
THE GENERAL ASSEMBLY OF PENNSYLVANIA

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PISTELLA, MAY 9, 1988

REFERRED TO COMMITTEE ON BUSINESS AND COMMERCE, MAY 9, 1988

AN ACT

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

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4 statutes.

5 DIVISION III. MISCELLANEOUS PROVISIONS

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8 The General Assembly of the Commonwealth of Pennsylvania
9 hereby enacts as follows:

10 DIVISION I

11 ASSOCIATIONS GENERALLY

12 Section 101. Short title of act.

13 This act shall be known and may be cited as the Corporation
14 Act of 1988.

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

16 The following provisions of Title 15 of the Pennsylvania
17 Consolidated Statutes are repealed:

18 Part I (relating to corporations generally).

19 15 Pa.C.S. § 7745 (relating to advancing expenses).

20 15 Pa.C.S. § 7951(a) (relating to business to nonprofit).

21 15 Pa.C.S. § 7952(c) (relating to rights of dissenting
22 shareholders).

23 15 Pa.C.S. § 7956(a) (relating to business to nonprofit).

24 15 Pa.C.S. § 7990 (relating to actions to revoke corporate
25 franchises).

26 Section 103. Amendment of Title 15.

27 (a) Adoption of new provisions.--Title 15 of the
28 Pennsylvania Consolidated Statutes is amended by adding
29 provisions to read:

30 PART I

PRELIMINARY PROVISIONS

Chapter

1. General Provisions

CHAPTER 1

GENERAL PROVISIONS

Subchapter

A. Preliminary Provisions

B. Functions and Powers of Department of State

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SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

101. Short title and application of title.

102. Definitions.

103. Subordination of title to regulatory laws.

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107. Form of records.

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

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

110. Supplementary general principles of law applicable.

§ 101. Short title and application of title.

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

(b) Application of title.--Except as otherwise provided in
subsection (d) or the scope provisions of subsequent provisions

1 of this title, this title shall apply to every association
2 heretofore or hereafter incorporated or otherwise organized.

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

8 (d) Exclusions.--Except as otherwise expressly provided in
9 this title, the provisions of this title shall not apply to, and
10 the word "association" in this title shall not include:

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

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

17 (3) An unincorporated association.

18 § 102. Definitions.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

30 § 103. Subordination of title to regulatory laws.

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

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

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

1 § 104. Equitable remedies.

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

7 § 105. Fees.

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

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

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

20 § 107. Form of records.

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

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

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

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

22 (1) The name of the association represented.

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

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

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

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

7 If the status of an agent as a provider of a registered office
8 is terminated under this section, the location of the registered
9 office of the association shall not be affected, but the person
10 formerly in care of the office shall thereafter not have any
11 responsibility with respect to matters tendered to the office in
12 the name of the association.

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

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

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

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

30 (2) The name of any county of this Commonwealth and a

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

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

14 (1) The name of the corporation.

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

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

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

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

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

subsection (b)(2) and (3), a statement that it has ceased to be in the business of maintaining registered offices in this Commonwealth for corporations and other associations and the statements required by section 108 (relating to change in location or status of registered office provided by agent).

(d) Action by and notice to association.--It is not necessary for an association to take any action in connection with a change or withdrawal effected under subsection (c), but a corporation that has effected a filing under subsection (c) shall promptly furnish each affected association with a copy of the filing. If the status of an agent as a provider of a registered office is terminated under this section, the location of the registered office of the association shall not be affected, but the person formerly in care of the office shall thereafter not have any responsibility with respect to matters tendered to the office in the name of the association.

§ 110. Supplementary general principles of law applicable.

Unless displaced by the particular provisions of this title, the principles of law and equity, including, but not limited to, the law relating to principal and agent, estoppel, waiver, fraud, misrepresentation, duress, coercion, mistake, bankruptcy or other validating or invalidating cause, shall supplement its provisions.

SUBCHAPTER B

FUNCTIONS AND POWERS OF DEPARTMENT OF STATE

Sec.

131. Application of subchapter.

132. Functions of Department of State.

133. Powers of Department of State.

134. Docketing statement.

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

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

11 § 132. Functions of Department of State.

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

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

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

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

1 filing requirement, which notice shall be accompanied by
2 appropriate application blanks or forms.

3 § 133. Powers of Department of State.

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

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

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

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

1 include a statement of the number of copies required to be filed
2 and shall be published in the Pennsylvania Code.

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

10 § 134. Docketing statement.

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

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

5 A form of docketing statement prescribed under this subsection:

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

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

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

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

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

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

28 (c) Transmission to other agencies.--If the docketing
29 statement delivered to the Department of State sets forth any
30 kind of business in which a corporation, partnership or other

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

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

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

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

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

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

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

28 (2) The document complies with any regulations
29 promulgated by the department pursuant to section 133(d)
30 (relating to physical characteristics and copies of

documents) and is accompanied by any applicable statement prescribed under section 134.

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

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

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

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

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

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

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

(c) Addresses.--Whenever any provision of this title or of

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

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

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

17 (b) Immediate certified copy.--

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

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

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

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

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

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

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

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

30 (a) General rule.--Whenever the Department of State rejects

1 a document delivered for filing under this title or fails to
2 make available a certified duplicate copy within the time
3 provided by section 136(b) (relating to immediate certified
4 copy):

5 (1) the original document or copies thereof;

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

8 (3) any other papers relating thereto;

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

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

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

8 (c) Exceptions.--

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

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

20 § 138. Statement of correction.

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

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

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

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

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

16 (b) Effect of filing.--

17 (1) The corrected document shall be effective:

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

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

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

27 (c) Filing pursuant to court order.--If the association or
28 other person refuses to file an appropriate statement of
29 correction under this section within ten business days after any
30 person adversely affected has made a written demand therefor,

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

12 § 139. Tax clearance of certain fundamental transactions.

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

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

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

28 (i) executed by the surviving, resulting or
29 withdrawing corporation or accompanying and incorporated
30 by reference into the plan of merger, consolidation or

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

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

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

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

23 SUBCHAPTER C

24 DEFINITIVE AND CONTINGENT DOMESTICATION OF

25 FOREIGN ASSOCIATIONS

26 Sec.

27 151. Domestication of certain foreign associations.

28 152. Contingent domestication of certain foreign associations.

29 § 151. Domestication of certain foreign associations.

30 (a) General rule.--Except as restricted by subsection (e),

1 any association as defined in subsection (f) may become a
2 domestic association by filing in the Department of State a
3 statement of domestication.

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

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

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

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

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

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

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

29 (d) Effect of domestication.--Upon the filing of the
30 statement of domestication, the association shall be

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

7 (2) A statement that either:

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

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

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

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

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

27 (3) A statement that either:

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

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

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

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

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

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

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

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

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

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

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

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

22 PART II

23 CORPORATIONS

24 Subpart

25 A. Corporations Generally

26 B. Business Corporations

27 C. (Reserved)

28 D. (Reserved)

29 SUBPART A

30 CORPORATIONS GENERALLY

1 Chapter

2 5. Corporations

3 CHAPTER 5

4 CORPORATIONS

5 Subchapter

6 A. In General

7 B. Indemnification and Corporate Directors' Liability

8 C. Provisions Applicable to Particular Types of
9 Corporations

10 SUBCHAPTER A

11 IN GENERAL

12 Sec.

13 501. Reserved power of General Assembly.

14 502. Application of chapter.

15 503. Actions to revoke corporate franchises.

16 504. Validation of certain defective corporations.

17 505. Validation of certain defective corporate acts.

18 506. Scope and duration of certain franchises.

19 507. Validation of certain share authorizations.

20 § 501. Reserved power of General Assembly.

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

27 (b) Scope.--Subsection (a) is applicable to all corporations
28 incorporated under the authority of the Commonwealth or of the
29 late Proprietaries of the Province of Pennsylvania, the General
30 Assembly having found in section 104 of the act of , 1988

1 (P.L. , No.), known as the Corporation Act of 1988, that all
2 corporations incorporated prior to October 14, 1857, which
3 purported to register under the act of January 18, 1966 (1965
4 P.L.1443, No.521), referred to as the Registry Act of 1966, or
5 companion statutes, either failed to register effectively or
6 accepted the benefit of a law or laws passed by the General
7 Assembly after 1873 governing the affairs of corporations.

8 § 502. Application of chapter.

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

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

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

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

22 § 503. Actions to revoke corporate franchises.

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

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

28 (2) procured its articles by fraud; or

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

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

5 § 504. Validation of certain defective corporations.

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

23 § 505. Validation of certain defective corporate acts.

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

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

15 § 506. Scope and duration of certain franchises.

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

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

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

20 § 507. Validation of certain share authorizations.

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

1 a statement of cancellation of shares, a statement of reduction
2 of authorized shares, or similar document as then provided by
3 any statute supplied or repealed by Subpart B (relating to
4 business corporations), such action shall be deemed not to have
5 had any effect on the authorized share structure of the
6 corporation and the number and class of shares authorized to be
7 issued by the corporation from time to time and at any time
8 shall be deemed and taken to be the number and class of shares
9 as set forth at the time in the most recently amended text of
10 the charter or articles of the corporation as then on file in
11 the department.

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

19 SUBCHAPTER B

20 INDEMNIFICATION AND CORPORATE DIRECTORS' LIABILITY

21 Sec.

22 511. Standard of care and justifiable reliance.

23 512. Personal liability of directors.

24 513. Nonexclusivity and supplementary coverage.

25 § 511. Standard of care and justifiable reliance.

26 (a) Director as fiduciary.--A director of a domestic
27 corporation shall stand in a fiduciary relation to the
28 corporation and shall perform his duties as a director,
29 including his duties as a member of any committee of the board
30 upon which he may serve, in good faith, in a manner he

1 reasonably believes to be in the best interests of the
2 corporation and with such care, including reasonable inquiry,
3 skill and diligence, as a person of ordinary prudence would use
4 under similar circumstances. In performing his duties, a
5 director shall be entitled to rely in good faith on information,
6 opinions, reports or statements, including financial statements
7 and other financial data, in each case prepared or presented by
8 any of the following:

9 (1) One or more officers or employees of the corporation
10 whom the director reasonably believes to be reliable and
11 competent in the matters presented.

12 (2) Counsel, public accountants or other persons as to
13 matters which the director reasonably believes to be within
14 the professional or expert competence of such person.

15 (3) A committee of the board upon which he does not
16 serve, duly designated in accordance with law, as to matters
17 within its designated authority, which committee the director
18 reasonably believes to merit confidence.

19 A director shall not be considered to be acting in good faith if
20 he has knowledge concerning the matter in question that would
21 cause his reliance to be unwarranted.

22 (b) Consideration of factors.--In discharging the duties of
23 their respective positions, the board of directors, committees
24 of the board and individual directors may, in considering the
25 best interests of the corporation, consider the effects of any
26 action upon employees, upon suppliers and customers of the
27 corporation and upon communities in which offices or other
28 establishments of the corporation are located, and all other
29 pertinent factors. The consideration of those factors shall not
30 constitute a violation of subsection (a).

1 (c) Presumption.--Absent breach of fiduciary duty, lack of
2 good faith or self-dealing, actions taken as a director or any
3 failure to take any action shall be presumed to be in the best
4 interests of the corporation.

5 § 512. Personal liability of directors.

6 (a) General rule.--Whenever the bylaws of a corporation by a
7 vote of the shareholders or members so provide, a director of a
8 domestic corporation shall not be personally liable for monetary
9 damages as such for any action taken, or any failure to take any
10 action, unless:

11 (1) the director has breached or failed to perform the
12 duties of his office under section 511 (relating to standard
13 of care and justifiable reliance); and

14 (2) the breach or failure to perform constitutes self-
15 dealing, willful misconduct or recklessness.

16 (b) Exception.--The provisions of this section shall not
17 apply to:

18 (1) the responsibility or liability of a director
19 pursuant to any criminal statute; or

20 (2) the liability of a director for the payment of taxes
21 pursuant to local, State or Federal law.

22 § 513. Nonexclusivity and supplementary coverage.

23 (a) General rule.--The indemnification and advancement of
24 expenses provided by or pursuant to sections 522 (relating to
25 indemnification of authorized representatives), 1741 (relating
26 to third party actions), 1742 (relating to derivative actions),
27 1743 (relating to mandatory indemnification), 7741 (relating to
28 third party actions), 7742 (relating to derivative actions) and
29 7743 (relating to mandatory indemnification), or any other
30 provisions of law providing for indemnification or advancement

1 of expenses applicable to any domestic corporation shall not be
2 deemed exclusive of any other rights to which a person seeking
3 indemnification or advancement of expenses may be entitled under
4 any bylaw, agreement, vote of shareholders, members or directors
5 or otherwise, both as to action in his official capacity and as
6 to action in another capacity while holding that office. The
7 provisions of sections 1728 (relating to interested directors or
8 officers; quorum) and 7728 (relating to interested directors;
9 quorum) or corresponding provisions of law applicable to any
10 domestic corporation shall be applicable to any bylaw, contract
11 or transaction authorized by the directors under this section.
12 Any domestic corporation may create a fund of any nature, which
13 may, but need not be, under the control of a trustee, or
14 otherwise secure or insure in any manner its indemnification
15 obligations, whether arising under or pursuant to this section
16 or otherwise.

17 (b) When indemnification is not to be made.--Indemnification
18 pursuant to subsection (a) shall not be made in any case where
19 the act or failure to act giving rise to the claim for
20 indemnification is determined by a court to have constituted
21 willful misconduct or recklessness.

22 (c) Grounds.--Indemnification pursuant to subsection (a)
23 under any bylaw, agreement, vote of shareholders, members or
24 directors or otherwise may be granted for any action taken or
25 any failure to take any action and may be made whether or not
26 the corporation would have the power to indemnify the person
27 under any other provision of law except as provided in this
28 section and whether or not the indemnified liability arises or
29 arose from any threatened, pending or completed action by or in
30 the right of the corporation. Such indemnification is declared

1 to be consistent with the public policy of this Commonwealth.

2 (d) Payment of expenses.--Expenses incurred by an officer,
3 director, employee or agent in defending a civil or criminal
4 action, suit or proceeding may be paid by the corporation in
5 advance of the final disposition of such action, suit or
6 proceeding upon receipt of an undertaking by or on behalf of
7 such person to repay such amount if it shall ultimately be
8 determined that he is not entitled to be indemnified by the
9 corporation.

10 (e) Rights to indemnification.--The indemnification and
11 advancement of expenses provided by, or granted pursuant to,
12 this section shall, unless otherwise provided when authorized or
13 ratified, continue as to a person who has ceased to be a
14 director, officer, employee or agent and shall inure to the
15 benefit of the heirs, executors and administrators of such
16 person.

17 SUBCHAPTER C

18 PROVISIONS APPLICABLE TO PARTICULAR

19 TYPES OF CORPORATIONS

20 Sec.

21 521. Pensions and allowances.

22 522. Indemnification of authorized representatives.

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

25 § 521. Pensions and allowances.

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

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

9 § 522. Indemnification of authorized representatives.

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

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

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

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

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

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

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

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

29 SUBPART B

30 BUSINESS CORPORATIONS

1 Article

2 A. Preliminary Provisions

3 B. Domestic Business Corporations Generally

4 C. Domestic Business Corporation Ancillaries

5 D. Foreign Business Corporations

6 ARTICLE A

7 PRELIMINARY PROVISIONS

8 Chapter

9 11. General Provisions

10 CHAPTER 11

11 GENERAL PROVISIONS

12 Sec.

13 1101. Short titles.

14 1102. Application of subpart.

15 1103. Definitions.

16 1104. Other general provisions.

17 1105. Restriction on equitable relief.

18 1106. Uniform application of subpart.

19 1107. Limitation on incorporation.

20 1108. Execution of documents.

21 § 1101. Short titles.

22 (a) Title of subpart.--This subpart shall be known and may
23 be cited as the Business Corporation Law of 1988.

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

27 § 1102. Application of subpart.

28 (a) General rule.--Except as otherwise provided in this
29 section, in the scope provisions of subsequent provisions of
30 this subpart or where the context clearly indicates otherwise,

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

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

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

16 (1) A banking institution.

17 (2) A credit union.

18 (3) A domestic or foreign insurance corporation.

19 (4) A savings association.

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

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

29 (1) A business development credit corporation.

30 (2) Any other domestic corporation for profit

1 incorporated under or subject to a statute that provides that
2 the corporate affairs of the corporation shall be governed by
3 the laws applicable to domestic business corporations.

4 § 1103. Definitions.

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

10 "Amendment." An amendment of the articles.

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

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

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

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

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

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

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

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

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

17 (2) is a statutory close corporation.

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

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

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

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

30 (1) the court of common pleas of the judicial district

embracing the county where the registered office of the corporation is or is to be located; or

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

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

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

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

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

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

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

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

"Employee." Includes officers but not directors, as such. See section 1730 (relating to compensation of directors) as to

1 acceptance by a director of duties that make him also an
2 employee.

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

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

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

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

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

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

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

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

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

1 incorporation.

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

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

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

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

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

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

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

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

29 "Officially publish." Publish in two newspapers of general
30 circulation in the English language in the county in which the

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

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

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

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

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

21 (3) as to both dividends and assets.

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

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

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

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

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

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

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

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

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

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

"Share certificate." A written instrument signed on behalf

1 of the corporation evidencing the fact that the person therein
2 named is the record owner of the shares therein described.

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

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

15 "Special treatment." A provision of an amendment or plan
16 permitted by section 1906 (relating to special treatment of
17 holders of shares of same class or series).

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

23 "Subscriber." One who subscribes for or otherwise takes
24 shares by agreement from the issuing corporation, whether before
25 or after incorporation.

26 "Subscription." The promise to pay a consideration or the
27 agreement fixing the amount of the consideration paid or to be
28 paid for shares by a subscriber.

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

1 provisions contemplated may either relax or restrict the stated
2 rule.

3 "Unless (or "except as") otherwise restricted." When used to
4 introduce or modify a rule, implies that the alternative
5 provisions contemplated may further restrict, but may not relax,
6 the stated rule.

7 "Voting" or "casting a vote." Includes the giving of written
8 consent. The term does not include either recording the fact of
9 abstention or failing to vote for a candidate or for approval or
10 disapproval of a matter, whether or not the person entitled to
11 vote characterizes the conduct as voting or casting a vote.

12 § 1104. Other general provisions.

13 The following provisions of this title are applicable to
14 corporations subject to this subpart:

15 Section 101 (relating to short title and application of
16 title).

17 Section 102 (relating to definitions).

18 Section 103 (relating to subordination of title to
19 regulatory laws).

20 Section 104 (relating to equitable remedies).

21 Section 105 (relating to fees).

22 Section 106 (relating to effect of filing papers required
23 to be filed).

24 Section 107 (relating to form of records).

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

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

29 Section 110 (relating to supplementary general principles
30 of law applicable).

1 Section 132 (relating to functions of Department of
2 State).

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

4 Section 134 (relating to docketing statement).

5 Section 135 (relating to requirements to be met by filed
6 documents).

7 Section 136 (relating to processing of documents by
8 Department of State).

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

11 Section 138 (relating to statement of correction).

12 Section 139 (relating to tax clearance of certain
13 fundamental transactions).

14 Section 152 (relating to contingent domestication of
15 certain foreign associations).

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

18 Section 503 (relating to actions to revoke corporate
19 franchises).

20 Section 504 (relating to validation of certain defective
21 corporations).

22 Section 505 (relating to validation of certain defective
23 corporate acts).

24 Section 506 (relating to scope and duration of certain
25 franchises).

26 Section 507 (relating to validation of certain share
27 authorizations).

28 § 1105. Restriction on equitable relief.

29 A shareholder of a business corporation shall not have any
30 right to obtain, in the absence of fraud or fundamental

1 unfairness, an injunction against any proposed plan or amendment
2 of articles authorized under any provision of this subpart, nor
3 any right to claim the right to valuation and payment of the
4 fair value of his shares because of the plan or amendment,
5 except that he may dissent and claim such payment if and to the
6 extent provided in Subchapter D of Chapter 15 (relating to
7 dissenters rights) where this subpart expressly provides that
8 dissenting shareholders shall have the rights and remedies
9 provided in that subchapter. Absent fraud or fundamental
10 unfairness, the rights and remedies so provided shall be
11 exclusive. Structuring a plan or transaction for the purpose or
12 with the effect of eliminating or avoiding the application of
13 dissenters rights is not fraud or fundamental unfairness within
14 the meaning of this section.

15 § 1106. Uniform application of subpart.

16 (a) General rule.--Except as provided in subsection (b),
17 this subpart and its amendments are intended to provide uniform
18 rules for the government and regulation of the affairs of
19 business corporations and of their officers, directors and
20 shareholders regardless of the date or manner of incorporation
21 or qualification, or of the issuance of any shares thereof.

22 (b) Exceptions.--

23 (1) Unless expressly provided otherwise in any amendment
24 to this subpart, the amendment shall take effect only
25 prospectively.

26 (2) An existing corporation lawfully using a name or, as
27 part of its name, a word that could not be used as or
28 included in the name of a corporation subsequently
29 incorporated or qualified under this subpart may continue to
30 use the name or word as part of its name if the use or

1 inclusion of the word or name was lawful when first adopted
2 by the corporation in this Commonwealth.

3 (3) Subsection (a) shall not adversely affect the rights
4 specifically provided for or saved in this subpart. See:

5 The provisions of section 1521(b)(3) (relating to
6 provisions specifically authorized).

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

9 The preemptive rights set forth in section 1530(b)
10 (relating to existing preemptive rights).

11 The provisions of section 1554(c) (relating to
12 transitional provision).

13 The cumulative voting rights set forth in section
14 1758(c)(2) (relating to cumulative voting).

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

18 The special voting requirements specified in section
19 1952(h) (relating to special requirements).

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

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

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

27 § 1107. Limitation on incorporation.

28 A corporation that can be incorporated under this subpart
29 shall not be incorporated except under the provisions of this
30 subpart.

1 § 1108. Execution of documents.

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

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

11 ARTICLE B

12 DOMESTIC BUSINESS CORPORATIONS GENERALLY

13 Chapter

14 13. Incorporation

15 15. Corporate Powers, Duties and Safeguards

16 17. Officers, Directors and Shareholders

17 19. Fundamental Changes

18 CHAPTER 13

19 INCORPORATION

20 Subchapter

21 A. Incorporation Generally

22 B. Revival

23 SUBCHAPTER A

24 INCORPORATION GENERALLY

25 Sec.

26 1301. Purposes.

27 1302. Number and qualifications of incorporators.

28 1303. Corporate name.

29 1304. Required name changes by senior corporations.

30 1305. Reservation of corporate name.

1 1306. Articles of incorporation.

2 1307. Advertisement.

3 1308. Filing of articles.

4 1309. Effect of filing of articles of incorporation.

5 1310. Organization meeting.

6 1311. Filing of statement of summary of record by certain
7 corporations.

8 § 1301. Purposes.

9 Corporations may be incorporated under this subpart for any
10 lawful purpose or purposes. Unless otherwise restricted in its
11 articles, every business corporation has as its corporate
12 purpose the engaging in all lawful business for which
13 corporations may be incorporated under this subpart.

14 § 1302. Number and qualifications of incorporators.

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

18 § 1303. Corporate name.

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

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

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

25 (3) words or abbreviations of like import in languages
26 other than English.

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

29 (1) The name of any other domestic corporation for
30 profit or not-for-profit, or of any foreign corporation for

1 profit or not-for-profit authorized to do business in this
2 Commonwealth, or of any domestic or foreign limited
3 partnership that has filed a certificate or qualified under
4 59 Pa.C.S. Ch. 5 (relating to limited partnerships), or the
5 name of any association registered at any time under 54
6 Pa.C.S. Ch. 5 (relating to corporate and other association
7 names), unless:

8 (i) where the name is the same or confusingly
9 similar, the other association:

10 (A) has stated that it is about to change its
11 name, or to cease to do business, or is being wound
12 up, or is a foreign association about to withdraw
13 from doing business in this Commonwealth, and the
14 statement and the written consent of the other
15 association to the adoption of the name is filed in
16 the Department of State;

17 (B) has filed with the Department of Revenue a
18 certificate of out of existence, or has failed for a
19 period of three successive years to file with the
20 Department of State or the Department of Revenue a
21 report or return required by law, and in the case of
22 a failure to file with the Department of Revenue, the
23 fact of such failure has been certified by the
24 Department of Revenue to the Department of State;

25 (C) has abandoned its name under the laws of its
26 jurisdiction of incorporation, by amendment, merger,
27 consolidation, division, expiration, dissolution or
28 otherwise, without its name being adopted by a
29 successor in a merger, consolidation, division or
30 otherwise, and an official record of that fact,

1 certified as provided by 42 Pa.C.S. § 5328 (relating
2 to proof of official records), is presented by any
3 person to the department; or

4 (D) has had the registration of its name under
5 54 Pa.C.S. Ch. 5 terminated and, if the termination
6 was effected by operation of 54 Pa.C.S. § 504
7 (relating to effect of failure to make decennial
8 filings), the application for the use of the name is
9 accompanied by a verified statement stating that at
10 least 30 days' written notice of intention to
11 appropriate the name was given to the delinquent
12 association at its registered office and that, after
13 diligent search by the affiant, the affiant believes
14 the association to be out of existence; or

15 (ii) where the name is confusingly similar, the
16 consent of the other association to the adoption of the
17 name is filed in the Department of State.

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

20 (2) A name the exclusive right to which is at the time
21 reserved by any other person whatsoever in the manner
22 provided by statute. A name shall be rendered unavailable for
23 corporate use by reason of the filing in the Department of
24 State of any assumed or fictitious name required by 54
25 Pa.C.S. Ch. 3 (relating to fictitious names) to be filed in
26 the department only if and to the extent expressly so
27 provided in that chapter.

28 (c) Required approvals or conditions.--

29 (1) The corporate name shall not imply that the
30 corporation is:

1 (i) A governmental agency of the Commonwealth or of
2 the United States.

3 (ii) A bank, bank and trust company, savings bank,
4 private bank or trust company, as defined in the act of
5 November 30, 1965 (P.L.847, No.356), known as the Banking
6 Code of 1965, unless the corporation or proposed
7 corporation is a Pennsylvania bank holding company or is
8 otherwise authorized by statute to use its proposed name.

9 (iii) An insurance company that could be
10 incorporated under the act of May 17, 1921 (P.L.682,
11 No.284), known as The Insurance Company Law of 1921.

12 (iv) A public utility corporation furnishing
13 electric or gas service to the public, unless the
14 corporation or proposed corporation has as an express
15 corporate purpose the furnishing of service subject to
16 the jurisdiction of the Pennsylvania Public Utility
17 Commission or the Federal Energy Regulatory Commission.

18 (2) The corporate name shall not contain:

19 (i) The word "college," "university" or "seminary"
20 when used in such a way as to imply that it is an
21 educational institution conforming to the standards and
22 qualifications prescribed by the State Board of
23 Education, unless there is submitted a certificate from
24 the Department of Education certifying that the
25 corporation or proposed corporation is entitled to use
26 that designation.

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

29 (iii) The words "engineer" or "engineering" or
30 "surveyor" or "surveying" or any other word implying that

1 any form of the practice of engineering or surveying as
2 defined in the act of May 23, 1945 (P.L.913, No.367),
3 known as the Professional Engineers Registration Law, is
4 provided unless at least one of the incorporators of a
5 proposed corporation or the directors of the existing
6 corporation has been properly registered with the State
7 Registration Board for Professional Engineers in the
8 practice of engineering or surveying and there is
9 submitted to the department a certificate from the board
10 to that effect.

11 (iv) The word "cooperative" or an abbreviation
12 thereof unless the corporation is a cooperative
13 corporation.

14 (d) Other rights unaffected.--This section shall not
15 abrogate or limit the law as to unfair competition or unfair
16 practices nor derogate from the common law, the principles of
17 equity or the provisions of Title 54 (relating to names) with
18 respect to the right to acquire and protect trade names.
19 Subsection (b) shall not apply if the applicant files in the
20 department a certified copy of a final order of a court of
21 competent jurisdiction establishing the prior right of the
22 applicant to the use of a name in this Commonwealth.

23 (e) Remedies for violation of section.--The use of a name in
24 violation of this section shall not vitiate or otherwise affect
25 the corporate existence but any court having jurisdiction, upon
26 the application of:

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

30 (2) any person adversely affected;

1 may enjoin the corporation from using or continuing to use a
2 name in violation of this section.

3 § 1304. Required name changes by senior corporations.

4 (a) Adoption of new name upon reactivation.--Where a
5 corporate name is made available on the basis that the
6 corporation or other association that formerly registered the
7 name has failed to file in the Department of Revenue or in the
8 Department of State a report or a return required by law or
9 where the corporation or other association has filed in the
10 Department of Revenue a certificate of out of existence, the
11 corporation or other association shall cease to have by virtue
12 of its prior registration any right to the use of the name. The
13 corporation or other association, upon withdrawal of the
14 certificate of out of existence or upon the removal of its
15 delinquency in the filing of the required reports or returns,
16 shall make inquiry with the Department of State with regard to
17 the availability of its name and, if the name has been made
18 available to another domestic or foreign corporation for profit
19 or not-for-profit or other association by virtue of these
20 conditions, shall adopt a new name in accordance with law before
21 resuming its activities.

22 (b) Enforcement of undertaking to release name.--If a
23 corporation has used a name the same as or confusingly similar
24 to the name of another corporation or other association as
25 permitted by section 1303(b)(1)(i) (relating to duplicate use of
26 names) and the other corporation or other association continues
27 to use its name in this Commonwealth and does not change its
28 name, cease to do business, be wound up or withdraw as it
29 proposed to do in its consent or change its name as required by
30 subsection (a), any court having jurisdiction, upon the

1 application of:

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

5 (2) any person adversely affected;

6 may enjoin the other corporation or other association from
7 continuing to use its name or a confusingly similar name.

8 § 1305. Reservation of corporate name.

9 (a) General rule.--The exclusive right to the use of a
10 corporate name may be reserved by any person. The reservation
11 shall be made by delivering to the Department of State an
12 application to reserve a specified corporate name, executed by
13 the applicant. If the department finds that the name is
14 available for corporate use, it shall reserve the name for the
15 exclusive use of the applicant for a period of 120 days.

16 (b) Transfer of reservation.--The right to exclusive use of
17 a specified corporate name reserved under subsection (a) may be
18 transferred to any other person by delivering to the department
19 a notice of the transfer, executed by the person who reserved
20 the name, and specifying the name and address of the transferee.

21 (c) Cross references.--See sections 134 (relating to
22 docketing statement) and 4131 (relating to registration of
23 name).

24 § 1306. Articles of incorporation.

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

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

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

5 (3) A statement that the corporation is incorporated
6 under the provisions of the Business Corporation Law of 1988.

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

10 (i) The aggregate number of shares that the
11 corporation shall have authority to issue. It shall not
12 be necessary to set forth in the articles the
13 designations of the classes of shares of the corporation,
14 or the maximum number of shares of each class that may be
15 issued.

16 (ii) A statement of the voting rights, designations,
17 preferences, limitations and special rights in respect of
18 the shares of any class or any series of any class, to
19 the extent that they have been determined.

20 (iii) A statement of any authority vested in the
21 board of directors to divide the authorized and unissued
22 shares into classes or series, or both, and to determine
23 for any such class or series its voting rights,
24 designations, preferences, limitations and special
25 rights.

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

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

30 (7) If the articles are to be effective on a specified

1 date, the hour, if any, and the month, day and year of the
2 effective date.

3 (8) Any other provisions that the incorporators may
4 choose to insert if:

5 (i) any provision of this subpart authorizes or
6 requires provisions pertaining to the subject matter
7 thereof to be set forth in the articles or bylaws of a
8 business corporation or in an agreement or other
9 instrument; or

10 (ii) the provisions, whether or not specifically
11 authorized by this subpart, relate to the purpose or
12 purposes of the corporation, the management of its
13 business or affairs or the rights, powers or duties of
14 its securityholders, directors or officers.

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

17 (b) Written consent to naming directors.--The naming of
18 directors in articles of incorporation shall constitute an
19 affirmation that the directors have consented in writing to
20 serve as such.

21 § 1307. Advertisement.

22 The incorporators or the corporation shall officially publish
23 a notice of intention to file or of the filing of articles of
24 incorporation. The notice may appear prior to or after the day
25 the articles of incorporation are filed in the Department of
26 State and shall set forth briefly:

27 (1) The name of the proposed corporation.

28 (2) A statement that the corporation is to be or has
29 been incorporated under the provisions of the Business
30 Corporation Law of 1988.

1 § 1308. Filing of articles.

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

4 (b) Cross reference.--See section 134 (relating to docketing
5 statement).

6 § 1309. Effect of filing of articles of incorporation.

7 (a) Corporate existence.--Upon the filing of the articles of
8 incorporation in the Department of State or upon the effective
9 date specified in the articles of incorporation, whichever is
10 later, the corporate existence shall begin.

11 (b) Evidence of incorporation.--Subject to the provisions of
12 section 503 (relating to actions to revoke corporate
13 franchises), the articles of incorporation filed in the
14 department, or recorded in the office of the recorder of deeds
15 under the former provisions of law, shall be conclusive evidence
16 of the fact that the corporation has been incorporated.

17 § 1310. Organization meeting.

18 (a) General rule.--After the corporate existence begins, an
19 organization meeting of the initial directors or, if directors
20 are not named in the articles, of the incorporator or
21 incorporators shall be held, within or without this
22 Commonwealth, for the purpose of adopting bylaws which they
23 shall have authority to do at the meeting, of electing
24 directors, if directors are not named in the articles, and the
25 transaction of such other business as may come before the
26 meeting. A bylaw adopted at the organization meeting of
27 directors or incorporators shall be deemed to be a bylaw adopted
28 by the shareholders for the purposes of this subpart and of any
29 other provision of law.

30 (b) Call of and action at meeting.--The meeting may be held

1 at the call of any director or, if directors are not named in
2 the articles, of any incorporator, who shall give at least five
3 days' written notice thereof to each other director or
4 incorporator, which notice shall set forth the time and place of
5 the meeting. For the purposes of this section, any incorporator
6 may act in person, by written consent or by proxy signed by him
7 or his attorney-in-fact.

8 (c) Death or incapacity of directors or incorporators.--If a
9 designated director or an incorporator dies or is for any reason
10 unable to act at the meeting, the other or others may act. If
11 there is no other designated director or incorporator able to
12 act, any person for whom an incorporator was acting as agent may
13 act or appoint another to act in his stead.

14 § 1311. Filing of statement of summary of record by certain
15 corporations.

16 (a) General rule.--Where any of the valid charter documents
17 of a business corporation are not on file in the Department of
18 State and the corporation desires to file any document in the
19 department under any other provision of this subpart or the
20 corporation desires to secure from the department any
21 certificate to the effect that the corporation is a corporation
22 duly incorporated and existing under the laws of this
23 Commonwealth or a certified copy of the articles of the
24 corporation, the corporation shall file in the department a
25 statement of summary of record which shall be executed by the
26 corporation and shall set forth:

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

1 office.

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

4 (3) The name under which, the manner in which and the
5 date on which the corporation was originally incorporated,
6 including the date when and the place where the original
7 articles were recorded.

8 (4) The place or places, including volume and page
9 numbers or their equivalent, where the documents constituting
10 the currently effective articles are filed or recorded, the
11 date or dates of each filing or recording and the text of the
12 currently effective articles. The information specified in
13 this paragraph may be omitted in a statement of summary of
14 record that is delivered to the department contemporaneously
15 with amended and restated articles of the corporation filed
16 under this subpart.

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

21 (6) In the case of any entity brought within the scope
22 of Chapter 29 (relating to professional corporations) by or
23 pursuant to section 2905 (relating to election of
24 professional associations to become professional
25 corporations), amended and restated articles of incorporation
26 which shall include all of the information required to be set
27 forth in restated articles of a professional corporation.

28 A corporation shall be required to make only one filing under
29 this subsection.

30 (b) Validation of prior defects in incorporation.--Upon the

1 filing of a statement under this section, the corporation named
2 in the statement shall be deemed to be a validly subsisting
3 corporation to the same extent as if it had been duly
4 incorporated and was existing under this subpart and the
5 department shall so certify regardless of any absence of or
6 defect in the prior proceedings relating to incorporation.

7 (c) Cross reference.--See section 134 (relating to docketing
8 statement).

9 SUBCHAPTER B

10 REVIVAL

11 Sec.

12 1341. Statement of revival.

13 § 1341. Statement of revival.

14 (a) General rule.--Any business corporation whose charter or
15 articles have been forfeited by proclamation of the Governor
16 pursuant to section 1704 of the act of April 9, 1929 (P.L.343,
17 No.176), known as The Fiscal Code, or otherwise, or whose
18 corporate existence has expired by reason of any limitation
19 contained in its charter or articles and the failure to effect a
20 timely renewal or extension of its corporate existence, may at
21 any time by filing a statement of revival procure a revival of
22 its charter or articles, together with all the rights,
23 franchises, privileges and immunities and subject to all of its
24 duties, debts and liabilities that had been vested in and
25 imposed upon the corporation by its charter or articles as last
26 in effect.

27 (b) Contents of statement.--The statement of revival shall
28 be executed in the name of the forfeited or expired corporation
29 and shall, subject to section 109 (relating to name of
30 commercial registered office provider in lieu of registered

1 address), set forth:

2 (1) The name of the corporation at the time its charter
3 or articles were forfeited or expired and the address,
4 including street and number, if any, of its last registered
5 office.

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

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

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

13 (5) A reference to the proclamation or other action by
14 which its charter or articles were forfeited or a reference
15 to the limitation contained in its expired charter or
16 articles.

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

19 (7) A statement that the filing of the statement of
20 revival has been authorized by the corporation. Every
21 forfeited or expired corporation may act by its last
22 directors or may elect directors and officers in the manner
23 provided by this subpart for the limited purpose of effecting
24 a filing under this section.

25 (c) Filing and effect.--The statement of revival and, in the
26 case of a forfeited corporation, the clearance certificates
27 required by section 139 (relating to tax clearance of certain
28 fundamental transactions) shall be filed in the Department of
29 State. Upon the filing of the statement of revival, the
30 corporation shall be revived with the same effect as if its

1 charter or articles had not been forfeited or expired by
2 limitation. The revival shall validate all contracts and other
3 transactions made and effected within the scope of the articles
4 of the corporation by its representatives during the time when
5 its charter or articles were forfeited or expired to the same
6 effect as if its charter or articles had not been forfeited or
7 expired.

8 (d) Cross reference.--See section 134 (relating to docketing
9 statement).

10 CHAPTER 15

11 CORPORATE POWERS, DUTIES AND SAFEGUARDS

12 Subchapter

13 A. General Provisions

14 B. Shares and Other Securities

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17 SUBCHAPTER A

18 GENERAL PROVISIONS

19 Sec.

20 1501. Corporate capacity.

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1 § 1501. Corporate capacity.

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

5 § 1502. General powers.

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

9 (1) To have perpetual succession by its corporate name
10 unless a limited period of duration is specified in its
11 articles, subject to the power of the Attorney General under
12 section 503 (relating to actions to revoke corporate
13 franchises) and to the power of the General Assembly under
14 the Constitution of Pennsylvania.

15 (2) To sue and be sued, complain and defend and
16 participate as a party or otherwise in any judicial,
17 administrative, arbitratative or other proceeding in its
18 corporate name.

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

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

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

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

30 (7) To borrow money, issue or incur its obligations and

1 secure any of its obligations by mortgage on or pledge of or
2 security interest in all or any part of its property and
3 assets, wherever situated, franchises or income, or any
4 interest therein.

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

8 (9) To make contributions and donations.

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

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

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

30 (13) To continue the salaries of such of its employees

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

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

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

19 (16) To elect or appoint and remove officers, employees
20 and agents of the corporation, define their duties, fix their
21 compensation and the compensation of directors, to lend any
22 of the foregoing money and credit and to pay bonuses or other
23 additional compensation to any of the foregoing for past
24 services.

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

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

Chapter 19 (relating to fundamental changes) or otherwise.

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

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

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

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

§ 1503. Defense of ultra vires.

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

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

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

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

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

16 (b) Conveyances of property by or to a corporation.--A
17 conveyance or transfer by or to a business corporation of
18 property, real or personal, of any kind or description, shall
19 not be invalid or fail because in making the conveyance or
20 transfer, or in acquiring the property, real or personal, any
21 representative of the corporation acting within the scope of the
22 actual or apparent authority given to him by the corporation has
23 exceeded any of the purposes or powers of the corporation.

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

26 § 1504. Adoption, amendment and contents of bylaws.

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

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

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

18 Section 1521 (relating to authorized shares).

19 Section 1721 (relating to board of directors).

20 Section 1726 (relating to removal of directors).

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

22 Section 1756 (relating to quorum).

23 Section 1757 (relating to action by shareholders).

24 Section 1765 (relating to judges of election).

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

27 Section 2122 (relating to classes of membership).

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

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

30 Section 2321 (relating to shares).

1 Section 2322 (relating to share transfer restrictions).

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

4 Section 2332 (relating to management by shareholders).

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

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

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

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

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

23 § 1505. Persons bound by bylaws.

24 Except as otherwise provided by 42 Pa.C.S. § 8364 (relating
25 to personal liability of directors) or any similar provision of
26 law, the bylaws of a business corporation shall operate only as
27 regulations among the shareholders of the corporation and shall
28 not affect contracts or other dealings with other persons unless
29 those persons have actual knowledge of the bylaws.

30 § 1506. Form of execution of instruments.

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

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

15 (c) Cross reference.--See section 4146 (relating to
16 provisions applicable to all foreign corporations).
17 § 1507. Registered office.

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

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

29 (1) The name of the corporation.

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

1 its then registered office.

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

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

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

15 (d) Cross reference.--See section 134 (relating to docketing
16 statement).

17 § 1508. Corporate records; inspection.

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

29 (b) Right of inspection.--Every shareholder shall, upon
30 written verified demand stating the purpose thereof, have a

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

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

1 and records of the corporation, other than its share register or
2 list of shareholders, he shall first establish:

3 (1) That he has complied with the provisions of this
4 section respecting the form and manner of making demand for
5 inspection of the document.

6 (2) That the inspection he seeks is for a proper
7 purpose.

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

21 § 1509. Bylaws and other powers in emergency.

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

1 for the circumstances of the emergency including:

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

3 (2) Quorum requirements for meetings.

4 (3) Procedures for designating additional or substitute
5 directors.

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

15 (c) Personnel not liable.--A representative of the
16 corporation:

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

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

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

28 (e) Procedure in absence of emergency bylaws.--Unless
29 otherwise provided in emergency bylaws, notice of any meeting of
30 the board of directors during an emergency shall be given only

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

9 § 1510. Usury not a defense.

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

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

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

22 § 1511. Additional powers of certain public utility
23 corporations.

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

30 (1) The transportation of passengers or property or both

1 as a common carrier by means of elevated street railway,
2 ferry, inclined plane railway, railroad, street railway or
3 underground street railway, trackless-trolley omnibus or by
4 any combination of such means.

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

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

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

16 (5) The collection, treatment or disposal of sewage for
17 the public.

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

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

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

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

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

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

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

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

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

1 any appeal in the manner provided or prescribed by law.

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

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

25 (f) Effect on other statutes.--Subsections (a) through (e)
26 shall not be construed to eliminate the exemption by statute of
27 certain agricultural or historical lands from liability to
28 condemnation or entry nor to affect or modify any of the
29 provisions of the act of December 19, 1984 (P.L.1140, No.223),
30 known as the Oil and Gas Act, or of 66 Pa.C.S. § 1104 (relating

1 to certain appropriations by the right of eminent domain
2 prohibited) or 2702 (relating to construction, relocation,
3 suspension and abolition of crossings), nor to permit the
4 acquisition of water rights, water or land underlying them by
5 any public utility corporation that has not received from the
6 Department of Environmental Resources a limited power permit,
7 limited water supply permit, order of confirmation, permit for
8 acquisition of water rights or gubernatorial easement, right-of-
9 way, license or lease authorizing the acquisition or occupancy.

10 (g) Procedure.--

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

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

23 (i) If the corporation and any interested party
24 cannot agree on the amount of damages sustained, or if
25 any interested party is an unincorporated association, or
26 is absent, unknown, not of full age or otherwise
27 incompetent or unavailable to contract with the
28 corporation, or in the case of disputed, doubtful or
29 defective title, the corporation may make a verified
30 application to the appropriate court for an order

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

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

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

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

SUBCHAPTER B

SHARES AND OTHER SECURITIES

Sec.

1521. Authorized shares.

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

1523. Pricing and issuance of shares.

1524. Payment for shares.

1525. Stock rights and options.

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1530. Preemptive rights of shareholders.

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

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

§ 1521. Authorized shares.

(a) General rule.--Every business corporation shall have power to create and issue the number of shares stated in its articles. The shares may consist of one class or be divided into two or more classes and one or more series within any class thereof, which classes or series may have full, limited, multiple or fractional or no voting rights and such

1 designations, preferences, limitations and special rights as may
2 be desired. Shares that are not entitled to a preference, even
3 if identified by a class or other designation, shall not be
4 designated as preference or preferred shares.

5 (b) Provisions specifically authorized.--

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

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

17 (ii) Entitling the holders thereof to cumulative,
18 noncumulative or partially cumulative dividends.

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

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

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

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

28 (ii) Terms incorporated by reference to an existing
29 agreement between the corporation and one or more other
30 parties, or to another document of independent

1 significance, if the articles state that the full text of
2 the agreement or other document is on file at the
3 principal place of business of the corporation and state
4 the address thereof. A corporation that takes advantage
5 of this subparagraph shall furnish a copy of the full
6 text of the agreement or other document, on request and
7 without cost, to any shareholder and, unless it is a
8 closely-held corporation, on request and at cost, to any
9 other person.

10 (3) The articles may expressly confer upon a shareholder
11 a specifically enforceable right to the declaration and
12 payment of dividends, the redemption of shares or the making
13 of any other form of distribution if the distribution is at
14 the time of enforcement then permitted by section 1551
15 (relating to distributions to shareholders). Such a provision
16 adopted on or after January 1, 1989, shall not be valid
17 unless it shall make express reference to this section.

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

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

29 § 1522. Issuance of shares in classes or series; board action.

30 (a) General rule.--The division of shares into classes and

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

8 (b) Divisions and determinations by the board.--An amendment
9 of articles described in subsection (a) may be made solely by
10 action of the board if the articles authorize the board to make
11 the divisions and determinations. Unless otherwise restricted in
12 the articles, authority granted to the board to determine the
13 number of shares of any class or series shall be deemed to
14 include the power to increase the previously determined number
15 of shares of the class or series to a number not greater than
16 that provided by the articles and to decrease the previously
17 determined number of shares of a class or series to a number not
18 less than that then outstanding. Upon any such decrease under
19 this section, the affected shares shall continue as part of the
20 authorized shares. Unless otherwise restricted in the articles,
21 if no shares of any class or series are outstanding the board of
22 directors may amend the designations and the voting rights,
23 preferences, limitations and special rights, if any, of the
24 shares of the class or series.

25 (c) Statement with respect to shares.--Whenever the board
26 acts under subsection (b), it shall adopt a resolution setting
27 forth its actions. Before any business corporation issues any
28 shares of any class or any series of any class with respect to
29 which the board has acted under subsection (b), the corporation
30 shall file in the Department of State a statement with respect

1 to shares executed by the corporation, setting forth:

2 (1) The name of the corporation.

3 (2) The resolution of the board required by this
4 subsection.

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

7 (i) The resolution.

8 (ii) All prior statements, if any, filed under this
9 section or corresponding provisions of prior law with
10 respect thereto.

11 (iii) Any other provision of the articles.

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

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

16 (d) Effect of filing statement.--Upon the filing of the
17 statement in the department or upon the effective date specified
18 in the statement, whichever is later, the resolution shall
19 become effective and shall operate as an amendment of the
20 articles, except that neither the filing of the statement nor
21 the integration of the substance of the resolution into the text
22 of the articles by means of a restatement of the articles as
23 permitted by this subpart or otherwise shall prohibit the board
24 of directors from subsequently adopting resolutions authorized
25 by this section.

26 (e) Termination of proposal.--Prior to the time when a
27 resolution required by subsection (c) becomes effective, the
28 amendment to be effected thereby may be terminated by the board
29 or pursuant to the provisions therefor, if any, set forth in the
30 resolution. If a statement with respect to shares has been filed

1 in the department prior to the termination, a statement under
2 section 1902 (relating to statement of termination) shall be
3 filed in the department.

4 § 1523. Pricing and issuance of shares.

5 Except as otherwise restricted in the bylaws, shares of a
6 business corporation may be issued at a price determined by the
7 board of directors or the board may set a minimum price or
8 establish a formula or method by which the price may be
9 determined.

10 § 1524. Payment for shares.

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

13 (1) May consist of money, obligations (including an
14 obligation of a shareholder), services performed whether or
15 not contracted for, contracts for services to be performed or
16 any other tangible or intangible property. If shares are
17 issued for other than money, the value of the consideration
18 shall be determined by or in the manner provided by the board
19 of directors.

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

22 (b) Issuance without consideration.--Except as otherwise
23 restricted in the bylaws, upon authorization by the board of
24 directors, the corporation may issue or distribute its own
25 shares pro rata to its shareholders or the shareholders of one
26 or more classes or series, if the relative rights of the holders
27 of any class or series are not adversely affected thereby, to
28 effectuate stock dividends or splits and any such transaction
29 shall not require payment of consideration.

30 (c) Status of issued shares.--All issued shares of a

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

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

22 (e) Transitional provision.--A corporation may enforce calls
23 on partly paid shares outstanding on January 1, 1989, in the
24 same manner and to the same extent as if this subpart had not
25 been enacted.

26 § 1525. Stock rights and options.

27 (a) General rule.--Except as otherwise provided in its
28 articles prior to the creation and issuance thereof, a business
29 corporation may create and issue (whether or not in connection
30 with the issuance of any of its shares or other securities)

1 option rights or securities having conversion or option rights
2 entitling the holders thereof to purchase or acquire shares,
3 option rights, securities having conversion or option rights, or
4 obligations, of any class or series, or assets of the
5 corporation, or to purchase or acquire from the corporation
6 shares, option rights, securities having conversion or option
7 rights, or obligations, of any class or series, owned by the
8 corporation and issued by any other person. Except as otherwise
9 provided in section 1530(b) (relating to preexisting preemptive
10 rights) or in its articles, the shares, option rights,
11 securities having conversion or option rights, or obligations
12 shall be evidenced in such manner as the corporation may
13 determine and may be offered without first offering them to
14 shareholders of any class or classes.

15 (b) Specifically authorized provisions.--The securities,
16 contracts, warrants or other instruments evidencing any shares,
17 option rights, securities having conversion or option rights, or
18 obligations of a corporation may contain such terms as are fixed
19 by the board of directors, including, without limiting the
20 generality of such authority:

21 (1) Restrictions upon the authorization or issuance of
22 additional shares, option rights, securities having
23 conversion or option rights, or obligations.

24 (2) Provisions for the adjustment of the conversion or
25 option rights price.

26 (3) Provisions concerning rights or adjustments in the
27 event of reorganization, merger, consolidation, sale of
28 assets, exchange of shares or other fundamental changes.

29 (4) Provisions for the reservation of authorized but
30 unissued shares or other securities.

1 (5) Restrictions upon the declaration or payment of
2 dividends or distributions or related party transactions.

3 (6) Conditions relating to the exercise, conversion,
4 transfer or receipt of such shares, option rights, securities
5 having conversion or option rights, or obligations.

6 There shall be no authority under this subsection to include a
7 provision authorized by section 2513 (relating to disparate
8 treatment of certain persons).

9 (c) Standard of care unaffected.--The provisions of
10 subsections (a) and (b) and section 2513 shall not be construed
11 to effect a change in the fiduciary relationship between a
12 director and a business corporation or to change the standard of
13 care of a director provided for in section 1721 (relating to
14 board of directors).

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

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

1 majority of the votes that all shareholders entitled to exercise
2 preemptive rights with respect thereto are entitled to cast.

3 § 1526. Liability of subscribers and shareholders.

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

10 § 1527. Issuance of fractional shares or scrip.

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

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

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

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

1 unless otherwise provided therein, entitle the holder to
2 exercise any voting right, to receive dividends or to
3 participate in any of the assets of the corporation in the
4 event of liquidation.

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

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

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

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

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

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

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

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

29 (d) Notice of variations in rights.--Every certificate
30 representing shares issued by a business corporation that is

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

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

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

1 identical.

2 § 1529. Transfer of securities; restrictions.

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

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

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

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

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

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

1 transfer of the restricted securities or to approve the
2 proposed transferee of the restricted securities; or

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

6 (d) Subchapter S restrictions.--Any restriction on the
7 transfer of the shares of a business corporation for the purpose
8 of maintaining its status as an electing small business
9 corporation under Subchapter S of the Internal Revenue Code of
10 1986 or a comparable provision under state law shall be
11 conclusively presumed to be for a reasonable purpose.

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

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

1 § 1530. Preemptive rights of shareholders.

2 (a) General rule.--Except as otherwise provided in the
3 articles or in subsection (b), a business corporation may issue
4 shares, option rights or securities having conversion or option
5 rights, or obligations without first offering them to
6 shareholders of any class or classes.

7 (b) Preexisting preemptive rights.--Unless otherwise
8 provided in its articles, the shareholders of a corporation
9 other than a registered corporation shall have a preemptive
10 right to subscribe for shares, option rights, or securities
11 having option rights, issued for cash by the corporation, if the
12 corporation was not incorporated hereunder or under the Business
13 Corporation Law of 1933 and its shareholders were entitled to
14 preemptive rights at the date the corporation became subject to
15 this subpart, but this subsection shall apply neither to the
16 holders of shares of a class issued after the date such
17 corporation became subject to the Business Corporation Law of
18 1933 or this subpart nor to the issue of securities having
19 conversion rights.

20 (c) Release of shares subject to preemptive rights.--Except
21 as otherwise provided in the articles, shares (or any option
22 rights or securities having conversion or option rights with
23 respect to such shares) that have been offered to shareholders
24 having a preemptive right thereto, at a price and upon terms
25 duly fixed, and that have not been subscribed for by them within
26 the time duly fixed by the articles or the board of directors,
27 may be thereafter offered for subscription to any person or
28 persons at a price and upon terms not more favorable than those
29 at which they were offered to such shareholders.

30 § 1531. Voting powers and other rights of certain

1 securityholders and other entities.

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

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

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

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

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

1 SUBCHAPTER C

2 CORPORATE FINANCE

3 Sec.

4 1551. Distributions to shareholders.

5 1552. Power of corporation to acquire its own shares.

6 1553. Liability for unlawful dividends and other distributions.

7 1554. Financial reports to shareholders.

8 § 1551. Distributions to shareholders.

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

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

14 (1) the corporation would be unable to pay its debts as
15 they become due in the usual course of its business; or

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

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

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

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

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

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

20 (e) Certain subordinated debt.--Indebtedness of a
21 corporation, including indebtedness issued as a distribution,
22 shall not be considered a liability for purposes of
23 determinations under subsection (b) if its terms provide that
24 payment of principal and interest are made only if and to the
25 extent that payment of a distribution to shareholders could then
26 be made under this section. If the subordinated indebtedness is
27 issued as a distribution, each payment of principal or interest
28 shall be treated as a distribution, the effect of which shall be
29 measured on the date the payment is actually made.

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

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

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

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

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

29 (b) Contribution by shareholders.--Any director against whom
30 a claim is asserted under or pursuant to this section for the

1 making of a distribution and who is held liable thereon shall be
2 entitled to contribution from the shareholders who accepted or
3 received any such distribution, knowing the distribution to have
4 been made in violation of this subpart, in proportion to the
5 amounts received by them.

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

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

14 § 1554. Financial reports to shareholders.

15 (a) General rule.--Unless otherwise agreed between a
16 business corporation and a shareholder, every corporation shall
17 furnish to its shareholders annual financial statements,
18 including at least a balance sheet as of the end of each fiscal
19 year and a statement of income and expenses for the fiscal year.
20 The financial statements shall be prepared on the basis of
21 generally accepted accounting principles, if the corporation
22 prepares financial statements for the fiscal year on that basis
23 for any purpose, and may be consolidated statements of the
24 corporation and one or more of its subsidiaries. The financial
25 statements shall be mailed by the corporation to each of its
26 shareholders entitled thereto within 120 days after the close of
27 each fiscal year and, after the mailing and upon written
28 request, shall be mailed by the corporation to any shareholder
29 or beneficial owner entitled thereto to whom a copy of the most
30 recent annual financial statements has not previously been

1 mailed. Statements that are audited or reviewed by a public
2 accountant shall be accompanied by the report of the accountant;
3 in other cases, each copy shall be accompanied by a statement of
4 the person in charge of the financial records of the
5 corporation:

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

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

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

24 (c) Transitional provision.--A bylaw adopted on or before
25 December 31, 1989, shall be deemed a separate written agreement
26 between the corporation and each holder of shares outstanding on
27 the date of adoption of the bylaw for the purposes of subsection
28 (b).

29 (d) Cross references.--See section 4145 (relating to
30 applicability of certain safeguards to foreign domiciliary

1 corporations) and 42 Pa.C.S. § 2503(7) (relating to right of
2 participants to receive counsel fees).

3 SUBCHAPTER D

4 DISSENTERS RIGHTS

5 Sec.

6 1571. Application and effect of subchapter.

7 1572. Definitions.

8 1573. Record and beneficial holders and owners.

9 1574. Notice of intention to dissent.

10 1575. Notice to demand payment.

11 1576. Failure to comply with notice to demand payment, etc.

12 1577. Release of restrictions or payment for shares.

13 1578. Estimate by dissenter of fair value of shares.

14 1579. Valuation proceedings generally.

15 1580. Costs and expenses of valuation proceedings.

16 § 1571. Application and effect of subchapter.

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

24 Section 1906(c) (relating to dissenters rights upon
25 special treatment).

26 Section 1930 (relating to dissenters rights).

27 Section 1931(d) (relating to dissenters rights in share
28 exchanges).

29 Section 1932(c) (relating to dissenters rights in asset
30 transfers).

1 Section 1952(d) (relating to dissenters rights in
2 division).

3 Section 1962(c) (relating to dissenters rights in
4 conversion).

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

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

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

9 Section 2704 (relating to dissenters rights upon
10 election).

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

13 (b) Exceptions.--

14 (1) Except as otherwise provided in paragraph (2), the
15 holders of the shares of any class or series of shares that,
16 at the record date fixed to determine the shareholders
17 entitled to notice of and to vote at the meeting at which a
18 plan specified in any of section 1930, 1931(d), 1932(c) or
19 1952(d) is to be voted on, are either:

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

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

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

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

30 (ii) Shares of any preferred or special class unless

1 the articles, the plan or the terms of the transaction
2 entitle all shareholders of the class to vote thereon and
3 require for the adoption of the plan or the effectuation
4 of the transaction the affirmative vote of a majority of
5 the votes cast by all shareholders of the class.

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

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

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

30 (1) a statement of the proposed action and a statement

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

4 (2) a copy of this subchapter.

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

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

12 § 1572. Definitions.

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

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

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

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

29 "Interest." Interest from the effective date of the
30 corporate action until the date of payment at such rate as is

1 fair and equitable under all the circumstances, taking into
2 account all relevant factors including the average rate
3 currently paid by the corporation on its principal bank loans.
4 § 1573. Record and beneficial holders and owners.

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

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

24 § 1574. Notice of intention to dissent.

25 If the proposed corporate action is submitted to a vote at a
26 meeting of shareholders of a business corporation, any person
27 who wishes to dissent and obtain payment of the fair value of
28 his shares must file with the corporation, prior to the vote, a
29 written notice of intention to demand that he be paid the fair
30 value for his shares if the proposed action is effectuated, must

1 effect no change in the beneficial ownership of his shares from
2 the date of such filing continuously through the effective date
3 of the proposed action and must refrain from voting his shares
4 in approval of such action. A dissenter who fails in any respect
5 shall not acquire any right to payment of the fair value of his
6 shares under this subchapter. Neither a proxy nor a vote against
7 the proposed corporate action shall constitute the written
8 notice required by this section.

9 § 1575. Notice to demand payment.

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

21 (1) State where and when a demand for payment must be
22 sent and certificates for certificated shares must be
23 deposited in order to obtain payment.

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

27 (3) Supply a form for demanding payment that includes a
28 request for certification of the date on which the
29 shareholder, or the person on whose behalf the shareholder
30 dissents, acquired beneficial ownership of the shares.

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

2 (b) Time for receipt of demand for payment.--The time set
3 for receipt of the demand and deposit of certificated shares
4 shall be not less than 30 days from the mailing of the notice.
5 § 1576. Failure to comply with notice to demand payment, etc.

6 (a) Effect of failure of shareholder to act.--A shareholder
7 who fails to demand payment, or fails (in the case of
8 certificated shares) to deposit certificates, as required by a
9 notice pursuant to section 1575 (relating to notice to demand
10 payment) shall not have any right under this subchapter to
11 receive payment of the fair value of his shares.

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

18 (c) Rights retained by shareholder.--The dissenter shall
19 retain all other rights of a shareholder until those rights are
20 modified by effectuation of the proposed corporate action.
21 § 1577. Release of restrictions or payment for shares.

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

29 (b) Renewal of notice to demand payment.--When
30 uncertificated shares have been released from transfer

1 restrictions and deposited certificates have been returned, the
2 corporation may at any later time send a new notice conforming
3 to the requirements of section 1575 (relating to notice to
4 demand payment), with like effect.

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

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

19 (2) A statement of the corporation's estimate of the
20 fair value of the shares.

21 (3) A notice of the right of the dissenter to demand
22 supplemental payment accompanied by a copy of this
23 subchapter.

24 (d) Failure to make payment.--If the corporation does not
25 remit the amount of its estimate of the fair value of the shares
26 as provided by subsection (c), it shall return any certificates
27 that have been deposited and release uncertificated shares from
28 any transfer restrictions imposed by reason of the demand for
29 payment. The corporation may make a notation on any such
30 certificate or on the records of the corporation relating to any

1 uncertificated shares that such demand has been made. If shares
2 with respect to which notation has been so made shall be
3 transferred, each new certificate issued therefor or the records
4 relating to any transferred uncertificated shares shall bear a
5 similar notation, together with the name of the original
6 dissenting holder or owner of such shares. A transferee of such
7 shares shall not acquire by such transfer any rights in the
8 corporation other than those that the original dissenter had
9 after making demand for payment of their fair value.

10 (e) Cross reference.--See section 1581 (relating to rights
11 of persons not beneficial owners when corporate action first
12 announced).

13 § 1578. Estimate by dissenter of fair value of shares.

14 (a) General rule.--If the business corporation gives notice
15 of its estimate of the fair value of the shares, without
16 remitting such amount, or remits payment of its estimate of the
17 fair value of a dissenter's shares as permitted by section
18 1577(c) (relating to payment of fair value of shares) and the
19 dissenter believes that the amount stated or remitted is less
20 than the fair value of his shares, he may send to the
21 corporation his own estimate of the fair value of the shares,
22 which shall be deemed a demand for payment of the amount or the
23 deficiency.

24 (b) Effect of failure to file estimate.--Where a corporation
25 has remitted payment of its estimated value of a dissenter's
26 shares, and the dissenter does not file his own estimate within
27 30 days after the mailing by the corporation of its remittance,
28 the dissenter shall be entitled to no more than the amount
29 remitted to him by the corporation.

30 § 1579. Valuation proceedings generally.

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

2 (1) effectuation of the proposed corporate action;

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

5 (3) timely receipt of any estimates pursuant to section
6 1578 (relating to estimate by dissenter of fair value of
7 shares);

8 if any demands for payment remain unsettled, the business
9 corporation may file in court an application for relief
10 requesting that the fair value of the shares be determined by
11 the court.

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

20 (c) Jurisdiction of the court.--The jurisdiction of the
21 court shall be plenary and exclusive. The court may appoint an
22 appraiser to receive evidence and recommend a decision on the
23 issue of fair value. The appraiser shall have such power and
24 authority as may be specified in the order of appointment or in
25 any amendment thereof.

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

30 (e) Effect of corporation's failure to file application.--If

1 the corporation fails to file an application as provided in
2 subsection (a), any dissenter who made a demand and who has not
3 already settled his claim against the corporation may do so in
4 the name of the corporation at any time within 30 days after the
5 expiration of the 60-day period. If a dissenter does not file an
6 application within the 30-day period, each dissenter entitled to
7 file an application shall be paid the corporation's estimate of
8 the fair value of the shares and no more, and may bring an
9 action to recover any amount not previously remitted.

10 § 1580. Costs and expenses of valuation proceedings.

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

22 (b) Assessment of counsel fees and expert fees where lack of
23 good faith appears.--Fees and expenses of counsel and of experts
24 for the respective parties may be assessed as the court deems
25 appropriate against the corporation and in favor of any or all
26 dissenters if the corporation failed to comply substantially
27 with the requirements of this subchapter and may be assessed
28 against either the corporation or a dissenter, in favor of any
29 other party, if the court finds that the party against whom the
30 fees and expenses are assessed acted in bad faith or in a

dilatory, obdurate, arbitrary or vexatious manner in respect to the rights provided by this subchapter.

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

CHAPTER 17

OFFICERS, DIRECTORS AND SHAREHOLDERS

Subchapter

A. Notice and Meetings Generally

B. Directors and Officers

C. Indemnification

D. Shareholders

E. Derivative actions

F. Judicial Supervision of Corporate Action

SUBCHAPTER A

NOTICE AND MEETINGS GENERALLY

Sec.

1701. Applicability of subchapter.

1702. Manner of giving notice.

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

1704. Place and notice of meetings of shareholders.

1705. Waiver of notice.

1706. Modification of proposal contained in notice.

1707. Exception to requirement of notice.

1708. Use of conference telephone and similar equipment.

§ 1701. Applicability of subchapter.

The provisions of this subchapter shall apply to every

1 business corporation unless otherwise restricted:

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

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

5 § 1702. Manner of giving notice.

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

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

26 § 1703. Place and notice of meetings of board of directors.

27 (a) Place.--Meetings of the board of directors may be held
28 at such place within or without this Commonwealth as the board
29 of directors may from time to time appoint or as may be
30 designated in the notice of the meeting.

1 (b) Notice.--Meetings of the board of directors may be held
2 upon such notice, if any, as the bylaws may prescribe. Unless
3 otherwise provided in the bylaws, written notice of every
4 meeting of the board of directors shall be given to each
5 director at least five days before the day named for the
6 meeting. Neither the business to be transacted at, nor the
7 purpose of, any regular or special meeting of the board need be
8 specified in the notice of the meeting.

9 § 1704. Place and notice of meetings of shareholders.

10 (a) Place.--Meetings of shareholders may be held at such
11 place within or without this Commonwealth as may be provided in
12 or fixed pursuant to the bylaws. Unless otherwise provided in or
13 pursuant to the bylaws, all meetings of the shareholders shall
14 be held in this Commonwealth at the registered office of the
15 corporation.

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

20 (1) ten days prior to the day named for a meeting called
21 to consider a fundamental change under Chapter 19 (relating
22 to fundamental changes); or

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

25 If the secretary or other authorized person neglects or refuses
26 to give notice of a meeting, the person or persons calling the
27 meeting may do so. In the case of a special meeting of
28 shareholders, the notice shall specify the general nature of the
29 business to be transacted.

30 § 1705. Waiver of notice.

1 (a) Written waiver.--Whenever any written notice is required
2 to be given under the provisions of this subpart or the articles
3 or bylaws of any business corporation, a waiver thereof in
4 writing, signed by the person or persons entitled to the notice,
5 whether before or after the time stated therein, shall be deemed
6 equivalent to the giving of the notice. Except as otherwise
7 required by this subsection, neither the business to be
8 transacted at, nor the purpose of, a meeting need be specified
9 in the waiver of notice of the meeting. In the case of a special
10 meeting of shareholders, the waiver of notice shall specify the
11 general nature of the business to be transacted.

12 (b) Waiver by attendance.--Attendance of a person at any
13 meeting shall constitute a waiver of notice of the meeting
14 except where a person attends a meeting for the express purpose
15 of objecting, at the beginning of the meeting, to the
16 transaction of any business because the meeting was not lawfully
17 called or convened.

18 § 1706. Modification of proposal contained in notice.

19 Whenever the language of a proposed resolution is included in
20 a written notice of a meeting required to be given under the
21 provisions of this subpart or the articles or bylaws of any
22 business corporation, the meeting considering the resolution may
23 without further notice adopt it with such clarifying or other
24 amendments as do not enlarge its original purpose.

25 § 1707. Exception to requirement of notice.

26 (a) General rule.--Whenever any notice or communication is
27 required to be given to any person under the provisions of this
28 subpart or by the articles or bylaws of any business corporation
29 or by the terms of any agreement or other instrument or as a
30 condition precedent to taking any corporate action and

1 communication with that person is then unlawful, the giving of
2 the notice or communication to that person shall not be required
3 and there shall not be any duty to apply for a license or other
4 permission to do so. Any action or meeting that is taken or held
5 without notice or communication to that person shall have the
6 same validity as if the notice or communication had been duly
7 given. If the action taken is such as to require the filing of
8 any document with respect thereto under any provision of law or
9 any agreement or other instrument, it shall be sufficient, if
10 such is the fact and if notice or communication is required, to
11 state therein that notice or communication was given to all
12 persons entitled to receive notice or communication except
13 persons with whom communication was unlawful. See section 1701
14 (relating to applicability of subchapter).

15 (b) Shareholders without forwarding addresses.--Subsection
16 (a) shall also be applicable to any shareholder with whom the
17 corporation has been unable to communicate for more than 24
18 consecutive months because communications to the shareholder are
19 returned unclaimed or the shareholder has otherwise failed to
20 provide the corporation with a current address. Whenever the
21 shareholder provides the corporation with a current address,
22 subsection (a) shall cease to be applicable to the shareholder
23 under this subsection.

24 § 1708. Use of conference telephone and similar equipment.

25 One or more persons may participate in a meeting of the
26 incorporators, the board of directors or the shareholders of a
27 business corporation by means of conference telephone or similar
28 communications equipment by means of which all persons
29 participating in the meeting can hear each other. Participation
30 in a meeting pursuant to this section shall constitute presence

1 in person at the meeting.

2 SUBCHAPTER B

3 DIRECTORS AND OFFICERS

4 Sec.

5 1721. Board of directors.

6 1722. Qualifications of directors.

7 1723. Number of directors.

8 1724. Term of office of directors.

9 1725. Selection of directors.

10 1726. Removal of directors.

11 1727. Quorum of and action by directors.

12 1728. Interested directors or officers; quorum.

13 1729. Voting rights of directors.

14 1730. Compensation of directors.

15 1731. Executive and other committees of the board.

16 1732. Officers.

17 1733. Removal of officers and agents.

18 § 1721. Board of directors.

19 (a) General rule.--Unless otherwise provided by statute or
20 in a bylaw adopted by the shareholders, all powers enumerated in
21 section 1502 (relating to general powers) and elsewhere in this
22 subpart or otherwise vested by law in a business corporation
23 shall be exercised by or under the authority of, and the
24 business and affairs of every business corporation shall be
25 managed under the direction of, a board of directors. If any
26 such provision is made in the bylaws, the powers and duties
27 conferred or imposed upon the board of directors by this subpart
28 shall be exercised or performed to such extent and by such
29 person or persons as shall be provided in the bylaws.

30 (b) Standard of care; justifiable reliance.--A director

1 shall stand in a fiduciary relation to the corporation and shall
2 perform his duties as a director, including his duties as a
3 member of any committee of the board upon which he may serve, in
4 good faith, in a manner he reasonably believes to be in the best
5 interests of the corporation and with such care, including
6 reasonable inquiry, skill and diligence, as a person of ordinary
7 prudence would use under similar circumstances. In performing
8 his duties, a director shall be entitled to rely in good faith
9 on information, opinions, reports or statements, including
10 financial statements and other financial data, in each case
11 prepared or presented by any of the following:

12 (1) One or more officers or employees of the corporation
13 whom the director reasonably believes to be reliable and
14 competent in the matters presented.

15 (2) Counsel, public accountants or other persons as to
16 matters which the director reasonably believes to be within
17 the professional or expert competence of such person.

18 (3) A committee of the board upon which he does not
19 serve, duly designated in accordance with law, as to matters
20 within its designated authority, which committee the director
21 reasonably believes to merit confidence.

22 A director shall not be considered to be acting in good faith if
23 he has knowledge concerning the matter in question that would
24 cause his reliance to be unwarranted.

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

1 establishments of the corporation are located, and all other
2 pertinent factors. The consideration of those factors shall not
3 constitute a violation of subsection (b).

4 (d) Presumption.--Absent breach of fiduciary duty, lack of
5 good faith or self-dealing, actions taken as a director or any
6 failure to take any action shall be presumed to be in the best
7 interests of the corporation.

8 (e) Personal liability of directors.--

9 (1) If a bylaw adopted by the shareholders so provides,
10 a director shall not be personally liable, as such, for monetary
11 damages for any action taken, or any failure to take any action,
12 unless:

13 (i) the director has breached or failed to perform
14 the duties of his office under this section; and

15 (ii) the breach or failure to perform constitutes
16 self-dealing, willful misconduct or recklessness.

17 (2) The provisions of paragraph (1) shall not apply to:

18 (i) the responsibility or liability of a director
19 pursuant to any criminal statute; or

20 (ii) the liability of a director for the payment of
21 taxes pursuant to local, State or Federal law.

22 (f) Notation of dissent.--A director of a corporation who is
23 present at a meeting of its board of directors, or of a
24 committee of the board, at which action on any corporate matter
25 is taken shall be presumed to have assented to the action taken
26 unless his dissent is entered in the minutes of the meeting or
27 unless he files his written dissent to the action with the
28 secretary of the meeting before the adjournment thereof or
29 transmits the dissent in writing to the secretary of the
30 corporation immediately after the adjournment of the meeting.

1 The right to dissent shall not apply to a director who voted in
2 favor of the action.

3 (g) Cross reference.--See 42 Pa.C.S. Ch. 83 Subch. F
4 (relating to corporate directors' liability).

5 § 1722. Qualifications of directors.

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

12 § 1723. Number of directors.

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

18 § 1724. Term of office of directors.

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

1 decrease in the number of directors shall not have the effect of
2 shortening the term of any incumbent director.

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

6 (1) Each class shall be as nearly equal in number as
7 possible.

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

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

12 § 1725. Selection of directors.

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

17 (b) Vacancies.--

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

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

27 (ii) When one or more directors resign from the
28 board effective at a future date, the directors then in
29 office, including those who have so resigned, shall have
30 power by the applicable vote to fill the vacancies, the

1 vote thereon to take effect when the resignations become
2 effective.

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

10 (c) Alternate directors.--If the bylaws so provide, a
11 shareholder or group of shareholders entitled to elect, appoint,
12 designate or otherwise select one or more directors may select
13 an alternate for each director. In the absence of a director
14 from a meeting of the board, his alternate may, in the manner
15 and upon such notice, if any, as may be provided in the bylaws,
16 attend the meeting or execute a written consent and exercise at
17 the meeting or in such consent such of the powers of the absent
18 director as may be specified by, or in the manner provided in,
19 the bylaws. When so exercising the powers of the absent
20 director, the alternate shall be subject in all respects to the
21 provisions of this subpart relating to directors.

22 (d) Cross reference.--See the definition of "shareholder" in
23 section 1103 (relating to definitions).

24 § 1726. Removal of directors.

25 (a) Removal by the shareholders.--

26 (1) Unless otherwise provided in a bylaw adopted by the
27 shareholders, the entire board of directors, or a class of
28 the board where the board is classified with respect to the
29 power to select directors, or any individual director of a
30 business corporation may be removed from office without

1 assigning any cause by the vote of shareholders, or of the
2 holders of a class or series of shares, entitled to elect
3 directors, or the class of directors. In case the board or a
4 class of the board or any one or more directors are so
5 removed, new directors may be elected at the same meeting.
6 Notwithstanding the first sentence of this paragraph, unless
7 otherwise provided in the articles, the entire board of
8 directors, or any class of the board, or any individual
9 director of a corporation having a board classified as
10 permitted by section 1724(b) (relating to classified board of
11 directors), may be removed from office by vote of the
12 shareholders entitled to vote thereon only for cause, if such
13 classification has been effected by a bylaw adopted by the
14 shareholders.

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

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

29 (4) The board of directors may be removed at any time
30 with or without cause by the unanimous vote or consent of

1 shareholders entitled to vote thereon.

2 (b) Removal by the board.--Unless otherwise provided in a
3 bylaw adopted by the shareholders, the board of directors may
4 declare vacant the office of a director who has been judicially
5 declared of unsound mind or who has been convicted of an offense
6 punishable by imprisonment for a term of more than one year or
7 for any other proper cause which the bylaws may specify or if,
8 within 60 days or such other time as the bylaws may specify
9 after notice of his selection, he does not accept the office
10 either in writing or by attending a meeting of the board of
11 directors and fulfill such other requirements of qualification
12 as the bylaws may specify.

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

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

27 § 1727. Quorum of and action by directors.

28 (a) General rule.--Unless otherwise provided in the bylaws,
29 a majority of the directors in office of a business corporation
30 shall be necessary to constitute a quorum for the transaction of

1 business and the acts of a majority of the directors present and
2 voting at a meeting at which a quorum is present shall be the
3 acts of the board of directors.

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

10 § 1728. Interested directors or officers; quorum.

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

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

29 (2) the material facts as to his relationship or
30 interest and as to the contract or transaction are disclosed

1 or are known to the shareholders entitled to vote thereon and
2 the contract or transaction is specifically approved in good
3 faith by vote of those shareholders; or

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

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

11 (c) Applicability.--The provisions of this section shall be
12 applicable except as otherwise restricted in the bylaws.

13 § 1729. Voting rights of directors.

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

17 (b) Multiple and fractional voting.--Any requirement of this
18 subpart for the presence of or vote or other action by a
19 specified percentage of directors shall be satisfied by the
20 presence of or vote or other action by directors entitled to
21 cast the specified percentage of the votes that all voting
22 directors in office are entitled to cast.

23 § 1730. Compensation of directors.

24 Except as otherwise restricted in the bylaws, the board of
25 directors of a business corporation shall have the authority to
26 fix the compensation of directors for their services as
27 directors and a director may be a salaried officer of the
28 corporation.

29 § 1731. Executive and other committees of the board.

30 (a) Establishment and powers.--Unless otherwise restricted

1 in the bylaws:

2 (1) The board of directors of a business corporation
3 may, by resolution adopted by a majority of the directors in
4 office, establish one or more committees to consist of one or
5 more directors of the corporation. Any committee, to the
6 extent provided in the resolution of the board of directors
7 or in the bylaws, shall have and may exercise all of the
8 powers and authority of the board of directors except that a
9 committee shall not have any power or authority as to the
10 following:

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

13 (ii) The creation or filling of vacancies in the
14 board of directors.

15 (iii) The adoption, amendment or repeal of the
16 bylaws.

17 (iv) The amendment or repeal of any resolution of
18 the board that by its terms is amendable or repealable
19 only by the board.

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

23 (2) The board may designate one or more directors as
24 alternate members of any committee who may replace any absent
25 or disqualified member at any meeting of the committee or for
26 the purposes of any written action by the committee. In the
27 absence or disqualification of a member and alternate member
28 or members of a committee, the member or members thereof
29 present at any meeting and not disqualified from voting,
30 whether or not he or they constitute a quorum, may

1 unanimously appoint another director to act at the meeting in
2 the place of the absent or disqualified member.

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

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

16 § 1732. Officers.

17 (a) General rule.--Every business corporation shall have a
18 president, a secretary and a treasurer, or persons who shall act
19 as such, regardless of the name or title by which they may be
20 designated, elected or appointed and may have such other
21 officers and assistant officers as it may authorize from time to
22 time. The bylaws may prescribe special qualifications for the
23 officers. The president and secretary shall be natural persons
24 of full age. The treasurer may be a corporation, but if a
25 natural person shall be of full age. Unless otherwise restricted
26 in the bylaws, it shall not be necessary for the officers to be
27 directors. Any number of offices may be held by the same person.
28 The officers and assistant officers shall be elected or
29 appointed at such time, in such manner and for such terms as may
30 be fixed by or pursuant to the bylaws. Unless otherwise provided

1 by or pursuant to the bylaws, each officer shall hold office for
2 a term of one year and until his successor has been selected and
3 qualified or until his earlier death, resignation or removal.
4 Any officer may resign at any time upon written notice to the
5 corporation. The resignation shall be effective upon receipt
6 thereof by the corporation or at such subsequent time as may be
7 specified in the notice of resignation. The corporation may
8 secure the fidelity of any or all of the officers by bond or
9 otherwise.

10 (b) Authority.--Unless otherwise provided in the bylaws, all
11 officers of the corporation, as between themselves and the
12 corporation, shall have such authority and perform such duties
13 in the management of the corporation as may be provided by or
14 pursuant to the bylaws or, in the absence of controlling
15 provisions in the bylaws, as may be determined by or pursuant to
16 resolutions or orders of the board of directors.

17 (c) Standard of care.--Except as otherwise provided in the
18 articles, an officer shall perform his duties as an officer in
19 good faith, in a manner he reasonably believes to be in the best
20 interests of the corporation and with such care, including
21 reasonable inquiry, skill and diligence, as a person of ordinary
22 prudence would use under similar circumstances. A person who so
23 performs his duties shall not be liable by reason of having been
24 an officer of the corporation.

25 § 1733. Removal of officers and agents.

26 Any officer or agent of a business corporation may be removed
27 by the board of directors with or without cause. The removal
28 shall be without prejudice to the contract rights, if any, of
29 any person so removed. Election or appointment of an officer or
30 agent shall not of itself create contract rights.

1 SUBCHAPTER C

2 INDEMNIFICATION

3 Sec.

4 1741. Third party actions.

5 1742. Derivative actions.

6 1743. Mandatory indemnification.

7 1744. Procedure for effecting indemnification.

8 1745. Advancing expenses.

9 1746. Supplementary coverage.

10 1747. Power to purchase insurance.

11 1748. Application to surviving or new corporations.

12 1749. Application to employee benefit plans.

13 1750. Duration and extent of coverage.

14 § 1741. Third party actions.

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

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

10 § 1742. Derivative actions.

11 Unless otherwise restricted in its bylaws, a business
12 corporation shall have power to indemnify any person who was or
13 is a party, or is threatened to be made a party, to any
14 threatened, pending or completed action by or in the right of
15 the corporation to procure a judgment in its favor by reason of
16 the fact that he is or was a representative of the corporation
17 or is or was serving at the request of the corporation as a
18 representative of another domestic or foreign corporation for
19 profit or not-for-profit, partnership, joint venture, trust or
20 other enterprise, against expenses (including attorneys' fees)
21 actually and reasonably incurred by him in connection with the
22 defense or settlement of the action if he acted in good faith
23 and in a manner he reasonably believed to be in, or not opposed
24 to, the best interests of the corporation. Indemnification shall
25 not be made in respect of any claim, issue or matter as to which
26 the person has been adjudged to be liable to the corporation
27 unless and only to the extent that the court of common pleas of
28 the judicial district embracing the county in which the
29 registered office of the corporation is located or the court in
30 which the action was brought determines upon application that,

1 despite the adjudication of liability but in view of all the
2 circumstances of the case, the person is fairly and reasonably
3 entitled to indemnity for the expenses that the court of common
4 pleas or other court deems proper.

5 § 1743. Mandatory indemnification.

6 To the extent that a representative of a business corporation
7 has been successful on the merits or otherwise in defense of any
8 action or proceeding referred to in section 1741 (relating to
9 third party actions) or 1742 (relating to derivative actions) or
10 in defense of any claim, issue or matter therein, he shall be
11 indemnified against expenses (including attorneys' fees)
12 actually and reasonably incurred by him in connection therewith.

13 § 1744. Procedure for effecting indemnification.

14 Unless ordered by a court, any indemnification under section
15 1741 (relating to third party actions) or 1742 (relating to
16 derivative actions) shall be made by the business corporation
17 only as authorized in the specific case upon a determination
18 that indemnification of the representative is proper in the
19 circumstances because he has met the applicable standard of
20 conduct set forth in those sections. The determination shall be
21 made:

22 (1) by the board of directors by a majority vote of a
23 quorum consisting of directors who were not parties to the
24 action or proceeding;

25 (2) if such a quorum is not obtainable or if obtainable
26 and a majority vote of a quorum of disinterested directors so
27 directs, by independent legal counsel in a written opinion;
28 or

29 (3) by the shareholders.

30 § 1745. Advancing expenses.

1 Expenses (including attorneys' fees) incurred in defending a
2 civil action or criminal proceeding may be paid by a business
3 corporation in advance of the final disposition of the action or
4 proceeding upon receipt of an undertaking by or on behalf of the
5 representative to repay the amount if it is ultimately
6 determined that he is not entitled to be indemnified by the
7 corporation as authorized in this subchapter or otherwise.
8 § 1746. Supplementary coverage.

9 (a) General rule.--The indemnification and advancement of
10 expenses provided by, or granted pursuant to, the other sections
11 of this subchapter shall not be deemed exclusive of any other
12 rights to which a person seeking indemnification or advancement
13 of expenses may be entitled under any bylaw, agreement, vote of
14 shareholders or disinterested directors or otherwise, both as to
15 action in his official capacity and as to action in another
16 capacity while holding that office. Sections 1728 (relating to
17 interested directors or officers; quorum) and 1770 (relating to
18 interested shareholders) shall be applicable to any bylaw,
19 contract or transaction authorized by the directors under this
20 section. A corporation may create a fund of any nature, which
21 may, but need not be, under the control of a trustee, or
22 otherwise secure or insure in any manner its indemnification
23 obligations, whether arising under or pursuant to this section
24 or otherwise.

25 (b) When indemnification is not to be made.--Indemnification
26 pursuant to subsection (a) shall not be made in any case where
27 the act or failure to act giving rise to the claim for
28 indemnification is determined by a court to have constituted
29 willful misconduct or recklessness.

30 (c) Grounds.--Indemnification pursuant to subsection (a)

1 under any bylaw, agreement, vote of shareholders or directors or
2 otherwise, may be granted for any action taken or any failure to
3 take any action and may be made whether or not the corporation
4 would have the power to indemnify the person under any other
5 provision of law except as provided in this section and whether
6 or not the indemnified liability arises or arose from any
7 threatened, pending or completed action by or in the right of
8 the corporation. Such indemnification is declared to be
9 consistent with the public policy of this Commonwealth.

10 (d) Cross reference.--See 42 Pa.C.S. § 8365 (relating to
11 nonexclusivity and supplementary coverage).

12 § 1747. Power to purchase insurance.

13 (a) General rule.--Unless otherwise restricted in its
14 bylaws, a business corporation shall have power to purchase and
15 maintain insurance on behalf of any person who is or was a
16 representative of the corporation or is or was serving at the
17 request of the corporation as a representative of another
18 domestic or foreign corporation for profit or not-for-profit,
19 partnership, joint venture, trust or other enterprise against
20 any liability asserted against him and incurred by him in any
21 such capacity, or arising out of his status as such, whether or
22 not the corporation would have the power to indemnify him
23 against that liability under the provisions of this subchapter.
24 Such insurance is declared to be consistent with the public
25 policy of this Commonwealth.

26 (b) Cross reference.--See 42 Pa.C.S. § 8365 (relating to
27 nonexclusivity and supplementary coverage).

28 § 1748. Application to surviving or new corporations.

29 For the purposes of this subchapter, references to "the
30 corporation" include all constituent corporations absorbed in a

1 consolidation, merger or division, as well as the surviving or
2 new corporations surviving or resulting therefrom, so that any
3 person who is or was a representative of the constituent,
4 surviving or new corporation, or is or was serving at the
5 request of the constituent, surviving or new corporation as a
6 representative of another domestic or foreign corporation for
7 profit or not-for-profit, partnership, joint venture, trust or
8 other enterprise, shall stand in the same position under the
9 provisions of this subchapter with respect to the surviving or
10 new corporation as he would if he had served the surviving or
11 new corporation in the same capacity.

12 § 1749. Application to employee benefit plans.

13 For purposes of this subchapter:

14 (1) References to "other enterprises" shall include
15 employee benefit plans and references to "serving at the
16 request of the corporation" shall include any service as a
17 representative of the business corporation that imposes
18 duties on, or involves services by, the representative with
19 respect to an employee benefit plan, its participants or
20 beneficiaries.

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

24 (3) Action with respect to an employee benefit plan
25 taken or omitted in good faith by a representative of the
26 corporation in a manner he reasonably believed to be in the
27 interest of the participants and beneficiaries of the plan
28 shall be deemed to be action in a manner that is not opposed
29 to the best interests of the corporation.

30 § 1750. Duration and extent of coverage.

1 The indemnification and advancement of expenses provided by,
2 or granted pursuant to, this subchapter shall, unless otherwise
3 provided when authorized or ratified, continue as to a person
4 who has ceased to be a representative of the corporation and
5 shall inure to the benefit of the heirs and personal
6 representative of that person.

7 SUBCHAPTER D

8 SHAREHOLDERS

9 Sec.

10 1755. Time of holding meetings of shareholders.

11 1756. Quorum.

12 1757. Action by shareholders.

13 1758. Voting rights of shareholders.

14 1759. Voting and other action by proxy.

15 1760. Voting by fiduciaries and pledgees.

16 1761. Voting by joint holders of shares.

17 1762. Voting by corporations.

18 1763. Determination of shareholders of record.

19 1764. Voting lists.

20 1765. Judges of election.

21 1766. Consent of shareholders in lieu of meeting.

22 1767. Appointment of custodian of corporation on deadlock or
23 other cause.

24 1768. Voting trusts and other agreements among shareholders.

25 1769. Minors as securityholders.

26 1770. Interested shareholders.

27 § 1755. Time of holding meetings of shareholders.

28 (a) Regular meetings.--The bylaws of a business corporation
29 may provide for the number and the time of meetings of
30 shareholders, but at least one meeting of the shareholders shall

1 be held in each calendar year for the election of directors at
2 such time as shall be provided in or fixed pursuant to authority
3 granted by the bylaws. Failure to hold the annual or other
4 regular meeting at the designated time shall not work a
5 dissolution of the corporation or affect otherwise valid
6 corporate acts. If the annual or other regular meeting is not
7 called and held within six months after the designated time, any
8 shareholder may call the meeting at any time thereafter.

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

11 (1) by the board of directors;

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

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

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

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

1 § 1756. Quorum.

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

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

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

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

19 (b) Exceptions.--

20 (1) Those shareholders entitled to vote who attend a
21 meeting called for the election of directors that has been
22 previously adjourned for lack of a quorum, although less than
23 a quorum as fixed in this section or in the bylaws, shall
24 nevertheless constitute a quorum for the purpose of electing
25 directors.

26 (2) If specifically authorized by a bylaw adopted by the
27 shareholders, those shareholders entitled to vote who attend
28 a meeting of shareholders that has been previously adjourned
29 for one or more periods aggregating at least 15 days because
30 of an absence of a quorum, although less than a quorum as

1 fixed in this section or in the bylaws, shall nevertheless
2 constitute a quorum for the purpose of acting upon any matter
3 set forth in the notice of the meeting if the notice states
4 that those shareholders who attend the adjourned meeting
5 shall nevertheless constitute a quorum for the purpose of
6 acting upon the matter.

7 § 1757. Action by shareholders.

8 (a) General rule.--Except as otherwise provided in this
9 subpart or in a bylaw adopted by the shareholders, whenever any
10 corporate action is to be taken by vote of the shareholders of a
11 business corporation, it shall be authorized by a majority of
12 the votes cast at a duly organized meeting of shareholders by
13 the holders of shares entitled to vote thereon.

14 (b) Changes in required vote.--Whenever a provision of this
15 subpart requires a specified number or percentage of votes of
16 shareholders or of a class of shareholders for the taking of any
17 action, a business corporation may prescribe in a bylaw adopted
18 by the shareholders that a higher number or percentage of votes
19 shall be required for the action. See sections 1504(d) (relating
20 to amendment of voting provisions) and 1914(e) (relating to
21 amendment of voting provisions).

22 (c) Expenses.--Unless otherwise restricted in the articles,
23 the corporation shall pay the reasonable expenses of
24 solicitation of votes, proxies or consents of shareholders by or
25 on behalf of the board of directors or its nominees for election
26 to the board, including solicitation by professional proxy
27 solicitors and otherwise, and may pay the reasonable expenses of
28 a solicitation by or on behalf of other persons.

29 § 1758. Voting rights of shareholders.

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

1 articles, every shareholder of a business corporation shall be
2 entitled to one vote for every share standing in his name on the
3 books of the corporation. The articles may restrict the number
4 of votes that a single holder or beneficial owner, or such a
5 group of holders or owners as the bylaws may define, of shares
6 of any class or series may directly or indirectly cast in the
7 aggregate for the election of directors or on any other matter
8 coming before the shareholders.

9 (b) Procedures.--If the bylaws provide a fair and reasonable
10 procedure for the nomination of candidates for any office, only
11 candidates who have been duly nominated in accordance therewith
12 shall be eligible for election. Unless otherwise restricted in
13 the bylaws, in elections for directors, voting need not be by
14 ballot, except upon demand made by a shareholder entitled to
15 vote at the election and before the voting begins. The
16 candidates receiving the highest number of votes from each class
17 or group of classes, if any, entitled to elect directors
18 separately up to the number of directors to be elected by the
19 class or group of classes shall be elected. If at any meeting of
20 shareholders, directors of more than one class are to be
21 elected, each class of directors shall be elected in a separate
22 election.

23 (c) Cumulative voting.--

24 (1) Except as otherwise provided in paragraph (2) or in
25 the articles, in each election of directors every shareholder
26 entitled to vote shall have the right to multiply the number
27 of votes to which he may be entitled by the total number of
28 directors to be elected in the same election by the holders
29 of the class or classes of shares of which his shares are a
30 part and he may cast the whole number of his votes for one

1 candidate or he may distribute them among any two or more
2 candidates.

3 (2) The shareholders of a corporation not incorporated
4 under the Business Corporation Law of 1933 or this subpart,
5 the shareholders of which were not entitled to cumulate their
6 votes for the election of directors at the date the
7 corporation became subject to the provisions of the Business
8 Corporation Law of 1933 or became or becomes subject to the
9 provisions of this subpart, shall be entitled so to cumulate
10 their votes only if and to the extent its articles so
11 provide.

12 (d) Redeemable shares.--Unless otherwise provided in the
13 articles, redeemable shares that have been called for redemption
14 shall not be entitled to vote on any matter and shall not be
15 deemed outstanding shares after written notice has been mailed
16 to holders thereof that the shares have been called for
17 redemption and that a sum sufficient to redeem the shares has
18 been deposited with a specified financial institution with
19 irrevocable instruction and authority to pay the redemption
20 price to the holders of the shares on the redemption date, in
21 the case of uncertificated shares, or upon surrender of
22 certificates therefor in the case of certificated shares, and
23 the sum has been so deposited.

24 § 1759. Voting and other action by proxy.

25 (a) General rule.--

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

30 (2) The presence of, or vote or other action at a

1 meeting of shareholders, or the expression of consent or
2 dissent to corporate action in writing, by a proxy of a
3 shareholder shall constitute the presence of, or vote or
4 action by, or written consent or dissent of the shareholder
5 for the purposes of this subpart.

6 (3) Where two or more proxies of a shareholder are
7 present, the corporation shall, unless otherwise expressly
8 provided in the proxy, accept as the vote of all shares
9 represented thereby the vote cast by a majority of them and,
10 if a majority of the proxies cannot agree whether the shares
11 represented shall be voted or upon the manner of voting the
12 shares, the voting of the shares shall be divided equally
13 among those persons.

14 (b) Minimum requirements.--Every proxy shall be executed in
15 writing by the shareholder or by his duly authorized attorney-
16 in-fact and filed with the secretary of the corporation. A
17 proxy, unless coupled with an interest, shall be revocable at
18 will, notwithstanding any other agreement or any provision in
19 the proxy to the contrary, but the revocation of a proxy shall
20 not be effective until written notice thereof has been given to
21 the secretary of the corporation. An unrevoked proxy shall not
22 be valid after three years from the date of its execution unless
23 a longer time is expressly provided therein. A proxy shall not
24 be revoked by the death or incapacity of the maker unless,
25 before the vote is counted or the authority is exercised,
26 written notice of the death or incapacity is given to the
27 secretary of the corporation.

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

30 (1) a vote pooling or similar arrangement among

1 shareholders;

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

4 (3) an unrevoked proxy in favor of an existing or
5 potential creditor of a shareholder.

6 A proxy may be made irrevocable regardless of whether the
7 interest with which it is coupled is an interest in the share
8 itself or an interest in the corporation generally.

9 § 1760. Voting by fiduciaries and pledgees.

10 Shares of a business corporation standing in the name of a
11 trustee or other fiduciary and shares held by an assignee for
12 the benefit of creditors or by a receiver may be voted by the
13 trustee, fiduciary, assignee or receiver. A shareholder whose
14 shares are pledged shall be entitled to vote the shares until
15 the shares have been transferred into the name of the pledgee,
16 or a nominee of the pledgee, but nothing in this section shall
17 affect the validity of a proxy given to a pledgee or nominee.

18 § 1761. Voting by joint holders of shares.

19 (a) General rule.--Where shares of a business corporation
20 are held jointly or as tenants in common by two or more persons,
21 as fiduciaries or otherwise:

22 (1) if only one or more of such persons is present in
23 person or by proxy, all of the shares standing in the names
24 of such persons shall be deemed to be represented for the
25 purpose of determining a quorum and the corporation shall
26 accept as the vote of all the shares the vote cast by him or
27 a majority of them; and

28 (2) if, in any case the persons are equally divided upon
29 whether the shares held by them shall be voted or upon the
30 manner of voting the shares, the voting of the shares shall

1 be divided equally among the persons without prejudice to the
2 rights of the joint owners or the beneficial owners thereof
3 among themselves.

4 (b) Exception.--If there has been filed with the secretary
5 of the corporation a copy, certified by an attorney at law to be
6 correct, of the relevant portions of the agreement under which
7 the shares are held or the instrument by which the trust or
8 estate was created or the order of court appointing them or of
9 an order of court directing the voting of the shares, the
10 persons specified as having such voting power in the latest
11 document so filed, and only those persons, shall be entitled to
12 vote the shares but only in accordance therewith.

13 § 1762. Voting by corporations.

14 (a) Voting in business corporation matters.--Any other
15 domestic or foreign corporation for profit or not-for-profit
16 that is a shareholder of a business corporation may vote by any
17 of its officers or agents, or by proxy appointed by any officer
18 or agent, unless some other person, by resolution of the board
19 of directors of the other corporation or a provision of its
20 articles or bylaws, a copy of which resolution or provision
21 certified to be correct by one of its officers has been filed
22 with the secretary of the business corporation, is appointed its
23 general or special proxy in which case that person shall be
24 entitled to vote the shares.

25 (b) Voting by business corporations.--Shares of or
26 memberships in a domestic or foreign corporation for profit or
27 not-for-profit other than a business corporation, standing in
28 the name of a shareholder or member that is a business
29 corporation, may be voted by the persons and in the manner
30 provided for in the case of business corporations by subsection

1 (a) unless the laws of the jurisdiction in which the issuer of
2 the shares or memberships is incorporated require the shares or
3 memberships to be voted by some other person or persons or in
4 some other manner in which case, to the extent that those laws
5 are inconsistent herewith, this subsection shall not apply.

6 (c) Controlled shares.--Shares of a business corporation
7 owned, directly or indirectly, by it and controlled, directly or
8 indirectly, by the board of directors of the corporation, as
9 such, shall not be voted at any meeting and shall not be counted
10 in determining the total number of outstanding shares for voting
11 purposes at any given time.

12 § 1763. Determination of shareholders of record.

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

(b) Determination when a record date is not fixed.--Unless otherwise restricted in the bylaws, if a record date is not fixed:

(1) The record date for determining shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given or, if notice is waived, at the close of business on the day immediately preceding the day on which the meeting is held.

(2) The record date for determining shareholders entitled to express consent or dissent to corporate action in writing without a meeting, when prior action by the board of directors is not necessary, shall be the day on which the first written consent or dissent is filed with the secretary of the corporation.

(3) The record date for determining shareholders for any other purpose shall be at the close of business on the day on which the board of directors adopts the resolution relating thereto.

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

(1) The classification of shareholder who may certify.

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

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

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

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

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

§ 1764. Voting lists.

(a) General rule.--The officer or agent having charge of the transfer books for shares of a business corporation shall make a complete list of the shareholders entitled to vote at any meeting of shareholders, arranged in alphabetical order, with the address of and the number of shares held by each. The list shall be produced and kept open at the time and place of the meeting and shall be subject to the inspection of any shareholder during the whole time of the meeting for the purposes thereof except that, if a business corporation has 5,000 or more shareholders, in lieu of the making of the list the corporation may make the information therein available at the meeting by any other means.

(b) Effect of list.--Failure to comply with the requirements of this section shall not affect the validity of any action taken at a meeting prior to a demand at the meeting by any shareholder entitled to vote thereat to examine the list. The original share register or transfer book, or a duplicate thereof kept in this Commonwealth, shall be prima facie evidence as to

1 who are the shareholders entitled to examine the list or share
2 register or transfer book or to vote at any meeting of
3 shareholders.

4 § 1765. Judges of election.

5 Unless otherwise provided in a bylaw adopted by the
6 shareholders:

7 (1) Appointment.--In advance of any meeting of
8 shareholders of a business corporation, the board of
9 directors may appoint judges of election, who need not be
10 shareholders, to act at the meeting or any adjournment
11 thereof. If judges of election are not so appointed, the
12 presiding officer of the meeting may, and on the request of
13 any shareholder shall, appoint judges of election at the
14 meeting. The number of judges shall be one or three. A person
15 who is a candidate for office to be filled at the meeting
16 shall not act as a judge.

17 (2) Vacancies.--In case any person appointed as a judge
18 fails to appear or fails or refuses to act, the vacancy may
19 be filled by appointment made by the board of directors in
20 advance of the convening of the meeting or at the meeting by
21 the presiding officer thereof.

22 (3) Duties.--The judges of election shall determine the
23 number of shares outstanding and the voting power of each,
24 the shares represented at the meeting, the existence of a
25 quorum, the authenticity, validity and effect of proxies,
26 receive votes or ballots, hear and determine all challenges
27 and questions in any way arising in connection with the right
28 to vote, count and tabulate all votes, determine the result
29 and do such acts as may be proper to conduct the election or
30 vote with fairness to all shareholders. The judges of

1 election shall perform their duties impartially, in good
2 faith, to the best of their ability and as expeditiously as
3 is practical. If there are three judges of election, the
4 decision, act or certificate of a majority shall be effective
5 in all respects as the decision, act or certificate of all.

6 (4) Report.--On request of the presiding officer of the
7 meeting, or of any shareholder, the judges shall make a
8 report in writing of any challenge or question or matter
9 determined by them, and execute a certificate of any fact
10 found by them. Any report or certificate made by them shall
11 be prima facie evidence of the facts stated therein.

12 § 1766. Consent of shareholders in lieu of meeting.

13 (a) Unanimous consent.--Unless otherwise restricted in the
14 bylaws, any action required or permitted to be taken at a
15 meeting of the shareholders or of a class of shareholders of a
16 business corporation may be taken without a meeting if, prior or
17 subsequent to the action, a consent or consents thereto by all
18 of the shareholders who would be entitled to vote at a meeting
19 for such purpose shall be filed with the secretary of the
20 corporation.

21 (b) Partial written consent.--If the bylaws so provide, any
22 action required or permitted to be taken at a meeting of the
23 shareholders or of a class of shareholders may be taken without
24 a meeting upon the written consent of shareholders who would
25 have been entitled to cast the minimum number of votes that
26 would be necessary to authorize the action at a meeting at which
27 all shareholders entitled to vote thereon were present and
28 voting. The consents shall be filed with the secretary of the
29 corporation. The action shall not become effective until after
30 at least ten days' written notice of the action has been given

1 to each shareholder entitled to vote thereon who has not
2 consented thereto.

3 § 1767. Appointment of custodian of corporation on deadlock or
4 other cause.

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

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

12 (2) in the case of a closely-held corporation, the
13 directors or those in control of the corporation have acted
14 illegally, oppressively or fraudulently toward one or more
15 holders or owners of 5% or more of the outstanding shares of
16 any class of the corporation in their capacities as
17 shareholders, directors, officers or employees; or

18 (3) the conditions specified in section 1981(1), (2) or
19 (3) (relating to proceedings upon application of shareholder
20 or director), other than that is beneficial to the interests
21 of the shareholders that the corporation be wound up and
22 dissolved, exist with respect to the corporation.

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

28 (c) 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 19 (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.

5 § 1768. Voting trusts and other agreements among shareholders.

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

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

16 § 1769. Minors as securityholders.

17 (a) General rule.--A business corporation may treat a minor
18 who holds shares or obligations of the corporation as having
19 capacity to receive and to empower others to receive dividends,
20 interest, principal and other payments or distributions, to vote
21 or express consent or dissent and to make elections and exercise
22 rights relating to such shares or obligations unless, in the
23 case of payments or distributions on shares, the corporate
24 officer responsible for maintaining the list of shareholders or
25 the transfer agent of the corporation or, in the case of
26 payments or distributions on obligations, the treasurer or
27 paying officer or agent has received written notice that the
28 holder is a minor.

29 (b) Disaffirmance limited.--A minor who holds shares or
30 obligations of a corporation and who has received or who has

1 empowered others to receive dividends, interest, principal and
2 other payments or distributions, voted or expressed consent or
3 dissent or made an election or exercised a right relating to the
4 shares or obligations shall have no right thereafter to
5 disaffirm or avoid, as against the corporation, any such act on
6 his part.

7 (c) Other statutes unaffected.--This section does not limit
8 any other statute that authorizes any corporation to deal with a
9 minor or limits the right of a minor to disaffirm his acts.

10 § 1770. Interested shareholders.

11 (a) General rule.--Any transaction authorized under
12 Subchapter C of Chapter 19 (relating to merger, consolidation,
13 share exchanges and sale of assets) between a business
14 corporation or subsidiary thereof and a shareholder of the
15 business corporation, or any transaction authorized under
16 Subchapter F of Chapter 19 (relating to voluntary dissolution
17 and winding up) in which a shareholder is treated differently
18 from other shareholders of the same class (other than any
19 dissenting shareholders under Subchapter D of Chapter 15
20 (relating to dissenters rights)), shall require the affirmative
21 vote of the shareholders entitled to cast at least a majority of
22 the votes that all shareholders other than the interested
23 shareholder are entitled to cast with respect to the
24 transaction, without counting the vote of the interested
25 shareholder. For the purposes of the preceding sentence,
26 interested shareholder shall include the shareholder who is a
27 party to the transaction or who is treated differently from
28 other shareholders and any person, or group of persons, that is
29 acting jointly or in concert with the interested shareholder and
30 any person who, directly or indirectly, controls, is controlled

1 by, or is under common control with, the interested shareholder.
2 An interested shareholder shall not include any person who, in
3 good faith and not for the purpose of circumventing this
4 section, is an agent, bank, broker, nominee or trustee for one
5 or more other persons, to the extent that the other person or
6 persons are not interested shareholders.

7 (b) Exceptions.--Subsection (a) shall not apply to a
8 transaction:

9 (1) that has been approved by a majority vote of the
10 board of directors without counting the vote of directors
11 who:

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

14 (ii) were nominated for election as a director by
15 the interested shareholder, and first elected as a
16 director, within 24 months of the date of the vote on the
17 proposed transaction; or

18 (2) in which the consideration to be received by the
19 shareholders for shares of any class of which shares are
20 owned by the interested shareholder is not less than the
21 highest amount paid by the interested shareholder in
22 acquiring shares of the same class.

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

27 SUBCHAPTER E

28 DERIVATIVE ACTIONS

29 Sec.

30 1781. Institution and control of derivative actions.

1 1782. Actions against directors and officers.

2 § 1781. Institution and control of derivative actions.

3 (a) General rule.--One or more shareholders of a business
4 corporation may institute an action in the right of a
5 corporation.

6 (b) Control of derivative actions by corporation.--Any
7 action or proceeding instituted by any shareholder in the right
8 of the corporation may be dismissed on motion by the corporation
9 on the ground that the board of directors, or a committee of
10 disinterested directors or other disinterested individuals
11 designated by the board of directors, has determined that the
12 action or proceeding is not in the best interests of the
13 corporation. The court may grant the motion if:

14 (1) the moving party has established that the board or
15 committee acted in good faith and with due diligence, and
16 that the decision to seek termination was based on the best
17 interests of the corporation; and

18 (2) the court in its discretion has determined, in the
19 court's independent business judgment, that the motion should
20 be granted. In any such action or proceeding, the court may
21 grant discovery on the issues pertinent to the motion and may
22 impose any equitable terms or conditions the court finds
23 necessary or desirable.

24 (c) Disinterested persons.--For purposes of this section, a
25 disinterested director or other individual shall be a person
26 who:

27 (1) is able under the circumstances to exercise
28 impartial, independent and critical judgment with respect to
29 the plaintiffs;

30 (2) if the action is against any present or former

1 executive or other person possessing control over the
2 corporation, has no significant relationship with that
3 person;

4 (3) if a director:

5 (i) was elected to the board subsequent to the
6 commencement of the action or the making of demand by the
7 plaintiff, such election was made by a vote of the
8 shareholders; and

9 (ii) is not a defendant in the action, but the
10 naming of a director as a defendant in the action shall
11 not alone disqualify the director from serving as a
12 member of the committee, or otherwise participating in
13 the appointment or election of a new director to serve on
14 such a committee, if the court finds that the inclusion
15 of the director as a defendant was without merit.

16 § 1782. Actions against directors and officers.

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

30 (b) Exception.--Any shareholder or person beneficially

1 interested in shares of the corporation who, except for the
2 provisions of subsection (a), would be entitled to maintain the
3 action or proceeding and who does not meet such requirements
4 may, nevertheless in the discretion of the court, be allowed to
5 maintain the action or proceeding on preliminary showing to the
6 court, by application and upon such verified statements and
7 depositions as may be required by the court, that there is a
8 strong prima facie case in favor of the claim asserted on behalf
9 of the corporation and that without the action serious injustice
10 will result.

11 (c) Security for costs.--In any action or proceeding
12 instituted or maintained by holders or owners of less than 5% of
13 the outstanding shares of any class of the corporation, unless
14 the shares held or owned by the holders or owners have an
15 aggregate fair market value in excess of \$200,000, the
16 corporation in whose right the action or proceeding is brought
17 shall be entitled at any stage of the proceedings to require the
18 plaintiffs to give security for the reasonable expenses,
19 including attorneys' fees, that may be incurred by it in
20 connection therewith or for which it may become liable pursuant
21 to section 1743 (relating to mandatory indemnification) (but
22 only insofar as relates to actions by or in the right of the
23 corporation) to which security the corporation shall have
24 recourse in such amount as the court determines upon the
25 termination of the action or proceeding. The amount of security
26 may, from time to time, be increased or decreased in the
27 discretion of the court upon showing that the security provided
28 has or may become inadequate or excessive. The security may be
29 denied or limited in the discretion of the court upon
30 preliminary showing to the court, by application and upon such

1 verified statements and depositions as may be required by the
2 court, establishing prima facie that the requirement of full or
3 partial security would impose undue hardship on plaintiffs and
4 serious injustice would result.

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

7 SUBCHAPTER F

8 JUDICIAL SUPERVISION OF CORPORATE ACTION

9 Sec.

10 1791. Corporate action subject to subchapter.

11 1792. Proceedings prior to corporate action.

12 1793. Review of contested corporate action.

13 § 1791. Corporate action subject to subchapter.

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

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

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

25 § 1792. Proceedings prior to corporate action.

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

1 application of any person entitled, either alone or in
2 conjunction with other persons similarly seeking relief under
3 this section, to call a meeting to consider the corporate action
4 in issue.

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

11 § 1793. Review of contested corporate action.

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

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

25 CHAPTER 19

26 FUNDAMENTAL CHANGES

27 Subchapter

28 A. Preliminary Provisions

29 B. Amendment of Articles

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

- 1 Assets
- 2 D. Division
- 3 E. Conversion
- 4 F. Voluntary Dissolution and Winding Up
- 5 G. Involuntary Liquidation and Dissolution
- 6 H. Postdissolution Claims

7 SUBCHAPTER A

8 PRELIMINARY PROVISIONS

9 Sec.

- 10 1901. Omission of certain provisions from filed plans.
- 11 1902. Statement of termination.
- 12 1903. Bankruptcy or insolvency proceedings.
- 13 1904. De facto transaction doctrine abolished.
- 14 1905. Proposal of fundamental transactions.
- 15 1906. Special treatment of holders of shares of same class or
- 16 series.

17 § 1901. Omission of certain provisions from filed plans.

18 A plan as filed in the Department of State under any

19 provision of this chapter may omit all provisions of the plan

20 except provisions, if any, that are intended to amend or

21 constitute the operative provisions of the articles of a

22 corporation as in effect subsequent to the effective date of the

23 plan, if the articles of amendment, merger, consolidation,

24 exchange, division or conversion state that the full text of the

25 plan is on file at the principal place of business of the

26 reclassifying, surviving or new or a resulting corporation and

27 state the address thereof. A corporation that takes advantage of

28 this section shall furnish a copy of the full text of the plan,

29 on request and without cost, to any shareholder of any

30 corporation that was a party to the plan and, unless all parties

1 to the plan were closely-held corporations, on request and at
2 cost to any other person.

3 § 1902. Statement of termination.

4 (a) General rule--If a statement with respect to shares,
5 articles of amendment or articles of merger, consolidation,
6 exchange, division or conversion of a business corporation or to
7 which it is a party have been filed in the Department of State
8 prior to the termination of the amendment or plan pursuant to
9 provisions therefor set forth in the resolution or petition
10 relating to the amendment or in the plan, the termination shall
11 not be effective unless the corporation shall, prior to the time
12 the amendment or plan is to become effective, file in the
13 department a statement of termination. The statement of
14 termination shall be executed by the corporation that filed the
15 amendment or by each corporation that is a party to the plan,
16 unless the plan permits termination by less than all of the
17 corporations, in which case the statement shall be executed on
18 behalf of the corporation or corporations exercising the right
19 to terminate, and shall set forth:

20 (1) A copy of the statement with respect to shares,
21 articles of amendment or articles of merger, consolidation,
22 exchange, division or conversion relating to the amendment or
23 plan that is terminated.

24 (2) A statement that the amendment or plan has been
25 terminated in accordance with the provisions therefor set
26 forth therein.

27 (b) Cross references.--See sections 134 (relating to
28 docketing statement) and 138 (relating to statement of
29 correction).

30 § 1903. Bankruptcy or insolvency proceedings.

1 (a) General rule.--Whenever a business corporation is
2 insolvent or in financial difficulty, the board of directors
3 may, by resolution and without the consent of the shareholders,
4 authorize and designate the officers of the corporation to
5 execute a deed of assignment for the benefit of creditors, or
6 file a voluntary petition in bankruptcy, or file an answer
7 consenting to the appointment of a receiver upon a complaint in
8 the nature of an equity action filed by creditors or
9 shareholders, or, if insolvent, file an answer to an involuntary
10 petition in bankruptcy admitting the insolvency of the
11 corporation and its willingness to be adjudged a bankrupt on
12 that ground.

13 (b) Bankruptcy proceedings.--A business corporation may
14 participate in proceedings under and in the manner provided by
15 the Bankruptcy Code (11 U.S.C. § 101 et seq.) notwithstanding
16 any contrary provision of this subpart or of its articles or
17 bylaws.

18 § 1904. De facto transaction doctrine abolished.

19 The doctrine of de facto mergers, consolidations and other
20 fundamental transactions is abolished and the rules laid down by
21 Bloch v. Baldwin Locomotive Works, 75 Pa. D. & C. 24 (C.P. Del.
22 Cty. 1950), and Marks v. The Autocar Co., 153 F.Supp. 768 (E.D.
23 Pa. 1954), and similar cases are overruled. A transaction that
24 in form satisfies the requirements of this subpart may be
25 challenged by reason of its substance only to the extent
26 permitted by section 1105 (relating to restriction on equitable
27 relief).

28 § 1905. Proposal of fundamental transactions.

29 Where any provision of this chapter requires that an
30 amendment of the articles or a plan be proposed by action of the

board of directors, that requirement shall be construed to authorize and be satisfied by the written agreement of all of the shareholders of a business corporation.

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

(a) General rule.--An amendment or plan may contain a provision classifying the holders of shares of a class or series into one or more separate groups by reference to any facts or circumstances that are not manifestly unreasonable and providing mandatory treatment for shares of the class or series held by particular shareholders or groups of shareholders that differs materially from the treatment accorded other shareholders or groups of shareholders holding shares of the same class or series if:

(1) (i) such provision is specifically authorized by a majority of the votes cast by all shareholders entitled to vote on the amendment or plan, as well as by a majority of the votes cast by any class or series of shares whose rights are diminished thereby, whether or not such class or series would otherwise be entitled to vote on the amendment or plan; and

(ii) the provision voted on specifically enumerates the type and extent of the special treatment authorized; or

(2) under all the facts and circumstances, a court of competent jurisdiction finds such special treatment is undertaken in good faith, after reasonable deliberation and is in the best interest of the corporation.

(b) Statutory voting rights upon special treatment.--Except as provided in subsection (c), if an amendment or plan contains

1 a provision for special treatment, the holders of any
2 outstanding shares of a class or series receiving the same
3 special treatment shall be entitled to vote as a class in
4 respect to the plan regardless of any limitations stated in the
5 articles or bylaws on the voting rights of any class or series.

6 (c) Dissenters rights upon special treatment.--If any
7 amendment or plan contains a provision for special treatment
8 without requiring for the adoption of the amendment or plan the
9 statutory class vote required by subsection (b), the holder of
10 any outstanding shares the statutory class voting rights of
11 which are so denied, who objects to the amendment or plan and
12 complies with Subchapter D of Chapter 15 (relating to dissenters
13 rights), shall be entitled to the rights and remedies of
14 dissenting shareholders provided in that subchapter.

15 (d) Rescission or modification.--Notwithstanding any other
16 provision of this subpart, the authorization under this section
17 of special treatment may be rescinded or modified upon receiving
18 the affirmative vote of a majority of the votes cast by all
19 shareholders entitled to vote thereon otherwise than as provided
20 in this section, unless a higher number or percentage of votes
21 or a class vote was required otherwise than as provided in this
22 section for the authorization, in which case such higher number
23 or percentage of votes or class vote shall be required to
24 rescind or modify the special treatment so authorized.

25 Rescission or modification of the authorization of a transaction
26 that has been consummated prior to the rescission or
27 modification shall not affect the transaction.

28 (e) Exception.--This section shall not apply to the creation
29 or issuance of securities, contracts, warrants or other
30 instruments evidencing any shares, option rights, securities

1 having conversion or option rights or obligations authorized by
2 section 2513 (relating to disparate treatment of certain
3 persons).

4 SUBCHAPTER B

5 AMENDMENT OF ARTICLES

6 Sec.

7 1911. Amendment of articles authorized.

8 1912. Proposal of amendments.

9 1913. Notice of meeting of shareholders.

10 1914. Adoption of amendments.

11 1915. Articles of amendment.

12 1916. Filing and effectiveness of articles of amendment.

13 § 1911. Amendment of articles authorized.

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

17 (1) To adopt a new name, subject to the restrictions
18 provided in this subpart.

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

21 (3) To change, add to or diminish its purposes or to set
22 forth different or additional purposes.

23 (4) To cancel or otherwise affect the right of holders
24 of the shares of any class or series to receive dividends
25 that have accrued but have not been declared or to otherwise
26 effect a reclassification of or otherwise affect the
27 substantial rights of the holders of any shares.

28 (5) To restate the articles in their entirety.

29 (6) In any and as many other respects as desired.

30 (b) Exceptions.--An amendment adopted under this section

shall not amend articles in such a way that as so amended they would not be authorized by this subpart as original articles of incorporation except that:

(1) Restated articles shall, subject to section 109 (relating to name of commercial registered office provider in lieu of registered address), state the address of the current instead of the initial registered office of the corporation in this Commonwealth and need not state the names and addresses of the incorporators.

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

§ 1912. Proposal of amendments.

(a) General rule.--Every amendment of the articles of a business corporation shall be proposed:

(1) by the adoption by the board of directors of a resolution setting forth the proposed amendment; or

(2) unless otherwise provided in the articles, by petition of shareholders entitled to cast at least 10% of the votes that all shareholders are entitled to cast thereon, setting forth the proposed amendment, which petition shall be directed to the board of directors and filed with the secretary of the corporation.

Except where the approval of the shareholders is unnecessary under this subchapter, the board of directors shall direct that the proposed amendment be submitted to a vote of the shareholders entitled to vote thereon. An amendment proposed pursuant to paragraph (2) shall be submitted to a vote either at the next annual meeting held not earlier than 120 days after the

1 amendment is proposed or at a special meeting of the
2 shareholders called for that purpose by the shareholders.

3 (b) Form of amendment.--The resolution or petition shall
4 contain the language of the proposed amendment of the articles:

5 (1) by setting forth the existing text of the articles
6 or the provision thereof that is proposed to be amended, with
7 brackets around language that is to be deleted and
8 underscoring under language that is to be added; or

9 (2) by providing that the articles shall be amended so
10 as to read as therein set forth in full, or that any
11 provision thereof be amended so as to read as therein set
12 forth in full, or that the matter stated in the resolution or
13 petition be added to or stricken from the articles.

14 The resolution or petition may set forth the manner and basis of
15 reclassifying the shares of the corporation. Any of the terms of
16 a plan of reclassification or other action contained in an
17 amendment may be made dependent upon facts ascertainable outside
18 of the amendment if the manner in which the facts will operate
19 upon the terms of the amendment is set forth in the amendment.

20 § 1913. Notice of meeting of shareholders.

21 (a) General rule.--Written notice of the meeting of
22 shareholders of a business corporation called for the purpose of
23 considering the proposed amendment shall be given to each
24 shareholder entitled to vote thereon. There shall be included
25 in, or enclosed with, the notice a copy of the proposed
26 amendment or a summary of the changes to be effected thereby
27 and, if Subchapter D of Chapter 15 (relating to dissenters
28 rights) is applicable, a copy of that subchapter.

29 (b) Cross reference.--See Subchapter A of Chapter 17
30 (relating to notice and meetings generally).

1 § 1914. Adoption of amendments.

2 (a) General rule.--A vote of the shareholders entitled to
3 vote on a proposed amendment shall be taken at the next annual
4 or special meeting of which notice for that purpose has been
5 duly given. Unless the articles require a greater vote, a
6 proposed amendment of the articles of a business corporation
7 shall be adopted upon receiving the affirmative vote of a
8 majority of the votes cast by all shareholders entitled to vote
9 thereon and, if any class or series of shares is entitled to
10 vote thereon as a class, the affirmative vote of a majority of
11 the votes cast in each such class vote. Any number of amendments
12 may be submitted to the shareholders and voted upon by them at
13 one meeting. Except as provided in section 1912(a)(2) (relating
14 to proposal of amendments), a proposed amendment of the articles
15 shall not be deemed to have been adopted by the corporation
16 unless it has also been approved by the board of directors,
17 regardless of the fact that the board has directed or suffered
18 the submission of the amendment to the shareholders for action.

19 (b) Statutory voting rights.--Except as provided in
20 subsection (c), if a proposed amendment would:

21 (1) authorize the board of directors to fix and
22 determine the relative rights and preferences, as between
23 series, of any preferred or special class;

24 (2) make any change in the preferences, limitations or
25 special rights of the shares of a class or series adverse to
26 the class or series;

27 (3) increase the number of authorized shares of a class
28 or series unless otherwise provided in original articles of
29 incorporation filed after January 1, 1969, or in an amendment
30 to the articles which created the class or series filed after

1 January 1, 1969, or in any amendment to the articles which
2 was adopted by a majority of the votes cast by all
3 shareholders of the class or series;

4 (4) authorize a new class or series of shares having a
5 preference as to dividends or assets which is senior to the
6 shares of a class or series; or

7 (5) increase the number of authorized shares of any
8 class or series having a preference as to dividends or assets
9 which is senior in any respect to the shares of a class or
10 series;

11 then the holders of the outstanding shares of the class or
12 series shall be entitled to vote as a class in respect to the
13 amendment regardless of any limitations stated in the articles
14 or bylaws on the voting rights of any class.

15 (c) Adoption by board of directors.--Unless otherwise
16 restricted in the articles, an amendment of articles shall not
17 require the approval of the shareholders of the corporation if:

18 (1) shares have not been issued;

19 (2) the amendment is restricted to a change in the
20 corporate name or to provide for perpetual existence or to
21 reflect a reduction in authorized shares effected by
22 operation of section 1552(a) (relating to power of
23 corporation to acquire its own shares) and, if appropriate,
24 the deletion of all references to a class or series of shares
25 that is no longer outstanding;

26 (3) the corporation has only one class of shares
27 outstanding and the amendment is effective solely to:

28 (i) increase the number of authorized shares to the
29 extent necessary to permit the board of directors to
30 effectuate a stock dividend in the shares of the

1 corporation; or

2 (ii) effectuate a split and, if desired, increase
3 the number of shares or change the par value of the
4 authorized shares, or both, in proportion thereto;

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

9 (5) the amendment accomplishes any combination of
10 purposes specified in this subsection.

11 Whenever a provision of this subpart authorizes the board of
12 directors to take any action without the approval of the
13 shareholders and provides that a statement, certificate, plan or
14 other document relating to such action shall be filed in the
15 Department of State and shall operate as an amendment of the
16 articles, the board upon taking such action may, in lieu of
17 filing the statement, certificate, plan or other document, amend
18 the articles under this subsection without the approval of the
19 shareholders to reflect the taking of such action. An amendment
20 of articles under this subsection shall be deemed adopted by the
21 corporation when it has been adopted by the board of directors
22 pursuant to section 1912 (relating to proposal of amendments).

23 (d) Termination of proposal.--Prior to the time when an
24 amendment becomes effective, the amendment may be terminated
25 pursuant to provisions therefor, if any, set forth in the
26 resolution or petition. If articles of amendment have been filed
27 in the department prior to the termination, a statement under
28 section 1902 (relating to statement of termination) shall be
29 filed in the department.

30 (e) Amendment of voting provisions.--Unless otherwise

1 provided in a bylaw adopted by the shareholders, whenever the
2 articles require for the taking of any action by the
3 shareholders or a class of shareholders a specific number or
4 percentage of votes, the provision of the articles setting forth
5 that requirement shall not be amended or repealed by any lesser
6 number or percentage of votes of the shareholders or of the
7 class of shareholders.

8 § 1915. Articles of amendment.

9 Upon the adoption of an amendment by a business corporation,
10 as provided in this subchapter, articles of amendment shall be
11 executed by the corporation and shall set forth:

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

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

19 (3) If the amendment is to be effective on a specified
20 date, the hour, if any, and the month, day and year of the
21 effective date.

22 (4) The manner in which the amendment was adopted by the
23 corporation.

24 (5) The amendment adopted by the corporation, which
25 shall be set forth in full.

26 (6) If the amendment effects a restatement of the
27 articles, a statement that the restated articles supersede
28 the original articles and all amendments thereto.

29 § 1916. Filing and effectiveness of articles of amendment.

30 (a) Filing.--The articles of amendment of a business

corporation shall be filed in the Department of State. See section 134 (relating to docketing statement).

(b) Effectiveness.--Upon the filing of the articles of amendment in the department or upon the effective date specified in the articles of amendment, whichever is later, the amendment shall become effective and the articles of incorporation shall be deemed to be amended accordingly. An amendment shall not affect any existing cause of action in favor of or against the corporation, or any pending action or proceeding to which the corporation is a party, or the existing rights of persons other than shareholders. If the corporate name is changed by the amendment, an action brought by or against the corporation under its former name shall not be abated for that reason.

SUBCHAPTER C

MERGER, CONSOLIDATION, SHARE EXCHANGES AND SALE OF ASSETS

Sec.

1921. Merger and consolidation authorized.

1922. Plan of merger or consolidation.

1923. Notice of meeting of shareholders.

1924. Adoption of plan.

1925. Authorization by foreign corporations.

1926. Articles of merger or consolidation.

1927. Filing of articles of merger or consolidation.

1928. Effective date of merger or consolidation.

1929. Effect of merger or consolidation.

1930. Dissenters rights.

1931. Share exchanges.

1932. Voluntary transfer of corporate assets.

§ 1921. Merger and consolidation authorized.

1 (a) Domestic surviving or new corporation.--Any two or more
2 domestic business corporations, or any two or more foreign
3 business corporations, or any one or more domestic business
4 corporations and any one or more foreign business corporations,
5 may, in the manner provided in this subchapter, be merged into
6 one of the domestic business corporations, designated in this
7 subchapter as the surviving corporation, or consolidated into a
8 new corporation to be formed under this article, if the foreign
9 business corporations are authorized by the laws of the
10 jurisdiction under which they are incorporated to effect a
11 merger or consolidation with a corporation of another
12 jurisdiction.

13 (b) Foreign surviving or new corporation.--Any one or more
14 domestic business corporations, and any one or more foreign
15 business corporations, may, in the manner provided in this
16 subchapter, be merged into one of such foreign business
17 corporations, designated in this subchapter as the surviving
18 corporation, or consolidated into a new corporation to be
19 incorporated under the laws of the jurisdiction under which one
20 of the foreign business corporations is incorporated, if the
21 laws of that jurisdiction authorize a merger with or
22 consolidation into a corporation of another jurisdiction.

23 (c) Associations and business trusts.--The provisions of
24 this subchapter applicable to domestic and foreign business
25 corporations shall also be applicable to a domestic or foreign
26 business trust and a domestic or foreign association other than
27 a partnership. The powers and duties vested in and imposed upon
28 the board of directors in this subchapter shall be exercised and
29 performed by the group of persons under the direction of whom
30 the business and affairs of the trust or association are managed

1 irrespective of the name by which the group is designated.

2 § 1922. Plan of merger or consolidation.

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

5 (1) The terms and conditions of the merger or
6 consolidation.

7 (2) If the surviving or new corporation is or is to be a
8 domestic business corporation:

9 (i) any changes desired to be made in the articles,
10 which may include a restatement of the articles in the
11 case of a merger; or

12 (ii) in the case of a consolidation, all of the
13 statements required by this subpart to be set forth in
14 restated articles.

15 (3) The manner and basis of converting the shares of
16 each corporation into shares or other securities or
17 obligations of the surviving or new corporation, as the case
18 may be, and, if any of the shares of any of the corporations
19 that are parties to the plan are not to be converted solely
20 into shares or other securities or obligations of the
21 surviving or new corporation, the shares or other securities
22 or obligations of any other person or cash, property or
23 rights that the holders of such shares are to receive in
24 exchange for, or upon conversion of, such shares, and the
25 surrender of any certificates evidencing them, which
26 securities or obligations, if any, of any other person or
27 cash, property or rights may be in addition to or in lieu of
28 the shares or other securities or obligations of the
29 surviving or new corporation.

30 (4) Any provisions desired providing special treatment

of shares held by any shareholder or group of shareholders.

(5) Such other provisions as are deemed desirable.

Any of the terms of the plan may be made dependent upon facts ascertainable outside of the plan if the manner in which the facts will operate upon the terms of the plan is set forth in the plan.

(b) Post-adoption amendment.--A plan of merger or consolidation may contain a provision that the boards of directors of the constituent corporations may amend the plan at any time prior to its effective date, except that an amendment made subsequent to the adoption of the plan by the shareholders of any constituent corporation shall not change:

(1) The amount or kind of shares, obligations, cash, property or rights to be received in exchange for or on conversion of all or any of the shares of the constituent corporation.

(2) Any term of the articles of the surviving or new corporation to be effected by the merger or consolidation.

(3) Any of the terms and conditions of the plan if the change would adversely affect the holders of any shares of the constituent corporation.

(c) Proposal.--Every merger or consolidation shall be proposed in the case of each domestic business corporation by the adoption by the board of directors of a resolution approving the plan of merger or consolidation. Except where the approval of the shareholders is unnecessary under this subchapter, the board of directors shall direct that the plan be submitted to a vote of the shareholders entitled to vote thereon at a regular or special meeting of the shareholders.

(d) Party to plan.--A corporation that approves a plan in

1 its capacity as a shareholder or creditor of a merging or
2 consolidating corporation, or that furnishes all or a part of
3 the consideration contemplated by a plan, does not thereby
4 become a party to the plan for the purposes of this subchapter.
5 § 1923. Notice of meeting of shareholders.

6 (a) General rule.--Written notice of the meeting of
7 shareholders called for the purpose of considering the proposed
8 plan shall be given to each shareholder of record, whether or
9 not entitled to vote thereon of each domestic business
10 corporation that is a party to the plan. There shall be included
11 in, or enclosed with, the notice a copy of the proposed plan or
12 a summary thereof and, if Subchapter D of Chapter 15 (relating
13 to dissenters rights) is applicable, a copy of that subchapter
14 and of section 1930 (relating to dissenters rights).

15 (b) Cross reference.--See Subchapter A of Chapter 17
16 (relating to notice and meetings generally).

17 § 1924. Adoption of plan.

18 (a) General rule.--The plan of merger or consolidation shall
19 be adopted upon receiving a majority of the votes cast by all
20 shareholders entitled to vote thereon of each of the domestic
21 business corporations that is a party to the plan and, if any
22 class or series of shares is entitled to vote thereon as a
23 class, a majority of the votes cast in each class vote. The
24 holders of any class or series of shares of a domestic
25 corporation that is a party to the plan shall be entitled to
26 vote as a class on the plan if they would have been entitled to
27 a class vote under the provisions of section 1914 (relating to
28 adoption of amendments) had the change been accomplished under
29 Subchapter B (relating to amendment of articles). A proposed
30 plan of merger or consolidation shall not be deemed to have been

1 adopted by the corporation unless it has also been approved by
2 the board of directors, regardless of the fact that the board
3 has directed or suffered the submission of the plan to the
4 shareholders for action.

5 (b) Adoption by board of directors.--

6 (1) Unless otherwise required by its bylaws, a plan of
7 merger or consolidation shall not require the approval of the
8 shareholders of a corporation if:

9 (i) (A) the plan, whether or not the corporation is
10 the surviving corporation, does not alter the status
11 of the corporation as a domestic business corporation
12 or alter in any respect the provisions of its
13 articles, except changes that under section 1914(c)
14 (relating to adoption by board of directors) may be
15 made without shareholder action; and

16 (B) each share of the corporation outstanding
17 immediately prior to the effective date of the merger
18 or consolidation is to continue as or to be converted
19 into, except as may be otherwise agreed by the holder
20 thereof, an identical share of the surviving or new
21 corporation after the effective date of the merger or
22 consolidation; or

23 (ii) immediately prior to the adoption of the plan
24 and at all times thereafter prior to its effective date,
25 another corporation that is a party to the plan owns
26 directly or indirectly 90% or more of the outstanding
27 shares of each class of the corporation.

28 (2) If a merger or consolidation is effected pursuant to
29 paragraph (1)(i), the plan of merger or consolidation shall
30 be deemed adopted by the corporation when it has been adopted

1 by the board of directors pursuant to section 1922 (relating
2 to plan of merger or consolidation).

3 (3) If a merger or consolidation of a subsidiary
4 corporation with a parent corporation is effected pursuant to
5 paragraph (1)(ii), the plan of merger or consolidation shall
6 be deemed adopted by the subsidiary corporation when it has
7 been adopted by the board of the parent corporation and
8 execution of articles of merger or consolidation by the
9 subsidiary corporation shall not be necessary.

10 (c) Termination of plan.--Prior to the time when a merger or
11 consolidation becomes effective, the merger or consolidation may
12 be terminated pursuant to provisions therefor, if any, set forth
13 in the plan. If articles of merger or consolidation have been
14 filed in the Department of State prior to the termination, a
15 statement under section 1902 (relating to statement of
16 termination) shall be filed in the department.

17 § 1925. Authorization by foreign corporations.

18 The plan of merger or consolidation shall be authorized,
19 adopted or approved by each foreign business corporation that
20 desires to merge or consolidate in accordance with the laws of
21 the jurisdiction in which it is incorporated.

22 § 1926. Articles of merger or consolidation.

23 Upon the adoption of the plan of merger or consolidation by
24 the corporations desiring to merge or consolidate, as provided
25 in this subchapter, articles of merger or articles of
26 consolidation, as the case may be, shall, except as provided by
27 section 1924(b)(3) (relating to adoption by board of directors),
28 be executed by each corporation and shall, subject to section
29 109 (relating to name of commercial registered office provider
30 in lieu of registered address), set forth:

1 (1) The name and the location of the registered office,
2 including street and number, if any, of the domestic
3 surviving or new corporation or, in the case of a foreign
4 surviving or new corporation, the name of the corporation and
5 its jurisdiction of incorporation, together with either:

6 (i) If a qualified foreign business corporation, the
7 address, including street and number, if any, of its
8 registered office in this Commonwealth.

9 (ii) If a nonqualified foreign business corporation,
10 the address, including street and number, if any, of its
11 principal office under the laws of the jurisdiction in
12 which it is incorporated.

13 (2) The name and address, including street and number,
14 if any, of the registered office of each other domestic
15 business corporation and qualified foreign business
16 corporation that is a party to the plan.

17 (3) If the plan is to be effective on a specified date,
18 the hour, if any, and the month, day and year of the
19 effective date.

20 (4) The manner in which the plan was adopted by each
21 domestic corporation and, if one or more foreign corporations
22 are parties to the plan, the fact that the plan was
23 authorized, adopted or approved, as the case may be, by each
24 of the foreign corporations in accordance with the laws of
25 the jurisdiction in which it is incorporated.

26 (5) Except as provided in section 1901 (relating to
27 omission of certain provisions from filed plans), the plan of
28 merger or consolidation.

29 § 1927. Filing of articles of merger or consolidation.

30 (a) General rule.--The articles of merger or articles of

1 consolidation, as the case may be, and the certificates or
2 statement, if any, required by section 139 (relating to tax
3 clearance of certain fundamental transactions) shall be filed in
4 the Department of State.

5 (b) Cross reference.--See section 134 (relating to docketing
6 statement).

7 § 1928. Effective date of merger or consolidation.

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

18 § 1929. Effect of merger or consolidation.

19 (a) Single surviving or new corporation.--Upon the merger or
20 consolidation becoming effective, the several corporations
21 parties to the plan of merger or consolidation shall be a single
22 corporation which, in the case of a merger, shall be the
23 corporation designated in the plan of merger as the surviving
24 corporation and, in the case of a consolidation, shall be the
25 new corporation provided for in the plan of consolidation. The
26 separate existence of all corporations parties to the plan of
27 merger or consolidation shall cease, except that of the
28 surviving corporation, in the case of a merger. The surviving or
29 new corporation, as the case may be, if it is a domestic
30 business corporation, shall not thereby acquire authority to

1 engage in any business or exercise any right that a corporation
2 may not be incorporated under this subpart to engage in or
3 exercise.

4 (b) Property rights.--All the property, real, personal and
5 mixed, and franchises of each of the corporations parties to the
6 plan of merger or consolidation, and all debts due on whatever
7 account to any of them, including subscriptions for shares and
8 other choses in action belonging to any of them, shall be deemed
9 to be transferred to and vested in the surviving or new
10 corporation, as the case may be, without further action and the
11 title to any real estate, or any interest therein, vested in any
12 of the corporations shall not revert or be in any way impaired
13 by reason of the merger or consolidation. The surviving or new
14 corporation shall thenceforth be responsible for all the
15 liabilities of each of the corporations so merged or
16 consolidated. Liens upon the property of the merging or
17 consolidating corporations shall not be impaired by the merger
18 or consolidation and any claim existing or action or proceeding
19 pending by or against any of the corporations may be prosecuted
20 to judgment as if the merger or consolidation had not taken
21 place or the surviving or new corporation may be proceeded
22 against or substituted in its place.

23 (c) Taxes.--Any taxes, penalties and public accounts of the
24 Commonwealth, claimed against any of the merging or
25 consolidating corporations but not settled, assessed or
26 determined prior to the merger or consolidation, shall be
27 settled, assessed or determined against the surviving or new
28 corporation and, together with interest thereon, shall be a lien
29 against the franchises and property, both real and personal, of
30 the surviving or new corporation.

(d) Articles of incorporation.--In the case of a merger, the articles of incorporation of the surviving domestic business corporation, if any, shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the plan of merger. In the case of a consolidation into a domestic business corporation, the statements that are set forth in the plan of consolidation, or articles of incorporation set forth therein, shall be deemed to be the articles of incorporation of the new corporation.

§ 1930. Dissenters rights.

(a) General rule.--If any shareholder of a domestic business corporation that becomes a party to a plan of merger or consolidation objects to the plan of merger or consolidation and complies with the provisions of Subchapter D of Chapter 15 (relating to dissenters rights), the shareholder shall be entitled to the rights and remedies of dissenting shareholders therein provided, if any. See also section 1906(c) (relating to dissenters right upon special treatment).

(b) Plans adopted by directors only.--Except as otherwise provided pursuant to section 1571(c) (relating to grant of optional dissenters rights), Subchapter D of Chapter 15 shall not apply to any of the shares of a corporation that is a party to a plan of merger or consolidation pursuant to section 1924(b)(1)(i) (relating to adoption by board of directors).

(c) Cross references.--See sections 1571(b) (relating to exceptions) and 1904 (relating to de facto transaction doctrine abolished).

§ 1931. Share exchanges.

(a) General rule.--All the outstanding shares of one or more classes or series of a domestic business corporation, designated

1 in this section as the exchanging corporation, may, in the
2 manner provided in this section, be acquired by any person,
3 designated in this section as the acquiring person, through an
4 exchange of all the shares pursuant to, and other securities of
5 the exchanging corporation not so acquired may be reclassified
6 or otherwise affected by, a plan of exchange. The procedure
7 authorized by this section shall not be deemed to limit the
8 power of any person to acquire all or part of the shares or
9 other securities of any class or series of a corporation through
10 a voluntary exchange or otherwise by agreement with the holders
11 of the shares or other securities.

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

14 (1) The terms and conditions of the exchange.

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

30 (3) Any changes desired to be made in the articles of

1 the exchanging corporation, which may include a restatement
2 of the articles.

3 (4) Any provisions desired providing special treatment
4 of shares held by any shareholder or group of shareholders.

5 (5) Such other provisions as are deemed desirable.

6 Any of the terms of the plan may be made dependent upon facts
7 ascertainable outside of the plan if the manner in which the
8 facts will operate upon the terms of the plan is set forth in
9 the plan.

10 (c) Proposal and adoption.--The plan of exchange shall be
11 proposed and adopted and may be terminated by the exchanging
12 corporation in the manner provided by this subchapter for the
13 proposal, adoption and termination of a plan of merger except
14 section 1924(b) (relating to adoption by board of directors).

15 There shall be included in, or enclosed with, the notice of the
16 meeting of shareholders to act on the plan a copy or a summary
17 of the plan and, if Subchapter D of Chapter 15 (relating to
18 dissenters rights) is applicable, a copy of the subchapter and
19 of subsection (d). The holders of any class of shares to be
20 acquired pursuant to the plan of exchange shall be entitled to
21 vote as a class on the plan if they would have been entitled to
22 vote on a plan of merger that affects the class in substantially
23 the same manner as the plan of exchange.

24 (d) Dissenters rights in share exchanges.--Any holder of
25 shares that are to be acquired pursuant to a plan of exchange
26 who objects to the plan and complies with the provisions of
27 Subchapter D of Chapter 15 shall be entitled to the rights and
28 remedies of dissenting shareholders therein provided, if any.
29 See section 1906(c) (relating to dissenter rights upon special
30 treatment).

1 (e) Articles of exchange.--Upon adoption of a plan of
2 exchange, as provided in this section, articles of exchange
3 shall be executed by the exchanging corporation and shall set
4 forth:

5 (1) The name and, subject to section 109 (relating to
6 name of commercial registered office provider in lieu of
7 registered address), the location of the registered office,
8 including street and number, if any, of the exchanging
9 corporation.

10 (2) If the plan is to be effective on a specified date,
11 the hour, if any, and the month, day and year of the
12 effective date.

13 (3) The manner in which the plan was adopted by the
14 exchanging corporation.

15 (4) Except as provided in section 1901 (relating to
16 omission of certain provisions from filed plans), the plan of
17 exchange.

18 The articles of exchange shall be filed in the Department of
19 State. See section 134 (relating to docketing statement).

20 (f) Effective date.--Upon the filing of articles of exchange
21 in the department or upon the effective date specified in the
22 plan of exchange, whichever is later, the plan shall become
23 effective.

24 (g) Effect of plan.--Upon the plan of exchange becoming
25 effective, the shares of the exchanging corporation that are,
26 under the terms of the plan, to be converted or exchanged shall
27 cease to exist or shall be exchanged. The former holders of the
28 shares shall thereafter be entitled only to the shares, other
29 securities or obligations or cash, property or rights into which
30 they have been converted or for which they have been exchanged

1 in accordance with the plan, and the acquiring person shall be
2 the holder of the shares of the exchanging corporation stated in
3 the plan to be acquired by such person. The articles of
4 incorporation of the exchanging corporation shall be deemed to
5 be amended to the extent, if any, that changes in its articles
6 are stated in the plan of exchange.

7 § 1932. Voluntary transfer of corporate assets.

8 (a) Shareholder approval not required.--The sale, lease,
9 exchange or other disposition of all, or substantially all, the
10 property and assets of a business corporation, when made in the
11 usual and regular course of the business of the corporation, or
12 for the purpose of relocating all, or substantially all, of the
13 business of the corporation, may be made upon such terms and
14 conditions, and for such consideration, as shall be authorized
15 by its board of directors. Except as otherwise restricted by the
16 bylaws, authorization or consent of the shareholders shall not
17 be required for such a transaction.

18 (b) Shareholder approval required.--A sale, lease, exchange
19 or other disposition of all, or substantially all, the property
20 and assets, with or without the goodwill, of a business
21 corporation, if not made pursuant to subsection (a) or (d) or to
22 section 1551 (relating to distributions to shareholders) or
23 Subchapter D (relating to division), may be made only pursuant
24 to a plan of asset transfer. The property or assets of a direct
25 or indirect subsidiary corporation that is controlled by a
26 parent corporation shall be deemed the property or assets of the
27 parent corporation for the purposes of this subsection and of
28 subsection (c). The plan of asset transfer shall set forth the
29 terms and conditions of the sale, lease, exchange or other
30 disposition or may authorize the board of directors to fix any

1 or all of the terms and conditions, including the consideration
2 to be received by the corporation therefor. Any of the terms of
3 the plan may be made dependent upon facts ascertainable outside
4 of the plan if the manner in which the facts will operate upon
5 the terms of the plan is set forth in the plan. The plan of
6 asset transfer shall be proposed and adopted, and may be
7 terminated, by a business corporation in the manner provided in
8 this subchapter for the proposal, adoption and termination of a
9 plan of merger, except section 1924(b) (relating to adoption by
10 board of directors). There shall be included in, or enclosed
11 with, the notice of the meeting of the shareholders to act on
12 the plan a copy or a summary of the plan and, if Subchapter D of
13 Chapter 15 (relating to dissenters rights) is applicable, a copy
14 of the subchapter and of subsection (c). In order to make
15 effective the plan of asset transfer so adopted, it shall not be
16 necessary to file any articles or other documents in the
17 Department of State.

18 (c) Dissenters rights in asset transfers.--

19 (1) If a shareholder of a corporation that adopts a plan
20 of asset transfer objects to the plan and complies with
21 Subchapter D of Chapter 15, the shareholder shall be entitled
22 to the rights and remedies of dissenting shareholders therein
23 provided, if any.

24 (2) Paragraph (1) shall not apply to a sale pursuant to
25 an order of a court having jurisdiction in the premises or a
26 sale for money on terms requiring that all or substantially
27 all of the net proceeds of sale be distributed to the
28 shareholders in accordance with their respective interests
29 within one year after the date of sale.

30 (3) See sections 1906(c) (relating to dissenters rights

upon special treatment) and 2537 (relating to dissenters rights in asset transfers).

(d) Exceptions.--Subsections (b) and (c)(1) shall not apply to a sale, lease, exchange or other disposition of all, or substantially all, of the property and assets of a business corporation:

(1) that directly or indirectly owns all of the outstanding shares of another corporation to the other corporation if the voting rights, preferences, limitations or relative rights, granted to or imposed upon the shares of any class of the parent corporation are not altered by the sale, lease, exchange or other disposition;

(2) when made in connection with the dissolution or liquidation of the corporation, which transaction shall be governed by the provisions of Subchapter F (relating to voluntary dissolution and winding up) or G (relating to involuntary liquidation and dissolution), as the case may be; or

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

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

(f) Restrictions.--This section shall not be construed to authorize the conversion or exchange of property or assets in fraud of corporate creditors or in violation of law.

1 SUBCHAPTER D

2 DIVISION

3 Sec.

4 1951. Division authorized.

5 1952. Proposal and adoption of plan of division.

6 1953. Division without shareholder approval.

7 1954. Articles of division.

8 1955. Filing of articles of division.

9 1956. Effective date of division.

10 1957. Effect of division.

11 § 1951. Division authorized.

12 (a) Division of domestic corporation.--Any domestic business
13 corporation may, in the manner provided in this subchapter, be
14 divided into two or more domestic business corporations
15 incorporated or to be incorporated under this article, or into
16 one or more domestic business corporations and one or more
17 foreign business corporations to be incorporated under the laws
18 of another jurisdiction or jurisdictions, or into two or more
19 foreign business corporations, if the laws of the other
20 jurisdictions authorize the division.

21 (b) Division of foreign corporation.--Any foreign business
22 corporation may, in the manner provided in this subchapter, be
23 divided into one or more domestic business corporations to be
24 incorporated under this subpart and one or more foreign business
25 corporations incorporated or to be incorporated under the laws
26 of another jurisdiction or jurisdictions, or into two or more
27 domestic business corporations, if the foreign business
28 corporation is authorized under the laws of the jurisdiction
29 under which it is incorporated to effect a division.

30 (c) Surviving and new corporations.--The corporation

1 effecting a division, if it survives the division, is designated
2 in this subchapter as the surviving corporation. All
3 corporations originally incorporated by a division are
4 designated in this subchapter as new corporations. The surviving
5 corporation, if any, and the new corporation or corporations are
6 collectively designated in this subchapter as the resulting
7 corporations.

8 § 1952. Proposal and adoption of plan of division.

9 (a) Preparation of plan.--A plan of division shall be
10 prepared, setting forth:

11 (1) The terms and conditions of the division, including
12 the manner and basis of:

13 (i) The reclassification of the shares of the
14 surviving corporation, if there be one, and, if any of
15 the shares of the dividing corporation are not to be
16 converted solely into shares or other securities or
17 obligations of one or more of the resulting corporations,
18 the shares or other securities or obligations of any
19 other person, or cash, property or rights that the
20 holders of such shares are to receive in exchange for or
21 upon conversion of such shares, and the surrender of any
22 certificates evidencing them, which securities or
23 obligations, if any, of any other person or cash,
24 property or rights may be in addition to or in lieu of
25 shares or other securities or obligations of one or more
26 of the resulting corporations.

27 (ii) The disposition of the shares and other
28 securities or obligations, if any, of the new corporation
29 or corporations resulting from the division.

30 (2) A statement that the dividing corporation will, or

1 will not, survive the division.

2 (3) Any changes desired to be made in the articles of
3 the surviving corporation, if there be one, including a
4 restatement of the articles.

5 (4) The articles of incorporation required by subsection
6 (b).

7 (5) Any provisions desired providing special treatment
8 of shares held by any shareholder or group of shareholders.

9 (6) Such other provisions as are deemed desirable.

10 Any of the terms of the plan may be made dependent upon facts
11 ascertainable outside of the plan if the manner in which the
12 facts will operate upon the terms of the plan is set forth in
13 the plan.

14 (b) Articles of new corporations.--There shall be included
15 in or annexed to the plan of division:

16 (1) Articles of incorporation, which shall contain all
17 of the statements required by this subpart to be set forth in
18 restated articles, for each of the new domestic business
19 corporations, if any, resulting from the division.

20 (2) Articles of incorporation, certificates of
21 incorporation or other charter documents for each of the new
22 foreign business corporations, if any, resulting from the
23 division.

24 (c) Proposal and adoption.--Except as otherwise provided in
25 section 1953 (relating to division without shareholder
26 approval), the plan of division shall be proposed and adopted,
27 and may be terminated, by a domestic business corporation in the
28 manner provided for the proposal, adoption and termination of a
29 plan of merger in Subchapter C (relating to merger,
30 consolidation, share exchanges and sale of assets), except

1 section 1924(b) (relating to adoption by board of directors),
2 or, if the dividing corporation is a foreign business
3 corporation, in accordance with the laws of the jurisdiction in
4 which it is incorporated. There shall be included in, or
5 enclosed with, the notice of the meeting of shareholders to act
6 on the plan a copy or a summary of the plan and, if Subchapter D
7 of Chapter 15 (relating to dissenters rights) is applicable, a
8 copy of the subchapter and of subsection (d).

9 (d) Dissenters rights in division.--

10 (1) Except as otherwise provided in paragraph (2), any
11 shareholder of a business corporation that adopts a plan of
12 division who objects to the plan and complies with the
13 provisions of Subchapter D of Chapter 15 shall be entitled to
14 the rights and remedies of dissenting shareholders therein
15 provided, if any. See section 1906(c) (relating to dissenters
16 rights upon special treatment).

17 (2) Except as otherwise provided pursuant to section
18 1571(c) (relating to grant of optional dissenters rights),
19 Subchapter D of Chapter 15 shall not apply to any of the
20 shares of a corporation that is a party to a plan of division
21 pursuant to section 1953 (relating to division without
22 shareholder approval).

23 (e) Restrictions on certain distributions.--A plan of
24 division may not be made effective if the effect of the plan is
25 to make a distribution to the holders of any class or series of
26 shares of the dividing corporation unless the distribution is
27 permitted by section 1551 (relating to distributions to
28 shareholders).

29 (f) Action by holders of preferred or special shares.--If
30 the dividing corporation has outstanding any shares of any

1 preferred or special class or series, the holders of the
2 outstanding shares of the class or series shall be entitled to
3 vote as a class on the plan regardless of any limitations stated
4 in the articles or bylaws on the voting rights of the class or
5 series if the plan of division:

6 (1) provides that the dividing corporation will not
7 survive the division; or

8 (2) amends the articles or bylaws of the surviving
9 corporation in a manner that would entitle the holders of
10 such preferred or special shares to a class vote thereon
11 under the articles, bylaws or section 1914(b) (relating to
12 statutory voting rights).

13 (g) Action by holders of indebtedness.--Unless otherwise
14 provided by an indenture or other contract by which the dividing
15 corporation is bound, a plan of division shall not require the
16 approval of the holders of any debt securities or other
17 obligations of the dividing corporation or of any representative
18 of the holders, if the transfer of assets effected by the
19 division, if effected by means of a sale, lease, exchange or
20 other disposition, and any related distribution, would not
21 require the approval of the holders or representatives thereof.

22 (h) Special requirements.--If any provision of the articles
23 or bylaws of a dividing domestic business corporation adopted
24 before January 1, 1989, requires for the adoption of a plan of
25 merger, consolidation or asset transfer a specific number or
26 percentage of votes of directors or shareholders or other
27 special procedures, the plan of division shall not be adopted by
28 the directors or (if adoption by the shareholders is otherwise
29 required by this subchapter) by the shareholders without that
30 number or percentage of votes or compliance with the other

1 special procedures.

2 § 1953. Division without shareholder approval.

3 Unless otherwise restricted by its bylaws or required by
4 section 1952(f) (relating to action by holders of preferred or
5 special shares), a plan of division that does not alter the
6 state of incorporation of a business corporation, provide for
7 special treatment nor amend in any respect the provisions of its
8 articles (except amendments which under section 1914(c)
9 (relating to adoption by board of directors) may be made without
10 shareholder action) shall not require the approval of the
11 shareholders of the corporation if:

12 (1) the dividing corporation has only one class of
13 shares outstanding and the shares and other securities, if
14 any, of each corporation resulting from the plan are
15 distributed pro rata to the shareholders of the dividing
16 corporation;

17 (2) the dividing corporation survives the division and
18 all the shares and other securities and obligations, if any,
19 of all new corporations resulting from the plan are owned
20 solely by the surviving corporation; or

21 (3) the transfers of assets effected by the division, if
22 effected by means of a sale, lease, exchange or other
23 disposition, would not require the approval of shareholders
24 under section 1932(b) (relating to shareholder approval
25 required).

26 § 1954. Articles of division.

27 Upon the adoption of a plan of division by the corporation
28 desiring to divide, as provided in this subchapter, articles of
29 division shall be executed by the corporation and shall, subject
30 to section 109 (relating to name of commercial registered office

1 provider in lieu of registered address), set forth:

2 (1) The name and the location of the registered office,
3 including street and number, if any, of the dividing domestic
4 business corporation or, in the case of a dividing foreign
5 business corporation, the name of the corporation and the
6 jurisdiction in which it is incorporated, together with
7 either:

8 (i) If a qualified foreign business corporation, the
9 address, including street and number, if any, of its
10 registered office in this Commonwealth.

11 (ii) If a nonqualified foreign business corporation,
12 the address, including street and number, if any, of its
13 principal office under the laws of that jurisdiction.

14 (2) The statute under which the dividing corporation was
15 incorporated and the date of incorporation.

16 (3) A statement that the dividing corporation will, or
17 will not, survive the division.

18 (4) The name and the address, including street and
19 number, if any, of:

20 (i) the registered office of each new domestic
21 business corporation or qualified foreign business
22 corporation resulting from the division; and

23 (ii) the principal office under the laws of the
24 jurisdiction in which it is incorporated of each new
25 nonqualified foreign business corporation resulting from
26 the division.

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

30 (6) The manner in which the plan was adopted by the

1 corporation.

2 (7) Except as provided in section 1901 (relating to
3 omission of certain provisions from filed plans), the plan of
4 division.

5 § 1955. Filing of articles of division.

6 (a) General rule.--The articles of division, and the
7 certificates or statement, if any, required by section 139
8 (relating to tax clearance of certain fundamental transactions)
9 shall be filed in the Department of State.

10 (b) Cross reference.--See section 134 (relating to docketing
11 statement).

12 § 1956. Effective date of division.

13 Upon the filing of articles of division in the Department of
14 State or upon the effective date specified in the plan of
15 division, whichever is later, the division shall become
16 effective. The division of a domestic business corporation into
17 one or more foreign business corporations or the division of a
18 foreign business corporation shall be effective according to the
19 laws of the jurisdictions where the foreign corporations are or
20 are to be incorporated, but not until articles of division have
21 been adopted and filed as provided in this subchapter.

22 § 1957. Effect of division.

23 (a) Multiple resulting corporations.--Upon the division
24 becoming effective, the dividing corporation shall be subdivided
25 into the distinct and independent resulting corporations named
26 in the plan of division and, if the dividing corporation is not
27 to survive the division, the existence of the dividing
28 corporation shall cease. The resulting corporations, if they are
29 domestic business corporations, shall not thereby acquire
30 authority to engage in any business or exercise any right that a

1 corporation may not be incorporated under this subpart to engage
2 in or exercise. Any resulting foreign business corporation that
3 is stated in the articles of division to be a qualified foreign
4 business corporation shall be a qualified foreign business
5 corporation under Article D (relating to foreign business
6 corporations) and the articles of division shall be deemed to be
7 the application for a certificate of authority and the
8 certificate of authority issued thereon of the corporation.

9 (b) Property rights.--

10 (1) All the property, real, personal and mixed, and
11 franchises of the dividing corporation, and all debts due on
12 whatever account to it, including subscriptions for shares
13 and other choses in action belonging to it, shall (except as
14 otherwise provided in paragraph (2)), to the extent transfers
15 of assets are contemplated by the plan of division, be deemed
16 without further action to be transferred to and vested in the
17 resulting corporations on such a manner and basis and with
18 such effect as is specified in the plan, or per capita among
19 the resulting corporations, as tenants in common, if no
20 specification is made in the plan, and the title to any real
21 estate, or interest therein, vested in any of the
22 corporations shall not revert or be in any way impaired by
23 reason of the division. The resulting corporations shall each
24 thenceforth be responsible as separate and distinct
25 corporations only for such liabilities as each corporation
26 may undertake or incur in its own name but shall be liable
27 inter se for the liabilities of the dividing corporation in
28 the manner and on the basis specified in the plan of
29 division. Liens upon the property of the dividing corporation
30 shall not be impaired by the division. One or more, but less

1 than all, of the resulting corporations shall be free of the
2 liabilities of the dividing corporation to the extent, if
3 any, specified in the plan, if no fraud of corporate
4 creditors, or of minority shareholders or shareholders
5 without voting rights or violation of law shall be effected
6 thereby, and if all applicable provisions of 13 Pa.C.S. Div.
7 6 (relating to bulk transfers) and all other applicable
8 provisions of law are complied with. Otherwise, the liability
9 of the dividing corporation shall not be affected by the
10 division nor shall the rights of creditors thereof or of any
11 person dealing with the corporation be impaired by the
12 division and, except as otherwise provided in this section,
13 any claim existing or action or proceeding pending by or
14 against the corporation may be prosecuted to judgment as if
15 the division had not taken place, or the resulting
16 corporations may be proceeded against or substituted in its
17 place as joint and several obligors on such liability,
18 regardless of any provision of the plan of division
19 apportioning the liabilities of the dividing corporation.

20 (2) (i) The transfer of any fee or freehold interest in
21 any tract or parcel of real property situate in this
22 Commonwealth owned by a dividing corporation (including
23 property owned by a foreign business corporation dividing
24 solely under the law of another jurisdiction) to a new
25 corporation resulting from the division shall not be
26 effective until one of the following documents is filed
27 in the office for the recording of deeds of the county,
28 or each of them, in which the tract or parcel is
29 situated:

30 (A) A deed or other instrument of confirmation

1 describing the tract or parcel.

2 (B) A duly executed duplicate original copy of
3 the articles of division.

4 (C) A copy of the articles of division certified
5 by the Department of State.

6 (D) A declaration of acquisition setting forth
7 the value of real estate holdings in such county of
8 the corporation as an acquired company.

9 (ii) The provisions of 75 Pa.C.S. § 1114 (relating
10 to transfer of vehicle by operation of law) shall not be
11 applicable to a transfer of ownership of any motor
12 vehicle, trailer or semitrailer from a dividing
13 corporation to a new corporation under this section or
14 under a similar law of any other jurisdiction but any
15 such transfer shall be effective only upon compliance
16 with the requirements of 75 Pa.C.S. § 1116 (relating to
17 issuance of new certificate following transfer).

18 (c) Taxes.--Any taxes, penalties and public accounts of the
19 Commonwealth, claimed against the dividing corporation but not
20 settled, assessed or determined prior to the division, shall be
21 settled, assessed or determined against any of the resulting
22 corporations and, together with interest thereon, shall be a
23 lien against the franchises and property, both real and
24 personal, of all the corporations. Upon the application of the
25 dividing corporation, the Department of Revenue, with the
26 concurrence of the Office of Employment Security of the
27 Department of Labor and Industry, shall release one or more, but
28 less than all, of the resulting corporations from liability and
29 liens for all taxes, penalties and public accounts of the
30 dividing corporation due the Commonwealth for periods prior to

1 the effective date of the division if those departments are
2 satisfied that the public revenues will be adequately secured.

3 (d) Articles of surviving corporation.--The articles of
4 incorporation of the surviving corporation, if there be one,
5 shall be deemed to be amended to the extent, if any, that
6 changes in its articles are stated in the plan of division.

7 (e) Articles of new corporations.--The statements that are
8 set forth in the plan of division with respect to each new
9 domestic business corporation and that are required or permitted
10 to be set forth in restated articles of incorporation of
11 corporations incorporated under this subpart, or the articles of
12 incorporation of each new corporation set forth therein, shall
13 be deemed to be the articles of incorporation of each new
14 corporation.

15 (f) Directors and officers.--Unless otherwise provided in
16 the plan, the directors and officers of the dividing corporation
17 shall be the initial directors and officers of each of the
18 resulting corporations.

19 SUBCHAPTER E

20 CONVERSION

21 Sec.

22 1961. Conversion authorized.

23 1962. Proposal and adoption of plan of conversion.

24 1963. Articles of conversion.

25 1964. Filing of articles of conversion.

26 1965. Effective date of conversion.

27 1966. Effect of conversion.

28 § 1961. Conversion authorized.

29 (a) General rule.--Any business corporation may, in the
30 manner provided in this subchapter, be converted into a

1 nonprofit corporation, designated in this subchapter as the
2 resulting corporation.

3 (b) Exceptions.--This subchapter shall not authorize any
4 conversion involving:

5 (1) Beneficial, benevolent, fraternal or fraternal
6 benefit societies having a lodge system and a representative
7 form of government, or transacting any type of insurance
8 whatsoever.

9 (2) Any corporation that by the laws of this
10 Commonwealth is subject to the supervision of the Department
11 of Banking, the Insurance Department or the Pennsylvania
12 Public Utility Commission, unless the agency expressly
13 approves the transaction in writing.

14 § 1962. Proposal and adoption of plan of conversion.

15 (a) Preparation of plan.--A plan of conversion shall be
16 prepared, setting forth:

17 (1) The terms and conditions of the conversion.

18 (2) A restatement of the articles of the resulting
19 corporation, which articles shall comply with the
20 requirements of this title relating to nonprofit
21 corporations.

22 (3) Any provisions desired providing special treatment
23 of shares held by any shareholder or group of shareholders.

24 (4) Such other provisions as are deemed desirable.

25 Any of the terms of the plan may be made dependent upon facts
26 ascertainable outside of the plan if the manner in which the
27 facts will operate upon the terms of the plan is set forth in
28 the plan.

29 (b) Proposal and adoption.--The plan of conversion shall be
30 proposed and adopted, and may be terminated, by the business

1 corporation in the manner provided for the proposal, adoption
2 and termination of a plan of merger in Subchapter C (relating to
3 merger, consolidation, share exchanges and sale of assets),
4 except section 1924(b) (relating to adoption by board of
5 directors). There shall be included in, or enclosed with, the
6 notice of meeting of shareholders of the business corporation
7 called to act upon the plan a copy or a summary of the plan and
8 of Subchapter D of Chapter 15 (relating to dissenters rights)
9 and of subsection (c).

10 (c) Dissenters rights in conversion.--Any shareholder of a
11 business corporation that adopts a plan of conversion into a
12 nonprofit corporation who objects to the plan of conversion and
13 complies with the provisions of Subchapter D of Chapter 15 shall
14 be entitled to the rights and remedies of dissenting
15 shareholders therein provided.

16 § 1963. Articles of conversion.

17 Upon the adoption of a plan of conversion by the business
18 corporation desiring to convert, as provided in this subchapter,
19 articles of conversion shall be executed by the corporation and
20 shall set forth:

21 (1) The name of the corporation and, subject to section
22 109 (relating to name of commercial registered office
23 provider in lieu of registered address), the address,
24 including street and number, if any, of its registered
25 office.

26 (2) The statute under which the corporation was
27 incorporated and the date of incorporation.

28 (3) If the plan is to be effective on a specified date,
29 the hour, if any, and the month, day and year of the
30 effective date.

1 (4) The manner in which the plan was adopted by the
2 corporation.

3 (5) Except as provided in section 1901 (relating to
4 omission of certain provisions from filed plans), the plan of
5 conversion.

6 § 1964. Filing of articles of conversion.

7 (a) General rule.--The articles of conversion shall be filed
8 in the Department of State.

9 (b) Cross reference.--See section 134 (relating to docketing
10 statement).

11 § 1965. Effective date of conversion.

12 Upon the filing of articles of conversion in the Department
13 of State or upon the effective date specified in the plan of
14 conversion, whichever is later, the conversion shall become
15 effective.

16 § 1966. Effect of conversion.

17 Upon the conversion becoming effective, the converting
18 business corporation shall be deemed to be a nonprofit
19 corporation subject to the provisions of this title relating to
20 nonprofit corporations for all purposes, shall cease to be a
21 business corporation and shall not thereafter operate in any
22 manner resulting in pecuniary profit, incidental or otherwise,
23 to its members or shareholders. The corporation shall remain
24 liable for all existing obligations, public or private, and
25 taxes due the Commonwealth or any other taxing authority for
26 periods prior to the effective date of the conversion and, as a
27 nonprofit corporation, it shall continue to be entitled to all
28 assets theretofore pertaining to it as a business corporation.

29 SUBCHAPTER F

30 VOLUNTARY DISSOLUTION AND WINDING UP

1 Sec.

2 1971. Voluntary dissolution by shareholders or incorporators.

3 1972. Proposal of voluntary dissolution.

4 1973. Notice of meeting of shareholders.

5 1974. Adoption of proposal.

6 1975. Winding up in voluntary dissolution proceedings.

7 1976. Judicial supervision of proceedings.

8 1977. Articles of dissolution.

9 1978. Winding up of corporation upon the expiration of its
10 period of duration.

11 1979. Survival of remedies and rights after dissolution.

12 1980. Dissolution by domestication.

13 § 1971. Voluntary dissolution by shareholders or incorporators.

14 (a) General rule.--The shareholders or incorporators of a
15 business corporation that has not commenced business may effect
16 the dissolution of the corporation by filing articles of
17 dissolution in the Department of State. The articles of
18 dissolution shall be executed in the name of the corporation by
19 a majority of the incorporators or a majority in interest of the
20 shareholders and shall set forth:

21 (1) The name of the corporation and, subject to section
22 109 (relating to name of commercial registered office
23 provider in lieu of registered address), the address,
24 including street and number, if any, of its registered
25 office.

26 (2) The statute under which the corporation was
27 incorporated and the date of incorporation.

28 (3) That the corporation has not commenced business.

29 (4) That the amount, if any, actually paid in on
30 subscriptions for its shares, less any part thereof disbursed

1 for necessary expenses, has been returned to those entitled
2 thereto.

3 (5) That all liabilities of the corporation have been
4 discharged or that adequate provision has been made therefor.

5 (6) That a majority of the incorporators or a majority
6 in interest of the shareholders elect that the corporation be
7 dissolved.

8 (b) Filing.--The articles of dissolution shall be filed in
9 the Department of State. See section 134 (relating to docketing
10 statement).

11 (c) Effect.--Upon the filing of the articles of dissolution,
12 the existence of the corporation shall cease.

13 § 1972. Proposal of voluntary dissolution.

14 Any business corporation that has commenced business may
15 elect to dissolve voluntarily, and wind up its affairs in the
16 manner provided in this subchapter. Voluntary dissolution shall
17 be proposed by the adoption by the board of directors of a
18 resolution recommending that the corporation be dissolved
19 voluntarily. The board of directors shall direct that the
20 question of dissolution be submitted to a vote of the
21 shareholders of the corporation entitled to vote thereon at a
22 regular or special meeting of the shareholders.

23 § 1973. Notice of meeting of shareholders.

24 (a) General rule.--Written notice of the meeting of
25 shareholders called for the purpose of considering the
26 advisability of voluntarily dissolving a business corporation
27 shall be given to each shareholder of record entitled to vote
28 thereon and the purpose shall be included in the notice of the
29 meeting.

30 (b) Cross reference.--See Subchapter A of Chapter 17

1 (relating to notice and meetings generally).

2 § 1974. Adoption of proposal.

3 (a) General rule.--The resolution shall be adopted upon
4 receiving a majority of the votes cast by all shareholders of
5 the business corporation entitled to vote thereon and, if any
6 class of shares is entitled to vote thereon as a class, a
7 majority of the votes cast in each class vote. A proposal for
8 the voluntary dissolution of a corporation shall not be deemed
9 to have been adopted by the corporation unless it has also been
10 recommended by resolution of the board of directors, regardless
11 of the fact that the board has directed or suffered the
12 submission of such a proposal to the shareholders for action.

13 (b) Termination of proposal.--Prior to the time when
14 articles of dissolution are filed in the Department of State,
15 the proposal may be terminated pursuant to provisions therefor,
16 if any, set forth in the resolution.

17 (c) Action rescinding election to dissolve.--Prior to the
18 time when articles of dissolution are filed in the department,
19 any business corporation may rescind its election to dissolve in
20 the same manner and by the same procedure as that provided in
21 this subchapter for the election of a corporation to dissolve
22 voluntarily.

23 § 1975. Winding up in voluntary dissolution proceedings.

24 (a) Powers of board.--The board of directors of a business
25 corporation shall have full power to wind up and settle the
26 affairs of a business corporation in the event of a voluntary
27 dissolution proceeding.

28 (b) Notice to creditors and taxing authorities.--After the
29 approval by the shareholders of the proposal that the
30 corporation dissolve voluntarily, the corporation shall

1 immediately cause notice of the winding up proceedings to be
2 officially published and to be mailed by certified or registered
3 mail to each known creditor and claimant and to each municipal
4 corporation in which its registered office or principal place of
5 business in this Commonwealth is located.

6 (c) Winding up and distribution.--The corporation shall, as
7 speedily as possible, proceed to collect all sums due it,
8 convert into cash all corporate assets the conversion of which
9 into cash is required to discharge its liabilities and, out of
10 the assets of the corporation, discharge or make adequate
11 provision for the discharge of all liabilities of the
12 corporation, according to their respective priorities. Any
13 surplus remaining after paying or providing for all liabilities
14 of the corporation shall be distributed to the shareholders
15 according to their respective rights and preferences.

16 § 1976. Judicial supervision of proceedings.

17 A business corporation, at any time during the winding up
18 proceedings, may apply to the court to have the proceedings
19 continued under the supervision of the court and thereafter the
20 proceedings shall continue under the supervision of the court as
21 provided in Subchapter G (relating to involuntary liquidation
22 and dissolution).

23 § 1977. Articles of dissolution.

24 (a) Preparation of articles.--When all liabilities of the
25 business corporation have been discharged, or adequate provision
26 has been made therefor, and all of the remaining assets of the
27 corporation have been distributed as provided in this
28 subchapter, or in case its assets are not sufficient to
29 discharge its liabilities, when all the assets have been fairly
30 and equitably applied, as far as they will go, to the payment of

1 such liabilities, articles of dissolution shall be executed by
2 the corporation and shall set forth:

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

8 (2) The statute under which the corporation was
9 incorporated and the date of incorporation.

10 (3) The names and respective addresses, including street
11 and number, if any, of its directors and officers.

12 (4) The manner in which the proposal to dissolve
13 voluntarily was adopted by the corporation.

14 (5) A statement:

15 (i) that all liabilities of the corporation have
16 been discharged or that adequate provision has been made
17 therefor; or

18 (ii) that the assets of the corporation are not
19 sufficient to discharge its liabilities, and that all the
20 assets of the corporation have been fairly and equitably
21 applied, as far as they will go, to the payment of such
22 liabilities.

23 An election by the corporation to proceed under Subchapter H
24 (relating to postdissolution claims) shall constitute the
25 making of adequate provision for the liabilities of the
26 corporation.

27 (6) A statement:

28 (i) that all the remaining assets of the
29 corporation, if any, have been distributed as provided in
30 the Business Corporation Law of 1988; or

(ii) that the corporation has elected to proceed under Subchapter H and that any remaining assets of the corporation will be distributed as provided in that subchapter.

(7) A statement that no actions or proceedings are pending against the corporation in any court, or that adequate provision has been made for the satisfaction of any judgment or decree that may be obtained against the corporation in each pending action or proceeding.

(8) A statement that notice of the winding-up proceedings of the corporation was mailed by certified or registered mail to each known creditor and claimant and to each municipal corporation in which the registered office or principal place of business of the corporation in this Commonwealth is located.

(b) Filing.--The articles of dissolution and the certificates or statement required by section 139 (relating to tax clearance of certain fundamental transactions) shall be filed in the Department of State. See section 134 (relating to docketing statement).

(c) Effect.--Upon the filing of the articles of dissolution in the department, the existence of the corporation shall cease. § 1978. Winding up of corporation upon the expiration of its period of duration.

Every business corporation that is dissolved by expiration of its period of duration shall, nevertheless, continue to exist for the purpose of winding up its affairs, prosecuting and defending actions or proceedings by or against it, collecting and discharging obligations, disposing of and conveying its property and collecting and dividing its assets, but not for the

1 purpose of continuing business except insofar as necessary for
2 the winding up of the corporation. The board of directors of the
3 corporation shall continue as such and shall have full power to
4 wind up the affairs of the corporation.

5 § 1979. Survival of remedies and rights after dissolution.

6 (a) General rule.--The dissolution of a business
7 corporation, either under this subchapter or under Subchapter G
8 (relating to involuntary liquidation and dissolution) or by
9 expiration of its period of duration, shall not eliminate nor
10 impair any remedy available to or against the corporation or its
11 directors, officers or shareholders for any right or claim
12 existing, or liability incurred, prior to the dissolution, if an
13 action or proceeding thereon is brought on behalf of:

- 14 (1) the corporation within the time otherwise limited by
15 law; or
16 (2) any other person before or within two years after
17 the date of the dissolution or within the time otherwise
18 limited by law, whichever is less.

19 The actions or proceedings may be prosecuted against and
20 defended by the corporation in its corporate name.

21 (b) Rights and assets.--The dissolution of a business
22 corporation shall not affect the limited liability of a
23 shareholder of the corporation theretofore existing with respect
24 to transactions occurring or acts or omissions done or omitted
25 in the name of or by the corporation except that each
26 shareholder shall be liable for his pro rata portion of the
27 unpaid liabilities of the corporation up to the amount of the
28 net assets of the corporation distributed to the shareholder in
29 connection with the dissolution. Should any property right of a
30 corporation be discovered after the dissolution of the

1 corporation, the surviving member or members of the board of
2 directors that wound up the affairs of the corporation, or a
3 receiver appointed by the court, shall have authority to enforce
4 the property right and to collect and divide the assets so
5 discovered among the persons entitled thereto and to prosecute
6 actions or proceedings in the corporate name of the corporation.
7 Any assets so collected shall be distributed and disposed of in
8 accordance with the applicable order of court, if any, and
9 otherwise in accordance with this subchapter.

10 § 1980. Dissolution by domestication.

11 Whenever a domestic business corporation has domesticated
12 itself under the laws of another jurisdiction by action similar
13 to that provided by section 4161 (relating to domestication) and
14 has authorized that action by the vote required by this
15 subchapter for the approval of a proposal that the corporation
16 dissolve voluntarily, the corporation may surrender its charter
17 under the laws of this Commonwealth by filing in the Department
18 of State articles of dissolution under this subchapter
19 containing the statements specified by section 1977(a)(1)
20 through (4) (relating to preparation of articles).

21 SUBCHAPTER G

22 INVOLUNTARY LIQUIDATION AND DISSOLUTION

23 Sec.

24 1981. Proceedings upon application of shareholder or director.

25 1982. Proceedings upon application of creditor.

26 1983. (Reserved).

27 1984. Appointment of receiver pendente lite and other interim
28 powers.

29 1985. Liquidating receiver.

30 1986. Qualifications of receivers.

1 1987. Proof of claims.

2 1988. Discontinuance of proceedings; reorganization.

3 1989. Articles of involuntary dissolution.

4 § 1981. Proceedings upon application of shareholder or
5 director.

6 Upon application filed by a shareholder or director of a
7 business corporation, the court may entertain proceedings for
8 the involuntary winding up and dissolution of the corporation
9 when any one of the following is made to appear:

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

14 (2) The corporate assets are being misapplied or wasted
15 and that it is beneficial to the interests of the
16 shareholders that the corporation be wound up and dissolved.

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

27 § 1982. Proceedings upon application of creditor.

28 Upon application filed by a creditor of a business
29 corporation whose claim has either been reduced to judgment and
30 an execution thereon returned unsatisfied or whose claim is

1 admitted by the corporation, the court may entertain proceedings
2 for the involuntary winding up and dissolution of the
3 corporation when, in either case, it is made to appear that the
4 corporation is unable to discharge its liabilities in the
5 regular course of business, as they mature, or is unable to
6 afford reasonable security to those who may deal with it.

7 § 1983. (Reserved).

8 § 1984. Appointment of receiver pendente lite and other interim
9 powers.

10 Upon the filing of an application under this subchapter, the
11 court may issue injunctions, appoint a receiver pendente lite
12 with such powers and duties as the court from time to time may
13 direct and proceed as may be requisite to preserve the corporate
14 assets wherever situated and to carry on the business of the
15 corporation until a full hearing can be had.

16 § 1985. Liquidating receiver.

17 Upon a hearing, after such notice as the court may direct to
18 be given to all parties to the proceeding and to any other
19 parties in interest designated by the court, the court may
20 appoint a liquidating receiver with authority to collect the
21 assets of the corporation. The liquidating receiver shall have
22 authority, subject to the order of the court, to dispose of all
23 or any part of the assets of the corporation wherever situated,
24 either at public or private sale. The assets of the corporation,
25 or the proceeds resulting from a disposition thereof, shall be
26 applied to the expenses of the liquidation and to the payment of
27 the liabilities of the corporation and any remaining assets or
28 proceeds shall be distributed by the court in the manner
29 provided by section 1975(c) (relating to winding up and
30 distribution). The court may direct that any or all of the

1 provisions of Subchapter H (relating to postdissolution claims)
2 shall apply. The order appointing the liquidating receiver shall
3 state his powers and duties. The powers and duties may be
4 increased or diminished at any time during the proceedings. A
5 receiver of a corporation appointed under this section shall
6 have authority to sue and defend in all courts in his own name
7 as receiver of the corporation. The court appointing the
8 receiver shall have exclusive jurisdiction of the corporation
9 and its property wherever situated.

10 § 1986. Qualifications of receivers.

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

18 § 1987. Proof of claims.

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

1 be barred, by order of court, from participating in the
2 distribution of the assets of the corporation.

3 (b) Cross reference.--See section 1979 (relating to survival
4 of remedies and rights after dissolution).

5 § 1988. Discontinuance of proceedings; reorganization.

6 The proceedings under this subchapter may be discontinued at
7 any time when it is established that cause for liquidation no
8 longer exists. In that event, the court shall dismiss the
9 proceedings and direct the receiver to redeliver to the business
10 corporation all its remaining property and assets.

11 § 1989. Articles of involuntary dissolution.

12 (a) General rule.--In a proceeding under this subchapter,
13 the court shall enter an order dissolving the business
14 corporation when the costs and expenses of the proceeding and
15 all liabilities of the corporation have been discharged, and all
16 of its remaining assets have been distributed to its
17 shareholders or, in case its assets are not sufficient to
18 discharge such costs, expenses and liabilities, when all the
19 assets have been applied, as far as they will go, to the payment
20 of such costs, expenses and liabilities.

21 (b) Filing.--After entry of an order of dissolution, the
22 office of the clerk of the court of common pleas shall prepare
23 and execute articles of dissolution substantially in the form
24 provided by section 1977 (relating to articles of dissolution),
25 attach thereto a certified copy of the order and transmit the
26 articles and attached order to the Department of State. A
27 certificate or statement provided for by section 139 (relating
28 to tax clearance of certain fundamental transactions) shall not
29 be required and the department shall not charge a fee in
30 connection with the filing of articles of dissolution under this

1 section. See section 134 (relating to docketing statement).

2 (c) Effect.--Upon the filing of the articles of dissolution
3 in the department, the existence of the corporation shall cease.

4 SUBCHAPTER H

5 POSTDISSOLUTION CLAIMS

6 Sec.

7 1991. Definition of successor entity.

8 1992. Notice to claimants.

9 1993. Acceptance or rejection of matured claims.

10 1994. Disposition of unmatured claims.

11 1995. Court proceedings.

12 1996. No revival or waiver.

13 1997. Payments and distributions.

14 1998. Liability of shareholders.

15 § 1991. Definition of successor entity.

16 As used in this subchapter, the term "successor entity"
17 includes any trust, receivership or other legal entity governed
18 by the laws of this Commonwealth or any other jurisdiction to
19 which the remaining assets of a dissolved business corporation
20 are transferred subject to its liabilities and which exists
21 solely for the purposes of prosecuting and defending actions, by
22 or against the corporation, enabling the corporation to settle
23 and close its business, to dispose of and convey the property of
24 the corporation, to discharge the liabilities of the
25 corporation, and to distribute to the shareholders of the
26 corporation any remaining assets, but not for the purpose of
27 continuing the business for which the corporation was
28 incorporated.

29 § 1992. Notice to claimants.

30 (a) General rule.--After a business corporation has been

1 dissolved in accordance with the procedures set forth in this
2 chapter, the corporation or any successor entity may give notice
3 of the dissolution requesting all persons having a claim against
4 the corporation to present their claims against the corporation
5 in accordance with the notice. The notice shall state:

6 (1) That all claims must be presented in writing and
7 must contain sufficient information reasonably to inform the
8 corporation or successor entity of the identity of the
9 claimant and the substance of the claim.

10 (2) The mailing address to which a claim must be sent.

11 (3) The date by which a claim must be received by the
12 corporation or successor entity, which date shall be not less
13 than 60 days after the date the notice is given.

14 (4) That the corporation or a successor entity may make
15 distribution to other claimants and the shareholders of the
16 corporation or persons interested as having been such without
17 further notice to the claimant.

18 (b) Unmatured claims.--The corporation or successor entity
19 electing to follow the procedures specified in subsection (a)
20 shall also give notice of the dissolution of the corporation to
21 persons with claims contingent upon the occurrence or
22 nonoccurrence of future events or otherwise conditional or
23 unmatured, and shall request that such persons present their
24 claims in accordance with the terms of the notice. The notice
25 shall be in substantially the form specified in subsection (a).

26 (c) Publication and service of notices.--The notices
27 required by this section shall be officially published at least
28 once a week for two consecutive weeks and, in the case of a
29 corporation having \$10,000,000 or more in total assets at the
30 time of its dissolution, at least once in all editions of a

1 daily newspaper with a national circulation. Concurrently with
2 or preceding the publication, the corporation or successor
3 entity shall mail a copy of the notice by registered mail,
4 return receipt requested, to each known claimant of the
5 corporation.

6 § 1993. Acceptance or rejection of matured claims.

7 A dissolved business corporation or successor entity may
8 reject, in whole or in part, any matured claim made by a
9 claimant pursuant to section 1992 (relating to notice to
10 claimants) by mailing notice of the rejection by registered
11 mail, return receipt requested, to the claimant within 90 days
12 after receipt of the claim and, in all events, at least 30 days
13 before the expiration of the two-year period specified in
14 section 1979(a)(2) (relating to survival of remedies and rights
15 after dissolution). A notice sent pursuant to this section shall
16 include or be accompanied by a copy of this subchapter and of
17 section 1979.

18 § 1994. Disposition of unmatured claims.

19 The dissolved business corporation or successor entity shall
20 offer any claimant whose claim made pursuant to section 1992
21 (relating to notice to claimants) is contingent, conditional or
22 unmatured, such security as the corporation or successor entity
23 determines is sufficient to provide compensation to the claimant
24 if the claim matures. The corporation or successor entity shall
25 mail the offer to the claimant by registered mail, return
26 receipt requested, within 90 days after receipt of the claim
27 and, in all events, at least 30 days before the expiration of
28 the two-year period specified in section 1979(a)(2) (relating to
29 survival of remedies and rights after dissolution). A notice
30 sent pursuant to this section shall include or be accompanied by

1 a copy of this subchapter and of section 1979. If the claimant
2 offered the security does not deliver to the corporation or
3 successor entity a written notice rejecting the offer within 60
4 days after receipt of the offer for security, the claimant shall
5 be deemed to have accepted the security as the sole source from
6 which to satisfy his claim against the corporation.

7 § 1995. Court proceedings.

8 (a) General rule.--A dissolved business corporation or
9 successor entity that has given notice in accordance with
10 section 1992 (relating to notice to claimants) shall file an
11 application with the court for a determination of the amount and
12 form of security that will be sufficient to provide compensation
13 to:

14 (1) Claimants whose matured claims are known to the
15 corporation or successor entity but whose identities are
16 unknown.

17 (2) Any claimant who has rejected the offer for security
18 made pursuant to section 1994 (relating to disposition of
19 unmatured claims).

20 (b) Guardian ad litem.--The court shall appoint a guardian
21 ad litem to represent all claimants whose identities are unknown
22 in any proceeding brought under this subchapter. The reasonable
23 fees and expenses of the guardian, including all reasonable
24 expert witness fees, shall be paid by the applicant in the
25 proceeding unless otherwise ordered by the court.

26 § 1996. No revival or waiver.

27 The giving of any notice or making of any offer under this
28 subchapter shall not revive any claim then barred or constitute
29 acknowledgment by the dissolved business corporation or
30 successor entity that any person to whom the notice is sent is a

proper claimant and shall not operate as a waiver of any defense or counterclaim in respect of any claim asserted by any person to whom the notice is sent.

§ 1997. Payments and distributions.

(a) General rule.--A dissolved business corporation or successor entity that has elected to proceed under the preceding provisions of this subchapter shall:

(1) Pay the claims made and not rejected under section 1993 (relating to acceptance or rejection of matured claims).

(2) Post the security offered and not rejected under section 1994 (relating to disposition of unmatured claims).

(3) Post security ordered by the court in any proceeding under section 1995 (relating to court proceedings).

(4) Pay or make provision for all other liabilities of the corporation or the successor entity.

(b) Disposition.--The claims and liabilities shall be paid in full and any provision for payment shall be made in full if there are sufficient assets. If there are insufficient assets, the claims and liabilities shall be paid or provided for in order of their priority, and, among claims of equal priority, ratably to the extent of funds legally available therefor. Any remaining assets shall be distributed to the shareholders of the corporation, except that the distribution shall not be made less than 60 days after the last notice of rejection, if any, was given under section 1993 (relating to acceptance or rejection of matured claims).

(c) Evaluation of other liabilities.--In the absence of actual fraud, the judgment of the board of directors of the dissolved corporation or the governing persons of the successor entity as to the provision made for the payment of all

1 liabilities under subsection (a)(4) shall be conclusive.

2 (d) Disposition in absence of claims procedure.--A dissolved
3 corporation or successor entity that has not followed the
4 procedures in the preceding provisions of this subchapter shall
5 pay or make reasonable provision to pay all claims and
6 liabilities, including all contingent, conditional, or unmatured
7 claims known to the corporation or the successor entity and all
8 claims that are known to the corporation or the successor entity
9 but for which the identity of the claimant is unknown. The
10 claims shall be paid in full and any such provision for payment
11 made shall be made in full if there are sufficient assets. If
12 there are insufficient assets, the claims and liabilities shall
13 be paid or provided for according to their priority and, among
14 claims of equal priority, ratably to the extent of funds legally
15 available therefor. Any remaining assets shall be distributed to
16 the shareholders of the dissolved corporation.

17 (e) Liability of directors.--Directors of a dissolved
18 corporation or governing persons of a successor entity that has
19 complied with this section shall not be personally liable to the
20 claimants of the dissolved corporation.

21 § 1998. Liability of shareholders.

22 (a) General rule.--A shareholder of a dissolved business
23 corporation, the assets of which were distributed pursuant to
24 section 1997 (relating to payments and distributions), shall not
25 be liable for any claim against the corporation in an amount in
26 excess of the shareholder's pro rata share of the claim or the
27 amount so distributed to the shareholder, whichever is less.

28 (b) Limitation of actions.--A shareholder of a dissolved
29 corporation, the assets of which were distributed pursuant to
30 subsection 1997(a) through (c), shall not be liable for any

1 claim against the corporation on which an action is not
2 commenced prior to the expiration of the period specified in
3 section 1979(a)(2) (relating to survival of remedies and rights
4 after dissolution).

5 (c) Limitation of liability.--The aggregate liability of any
6 shareholder of a dissolved corporation for claims against the
7 dissolved corporation shall not exceed the amount distributed to
8 the shareholder in dissolution.

9 ARTICLE C

10 DOMESTIC BUSINESS CORPORATION ANCILLARIES

11 Chapter

12 21. Nonstock Corporations

13 23. Statutory Close Corporations

14 25. Registered Corporations

15 27. Management Corporations

16 29. Professional Corporations

17 CHAPTER 21

18 NONSTOCK CORPORATIONS

19 Subchapter

20 A. Preliminary Provisions

21 B. Powers, Duties and Safeguards

22 SUBCHAPTER A

23 PRELIMINARY PROVISIONS

24 Sec.

25 2101. Application and effect of chapter.

26 2102. Formation of nonstock corporations.

27 2103. Contents of articles and other documents of nonstock
28 corporations.

29 2104. Election of an existing business corporation to become a
30 nonstock corporation.

1 2105. Termination of nonstock corporation status.

2 § 2101. Application and effect of chapter.

3 (a) General rule.--This chapter shall be applicable to:

4 (1) A business corporation that elects to become a
5 nonstock corporation in the manner provided by this chapter.

6 (2) (Reserved).

7 (b) Application to business corporations generally.--The
8 existence of a provision of this chapter shall not of itself
9 create any implication that a contrary or different rule of law
10 is or would be applicable to a business corporation that is not
11 a nonstock corporation. This chapter shall not affect any
12 statute or rule of law that is or would be applicable to a
13 business corporation that is not a nonstock corporation.

14 (c) Laws applicable to nonstock corporations.--Except as
15 otherwise provided in this chapter, this subpart shall be
16 generally applicable to all nonstock corporations. The specific
17 provisions of this chapter shall control over the general
18 provisions of this subpart. In the case of a nonstock
19 corporation, references in this subpart to "shares,"
20 "shareholder," "share register," "share ledger," "transfer book
21 for shares," "number of shares entitled to vote" or "class of
22 shares" shall mean memberships, member, membership register,
23 membership ledger, membership transfer book, number of votes
24 entitled to be cast or class of members, respectively. Except as
25 otherwise provided in this article, a nonstock corporation may
26 be simultaneously subject to this chapter and one or more other
27 chapters of this article.

28 § 2102. Formation of nonstock corporations.

29 (a) General rule.--A nonstock corporation shall be formed in
30 accordance with Article B (relating to domestic business

1 corporations generally) except that its articles shall contain:

2 (1) A heading stating the name of the corporation and
3 that it is a nonstock corporation.

4 (2) The provisions required by section 2103 (relating to
5 contents of articles and other documents of nonstock
6 corporations).

7 (b) Initial members.--Upon the filing of articles of a
8 nonstock corporation, the subscribers to the minimum guaranteed
9 capital of the corporation, if any, and the incorporators shall
10 be the initial members of the corporation.

11 § 2103. Contents of articles and other documents of nonstock
12 corporations.

13 In lieu of required statements relating to shares or share
14 structure, a nonstock corporation shall set forth in any
15 document permitted or required to be filed under this subpart
16 the fact that the corporation is organized on a nonstock basis.
17 A nonstock corporation may, but need not, have a minimum
18 guaranteed capital which shall be furnished by the subscribers
19 thereto in such proportions as they may agree.

20 § 2104. Election of an existing business corporation to become
21 a nonstock corporation.

22 (a) General rule.--Any business corporation may become a
23 nonstock corporation under this chapter by:

24 (1) Adopting a plan of conversion providing for the
25 redemption by the corporation of all of its shares whether or
26 not redeemable by the terms of its articles and adjusting its
27 affairs so as to comply with the requirements of this chapter
28 applicable to nonstock corporations.

29 (2) Filing articles of amendment which shall contain, in
30 addition to the requirements of section 1915 (relating to

articles of amendment):

(i) A heading stating the name of the corporation and that it is a nonstock corporation.

(ii) A statement that it elects to become a nonstock corporation.

(iii) A statement that the corporation is organized on a nonstock basis.

(iv) Such other changes, if any, that may be desired in the articles.

(b) Procedure.--The plan of conversion of the corporation into a nonstock corporation (which plan shall include the amendment of the articles required by subsection (a)) shall be adopted in accordance with the requirements of Subchapter B of Chapter 19 (relating to amendment of articles) except that:

(1) The holders of shares of every class shall be entitled to vote on the plan regardless of any limitations stated in the articles or bylaws on the voting rights of any class.

(2) The plan must be approved by two-thirds of the votes cast by all shares of each class.

(3) If any shareholder of a business corporation that adopts a plan of conversion into a nonstock corporation objects to the plan of conversion and complies with the provisions of Subchapter D of Chapter 15 (relating to dissenters rights), the shareholder shall be entitled to the rights and remedies of dissenting shareholders therein provided. There shall be included in, or enclosed with, the notice of the meeting of shareholders called to act upon the plan of conversion a copy or a summary of the plan and a copy of this subsection and of Subchapter D of Chapter 15.

1 (4) The plan shall not impose any additional liability
2 upon any existing patron of the business of the corporation,
3 whether or not that person becomes a member of the
4 corporation pursuant to the plan, unless the patron expressly
5 assumes such liability.

6 § 2105. Termination of nonstock corporation status.

7 (a) General rule.--A nonstock corporation may terminate its
8 status as such and cease to be subject to this chapter by:

9 (1) Adopting a plan of conversion providing for the
10 issue of appropriate shares to its members and adjusting its
11 affairs so as to comply with the requirements of this subpart
12 applicable to business corporations that are not nonstock
13 corporations.

14 (2) Amending its articles to delete therefrom the
15 additional provisions required or permitted by sections
16 2102(a)(1) (relating to formation of nonstock corporations)
17 and 2103 (relating to contents of articles and other
18 documents of nonstock corporations) to be stated in the
19 articles of a nonstock corporation. The plan of conversion
20 (which plan shall include the amendment of the articles
21 required by this section) shall be adopted in accordance with
22 Subchapter B of Chapter 19 (relating to amendment of
23 articles) except that:

24 (i) The members of every class shall be entitled to
25 vote on the plan regardless of any limitations stated in
26 the articles or bylaws, or in a document evidencing
27 membership, on the voting rights of any class.

28 (ii) The plan must be approved by a majority of the
29 votes cast by the members of each class.

30 (b) Increased vote requirements.--The bylaws of a nonstock

1 corporation adopted by the members may provide that on any
2 amendment to terminate its status as a nonstock corporation, a
3 vote greater than that specified in subsection (a) shall be
4 required. If the bylaws contain such a provision, that provision
5 shall not be amended, repealed or modified by any vote less than
6 that required to terminate the status of the corporation as a
7 nonstock corporation.

8 SUBCHAPTER B

9 POWERS, DUTIES AND SAFEGUARDS

10 Sec.

11 2121. Corporate name of nonstock corporations.

12 2122. Classes of membership.

13 2123. Evidence of membership; liability of members.

14 2124. Voting rights of members.

15 2125. Inapplicability of certain provisions to nonstock
16 corporations.

17 2126. Dissolution of nonstock corporations.

18 § 2121. Corporate name of nonstock corporations.

19 (a) General rule.--The corporate name of a nonstock
20 corporation may contain the word "mutual."

21 (b) Insurance names.--A nonstock corporation shall not use a
22 name containing any of the words "annuity," "assurance,"
23 "beneficial," "bond," "casualty," "endowment," "fidelity,"
24 "fraternal," "guaranty," "indemnity," "insurance," "surety" or
25 "title" when used in such a way as to imply that the corporation
26 is engaged in the business of writing insurance as principal, or
27 any other words of like purport, unless there is submitted a
28 certificate from the Insurance Department certifying that the
29 department has no objection to the use by the corporation or
30 proposed corporation of such designation.

1 § 2122. Classes of membership.

2 The bylaws of a nonstock corporation adopted by the members
3 may vest in the board of directors the power to establish
4 classes of membership and to fix the several rights and
5 liabilities thereof.

6 § 2123. Evidence of membership; liability of members.

7 (a) General rule.--Every member of record of a nonstock
8 corporation shall be entitled to a written document evidencing
9 his membership in the corporation. The document shall set forth
10 the rights and liabilities of membership or shall state that the
11 corporation will furnish to any member, upon request and without
12 charge, a full or summary statement of the rights and
13 liabilities of membership and, if the membership of the
14 corporation is divided into classes, the variations in the
15 rights and liabilities of membership between classes. If a
16 membership is not fully paid or if the member is otherwise
17 liable to assessment, the document evidencing the membership
18 shall so state.

19 (b) Liability.--A subscriber to the minimum guaranteed
20 capital of or member of a nonstock corporation shall not be
21 under any liability to the corporation or any creditor thereof
22 other than the obligations of complying with the terms of the
23 subscription to the minimum guaranteed capital, if any, and with
24 the terms of the document evidencing his membership.

25 (c) Dissenters rights.--The document evidencing membership
26 shall constitute a share certificate for the purposes of
27 Subchapter D of Chapter 15 (relating to dissenters rights).

28 § 2124. Voting rights of members.

29 Except as otherwise provided in a bylaw adopted by the
30 members or in a written document evidencing membership, every

1 member of record of a nonstock corporation shall have the right,
2 at every meeting of members, to one vote.

3 § 2125. Inapplicability of certain provisions to nonstock
4 corporations.

5 (a) Share structure.--The provisions of Subchapter B of
6 Chapter 15 (relating to shares and other securities) shall not
7 be applicable to a nonstock corporation. A nonstock corporation
8 shall not create or issue shares.

9 (b) Corporate finance.--A patronage rebate or dividend that
10 is, or is equivalent to, a reduction in the charge made by a
11 nonstock corporation to a member for goods or services shall not
12 constitute a dividend or distribution within the meaning of
13 section 1551 (relating to distributions to shareholders).

14 § 2126. Dissolution of nonstock corporations.

15 If at the time of dissolution of a nonstock corporation the
16 articles, bylaws and documents evidencing membership fail to
17 define the respective rights and preferences of the members upon
18 dissolution, the surplus of cash or property remaining after
19 discharging all liabilities of the corporation shall be paid to
20 or distributed among the members according to such a plan of
21 distribution as the members may adopt. The plan shall be adopted
22 in accordance with Subchapter F of Chapter 19 (relating to
23 voluntary dissolution and winding up) except that:

24 (1) The members of every class shall be entitled to vote
25 on the plan regardless of any limitations stated in the
26 articles or bylaws, or in a document evidencing membership,
27 on the voting rights of any class.

28 (2) The plan must be approved by a majority of the votes
29 cast by the members of each class.

30 CHAPTER 23

1 STATUTORY CLOSE CORPORATIONS

2 Subchapter

3 A. Preliminary Provisions

4 B. Shares

5 C. Powers, Duties and Safeguards

6 SUBCHAPTER A

7 PRELIMINARY PROVISIONS

8 Sec.

9 2301. Application and effect of chapter.

10 2302. Definition of minimum vote.

11 2303. Formation of statutory close corporations.

12 2304. Additional contents of articles of statutory close
13 corporations.

14 2305. Election of an existing business corporation to become
15 a statutory close corporation.

16 2306. Limitations on continuation of statutory close
17 corporation status.

18 2307. Voluntary termination of statutory close corporation
19 status by amendment of articles.

20 2308. Issuance or transfer of shares of a statutory close
21 corporation in breach of qualifying conditions.

22 2309. Involuntary termination of statutory close corporation
23 status; proceeding to prevent loss of status.

24 § 2301. Application and effect of chapter.

25 (a) General rule.--This chapter shall be applicable to a
26 business corporation, other than a management corporation, that:

27 (1) had elected to become a close corporation subject to
28 Chapter B of Article III of the act of May 5, 1933 (P.L.364,
29 No.106), known as the Business Corporation Law of 1933
30 (relating to close corporations) and that, as of the

1 effective date of this chapter, had not terminated that
2 election in the manner prescribed by statute; or

3 (2) elects to become a statutory close corporation in
4 the manner provided by this chapter.

5 (b) Application of business corporation law generally.--The
6 existence of a provision of this chapter shall not of itself
7 create any implication that a contrary or different rule of law
8 is or would be applicable to a business corporation that is not
9 a statutory close corporation. This chapter shall not affect any
10 statute or rule of law that is or would be applicable to a
11 business corporation that is not a statutory close corporation.

12 (c) Laws applicable to statutory close corporations.--Except
13 as otherwise provided in this chapter, this subpart shall be
14 generally applicable to all statutory close corporations. The
15 specific provisions of this chapter shall control over the
16 general provisions of this subpart. Except as otherwise provided
17 in this article, a statutory close corporation may be
18 simultaneously subject to this chapter and one or more other
19 chapters of this article.

20 (d) Transitional provisions.--The following provisions of
21 this chapter shall not apply to a statutory close corporation
22 existing on January 1, 1989, unless otherwise provided in a
23 bylaw adopted in the manner provided by section 2332(b)
24 (relating to procedure):

25 Section 2321(b) (relating to preemptive rights) insofar
26 as such provision authorizes the shareholders to adopt a
27 bylaw eliminating or limiting the preemptive rights provided
28 in that subsection.

29 Section 2322 (relating to share transfer restrictions).

30 Section 2323 (relating to transfer of shares in breach of

1 transfer restrictions). If section 2323 is not applicable to
2 the corporation, transfer restrictions (including a
3 restriction that is held not to be authorized by section 1529
4 (relating to transfer of securities; restrictions)) shall be
5 enforced in the same manner as if this article had not been
6 enacted.

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

9 Section 2336 (relating to fundamental changes).

10 (e) Cross reference.--See the definition of "closely-held
11 corporation" in section 1103 (relating to definitions).

12 § 2302. Definition of minimum vote.

13 (a) General rule.--As used in this chapter, the term
14 "minimum vote" as applied to corporate action means that:

15 (1) The holders of shares of every class shall be
16 entitled to vote on the corporate action regardless of any
17 limitations stated in the articles or bylaws on the voting
18 rights of any class.

19 (2) The corporate action must be approved by vote of the
20 shareholders of each class entitled to cast at least two-
21 thirds of the votes that all shareholders of the class are
22 entitled to cast thereon.

23 (b) Increased vote requirements.--The bylaws of a statutory
24 close corporation adopted by the shareholders may provide that
25 on any corporate action subject to the minimum vote requirement
26 of subsection (a) a vote greater than two-thirds or a vote of
27 all shares of any class shall be required. If the bylaws contain
28 such a provision, that provision shall not be amended, repealed
29 or modified by any vote less than that required to effect such
30 corporation action.

1 § 2303. Formation of statutory close corporations.

2 A statutory close corporation shall be formed in accordance
3 with Article B (relating to domestic business corporations
4 generally) except that its articles shall contain:

5 (1) A heading stating the name of the corporation and
6 that it is a statutory close corporation.

7 (2) The provisions required by section 2304 (relating to
8 additional contents of articles of statutory close
9 corporations).

10 § 2304. Additional contents of articles of statutory close
11 corporations.

12 (a) General rule.--In addition to the provisions otherwise
13 required by this subpart, the articles of a statutory close
14 corporation shall provide that the corporation shall not make an
15 offering of any of its shares of any class that would constitute
16 a "public offering" within the meaning of the Securities Act of
17 1933 (15 U.S.C. § 77a et seq.).

18 (b) Number or qualifications of shareholders.--The articles
19 of a statutory close corporation may set forth:

20 (1) The maximum number of persons who are entitled to be
21 record holders or beneficial owners of its shares.

22 (2) The qualifications of shareholders, either by
23 specifying classes of persons who shall be entitled to be
24 holders of record of shares of any class or by specifying
25 classes of persons who shall not be entitled to be holders of
26 shares of any class or both.

27 (c) Aggregation of holdings.--Except as otherwise provided
28 in the articles, for purposes of determining the number of
29 holders of record or beneficial owners of the shares of a
30 statutory close corporation, shares that are held jointly or in

1 common or in a trust, by two or more persons, as fiduciaries or
2 otherwise, or that are held by spouses, shall be treated as held
3 by one shareholder.

4 § 2305. Election of an existing business corporation to become
5 a statutory close corporation.

6 (a) General rule.--A business corporation may become a
7 statutory close corporation under this chapter by amending its
8 articles so that they shall contain, in addition to the
9 requirements of section 1911(b) (relating to exceptions):

10 (1) A heading stating the name of the corporation and
11 that it is a statutory close corporation.

12 (2) A statement that it elects to become a statutory
13 close corporation.

14 (3) The provisions required by section 2304 (relating to
15 additional contents of articles of statutory close
16 corporations).

17 (b) Procedure.--The amendment shall not be effective unless
18 it is adopted by at least the minimum vote.

19 § 2306. Limitations on continuation of statutory close
20 corporation status.

21 A statutory close corporation continues to be such and to be
22 subject to this chapter until:

23 (1) it terminates its status as a statutory close
24 corporation pursuant to section 2307 (relating to voluntary
25 termination of statutory close corporation status by
26 amendment of articles); or

27 (2) the provisions required or permitted by section 2304
28 (relating to additional contents of articles of statutory
29 close corporations) to be stated in the articles to qualify a
30 business corporation as a statutory close corporation have in

fact been breached and neither the corporation nor any of its shareholders takes the steps required by section 2309 (relating to involuntary termination of statutory close corporation status; proceeding to prevent loss of status) to prevent such loss of status or to remedy such breach.

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

(a) General rule.--A statutory close corporation may voluntarily terminate its status as such and cease to be subject to this chapter by amending its articles to delete therefrom the additional provisions required or permitted by sections 2303(1) (relating to formation of statutory close corporations) and 2304 (relating to additional contents of articles of statutory close corporations) to be stated in the articles of a statutory close corporation.

(b) Procedure.--The amendment shall not be effective unless it is adopted by at least the minimum vote.

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

(a) Notice of qualifications.--If shares of a statutory close corporation are issued or transferred to any person who is not entitled under any provision of the articles permitted by section 2304(b) (relating to number or qualifications of shareholders) to be a holder of record of shares of the corporation and if the certificate for the shares complies with section 2321(c) (relating to notice of statutory close corporation status) or conspicuously notes the existence of such a provision of the articles, that person shall be conclusively presumed to have notice of the fact of his ineligibility to be a shareholder.

1 (b) Notice of size restrictions.--If the articles of a
2 statutory close corporation state the number of persons who are
3 entitled to be holders or owners of its shares and if the
4 certificate for the shares complies with section 2321(c) or
5 conspicuously notes the existence of such a provision of the
6 articles and if the issuance or transfer of shares to any person
7 would cause the shares to be held by more than that number of
8 persons, the person to whom the shares are issued or transferred
9 shall be conclusively presumed to have notice of that fact.

10 (c) Refusal to register.--Whenever any person to whom shares
11 of a statutory close corporation have been issued or transferred
12 has, or is conclusively presumed under this section to have,
13 notice either:

14 (1) that he is a person not eligible to be a holder of
15 shares of the corporation; or

16 (2) that the transfer of shares to him would cause the
17 shares of the corporation to be held by more than the number
18 of persons permitted by its articles to hold shares of the
19 corporation;

20 the corporation may, at its option, refuse to register the
21 transfer of the shares into the name of the transferee.

22 (d) Exception.--The provisions of subsection (c) shall not
23 be applicable if the transfer of shares, even though otherwise
24 contrary to subsection (a) or (b), has been consented to by all
25 the shareholders of the statutory close corporation or if the
26 statutory close corporation has amended its articles in
27 accordance with section 2307 (relating to voluntary termination
28 of statutory close corporation status by amendment of articles).

29 (e) Rescission rights unaffected.--The provisions of this
30 section do not impair any right of a transferee to rescind the

1 transaction or to recover under any applicable warranty express
2 or implied.

3 (f) Definition.--As used in this section, the term
4 "transfer" is not limited to a transfer for value.

5 § 2309. Involuntary termination of statutory close corporation
6 status; proceeding to prevent loss of status.

7 (a) General rule.--If any event occurs as a result of which
8 the provisions included in the articles of a statutory close
9 corporation pursuant to section 2304 (relating to additional
10 contents of articles of statutory close corporations) to qualify
11 it as a statutory close corporation have been breached, the
12 status of the business corporation as a statutory close
13 corporation under this chapter shall terminate unless:

14 (1) Within 30 days after the occurrence of the event or
15 within 30 days after the event has been discovered, whichever
16 is later, the corporation:

17 (i) Files in the Department of State a certificate
18 executed by the corporation setting forth:

19 (A) The name of the corporation and, subject to
20 section 109 (relating to name of commercial
21 registered office provider in lieu of registered
22 address), the address, including street and number,
23 if any, of its registered office.

24 (B) A statement that a provision included in its
25 articles pursuant to section 2304 to qualify it as a
26 statutory close corporation has been breached.

27 (ii) Furnishes a copy of the certificate to each
28 shareholder.

29 (2) The corporation concurrently with the filing of the
30 certificate takes such steps as are necessary to correct the

1 situation that threatens its status as a statutory close
2 corporation including, without limitation, the refusal to
3 register the transfer of shares that have been wrongfully
4 transferred as provided by section 2308 (relating to issuance
5 or transfer of shares of a statutory close corporation in
6 breach of qualifying conditions) or initiation of a
7 proceeding under subsection (b).

8 (b) Proceeding to cure breach.--Upon the application of the
9 corporation or of any shareholder, the court may issue all
10 orders necessary to prevent the corporation from losing its
11 status as a statutory close corporation or to restore its status
12 as a statutory close corporation by enjoining or setting aside
13 any act or threatened act on the part of the corporation or a
14 shareholder that would be inconsistent with any of the
15 provisions required or permitted by section 2304 to be stated in
16 the articles of a statutory close corporation unless it is an
17 act approved in accordance with section 2308(d) (relating to
18 exception). The court may enjoin or set aside any transfer or
19 threatened transfer of shares of a statutory close corporation
20 that is contrary to any of the terms of its articles and may
21 enjoin any public offering, as defined in section 2304(a), or
22 threatened public offering of shares of the statutory close
23 corporation.

24 (c) Notice of cure of breach.--When the situation that
25 threatened the status of the corporation as a statutory close
26 corporation has been remedied and if the corporation has not
27 amended its articles in accordance with section 2307 (relating
28 to voluntary termination of statutory close corporation status
29 by amendment of articles), the corporation shall file in the
30 department a certificate executed by the corporation, setting

1 forth:

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

7 (2) A statement that no breach of any of the provisions
8 included in its articles pursuant to section 2304 exists.

9 Upon the filing of the certificate, the status of the
10 corporation as a statutory close corporation under this chapter,
11 if theretofore terminated by reason of subsection (a), shall be
12 restored.

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

15 SUBCHAPTER B

16 SHARES

17 Sec.

18 2321. Shares.

19 2322. Share transfer restrictions.

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

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

23 2325. Sale option of estate of shareholder.

24 § 2321. Shares.

25 (a) Uncertificated shares prohibited.--A statutory close
26 corporation shall not issue uncertificated shares.

27 (b) Preemptive rights.--

28 (1) Unless otherwise provided in a bylaw adopted by the
29 shareholders, the holders of any class of voting shares of a
30 statutory close corporation shall have a preemptive right to

1 subscribe for or purchase any voting shares (or any option
2 rights or securities having conversion or option rights with
3 respect to any voting shares) issued or sold by the
4 corporation for any form of consideration.

5 (2) Paragraph (1) shall not apply to any issue of voting
6 shares (or of any option rights or securities having
7 conversion or option rights with respect to such voting
8 shares) pursuant to a plan to which Subchapter D of Chapter
9 15 (relating to dissenters rights) is applicable.

10 (c) Notice of statutory close corporation status.--A legend
11 in substantially the following form shall be set forth
12 conspicuously on each share certificate issued by a statutory
13 close corporation:

14 The rights of shareholders in a statutory close
15 corporation may differ materially from the rights of
16 shareholders in other corporations. Copies of the articles of
17 incorporation and bylaws, agreements among shareholders or
18 other documents, which may restrict transfers and affect
19 voting and other rights, may be obtained by a shareholder on
20 written request to the corporation.

21 This notice shall satisfy all requirements of this subpart that
22 notice of transfer or other restrictions or relative rights be
23 given. All persons claiming an interest in shares of a statutory
24 close corporation:

25 (1) Complying with the notice requirement of this
26 section shall be bound by the documents referred to in the
27 notice.

28 (2) Not complying with the requirement of this section
29 shall be bound only by any documents of which they, or any
30 person through whom they claim, have knowledge or notice.

1 § 2322. Share transfer restrictions.

2 (a) General rule.--Unless otherwise provided in a bylaw
3 adopted by the shareholders, no interest in shares of a
4 statutory close corporation may be transferred, by operation of
5 law or otherwise, whether voluntary or involuntary.

6 (b) Exception.--Subsection (a) shall not apply to a
7 transfer:

8 (1) To the corporation or to any other shareholder of
9 the same class of shares.

10 (2) To members of the immediate family of a shareholder
11 or to a trust all of whose beneficiaries are members of the
12 immediate family of a shareholder. The immediate family of a
13 shareholder shall include only his spouse, parents, brothers,
14 sisters, lineal descendants (including descendants related by
15 adoption) and spouses of any lineal descendants.

16 (3) That has been approved by the unanimous vote of the
17 holders of the most junior shares of the corporation having
18 voting rights for the election of directors.

19 (4) To an executor or administrator upon the death of a
20 shareholder or to a trustee or receiver as the result of a
21 bankruptcy, insolvency, dissolution or similar proceeding
22 brought by or against a shareholder.

23 (5) By merger, consolidation or share exchange that
24 becomes effective pursuant to section 2336 (relating to
25 fundamental changes) or a share exchange of existing shares
26 for other shares of a different class or series in the
27 corporation.

28 (6) By a pledge as collateral for a loan that does not
29 grant the pledgee any voting rights possessed by the pledgor.

30 (7) Made after termination of the status of the

1 corporation as a statutory close corporation.

2 (8) Permitted by subsection (h).

3 (c) Offer by nonexempt purchaser.--Any person desiring to
4 transfer shares in a transaction not exempt under subsection
5 (b)(1) through (7) shall obtain an offer from a third party who
6 meets the requirements of subsection (d) to purchase the shares
7 for cash and shall deliver written notice of the third party
8 offer to the corporation at its registered office stating the
9 number and kind of shares, the offering price, the other terms
10 of the offer and the name and address of the third party
11 offeror.

12 (d) Qualifications of transferee.--A transfer shall not be
13 made to a third party unless:

14 (1) The third party is eligible to become a qualified
15 shareholder under the provisions of any Federal or State tax
16 statute that the corporation has elected to be subject to and
17 the third party agrees in writing not to take any action to
18 terminate the election without the approval of the remaining
19 shareholders.

20 (2) The transfer to the third party will not result in
21 the imposition of the personal holding company tax or any
22 similar Federal or State penalty tax on the corporation.

23 (3) The third party is eligible to be a shareholder
24 under section 2304(b) (relating to number or qualifications
25 of shareholders).

26 (e) Action on offer by corporation.--The notice specified in
27 subsection (c) shall constitute an offer by the shareholder to
28 sell the shares to the corporation on the terms of the third
29 party offer. Within 20 days after receipt of the notice by the
30 corporation, the secretary shall call a special meeting of

1 shareholders, which shall be held not more than 40 days after
2 the call, for the purpose of determining whether to purchase all
3 (but not less than all) of the offered shares. Approval of
4 action to purchase shall be by a majority of the votes of all
5 shareholders entitled to vote thereon, excluding the holders of
6 offered shares. With the consent of all the shareholders
7 entitled to vote for the approval, the corporation may allocate
8 some or all of the shares to one or more shareholders, or to
9 other persons, but, if the corporation has more than one class
10 of shares, the remaining holders of the class of shares being
11 offered for sale shall have a first option to purchase the
12 shares that are not purchased by the corporation in proportion
13 to their shareholdings or in such proportion as shall be
14 agreeable to those desiring to participate in the purchase.

15 (f) Notice of action by corporation.--Within 75 days after
16 receipt of the offer, written notice of the acceptance of the
17 offer of the shareholder shall be delivered or sent to the
18 offering shareholder at the address specified in his notice to
19 the corporation or, in the absence of any specification, at his
20 last known address as reflected in the records of the
21 corporation. If the notice contains terms of purchase different
22 from those contained in the offer of the shareholder, the
23 different terms shall be deemed a counteroffer and unless the
24 shareholder wishing to transfer his shares accepts in writing
25 the counteroffer or the shareholder and the corporation or other
26 purchaser otherwise resolve by written agreement the difference
27 between the offer and counteroffer within 15 days of receipt by
28 the shareholder of the qualified notice of acceptance, the
29 notice containing the counteroffer shall be ineffective as an
30 acceptance.

1 (g) Delivery and payment.--If a contract to sell is created
2 under subsection (f), the shareholder shall make delivery of all
3 the certificates for the shares so sold, duly endorsed, within
4 20 days of receipt of the notice of acceptance. Breach of any of
5 the terms of the contract shall entitle the nonbreaching party
6 to any remedy at law or equity allowed for breach of a contract
7 including, without limitation, specific performance.

8 (h) Limited release from restrictions.--If the offer to sell
9 is not accepted pursuant to subsections (e) and (f), the
10 shareholder shall be entitled to transfer to the third party
11 offeror all (but not less than all) of the offered shares within
12 120 days after delivery of the notice specified in subsection
13 (c) in accordance with the terms specified therein.

14 § 2323. Transfer of shares in breach of transfer restrictions.

15 Any attempted transfer of shares of a statutory close
16 corporation in violation of any transfer restriction binding on
17 the transferee shall be ineffective. Any attempted transfer of
18 shares of a statutory close corporation in violation of any
19 transfer restriction not binding on the transferee shall give
20 the corporation the option, exercisable by notice and payment
21 within 30 days after presentation of the shares for registration
22 in the name of the transferee, to purchase the shares from the
23 transferee for the same price and terms.

24 § 2324. Corporation option where a restriction on transfer of a
25 security is held invalid.

26 If the bylaws contain provisions pursuant to section 2322(a)
27 (relating to share transfer restrictions) and a restriction on
28 transfer of a security of a statutory close corporation is held
29 not to be authorized by section 1529 (relating to transfer of
30 securities; restrictions), the corporation shall nevertheless

1 have an option, for a period of 30 days after the judgment
2 setting aside the restriction becomes final, to acquire the
3 restricted security at a price that is agreed upon by the
4 parties or, if an agreement is not reached, at the fair value as
5 determined under Subchapter D of Chapter 15 (relating to
6 dissenters rights).

7 § 2325. Sale option of estate of shareholder.

8 (a) General rule.--Unless otherwise provided in a bylaw
9 adopted by the shareholders, the personal representative of any
10 deceased holder or owner of shares shall have the right to
11 require a statutory close corporation to elect either to
12 purchase or cause the purchase of all, but not less than all, of
13 the shares owned by the decedent pursuant to subsections (c)
14 through (e) or to be dissolved.

15 (b) Minimum vote requirement.--An amendment to the bylaws to
16 provide that this section shall apply or to delete or modify the
17 provisions of this section shall require at least the minimum
18 vote for approval. Any shareholder who votes against an
19 amendment to delete or modify the provisions of this section
20 shall, if the amendment terminates or substantially alters the
21 existing rights of the shareholder pursuant to this section to
22 have his shares purchased, be entitled to receive the fair value
23 of his shares upon compliance with the provisions of Subchapter
24 D of Chapter 15 (relating to dissenters rights).

25 (c) Initial procedure.--Within six months after the death of
26 the holder or owner of shares, the personal representative shall
27 deliver a written notice to the corporation at its registered
28 office specifying the number and class of all shares
29 beneficially owned by the deceased shareholder and stating that
30 an offer by the corporation to purchase the shares is being

1 solicited pursuant to this section. Within 20 days after receipt
2 of the notice by the corporation, the secretary shall call a
3 special meeting of shareholders, which shall be held not more
4 than 40 days after the call, for the purpose of determining
5 whether to offer to purchase the shares. Approval of action to
6 offer to purchase the shares shall be by vote of a majority of
7 the shares entitled to vote, excluding the shares covered by the
8 notice. With the consent of all the shareholders entitled to
9 vote for the approval, the corporation may allocate some or all
10 of the shares to one or more shareholders, or to other persons,
11 but if the corporation has more than one class of shares, the
12 remaining holders of the class of shares being offered for sale
13 shall have a first option to purchase the shares that are not
14 purchased by the corporation in proportion to their
15 shareholdings or in such proportion as shall be agreeable to
16 those desiring to participate in the purchase.

17 (d) Notice of action by corporation.--Written notice of the
18 approval by the shareholders of an offer to purchase, or that no
19 offer to purchase was approved, shall be delivered or sent to
20 the personal representative within 75 days after receipt of the
21 notice soliciting the offer to purchase. Any offer to purchase
22 shall be accompanied by copies of the balance sheets as of the
23 end of, and profit and loss statements for, the preceding two
24 fiscal years of the corporation and any available interim
25 balance sheet and profit and loss statement. Any offer to
26 purchase shall be accepted or rejected in writing within 15
27 days.

28 (e) Price and other terms of purchase.--To the extent the
29 price and other terms for purchasing the shares by the
30 corporation or remaining shareholders are fixed or are to be

1 determined pursuant to provisions in the bylaws or in a written
2 agreement, those provisions shall be binding except that, in the
3 event of a default in any payment due, subsection (i) shall
4 apply and the person exercising his rights under this section
5 shall have the right to petition for dissolution of the
6 corporation.

7 (f) Judicial proceedings in absence of agreement to
8 purchase.--If an offer to purchase is rejected, or if an offer
9 to purchase is not made under this section, the personal
10 representative may commence an action or proceeding in court
11 under this subsection. The jurisdiction of the court shall be
12 plenary and exclusive. The corporation shall be made a party
13 defendant in the action and shall, at its expense, give notice
14 of the commencement of the action to all shareholders and to
15 such other persons as the court may direct. The court shall
16 proceed to determine the fair value of the shares considering
17 the going concern value of the corporation, any agreement among
18 some or all of the shareholders fixing a price or specifying a
19 formula for determining the value of shares of the corporation
20 for any purpose, the recommendations of any appraiser appointed
21 by the court, any legal constraint on the ability of the
22 corporation to acquire the shares and other relevant evidence.
23 The court shall enter an order requiring the corporation to
24 cause the purchase of the shares at fair value including such
25 provisions as are deemed proper concerning payment of the
26 purchase price in two or more installments, payment of interest
27 on the installments, subordination of the obligation to the
28 rights of other creditors of the corporation and security for
29 payment of the deferred purchase price.

30 (g) Costs and expenses.--Except as otherwise prescribed by

1 general rules:

2 (1) If the fair value of the shares as determined by the
3 court does not materially exceed the last offer made by the
4 corporation prior to the commencement of an action pursuant
5 to subsection (f) and the court finds that the failure of the
6 personal representative to accept the last offer of the
7 corporation was dilatory, arbitrary, obdurate, vexatious or
8 in bad faith, the court may assess all or a portion of the
9 costs and expenses of the action against the estate of the
10 deceased shareholder.

11 (2) If the fair value of the shares as determined by the
12 court materially exceeds the amount of the last offer made by
13 the corporation prior to the time an action or proceeding was
14 commenced pursuant to subsection (f) and the court finds that
15 the last offer of the corporation was dilatory, arbitrary,
16 obdurate, vexatious or in bad faith, the court may assess all
17 or a portion of the costs and expenses of the action against
18 the corporation.

19 (3) Expenses assessable under paragraphs (1) and (2)
20 shall include reasonable compensation for and reasonable
21 expenses of any appraiser appointed by the court and the
22 reasonable fees and expenses of counsel for and experts
23 employed by any party.

24 (4) Except as provided in paragraphs (1) and (2), the
25 costs of an action commenced pursuant to subsection (f) shall
26 be assessed on an equal basis between the corporation and the
27 estate of the deceased shareholder and all other fees and
28 expenses shall be borne by the party incurring the fees and
29 expenses.

30 (h) Subsequent modification of order.--Upon application of

1 the corporation, the court may modify its order to change the
2 terms of payment if it finds that the changed financial or legal
3 ability of the corporation or other purchasers of the shares to
4 complete the purchase justifies a modification. Any person
5 making a payment in order to prevent or cure any default by any
6 purchaser shall be entitled to recover the excess payment from
7 the defaulting person.

8 (i) Failure to make payment.--If the corporation or other
9 purchaser fails for any reason to make any payment specified in
10 the order within 30 days after the due date for the payment, the
11 court shall, upon application of the person to whom the payment
12 is due and in the absence of good cause shown by the
13 corporation, enter an order directing that the corporation be
14 dissolved.

15 (j) Waiver.--Any shareholder may waive in writing the rights
16 of his personal representative under this section.

17 (k) Section nonexclusive.--This section shall not be
18 construed to prohibit any other agreement not prohibited by law
19 that provides for the purchase of shares of the corporation nor
20 shall it prevent a shareholder from enforcing any other remedy
21 he may have.

22 SUBCHAPTER C

23 POWERS, DUTIES AND SAFEGUARDS

24 Sec.

25 2331. Directors.

26 2332. Management by shareholders.

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

29 2334. Appointment of provisional director in certain cases.

30 2335. Operating corporation as partnership.

1 2336. Fundamental changes.

2 2337. Option of shareholder to dissolve corporation.

3 § 2331. Directors.

4 (a) Agreements restricting discretion of directors.--A
5 written agreement among the shareholders of a statutory close
6 corporation entitled to cast at least a majority of the votes
7 that all shareholders are entitled to cast for the election of
8 directors, whether solely among themselves or with a party not a
9 shareholder, is not invalid, as between the parties to the
10 agreement or the shareholders of the corporation, on the ground
11 that it so relates to the conduct of the business and affairs of
12 the corporation as to restrict or interfere with the discretion
13 or powers of the board of directors.

14 (b) Effect of agreement.--The effect of any such agreement
15 shall be to relieve the directors and impose upon the
16 shareholders who are parties to the agreement the liability for
17 acts or omissions that is imposed by law on directors to the
18 extent and so long as the discretion or powers of the board in
19 its direction of the management of corporate affairs is
20 controlled by the agreement.

21 § 2332. Management by shareholders.

22 (a) General rule.--A bylaw of a statutory close corporation
23 adopted by the shareholders may provide that the business and
24 affairs of the corporation shall be managed by or under the
25 direction of the shareholders of the corporation rather than by
26 or under the direction of a board of directors. So long as such
27 a provision continues in effect:

28 (1) Meetings of shareholders need not be called to elect
29 directors.

30 (2) Unless the context clearly requires otherwise, the

1 shareholders of the corporation shall be deemed to be
2 directors for purposes of applying provisions of this
3 subpart.

4 (3) The shareholders of the corporation shall be subject
5 to all liabilities imposed by law on directors.

6 (b) Procedure.--Such a provision may be inserted in the
7 articles or bylaws by amendment if all incorporators or all
8 shareholders, regardless of any limitations stated in the
9 articles or bylaws on the voting rights of any class, authorize
10 the provision. An amendment to the articles or bylaws to delete
11 the provision shall be adopted and shall become effective in
12 accordance with Subchapter B of Chapter 19 (relating to
13 amendment of articles) or section 1504 (relating to adoption,
14 amendment and contents of bylaws) except that the holders of
15 shares of every class shall be entitled to vote on the amendment
16 regardless of any limitations stated in the articles or bylaws
17 on the voting rights of any class.

18 (c) Notice on shares.--If the articles or bylaws contain a
19 provision authorized by this section, the existence of the
20 provision shall be noted conspicuously on every share
21 certificate issued by the corporation unless the certificate
22 complies with section 2321(c) (relating to notice of statutory
23 close corporation status).

24 § 2333. Appointment of custodian for statutory close
25 corporation.

26 (a) General rule.--In addition to the provisions of section
27 1767 (relating to appointment of custodian of corporation on
28 deadlock or other cause) the court, upon application of any
29 shareholder, may appoint one or more persons to be custodians
30 and, if the corporation is insolvent, to be receivers of any

1 statutory close corporation when:

2 (1) pursuant to section 2332 (relating to management by
3 shareholders) the business and affairs of the corporation are
4 managed by or under the direction of the shareholders and
5 they are so divided that the business of the corporation is
6 suffering or is threatened with immediate and irreparable
7 injury and any remedy with respect to such deadlock provided
8 in the bylaws or in any written agreement of the shareholders
9 has failed; or

10 (2) the applicant shareholder has the right to the
11 dissolution of the corporation under a provision of the
12 articles permitted by section 2337 (relating to option of
13 shareholder to dissolve corporation).

14 A custodian appointed under paragraph (2) shall have the
15 authority to liquidate the affairs of the corporation and
16 distribute its assets.

17 (b) Provisional director.--In lieu of appointing a custodian
18 for a statutory close corporation under subsection (a)(1) or
19 section 1767 or a receiver under Subchapter G of Chapter 19
20 (relating to involuntary liquidation and dissolution), the court
21 may appoint a provisional director, whose powers and status
22 shall be as provided in section 2334 (relating to appointment of
23 provisional director in certain cases), if the court determines
24 that it would be in the best interest of the corporation. The
25 appointment shall not preclude any subsequent order of the court
26 appointing a custodian or receiver for the corporation.

27 § 2334. Appointment of provisional director in certain cases.

28 (a) General rule.--Notwithstanding any contrary provision of
29 the articles or the bylaws or agreement of the shareholders, the
30 court may appoint a provisional director for a statutory close

1 corporation if the directors are so divided respecting the
2 management of the business and affairs of the corporation that
3 the votes required for action by the board of directors cannot
4 be obtained with the consequence that the business and affairs
5 of the corporation can no longer be conducted to the advantage
6 of the shareholders generally.

7 (b) Application for relief.--

8 (1) An application for relief under this section must be
9 filed by or on behalf of:

10 (i) at least one-half of the number of directors
11 then in office;

12 (ii) the holders of shares entitled to cast at least
13 one-third of the votes that all shareholders are entitled
14 to cast for the election of directors; or

15 (iii) shareholders entitled to cast at least two-
16 thirds of the votes that all shareholders of the class
17 are entitled to cast for the election of directors if
18 there is more than one class of shares then entitled to
19 elect one or more directors.

20 A bylaw of a statutory close corporation adopted by the
21 shareholders may provide that a lesser proportion of the
22 directors or of the shareholders or of a class of
23 shareholders may apply for relief under this section.

24 (2) Even though the requirements of paragraph (1) are
25 not satisfied, the court may nevertheless appoint a
26 provisional director if permitted by section 2333(b)
27 (relating to provisional director).

28 (c) Qualifications.--A provisional director shall be an
29 impartial individual who is neither a shareholder nor a creditor
30 of the corporation or of any subsidiary or affiliate of the

1 corporation and whose further qualifications, if any, may be
2 determined by the court.

3 (d) Status and powers.--A provisional director is not a
4 receiver of a corporation and does not have the title and powers
5 of a custodian or receiver appointed under section 1767
6 (relating to appointment of custodian of corporation on deadlock
7 or other cause) or Subchapter G of Chapter 19 (relating to
8 involuntary liquidation and dissolution). A provisional director
9 shall have all the rights and powers of a duly elected director
10 of the corporation, including the right to notice of and to vote
11 at meetings of directors, until such time as he is removed by
12 order of the court or by the shareholders entitled to cast at
13 least two-thirds of the votes that all shareholders of that
14 class of voting shares that filed the application for
15 appointment of a provisional director are entitled to cast for
16 directors, or by the shareholders entitled to cast at least a
17 majority of the votes that all shareholders are entitled to cast
18 for the election of directors, in any other case.

19 (e) Compensation.--The compensation of the provisional
20 director shall be determined by agreement between him and the
21 corporation subject to approval of the court. The court may fix
22 his compensation in the absence of agreement or in the event of
23 disagreement between the provisional director and the
24 corporation.

25 § 2335. Operating corporation as partnership.

26 A written agreement among shareholders of a statutory close
27 corporation, or any provision of the articles or bylaws of the
28 corporation, which agreement or provision relates to any phase
29 of the affairs of such corporation, including but not limited to
30 the management of its business or declaration and payment of

1 dividends or other division of profits or the election of
2 directors or officers or the employment of shareholders by the
3 corporation or the arbitration of disputes, shall not be invalid
4 on the ground that it is an attempt by the parties to the
5 agreement or by the shareholders of the corporation to treat the
6 corporation as if it were a partnership or to arrange relations
7 among the shareholders or between the shareholders and the
8 corporation in a manner that would be appropriate only among
9 partners and shall not be grounds for imposing personal
10 liability on the shareholders for obligations of the
11 corporation.

12 § 2336. Fundamental changes.

13 Except as permitted or required by this chapter, a statutory
14 close corporation shall not effect any corporate action that
15 under Chapter 19 (relating to fundamental changes) requires the
16 approval of shareholders unless the action is adopted by at
17 least the minimum vote.

18 § 2337. Option of shareholder to dissolve corporation.

19 (a) General rule.--A bylaw of a statutory close corporation
20 adopted by the shareholders may include a provision granting to
21 any shareholder, or to the holders of any specified number or
22 percentage of shares of any class of shares, an option to have
23 the corporation dissolved at will or upon the occurrence of any
24 specified event or contingency. Whenever the option to dissolve
25 is exercised, the shareholders exercising the option shall give
26 written notice thereof to all other shareholders. After the
27 expiration of 30 days following the sending of the notice, the
28 dissolution of the corporation shall proceed as if the required
29 number of shareholders having voting rights had consented in
30 writing to dissolution of the corporation as provided by

1 Subchapter F of Chapter 19 (relating to voluntary dissolution
2 and winding up).

3 (b) Amendment adding option.--If the bylaws do not contain a
4 provision authorized by subsection (a), the bylaws may be
5 amended to include such a provision if adopted by the unanimous
6 vote of all the shareholders, regardless of any limitations
7 stated in the bylaws on the voting rights of any class, unless
8 the original bylaws, or bylaws adopted by such a unanimous vote,
9 specifically authorize such an amendment to be adopted by a
10 specified vote of shareholders, which shall not be less than the
11 minimum vote.

12 (c) Notice on shares.--If the bylaws contain a provision
13 authorized by this section, the existence of the provision shall
14 be noted conspicuously on every share certificate issued by the
15 corporation unless the certificate complies with section 2321(c)
16 (relating to notice of statutory close corporation status).

17 CHAPTER 25

18 REGISTERED CORPORATIONS

19 Subchapter

20 A. Preliminary Provisions

21 B. Powers, Duties and Safeguards

22 C. Directors and Shareholders

23 D. Fundamental Changes Generally

24 E. Control Transactions

25 F. Business Combinations

26 SUBCHAPTER A

27 PRELIMINARY PROVISIONS

28 Sec.

29 2501. Application and effect of chapter.

30 2502. Registered corporation status.

1 2503. Acquisition of registered corporation status.

2 2504. Termination of registered corporation status.

3 § 2501. Application and effect of chapter.

4 (a) General rule.--This chapter shall be applicable to any
5 business corporation that is a registered corporation as defined
6 in section 2502 (relating to registered corporation status).

7 (b) Laws applicable to registered corporations.--Except as
8 otherwise provided in this chapter, this subpart shall be
9 generally applicable to all registered corporations. The
10 specific provisions of this chapter shall control over the
11 general provisions of this subpart. Except as otherwise provided
12 in this article, a registered corporation may be simultaneously
13 subject to this chapter and one or more other chapters of this
14 article.

15 (c) Effect of a contrary bylaw.--Except as otherwise
16 provided in sections 2541 (relating to application and effect of
17 subchapter) and 2551 (relating to application and effect of
18 subchapter), the bylaws of a registered corporation may provide
19 either expressly or by necessary implication that any one or
20 more of the provisions of this chapter, except this subchapter,
21 shall not be applicable in whole or in part to the corporation.

22 § 2502. Registered corporation status.

23 As used in this chapter, the term "registered corporation"
24 shall mean:

25 (1) A domestic business corporation:

26 (i) having a class or series of shares entitled to
27 vote generally in the election of directors of the
28 corporation registered under the Securities Exchange Act
29 of 1934 (15 U.S.C. § 78a et seq.); or

30 (ii) subject to the reporting obligations imposed by

1 section 13 of the Securities Exchange Act of 1934 (15
2 U.S.C. § 78m) by reason of having filed a registration
3 statement under the Securities Act of 1933 (15 U.S.C. §
4 77a et seq.) relating to shares of a class or series of
5 its equity securities.

6 (2) A domestic business corporation all of the shares of
7 which are owned, directly or indirectly, by one or more
8 registered corporations or foreign corporations for profit
9 described in section 4102(b) (relating to exclusions).

10 § 2503. Acquisition of registered corporation status.

11 (a) Registered corporations.--This chapter shall apply to a
12 registered corporation described in section 2502(1) (relating to
13 registered corporation status) on the day following the day on
14 which the corporation becomes a registered corporation.

15 (b) Subsidiary corporations.--This chapter shall apply to a
16 registered corporation described in section 2502(2) immediately
17 upon the happening of any event whereby all of the shares of the
18 corporation are owned, directly or indirectly, by one or more
19 registered corporations or foreign corporations for profit
20 described in section 4102(b) (relating to exclusions).

21 § 2504. Termination of registered corporation status.

22 (a) Registered corporations.--The applicability of this
23 chapter to a registered corporation described in section 2502(1)
24 (relating to registered corporation status) shall terminate
25 immediately upon the termination of the status of the
26 corporation as a registered corporation.

27 (b) Subsidiary corporations.--The applicability of this
28 chapter to a registered corporation described in section 2502(2)
29 shall terminate immediately upon the happening of any event
30 whereby all of the shares of the corporation are no longer

owned, directly or indirectly, by one or more registered corporations or foreign corporations for profit described in section 4102(b) (relating to exclusions).

SUBCHAPTER B

POWERS, DUTIES AND SAFEGUARDS

Sec.

2511. Financial reports to shareholders.

2512. Dissenters rights procedure.

2513. Disparate treatment of certain persons.

§ 2511. Financial reports to shareholders.

The requirements of section 1554 (relating to financial reports to shareholders) shall not apply to a registered corporation.

§ 2512. Dissenters rights procedure.

(a) General rule.--A registered corporation, except one described in section 2502(1)(ii) (relating to registered corporation status), shall not be required by statute to supply a copy of Subchapter D of Chapter 15 (relating to dissenters rights) to any of its shareholders entitled to dissenters rights in connection with a proposed corporate action from whom the corporation solicits a proxy relating to approval of, or to whom it sends an information statement relating to, the proposed corporate action.

(b) Exception.--Subsection (a) does not apply to notice given under sections 1575(a)(4) (relating to notice to demand payment) and 1577(c)(3) (relating to payment of fair value of shares).

§ 2513. Disparate treatment of certain persons.

A registered corporation, except one described in section 2502(1)(ii) or (2) (relating to registered corporation status),

1 that creates and issues any securities, contracts, warrants or
2 other instruments evidencing any shares, option rights,
3 securities having conversion or option rights, or obligations
4 under section 1525 (relating to stock rights and options) may
5 set forth therein such terms as are fixed by the board of
6 directors, including, without limiting the generality of such
7 authority, conditions including, but not limited to, conditions
8 that preclude or limit any person or persons owning or offering
9 to acquire a specified number or percentage of the outstanding
10 common shares, other shares, option rights, securities having
11 conversion or option rights, or obligations of the corporation
12 or transferee or transferees of the person or persons from
13 exercising, converting, transferring or receiving the shares,
14 option rights, securities having conversion or option rights, or
15 obligations.

16 SUBCHAPTER C

17 DIRECTORS AND SHAREHOLDERS

18 Sec.

19 2521. Call of special meetings of shareholders.

20 2522. Adjournment of meetings of shareholders.

21 2523. Quorum at shareholder meetings.

22 2524. Consent of shareholders in lieu of meeting.

23 § 2521. Call of special meetings of shareholders.

24 The shareholders of a registered corporation shall not be
25 entitled by statute to call a special meeting of the
26 shareholders.

27 § 2522. Adjournment of meetings of shareholders.

28 Any regular or special meeting of the shareholders of a
29 registered corporation, including one at which directors are to
30 be elected, may be adjourned for such period as the shareholders

1 present and entitled to vote shall direct.

2 § 2523. Quorum at shareholder meetings.

3 The board of directors of a registered corporation may adopt
4 or change a bylaw on any subject otherwise expressly committed
5 to the shareholders by section 1756(a) (relating to quorum).

6 § 2524. Consent of shareholders in lieu of meeting.

7 An action authorized by the shareholders of a registered
8 corporation by less than unanimous written consent, if action by
9 less than unanimous written consent is permitted by its bylaws,
10 may become effective immediately upon its authorization, but
11 prompt notice of the action shall be given to those shareholders
12 entitled to vote thereon who have not consented.

13 SUBCHAPTER D

14 FUNDAMENTAL CHANGES GENERALLY

15 Sec.

16 2535. Proposal of amendment to articles.

17 2536. Application by director for involuntary dissolution.

18 2537. Dissenters rights in asset transfers.

19 § 2535. Proposal of amendment to articles.

20 The shareholders of a registered corporation shall not be
21 entitled by statute to propose an amendment to the articles.

22 § 2536. Application by director for involuntary dissolution.

23 A director of a registered corporation, as such, shall not be
24 entitled to file an application seeking involuntary winding up
25 and dissolution of the corporation.

26 § 2537. Dissenters rights in asset transfers.

27 The shareholders of a registered corporation that adopts a
28 plan of asset transfer shall not be entitled to dissenters
29 rights except as provided by section 1906(c) (relating to
30 dissenters rights upon special treatment) or unless the board of

1 directors or the bylaws so provide pursuant to section 1571(c)
2 (relating to grant of optional dissenters rights).

3 SUBCHAPTER E

4 CONTROL TRANSACTIONS

5 Sec.

6 2541. Application and effect of subchapter.

7 2542. Definitions.

8 2543. Controlling person or group.

9 2544. Right of shareholders to receive payment for shares.

10 2545. Notice to shareholders.

11 2546. Shareholder demand for fair value.

12 2547. Valuation procedures.

13 2548. Coordination with control transaction.

14 § 2541. Application and effect of subchapter.

15 (a) General rule.--Except as otherwise provided in this
16 section, this subchapter shall apply to a registered corporation
17 unless:

18 (1) the registered corporation is one described in
19 section 2502(1)(ii) (relating to registered corporation
20 status);

21 (2) the bylaws, by amendment adopted either:

22 (i) by March 23, 1984; or

23 (ii) on or after March 23, 1988, and on or before
24 June 21, 1988; and, in either event, not subsequently
25 rescinded by an article amendment, explicitly provide
26 that this subchapter shall not be applicable to the
27 corporation; or

28 (3) the articles explicitly provide that this subchapter
29 shall not be applicable to the corporation by a provision

1 included in the original articles, by an article amendment
2 adopted prior to the date of the control transaction and
3 prior to or on March 23, 1988, pursuant to the procedures
4 then applicable to the corporation, or by an article
5 amendment adopted prior to the date of the control
6 transaction and subsequent to March 23, 1988, pursuant to
7 both:

8 (i) the procedures then applicable to the
9 corporation; and

10 (ii) unless such proposed amendment has been
11 approved by the board of directors of the corporation, in
12 which event this subparagraph shall not be applicable,
13 the affirmative vote of the shareholders entitled to cast
14 at least 80% of the votes which all shareholders are
15 entitled to cast thereon.

16 A reference in the articles or bylaws to former section 910
17 (relating to right of shareholders to receive payment for shares
18 following a control transaction) of the act of May 5, 1933
19 (P.L.364, No.106), known as the Business Corporation Law, shall
20 be deemed a reference to this subchapter for the purposes of
21 this section. See section 101(c) (relating to references to
22 prior statutes).

23 (b) Inadvertent transactions.--This subchapter shall not
24 apply to any person or group that inadvertently becomes a
25 controlling person or group if that controlling person or group,
26 as soon as practicable, divests itself of a sufficient amount of
27 its voting shares so that it is no longer a controlling person
28 or group.

29 (c) Certain subsidiaries.--This subchapter shall not apply
30 to any corporation that on December 23, 1983, was a subsidiary

1 of any other corporation.

2 (d) Rights cumulative.--The rights and remedies provided in
3 this subchapter shall be in addition to, and not in lieu of, any
4 other rights or remedies provided by this subpart, the articles
5 or bylaws of the corporation, any securities, option rights or
6 obligations of the corporation or otherwise.

7 § 2542. Definitions.

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

11 "Control transaction." The acquisition by a person or group
12 of the status of a controlling person or group.

13 "Controlling person or group." A controlling person or group
14 as defined in section 2543 (relating to controlling person or
15 group).

16 "Fair value." A value not less than the highest price paid
17 per share by the controlling person or group at any time during
18 the 90-day period ending on and including the date of the
19 control transaction plus an increment representing any value,
20 including, without limitation, any proportion of any value
21 payable for acquisition of control of the corporation that may
22 not be reflected in such price.

23 "Partial payment amount." The amount per share specified in
24 section 2545(c)(2) (relating to contents of notice).

25 "Subsidiary." Any corporation as to which any other
26 corporation has or has the right to acquire, directly or
27 indirectly, through the exercise of all warrants, options and
28 rights and the conversion of all convertible securities, whether
29 issued or granted by the subsidiary or otherwise, voting power
30 over voting shares of the subsidiary that would entitle the

1 holders thereof to cast in excess of 50% of the votes that all
2 shareholders would be entitled to cast in the election of
3 directors of such subsidiary, except that a subsidiary will not
4 be deemed to cease being a subsidiary as long as such
5 corporation remains a controlling person or group within the
6 meaning of this subchapter.

7 § 2543. Controlling person or group.

8 (a) General rule.-- For the purpose of this subchapter, a
9 controlling person or group means a person who has, or a group
10 of persons acting in concert that has, voting power over voting
11 shares of the registered corporation that would entitle the
12 holders thereof to cast at least 20% of the votes that all
13 shareholders would be entitled to cast in an election of
14 directors of the corporation.

15 (b) Exceptions generally.--Notwithstanding subsection (a):

16 (1) A person or group which would otherwise be a
17 controlling person or group within the meaning of this
18 section shall not be deemed a controlling person or group
19 unless, subsequent to the later of March 23, 1988, or the
20 date this subchapter becomes applicable to a corporation by
21 bylaw or article amendment or otherwise, that person or group
22 increases the percentage of outstanding voting shares of the
23 corporation over which it has voting power to in excess of
24 the percentage of outstanding voting shares of the
25 corporation over which that person or group had voting power
26 on such later date, and to at least the amount specified in
27 subsection (a), as the result of forming or enlarging a group
28 or acquiring, by purchase, voting power over voting shares of
29 the corporation.

30 (2) No person or group shall be deemed to be a

1 controlling person or group at any particular time if voting
2 power over any of the following voting shares is required to
3 be counted at such time in order to meet the 20% minimum:

4 (i) Shares which have been held continuously by a
5 natural person since January 1, 1983, and which are held
6 by such natural person at such time.

7 (ii) Shares which are held at such time by any
8 natural person or trust, estate, foundation or other
9 similar entity to the extent the shares were acquired
10 solely by gift, inheritance, bequest, devise or other
11 testamentary distribution or series of these
12 transactions, directly or indirectly, from a natural
13 person who had acquired the shares prior to January 1,
14 1983.

15 (iii) Shares which were acquired pursuant to a stock
16 split, stock dividend, reclassification or similar
17 recapitalization with respect to shares described under
18 this paragraph that have been held continuously since
19 their issuance by the corporation by the natural person
20 or entity that acquired them from the corporation or that
21 were acquired, directly or indirectly, from such natural
22 person or entity, solely pursuant to a transaction or
23 series of transactions described in subparagraph (ii),
24 and that are held at such time by a natural person or
25 entity described in subparagraph (ii).

26 (c) Certain record holders.-- A person shall not be a
27 controlling person under subsection (a) if the person holds
28 voting power, in good faith and not for the purpose of
29 circumventing this subchapter, as an agent, bank, broker,
30 nominee or trustee for one or more beneficial owners who do not

1 individually or, if they are a group acting in concert, as a
2 group have the voting power specified in subsection (a), or who
3 are not deemed a controlling person or group under subsection
4 (b).

5 (d) Existence of voting power.--For the purposes of this
6 subchapter, a person has voting power over a voting share if the
7 person has or shares, directly or indirectly, through any
8 option, contract, arrangement, understanding, conversion right
9 or relationship, or by acting jointly or in concert or
10 otherwise, the power to vote, or to direct the voting of, the
11 voting share.

12 § 2544. Right of shareholders to receive payment for shares.

13 Any holder of voting shares of a registered corporation that
14 becomes the subject of a control transaction who shall object to
15 the transaction shall be entitled to the rights and remedies
16 provided in this subchapter.

17 § 2545. Notice to shareholders.

18 (a) General rule.--Prompt notice that a control transaction
19 has occurred shall be given by the controlling person or group
20 to:

21 (1) Each shareholder of record of the registered
22 corporation holding voting shares.

23 (2) To the court, accompanied by a petition to the court
24 praying that the fair value of the voting shares of the
25 corporation be determined pursuant to section 2547 (relating
26 to valuation procedures) if the court should receive pursuant
27 to section 2547 certificates from shareholders of the
28 corporation.

29 (b) Obligations of the corporation.--If the controlling
30 person or group so requests, the corporation shall, at the

option of the corporation and at the expense of the person or group, either furnish a list of all such shareholders to the person or group or mail the notice to all such shareholders.

(c) Contents of notice.--The notice shall state that:

(1) All shareholders are entitled to demand that they be paid the fair value of their shares.

(2) The minimum value the shareholder can receive under this subchapter is the highest price paid per share by the controlling person or group within the 90-day period ending on and including the date of the control transaction, and stating that value.

(3) If the shareholder believes the fair value of his shares is higher, that this subchapter provides an appraisal procedure for determining the fair value of such shares, specifying the name of the court and its address and the caption of the petition referenced in subsection (a)(2), and stating that the information is provided for the possible use by the shareholder in electing to proceed with a court-appointed appraiser under section 2547.

There shall be included in, or enclosed with, the notice a copy of this subchapter.

(d) Optional procedure.--The controlling person or group may, at its option, supply with the notice referenced in subsection (c) a form for the shareholder to demand payment of the partial payment amount directly from the controlling person or group without utilizing the court-appointed appraiser procedure of section 2547, requiring the shareholder to state the number and class or series, if any, of the shares owned by him, and stating where the payment demand must be sent and the procedures to be followed.

1 § 2546. Shareholder demand for fair value.

2 (a) General rule.--After the occurrence of the control
3 transaction, any holder of voting shares of the registered
4 corporation may, prior to or within a reasonable time after the
5 notice required by section 2545 (relating to notice to
6 shareholders) is given, which time period may be specified in
7 the notice, make written demand on the controlling person or
8 group for payment of the amount provided in subsection (c) with
9 respect to the voting shares of the corporation held by the
10 shareholder, and the controlling person or group shall be
11 required to pay that amount to the shareholder pursuant to the
12 procedures specified in section 2547 (relating to valuation
13 procedures).

14 (b) Contents of demand.--The demand of the shareholder shall
15 state the number and class or series, if any, of the shares
16 owned by him with respect to which the demand is made.

17 (c) Measure of value.--A shareholder making written demand
18 under this section shall be entitled to receive cash for each of
19 his shares in an amount equal to the fair value of each voting
20 share as of the date on which the control transaction occurs,
21 taking into account all relevant factors, including an increment
22 representing a proportion of any value payable for acquisition
23 of control of the corporation.

24 (d) Purchases independent of subchapter.--The provisions of
25 this subchapter shall not preclude a controlling person or group
26 subject to this subchapter from offering, whether in the notice
27 required by section 2545 or otherwise, to purchase voting shares
28 of the corporation at a price other than that provided in
29 subsection (c), and the provisions of this subchapter shall not
30 preclude any shareholder from agreeing to sell his voting shares

1 at that or any other price to any person.

2 § 2547. Valuation procedures.

3 (a) General rule.--If, within 45 days (or such other time
4 period, if any, as required by applicable law) after the date of
5 the notice required by section 2545 (relating to notice to
6 shareholders), or, if such notice was not provided prior to the
7 date of the written demand by the shareholder under section 2546
8 (relating to shareholder demand for fair value), then within 45
9 days (or such other time period, if any, required by applicable
10 law) of the date of such written demand, the controlling person
11 or group and the shareholder are unable to agree on the fair
12 value of the shares or on a binding procedure to determine the
13 fair value of the shares, then each shareholder who is unable to
14 agree on both the fair value and on such a procedure with the
15 controlling person or group and who so desires to obtain the
16 rights and remedies provided in this subchapter shall, no later
17 than 30 days after the expiration of the applicable 45-day or
18 other period, surrender to the court certificates representing
19 the shares duly endorsed for transfer to the controlling person
20 or group, with a notice stating that the certificates are being
21 surrendered in connection with the petition referenced in
22 section 2545 or, if no petition has theretofore been filed, the
23 shareholder may file a petition within the 30-day period in the
24 court praying that the fair value (as defined in this
25 subchapter) of the shares be determined.

26 (b) Effect of failure to surrender certificates.--Any
27 shareholder who does not so surrender the certificates within
28 such time period shall have no further right to receive, with
29 respect to shares the certificates of which were not so
30 surrendered under this section, payment under this subchapter

1 from the controlling person or group with respect to the control
2 transaction giving rise to the rights of the shareholder under
3 this subchapter.

4 (c) Escrow and notice.--The court shall hold the
5 certificates surrendered to it in escrow for, and shall
6 promptly, following the expiration of the time period during
7 which the certificates may be surrendered, provide a notice to
8 the controlling person or group of the number of shares so
9 surrendered.

10 (d) Partial payment for shares.--The controlling person or
11 group shall then make a partial payment for the shares so
12 surrendered to the court, within ten business days of receipt of
13 the notice from the court, at a per-share price equal to the
14 partial payment amount. The court shall then make payment as
15 soon as practicable but in any event within ten business days,
16 to the shareholders who so surrender their shares to the court
17 of the appropriate per-share amount received from the
18 controlling person or group.

19 (e) Appointment of appraiser.--Upon receipt of any share
20 certificate surrendered under this section, the court shall, as
21 soon as practicable but in any event within 30 days, appoint an
22 appraiser with experience in appraising share values of
23 companies of like nature to the registered corporation to
24 determine the fair value of the shares.

25 (f) Appraisal procedure.--The appraiser so appointed by the
26 court shall, as soon as reasonably practicable, determine the
27 fair value of the shares subject to its appraisal and the
28 appropriate market rate of interest on the amount then owed by
29 the controlling person or group to the holders of the shares.
30 The determination of any appraiser so appointed by the court

1 shall be final and binding on both the controlling person or
2 group and all shareholders who so surrendered their share
3 certificates to the court, except that the determination of the
4 appraiser shall be subject to review to the extent and within
5 the time provided or prescribed by law in the case of other
6 appointed judicial officers. See 42 Pa.C.S. §§ 5105(a)(3)
7 (relating to right to appellate review) and 5571(b) (relating to
8 appeals generally).

9 (g) Supplemental payment.--Any amount owed, together with
10 interest, as determined pursuant to the appraisal procedures of
11 this section shall be payable by the controlling person or group
12 after it is so determined and upon and concurrently with the
13 delivery of the certificate or certificates representing shares
14 surrendered to the court to the controlling person or group by
15 the court (which shall make delivery of the certificate or
16 certificates surrendered to it to the controlling person or
17 group as soon as practicable but in any event within ten
18 business days after the final determination of the amount owed),
19 and the court shall then make payment, as soon as practicable
20 but in any event within ten business days after receipt of
21 payment from the controlling person or group, to the
22 shareholders who so surrendered their shares to the court of the
23 appropriate per-share amount received from the controlling
24 person or group.

25 (h) Voting and dividend rights during appraisal
26 proceedings.--Shareholders who surrender their shares to the
27 court pursuant to this section shall retain the right to vote
28 their shares and receive dividends or other distributions
29 thereon until the court receives payment in full for each of the
30 shares so surrendered of the partial payment amount (and,

1 thereafter, the controlling person or group shall be entitled to
2 vote such shares and receive dividends or other distributions
3 thereon). The fair value (as determined by the appraiser) of any
4 dividends or other distributions so received by the shareholders
5 shall be subtracted from any amount owing to such shareholders
6 under this section.

7 (i) Powers of the court.--The court may appoint such agents,
8 including the transfer agent of the corporation, or any other
9 institution, to hold the shares so surrendered, to effect any
10 necessary change in record ownership of the shares after the
11 payment by the controlling person or group to the court of the
12 amount specified in subsection (h), to receive and disburse
13 dividends or other distributions, to provide notices to
14 shareholders and to take such other actions as the court
15 determines are appropriate to effect the purposes of this
16 subchapter.

17 (j) Costs and expenses.--The costs and expenses of any
18 appraiser or other agents appointed by the court shall be
19 assessed against the controlling person or group. The costs and
20 expenses of any other procedure to determine fair value shall be
21 paid as agreed to by the parties agreeing to the procedure.

22 (k) Jurisdiction exclusive.--The jurisdiction of the court
23 under this subchapter is plenary and exclusive and the
24 controlling person or group and all shareholders who so
25 surrendered their shares to the court shall be made a party to
26 the proceeding as in an action against their shares.

27 (l) Duty of corporation.--The corporation shall comply with
28 requests for information, which may be submitted pursuant to
29 procedures maintaining the confidentiality of the information,
30 made by the court or the appraiser selected by the court.

1 (m) Payment under optional procedure.--Any amount agreed
2 upon between the parties or determined pursuant to the procedure
3 agreed upon between the parties shall be payable by the
4 controlling person or group after it is agreed upon or
5 determined and upon and concurrently with the delivery of the
6 certificate or certificates representing such shares to the
7 controlling person or group by the shareholder.

8 (n) Title to shares.--Upon full payment by the controlling
9 person or group of the amount owed to the shareholder or to the
10 court, as appropriate, the shareholder shall cease to have any
11 interest in the shares.

12 § 2548. Coordination with control transaction.

13 (a) General rule.--A person or group that proposes to engage
14 in a control transaction may comply with the requirements of
15 this subchapter in connection with the control transaction, and
16 the effectiveness of the rights afforded in this subchapter to
17 shareholders may be conditioned upon the consummation of the
18 control transaction.

19 (b) Notice.--The person or group shall give prompt written
20 notice of the satisfaction of any such condition to each
21 shareholder who has made demand as provided in this subchapter.

22 SUBCHAPTER F

23 BUSINESS COMBINATIONS

24 Sec.

25 2551. Application and effect of subchapter.

26 2552. Definitions.

27 2553. Interested shareholder.

28 2554. Business combination.

29 2555. Requirements relating to certain business
30 combinations.

1 2556. Certain minimum conditions.

2 § 2551. Application and effect of subchapter.

3 (a) General rule.--Except as otherwise provided in this
4 section, this subchapter shall apply to every registered
5 corporation.

6 (b) Exceptions.--The provisions of this subchapter shall not
7 apply to any business combination:

8 (1) Of a registered corporation described in section
9 2502(1)(ii) or (2) (relating to registered corporation
10 status).

11 (2) Of a corporation whose articles have been amended to
12 provide that the corporation shall be subject to the
13 provisions of this subchapter, which was not a registered
14 corporation described in section 2502(1)(i) on the effective
15 date of such amendment, and which is a business combination
16 with an interested shareholder whose share acquisition date
17 is prior to the effective date of such amendment.

18 (3) Of a corporation:

19 (i) the bylaws of which, by amendment adopted by
20 June 21, 1988, and not subsequently rescinded either by
21 an article amendment or by a bylaw amendment approved by
22 at least 85% of the whole board of directors, explicitly
23 provide that this subchapter shall not be applicable to
24 the corporation; or

25 (ii) the articles of which explicitly provide that
26 this subchapter shall not be applicable to the
27 corporation by a provision included in the original
28 articles, or by an article amendment adopted pursuant to
29 both:

30 (A) the procedures then applicable to the

1 corporation; and

2 (B) the affirmative vote of the holders, other
3 than interested shareholders and their affiliates and
4 associates, of shares entitling the holders to cast a
5 majority of the votes that all shareholders would be
6 entitled to cast in an election of directors of the
7 corporation, excluding the voting shares of
8 interested shareholders and their affiliates and
9 associates, expressly electing not to be governed by
10 this subchapter.

11 The amendment to the articles shall not be effective
12 until 18 months after the vote of the shareholders of the
13 corporation and shall not apply to any business
14 combination of the corporation with an interested
15 shareholder whose share acquisition date is on or prior
16 to the effective date of the amendment.

17 (4) Of a corporation with an interested shareholder of
18 the corporation which became an interested shareholder
19 inadvertently, if the interested shareholder:

20 (i) as soon as practicable, divests itself of a
21 sufficient amount of the voting shares of the corporation
22 so that it no longer is the beneficial owner, directly or
23 indirectly, of shares entitling the person to cast at
24 least 20% of the votes that all shareholders would be
25 entitled to cast in an election of directors of the
26 corporation; and

27 (ii) would not at any time within the five-year
28 period preceding the announcement date with respect to
29 the business combination have been an interested
30 shareholder but for such inadvertent acquisition.

1 (5) With an interested shareholder who was the
2 beneficial owner, directly or indirectly, of shares entitling
3 the person to cast at least 15% of the votes that all
4 shareholders would be entitled to cast in an election of
5 directors of the corporation on March 23, 1988, and remains
6 so to the share acquisition date of the interested
7 shareholder.

8 (6) Of a corporation that on March 23, 1988, was a
9 subsidiary of any other corporation. A corporation that was a
10 subsidiary on such date will not be deemed to cease being a
11 subsidiary as long as the other corporation remains a
12 controlling person or group of the subsidiary within the
13 meaning of Subchapter E (relating to control transactions).
14 A reference in the articles or bylaws to former section 911
15 (relating to requirements relating to certain business
16 combinations) of the act of May 5, 1933 (P.L.364, No.106), known
17 as the Business Corporation Law, shall be deemed a reference to
18 this subchapter for the purposes of this section. See section
19 101(c) (relating to references to prior statutes).

20 (c) Rights cumulative.--The rights and remedies provided in
21 this subchapter shall be in addition to, and not in lieu of, any
22 other rights or remedies provided by this subpart, the articles
23 or bylaws of the corporation, any securities, option rights or
24 obligations of the corporation or otherwise.

25 (d) Continuing applicability.--A registered corporation that
26 is organized under the laws of this Commonwealth shall not cease
27 to be subject to this subchapter by reason of events occurring
28 or actions taken while the corporation is subject to the
29 provisions of this subchapter.

30 § 2552. Definitions.

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

4 "Affiliate." A person that directly, or indirectly through
5 one or more intermediaries, controls, or is controlled by, or is
6 under common control with, a specified person.

7 "Announcement date." When used in reference to any business
8 combination, the date of the first public announcement of the
9 final, definitive proposal for such business combination.

10 "Associate." When used to indicate a relationship with any
11 person:

12 (1) any corporation or organization of which such person
13 is an officer, director or partner or is, directly or
14 indirectly, the beneficial owner of shares entitling that
15 person to cast at least 10% of the votes that all
16 shareholders would be entitled to cast in an election of
17 directors of the corporation or organization;

18 (2) any trust or other estate in which such person has a
19 substantial beneficial interest or as to which such person
20 serves as trustee or in a similar fiduciary capacity; and

21 (3) any relative or spouse of such person, or any
22 relative of the spouse, who has the same home as such person.

23 "Beneficial owner." When used with respect to any shares, a
24 person:

25 (1) that, individually or with or through any of its
26 affiliates or associates, beneficially owns such shares,
27 directly or indirectly;

28 (2) that, individually or with or through any of its
29 affiliates or associates, has:

30 (i) the right to acquire such shares (whether the

1 right is exercisable immediately or only after the
2 passage of time), pursuant to any agreement, arrangement
3 or understanding (whether or not in writing), or upon the
4 exercise of conversion rights, exchange rights, warrants
5 or options, or otherwise, except that a person shall not
6 be deemed the beneficial owner of shares tendered
7 pursuant to a tender or exchange offer made by such
8 person or the affiliates or associates of any such person
9 until the tendered shares are accepted for purchase or
10 exchange; or

11 (ii) the right to vote such shares pursuant to any
12 agreement, arrangement or understanding (whether or not
13 in writing), except that a person shall not be deemed the
14 beneficial owner of any shares under this subparagraph if
15 the agreement, arrangement or understanding to vote such
16 shares:

17 (A) arises solely from a revocable proxy or
18 consent given in response to a proxy or consent
19 solicitation made in accordance with the applicable
20 rules and regulations under the Exchange Act; and

21 (B) is not then reportable on a Schedule 13D
22 under the Exchange Act, (or any comparable or
23 successor report); or

24 (3) that has any agreement, arrangement or understanding
25 (whether or not in writing), for the purpose of acquiring,
26 holding, voting (except voting pursuant to a revocable proxy
27 or consent as described in paragraph (2)(ii)), or disposing
28 of such shares with any other person that beneficially owns,
29 or whose affiliates or associates beneficially own, directly
30 or indirectly, such shares.

1 "Business combination." A business combination as defined in
2 section 2554 (relating to business combination).

3 "Common shares." Any shares other than preferred shares.

4 "Consummation date." With respect to any business
5 combination, the date of consummation of the business
6 combination, or, in the case of a business combination as to
7 which a shareholder vote is taken, the later of the business day
8 prior to the vote or 20 days prior to the date of consummation
9 of such business combination.

10 "Control," "controlling," "controlled by" or "under common
11 control with." The possession, directly or indirectly, of the
12 power to direct or cause the direction of the management and
13 policies of a person, whether through the ownership of voting
14 shares, by contract, or otherwise. A person's beneficial
15 ownership of shares entitling that person to cast at least 10%
16 of the votes that all shareholders would be entitled to cast in
17 an election of directors of the corporation shall create a
18 presumption that such person has control of the corporation.
19 Notwithstanding the foregoing, a person shall not be deemed to
20 have control of a corporation if such person holds voting
21 shares, in good faith and not for the purpose of circumventing
22 this subchapter, as an agent, bank, broker, nominee, custodian
23 or trustee for one or more beneficial owners who do not
24 individually or as a group have control of the corporation.

25 "Exchange Act." The Securities Exchange Act of 1934 (48
26 Stat. 881, 15 U.S.C. § 78a et seq.), as amended.

27 "Interested shareholder." An interested shareholder as
28 defined in section 2553 (relating to interested shareholder).

29 "Market value." When used in reference to shares or property
30 of any corporation:

(1) In the case of shares, the highest closing sale price during the 30-day period immediately preceding the date in question of the share on the composite tape for New York Stock Exchange-listed shares, or, if the shares are not quoted on the composite tape or if the shares are not listed on the exchange, on the principal United States securities exchange registered under the Exchange Act, on which such shares are listed, or, if the shares are not listed on any such exchange, the highest closing bid quotation with respect to the share during the 30-day period preceding the date in question on the National Association of Securities Dealers, Inc. Automated Quotations System or any system then in use, or if no quotations are available, the fair market value on the date in question of the share as determined by the board of directors of the corporation in good faith.

(2) In the case of property other than cash or shares, the fair market value of the property on the date in question as determined by the board of directors of the corporation in good faith.

"Preferred shares." Any class or series of shares of a corporation which, under the bylaws or articles of the corporation, is entitled to receive payment of dividends prior to any payment of dividends on some other class or series of shares, or is entitled in the event of any voluntary liquidation, dissolution or winding up of the corporation to receive payment or distribution of a preferential amount before any payments or distributions are received by some other class or series of shares.

"Share acquisition date." With respect to any person and any registered corporation, the date that such person first becomes

1 an interested shareholder of such corporation.

2 "Shares."

3 (1) Any shares or similar security, any certificate of
4 interest, any participation in any profit-sharing agreement,
5 any voting trust certificate, or any certificate of deposit
6 for shares.

7 (2) Any security convertible, with or without
8 consideration, into shares, or any option right, conversion
9 right or privilege of buying shares without being bound to do
10 so, or any other security carrying any right to acquire,
11 subscribe to or purchase shares.

12 "Subsidiary." Any corporation as to which any other
13 corporation is the beneficial owner, directly or indirectly, of
14 shares of the first corporation that would entitle the other
15 corporation to cast in excess of 50% of the votes that all
16 shareholders would be entitled to cast in the election of
17 directors of the first corporation.

18 "Voting shares." Shares of a corporation entitled to vote
19 generally in the election of directors.

20 § 2553. Interested shareholder.

21 (a) General rule.--The term "interested shareholder," when
22 used in reference to any registered corporation, means any
23 person (other than the corporation or any subsidiary of the
24 corporation) that:

25 (1) is the beneficial owner, directly or indirectly, of
26 shares entitling that person to cast at least 20% of the
27 votes that all shareholders would be entitled to cast in an
28 election of directors of the corporation; or

29 (2) is an affiliate or associate of such corporation and
30 at any time within the five-year period immediately prior to

1 the date in question was the beneficial owner, directly or
2 indirectly, of shares entitling that person to cast at least
3 20% of the votes that all shareholders would be entitled to
4 cast in an election of directors of the corporation.

5 (b) Exception.--For the purpose of determining whether a
6 person is an interested shareholder:

7 (1) the number of votes that would be entitled to be
8 cast in an election of directors of the corporation shall be
9 calculated by including shares deemed to be beneficially
10 owned by the person through application of the definition of
11 "beneficial owner" in section 2552 (relating to definitions),
12 but excluding any other unissued shares of such corporation
13 which may be issuable pursuant to any agreement, arrangement
14 or understanding, or upon exercise of conversion or option
15 rights, or otherwise; and

16 (2) there shall be excluded from the beneficial
17 ownership of the interested shareholder any:

18 (i) shares which have been held continuously by a
19 natural person since January 1, 1983, and which are then
20 held by that natural person;

21 (ii) shares which are then held by any natural
22 person or trust, estate, foundation or other similar
23 entity to the extent such shares were acquired solely by
24 gift, inheritance, bequest, devise or other testamentary
25 distribution or series of those transactions, directly or
26 indirectly, from a natural person who had acquired such
27 shares prior to January 1, 1983; or

28 (iii) shares which were acquired pursuant to a stock
29 split, stock dividend, reclassification or similar
30 recapitalization with respect to shares described under

1 this paragraph that have been held continuously since
2 their issuance by the corporation by the natural person
3 or entity that acquired them from the corporation, or
4 that were acquired, directly or indirectly, from the
5 natural person or entity, solely pursuant to a
6 transaction or series of transactions described in
7 subparagraph (ii), and that are then held by a natural
8 person or entity described in subparagraph (ii).

9 § 2554. Business combination.

10 The term "business combination," when used in reference to
11 any registered corporation and any interested shareholder of the
12 corporation, means any of the following:

13 (1) A merger or consolidation of the corporation or any
14 subsidiary of the corporation with:

15 (i) the interested shareholder; or

16 (ii) any other corporation (whether or not itself an
17 interested shareholder of the registered corporation)
18 which is, or after the merger or consolidation would be,
19 an affiliate or associate of the interested shareholder.

20 (2) A sale, lease, exchange, mortgage, pledge, transfer
21 or other disposition (in one transaction or a series of
22 transactions) to or with the interested shareholder or any
23 affiliate or associate of such interested shareholder of
24 assets of the corporation or any subsidiary of the
25 corporation:

26 (i) having an aggregate market value equal to 10% or
27 more of the aggregate market value of all the assets,
28 determined on a consolidated basis, of such corporation;

29 (ii) having an aggregate market value equal to 10%
30 or more of the aggregate market value of all the

1 outstanding shares of such corporation; or

2 (iii) representing 10% or more of the earning power
3 or net income, determined on a consolidated basis, of
4 such corporation.

5 (3) The issuance or transfer by the corporation or any
6 subsidiary of the corporation (in one transaction or a series
7 of transactions) of any shares of such corporation or any
8 subsidiary of such corporation which has an aggregate market
9 value equal to 5% or more of the aggregate market value of
10 all the outstanding shares of the corporation to the
11 interested shareholder or any affiliate or associate of such
12 interested shareholder except pursuant to the exercise of
13 option rights to purchase shares, or pursuant to the
14 conversion of securities having conversion rights, offered,
15 or a dividend or distribution paid or made, pro rata to all
16 shareholders of the corporation.

17 (4) The adoption of any plan or proposal for the
18 liquidation or dissolution of the corporation proposed by, or
19 pursuant to any agreement, arrangement or understanding
20 (whether or not in writing) with, the interested shareholder
21 or any affiliate or associate of such interested shareholder.

22 (5) A reclassification of securities (including, without
23 limitation, any split of shares, dividend of shares, or other
24 distribution of shares in respect of shares, or any reverse
25 split of shares), or recapitalization of the corporation, or
26 any merger or consolidation of the corporation with any
27 subsidiary of the corporation, or any other transaction
28 (whether or not with or into or otherwise involving the
29 interested shareholder), proposed by, or pursuant to any
30 agreement, arrangement or understanding (whether or not in

1 writing) with, the interested shareholder or any affiliate or
2 associate of the interested shareholder, which has the
3 effect, directly or indirectly, of increasing the
4 proportionate share of the outstanding shares of any class or
5 series of voting shares or securities convertible into voting
6 shares of the corporation or any subsidiary of the
7 corporation which is, directly or indirectly, owned by the
8 interested shareholder or any affiliate or associate of the
9 interested shareholder, except as a result of immaterial
10 changes due to fractional share adjustments.

11 (6) The receipt by the interested shareholder or any
12 affiliate or associate of the interested shareholder of the
13 benefit, directly or indirectly (except proportionately as a
14 shareholder of such corporation), of any loans, advances,
15 guarantees, pledges or other financial assistance or any tax
16 credits or other tax advantages provided by or through the
17 corporation.

18 § 2555. Requirements relating to certain business combinations.

19 Notwithstanding anything to the contrary contained in this
20 subpart (except the provisions of section 2551 (relating to
21 application and effect of subchapter)), a registered corporation
22 shall not engage at any time in any business combination with
23 any interested shareholder of the corporation other than:

24 (1) A business combination approved by the board of
25 directors of the corporation prior to the interested
26 shareholder's share acquisition date, or where the purchase
27 of shares made by the interested shareholder on the
28 interested shareholder's share acquisition date had been
29 approved by the board of directors of the corporation prior
30 to the interested shareholder's share acquisition date.

1 (2) A business combination approved:

2 (i) by the affirmative vote of the holders of shares
3 entitling such holders to cast a majority of the votes
4 that all shareholders would be entitled to cast in an
5 election of directors of the corporation, not including
6 any voting shares beneficially owned by the interested
7 shareholder or any affiliate or associate of such
8 interested shareholder, at a meeting called for such
9 purpose no earlier than three months after the interested
10 shareholder became, and if at the time of the meeting the
11 interested shareholder is, the beneficial owner, directly
12 or indirectly, of shares entitling the interested
13 shareholder to cast at least 80% of the votes that all
14 shareholders would be entitled to cast in an election of
15 directors of the corporation, and if the business
16 combination satisfies all the conditions of section 2556
17 (relating to certain minimum conditions); or

18 (ii) by the affirmative vote of all of the holders
19 of all of the outstanding common shares.

20 (3) A business combination approved by the affirmative
21 vote of the holders of shares entitling such holders to cast
22 a majority of the votes that all shareholders would be
23 entitled to cast in an election of directors of the
24 corporation, not including any voting shares beneficially
25 owned by the interested shareholder or any affiliate or
26 associate of the interested shareholder, at a meeting called
27 for such purpose no earlier than five years after the
28 interested shareholder's share acquisition date.

29 (4) A business combination approved at a shareholders'
30 meeting called for such purpose no earlier than five years

1 after the interested shareholder's share acquisition date
2 that meets all of the conditions of section 2556.

3 § 2556. Certain minimum conditions.

4 A business combination conforming to section 2555(2) or (4)
5 (relating to requirements relating to certain business
6 combinations) shall meet all of the following conditions:

7 (1) The aggregate amount of the cash and the market
8 value as of the consummation date of consideration other than
9 cash to be received per share by holders of outstanding
10 common shares of such registered corporation in the business
11 combination is at least equal to the higher of the following:

12 (i) The highest per share price paid by the
13 interested shareholder at a time when the shareholder was
14 the beneficial owner, directly or indirectly, of shares
15 entitling that person to cast at least 5% of the votes
16 that all shareholders would be entitled to cast in an
17 election of directors of the corporation, for any common
18 shares of the same class or series acquired by it:

19 (A) within the five-year period immediately
20 prior to the announcement date with respect to such
21 business combination; or

22 (B) within the five-year period immediately
23 prior to, or in, the transaction in which the
24 interested shareholder became an interested
25 shareholder;

26 whichever is higher; plus, in either case, interest
27 compounded annually from the earliest date on which the
28 highest per-share acquisition price was paid through the
29 consummation date at the rate for one year United States
30 Treasury obligations from time to time in effect; less

2 market value of any dividends paid other than in cash,
3 per common share since such earliest date, up to the
4 amount of the interest.

5 (ii) The market value per common share on the
6 announcement date with respect to the business
7 combination or on the interested shareholder's share
8 acquisition date, whichever is higher; plus interest
9 compounded annually from such date through the
10 consummation date at the rate for one-year United States
11 Treasury obligations from time to time in effect; less
12 the aggregate amount of any cash dividends paid, and the
13 market value of any dividends paid other than in cash,
14 per common share since such date, up to the amount of the
15 interest.

16 (2) The aggregate amount of the cash and the market
17 value as of the consummation date of consideration other than
18 cash to be received per share by holders of outstanding
19 shares of any class or series of shares, other than common
20 shares, of the corporation is at least equal to the highest
21 of the following (whether or not the interested shareholder
22 has previously acquired any shares of such class or series of
23 shares):

24 (i) The highest per-share price paid by the
25 interested shareholder at a time when the shareholder was
26 the beneficial owner, directly or indirectly, of shares
27 entitling that person to cast at least 5% of the votes
28 that all shareholders would be entitled to cast in an
29 election of directors of such corporation, for any shares
30 of such class or series of shares acquired by it:

1 (A) within the five-year period immediately
2 prior to the announcement date with respect to the
3 business combination; or

4 (B) within the five-year period immediately
5 prior to, or in, the transaction in which the
6 interested shareholder became an interested
7 shareholder;

8 whichever is higher; plus, in either case, interest
9 compounded annually from the earliest date on which the
10 highest per-share acquisition price was paid through the
11 consummation date at the rate for one-year United States
12 Treasury obligations from time to time in effect; less
13 the aggregate amount of any cash dividends paid, and the
14 market value of any dividends paid other than in cash,
15 per share of such class or series of shares since such
16 earliest date, up to the amount of the interest.

17 (ii) The highest preferential amount per share to
18 which the holders of shares of such class or series of
19 shares are entitled in the event of any voluntary
20 liquidation, dissolution or winding up of the
21 corporation, plus the aggregate amount of any dividends
22 declared or due as to which such holders are entitled
23 prior to payment of dividends on some other class or
24 series of shares (unless the aggregate amount of the
25 dividends is included in such preferential amount).

26 (iii) The market value per share of such class
27 or series of shares on the announcement date with respect
28 to the business combination or on the interested
29 shareholder's share acquisition date, whichever is
30 higher; plus interest compounded annually from such date

1 through the consummation date at the rate for one-year
2 United States Treasury obligations from time to time in
3 effect; less the aggregate amount of any cash dividends
4 paid and the market value of any dividends paid other
5 than in cash, per share of such class or series of shares
6 since such date, up to the amount of the interest.

7 (3) The consideration to be received by holders of a
8 particular class or series of outstanding shares (including
9 common shares) of the corporation in the business combination
10 is in cash or in the same form as the interested shareholder
11 has used to acquire the largest number of shares of such
12 class or series of shares previously acquired by it, and the
13 consideration shall be distributed promptly.

14 (4) The holders of all outstanding shares of the
15 corporation not beneficially owned by the interested
16 shareholder immediately prior to the consummation of the
17 business combination are entitled to receive in the business
18 combination cash or other consideration for such shares in
19 compliance with paragraphs (1), (2) and (3).

20 (5) After the interested shareholder's share acquisition
21 date and prior to the consummation date with respect to the
22 business combination, the interested shareholder has not
23 become the beneficial owner of any additional voting shares
24 of such corporation except:

25 (i) as part of the transaction which resulted in
26 such interested shareholder becoming an interested
27 shareholder;

28 (ii) by virtue of proportionate splits of shares,
29 share dividends or other distributions of shares in
30 respect of shares not constituting a business combination

as defined in this subchapter;

(iii) through a business combination meeting all of the conditions of section 2555 (1), (2) (3) or (4);

(iv) through purchase by the interested shareholder at any price which, if the price had been paid in an otherwise permissible business combination the announcement date and consummation date of which were the date of such purchase, would have satisfied the requirements of paragraphs (1), (2) and (3); or

(v) through purchase required by and pursuant to the provisions of, and at no less than the fair value (including interest to the date of payment) as determined by a court-appointed appraiser under section 2547 (relating to valuation procedures) or, if such fair value was not then so determined, then at a price that would satisfy the conditions in subparagraph (iv).

CHAPTER 27

MANAGEMENT CORPORATIONS

Subchapter

A. Preliminary Provisions

B. Powers, Duties and Safeguards

C. Directors and Shareholders

SUBCHAPTER A

PRELIMINARY PROVISIONS

Sec.

2701. Application and effect of chapter.

2702. Election of an existing business corporation to become a management corporation.

2703. Date and duration of election.

2704. Dissenters rights upon election.

1 § 2701. Application and effect of chapter.

2 (a) General rule.--This chapter shall be applicable to a
3 business corporation, other than a closely-held corporation or a
4 professional corporation, that elects to become a management
5 corporation in the manner provided by this chapter, if the
6 corporation is a management company registered under the
7 Investment Company Act of 1940 (54 Stat. 789, 15 U.S.C. § 80a-1
8 et seq.).

9 (b) Laws applicable to management corporations.--Except as
10 otherwise provided in this chapter, this subpart shall be
11 generally applicable to all management corporations. The
12 specific provisions of this chapter shall control over the
13 general provisions of this subpart. Except as otherwise provided
14 in this article, a management corporation may be simultaneously
15 subject to this chapter and one or more other chapters of this
16 article. The bylaws of a management corporation may provide
17 either expressly or by necessary implication that any one or
18 more of the provisions of this chapter, except this subchapter,
19 shall not be applicable, in whole or in part, to the
20 corporation.

21 (c) Formation of management corporations.--A management
22 corporation shall be formed in accordance with Article B
23 (relating to domestic business corporations generally) except
24 that its articles shall contain a heading stating the name of
25 the corporation and that it is a management corporation.

26 § 2702. Election of an existing business corporation to become
27 a management corporation.

28 (a) General rule.--A business corporation may become a
29 management corporation under this chapter by filing articles of
30 amendment which shall contain in addition to the requirements of

1 section 1915 (relating to articles of amendment):

2 (1) A heading stating the name of the corporation and
3 that it is a management corporation.

4 (2) A statement that it elects to become a management
5 corporation.

6 (3) A statement that all shareholders of the corporation
7 have been accorded dissenters rights under this chapter in
8 connection with the election.

9 (b) Procedure.--An election to become subject to this
10 chapter shall be proposed by a resolution adopted by the board
11 of directors and shall be adopted in accordance with the
12 requirements of Subchapter B of Chapter 19 (relating to
13 amendment of articles).

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

16 § 2703. Date and duration of election.

17 (a) Date of election.--If an effective date is not stated in
18 the articles of amendment, this chapter shall become applicable
19 to the management corporation on the date the articles of
20 amendment are filed in the Department of State.

21 (b) Duration of election.--A management corporation shall be
22 subject to this chapter for three years after its date of
23 incorporation or the effective date of its most recent articles
24 of amendment filed under section 2702 (relating to election of
25 an existing business corporation to become a management
26 corporation). An election to be subject to this chapter may be
27 renewed by complying with the provisions of section 2702 in the
28 same manner as an initial election.

29 § 2704. Dissenters rights upon election.

30 If any shareholder of a management corporation that adopts or

1 renews an election under this chapter to become or continue as a
2 management corporation objects to that action and complies with
3 the provisions of Subchapter D of Chapter 15 (relating to
4 dissenters rights), the dissenting shareholder shall be entitled
5 to the rights and remedies of dissenting shareholders therein
6 provided, unless as to any class or series of shares the
7 corporation in the ordinary course of business redeems such
8 shares at the option of a shareholder at net asset value or at
9 another agreed method or amount of value.

10 SUBCHAPTER B

11 POWERS, DUTIES AND SAFEGUARDS

12 Sec.

13 2711. Bylaw and fundamental change procedures.

14 2712. Changes in authorized shares.

15 § 2711. Bylaw and fundamental change procedures.

16 Except as otherwise provided in the express terms of any
17 class or series of any preferred or preference shares, so long
18 as a business corporation is a management corporation subject to
19 this chapter:

20 (1) The board of directors shall have the full authority
21 vested by this subpart in the shareholders to amend the
22 articles under section 2703(b) (relating to duration of
23 election) and to adopt or change the bylaws, and a bylaw
24 adopted by the board of directors pursuant to this section
25 may continue in effect as long as the corporation remains
26 subject to this chapter.

27 (2) A plan or amendment shall not be adopted under
28 Chapter 19 (relating to fundamental changes), and a bylaw
29 shall not be adopted or changed by the shareholders, without
30 the approval of the board of directors.

1 § 2712. Changes in authorized shares.

2 (a) General rule.--An amendment of the articles of a
3 management corporation shall not require the approval of the
4 shareholders of the corporation if it increases or decreases (to
5 a number not less than that then outstanding) the number of
6 authorized shares of the corporation, or of any class of the
7 corporation.

8 (b) Procedure.--The articles of amendment shall set forth in
9 addition to the requirements of section 1915 (relating to
10 articles of amendment):

11 (1) The aggregate number of shares that the corporation
12 shall have authority to issue, or the designations of the
13 classes of shares of the corporation and the maximum number
14 of shares of each class that may be issued.

15 (2) A statement of the voting rights, designations,
16 preferences, limitations and special rights in respect of the
17 shares of any class or any series of any class, to the extent
18 that they have been determined.

19 (3) A statement of any authority vested in the board of
20 directors to divide the authorized and unissued shares into
21 classes or series, or both, and to determine for any such
22 class or series its voting rights, designations, preferences,
23 limitations and special rights.

24 SUBCHAPTER C

25 DIRECTORS AND SHAREHOLDERS

26 Sec.

27 2721. Selection and removal of directors.

28 2722. Shareholder meetings unnecessary.

29 § 2721. Selection and removal of directors.

30 The bylaws of a management corporation may specify the manner

1 in which and the persons by whom the directors of the
2 corporation shall be selected and may be removed. Unless
3 otherwise provided in the bylaws, the directors of a management
4 corporation shall be selected and may be removed by the board of
5 directors. An incidental reference to the election of directors
6 by common or other junior shares contained in the express terms
7 of any class or series of any preferred or preference shares
8 defining the contingent or other voting rights of the preferred
9 or preference shares shall not constitute for the purposes of
10 this section a provision of the articles providing for the
11 election of directors by the common or other junior shares.

12 § 2722. Shareholder meetings unnecessary.

13 Annual or other regular meetings of the shareholders of a
14 management corporation need not be held. Unless otherwise
15 provided in the bylaws, the directors of a management
16 corporation shall be selected and may be removed by the board of
17 directors. An incidental reference to the election of directors
18 by common or other junior shares contained in the express terms
19 of any class or series of any preferred or preference shares
20 defining the contingent or other voting rights of the preferred
21 or preference shares shall not constitute for the purposes of
22 this section a provision of the articles providing for the
23 election of directors by the common or other junior shares.

24 CHAPTER 29

25 PROFESSIONAL CORPORATIONS

26 Subchapter

27 A. Preliminary Provisions

28 B. Powers, Duties and Safeguards

29 SUBCHAPTER A

30 PRELIMINARY PROVISIONS

1 Sec.

2 2901. Application and effect of chapter.

3 2902. Definitions.

4 2903. Formation of professional corporations.

5 2904. Election of an existing business corporation to become a
6 professional corporation.

7 2905. Election of professional associations to become
8 professional corporations.

9 2906. Termination of professional corporation status.

10 2907. Proceedings to terminate breach of qualifying conditions.

11 § 2901. Application and effect of chapter.

12 (a) General rule.--This chapter shall be applicable to a
13 business corporation, other than a management corporation, that:

14 (1) on the effective date of this chapter was subject to
15 the act of July 9, 1970 (P.L.461, No.160), known as the
16 Professional Corporation Law; or

17 (2) elects to become a professional corporation in the
18 manner provided by this chapter.

19 (b) Application to business corporations generally.--The
20 existence of a provision of this chapter shall not of itself
21 create any implication that a contrary or different rule of law
22 is or would be applicable to a business corporation that is not
23 a professional corporation and this chapter shall not affect any
24 statute or rule of law that is or would be applicable to a
25 business corporation that is not a professional corporation.
26 This chapter shall not alter or affect any right or privilege
27 existing under any statute or general rule heretofore or
28 hereafter enacted by the General Assembly or (with respect to
29 attorneys at law) prescribed by the Supreme Court of
30 Pennsylvania:

1 (1) not prohibiting; or
2 (2) in terms permitting;
3 performance of professional services in corporate form by a
4 corporation that is not a professional corporation.

5 (c) Laws applicable to professional corporations.--Except as
6 otherwise provided in this chapter, this subpart shall be
7 generally applicable to all professional corporations. The
8 specific provisions of this chapter shall control over the
9 general provisions of this subpart. Except as otherwise provided
10 in this article, a professional corporation may be
11 simultaneously subject to this chapter and one or more other
12 chapters of this article.

13 § 2902. Definitions.

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

17 "Disqualified person." A licensed person who for any reason
18 is or becomes legally disqualified (temporarily or permanently)
19 to render the same professional services that the particular
20 professional corporation of which he is an officer, director,
21 shareholder or employee is or was rendering.

22 "Licensed person." Any natural person who is duly licensed
23 or admitted to practice his profession by a court, department,
24 board, commission or other agency to render a professional
25 service that is or will be rendered by the professional
26 corporation of which he is, or intends to become, an officer,
27 director, shareholder, employee or agent.

28 "Profession." Includes the performance of any type of
29 personal service to the public that requires as a condition
30 precedent to the performance of the service the obtaining of a

1 license or admission to practice or other legal authorization,
2 including all personal services that prior to the enactment of
3 the act of July 9, 1970 (P.L.461, No.160), known as the
4 Professional Corporation Law, could not lawfully be rendered by
5 means of a corporation. By way of example, and without limiting
6 the generality of the foregoing, the term includes for the
7 purposes of this chapter personal services rendered as an
8 architect, chiropractor, dentist, funeral director, osteopath,
9 podiatrist, physician, professional engineer, veterinarian,
10 certified public accountant or surgeon and, except as otherwise
11 prescribed by general rules, an attorney at law. The definition
12 specified in this paragraph shall be applicable to this chapter
13 only and shall not affect the interpretation of any other
14 statute or any local zoning ordinance or other official document
15 heretofore or hereafter enacted or promulgated.

16 "Professional services." Any type of services that may be
17 rendered by the member of any profession within the purview of
18 his profession.

19 § 2903. Formation of professional corporations.

20 (a) General rule.--A professional corporation shall be
21 formed in accordance with Article B (relating to domestic
22 business corporations generally) except that its articles shall
23 contain a heading stating the name of the corporation and that
24 it is a professional corporation.

25 (b) Legislative intent.--It is the intent of the General
26 Assembly to authorize by this chapter licensed persons to render
27 professional services by means of a professional corporation in
28 all cases.

29 (c) Single purpose corporations.--Except as provided in
30 subsection (d), a professional corporation may be incorporated

1 only for the purpose of rendering one specific kind of
2 professional service.

3 (d) Multiple purpose corporations.--

4 (1) A professional corporation may be incorporated to
5 render two or more specific kinds of professional services to
6 the extent that:

7 (i) the several shareholders of the professional
8 corporation, if organized as a partnership, could conduct
9 a combined practice of such specific kinds of
10 professional services; or

11 (ii) the court, department, board, commission or
12 other government unit regulating each profession involved
13 in the professional corporation has by rule or regulation
14 applicable to professional corporations expressly
15 authorized the combined practice of the profession with
16 each other profession involved in the corporation.

17 Except as otherwise provided by statute, the government unit
18 may promulgate regulations authorizing combined practice to
19 the extent consistent with the public interest or required by
20 the public health or welfare.

21 (2) The provisions of paragraph (1) shall not create any
22 vested rights. If by reason of a change in law, rule or
23 regulation the right to practice professions in any
24 particular combination is terminated, all existing
25 professional corporations rendering a combination of
26 professional services shall promptly reduce the specific
27 kinds of professional services rendered by the corporations
28 or shall otherwise reconstitute themselves so as to comply
29 with the currently applicable restrictions applicable to all
30 professions involved.

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

(a) General rule.--A business corporation may become a professional corporation under this chapter by filing articles of amendment which shall contain, in addition to the requirements of section 1915 (relating to articles of amendment):

(1) A heading stating the name of the corporation and that it is a professional corporation.

(2) A statement that it elects to become a professional corporation.

(3) Such other changes, if any, that may be desired in the articles, including any changes necessary to conform to section 2903(c) and (d) (relating to formation of professional corporations).

(b) Procedure.--The amendment shall be adopted in accordance with the requirements of Subchapter B of Chapter 19 (relating to amendment of articles) except that the amendment must be approved by the unanimous consent of all shareholders of the corporation regardless of any limitations on voting rights stated in the articles or bylaws.

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

(a) General rule.--This chapter applies to every professional association heretofore or hereafter organized under the act of August 7, 1961 (P.L.941, No.416), known as the Professional Association Act, that elects to accept the provisions of this chapter in the manner set forth in subsection (b).

(b) Procedure for election.--A professional association may

1 elect to accept this chapter by filing in the Department of
2 State a statement of election of professional corporation status
3 which shall be executed by all of the associates of the
4 professional association and shall set forth:

5 (1) The name of the professional association and,
6 subject to section 109 (relating to name of commercial
7 registered office provider in lieu of registered address),
8 the address, including street and number, if any, of its
9 proposed registered office.

10 (2) The name of the county in the office of the
11 prothonotary of which the initial articles of association of
12 the association were filed.

13 (3) A statement that the associates of the professional
14 association have elected to accept the provisions of this
15 chapter for the government and regulation of the affairs of
16 the association.

17 See section 134 (relating to docketing statement).

18 (c) Date of incorporation.--This chapter shall become
19 applicable to the professional association, and it shall be
20 deemed incorporated, on the date the statement of election is
21 filed in the department.

22 § 2906. Termination of professional corporation status.

23 A professional corporation may terminate its status as such
24 and cease to be subject to this chapter by amending its articles
25 to delete therefrom the additional provisions required by
26 section 2903(a) (relating to formation of professional
27 corporations). The amendment shall be adopted in accordance with
28 Subchapter B of Chapter 19 (relating to amendment of articles).

29 § 2907. Proceedings to terminate breach of qualifying
30 conditions.

1 (a) General rule.--If the corporation does not otherwise
2 have the right to acquire all the shares of a shareholder who
3 becomes a disqualified person or of a deceased shareholder, the
4 corporation shall nevertheless have an option to acquire the
5 shares, subject to the provisions of subsection (c), at a price
6 that is agreed upon by the parties or, if no agreement is
7 reached, at their fair value as determined under Subchapter D of
8 Chapter 15 (relating to dissenters rights).

9 (b) Dissolution of corporation.--If the corporation or a
10 licensed person fails to acquire, or if the corporation fails to
11 commence proceedings under subsection (a) to acquire, all of the
12 shares of a shareholder who becomes a disqualified person or of
13 a deceased shareholder within 90 days following the date of
14 disqualification or within 13 months following the date of death
15 of the shareholder, as the case may be, then that failure shall
16 constitute a ground for the forfeiture of the charter of the
17 corporation and its dissolution. When the failure of a
18 professional corporation to comply with this section is brought
19 to the attention of the court, department, board, commission or
20 other government unit regulating the profession in which the
21 corporation is engaged the government unit shall certify that
22 fact to the Attorney General for institution of appropriate
23 proceedings to dissolve the corporation.

24 (c) Nominal consideration transactions.--If section 1551
25 (relating to distributions to shareholders) would otherwise
26 prohibit an acquisition of shares under this section, a
27 professional corporation shall have the right to purchase its
28 own shares for a nominal consideration.

29 SUBCHAPTER B

30 POWERS, DUTIES AND SAFEGUARDS

1 Sec.

2 2921. Corporate name.

3 2922. Stated purposes.

4 2923. Issuance and retention of shares.

5 2924. Rendering professional services.

6 2925. Professional relationship retained.

7 § 2921. Corporate name.

8 (a) General rule.--A professional corporation may adopt any
9 name that is not prohibited by law or the ethics of the
10 profession in which the corporation is engaged or by a rule or
11 regulation of the court, department, board, commission or other
12 government unit regulating the profession.

13 (b) Additional names permitted.--The provisions of the first
14 sentence of section 1303(a) (relating to corporate name) shall
15 not prohibit the use of a name of a professional corporation if
16 the name contains and is restricted to the name or the last name
17 of one or more of the present, prospective or former
18 shareholders or of individuals who were associated with a
19 predecessor or whose individual name or names appeared in the
20 name of the predecessor. The name may also contain:

21 (1) the word "and" or any symbol or substitute therefor;

22 (2) the word "associates";

23 (3) the term "P.C."; or

24 (4) any or all of the words or terms in paragraphs (1),

25 (2) and (3).

26 § 2922. Stated purposes.

27 (a) General rule.--A professional corporation shall not
28 engage in any business other than the rendering of the
29 professional service or services for which it was specifically
30 incorporated except that a professional corporation may own real

1 and personal property necessary for, or appropriate or desirable
2 in, the fulfillment or rendering of its specific professional
3 service or services and it may invest its funds in real estate,
4 mortgages, stocks, bonds or any other type of investment.

5 (b) Additional powers.--A professional corporation may be a
6 partner in or a shareholder of a partnership or corporation
7 engaged in the business of rendering the professional service or
8 services for which the professional corporation was
9 incorporated.

10 § 2923. Issuance and retention of shares.

11 (a) General rule.--Shares in a professional corporation may
12 be owned, directly or indirectly, only by one or more licensed
13 persons and any shares issued in violation of this restriction
14 shall be void. A shareholder of a professional corporation shall
15 not enter into a voting trust, proxy or any other arrangement
16 vesting another person (other than another licensed person who
17 is a direct or indirect shareholder of the same corporation)
18 with the authority to exercise the voting power of any or all of
19 his shares and any such purported voting trust, proxy or other
20 arrangement shall be void.

21 (b) Transfer of shares.--Shares in a professional
22 corporation may be transferred only to or on behalf of a
23 licensed person or to the professional corporation. Any transfer
24 in violation of this restriction shall be void.

25 (c) Ownership by estate.--Unless a lesser period of time is
26 provided in a bylaw of the corporation adopted by the
27 shareholders or in a written agreement among the shareholders of
28 the corporation, the estate of a deceased shareholder may
29 continue to hold shares of the professional corporation for a
30 reasonable period of administration of the estate but the

1 personal representative of the estate shall not by reason of the
2 retention of shares be authorized to participate in any
3 decisions concerning the rendering of professional service.

4 (d) Interstate application.--Where the activities in this
5 Commonwealth of a person who is a licensed person under the laws
6 of another jurisdiction would be unlawful unless that person
7 were also a licensed person under the laws of this Commonwealth,
8 shares of a professional corporation shall not be issued to or
9 retained by or on behalf of him unless he is also a licensed
10 person under the laws of this Commonwealth. Except as provided
11 in the preceding sentence, this chapter shall not be construed
12 to require that any proportion or number of the holders or
13 beneficial owners of a professional corporation who are licensed
14 persons shall be licensed persons under the laws of this
15 Commonwealth.

16 § 2924. Rendering professional services.

17 (a) General rule.--A professional corporation may lawfully
18 render professional services only through officers, employees or
19 agents who are licensed persons. The corporation may employ
20 persons not so licensed but those persons shall not render any
21 professional services rendered or to be rendered by it.

22 (b) Supporting staff.--This section shall not be interpreted
23 to preclude the use of clerks, secretaries, nurses,
24 administrators, bookkeepers, technicians and other assistants
25 who are not usually and ordinarily considered by law, custom and
26 practice to be rendering the professional service or services
27 for which the professional corporation was incorporated nor to
28 preclude the use of any other person who performs all his
29 employment under the direct supervision and control of a
30 licensed person. A person shall not, under the guise of

1 employment, render professional services unless duly licensed or
2 admitted to practice as required by law.

3 (c) Charges.--Notwithstanding any other provision of law, a
4 professional corporation may charge for the professional
5 services of its officers, employees and agents, may collect
6 those charges and may compensate those who render the
7 professional services.

8 § 2925. Professional relationship retained.

9 (a) General rule.--This subpart shall not affect the law of
10 this Commonwealth applicable to the professional relationship
11 and the contract, tort and other legal rights, duties and
12 liabilities between the person furnishing professional services
13 and the person receiving professional services and to the
14 standards for professional conduct, including the law of this
15 Commonwealth applicable to the confidential relationship, if
16 any, between the person rendering professional services and the
17 person receiving professional services, and all confidential
18 relationships enjoyed under statutes heretofore or hereafter
19 enacted shall remain inviolate.

20 (b) Liability unaffected.--Any officer, shareholder,
21 employee or agent of a professional corporation shall remain
22 personally and fully liable and accountable for any negligent or
23 wrongful acts or misconduct committed by him or by any person
24 under his direct supervision and control while rendering
25 professional services on behalf of the corporation to the person
26 for whom the professional services were being rendered. The
27 professional corporation shall be liable up to the full value of
28 its property for any negligent or wrongful acts or misconduct
29 committed by any of its officers, shareholders, employees or
30 agents while they are engaged on behalf of the corporation in

1 rendering professional services. Unless otherwise provided in
2 its articles, shares of a professional corporation shall be
3 nonassessable and a holder or owner of shares of a professional
4 corporation shall not be under any liability to the professional
5 corporation or any creditor thereof with respect to the shares.

6 (c) Disciplinary jurisdiction unaffected.--A professional
7 corporation shall be subject to the applicable rules and
8 regulations adopted by, and all the disciplinary powers of, the
9 court, department, board, commission or other government unit
10 regulating the profession in which the corporation is engaged.
11 The court, department, board or other government unit may
12 require that a professional corporation include in its articles
13 provisions that conform to any rule or regulation heretofore or
14 hereafter promulgated for the purpose of enforcing the ethics of
15 a profession but, unless otherwise provided by statute, a rule
16 or regulation shall not require the issuance by the corporation
17 of assessable shares or require the inclusion of any provision
18 in the articles that is inconsistent with the provisions of
19 Article B (relating to domestic business corporations generally)
20 as modified by this chapter. This chapter shall not affect or
21 impair the disciplinary powers of the court, department, board,
22 commission or other government unit over licensed persons or any
23 law, rule or regulation pertaining to the standards for
24 professional conduct of licensed persons or to the professional
25 relationship between any licensed person rendering professional
26 services and the person receiving professional services.

27 ARTICLE D

28 FOREIGN BUSINESS CORPORATIONS

29 Chapter

30 41. Foreign Business Corporations

1 CHAPTER 41

2 FOREIGN BUSINESS CORPORATIONS

3 Subchapter

4 A. Preliminary Provisions

5 B. Qualification

6 C. Powers, Duties and Liabilities

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8 SUBCHAPTER A

9 PRELIMINARY PROVISIONS

10 Sec.

11 4101. Application of article.

12 4102. Foreign domiciliary corporations.

13 4103. Acquisition of foreign domiciliary corporation status.

14 4104. Termination of foreign domiciliary corporation status.

15 § 4101. Application of article.

16 (a) General rule.--Except as otherwise provided in this
17 section or in subsequent provisions of this article, this
18 article shall apply to and the words "corporation" or "foreign
19 business corporation" in this article shall include every
20 foreign corporation for profit, including a corporation that, if
21 a domestic corporation for profit, would be a banking
22 institution, credit union, insurance corporation or savings
23 association.

24 (b) Domestic Federal financial institution exclusion.--
25 Except as permitted by act of Congress, this article shall not
26 apply to:

27 (1) Any of the following institutions or similar
28 institutions engaged in this Commonwealth in activities
29 similar to those conducted by banking institutions, saving
30 associations or credit unions:

(i) National banking associations organized under The National Bank Act (13 Stat. 99, 12 U.S.C. § 1 et seq.).

(ii) Federal savings and loan associations and Federal mutual savings banks organized under the Home Owners' Loan Act of 1933 (48 Stat. 128, 12 U.S.C. § 1461 et seq.).

(iii) Federal credit unions organized under the Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751 et seq.).

(2) Any other Federal corporation intended by the Congress to be treated for state law purposes as a domestic corporation of this Commonwealth.

(c) Qualified insurance corporation exclusion.--This article shall not apply to any foreign corporation for profit qualified to do business in this Commonwealth under the act of May 17, 1921 (P.L.682, No.284), known as The Insurance Company Law of 1921, except as otherwise expressly provided by statute applicable to the corporation.

§ 4102. Foreign domiciliary corporations.

(a) General rule.--Except as provided in subsection (b), a foreign business corporation is a foreign domiciliary corporation if it has as record holders of its shares persons having addresses in this Commonwealth who in the aggregate hold shares:

(1) representing 60% or more in interest of its outstanding shares whether or not entitled to vote; or

(2) entitled to cast at least 60% of the votes that all holders of outstanding shares are entitled to cast in an election of directors.

(b) Exclusions.--None of the following is a foreign domiciliary corporation for the purposes of this subpart:

(1) Foreign corporation with registered securities.--A foreign business corporation that, if a domestic business corporation, would be a registered corporation.

(2) Subsidiary of registered corporation.--A foreign business corporation all of the shares of which are owned, directly or indirectly, by one or more registered corporations or corporations described in paragraph (1).

(c) Determination of outstanding shares.--For the purposes of subsection (a):

(1) Except as provided in paragraphs (2) and (3), any securities held to the knowledge of the corporation in the names of broker-dealers or nominees for broker-dealers shall not be considered outstanding.

(2) Persons who are identified as owners of shares pursuant to procedures equivalent to section 1763(c) (relating to certification by nominee) shall be deemed record holders of the shares owned.

(3) (i) Securities held to the knowledge of the corporation for the direct or indirect benefit of individuals who to the knowledge of the corporation have a principal residence in this Commonwealth shall be deemed held by record holders having addresses in this Commonwealth.

(ii) A statement by the corporation in any notice of meeting or other document transmitted to shareholders in connection with any corporate action of the type described in section 1791 (relating to corporate action subject to subchapter) to the effect that it has no

1 knowledge or only specified knowledge for the purposes of
2 subparagraph (i) shall, except as provided in
3 subparagraph (iii), be conclusive if there shall be
4 included in or enclosed with such document a brief
5 explanation of the effect upon such corporate action of a
6 determination that the corporation is a foreign
7 domiciliary corporation.

8 (iii) If, prior to the convening of a meeting of
9 shareholders to consider the proposed corporate action,
10 or prior to the expiration of 20 days after the
11 transmission of the document to shareholders, in any
12 other case, any person shall give the corporation written
13 notice of facts relevant under this paragraph, the
14 corporation shall have knowledge of such facts for the
15 purposes of subparagraph (i).

16 § 4103. Acquisition of foreign domiciliary corporation status.

17 (a) Shareholding test.--A foreign corporation shall become a
18 foreign domiciliary corporation under section 4102(a) (relating
19 to foreign domiciliary corporations) on the first day of the
20 sixth month following the month in which the corporation first
21 has knowledge that the test has been met.

22 (b) Newly incorporated corporations.--Where the test under
23 section 4102(a) is met at the time of initial issuance of shares
24 of the corporation and continuously thereafter, foreign
25 domiciliary corporation status when established shall be
26 retroactive to the incorporation of the corporation.

27 (c) Foreign corporations with registered securities.--The
28 exemption provided by section 4102(b)(1) shall terminate
29 immediately upon the termination of the status of the
30 corporation as a corporation described in that provision.

1 (d) Subsidiary corporations.--The exemption provided by
2 section 4102(b)(2) shall terminate immediately upon the
3 happening of any event whereby all of the shares of the
4 corporation are no longer owned, directly or indirectly, by one
5 or more registered corporations or corporations described in
6 section 4102(b)(1).

7 § 4104. Termination of foreign domiciliary corporation status.

8 (a) Shareholding test.--A foreign domiciliary corporation
9 shall cease to be such on the first day of the sixth month
10 following the month in which the corporation first has knowledge
11 that the test of section 4102(a) (relating to foreign
12 domiciliary corporations) is no longer met.

13 (b) Foreign corporations with registered securities.--The
14 exemption provided by section 4102(b)(1) shall take effect on
15 the day following the day on which the corporation becomes a
16 corporation described in that provision.

17 (c) Subsidiary corporations.--The exemption provided by
18 section 4102(b)(2) shall take effect immediately upon the
19 acquisition, directly or indirectly, of the last outstanding
20 share of the corporation by one or more registered corporations
21 or corporations described in section 4102(b)(1).

22 SUBCHAPTER B

23 QUALIFICATION

24 Sec.

25 4121. Admission of foreign corporations.

26 4122. Excluded activities.

27 4123. Requirements for foreign corporation names.

28 4124. Application for a certificate of authority.

29 4125. Issuance of certificate of authority.

30 4126. Amended certificate of authority.

1 4127. Merger, consolidation or division of qualified foreign
2 corporations.

3 4128. Revocation of certificate of authority.

4 4129. Application for termination of authority.

5 4130. Change of address after withdrawal.

6 4131. Registration of name.

7 § 4121. Admission of foreign corporations.

8 (a) General rule.--A foreign business corporation, before
9 doing business in this Commonwealth, shall procure a certificate
10 of authority to do so from the Department of State, in the
11 manner provided in this subchapter. A foreign business
12 corporation shall not be denied a certificate of authority by
13 reason of the fact that the laws of the jurisdiction governing
14 its incorporation and internal affairs differ from the laws of
15 this Commonwealth.

16 (b) Qualification under former statutes.--If a foreign
17 corporation for profit was on March 19, 1966, admitted to do
18 business in this Commonwealth by the filing of a power of
19 attorney and statement under the act of June 8, 1911 (P.L.710,
20 No. 283), the power of attorney and statement shall be deemed an
21 approved application for a certificate of authority issued under
22 this subchapter and the corporation shall be deemed a holder of
23 the certificate. The corporation shall include in its initial
24 application, if any, for an amended certificate of authority
25 under this subchapter the information required by this
26 subchapter to be set forth in an application for a certificate
27 of authority. A certificate of authority issued under the former
28 provisions of the act of May 5, 1933 (P.L.364, No.106), known as
29 the Business Corporation Law of 1933, shall be deemed to be
30 issued under this subchapter and the certificate of authority

1 shall be deemed not to contain any reference to the kind of
2 business that the corporation proposes to do in this
3 Commonwealth.

4 § 4122. Excluded activities.

5 (a) General rule.--Without excluding other activities that
6 may not constitute doing business in this Commonwealth, a
7 foreign business corporation shall not be considered to be doing
8 business in this Commonwealth for the purposes of this
9 subchapter by reason of carrying on in this Commonwealth any one
10 or more of the following acts:

11 (1) Maintaining or defending any action or
12 administrative or arbitration proceeding or effecting the
13 settlement thereof or the settlement of claims or disputes.

14 (2) Holding meetings of its directors or shareholders or
15 carrying on other activities concerning its internal affairs.

16 (3) Maintaining bank accounts.

17 (4) Maintaining offices or agencies for the transfer,
18 exchange and registration of its securities or appointing and
19 maintaining trustees or depositaries with relation to its
20 securities.

21 (5) Effecting sales through independent contractors.

22 (6) Soliciting or procuring orders, whether by mail or
23 through employees or agents or otherwise, and maintaining
24 offices therefor, where the orders require acceptance without
25 this Commonwealth before becoming binding contracts.

26 (7) Creating as borrower or lender, acquiring or
27 incurring, obligations or mortgages or other security
28 interests in real or personal property.

29 (8) Securing or collecting debts or enforcing any rights
30 in property securing them.

1 (9) Transacting any business in interstate or foreign
2 commerce.

3 (10) Conducting an isolated transaction completed within
4 a period of 30 days and not in the course of a number of
5 repeated transactions of like nature.

6 (11) Inspecting, appraising and acquiring real estate
7 and mortgages and other liens thereon and personal property
8 and security interests therein, and holding, leasing,
9 conveying and transferring them, as fiduciary or otherwise.

10 (b) Exceptions.--The specification of activities in
11 subsection (a) does not establish a standard for activities that
12 may subject a foreign business corporation to:

13 (1) Service of process under any statute or general
14 rule.

15 (2) Taxation by the Commonwealth or any political
16 subdivision thereof.

17 § 4123. Requirements for foreign corporation names.

18 (a) General rule.--The Department of State shall not issue a
19 certificate of authority to any foreign business corporation
20 that, except as provided in subsection (b), has a name that is
21 rendered unavailable for use by a domestic business corporation
22 by any provision of section 1303(a), (b) or (c) (relating to
23 corporate name), except subsections (c)(1)(ii) or (iii) thereof
24 (relating to banking and insurance names).

25 (b) Exception; name.--The provisions of section 1303(b)
26 (relating to duplicate use of names) shall not prevent the
27 issuance of a certificate of authority to a foreign business
28 corporation setting forth a name that is confusingly similar to
29 the name of any other domestic or foreign corporation for profit
30 or corporation not-for-profit, or of any domestic or foreign

1 limited partnership that has filed a certificate or qualified
2 under 59 Pa.C.S. Ch. 5 (relating to limited partnerships) or
3 corresponding provisions of prior law, or of any corporation or
4 other association then registered under 54 Pa.C.S. Ch. 5
5 (relating to corporate and other association names) or to any
6 name reserved or registered as provided in this part, if the
7 foreign business corporation applying for a certificate of
8 authority files in the department one of the following:

9 (1) A resolution of its board of directors adopting a
10 fictitious name for use in transacting business in this
11 Commonwealth which fictitious name is not confusingly similar
12 to the name of the other corporation or other association or
13 to any name reserved or registered as provided in this part.

14 (2) The written consent of the other corporation or
15 other association or holder of a reserved or registered name
16 to use the same or confusingly similar name and one or more
17 words are added to make the name applied for distinguishable
18 from the other name.

19 § 4124. Application for a certificate of authority.

20 (a) General rule.--An application for a certificate of
21 authority shall be executed by the foreign business corporation
22 and shall set forth:

23 (1) The name of the corporation.

24 (2) The name of the jurisdiction under the laws of which
25 it is incorporated.

26 (3) The address, including street and number, if any, of
27 its principal office under the laws of the jurisdiction in
28 which it is incorporated.

29 (4) Subject to section 109 (relating to name of
30 commercial registered office provider in lieu of registered

address), the address, including street and number, if any,
of its proposed registered office in this Commonwealth.

(5) A statement that it is a corporation incorporated
for a purpose or purposes involving pecuniary profit,
incidental or otherwise.

(b) Advertisement.--A foreign business corporation shall
officially publish notice of its intention to apply or its
application for a certificate of authority. The notice may
appear prior to or after the day on which application is made to
the Department of State and shall set forth briefly:

(1) A statement that the corporation will apply or has
applied for a certificate of authority under the provisions
of the Business Corporation Law of 1988.

(2) The name of the corporation and of the jurisdiction
under the laws of which it is incorporated.

(3) The address, including street and number, if any, of
its principal office under the laws of the jurisdiction in
which it is incorporated.

(4) Subject to section 109, the address, including
street and number, if any, of its proposed registered office
in this Commonwealth.

(c) Filing.--The application for a certificate of authority
shall be filed in the Department of State.

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

§ 4125. Issuance of certificate of authority.

Upon the filing of the application for a certificate of
authority, the Department of State shall issue to the foreign
business corporation a certificate of authority to do business
in this Commonwealth. The certificate of authority shall be

1 annexed to or endorsed upon the application for a certificate of
2 authority and shall state that, subject to the Constitution and
3 laws of this Commonwealth, the corporation named in the
4 application is authorized to do business in this Commonwealth.

5 § 4126. Amended certificate of authority.

6 (a) General rule.--After receiving a certificate of
7 authority, a qualified foreign business corporation may, subject
8 to the provisions of this subchapter, change the name under
9 which it is authorized to transact business in this Commonwealth
10 by filing in the Department of State an application for an
11 amended certificate of authority. The application shall be
12 executed by the corporation and shall state:

13 (1) The name under which the applicant corporation
14 currently holds a certificate of authority to do business in
15 this Commonwealth.

16 (2) The name of the jurisdiction under the laws of which
17 the corporation is incorporated.

18 (3) The address, including street and number, if any, of
19 its principal office under the laws of the jurisdiction in
20 which it is incorporated.

21 (4) Subject to section 109 (relating to name of
22 commercial registered office provider in lieu of registered
23 address), the address, including street and number, if any,
24 of its registered office in this Commonwealth, which may
25 constitute a change in the address of its registered office.

26 (5) The new name of the corporation and a statement that
27 either:

28 (i) the change of name reflects a change effected in
29 the jurisdiction of incorporation; or

30 (ii) documents complying with section 4123(b)

1 (relating to exception; name) accompany the application.

2 (b) Issuance of amended certificate of authority.--Upon the
3 filing of the application, the department shall issue to the
4 applicant corporation an amended certificate of authority. The
5 amended certificate of authority shall be annexed to or endorsed
6 upon the application for an amended certificate of authority and
7 shall state that the certificate of authority of the corporation
8 named in the application is amended to reflect the change of
9 name specified in the application.

10 (c) Cross reference.--See section 134 (relating to docketing
11 statement).

12 § 4127. Merger, consolidation or division of qualified foreign
13 corporations.

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

23 (1) The name of each nonsurviving qualified foreign
24 business corporation.

25 (2) The name of the jurisdictions under the laws of
26 which each nonsurviving qualified foreign business
27 corporation was incorporated.

28 (3) The date on which each nonsurviving qualified
29 foreign business corporation received a certificate of
30 authority to do business in this Commonwealth.

1 (4) A statement that the corporate existence of each
2 nonsurviving qualified foreign business corporation has been
3 terminated by merger, consolidation or division, as the case
4 may be.

5 (5) In the case of a consolidation or division or if the
6 surviving corporation was a nonqualified foreign business
7 corporation prior to the merger, the statements on the part
8 of the surviving or new corporation required by section
9 4124(a) (relating to application for a certificate of
10 authority).

11 (b) Effect of filing.--The filing of the statement shall
12 operate, as of the effective date of the merger, consolidation
13 or division, to cancel the certificate of authority of each
14 nonsurviving constituent corporation that was a qualified
15 foreign business corporation and to qualify the surviving or new
16 corporation under this subchapter. If the surviving or new
17 corporation does not desire to continue as a qualified foreign
18 business corporation, it may thereafter withdraw in the manner
19 provided by section 4129 (relating to application for
20 termination of authority).

21 (c) Surviving qualified foreign corporations.--It shall not
22 be necessary for a surviving corporation that was a qualified
23 foreign business corporation to effect any filing under this
24 subchapter with respect to a merger or division or to procure an
25 amended certificate of authority to do business in this
26 Commonwealth unless the name of the corporation is changed by
27 the merger or division.

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

30 § 4128. Revocation of certificate of authority.

1 (a) General rule.--Whenever the Department of State finds
2 that a qualified foreign business corporation has failed to
3 secure an amended certificate of authority as required by this
4 subchapter after changing its name, or has failed or refused to
5 appear by its proper representatives, or otherwise to comply
6 with any subpoena issued by any court having jurisdiction of the
7 subject matter, or to produce books, papers, records or
8 documents as required by a subpoena, or is violating any of the
9 laws of this Commonwealth, or that its articles have been
10 revoked or voided by its jurisdiction of incorporation, the
11 department shall give notice and opportunity for hearing by
12 registered or certified mail to the corporation that the default
13 exists and that its certificate of authority, including any
14 amendments thereof, will be revoked unless the default is cured
15 within 30 days after the mailing of the notice. If the default
16 is not cured within the period of 30 days, the department shall
17 revoke the certificate of authority, including any amendments
18 thereof, of the foreign business corporation. Upon revoking the
19 certificate of authority, the department shall mail to the
20 corporation, at its registered office in this Commonwealth, a
21 certificate of revocation.

22 (b) Effect of revocation.--Upon the issuance of the
23 certificate of revocation, the authority of the corporation to
24 do business in this Commonwealth shall cease and the corporation
25 shall not thereafter do any business in this Commonwealth unless
26 it applies for and receives a new certificate of authority.

27 § 4129. Application for termination of authority.

28 (a) General rule.--Any qualified foreign business
29 corporation may withdraw from doing business in this
30 Commonwealth and surrender its certificate of authority by

1 filing in the Department of State an application for termination
2 of authority, executed by the corporation, which shall set
3 forth:

4 (1) The name of the corporation and, subject to section
5 109 (relating to name of commercial registered office
6 provider in lieu of registered address), the address,
7 including street and number, if any, of its last registered
8 office in this Commonwealth.

9 (2) The name of the jurisdiction under the laws of which
10 it is incorporated.

11 (3) The date on which it received a certificate of
12 authority to do business in this Commonwealth.

13 (4) A statement that it surrenders its certificate of
14 authority to do business in this Commonwealth.

15 (5) A statement that notice of its intention to withdraw
16 from doing business in this Commonwealth was mailed by
17 certified or registered mail to each municipal corporation in
18 which the registered office or principal place of business of
19 the corporation in this Commonwealth is located.

20 (6) The post office address, including street and
21 number, if any, to which process may be sent in an action or
22 proceeding upon any liability incurred before the filing of
23 the application for termination of authority.

24 (b) Advertisement.--A qualified foreign business corporation
25 shall, before filing an application for termination of
26 authority, officially publish and mail a notice of its intention
27 to withdraw from doing business in this Commonwealth in a manner
28 similar to that required by section 1975(b) (relating to notice
29 to creditors and taxing authorities). The notice shall set forth
30 briefly:

1 (1) The name of the corporation and the jurisdiction
2 under the laws of which it is incorporated.

3 (2) The address, including street and number, if any, of
4 its principal office under the laws of its jurisdiction of
5 incorporation.

6 (3) Subject to section 109, the address, including
7 street and number, if any, of its last registered office in
8 this Commonwealth.

9 (c) Filing.--The application for termination of authority
10 and the certificates or statement required by section 139
11 (relating to tax clearance of certain fundamental transactions)
12 shall be filed in the department. See section 134 (relating to
13 docketing statement).

14 (d) Effect of filing.--Upon the filing of the application
15 for termination of authority, the authority of the corporation
16 to do business in this Commonwealth shall cease. The termination
17 of authority shall not affect any action or proceeding pending
18 at the time thereof or affect any right of action arising with
19 respect to the corporation before the filing of the application
20 for termination of authority. Process against the corporation in
21 an action upon any liability incurred before the filing of the
22 application for termination of authority may be served as
23 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction
24 and interstate and international procedure) or as otherwise
25 provided or prescribed by law.

26 § 4130. Change of address after withdrawal.

27 (a) General rule.--Any foreign business corporation that has
28 withdrawn from doing business in this Commonwealth, or its
29 successor in interest, may, from time to time, change the
30 address to which process may be sent in an action upon any

1 liability incurred before the filing of an application for
2 termination of authority by filing in the Department of State of
3 a statement of change of address by withdrawn corporation
4 executed by the corporation, setting forth:

5 (1) The name of the withdrawn corporation and, if the
6 statement is filed by a successor in interest, the name and
7 capacity of the successor.

8 (2) The name of the jurisdiction under the laws of which
9 the corporation filing the statement is incorporated.

10 (3) The former post office address, including street and
11 number, if any, of the withdrawn corporation as of record in
12 the department.

13 (4) The new post office address, including street and
14 number, if any, of the withdrawn corporation or its
15 successor.

16 (b) Cross reference.--See section 134 (relating to docketing
17 statement).

18 § 4131. Registration of name.

19 (a) General rule.--A nonqualified foreign business
20 corporation may register its name under 54 Pa.C.S. Ch. 5
21 (relating to corporate and other association names) if the name
22 is available for use by a qualified foreign business corporation
23 under section 4123 (relating to requirements for foreign
24 corporation names), by filing in the Department of State an
25 application for registration of name, executed by the
26 corporation, which shall set forth:

27 (1) The name of the corporation.

28 (2) The address, including street and number, if any, of
29 the corporation.

30 (b) Annual renewal.--A corporation that has in effect a

1 registration of its corporate name may renew the registration
2 from year to year by annually filing an application for renewal
3 setting forth the facts required to be set forth in an original
4 application for registration. A renewal application may be filed
5 between October 1 and December 31 in each year and shall extend
6 the registration for the following calendar year.

7 (c) Cross reference.--See section 134 (relating to docketing
8 statement).

9 SUBCHAPTER C

10 POWERS, DUTIES AND LIABILITIES

11 Sec.

12 4141. Penalty for doing business without certificate of
13 authority.

14 4142. General powers and duties of qualified foreign
15 corporations.

16 4143. General powers and duties of nonqualified foreign
17 corporations.

18 4144. Registered office of qualified foreign corporations.

19 4145. Applicability of certain safeguards to foreign
20 domiciliary corporations.

21 4146. Provisions applicable to all foreign corporations.

22 § 4141. Penalty for doing business without certificate of
23 authority.

24 (a) Right to bring actions or proceedings suspended.--A
25 nonqualified foreign business corporation doing business in this
26 Commonwealth within the meaning of Subchapter B (relating to
27 qualification) shall not be permitted to maintain any action or
28 proceeding in any court of this Commonwealth until the
29 corporation has obtained a certificate of authority. Nor, except
30 as provided in subsection (b), shall any action or proceeding be

1 maintained in any court of this Commonwealth by any successor or
2 assignee of the corporation on any right, claim or demand
3 arising out of the doing of business by the corporation in this
4 Commonwealth until a certificate of authority has been obtained
5 by the corporation or by a corporation that has acquired all or
6 substantially all of its assets.

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

14 § 4142. General powers and duties of qualified foreign
15 corporations.

16 (a) General rule.--A qualified foreign business corporation,
17 so long as its certificate of authority is not revoked, shall
18 enjoy the same rights and privileges as a domestic business
19 corporation, but no more, and, except as in this subpart
20 otherwise provided, shall be subject to the same liabilities,
21 restrictions, duties and penalties now in force or hereafter
22 imposed upon domestic business corporations, to the same extent
23 as if it had been incorporated under this subpart.

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

28 § 4143. General powers and duties of nonqualified foreign
29 corporations.

30 (a) Acquisition of real and personal property.--Every

1 nonqualified foreign business corporation may acquire, hold,
2 mortgage, lease and transfer real and personal property in this
3 Commonwealth in the same manner and subject to the same
4 limitations as a qualified foreign business corporation.

5 (b) Duties.--Except as provided in section 4141(a) (relating
6 to right to bring actions suspended), a nonqualified foreign
7 business corporation doing business in this Commonwealth within
8 the meaning of Subchapter B (relating to qualification) shall be
9 subject to the same liabilities, restrictions, duties and
10 penalties now or hereafter imposed upon a qualified foreign
11 business corporation.

12 § 4144. Registered office of qualified foreign corporations.

13 (a) General rule.--Subject to the provisions of section
14 1507(c) (relating to alternative procedure), every qualified
15 foreign business corporation shall have, and continuously
16 maintain, in this Commonwealth a registered office, which may
17 but need not be the same as its place of business in this
18 Commonwealth.

19 (b) Change.--A qualified foreign business corporation may,
20 from time to time, change the address of its registered office
21 in the manner provided by section 1507(b) (relating to statement
22 of change of registered office).

23 § 4145. Applicability of certain safeguards to foreign
24 domiciliary corporations.

25 (a) General rule.--The General Assembly hereby finds and
26 determines that foreign domiciliary corporations substantially
27 affect this Commonwealth. The courts of this Commonwealth shall
28 not dismiss or stay any action or proceeding brought by a
29 shareholder or representative of a foreign domiciliary
30 corporation, as such, against the corporation or any one or more

1 of the shareholders or representatives thereof, as such, on the
2 ground that the corporation is a foreign corporation for profit
3 or that the cause of action relates to the internal affairs
4 thereof, but every such action shall proceed with like effect as
5 if the corporation were a domestic corporation. Except as
6 provided in subsection (b), the court having jurisdiction of the
7 action or proceeding shall apply the law of the jurisdiction
8 under which the foreign domiciliary corporation was
9 incorporated.

10 (b) Provision of financial reports.--The provisions of
11 section 1554 (relating to financial reports to shareholders)
12 shall be applicable to foreign domiciliary corporations to the
13 same extent as if they were domestic business corporations.

14 (c) Required changes in organic law.--For the purposes of
15 subsection (b), corporate action shall not be deemed to be
16 impossible under the laws of the jurisdiction in which a foreign
17 domiciliary corporation is incorporated merely because
18 prohibited or restricted by the terms of the articles,
19 certificate of incorporation, bylaws or other organic law of the
20 corporation but the court may require the corporation to amend
21 the organic law so as to be consistent with the minimum
22 safeguards prescribed by subsection (b).

23 (d) Section exclusive.--The provisions of this subpart,
24 other than the provisions of this section and section 4146
25 (relating to provisions applicable to all foreign corporations),
26 shall not be construed to regulate the incorporation or internal
27 affairs of a foreign corporation for profit.

28 § 4146. Provisions applicable to all foreign corporations.

29 The following provisions of this subpart shall, except as
30 otherwise provided in this section, be applicable to every

foreign corporation for profit, whether or not required to
procure a certificate of authority under this chapter:

Section 1503 (relating to defense of ultra vires), as to
contracts and conveyances made in this Commonwealth and
conveyances affecting real property situated in this
Commonwealth.

Section 1506 (relating to form of execution of
instruments), as to instruments or other documents made or to
be performed in this Commonwealth or affecting real property
situated in this Commonwealth.

Section 1510 (relating to usury not a defense), as to
obligations (as defined in the section) executed or effected
in this Commonwealth or affecting real property situated in
this Commonwealth.

Section 1782 (relating to actions against directors and
officers).

SUBCHAPTER D

DOMESTICATION

Sec.

4161. Domestication.

4162. Effect of domestication.

§ 4161. Domestication.

(a) General rule.--Any qualified foreign business
corporation may become a domestic business corporation by filing
in the Department of State articles of domestication. The
articles of domestication, upon being filed in the department,
shall constitute the articles of the domesticated foreign
corporation and it shall thereafter continue as a corporation
which shall be a domestic business corporation subject to this
subpart.

1 (b) Articles of domestication.--The articles of
2 domestication shall be executed by the corporation and shall set
3 forth in the English language:

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

7 (2) Subject to section 109 (relating to name of
8 commercial registered office provider in lieu of registered
9 address), the address, including street and number, if any,
10 of its registered office in this Commonwealth.

11 (3) A statement that upon domestication the corporation
12 will be subject to the domestic corporation provisions of the
13 Business Corporation Law of 1988 and, if desired, a brief
14 statement of the purpose or purposes for which it is to be
15 domesticated which shall be a purpose or purposes for which a
16 domestic business corporation may be incorporated under
17 Article B (relating to domestic business corporations
18 generally) and which may consist of or include a statement
19 that the corporation shall have unlimited power to engage in
20 and to do any lawful act concerning any or all lawful
21 business for which corporations may be incorporated under the
22 Business Corporation Law of 1988.

23 (4) The term for which upon domestication it is to
24 exist, if not perpetual.

25 (5) Any desired provisions relating to the manner and
26 basis of reclassifying the shares of the corporation.

27 (6) A statement that the filing of articles of
28 domestication and the renunciation of the original charter or
29 articles of the corporation has been authorized (unless its
30 charter or other organic documents require a greater vote) by

1 a majority of the votes cast by all shareholders entitled to
2 vote thereon and, if any class of shares is entitled to vote
3 thereon as a class, a majority of the votes cast in each
4 class vote.

5 (7) Any provisions desired providing special treatment
6 of shares held by any shareholder or group of shareholders if
7 the laws of the jurisdiction under which the corporation was
8 incorporated prior to its domestication permit such special
9 treatment.

10 (8) Any other provisions authorized by Article B to be
11 set forth in the original articles.

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

14 § 4162. Effect of domestication.

15 As a domestic business corporation, the domesticated
16 corporation shall no longer be a foreign business corporation
17 for the purposes of this subpart and shall have all the powers
18 and privileges and be subject to all the duties and limitations
19 granted and imposed upon domestic business corporations. The
20 property, franchises, debts, liens, estates, taxes, penalties
21 and public accounts due the Commonwealth shall continue to be
22 vested in and imposed upon the corporation to the same extent as
23 if it were the successor by merger of the domesticating
24 corporation with and into a domestic business corporation under
25 Subchapter C of Chapter 19 (relating to merger, consolidation,
26 share exchanges and sale of assets). The shares of the
27 domesticated corporation shall be unaffected by the
28 domestication except to the extent, if any, reclassified in the
29 articles of domestication.

30 (b) Conforming amendment.--Section 7952(a) and (b) of Title

1 15 are amended to read:

2 § 7952. Proposal and adoption of plan of conversion.

3 (a) Preparation of plan.--A plan of conversion shall be
4 prepared, setting forth:

5 (1) The terms and conditions of the conversion.

6 (2) The mode of carrying the conversion into effect.

7 (3) A restatement of the articles of the resulting
8 corporation, which articles shall comply with the
9 requirements of[:

10 (i) the Business Corporation Law, if the resulting
11 corporation is to be a business corporation; or

12 (ii) this article, if the resulting corporation is
13 to be a nonprofit corporation] Subpart B of Part II
14 (relating to business corporations).

15 (4) Such other details and provisions as are deemed
16 desirable.

17 (b) Proposal and adoption.--The plan of conversion shall be
18 proposed and adopted, and may be terminated, in the manner
19 provided for the proposal, adoption and termination of a plan of
20 merger in [Article IX of the Business Corporation Law (relating
21 to merger and consolidation), in the case of a business
22 corporation which proposes to convert into a nonprofit
23 corporation, or in] Subchapter B of this chapter (relating to
24 merger, consolidation and sale of assets)[, in the case of a
25 nonprofit corporation which proposes to convert into a business
26 corporation].

27 * * *

28 Section 104. Legislative findings as to acceptance of
29 Constitution of Pennsylvania.

30 (a) General rule.--The General Assembly finds and determines

1 as follows for the purpose of section 3B of the act of May 5,
2 1933 (P.L.289 No.105), known as the Nonprofit Corporation Law of
3 1933, as added by the act of January 18, 1966 (1965 P.L.1406,
4 No.520), section 3B of the act of May 5, 1933 (P.L.364, No.106),
5 known as the Business Corporation Law of 1933, as added by the
6 act of January 18, 1966 (1965 P.L.1305 No.519), and sections 3
7 and 5 of the act of January 18, 1966 (1965 P.L.1443, No.521)
8 (referred to collectively in this section as the Registry Acts
9 of 1966):

10 (1) The corporation incorporated by the act of February
11 24, 1846 (P.L.56, No.47) is subject to the Constitution of
12 Pennsylvania by reason of the enactment and acceptance of the
13 act of April 8, 1867 (P.L.916, No.836).

14 (2) The corporation incorporated by the act signed March
15 27, 1855 (1857 P.L.729, No.732) is subject to the
16 Constitution of Pennsylvania by reason of having its charter
17 enrolled under the act of April 16, 1845 (P.L.532, No.348)
18 after the enactment of the act of May 3, 1855 (P.L.423,
19 No.448).

20 (3) The Cedar Grove Cemetery Association, incorporated
21 pursuant to the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
22 Stat. 50), referred to as the Corporation Act of 1791, as
23 supplemented by the act of October 13, 1840 (1841 P.L.1,
24 No.258), is subject to the Constitution of Pennsylvania by
25 reason of the reserved power contained in the proviso to
26 section 3 of the act of April 6, 1791 (3 Sm.L.20, Ch.1536, 14
27 Stat. 50).

28 (4) The corporation incorporated by the act of May 11,
29 1751 (1 Sm.L.208, Ch.390, 5 Stat. 128) is subject to the
30 Constitution of Pennsylvania by reason of the acceptance of

1 the benefits of laws passed by the General Assembly after
2 1873 governing the affairs of corporations, as evidenced by a
3 written acknowledgment of that fact filed by the corporation
4 in the Department of State on December 17, 1981.

5 (5) As reported by the Department of State, no
6 corporations other than those mentioned in paragraphs (1)
7 through (4) filed in the Department of State under the
8 Registry Acts of 1966 on or before January 1, 1967, a
9 certificate declining to accept the provisions of the
10 Constitution of Pennsylvania.

11 (6) All corporations incorporated prior to October 14,
12 1857, under the authority of the Commonwealth or of the late
13 Proprietaries of the Province of Pennsylvania are now subject
14 to the Constitution of Pennsylvania and the general
15 legislative jurisdiction of the General Assembly.

16 (b) Proceedings to challenge findings.--Unless a person
17 adversely affected by the findings set forth in subsection (a)
18 commences a declaratory judgment proceeding against the
19 Commonwealth under 42 Pa.C.S. Ch. 75 Subch. C (relating to
20 declaratory judgments), challenging such findings and
21 determinations within one year after the enactment of this act,
22 the findings and determinations shall be final and conclusive.
23 In any such proceeding the Commonwealth may assert any proper
24 ground, whether or not specified in this section, in support of
25 the determination that the objecting corporation is subject to
26 the Constitution of Pennsylvania and the general legislative
27 jurisdiction of the General Assembly.

28 Section 105. Additional filing fees.

29 The fee payable for filing a statement of change of
30 registered office by agent under 15 Pa.C.S. § 108 (relating to

1 change in location or status of registered office provided by
2 agent) shall be \$3.

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

4 The Department of State shall study the feasibility and cost
5 of transferring to the custody or control of the department all
6 corporate records in the possession of the offices of the clerk
7 of the courts of common pleas and recorders of deeds and
8 officers serving similar functions in home rule charter counties
9 under repealed statutes, and the present and prospective
10 condition, integrity and availability of those records, and
11 shall report the results of the study to the General Assembly
12 within one year after the enactment of this act.

13 Section 107. Accelerated effective date.

14 (a) Proposed corporations.--This act shall take effect
15 immediately as to a proposed corporation incorporated after the
16 enactment of this act that sets forth in its original articles
17 of incorporation a statement, in addition to all other
18 statements required by this act, that the corporation elects to
19 be governed by the Corporation Act of 1988.

20 (b) Existing corporations.--Any other domestic corporation,
21 which if it were not then existing might be incorporated under
22 this act, may elect to be governed by this act by filing in the
23 Department of State prior to the general effective date of this
24 act a statement of acceptance of the Corporation Act of 1988
25 executed by the corporation in the manner provided by 15 Pa.C.S.
26 § 1108 (relating to execution of documents) setting forth:

27 (1) The name of the corporation.

28 (2) A statement that the board of directors of the
29 corporation has elected to accept the provisions of the
30 Corporation Act of 1988 for the government and regulation of

1 the affairs of the corporation.

2 (3) If the election is to be effective on a specified
3 date later than the filing date of the statement, but not
4 later than the general effective date of this act, the hour,
5 if any, and the month, day and year of the effective date.

6 Otherwise the election shall be effective upon the filing of
7 the statement in the department.

8 Upon the effectiveness of an election under this subsection, 15
9 Pa.C.S. Part II and as much of this act as may be necessary to
10 make such provisions operative shall be effective as to the
11 corporation.

12 (c) Discretionary action or inaction.--The incorporators of
13 a proposed corporation or the directors of an existing
14 corporation shall not be held liable for taking or omitting to
15 take any action permitted by this section, it being the
16 intention of this section that any such incorporator or director
17 may exercise absolute discretion in taking or omitting to take
18 any such action.

19 DIVISION II

20 CONFORMING AMENDMENTS

21 Section 201. Conforming amendment to Title 13.

22 Section 9103 of Title 13 is amended by adding a subsection to
23 read:

24 § 9103. Perfection of security interests in multiple state
25 transactions.

26 * * *

27 (f) Uncertificated securities.--

28 (1) Except as provided in paragraph (2), the law
29 (including the conflict of laws rules) of the jurisdiction of
30 organization of the issuer governs the perfection and the

1 effect of perfection or nonperfection of a security interest
2 in uncertificated securities.

3 (2) In the case of a registered corporation as defined
4 in 15 Pa.C.S. § 2502 (relating to registered corporation
5 status), which has a class of uncertificated securities
6 listed on the New York Stock Exchange or the American Stock
7 Exchange, the law (including the conflict of laws rules) of
8 the jurisdiction in which those exchanges are located governs
9 the perfection and the effect of perfection or nonperfection
10 of a security interest in such uncertificated securities.

11 Section 202. Conforming amendments to Title 42.

12 Sections 2524, 8365(a) and 8366 of Title 42 are amended to
13 read:

14 § 2524. Penalty for unauthorized practice of law.

15 Any person who within this Commonwealth shall practice law,
16 or who shall hold himself out to the public as being entitled to
17 practice law, or use or advertise the title of lawyer, attorney
18 at law, attorney and [counsellor] counselor at law, [counsellor]
19 counselor, or the equivalent in any language, in such a manner
20 as to convey the impression that he is a practitioner of the law
21 of any jurisdiction, without being an attorney at law or a
22 corporation complying with [the act of July 9, 1970 (P.L.461,
23 No.160), known as the "Professional Corporation Law,"] 15
24 Pa.C.S. Ch. 29 (relating to professional corporations), commits
25 a misdemeanor of the third degree.

26 § 8365. Nonexclusivity and supplementary coverage.

27 (a) General rule.--The indemnification and advancement of
28 expenses provided by or pursuant to [section 410 of the act of
29 May 5, 1933 (P.L.364, No.106), known as the Business Corporation
30 Law, section 4 of the act of April 18, 1945 (P.L.253, No.114),

1 entitled "An act relating to suits by shareholders against
2 officers or directors in a corporation, domestic or foreign, to
3 enforce a secondary right because the corporation refuses to
4 enforce rights, which may be asserted by it, requiring that
5 plaintiff be a shareholder at the time of the transaction of
6 which he complains, or that his shares thereafter devolved upon
7 him by operation of law; requiring security for defendant's
8 expenses, including attorneys' fees; and providing for the
9 assessment and recovery of such expenses, including attorneys'
10 fees," and] 15 Pa.C.S. §§ 522 (relating to indemnification of
11 authorized representatives), 1741 (relating to third party
12 actions), 1742 (relating to derivative actions), 1743 (relating
13 to mandatory indemnification), 7741 (relating to third party
14 actions), 7742 (relating to derivative actions) and 7743
15 (relating to mandatory indemnification), or any other provisions
16 of law providing for indemnification or advancement of expenses
17 applicable to any business corporation or nonprofit corporation
18 shall not be deemed exclusive of any other rights to which a
19 person seeking indemnification or advancement of expenses may be
20 entitled under any bylaw, agreement, vote of shareholders,
21 members or directors or otherwise, both as to action in his
22 official capacity and as to action in another capacity while
23 holding that office. The provisions of [section 409.1 of the
24 Business Corporation Law and] 15 Pa.C.S. §§ 1728 (relating to
25 interested directors or officers; quorum) and 7728 (relating to
26 interested directors; quorum) or corresponding provisions of law
27 applicable to any business corporation or nonprofit corporation
28 shall be applicable to any bylaw, contract or transaction
29 authorized by the directors under this section. Any business
30 corporation or nonprofit corporation may create a fund of any

1 nature, which may, but need not be, under the control of a
2 trustee, or otherwise secure or insure in any manner its
3 indemnification obligations, whether arising under or pursuant
4 to this section or otherwise.

5 * * *

6 § 8366. Construction of subchapter.

7 This subchapter shall not be construed to repeal or otherwise
8 affect or impair [section 409.1 of the act of May 5, 1933
9 (P.L.364, No.106), known as the Business Corporation Law, or]
10 section 8332.2 (relating to officer, director or trustee of
11 nonprofit organization negligence standard) , 15 Pa.C.S. § 1728
12 (relating to interested directors or officers; quorum) or 7728
13 (relating to interested directors; quorum).

14 Section 203. Conforming amendments to Title 54.

15 Sections 101, 103, 303(b)(2), 311(a)(3), (b)(1), (d), (e)(1),
16 (g) and (h), 312(d), 313(c) and 321(d), Chapter 5 heading and
17 sections 501, 502, 503, 506, 1112(c), 1114, 1115(c), 1116,
18 1311(d), 1312(c), 1313, 1314(d), 1511(d), 1512, 1513, 1514 and
19 1515(d) of Title 54 are amended or added to read:

20 § 101. Definitions.

21 Subject to additional definitions contained in subsequent
22 provisions of this title which are applicable to specific
23 provisions of this title, the following words and phrases when
24 used in this title shall have, unless the context clearly
25 indicates otherwise, the meanings given to them in this section:
26 ["Corporation not-for-profit." A corporation not-for-profit
27 as defined in Title 15 (relating to corporations and
28 unincorporated associations).]

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

30 "Domestic corporation." A corporation incorporated under the

1 laws of this Commonwealth.

2 "Domestic corporation not-for-profit." A domestic
3 corporation not-for-profit as defined in 15 Pa.C.S. § 1103
4 (relating to definitions).

5 "Officially publish." The meaning specified in 15 Pa.C.S. §
6 [102] 1103 (relating to definitions) except that the county of
7 publication shall be as specified in this title.

8 "Qualified foreign corporation." A corporation incorporated
9 under any laws other than those of this Commonwealth that is
10 authorized to do business in this Commonwealth under either 15
11 Pa.C.S. Ch. 41 (relating to foreign business corporations) or
12 Ch. 81 (relating to foreign nonprofit corporations).

13 "Verified statement." A document filed under this title
14 containing statements of fact and a statement by the signatory
15 that it is made subject to the penalties of 18 Pa.C.S. § 4904
16 (relating to falsification to authorities).

17 § 103. Execution of documents.

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

25 (b) Cross reference.--See 15 Pa.C.S. § 135 (relating to
26 requirements to be met by filed documents).

27 § 303. Scope of chapter.

28 * * *

29 (b) Mandatory registration.--

30 * * *

(2) Paragraph (1) shall not apply to any:

(i) Nonprofit or professional activities.

(ii) Activities which are expressly or impliedly prohibited by law from being carried on under a fictitious name.

(iii) Limited partnership which is registered in the department pursuant to Chapter 5 of Title 59 (relating to limited partnerships) or under corresponding provisions of prior law. The preceding sentence shall not apply to any entity which includes the limited partnership as a participant unless the entity is itself such a limited partnership.

(iv) [An unincorporated] Unincorporated association.

(v) Electing partnership existing under 59 Pa.C.S. Ch. 7 (relating to electing partnerships).

* * *

§ 311. Registration.

(a) General rule.--A fictitious name may be registered under this chapter by filing in the department an application for registration of fictitious name, which shall be executed as provided in subsection (d), and shall set forth:

* * *

(3) The address, including street and number, if any, of the principal place of business of the business or other activity to be carried on under or through the fictitious name.

* * *

(b) Use of corporate designators.--A fictitious name registered under this chapter:

(1) May not contain a corporate designator such as

1 "corporation," "incorporated" or "limited" or any derivation
2 or abbreviation thereof unless the entity or at least one
3 entity named in the application for registration of
4 fictitious name is a corporation. The use of the word
5 "company" or any derivation or abbreviation thereof by a sole
6 proprietorship, a partnership or a corporation is
7 permissible.

8 * * *

9 (d) Execution.--

10 (1) Where the application for registration relates to an
11 entity which includes one or more participants which are
12 partnerships or other entities composed of two or more
13 parties, it shall not be necessary for each ultimate party to
14 be named in and to execute the application, but only the
15 constituent participants shall be named in the application
16 and a partner or other authorized representative of a
17 participant may execute the application on behalf of the
18 participant.

19 (2) Where the application for registration relates to a
20 trust or similar entity, it shall not be necessary for each
21 beneficial owner or similar ultimate party to be named in and
22 to execute the application, but only the trustees of the
23 trust or the governing body of the similar entity shall be
24 named in and shall execute the application.

25 (3) Otherwise, the application for registration shall be
26 executed by each individual party thereto and, in the case of
27 any other entity, by [two duly authorized officers thereof
28 under the seal, if any, of] the entity. See section 103
29 (relating to execution of documents).

30 (4) The application of any party may be executed by the

attorney-in-fact of the party [accompanied by written evidence of the authority of the attorney-in-fact].

(e) Duplicate use of names.--The fictitious name shall not be the same as or [deceptively] confusingly similar to:

(1) The name of any domestic corporation, or any foreign corporation authorized to do business in this Commonwealth, or the name of any [nonprofit unincorporated] corporation or other association registered at any time under Chapter 5 (relating to corporate and other association names) unless such name is available or is made available for use under the provisions or procedures of 15 Pa.C.S. § 7313(b)(1)(i) or (ii) (relating to duplicate use of names) or the equivalent.

* * *

(g) Advertisement.--An entity which includes an individual party shall officially publish in the county in which the principal office or place of business of the entity is, or in the case of a proposed entity is to be, located, notice of its intention to file or the filing of an application for registration of a fictitious name under this chapter. The notice may appear prior to or after the day upon which the application is filed in the department and shall be kept with the permanent records of the business and shall set forth briefly:

(1) The fictitious name.

(2) The address, including street and number, if any, of the principal office or place of business of the business to be carried on under or through the fictitious name.

(3) The names and respective addresses, including street and number, if any, of all persons who are parties to the registration.

(4) A statement that an application for registration of

1 a fictitious name is to be or was filed under the Fictitious
2 Names Act.

3 [(5) A date on or before which the application will be
4 filed in the Department of State or the date when the
5 application was filed.]

6 (h) Cross reference.--See 15 Pa.C.S. § 134 (relating to
7 docketing statement).

8 § 312. Amendment.

9 * * *

10 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
11 docketing statement).

12 § 313. Cancellation or withdrawal.

13 * * *

14 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
15 docketing statement).

16 § 321. Decennial filings required.

17 * * *

18 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
19 docketing statement).

20 CHAPTER 5

21 CORPORATE AND OTHER ASSOCIATION NAMES

22 § 501. Register established.

23 (a) General rule.--A register is established by this chapter
24 which shall consist of such of the following names as are not
25 deleted therefrom by operation of section 504 (relating to
26 effect of failure to make decennial filings) or 506 (relating to
27 voluntary termination of registration by [nonprofit]
28 corporations and other associations):

29 (1) A name registered prior to February 13, 1973 under
30 the act of May 16, 1923 (P.L.246, No.160), relating to

1 registration of certain names.

2 (2) A name registered under section 502 (relating to
3 certain additions to register).

4 (3) In the case of a domestic or qualified foreign
5 corporation [not-for-profit], a name rendered unavailable for
6 corporate use by other corporations by reason of any filing
7 in the department by such domestic or qualified foreign
8 corporation [not-for-profit].

9 (4) A name registered under 15 Pa.C.S. § 4131 (relating
10 to registration of name) or any similar provision of law.

11 (b) Subsequent availability of certain names.--Whenever, by
12 reason of change in name, withdrawal or dissolution of a
13 domestic or qualified foreign corporation [not-for-profit],
14 failure to renew a registration of its name by a nonqualified
15 foreign corporation, or for any other cause, its name is no
16 longer rendered unavailable by the express provisions of Title
17 15 (relating to corporations and unincorporated associations),
18 such name shall no longer be deemed to be registered under
19 subsection (a)(3) or (4) on the register established by this
20 chapter.

21 § 502. Certain additions to register.

22 (a) Corporations.--A domestic corporation not-for-profit
23 incorporated prior to May 16, 1923 may register its name with
24 the department under this chapter by effecting the filing
25 specified in 15 Pa.C.S. 7321 (relating to filing of certificate
26 of summary of record by corporations incorporated prior to 1973.

27 (b) Unincorporated associations.--A nonprofit unincorporated
28 association may register with the department the name under
29 which it is doing business or operating by filing an application
30 for registration, which shall be executed by [two duly

1 authorized officers of] the association, and shall set forth:

2 (1) The name to be registered.

3 (2) The address, including street and number, if any, of
4 the association.

5 (3) The length of time, if any, during which the name
6 has been used by the applicant.

7 (4) Such other information necessary to the
8 administration of this chapter as the department may specify
9 by regulation.

10 (c) Limitation on names which may be registered.--

11 Notwithstanding subsections (a) and (b), no new name shall be
12 registered or deemed to be registered under this section which
13 is the same as or [deceptively] confusingly similar to any other
14 name then registered or deemed to be registered under this
15 chapter, without the consent of the senior registrant.

16 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
17 docketing statement).

18 § 503. Decennial filings required.

19 (a) General rule.--Every corporation [not-for-profit] or
20 [nonprofit] other association whose name is registered under
21 this chapter shall decennially, during the year 1990 and each
22 year thereafter divisible by ten, file in the department a
23 report, which shall be executed by [two duly authorized officers
24 under the seal, if any, of] the corporation or other
25 association, and shall set forth:

26 (1) The name of the corporation or other association.

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

29 (3) A statement that the corporation or other
30 association continues to exist.

(4) Such other information necessary to the administration of this chapter as the department may specify by regulation.

(b) [Requirement satisfied by other filings] Exceptions.-- Subsection (a) shall not apply to:

(1) a corporation or other association which during the preceding ten years has made any filing in the department a permanent record of which is retained by the department; or

(2) a corporation whose name is registered pursuant to section 501(a)(4) (relating to register established).

(c) Cross reference.--See 15 Pa.C.S. § 134 (relating to docketing statement).

§ 506. Voluntary termination of registration by [nonprofit] corporations and other associations.

(a) General rule.--Any [nonprofit] corporation or other association which has its name registered under this chapter may terminate such registration by filing in the department a statement of termination of registration of name, which shall be executed by [two duly authorized officers under the seal, if any, of] the corporation or other association, and shall set forth:

(1) The name of the corporation or other association.

(2) The address, including street and number, if any, of the corporation or other association.

(3) The date on which and the statute under which the name of the corporation or other association was registered.

(4) A statement that the registration of the name of the corporation or other association under this chapter is terminated.

(5) Such other information necessary to the

administration of this chapter as the department may specify
by regulation.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1112. Application for registration.

* * *

(c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1114. Duration and renewal.

(a) General rule.--Registration of a mark under this chapter
shall be effective for a term of ten years from the date of
registration, and upon application for renewal filed within six
months prior to the expiration of such term the registration may
be renewed for a like term. A mark registration may be renewed
for successive periods of ten years in like manner. All
applications for renewals shall include a statement that the
mark is still in use in this Commonwealth.

(b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1115. Assignment.

* * *

(c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
docketing statement).

§ 1116. Cancellation.

(a) General rule.--The department shall cancel from the
register under this chapter:

(1) All registrations under this chapter which are more
than ten years old and not renewed in accordance with this
chapter.

(2) Any registration concerning which the department

1 shall receive an application for cancellation thereof from
2 the registrant or the assignee of record.

3 (3) Any registration concerning which a court of
4 competent jurisdiction shall find:

5 (i) That the registered mark has been abandoned.

6 (ii) That the registrant is not the owner of the
7 mark.

8 (iii) That the registration was granted improperly.

9 (iv) That the registration was obtained
10 fraudulently.

11 (v) That the registered mark is so similar, as to be
12 likely to cause confusion or mistake or to deceive, to a
13 mark registered by another person in the United States
14 Patent and Trademark Office, prior to the date of the
15 filing of the application for registration by the
16 registrant under this chapter or former provisions of law
17 and not abandoned, except that if the registrant proves
18 that the registrant is the owner of a concurrent
19 registration of the mark in the United States Patent and
20 Trademark Office, covering an area including this
21 Commonwealth, the registration under this chapter shall
22 not be cancelled.

23 (4) When a court of competent jurisdiction shall order
24 cancellation of a registration on any ground.

25 (5) Any registration in the following circumstances:

26 (i) Where an applicant, by verified statement or
27 other good and sufficient evidence, shall prove to the
28 satisfaction of the department that the applicant is
29 entitled by virtue of prior adoption and use to any mark
30 theretofore registered in the department.

1 (ii) In the case of a corporation having filed
2 articles of dissolution or a decree of dissolution, any
3 person may, at any time at least three years thereafter,
4 present a petition to the department setting forth such
5 fact.

6 (iii) In the case of a person not having filed
7 articles of dissolution or a decree of dissolution, but
8 having discontinued or gone out of the business to which
9 such registration is pertinent.

10 (iv) When a registered mark has been abandoned or
11 discontinued for a period of at least five years
12 subsequent to registration and such abandonment and
13 nonuse still persists.

14 In all circumstances enumerated in this paragraph, any person
15 may present a petition for cancellation to the department.
16 The petition shall set forth the pertinent facts relative
17 thereto, and shall contain proof of service of notice of the
18 petition on the person in whose name the registration is
19 recorded, and asking that such registration be cancelled. The
20 department shall fix a time to hear the parties concerned in
21 the matter, and shall send, by certified mail, a notice of
22 hearing to the person in whose name such registration is
23 recorded. If, after hearing, the department is satisfied of
24 the truth of the facts alleged in the petition in accordance
25 with the provisions of this paragraph, it shall cancel the
26 registration.

27 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
28 docketing statement).

29 § 1311. Registration of insignia.

30 * * *

1 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
2 docketing statement).

3 § 1312. Amendment.

4 * * *

5 (c) Cross reference.--See 15 Pa.C.S. § 134 (relating to
6 docketing statement).

7 § 1313. Cancellation.

8 (a) General rule.--The registration under this chapter of
9 the insignia of an organization may be cancelled by the
10 organization by filing in the department a statement of
11 cancellation of insignia registration, which shall set forth:

12 (1) The name of the organization and its address,
13 including street and number, if any.

14 (2) An identification of the last preceding filing in
15 the department with respect to the insignia.

16 (3) A statement that the registration of the insignia is
17 cancelled.

18 (4) Such other information necessary to the
19 administration of this chapter as the department may specify
20 by regulation.

21 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
22 docketing statement).

23 § 1314. Decennial filings required.

24 * * *

25 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
26 docketing statement).

27 § 1511. Registration of articles or supplies.

28 * * *

29 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
30 docketing statement).

1 § 1512. Amendment.

2 (a) General rule.--The registration under this chapter of a
3 mark may be amended by the registrant by filing in the
4 department of an application for amendment of mark used with
5 articles or supplies, which shall set forth:

6 (1) The name and address, including street and number,
7 if any, of the registrant.

8 (2) An identification of the last preceding filing in
9 the department with respect to the mark.

10 (3) The amendment, which shall revise any information
11 set forth in the preceding filing which has become inaccurate
12 and shall restate in full all such information as so revised.

13 (4) Such other information necessary to the
14 administration of this chapter as the department may specify
15 by regulation.

16 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
17 docketing statement).

18 § 1513. Assignment.

19 (a) General rule.--Any mark and its registration under this
20 chapter shall be assignable with the sale of the articles or
21 supplies on which the mark is produced and used. Assignments
22 shall be by instruments in writing, duly executed, and may be
23 recorded with the department.

24 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
25 docketing statement).

26 § 1514. Cancellation of registration.

27 (a) General rule.--The department shall cancel from the
28 register under this chapter:

29 (1) Any registration concerning which the department
30 shall receive an application for cancellation thereof from

1 the registrant or from the assignee of record.

2 (2) Any registration in respect of which a court of
3 competent jurisdiction shall order cancellation.

4 (b) Cross reference.--See 15 Pa.C.S. § 134 (relating to
5 docketing statement).

6 § 1515. Decennial filings required.

7 * * *

8 (d) Cross reference.--See 15 Pa.C.S. § 134 (relating to
9 docketing statement).

10 Section 204. Conforming amendment to Title 66.

11 Section 3103 of Title 66 is repealed.

12 Section 205. Conforming cross references in unconsolidated
13 statutes.

14 (a) Business Corporation Law of 1933.--References in the
15 following acts and parts of acts enacted prior to July 1, 1971
16 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
17 regulations)) to the act of May 5, 1933 (P.L.364, No.106), known
18 as the Business Corporation Law, shall be deemed to be a
19 reference to 15 Pa.C.S. Pt. II Subpt. B, known as the Business
20 Corporation Law of 1988, and all such acts and parts of acts are
21 repealed to the extent inconsistent with this subsection:

22 Sections 3, 7 and 13 of the act of April 8, 1937 (P.L.262,
23 No.66), known as the Consumer Discount Company Act.

24 Section 8(b) of the act of January 14, 1952 (1951 P.L.1898,
25 No.522), known as the Funeral Director Law.

26 Sections 4 and 8 of the act of December 1, 1959 (P.L.1647,
27 No.606), known as the Business Development Credit Corporation
28 Law.

29 Sections 1204, 1207 and 1222 of the act of November 30, 1965
30 (P.L.847, No.356), known as the Banking Code of 1965.

1 (b) Section 202B of the Business Corporation Law of 1933.--
2 References in the following act enacted prior to July 1, 1971
3 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
4 regulations)) to section 202B of the act of May 5, 1933
5 (P.L.364, No.106), known as the Business Corporation Law, shall
6 be deemed to be a reference to 15 Pa.C.S. § 1303(b) (relating to
7 duplicate use of names) and such act is repealed to the extent
8 inconsistent with this subsection: section 802 of the act of
9 November 30, 1965 (P.L.847, No.356), known as the Banking Code
10 of 1965.

11 (c) Article VIII of the Business Corporation Law of 1933.--
12 References in the following act enacted prior to July 1, 1971
13 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
14 regulations)) to Article VIII of the act of May 5, 1933
15 (P.L.364, No.106), known as the Business Corporation Law, shall
16 be deemed to be a reference to 15 Pa.C.S. Ch. 19 Subchs. A
17 (relating to preliminary provisions) and B (relating to
18 amendment of articles) and such act is repealed to the extent
19 inconsistent with this subsection: section 9.1 of the act of
20 December 1, 1959 (P.L.1647, No.606), known as the Business
21 Development Credit Corporation Act.

22 (d) Article IX of the Business Corporation Law of 1933.--
23 References in the following act enacted prior to July 1, 1971
24 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
25 regulations)) to Article IX of the act of May 5, 1933 (P.L.364,
26 No.106), known as the Business Corporation Law, shall be deemed
27 to be a reference to 15 Pa.C.S. Ch. 19 Subchs. A (relating to
28 preliminary provisions) and C (relating to merger,
29 consolidation, share exchanges and sale of assets) and such act
30 is repealed to the extent inconsistent with this subsection:

1 section 751(a) of the act of May 17, 1921 (P.L.682, No.284),
2 known as The Insurance Company Law of 1921.

3 (e) Professional Corporation Law.--References in the
4 following acts and parts of acts enacted prior to July 1, 1971
5 (see 1 Pa.C.S. § 1937 (relating to references to statutes and
6 regulations)) to the act of July 9, 1970 (P.L.461, No.160),
7 known as the Professional Corporation Law, shall be deemed to be
8 a reference to 15 Pa.C.S. Ch. 29 (relating to professional
9 corporations) and all such acts and parts of acts are repealed
10 to the extent inconsistent with this subsection:

11 Sections 2, 8.4 and 8.6 of the act of May 26, 1947 (P.L.318,
12 No.140), known as The C.P.A. Law.

13 Section 8(d) of the act of January 14, 1952 (1951 P.L.1898,
14 No.522), known as the Funeral Director Law.

15 DIVISION III

16 MISCELLANEOUS PROVISIONS

17 Section 301. Repeals.

18 (a) Except as otherwise expressly provided in this
19 subsection, the following acts and parts of acts are repealed:

20 Resolution of April 17, 1838 (P.L.694, No.22), entitled "A
21 resolution relative to changing the lots attached to certain
22 lock houses on the Juniata division of the Pennsylvania canal,
23 and relative to other purposes."

24 Act of March 28, 1840 (P.L.196, No.91), entitled "A
25 supplement to the act entitled 'An act regulating Lateral Rail
26 Roads.' "

27 Act of February 12, 1842 (P.L.18, No.14), entitled "A further
28 supplement to the act entitled 'an act regulating Lateral Rail
29 Roads.' "

30 Section 10 of the act of April 24, 1843 (P.L.359, No.173),

1 entitled "An act to incorporate the Butler County Mutual
2 Insurance Company, and for other purposes."

3 Act of April 11, 1845 (P.L.364, No.243), entitled "An act to
4 relieve canal and railroad companies from penalties for not
5 performing certain acts on the Sabbath day."

6 Act of March 13, 1847 (P.L.333, No.273), entitled "An act
7 relating to certain corporations."

8 Act of March 13, 1847 (P.L. 337, No.276), entitled "An act in
9 reference to running of locomotive engines and cars on
10 connecting railroads."

11 Act of January 6, 1848 (P.L.1, No.1), entitled "A supplement
12 to the act of fifth of May, one thousand eight hundred and
13 thirty-two, entitled 'An Act regulating lateral railroads.'"

14 Act of April 11, 1848 (P.L.516, No.363), entitled "An act to
15 authorize Margaret Parthemore, administration with the will
16 annexed of John Parthemore, deceased, to collect certain
17 outstanding taxes of the North ward of the borough of
18 Harrisburg, in the county of Dauphin, relative to school taxes
19 in Manor township, Lancaster county, to the appeal of the Easton
20 Bank, and relative to lateral railroads, and the accounts of
21 John Foresman, of Lycoming county."

22 Act of February 19, 1849 (P.L.79, No.76), entitled "An act
23 regulating railroad companies."

24 Act of April 11, 1853 (P.L.366, No.239), entitled "An act
25 repealing the acts regulating the gauge of the track of
26 railroads."

27 Act of February 25, 1856 (P.L.61, No.74), entitled "An act
28 declaratory of the construction of the eleventh section of an
29 act passed on the twenty-sixth day of July, Anno Domini one
30 thousand eight hundred and forty-two."

1 Act of May 16, 1857 (P.L.538, No.595), entitled "An act
2 relative to Assignees and Trustees of Railroad Companies."

3 Act of May 20, 1857 (P.L.629, No.664), entitled "A supplement
4 to the act Regulating Railroads."

5 Act of April 20, 1858 (P.L.361, No.402), entitled "A further
6 supplement to the act, entitled 'An Act regulating Lateral
7 Railroads,' passed May fifth, one thousand eight hundred and
8 thirty-two."

9 Act of March 29, 1859 (P.L.290, No.293), entitled "A
10 supplement to an act in reference to running of Locomotive
11 Engines and Cars on Connecting Railroads, approved thirteenth
12 March, one thousand eight hundred forty-seven."

13 Act of January 9, 1861 (P.L.2, No.3), entitled "An act to
14 enable citizens to hold title which had been held by Aliens and
15 Corporations." Except as otherwise provided by statute, a
16 nonresident or an alien may hold title to property located in
17 this Commonwealth to the same extent as a resident citizen.

18 Act of April 8, 1861 (P.L.259, No.262), entitled "An act
19 concerning the Sale of Railroads, Canals, Turnpikes, Bridges and
20 Plank Roads."

21 Act of April 23, 1861 (P.L.410, No.379), entitled "An act
22 relating to certain Corporations."

23 Act of May 1, 1861 (P.L.433, No.405), entitled "A supplement
24 to an act relating to Corporations, passed the twenty-sixth day
25 of April, one thousand eight hundred and fifty-five."

26 Act of May 1, 1861 (P.L.485, No.453), entitled "A further
27 supplement to an act in reference to running of Locomotive
28 Engines and Cars on Connecting Railroads, approved thirteenth
29 March, one thousand eight hundred and forty-seven."

30 Act of May 16, 1861 (P.L.702, No.657), entitled "An act

1 relating to Railroad Companies."

2 Act of March 21, 1862 (P.L.149, No.148), entitled "An act to
3 encourage the development of Coal and Mineral Lands in the
4 counties of Huntingdon, Cambria and Bedford."

5 Act of April 11, 1862 (P.L.497, No.490), entitled "An act
6 authorizing Railroad Companies to re-locate their Roads in
7 certain cases."

8 Act of April 22, 1863 (P.L.534, No.530), entitled "An act to
9 regulate railroad gauges."

10 Act of March 23, 1865 (P.L.33, No.18), entitled "An act to
11 authorize railroad companies, whose lines reach navigable
12 streams, to erect docks, piers or wharves therein, and to take
13 private property for such public use, on compensation, and
14 ratifying the purchase of the same."

15 Act of March 24, 1865 (P.L.43, No.28), entitled "A supplement
16 to the general law relating to railroad companies, approved
17 nineteenth February, one thousand eight hundred and forty-nine."

18 Act of March 24, 1865 (P.L.49, No.35), entitled "An act
19 supplementary to an act, regulating railroad companies, approved
20 the nineteenth day of February, Anno Domini one thousand eight
21 hundred and forty-nine."

22 Section 2 of the act of March 23, 1865 (P.L.631, No.626),
23 entitled "A supplement to an act, approved the first day of May,
24 Anno Domini one thousand eight hundred and sixty-one, entitled
25 'A supplement to an act relating to corporations, passed the
26 twenty-sixth day of April, Anno Domini one thousand eight
27 hundred and fifty-five,' and to extend the benefit of the said
28 act to purchases, or sales, of real estate, for, or by, aliens,
29 before that date."

30 Act of May 20, 1865 (P.L.847, No.837), entitled "An act to

1 entitle the stockholders of any railroad company, incorporated
2 by this commonwealth, accepting this act, to one vote for each
3 share of stock."

4 Act of June 21, 1865 (P.L.849, No.839), entitled "An act
5 relating to the use of tunnels and bridges by railroad
6 companies."

7 Act of June 21, 1865 (P.L.852, No.841), entitled "An act
8 authorizing the purchase, by railroad companies, of branch, or
9 connecting, roads."

10 Act of March 23, 1866 (P.L.299, No.273), entitled "An act
11 supplementary to an act to incorporate the city of Philadelphia,
12 authorizing the improvement of Broad street, in said city."

13 Act of April 17, 1866 (P.L.106, No.95), entitled "An act
14 relating to railroads."

15 Act of January 7, 1867 (P.L.1368, No.1283), entitled "An act
16 relating to the qualifications of directors of railroad
17 companies."

18 Act of April 10, 1867 (P.L.61, No.40), entitled "An act to
19 authorize the president and directors of any railroad company to
20 determine, by resolution, the manner in which, and the persons
21 to whom, the increased capital thereof may be sold, and the
22 amounts of the instalments thereon, and the times and manner of
23 their payment."

24 Act of February 14, 1868 (P.L.40, No.4), entitled "A
25 supplement to an act, entitled 'An Act relating to certain
26 corporations,' approved March thirteenth, Anno Domini one
27 thousand eight hundred and forty-seven, authorizing the governor
28 to appoint directors for certain corporations in certain cases."

29 Act of March 10, 1868 (P.L.294, No.267), entitled "A
30 supplement to an act, entitled 'An Act concerning the sale of

1 railroads, canals, turnpikes, bridges and plank roads,' approved
2 the eighth day of April, Anno Domini one thousand eight hundred
3 and sixty-one, so far as relates to certain counties.'"

4 Act of March 18, 1868 (P.L.372, No.335), entitled "A
5 supplement to an act, entitled 'An Act to authorize the sale of
6 the property of any incorporated company, upon the bonds secured
7 by a mortgage given by it with like effect as if sold upon the
8 mortgage,' approved the tenth day of April, Anno Domini one
9 thousand eight hundred and sixty-seven, extending the same to
10 incorporated coal companies in the county of Luzerne,
11 authorizing the purchasers of the same to organize new
12 corporations."

13 Act of March 31, 1868 (P.L.50, No.17), entitled "An act to
14 authorize incorporated companies to invest and re-invest surplus
15 funds in mortgages, stocks and other securities, and fixing the
16 time for holding elections for directors."

17 Act of April 2, 1868 (P.L.53, No.20), entitled "An act
18 relating to the consolidation of railroad companies."

19 Act of April 14, 1868 (P.L.62, No.29), entitled "An act to
20 authorize the formation and regulation of railroad
21 corporations."

22 Act of April 14, 1868 (P.L.100, No.61), entitled "An act to
23 authorize railroad companies leasing or using other railroads to
24 provide for the payment of liens thereon."

25 Act of March 17, 1869 (P.L.11, No.9), entitled "An act
26 supplementary to an act relating to certain corporations,
27 approved the twenty-third day of April, Anno Domini one thousand
28 eight hundred and sixty-one."

29 Act of March 17, 1869 (P.L.11, No.10), entitled "An act to
30 authorize an increase in the number of directors or managers of

1 railroad companies, and to give stockholders the power to locate
2 the general office of such companies."

3 Act of March 17, 1869 (P.L.12, No.11), entitled "An act to
4 enable railroad, canal and slack-water navigation companies to
5 straighten, widen, deepen and otherwise improve their lines of
6 railroads, canals and slack-water navigation, and the bridges,
7 aqueducts, piers and structures thereof."

8 Act of April 6, 1869 (P.L.17, No.16), entitled "A further
9 supplement to an act regulating lateral railroads, approved the
10 fifth day of May, Anno Domini one thousand eight hundred and
11 thirty-two."

12 Act of April 10, 1869 (P.L.24, No.24), entitled "An act
13 supplementary to an act relating to railroad companies, approved
14 May sixteenth, Anno Domini one thousand eight hundred and sixty-
15 one."

16 Act of April 15, 1869 (P.L.31, No.33), entitled "An act to
17 authorize railroad and canal companies to aid in the development
18 of the coal, iron, lumber and other material interests of this
19 Commonwealth."

20 Act of April 26, 1869 (P.L.96, No.70), entitled "A further
21 supplement to the act, entitled 'An act to enable citizens to
22 hold title which had been held by aliens and corporations,'
23 approved the ninth day of January, Anno Domini one thousand
24 eight hundred and sixty-one."

25 Act of February 17, 1870 (P.L.31, No.8), entitled "An act to
26 authorize railroad companies to lease or become lessees, and to
27 make contracts with other railroad companies, corporations and
28 parties."

29 Act of April 1, 1870 (P.L.45, No.26), entitled "An act to
30 authorize and direct the Attorney General, upon complaint made

1 by parties whose interests are thereby affected, to institute
2 proceedings, according to law, against corporations alleged to
3 have violated duties imposed upon them by law."

4 Act of April 14, 1870 (P.L.73, No.46), entitled "A supplement
5 to an act regulating railroad companies, approved February
6 nineteenth, one thousand eight hundred and forty-nine."

7 Resolution of April 14, 1870 (P.L.1334, No.13), entitled "A
8 Joint Resolution for the protection of the rights of
9 corporations chartered by the Commonwealth."

10 Act of April 14, 1870 (P.L.75, No.48), entitled "A supplement
11 to an act, entitled 'An Act relating to railroad and canal
12 companies,' approved April eleventh, one thousand eight hundred
13 and sixty-four."

14 Act of April 26, 1870 (P.L.1274, No.1170), entitled "An act
15 further supplementary to an act regulating railroad companies,
16 approved the nineteenth day of February, Anno Domini one
17 thousand eight hundred and forty-nine."

18 Act of February 17, 1871 (P.L.56, No.61), entitled "An act
19 supplementary to the acts relating to lateral railroads."

20 Act of April 28, 1871 (P.L.246, No.232), entitled "A
21 supplement to the act of April fourth, one thousand eight
22 hundred and sixty-eight, relative to the formation and
23 regulation of railroad corporations."

24 Act of May 2, 1871 (P.L.248, No.234), entitled "A supplement
25 to an act to enable railroad, canal and slack-water navigation
26 companies to straighten, widen, deepen and otherwise improve
27 their lines of railroads, canals and slack-water navigation, and
28 the bridges, aqueducts, piers and structures thereof, approved
29 the seventeenth day of March, Anno Domini one thousand eight
30 hundred and sixty-nine."

1 Act of May 18, 1871 (P.L.942, No.830), entitled "An act
2 relating to certain railroad, canal and incorporated companies
3 authorized to construct railroads, and authorizing such
4 companies to purchase and hold stock and bonds, to lease roads
5 and property of and consolidate with each other, in the counties
6 of Susquehanna, Wyoming, Wayne and Luzerne."

7 Act of June 2, 1871 (P.L.283, No.263), entitled "An act to
8 authorize married women owning capital stock of any railroad
9 company to sell and transfer the same."

10 Act of April 3, 1872 (P.L.35, No.25), entitled "An act
11 relating to straightened or improved lines of railroad."

12 Act of April 4, 1872 (P.L.46, No.39), entitled "An act for
13 the appointment of a receiver in cases where corporations have
14 been dissolved by judgment of ouster, upon proceedings of quo
15 warranto."

16 Act of February 7, 1873 (P.L.126, No.95), entitled "An act
17 extending the time for the completion of the Pittsburg, Virginia
18 and Charleston Railway."

19 Act of March 27, 1873 (P.L.435, No.450), entitled "An act
20 providing for the surrender by the Thirteenth and Fifteenth
21 Streets Passenger Railway Company of the city of Philadelphia,
22 of certain corporate rights upon Broad street, and in
23 consideration thereof, confirming the merger with the Navy Yard,
24 Broad Street and Fairmount Railway Company, and granting and
25 confirming unto said Thirteenth and Fifteenth Streets Passenger
26 Railway Company, certain rights as to laying tracks upon said
27 Broad street and Thirteenth and Fifteenth streets, and excluding
28 all other persons or bodies corporate from hereafter laying
29 tracks upon any of said streets."

30 Act of June 5, 1873 (1874 P.L.331, No.219), entitled "An act

1 authorizing directors of railroad companies to elect vice
2 president."

3 Act of June 6, 1873 (1874 P.L.417, No.303), entitled "A
4 supplement to an act, entitled 'An Act regulating lateral
5 railroads,' approved the fifth day of May, Anno Domini one
6 thousand eight hundred and thirty-two, in the county of
7 Armstrong."

8 Act of April 1, 1874 (P.L.51, No.13), entitled "An act to
9 validate acts done by corporations created by the courts before
10 the recording of their charters."

11 Act of April 29, 1874 (P.L.73, No.32), entitled "An act to
12 provide for the incorporation and regulation of certain
13 corporations."

14 Act of April 20, 1874 (P.L.110, No.36), entitled, as amended,
15 "An act to enable the officers of dissolved corporations to
16 convey real estate held by such corporations."

17 Act of May 11, 1874 (P.L.133, No.64), entitled "An act
18 relating to the validity of the charters of certain
19 incorporations."

20 Act of May 15, 1874 (P.L.185, No.117), entitled "An act to
21 provide for the adjustment, settlement and collection of
22 compensation from railroad companies, for railroads located or
23 that may be located on county bridges, and to empower county
24 commissioners to make contracts relating thereto."

25 Act of June 8, 1874 (P.L.277, No.162), entitled "A supplement
26 to an act, entitled 'An Act to authorize the formation and
27 regulation of railroad corporations.'"

28 Act of June 9, 1874 (P.L.282, No.169), entitled "An act to
29 authorize the counties, cities, towns or townships of this
30 state, respectively, to enter into contracts with railroad

1 companies whose roads enter their limits, whereby said companies
2 may re-locate, change or elevate their railroads."

3 Act of June 15, 1874 (P.L.289, No.175), entitled "An act
4 requiring every railroad or canal corporation, organized in this
5 state, to maintain an office therein for the transaction of its
6 business."

7 Act of March 17, 1875 (P.L.7, No.9), entitled "An act to
8 extend the time for the completion of railroads authorized to be
9 constructed by railroad or railway corporations of this
10 commonwealth under any general law."

11 Act of March 18, 1875 (P.L.28, No.30), entitled "A supplement
12 to an act to authorize the formation and regulation of railroad
13 corporations, approved April four, Anno Domini one thousand
14 eight hundred and sixty-eight."

15 Act of April 25, 1876 (P.L.47, No.36), entitled "An act
16 supplementary to the act, entitled 'An Act to provide for the
17 incorporation and regulation of certain corporations,' approved
18 the twenty-ninth day of April, Anno Domini eighteen hundred and
19 seventy-four, extending its provisions to all who may have the
20 right to vote at elections for directors, managers or trustees."

21 Act of April 28, 1876 (P.L.53, No.45), entitled "An act
22 relieving members of beneficial societies from individual
23 liability for lodge indebtedness."

24 Act of May 1, 1876 (P.L.90, No.52), entitled "An act
25 supplementary to an act, entitled 'An Act to provide for the
26 incorporation and regulation of certain corporations,' approved
27 April twenty-ninth, one thousand eight hundred and seventy-four,
28 relative to the incorporation and powers of telegraph companies
29 for the use of individuals, firms and corporations, and for fire
30 alarm, police and messenger business."

1 Act of May 1, 1876 (P.L.93, No.57), entitled "An act defining
2 the rights and obligations of corporations formed under the laws
3 of other states, and under the said laws succeeding to or
4 becoming invested with the rights of purchasers or mortgagees
5 under mortgages executed by railroad companies of other states,
6 but authorized or confirmed by the laws of this state, where
7 such mortgages extend to or include railroads partly within this
8 and partly within another or other state or states, and where
9 foreclosures or sales of the mortgaged premises have been
10 decreed by courts of the states within which the said last named
11 companies were incorporated, and such decrees of sale or
12 foreclosure have been confirmed or enforced by confirmatory or
13 ancillary decrees rendered by state or federal courts of or in
14 this commonwealth."

15 Act of May 8, 1876 (P.L.127, No.93), entitled "An act to
16 enable citizens of the United States and corporations chartered
17 under the laws of this commonwealth, and authorized to hold real
18 estate, to hold and convey title which had been held by aliens
19 and corporations not authorized by law to hold the same."

20 Act of May 13, 1876 (P.L.157, No.128), entitled "A further
21 supplement to an act, entitled 'An Act to authorize the
22 formation and regulation of railroad corporations,' approved
23 April fourth, Anno Domini one thousand eight hundred and sixty-
24 eight, authorizing articles of association to be filed and
25 recorded in the office of the secretary of the commonwealth, and
26 companies to organize, when two thousand dollars of stock is
27 subscribed and ten per centum thereon paid in good faith, in
28 cash, to the directors, for roads not exceeding fifteen miles in
29 length."

30 Act of May 22, 1878 (P.L.85, No.108), entitled "A supplement

1 to an act, entitled 'An act to enable citizens to hold title
2 which has been held by aliens and corporations,' approved the
3 ninth day of January, Anno Domini one thousand eight hundred and
4 sixty-one."

5 Act of May 25, 1878 (P.L.145, No.184), entitled "A supplement
6 to an act, entitled 'An act concerning the sale of railroads,
7 canals, turnpikes, bridges and plank roads,' approved the eighth
8 day of April, Anno Domini one thousand eight hundred and sixty-
9 one, extending the provisions of said act to coal, iron, steel,
10 lumber, or oil or mining, manufacturing, transportation and
11 telegraph companies, in this commonwealth."

12 Act of June 12, 1878 (P.L.183, No.224), entitled "A
13 supplement to an act to authorize railroad corporations to
14 secure the payment of their bonds and obligations, by a mortgage
15 upon their property, rights and franchises,' approved the
16 thirteenth day of March, Anno Domini one thousand eight hundred
17 and seventy-three, applying the provisions thereof to mortgages
18 upon certain personal property of such corporations."

19 Act of April 22, 1879 (P.L.31, No.26), entitled "An act to
20 extend the time for the completion of public works by
21 corporations chartered for the construction thereof, and
22 authorizing such corporations to borrow money for that purpose."

23 Act of April 8, 1881 (P.L.9, No.8), entitled "A supplement to
24 the act, entitled, 'An act to enable citizens of the United
25 States and corporations chartered under the laws of this
26 commonwealth, and authorized to hold real estate, to hold and
27 convey title, which had been held by aliens and corporations not
28 authorized by law to hold the same,' approved the eighth day of
29 May, Anno Domini one thousand eight hundred and seventy-six."

30 Act of May 21, 1881 (P.L.27, No.31), entitled "A further

1 supplement to an act, entitled 'An act to authorize the
2 formation and regulation of railroad corporations' approved the
3 fourth day of April, Anno Domini one thousand eight hundred and
4 sixty-eight, authorizing railroad companies incorporated under
5 said act, and supplements thereto, not exceeding fifteen miles
6 in length, to extend their lines."

7 Act of May 24, 1881 (P.L.27, No.30), entitled "An act to
8 extend the time for the completion of railroads in this
9 commonwealth."

10 Act of June 1, 1883 (P.L.49, No.40), entitled "An act to
11 extend the time for the completion of railroads in this
12 Commonwealth."

13 Act of June 1, 1883 (P.L.57, No.52), entitled "An act
14 relating to the terminal points to which railroads may be
15 constructed."

16 Act of June 2, 1883 (P.L.61, No.54), entitled "An act
17 supplementary to an act, entitled 'An act for the incorporation
18 and regulation of corporations,' approved April twenty-ninth,
19 one thousand eight hundred and seventy-four, authorizing the
20 incorporation of pipe lines for the transportation of petroleum,
21 and providing for the exercise of the right of eminent domain in
22 taking lands and property for such purposes."

23 Act of June 13, 1883 (P.L.122, No.108), entitled "A
24 supplement to an act, entitled 'An act to provide for the
25 incorporation and regulation of certain corporations,' approved
26 April twenty-ninth, one thousand eight hundred and seventy-four,
27 providing for the improvement, amendment and alteration of the
28 charters of corporations of the second class, and authorizing
29 the incorporation of traction motor companies."

30 Act of July 5, 1883 (P.L.176, No.165), entitled "A supplement

1 to an act, entitled 'An act regulating lateral railroads,'
2 approved the fifth day of May, Anno Domini one thousand eight
3 hundred and thirty-two, authorizing the owners or lessees of
4 iron ore or coal mines to construct lateral railroads from said
5 mines to any railroad, public road or navigable stream, within
6 the county in which such mines are situated."

7 Act of May 29, 1885 (P.L.29, No.32), entitled "An act to
8 provide for the incorporation and regulation of natural gas
9 companies."

10 Act of June 25, 1885 (P.L.186, No.155), entitled "An act
11 limiting the time for the completion of railroads by
12 corporations organized by purchasers at judicial sales."

13 Act of May 7, 1887 (P.L.94, No.44), entitled "An act to
14 enforce against railroad corporations the provisions of section
15 seven of Article sixteen, of the Constitution."

16 Act of May 31, 1887 (P.L.275, No.162), entitled "A supplement
17 to an act, entitled 'An act to authorize the formation and
18 regulation of railroad corporations,' approved the fourth day of
19 April, Anno Domini one thousand eight hundred and sixty-eight."

20 Act of June 6, 1887 (P.L.350, No.242), entitled "An act to
21 enable the citizens of the United States and corporations,
22 chartered under the laws of this Commonwealth and authorized to
23 hold real estate, to hold and convey title which had been held
24 by aliens and corporations not authorized by law to hold the
25 same."

26 Act of May 7, 1889 (P.L.102, No.108), entitled "An act
27 defining evidence of stock ownership in corporations and for
28 determining the right to vote thereon."

29 Act of May 8, 1889 (P.L.136, No.153), entitled "An act to
30 amend an act, entitled 'An act to provide for the incorporation

1 and regulation of certain corporations,' approved the twenty-
2 ninth day of April, Anno Domini one thousand eight hundred and
3 seventy-four, providing for the incorporation and regulation of
4 electric light, heat and power companies."

5 Act of May 13, 1889 (P.L.205, No.223), entitled "An act
6 prescribing the amount of stock and bonds which may be issued by
7 railroad companies heretofore or hereafter consolidated and
8 merged."

9 Act of June 16, 1891 (P.L.301, No.231), entitled "An act
10 authorizing the extension of the corporate existence of any
11 railroad corporation organized under either a special or general
12 law of this Commonwealth."

13 Act of May 26, 1893 (P.L.141, No.90), entitled "An act
14 amending an act, entitled 'An act defining evidence of stock
15 ownership in corporations, and for determining the right to vote
16 thereon,' approved May seventh, one thousand eight hundred and
17 eighty-nine, further defining evidence of stock ownership and
18 the right to vote thereon."

19 Act of May 26, 1893 (P.L.158, No.103), entitled "An act
20 authorizing water companies to re-locate roads destroyed, and to
21 acquire land to preserve water supply from contamination."

22 Act of June 8, 1893 (P.L.355, No.289), entitled "An act to
23 regulate the change of location of the principal office, the
24 place of annual and other meetings of stockholders, and the time
25 of such annual meeting of corporations of this Commonwealth."

26 Act of June 18, 1895 (P.L.195, No.116), entitled "An act
27 validating purchases or leases heretofore made or acquired by
28 water companies of lands to preserve their water supply from
29 contamination."

30 Act of June 24, 1895 (P.L.258, No.172), entitled "An act

1 relating to and regulating the issue and transfer of
2 certificates of stock by companies incorporated under the laws
3 of this Commonwealth."

4 Act of June 24, 1895 (P.L.264, No.176), entitled "An act to
5 enable the citizens of the United States, and corporations
6 chartered under the laws of this Commonwealth and authorized to
7 hold real estate, to hold and convey title which had been held
8 by aliens and corporations not authorized by law to hold the
9 same."

10 Act of July 2, 1895 (P.L.425, No.302), entitled "An act
11 granting to water power companies, and other corporations owning
12 or controlling water power, authority to develop and distribute
13 electric power by means of their water power, and to erect,
14 construct and maintain the necessary buildings, plant and
15 apparatus for that purpose."

16 Act of July 2, 1895 (P.L.432, No.309), entitled "An act being
17 a further supplement to an act, entitled 'An act to provide for
18 the incorporation and regulation of certain corporations,'
19 approved the twenty-ninth day of April, one thousand eight
20 hundred and seventy-four, to further provide for the
21 incorporation and regulation of corporations heretofore or
22 hereafter incorporated for the purpose of the supply, storage or
23 transportation of water and water power for commercial and
24 manufacturing purposes."

25 Act of February 9, 1901 (P.L.3, No.1), entitled "An act to
26 provide for increasing the capital stock and indebtedness of
27 corporations."

28 Act of February 9, 1901 (P.L.6, No.2), entitled "An act to
29 permit the classification by railroad, railway and
30 transportation corporations of their boards of directors or

1 managers."

2 Act of March 22, 1901 (P.L.53, No.20), entitled "An act to
3 authorize and empower any railroad corporation of this
4 Commonwealth, which shall own at least two-thirds of the whole
5 capital stock of any other like corporation of this
6 Commonwealth, and shall have a railroad connecting with the
7 railroad of the latter, to acquire the franchises, property,
8 rights and credits of the latter."

9 Act of April 4, 1901 (P.L.63, No.29), entitled "An act to
10 authorize railroads, heretofore or hereafter constructed to any
11 river forming the boundary between this and any adjoining State,
12 to be built by means of a bridge and its approaches to the
13 middle of such river, and there connect with any railroad of
14 such adjoining State, heretofore or hereafter constructed."

15 Act of April 4, 1901 (P.L.67, No.36), entitled "An act to
16 validate changes heretofore made in the names of corporations by
17 the several courts of common pleas of this Commonwealth."

18 Act of May 21, 1901 (P.L.270, No.177), entitled "An act
19 granting certain rights and privileges to regularly organized
20 and incorporated water companies."

21 Act of May 29, 1901 (P.L.326, No.207), entitled "A supplement
22 to an act, entitled 'An act to provide for the incorporation and
23 regulation of certain corporations,' approved April twenty-
24 ninth, one thousand eight hundred and seventy-four; authorizing
25 formation of corporations for profit by voluntary association of
26 three or more persons, one of whom, at least, must be a citizen
27 of this Commonwealth."

28 Act of July 10, 1901 (P.L.651, No.329), entitled "An act to
29 validate acts done by corporations before the recording of their
30 charters."

1 Act of March 19, 1903 (P.L.34, No.41), entitled "An act to
2 prevent the multiplication of poles, wires, and conduits for
3 electrical purposes, by authorizing corporations, manufacturing
4 or using electrical current for any purposes, to enter into
5 contracts with each other relating to the exchange of current,
6 the joint use of poles, wires, and conduits, or the lease or
7 operation of each others systems."

8 Act of March 24, 1903 (P.L.50, No.52), entitled "An act
9 relating to the taking of stock votes, upon subjects presented
10 to stockholders of corporations of this Commonwealth for their
11 action."

12 Act of April 22, 1903 (P.L.251, No.185), entitled "An act
13 regulating the change of corporate titles."

14 Act of April 23, 1903 (P.L.280, No.208), entitled "A further
15 supplement to the act approved April fourth, Anno Domini one
16 thousand eight hundred and sixty-eight, entitled 'An act to
17 authorize the formation and regulation of railroad
18 corporations.'"

19 Act of March 24, 1905 (P.L.56, No.39), entitled "A supplement
20 to an act, entitled 'A supplement to an act, entitled "An act to
21 provide for the incorporation and regulation of certain
22 corporations," approved the twenty-ninth day of April, Anno
23 Domini one thousand eight hundred and seventy-four, further
24 amending the twelfth section thereof so as to permit
25 corporations organized thereunder, either for the purpose of
26 carrying on any manufacturing business, or for the supply of
27 water, or for the manufacture or supplying of light, to purchase
28 bonds or stock of other corporations of the same character, or
29 to guarantee the payment of interest and principal of such
30 bonds, or either principal or interest, or to lease and operate

1 corporate property,' approved the twenty-sixth day of June, Anno
2 Domini one thousand eight hundred and ninety-five, correcting
3 errors therein and validating all acts done in pursuance
4 thereof."

5 Act of April 22, 1905 (P.L.264, No.184), entitled "An act to
6 authorize railroad companies of this Commonwealth, in order to
7 secure an adequate supply of water for their corporate purpose,
8 to acquire, hold, dispose of, and guarantee the stock and
9 securities of water companies."

10 Act of June 6, 1907 (P.L.417, No.287), entitled "An act
11 requiring that all water, gas, or electric light corporations,
12 before entering upon or occupying any public street or highway
13 in any township of the first class of this Commonwealth, shall
14 first make application to the proper authorities of such
15 township of the first class and obtain its consent to such entry
16 or occupancy."

17 Act of April 27, 1909 (P.L.244, No.154), entitled "An act to
18 validate acts done by corporations before the recording of their
19 charter."

20 Act of May 3, 1909 (P.L.408, No.229), entitled, as amended,
21 "An act authorizing the merger or consolidation of certain
22 corporations."

23 Act of March 15, 1911 (P.L.17, No.15), entitled "An act to
24 validate acts done and conveyances made by or to corporations
25 after letters patent are issued, and before the recording of
26 their charters."

27 Act of May 11, 1911 (P.L.261, No.165), entitled "An act
28 relating to Receivers' Sales."

29 Act of June 3, 1911 (P.L.635, No.243), entitled "An act to
30 further amend the eighteenth paragraph of the second section of

1 an act, entitled 'An act to provide for the incorporation and
2 regulation of certain corporations,' approved the twenty-ninth
3 day of April, Anno Domini one thousand eight hundred and
4 seventy-four, so as to compel corporations heretofore or
5 hereafter incorporated for the purpose of the storage,
6 transportation and furnishing of water for manufacturing and
7 other purposes, and for the creation, establishing, furnishing,
8 transmission and using of water-power therefrom, to furnish such
9 power for public purposes."

10 Act of April 24, 1913 (P.L.114, No.77), entitled "An act to
11 validate receiver's sales of real estate, held subsequent to the
12 passage of an act, entitled 'An act relating to receiver's
13 sales,' approved the eleventh day of May, Anno Domini one
14 thousand nine hundred and eleven, in all cases where notices of
15 said sales have been mailed within the time specified in said
16 act."

17 Act of May 15, 1913 (P.L.213, No.149), entitled "An act to
18 validate certain charters issued by the Governor of the
19 Commonwealth to electric light companies, for districts
20 comprising two or more municipalities or townships, under the
21 thirty-fourth section of the act approved April twenty-nine, one
22 thousand eight hundred seventy-four, entitled 'An act to provide
23 for the incorporation and regulation of certain corporations,'
24 and its supplements."

25 Act of June 6, 1913 (P.L.458, No.304), entitled "An act
26 providing for the making valid of the charters of certain
27 corporations, heretofore incorporated for the purpose of
28 supplying heat, light, and power, by means of electricity, to
29 the public, upon the filing of certain certificates with the
30 Secretary of the Commonwealth."

1 Act of April 26, 1917 (P.L.102, No.61), entitled "A
2 supplement to an act, entitled 'An act to provide for the
3 incorporation and regulation of natural gas companies,' approved
4 the twenty-ninth day of May, one thousand eight hundred and
5 eighty-five; providing that corporations engaged in the business
6 of supplying natural gas may manufacture or purchase, and
7 transport and supply, manufactured fuel gas."

8 Act of May 3, 1917 (P.L.146, No.78), entitled "An act to
9 validate acts done by corporations before the recording of their
10 charters."

11 Act of May 17, 1917 (P.L.228, No.126), entitled "An act to
12 authorize the payment by corporations to their directors of
13 compensation for services rendered by them."

14 Act of July 5, 1917 (P.L.698, No.258), entitled "An act to
15 authorize corporations organized for profit, under the laws of
16 Pennsylvania, to continue the salaries of employes enlisting or
17 enrolling in any branch of the military or naval service of the
18 United States, or other protective organization."

19 Act of July 19, 1917 (P.L.1123, No.382), entitled "An act to
20 authorize the construction of branches by railroad companies."

21 Act of April 18, 1919 (P.L.67, No.52), entitled "An act to
22 give to women, married and single, the same right as men to be
23 corporators, and, in furtherance of their interests as
24 stockholders, to serve as directors and officers of corporations
25 for profit."

26 Act of May 23, 1919 (P.L.240, No.132), entitled "An act
27 validating the holding, ownership, and exercise of material,
28 rolling stock, property, and franchises, sold and conveyed under
29 and by virtue of any process or decree of any court or under or
30 by virtue of a power of sale contained in any mortgage or deed

1 of trust, as the property of any gas, water, coal, iron, steel,
2 lumber, oil or mining or manufacturing, transportation or
3 telegraph company, or any railroad, canal, turnpike, bridge, or
4 plank road or any corporation, notwithstanding the failure of
5 the owner or owners thereof to reorganize said company or
6 corporation in accordance with the act of Assembly, entitled 'An
7 act concerning the sale of railroads, canals, turnpikes,
8 bridges, and plank roads,' approved the eighth day of April,
9 Anno Domini one thousand eight hundred sixty-one, and the
10 supplements and amendments thereto."

11 Act of May 23, 1919 (P.L.253, No.135), entitled "A supplement
12 to the act, approved the twenty-ninth day of May, one thousand
13 eight hundred and eighty-five (Pamphlet Laws, twenty-nine),
14 entitled 'An act to provide for the incorporation and regulation
15 of natural gas companies,' authorizing corporations created
16 under said act to renew their charters which are about to expire
17 or have already expired, and providing a procedure therefor, and
18 for the payment of fees and bonus."

19 Act of June 20, 1919 (P.L.509, No.249), entitled "A
20 supplement to an act, approved the eighth day of May, one
21 thousand eight hundred and eighty-nine (Pamphlet Laws, one
22 hundred and thirty-six), entitled 'An act to amend an act,
23 entitled "An act to provide for the incorporation and regulation
24 of certain corporations," approved the twenty-ninth day of
25 April, Anno Domini one thousand eight hundred and seventy-four,
26 providing for the incorporation and regulation of electric
27 light, heat and power companies,' granting electric light, heat,
28 and power companies the right to exercise their charter powers
29 in adjoining States."

30 Act of July 22, 1919 (P.L.1123, No.456), entitled "A

1 supplement to an act, entitled 'An act to provide for the
2 incorporation and regulation of certain corporations,' approved
3 the twenty-ninth day of April, Anno Domini one thousand eight
4 hundred and seventy-four; providing for the incorporation and
5 regulation of telephone companies; defining the rights, powers,
6 and privileges of such corporations; authorizing and regulating
7 the purchase, acquisition, and leasing the whole or any part of
8 the properties, systems, capital stock, and securities of other
9 corporations, associations, and persons engaged in the telephone
10 business; and authorizing existing telegraph corporations to
11 accept the provisions of this act."

12 Act of May 20, 1921 (P.L.949, No.334), entitled "An act
13 authorizing certain telephone companies and certain telephone
14 and telegraph companies to acquire all or any part of the
15 capital stock, franchises, property, rights, and credits of each
16 other, and to purchase, lease, or otherwise acquire all or any
17 part of the lines, systems, rights, privileges, municipal
18 consents, and corporate franchises of each other."

19 Act of May 25, 1921 (P.L.1159, No.426), entitled "An act
20 authorizing certain corporations to issue preferred or common
21 stock of one or more classes; providing for the manner of
22 issuance, restrictions and regulations in the manner of voting
23 thereof, and the rights and privileges of the holders thereof;
24 validating certain acts of corporations not participated in by
25 the holders of non-voting stock; and repealing all acts and
26 parts of acts inconsistent therewith."

27 Act of March 20, 1923 (P.L.27, No.19), entitled "An act to
28 validate acts done by or rights accrued to corporations before
29 the recording of their charters."

30 Act of May 21, 1923 (P.L.288, No.185), entitled "An act

1 authorizing certain corporations to authorize, create, and issue
2 capital stock of any class or kind without nominal or par value,
3 and to change or convert their authorized or outstanding capital
4 stock of any class or kind into shares of any class or kind,
5 either with or without nominal or par value; and validating the
6 creations and issues of stock heretofore made by corporations in
7 accordance with the provisions hereof."

8 Act of March 3, 1925 (P.L.9, No.7), entitled "An act to
9 validate acts done by corporations before the recording of their
10 charters."

11 Section 2 of the act of April 7, 1925 (P.L.183, No.131),
12 entitled "An act providing that certificates of association and
13 articles of incorporation or of any improvements, amendments, or
14 alterations thereto may be acknowledged and sworn or affirmed to
15 before a notary public or justice of the peace; validating such
16 acknowledgments made prior to the approval of this act."

17 Act of March 22, 1927 (P.L.51, No.32), entitled "An act to
18 validate acts done by corporations before the recording of their
19 charters."

20 Act of April 6, 1927 (P.L.126, No.97), entitled "A supplement
21 to an act, entitled 'An act to provide for the incorporation and
22 regulation of certain corporations,' approved the twenty-ninth
23 day of April, one thousand eight hundred and seventy-four,
24 providing that companies incorporated for the manufacture and
25 supply of gas, or the supply of light or heat to the public by
26 any other means, or for the manufacture and supply of light,
27 heat, and fuel or any of them by any process of manufacture,
28 shall, in addition to the powers heretofore granted, be
29 authorized and empowered to produce, deal in, transport, convey,
30 and distribute natural gas or gas formed by mixing natural gas

1 with manufactured gas."

2 Act of April 14, 1927 (P.L.297, No.169), entitled "An act
3 authorizing any natural gas company, or any manufactured gas
4 company, incorporated under the laws of this Commonwealth, to
5 sell, assign, dispose of, convey, or lease to any natural gas
6 company, or to any manufactured gas company, incorporated under
7 the laws of this Commonwealth, its franchises and property or
8 any part thereof; providing the manner in which such sales,
9 conveyances, or leases, shall be consummated; and requiring the
10 payment of all taxes due the Commonwealth before the returns
11 authorizing such sales, conveyances, and leases shall be filed
12 in the office of the Secretary of the Commonwealth."

13 Act of April 28, 1927 (P.L.503, No.327), entitled "An act
14 authorizing churches, cemetery companies, and burial
15 associations to lease or convey coal and other minerals;
16 providing for the use and expenditure of the funds derived
17 therefrom and for the support of the overlying surface."

18 Act of March 27, 1929 (P.L.74, No.84), entitled "An act
19 amending section one of an act entitled 'An act authorizing
20 corporations, organized for profit, to purchase, hold, sell,
21 assign, transfer, mortgage, pledge, or otherwise dispose of, the
22 shares of capital stock of, or any bonds, securities or
23 evidences of indebtedness created by, any other corporation,'
24 approved the second day of July, Anno Domini one thousand nine
25 hundred and one (Pamphlet Laws, six hundred and three), so as to
26 include corporations, either public or private, of this or any
27 other State or of the United States of America, or of any
28 territory or dependency thereof, or of any foreign country or
29 any subdivision or agency thereof; and to validate all
30 purchases, sales, assignments, transfers, mortgages, pledges, or

1 other disposition thereof at any time heretofore made."

2 As much as reads "examine and" and all of the proviso of
3 section 805 of the act of April 9, 1929 (P.L.177, No.175), known
4 as The Administrative Code of 1929.

5 Section 730 (except as to corporations specified in 15
6 Pa.C.S. § 1102(b) (relating to exclusions) and joint stock
7 associations) and the penultimate sentence of section 1401,
8 insofar as it relates to the release of lien as provided by 15
9 Pa.C.S. §§ 1957(c) (relating to taxes) of the act of April 9,
10 1929 (P.L.364, No.176), known as The Fiscal Code.

11 Act of April 11, 1929 (P.L.482, No.200), entitled "An act to
12 validate acts done by corporations before the recording of their
13 charters."

14 Act of April 17, 1929 (P.L.531, No.234), entitled "An act
15 authorizing the courts of common pleas to direct the filing by
16 corporations of bonds to the Commonwealth, to secure payment of
17 damages for the taking of lands, waters, materials, or other
18 property or rights, or for injury thereto, in cases where there
19 is a disputed, doubtful, or defective title, or where any party
20 interested is absent, unknown, not of full age, of unsound mind,
21 or is an unincorporated association, or, from any cause, cannot
22 be bargained with or be served with notice or tendered a bond
23 within the county, and to appoint guardians ad litem or trustees
24 for such persons."

25 Act of April 18, 1929 (P.L.544, No.241), entitled "An act to
26 amend the act, approved the second day of July, one thousand
27 nine hundred and one (Pamphlet Laws, six hundred three) entitled
28 'An act authorizing corporations, organized for profit, to
29 purchase, hold, sell, assign, transfer, mortgage, pledge, or
30 otherwise dispose of, the shares of capital stock of, or any

1 bonds, securities, or evidences of indebtedness created by, any
2 other corporation' by extending the provisions thereof so as to
3 apply to all corporations, and validating past transactions of
4 such character."

5 Act of June 25, 1931 (P.L.1366, No.338), entitled "An act to
6 authorize any corporation of this Commonwealth, created by
7 virtue of any special act of Assembly, and possessing under such
8 act, or supplements thereto, franchises for various purposes,
9 including the right to construct and operate railroads for
10 public use, to segregate its railroad lines and franchises by
11 the sale and conveyance thereof to any duly organized railroad
12 corporation of this Commonwealth which owns or controls a line
13 or lines of railroad connecting therewith not parallel or
14 competing."

15 Act of April 13, 1933 (P.L.34, No.28), entitled "An act to
16 validate acts done by corporations before the recording of their
17 charters."

18 Act of May 3, 1933 (P.L.227, No.80), entitled "An act
19 authorizing stock corporations, with certain exceptions, to make
20 provision for, and to issue, shares of capital stock of any
21 class or classes, or to change shares of authorized or
22 outstanding capital stock of any class into one or more classes,
23 with or without nominal or par value, and with such
24 designations, terms, relative rights, powers, privileges,
25 preferences, limitations, restrictions and qualifications as may
26 be specified; regulating such corporations and the liabilities
27 of their directors; making other provisions relating to the
28 capital and capital stock of such corporations; and repealing
29 all acts or parts of acts inconsistent herewith."

30 Act of May 5, 1933 (P.L.364, No.106), known as the Business

1 Corporation Law of 1933, except that the provisions and
2 requirements of sections 2, 206, 909 and 1004 relating to
3 registry statements shall continue to be applicable until the
4 Department of State adopts initial regulations under 15 Pa.C.S.
5 § 134 (relating to docketing statement) and such regulations
6 become effective.

7 Act of May 25, 1937 (P.L.794, No.219), entitled "An act
8 authorizing the election of officers of certain corporations of
9 this Commonwealth, created by special act of Assembly prior to
10 January 1, 1874, to be held in accordance with the provisions of
11 by-laws duly adopted by their shareholders."

12 Act of July 2, 1937 (P.L.2859, No.600), entitled "An act
13 concerning proxies authorizing representation and voting of
14 capital stock of railroad corporations, at meetings and
15 elections thereof."

16 Act of June 9, 1939 (P.L.313, No.170), entitled "An act
17 permitting railroad corporations to fix in their by-laws the
18 time for annual and other meetings and the election of
19 directors."

20 Act of June 9, 1939 (P.L.313, No.171), entitled "An act to
21 provide for increasing the indebtedness of railroad
22 corporations, with the privilege of converting the same into
23 capital stock."

24 Act of April 18, 1945 (P.L.253, No.114), entitled "An act
25 relating to suits by shareholders against officers or directors
26 in a corporation, domestic or foreign, to enforce a secondary
27 right because the corporation refuses to enforce rights, which
28 may be asserted by it, requiring that plaintiff be a shareholder
29 at the time of the transaction of which he complains, or that
30 his shares thereafter devolved upon him by operation of law;

1 requiring security for defendant's expenses, including
2 attorneys' fees; and providing for the assessment and recovery
3 of such expenses, including attorney's fees."

4 Act of May 8, 1947 (P.L.178, No.79), entitled "An act to
5 authorize railroad corporations, incorporated in this
6 Commonwealth, to hold directors' meetings at such place within
7 this Commonwealth or elsewhere as appointed by a majority of the
8 directors."

9 Act of May 23, 1947 (P.L.307, No.136), entitled "An act
10 providing for and regulating the merger and consolidation of
11 corporations organized for the transportation and storage of oil
12 or any petroleum products by means of pipe lines and tanks;
13 defining the rights and powers of the surviving or new
14 corporation; providing for the service of process on foreign
15 corporations and defining the rights of dissenting
16 stockholders."

17 Act of June 5, 1947 (P.L.424, No.196), entitled "A further
18 supplement to the act, approved the twenty-ninth day of April,
19 one thousand eight hundred seventy-four (Pamphlet Laws 73),
20 entitled 'An act to provide for the incorporation and regulation
21 of certain corporations,' granting to every corporation
22 heretofore or hereafter incorporated for the purpose of engaging
23 in the telephone or telegraph business the power to appropriate
24 private property, in certain cases, and, subject to approval by
25 the Public Utility Commission, for the construction, maintenance
26 and operation of its lines and facilities, and providing for the
27 assessment of damages arising from such appropriation and the
28 method of appropriation."

29 Act of June 10, 1947 (P.L.534, No.243), entitled "An act
30 validating the charters and the registration of the corporate

1 name of certain nonprofit corporations."

2 Act of March 10, 1949 (P.L.307, No.17), entitled "An act
3 making it lawful for the board of directors of any railroad
4 company to elect a chairman of said board, in such manner and
5 with such powers and duties and compensation, including
6 pensions, as may be fixed by said board; making it lawful for
7 the board of directors of any such company to select from among
8 their number or from the stockholders, a president and one or
9 more vice-presidents, in such manner and with such powers and
10 duties and compensation, including pensions, as may be fixed by
11 said board; making it lawful for the board of directors of any
12 such company to provide for the number of directors thereof, not
13 less than three; and providing for the effectiveness of action
14 taken by any such board in accordance herewith, without further
15 corporate action and notwithstanding any contrary or
16 inconsistent provision in any previously enacted act or in any
17 existing charter or by-laws of any such company; and for other
18 purposes."

19 Act of August 17, 1951 (P.L.1267, No.302), entitled "An act
20 to amend the title and the act, approved the third day of May,
21 one thousand nine hundred and nine (Pamphlet Laws 408), entitled
22 'An act authorizing the merger and consolidation of certain
23 corporations,' by permitting the merger or consolidation of
24 certain foreign and domestic corporations; prescribing the
25 procedure for and the effect of a merger or consolidation;
26 providing for payment of certain fees, taxes and bonus; and
27 defining the rights, powers and privileges of dissenting
28 stockholders and the surviving corporation in the case of a
29 merger and of the new corporation in the case of a
30 consolidation."

1 Sections 2, 3 and 4 of the act of August 19, 1953 (P.L.1075,
2 No.280), entitled "An act authorizing corporations to grant
3 stock options, pensions and allowances, under certain
4 circumstances; and validating stock options, pensions and
5 allowances heretofore granted."

6 Act of June 14, 1957 (P.L.321, No.169), entitled "An act
7 authorizing corporations subject to the Corporation Amendment
8 Act of one thousand eight hundred and eighty-three, to restate
9 their articles of incorporation in their entirety."

10 Act of July 11, 1957 (P.L.691, No.366), entitled "An act to
11 eliminate the requirement of certificates evidencing payment of
12 bonus taxes and charges in cases of merger or consolidation of
13 certain corporations whenever the surviving or new corporation
14 is a domestic corporation or a foreign corporation duly
15 authorized to do business in Pennsylvania."

16 Act of July 11, 1957 (P.L.707, No.368), entitled "An act
17 relating to the form and manner of service of corporate notices
18 required to be given by certain corporations organized or
19 existing under the laws of the Commonwealth of Pennsylvania, and
20 authorizing the waiver of such notices and consent to corporate
21 action without a meeting."

22 Act of November 10, 1959 (P.L.1461, No.508), entitled "An act
23 authorizing the board of directors of railroad companies to
24 constitute an executive committee from among their number, and
25 conferring such authority upon the committee as the board shall
26 provide."

27 Act of November 10, 1959 (P.L.1461, No.509), entitled "An act
28 concerning the right of stockholders of record of railroad
29 corporations to vote at meetings and elections thereof;
30 providing for the voting in person, or by proxy, of shares of

1 capital stock of railroad corporations held of record by
2 fiduciaries or by two or more persons and for voting shares
3 pledged by the holder thereof; and repealing certain acts and
4 parts of acts relating to railroad corporations."

5 As much as follows the words "act of June 1, 1945 (P.L.1242),
6 as amended," of section 901 of the act of June 22, 1964 (P.L.84,
7 No.6), known as the Eminent Domain Code. A court may issue a
8 writ of possession to the condemnor prior to the disposition of
9 preliminary objections which challenge the validity of a
10 condemnation of rights-of-way or easements for occupation by
11 water, electric, gas, oil and/or petroleum products, telephone
12 or telegraph lines used directly or indirectly in furnishing
13 service to the public, and if it shall be determined finally
14 that the condemnation is invalid in whole or in part, the
15 affected owners may recover damages for any injuries sustained
16 thereby and shall be entitled to such equitable relief as may be
17 appropriate in the circumstances.

18 Act of September 30, 1965 (P.L.569, No.293), entitled "An act
19 amending the act of May 5, 1933 (P.L.364), entitled 'An act
20 relating to business corporations; defining and providing for
21 the organization, merger, consolidation, reorganization, winding
22 up and dissolution of such corporations; conferring certain
23 rights, powers, duties and immunities upon them and their
24 officers and shareholders; prescribing the conditions on which
25 such corporations may exercise their powers; providing for the
26 inclusion of certain existing corporations of the second class
27 within the provisions of this act; prescribing the terms and
28 conditions upon which foreign business corporations may be
29 admitted, or may continue, to do business within the
30 Commonwealth; conferring powers and imposing duties on the

1 courts of common pleas, and certain State departments,
2 commissions, and officers; authorizing certain State
3 departments, boards, commissions, or officers to collect fees
4 for services required to be rendered by this act; imposing
5 penalties; and repealing certain acts and parts of acts relating
6 to corporations,' requiring approval by the State Registration
7 Board for Professional Engineers prior to the use of certain
8 words in corporate names."

9 Section 1411 of the act of November 30, 1965 (P.L.847,
10 No.356), known as the Banking Code of 1965.

11 Act of January 18, 1966 (1965 P.L.1443, No.521), entitled "An
12 act for the registration of certain pre-1858 corporations;
13 providing that such corporations shall be conclusively deemed to
14 have accepted the Constitution of Pennsylvania unless such
15 corporations file a certificate of nonacceptance with the
16 Department of State."

17 Act of January 25, 1966 (1965 P.L.1587, No.556), entitled "An
18 act relating to railroad corporations and other corporations
19 subject to the jurisdiction of the Pennsylvania Public Utility
20 Commission which have shareholders outside of Pennsylvania,
21 eliminating any requirement that any members of the board of
22 directors be residents of this Commonwealth, validating certain
23 corporate action, and repealing inconsistent legislation."

24 Section 509 of the act of December 14, 1967 (P.L.746,
25 No.345), known as the Savings Association Code of 1967.

26 Act of November 18, 1968 (P.L.1050, No.321), entitled "An act
27 providing for the exercise of the right of eminent domain by
28 certain corporations for the transportation of oxygen or
29 nitrogen with certain restrictions, exceptions and limitations,
30 and preserving the jurisdiction of the Pennsylvania Public

1 Utility Commission."

2 Act of July 9, 1970 (P.L.461, No.160), known as the
3 Professional Corporation Law.

4 As much as reads "Incorporation" of the section heading, the
5 entire text of subsections (a) and (b) and as much as reads
6 "organized under this act" of the first sentence of subsection
7 (c) of section 203 of the act of December 17, 1981 (P.L.435,
8 No.135), known as the Race Horse Industry Reform Act. A
9 corporation licensed under the act shall be incorporated by not
10 less than five persons and the number of its directors shall be
11 not less than five nor more than 13.

12 Act of December 23, 1983 (P.L.395, No.92), entitled "An act
13 amending the act of May 5, 1933 (P.L.364, No.106), entitled, as
14 amended, 'An act relating to corporations; defining and
15 providing for the organization, merger, consolidation,
16 reorganization, winding up and dissolution of certain
17 corporations for profit; conferring certain rights, powers,
18 duties and immunities upon them and their officers and
19 shareholders; prescribing the conditions on which such
20 corporations may exercise their powers; providing for the
21 inclusion of certain existing corporations and associations
22 within the provisions of this act; prescribing the terms and
23 conditions upon which certain foreign corporations may be
24 admitted, or may continue, to do business within the
25 Commonwealth; conferring powers and imposing duties on the
26 courts of common pleas, and certain State departments,
27 commissions, and officers; authorizing certain State
28 departments, boards, commissions, or officers to collect fees
29 for services required to be rendered by this act; imposing
30 penalties; and repealing certain acts and parts of acts relating

1 to corporations and other entities,' clarifying the right of
2 directors and officers to consider the effects of corporate
3 actions upon employees, suppliers, customers and communities;
4 providing for interested shareholder transactions; and
5 conferring certain rights on noncontrolling shareholders."

6 (b) The following acts and parts of acts are repealed but
7 shall continue to be applicable to corporations incorporated
8 under or subject to the act of May 17, 1921 (P.L.682, No.284),
9 known as The Insurance Company Law of 1921, or any other statute
10 relating to the incorporation or reincorporation of limited life
11 insurance companies:

12 Act of November 27, 1865 (1866 P.L.1228, No.1119), entitled
13 "An act relating to the organization and meetings of certain
14 corporations, incorporated under the laws of this commonwealth."

15 Act of April 15, 1869 (P.L.29, No.30), entitled "An act
16 requiring a majority of the directors or managers of
17 corporations to constitute a quorum."

18 Act of May 15, 1874 (P.L.186, No.118), entitled "An act to
19 authorize the issuing of letters patent to certain
20 corporations."

21 Act of June 17, 1887 (P.L.411, No.274), entitled "A further
22 supplement to an act, entitled 'An act to provide for the
23 incorporation and regulation of certain corporations,' approved
24 April twenty-ninth, one thousand eight hundred and seventy-four,
25 providing for the further regulation of such corporations."

26 Act of May 20, 1891 (P.L.101, No.77), entitled "An act
27 authorizing salaried officers of private or business
28 corporations to concurrently serve as directors therein."

29 Act of April 19, 1901 (P.L.80, No.51), entitled "An act to
30 regulate the number of directors in corporations chartered under

1 the laws of this Commonwealth."

2 Act of July 2, 1901 (P.L.603, No.298), entitled "An act
3 authorizing corporations, organized for profit, to purchase,
4 hold, sell, assign, transfer, mortgage, pledge, or otherwise
5 dispose of, the shares of capital stock of, or any bonds,
6 securities or evidences of indebtedness created by, any other
7 corporation."

8 Act of March 5, 1903 (P.L.14, No.17), entitled "An act
9 concerning proxies, authorizing representation and voting of
10 shares of capital stock of corporations at meetings and
11 elections thereof."

12 Act of March 16, 1905 (P.L.42, No.26), entitled "An act
13 providing for the voting of shares of stock in corporations in
14 this Commonwealth, held by executors, administrators, guardians,
15 and trustees, and the manner of voting the same."

16 Act of May 28, 1913 (P.L.336, No.222), entitled "An act
17 authorizing corporations of this Commonwealth to declare, at any
18 time or times, dividends out of net profits; and prescribing the
19 time within which the same shall be paid."

20 Act of March 30, 1921 (P.L.54, No.28), entitled "An act
21 permitting corporations to change the date of their annual
22 meeting as fixed by its charter."

23 Act of March 15, 1923 (P.L.10, No.8), entitled "An act
24 relating to the recording of certificates of incorporation of
25 domestic corporations; providing for the recording of certified
26 copies thereof in certain cases; validating the recording of
27 such certified copies heretofore recorded; and making the record
28 of such certified copies competent evidence for all purposes."

29 Act of July 12, 1923 (P.L.1083, No.443), entitled "An act
30 authorizing corporations to issue stock at a price in excess of

1 the par value thereof."

2 Act of April 7, 1925 (P.L.183, No.131), entitled "An act
3 providing that certificates of association and articles of
4 incorporation or of any improvements, amendments, or alterations
5 thereto may be acknowledged and sworn or affirmed to before a
6 notary public or justice of the peace; validating such
7 acknowledgments made prior to the approval of this act."

8 Act of May 12, 1925 (P.L.615, No.329), entitled "An act
9 pertaining to corporations organized or doing business within
10 the Commonwealth; limiting the operation of their by-laws; and
11 providing for the execution of contracts, notes, mortgages, et
12 cetera, by such corporations."

13 Act of May 13, 1925 (P.L.679, No.368), entitled, as amended,
14 "An act authorizing corporations to issue stock to their
15 employes and to employes of their subsidiaries, and authorizing
16 such an issue without first offering such shares to the
17 stockholders, subject to certain limitations."

18 Act of April 27, 1927 (P.L.404, No.260), entitled "An act
19 prohibiting corporations from pleading usury as a defense."

20 Act of April 30, 1929 (P.L.903, No.401), entitled "An act
21 relating to corporations; providing methods of determining what
22 stockholders shall be entitled to vote at meetings, or to
23 receive dividends, or allotments of rights, or to exercise
24 rights; and the effect thereon of transfers of stock within
25 sixty days of any election or meeting."

26 Act of May 16, 1945 (P.L.594, No.249), entitled, as amended,
27 "An act authorizing and empowering any corporation for profit,
28 and any mutual insurance company, mutual savings bank, or other
29 corporation on a mutual plan heretofore or hereafter organized
30 under any general or special law of this Commonwealth, by action

1 of its board of directors to make contributions for public and
2 charitable purposes; and ratifying certain contributions."

3 Section 1 of the act of August 19, 1953 (P.L.1075, No.280),
4 entitled "An act authorizing corporations to grant stock
5 options, pensions and allowances, under certain circumstances;
6 and validating stock options, pensions and allowances heretofore
7 granted."

8 (c) The following acts and parts of acts are repealed
9 absolutely as of the effective date of the act of January 18,
10 1966 (1965 P.L.1406, No.520):

11 Section 5 of the act of April 26, 1855 (P.L.328, No.347),
12 entitled "An act relating to Corporations and to Estates held
13 for Corporate, Religious and Charitable uses."

14 Act of May 23, 1887 (P.L.176, No.112), entitled "An act to
15 authorize certain corporations, incorporated and existing under
16 the laws of any other State of the United States, to purchase
17 certain real estate at judicial sales, and to hold and convey
18 the same under certain conditions."

19 Act of May 3, 1909 (P.L.386, No.215), entitled "An act to
20 provide that notice, whenever required by law, in connection
21 with the formation, amendment, increase or reduction of capital
22 stock, conduct of business, merger, transfer of franchises, or
23 dissolution of corporations, joint-stock companies, limited
24 partnerships or partnership association, shall be published in
25 the legal journal, of the proper county, in which court notices
26 usually appear."

27 Act of June 8, 1911 (P.L.710, No.283), entitled "An act to
28 regulate the doing of business in this Commonwealth by foreign
29 corporations; the registration thereof and service of process
30 thereon; and providing punishment and penalties for the

1 violation of its provisions; and repealing previous legislation
2 on the subject."

3 Act of June 23, 1911 (P.L.1114, No.840), entitled "An act
4 enabling corporations, not authorized by law to hold real estate
5 in Pennsylvania, to convey and make title to such real estate as
6 may have been purchased and held by them prior to the passage of
7 this act."

8 Act of May 13, 1915 (P.L.296, No.179), entitled "An act
9 validating contracts, bonds, or obligations of or belonging to
10 corporations of other States, made, entered into, or acquired
11 prior to the passage of an act, entitled 'An act to regulate the
12 doing of business in this Commonwealth by foreign corporations;
13 the registration thereof and service of process thereon; and
14 providing punishment and penalties for the violation of its
15 provisions; and repealing previous legislation on the subject,'
16 approved the eighth day of June, Anno Domini one thousand nine
17 hundred and eleven (Pamphlet Laws, seven hundred and ten),
18 without such corporations first having established known places
19 of business and designated authorized agents for the transaction
20 of their business within this Commonwealth, and providing for
21 the enforcement of such contracts, bonds, or obligations upon
22 the payment of a penalty and taxes to the Commonwealth."

23 Act of May 24, 1923 (P.L.438, No.232), entitled "An act
24 authorizing corporations incorporated under the laws of any
25 other State of the United States to acquire, use, encumber, and
26 dispose of such real estate, and rights, and interests in, in
27 the nature of or in respect to real estate, in Pennsylvania, as
28 may be necessary and proper for the exercise of such of their
29 corporate purposes as it may be lawful for them to exercise in
30 this State; defining certain of their powers, rights, and

1 liabilities in connection therewith; regulating the exercise of
2 said rights by foreign public service corporations; repealing
3 certain acts; and validating certain titles, rights, and
4 interests heretofore acquired."

5 Act of June 15, 1939 (P.L.344, No.201), entitled "An act to
6 validate mortgages on real estate in this Commonwealth given by
7 a foreign corporation unauthorized to hold title to the said
8 real estate."

9 Act of January 14, 1952 (1951 P.L.1946, No.546), entitled "An
10 act to validate and quiet the title to real estate in this
11 Commonwealth held by a foreign corporation not authorized to
12 transact business in Pennsylvania, and heretofore conveyed to a
13 citizen or citizens of the United States or a corporation
14 authorized to hold such real estate."

15 Act of November 19, 1959 (P.L.1541, No.549), entitled "An act
16 to validate and quiet the title to real estate in this
17 Commonwealth held by a foreign corporation not authorized to
18 transact business in Pennsylvania and heretofore conveyed to a
19 citizen or citizens of the United States or a corporation
20 authorized to hold such real estate."

21 (d) The following acts and parts of acts are repealed
22 insofar as they are inconsistent with 15 Pa.C.S. § 1511
23 (relating to additional powers of certain public utility
24 corporations):

25 Section 3 of the act of April 16, 1838 (P.L.626, No.96),
26 entitled "An act granting certain powers to the Authorities of
27 the cities of Lancaster and Philadelphia, and for other
28 purposes."

29 Last paragraph of section 18 of the act of May 11, 1911
30 (P.L.244, No.158), entitled "An act providing for the original

1 location, laying out and construction of public roads or
2 highways in the several counties of this Commonwealth, and for
3 the permanent improvement of certain public roads or highways
4 therein; making such originally constructed or improved roads
5 and highways county roads; authorizing the relocation, opening,
6 straightening, widening, extension and alteration of the same,
7 and the vacation of so much of any road as may thereby become
8 unnecessary; providing that the county commissioners of any
9 county may prescribe rules regulating the use of roads
10 constructed or maintained by the various counties, and
11 prescribing penalties for the violation thereof; providing for
12 the taking of property for such improvement, the compensation to
13 be paid therefor, and the payment of damages resulting from such
14 taking, and the manner in which such damages may be determined;
15 providing for the payment of the costs and expenses of such
16 construction or improvement and in thereafter repairing and
17 maintaining said roads; authorizing the levy of a tax or the
18 issuing of bonds to provide a fund for the expense thereof;
19 prescribing a method for improving a county road lying within or
20 traversing a borough, and apportioning the cost of such
21 improvement; and authorizing the vacation of any county road."

22 Section 1057 of the act of June 23, 1931 (P.L.932, No.317),
23 known as The Third Class City Code.

24 Clause LVII of section 1502 and section 2084 of the act of
25 June 24, 1931 (P.L.1206, No.331), known as The First Class
26 Township Code.

27 Section 1156 of the act of May 1, 1933 (P.L.103, No.69),
28 known as The Second Class Township Code.

29 Section 1202 of the act of February 1, 1966 (1965 P.L.1656,
30 No.581), known as The Borough Code.

(e) All other parts of those acts which are specified in this section and all other acts and parts of acts are repealed insofar as they are in any manner inconsistent with this act.

Section 302. Effective date and applicability.

(a) This act shall take effect in 15 months except that:

(1) The effectiveness of 15 Pa.C.S. Part II (relating to corporations) and as much of the act as may be necessary to make those provisions operative may be accelerated in the manner provided by section 107.

(2) The following provisions of Title 15 and as much of the act as may be necessary to make those provisions operative shall take effect immediately and shall be retroactive to January 27, 1987, insofar as relates to the implementation of 42 Pa.C.S. Ch. 83F (relating to corporate directors' liability): 15 Pa.C.S. § 1102(b) (relating to coordination with other laws), 15 Pa.C.S. § 1310(a) (relating to organization meeting), 15 Pa.C.S. § 1504(c) (relating to bylaw provisions in articles), 15 Pa.C.S. § 1757(a) (relating to action by shareholders), 15 Pa.C.S. § 1762(c) (relating to controlled shares) and 15 Pa.C.S. § 1766 (relating to consent of shareholders in lieu of meeting).

(3) The amendment to 54 Pa.C.S. § 311(b)(1) (relating to use of corporate designators) shall take effect immediately and shall be retroactive to March 16, 1983.

(4) Section 107 and as much of the act as may be necessary to make that provision operative shall take effect immediately.

(5) Section 138 (relating to statement of correction) of Title 15 shall take effect immediately and shall be retroactive to January 1, 1980, insofar as relates to filings

1 under the Business Corporation Law of 1933. With respect to
2 matters covered by this paragraph, the one-year period of the
3 last sentence of 15 Pa.C.S. § 138(c) shall run from the later
4 of the date of enactment of this act or the date upon which
5 such filing was or is made by or with respect to a
6 corporation subject to the Business Corporation Law of 1933.

7 (b) The provisions of Title 15 that are derived from 42
8 Pa.C.S. Ch. 83 Subch. F (relating to corporate directors'
9 liability):

10 (1) shall not be construed to repeal or otherwise affect
11 or impair 15 Pa.C.S. § 1728 (relating to interested directors
12 or officers; quorum) or 1770 (relating to interested
13 shareholders) or 42 Pa.C.S. § 8332.2 (relating to officer,
14 director, or trustee of nonprofit organization negligence
15 standard); and

16 (2) shall not apply to:

17 (i) any actions filed prior to January 27, 1987, nor
18 to any breach of performance of duty or any failure of
19 performance of duty by any director or officer of a
20 business corporation occurring prior to that date; or

21 (ii) any actions filed against or any breach of
22 performance of duty or any failure of performance of duty
23 by any director or officer of any other domestic
24 corporation for profit or not-for-profit occurring prior
25 to the date that such corporation first became subject to
26 42 Pa.C.S. Ch. 83 Subch. F or 15 Pa.C.S. Ch. 5 Subch. B
27 (indemnification and corporate directors' liability).

28 SOURCE NOTES

1 Derivation Note: This bill is derived verbatim from 1987
2 S.B. 943 (P.N.1211) except for the change of dates in
3 transitional provisions, grammatical, conforming and stylistic
4 corrections, and textual changes in the following provisions:
5 15 Pa.C.S. Subch. 5B: New.
6 15 Pa.C.S. § 1103 ("voting"): First sentence is new.
7 15 Pa.C.S. § 1105: Last sentence is new.
8 15 Pa.C.S. § 1502(a)(13)
9 15 Pa.C.S. § 1504(d)
10 15 Pa.C.S. § 1509(e)
11 15 Pa.C.S. § 1511(f)
12 15 Pa.C.S. § 1522(b): Last sentence is new.
13 15 Pa.C.S. § 1522(d): Last clause is new.
14 15 Pa.C.S. § 1526
15 15 Pa.C.S. § 1530(a)
16 15 Pa.C.S. § 1551(e): New.
17 15 Pa.C.S. § 1571(b)(3)
18 15 Pa.C.S. § 1574
19 15 Pa.C.S. § 1580(a) and (b)
20 15 Pa.C.S. § 1721
21 15 Pa.C.S. § 1726(a)(1): Last sentence is new.
22 15 Pa.C.S. § 1728(c)
23 15 Pa.C.S. § 1746
24 15 Pa.C.S. § 1757(b)
25 15 Pa.C.S. § 1759(b)
26 15 Pa.C.S. § 1759(c): Last sentence is new.
27 15 Pa.C.S. § 1763(b)(2)
28 15 Pa.C.S. § 1783: Omitted.
29 15 Pa.C.S. § 1906(d)
30 15 Pa.C.S. § 1906(e): New.

1 15 Pa.C.S. § 1912(a)(2)
2 15 Pa.C.S. § 1913(b): New.
3 15 Pa.C.S. § 1914(a): Last sentence is new.
4 15 Pa.C.S. § 1914(b)(1)
5 15 Pa.C.S. § 1923
6 15 Pa.C.S. § 1924(a): Last two sentences are new.
7 15 Pa.C.S. § 1932(c)(3)
8 15 Pa.C.S. § 1973(b): New.
9 15 Pa.C.S. § 1977(a)(5) and (6)
10 15 Pa.C.S. § 1985
11 15 Pa.C.S. Subch. 19H: New.
12 15 Pa.C.S. § 2325(g)(1) and (2)
13 15 Pa.C.S. § 2501
14 15 Pa.C.S. § 2502
15 15 Pa.C.S. § 2538: Omitted.
16 15 Pa.C.S. Subch. 25E: New.
17 15 Pa.C.S. Subch. 25F: New.
18 15 Pa.C.S. § 2701(a)
19 15 Pa.C.S. § 2701(c): New.
20 15 Pa.C.S. § 2703(b)
21 15 Pa.C.S. § 2711(1)
22 15 Pa.C.S. § 2712: New.
23 15 Pa.C.S. § 2721: Last two sentences are new.
24 Section 202: Amendment to 42 Pa.C.S. § 8365 is new.
25 Section 301(a): Repeals of § 1411 of Act 1965-356 and § 509
26 of Act 1967-345 are new.
27 Section 302(a)(5): New.
28 Section 302(b): New.
29 Section 303: Omitted.

30 DIVISION I

1 Section 101: New.

2 Section 102: The provisions repealed by this section are
3 supplied by this act as follows (an asterisk indicates that a
4 provision is repealed in part):

5 Official	Superseding
6 <u>Citation</u>	<u>Provision</u>

7 15 Pa.C.S. § 101(a)	15 Pa.C.S. § 502
8 (b)	15 Pa.C.S. § 1102(b)
9 (c)	Section 104 of Act
10 15 Pa.C.S. § 102	15 Pa.C.S. §§ 102,
11	1103, 5103
12 15 Pa.C.S. § 103	15 Pa.C.S. § 103
13 15 Pa.C.S. § 104	15 Pa.C.S. § 104
14 15 Pa.C.S. § 105	15 Pa.C.S. § 105
15 15 Pa.C.S. § 106	15 Pa.C.S. § 501(a)
16 15 Pa.C.S. § 108	15 Pa.C.S. § 106
17 15 Pa.C.S. § 109	15 Pa.C.S. § 504
18 15 Pa.C.S. § 110	15 Pa.C.S. § 505
19 15 Pa.C.S. § 111	15 Pa.C.S. § 107
20 15 Pa.C.S. § 112	15 Pa.C.S. § 108
21 15 Pa.C.S. § 131	15 Pa.C.S. § 132(a)-(c)
22 15 Pa.C.S. § 132	15 Pa.C.S. § 133(a)-(d)
23 15 Pa.C.S. § 133	15 Pa.C.S. § 135(a)
24 15 Pa.C.S. § 134	15 Pa.C.S. § 136
25 15 Pa.C.S. § 135	15 Pa.C.S. § 137
26 15 Pa.C.S. § 136	15 Pa.C.S. § 138
27 15 Pa.C.S. § 7745	42 Pa.C.S. § 8365(d)
28 15 Pa.C.S. § 7951(a)	15 Pa.C.S. § 1951(a)

1 15 Pa.C.S. § 7952(c) 15 Pa.C.S. § 1962(c)

2 15 Pa.C.S. § 7956(a) 15 Pa.C.S. § 1966

3 15 Pa.C.S. § 7990 15 Pa.C.S. § 503

4 Section 103(a): The source notes for the affected provisions
5 of Title 15 are as follows:

6 15 Pa.C.S. § 101: Compare new 15 Pa.C.S. §§ 502, 1102, 2101,
7 2301, 2501, 2701, 2901 and 4101. As to subsection (c), compare 1
8 Pa.C.S. § 1937.

9 15 Pa.C.S. § 102: Derived from former 15 Pa.C.S. § 102. The
10 definition of "court" is revised and made subject to general
11 rules. The definitions of "association" and "credit union" are
12 new. The definitions of "business corporation" and "foreign
13 insurance corporation" appear in new 15 Pa.C.S. § 1103. The
14 definitions of "corporation for profit," "corporation not-for-
15 profit" and "nonprofit corporation" appear in new 15 Pa.C.S. §
16 1103. The definition of "officially publish" appears in new 15
17 Pa.C.S. § 1103. The definition of "written" is supplied by 1
18 Pa.C.S. § 1991. The definitions of "foreign business
19 corporation" and "unconsolidated utility corporation" are
20 omitted from this section as a result of the clarification and
21 redefinition of the applicability of the various provisions of
22 new Title 15.

23 15 Pa.C.S. § 103: Generalization of former 15 Pa.C.S. § 103.
24 See act of May 5, 1933 (P.L.364, No.106), § 6D (15 P.S. §
25 1006D).

26 15 Pa.C.S. § 104: Derived from act of May 5, 1933 (P.L.364,
27 No.106), § 6D (last sentence) (15 P.S. § 1006D (last sentence)),
28 and former 15 Pa.C.S. § 104. As to jurisdiction of courts, see
29 42 Pa.C.S. § 931.

30 15 Pa.C.S. § 105: Reenactment of former 15 Pa.C.S. § 105.

1 Derived from act of May 5, 1933 (P.L.364, No.106), § 7 (15 P.S.
2 § 1007).

3 15 Pa.C.S. § 106: Reenactment of former 15 Pa.C.S. § 108,
4 except for reference to a statutory provision varying the rule
5 of this section. An example of such a statutory provision is 42
6 Pa.C.S. § 8364 when the bylaw provision authorized by that
7 section is included in the articles pursuant to new 15 Pa.C.S. §
8 1504(c). Derived from act of May 5, 1933 (P.L.364, No.106), § 9
9 (15 P.S. § 1009).

10 15 Pa.C.S. § 107: Generalization of former 15 Pa.C.S. § 111.

11 15 Pa.C.S. § 108: Generalization of former 15 Pa.C.S. § 112.
12 Provision on change of name of agent is patterned in general
13 after Delaware General Corporation Law § 134(b).

14 15 Pa.C.S. § 109: New.

15 15 Pa.C.S. § 110: Patterned in part after 13 Pa.C.S. § 1103.

16 15 Pa.C.S. § 131: Derived from 54 Pa.C.S. § 102.

17 15 Pa.C.S. § 132: Subsections (a), (b) and (c) are a
18 generalization of former 15 Pa.C.S. § 131. Subsection (d) is a
19 reenactment of section 5(a) of the act of December 16, 1982
20 (P.L.1309, No.295).

21 15 Pa.C.S. § 133: Subsections (a)-(d) are substantially a
22 reenactment of former 15 Pa.C.S. § 132, except for the
23 penultimate sentence of subsection (d). Subsection (e) is a
24 generalization of section 5(c) of the act of December 16, 1982
25 (P.L.1309, No.295).

26 15 Pa.C.S. § 134: Derived from act of May 5, 1933 (P.L.364,
27 No.106), § 206B and C (15 P.S. § 1206B and C).

28 15 Pa.C.S. § 135: Subsection (a) is a generalization of
29 former 15 Pa.C.S. § 133. References to the docketing statement
30 required by new 15 Pa.C.S. § 134 and the provision on documents

1 setting forth a name or mark have been added. Reference to
2 submission of proofs of publication to the Department of State
3 omitted as obsolete. Subsection (b) is intended to abrogate 19
4 Pa. Code § 13.8(b). Subsection (c) is a generalization of
5 section 5(b) of the act of December 16, 1982 (P.L.1309, No.295).

6 15 Pa.C.S. § 136: Substantially a reenactment of former 15
7 Pa.C.S. § 134.

8 15 Pa.C.S. § 137: Generalization of former 15 Pa.C.S. § 135.

9 15 Pa.C.S. § 138: Generalization of former 15 Pa.C.S. § 136.
10 The description of the document to be filed is changed from a
11 "certificate" to a "statement." Execution of the statement by
12 business corporations is governed by new 15 Pa.C.S. § 1108.

13 15 Pa.C.S. § 139: Derived from act of July 11, 1957
14 (P.L.691, No.366) (15 P.S. §§ 806 and 807).

15 15 Pa.C.S. § 151: Patterned in part after Delaware General
16 Corporation Law § 388. Compare 15 Pa.C.S. § 4161.

17 15 Pa.C.S. § 152: Patterned in part after Delaware General
18 Corporation Law § 389.

19 15 Pa.C.S. § 501: Derived from Constitution, Article 10, §§
20 2 and 3; former 15 Pa.C.S. § 106; act of January 18, 1966 (1965
21 P.L.1443, No.521), § 3 (15 P.S. § 3); act of May 3, 1855
22 (P.L.423, No.448), § 1 (15 P.S. § 101); and act of May 5, 1933
23 (P.L.364, No.106), §§ 3B and 211 (15 P.S. §§ 1003B and 1211).
24 See also act of May 5, 1933 (P.L.289, No.105), § 3B, as added by
25 act of January 18, 1966 (1965 P.L.1406, No.520) (former 15 P.S.
26 § 7003B), and act of May 17, 1921 (P.L.682, No.284), § 106 (40
27 P.S. § 366).

28 15 Pa.C.S. § 502: Derived from former 15 Pa.C.S. § 101.
29 Former subsection (b) is omitted from this section as a result
30 of the clarification and redefinition of the applicability of

1 new 15 Pa.C.S. Part II, Subpart B.

2 15 Pa.C.S. § 503: Generalization of former 15 Pa.C.S. § 7990
3 and act of May 5, 1933 (P.L.364, No.106), § 1112 (15 P.S. §
4 2112).

5 15 Pa.C.S. § 504: Reenactment of former 15 Pa.C.S. § 109.
6 See also act of May 5, 1933 (P.L.364, No.106), § 12 (15 P.S. §
7 1012).

8 15 Pa.C.S. § 505: Substantially a reenactment of former 15
9 Pa.C.S. § 110. See also act of May 5, 1933 (P.L.364, No.106), §
10 13 (15 P.S. § 1013). The term "clerk" includes "prothonotary."
11 See 42 Pa.C.S. Ch. 27.

12 15 Pa.C.S. § 506: Substantially a reenactment of act of May
13 5, 1933 (P.L.364, No.106), § 14 (15 P.S. § 1014). Section 15 of
14 the act of May 5, 1933 (P.L.364, No.106) (15 P.S. § 1015) which
15 limited the applicability of this section is omitted.

16 15 Pa.C.S. § 507: Patterned in general after new 15 Pa.C.S.
17 §§ 504 and 505.

18 15 Pa.C.S. § 521: Substantially a reenactment of act of
19 August 19, 1953 (P.L.1075, No.280), § 2 (15 P.S. § 113).

20 15 Pa.C.S. § 522: Derived from act of April 18, 1945
21 (P.L.253, No.114) § 4 (15 P.S. § 410).

22 15 Pa.C.S. § 523: Derived from act of April 18, 1945
23 (P.L.253, No.114), §§ 1, 2 and 3 (15 P.S. §§ 432, 433 and 434).

24 15 Pa.C.S. § 1101: Derived from act of May 5, 1933 (P.L.364,
25 No.106), § 1 (15 P.S. § 1001). Patterned after 15 Pa.C.S. §
26 7301.

27 15 Pa.C.S. § 1102: Subsections (a), (d) and (e) are derived
28 from act of May 5, 1933 (P.L.364, No.106), §§ 3 and 4 (15 P.S.
29 §§ 1003 and 1004). Former subsections 3B and 4C and D are
30 omitted as supplied by section 104 of the act of _____, 1988

1 (P.L.____, No.____), known as the Corporation Act of 1988 (15 P.S.
2 § ____), and otherwise obsolete. Subsection (b) is new and is
3 intended to apply to statutes such as 42 Pa.C.S. § 8364. As to
4 subsection (b), see section 302(2) of the act of _____, 1988
5 (P.L. _____, No. _____), known as the Corporation Act of 1988 (15 P.S.
6 § _____). Subsection (c) is derived from former 15 Pa.C.S. §
7 101(b). Former unconsolidated utility corporations are made
8 subject exclusively to new Title 15. Subsection (a) is patterned
9 after 15 Pa.C.S. § 7102.

10 15 Pa.C.S. § 1103: Derived from act of May 5, 1933 (P.L.364,
11 No.106), § 2 (15 P.S. § 1002), and former 15 Pa.C.S. § 102.
12 Patterned in part after 15 Pa.C.S. § 7103. The definitions of
13 "amendment," "articles," "authorized shares," "board of
14 directors," "business corporation," "business development credit
15 corporation," "bylaws," "closely-held corporation," "corporation
16 not-for-profit," "court," "credit union," "directors,"
17 "dissenters rights," "distribution," "employee," "entitled to
18 vote," "fair value," "foreign business corporation," "foreign
19 domiciliary corporation," "full age," "issue," "management
20 corporation," "nonqualified foreign corporation," "nonstock
21 corporation," "obligation," "officer," "officially publish,"
22 "plan," "preference," "professional corporation," "public
23 utility corporation," "qualified foreign business corporation,"
24 "reclassification," "registered corporation," "representative,"
25 "share certificate," "shareholder," "shares," "special
26 treatment," "statutory close corporation," "subscriber," "unless
27 (or "except as") otherwise provided," "unless (or "except as")
28 otherwise restricted," and "voting" are new or revised. The
29 terms "assets," "capital surplus," "earned surplus,"
30 "insolvency," "net assets," "open-end investment company,"

1 "stated capital," "surplus," "treasury shares," "unreserved,"
2 and "unrestricted" are omitted. The term "close corporation" is
3 supplied by "statutory close corporation." The definitions of
4 "cooperative corporation" and "unconsolidated utility
5 corporation" are omitted from this section as a result of the
6 clarification and redefinition of the applicability of new Title
7 15. The definition of "distribution" is patterned after Revised
8 Model Business Corporation Act § 1.40(6) (1984). The definitions
9 of "person" and "written" are supplied by 1 Pa.C.S. § 1991. The
10 term "unlisted corporation" is supplied by "registered
11 corporation."

12 15 Pa.C.S. § 1104: New.

13 15 Pa.C.S. § 1105: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), §§ 5E and 515K (15 P.S. § 1005E and
15 1515K). See new 15 Pa.C.S. § 1904. See also new 15 Pa.C.S.
16 Subch. 17F.

17 15 Pa.C.S. § 1106: Generalization of act of May 5, 1933
18 (P.L.364, No.106), § 5D (15 P.S. § 1005D). Patterned after 15
19 Pa.C.S. § 7105. Former paragraphs (3)(ii) and (iv) and (4) are
20 omitted. Subsection (b)(3)(i), (ii) and (v)-(viii) is new.

21 15 Pa.C.S. § 1107: Derived from act of May 5, 1933 (P.L.364,
22 No.106), § 6C (15 P.S. § 1006C). Patterned after 15 Pa.C.S. §
23 7107. The concurrent incorporation of unconsolidated utility
24 corporations is abolished.

25 15 Pa.C.S. § 1108: New.

26 15 Pa.C.S. § 1301: Derived from act of May 5, 1933 (P.L.364,
27 No.106), § 201 (15 P.S. § 1201). Patterned after 15 Pa.C.S. §
28 7311.

29 15 Pa.C.S. § 1302: Derived from act of May 5, 1933 (P.L.364,
30 No.106), § 201 (15 P.S. § 1201). Patterned after 15 Pa.C.S. §

1 7312.

2 15 Pa.C.S. § 1303: Derived from act of May 5, 1933 (P.L.364,
3 No.106), § 202A, B, C, D and F (15 P.S. § 1202A, B, C, D and F).
4 Patterned after 15 Pa.C.S. § 7313. Subsection (a) is patterned
5 in part after N.J.S.A. § 14A:1-6(1)(a). Restrictions on use of
6 the terms "company" and "Co." are omitted. Subsection (a)(3) is
7 patterned after Delaware General Corporation Law § 102(a)(1).
8 "Confusingly" substituted for "deceptively" to avoid any
9 implication that the provisions of subsection (b) are operative
10 only in cases of deceit (see N.J.S.A. § 14A:2-2(1)(b)).
11 References to domestic and qualified foreign limited
12 partnerships are added to subsection (b)(1). Reference to the
13 former bonus reports is omitted from subsection (b)(1)(i)(B).
14 Subsection (b)(1)(i)(C) is new. The reference to bank holding
15 companies in subsection (c)(1)(ii) is derived from section
16 805(b)(vii) of the Banking Code of 1965, as added by the act of
17 July 6, 1984 (P.L.621, No.128), § 8. The word "seminary" is
18 added to subsection (c)(2)(i). Subsection (c)(2)(iv) is new. The
19 last sentence of subsection (d) is patterned after Revised Model
20 Business Corporation Act § 4.01(c)(2) (1984). See new 15 Pa.C.S.
21 § 1106(b)(2) as to the status of certain nonconforming names of
22 existing corporations.

23 15 Pa.C.S. § 1304: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), § 202E and G (15 P.S. § 1202E and G).
25 Patterned after 15 Pa.C.S. § 7314. The three-year period for
26 filing reports appears in new 15 Pa.C.S. § 1303(b)(1)(i)(B).
27 "Confusingly" substituted for "deceptively" to avoid any
28 implication that the provisions are operative only in cases of
29 deceit (see N.J.S.A. § 14A:2-2(1)(b)).

30 15 Pa.C.S. § 1305: Derived from act of May 5, 1933 (P.L.364,

1 No.106), § 203 (15 P.S. § 1203). Patterned after 15 Pa.C.S. §
2 7315. The restrictions on who may reserve a name are omitted.
3 The reservation period is increased to 120 days (see N.J.S.A. §
4 14A:2-3(2) and Revised Model Business Corporation Act § 4.02(a)
5 (1984).

6 15 Pa.C.S. § 1306: Derived from act of May 5, 1933 (P.L.364,
7 No.106), § 204 (15 P.S. § 1204). Patterned after 15 Pa.C.S. §
8 7316. Subsection (a)(1) is patterned in part after N.J.S.A. §
9 14A:1-6(1)(a). The reference in subsection (a)(4) to
10 organization upon a nonstock basis is new (see new 15 Pa.C.S. §
11 2101). The second sentence of subsection (a)(4)(i) is new. A
12 reference to "voting rights" is added to subsection (a)(4)(ii)
13 and (iii). In subsection (a)(6) the duration of a corporation is
14 made perpetual in the absence of a provision in the articles to
15 the contrary. Subsection (a)(7) is new. Provisions on par value
16 and the purpose of the corporation are made optional by transfer
17 to subsection (a)(8). The requirement that the incorporators
18 subscribe for shares is omitted.

19 15 Pa.C.S. § 1307: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 205 (15 P.S. § 1205). Patterned after 15 Pa.C.S. §
21 7317. The requirements that the advertisement state the date
22 that the articles will be or were filed with the Department of
23 State and the purpose of the corporation are omitted.

24 15 Pa.C.S. § 1308: Derived from act of May 5, 1933 (P.L.364,
25 No.106), § 206A (15 P.S. § 1206A). Patterned after 15 Pa.C.S. §
26 7318. The requirement for issuance of a certificate of
27 incorporation is supplied by new 15 Pa.C.S. § 133(e).

28 15 Pa.C.S. § 1309: Derived from act of May 5, 1933 (P.L.364,
29 No.106), § 207 (15 P.S. § 1207). Patterned after 15 Pa.C.S. §
30 7319. Reference to subscribers automatically becoming

1 shareholders is omitted. Subscribers, however, are shareholders
2 under the definition of the latter term in 15 Pa.C.S. § 1103.
3 Reference to effective date specified in the articles is new
4 (see new 15 Pa.C.S. § 1306(a)(7)).

5 15 Pa.C.S. § 1310: Subsections (a) and (b) are derived from
6 act of May 5, 1933 (P.L.364, No.106), § 210 (15 P.S. § 1210).
7 The last sentences of subsections (a) and (b) and all of
8 subsection (c) are new. Patterned after 15 Pa.C.S. § 7320. As to
9 subsection (a), see section 302(2) of the act of , 1988
10 (P.L. , No.), known as the Corporation Act of 1988 (15
11 Pa.C.S. §). In subsection (b) the number of persons required
12 to call a meeting is reduced to any one director or
13 incorporator. .

14 15 Pa.C.S. § 1311: Generalization of act of July 9, 1970
15 (P.L.461, No.160), § 4(d) (15 P.S. § 2904(d)). Patterned after
16 15 Pa.C.S. § 7321. The last sentence of subsection (a)(4) and
17 subsections (b) and (c) are new. The designation of the document
18 is changed from "certificate" to "statement." Execution of the
19 statement of summary of record is governed by new 15 Pa.C.S. §
20 1108.

21 15 Pa.C.S. § 1341: Patterned in part after Delaware General
22 Corporation Law § 312.

23 15 Pa.C.S. § 1501: Derived from act of May 5, 1933 (P.L.364,
24 No.106), § 301 (15 P.S. § 1301). Patterned after 15 Pa.C.S. §
25 7501. The limitation on corporate capacity to acts necessary to
26 accomplish the corporation's purposes is omitted as obsolete
27 (cf. new 15 Pa.C.S. § 1301).

28 15 Pa.C.S. § 1502: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §§ 302, 314, 315, 316 and 613B (15 P.S. §§ 1302, 1314,
30 1315, 1316 and 1613B). Patterned after 15 Pa.C.S. § 7502.

1 Subsection (a)(1) is patterned in part after Revised Model
2 Business Corporation Act § 3.02 (1984). References to "evidences
3 of indebtedness" are supplied by the definition of "obligation"
4 in new 15 Pa.C.S. § 1103. The limitations in former paragraph
5 302(8) on the consideration receivable for the issuance of debt
6 obligations are omitted as obsolete, and those on the
7 reacquisition of shares are supplied by new 15 Pa.C.S. § 1551.
8 The power to make, alter, amend and repeal bylaws appears in new
9 15 Pa.C.S. § 1504. Subsection (a)(5) is patterned in part after
10 Revised Model Business Corporation Act § 3.02(6) (1984).
11 Subsection (a)(9) is patterned in general after Revised Model
12 Business Corporation Act § 3.02(13) and (15) (1984). Subsection
13 (a)(14) is patterned in part after Revised Model Business
14 Corporation Act § 3.02(12) (1984). The express statement in
15 subsection (a)(16) of the power to lend money and credit to
16 representatives of the corporation is patterned after Revised
17 Model Business Corporation Act § 3.02(11) (1984). The power to
18 dissolve and wind up appears in new 15 Pa.C.S. §§ 1971 and 1972.
19 The first sentence of the final paragraph of former section 302
20 is omitted as obsolete. Former section 613B is supplied by new
21 subsection (a)(15) and (16), the general principles of agency
22 incorporated by new 15 Pa.C.S. § 110 and new 15 Pa.C.S. § 1508.

23 15 Pa.C.S. § 1503: Derived from act of May 5, 1933 (P.L.364,
24 No.106), § 303 (15 P.S. § 1303). Patterned after 15 Pa.C.S. §
25 7503. Subsection (a) expanded to include limitations on the
26 business, purpose or powers of the corporation contained in the
27 bylaws. Subsection (b) expanded to include conveyances or
28 transfers made by employees or agents.

29 15 Pa.C.S. § 1504: The first three sentences of subsection
30 (a) and subsection (d) are derived from act of May 5, 1933

1 (P.L.364, No.106), § 304 (15 P.S. § 1304). The balance of
2 subsection (a) and subsections (b) and (c) are new. Requirement
3 that notice be given that a purpose of a meeting is to change
4 the bylaws has been limited to meetings of the shareholders.
5 Patterned after 15 Pa.C.S. § 7504. As to subsection (c), see
6 section 302(2) of the act of , 1988 (P.L. , No.),
7 known as the Corporation Act of 1988 (15 P.S. §).

8 15 Pa.C.S. § 1505: Reenactment of act of May 5, 1933
9 (P.L.364, No.106), § 305 (first sentence) (15 P.S. § 1305 (first
10 sentence)) as modified by Act No. 1986-145. Patterned after 15
11 Pa.C.S. § 7505.

12 15 Pa.C.S. § 1506: Derived from act of May 5, 1933 (P.L.364,
13 No.106), § 305 (except first sentence) (15 P.S. § 1305 (except
14 first sentence)). Patterned after 15 Pa.C.S. § 7506. Subsection
15 (a) is extended to execution by one or more officers or agents
16 having actual or apparent authority. In subsection (b) the
17 exception relating to inconsistent statutes is omitted (cf. new
18 15 Pa.C.S. § 1108).

19 15 Pa.C.S. § 1507: Subsections (a) and (b) are derived from
20 act of May 5, 1933 (P.L.364, No.106), §§ 306 and 307 (15 P.S. §§
21 1306 and 1307), and are patterned after 15 Pa.C.S. § 7507. The
22 second sentence of former section 306 is supplied by new 15
23 Pa.C.S. § 1306(a)(2). Requirement of an absolute majority vote
24 of the board of directors to change the registered office is
25 supplied by new 15 Pa.C.S. § 1727. The reference in subsection
26 (b) to change of registered office by amendment of the articles
27 has been added. Execution of the statement of change of
28 registered office is governed by new 15 Pa.C.S. § 1108. The
29 final paragraph of former section 307 is supplied by new 15
30 Pa.C.S. § 136(c). Subsections (c) and (d) are new.

1 15 Pa.C.S. § 1508: Derived from act of May 5, 1933 (P.L.364,
2 No.106), § 308 (15 P.S. § 1308). Patterned after 15 Pa.C.S. §
3 7508. Specific reference to text of the bylaws, and requirement
4 that corporate records, other than the share register, be kept
5 at the registered office or principal place of business of the
6 corporation, are omitted. The last sentence of subsection (a) is
7 patterned after Revised Model Business Corporation Act §
8 16.01(d) (1984) (see also N.J.S.A. § 14A:5-28(1)). The reference
9 in prior law to venue is supplied by the definition of "court"
10 in new 15 Pa.C.S. § 1103. See also new 15 Pa.C.S. § 1554.

11 15 Pa.C.S. § 1509: Derived from act of May 5, 1933 (P.L.364,
12 No.106), § 321 (15 P.S. § 1321). Regular bylaws may restrict
13 the adoption of emergency bylaws, and offices of the corporation
14 may be changed. Subsection (a) is patterned in part after
15 Revised Model Business Corporation Act § 3.03(d) (1984).
16 Subsection (c)(2) is patterned after the last sentence of Model
17 Business Corporation Act § 27A, last paragraph (1971) (see also
18 N.J.S.A. § 14A:2-10(7)).

19 15 Pa.C.S. § 1510: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 313 (15 P.S. § 1313). Patterned after 15 Pa.C.S. §
21 7544. The general reference to the lawful rate of interest
22 (rather than 6%) is added. The reference in subsection (a) to
23 finance, service and default charges and subsection (b) are
24 intended, inter alia, to make clear that the policy of this
25 section applies to installment sale contracts subject to the act
26 of June 28, 1947 (P.L.1110, No.476), known as the Motor Vehicle
27 Sales Finance Act (69 P.S. §§ 601 et seq.) and all other
28 economic regulation of interest paid or incurred by bona fide
29 corporations.

30 15 Pa.C.S. § 1511: Derived from act of May 5, 1933 (P.L.364,

1 No.106), § 322 (15 P.S. § 1322), and the act of November 26,
2 1978 (P.L.1375, No.325), § 15 (32 P.S. § 693.15), as
3 supplemented as to oxygen or nitrogen pipeline transportation by
4 the act of November 18, 1968 (P.L.1050, No.321), § 2 (15 P.S. §
5 4382). Reference in subsection (e) to "other statutes"
6 eliminated as obsolete. Reference in subsection (f) to
7 "agricultural" based on act of June 30, 1981 (P.L.128, No.43), §
8 13 (3 P.S. § 913). Subsection (g)(2) is derived from act of
9 April 29, 1874 (P.L.73, No.32), § 41 (15 P.S. §§ 3021-3) and act
10 of April 17, 1929 (P.L.531, No.234) §§ 1 and 2 (15 P.S. §§ 115
11 and 116) (see 40 P.S. §§ 831 and 835). The distance in
12 subsection (b)(1)(i) is converted from 300 feet to 100 meters.
13 The Eminent Domain Code procedure is made available as an
14 alternative to the "lines" condemnation procedure of the
15 Corporation Act of 1874 as to electric, gas, oil and petroleum
16 products condemnations, and as a substitute for the 1874 Act
17 procedure in the case of water, telephone and telegraph
18 condemnations.

19 15 Pa.C.S. § 1521: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 601 (15 P.S. § 1601). The fourth sentence of former
21 section 601 is omitted. Whether or not a class vote will be
22 available to a series of shares will depend on the substantive
23 effect of any particular fundamental transaction on the series.
24 The penultimate sentence of former section 601 is omitted in
25 light of 15 Pa.C.S. § 1721(a). The last sentence of former
26 section 601 is omitted as redundant. The last sentence of
27 subsection (a) is patterned after New York Business Corporation
28 Law § 803(b). Subsection (b)(1) is new and, except for the
29 second sentence of subsection (b)(1)(i), is patterned after
30 Revised Model Business Corporation Act § 6.01(c) (1984). The

1 second sentence of subsection (b)(1)(i) is substantially a
2 reenactment of act of May 5, 1933 (P.L.364, No.106), § 701A
3 (second sentence) (15 P.S. § 1701A (second sentence)). See also
4 new 15 Pa.C.S. § 1906. Subsection (b)(2) is new (cf. similar
5 provisions added in new 15 Pa.C.S. Ch.19). The first sentence of
6 subsection (b)(3) is intended as a codification of existing law.
7 West Chester and Philadelphia R.R. Co. v. Jackson, 77 Pa. 321
8 (1875) (dividends); Warren v. Queen & Co., 240 Pa. 154, 87 At.
9 595 (1913) (redemption). Subsection (c) is new (cf. new 15
10 Pa.C.S § 1504(b)).

11 15 Pa.C.S. § 1522: Derived from act of May 5, 1933 (P.L.364,
12 No.106), § 602 (15 P.S. § 1602). Patterned after N.J.S.A. §
13 14A:7-2. See new 15 Pa.C.S. § 1914(c). Execution of the
14 statement with respect to shares is governed by new 15 Pa.C.S. §
15 1108. Subsections (c)(5) and (e) are new.

16 15 Pa.C.S. § 1523: Derived from act of May 5, 1933 (P.L.364,
17 No.106), § 603 (15 P.S. § 1603). Provisions on the payment of
18 subscriptions are supplied by new 15 Pa.C.S. § 1524. Reference
19 to treasury shares omitted since the sale or other disposition
20 of treasury shares is included in the definition of "issue" in
21 15 Pa.C.S. § 1103 and is therefore covered by this section.
22 Under new 15 Pa.C.S. § 1524(c), all shares are deemed fully
23 paid. Former subsections B and C are omitted as obsolete.

24 15 Pa.C.S. § 1524: Subsections (a) and (c) are derived from
25 act of May 5, 1933 (P.L.364, No.106), §§ 604, 605, 606 and 610
26 (15 P.S. §§ 1604, 1605, 1606 and 1610). The references to future
27 services or the note or obligation of a shareholder as good
28 consideration are new. Calls on shares are abolished and all
29 shares are deemed fully paid, except against the subscriber, but
30 shares may be assessable only if and to the extent provided by a

1 regulatory law. Subsection (b) is derived from act of May 5,
2 1933 (P.L.364, No.106), § 702.1 (15 P.S. § 1702.1). Subsection
3 (d) is new (cf. the definitions of "shareholder" and
4 "subscriber" in new 15 Pa.C.S. § 1103). Subsection (e) is new.

5 15 Pa.C.S. § 1525: Subsections (a), (b) and (c) reenactment
6 of act of May 5, 1933 (P.L.364, No.106), § 611A (except
7 clause(2)), D and E (15 P.S. § 1611A, D and E). Subsections (d)
8 and (e) derived from act of May 5, 1933 (P.L.364, No.106), § 612
9 (15 P.S. § 1612).

10 15 Pa.C.S. § 1526: Derived from act of May 5, 1933 (P.L.364,
11 No.106), § 609 (first sentence) (15 P.S. § 1609 (first
12 sentence)). The balance of former section 609 is omitted as
13 obsolete.

14 15 Pa.C.S. § 1527: Derived from act of May 5, 1933 (P.L.364,
15 No.106), § 608 (15 P.S. § 1608). Provision for uncertificated
16 fractions of a share has been added (cf. new 15 Pa.C.S. §
17 1528(f)). Subsection (a) is patterned after Delaware General
18 Corporation Law § 155 (first three sentences). Reference to
19 "fair value" in subsection (a)(2) is not intended to imply that
20 the procedures of new Subchapter 15D are available since fair
21 value is to be determined in the manner provided in the plan,
22 amendment or resolution of the board providing for the creation
23 of the fractional interests, but it is intended that the
24 standard for fair value in new 15 Pa.C.S. § 1572 will apply.
25 Subsection (b) is substantially a reenactment of the last
26 sentence of former section 608. See 15 Pa.C.S. § 1502(c).

27 15 Pa.C.S. § 1528: Subsection (a) is new. Subsections (b) -
28 (e) are derived from act of May 5, 1933 (P.L.364, No.106), § 607
29 (15 P.S. § 1607). Former subsection A(4) and former subsection C
30 are omitted as obsolete. Reference to voting rights in

1 subsection (d) and the use of any form of execution of a share
2 certificate in subsection (e) are new. Subsection (f) is
3 patterned after Revised Model Business Corporation Act §§
4 6.25(a) and 6.26 (1984).

5 15 Pa.C.S. § 1529: Derived from act of May 5, 1933 (P.L.364,
6 No.106), §§ 613A and 613.1 (15 P.S. §§ 1613A and 1613.1).
7 Provisions regarding uncertificated securities in subsection (f)
8 are new (cf. new 15 Pa.C.S. § 1528(f)).

9 15 Pa.C.S. § 1530: Substantially a reenactment of act of May
10 5, 1933 (P.L.364, No.106), § 611A(2), B and C (15 P.S. §
11 1611A(2), B and C).

12 15 Pa.C.S. § 1531: Derived from act of May 5, 1933 (P.L.364,
13 No.106), § 309.1 (15 P.S. § 1309.1). Patterned after 15 Pa.C.S.
14 § 7768. See new 15 Pa.C.S. § 1725(b).

15 15 Pa.C.S. § 1532: Substantially a reenactment of act of May
16 5, 1933 (P.L.364, No.106), § 615 (15 P.S. § 1615), except that
17 the applicability to divisions is new (cf. new 15 Pa.C.S.
18 Ch.19D).

19 15 Pa.C.S. § 1551: Patterned in part after Revised Model
20 Business Corporation Act § 6.40 (1984). Subsection (e) patterned
21 after Revised Model Business Corporation Act § 6.40(g) (1987).
22 Compare act of May 5, 1933 (P.L.364, No.106), §§ 702 and 703 (15
23 P.S. §§ 1702 and 1703). Subsections (c) and (d) are intended to
24 overrule In re Trimble Co., 339 F.2d 838 (3d Cir. 1964).

25 15 Pa.C.S. § 1552: Patterned in part after Revised Model
26 Business Corporation Act § 6.31 (1984), Compare act of May 5,
27 1933 (P.L.364, No.106), §§ 701, 708 and 709 (15 P.S. §§ 1701,
28 1708 and 1709).

29 15 Pa.C.S. § 1553: Derived from act of May 5, 1933 (P.L.364,
30 No.106), § 707 (15 P.S. § 1707) and Act No. 1986-145. Patterned

1 in part after Revised Model Business Corporation Act § 8.33
2 (1984), except that a restriction on the declaration of
3 distributions by the directors may be contained in the bylaws.

4 15 Pa.C.S. § 1554: Subsection (a) is derived from act of May
5 5, 1933 (P.L.364, No.106), § 318 (15 P.S. § 1318); and is
6 patterned in part after Revised Model Business Corporation Act §
7 16.20 (1984). Subsections (b), (c) and (d) are new.

8 15 Pa.C.S. § 1571: Derived from act of May 5, 1933 (P.L.364,
9 No.106), §§ 311F and 515A, L and M (15 P.S. §§ 1311F and 1515A,
10 L and M). Subsection (a) is patterned in part after Model
11 Business Corporation Act § 80(a) (1978). Subsection (b)(1)
12 reflects the expansion of the exclusion in the Delaware General
13 Corporation Law to cover all national securities exchanges and
14 to reduce the number of shareholders from 2,500 to 2,000. See
15 Delaware General Corporation Law § 262(b)(1). Subsection (b)(3)
16 is broadened to eliminate dissenters rights on all "de facto
17 merger" purchases of shares, property or assets and is intended
18 to overrule footnote seven of Terry v. Penn Central Corp., 668
19 F.2d 188, 194 (3rd Cir. 1981) (see new 15 Pa.C.S. § 1904).

20 15 Pa.C.S. § 1572: Patterned after Model Business
21 Corporation Act § 81(a) (1978). The reference to consideration
22 of all relevant factors in the definition of "fair value" is
23 patterned after Delaware General Corporation Law § 262(h), and
24 is intended as a codification of Weinberger v. UOP, Inc., 457
25 A.2d 701 (Del. 1983). The definition of "interest" is patterned
26 after Delaware General Corporation Law § 262(h).

27 15 Pa.C.S. § 1573: Derived from act of May 5, 1933 (P.L.364,
28 No.106), § 515B (fourth sentence) (15 P.S. § 1515B (fourth
29 sentence)). Patterned after Model Business Corporation Act §
30 80(b) (1978).

1 15 Pa.C.S. § 1574: Derived from act of May 5, 1933 (P.L.364,
2 No.106), § 515B (15 P.S. § 1515B). Patterned in part after Model
3 Business Corporation Act § 81(c) (1980).

4 15 Pa.C.S. § 1575: Patterned after Model Business
5 Corporation Act § 81(d) (1978).

6 15 Pa.C.S. § 1576: Derived from act of May 5, 1933 (P.L.364,
7 No.106), § 515I (15 P.S. § 1515I). Patterned after Model
8 Business Corporation Act § 81(e) (1978).

9 15 Pa.C.S. § 1577: Derived from act of May 5, 1933 (P.L.364,
10 No.106), § 515D, E and I (15 P.S. § 1515D, E and I). Patterned
11 in part after Model Business Corporation Act § 81(f) (1978) and
12 Delaware General Corporation Law § 262.

13 15 Pa.C.S. § 1578: Patterned in part after Model Business
14 Corporation Act § 81(g) (1978).

15 15 Pa.C.S. § 1579: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §§ 515C, F and G (15 P.S. §§ 1515C, F and G). Patterned
17 in part after Model Business Corporation Act § 81(h) (1978).

18 15 Pa.C.S. § 1580: Derived from act of May 5, 1933 (P.L.364,
19 No.106), § 515H (15 P.S. § 1515H) and 42 Pa.C.S. § 2503.
20 Patterned after Model Business Corporation Act § 81(i) (1978).

21 15 Pa.C.S. § 1701: Patterned after 15 Pa.C.S. § 7701.

22 15 Pa.C.S. § 1702: Derived from act of May 5, 1933 (P.L.364,
23 No.106), §§ 8A, 404 (last sentence) and 502 (last sentence) (15
24 P.S. §§ 1008A, 1404 (last sentence) and 1502 (last sentence)).
25 Patterned after 15 Pa.C.S. § 7702. The last clause of subsection
26 (b) is patterned in part after Delaware General Corporation Law
27 § 222(c).

28 15 Pa.C.S. § 1703: Substantially a reenactment of act of May
29 5, 1933 (P.L.364, No.106), §§ 402(4) and 404 (except last
30 sentence) (15 P.S. §§ 1402(4) and 1404 (except last sentence)).

1 Patterned after 15 Pa.C.S. § 7704.

2 15 Pa.C.S. § 1704: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§ 8A (last sentence), 501A, 501C (except first
4 sentence) and 502 (first sentence) (15 P.S. §§ 1008A (last
5 sentence), 1501A, 1501C (except first sentence) and 1502 (first
6 sentence)). Patterned after 15 Pa.C.S. § 7705.

7 15 Pa.C.S. § 1705: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), § 8B and C (15 P.S. § 1008B and C).
9 Patterned after 15 Pa.C.S. § 7706. Reference to attendance by
10 proxy appears in new 15 Pa.C.S. § 1759(a)(2). The requirement in
11 subsection (b) that objection be made at the beginning of the
12 meeting is new.

13 15 Pa.C.S. § 1706: Derived from act of May 5, 1933 (P.L.364,
14 No.106), § 8D (15 P.S. § 1008D). Patterned after 15 Pa.C.S. §
15 7707.

16 15 Pa.C.S. § 1707: Subsection (a) is patterned after 15
17 Pa.C.S. § 7708. Subsection (b) is new.

18 15 Pa.C.S. § 1708: Derived from act of May 5, 1933 (P.L.364,
19 No.106), § 8E (15 P.S. § 1008E). The reference in section 8E to
20 committees of the board has been deleted in light of new 15
21 Pa.C.S. § 1731(c). Patterned after 15 Pa.C.S. § 7709. The
22 requirement of an enabling bylaw provision is omitted.

23 15 Pa.C.S. § 1721: Subsection (a) is derived from act of May
24 5, 1933 (P.L.364, No.106), § 401 (first sentence) (15 P.S. §
25 1401 (first sentence)), and patterned after Revised Model
26 Business Corporation Act § 8.01 (b) (1984). Subsections (b), (c)
27 and (d) are a reenactment (as to business corporations) of 42
28 Pa.C.S. § 8363. Subsection (e) is substantially a reenactment
29 (as to business corporations) of 42 Pa.C.S. § 8364. Subsection
30 (f) is patterned after Revised Model Business Corporation Act §§

1 8.24(d) and 8.30 (1984).

2 15 Pa.C.S. § 1722: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§ 401 (first sentence) and 402 (first sentence) (15
4 P.S. §§ 1401 (first sentence) and 1402 (first sentence)).

5 Patterned after 15 Pa.C.S. § 7722.

6 15 Pa.C.S. § 1723: Derived from act of May 5, 1933 (P.L.364,
7 No.106), § 402 (second sentence and paragraph (2)) (15 P.S. §
8 1402 (second sentence and paragraph (2))). Patterned after 15
9 Pa.C.S. § 7723. The requirement of a minimum size of the board
10 is omitted.

11 15 Pa.C.S. § 1724: Derived from act of May 5, 1933 (P.L.364,
12 No.106), §§ 401 (second sentence), 402(1) and 403 (except first
13 and last sentences) (15 P.S. §§ 1401 (second sentence), 1402(1)
14 and 1403 (except first and last sentences)). Patterned after 15
15 Pa.C.S. § 7724. The restrictions that the first directors may
16 serve only until the first annual meeting and that members of a
17 class of directors shall not be elected for a period shorter
18 than one year are omitted. The last sentence of subsection (a)
19 is patterned after Revised Model Business Corporation Act §
20 8.05(c) (1984).

21 15 Pa.C.S. § 1725: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §§ 401 (third sentence), 402 (first sentence), 402(3)
23 and 403 (first sentence) (15 P.S. §§ 1401 (third sentence), 1402
24 (first sentence), 1402(3) and 1403 (first sentence)). Patterned
25 after 15 Pa.C.S. § 7725. The reference to a sole remaining
26 director in subsection (b)(1)(i) is new. The last clause of
27 subsection (b)(1)(i) reverses the prior law. Subsection
28 (b)(1)(ii) and subsections (c) and (d) are new. Subsection
29 (b)(2) is patterned after Delaware General Corporation Law §
30 223(b).

1 15 Pa.C.S. § 1726: Derived from act of May 5, 1933 (P.L.364,
2 No.106), § 405 (15 P.S. § 1405). Patterned after 15 Pa.C.S. §
3 7726. The introductory clauses of subsections (a)(1) and (b) and
4 all of subsection (a)(2) and (4) are added. Provision in
5 subsection (a)(1) that directors may be removed by vote of the
6 class or series of shares entitled to elect them is patterned
7 after Delaware General Corporation Law § 141(k). See also Md.
8 Corps. and Ass'ns Code Ann. § 2-406(b). The last sentence of
9 subsection (a)(1) is patterned after Delaware General
10 Corporation Law § 141(k)(i). In subsection (b) conviction of a
11 crime punishable by imprisonment for more than one year is
12 substituted for conviction of a felony (cf. 18 Pa.C.S. § 106),
13 and a requirement for cause specified in the bylaws is added. In
14 subsection (c) the references to petition by a director and to
15 removal for other proper cause are new. The last clause of
16 subsection (c) substitutes for the prior requirement that a
17 petitioning shareholder hold at least a 10% stock interest. The
18 reference in prior law to venue is supplied by the definition of
19 "court" in new 15 Pa.C.S. § 1103. Subsection (d) is patterned
20 after N.J.S.A. § 14A:6-6(5).

21 15 Pa.C.S. § 1727: Derived from act of May 5, 1933 (P.L.364,
22 No.106), § 402(5) and 402(7) (15 P.S. § 1402(5) and (7)).
23 Patterned after 15 Pa.C.S. § 7727. The introductory clauses of
24 subsections (a) and (b) are added. The words "and voting" in
25 subsection (a) are added. The reference in subsection (b) to
26 consents prior or subsequent to an action is added. The
27 reference to action by a committee of the board appears in new
28 15 Pa.C.S. § 1731(c).

29 15 Pa.C.S. § 1728: Subsections (a) and (b) are substantially
30 a reenactment of act of May 5, 1933 (P.L.364, No.106), § 409.1

1 (15 P.S. § 1409.1), and are patterned after 15 Pa.C.S. § 7728(a)
2 and (b), except that the reference in subsection (a) to an
3 "other" interest is added, and the voting procedure in
4 subsection (a)(1) is clarified. The standard of conduct for the
5 board appears in new 15 Pa.C.S. § 1721(b). Subsection (c) is
6 patterned after 15 Pa.C.S. § 7728(c).

7 15 Pa.C.S. § 1729: Patterned after 15 Pa.C.S. § 7729.

8 15 Pa.C.S. § 1730: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), § 401 (penultimate and last
10 sentences) (15 P.S. § 1401 (penultimate and last sentences)).
11 Patterned after 15 Pa.C.S. § 7730.

12 15 Pa.C.S. § 1731: Subsection (a) is derived from act of May
13 5, 1933 (P.L.364, No.106), § 402(6) (15 P.S. § 1402(6)), and is
14 patterned after 15 Pa.C.S. § 7731(a). The requirement that
15 committees must be established by at least the specified
16 majority of the directors is added. The restrictions in
17 subsection (a)(1) are added. Subsection (b) is patterned after
18 15 Pa.C.S. § 7731(b). Subsection (c) is patterned after the
19 penultimate and last sentences of the definition of "board of
20 directors" in 15 Pa.C.S. § 7103.

21 15 Pa.C.S. § 1732: Derived from act of May 5, 1933 (P.L.364,
22 No.106), §§ 406 and 408 (15 P.S. §§ 1406 and 1408). Patterned
23 after 15 Pa.C.S. § 7732. The requirement that a corporation have
24 a president, secretary and treasurer, by name, is omitted. The
25 reference in the sixth sentence of subsection (a) to election or
26 appointment in a manner or for a term fixed pursuant to the
27 bylaws is added. The seventh, eighth and ninth sentences of
28 subsection (a) are new. The powers of the board of directors to
29 elect and fix the compensation of officers and fill vacancies
30 appear in new 15 Pa.C.S. § 1502(a)(16).

1 15 Pa.C.S. § 1733: Derived from act of May 5, 1933 (P.L.364,
2 No.106), § 407 (15 P.S. § 1407). Patterned after 15 Pa.C.S. §
3 7733. The standard of conduct of the board of directors appears
4 in 42 Pa.C.S. § 8363 and new 15 Pa.C.S. § 1721. The last two
5 sentences are patterned after Revised Model Business Corporation
6 Act § 8.44 (1984).

7 15 Pa.C.S. § 1741: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), § 410A (15 P.S. § 1410A), except that
9 the introductory clause is new (but see new 15 Pa.C.S. § 1743).
10 Patterned after 15 Pa.C.S. § 7741.

11 15 Pa.C.S. § 1742: Substantially a reenactment of act of May
12 5, 1933 (P.L.364, No.106), § 410B (15 P.S. § 1410B), except that
13 the introductory clause is new (but see new 15 Pa.C.S. § 1743).
14 Patterned after 15 Pa.C.S. § 7742.

15 15 Pa.C.S. § 1743: Reenactment of act of May 5, 1933
16 (P.L.364, No.106), § 410C (15 P.S. § 1410C). Patterned after 15
17 Pa.C.S. § 7743.

18 15 Pa.C.S. § 1744: Substantially a reenactment of act of May
19 5, 1933 (P.L.364, No.106), § 410D (15 P.S. § 1410D). Patterned
20 after 15 Pa.C.S. § 7744.

21 15 Pa.C.S. § 1745: Reenactment (as to business corporations)
22 of 42 Pa.C.S. § 8365(d). The determination to advance expenses
23 may be made by the board, subject to the generally applicable
24 standard of care (see 42 Pa.C.S. § 8363 and new 15 Pa.C.S. §
25 1721).

26 15 Pa.C.S. § 1746: Substantially a reenactment (as to
27 business corporations) of 42 Pa.C.S. § 8365(a), (b) and (c).

28 15 Pa.C.S. § 1747: Derived from act of May 5, 1933 (P.L.364,
29 No.106), § 410G (15 P.S. § 1410G). Patterned after 15 Pa.C.S. §
30 7747. The introductory clause is new. The final sentence is

1 intended to overrule Nationwide Mutual Ins. Co. v. Hassinger,
2 325 Pa. Super. 484, 473 A.2d 171 (1984), insofar as it relates
3 to the purchase and maintenance of insurance coverage under this
4 section against intentional acts.

5 15 Pa.C.S. § 1748: Patterned after 15 Pa.C.S. § 7748.

6 15 Pa.C.S. § 1749: Patterned after Delaware General
7 Corporation Law § 145(i).

8 15 Pa.C.S. § 1750: Substantially a reenactment (as to
9 business corporations) of 42 Pa.C.S. § 8365(e). See also act of
10 May 5, 1933 (P.L.364, No.106), § 410F (15 P.S. § 1410F).

11 15 Pa.C.S. § 1755: Derived from act of May 5, 1933 (P.L.364,
12 No.106), § 501B, C and D (15 P.S. § 1501B, C and D). Patterned
13 after 15 Pa.C.S. § 7755. The right of a shareholder to call the
14 annual meeting as set forth in the text is substituted for the
15 right to call the meeting during the next calendar year. The
16 right of the president to call a special meeting is omitted.
17 Requirements on notice of special meetings appear in new 15
18 Pa.C.S. § 1704(b).

19 15 Pa.C.S. § 1756: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 503A (15 P.S. § 1503A). Patterned in part after 15
21 Pa.C.S. § 7756. Subsection (b)(2) is added.

22 15 Pa.C.S. § 1757: Subsections (a) and (b) are derived from
23 act of May 5, 1933 (P.L.364, No.106), § 503A(1) and B (15 P.S. §
24 1503A(1) and B), and are patterned after 15 Pa.C.S. § 7757.
25 Subsection (c) is new. As to subsection (a), see section 302(2)
26 of the act of , 1988 (P.L. , No.), known as the
27 Corporation Act of 1988 (15 P.S. §).

28 15 Pa.C.S. § 1758: Derived from act of May 5, 1933 (P.L.364,
29 No.106), §§ 403 (last sentence), 504A (first sentence), 504B and
30 505 (15 P.S. § 1403 (last sentence), 1504A (first sentence),

1 1504B and 1505). Patterned in part after 15 Pa.C.S. § 7758. The
2 last sentence of subsection (a) is intended as a codification of
3 existing law. Detwiler v. Commonwealth ex rel. Dickinson, 131
4 Pa. 614, 18 At. 990 (1890); Providence & Worcester Co. v. Baker,
5 378 A.2d 121, 3 ALR4th 1198 (Del. 1977). Compare, e.g., act of
6 June 16, 1836 (P.L.799, No.193), § 3 and act of April 7, 1849
7 (P.L.563, No.368), § 4, which mandated such provisions. The
8 provision of prior law prohibiting a statutory close corporation
9 from varying the statutory cumulative voting rights has been
10 omitted. The provision of prior law relating to sale of votes
11 has been omitted as uncertain and inappropriate in the context
12 of a modern corporation for profit.

13 15 Pa.C.S. § 1759: Derived from act of May 5, 1933 (P.L.364,
14 No.106), § 504A (15 P.S. § 1504A). Patterned in part after 15
15 Pa.C.S. § 7759. Durational limits on proxies eliminated. See
16 Delaware General Corporation Law § 212. The reference in
17 subsection (b) to written notice of revocation of a proxy is
18 new.

19 15 Pa.C.S. § 1760: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 506 (15 P.S. § 1506). See new 15 Pa.C.S. § 1759 as to
21 proxy voting.

22 15 Pa.C.S. § 1761: Substantially a reenactment of act of May
23 5, 1933 (P.L.364, No.106), § 507 (15 P.S. § 1507).

24 15 Pa.C.S. § 1762: Subsections (a) and (b) are derived from
25 act of May 5, 1933 (P.L.364, No.106), § 508 (15 P.S. § 1508),
26 and are patterned after 15 Pa.C.S. § 7760. Provision on voting
27 treasury shares is omitted and subsection (c) is added in view
28 of the elimination of references to treasury shares (cf. new 15
29 Pa.C.S. § 1552). As to subsection (c), see section 302(2) of the
30 act of _____, 1988 (P.L. _____, No. _____), known as the

1 Corporation Act of 1988 (15 P.S. §).

2 15 Pa.C.S. § 1763: Subsection (a) is derived from act of May
3 5, 1933 (P.L.364, No.106), § 509 (15 P.S. § 1509), and is
4 patterned after 15 Pa.C.S. § 7761(a). The concept of the closing
5 of the transfer books is omitted as obsolete. The introductory
6 clause of subsection (a) is added and the maximum record date
7 period is extended. The last sentence of subsection (a) is
8 patterned after Delaware General Corporation Law § 213(c).
9 Subsection (b) is patterned after 15 Pa.C.S. § 7761(b) and
10 Delaware General Corporation Law § 213(b). Subsection (c) is
11 patterned after the definition of "shareholder" in Model
12 Business Corporation Act § 2(f) (1973).

13 15 Pa.C.S. § 1764: Derived from act of May 5, 1933 (P.L.364,
14 No.106), § 510 (15 P.S. § 1510). Subsection (a) is patterned in
15 part after Model Business Corporation Act § 31, first paragraph
16 (1971). The first sentence of subsection (b) is patterned after
17 N.J.S.A. § 14A:5-8(2) (last sentence). See new 15 Pa.C.S. § 1759
18 as to voting by proxy.

19 15 Pa.C.S. § 1765: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 512 (15 P.S. § 1512). Patterned after 15 Pa.C.S. §
21 7762. Required vote for shareholder action appears in new 15
22 Pa.C.S. § 1757(a) and reference to attendance by proxy appears
23 in new 15 Pa.C.S. § 1759.

24 15 Pa.C.S. § 1766: Derived from act of May 5, 1933 (P.L.364,
25 No.106), § 513 (15 P.S. § 1513). Patterned after 15 Pa.C.S. §
26 7763. The reference in subsection (a) to consents prior or
27 subsequent to action is added. Subsection (b) is patterned after
28 Delaware General Corporation Law § 228 and N.J.S.A. § 14A:5-
29 6(2). The reference to authorization in the bylaws is added. See
30 Section 302(2) of the act of , 1988 (P.L. , No.),

1 known as the Corporation Act of 1988 (15 P.S. §).

2 15 Pa.C.S. § 1767: Derived from act of May 5, 1933 (P.L.364,
3 No.106), § 513.1 (15 P.S. § 1513.1). Patterned after 15 Pa.C.S.
4 § 7764. Subsection (a)(2) is patterned in part after N.J.S.A. §
5 14A:12-7(1)(c). Subsection (b) is new. The reference in prior
6 law to venue is supplied by the definition of "court" in new 15
7 Pa.C.S. § 1103. As to the right of a custodian of a statutory
8 close corporation to liquidate notwithstanding subsection (c),
9 see new 15 Pa.C.S. § 2333(a)(2). See the definition of "officer"
10 in new 15 Pa.C.S. § 1103.

11 15 Pa.C.S. § 1768: Derived from act of May 5, 1933 (P.L.364,
12 No.106), § 511 (15 P.S. § 1511). It is intended that voting
13 trusts shall be limited, if at all, only by the Rule Against
14 Perpetuities or analogous considerations. Compare 20 Pa.C.S. §
15 6104.

16 15 Pa.C.S. § 1769: Patterned in part after N.J.S.A. § 14A:5-
17 22.

18 15 Pa.C.S. § 1770: Reenactment of act of May 5, 1933
19 (P.L.364, No.106), § 409.1C (15 P.S. § 1409.1C), as added by act
20 of December 23, 1983 (P.L.395, No.92), § 2.

21 15 Pa.C.S. § 1781: Derived from Zapata Corp. v. Maldonado,
22 430 A.2d 779 (Del. 1981).

23 15 Pa.C.S. § 1782: Derived from act of May 5, 1933 (P.L.364,
24 No.106), § 516 (15 Pa.C.S. § 1516). Patterned after 15 Pa.C.S. §
25 7765. The reference in prior law to voting trust certificates is
26 omitted in light of the extension of subsection (c) to
27 beneficial owners, and the \$50,000 threshold of prior law is
28 increased to the amount set forth in the text.

29 15 Pa.C.S. § 1791: Patterned after 15 Pa.C.S. § 7781.

30 15 Pa.C.S. § 1792: Patterned after 15 Pa.C.S. § 7782. See

1 Delaware General Corporation Law § 211(c).

2 15 Pa.C.S. § 1793: Patterned after 15 Pa.C.S. § 7783. See

3 new 15 Pa.C.S. § 1105.

4 15 Pa.C.S. § 1901: New. See Delaware General Corporation

5 Law § 251(c).

6 15 Pa.C.S. § 1902: New.

7 15 Pa.C.S. § 1903: Subsection (a) is a reenactment of act of

8 May 5, 1933 (P.L.364, No.106), § 319 (15 P.S. § 1319).

9 Subsection (b) is a generalization of act of May 5, 1933

10 (P.L.364, No.106), § 320 (15 P.S. § 1320).

11 15 Pa.C.S. § 1904: Generalization of act of November 10,

12 1959 (P.L.1406, No.502), title, and codification and expansion

13 to fundamental transactions generally of Terry v. Penn Central

14 Corp., 527 F.Supp. 118 (E.D. Pa. 1981), aff'd, 668 F.2d 188 (3rd

15 Cir. 1981). See new 15 Pa.C.S. § 1105.

16 15 Pa.C.S. § 1905: Generalization of act of May 5, 1933

17 (P.L.364, No.106), § 1102 (first sentence) (15 P.S. § 2102

18 (first sentence)).

19 15 Pa.C.S. § 1906: Derived from act of May 5, 1933 (P.L.364,

20 No.106), § 701A (second sentence) (15 P.S. § 1701A (second

21 sentence)).

22 15 Pa.C.S. § 1911: Substantially a reenactment of act of May

23 5, 1933 (P.L.364, No.106), § 801 (15 P.S. § 1801). Patterned

24 after 15 Pa.C.S. § 7901.

25 15 Pa.C.S. § 1912: Derived from act of May 5, 1933 (P.L.364,

26 No.106), § 802 (15 P.S. § 1802). Patterned after 15 Pa.C.S. §

27 7902. The introductory clauses of paragraph (a)(2) and the

28 penultimate sentence of subsection (a) and the last sentence of

29 subsection (a) are new. See Delaware General Corporation Law §

30 242(b)(1). The last sentence of subsection (b) is patterned in

1 part after Delaware General Corporation Law § 251(b) (last
2 sentence).

3 15 Pa.C.S. § 1913: Derived from act of May 5, 1933 (P.L.364,
4 No.106), § 803 (15 P.S. § 1803). Patterned after 15 Pa.C.S. §
5 7903. The requirement of minimum notice to shareholders appears
6 at new 15 Pa.C.S. § 1704(b).

7 15 Pa.C.S. § 1914: Derived from act of May 5, 1933 (P.L.364,
8 No.106), §§ 804 and 805 (15 P.S. §§ 1804 and 1805). Patterned
9 after 15 Pa.C.S. § 7904. The special voting rights requirements
10 of prior law relating to revocation of the authority of the
11 board to fix the relative rights and preferences of series and
12 on changes in the par value of shares are omitted. Subsection
13 (c) is patterned in part after Delaware General Corporation Law
14 § 241, and in part after Revised Model Business Corporation Act
15 § 10.02 (1984). The reference in subsection (c)(3)(ii) to a
16 split of shares is not intended to include a combination of
17 shares although such a combination is sometimes referred to as a
18 "reverse split." Compare new 15 Pa.C.S. § 1504(a).

19 15 Pa.C.S. § 1915: Derived from act of May 5, 1933 (P.L.364,
20 No.106), §§ 806 and 809 (15 P.S. §§ 1806 and 1809). Patterned
21 after 15 Pa.C.S. § 7905. Execution of the articles of amendment
22 is governed by new 15 Pa.C.S. § 1108. Former paragraphs (3), (4)
23 and (5) are supplied by new paragraph (4). Paragraph (6) is
24 patterned after Revised Model Business Corporation Act §
25 10.07(e) (1984).

26 15 Pa.C.S. § 1916: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §§ 808 and 809 (15 P.S. §§ 1808 and 1809). Patterned in
28 part after 15 Pa.C.S. § 7906. The requirement of prior law that
29 a certificate of amendment be issued is omitted (cf. new 15
30 Pa.C.S. § 133(e)). The limitation in prior law on attack on the

1 validity of an amendment of articles appears in new 15 Pa.C.S. §
2 138(c).

3 15 Pa.C.S. § 1921: Subsections (a) and (b) are substantially
4 a reenactment of act of May 5, 1933 (P.L.364, No.106), § 901 (15
5 P.S. § 1901), and are patterned after 15 Pa.C.S. § 7921. The
6 last clauses of subsections (a) and (b) are patterned after
7 Delaware General Corporation Law § 252(a). Subsection (c) is
8 patterned in general after Delaware General Corporation Law §
9 254. See the definitions of "shareholder" and "shares" in new 15
10 Pa.C.S. § 1103.

11 15 Pa.C.S. § 1922: Subsections (a) and (c) are derived from
12 act of May 5, 1933 (P.L.364, No.106), § 902A and B (first
13 sentence) (15 P.S. § 1902A and B (first sentence)), and are
14 patterned after 15 Pa.C.S. § 7922. The references in subsection
15 (a)(3) to "property or rights" are added. Provision with respect
16 to cash in lieu of the issuance of fractional shares appears in
17 new 15 Pa.C.S. § 1527. The last sentence of subsection (a) is
18 patterned after Delaware General Corporation Law § 251(b) (last
19 sentence). Subsection (b) is patterned after Delaware General
20 Corporation Law § 251(d) (last sentence). Subsection (d) is new.

21 15 Pa.C.S. § 1923: Derived from act of May 5, 1933 (P.L.364,
22 No.106), § 902B (except first sentence) (15 P.S. § 1902B (except
23 first sentence)). Patterned after 15 Pa.C.S. § 7923.

24 15 Pa.C.S. § 1924: Derived from act of May 5, 1933 (P.L.364,
25 No.106), §§ 902C and 902.1 (15 P.S. §§ 1902C and 1902.1).
26 Patterned after 15 Pa.C.S. § 7924. The introductory clause of
27 subsection (b)(1) is added. The 15% limitation of the prior law
28 is omitted. Subsection (b)(1)(i) is patterned in part after
29 Delaware General Corporation Law § 251(f). Subsection (b)(2) is
30 new. Subsection (b)(1)(ii) and subsection (b)(3) are patterned

1 in general after Delaware General Corporation Law § 253. The
2 provision of subsection (c) relating to termination of a plan of
3 merger or consolidation at any time prior to its effective date,
4 regardless of whether articles of merger or consolidation have
5 been filed, is new. Former subsection 902.1B appears in new 15
6 Pa.C.S. § 1926(4).

7 15 Pa.C.S. § 1925: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), § 902D (15 P.S. § 1902D). Patterned
9 after 15 Pa.C.S. § 7925.

10 15 Pa.C.S. § 1926: Derived from act of May 5, 1933 (P.L.364,
11 No.106), § 903 (15 P.S. § 1903). Patterned after 15 Pa.C.S. §
12 7926. Execution of the articles of merger or consolidation is
13 governed by new 15 Pa.C.S. § 1108.

14 15 Pa.C.S. § 1927: Derived from act of May 5, 1933 (P.L.364,
15 No.106), § 905 (15 P.S. § 1905). Patterned after 15 Pa.C.S. §
16 7927. The requirement of prior law that a certificate of merger
17 or consolidation be issued is omitted (cf. new 15 Pa.C.S. §
18 133(e)).

19 15 Pa.C.S. § 1928: Derived from act of May 5, 1933 (P.L.364,
20 No.106), § 906 (15 P.S. § 1906). Patterned after 15 Pa.C.S. §
21 7928. The limitation in prior law on attack on the validity of
22 the transaction appears in new 15 Pa.C.S. § 138(c).

23 15 Pa.C.S. § 1929: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), § 907 (15 P.S. § 1907). Patterned
25 after 15 Pa.C.S. § 7929. The last clause of the first sentence
26 of subsection (b) is intended as a codification of existing law
27 and is patterned after Revised Model Business Corporation Act §
28 11.06(a)(2) (1984) and N.J.S.A. § 14A:10-6(d). Provisions of
29 prior law to the effect that the liabilities of shareholders,
30 directors and officers and the rights of creditors cannot be

1 affected by a merger or consolidation are omitted.

2 15 Pa.C.S. § 1930: The first sentence of subsection (a) is
3 substantially a reenactment of act of May 5, 1933 (P.L.364,
4 No.106), § 908A (15 P.S. § 1908A). The second and third
5 sentences of subsection (a) are added. The subject matter of
6 former subsection 908B is supplied by new 15 Pa.C.S. §
7 1571(b)(3). Subsections (b) and (c) are new.

8 15 Pa.C.S. § 1931: New. Subsections (a) and (b) are
9 patterned in general after Revised Model Business Corporation
10 Act § 11.02 (1984).

11 15 Pa.C.S. § 1932: Derived from act of May 5, 1933 (P.L.364,
12 No.106), § 311A-E (15 P.S. § 1311A-E). The final two sentences
13 of former subsection 311A are supplied by new 15 Pa.C.S. Chs.
14 19F and 19G. The introductory clause of subsection (a)(2) is
15 added. The reference in subsection (b) to transactions involving
16 distributions or division is added. The requirement for a "plan
17 of asset transfer" is new. The fourth sentence of subsection (b)
18 is patterned in part after Delaware General Corporation Law §
19 251(b) (last sentence). The last sentence of subsection (b) and
20 subsection (c)(2) are new. Subsection (d)(3) is intended as a
21 codification of existing law. Jennings v. Pittsburgh Mercantile
22 Co., 112 P.L.J. 84 (C.P. Allegh. Cty. 1963), rev'd on other
23 grounds, 414 Pa. 641 (1964).

24 15 Pa.C.S. § 1951: Patterned after 15 Pa.C.S. § 7941.

25 15 Pa.C.S. § 1952: Patterned after 15 Pa.C.S. § 7942. The
26 last sentence of subsection (a) is patterned in part after
27 Delaware General Corporation Law § 251(b) (last sentence).

28 15 Pa.C.S. § 1953: New.

29 15 Pa.C.S. § 1954: Patterned after 15 Pa.C.S. § 7943.

30 15 Pa.C.S. § 1955: Patterned after 15 Pa.C.S. § 7944.

1 15 Pa.C.S. § 1956: Patterned after 15 Pa.C.S. § 7945.

2 15 Pa.C.S. § 1957: Patterned after 15 Pa.C.S. § 7946. The

3 last clause of the first sentence of subsection (b)(1) is

4 patterned in part after Revised Model Business Corporation Act §

5 11.06(a)(2) (1984) and N.J.S.A. § 14A:10-6(d).

6 15 Pa.C.S. § 1961: Derived from 15 Pa.C.S. § 7951(a) and

7 (c).

8 15 Pa.C.S. § 1962: Derived from 15 Pa.C.S. § 7952. The last

9 sentence of subsection (a) is patterned in part after Delaware

10 General Corporation Law § 251(b) (last sentence).

11 15 Pa.C.S. § 1963: Patterned after 15 Pa.C.S. § 7953.

12 Execution of the articles of conversion is governed by new 15

13 Pa.C.S. § 1108.

14 15 Pa.C.S. § 1964: Subsection (a) is patterned after 15

15 Pa.C.S. § 7954.

16 15 Pa.C.S. § 1965: Patterned after 15 Pa.C.S. § 7955.

17 15 Pa.C.S. § 1966: Substantially a reenactment of former 15

18 Pa.C.S. § 7956(a).

19 15 Pa.C.S. § 1971: Derived from act of May 5, 1933 (P.L.364,

20 No.106), § 1101 (15 P.S. § 2101). Patterned after 15 Pa.C.S. §

21 7961. The first clause of subsection (a)(2) is added. In

22 subsection (a)(6) the unanimous consent requirement of the prior

23 law is reduced to the vote set forth in the text.

24 15 Pa.C.S. § 1972: Derived from act of May 5, 1933 (P.L.364,

25 No.106), § 1102 (first sentence) (15 P.S. § 2102 (first

26 sentence)). Patterned after 15 Pa.C.S. § 7962.

27 15 Pa.C.S. § 1973: Derived from act of May 5, 1933 (P.L.364,

28 No.106), § 1102 (second and third sentences) (15 P.S. § 2102

29 (second and third sentences)). Patterned after 15 Pa.C.S. §

30 7963. The requirement of prior law that notice be given to

1 shareholders not entitled to vote is omitted.

2 15 Pa.C.S. § 1974: Derived from act of May 5, 1933 (P.L.364,
3 No.106), §§ 1102 (last sentence) and 1103.1 (15 P.S. §§ 2102
4 (last sentence) and 2103.1). Patterned after 15 Pa.C.S. § 7964.
5 The last sentence of subsection (a) and subsection (b) are
6 added. The provisions of prior law relating to certificate of
7 election to dissolve are omitted.

8 15 Pa.C.S. § 1975: Derived from act of May 5, 1933 (P.L.364,
9 No.106), § 1104A, B and C (15 P.S. § 2104A, B and C). Patterned
10 after 15 Pa.C.S. § 7967. Reference to collection of unpaid
11 subscriptions is supplied by new 15 Pa.C.S. § 1979(b).

12 15 Pa.C.S. § 1976: Substantially a reenactment of act of May
13 5, 1933 (P.L.364, No.106), § 1104D (15 P.S. § 2104D). Patterned
14 after 15 Pa.C.S. § 7968(a). The reference in prior law to venue
15 is supplied by the definition of "court" in new 15 Pa.C.S. §
16 1103.

17 15 Pa.C.S. § 1977: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §§ 1103 and 1105 (15 P.S. §§ 2103 and 2105). Patterned
19 after 15 Pa.C.S. § 7969. Execution of the articles of
20 dissolution is governed by new 15 Pa.C.S. § 1108. The
21 requirement of prior law that proofs of publication be filed is
22 omitted. The requirement that a certificate of dissolution be
23 issued is omitted (cf. new 15 Pa.C.S. § 133(e)).

24 15 Pa.C.S. § 1978: Substantially a reenactment of act of May
25 5, 1933 (P.L.364, No.106), § 1106 (15 P.S. § 2106). Patterned
26 after 15 Pa.C.S. § 7970.

27 15 Pa.C.S. § 1979: Derived from act of May 5, 1933 (P.L.364,
28 No.106), § 1111 (15 P.S. § 2111). Patterned after 15 Pa.C.S. §
29 7971. The first and last sentences of subsection (b) are added.
30 The reference in prior law to venue is supplied by the

1 definition of "court" in new 15 Pa.C.S. § 1103.

2 15 Pa.C.S. § 1980: New.

3 15 Pa.C.S. § 1981: Derived from act of May 5, 1933 (P.L.364,
4 No.106), § 1107A (15 P.S. § 2107A). Patterned after 15 Pa.C.S. §
5 7981. The reference to a director in the introductory clause is
6 added. Former paragraph A(1) is omitted. The last sentence of
7 paragraph (3) is added (cf. 15 Pa.C.S. § 1767(b)).

8 15 Pa.C.S. § 1982: Substantially a reenactment of act of May
9 5, 1933 (P.L.364, No.106), § 1107B (15 P.S. § 2107B). Patterned
10 after 15 Pa.C.S. § 7982. The venue as set forth in prior law is
11 restricted by the definition of "court" in new 15 Pa.C.S. §
12 1103.

13 15 Pa.C.S. § 1984: Substantially a reenactment of act of May
14 5, 1933 (P.L.364, No.106), § 1108A (15 P.S. § 2108A). Patterned
15 after 15 Pa.C.S. § 7984. The reference to assets wherever
16 situated is added.

17 15 Pa.C.S. § 1985: Substantially a reenactment of act of May
18 5, 1933 (P.L.364, No.106), § 1108B (15 P.S. § 2108B). Patterned
19 after 15 Pa.C.S. § 7985. Reference in prior law to the power of
20 a liquidating receiver to collect any unpaid consideration for
21 shares is supplied by new 15 Pa.C.S. § 1526. The references to
22 the disposition of corporate assets and to jurisdiction of the
23 corporation and its property, wherever situated, are added. The
24 former last sentence is supplied by 42 Pa.C.S. § 912. See the
25 definition of "officer" in new 15 Pa.C.S. § 1103.

26 15 Pa.C.S. § 1986: Derived from act of May 5, 1933 (P.L.364,
27 No.106), § 1108C (15 P.S. § 2108C). Patterned after 15 Pa.C.S. §
28 7986. Reference in prior law to residence as a qualification is
29 omitted.

30 15 Pa.C.S. § 1987: Substantially a reenactment of act of May

1 5, 1933 (P.L.364, No.106), § 1108D (15 P.S. § 2108D), except
2 that references to prescription of the form of proofs of claim
3 and to bar date extensions by the court are added. Patterned
4 after 15 Pa.C.S. § 7987.

5 15 Pa.C.S. § 1988: Patterned after Model Business
6 Corporation Act § 101 (1971). Compare act of May 5, 1933
7 (P.L.364, No.106), § 1109 (15 P.S. § 2109).

8 15 Pa.C.S. § 1989: Derived from act of May 5, 1933 (P.L.364,
9 No.106), § 1110 (15 P.S. § 2110). Patterned after 15 Pa.C.S. §
10 7989. Dissolution is postponed from issuance of the decree, as
11 provided by the prior law, to the time set forth in the text.

12 15 Pa.C.S. § 1991: New. Patterned after Delaware General
13 Corporation Law § 280(e).

14 15 Pa.C.S. § 1992: New. Patterned after Delaware General
15 Corporation Law § 280(a)(1) and (b)(1).

16 15 Pa.C.S. § 1993: New. Patterned after Delaware General
17 Corporation Law § 280(a)(2).

18 15 Pa.C.S. § 1994: New. Patterned in general after Delaware
19 General Corporation Law § 280(b)(2).

20 15 Pa.C.S. § 1995: New. Patterned in general after Delaware
21 General Corporation Law § 280(c).

22 15 Pa.C.S. § 1996: New. Patterned after Delaware General
23 Corporation Law § 280(d).

24 15 Pa.C.S. § 1997: New. Patterned after Delaware General
25 Corporation Law § 281.

26 15 Pa.C.S. § 1998: New. Patterned after Delaware General
27 Corporation Law § 282.

28 15 Pa.C.S. § 2101: New. Compare new 15 Pa.C.S. §§ 2301,
29 2501, 2701 and 2901.

30 15 Pa.C.S. § 2102: New. Compare new 15 Pa.C.S. §§ 2303 and

1 2903.

2 15 Pa.C.S. § 2103: New. Compare new 15 Pa.C.S. § 2304.

3 15 Pa.C.S. § 2104: New. Compare new 15 Pa.C.S. §§ 2305,

4 2702 and 2905.

5 15 Pa.C.S. § 2105: New. Compare new 15 Pa.C.S. §§ 2307 and

6 2906.

7 15 Pa.C.S. § 2121: New.

8 15 Pa.C.S. § 2122: New.

9 15 Pa.C.S. § 2123: New.

10 15 Pa.C.S. § 2124: New.

11 15 Pa.C.S. § 2125: New.

12 15 Pa.C.S. § 2126: New.

13 15 Pa.C.S. § 2301: Derived from act of May 5, 1933 (P.L.364,

14 No.106), § 371 (15 P.S. § 1371). The prohibition against a

15 management corporation electing statutory close corporation

16 status is new. Compare new 15 Pa.C.S. §§ 2101, 2501, 2701 and

17 2901.

18 15 Pa.C.S. § 2302: Subsection (a) is patterned in part after

19 the Statutory Close Corporation Supplement to the Model Business

20 Corporation Act (1982). See, 37 Bus. Law. 269, 278-9 (1981).

21 Subsection (b) is a generalization of act of May 5, 1933

22 (P.L.364, No.106), § 376B (15 P.S. § 1376B).

23 15 Pa.C.S. § 2303: Substantially a reenactment of act of May

24 5, 1933 (P.L.364, No.106), § 373 (15 P.S. § 1373). Patterned in

25 part after the Statutory Close Corporation Supplement to the

26 Model Business Corporation Act § 3(a) (1982). Compare new 15

27 Pa.C.S. §§ 2102 and 2903.

28 15 Pa.C.S. § 2304: Derived from act of May 5, 1933 (P.L.364,

29 No.106), § 372 (15 P.S. § 1372). Statutory limitation on the

30 number of shareholders omitted. Cf., Comment 1 to section 3 of

1 the Proposed Statutory Close Corporation Supplement to the Model
2 Business Corporation Act (1981), 37 Bus. Law. 269, 277-8 (1981).
3 Subsection (c) is new except as to record holders in joint or
4 common tenancy or by the entireties. Compare new 15 Pa.C.S. §
5 2103.

6 15 Pa.C.S. § 2305: Derived from act of May 5, 1933 (P.L.364,
7 No.106), § 374 (15 P.S. § 1374). Patterned in part after the
8 Statutory Close Corporation Supplement to the Model Business
9 Corporation Act § 3(b) (1982). Compare new 15 Pa.C.S. §§ 2104,
10 2702 and 2905.

11 15 Pa.C.S. § 2306: Substantially a reenactment of act of May
12 5, 1933 (P.L.364, No.106), § 375 (15 P.S. § 1375).

13 15 Pa.C.S. § 2307: Derived from act of May 5, 1933 (P.L.364,
14 No.106), § 376A (15 P.S. § 1376A). Patterned in part after the
15 Statutory Close Corporation Supplement to the Model Business
16 Corporation Act § 8(a) (1982). Compare new 15 Pa.C.S. §§ 2105
17 and 2906.

18 15 Pa.C.S. § 2308: Substantially a reenactment of act of May
19 5, 1933 (P.L.364, No.106), § 377 (15 P.S. § 1377). The reference
20 in subsection (a) to section 2321(c) is added. Former subsection
21 C and paragraph (3) of subsection D are supplied by new 15
22 Pa.C.S. § 2323.

23 15 Pa.C.S. § 2309: Substantially a reenactment of act of May
24 5, 1933 (P.L.364, No.106), § 378 (15 P.S. § 1378). Execution of
25 the certificates filed in the Department of State is governed by
26 new 15 Pa.C.S. § 1108. The reference in prior law to venue is
27 supplied by the definition of "court" in new 15 Pa.C.S. § 1103.
28 The reference to enjoining or setting aside a transfer that is
29 in breach of a transfer restriction is supplied by new 15
30 Pa.C.S. § 2323.

1 15 Pa.C.S. § 2321: Subsection (a) is new (cf. new 15 Pa.C.S.
2 § 1528). Subsection (b) is derived from act of May 5, 1933
3 (P.L.364, No.106), § 379 (15 P.S. § 1379). The reference in the
4 introductory clause of subsection (b)(1) to a bylaw adopted by
5 the shareholders is added. Reference to issuing or selling
6 treasury shares is omitted (cf. new 15 Pa.C.S. § 1552).
7 Subsection (c) is patterned after the Statutory Close
8 Corporation Supplement to the Model Business Corporation Act § 5
9 (1982).

10 15 Pa.C.S. § 2322: Patterned after the Statutory Close
11 Corporation Supplement to the Model Business Corporation Act § 4
12 (1982).

13 15 Pa.C.S. § 2323: Patterned after the Statutory Close
14 Corporation Supplement to the Model Business Corporation Act § 6
15 (1982).

16 15 Pa.C.S. § 2324: Derived from act of May 5, 1933 (P.L.364,
17 No.106), § 380 (15 P.S. § 1380). The references to new 15
18 Pa.C.S. § 2322(a) and new 15 Pa.C.S. Ch. 15D are added.

19 15 Pa.C.S. § 2325: Patterned after the Statutory Close
20 Corporation Supplement to the Model Business Corporation Act §
21 14 (1982).

22 15 Pa.C.S. § 2331: Substantially a reenactment of act of May
23 5, 1933 (P.L.364, No.106), § 381 (15 P.S. § 1381).

24 15 Pa.C.S. § 2332: Derived from act of May 5, 1933 (P.L.364,
25 No.106), § 382 (15 P.S. § 1382). References to the bylaws are
26 added.

27 15 Pa.C.S. § 2333: Derived from act of May 5, 1933 (P.L.364,
28 No.106), § 383 (15 P.S. § 1383). The reference in prior law to
29 venue is supplied by the definition of "court" in new 15 Pa.C.S.
30 § 1103. The last sentence of subsection (a) is added. See the

1 definition of "officer" in new 15 Pa.C.S. § 1103.

2 15 Pa.C.S. § 2334: Substantially a reenactment of act of May
3 5, 1933 (P.L.364, No.106), § 384 (15 P.S. § 1384), except that
4 reference in subsection (b)(1) to a bylaw is added. The
5 reference in prior law to venue is supplied by the definition of
6 "court" in new 15 Pa.C.S. § 1103.

7 15 Pa.C.S. § 2335: Substantially a reenactment of act of May
8 5, 1933 (P.L.364, No.106), § 385 (15 P.S. § 1385). The final
9 clause is patterned after the Statutory Close Corporation
10 Supplement to the Model Business Corporation Act § 17 (1982).

11 15 Pa.C.S. § 2336: Patterned in part after the Statutory
12 Close Corporation Supplement to the Model Business Corporation
13 Act § 7 (1982).

14 15 Pa.C.S. § 2337: Derived from act of May 5, 1933 (P.L.364,
15 No.106), § 386 (15 P.S. § 1386). References to the bylaws are
16 added. Patterned after the Statutory Close Corporation
17 Supplement to the Model Business Corporation Act § 15 (1982).

18 15 Pa.C.S. § 2501: New. Compare new 15 Pa.C.S. §§ 2101,
19 2301, 2701 and 2901.

20 15 Pa.C.S. § 2502: New.

21 15 Pa.C.S. § 2503: New.

22 15 Pa.C.S. § 2504: New.

23 15 Pa.C.S. § 2511: Codification of existing law as to
24 registered corporations. Compare new 15 Pa.C.S. § 1554.

25 15 Pa.C.S. § 2512: New.

26 15 Pa.C.S. § 2513: Reenactment of act of May 5, 1933
27 (P.L.364, No.106), § 611D (last clause) (15 P.S. § 1611D (last
28 clause)).

29 15 Pa.C.S. § 2521: New. Compare new 15 Pa.C.S. § 1755(b).

30 See new 15 Pa.C.S. § 2535.

1 15 Pa.C.S. § 2522: New. Compare new 15 Pa.C.S. § 1755(c).
2 15 Pa.C.S. § 2523: New.
3 15 Pa.C.S. § 2524: Patterned in general after Delaware
4 General Corporation Law § 228. Compare new 15 Pa.C.S. § 1766(b).
5 15 Pa.C.S. § 2535: New. Compare new 15 Pa.C.S. §
6 1912(a)(2). See new 15 Pa.C.S. § 2521.
7 15 Pa.C.S. § 2536: New. Compare new 15 Pa.C.S. § 1981.
8 15 Pa.C.S. § 2537: New. Compare new 15 Pa.C.S. §
9 1932(c)(1).
10 15 Pa.C.S. § 2541: Reenactment of act of May 5, 1933
11 (P.L.364, No.106), § 910A (except first clause) and G (first
12 paragraph) (15 P.S. § 1910A (except first clause) and G (first
13 paragraph)).
14 15 Pa.C.S. § 2542: Derived from act of May 5, 1933 (P.L.364,
15 No.106), § 910B(4), E(1) (last sentence) and G (second
16 paragraph) (15 P.S. § 1910B(4), E(1) (last sentence) and G
17 (second paragraph)).
18 15 Pa.C.S. § 2543: Reenactment of act of May 5, 1933
19 (P.L.364, No.106), § 910B(1), (2) and (3) (15 P.S. § 1910B(1),
20 (2) and (3)).
21 15 Pa.C.S. § 2544: Reenactment of act of May 5, 1933
22 (P.L.364, No.106), § 910A (first clause) (15 P.S. § 1910A (first
23 clause)).
24 15 Pa.C.S. § 2545: Reenactment of act of May 5, 1933
25 (P.L.364, No.106), § 910C (15 P.S. § 1910C).
26 15 Pa.C.S. § 2546: Reenactment of act of May 5, 1933
27 (P.L.364, No.106), § 910D and E(1) (first sentence) (15 P.S. §
28 1910D and E(1) (first sentence)).
29 15 Pa.C.S. § 2547: Reenactment of act of May 5, 1933
30 (P.L.364, No.106), § 910E(2)-(8) (15 P.S. § 1910E(2)-(8)).

1 15 Pa.C.S. § 2548: Reenactment of act of May 5, 1933
2 (P.L.364, No.106), § 910F (15 P.S. § 1910F).

3 15 Pa.C.S. § 2551: Reenactment of act of May 5, 1933
4 (P.L.364, No.106), § 911A(6), C and D (15 P.S. § 1911A(6), C and
5 D).

6 15 Pa.C.S. § 2552: Reenactment of act of May 5, 1933
7 (P.L.364, No.106), § 911A (except clauses (5) and (11)) (15 P.S.
8 § 1911A except clauses (5) and (11)).

9 15 Pa.C.S. § 2553: Reenactment of act of May 5, 1933
10 (P.L.364, No.106), § 911A(11) (15 P.S. § 1911A(11)).

11 15 Pa.C.S. § 2554: Reenactment of act of May 5, 1933
12 (P.L.364, No.106), § 911A(5) (15 P.S. § 1911A(5)).

13 15 Pa.C.S. § 2555: Reenactment of act of May 5, 1933
14 (P.L.364, No.106), § 911B(1), (2), (3) and (4) (first clause)
15 (15 P.S. § 1911B(1), (2), (3) and (4) (first clause)).

16 15 Pa.C.S. § 2556: Reenactment of act of May 5, 1933
17 (P.L.364, No.106), § 911B(4) (except first clause) (15 P.S. §
18 1911B(4) (except first clause)).

19 15 Pa.C.S. § 2701: New. Compare new 15 Pa.C.S. §§ 2101,
20 2301, 2501 and 2901.

21 15 Pa.C.S. § 2702: New. Compare new 15 Pa.C.S. §§ 2104,
22 2305 and 2905.

23 15 Pa.C.S. § 2703: New.

24 15 Pa.C.S. § 2704: New.

25 15 Pa.C.S. § 2711: New.

26 15 Pa.C.S. § 2712: New.

27 15 Pa.C.S. § 2721: New. The provisions of new 15 Pa.C.S.
28 Subchapter 27C are intended to provide enabling legislation
29 consistent with the proposals for mutual fund governance in
30 S.E.C. Investment Company Act Release 12,888 (December 10, 1982)

1 (CCH Fed. Sec. L. Rep. Par. 83,303). See new 15 Pa.C.S. § 2722.

2 15 Pa.C.S. § 2722: New. See new 15 Pa.C.S. § 2721.

3 15 Pa.C.S. § 2901: Derived from act of July 9, 1970

4 (P.L.461, No.160), §§ 5(a) and 6(a) (15 P.S. §§ 2905(a) and

5 2906(a)). The prohibition against a management corporation

6 electing professional corporation status is new. Compare new 15

7 Pa.C.S. §§ 2101, 2301, 2501 and 2701.

8 15 Pa.C.S. § 2902: Derived from act of July 9, 1970

9 (P.L.461, No.160), § 2 (15 P.S. § 2902). The definitions of

10 "business corporation" and "professional corporation" appear in

11 new 15 Pa.C.S. § 1103.

12 15 Pa.C.S. § 2903: Substantially a reenactment of act of

13 July 9, 1970 (P.L.461, No.160), §§ 3 (first paragraph), 6(a) and

14 7 (except last sentence of subsection (a)) (15 P.S. §§ 2903

15 (first paragraph), 2906(a) and 2907 (except last sentence of

16 subsection (a))), except that the reference in subsection (a) to

17 a heading is added. Compare new 15 Pa.C.S. §§ 2102 and 2303.

18 15 Pa.C.S. § 2904: Derived from act of July 9, 1970

19 (P.L.461, No.160), § 5(b) (15 P.S. § 2905(b)). Articles of

20 amendment substituted for certificate of acceptance under prior

21 law. Compare new 15 Pa.C.S. §§ 2305 and 2702.

22 15 Pa.C.S. § 2905: Substantially a reenactment of act of

23 July 9, 1970 (P.L.461, No.160), § 4(a), (b) and (c) (15 P.S. §

24 2904(a), (b) and (c)). The designation of the document filed is

25 changed from "certificate" to "statement." Former subsection (d)

26 appears as new 15 Pa.C.S. § 1311(a)(6).

27 15 Pa.C.S. § 2906: New. Compare new 15 Pa.C.S. §§ 2105 and

28 2307.

29 15 Pa.C.S. § 2907: Substantially a reenactment of act of

30 July 9, 1970 (P.L.461, No.160), § 11(b), (c) and (d). (15 P.S. §

2911(b), (c) and (d)). The reference in prior law to venue is supplied by the definition of "court" in new 15 Pa.C.S. § 1103.

15 Pa.C.S. § 2921: Substantially a reenactment of act of July 9, 1970 (P.L.461, No.160), § 8(a) and (b) (15 P.S. § 2908 (a) and (b)), except that reference to the term "P.C." is added.

15 Pa.C.S. § 2922: Subsection (a) is a reenactment of act of July 9, 1970 (P.L.461, No.160), § 7(a) (third sentence) (15 P.S. § 2907(a) (third sentence)). Subsection (b) is derived from act of July 10, 1981 (P.L.237, No.77), § 7 (59 Pa.C.S. § 701 note) and is otherwise intended as a codification of existing law.

15 Pa.C.S. § 2923: Derived from act of July 9, 1970 (P.L.461, No.160), §§ 10 and 11(a) (15 P.S. §§ 2910 and 2911(a)), and act of July 10, 1981 (P.L.237, No.77), § 7 (59 Pa.C.S. § 701 note).

15 Pa.C.S. § 2924: Reenactment of act of July 9, 1970 (P.L.461, No.160), § 12 (15 P.S. § 2912).

15 Pa.C.S. § 2925: Substantially a reenactment of act of July 9, 1970 (P.L.461, No.160), § 13 (15 P.S. § 2913). As to the nonassessability of shares in subsections (b) and (c), see new 15 Pa.C.S. § 1524(c).

15 Pa.C.S. § 4101: Derived from act of May 5, 1933 (P.L.364, No.106), §§ 3 and 4B(3) (15 P.S. §§ 1003 and 1004B(3)). Subsection (a) is patterned after 15 Pa.C.S. § 8101.

15 Pa.C.S. § 4102: Patterned in part after California General Corporation Law § 2115(a) and (e). See 15 Pa.C.S. § 8145(a) and new 15 Pa.C.S. § 2502.

15 Pa.C.S. § 4103: Patterned in part after California General Corporation Law § 2115(c). See new 15 Pa.C.S. § 2503.

15 Pa.C.S. § 4104: Patterned in part after California General Corporation Law § 2115(d). See new 15 Pa.C.S. § 2504.

1 15 Pa.C.S. § 4121: Derived from act of May 5, 1933 (P.L.364,
2 No.106), §§ 3C and 1001A (15 P.S. §§ 1003C and 2001A). Patterned
3 after 15 Pa.C.S. § 8121. The last sentence of subsection (b) is
4 added.

5 15 Pa.C.S. § 4122: Derived from act of May 5, 1933 (P.L.364,
6 No.106), § 1001B (15 P.S. § 2001B). Patterned after 15 Pa.C.S. §
7 8122. Subsection (a)(7) and (8) is patterned in part after
8 Revised Model Business Corporation Act § 15.01(b)(7) and (8)
9 (1984).

10 15 Pa.C.S. § 4123: Derived from act of May 5, 1933 (P.L.364,
11 No.106), § 1002 (15 P.S. § 2002). Patterned after 15 Pa.C.S. §
12 8123. Subsection (b)(1) is added. The requirement of prior law
13 that the application for a certificate of authority contain a
14 statement of the business that the applicant corporation
15 proposes to transact in this Commonwealth appears in new 15
16 Pa.C.S. § 134(a).

17 15 Pa.C.S. § 4124: Derived from act of May 5, 1933 (P.L.364,
18 No.106), §§ 1003 and 1004 (15 P.S. §§ 2003 and 2004). Patterned
19 after 15 Pa.C.S. § 8124. The requirements of prior law that a
20 current subsistence certificate be submitted in order to
21 qualify, that the official publication of notice of
22 qualification include the character and nature of the business
23 to be done and the date of qualification, and that the
24 application for a certificate of authority state the business
25 proposed to be done and that such business is authorized by the
26 articles are omitted. Execution of the application for a
27 certificate of authority is governed by new 15 Pa.C.S. § 1108.
28 Provisions regarding the corporate name are supplied by new 15
29 Pa.C.S. § 4123.

30 15 Pa.C.S. § 4125: Derived from act of May 5, 1933 (P.L.364,

1 No.106), § 1005 (15 P.S. § 2005). Patterned after 15 Pa.C.S. §
2 8125.

3 15 Pa.C.S. § 4126: Derived from act of May 5, 1933 (P.L.364,
4 No.106), § 1007 (15 P.S. § 2007). Patterned after 15 Pa.C.S. §
5 8126. Former subsection B is omitted. The requirement of prior
6 law that a current subsistence certificate be submitted with an
7 application for an amended certificate of authority reflecting a
8 change of name is omitted. Execution of the application for an
9 amended certificate of authority is governed by new 15 Pa.C.S. §
10 1108.

11 15 Pa.C.S. § 4127: Compare act of May 5, 1933 (P.L.364,
12 No.106), § 1009 (15 P.S. § 2009). Patterned after 15 Pa.C.S. §
13 8127. Execution of the statement of merger, consolidation or
14 division is governed by new 15 Pa.C.S. § 1108.

15 15 Pa.C.S. § 4128: Derived from act of May 5, 1933 (P.L.364,
16 No.106), §§ 1013 and 1016 (15 P.S. §§ 2013 and 2016). Patterned
17 after 15 Pa.C.S. § 8128.

18 15 Pa.C.S. § 4129: Derived from act of May 5, 1933 (P.L.364,
19 No.106), § 1015 (15 P.S. § 2015). Patterned after 15 Pa.C.S. §
20 8129. Subsection (a)(5) is added. Execution of the application
21 for a certificate of withdrawal is governed by new 15 Pa.C.S. §
22 1108.

23 15 Pa.C.S. § 4130: Patterned after 15 Pa.C.S. § 8130.

24 15 Pa.C.S. § 4131: Patterned in general after Revised Model
25 Business Corporation Act § 4.03 (1984).

26 15 Pa.C.S. § 4141: Derived from act of May 5, 1933 (P.L.364,
27 No.106), §§ 4B(3) and 1014 (15 P.S. §§ 1004B(3) and 2014).
28 Patterned after 15 Pa.C.S. § 8141. The last clause of subsection
29 (b) is intended to make clear that, since at least 1966, escheat
30 of property has not been a penalty for failure to qualify as a

1 foreign corporation for profit.

2 15 Pa.C.S. § 4142: Subsection (a) is derived from act of May
3 5, 1933 (P.L.364, No.106), § 1010A (15 P.S. § 2010A), and
4 patterned in part after 15 Pa.C.S. § 8142. Subsection (b) is
5 new.

6 15 Pa.C.S. § 4143: Derived from act of May 5, 1933 (P.L.364,
7 No.106), §§ 1010B and 1012 (15 P.S. §§ 2010B and 2012).
8 Patterned after 15 Pa.C.S. § 8143.

9 15 Pa.C.S. § 4144: Derived from act of May 5, 1933 (P.L.364,
10 No.106), § 1006 (15 P.S. § 2006). Patterned after 15 Pa.C.S. §
11 8144.

12 15 Pa.C.S. § 4145: Patterned after 15 Pa.C.S. § 8145.

13 15 Pa.C.S. § 4146: New.

14 15 Pa.C.S. § 4161: Derived from act of May 5, 1933 (P.L.364,
15 No.106), § 909 (15 P.S. § 1909). Subsection (b)(1) is patterned
16 in part after N.J.S.A. § 14A:1-6(1)(a). The requirement for
17 issuance of a certificate of domestication is supplied by new 15
18 Pa.C.S. § 133(e).

19 15 Pa.C.S. § 4162: New.

20 Section 104: New. Compare former 15 Pa.C.S. § 101(c) and 15
21 P.S. § 4 note.

22 Section 105: Derived from act of November 15, 1972
23 (P.L.1063, No.271), § 7 (15 Pa.C.S. § 101 note).

24 Section 106: New.

25 Section 107: New. See section 302(4) of the act of
26 1988 (P.L. , No.), known as the Corporation Act of 1988
27 (15 P.S. §).

28 DIVISION II

1 Section 201: New.

2 Section 202: New.

3 Section 203: New. See section 302(3) of the act of ,
4 1988 (P.L. , No.), known as the Corporation Act of 1988
5 (15 P.S. §), as to the effectiveness of the amendment to 54
6 Pa.C.S. § 311(b)(1).

7 Section 204: New. Repeals 66 Pa.C.S. § 3103 as obsolete
8 since business corporations may be organized for public utility
9 purposes without specific statutory authority.

10 Section 205. New. The unofficial citations of the statutes
11 affected by this section are as follows:

Unofficial		
<u>Act</u>	<u>Section</u>	<u>Citation</u>
14 1921, No.284	751(a)	40 P.S. § 910-51(a)
15 1937, No.66	3	7 P.S. § 6203
16	7	7 P.S. § 6207
17	13	7 P.S. § 6213
18 1947, No.140	2	63 P.S. § 9.2
19	8.4	63 P.S. § 9.8d
20	8.6	63 P.S. § 9.8f
21 1952, (1951) No.522	8(b)	63 P.S. § 479.8(b)
22	8(d)	63 P.S. § 479.8(d)
23 1959, No.606	4	15 P.S. § 2704
24	8	15 P.S. § 2708
25	9.1	15 P.S. § 2709.1
26 1965, No.356	802	7 P.S. § 802
27	1204	7 P.S. § 1204
28	1207	7 P.S. § 1207
29	1222	7 P.S. § 1222

DIVISION III

Section 301(a): The provisions repealed by this subsection are supplied in this act as follows (an asterisk indicates that a provision is repealed in part):

Repealed Act	Section	Unofficial Citation	Superseding Provision of Title 15 (unless otherwise noted)
1838, No.22	-	15 P.S. § 4064	Obsolete
1840, No.91	1	15 P.S. § 4313	Obsolete
	2	15 P.S. § 4314	Obsolete
1842, No.14	1	15 P.S. § 4301 note	Obsolete
1843, No.173	1-7	-	Special
	8	-	Repealed 1917
	9	-	Special
	10	15 P.S. § 4320	Obsolete
	11-18	-	Special
1845, No.243	1	15 P.S. § 4163	Obsolete
1847, No.273	1	15 P.S. § 4002	1755(a), 1732(a)
	2	15 P.S. § 4012	Obsolete
1847, No.276	1	15 P.S. § 4161	66 Pa.C.S. § 2701
1848, No.1	1	15 P.S. § 4315	Obsolete
	2	-	Obsolete
	3	15 P.S. § 4321	Obsolete
	4	-	Obsolete
1848, No.363	1-3	-	Obsolete
	4	15 P.S. § 4316	Obsolete

1		5	-	Obsolete
2	1849, No.76	1	15 P.S. § 3953	Obsolete
3		2	15 P.S. § 3901	Ch.13A
4		3	15 P.S. § 3902	1310, 1504, 1732
5		4	15 P.S. § 3965	Chs.11 to 19
6		5	15 P.S. § 4003	Ch.17D
7		6	15 P.S. § 4020	Chs.11 to 19
8		7	15 P.S. § 3954	Ch.15B
9		8	15 P.S. § 3955	Ch.15B
10		9	15 P.S. § 3956	Ch.15C
11		10	15 P.S. § 4061	1511
12		11	-	Repealed 1978
13		12	-	Repealed 1978
14		13	15 P.S. § 4067	66 Pa.C.S. § 2704
15		14	-	Repealed 1978
16		15	-	Repealed 1972
17		16	-	Repealed 1860
18		17	-	Repealed 1968
19		18	-	Repealed 1978
20		19	15 P.S. § 4062	Obsolete
21		20	15 P.S. § 3903	501
22	1853, No.239	1	15 P.S. § 4072 note	Obsolete
23	1856, No.74	1	15 P.S. § 4208	1510
24	1857, No.595	1	15 P.S. § 4206	1903
25	1857, No.664	1	15 P.S. § 4317	66 Pa.C.S. § 2702
26	1858, No.402	1	15 P.S. § 4318	1511
27	1859, No.293	1	15 P.S. § 4254	Obsolete
28	1861, No.3	1	68 P.S. § 55	4143(a), Sec.
29				301(a) of Act
30	1861, No.262	1	15 P.S. § 118	1903

1		2	-	Supplied 1878
2	1861, No.379	1	15 P.S. § 4255	1502
3	1861, No.405	1	68 P.S. § 32	4143(a)
4			68 P.S. § 51	Section 301(a)
5				of Act
6	1861, No.453	1	15 P.S. § 4254 note	Obsolete
7	1861, No.657	1	15 P.S. § 4262	1921
8		2	15 P.S. § 4263	1922-24
9		3	15 P.S. § 4264	Ch.15D, 1928-30
10	1862, No.148	1	15 P.S. § 4301 note	Obsolete
11		2	15 P.S. § 4301 note	Obsolete
12		3	15 P.S. § 4301 note	Obsolete
13	1862, No.490	1	15 P.S. § 4077	1511
14	1863, No.530	1	15 P.S. § 4073	Obsolete
15	1865, No.18	1	15 P.S. § 4071	1511
16	1865, No.28	1	-	Repealed 1968
17		2	15 P.S. § 4019	1723
18	1865, No.35	1	15 P.S. § 4272	1921
19		2	15 P.S. § 4273	1922-24
20		3	15 P.S. § 4274	1928
21		4	15 P.S. § 4275	1929(a)
22		5	15 P.S. § 4276	1926
23		6	15 P.S. § 4277	1929(b)
24		7	15 P.S. § 4278	1929(c)
25		8	15 P.S. § 4279	1930
26	1865, No.626	2	68 P.S. § 59	4143(a), Sec.
27				301(a) of Act
28	1865, No.837	1	15 P.S. § 3966	1758(a)
29	1865, No.839	1	15 P.S. § 4162	Obsolete
30	1865, No.841	1	15 P.S. § 4213	1903

1	1866, No.273	1	53 P.S. § 16433 note	Obsolete
2		2	-	Obsolete
3		3	-	Obsolete
4		4	53 P.S. § 16433	Obsolete
5		5	53 P.S. § 16434	Obsolete
6	1866, No.95	1	15 P.S. § 4004	1765
7	1867, No.1283	1	15 P.S. § 4001	1722
8	1867, No.40	1	15 P.S. § 3962	1523
9	1868, No.4	1	15 P.S. § 4013	1755(a), 1732(a)
10	1868, No.267	1	15 P.S. § 118 note	Obsolete
11	1868, No.335	1	15 P.S. § 118 note	Obsolete
12	1868, No.17	1	15 P.S. § 111	1502(a)
13	1868, No.20	1	15 P.S. § 4271	Obsolete
14	1868, No.29	1	15 P.S. § 3904	Ch.13A, 1502
15		2	15 P.S. § 3906	Obsolete
16		3	-	Repealed 1978
17		4	15 P.S. § 3951	Obsolete
18		5	15 P.S. § 3909	1309
19		6	-	Repealed 1968
20		7	15 P.S. § 4018	1722, 1723
21		8	-	Repealed 1968
22		9	15 P.S. § 4070 note	Supplied 1917
23		10	-	Repealed 1978
24		11	-	Repealed 1978
25		12	15 P.S. § 3912	Obsolete
26		13	15 P.S. § 3913	501
27	1868, No.61	1	15 P.S. § 4260	1502(a)(6)
28	1869, No.9	1	15 P.S. § 4042	1502(a)(6)-(8)
29	1869, No.10	1	15 P.S. § 4010	1722, 1723, 1730,
30				1732

1		2	15 P.S. § 3941	1502(a)(15),
2				1703, 1704
3	1869, No.11	1	15 P.S. § 4081	1511
4		2	15 P.S. § 4082	1511
5	1869, No.16	1	15 P.S. § 4303	1511
6	1869, No.24	1	15 P.S. § 4269	1929
7	1869, No.33	1	15 P.S. § 4041	1502(a)(6)-(8)
8	1869, No.70	1	68 P.S. § 55 note	4143(a), Sec.
9				301(a) of Act
10	1870, No.8	1	15 P.S. § 4259	Obsolete
11	1870, No.26	1	15 P.S. § 856	503
12	1870, No.46	1	15 P.S. § 4204	1502(a)(6)
13	1870, No.13	1	15 P.S. § 3903 note	503, 66 Pa.C.S.
14				§ 503
15	1870, No.48	1	15 P.S. § 4270	1502, 1921
16	1870, No.1170	1	15 P.S. § 4281	1921
17	1871, No.61	1	15 P.S. § 4322	66 Pa.C.S. § 1102
18	1871, No.232	1	15 P.S. § 3917	1301
19		2	15 P.S. § 3918	Obsolete
20	1871, No.234	1	15 P.S. § 4083	1511
21	1871, No.830	1	15 P.S. § 4261	1502, 1921
22	1871, No.263	1	15 P.S. § 3952	Obsolete
23	1872, No.25	1	15 P.S. § 4084	1511
24	1872, No.39	1	15 P.S. § 851	1985
25		2	-	Repealed 1971
26		3	-	Repealed 1978
27	1873, No.95	1	15 P.S. § 4063 note	Obsolete
28	1873, No.450	1	15 P.S. § 3601 note	Supplied 1901
29		2	15 P.S. § 3601 note	Supplied 1901
30	1873, No.219	1	15 P.S. § 4011	1732

1	1873, No.303	1	15 P.S. § 4323	Obsolete
2		2	15 P.S. § 4324	Obsolete
3	1874, No.13	1	15 P.S. § 3017 note	505
4	1874, No.36	1	15 P.S. § 853	Chs. 19F, 19G
5	1874, No.32	1	15 P.S. § 3012	1301
6		2 subd.1	-	Repealed 1933
7		2 subd.2	15 P.S. § 3014	1301
8		2.1	15 P.S. § 3011	1305
9		3	15 P.S. § 3016	1306, 1307, 1308,
10				1309
11		4	15 P.S. § 3015	501, 1502(a)(1)
12		5	15 P.S. § 3101	1504
13			15 P.S. § 3102	Ch.17B
14		6	15 P.S. § 3104	1756
15		7	-	Repealed 1966
16		8	-	Repealed 1966
17		9	15 P.S. § 3106	1725(c)
18		10	15 P.S. § 3105 note	1758
19		11	15 P.S. § 3132	1529
20		12	15 P.S. § 3135	1502, Ch.15B
21		13	-	Repealed 1966
22		14	15 P.S. § 3136	1526
23		15	15 P.S. § 3137	1553
24		16	-	Repealed 1913
25		17	15 P.S. § 3131	Ch.15B
26		18	15 P.S. § 3025	1924
27		19	15 P.S. § 3026	Ch.19C
28		20	15 P.S. § 3027	1765
29		21	15 P.S. § 3028	Ch.17D
30		22	15 P.S. § 3029	1927

1	23	15 P.S. § 3024	1921
2	24	15 P.S. § 3139	1526
3	25	15 P.S. § 3020	Obsolete
4	26	-	Repealed 1966
5	27	40 P.S. § 382 note	Supplied 1876
6	28	40 P.S. § 552	Supplied 1876
7	29	-	Supplied 1921
8	30	-	Repealed 1966
9	31	-	Repealed 1966
10	32	-	Repealed 1966
11	33	15 P.S. § 3301	66 Pa.C.S. § 1103
12	33c1.1	15 P.S. § 3302	1511
13	33c1.2	15 P.S. § 3303	1511
14	33c1.3	-	Repealed 1966
15	33c1.4	-	Repealed 1968
16	33c1.5	-	Repealed 1966
17	34	15 P.S. § 3201	Obsolete
18	34c1.1	15 P.S. § 3221	1511
19	34c1.2	15 P.S. § 3241	1511
20	34c1.3	-	Repealed 1966
21	34c1.4	15 P.S. § 3248	1511
22	34c1.5	-	Repealed 1972
23	34c1.6	-	Repealed 1972
24	34c1.7	15 P.S. § 3202	Repealed 1985,
25			Sec. 301(a) of
26			Act
27	35	-	Repealed 1963
28	36	-	Repealed 1963
29	37	-	Repealed 1966
30	38	-	Repealed 1959

1		39	15 P.S. § 3133	Obsolete
2		39c1.1	-	Repealed 1913
3		39c1.2	15 P.S. § 3134	1524
4		39c1.3-5	-	Repealed 1966
5		39c1.6	-	Repealed 1968
6		39c1.7-10	-	Repealed 1966
7		39c1.11	-	Repealed 1968
8		39c1.12	-	Repealed 1966
9		39c1.13	-	Repealed 1968
10		40	15 P.S. § 3166	Ch.19B
11		41	15 P.S. § 3021	1511(g)(2)
12			15 P.S. § 3022	
13			15 P.S. § 3023	
14		42	-	Repealed 1963
15		43	-	Repealed 1966
16		44	-	Repealed 1966
17		45	-	Repealed 1963
18		46	-	Repealer
19	1874, No.64	1	15 P.S. § 3017 note	Obsolete
20	1874, No.117	1	15 P.S. § 4149	Obsolete
21		2	15 P.S. § 4150	Obsolete
22	1874, No.162	1	15 P.S. § 3907	Obsolete
23		2	15 P.S. § 3910	Obsolete
24		3	15 P.S. § 3911	1309
25		4	-	Repealer
26	1874, No.169	1	15 P.S. § 4078	66 Pa.C.S. § 2702
27	1874, No.175	1	15 P.S. § 3942	1508
28	1875, No.9	1	15 P.S. § 4063	Obsolete
29	1875, No.30	1	15 P.S. § 3919	Obsolete
30	1876, No.36	1	15 P.S. § 3105	1758(c)

1	1876, No.45	1	15 P.S. § 12903	9102
2	1876, No.52	1	15 P.S. § 3305	1511
3		2	15 P.S. § 3306	1511
4		3	15 P.S. § 3307	Obsolete
5		4	15 P.S. § 3308	1511
6	1876, No.57	1	15 P.S. § 4212	1903
7	1876, No.93	1	68 P.S. § 57 note	4143(a), Sec.
8				301(a) of Act
9	1876, No.128	1	15 P.S. § 3916	Obsolete
10	1878, No.108	1	68 P.S. § 60	4143(a), Sec.
11				301(a) of Act
12	1878, No.184	1	15 P.S. § 118	Amendatory
13		2	15 P.S. § 119	Obsolete
14		3	-	Repealed 1968
15	1878, No.224	1	15 P.S. § 4203	Obsolete
16	1879, No.26	1	15 P.S. § 4201 note	Obsolete
17	1881, No.8	1	66 P.S. § 57 note	4143(a), Sec.
18				301(a) of Act
19	1881, No.31	1	15 P.S. § 3920	Obsolete
20		2	15 P.S. § 3921	Obsolete
21		3	-	Repealed 1968
22	1881, No.30	1	15 P.S. § 3909 note	Obsolete
23	1883, No.40	1	15 P.S. § 3909 note	Obsolete
24	1883, No.52	1	15 P.S. § 4068	1511
25		2	15 P.S. § 4069	Ch.19B
26	1883, No.54	1	15 P.S. § 3014 note	Amendatory
27		2	15 P.S. § 3351	1511
28		3	15 P.S. § 3352	1511
29			15 P.S. § 3353	
30			15 P.S. § 3354	

1	1883, No.108	1	15 P.S. § 3161	Ch.19B
2		2	15 P.S. § 3162	Ch.19B
3		3	15 P.S. § 3163	Ch.19B
4		4	15 P.S. § 3164	Ch.19B
5		5	-	Repealed 1966
6		6	-	Repealed 1966
7		7	15 P.S. § 3001	Obsolete
8			15 P.S. § 3160	Obsolete
9	1883, No.165	1	15 P.S. § 4325	Obsolete
10	1885, No.32	1	15 P.S. § 3541	Ch.13A
11		2	15 P.S. § 3542	Ch.13A
12			15 P.S. § 3543	
13		3	-	Repealed 1966
14		4	-	Repealed 1966
15		5	15 P.S. § 3546	Ch.19B
16		6-9	-	Repealed 1966
17		10	15 P.S. § 3547	1511
18			15 P.S. § 3549	
19			15 P.S. § 3550	
20			15 P.S. § 3551	
21			15 P.S. § 3552	
22		11	15 P.S. § 3553	1511
23		12	-	Repealed 1978
24		13	15 P.S. § 3555	1511
25		14-16	-	Repealed 1966
26		17	15 P.S. § 3545	Ch.19C
27		18	-	Repealed 1972
28		19	-	Repealed 1966
29		20	-	Repealed 1921
30		21	-	Repealed 1966

1		22	-	Repealed 1921
2		23	-	Repealer
3	1885, No.155	-	15 P.S. § 4211	1903
4	1887, No.44	1	15 P.S. § 3958	1524
5		2	15 P.S. § 3959	1524
6		3	-	Repealed 1968
7		4	15 P.S. § 3960	Obsolete
8		5	15 P.S. § 3961	Obsolete
9	1887, No.162	1	15 P.S. § 4079	66 Pa.C.S. § 2702
10		2	15 P.S. § 4080	66 Pa.C.S. § 2702
11	1887, No.242	1	68 P.S. § 57	4143(a), Sec.
12				301(a) of Act
13	1889, No.108	1	15 P.S. § 425	Ch.17D
14		2	15 P.S. § 426	Ch.17D
15	1889, No.153	1	15 P.S. § 3014 note	Amendatory
16		2	15 P.S. § 3271	1511
17		3	15 P.S. § 3274	Obsolete
18		4	15 P.S. § 3272	1511
19	1889, No.223	1	15 P.S. § 4282	Ch.19C
20		2	15 P.S. § 4283	Ch.19C
21		3	-	Effective date
22	1891, No.231	1	15 P.S. § 3923	Ch.19B
23		2	15 P.S. § 3924	Ch.19B
24	1893, No.90	1	15 P.S. § 425	Amendatory
25		2	15 P.S. § 426	Amendatory
26		3	15 P.S. § 427	1760
27	1893, No.103	1	15 P.S. § 3249	1511
28		2	15 P.S. § 3250	1511
29		3	15 P.S. § 3251	1511
30	1893, No.289	1	15 P.S. § 420	1507, 1704, 1755

1	1895, No.116	1	15 P.S. § 3252	1502
2	1895, No.172	1	15 P.S. § 721	1528
3		2	-	Repealer
4	1895, No.176	1	68 P.S. § 56	4143(a), Sec.
5				301(a) of Act
6	1895, No.302	1	15 P.S. § 3243	1511
7		2	15 P.S. § 3244	1511
8	1895, No.309	1	15 P.S. § 3242	1502
9	1901, No.1	1	15 P.S. § 681	Ch.15B
10		2	15 P.S. § 682	Ch.15B
11		3	15 P.S. § 683	Ch.15B
12		4	15 P.S. § 107	1502
13	1901, No.2	1	15 P.S. § 4005	1724(b)
14			15 P.S. § 4006	1724(b)
15			15 P.S. § 4007	1724(b)
16			15 P.S. § 4008	1725(c)
17			15 P.S. § 4009	1724
18	1901, No.20	1	15 P.S. § 4284	Ch.19C
19		2	15 P.S. § 4285	Ch.19C
20			15 P.S. § 4286	Ch.19C
21			15 P.S. § 4287	Ch.19C
22		3	15 P.S. § 4288	Ch.19C
23			15 P.S. § 4289	Ch.15D
24		4	15 P.S. § 4290	1502
25	1901, No.29	1	15 P.S. § 4280	1511
26	1901, No.36	1	15 P.S. § 7701 note	Obsolete
27	1901, No.177	1	15 P.S. § 3245	1502
28	1901, No.207	1	15 P.S. § 3013	1302
29	1901, No.329	1	15 P.S. § 3017 note	Obsolete
30	1903, No.41	1	15 P.S. § 121	1502

1	1903, No.52	1	15 P.S. § 430	1755, 1765
2		2	-	Repealer
3	1903, No.185	1	15 P.S. § 904	Ch.19B
4		2	-	Repealer
5	1903, No.208	1	15 P.S. § 4072	Obsolete
6	1905, No.39	1	-	Amendatory
7		2	15 P.S. § 3135 note	Obsolete
8	1905, No.184	1	15 P.S. § 4043	1502
9	1907, No.287	1	15 P.S. § 3211	1511
10	1909, No.154		15 P.S. § 3017 note	Obsolete
11	1909, No.229	1	15 P.S. § 801	Ch.19C
12		2	15 P.S. § 802	Ch.19C
13		3	15 P.S. § 803	Ch.19C
14		4	15 P.S. § 804	Ch.19C
15		5	15 P.S. § 805	Ch.15D
16	1911, No.15	1	15 P.S. § 3017 note	Obsolete
17	1911, No.165	1	15 P.S. § 854	1985
18		2	15 P.S. § 855	1985
19		3	15 P.S. § 855 note	Validating act
20		4	-	Repealer
21	1911, No.243	1	-	Amendatory
22		2	15 P.S. § 3014 note	Obsolete
23	1913, No.77	1	15 P.S. § 855 note	Obsolete
24	1913, No.149	1	15 P.S. § 3271 note	Obsolete
25	1913, No.304	1	15 P.S. § 3271 note	Obsolete
26		2	15 P.S. § 3271 note	Obsolete
27	1917, No.61	1	15 P.S. § 3548	1511
28	1917, No.78	1	15 P.S. § 3017 note	Obsolete
29	1917, No.126	1	15 P.S. § 409	1730
30	1917, No.258	1	15 P.S. § 903	1502(a)(13)

1	1917, No.382	1	15 P.S. § 4070	1511
2	1919, No.52	1	15 P.S. § 907	Obsolete
3	1919, No.132	1	15 P.S. § 118 note	Obsolete
4	1919, No.135	1	15 P.S. § 3544	Ch.19B
5		2	-	Repealer
6	1919, No.249	1	15 P.S. § 3273	1502
7		2	-	Repealer
8	1919, No.456	1	15 P.S. § 3309	Ch.13A
9		2	15 P.S. § 3310	1511
10		3	15 P.S. § 3311	1511
11		4	15 P.S. § 3323	1502
12		5	15 P.S. § 3324	Ch.19C
13		6	15 P.S. § 3325	Ch.15D
14		7	15 P.S. § 3326	1502
15		8	15 P.S. § 3327	1502
16		9	15 P.S. § 3312	Obsolete
17		10	15 P.S. § 3313	Obsolete
18		11	15 P.S. § 3314	Obsolete
19		12	15 P.S. § 3315	Obsolete
20		13	-	Repealer
21	1921, No.334	1	15 P.S. § 3328	1502
22		2	15 P.S. § 3329	1502
23		3	15 P.S. § 3330	Ch.19C
24		4	15 P.S. § 3331	Ch.19C
25		5	15 P.S. § 3332	Ch.15D
26		6	15 P.S. § 3333	1502
27		7	15 P.S. § 3334	1502
28		8	15 P.S. § 3335	1502
29		9	15 P.S. § 3336	1502
30		10	15 P.S. § 3337	Omitted

1		11	15 P.S. § 3338	Ch.15D
2		12	15 P.S. § 3339	Obsolete
3		13	-	Repealer
4	1921, No.426	1	-	Repealed 1966
5		2	15 P.S. § 604	Obsolete
6		3	-	Repealed 1949
7		4	15 P.S. § 419	1704(b)
8		5	-	Repealed 1966
9		6	-	Repealer
10	1923, No.19	1	15 Pa.S. § 3017 note	Obsolete
11	1923, No.185	1	-	Repealed 1933
12		2	-	Repealed 1933
13		3	-	Validating act
14	1925, No.7	1	15 P.S. § 3017 note	Obsolete
15	1925, No.131	2	15 P.S. § 102 note	Obsolete
16	1927, No.32	1	15 P.S. § 3017 note	Obsolete
17	1927, No.97	1	15 P.S. § 3222	1502
18	1927, No.169	1	15 P.S. § 4371	1502
19		2	15 P.S. § 4372	Ch.19C
20		3	15 P.S. § 4373	Ch.19C
21		4	15 P.S. § 4374	Ch.19C
22		5	15 P.S. § 4375	Ch.19C
23		6	15 P.S. § 4376	Obsolete
24		7	15 P.S. § 4377	66 Pa.C.S. § 1102
25	1927, No.327	1	15 P.S. § 12901	Obsolete
26		2	15 P.S. § 12902	Obsolete
27		3	-	Repealer
28	1929, No.84	1	-	Amendatory
29		2	15 P.S. § 110 note	Obsolete
30	1929, No.175	805*	71 P.S. § 275*	Ch.1B

1	1929, No.176	730*	72 P.S. § 730*	Obsolete
2		1401*	72 P.S. § 1401*	1957(c), 5957(c)
3	1929, No.200	1	15 P.S. § 3017 note	Obsolete
4	1929, No.234	1	15 P.S. § 115	1511(g)(2)
5		2	15 P.S. § 116	1511(g)(2)
6	1929, No.241	1	-	Amendatory
7		2	15 P.S. § 110 note	Obsolete
8	1931, No.338	1	15 P.S. § 4251	1502
9		2	15 P.S. § 4252	Ch.19C
10		3	-	Repealed 1978
11		4	-	Repealer
12		5	-	Effective date
13	1933, No.28	1	15 P.S. § 3017 note	Obsolete
14	1933, No.80	1	15 P.S. § 651	Ch.15B
15		2	15 P.S. § 652	Ch.15B
16		3	15 P.S. § 653	Ch.15B
17		4	15 P.S. § 654	Ch.15B
18		5	15 P.S. § 655	Ch.15B
19		6	15 P.S. § 656	Ch.15B
20		7	15 P.S. § 657	Ch.15B
21		8	15 P.S. § 658	Ch.15B
22		9	15 P.S. § 659	Ch.15C
23		10	15 P.S. § 660	Ch.19B
24		11	15 P.S. § 661	Ch.15B
25		12	15 P.S. § 662	Ch.15B
26		13	15 P.S. § 663	Obsolete
27		14	-	Repealer
28		15	15 P.S. § 664	Obsolete
29		16	-	Effective date
30	1933, No.106	1	15 P.S. § 1001	1101

1	2	15 P.S. § 1002	1103
2	3A	15 P.S. § 1003A	1102, 4101
3	3B	15 P.S. § 1003B	501
4	3C	15 P.S. § 1003C	4121(b)
5	4A	15 P.S. § 1004A	1102
6	4B	15 P.S. § 1004B	1102
7	4B(3)	15 P.S. § 1004B(3)	4101, 4141
8	5A	15 P.S. § 1005A	110
9			1 Pa.C.S. § 1976
10	5B	15 P.S. § 1005B	1 Pa.C.S. § 1962
11	5C	15 P.S. § 1005C	1 Pa.C.S. §§
12			1961, 1976
13	5D	15 P.S. § 1005D	1106
14	5E	15 P.S. § 1005E	1105
15	6A	15 P.S. § 1006A	1 Pa.C.S. § 1925
16	6B	15 P.S. § 1006B	1 Pa.C.S. § 1937
17	6C	15 P.S. § 1006C	1107
18	6D	15 P.S. § 1006D	103, 104
19	6E	15 P.S. § 1006E	1 Pa.C.S. §§
20			1902, 1924
21	7	15 P.S. § 1007	105
22	8A	15 P.S. § 1008A	1702(a), 1704(b)
23	8B	15 P.S. § 1008B	1705(a)
24	8C	15 P.S. § 1008C	1705(b)
25	8D	15 P.S. § 1008D	1706
26	8E	15 P.S. § 1008E	1708
27	9	15 P.S. § 1009	106
28	10	15 P.S. § 1010	131-136
29	11	-	Repealed 1978
30	12	15 P.S. § 1012	504

1	13	15 P.S. § 1013	505
2	14	15 P.S. § 1014	506
3	15	15 P.S. § 1015	Omitted
4	16	15 P.S. § 1016	Omitted
5	201	15 P.S. § 1201	1301, 1302
6	202A	15 P.S. § 1202A	1303(a)
7	202B	15 P.S. § 1202B	1303(b)
8	202C	15 P.S. § 1202C	1303(d)
9	202D	15 P.S. § 1202D	1303(e)
10	202E	15 P.S. § 1202E	1304(a)
11	202F	15 P.S. § 1202F	1303(c)
12	202G	15 P.S. § 1202G	1304(b)
13	203	15 P.S. § 1203	1305
14	204	15 P.S. § 1204	1306
15	205	15 P.S. § 1205	1307
16	206A	15 P.S. § 1206A	1308
17	206B	15 P.S. § 1206B	134
18	206C	15 P.S. § 1206C	134
19	207	15 P.S. § 1207	1309
20	208	-	Repealed 1957
21	209	-	Repealed 1972
22	209.1	-	Repealed 1972
23	209.2	-	Repealed 1972
24	210	15 P.S. § 1210	1310
25	211	15 P.S. § 1211	501
26	301	15 P.S. § 1301	1501
27	302	15 P.S. § 1302	1502
28	303	15 P.S. § 1303	1503
29	304	15 P.S. § 1304	1504(a)
30	305	15 P.S. § 1305	1505, 1506

1	306	15 P.S. § 1306	1507(a)
2	307	15 P.S. § 1307	1507(b)
3	308	15 P.S. § 1308	1508
4	309	-	Repealed 1957
5	309.1	15 P.S. § 1309.1	1531
6	310	-	Repealed 1968
7	311A	15 P.S. § 1311A	1932(a), 1932(d)
8	311B	15 P.S. § 1311B	1932(b)
9	311C	15 P.S. § 1311C	1932(f)
10	311D	15 P.S. § 1311D	1932(c)
11	311E	15 P.S. § 1311E	1932(e)
12	311F	15 P.S. § 1311F	1571(b)(3)
13	312	15 P.S. § 1312	Omitted
14	313	15 P.S. § 1313	1510(a)
15	314	15 P.S. § 1314	1502(a)(12)
16	315	15 P.S. § 1315	1502(a)(13)
17	316	15 P.S. § 1316	1502(a)(14)
18	317	-	Repealed 1968
19	318	15 P.S. § 1318	1554
20	319	15 P.S. § 1319	1903(a)
21	320	15 P.S. § 1320	1903(b)
22	321	15 P.S. § 1321	1509
23	322	15 P.S. § 1322	1511
24	371	15 P.S. § 1371	2301(a)-(c)
25	372	15 P.S. § 1372	2304
26	373	15 P.S. § 1373	2303
27	374	15 P.S. § 1374	2305
28	375	15 P.S. § 1375	2306
29	376A	15 P.S. § 1376A	2307
30	376B	15 P.S. § 1376B	2302(b)

1	377	15 P.S. § 1377	2308
2	378	15 P.S. § 1378	2309
3	379	15 P.S. § 1379	2321(b)
4	380	15 P.S. § 1380	2324
5	381	15 P.S. § 1381	2331(b), (c)
6	382	15 P.S. § 1382	2332
7	383	15 P.S. § 1383	2333
8	384	15 P.S. § 1384	2334
9	385	15 P.S. § 1385	2335
10	386	15 P.S. § 1386	2337
11	401	15 P.S. § 1401	1721(a), 1722,
12			1724(a), 1725(a),
13			1730
14	402	15 P.S. § 1402	1722, 1723,
15			1725(b)
16	402(1)	15 P.S. § 1402(1)	1724(a)
17	402(2)	15 P.S. § 1402(2)	1723
18	402(3)	15 P.S. § 1402(3)	1725(c)
19	402(4)	15 P.S. § 1402(4)	1703(a)
20	402(5)	15 P.S. § 1402(5)	1727(a)
21	402(6)	15 P.S. § 1402(6)	1731(a)
22	402(7)	15 P.S. § 1402(7)	1727(b)
23	403	15 P.S. § 1403	1724(b), 1725(b),
24			1758(c)
25	404	15 P.S. § 1404	1702(b), 1703(b)
26	405	15 P.S. § 1405	1726(a)-(c)
27	406	15 P.S. § 1406	1732
28	407	15 P.S. § 1407	1733
29	408	-	Repealed 1986
30	409	-	Repealed 1968

1	409.1A	15 P.S. § 1409.1A	1728(a)
2	409.1B	15 P.S. § 1409.1B	1728(b)
3	409.1C	15 P.S. § 1409.1C	1770
4	410A	15 P.S. § 1410A	1741
5	410B	15 P.S. § 1410B	1742
6	410C	15 P.S. § 1410C	1743
7	410D	15 P.S. § 1410D	1744
8	410E	-	Repealed 1986
9	410F	15 P.S. § 1410F	1746, 1750
10	410G	15 P.S. § 1410G	1747
11	501A	15 P.S. § 1501A	1704(a)
12	501B	15 P.S. § 1501B	1755(a)
13	501C	15 P.S. § 1501C	1704(b), 1755(b)
14	501D	15 P.S. § 1501D	1755(c)
15	502	15 P.S. § 1502	1702(b), 1704(b)
16	503A	15 P.S. § 1503A	1756
17	503A(1)	15 P.S. § 1503A(1)	1757(a)
18	503A(2)	15 P.S. § 1503A(2)	1756(a)
19	503A(3)	15 P.S. § 1503A(3)	1756(b)
20	503B	15 P.S. § 1503B	1757(b)
21	504A	15 P.S. § 1504A	1758(a), 1759
22	504B	15 P.S. § 1504B	1758(d)
23	505	15 P.S. § 1505	1758(b), (c)
24	506	15 P.S. § 1506	1760
25	507	15 P.S. § 1507	1761
26	508	15 P.S. § 1508	1762
27	509	15 P.S. § 1509	1763(a)
28	510	15 P.S. § 1510	1764
29	511	15 P.S. § 1511	1768
30	512	15 P.S. § 1512	1765

1	513	15 P.S. § 1513	1766
2	513.1	15 P.S. § 1513.1	1767
3	514	-	Repealed 1966
4	515A	15 P.S. § 1515A	1571(a)
5	515B	15 P.S. § 1515B	1573, 1574
6	515C	15 P.S. § 1515C	1579
7	515D	15 P.S. § 1515D	1577
8	515E	15 P.S. § 1515E	1577
9	515F	15 P.S. § 1515F	1579
10	515G	15 P.S. § 1515G	1579(d)
11	515H	15 P.S. § 1515H	1580
12	515I	15 P.S. § 1515I	1576, 1577
13	515J	15 P.S. § 1515J	Omitted
14	515K	15 P.S. § 1515K	1105
15	515L	15 P.S. § 1515L	1571(b)
16	515M	15 P.S. § 1515M	1571(b)
17	516	15 P.S. § 1516	1782
18	601	15 P.S. § 1601	1521
19	602	15 P.S. § 1602	1522
20	603	15 P.S. § 1603	1523
21	604	15 P.S. § 1604	1524
22	605	15 P.S. § 1605	1524
23	606	15 P.S. § 1606	1524
24	607	15 P.S. § 1607	1528(b)-(e)
25	608	15 P.S. § 1608	1527
26	609	15 P.S. § 1609	1526
27	610	15 P.S. § 1610	1524(c)
28	611A	15 P.S. § 1611A	1525(a), 1530(a)
29	611B	15 P.S. § 1611B	1530(b)
30	611C	15 P.S. § 1611C	1530(c)

1	611D	15 P.S. § 1611D	1525(b), 2513
2	611E	15 P.S. § 1611E	1525(c)
3	612	15 P.S. § 1612	1525
4	613A	15 P.S. § 1613A	1529(a)
5	613B	15 P.S. § 1613B	110, 1502(a)(15),
6			1502(a)(16), 1508
7	613.1	15 P.S. § 1613.1	1529(b)-(f)
8	614	15 P.S. § 1614	Omitted
9	615	15 P.S. § 1615	1532
10	701	15 P.S. § 1701	1521(b), 1552(a),
11			1906
12	702	15 P.S. § 1702	1551
13	702.1	15 P.S. § 1702.1	1524(b)
14	703	15 P.S. § 1703	1551
15	704	15 P.S. § 1704	Omitted
16	705	-	Repealed 1966
17	706	15 P.S. § 1706	Omitted
18	707	15 P.S. § 1707	1553
19	708	15 P.S. § 1708	1552(a)
20	709	15 P.S. § 1709	1552(a)
21	801	15 P.S. § 1801	1911
22	802	15 P.S. § 1802	1912
23	803	15 P.S. § 1803	1913
24	804	15 P.S. § 1804	1914
25	805	15 P.S. § 1805	1914
26	806	15 P.S. § 1806	1915
27	807	15 P.S. § 1807	Omitted
28	808	15 P.S. § 1808	1916(a)
29	809	15 P.S. § 1809	1915, 1916(b)
30	810	15 P.S. § 1810	Omitted

1	901	15 P.S. § 1901	1921(a), (b)
2	902A	15 P.S. § 1902A	1922(a)
3	902B	15 P.S. § 1902B	1922(c), 1923
4	902C	15 P.S. § 1902C	1924(a), (c)
5	902D	15 P.S. § 1902D	1925
6	902.1	15 P.S. § 1902.1	1924(b)
7	903	15 P.S. § 1903	1926
8	904	-	Repealed 1966
9	905	15 P.S. § 1905	1927
10	906	15 P.S. § 1906	1928
11	907	15 P.S. § 1907	1929
12	908	15 P.S. § 1908	1930
13	909	15 P.S. § 1909	4161
14	910A	15 P.S. § 1910A	2541, 2544
15	910B	15 P.S. § 1910B	2542, 2543
16	910C	15 P.S. § 1910C	2545
17	910D	15 P.S. § 1910D	2546
18	910E	15 P.S. § 1910E	2542, 2546
19	910F	15 P.S. § 1910F	2548
20	910G	15 P.S. § 1910G	2541, 2542
21	911A	15 P.S. § 1911A	2551, 2552, 2553,
22			2554
23	911B	15 P.S. § 1911B	2555, 2556
24	911C	15 P.S. § 1911C	2551
25	911D	15 P.S. § 1911D	2551
26	1001A	15 P.S. § 2001A	4121(a)
27	1001B	15 P.S. § 2001B	4122
28	1002	15 P.S. § 2002	4123
29	1003	15 P.S. § 2003	4124(b)
30	1004	15 P.S. § 2004	4124(a)

1	1005	15 P.S. § 2005	4125
2	1006	15 P.S. § 2006	4144
3	1007	15 P.S. § 2007	4126
4	1008	-	Repealed 1957
5	1009	15 P.S. § 2009	4127
6	1010A	15 P.S. § 2010A	4142(a)
7	1010B	15 P.S. § 2010B	4143(b)
8	1011	-	Repealed 1972
9	1011.1	-	Repealed 1972
10	1012	15 P.S. § 2012	4143(a)
11	1013	15 P.S. § 2013	4128
12	1014	15 P.S. § 2014	4141
13	1015	15 P.S. § 2015	4129
14	1016	15 P.S. § 2016	4128
15	1101	15 P.S. § 2101	1971
16	1102	15 P.S. § 2102	1972, 1973, 1974
17	1103	15 P.S. § 2103	1977
18	1103.1	15 P.S. § 2103.1	1974(c)
19	1104A	15 P.S. § 2104A	1975(a)
20	1104B	15 P.S. § 2104B	1975(b)
21	1104C	15 P.S. § 2104C	1975(c)
22	1104D	15 P.S. § 2104D	1976
23	1105	15 P.S. § 2105	1977
24	1106	15 P.S. § 2106	1978
25	1107A	15 P.S. § 2107A	1981
26	1107B	15 P.S. § 2107B	1982
27	1107C	15 P.S. § 2107C	1103 ("court")
28	1108A	15 P.S. § 2108A	1984
29	1108B	15 P.S. § 2108B	1985
30	1108C	15 P.S. § 2108C	1986

1		1108D	15 P.S. § 2108D	1987
2		1109	15 P.S. § 2109	1988
3		1110	15 P.S. § 2110	1989
4		1111	15 P.S. § 2111	1979
5		1112	15 P.S. § 2112	503
6		1201	15 P.S. § 2201	Effective date,
7				Sec. 302 of Act
8		1202	15 P.S. § 2202	Repealer
9		1203	15 P.S. § 2203	Repealer
10		1203(b)	15 P.S. § 2203(b)	Sec. 301(c) of
11				Act
12		1204	15 P.S. § 2204	Repealer
13		1204(d)	15 P.S. § 2204(d)	Sec. 301(d) of
14				Act
15	1937, No.219	1	15 P.S. § 1406 note	1732
16	1937, No.600	1	15 P.S. § 3967	1758(e), 1759
17		2	-	Repealer
18	1939, No.170	1	15 P.S. § 3905	1755
19	1939, No.171	1	15 P.S. § 4210	1502
20		2	-	Effective date
21	1945, No.114	1	15 P.S. § 432	523
22		2	15 P.S. § 433	523
23		3	15 P.S. § 434	523
24		4	15 P.S. § 410	522
25	1947, No.79	1	15 P.S. § 4022	1703
26		2	-	Repealer
27		3	-	Effective date
28	1947, No.136	1	15 P.S. § 3355	Ch.19C
29		2	15 P.S. § 3356	Ch.19C
30		3	15 P.S. § 3357	Ch.19C

1	4	15 P.S. § 3358	Omitted
2	5	15 P.S. § 3359	Ch.19C
3	6	15 P.S. § 3360	Ch.19C
4	7	15 P.S. § 3361	Ch.19C
5	8	15 P.S. § 3362	Ch.15D
6	1947, No.196	1 15 P.S. § 3304	1511
7	1947, No.243	1 15 P.S. § 7207 note	Obsolete
8	1949, No.17	1 15 P.S. § 4014	1502, 1730, 1732
9		2 15 P.S. § 4015	1502, 1732
10		3 15 P.S. § 4016	1723
11		4 15 P.S. § 4017	Obsolete
12		5 -	Effective date
13	1951, No.302	1 -	Amendatory
14		2 -	Amendatory
15		3 -	Amendatory
16		4 15 P.S. § 801 note	Effective date
17	1953, No.280	2 15 P.S. § 113	521
18		3 15 P.S. § 114	Obsolete
19		4 -	Effective date
20	1957, No.169	1 15 P.S. § 3165	Ch.19B
21	1957, No.366	1 15 P.S. § 806	139
22		2 15 P.S. § 807	139
23		3 -	Repealer
24		4 -	Effective date
25	1957, No.368	1 15 P.S. § 414	Obsolete
26		2 15 P.S. § 415	1704
27		3 15 P.S. § 416	1702
28		4 15 P.S. § 417	1705(a)
29		5 15 P.S. § 418	1705(b)
30		6 15 P.S. § 431	1766

1		7	-	Repealer
2		8	-	Effective date
3	1959, No.508	1	15 P.S. § 4021	1731
4		2	-	Effective date
5	1959, No.509	1	15 P.S. § 3968	1759
6		2	15 P.S. § 3969	1760
7		3	15 P.S. § 3970	1761
8		4	-	Repealer
9		5	-	Effective date
10	1964, No.6	901*	26 P.S. § 1-901*	1511
11	1965, No.293	1	-	Amendatory
12		2	-	Repealed 1966
13		3	15 P.S. § 1202 note	1105(b)(2)
14		4	-	Effective date
15	1965, No.356	1411	7 P.S. § 1411	511
16	1966, No.521	1	15 P.S. § 1	Obsolete
17		2	15 P.S. § 2	Sec. 104 of Act
18		3	15 P.S. § 3	501(b)
19		4	15 P.S. § 4	Obsolete
20		5	15 P.S. § 5	Obsolete
21		6	15 P.S. § 6	Obsolete
22		7	15 P.S. § 7	Obsolete
23		8	-	Effective date
24	1966, No.556	1	15 P.S. § 4351	1722
25		2	15 P.S. § 4352	1722
26		3	-	Severability
27				Section
28		4	-	Repealer
29		5	-	Effective date
30	1967, No.345	509	7 P.S. § 6020-69	511

1	1968, No.321	1	15 P.S. § 4381	Obsolete
2		2	15 P.S. § 4382	1511
3		3	15 P.S. § 4383	Ch.19B
4		4	15 P.S. § 4384	1511
5		5	15 P.S. § 4385	Repealer
6		6	-	Effective date
7	1970, No.160	1	15 P.S. § 2901	Obsolete
8		2	15 P.S. § 2902	2902
9		3(1)	15 P.S. § 2903	2903(b)
10		3(2)	15 P.S. § 2903	Obsolete
11		4(a)	15 P.S. § 2904(a)	2905(a)
12		4(b)	15 P.S. § 2904(b)	2905(b)
13		4(c)	15 P.S. § 2904(c)	2905(c)
14		4(d)	15 P.S. § 2904(d)	1311
15		5(a)	15 P.S. § 2905(a)	2901(b)
16		5(b)	15 P.S. § 2905(b)	2904
17		6(a)	15 P.S. § 2906(a)	2901(c), 2903(a)
18		6(b)	15 P.S. § 2906(b)	Ch.41
19		7(a)	15 P.S. § 2907(a)	2903(c), 2922(a)
20		7(b)	15 P.S. § 2907(b)	2903(d)(1)
21		7(c)	15 P.S. § 2907(c)	2903(d)(2)
22		8(a)	15 P.S. § 2908(a)	2921(a)
23		8(b)	15 P.S. § 2908(b)	2921(b)
24		8(c)	15 P.S. § 2908(c)	135
25		9	15 P.S. § 2909	1723
26		10(a)	15 P.S. § 2910(a)	2923(a), (c)
27		10(b)	15 P.S. § 2910(b)	2923(d)
28		11(a)	15 P.S. § 2911(a)	2923(b)
29		11(b)	15 P.S. § 2911(b)	2907(c)
30		11(c)	15 P.S. § 2911(c)	2907(a)

1		11(d)	15 P.S. § 2911(d)	2907(b)
2		12	15 P.S. § 2912	2924
3		13	15 P.S. § 2913	2925
4		14	15 P.S. § 2914	Repealer
5		15	-	Effective date
6	1981, No.135	203*	4 P.S. § 325.203*	Chs.11-19
7	1983, No.92	1	-	Amendatory
8		2	-	Amendatory
9		3	-	Amendatory
10		4	-	Amendatory
11		5	-	2538(a)
12		6	-	Obsolete
13		7	-	Effective date

14 The provision attached to the partial repeal of section 901
15 of the act of June 22, 1964 (P.L.84, No.6) reverses the result
16 in Appeal of Conway, 60 Pa.Cmwltth. 520, 432 A.2d 276 (1981), and
17 cures the constitutional defect in the Eminent Domain Code noted
18 in footnote 3 to the court's opinion in that case, 432 A.2d at
19 278.

20 Section 7 of the act of July 10, 1981 (P.L.237, No.77) is
21 omitted as supplied in part by new 15 Pa.C.S. §§ 2922 and 2923
22 and otherwise obsolete.

23 Section 301(b): The provisions repealed by this subsection
24 are supplied in this act as to associations not incorporated
25 under or subject to The Insurance Company Law of 1921 as
26 follows:

27	Repealed		Unofficial	Superseding
28	Act	Section	Citation	Provision of
29				Title 15
30				(unless otherwise noted)

1	1865, No.1119	1	15 P.S. § 424	1703(a), 1704(a)
2	1869, No.30	1	15 P.S. § 405	1727
3	1874, No.118	1	15 P.S. § 103	1309
4	1887, No.274	1	15 P.S. § 406	1724
5		2	-	Validating
6				section
7		3	-	Repealed 1959
8	1891, No.77	1	15 P.S. § 408	1730
9	1901, No.51	1	15 P.S. § 403	1723
10			15 P.S. § 404	1723
11	1901, No.298	1	15 P.S. § 110	1502
12		2	-	Repealer
13	1903, No.17	1	15 P.S. § 429	1759
14		2	-	Repealer
15	1905, No.26	1	15 P.S. § 428	1760
16	1913, No.222	1	15 P.S. § 751	1551
17		2	-	Repealer
18	1921, No.28	1	15 P.S. § 422	1755
19		2	15 P.S. § 423	1704
20	1923, No.8	1	15 P.S. § 905	Obsolete
21		2	15 P.S. § 905 note	Validating
22				section
23		3	15 P.S. § 906	42 Pa.C.S. § 6103
24				42 Pa.C.S. § 6104
25	1923, No.443	1	15 P.S. § 601	1523
26		2	15 P.S. § 602	1530
27		3	-	Repealer
28	1925, No.131	1	15 P.S. § 102	Obsolete
29		2	-	Validating
30				section

1		3	-	Repealer
2	1925, No.329	1	15 P.S. § 401	1505
3		2	15 P.S. § 402	1506
4	1925, No.368	1	15 P.S. § 701	1502(a), 1525,
5				1530
6		2	15 P.S. § 702	Omitted
7		3	-	Repealer
8	1927, No.260	1	41 P.S. § 2	1510, 5510
9		2	-	Repealer
10	1929, No.401	1	15 P.S. § 411	1763
11		2	15 P.S. § 412	1763
12		3	15 P.S. § 413	1763
13		4	-	Repealer
14	1945, No.249	1	15 P.S. § 901	1502, 7 P.S. §
15				6020-101,
16				7 P.S. §
17				201(a)(vii)
18		2	-	Effective date
19	1953, No.280	1	15 P.S. § 703	1525, 7 P.S.
20				§ 1409

21 Section 301(c): Derived from act of May 5, 1933 (P.L.364,
 22 No.106), § 1203(b), added by the act of January 18, 1966 (1965
 23 P.L.1305, No.519), § 50. The provisions repealed by this
 24 subsection were repealed as to corporations for profit with the
 25 proviso that they were repealed absolutely if repealed as to
 26 corporations not for profit by any amendment to the Nonprofit
 27 Corporation Law of 1933. They were repealed as to corporations
 28 not for profit by the act of January 18, 1966 (1965 P.L.1406,
 29 No.520), § 26(b), adding § 1103(b) to the Nonprofit Corporation
 30 Law of 1933.

1 Section 301(d): Substantially a reenactment of act of May 5,
2 1933 (P.L.364, No.106), § 1204(d), added by the act of July 20,
3 1968 (P.L.459, No.216), § 59.

4 Section 301(e): New.

5 Section 302: New. Cf. Cal Corp. Code § 2300, N.Y. Business
6 Corp. Law § 2001 (Supp. 1981), N.Y. Not-For-Profit Corp. Law
7 XXVIII (McKinney's 1970). See section 107 of the act of
8 , 1988 (P.L. ,No.), known as the Corporation Act
9 of 1988 (15 P.S. §). Subsection (b) is a reenactment (as
10 to business corporations) of 42 Pa.C.S. §§ 8366 and 8367.