to the interests
16 of the members that the corporation be wound up and
17 dissolved.

18 (4) [That the] The directors or other body are
19 deadlocked in the direction of the management of the
20 [corporate] business and affairs of the corporation and the
21 members are unable to break the deadlock[, and that] and
22 irreparable injury to the corporation is being suffered or is
23 threatened by reason thereof. The court shall not appoint a
24 receiver or grant other similar relief under this paragraph
25 if the members by agreement or otherwise have provided for
26 appointment of a provisional director or member of an other
27 body or other means for the resolution of a deadlock, but the
28 court shall enforce the remedy provided by the members, if
29 appropriate.

30 § 5982. Proceedings upon [petition] application of creditor.

1 [The court may, upon petition] Upon application filed by a
2 creditor of a nonprofit corporation whose claim has either been
3 reduced to judgment and an execution thereon returned
4 unsatisfied[,], or whose claim is admitted by the corporation,
5 the court may entertain proceedings for the involuntary winding
6 up and dissolution of the corporation when, in either case, it
7 is made to appear that the corporation is unable to [pay its
8 debts and obligations] discharge its liabilities in the regular
9 course of business, as they mature, or is unable to afford
10 reasonable security to those who may deal with it.

11 § 5983. Proceedings upon petition of superior religious
12 organization.

13 The court may, in the case of any nonprofit corporation
14 organized for the support of public worship, upon [petition
15 filed by] application of the diocesan convention, presbytery,
16 synod, conference, council, or other supervising or controlling
17 organization of which the corporation is a member or with which
18 it is in allegiance and to which it is subordinate, entertain
19 proceedings for the involuntary winding up and dissolution of
20 the corporation when it is made to appear that by reason of
21 shifting population, withdrawal of membership[,], or any other
22 cause whatsoever, the corporation has ceased to support public
23 worship within the intent and meaning of its articles[,], and the
24 dissolution of the corporation may be effected without prejudice
25 to the public welfare and the interests of the members of the
26 corporation.

27 § 5984. Appointment of receiver pendente lite and other interim
28 powers.

29 Upon the filing of [a petition] an application under this
30 subchapter, the court [shall have all the ordinary powers of a

1 court of equity to] may issue injunctions, [to] appoint a
2 receiver [or receivers,] pendente lite[,] with such powers and
3 duties as the court from time to time may direct[, to take such
4 other proceedings] and proceed as may be requisite to preserve
5 the corporate assets wherever situated and carry on the business
6 of the corporation until a full hearing can be had.

7 § 5986. Qualifications of receivers.

8 A receiver shall in all cases be a [resident of this
9 Commonwealth,] natural person of full age or a corporation
10 authorized to act as receiver, which corporation, if so
11 authorized, may be a domestic corporation for profit or not-for-
12 profit or a foreign corporation for profit or not-for-profit
13 authorized to do business in this Commonwealth, and shall give
14 such bond, if any, as the court may direct, with such sureties,
15 if any, as the court may require.

16 § 5987. Proofs of claims.

17 (a) General rule.--In a proceeding under this subchapter,
18 the court may require all creditors of the nonprofit corporation
19 to file with the [prothonotary] office of the clerk of the court
20 of common pleas, or with the receiver, in such form as the court
21 may prescribe, verified proofs[, under oath,] of their
22 respective claims. If the court requires the filing of claims,
23 it shall fix a date, which shall not be less than [four months]
24 120 days from the date of the order, as the last day for filing
25 of claims[,] and shall prescribe the notice that shall be given
26 to creditors and claimants of the date so fixed. Prior to or
27 after the date so fixed, the court may extend the time for the
28 filing of claims. Creditors and claimants [failing to] who do
29 not file proofs of claim on or before the date so fixed may be
30 barred, by order of court, from participating in the

1 distribution of the assets of the corporation.

2 (b) Cross reference.--See section 5979 (relating to survival
3 of remedies and rights after dissolution).

4 § 5988. Discontinuance of proceedings; reorganization.

5 [The proceedings under this subchapter may be discontinued at
6 any time during the winding up proceedings, in the following
7 manner:

8 (1) If the proceedings shall have been instituted by a
9 member or director and it is made to appear to the court that
10 the deadlock in the corporate affairs has been broken or the
11 management or control of the corporation has been changed,
12 the court, in its discretion, may dismiss the proceeding and
13 direct the receiver to redeliver to the corporation all its
14 remaining assets.

15 (2) If the proceedings shall have been instituted by a
16 creditor and it is made to appear that the debts of the
17 corporation have been paid or provided for, and that there
18 remain or can be obtained sufficient funds to enable the
19 corporation to resume its business, the court, in its
20 discretion, may dismiss the proceeding and direct the
21 receiver to redeliver to the corporation all its remaining
22 assets.

23 (3) When a compromise or reorganization of the
24 corporation is proposed, whether the proceedings shall have
25 been instituted by a member or director or by a creditor, the
26 court, upon the summary application of any member, director,
27 creditor, or receiver, may order a meeting of the creditors,
28 or members to be summoned in such manner as the court may
29 direct. If a majority in number, representing 75% in value of
30 the creditors or if 75% of the members present in person, or

1 if a majority in number, representing 75% in value of any
2 class of creditors, or if 75% of the members of any class
3 present in person, as the case may be, agree to any
4 compromise or reorganization of the corporation, such
5 compromise or reorganization, if approved by the court as
6 fair and feasible, shall be binding on all creditors or on
7 all members, or both, or on the class of creditors or class
8 of members, or both, as the case may be, and also on the
9 corporation and its receiver, if any.

10 (4) If the proceedings shall have been instituted by a
11 superior religious organization and it is made to appear that
12 appropriate arrangements for the conduct of the affairs of
13 the corporation have been made, the court, in its discretion,
14 may dismiss the proceedings and direct the receiver to
15 redeliver to the corporation its remaining assets.]

16 The proceedings under this subchapter may be discontinued at
17 any time if it is established that cause for liquidation no
18 longer exists, in which event the court shall dismiss the
19 proceedings and direct the receiver to redeliver to the
20 nonprofit corporation all its remaining property and assets.

21 § 5992. Notice to claimants.

22 * * *

23 (c) Publication and service of notices.--

24 * * *

25 (2) Concurrently with or preceding the publication, the
26 corporation or successor entity shall send a copy of the
27 notice by certified or registered mail, return receipt
28 requested, to each:

29 (i) known creditor or claimant;

30 (ii) holder of a claim described in subsection (b);

1 and

2 (iii) municipal corporation in which [the registered
3 office or principal] a place of business of the
4 corporation in this Commonwealth was located at the time
5 of filing the articles of dissolution in the department.

6 * * *

7 § 5997. Payments and distributions.

8 * * *

9 [(d) Liability of directors.--Directors or members of an
10 other body of a dissolved corporation or governing persons of a
11 successor entity that has complied with this section shall not
12 be personally liable to the claimants of the dissolved
13 corporation.]

14 § 6101. Application of article.

15 * * *

16 (c) Admitted foreign fraternal benefit society exclusion.--
17 This article shall not apply to any foreign corporation not-for-
18 profit qualified to do business in this Commonwealth under
19 section [603 of the act of July 29, 1977 (P.L.105, No.38) known
20 as the Fraternal Benefit Society Code.] 2455 of the act of May
21 17, 1921 (P.L.682, No.284), known as The Insurance Company Law
22 of 1921.

23 Section 48. Title 15 is amended by adding sections to read:

24 § 6102. Foreign domiciliary corporations.

25 A foreign nonprofit corporation is a foreign domiciliary
26 corporation if it is a corporation:

27 (1) which derived more than one-half of its revenues for
28 the preceding three fiscal years, or such portion thereof as
29 the corporation was in existence, from sources in this
30 Commonwealth and was at any time during that period doing

1 business in this Commonwealth on the basis of the most
2 minimal contacts with this Commonwealth permitted under the
3 Constitution of the United States; or

4 (2) at least a majority of the bona fide members of
5 which are residents of this Commonwealth.

6 § 6103. Acquisition of foreign domiciliary corporation status.

7 (a) General rule.--A foreign nonprofit corporation shall
8 become a foreign domiciliary corporation under section 6102
9 (relating to foreign domiciliary corporations) on the first day
10 of the month following the month in which the corporation first
11 has knowledge that either test has been met or upon entry of an
12 order by any court of competent jurisdiction declaring that
13 either test has been met.

14 (b) Newly incorporated corporations.--Where the test or
15 tests under section 6102 are met at the time of the admission of
16 the first members of the corporation and continuously
17 thereafter, foreign domiciliary corporation status when
18 established shall be retroactive to the incorporation of the
19 corporation.

20 § 6104. Termination of foreign domiciliary corporation status.

21 A foreign domiciliary corporation shall cease to have that
22 status on the first day of the month following the month in
23 which the corporation first has knowledge that it no longer
24 meets either test under section 6102 (relating to foreign
25 domiciliary corporations) or upon entry of an order of any court
26 of competent jurisdiction declaring that the corporation no
27 longer meets either test.

28 Section 49. Sections 6122(b)(3), 6123(b), 6141, 6142, 6143
29 and 6145 of Title 15 are amended to read:

30 § 6122. Excluded activities.

1 * * *

2 (b) Exceptions.--The specification of activities in
3 subsection (a) does not establish a standard for activities that
4 may subject a foreign corporation to:

5 * * *

6 (3) The provisions of section 6145 (relating to
7 applicability of certain safeguards to foreign domiciliary
8 corporations).

9 § 6123. Requirements for foreign corporation names.

10 * * *

11 (b) Exceptions.--

12 (1) The provisions of section 5303(b) (relating to
13 duplicate use of names) shall not prevent the issuance of a
14 certificate of authority to a foreign nonprofit corporation
15 setting forth a name that is [confusingly similar to] not
16 distinguishable upon the records of the department from the
17 name of any other domestic or foreign corporation for profit
18 or [corporation] not-for-profit, [or of any domestic or
19 foreign limited partnership that has filed a certificate or
20 qualified under Chapter 85 (relating to limited partnerships)
21 or corresponding provisions of prior law,] or of any
22 corporation or other association then registered under 54
23 Pa.C.S. Ch. 5 (relating to corporate and other association
24 names) or to any name reserved or registered as provided in
25 this part, if the foreign nonprofit corporation applying for
26 a certificate of authority files in the department [one of
27 the following:

28 (i) A] a resolution of its board of directors or
29 other body adopting a fictitious name for use in
30 transacting business in this Commonwealth, which

1 fictitious name is [not confusingly similar to]
2 distinguishable upon the records of the department from
3 the name of the other corporation or other association
4 [or to] and from any name reserved or registered as
5 provided in this part [and] that is otherwise available
6 for use by a domestic nonprofit corporation.

7 [(ii) The written consent of the other corporation
8 or other association or holder of a reserved or
9 registered name to use the same or confusingly similar
10 name and one or more words are added to make the name
11 applied for distinguishable from the other name.]

12 (2) The provisions of section 5303(c) (relating to
13 required approvals or conditions) shall not prevent the
14 issuance of a certificate of authority to a foreign nonprofit
15 corporation setting forth a name that is prohibited by that
16 subsection if the foreign nonprofit corporation applying for
17 a certificate of authority files in the department a
18 resolution of its board of directors or other body adopting a
19 fictitious name for use in transacting business in this
20 Commonwealth that is available for use by a domestic
21 nonprofit corporation.

22 § 6141. Penalty for doing business without certificate of
23 authority.

24 (a) Right to bring actions suspended.--[No] A nonqualified
25 foreign nonprofit corporation doing business in this
26 Commonwealth within the meaning of Subchapter B [of this
27 chapter] (relating to qualification) shall not be permitted to
28 maintain any action or proceeding in any court of this
29 Commonwealth until [such] the corporation [shall have] has
30 obtained a certificate of authority. [Nor, except] Except as

1 provided in subsection (b) [of this section, shall any action],
2 an action or proceeding may not be maintained in any court of
3 this Commonwealth by any successor or assignee of [such] the
4 corporation on any right, claim or demand arising out of the
5 doing of business by [such] the corporation in this Commonwealth
6 until a certificate of authority [shall have] has been obtained
7 by [such] the corporation or by a corporation [which] that has
8 acquired all or substantially all of its assets.

9 (a.1) Contracts, property and defense against actions
10 unaffected.--The failure of a foreign nonprofit corporation to
11 obtain a certificate of authority to transact business in this
12 Commonwealth shall not impair the validity of any contract or
13 act of [such] the corporation [and], shall not prevent [such]
14 the corporation from defending any action in any court of this
15 Commonwealth and shall not render escheatable any of its real or
16 personal property.

17 [(b) Title to real property.--The title to any real estate
18 situate in this Commonwealth which is derived through any
19 nonqualified foreign corporation not authorized under the laws
20 of this Commonwealth to hold the same, and which has vested or
21 vests in any foreign corporation for profit or not-for-profit
22 authorized to hold such real estate or in any citizen or
23 citizens of the United States or domestic corporation for profit
24 or not-for-profit shall be good and valid and free and clear of
25 any right of escheat by the Commonwealth; and the holder thereof
26 may convey an estate indefeasible as to any right of escheat
27 which the Commonwealth might otherwise have by reason of the
28 unauthorized holding and conveyance by such nonqualified foreign
29 corporation.]

30 § 6142. General powers and duties of qualified foreign

1 corporations.

2 (a) General rule.--A qualified foreign nonprofit
3 corporation, so long as its certificate of authority [shall] is
4 not [be] revoked, shall enjoy the same rights and privileges as
5 a domestic nonprofit corporation, but no more, and, except as in
6 this [part] subpart otherwise provided, shall be subject to the
7 same liabilities, restrictions, duties and penalties now in
8 force or hereafter imposed upon domestic nonprofit corporations,
9 to the same extent as if it had been incorporated under this
10 [part to transact the business set forth in its certificate of
11 authority] subpart.

12 (b) Agricultural lands.--Interests in agricultural land
13 shall be subject to the restrictions of, and escheatable as
14 provided by, the act of April 6, 1980 (P.L.102, No.39), referred
15 to as the Agricultural Land Acquisition by Aliens Law.

16 § 6143. General powers and duties of nonqualified foreign
17 corporations.

18 (a) Acquisition of real and personal property.--Every
19 nonqualified foreign nonprofit corporation[, the activities of
20 which in this Commonwealth do not constitute doing business in
21 this Commonwealth for the purposes of Subchapter B of this
22 chapter (relating to qualification),] may acquire, hold,
23 mortgage, lease and transfer real and personal property in this
24 Commonwealth, in the same manner and subject to the same
25 limitations as [domestic] a qualified foreign nonprofit
26 [corporations] corporation.

27 (b) Duties.--[A] Except as provided in section 6141(a)
28 (relating to penalty for doing business without certificate of
29 authority), a nonqualified foreign nonprofit corporation doing
30 business in this Commonwealth within the meaning of Subchapter B

1 [of this chapter] (relating to qualification) shall be subject
2 to the same liabilities, restrictions, duties and penalties now
3 or hereafter imposed upon a qualified foreign nonprofit
4 corporation.

5 § 6145. Applicability of certain safeguards to foreign
6 domiciliary corporations.

7 [(a) Application.--This section shall be applicable to any
8 qualified or nonqualified foreign corporation:

9 (1) which derived more than one-half of its revenues for
10 the preceding three fiscal years, or such portion thereof as
11 the corporation was in existence, from sources within this
12 Commonwealth and was at any time during such period doing
13 business within this Commonwealth on the basis of the most
14 minimal contacts with this Commonwealth permitted under the
15 Constitution of the United States; or

16 (2) at least a majority of the bona fide members of
17 which are residents of this Commonwealth.]

18 (b) Internal affairs doctrine not applicable.--The General
19 Assembly hereby finds and determines that [the] foreign
20 domiciliary corporations [to which this section applies]
21 substantially affect this Commonwealth. [No court] The courts of
22 this Commonwealth shall [hereafter] not dismiss or stay any
23 action or proceeding brought by a member[, director, officer or
24 agent of such a] or representative of a foreign domiciliary
25 corporation, as such, against [such] the corporation or any one
26 or more of the members[, directors, officers or agents] or
27 representatives thereof, as such, on the ground that [such] the
28 corporation is a foreign corporation not-for-profit or that the
29 cause of action relates to the internal affairs thereof, but
30 every such action shall proceed with like effect as if [such]

1 the corporation were a domestic corporation. Except as provided
2 in subsection (c) [of this section], the court having
3 jurisdiction of the action or proceeding shall apply the law of
4 the jurisdiction under which the foreign domiciliary corporation
5 was incorporated.

6 (c) Minimum safeguards.--The following provisions of this
7 subpart shall be applicable to foreign domiciliary corporations
8 [to which this section applies], except that nothing in this
9 subsection shall require the filing of any document in the
10 [Department of State] department as a prerequisite to the
11 validity of any corporate action or the doing of any corporate
12 action by the foreign domiciliary corporation which is
13 impossible under the laws of its domiciliary jurisdiction:

14 [(1)] Section 5504(b) (relating to adoption and contents
15 of bylaws).

16 [(2)] Section 5508 (relating to corporate records;
17 inspection by members).

18 [(3)] Section [5553] 5554 (relating to annual report of
19 directors or other body).

20 [(4)] Section 5743 (relating to mandatory
21 indemnification).

22 [(5)] Section 5755 (relating to time of holding meetings
23 of members).

24 [(6)] Section 5758(e) (relating to [voting lists] voting
25 rights of members).

26 [(7)] Section [5759(b) (relating to minimum
27 requirements)] 5759(c) (relating to voting and other action
28 by proxy).

29 [(8)] Section [5762] 5765 (relating to judges of
30 election).

1 [(9)] Section [5764] 5767 (relating to appointment of
2 custodian of corporation on deadlock or other cause).

3 [(10)] Section [5766(b)] 5769(b) (relating to
4 [expulsion] termination and transfer of membership).

5 [(11)] Subchapter G of Chapter 57 (relating to judicial
6 supervision of corporate action).]

7 [(12)] Chapter 59 (relating to fundamental changes).

8 For the purposes of this subsection, corporate action shall not
9 be deemed to be impossible under the laws of the domiciliary
10 jurisdiction of a foreign corporation merely because prohibited
11 or restricted by the terms of the articles, certificate of
12 incorporation, bylaws or other organic law of the corporation,
13 but the court may require the corporation to amend such organic
14 law so as to be consistent with the minimum safeguards
15 prescribed by this subsection.

16 (d) Section exclusive.--[No provision of this article] The
17 provisions of this subpart, other than the provisions of this
18 section, shall not be construed to regulate the incorporation or
19 internal affairs of a foreign corporation not-for-profit.

20 Section 50. Section 9503(e) of Title 15 is amended and the
21 section is amended by adding a subsection to read:

22 § 9503. Documentation of trust.

23 * * *

24 (d.1) Bearer certificates prohibited.--A business trust may
25 not issue a certificate of beneficial interest in bearer form.
26 This subsection may not be varied by the instrument or other
27 documentation of the business trust.

28 (e) Cross [reference] references.--See [section] sections
29 134 (relating to docketing statement) and 135 (relating to
30 requirements to be met by filed documents).

1 Section 51. The definition of "domestic corporation not-for-
2 profit" in section 101 of Title 54 is amended to read:

3 § 101. Definitions.

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

9 * * *

10 "Domestic corporation not-for-profit." A domestic
11 corporation [not-for-profit as defined in 15 Pa.C.S. § 1103
12 (relating to definitions).] not incorporated for a purpose or
13 purposes involving pecuniary profit, incidental or otherwise.

14 * * *

15 Section 52. Section 501(a)(5) and (7) of Title 54 are
16 amended to read:

17 § 501. Register established.

18 (a) General rule.--A register is established by this chapter
19 which shall consist of such of the following names as are not
20 deleted therefrom by operation of section 504 (relating to
21 effect of failure to make filings) or 506 (relating to voluntary
22 termination of registration by corporations and other
23 associations):

24 * * *

25 (5) In the case of a business trust which exists subject
26 to 15 Pa.C.S. Ch. 95 (relating to business trusts), the name
27 of the trust as set forth in the:

- 28 (i) instrument filed in the department under 15
29 Pa.C.S. § 9503 (relating to documentation of trust); or
30 (ii) application for registration filed under 15

1 Pa.C.S. § 9507 (relating to foreign business trusts).

2 * * *

3 [(7) In the case of a business trust which exists
4 subject to 15 Pa.C.S. Ch. 95 (relating to business trusts),
5 the name of the trust as set forth in the instrument filed in
6 the department under 15 Pa.C.S. § 9503 (relating to
7 documentation of trust), or in the application for
8 registration filed pursuant to 15 Pa.C.S. § 9507 (relating to
9 foreign business trusts).]

10 * * *

11 Section 53. Repeals are as follows:

12 (1) The General Assembly declares as follows:

13 (i) The repeal under paragraph (2)(i) is necessary
14 because the material is supplied by 15 Pa.C.S. § 1511.

15 (ii) The repeal under paragraph (2)(ii) is necessary
16 to effectuate the amendment of 15 Pa.C.S. §§ 153(a) and
17 155(a).

18 (iii) The repeal under paragraph (2)(iii) is
19 necessary because the material is supplied by 40 Pa.C.S.
20 § 6322(f).

21 (iv) The repeal under paragraph (2)(iv) is necessary
22 because the material is supplied by 40 Pa.C.S. § 6301.

23 (v) The repeal under paragraph (2)(v) is necessary
24 because the material is supplied by 15 Pa.C.S. § 1106(b)
25 (2).

26 (vi) The repeal under paragraph (2)(vi) is necessary
27 because the material is supplied by 40 Pa.C.S. § 6322(f).

28 (vii) The repeal under paragraph (2)(vii) is
29 necessary because the material is supplied by 1 Pa.C.S. §
30 1978.

1 (2) The following acts and parts of acts are repealed:

2 (i) Act of April 27, 1855 (P.L.365, No.383),
3 entitled "An act extending the right of Trial by Jury to
4 certain cases."

5 (ii) Sections 618-A(2) and 814 of the act of April
6 9, 1929 (P.L.177, No.175), known as The Administrative
7 Code of 1929.

8 (iii) Act of April 18, 1949 (P.L.583, No.123),
9 entitled "An act to further amend the act, approved the
10 fifth day of May, one thousand nine hundred thirty-three
11 (Pamphlet Laws 289), entitled 'An act relating to
12 nonprofit corporations; defining and providing for the
13 organization, merger, consolidation, and dissolution of
14 such corporations; conferring certain rights, powers,
15 duties, and immunities upon them and their officers and
16 members; prescribing the conditions on which such
17 corporations may exercise their powers; providing for the
18 inclusion of certain existing corporations of the first
19 class within the provisions of this act; prescribing the
20 terms and conditions upon which foreign nonprofit
21 corporations may be admitted or may continue to do
22 business within the Commonwealth; conferring powers and
23 imposing duties on the courts of common pleas,
24 prothonotaries of such courts, recorders of deeds, and
25 certain State departments, commissions, and officers;
26 authorizing certain local public officers and State
27 departments to collect fees for services required to be
28 rendered by this act; imposing penalties; and repealing
29 certain acts and parts of acts relating to corporations,'
30 by making further provisions relating to nonprofit

1 medical service corporations; by extending the provisions
2 of said act relating to the furnishing of medical
3 services by nonprofit medical service corporations so as
4 to include the furnishing of osteopathic services by
5 doctors of osteopathy to subscribers and their
6 dependents, and by providing that the articles of
7 incorporation of existing nonprofit medical service
8 corporations are amended by the provisions of this act so
9 as to authorize the furnishing of such osteopathic
10 services by doctors of osteopathy."

11 (iv) Act of December 9, 1955 (P.L.818, No.238),
12 entitled "An act amending the act of May five, one
13 thousand nine hundred thirty-three (Pamphlet Laws 289),
14 entitled 'An act relating to nonprofit corporations;
15 defining and providing for the organization, merger,
16 consolidation, and dissolution of such corporations;
17 conferring certain rights, powers, duties, and immunities
18 upon them and their officers and members; prescribing the
19 conditions on which such corporations may exercise their
20 powers; providing for the inclusion of certain existing
21 corporations of the first class within the provisions of
22 this act; prescribing the terms and conditions upon which
23 foreign nonprofit corporations may be admitted or may
24 continue to do business within the Commonwealth;
25 conferring powers and imposing duties on the courts of
26 common pleas, prothonotaries of such courts, recorders of
27 deeds, and certain State departments, commissions, and
28 officers; authorizing certain local public officers and
29 State departments to collect fees for services required
30 to be rendered by this act; imposing penalties; and

1 repealing certain acts and parts of acts relating to
2 corporations,' providing for the incorporation and
3 regulation of nonprofit dental service corporations
4 furnishing dental services only to certain subscribers
5 and their dependents."

6 (v) Act of September 30, 1965 (P.L.570, No.294),
7 entitled "An act amending the act of May 5, 1933 (P.L.
8 289), entitled 'An act relating to nonprofit
9 corporations; defining and providing for the
10 organization, merger, consolidation, and dissolution of
11 such corporations; conferring certain rights, powers,
12 duties, and immunities upon them and their officers and
13 members; prescribing the conditions on which such
14 corporations may exercise their powers; providing for the
15 inclusion of certain existing corporations of the first
16 class within the provisions of this act; prescribing the
17 terms and conditions upon which foreign nonprofit
18 corporations may be admitted or may continue to do
19 business within the Commonwealth; conferring powers and
20 imposing duties on the courts of common pleas,
21 prothonotaries of such courts, recorders of deeds, and
22 certain State departments, commissions, and officers;
23 authorizing certain local public officers and State
24 departments to collect fees for services required to be
25 rendered by this act; imposing penalties; and repealing
26 certain acts and parts of acts relating to corporations,'
27 requiring approval by the State Registration Board for
28 Professional Engineers prior to the use of certain words
29 in corporate names."

30 (vi) Act of December 27, 1965 (P.L.1250, No.507),

1 entitled "An act amending the act of May 5, 1933 (P.L.
2 289), entitled 'An act relating to nonprofit
3 corporations; defining and providing for the
4 organization, merger, consolidation, and dissolution of
5 such corporations; conferring certain rights, powers,
6 duties, and immunities upon them and their officers and
7 members; prescribing the conditions on which such
8 corporations may exercise their powers; providing for the
9 inclusion of certain existing corporations of the first
10 class within the provisions of this act; prescribing the
11 terms and conditions upon which foreign nonprofit
12 corporations may be admitted or may continue to do
13 business within the Commonwealth; conferring powers and
14 imposing duties on the courts of common pleas,
15 prothonotaries of such courts, recorders of deeds, and
16 certain State departments, commissions, and officers;
17 authorizing certain local public officers and State
18 departments to collect fees for services required to be
19 rendered by this act; imposing penalties; and repealing
20 certain acts and parts of acts relating to corporations,'
21 making further provisions relating to nonprofit medical,
22 dental and osteopathic service corporations; extending
23 the provisions of said act relating to the furnishing of
24 medical, dental and osteopathic services by nonprofit
25 medical, dental and osteopathic service corporations so
26 as to include the furnishing of optometric services to
27 subscribers and their dependents, and providing that the
28 articles of incorporation of existing nonprofit medical,
29 dental and osteopathic service corporations are amended
30 by the provisions of this act so as to authorize the

1 furnishing of optometric services by doctors of
2 optometry."

3 (vii) Section 2 of the act of November 15, 1972
4 (P.L.1063, No.271), entitled "An act amending the act of
5 November 25, 1970 (No.230), entitled 'An act codifying
6 and compiling a part of the law of the Commonwealth,'
7 adding provisions relating to burial grounds,
8 corporations, including corporations not-for-profit,
9 educational institutions, private police, certain
10 charitable or eleemosynary institutions, certain
11 nonprofit insurers, service of process on certain
12 nonresident persons, names, prescribing penalties and
13 making repeals."

14 (3) The act of November 30, 1965 (P.L.847, No.356),
15 known as the Banking Code of 1965, is repealed to the extent
16 that it is inconsistent with 15 Pa.C.S. § 8911.

17 Section 54. When the Department of State is ready to provide
18 expedited services under the addition of 15 Pa.C.S. § 153(a)
19 (15), it shall transmit notice of that fact to the Legislative
20 Reference Bureau for publication as a notice in the Pennsylvania
21 Bulletin.

22 Section 55. Notwithstanding 1 Pa.C.S. § 1957, it is declared
23 to be the intent of the former act of December 21, 1988 (P.L.
24 1444, No.177), known as the General Association Act of 1988, the
25 act of December 19, 1990 (P.L.834, No.198), known as the GAA
26 Amendments Act of 1990, the act of December 18, 1992 (P.L.1333,
27 No.169), known as the GAA Amendments Act of 1992, the act of
28 June 22, 2001 (P.L.418, No.34), known as the GAA Amendments Act
29 of 2001, and this act cumulatively to restore all provisions of
30 15 Pa.C.S. added by the act of November 15, 1972 (P.L.1063, No.

1 271), 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," to their status prior to the
9 partial repeal effected by section 905 of the former act of July
10 29, 1977 (P.L.105, No.38), known as the Fraternal Benefit
11 Society Code, except as otherwise expressly provided by such
12 provisions as reenacted and amended by the former General
13 Association Act of 1988, the GAA Amendments Act of 1990, the GAA
14 Amendments Act of 1992, the GAA Amendments Act of 2001, and this
15 act.

16 Section 56. Section 55 of this act shall apply retroactively
17 to January 30, 1978.

18 Section 57. This act shall take effect as follows:

19 (1) The following provisions shall take effect
20 immediately:

21 (i) Section 54 of this act.

22 (ii) This section.

23 (2) The addition of 15 Pa.C.S. § 153(a)(15) shall take
24 effect upon publication of the notice under section 54 of
25 this act.

26 (3) The remainder of this act shall take effect in 60
27 days.