

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 2234 Session of 2014

INTRODUCED BY TURZAI, DERMODY, KOTIK, MACKENZIE, MARSHALL, MILLARD, GREINER, PAINTER, KILLION, READSHAW, DAVIS, EVERETT, BOBACK, THOMAS, TRUITT, ROZZI, MUSTIO, BARBIN, AUMENT, BAKER, COHEN, MILNE, DENLINGER, MICOZZIE, OBERLANDER, GROVE, SWANGER, BROWNLEE, MENTZER, CUTLER, FEE, WATSON, McNEILL, MURT, COX, BLOOM, METCALFE, FRANKEL, HICKERNELL, LAWRENCE, SAYLOR, GABLER, HARHART, CARROLL, LONGIETTI, KORTZ, CAUSER, GRELL, DeLUCA, D. COSTA, GOODMAN, CLYMER, MULLERY, BRADFORD, GILLEN, HANNA, SANTARSIERO, F. KELLER, ROCK, KAMPF, GINGRICH, PICKETT, KNOWLES, GODSHALL, KRIEGER, DONATUCCI, BROOKS AND FLECK, MAY 5, 2014

AS REPORTED FROM COMMITTEE ON COMMERCE, HOUSE OF REPRESENTATIVES, AS AMENDED, JUNE 10, 2014

AN ACT

1 Amending Titles 15 (Corporations and Unincorporated
2 Associations) and 54 (Names) of the Pennsylvania Consolidated
3 Statutes, modernizing the law on corporations and
4 unincorporated associations by doing the following:
5 Adding provisions applicable to associations generally on <--
6 names, mergers, interest exchanges, conversions, divisions,
7 domestications and registration of foreign associations to do
8 business.
9 Extensively revising preliminary provisions on
10 ~~definitions, communication, filing, fees, definitive and~~ <--
11 ~~contingent domestication of associations,~~ GENERAL PROVISIONS, <--
12 entities generally, entity transactions and foreign
13 associations.
14 As to business corporations, extensively revising:
15 preliminary provisions on definitions, equitable
16 relief and applicability;
17 general incorporation provisions on names, articles
18 of incorporation, applicability and notice to demand
19 payment;
20 management and ownership provisions on shareholder
21 action;

1           fundamental change provisions on omissions,  
2           termination, de facto transaction, proposals, special  
3           treatment of shares, submission of matters to  
4           shareholders, liabilities, MERGER, SHARE EXCHANGE, sale <--  
5           of assets, division and, conversion, VOLUNTARY <--  
6           DISSOLUTION AND WINDING UP;  
7           NONSTOCK CORPORATION PROVISIONS ON APPLICATION; <--  
8           STATUTORY CLOSE CORPORATION PROVISIONS ON  
9           APPLICATION;  
10          registered corporation provisions on call of special  
11          meetings of shareholders, shareholder transactions and  
12          management adoption of merger plans;  
13          MANAGEMENT CORPORATION PROVISIONS ON APPLICATION AND <--  
14          BYLAW AND FUNDAMENTAL CHANGE PROCEDURES;  
15          PROFESSIONAL CORPORATION PROVISIONS ON APPLICATION  
16          AND CORPORATE NAME;  
17          INSURANCE CORPORATION PROVISIONS ON APPLICATION;  
18          benefit corporation provisions on applicability and  
19          election of status; and  
20          foreign business corporation provisions on admission,  
21          excluded activities, names, commencing business,  
22          certificates of authority, termination, address change  
23          after withdrawal, name registration, penalties, powers  
24          and duties, registered offices and domestication.  
25          As to nonprofit corporations, extensively revising:  
26          general provisions on definitions and applicability;  
27          incorporation provisions on corporate name, changes  
28          and reservation;  
29          management and ownership provisions on action;  
30          fundamental change provisions on FILED PLANS, <--  
31          STATEMENT OF TERMINATION, PROPOSAL OF FUNDAMENTAL  
32          TRANSACTIONS, authorization, plans, notice, procedure,  
33          foreign corporations, articles, filing, effectiveness,  
34          resulting effect, MERGER, voluntary transfer OF ASSETS, <--  
35          division and conversion; and  
36          foreign nonprofit corporate provisions on admission,  
37          excluded activities, names, commencing business,  
38          certificates of authority, organic change, termination,  
39          address change after withdrawal, name registration,  
40          penalties, powers and duties, registered offices and  
41          domestication.  
42          As to cooperative corporations, extensively revising  
43          workers cooperative corporation provisions on definitions,  
44          nature and articles AND TERMINATING PROVISIONS ON GENERATION <--  
45          CHOICES FOR CUSTOMERS OF ELECTRIC COOPERATIVES.  
46          As to partnerships and limited liability companies,  
47          extensively revising:  
48          registered limited liability partnership provisions  
49          on name and foreign partnerships;  
50          limited partnership provisions on definitions, name,  
51          cancellation of certificate, merger and consolidation,

1 nonjudicial dissolution, division and foreign limited  
2 partnerships; and  
3 limited liability company provisions on definitions,  
4 name, election, merger and consolidation, division and  
5 foreign companies.

6 As to unincorporated associations, extensively revising:  
7 preliminary provisions on definitions; and  
8 professional associations provisions on  
9 applicability.

10 As to business trusts, extensively revising provisions on  
11 creation, status and termination, on documentation and on  
12 foreign business trusts.

13 In names:

14 as to fictitious names, further providing for scope  
15 and registration; and

16 as to corporate and associational names, further  
17 providing for a register and for decennial filings.

18 Making editorial changes.

19 The General Assembly of the Commonwealth of Pennsylvania  
20 hereby enacts as follows:

21 Section 1. This act shall be known and may be cited as the  
22 Association Transactions Act.

23 SECTION 1.1. THE GENERAL ASSEMBLY FINDS AND DECLARES AS <--  
24 FOLLOWS:

25 (1) IT IS NECESSARY TO MODERNIZE THE LAW OF THIS  
26 COMMONWEALTH ON THE ORGANIZATION AND GOVERNANCE OF  
27 CORPORATIONS AND OTHER ASSOCIATIONS IN ORDER TO MAKE THE  
28 COMMONWEALTH COMPETITIVE WITH OTHER STATES IN ATTRACTING  
29 BUSINESS ORGANIZATIONS.

30 (2) THIS ACT IS DESIGNED TO AMEND 15 PA.C.S. PT. I TO  
31 INTEGRATE THE LAW ON CORPORATIONS AND OTHER ASSOCIATIONS BY  
32 ENACTING PROVISIONS APPLICABLE TO ALL FORMS OF ASSOCIATIONS  
33 AND AUTHORIZING TRANSACTIONS INVOLVING ANY FORM OF  
34 ASSOCIATION.

35 (3) IT IS ALSO NECESSARY TO MODERNIZE THE LAW ON THOSE  
36 SUBJECTS IN ORDER TO IMPROVE THE FUNCTIONING OF THE BUREAU OF  
37 CORPORATIONS AND CHARITABLE ORGANIZATIONS, WHICH ADMINISTERS

1 THAT LAW.

2 (4) THIS ACT IS DESIGNED TO AMEND 15 PA.C.S. PT. I TO  
3 INTEGRATE THE LAW ON ENTITY NAMES, ENTITY TRANSACTIONS AND  
4 REGISTRATION OF FOREIGN ENTITIES INTO A SINGLE COHERENT BODY  
5 OF LAW THAT CAN BE EFFICIENTLY ADMINISTERED BY THE BUREAU OF  
6 CORPORATIONS AND CHARITABLE ORGANIZATIONS AND EASILY USED AND  
7 UNDERSTOOD BY THE CITIZENS OF THE COMMONWEALTH.

8 Section ~~1.1~~ 1.2. The introductory paragraph, the definitions <--  
9 of "association," "cooperative corporation," "corporation for  
10 profit," and "corporation not-for-profit," paragraph (2) of the  
11 definition of "court" and the definitions of "domestic savings  
12 association" and "savings association" in section 102 of Title  
13 15 of the Pennsylvania Consolidated Statutes are amended and the  
14 section is amended by adding definitions and a subsection to  
15 read:

16 § 102. Definitions.

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

23 \* \* \*

24 "Association." A corporation for profit or not-for-profit, a  
25 partnership, a limited liability company, a business or  
26 statutory trust, an entity or two or more persons associated in  
27 a common enterprise or undertaking. The term does not include:

28 (1) a testamentary trust or an inter vivos trust as  
29 defined in 20 Pa.C.S. § 711(3) (relating to mandatory  
30 exercise of jurisdiction through orphans' court division in

1 general) [.]i

2 (2) an association or relationship that:

3 (i) is not a person that has:

4 (A) a legal existence separate from any interest  
5 holder of the person; or

6 (B) the power to acquire an interest in real  
7 property in its own name; and

8 (ii) is not a partnership under the rules stated in  
9 section 8312 (relating to rules for determining the  
10 existence of a partnership) or a similar provision of the  
11 law of another jurisdiction;

12 (3) a decedent's estate; or

13 (4) a government or a governmental subdivision, agency  
14 or instrumentality.

15 \* \* \*

16 "Business corporation." A domestic or foreign business  
17 corporation as defined in section 1103 (relating to  
18 definitions), whether or not it is a cooperative corporation.

19 \* \* \*

20 "Cooperative corporation." A domestic corporation that is  
21 subject to Subpart D of Part II (relating to cooperative  
22 corporations), or a foreign corporation that is subject to a  
23 similar law of a foreign jurisdiction.

24 "Corporation for profit." A domestic or foreign corporation  
25 incorporated for a purpose or purposes involving pecuniary  
26 profit, incidental or otherwise, to its shareholders or members,  
27 whether or not it is a cooperative corporation.

28 "Corporation not-for-profit." A domestic or foreign  
29 corporation not incorporated for a purpose or purposes involving  
30 pecuniary profit, incidental or otherwise, whether or not it is

1 a cooperative corporation.

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

4 \* \* \*

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

11 \* \* \*

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

14 "Distributional interest." The right under the organic law  
15 of an entity that is not a corporation for profit or not-for-  
16 profit, or under the organic rules of such an entity, to receive  
17 distributions from the entity.

18 "Domestic association." An association, the internal affairs  
19 of which are governed by the law of this Commonwealth.

20 \* \* \*

21 "Domestic entity." An entity, the internal affairs of which  
22 are governed by the law of this Commonwealth.

23 "Domestic filing association." A domestic association, the  
24 formation of which requires the filing of a public organic  
25 record. The term does not include a general partnership that is  
26 also:

27 (1) a limited liability partnership; or

28 (2) an electing partnership.

29 "Domestic filing entity." A domestic entity, the formation  
30 of which requires the filing of a public organic record. The

1 term does not include a general partnership that is also:

2 (1) a limited liability partnership; or

3 (2) an electing partnership.

4 \* \* \*

5 ["Domestic savings association." A domestic corporation for  
6 profit which is an association as defined in section 102(3) of  
7 the former act of December 14, 1967 (P.L.746, No.345), known as  
8 the Savings Association Code of 1967.]

9 \* \* \*

10 "Electronic." Relating to technology having electrical,  
11 digital, magnetic, wireless, optical, electromagnetic or similar  
12 capabilities.

13 "Entity." A domestic or foreign:

14 (1) business corporation;

15 (2) nonprofit corporation;

16 (3) general partnership;

17 (4) limited partnership;

18 (5) limited liability company;

19 (6) unincorporated nonprofit association;

20 (7) professional association; or

21 (8) business trust, common law business trust or  
22 statutory trust.

23 \* \* \*

24 "Filing association." A domestic or foreign association, the  
25 formation of which requires the filing of a public organic  
26 record. The term does not include a general partnership that is  
27 also:

28 (1) a limited liability partnership; or

29 (2) an electing partnership.

30 "Filing entity." A domestic or foreign entity, the formation

1 of which requires the filing of a public organic record. The  
2 term does not include a general partnership that is also:

3 (1) a limited liability partnership; or

4 (2) an electing partnership.

5 "Foreign association." An association that is not a domestic  
6 association.

7 \* \* \*

8 "Foreign entity." An entity that is not a domestic entity.

9 "Foreign filing association." A foreign association, the  
10 formation of which requires the filing of a public organic  
11 record.

12 "Fraternal benefit society." A fraternal benefit society as  
13 defined in section 2403 of the act of May 17, 1921 (P.L.682,  
14 No.284), known as The Insurance Company Law of 1921.

15 "General partnership." A domestic or foreign partnership as  
16 defined in section 8311 (relating to partnership defined),  
17 whether or not it is a limited liability partnership or electing  
18 partnership.

19 "Governance interest." A right under the organic law or  
20 organic rules of an association that is not a corporation for  
21 profit or not-for-profit, other than as a governor, agent,  
22 assignee or proxy, to:

23 (1) receive or demand access to information concerning,  
24 or the books and records of, the association;

25 (2) vote for the election of the governors of the  
26 association; or

27 (3) receive notice of or vote on an issue involving the  
28 internal affairs of the association.

29 "Governor." A person by or under whose authority the powers  
30 of an association are exercised and under whose direction the



1 activities and affairs of the association are managed pursuant  
2 to the organic law and organic rules of the association. The  
3 term includes:

4 (1) A director of a corporation for profit or a  
5 shareholder of a statutory close corporation that is deemed  
6 to be a director under section 2332(a) (relating to  
7 management by shareholders).

8 (2) A director or member of an other body of a  
9 corporation not-for-profit.

10 (3) A partner of a general partnership.

11 (4) A general partner of a limited partnership.

12 (5) A general partner of an electing partnership.

13 (6) A manager of a manager-managed limited liability  
14 company or a member that has the right to participate  
15 materially in the management of a member-managed limited  
16 liability company.

17 (7) A manager of an unincorporated nonprofit  
18 association.

19 (8) A member of the board of governors of a professional  
20 association.

21 (9) A trustee of a business trust, common law business  
22 trust or statutory trust.

23 "Health maintenance organization." An entity that is subject  
24 to the act of December 29, 1972 (P.L.1701, No.364), known as the  
25 Health Maintenance Organization Act.

26 "Hospital plan corporation." A hospital plan corporation as  
27 defined in 40 Pa.C.S. § 6101 (relating to definitions).

28 \* \* \*

29 "Interest." A share in a corporation for profit, a  
30 membership or share in a corporation not-for-profit, a

1 governance interest or a distributional interest. The term  
2 includes the following:

3 (1) A governance interest or transferable interest in a  
4 general partnership.

5 (2) A governance interest or transferable interest in a  
6 limited partnership.

7 (3) A governance interest or transferable interest in a  
8 limited liability company.

9 (4) A membership in an unincorporated nonprofit  
10 association.

11 (5) An ownership interest in a professional association.

12 (6) A beneficial interest in a business trust, common-  
13 law business trust or statutory trust.

14 "Interest holder." A direct or record holder of an interest.

15 The term includes the following:

16 (1) A shareholder of a corporation for profit.

17 (2) A member or shareholder of a corporation not-for-  
18 profit.

19 (3) A partner or transferee in a general partnership.

20 (4) A general or limited partner or transferee in a  
21 limited partnership.

22 (5) A member or transferee in a limited liability  
23 company.

24 (6) A member of an unincorporated nonprofit association.

25 (7) An associate in a professional association.

26 (8) A beneficiary or beneficial owner of record of a  
27 business trust, common-law business trust or statutory trust.

28 \* \* \*

29 "Jurisdiction." When used to refer to a political entity,  
30 the United States, a state, a foreign country or a political

1 subdivision of a foreign country.

2 "Jurisdiction of formation." The jurisdiction whose law  
3 includes the organic law of an association.

4 \* \* \*

5 "Limited liability limited partnership." A domestic or  
6 foreign limited partnership for which there is in effect:

7 (1) a statement of registration under Chapter 82  
8 (relating to registered limited liability partnerships);

9 (2) a provision of its certificate of limited  
10 partnership electing to be subject to Chapter 82; or

11 (3) a similar filing or provision under the organic law  
12 of a foreign partnership.

13 "Limited liability partnership." A domestic or foreign  
14 general partnership for which there is in effect:

15 (1) a statement of registration under Chapter 82  
16 (relating to registered limited liability partnerships); or

17 (2) a similar filing under the organic law of a foreign  
18 general partnership.

19 "Limited partnership." A domestic or foreign limited  
20 partnership as defined in section 8503 (relating to definitions  
21 and index of definitions), whether or not it is a limited  
22 liability limited partnership or electing partnership.

23 "Nonfiling association." An association that is not a filing  
24 association.

25 "Nonprofit corporation." A domestic or foreign nonprofit  
26 corporation as defined in section 5103 (relating to  
27 definitions), whether or not it is a cooperative corporation.

28 "Nonregistered foreign association." A foreign association  
29 that is not registered to do business in this Commonwealth  
30 pursuant to a filing with the department.

1 \* \* \*

2 "Organic law." The law of the jurisdiction of formation of  
3 an association governing its internal affairs.

4 "Organic rules." The public organic record and private  
5 organic rules of an association.

6 "Principal office." The principal executive office of an  
7 association, whether or not the office is located in this  
8 Commonwealth.

9 "Private organic rules." The rules that govern the internal  
10 affairs of an association, are binding on all its interest  
11 holders and are not part of its public organic record, if any.  
12 The term includes the following:

13 (1) The bylaws of a corporation for profit.

14 (2) The bylaws of a corporation not-for-profit.

15 (3) The partnership agreement of a general partnership.

16 (4) The partnership agreement of a limited partnership.

17 (5) The operating agreement of a limited liability  
18 company.

19 (6) The governing principles of an unincorporated  
20 nonprofit association.

21 (7) The bylaws of a professional association.

22 (8) The bylaws or similar rules, by whatever name they  
23 may be referred to, of a business trust, common-law business  
24 trust or statutory trust.

25 \* \* \*

26 "Professional association." An association as defined in  
27 section 9302 (relating to application of chapter).

28 "Professional health service corporation." A professional  
29 health service corporation as defined in 40 Pa.C.S. § 6302  
30 (relating to definitions).

1 \* \* \*

2 "Property." All property, whether real, personal or mixed,  
3 or tangible or intangible, or any right or interest therein,  
4 including rights under contracts and other binding agreements.

5 "Public organic record." The document the public filing of  
6 which by the department or a similar agency in another  
7 jurisdiction is required to form an association. The term  
8 includes ANY AMENDMENT OR RESTATEMENT OF THE DOCUMENT AND <--  
9 INCLUDES the following:

10 (1) The articles of incorporation of a corporation for  
11 profit.

12 (2) The articles of incorporation of a corporation not-  
13 for-profit.

14 (3) The certificate of limited partnership of a limited  
15 partnership.

16 (4) The certificate of organization of a limited  
17 liability company.

18 (5) The articles of association of a professional  
19 association.

20 (6) The declaration of trust or other instrument of a  
21 business trust or statutory trust which has been filed by the  
22 department or a similar agency in another jurisdiction.

23 "Receipt." Actual coming into possession.

24 "Receive." To actually come into possession.

25 \* \* \*

26 "Registered corporation." A corporation defined in section  
27 2502 (relating to registered corporation status).

28 "Registered foreign association." A foreign association that  
29 is registered to do business in this Commonwealth pursuant to a  
30 filing in the department.

1 \* \* \*

2 ["Savings association." An association as defined in section  
3 102(3) of the former act of December 14, 1967 (P.L.746, No.345),  
4 known as the Savings Association Code of 1967.]

5 \* \* \*

6 "Transfer." Includes:

7 (1) an assignment;

8 (2) a conveyance;

9 (3) a sale;

10 (4) a lease;

11 (5) an encumbrance, including a mortgage or security  
12 interest;

13 (6) a gift; and

14 (7) a transfer by operation of law.

15 "Type." When used with respect to an association, a generic  
16 form:

17 (1) recognized at common law; or

18 (2) organized under an organic law, whether or not some  
19 associations organized under that organic law are subject to  
20 provisions of that law which create different categories of  
21 the form of association.

22 "Unincorporated nonprofit association." A nonprofit  
23 association as defined in section 9112 (relating to  
24 definitions).

25 \* \* \*

26 (b) Application of definitions.--The words and phrases  
27 defined in subsection (a) shall have the same meanings when used  
28 in 54 Pa.C.S. (relating to names) except to the extent those  
29 meanings are inconsistent with the provisions of that title.

30 Section ~~1.2~~ 1.3. Section 109(b) of Title 15 is amended to

<--

1 read:

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

4 \* \* \*

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

13 (1) The name of the representing association.

14 (2) The form of organization of the representing  
15 association.

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

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

23 \* \* \*

24 Section 2. Title 15 is amended by adding sections to read:

25 § 112. Receipt of electronic communications.

26 (a) Requirements.--Unless otherwise provided in the organic  
27 rules of an entity or otherwise agreed between the sender and  
28 the recipient, an electronic communication is received when it:

29 (1) enters an information processing system that the  
30 recipient has designated or uses for the purpose of receiving

1 electronic records or information of the type sent and from  
2 which the recipient is able to retrieve the electronic  
3 record; and

4 (2) is in a form capable of being processed by that  
5 system.

6 (b) Awareness not required.--An electronic communication is  
7 received under subsection (a) even if no individual is aware of  
8 its receipt.

9 (c) Presumption.--Receipt of an electronic acknowledgment  
10 from an information processing system described in subsection  
11 (a) establishes that a communication was received but, by  
12 itself, does not establish that the content sent corresponds to  
13 the content received.

14 § 113. Delivery of document.

15 (a) Permissible means.--Permissible means of delivery of a  
16 document in record form include:

17 (1) personal delivery;

18 (2) mail;

19 (3) conventional commercial practice; and

20 (4) electronic transmission.

21 (b) Delivery to department.--Delivery to the department of a  
22 document in record form is effective only on receipt by the  
23 department.

24 (c) Delivery by department.--Except as provided by law other  
25 than this title, the department may deliver a document in record  
26 form to a person by delivering it:

27 (1) in person to the person that submitted it for  
28 filing;

29 (2) to the address of the person's registered office;

30 (3) to the principal office address of the person; or



1           (4) to another address the person provides to the  
2           department for delivery.

3           SECTION 2.1. SECTION 133(A) (3) OF TITLE 15 IS AMENDED BY       <--  
4           ADDING A SUBPARAGRAPH TO READ:

5           § 133. POWERS OF DEPARTMENT OF STATE.

6           (A) GENERAL RULE.--THE DEPARTMENT HAS THE POWER AND  
7           AUTHORITY REASONABLY NECESSARY TO ENABLE IT TO ADMINISTER THIS  
8           SUBCHAPTER EFFICIENTLY AND TO PERFORM THE FUNCTIONS SPECIFIED IN  
9           SECTION 132 (RELATING TO FUNCTIONS OF DEPARTMENT OF STATE), IN  
10          13 PA.C.S. (RELATING TO COMMERCIAL CODE) AND IN 17 PA.C.S.  
11          (RELATING TO CREDIT UNIONS). THE FOLLOWING SHALL NOT BE AGENCY  
12          REGULATIONS FOR THE PURPOSES OF SECTION 612 OF THE ACT OF APRIL  
13          9, 1929 (P.L.177, NO.175), KNOWN AS THE ADMINISTRATIVE CODE OF  
14          1929, THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS  
15          THE COMMONWEALTH ATTORNEYS ACT, THE ACT OF JUNE 25, 1982  
16          (P.L.633, NO.181), KNOWN AS THE REGULATORY REVIEW ACT, OR ANY  
17          SIMILAR PROVISION OF LAW, BUT SHALL BE SUBJECT TO THE  
18          OPPORTUNITY OF PUBLIC COMMENT REQUIREMENT UNDER SECTION 201 OF  
19          THE ACT OF JULY 31, 1968 (P.L.769, NO.240), REFERRED TO AS THE  
20          COMMONWEALTH DOCUMENTS LAW:

21                   \* \* \*

22           (3) REGULATIONS, WHICH THE DEPARTMENT IS HEREBY  
23           AUTHORIZED TO PROMULGATE, THAT:

24                   \* \* \*

25                   (VI) SPECIFY THE SYMBOLS OR CHARACTERS WHICH:

26                               (A) DO NOT MAKE A NAME DISTINGUISHABLE ON THE  
27                               RECORDS OF THE DEPARTMENT; OR

28                               (B) MAY BE USED IN THE NAME OF AN ENTITY.

29                   \* \* \*

30           SECTION 2.2. SECTION 135(E) (1) OF TITLE 15 IS AMENDED TO

1 READ:

2 § 135. REQUIREMENTS TO BE MET BY FILED DOCUMENTS.

3 \* \* \*

4 (E) DISTINGUISHABLE NAMES.--A NAME SHALL NOT BE CONSIDERED  
5 DISTINGUISHABLE UPON THE RECORDS OF THE DEPARTMENT FROM ANOTHER  
6 NAME FOR PURPOSES OF THIS TITLE AND 54 PA.C.S. (RELATING TO  
7 NAMES) SOLELY BECAUSE THE NAMES DIFFER FROM EACH OTHER IN ANY OR  
8 ALL OF THE FOLLOWING RESPECTS:

9 (1) USE OF PUNCTUATION MARKS AND OF SYMBOLS OR  
10 CHARACTERS SPECIFIED BY REGULATION OF THE DEPARTMENT UNDER  
11 SECTION 133(A) (3) (VI) (RELATING TO POWERS OF DEPARTMENT OF  
12 STATE).

13 \* \* \*

14 Section 3. Section 136(c) of Title 15 is amended and the  
15 section is amended by adding a subsection to read:

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

17 \* \* \*

18 (c) Effective date and time--Except as otherwise provided  
19 in this title and subject to sections 138 (relating to statement  
20 of correction) and 141 (relating to withdrawal of filing before  
21 effectiveness), a document [shall become] filed by the  
22 department under a provision of this title is effective [upon  
23 the filing thereof in the department.]:

24 (1) on the date and at the time of its delivery to the  
25 department;

26 (2) on the date of delivery and at the time specified in  
27 the document as its effective time, if the time specified is  
28 later than the time under paragraph (1); or

29 (3) at a specified delayed effective date and:

30 (i) at a specified time; or

1           (ii) if no time is specified, at 12:01 a.m. on the  
2           date specified.

3           \* \* \*

4           (e) Redaction of information.--If law other than this title  
5 prohibits the disclosure by the department of information  
6 contained in a document in record form delivered to the  
7 department for filing, the department shall accept the document  
8 if it otherwise complies with this title but may redact the  
9 information.

10          Section 3.1. Section 138 of Title 15 is amended to read:

11          § 138. Statement of correction.

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

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

29           (2) The statute by or under which the [corporation was  
30           incorporated] association was formed, or the preceding filing

1 was made, in the case of a filing that does not constitute a  
2 part of the [articles of incorporation of a corporation]  
3 public organic record of an association.

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

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

10 (b) Effect of filing.--

11 (1) The corrected document shall be effective:

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

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

17 (2) A filing under this section shall not have the  
18 effect of causing [original articles of incorporation of a  
19 corporation or a similar type of document creating any other  
20 form of association] the original public organic record of an  
21 association to be stricken from the records of the department  
22 but the [articles or other document] public organic record  
23 may be corrected under this section.

24 (c) Filing pursuant to court order.--If the association or  
25 other person refuses to [file] deliver to the department for  
26 filing an appropriate statement of correction under this section  
27 within ten business days after any person adversely affected has  
28 made a [written demand therefor] demand in record form for the  
29 correction, the affected person may apply to the court for an  
30 order to compel the filing. If the court finds that a document

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

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

15 Section 4. Section 139(a) of Title 15 is amended and the  
16 section is amended by adding a subsection to read:

17 § 139. Tax clearance of certain fundamental transactions.

18 (a) [General rule] Requirement.--Except as provided in  
19 subsection (c) or (d), [a domestic association shall not file  
20 articles or a certificate of merger or consolidation effecting a  
21 merger or consolidation into a nonqualified foreign association  
22 or articles or a certificate of dissolution or a statement of  
23 revival, a qualified foreign association shall not file an  
24 application for termination of authority or similar document in  
25 the Department of State and a domestic association shall not  
26 file articles or a certificate of division dividing solely into  
27 nonqualified foreign associations unless the articles,  
28 certificate, application or other document are accompanied by]  
29 clearance certificates from the Department of Revenue and the  
30 [Office of Employment Security of the] Department of Labor and

1 Industry, evidencing the payment by the association of all taxes  
2 and charges due the Commonwealth required by law[.] must be  
3 delivered to the department for filing when any of the following  
4 is delivered to the department for filing:

5 (1) Articles or a statement or certificate of merger  
6 merging a domestic association into a nonregistered foreign  
7 association.

8 (2) Articles or a statement or certificate of conversion  
9 or domestication effecting a conversion or domestication of a  
10 domestic association into a nonregistered foreign  
11 association.

12 (3) Articles or a certificate of dissolution or a  
13 statement of revival of a domestic association.

14 (4) An application for termination of registration or  
15 similar document by a registered foreign association.

16 (5) Articles or a statement or certificate of division  
17 dividing a domestic association solely into foreign  
18 associations.

19 \* \* \*

20 (d) Registration of foreign associations.--It shall not be  
21 necessary to deliver clearance certificates under subsection (a)  
22 if, simultaneously with the delivery of the articles, statement  
23 or certificate of merger, conversion, division or domestication:

24 (1) the foreign association that is the surviving,  
25 converted or domesticated association registers to do  
26 business in this Commonwealth; or

27 (2) at least one of the new foreign associations  
28 resulting from the division registers to do business in this  
29 Commonwealth.

30 Section 5. Title 15 is amended by adding sections to read:

1 § 141. Withdrawal of filing before effectiveness.

2 (a) General rule.--A document in record form delivered to  
3 the department for filing may be withdrawn before it takes  
4 effect by delivering to the department for filing a statement of  
5 withdrawal, except that a document that may be abandoned under  
6 any of the following sections may not be withdrawn under this  
7 section:

8 Section 334 (relating to amendment or abandonment of plan  
9 of merger).

10 Section 344 (relating to amendment or abandonment of plan  
11 of interest exchange).

12 Section 354 (relating to amendment or abandonment of plan  
13 of conversion).

14 Section 365 (relating to amendment or abandonment of plan  
15 of division).

16 Section 374 (relating to amendment or abandonment of plan  
17 of domestication).

18 (b) Requirements for statement of withdrawal.--A statement  
19 of withdrawal must:

20 (1) be signed by a person with the authority to sign the  
21 statement; and

22 (2) identify the document to be withdrawn.

23 (c) Effect of statement of withdrawal.--Upon filing by the  
24 department of a statement of withdrawal, the action or  
25 transaction evidenced by the original document shall not take  
26 effect.

27 § 142. Effect of signing filings.

28 (a) Affirmation of truth.--Signing a document delivered to  
29 the department for filing is an affirmation under the penalties  
30 provided in 18 Pa.C.S. § 4904 (relating to unsworn falsification

1 to authorities) that the facts stated in the document are true  
2 in all material respects.

3 (b) Signature by agent or legal representative.--A document  
4 filed under this title may be signed by an agent. If this title  
5 requires a particular individual to sign a document and the  
6 individual is deceased or incompetent, the document may be  
7 signed by a legal representative of the individual on behalf of  
8 the individual.

9 (c) Affirmation of authority.--A person that signs a  
10 document delivered to the department for filing affirms as a  
11 fact that the person is authorized to sign the document.

12 § 143. Liability for inaccurate information in filing.

13 If a document that is delivered to the department for filing  
14 under this title and filed by the department contains inaccurate  
15 information at the time of delivery to the department, a person  
16 that suffers a loss by reliance on the information may recover  
17 damages for the loss from a person that signed the ~~record~~ <--  
18 DOCUMENT or caused another to sign it on behalf of the person <--  
19 and knew at the time the ~~record~~ DOCUMENT was delivered that the <--  
20 information was inaccurate.

21 § 144. Signing and filing pursuant to judicial order.

22 (a) Petition.--If a person required by this title to sign a  
23 document or deliver a document to the department for filing  
24 under this title does not do so, another person that is  
25 aggrieved may petition the court to order:

26 (1) the person to sign the document;

27 (2) the person to deliver the document to the department  
28 for filing; or

29 (3) the department to file the document unsigned.

30 (b) Association.--If a petitioner under subsection (a) is



1 not the association to which the document pertains, the  
2 petitioner shall make the association a party to the action.

3 (c) Effect.--A record filed under subsection (a) (3) is  
4 effective without being signed.

5 § 145. Subsistence certificate.

6 (a) General rule.--On request of a person, the department  
7 shall issue:

8 (1) a subsistence certificate for a domestic filing  
9 entity or domestic limited liability partnership; or

10 (2) a certificate of registration for a registered  
11 foreign association.

12 (b) Contents of certificate.--A certificate under subsection  
13 (a) must state:

14 (1) the name of the domestic filing entity or domestic  
15 limited liability partnership or the name under which the  
16 registered foreign association is registered in this  
17 Commonwealth.

18 (2) in the case of a domestic filing entity or domestic  
19 limited liability partnership, that the entity is currently  
20 subsisting on the records of the department; and

21 (3) in the case of a registered foreign association,  
22 that it is registered to do business in this Commonwealth.

23 (c) Effect of certificate.--Subject to any qualification  
24 stated in the certificate, a certificate issued by the  
25 department under subsection (a) may be relied on as conclusive  
26 evidence of the facts stated in the certificate.

27 SECTION 5.1. PARAGRAPH (6) OF THE DEFINITION OF "ANCILLARY <--  
28 TRANSACTION" IN SECTION 152 OF TITLE 15 IS AMENDED AND THE  
29 DEFINITION IS AMENDED BY ADDING A PARAGRAPH TO READ:

30 § 152. 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 "ANCILLARY TRANSACTION." INCLUDES:

5 \* \* \*

6 (6) ANY TRANSACTION SIMILAR TO ANY ITEM LISTED IN  
7 PARAGRAPHS (1) THROUGH (5); [OR]

8 (6.1) WITHDRAWAL, ABANDONMENT OR TERMINATION OF A  
9 DOCUMENT WHICH HAS BEEN DELIVERED TO THE DEPARTMENT FOR  
10 FILING BUT HAS NOT YET BECOME EFFECTIVE; OR

11 \* \* \*

12 Section 6. Section 153(a) of Title 15 is amended to read:  
13 § 153. Fee schedule.

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

- 18 [(1) Domestic corporations:
- 19 (i) Articles of incorporation, letters  
20 patent or similar instruments incorporating a  
21 corporation or association..... \$125
- 22 (ii) Articles or agreement or similar  
23 instrument of merger, consolidation or division.. 70
- 24 (iii) Additional fee for each association  
25 which is a party to a merger or consolidation.... 40
- 26 (iv) Additional fee for each new association  
27 resulting from a division..... 125
- 28 (v) Articles of conversion or a similar  
29 instrument..... 70
- 30 (vi) Each ancillary transaction..... 70

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

1	limited liability company.....	250
2	(vii) Statement of registration of	
3	registered limited liability partnership or	
4	statement of election as an electing partnership.	125
5	(viii) Domestication of foreign limited	
6	liability company.....	125
7	(ix) Each ancillary transaction.....	70
8	(4) Unincorporated nonprofit associations:	
9	(i) Statement appointing an agent to receive	
10	service of process.....	70
11	(ii) Resignation of appointed agent.....	40
12	(iii) Amendment or cancellation of statement	
13	appointing an agent.....	70
14	(5) Business trusts:	
15	(i) Deed of trust or other initial	
16	instrument for a business	125
17	trust.....	
18	(ii) Each ancillary transaction.....	70
19	(6) Fictitious names:	
20	(i) Registration.....	70
21	(ii) Each ancillary transaction.....	70
22	(7) Service of process:	
23	(i) Each defendant named or served.....	70
24	(ii) (Reserved).....	
25	(8) Trademarks, emblems, union labels,	
26	description of bottles and similar matters:	
27	(i) Trademark registration.....	50
28	(ii) Each ancillary trademark transaction...	50
29	(iii) Any other registration under this	
30	paragraph.....	70

1	(iv) Any other ancillary transaction under	
2	this paragraph.....	70
3	(9) Uniform Commercial Code: As provided in 13	
4	Pa.C.S. § 9525 (relating to fees).	
5	(10) Copy fees, including copies furnished under	
6	the Uniform Commercial Code:	
7	(i) Each page of photocopy furnished.....	3
8	(ii) (Reserved).....	
9	(11) Certification fees:	
10	(i) For certifying copies of any document or	
11	paper on file, the fee specified in paragraph	
12	(10), if the department furnished the copy, plus.	40
13	(ii) (Reserved).....	
14	(iii) For issuing any other certificate of	
15	the Secretary of the Commonwealth or the	
16	department (other than an engrossed certificate).	40
17	(12) Report of record search other than a search	
18	under paragraph (9):	
19	(i) For preparing and providing a report of	
20	a record search, the fee specified in paragraph	
21	(10), if any, plus.....	15
22	(ii) (Reserved).....	
23	(13) Reservation and registration of names:	
24	(i) Reservation of association name.....	70
25	(ii) Registration of foreign or other	
26	corporation name.....	70
27	(14) Change of registered office or address:	
28	(i) Each statement of change of registered	
29	office by agent.....	5
30	(ii) Each statement or certificate of change	

1	of registered office.....	5
2	(iii) Each statement of change of address...	5
3	(15) Contingent domestication:	
4	(i) Statement of contingent domestication...	125
5	(ii) Each year, or portion of a year, during	
6	which a contingent domestication or temporary	
7	domiciliary status is in effect.....	1,500
8	(16) Expedited service:	
9	(i) For the processing of any filing under	
10	this title or 13 Pa.C.S. (relating to commercial	
11	code) which is received by the bureau before 4	
12	p.m. and is requested to be completed within one	
13	hour, an additional fee of.....	1,000
14	(ii) For the processing of any filing under	
15	this title or 13 Pa.C.S. which is received by the	
16	bureau before 2 p.m. and is requested to be	
17	completed within three hours, an additional fee	
18	of	300
19	.....	
20	(iii) For processing of any filing under	
21	this title or 13 Pa.C.S. which is received by the	
22	bureau before 10 a.m. and is requested to be	
23	completed the same day, an additional fee of.....	100]
24	<u>(1) Domestic corporations:</u>	
25	<u>(i) Articles of incorporation, letters patent</u>	
26	<u>or similar instruments incorporating a corporation</u>	<u>\$125</u>
27	<u>(ii) Each ancillary transaction.....</u>	<u>70</u>
28	<u>(2) Foreign associations:</u>	
29	<u>(i) Registration statement or similar</u>	
30	<u>qualifications to do business.....</u>	<u>250</u>

1	<u>(ii) Amendment of registration statement or</u>	
2	<u>similar change in qualification to do business....</u>	<u>250</u>
3	<u>(iii) Domestication of alien association</u>	
4	<u>under section 161 (relating to domestication of</u>	
5	<u>certain alien associations).....</u>	<u>250</u>
6	<u>(iv) Statement of merger, division or</u>	
7	<u>conversion or similar instrument reporting</u>	
8	<u>occurrence of merger, division or conversion not</u>	
9	<u>effected by a filing in the department.....</u>	<u>70</u>
10	<u>(v) Additional fee for each qualified foreign</u>	
11	<u>association which is named in a statement of</u>	
12	<u>merger or similar instrument.....</u>	<u>40</u>
13	<u>(vi) Each ancillary transaction.....</u>	<u>70</u>
14	<u>(3) Partnerships and limited liability companies:</u>	
15	<u>(i) Certificate of limited partnership or</u>	
16	<u>certificate of organization of a limited liability</u>	
17	<u>company.....</u>	<u>125</u>
18	<u>(ii) Statement of registration of registered</u>	
19	<u>limited liability partnership or statement of</u>	
20	<u>election as an electing partnership.....</u>	<u>125</u>
21	<u>(iii) Each ancillary transaction.....</u>	<u>70</u>
22	<u>(4) Unincorporated nonprofit associations:</u>	
23	<u>(i) Statement appointing an agent to receive</u>	
24	<u>service of process.....</u>	<u>70</u>
25	<u>(ii) Resignation of appointed agent.....</u>	<u>40</u>
26	<u>(iii) Amendment or cancellation of statement</u>	
27	<u>appointing an agent.....</u>	<u>70</u>
28	<u>(5) Business trusts:</u>	
29	<u>(i) Declaration of trust or other initial</u>	
30	<u>instrument for a business trust.....</u>	<u>125</u>

1	<u>(ii) Each ancillary transaction.....</u>	<u>70</u>
2	<u>(6) Fictitious names:</u>	
3	<u>(i) Registration.....</u>	<u>70</u>
4	<u>(ii) Each ancillary transaction.....</u>	<u>70</u>
5	<u>(7) Service of process:</u>	
6	<u>(i) Each defendant named or served.....</u>	<u>70</u>
7	<u>(ii) (Reserved).</u>	
8	<u>(8) Trademarks, emblems, union labels,</u>	
9	<u>description of bottles and similar matters:</u>	
10	<u>(i) Trademark registration.....</u>	<u>50</u>
11	<u>(ii) Each ancillary trademark transaction....</u>	<u>50</u>
12	<u>(iii) Another registration under this</u>	
13	<u>paragraph.....</u>	<u>70</u>
14	<u>(iv) Another ancillary transaction under this</u>	
15	<u>paragraph.....</u>	<u>70</u>
16	<u>(9) Uniform Commercial Code:</u>	
17	<u>(i) As provided in 13 Pa.C.S. § 9525</u>	
18	<u>(relating to fees).</u>	
19	<u>(ii) (Reserved).</u>	
20	<u>(10) Copy fees, including copies furnished under</u>	
21	<u>the Uniform Commercial Code:</u>	
22	<u>(i) Each page of photocopy furnished.....</u>	<u>3&lt;--</u>
23	<u>(ii) (Reserved).</u>	
24	<u>(11) Certification fees:</u>	
25	<u>(i) For certifying copies of a document or</u>	
26	<u>paper on file, the fee specified under paragraph</u>	
27	<u>(10), if the department furnished the copy, plus..</u>	<u>40</u>
28	<u>(ii) (Reserved).</u>	
29	<u>(iii) For issuing any other certificate of</u>	
30	<u>the Secretary of the Commonwealth or the</u>	



1	<u>department, other than an engrossed certificate...</u>	<u>40</u>
2	<u>(iv) For preparing and issuing an engrossed</u>	
3	<u>certificate.....</u>	<u>125</u>
4	<u>(12) Report of record search other than a search</u>	
5	<u>under paragraph (9):</u>	
6	<u>(i) For preparing and providing a report of a</u>	
7	<u>record search, the fee specified in paragraph</u>	
8	<u>(10), if any, plus.....</u>	<u>15</u>
9	<u>(ii) (Reserved).</u>	
10	<u>(13) Reservation and registration of names:</u>	
11	<u>(i) Reservation of association name.....</u>	<u>70</u>
12	<u>(ii) Registration of foreign association name</u>	<u>70</u>
13	<u>(14) Change of registered office or address:</u>	
14	<u>(i) Each statement of change of registered</u>	
15	<u>office by agent.....</u>	<u>5</u>
16	<u>(ii) Each statement or certificate of change</u>	
17	<u>of registered office.....</u>	<u>5</u>
18	<u>(iii) Each statement of change of address....</u>	<u>5</u>
19	<u>(15) Expedited service:</u>	
20	<u>(i) For the processing of a filing under this</u>	
21	<u>title or 13 Pa.C.S. (relating to commercial code)</u>	
22	<u>which is received by the bureau before 4 p.m. and</u>	
23	<u>is requested to be completed within one hour, an</u>	
24	<u>additional fee of.....</u>	<u>1,000</u>
25	<u>(ii) For the processing of a filing under</u>	
26	<u>this title or 13 Pa.C.S. which is received by the</u>	
27	<u>bureau before 2 p.m. and is requested to be</u>	
28	<u>completed within three hours, an additional fee of</u>	<u>300</u>
29	<u>(iii) For processing of a filing under this</u>	
30	<u>title or 13 Pa.C.S. which is received by the</u>	

1	<u>bureau before 10 a.m. and is requested to be</u>	
2	<u>completed the same day, an additional fee of.....</u>	<u>100</u>
3	<u>(16) Entity transactions:</u>	
4	<u>(i) Statement of merger, interest exchange,</u>	
5	<u>conversion, division or domestication.....</u>	<u>70</u>
6	<u>(ii) Additional fee for each association that</u>	
7	<u>is a party to a merger.....</u>	<u>40</u>
8	<u>(iii) Additional fee for each new association</u>	
9	<u>resulting from a division.....</u>	<u>125</u>
10	<u>(iv) Each ancillary transaction.....</u>	<u>70</u>
11	<u>(17) SPECIAL PROCESSING FEES:</u>	<u>&lt;--</u>
12	<u>(I) REQUEST THAT MULTIPLE DOCUMENTS DELIVERED</u>	
13	<u>TO THE DEPARTMENT ON THE SAME DAY BE FILED IN A</u>	
14	<u>CERTAIN ORDER.....</u>	<u>70</u>
15	<u>(II) (RESERVED).</u>	

16 \* \* \*

17 Section 7. Subchapter D heading of Chapter 1 of Title 15 is  
18 amended to read:

19 SUBCHAPTER D  
20 [DEFINITIVE AND CONTINGENT] DOMESTICATION  
21 OF CERTAIN ALIEN ASSOCIATIONS

22 Section 8. Section 161(b) introductory paragraph, (1) and  
23 (5), (e) and (f) of Title 15 are amended to read:

24 § 161. Domestication of certain alien associations.

25 \* \* \*

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

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

1 characters or Arabic or Roman numerals. If the name is one  
2 that is rendered unavailable for use by a [corporation by any  
3 provision of section 1303(b) or (c) (relating to corporate  
4 name)] domestic entity by section 202(b) or (c) (relating to  
5 requirements for names generally), the association shall  
6 adopt a new name, in accordance with any procedures for  
7 changing the name of the association that are applicable  
8 prior to the domestication of the association, and shall set  
9 forth the new name in the statement.

10 \* \* \*

11 (5) A statement that the filing of the statement of  
12 domestication and, if desired, the renunciation of the prior  
13 domicile has been authorized (unless its [charter or other  
14 organic documents] organic rules require a greater vote) by a  
15 majority in interest of the [shareholders, members or other  
16 proprietors] interest holders of the association.

17 \* \* \*

18 (e) Exclusion.--An association that can be domesticated  
19 under [any of the following sections shall not be domesticated  
20 under this section:

21 Section 4161 (relating to domestication).

22 Section 6161 (relating to domestication).

23 Section 8590 (relating to domestication).

24 Section 8982 (relating to domestication).

25 Section 9501(a)(1)(ii) (relating to application and effect of  
26 chapter)] Subchapter G of Chapter 3 (relating to domestication)  
27 shall not be domesticated under this section.

28 (f) Definition.--As used in this section, the term  
29 "association," except as restricted by subsection (e), includes  
30 any [alien] incorporated organization, private law corporation

1 (whether or not organized for business purposes), public law  
2 corporation, partnership, proprietorship, joint venture,  
3 foundation, trust, association or similar organization or entity  
4 existing under the laws of any jurisdiction other than this  
5 Commonwealth.

6 \* \* \*

7 Section 8.1. Section 162 of Title 15 is repealed:

8 [§ 162. Contingent domestication of certain alien associations.

9 (a) General rule.--Any association as defined in subsection

10 (i) may become a contingent domestic association by filing in  
11 the Department of State a statement of contingent domestication.  
12 The statement of contingent domestication and all papers and  
13 information relating thereto shall remain confidential and shall  
14 not be available for public inspection until and unless the  
15 association files a statement of consummation of domestication  
16 as provided in subsection (c).

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

20 (1) In the case of:

21 (i) a corporation subject to section 4161 (relating  
22 to domestication), the statements required to be set  
23 forth in articles of domestication (except the statement  
24 required by section 4161(b)(6));

25 (ii) a corporation subject to section 6161 (relating  
26 to domestication), the statements required to be set  
27 forth in articles of domestication (except the statement  
28 required by section 6161(b)(6));

29 (iii) a limited partnership subject to section 8590  
30 (relating to domestication), the statements required to

1 be set forth in a certificate of domestication (except  
2 the statement required by section 8590(b)(5));

3 (iv) a limited liability company subject to section  
4 8982 (relating to domestication), the statements required  
5 to be set forth in a certificate of domestication (except  
6 the statement required by section 8982(b)(5));or

7 (v) any other association, the statements required  
8 by section 161(b) (relating to statement of  
9 domestication) to be set forth in a statement of  
10 domestication (except the statement required by section  
11 161(b)(5)).

12 (2) A statement that the effectiveness of the statement  
13 is contingent upon the subsequent filing of a statement of  
14 consummation of domestication.

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

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

25 (ii) by a majority vote of the votes cast by all  
26 members, if any, entitled to vote thereon and, if any  
27 class of members is entitled to vote thereon as a class,  
28 a majority of the votes cast in each class vote, in the  
29 case of a corporation subject to section 6161;

30 (iii) by a majority vote of the votes cast by all

1 partners entitled to vote thereon and, if any class of  
2 partners is entitled to vote thereon as a class, a  
3 majority of the votes cast in each class vote, in the  
4 case of a limited partnership subject to section 8590;

5 (iv) by a majority vote of the votes cast by all  
6 members entitled to vote thereon and, if any class of  
7 members is entitled to vote thereon as a class, a  
8 majority of the votes cast in each class vote, in the  
9 case of a limited liability company subject to section  
10 8982; or

11 (v) by a majority in interest of the shareholders,  
12 members or other proprietors of the association in any  
13 other case.

14 (c) Statement of consummation of domestication.--At any time  
15 after the filing of a statement of contingent domestication, the  
16 association may file in the department a statement of  
17 consummation of domestication which shall be executed by the  
18 association and shall set forth:

19 (1) The name of the association as set forth in its  
20 statement of contingent domestication.

21 (2) A statement that either:

22 (i) an emergency condition exists in the  
23 jurisdiction the law of which governs the internal  
24 affairs of the association and that in the judgment of  
25 the management of the association a temporary transfer of  
26 the domicile of the association to this Commonwealth is  
27 warranted by the circumstances; or

28 (ii) an event has occurred that, under the law of  
29 the jurisdiction governing the internal affairs of the  
30 association, permits the association to transfer its

1 domicile.

2 (d) Statement of termination of domestication.--At any time  
3 after the filing of a statement of consummation of  
4 domestication, the association may file in the department a  
5 statement of termination of domestication which shall be  
6 executed by the association and shall set forth:

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

9 (2) If a statement of consummation of domestication has  
10 theretofore been filed and is then in effect, a statement  
11 that the association elects to terminate its domicile in this  
12 Commonwealth.

13 (3) A statement that either:

14 (i) the statement of contingent domestication is  
15 reinstated pending the filing in the department of a new  
16 statement of consummation of domestication; or

17 (ii) the statement of contingent domestication is  
18 withdrawn.

19 (e) Execution of filings.--All documents filed under this  
20 section shall be signed on behalf of the association by any  
21 authorized person.

22 (f) Effect of filing statement of consummation of  
23 domestication.--Upon the filing of a statement of consummation  
24 of domestication, and until the filing of a statement of  
25 termination of domestication, the association shall have the  
26 status under the law of this Commonwealth of:

27 (1) a business corporation domesticated under section  
28 4161, in the case of a corporation subject to that section;

29 (2) a nonprofit corporation domesticated under section  
30 6161, in the case of a corporation subject to that section;

1 (3) a limited partnership domesticated under section  
2 8590, in the case of a limited partnership subject to that  
3 section;

4 (4) a limited liability company domesticated under  
5 section 8982, in the case of a limited liability company  
6 subject to that section; or

7 (5) an association domesticated under section 161, in  
8 any other case.

9 (g) Effect of filing a statement of termination of  
10 domestication.--Upon the filing of a statement of termination of  
11 domestication, the association shall under the law of this  
12 Commonwealth revert to the status it held prior to the filing  
13 of:

14 (1) the statement of consummation of domestication, if  
15 the statement of termination of domestication states that the  
16 statement of contingent domestication is reinstated; or

17 (2) the statement of contingent domestication, if the  
18 statement of termination of domestication states that the  
19 statement of contingent domestication is withdrawn.

20 (h) Annual renewal.--A renewal application may be filed  
21 between October 1 and December 31 in each year and shall extend  
22 the applicability of this section for the following calendar  
23 year. Otherwise the association shall not be entitled to any of  
24 the benefits of this section. See section 153(a)(14) (relating  
25 to contingent domestication).

26 (i) Definition.--As used in this section, the term  
27 "association" includes any incorporated organization, private  
28 law corporation (whether or not organized for business  
29 purposes), public law corporation, partnership, proprietorship,  
30 joint venture, foundation, trust, association or similar



1 organization or entity if such association or entity immediately  
2 prior to effecting an initial filing under this section is an  
3 association or entity governed by the law of any jurisdiction  
4 other than the United States or any state, Puerto Rico or any  
5 possession or territory of the United States.

6 (j) Cross references.--See sections 134 (relating to  
7 docketing statement) and 135 (relating to requirements to be met  
8 by filed documents).]

9 Section 9. Title 15 is amended by adding chapters to read:

10 CHAPTER 2

11 ENTITIES GENERALLY

12 Subchapter

13 A. Names

14 B. (Reserved)

15 SUBCHAPTER A

16 NAMES

17 Sec.

18 201. Definitions.

19 202. Requirements for names generally.

20 203. Corporation names.

21 204. Partnership and limited liability company names.

22 205. Business trust names.

23 206. Requirements for foreign association names.

24 207. Required name changes by senior associations.

25 208. Reservation of name.

26 209. Registration of name of nonregistered foreign association.

27 § 201. Definitions.

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

1 "Covered association." Any of the following:

2 (1) a domestic filing entity;

3 (2) a domestic limited liability partnership;

4 (3) an electing partnership; or

5 (4) a registered foreign association.

6 "Proper name." The name set forth in:

7 (1) the public organic record of a domestic filing  
8 association;

9 (2) the statement of registration of a limited liability  
10 partnership;

11 (3) the statement of election of an electing  
12 partnership; or

13 (4) the statement of registration of a registered  
14 foreign association under section 412(a)(1)(i) (relating to  
15 foreign registration statement) or, if that name does not  
16 comply with this section, the name set forth in the statement  
17 under section 412(a)(1)(ii).

18 § 202. Requirements for names generally.

19 (a) General rule.--The proper name of a covered association  
20 may be in any language, but it must be expressed in Roman  
21 letters or characters ~~or~~, Arabic or Roman numerals OR SYMBOLS OR <--  
22 CHARACTERS SPECIFIED BY REGULATION OF THE DEPARTMENT UNDER  
23 SECTION 133(A)(3)(VI) (RELATING TO POWERS OF DEPARTMENT OF  
24 STATE).

25 (b) Duplicate use of names.--Except as provided in  
26 subsection (f), the proper name of a covered association must be  
27 distinguishable on the records of the department from the  
28 following:

29 (1) The proper name of another covered association or  
30 the name of an association registered at any time under 54

1 Pa.C.S. Ch. 5 (relating to corporate and other association  
2 names), unless the covered association or other association  
3 has:

4 (i) stated that it is about to change its name, is  
5 about to cease to do business, is being wound up or is a  
6 foreign association about to withdraw from doing business  
7 in this Commonwealth, and the statement and a consent to  
8 the adoption of the name are delivered to the department  
9 for filing;

10 (ii) filed a tax return or certificate with the  
11 Department of Revenue indicating that the covered  
12 association or other association is out of existence or  
13 has failed for a period of three successive years to file  
14 with the Department of Revenue a report or return  
15 required by law and the fact of the failure has been  
16 certified by the Department of Revenue to the Department  
17 of State;

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

26 (iv) had the registration of its name under 54  
27 Pa.C.S. Ch. 5 terminated.

28 (2) A name that has been reserved or registered pursuant  
29 to section 208 (relating to reservation of name) or 209  
30 (relating to registration of name of nonregistered foreign

1 association). A name shall be rendered unavailable for use  
2 under this subchapter by reason of the filing by the  
3 department of an assumed or fictitious name registration  
4 under 54 Pa.C.S. Ch. 3 (relating to fictitious names) only to  
5 the extent expressly provided in 54 Pa.C.S. Ch. 3.

6 (c) Required approvals or conditions.--

7 (1) The proper name of a covered association shall not  
8 imply that the association is:

9 (i) A governmental agency of the Commonwealth or of  
10 the United States.

11 (ii) A bank, bank and trust company, savings bank,  
12 private bank or trust company, as defined in the act of  
13 November 30, 1965 (P.L.847, No.356), known as the Banking  
14 Code of 1965, unless:

15 (A) The association is a Pennsylvania bank  
16 holding company or is otherwise authorized by statute  
17 to use its name.

18 (B) The association is a nonprofit corporation  
19 holding property in trust under section 5547  
20 (relating to authority to take and hold trust  
21 property) and has been converted from a trust company  
22 under Subchapter E of Chapter 3 (relating to  
23 conversion). The preceding sentence controls over  
24 section 805(b) of the Banking Code of 1965.

25 (iii) An insurance company, nor contain any of the  
26 words "annuity," "assurance," "beneficial," "bond,"  
27 "casualty," "endowment," "fidelity," "fraternal,"  
28 "guaranty," "indemnity," "insurance," "insurer,"  
29 "reassurance," "reinsurance," "surety" or "title" when  
30 used in a manner as to imply that the association is

1 engaged in the business of writing insurance or  
2 reinsurance as principal or any other words of like  
3 purport unless it is duly licensed as an insurance  
4 company by its jurisdiction of formation or the Insurance  
5 Department certifies that it has no objection to the use  
6 by the association or proposed association of the  
7 designation. The proper name of a domestic insurance  
8 company shall:

9 (A) contain the word "mutual" only if it is a  
10 mutual insurance company; and

11 (B) clearly designate the object and purpose of  
12 the association.

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

19 (v) A credit union. See 17 Pa.C.S. § 104 (relating  
20 to prohibition on use of words "credit union").

21 (2) The proper name of a covered association shall not  
22 contain:

23 (i) The word "college," "university" or "seminary"  
24 when used in a manner as to imply that it is an  
25 educational institution conforming to the standards and  
26 qualifications prescribed by the State Board of  
27 Education, unless there is submitted a certificate from  
28 the Department of Education certifying that the  
29 association or proposed association is entitled to use  
30 that designation.

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

3           (iii) The words "engineer" or "engineering,"  
4 "surveyor" or "surveying" or any other word implying that  
5 any form of the practice of engineering or surveying as  
6 defined in the act of May 23, 1945 (P.L.913, No.367),  
7 known as the Engineer, Land Surveyor and Geologist  
8 Registration Law, is provided unless at least one of the  
9 individuals signing the initial public organic record of  
10 the association or one of the governors of the existing  
11 association has been properly registered with the State  
12 Registration Board for Professional Engineers in the  
13 practice of engineering or surveying and there is  
14 submitted to the department a certificate from the board  
15 to that effect.

16           (iv) The words "architect" or "architecture" or any  
17 other word implying that any form of the practice of  
18 architecture as defined in the act of December 14, 1982  
19 (P.L.1227, No.281), known as the Architects Licensure  
20 Law, is provided unless at least one of the individuals  
21 signing the initial public organic record of the  
22 association or one of the governors of the existing  
23 association has been properly registered with the  
24 Architects Licensure Board in the practice of  
25 architecture and there is submitted to the department a  
26 certificate from the board to that effect.

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

30           (vi) Any other words prohibited by law. See section

1           103 (relating to subordination of title to regulatory  
2           laws).

3           (d) Other rights unaffected.--This section shall not  
4 abrogate or limit the law as to unfair competition or unfair  
5 practices nor derogate from the common law, the principles of  
6 equity or the provisions of 54 Pa.C.S. (relating to names) with  
7 respect to the right to acquire and protect trade names.

8           (e) Remedies for violation of section.--The use of a name in  
9 violation of this section shall not vitiate or otherwise affect  
10 the existence or any acts of an association, but a court having  
11 jurisdiction may enjoin the association from using or continuing  
12 to use a name in violation of this section on the application  
13 of:

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

17           (2) a person adversely affected.

18           (f) Court-ordered use of name.--Subsection (b) shall not  
19 apply if an association delivers to the department for filing a  
20 certified copy of a final judgment of a court of competent  
21 jurisdiction establishing the right of the association to use a  
22 name in this Commonwealth.

23 § 203. Corporation names.

24           (a) Business corporations.--The proper name of a domestic or  
25 registered foreign business corporation must contain:

26           (1) the word "corporation," "company," "incorporated" or  
27 "limited" or an abbreviation of any of the terms;

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

29           (3) words or abbreviations of like import used in a  
30 jurisdiction other than this Commonwealth.

1 (b) Nonprofit corporations.--The proper name of a domestic  
2 nonprofit corporation or registered foreign corporation not-for-  
3 profit shall not be required to contain one of the words or  
4 abbreviations described under subsection (a).

5 § 204. Partnership and limited liability company names.

6 (a) Limited liability partnerships.--The proper name of a  
7 domestic limited liability partnership or registered foreign  
8 limited liability partnership must contain the term "company,"  
9 "limited" or "limited liability partnership," or an abbreviation  
10 of one of those terms, or words or abbreviations of like import  
11 used in a jurisdiction other than this Commonwealth.

12 (b) Limited partnerships.--The proper name of a domestic or  
13 registered foreign limited partnership:

14 (1) shall not be required to contain a word or  
15 abbreviation indicating that it is a limited partnership;

16 (2) if it is a limited liability limited partnership,  
17 must contain:

18 (i) the term "company," "limited" or "limited  
19 liability limited partnership" or a term of like import;  
20 or

21 (ii) an abbreviation of a term under subparagraph  
22 (i); and

23 (3) may contain the name of a partner.

24 (c) Limited liability companies.--The proper name of a  
25 domestic limited liability company or registered foreign limited  
26 liability company must contain the term "company," "limited" or  
27 "limited liability company," or an abbreviation of one of those  
28 terms, or words or abbreviations of like import used in a  
29 jurisdiction other than this Commonwealth.

30 § 205. Business trust names.



1 The proper name of a domestic business trust or registered  
2 foreign business trust shall not be required to contain a word  
3 or abbreviation indicating that it is a business trust.

4 § 206. Requirements for foreign association names.

5 (a) General rule.--The department shall not file a  
6 registration statement pursuant to section 412 (relating to  
7 foreign registration statement) for a foreign association that,  
8 except as provided under subsection (b), has a name that is  
9 rendered unavailable for use by a covered association under  
10 section 202(a), (b) or (c)(1)(i), (iii), (iv) or (v) or (2)  
11 (relating to requirements for names generally).

12 (b) Exception.--The provisions of section 202(b) and (c)  
13 shall not prevent the filing of a registration statement of a  
14 foreign association setting forth a name that is prohibited by  
15 section 202(b) and (c) if the foreign association delivers to  
16 the department for filing a resolution of its governors adopting  
17 a name for use in registering to do business in this  
18 Commonwealth that is available for use by a covered association.

19 § 207. Required name changes by senior associations.

20 (a) Loss of rights to name.--A covered association shall  
21 cease to have the exclusive right to its proper name if the  
22 association:

23 (1) has failed to file in the Department of Revenue a  
24 report or a return required by law;

25 (2) has filed in the Department of Revenue a tax return  
26 or certificate indicating that it is out of existence; or

27 (3) has failed to file the most recent required  
28 decennial filing under 54 Pa.C.S. § 503 (relating to  
29 decennial filings required).

30 (b) Adoption of new name on reactivation.--Upon the removal

1 of the reason why a covered association has lost the exclusive  
2 right to its proper name under subsection (a), the association  
3 shall make inquiry with the Department of State with regard to  
4 the availability of its name and, if the name has been  
5 appropriated by another person, the covered association shall  
6 adopt a new name in accordance with law before resuming its  
7 activities.

8 (c) Enforcement of undertaking to release name.--If a  
9 covered association has used a name that is not distinguishable  
10 on the records of the Department of State from the name of  
11 another association as permitted by section 202(b)(1) (relating  
12 to requirements for names generally) and the other association  
13 continues to use its name in this Commonwealth and does not  
14 change its name, cease to do business, be wound up or withdraw  
15 as it proposed to do in its consent or change its name as  
16 required by subsection (a), any court having jurisdiction may  
17 enjoin the other association from continuing to use its name or  
18 a name that is not distinguishable therefrom on the application  
19 of:

20 (1) the Attorney General, acting on his or her own  
21 motion or at the instance of an administrative department,  
22 board or commission of this Commonwealth; or

23 (2) any person adversely affected.

24 § 208. Reservation of name.

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

1 (b) Transfer of reservation.--The right to exclusive use of  
2 a name reserved pursuant to subsection (a) may be transferred to  
3 any other person by delivering to the department a notice in  
4 record form of the transfer, signed by the person who reserved  
5 the name, and specifying the name and address of the other  
6 person.

7 (c) Cross references.--See:

8 Section 134 (relating to docketing statement).

9 Section 135 (relating to requirements to be met by filed  
10 documents).

11 Section 209 (relating to registration of name of  
12 nonregistered foreign association).

13 § 209. Registration of name of nonregistered foreign  
14 association.

15 (a) General rule.--A nonregistered foreign association may  
16 register its name under 54 Pa.C.S. Ch. 5 (relating to corporate  
17 and other association names) if the name is available for use by  
18 a registered foreign association pursuant to section 206  
19 (relating to requirements for foreign association names) by  
20 delivering to the department for filing an application for  
21 registration of name, signed by the association, setting forth:

22 (1) The name of the association.

23 (2) The address, including street and number, if any, of  
24 the principal office of the association.

25 (b) Annual renewal.--An association that has in effect a  
26 registration of its name may renew the registration from year to  
27 year by annually delivering to the department for filing an  
28 application for renewal setting forth the facts required to be  
29 set forth in an original application for registration. A renewal  
30 application may be filed between October 1 and December 31 in

1 each year and shall extend the registration for the following  
2 calendar year.

3 (c) Use of registered name.--A foreign association whose  
4 name registration is effective may register as a foreign  
5 association under the registered name or consent in record form  
6 to the use of that name by another association.

7 (d) Cross references.--See sections 134 (relating to  
8 docketing statement) and 135 (relating to requirements to be met  
9 by filed documents).

10 SUBCHAPTER B

11 (RESERVED)

12 CHAPTER 3

13 ENTITY TRANSACTIONS

14 Subchapter

15 A. Preliminary Provisions

16 B. Approval of Entity Transactions

17 C. Merger

18 D. Interest Exchange

19 E. Conversion

20 F. Division

21 G. Domestication

22 SUBCHAPTER A

23 PRELIMINARY PROVISIONS

24 Sec.

25 311. Short title of chapter.

26 312. Definitions.

27 313. Relationship of chapter to ~~antitakeover provisions~~ OTHER <--

28 PROVISIONS OF LAW.

29 314. Regulatory conditions and required notices and approvals.

30 315. Nature of transactions.

1 316. Contents of plan.

2 317. Contractual dissenters rights in entity transactions.

3 318. Excluded entities and transactions.

4 319. Party to plan or transaction.

5 320. Submission of matters to interest holders.

6 § 311. Short title of chapter.

7 This chapter shall be known and may be cited as the Entity  
8 Transactions Law.

9 § 312. Definitions.

10 (a) Definitions.--The following words and phrases when used  
11 in this chapter shall have the meanings given to them in this  
12 subsection unless the context clearly indicates otherwise:

13 "Acquired association." The domestic entity or foreign  
14 association, all of one or more classes or series of interests  
15 in which are acquired in an interest exchange.

16 "Acquiring association." The domestic entity or foreign  
17 association that acquires all of one or more classes or series  
18 of interests of the acquired association in an interest  
19 exchange.

20 "Conversion." A transaction authorized by Subchapter E  
21 (relating to conversion).

22 "Converted association." The converting association as it  
23 continues in existence after a conversion.

24 "Converting association." The domestic entity or domestic  
25 banking institution that approves a plan of conversion pursuant  
26 to section 353 (relating to approval of conversion) or the  
27 foreign association that approves a conversion pursuant to the  
28 law of its jurisdiction of formation.

29 "Dividing association." The domestic entity that approves a  
30 plan of division pursuant to section 363 (relating to approval

1 of division) or 364 (relating to division without interest  
2 holder approval) or the foreign association that approves a  
3 division pursuant to the law of its jurisdiction of formation.

4 "Division." A transaction authorized by Subchapter F  
5 (relating to division).

6 "Domesticated entity." The domesticating entity as it  
7 continues in existence after a domestication.

8 "Domesticating entity." The domestic entity that approves a  
9 plan of domestication pursuant to section 373(a) (relating to  
10 approval of domestication) or the foreign entity that approves a  
11 domestication pursuant to section 373(b).

12 "Domestication." A transaction authorized by Subchapter G  
13 (relating to domestication).

14 "Interest exchange." A transaction authorized by Subchapter  
15 D (relating to interest exchange).

16 "Interest holder liability." Either of the following:

17 (1) Personal liability for a liability of an association  
18 that is imposed on a person either:

19 (i) Solely by reason of the status of the person as  
20 an interest holder.

21 (ii) By the organic rules of the association that  
22 make one or more specified interest holders or categories  
23 of interest holders liable in their capacity as interest  
24 holders for all or specified liabilities of the entity.

25 (2) An obligation of an interest holder under the  
26 organic rules of an association to contribute to the  
27 association.

28 "Merger." A transaction in which two or more merging  
29 associations are combined into a surviving association pursuant  
30 to a document filed by the department or similar office in

1 another jurisdiction.

2 "Merging association." A domestic entity, domestic banking  
3 institution or foreign association that is a party to a merger  
4 under Subchapter C (relating to merger) and exists immediately  
5 before the merger becomes effective.

6 "New association." An association that is created by a  
7 division.

8 "Plan." A plan of merger, plan of interest exchange, plan of  
9 conversion, plan of division or plan of domestication, as  
10 applicable.

11 "Protected agreement." Either of the following:

12 (1) A record evidencing indebtedness and any related  
13 agreement in effect on {the Legislative Reference Bureau <--  
14 shall insert here the effective date of this chapter} JULY 1, <--  
15 2015.

16 (2) A protected governance agreement.

17 "Protected governance agreement." Either of the following:

18 (1) The organic rules of a domestic entity or foreign  
19 association in effect on {the Legislative Reference Bureau  
20 shall insert here on the effective date of this chapter}.

21 (2) An agreement that is binding on any of the governors  
22 or interest holders of a domestic entity or foreign  
23 association on {the Legislative Reference Bureau shall insert <--  
24 here on the effective date of this chapter} JULY 1, 2015. <--

25 "Registered office." In the case of a domestic banking  
26 institution that is a corporation, the principal place of  
27 business of the corporation set forth in its articles of  
28 incorporation as required by section 1004 of the act of November  
29 30, 1965 (P.L.847, No.356), known as the Banking Code of 1965.

30 "Resulting association." A dividing association, if it

1 survives the division, or a new association.

2 "SPECIAL TREATMENT." A PROVISION OF A PLAN PERMITTED BY <--  
3 SECTION 329 (RELATING TO SPECIAL TREATMENT OF INTEREST HOLDERS).

4 "Surviving association." The domestic entity, domestic  
5 banking institution or foreign association that continues in  
6 existence after or is created by a merger under Subchapter C  
7 (relating to merger).

8 (b) Index of definitions.--Following is a nonexclusive list  
9 of definitions in section 102 (relating to definitions) that  
10 apply to this chapter:

11 "Act" or "action."

12 "Banking institution."

13 "Department."

14 "Dissenters rights."

15 "Domestic entity."

16 "Entity."

17 "Filing entity."

18 "Foreign entity."

19 "Governor."

20 "Interest."

21 "Interest holder."

22 "Obligation."

23 "Organic law."

24 "Organic rules."

25 "Private organic rules."

26 "Property."

27 "Public organic record."

28 "Record form."

29 "Registered foreign association."

30 "Representative."



1 "Sign."

2 "Transfer."

3 "Type."

4 § 313. Relationship of chapter to ~~antitakeover provisions~~ OTHER <--

5 PROVISIONS OF LAW.

6 (A) ANTITAKEOVER PROVISIONS.--A transaction under this <--

7 chapter to which a registered corporation is a party may not

8 impair any right or obligation that a person has under, and may

9 not make applicable to the corporation, any provision of section

10 2538 (relating to approval of transactions with interested

11 shareholders) or Subchapters E (relating to control

12 transactions), F (relating to business combinations), G

13 (relating to control-share acquisitions), H (relating to

14 disgorgement by certain controlling shareholders following

15 attempts to acquire control), I (relating to severance

16 compensation for employees terminated following certain control-

17 share acquisitions) and J (relating to business combination

18 transactions-labor contracts) of Chapter 25, nor shall it change

19 the standard of care applicable to the directors under

20 Subchapter B of Chapter 17 (relating to fiduciary duty) unless:

21 (1) If the corporation does not survive the transaction,

22 the transaction satisfies any requirements of the provision.

23 (2) If the corporation survives the transaction, the

24 approval of the transaction is by a vote of the shareholders

25 or directors which would be sufficient to impair the right or

26 obligation under, or make the corporation subject to, the

27 provision.

28 (B) TRANSITIONAL PROVISION.-- <--

29 (1) THIS SUBSECTION APPLIES TO A TRANSACTION OF A TYPE

30 AUTHORIZED BY THIS CHAPTER IF:

1           (I) PRIOR TO JULY 1, 2015, A STEP HAS BEEN TAKEN TO  
2           EFFECTUATE THE TRANSACTION; BUT

3           (II) THE TRANSACTION DOES NOT TAKE EFFECT BY JULY 1,  
4           2015.

5           (2) EXCEPT AS SET FORTH IN PARAGRAPH (3), THE  
6           TRANSACTION SHALL REMAIN SUBJECT TO THE FORMER PROVISIONS OF  
7           LAW SUPPLIED BY THIS CHAPTER UNTIL THE TRANSACTION:

8                   (I) IS ABANDONED; OR

9                   (II) TAKES EFFECT.

10           (3) NOTWITHSTANDING PARAGRAPH (2), IF THE PLAN PROVIDES  
11           THAT THIS CHAPTER APPLIES TO THE TRANSACTION, THIS CHAPTER  
12           SHALL APPLY TO THE TRANSACTION AFTER JUNE 30, 2015.

13 § 314. Regulatory conditions and required notices and  
14           approvals.

15           (a) Regulatory approvals.--If law of this Commonwealth other  
16           than this chapter requires notice to, or the approval of, a  
17           governmental agency or officer of this Commonwealth in  
18           connection with the participation under an organic law that is  
19           not part of this title by a domestic or foreign association in a  
20           transaction which is a form of transaction authorized by this  
21           chapter, the notice must be given or the approval obtained by  
22           the association before it may participate in any form of  
23           transaction under this chapter.

24           (b) Certain regulated businesses.---A domestic converted  
25           association, domestic domesticated entity, domestic new  
26           association, domestic resulting association or domestic  
27           surviving association may not acquire as a result of a  
28           transaction under this chapter the power to engage in the  
29           business of banking, insurance or acting as a trust company  
30           unless an association of that type is authorized to have and

1 exercise that power under the law of this Commonwealth.

2 (c) Charitable assets.--Property held for a charitable  
3 purpose under the law of this Commonwealth by a domestic or  
4 foreign association immediately before a transaction under this  
5 chapter becomes effective may not, as a result of the  
6 transaction, be diverted from the objects for which it was  
7 donated, granted, devised or otherwise transferred unless, to  
8 the extent required by or pursuant to the law of this  
9 Commonwealth concerning cy pres or other law dealing with  
10 nondiversion of charitable assets, the domestic or foreign  
11 association obtains an appropriate order of a court of competent  
12 jurisdiction specifying the disposition of the property.

13 (d) Preservation of transfers.--A bequest, devise, gift,  
14 grant or promise contained in a will or other instrument of  
15 donation, subscription or conveyance that is made to a merging  
16 association that is not the surviving association and that takes  
17 effect or remains payable after the merger inures to the  
18 surviving association. A trust obligation that would govern  
19 property if transferred to a merging association that is not the  
20 surviving association applies to property that is transferred to  
21 the surviving association.

22 (e) Cross reference.--See section 318 (relating to excluded  
23 entities and transactions).

24 § 315. Nature of transactions.

25 ~~(a) De facto transaction doctrine abolished. The doctrine~~ <--  
26 ~~of de facto mergers, consolidations and other fundamental~~  
27 ~~transactions is abolished and the rules laid down by *Bloch v.*~~  
28 ~~*Baldwin Locomotive Works*, 75 Pa. D. & C. 24 (Pa.C.P. 1950), and~~  
29 ~~*Marks v. The Autocar Co.*, 153 F.Supp. 768 (E.D. Pa. 1954), and~~  
30 ~~similar cases are abrogated. A transaction to which a domestic~~

~~1 business corporation is a party that in form satisfies the  
2 requirements of this chapter and Part II, Subpart B (relating to  
3 business corporations) may be challenged by reason of its  
4 substance only to the extent permitted by section 1105 (relating  
5 to restriction on equitable relief).~~

~~6 (b) Nonexclusivity.—The fact that a sale or conversion of  
7 the interests in or assets of an association or a transaction  
8 under a particular subchapter produces a result that could be  
9 accomplished in any other manner permitted by a different  
10 subchapter or other law shall not be a basis for  
11 recharacterizing the sale, conversion or transaction as a  
12 different form of sale, conversion or transaction under any  
13 other subchapter or other law.~~

14 § 316. Contents of plan.

15 (a) Omission of certain provisions.--A plan as delivered to  
16 the department for filing under any provision of this chapter in  
17 lieu of a statement of merger, statement of interest exchange,  
18 statement of conversion, statement of division or statement of  
19 domestication may omit all provisions of the plan except  
20 provisions, if any, that:

21 (1) are intended to amend or constitute the operative  
22 provisions of the public organic record of a domestic  
23 association as in effect subsequent to the effectiveness of  
24 the plan;

25 (2) are required by this chapter in the statement in  
26 lieu of which the plan is being delivered to the department  
27 for filing; or

28 (3) allocate or specify the respective property and  
29 liabilities of the resulting associations, in the case of a  
30 plan of division.

1     (b) Availability of full plan.--If any of the provisions of  
2 a plan are omitted from the plan as delivered to the department  
3 as permitted under subsection (a), the plan must state that the  
4 full text of the plan is on file at the principal office of the  
5 surviving, acquiring, converted, new or resulting association or  
6 domesticated entity and the address thereof. An association that  
7 takes advantage of this section shall furnish a copy of the full  
8 text of the plan, on request and without cost, to any interest  
9 holder of any domestic or foreign association that was a party  
10 to the plan.

11     (c) Reference to external facts.--A plan may refer to facts  
12 ascertainable outside of the plan if the manner in which the  
13 facts will operate on the plan is specified in the plan. The  
14 facts may include the occurrence of an event or a determination  
15 or action by a person, whether or not the event, determination  
16 or action is within the control of a party to the transaction.  
17 § 317. Contractual dissenters rights in entity transactions.

18     (a) General rule.--An interest holder of a domestic entity  
19 other than a nonprofit corporation or unincorporated nonprofit  
20 association shall be entitled to contractual dissenters rights  
21 in connection with a transaction under this chapter, even though  
22 the interest holder would not otherwise be entitled to  
23 dissenters rights under this title to the extent provided:

- 24         (1) in the entity's organic rules; or  
25         (2) in the plan.

26     (b) Procedures for contractual dissenters rights.--If an  
27 interest holder is entitled to contractual dissenters rights  
28 pursuant to subsection (a), Subchapter D of Chapter 15 (relating  
29 to dissenters rights) applies to the extent practicable except  
30 as otherwise provided in the organic rules of the domestic

1 entity or the plan.

2 (c) Cross references.--See sections 329 (relating to special  
3 treatment of interest holders) and 1571(c) (relating to  
4 application and effect of subchapter).

5 § 318. Excluded entities and transactions.

6 (a) Excluded entities.--The following entities may not  
7 participate in a transaction under this chapter:

8 (1) A cooperative corporation subject to Chapter 73  
9 (relating to electric cooperative corporations).

10 (2) A cooperative corporation subject to Chapter 75 <--  
11 (relating to cooperative agricultural associations).

12 ~~(3) A beneficial, benevolent, fraternal or fraternal~~  
13 ~~benefit society:~~

14 ~~(i) having a lodge system and a representative form~~  
15 ~~of government; or~~

16 ~~(ii) transacting any type of insurance.~~

17 (b) Excluded transactions involving certain nonprofit  
18 corporations.--The following apply to nonprofit corporations:

19 (1) Except as provided in paragraph (2), this chapter  
20 may not be used to accomplish a transaction that has the  
21 effect of converting a domestic nonprofit corporation that is  
22 subject to the supervision of the Department of Banking and  
23 Securities, the Insurance Department or the Pennsylvania  
24 Public Utility Commission to a different type of entity.

25 (2) Paragraph (1) does not apply to a TRANSACTION UNDER <--  
26 THIS CHAPTER IN WHICH A health maintenance organization IS <--  
27 CONVERTED TO A DIFFERENT TYPE OF ENTITY IF THE TRANSACTION  
28 HAS RECEIVED THE PRIOR APPROVAL OF THE INSURANCE DEPARTMENT.

29 (c) Cross references.--See sections 103 (relating to  
30 subordination of title to regulatory laws) and 314 (relating to

1 regulatory conditions and required notices and approvals).

2 § 319. Party to plan or transaction.

3 An association that approves a plan in its capacity as an  
4 interest holder or creditor of a domestic or foreign association  
5 that is a party to the transaction under the plan, or that  
6 furnishes all or a part of the consideration contemplated by a  
7 plan, does not thereby become a party to the plan or the  
8 transaction under the plan for purposes of this chapter.

9 § 320. Submission of matters to interest holders.

10 (a) General rule.--A domestic association may agree, in  
11 record form, to submit a plan to its interest holders whether or  
12 not the governors determine, at any time after approving the  
13 matter PLAN, that the matter PLAN is no longer advisable and <--  
14 recommend that the interest holders reject or vote against it,  
15 regardless of whether the governors change their recommendation.  
16 If an association so agrees to submit a matter PLAN to its <--  
17 interest holders, the matter PLAN is deemed to have been validly <--  
18 adopted by the association when it has been approved by the  
19 interest holders.

20 (b) Cross references.--See sections 321(c) (relating to  
21 approval by business corporation) and 325(c)(2) (relating to  
22 approval by limited liability company).

23 SUBCHAPTER B

24 APPROVAL OF ENTITY TRANSACTIONS

25 Sec.

26 321. Approval by business corporation.

27 322. Approval by nonprofit corporation.

28 323. Approval by general partnership.

29 324. Approval by limited partnership.

30 325. Approval by limited liability company.

1 326. Approval by professional association.

2 327. Approval by business trust.

3 328. Approval by unincorporated nonprofit association.

4 329. Special treatment of interest holders.

5 330. Alternative means of approval of transactions.

6 § 321. Approval by business corporation.

7 (a) Proposal of plan.--Except where the approval of the  
8 board of directors is unnecessary pursuant to section 330  
9 (relating to alternative means of approval of transactions), a  
10 plan shall be proposed in the case of a domestic business  
11 corporation by the adoption by the board of directors of a  
12 resolution approving the plan. Except where the approval of the  
13 shareholders is unnecessary under this chapter, the board of  
14 directors shall direct that the plan be submitted to a vote of  
15 the shareholders entitled to vote thereon at a regular or  
16 special meeting of the shareholders.

17 (b) Notice of meeting of shareholders.--Notice in record  
18 form of the meeting of shareholders that will act on the  
19 proposed plan must be given to each shareholder of record,  
20 whether or not entitled to vote thereon, of each domestic  
21 business corporation that is a party to the transaction under  
22 the plan. There shall be included in or enclosed with the notice  
23 a copy of the proposed plan or a summary thereof and any notice  
24 required by section 329 (relating to special treatment of  
25 interest holders) or 1574 (relating to notice of intention to <--  
26 dissent). IF THE HOLDERS OF SHARES OF ANY CLASS OR SERIES OF <--  
27 SHARES ARE ENTITLED TO ASSERT DISSENTERS RIGHTS, THE NOTICE MUST  
28 INCLUDE OR BE ACCOMPANIED BY THE TEXT OF THE PROVISION OF THIS  
29 CHAPTER GRANTING DISSENTERS RIGHTS AND THE TEXT OF CHAPTER 15  
30 SUBCH. D (RELATING TO DISSENTERS RIGHTS). The notice must state



1 that a copy of the organic rules of the surviving, acquired,  
2 converted, new or resulting association or domesticated entity  
3 as they will be in effect immediately following the transaction  
4 will be furnished to any shareholder of the corporation giving  
5 the notice on request and without cost.

6 (c) Shareholder vote required.--Except as provided in  
7 section 1757 (relating to action by shareholders) or subsection  
8 (d), a plan shall be adopted by a domestic business corporation  
9 that is a party to the transaction under the plan upon receiving  
10 the affirmative vote of a majority of the votes cast by all  
11 shareholders entitled to vote on the plan and, if any class or  
12 series of shares is entitled to vote thereon as a class, the  
13 affirmative vote of a majority of the votes cast in each class  
14 vote. The holders of any class or series of shares of a domestic  
15 business corporation that is a party to a transaction under a  
16 plan that would effect any change in the articles of the  
17 corporation shall be entitled to vote as a class on the plan if  
18 they would have been entitled to a class vote under the  
19 provisions of section 1914 (relating to adoption of amendments)  
20 had the change been accomplished under Subchapter B of Chapter  
21 19 (relating to amendment of articles). Except as provided in  
22 section 330, a proposed plan shall not be deemed to have been  
23 adopted by a domestic business corporation unless it has also  
24 been approved by the board of directors, regardless of the fact  
25 that the board has directed or suffered the submission of the  
26 plan to the shareholders for action.

27 (d) Adoption of plan of merger without shareholder vote.--  
28 (1) Unless otherwise required by the organic rules, a  
29 plan of merger shall not require the approval of the  
30 shareholders of a domestic business corporation that is a

1 merging association if:

2 (i) whether or not the corporation is the surviving  
3 association:

4 (A) the surviving association is a domestic  
5 business corporation and its articles are identical  
6 to the articles of the corporation for which  
7 shareholder approval is not required, except for  
8 changes that could be made without shareholder  
9 approval pursuant to section 1914(c);

10 (B) each share of the corporation outstanding  
11 immediately prior to the effectiveness of the merger  
12 is to continue as or be converted into, except as may  
13 be otherwise agreed by the holder thereof, an  
14 identical share of the surviving association; and

15 (C) the plan provides that the shareholders of  
16 the corporation are to hold in the aggregate shares  
17 of the surviving association to be outstanding  
18 immediately after the effectiveness of the merger  
19 entitled to cast at least a majority of the votes  
20 entitled to be cast generally for the election of  
21 directors;

22 (ii) immediately prior to the adoption of the plan  
23 and at all times thereafter prior to the effectiveness of  
24 the merger, another association owns directly or  
25 indirectly 80% or more of the outstanding shares of each  
26 class of the corporation; or

27 (iii) no shares of the corporation have been issued  
28 prior to the adoption of the plan by the board of  
29 directors pursuant to subsection (a).

30 (2) If a merger is effected pursuant to paragraph (1)(i)

1 or (iii), the plan shall be deemed adopted by the constituent <--  
2 corporation when it has been adopted by the board of  
3 directors pursuant to subsection (a).

4 (3) If a merger of a subsidiary corporation is effected  
5 pursuant to paragraph (1)(ii), the plan shall be deemed  
6 adopted by the subsidiary corporation when it has been  
7 adopted by the governors of the parent association and  
8 neither approval of the plan by the board of directors of the  
9 subsidiary corporation nor signing of the statement of merger  
10 by the subsidiary corporation shall be necessary.

11 (4) Unless otherwise required by the organic rules, a  
12 plan of merger providing for the merger of a domestic  
13 business corporation (REFERRED TO IN THIS PARAGRAPH AS A <--  
14 "CONSTITUENT CORPORATION") with or into a single indirect  
15 wholly owned subsidiary (referred to in this paragraph as the  
16 "subsidiary corporation") of the constituent corporation  
17 shall not require the approval of the shareholders of either  
18 the constituent corporation or the subsidiary corporation if  
19 all of the following provisions are satisfied.

20 (i) A merger under this paragraph must satisfy the  
21 following conditions:

22 (A) The constituent corporation and the  
23 subsidiary corporation are the only parties to the  
24 merger, other than a surviving association that is a  
25 corporation created in the merger.

26 (B) Each share or fraction of a share of the  
27 capital stock of the constituent corporation  
28 outstanding immediately prior to the effectiveness of  
29 the merger is converted in the merger into a share or  
30 equal fraction of a share of capital stock of a

1 holding company having the same designations, rights,  
2 powers and preferences and the qualifications,  
3 limitations and restrictions as the share of capital  
4 stock of the constituent corporation being converted  
5 in the merger.

6 (C) The holding company and the surviving  
7 association are each domestic business corporations.

8 (D) Immediately following the effectiveness of  
9 the merger, the articles of incorporation and bylaws  
10 of the holding company are identical to the articles  
11 of incorporation and bylaws of the constituent  
12 corporation immediately before the effectiveness of  
13 the merger, except for changes that could be made  
14 without shareholder approval pursuant to section  
15 1914(c).

16 (E) Immediately following the effectiveness of  
17 the merger, the surviving association is a direct or  
18 indirect wholly owned subsidiary of the holding  
19 company.

20 (F) The directors of the constituent corporation  
21 become or remain the directors of the holding company  
22 on the effectiveness of the merger.

23 (G) The board of directors of the constituent  
24 corporation has made a good faith determination that  
25 the shareholders of the constituent corporation will  
26 not recognize gain or loss for United States Federal  
27 income tax purposes.

28 (ii) If the holding company is a registered  
29 corporation, the shares of the holding company issued in  
30 connection with the merger shall be deemed to have been

1 acquired at the time that the shares of the constituent  
2 corporation converted in the merger were acquired.

3 (iii) As used in this paragraph only, the term  
4 "holding company" means a corporation that, from its  
5 incorporation until consummation of the merger governed  
6 by this paragraph, was at all times a direct wholly owned  
7 subsidiary of the constituent corporation and whose  
8 capital stock is issued in the merger.

9 (E) APPROVAL OF DIVISION BY PREFERRED SHARES.--IF A DIVIDING <--  
10 ASSOCIATION THAT IS A BUSINESS CORPORATION HAS OUTSTANDING ANY  
11 SHARES OF A PREFERRED OR SPECIAL CLASS OR SERIES OF SHARES,  
12 REGARDLESS OF A LIMITATION STATED IN THE ARTICLES OR BYLAWS ON  
13 THE VOTING RIGHTS OF THE CLASS OR SERIES OF SHARES, THE HOLDERS  
14 OF OUTSTANDING SHARES OF THE CLASS OR SERIES SHALL BE ENTITLED  
15 TO VOTE AS A CLASS ON A PLAN OF DIVISION WHICH:

16 (1) PROVIDES THAT THE DIVIDING ASSOCIATION WILL NOT  
17 SURVIVE THE DIVISION; OR

18 (2) AMENDS THE ARTICLES OR BYLAWS OF THE SURVIVING  
19 CORPORATION IN A MANNER THAT WOULD ENTITLE THE HOLDERS OF THE  
20 PREFERRED OR SPECIAL SHARES TO A CLASS VOTE ON THE AMENDMENT  
21 UNDER THE ARTICLES, THE BYLAWS OR SECTION 1914(B).

22 ~~(e)~~ (F) Cross references.--See: <--

23 Subchapter A of Chapter 17 (relating to notice and  
24 meetings generally).

25 Section 2512 (relating to dissenters rights procedure).

26 Section 2539 (relating to adoption of plan of merger by  
27 board of directors).

28 Section 3304(b) (relating to election of benefit  
29 corporation status).

30 Section 3305(b) (relating to termination of benefit

1 corporation status).

2 § 322. Approval by nonprofit corporation.

3 (a) Proposal of plan.--A plan shall be proposed in the case  
4 of a domestic nonprofit corporation as follows:

5 (1) by the adoption by the board of directors or other  
6 body of a resolution approving the plan;

7 (2) unless otherwise provided in the articles, by  
8 petition of members entitled to cast at least 10% of the  
9 votes that all members are entitled to cast thereon, setting  
10 forth the proposed plan, which petition shall be directed to  
11 the board of directors and filed with the secretary of the  
12 corporation; or

13 (3) by such other method as may be provided in the  
14 bylaws.

15 (b) Submission to members.--Except where the domestic  
16 nonprofit corporation has no members entitled to vote thereon,  
17 the board of directors or other body shall direct that the plan  
18 be submitted to a vote of the members entitled to vote thereon  
19 at a regular or special meeting of the members.

20 (c) Notice of meeting of members.--Notice in record form of  
21 the meeting of members that will act on the proposed plan shall  
22 be given to each member of record, whether or not entitled to  
23 vote thereon, of each domestic nonprofit corporation that is a  
24 party to the transaction under the plan. A copy of the proposed  
25 plan or a summary thereof shall be included in or enclosed with  
26 the notice. The notice shall state that a copy of the organic  
27 rules of the surviving, acquired, converted, new or resulting  
28 association or domesticated entity as they will be in effect  
29 immediately following the transaction will be furnished to any  
30 member of the corporation giving the notice on request and

1 without cost.

2 (d) Member vote required.--Except as provided in section  
3 5757 (relating to action by members), a plan shall be adopted  
4 upon receiving the affirmative vote of at least a majority of  
5 the votes that all members present are entitled to cast thereon  
6 of each domestic nonprofit corporation that is a party to the  
7 transaction under the plan. If any class of members is entitled  
8 to vote on the plan as a class, the plan must be adopted by the  
9 affirmative vote of at least a majority of the votes that all  
10 members present of such class are entitled to cast thereon.

11 (e) Adoption in absence of voting members.--If a domestic  
12 nonprofit corporation has no members entitled to vote thereon, a  
13 plan shall be deemed adopted by the corporation when it has been  
14 adopted by the board of directors or other body pursuant to  
15 subsection (a).

16 (f) Cross references.--See Subchapter A of Chapter 57  
17 (relating to notice and meetings generally) and section 3304(b)  
18 (relating to election of benefit corporation status).

19 § 323. Approval by general partnership.

20 (a) General rule.--A plan shall be approved in the case of a  
21 domestic general partnership as follows:

22 (1) in the manner provided in its organic rules for the  
23 type of plan involved;

24 (2) if its organic rules do not provide for approval of  
25 the type of plan involved, in the manner provided in its  
26 organic rules for approval of a plan of merger; or

27 (3) if its organic rules do not provide for approval of  
28 the type of plan involved or a plan of merger, the plan shall  
29 be approved by all of the partners.

30 (b) Cross reference.--See section 3304(b) (relating to

1 election of benefit corporation status).

2 § 324. Approval by limited partnership.

3 (a) Proposal of plan.--A plan shall be proposed in the case  
4 of a domestic limited partnership by the adoption by a unanimous  
5 vote of the general partners of a resolution approving the plan.  
6 Except where the approval of the limited partners is unnecessary  
7 under this chapter or the organic rules, the general partners  
8 shall submit the plan to a vote of the limited partners entitled  
9 to vote thereon at a regular or special meeting of the limited  
10 partners.

11 (b) Notice of meeting of limited partners.--Notwithstanding  
12 any other provision of the organic rules, notice in record form  
13 of the meeting of limited partners called for the purpose of  
14 considering the proposed plan shall be given to each limited  
15 partner, whether or not entitled to vote thereon, of each  
16 domestic limited partnership that is a party to the transaction  
17 under the plan. A copy of the proposed plan or a summary thereof  
18 shall be included in or enclosed with the notice. The notice  
19 shall state that a copy of the organic rules of the surviving,  
20 acquired, converted, new or resulting association or  
21 domesticated entity as they will be in effect immediately  
22 following the transaction will be furnished to any limited  
23 partner of the limited partnership giving the notice on request  
24 and without cost.

25 (c) Required vote by limited partners.--The plan shall be  
26 adopted upon receiving a majority of the votes cast by all  
27 limited partners, if any, entitled to vote thereon of each  
28 domestic limited partnership that is a party to the proposed  
29 transaction under the plan and, if any class of limited partners  
30 is entitled to vote thereon as a class, a majority of the votes



1 cast in each class vote. A proposed plan may not be deemed to  
2 have been adopted by the limited partnership unless it has also  
3 been approved by the general partners, regardless of the fact  
4 that the general partners have directed or suffered the  
5 submission of the plan to the limited partners for action.

6 (d) Merger by action of general partners only.--Except as  
7 provided in the organic rules, a plan of merger shall not  
8 require the approval of the limited partners of a domestic  
9 limited partnership that is a merging association and shall be  
10 deemed adopted by the limited partnership when it has been  
11 adopted by the general partners pursuant to subsection (a) if:

12 (1) whether or not the limited partnership is the  
13 surviving association, the surviving association is a  
14 domestic limited partnership and its organic rules are  
15 identical to the organic rules of the merging limited  
16 partnership, except for changes that could be made without  
17 action by the limited partners; and

18 (2) each partnership interest outstanding immediately  
19 before the effectiveness of the merger is to continue as or  
20 to be converted into, except as may be otherwise agreed by  
21 the holder thereof, an identical partnership interest in the  
22 surviving limited partnership after the effectiveness of the  
23 merger.

24 (e) Cross reference.--See section 3304(b) (relating to  
25 election of benefit corporation status).

26 § 325. Approval by limited liability company.

27 (a) Proposal of plan in manager-managed company.--Except as  
28 provided in the organic rules or where the approval of the  
29 managers is unnecessary under section 330 (relating to  
30 alternative means of approval of transactions), a plan shall be

1 proposed, in the case of a manager-managed, domestic limited  
2 liability company, by the adoption by the managers of a  
3 resolution approving the plan. Except where the approval of the  
4 members of a manager-managed, domestic limited liability company  
5 is unnecessary under this chapter or the organic rules, the plan  
6 shall be submitted to a vote of the members entitled to vote  
7 thereon at a regular or special meeting of the members.

8 (b) Notice of meeting of members.--Except as provided in the  
9 organic rules:

10 (1) Notice in record form of the meeting of members of a  
11 domestic limited liability company that will act on the  
12 proposed plan shall be given to each member of record,  
13 whether or not entitled to vote thereon, of each domestic  
14 limited liability company that is a party to the transaction  
15 under the plan.

16 (2) There shall be included in or enclosed with the  
17 notice a copy of the proposed plan or a summary thereof.

18 (3) The notice shall state that a copy of the organic  
19 rules of the surviving, acquired, converted, new or resulting  
20 association or domesticated entity as they will be in effect  
21 immediately following the transaction will be furnished to  
22 any member of the company giving the notice on request and  
23 without cost.

24 (c) Adoption of plan by members.--A plan:

25 (1) Except as provided in the organic rules, shall be  
26 adopted upon receiving a majority of the votes cast by all  
27 members, if any, entitled to vote thereon of each of the  
28 domestic limited liability companies that is a party to the  
29 transaction under the plan and, if any class of members is  
30 entitled to vote thereon as a class, a majority of the votes

1 cast in each class vote.

2 (2) Except as provided in the organic rules or section  
3 330, shall not be deemed to have been adopted by a manager-  
4 managed company unless it has also been approved by the  
5 managers, regardless of the fact that the managers have  
6 directed or suffered the submission of the plan to the  
7 members for action.

8 (d) Merger by action of managers only.--Unless otherwise  
9 required by a provision of the organic rules in record form, a  
10 plan of merger shall not require the approval of the members of  
11 a manager-managed, domestic limited liability company and shall  
12 be deemed adopted by the company when a resolution approving the  
13 plan has been adopted by the managers pursuant to subsection (a)  
14 if:

15 (1) Whether the company is the surviving association:

16 (i) the surviving association is a domestic limited  
17 liability company and its organic rules are identical to  
18 the organic rules of the limited liability company that  
19 is party to the merger, except for changes that could be  
20 made without action by the members; and

21 (ii) each membership interest outstanding  
22 immediately prior to the effectiveness of the merger is  
23 to continue as or to be converted into, except as may be  
24 otherwise agreed by the holder thereof, an identical  
25 membership interest in the surviving association after  
26 the effectiveness of the merger.

27 (2) The plan of merger provides for the merger of the  
28 company, referred to in this paragraph as the "constituent  
29 company," with or into a single indirect wholly owned  
30 subsidiary, referred to in this paragraph as the "subsidiary

1 company," of the constituent company if all of the following  
2 provisions are satisfied:

3 (i) The constituent company and the subsidiary  
4 company are the only parties to the merger, other than a  
5 surviving association that is created in the merger.

6 (ii) Each interest of the constituent company  
7 outstanding immediately prior to the effectiveness of the  
8 merger is converted in the merger into an interest of a  
9 holding company having the same designations, rights,  
10 powers and preferences and the qualifications,  
11 limitations and restrictions as the interest of the  
12 constituent company being converted in the merger.

13 (iii) The holding company and the surviving  
14 association are each domestic limited liability  
15 companies.

16 (iv) Immediately following the effectiveness of the  
17 merger, the certificate of organization and operating  
18 agreement of the holding company are identical to the  
19 certificate of organization and operating agreement of  
20 the constituent company immediately before the  
21 effectiveness of the merger, except for changes that  
22 could be made without member approval pursuant to Chapter  
23 89 (relating to limited liability companies).

24 (v) Immediately following the effectiveness of the  
25 merger, the surviving association is a direct or indirect  
26 wholly owned subsidiary of the holding company.

27 (vi) The managers of the constituent company become  
28 or remain the managers of the holding company on the  
29 effectiveness of the merger.

30 (vii) The managers of the constituent company have

1 made a good faith determination that the members of the  
2 constituent company will not recognize gain or loss for  
3 United States Federal income tax purposes.

4 (viii) As used in this paragraph only, the term  
5 "holding company" means a limited liability company that,  
6 from its formation until consummation of the merger  
7 governed by this paragraph, was at all times a direct  
8 wholly owned subsidiary of the constituent company and  
9 interests in which are issued in the merger.

10 (e) Cross reference.--See section 3304(b) (relating to  
11 election of benefit corporation status).

12 § 326. Approval by professional association.

13 (a) General rule.--A plan shall be approved in the case of a  
14 domestic professional association by vote of a majority, or such  
15 higher percentage as may be provided in the organic rules, of  
16 the associates, voting according to their proportionate shares  
17 of ownership.

18 (b) Cross reference.--See section 3304(b) (relating to  
19 election of benefit corporation status).

20 § 327. Approval by business trust.

21 (a) General rule.--Except as provided in subsection (b), a  
22 plan shall be approved in the case of a domestic business trust  
23 as follows:

24 (1) in the manner provided in its organic rules for the  
25 type of plan involved;

26 (2) if its organic rules do not provide for approval of  
27 the type of plan involved, in the manner provided in its  
28 organic rules for approval of a plan of merger; or

29 (3) if its organic rules do not provide for approval of  
30 the type of plan involved or a plan of merger, the plan

1 shall be approved by all of the beneficial owners.

2 (b) Adoption of plan of merger without beneficiary vote.--

3 Unless otherwise required by the organic rules, a plan of merger

4 providing for the merger of a domestic business trust, referred

5 to in this paragraph as the "constituent trust," with or into a

6 single indirect wholly owned subsidiary, referred to in this

7 paragraph as the "subsidiary trust," of the constituent trust

8 shall not require the approval of the beneficiaries of the

9 constituent trust if all of the following provisions are

10 satisfied:

11 (1) The constituent trust and the subsidiary trust are

12 the only parties to the merger, other than a surviving

13 association created in the merger.

14 (2) Each interest in the constituent trust outstanding

15 immediately prior to the effectiveness of the merger is

16 converted in the merger into an interest in the holding trust

17 having the same designations, rights, powers and preferences

18 and the qualifications, limitations and restrictions as the

19 interests in the constituent trust being converted in the

20 merger.

21 (3) The holding trust and the surviving association are

22 each domestic business trusts.

23 (4) Immediately following the effectiveness of the

24 merger, the instrument and organic rules of the holding trust

25 are identical to the instrument and organic rules of the

26 constituent trust immediately before the effectiveness of the

27 merger, except for changes that could be made without

28 beneficiary approval under Chapter 95 (relating to business

29 trusts).

30 (5) Immediately following the effectiveness of the

1 merger, the surviving association is a direct or indirect  
2 wholly owned subsidiary of the holding trust.

3 (6) The trustees of the constituent trust become or  
4 remain the trustees of the holding trust on the effectiveness  
5 of the merger.

6 (7) The trustees of the constituent trust have made a  
7 good faith determination that the beneficiaries of the  
8 constituent trust will not recognize gain or loss for United  
9 States Federal income tax purposes.

10 (8) As used in this subsection only, the term "holding  
11 trust" means a business trust that, from its formation until  
12 consummation of the merger governed by this subsection, was  
13 at all times a direct wholly owned subsidiary of the  
14 constituent trust and the interests in which are issued in  
15 the merger.

16 (c) Cross reference.--See section 3304(b) (relating to  
17 election of benefit corporation status).

18 § 328. Approval by unincorporated nonprofit association.

19 (a) General rule.--Except as provided in the governing  
20 principles, a plan shall be approved in the case of a domestic  
21 unincorporated nonprofit association by the affirmative vote of  
22 at least a majority of the votes cast at a meeting of the  
23 members.

24 (b) Cross reference.--See section 3304(b) (relating to  
25 election of benefit corporation status).

26 § 329. Special treatment of interest holders.

27 (a) General rule.--Except as otherwise restricted in the  
28 organic rules, a plan may contain a provision classifying the  
29 interest holders of a class or series of interests into one or  
30 more separate groups by reference to any facts or circumstances

1 that are not manifestly unreasonable and providing mandatory  
2 treatment for interests of the class or series held by  
3 particular interest holders or groups of interest holders that  
4 differs materially from the treatment accorded other interest  
5 holders or groups of interest holders that hold interests of the  
6 same class or series, including a provision modifying or  
7 rescinding rights previously created under this section if  
8 either of the following applies:

9 (1) The plan:

10 (i) is approved by a majority of the votes cast by  
11 the holders of any class or series of interests any of  
12 the interests of which are so classified into groups,  
13 whether or not such class or series would otherwise be  
14 entitled to vote on the plan; and

15 (ii) specifically enumerates the type and extent of  
16 the special treatment authorized.

17 (2) Under all the facts and circumstances, a court of  
18 competent jurisdiction finds such special treatment is  
19 undertaken in good faith, after reasonable deliberation and  
20 is in the best interest of the association.

21 (b) Statutory voting rights on special treatment.--Except as  
22 provided in subsection (d), if a plan contains a provision for  
23 special treatment, each group of holders of any outstanding  
24 interests of a class or series who are to receive the same  
25 special treatment under the plan shall be entitled to vote as a  
26 special class in respect to the plan regardless of any  
27 limitations stated in the organic rules on the voting rights of  
28 any class or series.

29 (c) Determination of groups.--For purposes of applying  
30 subsections (a)(1) and (b), the determination of which interest



1 holders are part of each group receiving special treatment shall  
2 be made as of the record date for interest holder action on the  
3 plan.

4 (d) Dissenters rights on special treatment.--If a plan  
5 contains a provision for special treatment without requiring for  
6 the adoption of the plan the statutory class vote required under  
7 subsection (b), the holder of any outstanding interests the  
8 statutory class voting rights of which are so denied shall be  
9 entitled to assert dissenters rights with respect to those  
10 interests. A shareholder of a business corporation who wishes to  
11 assert dissenters rights shall comply with Subchapter D of  
12 Chapter 15 (relating to dissenters rights). An interest holder  
13 in any other type of domestic entity shall comply with  
14 Subchapter D of Chapter 15 to the extent practicable.

15 (e) Notice to interest holders.--Any notice to interest  
16 holders of a meeting called to act on a plan that provides for  
17 special treatment shall state that the plan provides for special  
18 treatment. The notice shall identify the interest holders  
19 receiving special treatment unless the notice is accompanied by  
20 either a summary of the plan that includes that information or  
21 the full text of the plan.

22 (f) Exceptions.--This section shall not apply to any of the  
23 following:

24 (1) A provision of a plan that offers to all holders of  
25 interests of a class or series the same option to elect  
26 certain treatment.

27 (2) A plan involving any type of domestic entity that  
28 contains an express provision that this section does not  
29 apply or that fails to contain an express provision that this  
30 section shall apply.

1 (3) A provision of a plan that treats all of the holders  
2 of a particular class or series of interests of any type of  
3 domestic entity differently from the holders of another class  
4 or series. A provision of a plan that treats the holders of a  
5 class or series of shares of a domestic business corporation  
6 differently from the holders of another class or series of  
7 shares shall not constitute a violation of section 1521(d)  
8 (relating to authorized shares).

9 § 330. Alternative means of approval of transactions.

10 (a) General rule.--Except as provided in subsection (b) or  
11 the organic rules of a domestic entity, approval of a  
12 transaction under this chapter by the unanimous vote or consent  
13 of its interest holders satisfies the requirements of this  
14 chapter for approval of the transaction.

15 (b) Exception.--Subsection (a) shall not apply to a  
16 nonprofit corporation.

17 SUBCHAPTER C

18 MERGER

19 Sec.

20 331. Merger authorized.

21 332. Plan of merger.

22 333. Approval of merger.

23 334. Amendment or abandonment of plan of merger.

24 335. Statement of merger; effectiveness.

25 336. Effect of merger.

26 § 331. Merger authorized.

27 (a) General rule.--Except as provided in section 318  
28 (relating to excluded entities and transactions) or this  
29 section, by complying with this chapter:

30 (1) One or more domestic entities may merge with one or

1 more domestic entities or foreign associations into a  
2 surviving association.

3 (2) Two or more foreign associations may merge into a  
4 surviving association that is a domestic entity.

5 (3) A domestic banking institution may be a merging  
6 association or surviving association in a merger with one or  
7 more domestic or foreign associations if the surviving  
8 association or at least one of the merging associations is a  
9 domestic entity.

10 (b) Foreign law authorization required.--By complying with  
11 the applicable provisions of this subchapter, a foreign  
12 association may be a party to a merger under this subchapter or  
13 may be the surviving association in such a merger if the merger  
14 is authorized by the law of the jurisdiction of formation of the  
15 foreign association.

16 (c) Banking institutions.--Subsection (a)(3) controls over  
17 any inconsistent provision of the organic law of a domestic  
18 banking institution that is a merging association.

19 (d) Exception.--A health maintenance organization may be a  
20 merging association only if the surviving association is a  
21 health maintenance organization.

22 (e) Cross reference.--See section 314 (relating to  
23 regulatory conditions and required notices and approvals).  
24 § 332. Plan of merger.

25 (a) General rule.--A domestic entity may become a party to a  
26 merger by approving a plan of merger. The plan shall be in  
27 record form and contain all of the following:

28 (1) As to each merging association, its name,  
29 jurisdiction of formation and type.

30 (2) If the surviving association is to be created in the

1 merger, a statement to that effect and the association's  
2 name, jurisdiction of formation and type.

3 (3) The manner, if any, of:

4 (i) converting some or all of the interests in a  
5 merging association into interests, securities,  
6 obligations, money, other property, rights to acquire  
7 interests or securities, or any combination of the  
8 foregoing; or

9 (ii) canceling some or all of the interests in a  
10 merging association.

11 (4) If the surviving association exists before the  
12 merger, any proposed amendments to:

13 (i) its public organic record, if any; or

14 (ii) its private organic rules that are or are  
15 proposed to be in record form.

16 (5) If the surviving association is to be created in the  
17 merger:

18 (i) its proposed public organic record, if any; and

19 (ii) the full text of its private organic rules that  
20 are proposed to be in record form.

21 (6) Provisions, if any, providing special treatment of  
22 interests in a merging association held by any interest  
23 holder or group of interest holders as authorized by, and  
24 subject to, section 329 (relating to special treatment of  
25 interest holders).

26 (7) The other terms and conditions of the merger.

27 (8) Any other provision required by:

28 (i) the law of this Commonwealth;

29 (ii) the law of the jurisdiction of formation of a  
30 foreign merging or surviving association; or

1           (iii) the organic rules of a merging association.

2           (b) Optional contents.--In addition to the requirements of  
3 subsection (a), a plan of merger may contain any other provision  
4 not prohibited by law.

5           (c) Cross reference.--See section 316 (relating to contents  
6 of plan).

7 § 333. Approval of merger.

8           (a) Approval by domestic entities.--A plan of merger shall  
9 not be effective unless it has been approved in both of the  
10 following ways:

11           (1) The plan is approved by a domestic entity that is a  
12 merging association in accordance with the applicable  
13 provisions of Subchapter B (relating to approval of entity  
14 transactions).

15           (2) The plan is approved in record form by each interest  
16 holder, if any, of a domestic entity that is a merging  
17 association that will have interest holder liability for  
18 debts, obligations and other liabilities that arise after the  
19 merger becomes effective, unless, as to an interest holder  
20 that does not approve the plan, both of the following apply:

21           (i) The organic rules of the domestic entity provide  
22 in record form for the approval of a merger in which some  
23 or all of its interest holders become subject to interest  
24 holder liability by the vote or consent of fewer than all  
25 the interest holders.

26           (ii) The interest holder consented in record form to  
27 or voted for that provision of the organic rules or  
28 became an interest holder after the adoption of that  
29 provision.

30           (b) Approval by foreign associations.--A merger under this

1 subchapter in which a foreign association is a merging  
2 association is not effective unless the merger is approved by  
3 the foreign association in accordance with the law of its  
4 jurisdiction of formation.

5 (c) Approval by domestic banking institutions.--A merger  
6 under this subchapter in which a domestic banking institution  
7 that is not a domestic entity is a merging association is not  
8 effective unless the merger is approved by the domestic banking  
9 institution in accordance with the requirements in its organic  
10 law and organic rules for approval of a merger.

11 (d) Dissenters rights.--

12 (1) Except as provided in paragraph (2), if a  
13 shareholder of a domestic business corporation that is to be  
14 a merging association objects to the plan of merger and  
15 complies with Subchapter D of Chapter 15 (relating to  
16 dissenters rights), the shareholder shall be entitled to  
17 dissenters rights to the extent provided in that subchapter.

18 (2) Except as provided under section 317 (relating to  
19 contractual dissenters rights in entity transactions),  
20 dissenters rights shall not be available to shareholders of a  
21 domestic business corporation that is a merging association  
22 in a merger described in section 321(d)(1)(i) or (4)  
23 (relating to approval by business corporation).

24 (3) If a shareholder of a domestic banking institution  
25 that is to be a merging association objects to the plan of  
26 merger and complies with section 1222 of the act of November  
27 30, 1965 (P.L.847, No.356), known as the Banking Code of  
28 1965, the shareholder shall be entitled to the rights  
29 provided in that section.

30 (4) See section 329 (relating to special treatment of

1 interest holders).

2 § 334. Amendment or abandonment of plan of merger.

3 (a) General rule.--A plan of merger may be amended or  
4 abandoned only with the consent of each party to the plan,  
5 except as otherwise provided in the plan.

6 (b) Approval of amendment.--A domestic entity that is a  
7 merging association may approve an amendment of a plan of merger  
8 in one of the following ways:

9 (1) In the same manner as the plan was approved, if the  
10 plan does not provide for the manner in which it may be  
11 amended.

12 (2) By its governors or interest holders in the manner  
13 provided in the plan, but an interest holder that was  
14 entitled to vote on or consent to approval of the plan is  
15 entitled to vote on or consent to any amendment of the plan  
16 that will change any of the following:

17 (i) The amount or kind of interests, securities,  
18 obligations, money, other property, rights to acquire  
19 interests or securities, or any combination of the  
20 foregoing, to be received by the interest holders of any  
21 party to the plan.

22 (ii) The public organic record, if any, or private  
23 organic rules of the surviving association that will be  
24 in effect immediately after the merger becomes effective,  
25 except for changes that do not require approval of the  
26 interest holders of the surviving association under its  
27 organic law or organic rules.

28 (iii) Any other terms or conditions of the plan, if  
29 the change would:

30 (A) increase the interest holder liability to

1 which the interest holder will be subject; or

2 (B) otherwise adversely affect the interest  
3 holder in any material respect.

4 (c) Approval of abandonment.--After a plan of merger has  
5 been approved by a domestic entity that is a merging association  
6 and before a statement of merger becomes effective, the plan may  
7 be abandoned as provided in the plan. Unless prohibited by the  
8 plan, a domestic entity that is a merging association may  
9 abandon the plan in the same manner as the plan was approved.

10 (d) Statement of abandonment.--If a plan of merger is  
11 abandoned after a statement of merger has been delivered to the  
12 department for filing and before the statement becomes  
13 effective, a statement of abandonment, signed by a party to the  
14 plan, must be delivered to the department for filing before the  
15 statement of merger becomes effective. The statement of  
16 abandonment shall take effect on filing, and the merger shall be  
17 abandoned and shall not become effective. The statement of  
18 abandonment shall contain all of the following:

19 (1) The name of each party to the plan of merger.

20 (2) The date on which the statement of merger was filed  
21 by the department.

22 (3) A statement that the merger has been abandoned in  
23 accordance with this section.

24 (e) Cross references.--See sections 134 (relating to  
25 docketing statement) and 135 (relating to requirements to be met  
26 by filed documents).

27 § 335. Statement of merger; effectiveness.

28 (a) General rule.--A statement of merger shall be signed by  
29 each merging association and delivered to the department for  
30 filing along with the certificates, if any, required by section



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

3 (b) Contents.--A statement of merger shall contain all of  
4 the following:

5 (1) With respect to each merging association that is not  
6 the surviving association:

7 (i) its name;

8 (ii) its jurisdiction of formation;

9 (iii) its type;

10 (iv) if it is a domestic filing association,  
11 domestic limited liability partnership or registered  
12 foreign association, the address of its registered  
13 office, including street and number, if any, in this  
14 Commonwealth, subject to section 109 (relating to name of  
15 commercial registered office provider in lieu of  
16 registered address);

17 (v) if it is a domestic association that is not a  
18 domestic filing association or limited liability  
19 partnership, the address, including street and number, if  
20 any, of its principal office; and

21 (vi) if it is a nonregistered foreign association,  
22 the address, including street and number, if any, of:

23 (A) its registered or similar office, if any,  
24 required to be maintained by the law of its  
25 jurisdiction of formation; or

26 (B) if it is not required to maintain a  
27 registered or similar office, its principal office.

28 (2) With respect to the surviving association:

29 (i) its name;

30 (ii) its jurisdiction of formation;

1           (iii) its type;  
2           (iv) if it is a domestic filing association,  
3           domestic limited liability partnership or registered  
4           foreign association, the address of its registered  
5           office, including street and number, if any, in this  
6           Commonwealth, subject to section 109;

7           (v) if it is a domestic association that is not a  
8           domestic filing association or limited liability  
9           partnership, the address, including street and number, if  
10          any, of its principal office; and

11          (vi) if it is a nonregistered foreign association,  
12          the address, including street and number, if any, of:

13                (A) its registered or similar office, if any,  
14                required to be maintained by the law of its  
15                jurisdiction of formation; or

16                (B) if it is not required to maintain a  
17                registered or similar office, its principal office.

18          (3) If the statement of merger is not to be effective on  
19          filing, the later date or date and time on which it will  
20          become effective.

21          (4) A statement that the merger was approved in the  
22          following ways as applicable:

23                (i) By a domestic entity that is a merging  
24                association, in accordance with this chapter.

25                (ii) By a foreign merging association, in accordance  
26                with the law of its jurisdiction of formation.

27                (iii) By a domestic merging association that is not  
28                a domestic entity, in the same manner required by its  
29                organic law for approving a merger that requires the  
30                approval of its interest holders.

1       (5) If the surviving association exists before the  
2 merger and is a domestic filing entity, any amendment to its  
3 public organic record approved as part of the plan of merger.

4       (6) If the surviving association is created by the  
5 merger and is a domestic filing entity, its public organic  
6 record, as an attachment. The public organic record does not  
7 need to state the name or address of an incorporator of a  
8 corporation, organizer of a limited liability company or  
9 similar person with respect to any other type of entity.

10       (7) If the surviving association is created by the  
11 merger and is a nonregistered foreign association, one of the  
12 following:

13           (i) The street and mailing addresses of its  
14 registered agent and registered office in its  
15 jurisdiction of formation if it is a filing entity.

16           (ii) The street and mailing address of its principal  
17 office if it is not a filing entity.

18       (8) If the surviving association is created by the  
19 merger and is a domestic limited liability partnership or a  
20 domestic limited liability limited partnership that is not  
21 using the alternative procedure in section 8201(f) (relating  
22 to scope), its statement of registration, as an attachment.

23       (9) If the surviving association is created by the  
24 merger and is a domestic electing partnership, its statement  
25 of election.

26       (c) Other provisions.--In addition to the requirements of  
27 subsection (b), a statement of merger may contain any other  
28 provision not prohibited by law.

29       (d) Domestic surviving association.--If the surviving  
30 association is a domestic entity, its public organic record, if

1 any, shall satisfy the requirements of the law of this  
2 Commonwealth, except that the public organic record does not  
3 need to be signed and may omit any provision that is not  
4 required to be included in a restatement of the public organic  
5 record.

6 (e) Filing of plan.--A plan of merger that is signed by all  
7 of the merging associations and meets all of the requirements of  
8 subsection (b) may be delivered to the department for filing  
9 instead of a statement of merger and on filing has the same  
10 effect. If a plan of merger is filed as provided in this  
11 subsection, references in this chapter to a statement of merger  
12 refer to the plan of merger filed under this subsection.

13 (f) Effectiveness of statement of merger.--A statement of  
14 merger is effective as provided in section 136(c) (relating to  
15 processing of documents by Department of State).

16 (g) Effectiveness of merger.--If the surviving association  
17 is a domestic association, the merger is effective when the  
18 statement of merger is effective. If the surviving association  
19 is a foreign association, the merger is effective on the later  
20 of:

21 (1) the date and time provided by the organic law of the  
22 surviving association; or

23 (2) when the statement of merger is effective.

24 (h) Cross references.--See sections 134 (relating to  
25 docketing statement), 135 (relating to requirements to be met by  
26 filed documents) and 316 (relating to contents of plan).

27 § 336. Effect of merger.

28 (a) General rule.--When a merger under this subchapter  
29 becomes effective, all of the following apply:

30 (1) The surviving association continues or comes into

1 existence.

2 (2) Each merging association that is not the surviving  
3 association ceases to exist.

4 (3) All property of each merging association vests in  
5 the surviving association without reversion or impairment,  
6 and the merger shall not constitute a transfer of any of that  
7 property.

8 (4) All debts, obligations and other liabilities of each  
9 merging association are debts, obligations and other  
10 liabilities of the surviving association.

11 (5) Except as otherwise provided by law or the plan of  
12 merger, all the rights, privileges, immunities, powers and  
13 purposes of each merging association vest in the surviving  
14 association.

15 (6) If the surviving association exists before the  
16 merger, all of the following apply:

17 (i) All of its property continues to be vested in it  
18 without transfer, reversion or impairment.

19 (ii) It remains subject to all its debts,  
20 obligations and other liabilities.

21 (iii) All its rights, privileges, immunities, powers  
22 and purposes continue to be vested in it.

23 (iv) Its public organic record, if any, is amended  
24 to the extent provided in the statement of merger.

25 (v) Its private organic rules that are to be in  
26 record form, if any, are amended to the extent provided  
27 in the plan of merger.

28 (7) The name of the surviving association may be  
29 substituted for the name of any merging association that is a  
30 party to any pending action or proceeding.

1       (8) If the surviving association is created by the  
2 merger, its private organic rules are effective and the  
3 following apply:

4           (i) If it is a filing entity, its public organic  
5 record is effective.

6           (ii) If it is a limited liability partnership or a  
7 limited liability limited partnership that is not using  
8 the alternative procedure under section 8201(f) (relating  
9 to scope), its statement of registration is effective.

10          (iii) If it is an electing partnership, its  
11 statement of election is effective.

12       (9) The interests in each merging association that are  
13 to be converted or canceled as provided in the plan of merger  
14 are converted or canceled, and the interest holders of those  
15 interests are entitled only to the rights provided to them  
16 under the plan and to any dissenters rights they have  
17 pursuant to section 317 (relating to contractual dissenters  
18 rights in entity transactions) or 333(d) (relating to  
19 approval of merger).

20       (b) No dissolution rights.--Except as provided in the  
21 organic law or organic rules of a merging association, a merger  
22 under this subchapter does not give rise to any rights that an  
23 interest holder, governor or third party would have on a  
24 dissolution, liquidation or winding up of the merging  
25 association.

26       (c) New interest holder liability.--When a merger under this  
27 subchapter becomes effective, a person that becomes subject to  
28 interest holder liability with respect to an association as a  
29 result of the merger has interest holder liability only to the  
30 extent provided by the organic law of that association and only

1 for those debts, obligations and other liabilities that arise  
2 after the merger becomes effective.

3 (d) Prior interest holder liability.--When a merger under  
4 this subchapter becomes effective, the interest holder liability  
5 of a person that ceases to hold an interest in a domestic entity  
6 that is a merging association with respect to which the person  
7 had interest holder liability shall be as follows:

8 (1) The merger does not discharge any interest holder  
9 liability under the organic law of the domestic entity to the  
10 extent the interest holder liability arose before the merger  
11 became effective.

12 (2) The person does not have interest holder liability  
13 under the organic law of the domestic entity for any debt,  
14 obligation or other liability that arises after the merger  
15 becomes effective.

16 (3) The organic law of the domestic entity continues to  
17 apply to the release, collection or discharge of any interest  
18 holder liability preserved under paragraph (1) as if the  
19 merger had not occurred.

20 (4) The person has whatever rights of contribution from  
21 any other person as are provided by law other than this  
22 chapter or the organic rules of the domestic entity with  
23 respect to any interest holder liability preserved under  
24 paragraph (1) as if the merger had not occurred.

25 (e) Foreign surviving association.--When a merger under this  
26 subchapter becomes effective, a foreign association that is the  
27 surviving association may be served with process in this  
28 Commonwealth for the collection and enforcement of any debts,  
29 obligations or other liabilities of a domestic entity that is a  
30 merging association in accordance with applicable law.

1 (f) Registration of foreign association.--When a merger  
2 under this subchapter becomes effective, the registration to do  
3 business in this Commonwealth of a registered foreign  
4 association that is a merging association and is not the  
5 surviving association is canceled.

6 (g) Taxes.--Any taxes, interest, penalties and public  
7 accounts of the Commonwealth claimed against any of the merging  
8 associations that are settled, assessed or determined prior to  
9 or after the merger shall be the liability of the surviving  
10 association.

11 SUBCHAPTER D

12 INTEREST EXCHANGE

13 Sec.

14 341. Interest exchange authorized.

15 342. Plan of interest exchange.

16 343. Approval of interest exchange.

17 344. Amendment or abandonment of plan of interest exchange.

18 345. Statement of interest exchange; effectiveness.

19 346. Effect of interest exchange.

20 § 341. Interest exchange authorized.

21 (a) General rule.--Except as provided in section 318  
22 (relating to excluded entities and transactions) or this  
23 section, by complying with this subchapter:

24 (1) A domestic or foreign association may acquire all of  
25 one or more classes or series of interests of a domestic  
26 entity in exchange for interests, securities, obligations,  
27 money, other property, rights to acquire interests or  
28 securities or any combination of the foregoing.

29 (2) A domestic entity may acquire all of one or more  
30 classes or series of interests of a foreign association in



1 exchange for interests, securities, obligations, money, other  
2 property, rights to acquire interests or securities or any  
3 combination of the foregoing.

4 (b) Foreign associations.--By complying with the applicable  
5 provisions of this subchapter:

6 (1) A foreign association may be the acquiring  
7 association in an interest exchange under this subchapter  
8 regardless of whether the law of its jurisdiction of  
9 formation authorizes an interest exchange.

10 (2) A foreign association may be the acquired  
11 association in an interest exchange under this subchapter  
12 only if the interest exchange is authorized by the law of its  
13 jurisdiction of formation.

14 (c) Protected agreements.--If a protected agreement of a  
15 domestic entity other than a business corporation contains a  
16 provision that applies to a merger of the entity but does not  
17 refer to an interest exchange, the provision shall apply to an  
18 interest exchange in which the domestic entity is the acquired  
19 association as if the interest exchange were a merger until the  
20 provision is amended after ~~{The Legislative Reference Bureau~~ <--  
21 ~~shall insert here the effective date of this chapter}~~ JULY 1, <--  
22 2015.

23 (d) Excluded entities.--The following domestic entities  
24 shall not be the acquired association in an interest exchange:

- 25 (1) a health maintenance organization;  
26 (2) a hospital plan corporation; or  
27 (3) a professional health service organization.

28 (E) TRANSITIONAL PROVISION.--A REFERENCE TO A SHARE EXCHANGE <--  
29 IN A PROVISION OF THE ORGANIC RULES OF A DOMESTIC BUSINESS  
30 CORPORATION WHICH TOOK EFFECT BEFORE JULY 1, 2015, SHALL BE

1 DEEMED TO INCLUDE AN INTEREST EXCHANGE.

2 ~~(e)~~ (F) Cross reference.--See section 314 (relating to  
3 regulatory conditions and required notices and approvals).  
4 § 342. Plan of interest exchange.

<--

5 (a) General rule.--A domestic entity may be the acquired  
6 association in an interest exchange under this chapter by  
7 approving a plan of interest exchange. The plan shall be in  
8 record form and contain all of the following:

9 (1) The name and type of the acquired association.

10 (2) The name, jurisdiction of formation and type of the  
11 acquiring association.

12 (3) The manner of:

13 (i) exchanging the interests in the acquired  
14 association to be acquired in the interest exchange into  
15 interests, securities, obligations, money, other  
16 property, rights to acquire interests or securities, or  
17 any combination of the foregoing; and

18 (ii) canceling, if desired, some or all other  
19 interests in the acquired association.

20 (4) Any proposed amendments to:

21 (i) the public organic record, if any, of the  
22 acquired association; and

23 (ii) the private organic rules of the acquired  
24 association that are or are proposed to be in record  
25 form.

26 (5) Provisions, if any, providing special treatment of  
27 interests in the acquired association held by any interest  
28 holder or group of interest holders as authorized by, and  
29 subject to, section 329 (relating to special treatment of  
30 interest holders).

1           (6) The other terms and conditions of the interest  
2 exchange.

3           (7) Any other provision required by:

4                 (i) the law of this Commonwealth; or

5                 (ii) the organic rules of the acquired association.

6           (b) Optional contents.--In addition to the requirements of  
7 subsection (a), a plan of interest exchange may contain any  
8 other provision not prohibited by law.

9           (c) Cross reference.--See section 316(c) (relating to  
10 contents of plan).

11 § 343. Approval of interest exchange.

12           (a) Approval by domestic entities.--A plan of interest  
13 exchange in which the acquired association is a domestic entity  
14 shall not be effective unless it has been approved in the  
15 following ways:

16                 (1) By the acquired domestic entity in accordance with  
17 the applicable provisions of Subchapter B (relating to  
18 approval of entity transactions).

19                 (2) In record form, by each interest holder of the  
20 acquired domestic entity that will have interest holder  
21 liability for debts, obligations and other liabilities that  
22 arise after the interest exchange becomes effective, unless,  
23 as to an interest holder that does not approve the plan, both  
24 of the following apply:

25                         (i) The organic rules of the entity provide in  
26 record form for the approval of an interest exchange or a  
27 merger in which some or all of its interest holders  
28 become subject to interest holder liability by the vote  
29 or consent of fewer than all the interest holders.

30                         (ii) The interest holder voted for or consented in

1 record form to that provision of the organic rules or  
2 became an interest holder after the adoption of that  
3 provision.

4 (3) Except as provided in the organic rules of the  
5 domestic entity, by the following class votes:

6 (i) the holders of any class or series of interests  
7 of the acquired association to be exchanged or canceled  
8 shall be entitled to vote as a class on the plan; and

9 (ii) the holders of any class or series of interests  
10 of the acquired association shall be entitled to vote as  
11 a class on the plan if the plan effects any change in the  
12 organic rules and those holders would have been entitled  
13 to vote as a class if the change had been made in any  
14 other manner.

15 (b) Approval by foreign associations.--An interest exchange  
16 in which the acquired association is a foreign association is  
17 not effective unless it is approved by the foreign association  
18 in accordance with the law of its jurisdiction of formation.

19 (c) Acquiring association.--Except as provided in its  
20 organic law or organic rules, the interest holders of the  
21 acquiring association are not required to approve the interest  
22 exchange.

23 (d) Dissenters rights.--If a shareholder of a domestic  
24 business corporation that is to be the acquired association in  
25 an interest exchange objects to the plan of exchange and  
26 complies with Subchapter D of Chapter 15 (relating to dissenters  
27 rights), the shareholder shall be entitled to dissenters rights  
28 to the extent provided in that subchapter.

29 (e) Cross references.--See sections 317 (relating to  
30 contractual dissenters rights in entity transactions) and 329(c)

1 (relating to special treatment of interest holders).

2 § 344. Amendment or abandonment of plan of interest exchange.

3 (a) General rule.--A plan of interest exchange may be  
4 amended or abandoned only with the consent of each party to the  
5 plan, except as otherwise provided in the plan.

6 (b) Approval of amendment.--A domestic entity that is the  
7 acquired association may approve an amendment of a plan of  
8 interest exchange in one of the following ways:

9 (1) In the same manner as the plan was approved, if the  
10 plan does not provide for the manner in which it may be  
11 amended.

12 (2) By its governors or interest holders in the manner  
13 provided in the plan, but an interest holder that was  
14 entitled to vote on or consent to approval of the plan is  
15 entitled to vote on or consent to any amendment of the plan  
16 that will change any of the following:

17 (i) The amount or kind of interests, securities,  
18 obligations, money, other property, rights to acquire  
19 interests or securities, or any combination of the  
20 foregoing, to be received by any of the interest holders  
21 of the entity under the plan.

22 (ii) The public organic record, if any, or private  
23 organic rules of the entity that will be in effect  
24 immediately after the interest exchange becomes  
25 effective, except for changes that do not require  
26 approval of the interest holders of the entity under its  
27 organic law or organic rules.

28 (iii) Any other terms or conditions of the plan, if  
29 the change would:

30 (A) increase the interest holder liability to

1 which the interest holder will be subject; or

2 (B) otherwise adversely affect the interest  
3 holder in any material respect.

4 (c) Approval of abandonment.--After a plan of interest  
5 exchange has been approved by a domestic entity that is the  
6 acquired entity and before a statement of interest exchange  
7 becomes effective, the plan may be abandoned as provided in the  
8 plan. Unless prohibited by the plan, a domestic entity that is  
9 the acquired association may abandon the plan in the same manner  
10 as the plan was approved.

11 (d) Statement of abandonment.--If a plan of interest  
12 exchange is abandoned after a statement of interest exchange has  
13 been delivered to the department for filing and before the  
14 statement becomes effective, a statement of abandonment, signed  
15 by the acquired association, must be delivered to the department  
16 for filing before the time the statement of interest exchange  
17 becomes effective. The statement of abandonment shall take  
18 effect on filing, and the interest exchange shall be abandoned  
19 and shall not become effective. The statement of abandonment  
20 shall contain all of the following:

21 (1) The name of the acquired association.

22 (2) The date on which the statement of interest exchange  
23 was filed by the department.

24 (3) A statement that the interest exchange has been  
25 abandoned in accordance with this section.

26 (e) Cross references.--See sections 134 (relating to  
27 docketing statement) and 135 (relating to requirements to be met  
28 by filed documents).

29 § 345. Statement of interest exchange; effectiveness.

30 (a) General rule.--If the acquired association is a domestic

1 entity, a statement of interest exchange shall be signed by that  
2 entity and delivered to the department for filing.

3 (b) Contents.--A statement of interest exchange shall  
4 contain all of the following:

5 (1) With respect to the acquired association:

6 (i) its name;

7 (ii) its jurisdiction of formation;

8 (iii) its type;

9 (iv) if it is a domestic filing association or  
10 domestic limited liability partnership, the address of  
11 its registered office, including street and number, if  
12 any, in this Commonwealth, subject to section 109  
13 (relating to name of commercial registered office  
14 provider in lieu of registered address); and

15 (v) if it is a domestic association that is not a  
16 domestic filing association or limited liability  
17 partnership, the address, including street and number, if  
18 any, of its principal office.

19 (2) With respect to the acquiring association:

20 (i) its name;

21 (ii) its jurisdiction of formation;

22 (iii) its type;

23 (iv) if it is a domestic filing association,  
24 domestic limited liability partnership or registered  
25 foreign association, the address of its registered  
26 office, including street and number, if any, in this  
27 Commonwealth, subject to section 109;

28 (v) if it is a domestic association that is not a  
29 domestic filing association or limited liability  
30 partnership, the address, including street and number, if

1 any, of its principal office; and

2 (vi) if it is a nonregistered foreign association,  
3 the address, including street and number, if any, of:

4 (A) its registered or similar office, if any,  
5 required to be maintained by the law of its  
6 jurisdiction of formation; or

7 (B) if it is not required to maintain a  
8 registered or similar office, its principal office.

9 (3) If the statement of interest exchange is not to be  
10 effective on filing, the later date or date and time on which  
11 it will become effective.

12 (4) A statement that the plan of interest exchange was  
13 approved by the acquired association in accordance with this  
14 chapter.

15 (5) Any amendments to the public organic record of the  
16 acquired association approved as part of the plan of interest  
17 exchange.

18 (c) Other provisions.--In addition to the requirements of  
19 subsection (b), a statement of interest exchange may contain any  
20 other provision not prohibited by law.

21 (d) Filing of plan.--A plan of interest exchange that is  
22 signed by the domestic entity that is the acquired association  
23 and that meets all of the requirements of subsection (b) may be  
24 delivered to the department for filing instead of a statement of  
25 interest exchange and on filing shall have the same effect. If a  
26 plan of interest exchange is delivered to the department for  
27 filing as provided in this subsection, references in this  
28 chapter to a statement of interest exchange shall refer to the  
29 plan of interest exchange filed under this subsection.

30 (e) Effectiveness.--An interest exchange in which the



1 acquired association is a domestic entity is effective when the  
2 statement of interest exchange is effective as provided in  
3 section 136(c) (relating to processing of documents by  
4 Department of State).

5 (f) Cross references.--See sections 134 (relating to  
6 docketing statement) and 135 (relating to requirements to be met  
7 by filed documents).

8 § 346. Effect of interest exchange.

9 (a) General rule.--When an interest exchange in which the  
10 acquired association is a domestic entity becomes effective, all  
11 of the following apply:

12 (1) Interests in the acquired association are exchanged  
13 or canceled as provided in the plan of exchange, and the  
14 interest holders of those interests are entitled only to the  
15 rights provided to them under the plan and to any dissenters  
16 rights they have pursuant to section 317 (relating to  
17 contractual dissenters rights in entity transactions) or  
18 343(d) (relating to approval of interest exchange).

19 (2) The acquiring association becomes the interest  
20 holder of the interests in the acquired association stated in  
21 the plan of interest exchange to be acquired by the acquiring  
22 entity.

23 (3) The public organic record, if any, of the acquired  
24 association is amended to the extent provided in the  
25 statement of interest exchange.

26 (4) The private organic rules of the acquired  
27 association that are to be in record form, if any, are  
28 amended to the extent provided in the plan of interest  
29 exchange.

30 (b) ~~Absence of~~ NO dissolution rights.--Except as provided in <--

1 the organic rules of the acquired association, the interest  
2 exchange shall not give rise to any rights that an interest  
3 holder, governor or third party would have upon a dissolution,  
4 liquidation or winding up of the acquired association.

5 (c) New interest holder liability.--When an interest  
6 exchange becomes effective, a person that becomes subject to  
7 interest holder liability with respect to an association as a  
8 result of the interest exchange has interest holder liability  
9 only to the extent provided by the organic law of the  
10 association and only for those debts, obligations and other  
11 liabilities that arise after the interest exchange becomes  
12 effective.

13 (d) Prior interest holder liability.--When an interest  
14 exchange becomes effective, the interest holder liability of a  
15 person that ceases to hold an interest in a domestic acquired  
16 association with respect to which the person had interest holder  
17 liability is as follows:

18 (1) The interest exchange does not discharge any  
19 interest holder liability under the organic law of the  
20 domestic acquired association to the extent the interest  
21 holder liability arose before the interest exchange became  
22 effective.

23 (2) The person does not have interest holder liability  
24 under the organic law of the domestic acquired association  
25 for any debt, obligation or other liability that arises after  
26 the interest exchange becomes effective.

27 (3) The organic law of the domestic acquired association  
28 continues to apply to the release, collection or discharge of  
29 any interest holder liability preserved under paragraph (1)  
30 as if the interest exchange had not occurred.



1 formation of the foreign association.

2 (c) Protected governance agreements.--If a protected  
3 governance agreement that is binding on a domestic entity  
4 immediately before the effectiveness of a transaction under this  
5 chapter contains a provision that applies to a merger of the  
6 entity but does not refer to a conversion, the provision shall  
7 apply to a conversion of the entity as if the conversion were a  
8 merger until the provision is amended after {the Legislative <--  
9 Reference Bureau shall insert here the effective date of this  
10 chapter} JULY 1, 2015. <--

11 (d) Exceptions.--This subchapter may not be used to  
12 accomplish a transaction that has the same effect as a  
13 transaction under any of the following provisions:

14 (1) Section 7104 (relating to election of an existing  
15 business corporation to become a cooperative corporation).

16 (2) Section 7105 (relating to termination of status as a  
17 cooperative corporation for profit).

18 (3) Section 7106 (relating to election of an existing  
19 nonprofit corporation to become a cooperative corporation).

20 (4) Section 7107 (relating to termination of nonprofit  
21 cooperative corporation status).

22 (e) Cross reference.--See section 314 (relating to  
23 regulatory conditions and required notices and approvals).

24 § 352. Plan of conversion.

25 (a) General rule.--A domestic entity or domestic banking  
26 institution may be a party to a conversion by approving a plan  
27 of conversion. The plan shall be in record form and contain all  
28 of the following:

29 (1) The name and type of the converting association.

30 (2) The name, jurisdiction of formation and type of

1 converted association.

2 (3) The manner of:

3 (i) canceling, if desired, some, but less than all,  
4 of the interests in the converting association;

5 (ii) converting at least some of the interests in  
6 the converting association into interests in the  
7 converted association; and

8 (iii) converting the interests in the converting  
9 association not canceled under subparagraph (i) or  
10 converted under subparagraph (ii) into interests,  
11 securities, obligations, money ~~or~~, OTHER property, rights <--  
12 to acquire interests or securities or any combination of  
13 the foregoing.

14 (4) The proposed public organic record of the converted  
15 association if it will be a filing entity.

16 (5) The full text of the private organic rules of the  
17 converted association that are proposed to be in record form.

18 (6) Provisions, if any, providing special treatment of  
19 interests in the converting association held by any interest  
20 holder or group of interest holders as authorized by and  
21 subject to section 329 (relating to special treatment of  
22 interest holders).

23 (7) The other terms and conditions of the conversion.

24 (8) Any other provision required by:

25 (i) the law of this Commonwealth;

26 (ii) the law of the jurisdiction of formation of the  
27 converted association if it is to be a foreign  
28 association; or

29 (iii) the organic rules of the converting  
30 association.

1 (b) Optional contents.--In addition to the requirements of  
2 subsection (a), a plan of conversion may contain any other  
3 provision not prohibited by law.

4 (c) Terms of interests.--The ownership, voting and other  
5 rights of the interest holders in the converted association  
6 shall be substantially the same as they were in the converting  
7 association except:

8 (1) as provided in the plan of conversion pursuant to  
9 section 329;

10 (2) as provided in the express terms of the organic  
11 rules of the converted association that are in record form;  
12 or

13 (3) to the extent a difference in those rights is  
14 required by a provision of the organic law of the converted  
15 association that cannot be varied in its organic rules.

16 (d) Cross reference.--See section 316(c) (relating to  
17 contents of plan).

18 § 353. Approval of conversion.

19 (a) Approval by domestic associations.--A plan of conversion  
20 in which the converting association is a domestic entity or  
21 domestic banking institution shall not be effective unless it  
22 has been approved in the following ways:

23 (1) In the case of a domestic entity, in accordance with  
24 the applicable provisions of Subchapter B (relating to  
25 approval of entity transactions).

26 (2) In the case of a domestic banking institution that  
27 is a corporation, by at least:

28 (i) In the case of a mutual savings bank:

29 (A) two-thirds of the trustees present at a  
30 meeting at which the plan is proposed; and

1           (B) two-thirds of all the trustees at a  
2           subsequent meeting held upon not less than ten days'  
3           notice to all the trustees.

4           (ii) In the case of any other institution:

5           (A) a majority of the directors; and

6           (B) the shareholders entitled to cast at least  
7           two-thirds of the votes which all shareholders are  
8           entitled to cast thereon, and, if any class of shares  
9           is entitled to vote thereon as a class, the holders  
10           of at least two-thirds of the outstanding shares of  
11           such class, at a meeting held upon not less than ten  
12           days' notice to all shareholders.

13           (3) In record form, by each interest holder, if any, of  
14           the converting association that will have interest holder  
15           liability for debts, obligations and other liabilities that  
16           arise after the conversion becomes effective, unless, as to  
17           an interest holder that does not approve the plan, both of  
18           the following apply:

19           (i) The organic rules of the converting association  
20           provide in record form for the approval of a conversion  
21           or a merger in which some or all of its interest holders  
22           become subject to interest holder liability by the vote  
23           or consent of fewer than all of the interest holders.

24           (ii) The interest holder voted for or consented in  
25           record form to that provision of the organic rules or  
26           became an interest holder after the adoption of that  
27           provision.

28           (b) Approval by foreign associations.--A conversion in which  
29           the converting association is a foreign association shall not be  
30           effective unless it is approved by the foreign association in

1 accordance with the law of its jurisdiction of formation.

2 (c) Dissenters rights.--The following apply with respect to  
3 the rights of an interest holder of the converting association:

4 (1) A shareholder of a domestic business corporation  
5 that is to be a converting association shall be entitled to  
6 dissenters rights if:

7 (i) the shareholder objects to the plan of  
8 conversion and complies with Subchapter D of Chapter 15  
9 (relating to dissenters rights); and

10 (ii) the conversion involves a change in the rights  
11 of the shareholder pursuant to section 352(c)(1) or (2)  
12 (relating to plan of conversion).

13 (2) A shareholder of a domestic banking institution that  
14 is to be a converting association shall be entitled to the  
15 rights provided in section 1222 of the act of November 30,  
16 1965 (P.L.847, No.356), known as the Banking Code of 1965,  
17 if:

18 (i) the shareholder objects to the plan of  
19 conversion and complies with section 1222 of the Banking  
20 Code of 1965; and

21 (ii) the conversion involves a change in the rights  
22 of the shareholder pursuant to section 352(c)(1) or (2).

23 (3) See sections 317 (relating to contractual dissenters  
24 rights in entity transactions) and 329 (relating to special  
25 treatment of interest holders).

26 § 354. Amendment or abandonment of plan of conversion.

27 (a) Approval of amendment.--A plan of conversion in which  
28 the converting association is a domestic association may be  
29 amended in one of the following ways:

30 (1) In the same manner as the plan was approved, if the



1 plan does not provide for the manner in which it may be  
2 amended.

3 (2) By its governors or interest holders in the manner  
4 provided in the plan, but an interest holder that was  
5 entitled to vote on or consent to approval of the plan is  
6 entitled to vote on or consent to any amendment of the plan  
7 that will change any of the following:

8 (i) The amount or kind of interests, securities,  
9 obligations, money, other property, rights to acquire  
10 interests or securities, or any combination of the  
11 foregoing, to be received by any of the interest holders  
12 of the converting association under the plan.

13 (ii) The public organic record, if any, or private  
14 organic rules of the converted association that will be  
15 in effect immediately after the conversion becomes  
16 effective, except for changes that do not require  
17 approval of the interest holders of the converted  
18 association under its organic law or organic rules.

19 (iii) Any other terms or conditions of the plan, if  
20 the change would:

21 (A) increase the interest holder liability to  
22 which the interest holder will be subject; or

23 (B) otherwise adversely affect the interest  
24 holder in any material respect.

25 (b) Approval of abandonment.--After a plan of conversion has  
26 been approved by a converting association that is a domestic  
27 association and before a statement of conversion becomes  
28 effective, the plan may be abandoned as provided in the plan.  
29 Unless prohibited by the plan, a domestic converting association  
30 may abandon the plan in the same manner as the plan was

1 approved.

2 (c) Statement of abandonment.--If a plan of conversion is  
3 abandoned after a statement of conversion has been delivered to  
4 the department for filing and before the statement of conversion  
5 becomes effective, a statement of abandonment, signed by the  
6 converting association, must be delivered to the department for  
7 filing before the statement of conversion becomes effective. The  
8 statement of abandonment shall take effect on filing, and the  
9 conversion shall be abandoned and shall not become effective.

10 The statement of abandonment shall contain all of the following:

11 (1) The name of the converting association.

12 (2) The date on which the statement of conversion was  
13 delivered to the department for filing.

14 (3) A statement that the conversion has been abandoned  
15 in accordance with this section.

16 (d) Cross references.--See sections 134 (relating to  
17 docketing statement) and 135 (relating to requirements to be met  
18 by filed documents).

19 § 355. Statement of conversion; effectiveness.

20 (a) General rule.--A statement of conversion shall be signed  
21 by the converting association and delivered to the department  
22 for filing along with the certificates, if any, required by  
23 section 139 (relating to tax clearance of certain fundamental  
24 transactions).

25 (b) Contents.--A statement of conversion shall contain all  
26 of the following:

27 (1) With respect to the converting association:

28 (i) its name;

29 (ii) its jurisdiction of formation;

30 (iii) its type;

1           (iv) the date on which it was first created,  
2 incorporated, formed or otherwise came into existence;

3           (v) if it is a domestic filing association, the  
4 statute under which it was first created, incorporated,  
5 formed or otherwise came into existence;

6           (vi) if it is a domestic filing association,  
7 domestic limited liability partnership or registered  
8 foreign association:

9           (A) the address of its registered office,  
10 including street and number, if any, in this  
11 Commonwealth, subject to section 109 (relating to  
12 name of commercial registered office provider in lieu  
13 of registered address); or

14           (B) if it is not required to maintain a  
15 registered office in this Commonwealth, the address,  
16 including street and number, if any, of its principal  
17 office;

18           (vii) if it is a domestic association that is not a  
19 domestic filing association or limited liability  
20 partnership, the address, including street and number, if  
21 any, of its principal office; and

22           (viii) if it is a nonregistered foreign association,  
23 the address, including street and number, if any, of:

24           (A) its registered or similar office, if any,  
25 required to be maintained by the law of its  
26 jurisdiction of formation; or

27           (B) if it is not required to maintain a  
28 registered or similar office, its principal office.

29 (2) With respect to the converted association:

30           (i) its name;

1           (ii) its jurisdiction of formation;

2           (iii) its type;

3           (iv) if it is a domestic filing association,  
4 domestic limited liability partnership or registered  
5 foreign association:

6           (A) the address of its registered office,  
7 including street and number, if any, in this  
8 Commonwealth, subject to section 109; or

9           (B) if it is not required to maintain a  
10 registered office in this Commonwealth, the address,  
11 including street and number, if any, of its principal  
12 office;

13          (v) if it is a domestic association that is not a  
14 domestic filing association or limited liability  
15 partnership, the address, including street and number, if  
16 any, of its principal office; and

17          (vi) if it is a nonregistered foreign association,  
18 the address, including street and number, if any, of:

19           (A) its registered or similar office, if any,  
20 required to be maintained by the law of its  
21 jurisdiction of formation; or

22           (B) if it is not required to maintain a  
23 registered or similar office, its principal office.

24          (3) If the statement of conversion is not to be  
25 effective on filing, the later date or date and time on which  
26 it will become effective.

27          (4) If the converting association is a domestic  
28 association, a statement that the plan of conversion was  
29 approved in accordance with this chapter or, if the  
30 converting association is a foreign association, a statement

1 that the conversion was approved by the foreign association  
2 in accordance with the law of its jurisdiction of formation.

3 (5) If the converted association is a domestic filing  
4 entity or domestic banking institution, its public organic  
5 record as an attachment. The public organic record does not  
6 need to state the name or address of an incorporator of a  
7 corporation, organizer of a limited liability company or  
8 similar person with respect to any other type of entity.

9 (6) If the converted association is a domestic limited  
10 liability partnership or a domestic limited liability limited  
11 partnership that is not using the alternative procedure in  
12 section 8201(f) (relating to scope), its statement of  
13 registration as an attachment.

14 (7) If the converted association is a domestic electing  
15 partnership, its statement of election as an attachment.

16 (8) If the converted association is a nonregistered  
17 foreign association, one of the following:

18 (i) The street and mailing addresses of its  
19 registered agent and registered office in its  
20 jurisdiction of formation if it is a filing entity.

21 (ii) The street and mailing address of its principal  
22 office if it is not a filing entity.

23 (c) Other provisions.--In addition to the requirements of  
24 subsection (b), a statement of conversion may contain any other  
25 provision not prohibited by law.

26 (d) Domestic converted association.--If the converted  
27 association is a domestic association, its public organic  
28 record, if any, must satisfy the requirements of the law of this  
29 Commonwealth, except that the public organic record does not  
30 need to be signed and may omit any provision that is not

1 required to be included in a restatement of the public organic  
2 record.

3 (e) Filing of plan.--A plan of conversion that is signed by  
4 the converting association and meets all the requirements of  
5 subsection (b) may be delivered to the department for filing  
6 instead of a statement of conversion and on filing has the same  
7 effect. If a plan of conversion is filed as provided in this  
8 subsection, references in this chapter to a statement of  
9 conversion refer to the plan of conversion filed under this  
10 subsection.

11 (f) Effectiveness of statement of conversion.--A statement  
12 of conversion is effective as provided in section 136(c)  
13 (relating to processing of documents by Department of State).

14 (g) Effectiveness of conversion.--If the converted  
15 association is a domestic association, the conversion is  
16 effective when the statement of conversion is effective. If the  
17 converted association is a foreign association, the conversion  
18 is effective on the later of:

19 (1) the date and time provided by the organic law of the  
20 converted association; or

21 (2) when the statement of conversion is effective.

22 (h) Cross references.--See sections 134 (relating to  
23 docketing statement) and 135 (relating to requirements to be met  
24 by filed documents).

25 § 356. Effect of conversion.

26 (a) General rule.--When a conversion becomes effective, all  
27 of the following apply:

28 (1) The converted association is:

29 (i) Organized under and subject to the organic law  
30 of the converted association.

1           (ii) The same association without interruption as  
2           the converting association.

3           (iii) Deemed to have commenced its existence on the  
4           date the converting association commenced its existence  
5           in the jurisdiction in which the converting association  
6           was first created, incorporated, formed or otherwise came  
7           into existence, except for purposes of determining how  
8           the converted association is taxed.

9           (2) All property of the converting association continues  
10          to be vested in the converted association without reversion  
11          or impairment, and the conversion shall not constitute a  
12          transfer of any of that property.

13          (3) All debts, obligations and other liabilities of the  
14          converting association continue as debts, obligations and  
15          other liabilities of the converted association.

16          (4) Except as provided by law or the plan of conversion,  
17          all of the rights, privileges, immunities, powers and  
18          purposes of the converting association continue to be vested  
19          without change in the converted association.

20          (5) The name of the converted association may be  
21          substituted for the name of the converting association in any  
22          pending action or proceeding.

23          (6) If a converted association is a filing association,  
24          its public organic record is effective.

25          (7) If the converted association is a limited liability  
26          partnership or a limited liability limited partnership that  
27          is not using the alternative procedure in section 8201(f)  
28          (relating to scope), its statement of registration is  
29          effective.

30          (8) If the converted association is an electing

1 partnership, its statement of election is effective.

2 (9) Any private organic rules of the converted  
3 association that are to be in record form and were approved  
4 as part of the plan of conversion are effective.

5 (10) The interests in the converting association are  
6 converted or canceled in accordance with and as provided in  
7 the plan of conversion, and the interest holders of the  
8 converting association are entitled only to the rights  
9 provided to them under the plan and to any dissenters rights  
10 they have pursuant to section 317 (relating to contractual  
11 dissenters rights in entity transactions) or 353(c) (relating  
12 to approval of conversion).

13 (11) Except as otherwise provided in the plan of  
14 conversion or organic rules pursuant to section 352(c)  
15 (relating to plan of conversion), the conversion does not  
16 constitute and shall not be deemed to result in a change of  
17 control of the converting association and the converted  
18 association shall remain under the control of the same  
19 persons that controlled the converting association  
20 immediately before the conversion.

21 (b) No other rights.--The conversion does not give rise to  
22 any rights:

23 (1) that a third party would have upon a transfer of  
24 assets, merger, dissolution, liquidation or winding up of the  
25 converting association, except as provided in subsection(a)  
26 (11); or

27 (2) that an interest holder or governor would have upon  
28 a dissolution, liquidation or winding up of the converting  
29 association, except as provided in the organic law or organic  
30 rules of the converting association.



1 (c) New interest holder liability.--When a conversion  
2 becomes effective, a person that becomes subject to interest  
3 holder liability with respect to a domestic association as a  
4 result of the conversion has interest holder liability only to  
5 the extent provided by the organic law of the association and  
6 only for those debts, obligations and other liabilities that  
7 arise after the conversion becomes effective.

8 (d) Prior interest holder liability.--When a conversion  
9 becomes effective, the interest holder liability of a person  
10 that ceases to hold an interest in a domestic converting  
11 association with respect to which the person had interest holder  
12 liability is as follows:

13 (1) The conversion does not discharge any interest  
14 holder liability under the organic law of the domestic  
15 converting association to the extent the interest holder  
16 liability arose before the conversion became effective.

17 (2) The person does not have interest holder liability  
18 under the organic law of the domestic converting association  
19 for any debt, obligation or other liability that arises after  
20 the conversion becomes effective.

21 (3) The organic law of the domestic converting  
22 association continues to apply to the release, collection or  
23 discharge of any interest holder liability preserved under  
24 paragraph (1) as if the conversion had not occurred.

25 (4) The person has whatever rights of contribution from  
26 any other person as are provided by other law or the organic  
27 law or organic rules of the domestic converting association  
28 with respect to any interest holder liability preserved under  
29 paragraph (1) as if the conversion had not occurred.

30 (e) Foreign converted association.--When a conversion

1 becomes effective, a foreign association that is the converted  
2 association may be served with process in this Commonwealth for  
3 the collection and enforcement of any of its debts, obligations  
4 and other liabilities in accordance with applicable law.

5 (f) Association not dissolved.--A conversion does not  
6 require a domestic converting association to liquidate, dissolve  
7 or wind up its affairs and does not constitute or cause the  
8 liquidation or dissolution of the association.

9 (g) Taxes.--Any taxes, interest, penalties and public  
10 accounts of the Commonwealth claimed against the converting  
11 association that are settled, assessed or determined prior to or  
12 after the conversion shall be the liability of the converted  
13 association.

14 (h) Cross references.--See sections 416 (relating to  
15 withdrawal deemed on certain transactions) and 417 (relating to  
16 required withdrawal on certain transactions).

17 SUBCHAPTER F

18 DIVISION

19 Sec.

20 361. Division authorized.

21 362. Plan of division.

22 363. Approval of division.

23 364. Division without interest holder approval.

24 365. Amendment or abandonment of plan of division.

25 366. Statement of division; effectiveness.

26 367. Effect of division.

27 368. Allocation of liabilities in division.

28 § 361. Division authorized.

29 (a) Domestic entities.--Except as provided in section 318  
30 (relating to excluded entities and transactions) or this

1 section, by complying with this subchapter, a domestic entity  
2 may divide into:

3 (1) the dividing ~~entity~~ ASSOCIATION and one or more new <--  
4 associations that are either domestic entities or foreign  
5 associations; or

6 (2) two or more new associations that are either  
7 domestic entities or foreign associations.

8 (b) Foreign associations.--

9 (1) A foreign association may be created by the division  
10 of a domestic entity only if the division is authorized by  
11 the law of the jurisdiction of formation of the foreign  
12 association.

13 (2) If the division is authorized by the law of the  
14 jurisdiction of formation of the foreign association, one or  
15 more of the resulting associations created in a division of a  
16 foreign association may be a domestic entity.

17 (c) Exception.--A domestic banking institution that is a  
18 domestic entity may be a dividing association only if all of the  
19 resulting associations are domestic banking institutions.

20 (d) Cross reference.--See section 314 (relating to  
21 regulatory conditions and required notices and approvals).  
22 § 362. Plan of division.

23 (a) General rule.--A domestic entity may become a dividing  
24 association under this chapter by approving a plan of division.  
25 The plan shall be in record form and contain all of the  
26 following:

27 (1) The name and type of the dividing association.

28 (2) A statement as to whether the dividing association  
29 will survive the division.

30 (3) The name, jurisdiction of formation and type of each

1 new resulting association.

<--

2 (4) The manner of:

3 (i) If the dividing association survives the  
4 division and it is desired:

5 (A) Canceling some, but less than all, of the  
6 interests in the dividing association.

7 (B) Converting some, but less than all, of the  
8 interests in the dividing association into interests,  
9 securities, obligations, money, other property,  
10 rights to acquire interests or securities, or any  
11 combination of the foregoing.

12 (ii) If the dividing association does not survive  
13 the division, canceling or converting the interests in  
14 the dividing association into interests, securities,  
15 obligations, money ~~or~~, OTHER property, rights to acquire <--  
16 interests or securities, or any combination of the  
17 foregoing.

18 (iii) Allocating between or among the resulting  
19 associations the property of the dividing association  
20 that will not be owned by all of the resulting  
21 associations as tenants in common pursuant to section  
22 367(a)(4) (relating to effect of division) and those  
23 liabilities of the dividing association as to which not  
24 all of the resulting associations will be liable jointly  
25 and severally pursuant to section 368(a)(3) (relating to  
26 allocation of liabilities in division).

27 (iv) Distributing the interests of the new  
28 associations.

29 (5) For each new association:

30 (i) its proposed public organic record if it will be

1 a filing association; and

2 (ii) the full text of its private organic rules that  
3 will be in record form.

4 (6) If the dividing association will survive the  
5 division, any proposed amendments to its public organic  
6 record or private organic rules that are or will be in record  
7 form.

8 (7) Provisions, if any, providing special treatment of  
9 interests in the dividing association held by any interest  
10 holder or group of interest holders as authorized by and  
11 subject to section 329 (relating to special treatment of  
12 interest holders).

13 (8) The other terms and conditions of the division.

14 (9) Any other provision required by:

15 (i) the law of this Commonwealth;

16 (ii) the law of the jurisdiction of formation of any  
17 of the resulting associations; or

18 (iii) the organic rules of the dividing association.

19 (b) Optional contents.--In addition to the requirements of  
20 subsection (a), a plan of division may contain any other  
21 provision not prohibited by law.

22 (c) Description of property and liabilities.--It shall not  
23 be necessary for a plan of division to list each individual  
24 liability or item of property of the dividing association to be  
25 allocated to a resulting association so long as the liabilities  
26 and property are described in a reasonable manner.

27 (d) Cross reference.--See section 316(c) (relating to  
28 contents of plan).

29 § 363. Approval of division.

30 (a) Approval by domestic entities.--Except as provided in

1 section 364 (relating to division without interest holder  
2 approval) or subsection (d), a plan of division in which the  
3 dividing association is a domestic entity is not effective  
4 unless it has been approved in both of the following ways:

5 (1) The plan is approved by the domestic entity in  
6 accordance with the applicable provisions of Subchapter B  
7 (relating to approval of entity transactions).

8 (2) The plan is approved in record form by each interest  
9 holder, if any, of the domestic entity that will have  
10 interest holder liability for debts, obligations and other  
11 liabilities that arise after the division becomes effective,  
12 unless, as to an interest holder that does not approve the  
13 plan, both of the following apply:

14 (i) The organic rules of the domestic entity provide  
15 in record form for the approval of a division in which  
16 some or all of its interest holders become subject to  
17 interest holder liability by the vote or consent of fewer  
18 than all of the interest holders.

19 (ii) The interest holder voted for or consented in  
20 record form to that provision of the organic rules or  
21 became an interest holder after the adoption of the  
22 provision.

23 (b) Approval by foreign associations.--A division of a  
24 foreign association in which one or more of the resulting  
25 entities ASSOCIATIONS is a domestic entity is not effective <--  
26 unless it is approved by the foreign association in accordance  
27 with the law of its jurisdiction of formation.

28 (c) Dissenters rights.--If a shareholder of a domestic  
29 business corporation that is to be a dividing association  
30 objects to the plan of division and complies with Subchapter D

1 of Chapter 15 (relating to dissenters rights), the shareholder  
2 shall be entitled to dissenters rights to the extent provided in  
3 that subchapter. See sections 317 (relating to contractual  
4 dissenters rights in entity transactions) and 329 (relating to  
5 special treatment of interest holders).

6 (d) Transitional approval requirements.--

7 (1) If a provision of the organic rules of a dividing  
8 association that is a domestic entity of the type described  
9 was adopted before the date indicated and requires for the  
10 proposal or adoption of a plan of merger a specific number or  
11 percentage of votes of governors or interest holders or other  
12 special procedures, a plan of division shall not be proposed  
13 or adopted by the governors or interest holders without that  
14 number or percentage of votes or compliance with the other  
15 special procedures:

16 (i) For a dividing association that is a domestic  
17 business corporation, before October 1, 1989.

18 (ii) For a dividing association that is a general  
19 partnership, before ~~{the Legislative Reference Bureau~~ <--  
20 ~~shall insert here the effective date of this chapter}~~  
21 JULY 1, 2015. <--

22 (iii) For a dividing association that is a limited  
23 partnership, before February 5, 1995.

24 (iv) For a dividing association that is an  
25 unincorporated nonprofit association, before ~~{the~~ <--  
26 ~~Legislative Reference Bureau shall insert here the~~  
27 ~~effective date of this chapter}~~ JULY 1, 2015. <--

28 (2) If a provision of any debt securities, notes or  
29 similar evidences of indebtedness for money borrowed, whether  
30 secured or unsecured, indentures or other contracts that were

1 issued, incurred or executed by a dividing association that  
2 is a domestic entity of the type described before the date  
3 indicated, and the provision requires the consent of the  
4 obligee to a merger of the dividing association or treats  
5 such a merger as a default, the provision shall apply to a  
6 division of the dividing association as if it were a merger:

7 (i) For a dividing association that is a domestic  
8 business corporation, before August 21, 2001.

9 (ii) For a dividing association that is a general  
10 partnership, before ~~{the Legislative Reference Bureau~~ <--  
11 ~~shall insert here the effective date of this section}~~  
12 JULY 1, 2015. <--

13 (iii) For a dividing association that is a limited  
14 partnership, before ~~{the Legislative Reference Bureau~~ <--  
15 ~~shall insert here the effective date of this section}~~  
16 JULY 1, 2015. <--

17 (iv) For a dividing association that is an  
18 unincorporated nonprofit association, before ~~{the~~ <--  
19 ~~Legislative Reference Bureau shall insert here the~~  
20 ~~effective date of this section}~~ JULY 1, 2015. <--

21 (3) When a provision described in paragraph (1) or (2)  
22 has been amended after the applicable date, the provision  
23 shall cease to be subject to the respective paragraph and  
24 shall thereafter apply only in accordance with its express  
25 terms.

26 § 364. Division without interest holder approval.

27 (a) General rule.--Unless otherwise restricted by its  
28 organic rules, a plan of division of a domestic dividing  
29 association shall not require the approval of the interest  
30 holders of the dividing association if:



1           (1) The plan does not do any of the following:

2           (i) alter the jurisdiction of formation of the  
3 dividing association;

4           (ii) provide for special treatment; or

5           (iii) amend in any respect the provisions of the  
6 public organic record of the dividing association, except  
7 amendments which may be made without the approval of the  
8 interest holders.

9           (2) Either:

10           (i) the dividing association survives the division  
11 and all the interests and other securities and  
12 obligations, if any, of all of the new associations are  
13 owned solely by the dividing association; or

14           (ii) the interests in each new association are  
15 distributed as provided in subsection (b).

16           (b) Distribution of interests.--The requirements for  
17 distributing interests in each new association referred to in  
18 subsection (a) (2) (ii) are as follows:

19           (1) if the dividing association is not a limited  
20 partnership, the dividing association has only one class of  
21 interests outstanding and the interests and other securities  
22 and obligations, if any, of each new association are  
23 distributed pro rata to the interest holders of the dividing  
24 association; or

25           (2) if the dividing association is a limited  
26 partnership:

27           (i) it has only one class of general partners and  
28 one class of limited partners;

29           (ii) each new association is a limited partnership;

30           and

1 (iii) all of the following apply:

2 (A) the general partner interests in each new  
3 association are distributed pro rata to the general  
4 partners of the dividing limited partnership;

5 (B) the limited partner interests in each new  
6 association are distributed pro rata to the limited  
7 partners of the dividing limited partnership; and

8 (C) no securities of obligations of any of the  
9 new associations are distributed to any of the  
10 interest holders of the dividing limited partnership.

11 § 365. Amendment or abandonment of plan of division.

12 (a) Approval of amendment.--A plan of division in which the  
13 dividing association is a domestic entity may be amended in one  
14 of the following ways:

15 (1) In the same manner as the plan was approved, if the  
16 plan does not provide for the manner in which it may be  
17 amended.

18 (2) By its governors or interest holders in the manner  
19 provided in the plan, but an interest holder that was  
20 entitled to vote on or consent to approval of the plan is  
21 entitled to vote on or consent to any amendment of the plan  
22 that will change any of the following:

23 (i) The amount or kind of interests, securities,  
24 obligations, money, other property, rights to acquire  
25 interests or securities, or any combination of the  
26 foregoing, to be received by any of the interest holders  
27 of the dividing association under the plan.

28 (ii) The public organic record, if any, or private  
29 organic rules of any of the resulting associations that  
30 will be in effect immediately after the division becomes

1 effective, except for changes that do not require  
2 approval of the interest holders of the resulting  
3 association under its organic law or organic rules.

4 (iii) Any other terms or conditions of the plan, if  
5 the change would:

6 (A) increase the interest holder liability to  
7 which the interest holder will be subject; or

8 (B) otherwise adversely affect the interest  
9 holder in any material respect.

10 (b) Approval of abandonment.--After a plan of division has  
11 been approved by a domestic entity that is the dividing  
12 association and before a statement of division becomes  
13 effective, the plan may be abandoned as provided in the plan.  
14 Unless prohibited by the plan, a domestic entity that is the  
15 dividing association may abandon the plan in the same manner as  
16 the plan was approved.

17 (c) Statement of abandonment.--If a plan of division is  
18 abandoned after a statement of division has been delivered to  
19 the department for filing and before the statement becomes  
20 effective, a statement of abandonment, signed by the dividing  
21 association, must be delivered to the department for filing  
22 before the time the statement of division becomes effective. The  
23 statement of abandonment shall take effect on filing, and the  
24 division shall be abandoned and shall not become effective. The  
25 statement of abandonment shall contain all of the following:

26 (1) The name of the dividing association.

27 (2) The date on which the statement of division was  
28 filed by the department.

29 (3) A statement that the division has been abandoned in  
30 accordance with this section.

1 (d) Cross references.--See sections 134 (relating to  
2 docketing statement) and 135 (relating to requirements to be met  
3 by filed documents).

4 § 366. Statement of division; effectiveness.

5 (a) General rule.--A statement of division shall be signed  
6 by the dividing association and delivered to the department for  
7 filing along with the certificates, if any, required by section  
8 139 (relating to tax clearance of certain fundamental  
9 transactions).

10 (b) Contents.--A statement of division shall contain all of  
11 the following:

12 (1) With respect to the dividing association:

13 (i) its name;

14 (ii) its jurisdiction of formation;

15 (iii) its type;

16 (iv) if it is a domestic filing association,  
17 domestic limited liability partnership or registered  
18 foreign association, the address of its registered  
19 office, including street and number, if any, in this  
20 Commonwealth, subject to section 109 (relating to name of  
21 commercial registered office provider in lieu of  
22 registered address);

23 (v) if it is a domestic association that is not a  
24 domestic filing association or limited liability  
25 partnership, the address, including street and number, if  
26 any, of its principal office; and

27 (vi) if it is a nonregistered foreign association,  
28 the address, including street and number, if any, of:

29 (A) its registered or similar office, if any,  
30 required to be maintained by the law of its

1           jurisdiction of formation; or

2                   (B) if it is not required to maintain a  
3                   registered or similar office, its principal office.

4           (2) A statement as to whether the dividing association  
5           will survive the division.

6           (3) With respect to each resulting association created  
7           by the division:

8                   (i) its name;

9                   (ii) its jurisdiction of formation;

10                   (iii) its type;

11                   (iv) if it is a domestic filing association,  
12           domestic limited liability partnership or registered  
13           foreign association, the address of its registered  
14           office, including street and number, if any, in this  
15           Commonwealth, subject to section 109;

16                   (v) if it is a domestic association that is not a  
17           domestic filing association or limited liability  
18           partnership, the address, including street and number, if  
19           any, of its principal office; and

20                   (vi) if it is a nonregistered foreign association,  
21           the address, including street and number, if any, of:

22                           (A) its registered or similar office, if any,  
23                           required to be maintained by the law of its  
24                           jurisdiction of formation; or

25                           (B) if it is not required to maintain a  
26                           registered or similar office, its principal office.

27           (4) If the statement of division is not to be effective  
28           on filing, the later date or date and time on which it will  
29           become effective.

30           (5) A statement that the division was approved in the

1 following ways:

2 (i) By a dividing association that is a domestic  
3 entity, in accordance with this chapter.

4 (ii) By a dividing association that is a foreign  
5 association, in accordance with the law of its  
6 jurisdiction of formation.

7 (6) If the dividing association is a domestic filing  
8 entity and survives the division, any amendment to its public  
9 organic record approved as part of the plan of division.

10 (7) For each resulting association created by the  
11 division that is a domestic entity, its public organic  
12 record, if any, as an attachment. The public organic record  
13 does not need to state the name or address of an incorporator  
14 of a corporation, organizer of a limited liability company or  
15 similar person with respect to any other type of entity.

16 (8) For each new association that is a domestic limited  
17 liability partnership or a domestic limited liability limited  
18 partnership that is not using the alternative procedure in  
19 section 8201(f) (relating to scope), its statement of  
20 registration as an attachment.

21 (9) For each new association that is an electing  
22 partnership, its statement of election as an attachment.

23 (10) The property and liabilities of the dividing  
24 association that are to be allocated to each resulting  
25 association, but it shall not be necessary to list in the  
26 statement of division each individual liability or item of  
27 property of the dividing association to be allocated to a  
28 resulting association so long as the liabilities and property  
29 are described in a reasonable manner.

30 (c) Other provisions.--In addition to the requirements of

1 subsection (b), a statement of division may contain any other  
2 provision not prohibited by law.

3 (d) New domestic entity.--If a new association is a domestic  
4 entity, its public organic record, if any, must satisfy the  
5 requirements of the law of this Commonwealth, except that it  
6 does not need to be signed and may omit any provision that is  
7 not required to be included in a restatement of the public  
8 organic record.

9 (e) Filing of plan.--A plan of division that is signed by  
10 the dividing association and meets all of the requirements of  
11 subsection (b) may be delivered to the department for filing  
12 instead of a statement of division and on filing has the same  
13 effect. If a plan of division is filed as provided in this  
14 subsection, references in this chapter to a statement of  
15 division refer to the plan of division filed under this  
16 subsection.

17 (f) Effectiveness of statement of division.--A statement of  
18 division is effective as provided in section 136(c) (relating to  
19 processing of documents by Department of State).

20 (g) Effectiveness of division.--A division takes effect as  
21 follows:

22 (1) If the division is one in which all of the resulting  
23 associations are domestic associations, the division is  
24 effective when the statement of division is effective.

25 (2) If the division is one in which one or more of the  
26 resulting associations is a foreign association, the division  
27 is effective on the later of:

28 (i) the effectiveness of the statement of division;

29 or

30 (ii) when the division is effective under the law of

1 each of the jurisdictions of formation of the foreign  
2 resulting associations.

3 (h) Cross references.--See sections 134 (relating to  
4 docketing statement) and 135 (relating to requirements to be met  
5 by filed documents).

6 § 367. Effect of division.

7 (a) General rule.--When a division becomes effective, all of  
8 the following apply:

9 (1) If the dividing association is to survive the  
10 division:

11 (i) It continues to exist.

12 (ii) Its public organic record, if any, is amended  
13 as provided in the statement of division.

14 (iii) Its private organic rules that are to be in  
15 record form, if any, are amended to the extent provided  
16 in the plan of division.

17 (2) If the dividing association is not to survive the  
18 division, the dividing association ceases to exist.

19 (3) With respect to each new association, all of the  
20 following apply:

21 (i) It comes into existence.

22 (ii) It holds any property allocated to it as the  
23 successor to the dividing association, and not by  
24 transfer, whether directly or indirectly, or by operation  
25 of law.

26 (iii) Its public organic record, if any, and private  
27 organic rules are effective.

28 (IV) IF IT IS A LIMITED LIABILITY PARTNERSHIP, ITS <--  
29 STATEMENT OF REGISTRATION IS EFFECTIVE.

30 ~~(iv)~~ (V) If it is a limited liability limited <--



1 partnership and is not using the alternative procedure in  
2 section 8201(f) (relating to scope), its statement of  
3 registration is effective.

4 ~~(v)~~ (VI) If it is an electing partnership, its <--  
5 statement of election is effective.

6 (4) Property of the dividing association:

7 (i) That is allocated by the plan of division  
8 either:

9 (A) vests in the new associations as provided in  
10 the plan of division; or

11 (B) remains vested in the dividing association.

12 (ii) That is not allocated by the plan of division:

13 (A) remains vested in the dividing association,  
14 if the dividing association survives the division; or

15 (B) is allocated to and vests equally in the  
16 resulting associations as tenants in common, if the  
17 dividing association does not survive the division.

18 (iii) Vests as provided in this paragraph without  
19 transfer, reversion or impairment.

20 (5) A resulting association to which a cause of action  
21 is allocated as provided in paragraph (4) may be substituted  
22 or added in any pending action or proceeding to which the  
23 dividing association is a party at the effective time of the  
24 division.

25 (6) The liabilities of the dividing association are  
26 allocated between or among the resulting associations as  
27 provided in section 368 (relating to allocation of  
28 liabilities in division).

29 (7) The interests in the dividing association that are  
30 to be converted or canceled in the division are converted or

1  canceled, and the interest holders of those interests are  
2  entitled only to the rights provided to them under the plan  
3  of division and to any dissenters rights they may have  
4  pursuant to section 317 (relating to contractual dissenters  
5  rights in entity transactions) or 363(c) (relating to  
6  approval of division).

7  (b) Dividing association not dissolved.--Except as provided  
8  in the organic law or organic rules of the dividing association,  
9  the division does not give rise to any rights that an interest  
10  holder, governor or third party would have upon a dissolution,  
11  liquidation or winding up of the dividing association.

12  (c) New interest holder liability.--When a division becomes  
13  effective, a person that did not have interest holder liability  
14  with respect to the dividing association and that becomes  
15  subject to interest holder liability with respect to an  
16  association as a result of the division has interest holder  
17  liability only to the extent provided by the organic law of the  
18  association and only for those liabilities that arise after the  
19  division becomes effective.

20  (d) Prior interest holder liability.--When a division  
21  becomes effective, the interest holder liability of a person  
22  that ceases to hold an interest in the dividing association that  
23  is a domestic entity with respect to which the person had  
24  interest holder liability is as follows:

25  (1) The division does not discharge any interest holder  
26  liability under the organic law of the domestic entity to the  
27  extent the interest holder liability arose before the  
28  division became effective.

29  (2) The person does not have interest holder liability  
30  under the organic law of the domestic entity for any debt,

1 obligation or other liability that arises after the division  
2 becomes effective.

3 (3) The organic law of the domestic entity continues to  
4 apply to the release, collection or discharge of any interest  
5 holder liability preserved under paragraph (1) as if the  
6 division had not occurred.

7 (4) The person has whatever rights of contribution from  
8 any other person as are provided by other law or the organic  
9 law or organic rules of the domestic entity with respect to  
10 any interest holder liability preserved by paragraph (1) as  
11 if the division had not occurred.

12 (e) Registration of registered foreign ~~entity~~ ASSOCIATION.-- <--  
13 When a division of a registered foreign ~~entity~~ ASSOCIATION in <--  
14 which at least one of the resulting associations is a domestic  
15 entity becomes effective, the registration to do business of the  
16 dividing association is canceled if it does not survive the  
17 division.

18 (f) Real property.--Except with regard to the real property  
19 of a dividing association that is a domestic nonprofit  
20 corporation, the allocation of any fee or freehold interest or  
21 leasehold having a remaining term of 30 years or more in any  
22 tract or parcel of real property situate in this Commonwealth  
23 owned by a dividing association, including property owned by a  
24 foreign association dividing solely under the law of another  
25 jurisdiction, to a new association is not effective until one of  
26 the following documents is filed in the office for the recording  
27 of deeds of the county, or each of them, in which the tract or  
28 parcel is situated:

29 (1) A deed, lease or other instrument of confirmation  
30 describing the tract or parcel.

1           (2) A duly executed duplicate original copy of the  
2 statement of division.

3           (3) A copy of the statement of division certified by the  
4 department.

5           (4) A declaration of acquisition stating the value of  
6 real estate holdings in the county of the new association as  
7 an acquired association.

8           (g) Secured collateral.--The allocation to a new association  
9 of property that is collateral covered by an effective financing  
10 statement shall not be effective until a new financing statement  
11 naming the new association as a debtor is effective under  
12 Article 9 of the Uniform Commercial Code as enacted in the  
13 relevant jurisdiction.

14           (h) Vehicles.--The provisions of 75 Pa.C.S. § 1114 (relating  
15 to transfer of vehicle by operation of law) shall not be  
16 applicable to an allocation of ownership of any motor vehicle,  
17 trailer or semitrailer to a new association under this section  
18 or under a similar law of any other jurisdiction, but any such  
19 allocation shall be effective only upon compliance with the  
20 requirements of 75 Pa.C.S. § 1116 (relating to issuance of new  
21 certificate following transfer), unless the dividing association  
22 is a domestic nonprofit corporation.

23           (i) Disposition of interests.--Unless otherwise provided in  
24 the plan of division, the interests and any securities or  
25 obligations of each new association shall be distributed to:

26           (1) the dividing association, if it survives the  
27 division; or

28           (2) the holders of the common or other residuary  
29 interest of the dividing association that do not assert  
30 dissenters rights, pro rata, if the dividing association does

1 not survive the division.

2 § 368. Allocation of liabilities in division.

3 (a) General rule.--Except as provided in this section, when  
4 a division becomes effective, a resulting association is  
5 responsible:

6 (1) Individually for the liabilities the resulting  
7 association undertakes or incurs in its own name after the  
8 division.

9 (2) Individually for the liabilities of the dividing  
10 association that are allocated to or remain the liability of  
11 that resulting association to the extent specified in the  
12 plan of division.

13 (3) Jointly and severally with the other resulting  
14 associations for the liabilities of the dividing association  
15 that are not allocated by the plan of division.

16 (b) Joint and several liability.--If an allocation of  
17 property or liabilities in a division is ineffective or voidable  
18 pursuant to fraudulent transfer or similar law, both of the  
19 following apply:

20 (1) The allocations of liabilities in the plan of  
21 division are ineffective and the liabilities of the dividing  
22 association become liabilities of all of the resulting  
23 associations, jointly and severally.

24 (2) The validity and effectiveness of the division are  
25 not affected thereby.

26 (c) Breach of obligation.--If a division breaches an  
27 obligation of the dividing association, all of the resulting  
28 associations are liable, jointly and severally, for the breach,  
29 but the validity and effectiveness of the division are not  
30 affected thereby.

1 (d) Application of fraudulent transfer law.--In applying the  
2 law governing fraudulent transfers to a division:

3 (1) The law applies to the dividing association as  
4 follows:

5 (i) If it does not survive the division, it is not  
6 subject to that law.

7 (ii) If it survives the division, it is subject to  
8 that law only in its capacity as a resulting association.

9 (2) The law applies to each resulting association as  
10 follows:

11 (i) The association is treated as a debtor.

12 (ii) The liabilities allocated to the association  
13 are treated as an obligation incurred by the debtor.

14 (iii) The association is treated as not having  
15 received a reasonably equivalent value in exchange for  
16 incurring the obligation.

17 (iv) The property allocated to the association is  
18 treated as remaining property.

19 (e) Distribution tests not applicable.--A direct or indirect  
20 allocation of property or liabilities in a division is not a  
21 distribution for purposes of the organic law of the dividing  
22 association or any of the resulting associations.

23 (f) Liens and other charges.--Liens, security interests and  
24 other charges on the property of the dividing association are  
25 not impaired by the division, notwithstanding any otherwise  
26 enforceable allocation of liabilities of the dividing  
27 association.

28 (g) Security agreements.--If the dividing association is  
29 bound by a security agreement governed by Article 9 of the  
30 Uniform Commercial Code as enacted in any jurisdiction and the

1 security agreement provides that the security interest attaches  
2 to after-acquired collateral, each resulting association is  
3 bound by the security agreement.

4 (h) Creditors and guarantors.--An allocation of a liability  
5 does not:

6 (1) Affect the rights under other law of a creditor owed  
7 payment of the liability or performance of the obligation  
8 that creates the liability, except that those rights are  
9 available only against an association responsible for the  
10 liability or obligation under this section.

11 (2) Release or reduce the obligation of a surety or  
12 guarantor of the liability or obligation.

13 (i) Regulatory approvals.--The conditions in this section  
14 for freeing one or more of the resulting associations from the  
15 liabilities of the dividing association and for allocating some  
16 or all of the liabilities of the dividing association shall be  
17 conclusively deemed to have been satisfied if the plan of  
18 division has been approved by the Department of Banking and  
19 Securities, the Insurance Department or the Pennsylvania Public  
20 Utility Commission in a final order issued after August 21,  
21 2001, that is not subject to further appeal.

22 (j) Taxes.--Any taxes, interest, penalties and public  
23 accounts of the Commonwealth claimed against the dividing  
24 association that are settled, assessed or determined prior to or  
25 after the division shall be the liability of all of the  
26 resulting associations. Upon the application of the dividing  
27 association, the Department of Revenue, with the concurrence of  
28 the Department of Labor and Industry, shall release one or more,  
29 but less than all, of the resulting associations from liability  
30 and liens for all taxes, interest, penalties and public accounts

1 of the dividing association due the Commonwealth for periods  
2 prior to the effective date of the division if those departments  
3 are satisfied that the public revenues will be adequately  
4 secured.

5 SUBCHAPTER G

6 DOMESTICATION

7 Sec.

8 371. Domestication authorized.

9 372. Plan of domestication.

10 373. Approval of domestication.

11 374. Amendment or abandonment of plan of domestication.

12 375. Statement of domestication; effectiveness.

13 376. Effect of domestication.

14 § 371. Domestication authorized.

15 (a) Domestic entities.--Except as provided in section 318  
16 (relating to excluded entities and transactions), by complying  
17 with this chapter, a domestic entity may become a domestic  
18 entity of the same type in a foreign jurisdiction if the  
19 domestication is authorized by the law of the foreign  
20 jurisdiction.

21 (b) Foreign entities.--By complying with the applicable  
22 provisions of this subchapter, a foreign entity may become a  
23 domestic entity of the same type in this Commonwealth if this  
24 title provides for the formation of that type of entity.

25 (c) Cross reference.--See section 314 (relating to  
26 regulatory conditions and required notices and approvals).

27 § 372. Plan of domestication.

28 (a) General rule.--A domestic entity may become a foreign  
29 entity of the same type by approving a plan of domestication.  
30 The plan shall be in record form and contain all of the



1 following:

2 (1) The name and type of the domesticating entity.

3 (2) The name and jurisdiction of formation of the  
4 domesticated entity.

5 (3) The manner, if any, of canceling or converting those  
6 interests in the domesticating entity, if any, that are to  
7 receive special treatment as authorized by and subject to  
8 section 329 (relating to special treatment of interest  
9 holders).

10 (4) The proposed public organic record of the  
11 domesticated entity if it is a filing entity.

12 (5) The full text of the private organic rules of the  
13 domesticated entity that are proposed to be in record form.

14 (6) The other terms and conditions of the domestication.

15 (7) Any other provision required by:

16 (i) law of this Commonwealth;

17 (ii) the law of the jurisdiction of formation of the  
18 foreign domesticated entity; or

19 (iii) the organic rules of the domesticating entity.

20 (b) Optional contents.--In addition to the requirements of  
21 subsection (a), a plan of domestication may contain any other  
22 provision not prohibited by law.

23 (c) Terms of interests.--Except as provided in the plan of  
24 domestication pursuant to section 329, the terms of the  
25 interests in the domesticated entity and the rights of the  
26 interest holders in the domesticated entity shall be  
27 substantially the same as the terms of the interests and the  
28 rights of the interest holders in the domesticating entity,  
29 except to the extent a different term or right is required by a  
30 provision of the organic law of the domesticated entity that

1 cannot be varied in its organic rules.

2 (d) Cross reference.--See section 316(c) (relating to  
3 contents of plan).

4 § 373. Approval of domestication.

5 (a) Approval by domestic entities.--A plan of domestication  
6 in which the domesticating entity is a domestic entity is not  
7 effective unless it has been approved by the domestic entity in  
8 accordance with the applicable provisions of Subchapter B  
9 (relating to approval of entity transactions).

10 (b) Approval by foreign entities.--A plan of domestication  
11 in which the domesticating entity is a foreign entity is not  
12 effective unless it has been approved in one of the following  
13 ways:

14 (1) In accordance with the law of the jurisdiction of  
15 formation of the foreign entity.

16 (2) By at least a majority of the votes cast with  
17 respect to approval of the domestication by all interest  
18 holders of the foreign entity entitled to vote generally on a  
19 merger to which the foreign entity is a party if the law of  
20 the foreign entity's jurisdiction of formation does not  
21 provide for a domestication of the foreign entity.

22 (c) Cross references.--See sections 317 (relating to  
23 contractual dissenters rights in entity transactions) and 329  
24 (relating to special treatment of interest holders).

25 § 374. Amendment or abandonment of plan of domestication.

26 (a) Approval of amendment.--A plan of domestication in which  
27 the domesticating entity is a domestic entity may be amended in  
28 one of the following ways:

29 (1) In the same manner as the plan was approved, if the  
30 plan does not provide for the manner in which it may be

1 amended.

2 (2) By the governors or interest holders of the domestic  
3 entity in the manner provided in the plan, but an interest  
4 holder that was entitled to vote on or consent to approval of  
5 the plan is entitled to vote on or consent to any amendment  
6 of the plan that will change any of the following:

7 (i) The amount or kind of interests, securities,  
8 obligations, money, other property, rights to acquire  
9 interests or securities, or any combination of the  
10 foregoing, to be received by any of the interest holders  
11 of the domesticating entity under the plan.

12 (ii) The public organic record, if any, or private  
13 organic rules of the domesticated entity that will be in  
14 effect immediately after the domestication becomes  
15 effective, except for changes that do not require  
16 approval of the interest holders of the domesticated  
17 entity under its organic law or organic rules.

18 (iii) Any other terms or conditions of the plan, if  
19 the change would adversely affect the interest holder in  
20 any material respect.

21 (b) Approval of abandonment.--After a plan of domestication  
22 has been approved by a domestic entity that is the domesticating  
23 entity and before a statement of domestication becomes  
24 effective, the plan may be abandoned as provided in the plan.  
25 Unless prohibited by the plan, a domestic entity that is the  
26 domesticating entity may abandon the plan in the same manner as  
27 the plan was approved.

28 (c) Statement of abandonment.--If a plan of domestication is  
29 abandoned after a statement of domestication has been delivered  
30 to the department for filing and before the statement becomes

1 effective, a statement of abandonment, signed by the  
2 domesticating entity, must be delivered to the department for  
3 filing before the time the statement of domestication becomes  
4 effective. The statement of abandonment shall take effect on  
5 filing, and the domestication shall be abandoned and shall not  
6 become effective. The statement of abandonment shall contain all  
7 of the following:

8 (1) The name of the domesticating entity.

9 (2) The date on which the statement of domestication was  
10 delivered to the department for filing.

11 (3) A statement that the domestication has been  
12 abandoned in accordance with this section.

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

16 § 375. Statement of domestication; effectiveness.

17 (a) General rule.--A statement of domestication shall be  
18 signed by the domesticating entity and delivered to the  
19 department for filing along with the certificates, if any,  
20 required by section 139 (relating to tax clearance of certain  
21 fundamental transactions).

22 (b) Contents.--A statement of domestication shall contain  
23 all of the following:

24 (1) With respect to the domesticating entity:

25 (i) its name;

26 (ii) its jurisdiction of formation;

27 (iii) its type;

28 (iv) the date on which it was first created,  
29 incorporated, formed or otherwise came into existence;

30 (v) if it is a domestic filing entity, domestic

1 limited liability partnership or registered foreign  
2 association, the address of its registered office,  
3 including street and number, if any, in this  
4 Commonwealth, subject to section 109 (relating to name of  
5 commercial registered office provider in lieu of  
6 registered address);

7 (vi) if it is a domestic entity that is not a  
8 domestic filing entity or limited liability partnership,  
9 the address, including street and number, if any, of its  
10 principal office; and

11 (vii) if it is a nonregistered foreign association,  
12 the address, including street and number, if any, of:

13 (A) its registered or similar office, if any,  
14 required to be maintained by the law of its  
15 jurisdiction of formation; or

16 (B) if it is not required to maintain a  
17 registered or similar office, its principal office.

18 (2) With respect to the domesticated entity:

19 (i) its name;

20 (ii) its jurisdiction of formation;

21 (iii) its type;

22 (iv) if it is a domestic filing entity, domestic  
23 limited liability partnership or registered foreign  
24 association, the address of its registered office,  
25 including street and number, if any, in this  
26 Commonwealth, subject to section 109;

27 (v) if it is a domestic entity that is not a  
28 domestic filing entity or limited liability partnership,  
29 the address, including street and number, if any, of its  
30 principal office; and

1           (vi) if it is a nonregistered foreign association,  
2           the address, including street and number, if any, of:

3           (A) its registered or similar office, if any,  
4           required to be maintained by the law of its  
5           jurisdiction of formation; or

6           (B) if it is not required to maintain a  
7           registered or similar office, its principal office.

8           (3) If the statement of domestication is not to be  
9           effective on filing, the later date or date and time on which  
10           it will become effective.

11           (4) If the domesticating entity is a domestic entity, a  
12           statement that the plan of domestication was approved in  
13           accordance with Subchapter B (relating to approval of entity  
14           transactions) or, if the domesticating entity is a foreign  
15           entity, a statement that the domestication was approved in  
16           accordance with section 373(b) (relating to approval of  
17           domestication).

18           (5) If the domesticated entity is a domestic filing  
19           entity, its public organic record as an attachment. The  
20           public organic record does not need to state the name or  
21           address of an incorporator of a corporation, organizer of a  
22           limited liability company or similar person with respect to  
23           any other type of entity.

24           (6) If the domesticated entity is a domestic limited  
25           liability partnership or a domestic limited liability limited  
26           partnership that is not using the alternative procedure in  
27           section 8201(f) (relating to scope), its statement of  
28           registration as an attachment.

29           (7) If the domesticated entity is an electing  
30           partnership, its statement of election as an attachment.

1           (8) If the domesticating entity is to be a domestic  
2           entity in both this Commonwealth and the foreign  
3           jurisdiction, a statement to that effect.

4           (c) Other provisions.--In addition to the requirements of  
5           subsection (b), a statement of domestication may contain any  
6           other provision not prohibited by law.

7           (d) Public organic record of new domestic entity.--If the  
8           domesticated entity is a domestic entity, its public organic  
9           record, if any, must satisfy the requirements of the law of this  
10           Commonwealth, except that it does not need to be signed and may  
11           omit any provision that is not required to be included in a  
12           restatement of the public organic record.

13           (e) Filing of plan.--A plan of domestication that is signed  
14           by a domesticating entity that is a domestic entity and meets  
15           all of the requirements of subsection (b) may be delivered to  
16           the department for filing instead of a statement of  
17           domestication and on filing has the same effect. If a plan of  
18           domestication is filed as provided in this subsection,  
19           references in this chapter to a statement of domestication refer  
20           to the plan of domestication filed under this subsection.

21           (f) Effectiveness of domestication.--A domestication in  
22           which the domesticated entity is a domestic entity is effective  
23           when the statement of domestication is effective under section  
24           136(c) (relating to processing of documents by Department of  
25           State). A domestication in which the domesticated entity is a  
26           foreign entity becomes effective on the later of:

27           (1) the date and time provided by the organic law of the  
28           domesticated entity; or

29           (2) when the statement of domestication is effective.

30           (g) Cross references.--See sections 134 (relating to

1 docketing statement) and 135 (relating to requirements to be met  
2 by filed documents).

3 § 376. Effect of domestication.

4 (a) General rule.--When a domestication becomes effective,  
5 all of the following apply:

6 (1) The domesticated entity is:

7 (i) organized under and subject to the organic law  
8 of the domesticated entity;

9 (ii) the same entity without interruption as the  
10 domesticating entity;

11 (iii) deemed to have commenced its existence on the  
12 date the domesticating entity commenced its existence in  
13 the jurisdiction in which the domesticating entity was  
14 first created, formed, incorporated or otherwise came  
15 into existence; and

16 (iv) also organized under and subject to the organic  
17 law of the domesticating entity if the statement of  
18 domestication includes the statement provided for in  
19 section 375(b)(8) (relating to statement of  
20 domestication; effectiveness).

21 (2) All property of the domesticating entity continues  
22 to be vested in the domesticated entity without transfer,  
23 reversion or impairment.

24 (3) All debts, obligations and other liabilities of the  
25 domesticating entity continue as debts, obligations and other  
26 liabilities of the domesticated entity.

27 (4) Except as provided by law or the plan of  
28 domestication, all of the rights, privileges, immunities,  
29 powers and purposes of the domesticating entity remain in the  
30 domesticated entity.



1           (5) The name of the domesticated entity may be  
2           substituted for the name of the domesticating entity in any  
3           pending action or proceeding.

4           (6) If the domesticated entity is a filing entity, its  
5           public organic record is effective and is binding on its  
6           interest holders.

7           (7) If the domesticated entity is a domestic limited  
8           liability partnership or a limited liability limited  
9           partnership that is not using the alternative procedure in  
10           section 8201(f) (relating to scope), its statement of  
11           registration is effective.

12           (8) If the domesticated entity is an electing  
13           partnership, its statement of election is effective.

14           (9) The private organic rules of the domesticated entity  
15           that are to be in record form, if any, approved as part of  
16           the plan of domestication are effective.

17           (10) The interest holders in the domesticating entity  
18           are interest holders in the domesticated entity except to the  
19           extent that an interest holder does not receive interests in  
20           the domesticated entity pursuant to a provision in the plan  
21           of domestication for special treatment pursuant to section  
22           329 (relating to special treatment of interest holders).

23           (b) No dissolution rights.--Except as otherwise provided in  
24           the organic law or organic rules of a domestic domesticating  
25           entity, the domestication does not give rise to any rights that  
26           an interest holder, governor or third party would have upon a  
27           dissolution, liquidation or winding up of the domesticating  
28           entity.

29           (c) Collection of liabilities.--When a domestication becomes  
30           effective, a foreign domesticated entity may be served with

1 process in this Commonwealth for the collection and enforcement  
2 of any of its debts, obligations and other liabilities in  
3 accordance with applicable law.

4 (d) New interest holder liability.--When a domestication  
5 becomes effective, a person that becomes subject to interest  
6 holder liability with respect to a domestic association as a  
7 result of the domestication has interest holder liability only  
8 to the extent provided by the organic law of the association and  
9 only for those debts, obligations and other liabilities that  
10 arise after the domestication is effective.

11 (e) Prior interest holder liability.--When a domestication  
12 becomes effective, the following rules apply:

13 (1) The domestication does not discharge any interest  
14 holder liability under the organic law of a domesticating  
15 domestic entity to the extent the interest holder liability  
16 arose before the domestication became effective.

17 (2) A person does not have interest holder liability  
18 under the organic law of a domestic domesticating entity for  
19 any debt, obligation or other liability that arises after the  
20 domestication becomes effective.

21 (3) The organic law of a domestic domesticating entity  
22 continues to apply to the release, collection or discharge of  
23 any interest holder liability preserved under paragraph (1)  
24 as if the domestication had not occurred.

25 (4) A person has whatever rights of contribution from  
26 any other person as are provided by other law or the organic  
27 rules of a domestic domesticating entity with respect to any  
28 interest holder liability preserved under paragraph (1) as if  
29 the domestication had not occurred.

30 (f) Service of process.--When a domestication becomes

1 effective, a foreign domesticated entity may be served with  
2 process in this Commonwealth for the collection and enforcement  
3 of any of its debts, obligations and other liabilities in  
4 accordance with applicable law.

5 (g) No dissolution.--A domestication does not require a  
6 domestic domesticating entity to liquidate, dissolve or wind up  
7 its affairs and does not constitute or cause the liquidation or  
8 dissolution of the entity.

9 (h) Taxes.--Any taxes, interest, penalties and public  
10 accounts of the Commonwealth claimed against the domesticating  
11 entity that are settled, assessed or determined prior to or  
12 after the domestication shall be the liability of the  
13 domesticated entity.

14 (i) Cross references.--See sections 416 (relating to  
15 withdrawal deemed on certain transactions) and 417 (relating to  
16 required withdrawal on certain transactions).

17 CHAPTER 4

18 FOREIGN ASSOCIATIONS

19 Subchapter

20 A. General Provisions

21 B. Registration

22 SUBCHAPTER A

23 GENERAL PROVISIONS

24 Sec.

25 401. Application of chapter.

26 402. Governing law.

27 403. Activities not constituting doing business.

28 § 401. Application of chapter.

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

1 chapter shall apply to all foreign associations.

2 (b) Application to foreign banking institutions.--The words  
3 "foreign filing association" or "foreign association" in this  
4 chapter include an association that, if a domestic association,  
5 would be a banking institution or credit union. The term does  
6 not include an interstate bank as defined in section 102 of the  
7 act of November 30, 1965 (P.L.847, No.356), known as the Banking  
8 Code of 1965.

9 (c) Domestic Federal financial association exclusion.--  
10 Except as permitted by act of Congress, this chapter shall not  
11 apply to:

12 (1) Any of the following institutions or similar  
13 federally chartered institutions engaged in this Commonwealth  
14 in activities similar to those conducted by banking  
15 institutions or credit unions:

16 (i) National banking associations organized under  
17 The National Bank Act (13 Stat. 99, 12 U.S.C. § 1 et  
18 seq.).

19 (ii) Federal savings and loan associations and  
20 Federal mutual savings banks organized under the Home  
21 Owners' Loan Act (48 Stat. 128, 12 U.S.C. § 1461 et  
22 seq.).

23 (iii) Federal credit unions organized under the  
24 Federal Credit Union Act (48 Stat. 1216, 12 U.S.C. § 1751  
25 et seq.).

26 (2) Any other Federal association intended by the  
27 Congress to be treated for State law purposes as a domestic  
28 association of this Commonwealth.

29 (d) Foreign insurance corporations.--A foreign insurance  
30 corporation shall be subject to this chapter, except as provided

1 in section 402(e) (relating to governing law) or 411(g)  
2 (relating to registration to do business in this Commonwealth).

3 (e) Government entities.--This chapter shall apply to and  
4 the words "association" and "foreign association" shall include  
5 a government or other sovereign, other than the Commonwealth or  
6 any of its political subdivisions, and any governmental  
7 corporation, agency or other entity thereof.

8 (f) Admitted foreign fraternal benefit society exclusion.--  
9 This chapter shall not apply to any foreign corporation not-for-  
10 profit licensed to transact business in this Commonwealth under  
11 section 2455 of the act of May 17, 1921 (P.L.682, No.284), known  
12 as The Insurance Company Law of 1921.

13 § 402. Governing law.

14 (a) General rule.--The law of the jurisdiction of formation  
15 of a foreign association governs the following:

16 (1) The internal affairs of the association.

17 (2) The liability that a person has as an interest  
18 holder or governor for a debt, obligation or other liability  
19 of the association.

20 (3) The liability of a series or protected cell of a  
21 foreign association.

22 (b) Effect of differences in law.--A foreign association is  
23 not precluded from registering to do business in this  
24 Commonwealth because of any difference between the law of the  
25 jurisdiction of formation of the foreign association and the law  
26 of this Commonwealth.

27 (c) Limitations on domestic associations applicable.--  
28 Registration of a foreign association to do business in this  
29 Commonwealth does not authorize the foreign association to  
30 engage in any activities and affairs or exercise any power that

1 a domestic association of the same type may not engage in or  
2 exercise in this Commonwealth.

3 (d) Equal rights and privileges of registered foreign  
4 associations.--Except as otherwise provided by law, a registered  
5 foreign association, so long as its registration to do business  
6 is not terminated or canceled, shall enjoy the same rights and  
7 privileges as a domestic entity and shall be subject to the same  
8 liabilities, restrictions, duties and penalties now in force or  
9 hereafter imposed on domestic entities, to the same extent as if  
10 it had been formed under this title. A foreign insurance  
11 corporation shall be deemed a registered foreign association  
12 except as provided in subsection (e).

13 (e) Foreign insurance corporations.--A foreign insurance  
14 corporation shall, insofar as it is engaged in the business of  
15 writing insurance or reinsurance as principal, be subject to the  
16 law of this Commonwealth regulating the conduct of the business  
17 of insurance by a foreign insurance corporation in lieu of the  
18 provisions of subsection (d) regarding its rights, privileges,  
19 liabilities, restrictions and duties and the penalties to which  
20 it may be subject.

21 (f) Agricultural lands.--Interests in agricultural land  
22 shall be subject to the restrictions of, and escheatable as  
23 provided by, the act of April 6, 1980 (P.L.102, No.39), referred  
24 to as the Agricultural Land Acquisition by Aliens Law.

25 § 403. Activities not constituting doing business.

26 (a) General rule.--Activities of a foreign filing  
27 association or foreign limited liability partnership that do not  
28 constitute doing business in this Commonwealth under this  
29 chapter shall include the following:

30 (1) Maintaining, defending, mediating, arbitrating or

1 settling an action or proceeding.

2 (2) Carrying on any activity concerning its internal  
3 affairs, including holding meetings of its interest holders  
4 or governors.

5 (3) Maintaining accounts in financial institutions.

6 (4) Maintaining offices or agencies for the transfer,  
7 exchange and registration of securities of the association or  
8 maintaining trustees or depositories with respect to the  
9 securities.

10 (5) Selling through independent contractors.

11 (6) Soliciting or obtaining orders by any means if the  
12 orders require acceptance outside of this Commonwealth before  
13 the orders become contracts.

14 (7) Creating or acquiring indebtedness, mortgages or  
15 security interests in property.

16 (8) Securing or collecting debts or enforcing mortgages  
17 or security interests in property securing the debts and  
18 holding, protecting or maintaining property so acquired.

19 (9) Conducting an isolated transaction that is not in  
20 the course of similar transactions.

21 (10) Owning, without more, property.

22 (11) Doing business in interstate or foreign commerce.

23 (b) Participation in other associations.--Being an interest  
24 holder or governor of a foreign association that does business  
25 in this Commonwealth shall not by itself constitute doing  
26 business in this Commonwealth.

27 (c) Applicability.--This section shall not apply in  
28 determining the contacts or activities that may subject a  
29 foreign filing association or foreign limited liability  
30 partnership to service of process, taxation or regulation under

1 law of this Commonwealth other than this title.

2 SUBCHAPTER B

3 REGISTRATION

4 Sec.

5 411. Registration to do business in this Commonwealth.

6 412. Foreign registration statement.

7 413. Amendment of foreign registration statement.

8 414. Noncomplying name of foreign association.

9 415. Voluntary withdrawal of registration.

10 416. Withdrawal deemed on certain transactions.

11 417. Required withdrawal on certain transactions.

12 418. Transfer of registration.

13 419. Termination of registration.

14 § 411. Registration to do business in this Commonwealth.

15 (a) Registration required.--Except as provided in section  
16 401 (relating to application of chapter) or subsection (g), a  
17 foreign filing association or foreign limited liability  
18 partnership may not do business in this Commonwealth until it  
19 registers with the department under this chapter.

20 (b) Penalty for failure to register.--A foreign filing  
21 association or foreign limited liability partnership doing  
22 business in this Commonwealth may not maintain an action or  
23 proceeding in this Commonwealth unless it is registered to do  
24 business under this chapter.

25 (c) Contracts and acts not impaired by failure to  
26 register.--The failure of a foreign filing association or  
27 foreign limited liability partnership to register to do business  
28 in this Commonwealth does not impair the validity of a contract  
29 or act of the foreign filing association or foreign limited  
30 liability partnership or preclude it from defending an action or



1 proceeding in this Commonwealth.

2 (d) Limitations on liability preserved.--A limitation on the  
3 liability of an interest holder or governor of a foreign filing  
4 association or of a partner of a foreign limited liability  
5 partnership is not waived solely because the foreign filing  
6 association or foreign limited liability partnership does  
7 business in this Commonwealth without registering.

8 (e) Governing law not affected.--Section 402 (relating to  
9 governing law) applies even if a foreign association fails to  
10 register under this chapter.

11 (f) Registered office.--Subject to section 109 (relating to  
12 name of commercial registered office provider in lieu of  
13 registered address), every registered foreign association shall  
14 have, and continuously maintain, in this Commonwealth a  
15 registered office, which may but need not be the same as its  
16 place of business in this Commonwealth.

17 (g) Foreign insurance corporations.--A foreign insurance  
18 corporation is not required to register under this chapter.

19 § 412. Foreign registration statement.

20 (a) General rule.--To register to do business in this  
21 Commonwealth, a foreign filing association or foreign limited  
22 liability partnership must deliver a foreign registration  
23 statement to the department for filing. The statement must be  
24 signed by the association and state all of the following:

25 (1) Both:

26 (i) The name of the foreign filing association or  
27 foreign limited liability partnership.

28 (ii) If the name does not comply with section 202  
29 (relating to requirements for names generally), an  
30 alternate name adopted pursuant to section 414(a)

1 (relating to noncomplying name of foreign association).

2 (2) The type of association and, if it is a foreign  
3 limited partnership, whether it is a foreign limited  
4 liability limited partnership.

5 (3) The association's jurisdiction of formation.

6 (4) The street and mailing addresses of the  
7 association's principal office and, if the law of the  
8 association's jurisdiction of formation requires the  
9 association to maintain an office in that jurisdiction, the  
10 street and mailing addresses of the office.

11 (5) Subject to section 109 (relating to name of  
12 commercial registered office provider in lieu of registered  
13 address), the address, including street and number, if any,  
14 of its registered office in this Commonwealth.

15 (6) If the association may have one or more series, a  
16 statement to that effect.

17 (b) Qualification or registration under former statutes.--

18 The effect of a foreign association qualifying or registering to  
19 do business under prior provisions of law shall be as follows:

20 (1) With respect to corporations for profit, the  
21 following apply:

22 (i) If a foreign corporation for profit was admitted  
23 to do business in this Commonwealth by the filing of a  
24 power of attorney and statement under the former act of  
25 June 8, 1911 (P.L.710, No.283), entitled "An act to  
26 regulate the doing of business in this Commonwealth by  
27 foreign corporations; the registration thereof and  
28 service of process thereon; and providing punishment and  
29 penalties for the violation of its provisions; and  
30 repealing previous legislation on the subject," on {the <--

1 ~~Legislative Reference Bureau shall insert here the~~  
2 ~~effective date of this chapter} JULY 1, 2015, the power~~ <--  
3 ~~of attorney and statement shall be deemed a filed~~  
4 ~~registration statement under this chapter. The~~  
5 ~~corporation shall include in its first amended~~  
6 ~~registration statement under this chapter the information~~  
7 ~~required by this chapter to be set forth in a~~  
8 ~~registration statement.~~

9 (ii) A certificate of authority issued under the  
10 former provisions of the act of May 5, 1933 (P.L.364,  
11 No.106), known as the Business Corporation Law of 1933,  
12 or Subpart B of Part II (relating to business  
13 corporations) that is in effect on {the Legislative <--  
14 Reference Bureau shall insert here the effective date of  
15 this chapter} JULY 1, 2015, shall be deemed to be a <--  
16 registration statement under this chapter and shall be  
17 deemed not to contain any reference to the kind of  
18 business that the corporation proposes to do in this  
19 Commonwealth.

20 (iii) A certificate of authority issued under the  
21 former provisions of Subchapter B of Chapter 41 (relating  
22 to qualification) that is in effect on {the Legislative <--  
23 Reference Bureau shall insert here the effective date of  
24 this chapter} JULY 1, 2015, shall be deemed to be a <--  
25 registration statement under this chapter.

26 (2) With respect to corporations not-for-profit, the  
27 following apply:

28 (i) If a foreign corporation not-for-profit was  
29 admitted to do business in this Commonwealth by the  
30 filing of a power of attorney and statement under the

1 former act of June 8, 1911 (P.L.710, No.283), on ~~the~~ <--  
2 ~~Legislative Reference Bureau shall insert here the~~  
3 ~~effective date of this chapter~~ JULY 1, 2015, the power <--  
4 of attorney and statement shall be deemed a filed  
5 registration statement under this chapter. The  
6 corporation shall include in its first amended  
7 registration statement under this chapter the information  
8 required by this chapter to be set forth in a  
9 registration statement.

10 (ii) A certificate of authority issued under the  
11 former provisions of the act of May 5, 1933 (P.L.289,  
12 No.105), known as the Nonprofit Corporation Law of 1933,  
13 or the former provisions of Article B of Part III known  
14 as the Nonprofit Corporation Law of 1972, as added by the  
15 act of November 15, 1972 (P.L.1063, No.271), that is in  
16 effect on ~~the Legislative Reference Bureau shall insert~~ <--  
17 ~~here the effective date of this chapter~~ JULY 1, 2015, <--  
18 shall be deemed to be a registration statement under this  
19 chapter and shall be deemed not to contain any reference  
20 to the kind of business that the corporation proposes to  
21 do in this Commonwealth.

22 (iii) A certificate of authority issued under the  
23 former provisions of Subchapter B of Chapter 61 (relating  
24 to qualification) that is in effect on ~~the Legislative~~ <--  
25 ~~Reference Bureau shall insert here the effective date of~~  
26 ~~this chapter~~ JULY 1, 2015, shall be deemed to be a <--  
27 registration statement under this chapter.

28 (3) With respect to limited partnerships, the following  
29 apply:

30 (i) An application for registration filed under the

1 former provisions of 59 Pa.C.S. § 563 (relating to  
2 registration) that is in effect on {the Legislative <--  
3 Reference Bureau shall insert here the effective date of  
4 this chapter} JULY 1, 2015, shall be deemed to be a <--  
5 registration statement under this chapter and shall be  
6 deemed not to contain any reference to:

7 (A) the general character of the business the  
8 limited partnership proposes to transact in this  
9 Commonwealth; or

10 (B) the names and addresses of the limited  
11 partners.

12 (ii) An application for registration filed under the  
13 former provisions of section 8582 (relating to  
14 registration) that is in effect on {the Legislative <--  
15 Reference Bureau shall insert here the effective date of  
16 this chapter} JULY 1, 2015, shall be deemed to be a <--  
17 registration statement under this chapter and shall be  
18 deemed not to contain:

19 (A) any reference to the address of the office  
20 at which is kept a list of the names and addresses of  
21 the limited partners and their capital contributions;  
22 or

23 (B) an undertaking to keep those records until  
24 the registration of the limited partnership in this  
25 Commonwealth is canceled or withdrawn.

26 (4) An application for registration filed by a limited  
27 liability company under the former provisions of section 8981  
28 (relating to foreign limited liability companies) that is in  
29 effect on {the Legislative Reference Bureau shall insert here <--  
30 the effective date of this chapter} JULY 1, 2015, shall be <--

1 deemed to be a registration statement under this chapter.

2 (5) A certificate of authority issued to a business  
3 trust under the former provisions of section 9507 (relating  
4 to foreign business trusts) that is in effect on ~~the~~ <--  
5 ~~Legislative Reference Bureau shall insert here the effective~~  
6 ~~date of this chapter~~ JULY 1, 2015, shall be deemed to be a <--  
7 registration statement under this chapter.

8 (c) Cross references.--See:

9 Section 134 (relating to docketing statement).

10 Section 135 (relating to requirements to be met by filed  
11 documents).

12 Section 4124 (relating to advertisement of registration  
13 to do business).

14 Section 6124 (relating to advertisement of registration  
15 to do business).

16 § 413. Amendment of foreign registration statement.

17 (a) General rule.--A registered foreign association shall  
18 deliver to the department for filing an amendment to its foreign  
19 registration statement if there is a change in any of the  
20 following:

21 (1) The name of the association.

22 (2) The type of association, including, if it is a  
23 foreign limited partnership, whether the association became  
24 or ceased to be a foreign limited liability limited  
25 partnership.

26 (3) The association's jurisdiction of formation.

27 (4) An address required by section 412(a)(4) (relating  
28 to foreign registration statement).

29 (5) Its registered office.

30 (6) The authority of the association to have one or more

1 series.

2 (b) Contents of amendment.--An amendment of a foreign  
3 registration statement shall be signed by the registered foreign  
4 association and state all of the following:

5 (1) The name under which the registered foreign  
6 association is registered to do business in this  
7 Commonwealth.

8 (2) Subject to section 109 (relating to name of  
9 commercial registered office provider in lieu of registered  
10 address), the address, including street and number, if any,  
11 of its registered office in this Commonwealth.

12 (3) If the amendment is not to be effective on filing,  
13 the later date or date and time on which it will become  
14 effective.

15 (4) The information that is to be changed.

16 (c) Cross references.--See sections 134 (relating to  
17 docketing statement) and 135 (relating to requirements to be met  
18 by filed documents).

19 § 414. Noncomplying name of foreign association.

20 (a) General rule.--A foreign filing association or foreign  
21 limited liability partnership whose name does not comply with  
22 Subchapter A of Chapter 2 (relating to names) may not register  
23 to do business in this Commonwealth until it adopts, for the  
24 purpose of doing business in this Commonwealth, an alternate  
25 name that complies with Subchapter A of Chapter 2. A foreign  
26 association that registers under an alternate name under this  
27 subsection is not required to comply with 54 Pa.C.S. Ch. 3  
28 (relating to fictitious names) with respect to the alternate  
29 name. After registering to do business in this Commonwealth  
30 under an alternate name, a foreign association shall do business

1 in this Commonwealth under any of the following:

2 (1) The alternate name.

3 (2) Its proper name under the law of its jurisdiction of  
4 formation, with the addition of the name of its jurisdiction  
5 of formation.

6 (3) A name the foreign association is authorized to use  
7 under 54 Pa.C.S. Ch. 3.

8 (b) Change of name.--If a registered foreign association  
9 changes its name to one that does not comply with Subchapter A  
10 of Chapter 2, it may not do business in this Commonwealth until  
11 it complies with subsection (a) by amending its registration to  
12 adopt an alternate name that complies with Subchapter A of  
13 Chapter 2.

14 (C) FILED DOCUMENTS.--IF A REGISTERED FOREIGN ASSOCIATION <--  
15 ADOPTS AN ALTERNATE NAME UNDER SUBSECTION (A), THE ASSOCIATION  
16 SHALL USE THE ALTERNATE NAME IN RESPONSE TO A REQUIREMENT IN  
17 THIS TITLE THAT A DOCUMENT DELIVERED TO THE DEPARTMENT FOR  
18 FILING STATE THE NAME OF THE ASSOCIATION.

19 § 415. Voluntary withdrawal of registration.

20 (a) General rule.--A registered foreign association may  
21 withdraw its registration by delivering a statement of  
22 withdrawal to the department for filing. The statement of  
23 withdrawal shall be signed by the association and state all of  
24 the following:

25 (1) The name of the association and its jurisdiction of  
26 formation.

27 (2) Subject to section 109 (relating to name of  
28 commercial registered office provider in lieu of registered  
29 address), the address, including street and number, if any,  
30 of its registered office in this Commonwealth.



1           (3) That the association is not doing business in this  
2           Commonwealth.

3           (4) That the association withdraws its registration to  
4           do business in this Commonwealth.

5           (b) Filing.--The statement of withdrawal and the  
6           certificates required by section 139 (relating to tax clearance  
7           of certain fundamental transactions) shall be delivered to the  
8           department for filing and shall take effect on filing.

9           (c) Cross references.--See sections 134 (relating to  
10           docketing statement) and 135 (relating to requirements to be met  
11           by filed documents).

12           § 416. Withdrawal deemed on certain transactions.

13           (A) MERGER.--A REGISTERED FOREIGN ASSOCIATION THAT MERGES     <--  
14           INTO A DOMESTIC FILING ENTITY OR DOMESTIC LIMITED LIABILITY  
15           PARTNERSHIP SHALL BE DEEMED TO HAVE WITHDRAWN ITS REGISTRATION  
16           ON THE EFFECTIVE DATE OF THE MERGER.

17           ~~(a)~~ (B) Conversion.--A registered foreign association that     <--  
18           converts to any type of domestic filing entity or to a domestic  
19           limited liability partnership shall be deemed to have withdrawn  
20           its registration on the effective date of the conversion.

21           ~~(b)~~ (C) Domestication.--A registered foreign association     <--  
22           that domesticates in this Commonwealth as a domestic filing  
23           entity or a domestic limited liability partnership shall be  
24           deemed to have withdrawn its registration on the effective date  
25           of the domestication.

26           § 417. Required withdrawal on certain transactions.

27           (a) Application of section.--This section shall apply to a  
28           registered foreign association that has been:

29                   (1) A NONSURVIVING PARTY TO A MERGER IN WHICH THE     <--  
30                   SURVIVOR IS A NONREGISTERED FOREIGN ASSOCIATION;

1           (2) A DIVIDING ASSOCIATION WHICH DID NOT SURVIVE THE  
2           DIVISION;

3           ~~(1)~~ (3) dissolved and completed winding up;           <--

4           ~~(2)~~ (4) converted to a domestic or foreign nonfiling           <--  
5           association other than a limited liability partnership; or

6           ~~(3)~~ (5) the domesticating entity in a domestication in           <--  
7           which the domesticated entity is a domestic or foreign  
8           nonfiling association other than a limited liability  
9           partnership.

10          (b) Statement of withdrawal.--A registered foreign  
11          association described in subsection (a) shall deliver a  
12          statement of withdrawal and the certificates required by section  
13          139 (relating to tax clearance of certain fundamental  
14          transactions) to the department for filing. The statement shall  
15          be signed by the dissolved or converted association and state as  
16          follows:

17               (1) In the case of a foreign association that has  
18               completed winding up, all of the following:

19                       (i) The name under which the association is  
20                       registered to do business in this Commonwealth and its  
21                       jurisdiction of formation.

22                       (ii) That the association withdraws its registration  
23                       to do business in this Commonwealth.

24               (2) In the case of a foreign association that has  
25               converted to a domestic or foreign nonfiling association  
26               other than a limited liability partnership, all of the  
27               following:

28                       (i) The name under which the association is  
29                       registered to do business in this Commonwealth and its  
30                       jurisdiction of formation.

1           (ii) The type of nonfiling association to which the  
2           association has converted and its jurisdiction of  
3           formation.

4           (iii) That the association withdraws its  
5           registration to do business in this Commonwealth.

6           (3) In the case of a foreign association that has  
7           domesticated as a domestic or foreign nonfiling association  
8           other than a limited liability partnership in a jurisdiction  
9           other than this Commonwealth, all of the following:

10           (i) The name under which the association is  
11           registered to do business in this Commonwealth and its  
12           jurisdiction of formation.

13           (ii) The jurisdiction of formation of the  
14           domesticated association.

15           (iii) That the association withdraws its  
16           registration to do business in this Commonwealth.

17           (c) Cross references.--See sections 134 (relating to  
18           docketing statement) and 135 (relating to requirements to be met  
19           by filed documents).

20           § 418. Transfer of registration.

21           (a) General rule.--If a registered foreign association  
22           merges into a nonregistered foreign association or converts to a  
23           foreign association required to register with the department to  
24           do business in this Commonwealth, the association shall deliver  
25           to the department for filing an application for transfer of  
26           registration. The application shall be signed by the surviving  
27           or converted association and state all of the following:

28           (1) The name of the association before the merger or  
29           conversion.

30           (2) The type of association it was before the merger or

1 conversion.

2 (3) The name of the applicant association and, if the  
3 name does not comply with section 202 (relating to  
4 requirements for names generally), an alternate name adopted  
5 in accordance with section 414(a) (relating to noncomplying  
6 name of foreign association).

7 (4) The type of association of the applicant association  
8 and its jurisdiction of formation.

9 (5) If different than the information for the foreign  
10 association before the merger or conversion, all of the  
11 following information regarding the applicant association:

12 (i) The street and mailing addresses of the  
13 principal office of the association and, if the law of  
14 the association's jurisdiction of formation requires it  
15 to maintain an office in that jurisdiction, the street  
16 and mailing addresses of that office.

17 (ii) Subject to section 109 (relating to name of  
18 commercial registered office provider in lieu of  
19 registered address), the address of its registered office  
20 in this Commonwealth.

21 (b) Effect of application.--When an application for transfer  
22 of registration takes effect, the registration of the registered  
23 foreign association to do business in this Commonwealth is  
24 transferred without interruption to the association into which  
25 it has merged or to which it has been converted.

26 (c) Cross references.--See sections 134 (relating to  
27 docketing statement) and 135 (relating to requirements to be met  
28 by filed documents).

29 § 419. Termination of registration.

30 (a) General rule.--The department may terminate the

1 registration of a registered foreign association in the manner  
2 provided in subsections (b) and (c) if the department finds that  
3 the association:

4 (1) has not amended its registration when required by  
5 section 413 (relating to amendment of foreign registration  
6 statement); or

7 (2) has been administratively, voluntarily or  
8 involuntarily dissolved under the law of its jurisdiction of  
9 formation.

10 (b) Notice by department.--The department may terminate the  
11 registration of a registered foreign association by taking both  
12 of the following actions:

13 (1) Filing a notice of termination or noting the  
14 termination in the records of the department.

15 (2) Delivering a copy of the notice or the information  
16 in the notation to the association's registered office or, if  
17 the association does not have a registered office, to the  
18 association's principal office.

19 (c) Contents.--The notice shall state, or the information in  
20 the notation under subsection (b) shall include, both of the  
21 following:

22 (1) The effective date of the termination, which shall  
23 be no less than 60 days after the date the department  
24 delivers the copy.

25 (2) The grounds for termination under subsection (a).

26 (d) Effectiveness or cure.--The registration of a registered  
27 foreign association to do business in this Commonwealth shall  
28 cease on the effective date of the notice of termination or  
29 notation under subsection (b), unless before that date the  
30 association cures each ground for termination stated in the

1 notice or notation. If the association cures each ground, the  
2 department shall file a record stating as such.

3 Section 10. Section 1103(a) introductory paragraph and the  
4 definitions of "articles," "dissenters rights," "DISTRIBUTION," <--  
5 "foreign business corporation," "nonqualified foreign business  
6 corporation," "plan," "qualified foreign business corporation"  
7 and "registered corporation" of Title 15 are amended to read:  
8 § 1103. Definitions.

9 (a) General definitions.--Subject to additional definitions  
10 contained in subsequent provisions of this subpart that are  
11 applicable to specific provisions of this subpart, the following  
12 words and phrases when used in Part I (relating to preliminary  
13 provisions) or in this subpart shall have the meanings given to  
14 them in this section unless the context clearly indicates  
15 otherwise:

16 \* \* \*

17 "Articles." The original articles of incorporation, all  
18 amendments thereof and any other articles, statements or  
19 certificates permitted or required to be filed in the Department  
20 of State by sections 108 (relating to change in location or  
21 status of registered office provided by agent) and 138 (relating  
22 to statement of correction), Chapter 3 (relating to entity  
23 transactions) or this subpart and including what have heretofore  
24 been designated by law as certificates of incorporation or  
25 charters. If an amendment of the articles or [articles of merger  
26 or division made in the manner permitted by this subpart] a  
27 statement filed under Chapter 3 restates articles in their  
28 entirety [or if there are articles of consolidation, conversion  
29 or domestication], thenceforth the "articles" shall not include  
30 any prior documents and any certificate issued by the department

1 with respect thereto shall so state.

2 \* \* \*

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

5 \* \* \*

6 "DISTRIBUTION." A DIRECT OR INDIRECT TRANSFER OF MONEY OR <--  
7 OTHER PROPERTY (EXCEPT ITS OWN SHARES OR OPTIONS, RIGHTS OR  
8 WARRANTS TO ACQUIRE ITS OWN SHARES) OR INCURRENCE OF  
9 INDEBTEDNESS BY A CORPORATION TO OR FOR THE BENEFIT OF ANY OR  
10 ALL OF ITS SHAREHOLDERS IN RESPECT OF ANY OF ITS SHARES WHETHER  
11 BY DIVIDEND OR BY PURCHASE, REDEMPTION OR OTHER ACQUISITION OF  
12 ITS SHARES OR OTHERWISE. NEITHER THE MAKING OF, NOR PAYMENT OR  
13 PERFORMANCE UPON, A GUARANTY OR SIMILAR ARRANGEMENT BY A  
14 CORPORATION FOR THE BENEFIT OF ANY OR ALL OF ITS SHAREHOLDERS  
15 NOR A DIRECT OR INDIRECT TRANSFER OR ALLOCATION OF ASSETS OR  
16 LIABILITIES EFFECTED UNDER CHAPTER 3 (RELATING TO ENTITY  
17 TRANSACTIONS) OR 19 (RELATING TO FUNDAMENTAL CHANGES) WITH THE  
18 APPROVAL OF THE SHAREHOLDERS SHALL CONSTITUTE A DISTRIBUTION FOR  
19 THE PURPOSES OF THIS SUBPART.

20 \* \* \*

21 "Foreign business corporation." A foreign corporation for  
22 profit subject to Chapter [41] 4 (relating to foreign [business  
23 corporations] associations), whether or not required to qualify  
24 thereunder.

25 \* \* \*

26 ["Nonqualified foreign business corporation." A foreign  
27 business corporation that is not a qualified foreign business  
28 corporation as defined in this section.]

29 \* \* \*

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

1 exchange, asset transfer, division or conversion.]

2 \* \* \*

3 ["Qualified foreign business corporation." A foreign  
4 business corporation that is:

5 (1) authorized under Chapter 41 (relating to foreign  
6 business corporations) to do business in this Commonwealth;  
7 or

8 (2) a foreign insurance corporation.]

9 \* \* \*

10 ["Registered corporation." A corporation defined in section  
11 2502 (relating to registered corporation status).]

12 \* \* \*

13 Section 11. Sections 1105 and 1106 of Title 15 are amended  
14 to read:

15 § 1105. Restriction on equitable relief.

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



1 unfairness within the meaning of this section.

2 § 1106. Uniform application of subpart.

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

10 (b) Exceptions.--

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

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

21 (3) Subsection (a) shall not adversely affect the rights  
22 specifically provided for or saved in this [subpart] title.

23 See:

24 The provisions of section 341(c) (relating to interest  
25 exchange authorized).

26 The provisions of section 351(c) (relating to conversion  
27 authorized).

28 The transitional approval requirements set forth in  
29 section 363(d) (relating to approval of division).

30 The provisions of section 1524(e) (relating to

1 transitional provision).

2 The provisions of section 1554(c) (relating to  
3 transitional provision).

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

6 [The special voting requirements specified in section  
7 1931(h) (relating to special requirements).

8 The provisions of section 1952(g) and (h) (relating to  
9 proposal and adoption of plan of division).]

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

12 The provisions of section 2541(a) (2) and (3) and (c)  
13 (relating to application and effect of subchapter).

14 The provisions of section 2543(b) (1) and (2) (relating to  
15 exceptions generally).

16 The provisions of section 2551(b) (3) (i), (5) and (6)  
17 (relating to exceptions).

18 The provisions of section 2553(b) (2) (relating to  
19 exception).

20 (4) Except as otherwise expressly provided in the  
21 articles, a domestic corporation for profit that, on  
22 September 30, 1989, was not subject to the Business  
23 Corporation Law of 1933 and that thereafter becomes subject  
24 to this subpart by operation of law shall be deemed to have  
25 in effect articles that provide that the following provisions  
26 of this subpart shall not be applicable to the corporation:

27 (i) Section 1726(a) (1) (relating to removal by the  
28 shareholders) insofar as it provides a statutory right on  
29 the part of shareholders to remove directors from office  
30 without assigning any cause.

1 (ii) Section 1755(b)(2) (relating to special  
2 meetings).

3 (iii) Section 1912(a)(2) (relating to proposal of  
4 amendments).

5 Section 12. Sections 1303, 1304 and 1305 of Title 15 are  
6 repealed:

7 [§ 1303. Corporate name.

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

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

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

14 (3) words or abbreviations of like import in languages  
15 other than English.

16 (b) Duplicate use of names.--The corporate name shall be  
17 distinguishable upon the records of the department from:

18 (1) The name of any other domestic corporation for  
19 profit or not-for-profit which is either in existence or for  
20 which articles of incorporation have been filed but have not  
21 yet become effective, or of any foreign corporation for  
22 profit or not-for-profit which is either authorized to do  
23 business in this Commonwealth or for which an application for  
24 a certificate of authority has been filed but has not yet  
25 become effective, or the name of any association registered  
26 at any time under 54 Pa.C.S. Ch. 5 (relating to corporate and  
27 other association names), unless:

28 (i) the other association:

29 (A) has stated that it is about to change its  
30 name, or to cease to do business, or is being wound

1 up, or is a foreign association about to withdraw  
2 from doing business in this Commonwealth, and the  
3 statement and a written consent to the adoption of  
4 the name is filed in the Department of State;

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

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

21 (D) has had the registration of its name under  
22 54 Pa.C.S. Ch. 5 terminated.

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

1 (c) Required approvals or conditions.--

2 (1) The corporate name shall not imply that the  
3 corporation is:

4 (i) A governmental agency of the Commonwealth or of  
5 the United States.

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

12 (iii) An insurance company nor contain any of the  
13 words "annuity," "assurance," "beneficial," "bond,"  
14 "casualty," "endowment," "fidelity," "fraternal,"  
15 "guaranty," "indemnity," "insurance," "insurer,"  
16 "reassurance," "reinsurance," "surety" or "title" when  
17 used in such a way as to imply that the corporation is  
18 engaged in the business of writing insurance or  
19 reinsurance as principal or any other words of like  
20 purport unless it is duly licensed as an insurance  
21 company by its jurisdiction of incorporation or the  
22 Insurance Department certifies that it has no objection  
23 to the use by the corporation or proposed corporation of  
24 the designation. The corporate name of a domestic  
25 insurance corporation shall:

26 (A) contain the word "mutual" if, and only if,  
27 it is a mutual insurance company; and

28 (B) clearly designate the object and purpose of  
29 the corporation.

30 (iv) A public utility corporation furnishing

1 electric or gas service to the public, unless the  
2 corporation or proposed corporation has as an express  
3 corporate purpose the furnishing of service subject to  
4 the jurisdiction of the Pennsylvania Public Utility  
5 Commission or the Federal Energy Regulatory Commission.

6 (v) A credit union. See 17 Pa.C.S. § 104 (relating  
7 to prohibition on use of words "credit union," etc.).

8 (2) The corporate name shall not contain:

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

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

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

1           (iv) The words "architect" or "architecture" or any  
2 other word implying that any form of the practice of  
3 architecture as defined in the act of December 14, 1982  
4 (P.L.1227, No.281), known as the Architects Licensure  
5 Law, is provided unless at least one of the incorporators  
6 of a proposed corporation or the directors of the  
7 existing corporation has been properly registered with  
8 the Architects Licensure Board in the practice of  
9 architecture and there is submitted to the department a  
10 certificate from the board to that effect.

11           (v) 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 may  
26 enjoin the corporation from using or continuing to use a name in  
27 violation of this section upon the application of:

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

1           (2) any person adversely affected.

2           (f) Cross references.--See sections 135(e) (relating to  
3 distinguishable names) and 1106(b)(2) (relating to uniform  
4 application of subpart).

5 § 1304. Required name changes by senior corporations.

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

23           (b) Enforcement of undertaking to release name.--If a  
24 corporation has used a name that is not distinguishable upon the  
25 records of the Department of State from the name of another  
26 corporation or other association as permitted by section 1303(b)  
27 (1) (relating to duplicate use of names) and the other  
28 corporation or other association continues to use its name in  
29 this Commonwealth and does not change its name, cease to do  
30 business, be wound up or withdraw as it proposed to do in its



1 consent or change its name as required by subsection (a), any  
2 court having jurisdiction may enjoin the other corporation or  
3 other association from continuing to use its name or a name that  
4 is not distinguishable therefrom upon the application of:

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

8 (2) any person adversely affected.

9 § 1305. Reservation of corporate name.

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

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

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

25 Section 13. Sections 1306(b), 1341(b)(3) and (d), 1571(a),  
26 (b), (c) and (h) ~~and~~, 1575(a) introductory paragraph and (b) AND <--  
27 1704(B)(1) of Title 15 are amended to read:

28 § 1306. Articles of incorporation.

29 \* \* \*

30 (b) Other provisions authorized.--A provision of the

1 original articles or a provision of the articles approved by the  
2 shareholders, in either case adopted under subsection (a) (8)  
3 (ii), may relax or be inconsistent with and supersede any  
4 provision of Chapter 3 (relating to entity transactions), 13  
5 (relating to incorporation), 15 (relating to corporate powers,  
6 duties and safeguards), 17 (relating to officers, directors and  
7 shareholders) or 19 (relating to fundamental changes) concerning  
8 the subjects specified in subsection (a) (8) (ii), except where a  
9 provision of those chapters expressly provides that the articles  
10 shall not relax or be inconsistent with any provision on a  
11 specified subject. Notwithstanding the foregoing, the articles  
12 may provide greater rights for shareholders than are authorized  
13 by any provision of those chapters that otherwise provides that  
14 the articles shall not relax or be inconsistent with any  
15 provision on a specified subject.

16 \* \* \*

17 § 1341. Statement of revival.

18 \* \* \*

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

24 \* \* \*

25 (3) The name that the corporation adopts as its new name  
26 if the adoption of a new name is required by section [1304]  
27 207 (relating to required name changes by senior  
28 [corporations] associations).

29 \* \* \*

30 (d) Cross [reference.--See section 134 (relating to

1 docketing statement).] references.--See sections 134 (relating  
2 to docketing statement) and 135 (relating to requirements to be  
3 met by filed documents).

4 § 1571. Application and effect of subchapter.

5 (a) General rule.--Except as otherwise provided in  
6 subsection (b), any shareholder (as defined in section 1572  
7 (relating to definitions)) of a business corporation shall have  
8 the [right to dissent from, and to obtain payment of the fair  
9 value of his shares in the event of, any corporate action, or to  
10 otherwise obtain fair value for his shares,] rights and remedies  
11 provided in this subchapter in connection with a transaction  
12 under this title only where this [part] title expressly provides  
13 that a shareholder shall have the rights and remedies provided  
14 in this subchapter. See:

15 Section 329(c) (relating to special treatment of interest  
16 holders).

17 Section 333 (relating to approval of merger).

18 Section 343 (relating to approval of interest exchange).

19 Section 353 (relating to approval of conversion).

20 Section 363 (relating to approval of division).

21 Section 1906(c) (relating to dissenters rights upon special  
22 treatment).

23 [Section 1930 (relating to dissenters rights).

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

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

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

29 Section 1962(c) (relating to dissenters rights in  
30 conversion).]

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

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

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

5 Section 2704(c) (relating to dissenters rights upon  
6 election).

7 Section 2705(d) (relating to dissenters rights upon renewal  
8 of election).

9 Section 2904(b) (relating to procedure).

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

12 Section 7104(b) (3) (relating to procedure).

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 shall  
16 not have the right to dissent and obtain payment of the fair  
17 value of the shares under this subchapter if, on the record  
18 date fixed to determine the shareholders entitled to notice  
19 of and to vote at the meeting at which a plan specified in  
20 any of section [1930, 1931(d),] 333, 343, 353, 363 or 1932(c)  
21 [or 1952(d)] is to be voted on or on the date of the first  
22 public announcement that such a plan has been approved by the  
23 shareholders by consent without a meeting, the shares are  
24 either:

25 (i) listed on a national securities exchange [or  
26 designated as a national market system security on an  
27 interdealer quotation system by the National Association  
28 of Securities Dealers, Inc.] registered under section 6  
29 of the Exchange Act; or

30 (ii) held beneficially or of record by more than

1           2,000 persons.

2           (2) Paragraph (1) shall not apply to and dissenters  
3 rights shall be available without regard to the exception  
4 provided in that paragraph in the case of:

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

12                   (iii) Shares entitled to dissenters rights under  
13 section 329(d) or 1906(c) (relating to dissenters rights  
14 upon special treatment).

15           (3) The shareholders of a corporation that acquires by  
16 purchase, lease, exchange or other disposition all or  
17 substantially all of the shares, property or assets of  
18 another corporation by the issuance of shares, obligations or  
19 otherwise, with or without assuming the liabilities of the  
20 other corporation and with or without the intervention of  
21 another corporation or other person, shall not be entitled to  
22 the rights and remedies of dissenting shareholders provided  
23 in this subchapter regardless of the fact, if it be the case,  
24 that the acquisition was accomplished by the issuance of  
25 voting shares of the corporation to be outstanding  
26 immediately after the acquisition sufficient to elect a  
27 majority or more of the directors of the corporation.

28           (c) Grant of optional dissenters rights.--The bylaws or a  
29 resolution of the board of directors may direct that all or a  
30 part of the shareholders shall have dissenters rights in

1 connection with any corporate action or other transaction that  
2 would otherwise not entitle such shareholders to dissenters  
3 rights. See section 317 (relating to contractual dissenters  
4 rights in entity transactions).

5 \* \* \*

6 (h) Cross references.--[See sections 1105 (relating to  
7 restriction on equitable relief), 1904 (relating to de facto  
8 transaction doctrine abolished), 1763(c) (relating to  
9 determination of shareholders of record) and 2512 (relating to  
10 dissenters rights procedure).] See:

11 Section 315 (relating to nature of transactions).

12 Section 1105 (relating to restriction on equitable  
13 relief).

14 Section 1763(c) (relating to determination of  
15 shareholders of record).

16 Section 2512 (relating to dissenters rights procedure).

17 § 1575. Notice to demand payment.

18 (a) General rule.--If the proposed corporate action is  
19 approved by the required vote at a meeting of shareholders of a  
20 business corporation, the corporation shall [mail] deliver a  
21 further notice to all dissenters who gave due notice of  
22 intention to demand payment of the fair value of their shares  
23 and who refrained from voting in favor of the proposed action.  
24 If the proposed corporate action is approved by the shareholders  
25 by less than unanimous consent without a meeting or is taken  
26 without the need for approval by the shareholders, the  
27 corporation shall [send] deliver to all shareholders who are  
28 entitled to dissent and demand payment of the fair value of  
29 their shares a notice of the adoption of the plan or other  
30 corporate action. In either case, the notice shall:

1 \* \* \*

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] delivery of  
5 the notice.

6 § 1704. PLACE AND NOTICE OF MEETINGS OF SHAREHOLDERS. <--

7 \* \* \*

8 (B) NOTICE.--NOTICE IN RECORD FORM OF EVERY MEETING OF THE  
9 SHAREHOLDERS SHALL BE GIVEN BY, OR AT THE DIRECTION OF, THE  
10 SECRETARY OR OTHER AUTHORIZED PERSON TO EACH SHAREHOLDER OF  
11 RECORD ENTITLED TO VOTE AT THE MEETING AT LEAST:

12 (1) TEN DAYS PRIOR TO THE DAY NAMED FOR A MEETING THAT  
13 WILL CONSIDER A TRANSACTION UNDER CHAPTER 3 (RELATING TO  
14 ENTITY TRANSACTIONS) OR A FUNDAMENTAL CHANGE UNDER CHAPTER 19  
15 (RELATING TO FUNDAMENTAL CHANGES); OR

16 \* \* \*

17 Section 14. Section 1757(a) and (b) of Title 15 are amended  
18 and the section is amended by adding a subsection to read:

19 § 1757. Action by shareholders.

20 (a) General rule.--Except as otherwise provided in this  
21 [subpart] title or in a bylaw adopted by the shareholders,  
22 whenever any corporate action is to be taken by vote of the  
23 shareholders of a business corporation, it shall be authorized  
24 upon receiving the affirmative vote of a majority of the votes  
25 cast by all shareholders entitled to vote thereon and, if any  
26 shareholders are entitled to vote thereon as a class, upon  
27 receiving the affirmative vote of a majority of the votes cast  
28 by the shareholders entitled to vote as a class.

29 (b) Changes in required vote.--Whenever a provision of this  
30 [subpart] title requires a specified number or percentage of

1 votes of shareholders or of a class of shareholders for the  
2 taking of any action, a business corporation may prescribe in a  
3 bylaw adopted by the shareholders that a higher number or  
4 percentage of votes shall be required for the action. See  
5 sections 1504(d) (relating to amendment of voting provisions)  
6 and 1914(e) (relating to amendment of voting provisions).

7 \* \* \*

8 (d) Cross reference.--See section 321 (relating to approval  
9 by business corporation).

10 Section 15. Section 1766(c) of Title 15 is amended to read:  
11 § 1766. Consent of shareholders in lieu of meeting.

12 \* \* \*

13 (c) Effectiveness of action by partial consent.--An action  
14 taken pursuant to subsection (b) to approve a transaction under  
15 Chapter 3 (relating to entity transactions) shall not become  
16 effective until after at least ten days' notice of the action  
17 has been given to each shareholder entitled to vote thereon who  
18 has not consented thereto. Any other action may become effective  
19 immediately, but prompt notice that the action has been taken  
20 shall be given to each shareholder entitled to vote thereon that  
21 has not consented. This subsection may not be relaxed by any  
22 provision of the articles.

23 \* \* \*

24 Section 16. Sections 1901, ~~1902~~ 1902(A) and 1904 of Title 15 <--  
25 are ~~repealed~~ AMENDED TO READ: <--

26 [§ 1901. Omission of certain provisions from filed plans.

27 (a) General rule.--A plan as filed in the Department of  
28 State under any provision of this chapter may omit all  
29 provisions of the plan except provisions, if any:

30 (1) that are intended to amend or constitute the



1 operative provisions of the articles of a corporation as in  
2 effect subsequent to the effective date of the plan; or

3 (2) that allocate or specify the respective assets and  
4 liabilities of the resulting corporations, in the case of a  
5 plan of division.

6 (b) Availability of full plan.--If any of the provisions of  
7 a plan are omitted from the plan as filed in the department, the  
8 articles of amendment, merger, consolidation, exchange, division  
9 or conversion shall state that the full text of the plan is on  
10 file at the principal place of business of the reclassifying,  
11 surviving or new or a resulting corporation and shall state the  
12 address thereof. A corporation that takes advantage of this  
13 section shall furnish a copy of the full text of the plan, on  
14 request and without cost, to any shareholder of any corporation  
15 that was a party to the plan and, unless all parties to the plan  
16 were closely held corporations, on request and at cost to any  
17 other person.] <--

18 § 1902. Statement of termination.

19 ~~(a) General rule.--If a statement with respect to shares, <--~~  
20 ~~articles of amendment or articles of merger, consolidation,~~  
21 ~~exchange, division or conversion of a business corporation or to~~  
22 ~~which it is a party have been filed in the Department of State~~  
23 ~~prior to the termination of the amendment or plan pursuant to~~  
24 ~~provisions therefor set forth in the resolution or petition~~  
25 ~~relating to the amendment or in the plan, the termination shall~~  
26 ~~not be effective unless the corporation shall, prior to the time~~  
27 ~~the amendment or plan is to become effective, file in the~~  
28 ~~department a statement of termination. The statement of~~  
29 ~~termination shall be executed by the corporation that filed the~~  
30 ~~amendment or by each corporation that is a party to the plan,~~

1 ~~unless the plan permits termination by less than all of the~~  
2 ~~corporations, in which case the statement shall be executed on~~  
3 ~~behalf of the corporation or corporations exercising the right~~  
4 ~~to terminate, and shall set forth:~~

5 ~~(1) A copy of the statement with respect to shares,~~  
6 ~~articles of amendment or articles of merger, consolidation,~~  
7 ~~exchange, division or conversion relating to the amendment or~~  
8 ~~plan that is terminated.~~

9 ~~(2) A statement that the amendment or plan has been~~  
10 ~~terminated in accordance with the provisions therefor set~~  
11 ~~forth therein.~~

12 ~~(b) Cross references. See sections 134 (relating to~~  
13 ~~docketing statement) and 138 (relating to statement of~~  
14 ~~correction).~~

15 (A) GENERAL RULE.--IF [A STATEMENT WITH RESPECT TO SHARES,]  
16 ARTICLES OF AMENDMENT [OR ARTICLES OF MERGER, CONSOLIDATION,  
17 EXCHANGE, DIVISION OR CONVERSION OF A BUSINESS CORPORATION OR TO  
18 WHICH IT IS A PARTY] HAVE BEEN FILED IN THE [DEPARTMENT OF  
19 STATE] DEPARTMENT PRIOR TO THE TERMINATION OF THE AMENDMENT [OR  
20 PLAN] PURSUANT TO PROVISIONS THEREFOR SET FORTH IN THE  
21 RESOLUTION OR PETITION RELATING TO THE AMENDMENT [OR IN THE  
22 PLAN], THE TERMINATION SHALL NOT BE EFFECTIVE UNLESS THE  
23 CORPORATION SHALL, PRIOR TO THE TIME THE AMENDMENT [OR PLAN] IS  
24 TO BECOME EFFECTIVE, FILE IN THE DEPARTMENT A STATEMENT OF  
25 TERMINATION. THE STATEMENT OF TERMINATION SHALL BE [EXECUTED]  
26 SIGNED BY THE CORPORATION THAT FILED THE AMENDMENT [OR BY EACH  
27 CORPORATION THAT IS A PARTY TO THE PLAN, UNLESS THE PLAN PERMITS  
28 TERMINATION BY LESS THAN ALL OF THE CORPORATIONS, IN WHICH CASE  
29 THE STATEMENT SHALL BE EXECUTED ON BEHALF OF THE CORPORATION OR  
30 CORPORATIONS EXERCISING THE RIGHT TO TERMINATE,] AND SHALL SET

1 FORTH:

2 (1) A COPY OF THE [STATEMENT WITH RESPECT TO SHARES,]  
3 ARTICLES OF AMENDMENT [OR ARTICLES OF MERGER, CONSOLIDATION,  
4 EXCHANGE, DIVISION OR CONVERSION RELATING TO THE AMENDMENT OR  
5 PLAN THAT IS TERMINATED].

6 (2) A STATEMENT THAT THE AMENDMENT [OR PLAN] HAS BEEN  
7 TERMINATED IN ACCORDANCE WITH THE PROVISIONS THEREFOR SET  
8 FORTH THEREIN.

9 \* \* \*

10 § 1904. De facto transaction doctrine abolished.

11 The doctrine of de facto mergers, consolidations and other  
12 fundamental transactions is abolished and the rules laid down by  
13 Bloch v. Baldwin Locomotive Works, 75 Pa. D. & C. 24 (C.P. Del.  
14 Cty. 1950), and Marks v. The Autocar Co., 153 F.Supp. 768 (E.D.  
15 Pa. 1954), and similar cases are overruled. A transaction that  
16 in form satisfies the requirements of this [subpart] TITLE may <--  
17 be challenged by reason of its substance only to the extent  
18 permitted by section 1105 (relating to restriction on equitable  
19 relief). † <--

20 Section 17. Section 1905 of Title 15 is amended to read:

21 § 1905. Proposal of fundamental transactions.

22 Where any provision of this chapter requires that an  
23 amendment of the articles[, a plan] or the dissolution of a  
24 business corporation be proposed or approved by action of the  
25 board of directors, that requirement shall be construed to  
26 authorize and be satisfied by the written agreement or consent  
27 of all of the shareholders of the corporation entitled to vote  
28 thereon.

29 Section 18. Section 1906(a), (d)(1) and (e) of Title 15 are  
30 amended and the section is amended by adding a subsection to

1 read:

2 § 1906. Special treatment of holders of shares of same class or  
3 series.

4 (a) General rule.--Except as otherwise restricted in the  
5 articles, a plan may contain a provision classifying the holders  
6 of shares of a class or series into one or more separate groups  
7 by reference to any facts or circumstances that are not  
8 manifestly unreasonable and providing mandatory treatment for  
9 shares of the class or series held by particular shareholders or  
10 groups of shareholders that differs materially from the  
11 treatment accorded other shareholders or groups of shareholders  
12 holding shares of the same class or series (including a  
13 provision modifying or rescinding rights previously created  
14 under this section) if:

15 (1) (i) [such provision is specifically authorized by a  
16 majority of the votes cast by all shareholders entitled  
17 to vote on the plan, as well as] the plan is approved by  
18 a majority of the votes cast by any class or series of  
19 shares any of the shares of which are so classified into  
20 groups, whether or not such class or series would  
21 otherwise be entitled to vote on the plan; and

22 (ii) the provision voted on specifically enumerates  
23 the type and extent of the special treatment authorized;  
24 or

25 (2) under all the facts and circumstances, a court of  
26 competent jurisdiction finds such special treatment is  
27 undertaken in good faith, after reasonable deliberation and  
28 is in the best interest of the corporation.

29 \* \* \*

30 (c.2) Notice to shareholders.--A notice to shareholders of a

1 meeting called to act on a plan that provides for special  
2 treatment must state that the plan provides for special  
3 treatment. The notice must identify the shareholders receiving  
4 special treatment unless the notice is accompanied by either a  
5 summary of the plan that includes that information or the full  
6 text of the plan.

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

8 (1) [The creation or issuance of securities, contracts,  
9 warrants or other instruments evidencing any shares, option  
10 rights, securities having conversion or option rights or  
11 obligations authorized by section 2513 (relating to disparate  
12 treatment of certain persons).] (Reserved).

13 \* \* \*

14 (e) Definition.--As used in this section, the term "plan"  
15 [includes] means:

16 (1) an amendment of the articles that effects a  
17 reclassification of shares, whether or not the amendment is  
18 accompanied by a separate plan of reclassification; [and]

19 (1.1) a plan of asset transfer adopted under section  
20 1932(b) (relating to voluntary transfer of corporate assets);  
21 or

22 (2) a resolution recommending that the corporation  
23 dissolve voluntarily adopted under section 1972(a) (relating  
24 to proposal of voluntary dissolution).

25 Section 19. Section 1908 of Title 15 is amended to read:

26 § 1908. Submission of matters to shareholders.

27 A business corporation may agree, in record form, to submit  
28 an amendment [or plan] or other matter to its shareholders  
29 whether or not the board of directors determines, at any time  
30 after approving the matter, that the matter is no longer

1 advisable and recommends that the shareholders reject or vote  
2 against it, regardless of whether the board of directors changes  
3 its recommendation. If a corporation so agrees to submit a  
4 matter to its shareholders, the matter is deemed to have been  
5 validly adopted by the corporation when it has been approved by  
6 the shareholders.

7 Section 20. Subchapter C heading of Chapter 19 of Title 15  
8 is amended to read:

9 SUBCHAPTER C

10 MERGER [,CONSOLIDATION, SHARE EXCHANGES] LIABILITIES AND  
11 SALE OF ASSETS

12 Section 21. Sections 1921, 1922, 1923, 1924, 1925, 1926,  
13 1927, 1928, 1929, 1930 and 1931 of Title 15 are repealed:  
14 [§ 1921. Merger and consolidation authorized.

15 (a) Domestic surviving or new corporation.--Any two or more  
16 domestic business corporations, or any two or more foreign  
17 business corporations, or any one or more domestic business  
18 corporations and any one or more foreign business corporations,  
19 may, in the manner provided in this subchapter, be merged into  
20 one of the domestic business corporations, designated in this  
21 subchapter as the surviving corporation, or consolidated into a  
22 new corporation to be formed under this subpart, if the foreign  
23 business corporations are authorized by the laws of the  
24 jurisdiction under which they are incorporated to effect a  
25 merger or consolidation with a corporation of another  
26 jurisdiction.

27 (b) Foreign surviving or new corporation.--Any one or more  
28 domestic business corporations, and any one or more foreign  
29 business corporations, may, in the manner provided in this  
30 subchapter, be merged into one of the foreign business

1 corporations, designated in this subchapter as the surviving  
2 corporation, or consolidated into a new corporation to be  
3 incorporated under the laws of the jurisdiction under which one  
4 of the foreign business corporations is incorporated, if the  
5 laws of that jurisdiction authorize a merger with or  
6 consolidation into a corporation of another jurisdiction.

7 (c) Business trusts, partnerships and other associations.--  
8 The provisions of this subchapter applicable to domestic and  
9 foreign business corporations shall also be applicable to a  
10 merger, consolidation or share exchange to which a domestic  
11 business corporation is a party or in which such a corporation  
12 is the resulting entity with, into or involving a domestic or  
13 foreign partnership, business trust or other association. The  
14 surviving, resulting or exchanging entity in such a merger,  
15 consolidation or share exchange may be a corporation,  
16 partnership, business trust or other association. Subject to the  
17 provisions of Subchapter F of Chapter 85 (relating to merger and  
18 consolidation), the powers and duties vested in and imposed upon  
19 the board of directors and shareholders in this subchapter shall  
20 be exercised and performed by the group of persons under the  
21 direction of whom the business and affairs of the partnership,  
22 business trust or other association are managed and the holders  
23 or owners of beneficial or other interests in the partnership,  
24 business trust or other association, respectively, irrespective  
25 of the names by which the managing group and the holders or  
26 owners of beneficial or other interests are designated. The  
27 units into which the beneficial or other interests in the  
28 partnership, business trust or other association are divided  
29 shall be deemed to be shares for the purposes of applying the  
30 provisions of this subchapter to a merger, consolidation or

1 share exchange involving the partnership, business trust or  
2 other association. Dissenters rights shall be available to a  
3 holder of beneficial or other interests only to the extent, if  
4 any, provided by the law under which the partnership, business  
5 trust or other association is organized.

6 § 1922. Plan of merger or consolidation.

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

9 (1) The terms and conditions of the merger or  
10 consolidation.

11 (2) If the surviving or new corporation is or is to be a  
12 domestic business corporation:

13 (i) any changes desired to be made in the articles,  
14 which may include a restatement of the articles in the  
15 case of a merger; or

16 (ii) in the case of a consolidation, all of the  
17 statements required by this subpart to be set forth in  
18 restated articles.

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



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

6 (4) Any provisions desired providing special treatment  
7 of shares held by any shareholder or group of shareholders as  
8 authorized by, and subject to the provisions of, section 1906  
9 (relating to special treatment of holders of shares of same  
10 class or series).

11 (5) Such other provisions as are deemed desirable.

12 (b) Post-adoption amendment.--A plan of merger or  
13 consolidation may contain a provision that the boards of  
14 directors of the constituent corporations may amend the plan at  
15 any time prior to its effective date, except that an amendment  
16 made subsequent to the adoption of the plan by the shareholders  
17 of any constituent domestic business corporation shall not  
18 change:

19 (1) The amount or kind of shares, obligations, cash,  
20 property or rights to be received in exchange for or on  
21 conversion of all or any of the shares of the constituent  
22 domestic business corporation adversely to the holders of  
23 those shares.

24 (2) Any provision of the articles of the surviving or  
25 new corporation as it is to be in effect immediately  
26 following consummation of the merger or consolidation except  
27 provisions that may be amended without the approval of the  
28 shareholders under section 1914(c)(2) (relating to adoption  
29 of amendments).

30 (3) Any of the other terms and conditions of the plan if

1 the change would adversely affect the holders of any shares  
2 of the constituent domestic business corporation.

3 (c) Proposal.--Except where the approval of the board of  
4 directors is unnecessary under this subchapter, every merger or  
5 consolidation shall be proposed in the case of each domestic  
6 business corporation by the adoption by the board of directors  
7 of a resolution approving the plan of merger or consolidation.  
8 Except where the approval of the shareholders is unnecessary  
9 under this subchapter, the board of directors shall direct that  
10 the plan be submitted to a vote of the shareholders entitled to  
11 vote thereon at a regular or special meeting of the  
12 shareholders.

13 (d) Party to plan or transaction.--A corporation,  
14 partnership, business trust or other association that approves a  
15 plan in its capacity as a shareholder or creditor of a merging  
16 or consolidating corporation, or that furnishes all or a part of  
17 the consideration contemplated by a plan, does not thereby  
18 become a party to the plan or the merger or consolidation for  
19 the purposes of this subchapter.

20 (e) Reference to outside facts.--Any of the terms of a plan  
21 of merger or consolidation may be made dependent upon facts  
22 ascertainable outside of the plan if the manner in which the  
23 facts will operate upon the terms of the plan is set forth in  
24 the plan. Such facts may include, without limitation, actions or  
25 events within the control of or determinations made by a party  
26 to the plan or a representative of a party to the plan.

27 § 1923. Notice of meeting of shareholders.

28 (a) General rule.--Notice in record form of the meeting of  
29 shareholders that will act on the proposed plan must be given to  
30 each shareholder of record, whether or not entitled to vote

1 thereon, of each domestic business corporation that is a party  
2 to the merger or consolidation. The notice must include or be  
3 accompanied by the proposed plan or a summary thereof. If  
4 Subchapter D of Chapter 15 (relating to dissenters rights) is  
5 applicable to the holders of shares of any class or series, the  
6 text of that subchapter and of section 1930 (relating to  
7 dissenters rights) must be furnished to the holders of shares of  
8 that class or series. If the surviving or new corporation will  
9 be a nonregistered corporation, the notice must state that a  
10 copy of its bylaws as they will be in effect immediately  
11 following the merger or consolidation will be furnished to any  
12 shareholder on request and without cost.

13 (b) Cross references.--See Subchapter A of Chapter 17  
14 (relating to notice and meetings generally) and sections 2512  
15 (relating to dissenters rights procedure) and 2528 (relating to  
16 notice of shareholder meetings).

17 § 1924. Adoption of plan.

18 (a) General rule.--The plan of merger or consolidation shall  
19 be adopted upon receiving the affirmative vote of a majority of  
20 the votes cast by all shareholders entitled to vote thereon of  
21 each of the domestic business corporations that is a party to  
22 the merger or consolidation and, if any class or series of  
23 shares is entitled to vote thereon as a class, the affirmative  
24 vote of a majority of the votes cast in each class vote. The  
25 holders of any class or series of shares of a domestic  
26 corporation that is a party to a merger or consolidation that  
27 effects any change in the articles of the corporation shall be  
28 entitled to vote as a class on the plan if they would have been  
29 entitled to a class vote under the provisions of section 1914  
30 (relating to adoption of amendments) had the change been

1 accomplished under Subchapter B (relating to amendment of  
2 articles). A proposed plan of merger or consolidation shall not  
3 be deemed to have been adopted by the corporation unless it has  
4 also been approved by the board of directors, regardless of the  
5 fact that the board has directed or suffered the submission of  
6 the plan to the shareholders for action.

7 (b) Adoption by board of directors.--

8 (1) Unless otherwise required by its bylaws, a plan of  
9 merger or consolidation shall not require the approval of the  
10 shareholders of a constituent domestic business corporation  
11 if:

12 (i) whether or not the constituent corporation is  
13 the surviving corporation:

14 (A) the surviving or new corporation is a  
15 domestic business corporation and the articles of the  
16 surviving or new corporation are identical to the  
17 articles of the constituent corporation, except  
18 changes that under section 1914(c) (relating to  
19 adoption by board of directors) may be made without  
20 shareholder action;

21 (B) each share of the constituent corporation  
22 outstanding immediately prior to the effective date  
23 of the merger or consolidation is to continue as or  
24 to be converted into, except as may be otherwise  
25 agreed by the holder thereof, an identical share of  
26 the surviving or new corporation after the effective  
27 date of the merger or consolidation; and

28 (C) the plan provides that the shareholders of  
29 the constituent corporation are to hold in the  
30 aggregate shares of the surviving or new corporation

1 to be outstanding immediately after the effectiveness  
2 of the plan entitled to cast at least a majority of  
3 the votes entitled to be cast generally for the  
4 election of directors;

5 (ii) immediately prior to the adoption of the plan  
6 and at all times thereafter prior to its effective date,  
7 another corporation that is a party to the plan owns  
8 directly or indirectly 80% or more of the outstanding  
9 shares of each class of the constituent corporation; or

10 (iii) no shares of the constituent corporation have  
11 been issued prior to the adoption of the plan of merger  
12 or consolidation by the board of directors pursuant to  
13 section 1922 (relating to plan of merger or  
14 consolidation).

15 (2) If a merger or consolidation is effected pursuant to  
16 paragraph (1)(i) or (iii), the plan of merger or  
17 consolidation shall be deemed adopted by the constituent  
18 corporation when it has been adopted by the board of  
19 directors pursuant to section 1922.

20 (3) If a merger or consolidation of a subsidiary  
21 corporation with a parent corporation is effected pursuant to  
22 paragraph (1)(ii), the plan of merger or consolidation shall  
23 be deemed adopted by the subsidiary corporation when it has  
24 been adopted by the board of the parent corporation and  
25 neither approval of the plan by the board of directors of the  
26 subsidiary corporation nor execution of articles of merger or  
27 consolidation by the subsidiary corporation shall be  
28 necessary.

29 (4) (i) Unless otherwise required by its bylaws, a plan  
30 of merger or consolidation providing for the merger or

1 consolidation of a domestic business corporation  
2 (referred to in this paragraph as the "constituent  
3 corporation") with or into a single indirect wholly owned  
4 subsidiary (referred to in this paragraph as the  
5 "subsidiary corporation") of the constituent corporation  
6 shall not require the approval of the shareholders of  
7 either the constituent corporation or the subsidiary  
8 corporation if all of the provisions of this paragraph  
9 are satisfied.

10 (ii) A merger or consolidation under this paragraph  
11 shall satisfy the following conditions:

12 (A) The constituent corporation and the  
13 subsidiary corporation are the only parties to the  
14 merger or consolidation, other than the resulting  
15 corporation, if any, in a consolidation (the  
16 corporation that survives or results from the merger  
17 or consolidation is referred to in this paragraph as  
18 the "resulting subsidiary").

19 (B) Each share or fraction of a share of the  
20 capital stock of the constituent corporation  
21 outstanding immediately prior to the effective time  
22 of the merger or consolidation is converted in the  
23 merger or consolidation into a share or equal  
24 fraction of a share of capital stock of a holding  
25 company having the same designations, rights, powers  
26 and preferences and the qualifications, limitations  
27 and restrictions as the share of stock of the  
28 constituent corporation being converted in the merger  
29 or consolidation.

30 (C) The holding company and the resulting

1 subsidiary are each domestic business corporations.

2 (D) Immediately following the effective time of  
3 the merger or consolidation, the articles of  
4 incorporation and bylaws of the holding company are  
5 identical to the articles of incorporation and bylaws  
6 of the constituent corporation immediately before the  
7 effective time of the merger or consolidation except  
8 for changes that could be made without shareholder  
9 approval under section 1914(c) (relating to adoption  
10 by board of directors).

11 (E) Immediately following the effective time of  
12 the merger or consolidation, the resulting subsidiary  
13 is a direct or indirect wholly owned subsidiary of  
14 the holding company.

15 (F) The directors of the constituent corporation  
16 become or remain the directors of the holding company  
17 upon the effective time of the merger or  
18 consolidation.

19 (G) The board of directors of the constituent  
20 corporation has made a good faith determination that  
21 the shareholders of the constituent corporation will  
22 not recognize gain or loss for United States Federal  
23 Income Tax purposes.

24 (iii) As used in this paragraph only, the term  
25 "holding company" means a corporation that, from its  
26 incorporation until consummation of the merger or  
27 consolidation governed by this paragraph, was at all  
28 times a direct wholly owned subsidiary of the constituent  
29 corporation and whose capital stock is issued in the  
30 merger or consolidation.

1 (iv) If the holding company is a registered  
2 corporation, the shares of the holding company issued in  
3 connection with the merger or consolidation shall be  
4 deemed to have been acquired at the time that the shares  
5 of the constituent corporation converted in the merger or  
6 consolidation were acquired.

7 (5) A plan of merger or consolidation adopted by the  
8 board of directors under this subsection without the approval  
9 of the shareholders shall not, by itself, create or impair  
10 any rights or obligations on the part of any person under  
11 section 2538 (relating to approval of transactions with  
12 interested shareholders) or under Subchapters E (relating to  
13 control transactions), F (relating to business combinations),  
14 G (relating to control-share acquisitions), H (relating to  
15 disgorgement by certain controlling shareholders following  
16 attempts to acquire control), I (relating to severance  
17 compensation for employees terminated following certain  
18 control-share acquisitions) and J (relating to business  
19 combination transactions - labor contracts) of Chapter 25,  
20 nor shall it change the standard of care applicable to the  
21 directors under Subchapter B of Chapter 17 (relating to  
22 fiduciary duty).

23 (c) Termination of plan.--Prior to the time when a merger or  
24 consolidation becomes effective, the merger or consolidation may  
25 be terminated pursuant to provisions therefor, if any, set forth  
26 in the plan. If articles of merger or consolidation have been  
27 filed in the Department of State prior to the termination, a  
28 statement under section 1902 (relating to statement of  
29 termination) shall be filed in the department.

30 (d) Cross reference.--See section 2539 (relating to adoption



1 of plan of merger by board of directors).

2 § 1925. Authorization by foreign corporations.

3 The plan of merger or consolidation shall be authorized,  
4 adopted or approved by each foreign business corporation that  
5 desires to merge or consolidate in accordance with the laws of  
6 the jurisdiction in which it is incorporated.

7 § 1926. Articles of merger or consolidation.

8 Upon the adoption of the plan of merger or consolidation by  
9 the corporations desiring to merge or consolidate, as provided  
10 in this subchapter, articles of merger or articles of  
11 consolidation, as the case may be, shall, except as provided by  
12 section 1924(b)(3) (relating to adoption by board of directors),  
13 be executed by each corporation and shall, subject to section  
14 109 (relating to name of commercial registered office provider  
15 in lieu of registered address), set forth:

16 (1) The name and the location of the registered office,  
17 including street and number, if any, of the domestic  
18 surviving or new corporation or, in the case of a foreign  
19 surviving or new corporation, the name of the corporation and  
20 its jurisdiction of incorporation, together with either:

21 (i) If a qualified foreign business corporation, the  
22 address, including street and number, if any, of its  
23 registered office in this Commonwealth.

24 (ii) If a nonqualified foreign business corporation,  
25 the address, including street and number, if any, of its  
26 principal office under the laws of the jurisdiction in  
27 which it is incorporated.

28 (2) The name and address, including street and number,  
29 if any, of the registered office of each other domestic  
30 business corporation and qualified foreign business

1 corporation that is a party to the merger or consolidation.

2 (3) If the plan is to be effective on a specified date,  
3 the hour, if any, and the month, day and year of the  
4 effective date.

5 (4) The manner in which the plan was adopted by each  
6 domestic corporation and, if one or more foreign corporations  
7 are parties to the merger or consolidation, the fact that the  
8 plan was authorized, adopted or approved, as the case may be,  
9 by each of the foreign corporations in accordance with the  
10 laws of the jurisdiction in which it is incorporated.

11 (5) Except as provided in section 1901 (relating to  
12 omission of certain provisions from filed plans), the plan of  
13 merger or consolidation.

14 § 1927. Filing of articles of merger or consolidation.

15 (a) General rule.--The articles of merger or articles of  
16 consolidation, as the case may be, and the certificates or  
17 statement, if any, required by section 139 (relating to tax  
18 clearance of certain fundamental transactions) shall be filed in  
19 the Department of State.

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

22 § 1928. Effective date of merger or consolidation.

23 Upon the filing of the articles of merger or the articles of  
24 consolidation in the Department of State or upon the effective  
25 date specified in the plan of merger or consolidation, whichever  
26 is later, the merger or consolidation shall be effective. The  
27 merger or consolidation of one or more domestic business  
28 corporations into a foreign business corporation shall be  
29 effective according to the provisions of law of the jurisdiction  
30 in which the foreign corporation is incorporated, but not until

1 articles of merger or articles of consolidation have been  
2 adopted and filed, as provided in this subchapter.

3 § 1929. Effect of merger or consolidation.

4 (a) Single surviving or new corporation.--Upon the merger or  
5 consolidation becoming effective, the several corporations  
6 parties to the merger or consolidation shall be a single  
7 corporation which, in the case of a merger, shall be the  
8 corporation designated in the plan of merger as the surviving  
9 corporation and, in the case of a consolidation, shall be the  
10 new corporation provided for in the plan of consolidation. The  
11 separate existence of all corporations parties to the merger or  
12 consolidation shall cease, except that of the surviving  
13 corporation, in the case of a merger. The surviving or new  
14 corporation, as the case may be, if it is a domestic business  
15 corporation, shall not thereby acquire authority to engage in  
16 any business or exercise any right that a corporation may not be  
17 incorporated under this subpart to engage in or exercise.

18 (b) Property rights.--All the property, real, personal and  
19 mixed, and franchises of each of the corporations parties to the  
20 merger or consolidation, and all debts due on whatever account  
21 to any of them, including subscriptions for shares and other  
22 choses in action belonging to any of them, shall be deemed to be  
23 vested in and shall belong to the surviving or new corporation,  
24 as the case may be, without further action, and the title to any  
25 real estate, or any interest therein, vested in any of the  
26 corporations shall not revert or be in any way impaired by  
27 reason of the merger or consolidation. The surviving or new  
28 corporation shall thenceforth be responsible for all the  
29 liabilities of each of the corporations so merged or  
30 consolidated. Liens upon the property of the merging or

1 consolidating corporations shall not be impaired by the merger  
2 or consolidation and any claim existing or action or proceeding  
3 pending by or against any of the corporations may be prosecuted  
4 to judgment as if the merger or consolidation had not taken  
5 place or the surviving or new corporation may be proceeded  
6 against or substituted in its place.

7 (c) Taxes.--Any taxes, interest, penalties and public  
8 accounts of the Commonwealth claimed against any of the merging  
9 or consolidating corporations that are settled, assessed or  
10 determined prior to or after the merger or consolidation shall  
11 be the liability of the surviving or new corporation and,  
12 together with interest thereon, shall be a lien against the  
13 franchises and property, both real and personal, of the  
14 surviving or new corporation.

15 (d) Articles of incorporation.--In the case of a merger, the  
16 articles of incorporation of the surviving domestic business  
17 corporation, if any, shall be deemed to be amended to the  
18 extent, if any, that changes in its articles are stated in the  
19 plan of merger. In the case of a consolidation into a domestic  
20 business corporation, the statements that are set forth in the  
21 plan of consolidation, or articles of incorporation set forth  
22 therein, shall be deemed to be the articles of incorporation of  
23 the new corporation.

24 § 1930. Dissenters rights.

25 (a) General rule.--If any shareholder of a domestic business  
26 corporation that is to be a party to a merger or consolidation  
27 pursuant to a plan of merger or consolidation objects to the  
28 plan of merger or consolidation and complies with the provisions  
29 of Subchapter D of Chapter 15 (relating to dissenters rights),  
30 the shareholder shall be entitled to the rights and remedies of

1 dissenting shareholders therein provided, if any. See also  
2 section 1906(c) (relating to dissenters rights upon special  
3 treatment).

4 (b) Plans adopted by directors only.--Except as otherwise  
5 provided pursuant to section 1571(c) (relating to grant of  
6 optional dissenters rights), Subchapter D of Chapter 15 shall  
7 not apply to any of the shares of a corporation that is a party  
8 to a merger or consolidation pursuant to section 1924(b)(1)(i)  
9 or (4) (relating to adoption by board of directors).

10 (c) Cross references.--See sections 1571(b) (relating to  
11 exceptions) and 1904 (relating to de facto transaction doctrine  
12 abolished).

13 § 1931. Share exchanges.

14 (a) General rule.--All the outstanding shares of one or more  
15 classes or series of a domestic business corporation, designated  
16 in this section as the exchanging corporation, may, in the  
17 manner provided in this section, be acquired by any person,  
18 designated in this section as the acquiring person, through an  
19 exchange of all the shares pursuant to a plan of exchange. The  
20 plan of exchange may also provide for the shares of any other  
21 class or series of the exchanging corporation to be canceled or  
22 converted into shares, other securities or obligations of any  
23 person or cash, property or rights. The procedure authorized by  
24 this section shall not be deemed to limit the power of any  
25 person to acquire all or part of the shares or other securities  
26 of any class or series of a corporation through a voluntary  
27 exchange or otherwise by agreement with the holders of the  
28 shares or other securities.

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

1 (1) The terms and conditions of the exchange.

2 (2) The manner and basis of canceling the shares of the  
3 exchanging corporation or exchanging or converting the shares  
4 of the exchanging corporation into shares or other securities  
5 or obligations of the acquiring person, and, if any of the  
6 shares of the exchanging corporation are not to be exchanged  
7 or converted solely into shares or other securities or  
8 obligations of the acquiring person, the shares or other  
9 securities or obligations of any other person or cash,  
10 property or rights that the holders of the shares of the  
11 exchanging corporation are to receive in exchange for, or  
12 upon conversion of, the shares and the surrender of any  
13 certificates evidencing them, which securities or  
14 obligations, if any, of any other person or cash, property  
15 and rights may be in addition to or in lieu of the shares or  
16 other securities or obligations of the acquiring person.

17 (3) Any changes desired to be made in the articles of  
18 the exchanging corporation, which may include a restatement  
19 of the articles.

20 (4) Any provisions desired providing special treatment  
21 of shares held by any shareholder or group of shareholders as  
22 authorized by, and subject to the provisions of, section 1906  
23 (relating to special treatment of holders of shares of same  
24 class or series). Notwithstanding subsection (a), a plan that  
25 provides special treatment may affect less than all of the  
26 outstanding shares of a class or series.

27 (5) Such other provisions as are deemed desirable.

28 (c) Proposal and adoption.--The plan of exchange shall be  
29 proposed and adopted and may be amended after its adoption and  
30 terminated by the exchanging corporation in the manner provided

1 by this subchapter for the proposal, adoption, amendment and  
2 termination of a plan of merger except section 1924(b) (relating  
3 to adoption by board of directors). There shall be included in,  
4 or enclosed with, the notice of the meeting of shareholders to  
5 act on the plan a copy or a summary of the plan and, if  
6 Subchapter D of Chapter 15 (relating to dissenters rights) is  
7 applicable, a copy of the subchapter and of subsection (d). The  
8 holders of any class of shares to be exchanged or converted  
9 pursuant to the plan of exchange shall be entitled to vote as a  
10 class on the plan if they would have been entitled to vote on a  
11 plan of merger that affects the class in substantially the same  
12 manner as the plan of exchange.

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

20 (e) Articles of exchange.--Upon adoption of a plan of  
21 exchange, as provided in this section, articles of exchange  
22 shall be executed by the exchanging corporation and shall set  
23 forth:

24 (1) The name and, subject to section 109 (relating to  
25 name of commercial registered office provider in lieu of  
26 registered address), the location of the registered office,  
27 including street and number, if any, of the exchanging  
28 corporation.

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

1 effective date.

2 (3) The manner in which the plan was adopted by the  
3 exchanging corporation.

4 (4) Except as provided in section 1901 (relating to  
5 omission of certain provisions from filed plans), the plan of  
6 exchange.

7 The articles of exchange shall be filed in the Department of  
8 State. See sections 134 (relating to docketing statement) and  
9 135 (relating to requirements to be met by filed documents).

10 (f) Effective date.--Upon the filing of articles of exchange  
11 in the department or upon the effective date specified in the  
12 plan of exchange, whichever is later, the plan shall become  
13 effective.

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

27 (h) Special requirements.--If any provision of the articles  
28 or bylaws of an exchanging domestic business corporation adopted  
29 before October 1, 1989, requires for the proposal or adoption of  
30 a plan of merger, consolidation or asset transfer a specific



1 number or percentage of votes of directors or shareholders or  
2 other special procedures, the plan of exchange shall not be  
3 proposed by the directors or adopted by the shareholders without  
4 that number or percentage of votes or compliance with the other  
5 special procedures.

6 (i) Reference to outside facts.--Any of the terms of a plan  
7 of exchange may be made dependent upon facts ascertainable  
8 outside of the plan if the manner in which the facts will  
9 operate upon the terms of the plan is set forth in the plan.  
10 Such facts may include, without limitation, actions or events  
11 within the control of or determinations made by a party to the  
12 plan or a representative of a party to the plan.]

13 Section 22. Section 1932(b)(1), (2) and (4) of Title 15 are  
14 amended to read:

15 § 1932. Voluntary transfer of corporate assets.

16 \* \* \*

17 (b) Shareholder approval required.--

18 (1) A sale, lease, exchange or other disposition of all,  
19 or substantially all, the property and assets, with or  
20 without the goodwill, of a business corporation, if not made  
21 pursuant to subsection (a) or (d) or to section 1551  
22 (relating to distributions to shareholders) or Subchapter [D]  
23 F of Chapter 3 (relating to division), may be made only  
24 pursuant to a plan of asset transfer in the manner provided  
25 in this subsection. A corporation selling, leasing or  
26 otherwise disposing of all, or substantially all, its  
27 property and assets is referred to in this subsection and in  
28 subsection (c) as the "transferring corporation."

29 (2) The property or assets of a direct or indirect  
30 subsidiary corporation that is controlled by a parent

1 corporation shall also be deemed the property or assets of  
2 the parent corporation for the purposes of this subsection  
3 and of subsection (c). A merger [or consolidation] to which  
4 such a subsidiary corporation is a party and in which a third  
5 party acquires direct or indirect ownership of the property  
6 or assets of the subsidiary corporation constitutes an "other  
7 disposition" of the property or assets of the parent  
8 corporation within the meaning of that term as used in this  
9 section.

10 \* \* \*

11 (4) The plan of asset transfer shall be proposed and  
12 adopted, and may be amended after its adoption and  
13 terminated, by the transferring corporation in the manner  
14 provided in [this subchapter] Chapter 3 (relating to entity  
15 transactions) for the proposal, adoption, amendment and  
16 termination of a plan of merger, except section [1924(b)  
17 (relating to adoption by board of directors)] 321(d)  
18 (relating to approval by business corporation). The  
19 procedures of [this subchapter] Chapter 3 shall not be  
20 applicable to the person acquiring the property or assets of  
21 the transferring corporation. There shall be included in, or  
22 enclosed with, the notice of the meeting of the shareholders  
23 of the transferring corporation to act on the plan a copy or  
24 a summary of the plan and, if Subchapter D of Chapter 15  
25 (relating to dissenters rights) is applicable, a copy of the  
26 subchapter and of subsection (c).

27 \* \* \*

28 Section 23. Subchapter D heading and sections 1951, 1952,  
29 1953, 1954, 1955, 1956, 1957, Subchapter E and section 1980 of  
30 Chapter 19 of Title 15 are repealed:

1 [SUBCHAPTER D

2 DIVISION

3 § 1951. Division authorized.

4 (a) Division of domestic corporation.--Any domestic business  
5 corporation may, in the manner provided in this subchapter, be  
6 divided into two or more domestic business corporations  
7 incorporated or to be incorporated under this article, or into  
8 one or more domestic business corporations and one or more  
9 foreign business corporations to be incorporated under the laws  
10 of another jurisdiction or jurisdictions, or into two or more  
11 foreign business corporations, if the laws of the other  
12 jurisdictions authorize the division.

13 (b) Division of foreign corporation.--Any foreign business  
14 corporation may, in the manner provided in this subchapter, be  
15 divided into one or more domestic business corporations to be  
16 incorporated under this subpart and one or more foreign business  
17 corporations incorporated or to be incorporated under the laws  
18 of another jurisdiction or jurisdictions, or into two or more  
19 domestic business corporations, if the foreign business  
20 corporation is authorized under the laws of the jurisdiction  
21 under which it is incorporated to effect a division.

22 (c) Surviving and new corporations.--The corporation  
23 effecting a division, if it survives the division, is designated  
24 in this subchapter as the surviving corporation. All  
25 corporations originally incorporated by a division are  
26 designated in this subchapter as new corporations. The surviving  
27 corporation, if any, and the new corporation or corporations are  
28 collectively designated in this subchapter as the resulting  
29 corporations.

30 § 1952. Proposal and adoption of plan of division.

1 (a) Preparation of plan.--A plan of division shall be  
2 prepared, setting forth:

3 (1) The terms and conditions of the division, including  
4 the manner and basis of:

5 (i) The reclassification of the shares of the  
6 surviving corporation, if there be one, and, if any of  
7 the shares of the dividing corporation are not to be  
8 converted solely into shares or other securities or  
9 obligations of one or more of the resulting corporations,  
10 the shares or other securities or obligations of any  
11 other person, or cash, property or rights that the  
12 holders of such shares are to receive in exchange for or  
13 upon conversion of such shares, and the surrender of any  
14 certificates evidencing them, which securities or  
15 obligations, if any, of any other person or cash,  
16 property or rights may be in addition to or in lieu of  
17 shares or other securities or obligations of one or more  
18 of the resulting corporations.

19 (ii) The disposition of the shares and other  
20 securities or obligations, if any, of the new corporation  
21 or corporations resulting from the division.

22 (2) A statement that the dividing corporation will, or  
23 will not, survive the division.

24 (3) Any changes desired to be made in the articles of  
25 the surviving corporation, if there be one, including a  
26 restatement of the articles.

27 (4) The articles of incorporation required by subsection  
28 (b).

29 (5) Any provisions desired providing special treatment  
30 of shares held by any shareholder or group of shareholders as

1 authorized by, and subject to the provisions of, section 1906  
2 (relating to special treatment of holders of shares of same  
3 class or series).

4 (6) Such other provisions as are deemed desirable.

5 (b) Articles of new corporations.--There shall be included  
6 in or annexed to the plan of division:

7 (1) Articles of incorporation, which shall contain all  
8 of the statements required by this subpart to be set forth in  
9 restated articles, for each of the new domestic business  
10 corporations, if any, resulting from the division.

11 (2) Articles of incorporation, certificates of  
12 incorporation or other charter documents for each of the new  
13 foreign business corporations, if any, resulting from the  
14 division.

15 (c) Proposal and adoption.--Except as otherwise provided in  
16 section 1953 (relating to division without shareholder  
17 approval), the plan of division shall be proposed and adopted,  
18 and may be amended after its adoption and terminated, by a  
19 domestic business corporation in the manner provided for the  
20 proposal, adoption, amendment and termination of a plan of  
21 merger in Subchapter C (relating to merger, consolidation, share  
22 exchanges and sale of assets), except section 1924(b) (relating  
23 to adoption by board of directors), or, if the dividing  
24 corporation is a foreign business corporation, in accordance  
25 with the laws of the jurisdiction in which it is incorporated.  
26 There shall be included in, or enclosed with, the notice of the  
27 meeting of shareholders to act on the plan a copy or a summary  
28 of the plan and, if Subchapter D of Chapter 15 (relating to  
29 dissenters rights) is applicable, a copy of the subchapter and  
30 of subsection (d).

1 (d) Dissenters rights in division.--

2 (1) Except as otherwise provided in paragraph (2), any  
3 shareholder of a business corporation that adopts a plan of  
4 division who objects to the plan and complies with the  
5 provisions of Subchapter D of Chapter 15 shall be entitled to  
6 the rights and remedies of dissenting shareholders therein  
7 provided, if any. See section 1906(c) (relating to dissenters  
8 rights upon special treatment).

9 (2) Except as otherwise provided pursuant to section  
10 1571(c) (relating to grant of optional dissenters rights),  
11 Subchapter D of Chapter 15 shall not apply to any of the  
12 shares of a corporation that is a party to a plan of division  
13 pursuant to section 1953 (relating to division without  
14 shareholder approval).

15 (f) Action by holders of preferred or special shares.--If  
16 the dividing corporation has outstanding any shares of any  
17 preferred or special class or series, the holders of the  
18 outstanding shares of the class or series shall be entitled to  
19 vote as a class on the plan regardless of any limitations stated  
20 in the articles or bylaws on the voting rights of the class or  
21 series if the plan of division:

22 (1) provides that the dividing corporation will not  
23 survive the division; or

24 (2) amends the articles or bylaws of the surviving  
25 corporation in a manner that would entitle the holders of  
26 such preferred or special shares to a class vote thereon  
27 under the articles, bylaws or section 1914(b) (relating to  
28 statutory voting rights).

29 (g) Rights of holders of indebtedness.--If any debt  
30 securities, notes or similar evidences of indebtedness for money

1 borrowed, whether secured or unsecured, indentures or other  
2 contracts were issued, incurred or executed by the dividing  
3 corporation before August 21, 2001, and have not been amended  
4 subsequent to that date, the liability of the dividing  
5 corporation thereunder shall not be affected by the division nor  
6 shall the rights of the obligees thereunder be impaired by the  
7 division, and each of the resulting corporations may be  
8 proceeded against or substituted in place of the dividing  
9 corporation as joint and several obligors on such liability,  
10 regardless of any provision of the plan of division apportioning  
11 the liabilities of the dividing corporation.

12 (h) Special requirements.--If any provision of the articles  
13 or bylaws of a dividing domestic business corporation adopted  
14 before October 1, 1989, requires for the proposal or adoption of  
15 a plan of merger, consolidation or asset transfer a specific  
16 number or percentage of votes of directors or shareholders or  
17 other special procedures, the plan of division shall not be  
18 proposed or adopted by the directors or (if adoption by the  
19 shareholders is otherwise required by this subchapter) adopted  
20 by the shareholders without that number or percentage of votes  
21 or compliance with the other special procedures.

22 (i) Reference to outside facts.--Any of the terms of a plan  
23 of division may be made dependent upon facts ascertainable  
24 outside of the plan if the manner in which the facts will  
25 operate upon the terms of the plan is set forth in the plan.  
26 Such facts may include, without limitation, actions or events  
27 within the control of or determinations made by the dividing  
28 corporation or a representative of the dividing corporation.  
29 § 1953. Division without shareholder approval.

30 (a) General rule.--Unless otherwise restricted by its bylaws

1 or required by section 1952(f) (relating to action by holders of  
2 preferred or special shares), a plan of division that does not  
3 alter the state of incorporation of a business corporation,  
4 provide for special treatment nor amend in any respect the  
5 provisions of its articles (except amendments which under  
6 section 1914(c) (relating to adoption by board of directors) may  
7 be made without shareholder action) shall not require the  
8 approval of the shareholders of the corporation if:

9 (1) the dividing corporation has only one class of  
10 shares outstanding and the shares and other securities, if  
11 any, of each corporation resulting from the plan are  
12 distributed pro rata to the shareholders of the dividing  
13 corporation;

14 (2) the dividing corporation survives the division and  
15 all the shares and other securities and obligations, if any,  
16 of all new corporations resulting from the plan are owned  
17 solely by the surviving corporation; or

18 (3) the allocation of assets among the resulting  
19 corporations effected by the division, if effected by means  
20 of a sale, lease, exchange or other disposition, would not  
21 require the approval of shareholders under section 1932(b)  
22 (relating to shareholder approval required).

23 (b) Limitation.--A plan of division adopted by the board of  
24 directors under this section without the approval of the  
25 shareholders shall not, by itself, create or impair any rights  
26 or obligations on the part of any person under section 2538  
27 (relating to approval of transactions with interested  
28 shareholders) or under Subchapters E (relating to control  
29 transactions), F (relating to business combinations), G  
30 (relating to control-share acquisitions), H (relating to



1 disgorgement by certain controlling shareholders following  
2 attempts to acquire control), I (relating to severance  
3 compensation for employees terminated following certain control-  
4 share acquisitions) and J (relating to business combination  
5 transactions - labor contracts) of Chapter 25, nor shall it  
6 change the standard of care applicable to the directors under  
7 Subchapter B of Chapter 17 (relating to fiduciary duty).

8 § 1954. Articles of division.

9 Upon the adoption of a plan of division by the corporation  
10 desiring to divide, as provided in this subchapter, articles of  
11 division shall be executed by the corporation and shall, subject  
12 to section 109 (relating to name of commercial registered office  
13 provider in lieu of registered address), set forth:

14 (1) The name and the location of the registered office,  
15 including street and number, if any, of the dividing domestic  
16 business corporation or, in the case of a dividing foreign  
17 business corporation, the name of the corporation and the  
18 jurisdiction in which it is incorporated, together with  
19 either:

20 (i) If a qualified foreign business corporation, the  
21 address, including street and number, if any, of its  
22 registered office in this Commonwealth.

23 (ii) If a nonqualified foreign business corporation,  
24 the address, including street and number, if any, of its  
25 principal office under the laws of that jurisdiction.

26 (2) The statute under which the dividing corporation was  
27 incorporated and the date of incorporation.

28 (3) A statement that the dividing corporation will, or  
29 will not, survive the division.

30 (4) The name and the address, including street and

1 number, if any, of the registered office of each new domestic  
2 business corporation or qualified foreign business  
3 corporation resulting from the division.

4 (5) If the plan is to be effective on a specific date,  
5 the hour, if any, and the month, day and year of the  
6 effective date.

7 (6) The manner in which the plan was adopted by the  
8 corporation.

9 (7) Except as provided in section 1901 (relating to  
10 omission of certain provisions from filed plans), the plan of  
11 division.

12 § 1955. Filing of articles of division.

13 (a) General rule.--The articles of division, and the  
14 certificates or statement, if any, required by section 139  
15 (relating to tax clearance of certain fundamental transactions)  
16 shall be filed in the Department of State.

17 (b) Cross references.--See sections 134 (relating to  
18 docketing statement) and 135 (relating to requirements to be met  
19 by filed documents).

20 § 1956. Effective date of division.

21 Upon the filing of articles of division in the Department of  
22 State or upon the effective date specified in the plan of  
23 division, whichever is later, the division shall become  
24 effective. The division of a domestic business corporation into  
25 one or more foreign business corporations or the division of a  
26 foreign business corporation shall be effective according to the  
27 laws of the jurisdictions where the foreign corporations are or  
28 are to be incorporated, but not until articles of division have  
29 been adopted and filed as provided in this subchapter.

30 § 1957. Effect of division.

1       (a) Multiple resulting corporations.--Upon the division  
2 becoming effective, the dividing corporation shall be subdivided  
3 into the distinct and independent resulting corporations named  
4 in the plan of division and, if the dividing corporation is not  
5 to survive the division, the existence of the dividing  
6 corporation shall cease. The resulting corporations, if they are  
7 domestic business corporations, shall not thereby acquire  
8 authority to engage in any business or exercise any right that a  
9 corporation may not be incorporated under this subpart to engage  
10 in or exercise. Any resulting foreign business corporation that  
11 is stated in the articles of division to be a qualified foreign  
12 business corporation shall be a qualified foreign business  
13 corporation under Article D (relating to foreign business  
14 corporations), and the articles of division shall be deemed to  
15 be the application for a certificate of authority and the  
16 certificate of authority issued thereon of the corporation.

17       (b) Property rights; allocations of assets and  
18 liabilities.--

19           (1) (i) All the property, real, personal and mixed, and  
20 franchises of the dividing corporation, and all debts due  
21 on whatever account to it, including subscriptions for  
22 shares and other choses in action belonging to it, shall  
23 (except as otherwise provided in paragraph (2)), to the  
24 extent allocations of assets are contemplated by the plan  
25 of division, be deemed without further action to be  
26 allocated to and vested in the resulting corporations on  
27 such a manner and basis and with such effect as is  
28 specified in the plan, or per capita among the resulting  
29 corporations, as tenants in common, if no specification  
30 is made in the plan, and the title to any real estate, or

1 interest therein, vested in any of the corporations shall  
2 not revert or be in any way impaired by reason of the  
3 division.

4 (ii) Upon the division becoming effective, the  
5 resulting corporations shall each thenceforth be  
6 responsible as separate and distinct corporations only  
7 for such liabilities as each corporation may undertake or  
8 incur in its own name but shall be liable for the  
9 liabilities of the dividing corporation in the manner and  
10 on the basis provided in subparagraphs (iv) and (v).

11 (iii) Liens upon the property of the dividing  
12 corporation shall not be impaired by the division.

13 (iv) Except as provided in section 1952(g) (relating  
14 to proposal and adoption of plan of division), to the  
15 extent allocations of liabilities are contemplated by the  
16 plan of division, the liabilities of the dividing  
17 corporation shall be deemed without further action to be  
18 allocated to and become the liabilities of the resulting  
19 corporations on such a manner and basis and with such  
20 effect as is specified in the plan; and one or more, but  
21 less than all, of the resulting corporations shall be  
22 free of the liabilities of the dividing corporation to  
23 the extent, if any, specified in the plan, if in either  
24 case:

25 (A) no fraud on minority shareholders or  
26 shareholders without voting rights or violation of  
27 law shall be effected thereby; and

28 (B) the plan does not constitute a fraudulent  
29 transfer under 12 Pa.C.S. Ch. 51 (relating to  
30 fraudulent transfers).

1           (v) If the conditions in subparagraph (iv) for  
2           freeing one or more of the resulting corporations from  
3           the liabilities of the dividing corporation or for  
4           allocating some or all of the liabilities of the dividing  
5           corporation are not satisfied, the liabilities of the  
6           dividing corporation as to which those conditions are not  
7           satisfied shall not be affected by the division nor shall  
8           the rights of creditors thereunder be impaired by the  
9           division and any claim existing or action or proceeding  
10          pending by or against the corporation with respect to  
11          those liabilities may be prosecuted to judgment as if the  
12          division had not taken place, or the resulting  
13          corporations may be proceeded against or substituted in  
14          place of the dividing corporation as joint and several  
15          obligors on those liabilities, regardless of any  
16          provision of the plan of division apportioning the  
17          liabilities of the dividing corporation.

18          (vi) The conditions in subparagraph (iv) for freeing  
19          one or more of the resulting corporations from the  
20          liabilities of the dividing corporation and for  
21          allocating some or all of the liabilities of the dividing  
22          corporation shall be conclusively deemed to have been  
23          satisfied if the plan of division has been approved by  
24          the Department of Banking, the Insurance Department or  
25          the Pennsylvania Public Utility Commission in a final  
26          order issued after August 21, 2001, that has become not  
27          subject to further appeal.

28          (2) (i) The allocation of any fee or freehold interest  
29          or leasehold having a remaining term of 30 years or more  
30          in any tract or parcel of real property situate in this

1 Commonwealth owned by a dividing corporation (including  
2 property owned by a foreign business corporation dividing  
3 solely under the law of another jurisdiction) to a new  
4 corporation resulting from the division shall not be  
5 effective until one of the following documents is filed  
6 in the office for the recording of deeds of the county,  
7 or each of them, in which the tract or parcel is  
8 situated:

9 (A) A deed, lease or other instrument of  
10 confirmation describing the tract or parcel.

11 (B) A duly executed duplicate original copy of  
12 the articles of division.

13 (C) A copy of the articles of division certified  
14 by the Department of State.

15 (D) A declaration of acquisition setting forth  
16 the value of real estate holdings in such county of  
17 the corporation as an acquired company.

18 (ii) The provisions of 75 Pa.C.S. § 1114 (relating  
19 to transfer of vehicle by operation of law) shall not be  
20 applicable to an allocation of ownership of any motor  
21 vehicle, trailer or semitrailer to a new corporation  
22 under this section or under a similar law of any other  
23 jurisdiction but any such allocation shall be effective  
24 only upon compliance with the requirements of 75 Pa.C.S.  
25 § 1116 (relating to issuance of new certificate following  
26 transfer).

27 (3) It shall not be necessary for a plan of division to  
28 list each individual asset or liability of the dividing  
29 corporation to be allocated to a new corporation so long as  
30 those assets and liabilities are described in a reasonable

1 manner.

2 (4) Each new corporation shall hold any assets and  
3 liabilities allocated to it as the successor to the dividing  
4 corporation, and those assets and liabilities shall not be  
5 deemed to have been assigned to the new corporation in any  
6 manner, whether directly or indirectly or by operation of  
7 law.

8 (c) Taxes.--Any taxes, interest, penalties and public  
9 accounts of the Commonwealth claimed against the dividing  
10 corporation that are settled, assessed or determined prior to or  
11 after the division shall be the liability of any of the  
12 resulting corporations and, together with interest thereon,  
13 shall be a lien against the franchises and property, both real  
14 and personal, of all the corporations. Upon the application of  
15 the dividing corporation, the Department of Revenue, with the  
16 concurrence of the Office of Employment Security of the  
17 Department of Labor and Industry, shall release one or more, but  
18 less than all, of the resulting corporations from liability and  
19 liens for all taxes, interest, penalties and public accounts of  
20 the dividing corporation due the Commonwealth for periods prior  
21 to the effective date of the division if those departments are  
22 satisfied that the public revenues will be adequately secured.

23 (d) Articles of surviving corporation.--The articles of  
24 incorporation of the surviving corporation, if there be one,  
25 shall be deemed to be amended to the extent, if any, that  
26 changes in its articles are stated in the plan of division.

27 (e) Articles of new corporations.--The statements that are  
28 set forth in the plan of division with respect to each new  
29 domestic business corporation and that are required or permitted  
30 to be set forth in restated articles of incorporation of

1 corporations incorporated under this subpart, or the articles of  
2 incorporation of each new corporation set forth therein, shall  
3 be deemed to be the articles of incorporation of each new  
4 corporation.

5 (f) Directors and officers.--Unless otherwise provided in  
6 the plan, the directors and officers of the dividing corporation  
7 shall be the initial directors and officers of each of the  
8 resulting corporations.

9 (g) Disposition of shares.--Unless otherwise provided in the  
10 plan, the shares and other securities or obligations, if any, of  
11 each new corporation resulting from the division shall be  
12 distributable to:

13 (1) the surviving corporation, if the dividing  
14 corporation survives the division; or

15 (2) the holders of the common or other residuary shares  
16 of the dividing corporation pro rata, in any other case.

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

19 (1) The effect of a division of a domestic business  
20 corporation shall be governed solely by the laws of this  
21 Commonwealth and any other jurisdiction under the laws of  
22 which any of the resulting corporations is incorporated.

23 (2) The effect of a division on the assets and  
24 liabilities of the dividing corporation shall be governed  
25 solely by the laws of this Commonwealth and any other  
26 jurisdiction under the laws of which any of the resulting  
27 corporations is incorporated.

28 (3) The validity of any allocations of assets or  
29 liabilities by a plan of division of a domestic business  
30 corporation, regardless of whether or not any of the new



1 corporations is a foreign business corporation, shall be  
2 governed solely by the laws of this Commonwealth.

3 (4) In addition to the express provisions of this  
4 subsection, this subchapter shall otherwise generally be  
5 granted the protection of full faith and credit under the  
6 Constitution of the United States.

7 SUBCHAPTER E

8 CONVERSION

9 § 1961. Conversion authorized.

10 (a) General rule.--Any business corporation may, in the  
11 manner provided in this subchapter, be converted into a  
12 nonprofit corporation, designated in this subchapter as the  
13 resulting corporation.

14 (b) Exceptions.--This subchapter shall not authorize any  
15 conversion involving:

16 (1) Beneficial, benevolent, fraternal or fraternal  
17 benefit societies having a lodge system and a representative  
18 form of government, or transacting any type of insurance  
19 whatsoever.

20 (2) Any corporation that by the laws of this  
21 Commonwealth is subject to the supervision of the Department  
22 of Banking, the Insurance Department or the Pennsylvania  
23 Public Utility Commission, unless the agency expressly  
24 approves the transaction in writing.

25 § 1962. Proposal and adoption of plan of conversion.

26 (a) Preparation of plan.--A plan of conversion shall be  
27 prepared, setting forth:

28 (1) The terms and conditions of the conversion.

29 (2) A restatement of the articles of the resulting  
30 corporation, which articles shall comply with the

1 requirements of this part relating to nonprofit corporations.

2 (3) Any provisions desired providing special treatment  
3 of shares held by any shareholder or group of shareholders as  
4 authorized by, and subject to the provisions of, section 1906  
5 (relating to special treatment of holders of shares of same  
6 class or series).

7 (4) Such other provisions as are deemed desirable.

8 (b) Proposal and adoption.--The plan of conversion shall be  
9 proposed and adopted, and may be amended after its adoption and  
10 terminated, by the business corporation in the manner provided  
11 for the proposal, adoption, amendment and termination of a plan  
12 of merger in Subchapter C (relating to merger, consolidation,  
13 share exchanges and sale of assets), except section 1924(b)  
14 (relating to adoption by board of directors). There shall be  
15 included in, or enclosed with, the notice of meeting of  
16 shareholders of the business corporation that will act upon the  
17 plan a copy or a summary of the plan and of Subchapter D of  
18 Chapter 15 (relating to dissenters rights) and of subsection  
19 (c).

20 (c) Dissenters rights in conversion.--Any shareholder of a  
21 business corporation that adopts a plan of conversion into a  
22 nonprofit corporation who objects to the plan of conversion and  
23 complies with the provisions of Subchapter D of Chapter 15 shall  
24 be entitled to the rights and remedies of dissenting  
25 shareholders therein provided.

26 (d) Reference to outside facts.--Any of the terms of a plan  
27 of conversion may be made dependent upon facts ascertainable  
28 outside of the plan if the manner in which the facts will  
29 operate upon the terms of the plan is set forth in the plan.  
30 Such facts may include, without limitation, actions or events

1 within the control of or determinations made by the corporation  
2 or a representative of the corporation.

3 § 1963. Articles of conversion.

4 Upon the adoption of a plan of conversion by the business  
5 corporation desiring to convert, as provided in this subchapter,  
6 articles of conversion shall be executed by the corporation and  
7 shall set forth:

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

13 (2) The statute under which the corporation was  
14 incorporated and the date of incorporation.

15 (3) If the plan is to be effective on a specified date,  
16 the hour, if any, and the month, day and year of the  
17 effective date.

18 (4) The manner in which the plan was adopted by the  
19 corporation.

20 (5) Except as provided in section 1901 (relating to  
21 omission of certain provisions from filed plans), the plan of  
22 conversion.

23 § 1964. Filing of articles of conversion.

24 (a) General rule.--The articles of conversion shall be filed  
25 in the Department of State.

26 (b) Cross reference.--See section 134 (relating to docketing  
27 statement).

28 § 1965. Effective date of conversion.

29 Upon the filing of articles of conversion in the Department  
30 of State or upon the effective date specified in the plan of

1 conversion, whichever is later, the conversion shall become  
2 effective.

3 § 1966. Effect of conversion.

4 Upon the conversion becoming effective, the converting  
5 business corporation shall be deemed to be a nonprofit  
6 corporation subject to the provisions of this part relating to  
7 nonprofit corporations for all purposes, shall cease to be a  
8 business corporation and shall not thereafter operate in any  
9 manner resulting in pecuniary profit, incidental or otherwise,  
10 to its members or shareholders. The corporation shall remain  
11 liable for all existing obligations, public or private, and  
12 taxes due the Commonwealth or any other taxing authority for  
13 periods prior to the effective date of the conversion and, as a  
14 nonprofit corporation, it shall continue to be entitled to all  
15 assets theretofore pertaining to it as a business corporation.

16 § 1980. Dissolution by domestication.

17 Whenever a domestic business corporation has domesticated  
18 itself under the laws of another jurisdiction by action similar  
19 to that provided by section 4161 (relating to domestication) and  
20 has authorized that action by the vote required by this  
21 subchapter for the approval of a proposal that the corporation  
22 dissolve voluntarily, the corporation may surrender its charter  
23 under the laws of this Commonwealth by filing in the Department  
24 of State articles of dissolution under this subchapter  
25 containing the statement specified by section 1977(b)(1) through  
26 (4) (relating to articles of dissolution). If the corporation as  
27 domesticated in the other jurisdiction qualifies to do business  
28 in this Commonwealth either prior to or simultaneously with the  
29 filing of the articles of dissolution under this section, the  
30 corporation shall not be required to file with the articles of

1 dissolution the tax clearance certificates that would otherwise  
2 be required by section 139 (relating to tax clearance of certain  
3 fundamental transactions).]

4 ~~Section 24. Sections 2121, 2501(c), 2521, 2538(a)(1) and (2) <--~~  
5 ~~and (b), 2539, 2721, 2921(b), 3301(c) and 3304(b) of Title 15~~  
6 ~~are amended to read:~~

7 SECTION 24. SECTIONS 2101(C), 2121, 2301(C), 2501(B) AND <--  
8 (C), 2521, 2538(A)(1) AND (2) AND (B), 2539, 2701(B), 2721,  
9 2901(C), 2921(B), 3101(C), 3301(C) AND 3304(B) OF TITLE 15 ARE  
10 AMENDED TO READ:

11 § 2101. APPLICATION AND EFFECT OF CHAPTER.

12 \* \* \*

13 (C) LAWS APPLICABLE TO NONSTOCK CORPORATIONS.--EXCEPT AS  
14 OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO  
15 PRELIMINARY PROVISION) AND THIS SUBPART SHALL BE GENERALLY  
16 APPLICABLE TO ALL NONSTOCK CORPORATIONS. THE SPECIFIC PROVISIONS  
17 OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL PROVISIONS OF  
18 PART I AND THIS SUBPART. IN THE CASE OF A NONSTOCK CORPORATION,  
19 REFERENCES IN THIS PART TO "SHARES," "SHAREHOLDER," "SHARE  
20 REGISTER," "SHARE LEDGER," "TRANSFER BOOK FOR SHARES," "NUMBER  
21 OF SHARES ENTITLED TO VOTE" OR "CLASS OF SHARES" SHALL MEAN  
22 MEMBERSHIPS, MEMBER, MEMBERSHIP REGISTER, MEMBERSHIP LEDGER,  
23 MEMBERSHIP TRANSFER BOOK, NUMBER OF VOTES ENTITLED TO BE CAST OR  
24 CLASS OF MEMBERS, RESPECTIVELY. EXCEPT AS OTHERWISE PROVIDED IN  
25 THIS ARTICLE, A NONSTOCK CORPORATION MAY BE SIMULTANEOUSLY  
26 SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER CHAPTERS OF THIS  
27 ARTICLE.

28 § 2121. Corporate name of nonstock corporations.

29 (a) General rule.--The corporate name of a nonstock  
30 corporation may contain the word "mutual."

1 (b) Insurance names.--See section [1303(c)(1)(iii) (relating  
2 to corporate name)] 202(c)(1)(iii) (relating to requirements for  
3 names generally).

4 § 2301. APPLICATION AND EFFECT OF CHAPTER. <--

5 \* \* \*

6 (C) LAWS APPLICABLE TO STATUTORY CLOSE CORPORATIONS.--EXCEPT  
7 AS OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO  
8 PRELIMINARY PROVISIONS) AND THIS SUBPART SHALL BE GENERALLY  
9 APPLICABLE TO ALL STATUTORY CLOSE CORPORATIONS. THE SPECIFIC  
10 PROVISIONS OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL  
11 PROVISIONS OF PART I AND THIS SUBPART. EXCEPT AS OTHERWISE  
12 PROVIDED IN THIS ARTICLE, A STATUTORY CLOSE CORPORATION MAY BE  
13 SIMULTANEOUSLY SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER  
14 CHAPTERS OF THIS ARTICLE.

15 \* \* \*

16 § 2501. Application and effect of chapter.

17 \* \* \*

18 (B) LAWS APPLICABLE TO REGISTERED CORPORATIONS.--EXCEPT AS <--  
19 OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO  
20 PRELIMINARY PROVISIONS) AND THIS SUBPART SHALL BE GENERALLY  
21 APPLICABLE TO ALL REGISTERED CORPORATIONS. THE SPECIFIC  
22 PROVISIONS OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL  
23 PROVISIONS OF PART I AND THIS SUBPART. EXCEPT AS OTHERWISE  
24 PROVIDED IN THIS ARTICLE, A REGISTERED CORPORATION MAY BE  
25 SIMULTANEOUSLY SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER  
26 CHAPTERS OF THIS ARTICLE.

27 (c) Effect of a contrary provision of the articles.--

28 (1) [The] Except as provided in section 2521 (relating  
29 to call of special meetings of shareholders), the articles of  
30 a registered corporation may provide either expressly or by

1 necessary implication that any one or more of the provisions  
2 of Subchapters B (relating to powers, duties and safeguards),  
3 C (relating to directors and shareholders) and D (relating to  
4 fundamental changes generally) shall not be applicable in  
5 whole or in part to the corporation.

6 (2) The articles of a registered corporation may provide  
7 that any one or more of the provisions of Subchapter E  
8 (relating to control transactions) and following of this  
9 chapter shall not be applicable in whole or in part to the  
10 corporation only if, to the extent and in the manner,  
11 expressly permitted by the subchapter the applicability of  
12 which is so affected. Where any provision of Subchapter E and  
13 following of this chapter permits the applicability of a  
14 subchapter to be varied by a provision of the articles, the  
15 applicability may be varied by an amendment of the articles  
16 only if, to the extent and in the manner, expressly permitted  
17 by the subchapter the applicability of which is so affected.

18 \* \* \*

19 § 2521. Call of special meetings of shareholders.

20 (a) General rule.--The shareholders of a registered  
21 corporation shall not be entitled by statute to call a special  
22 meeting of the shareholders.

23 (b) Exception.--Subsection (a) shall not apply to the call  
24 of a special meeting by an interested shareholder (as defined in  
25 section 2553 (relating to interested shareholder)) for the  
26 purpose of approving a business combination under section  
27 2555(3) or (4) (relating to requirements relating to certain  
28 business combinations).

29 (c) Contrary articles provision.--A provision of the  
30 articles of a registered corporation described in section

1 2502(1) (relating to registered corporation status) adopted  
2 after ~~{the Legislative Reference Bureau shall insert here the~~ <--  
3 ~~effective date of this amendment}~~ JULY 1, 2015, may not provide <--  
4 that a special meeting may be called by less than 25% of the  
5 votes that all shareholders would be entitled to cast at the  
6 meeting.

7 § 2538. Approval of transactions with interested shareholders.

8 (a) General rule.--The following transactions shall require  
9 the affirmative vote of the shareholders entitled to cast at  
10 least a majority of the votes that all shareholders other than  
11 the interested shareholder are entitled to cast with respect to  
12 the transaction, without counting the vote of the interested  
13 shareholder:

14 (1) Any transaction authorized under Subchapter C of  
15 Chapter 19 (relating to merger[,consolidation, share  
16 exchanges] liabilities and sale of assets) or Subchapter C  
17 (relating to merger) or D (relating to interest exchange) of  
18 Chapter 3 between a registered corporation or subsidiary  
19 thereof and a shareholder of the registered corporation.

20 (2) Any transaction authorized under Subchapter [D] F of  
21 Chapter [19] 3 (relating to division) in which the interested  
22 shareholder receives a disproportionate amount of any of the  
23 shares or other securities of any corporation surviving or  
24 resulting from the plan of division.

25 \* \* \*

26 (b) Exceptions.--Subsection (a) shall not apply to a  
27 transaction:

28 (1) that has been approved by a majority vote of the  
29 board of directors without counting the vote of directors  
30 who:



1 (i) are directors or officers of, or have a material  
2 equity interest in, the interested shareholder; or  
3 (ii) were nominated for election as a director by  
4 the interested shareholder, and first elected as a  
5 director, within 24 months of the date of the vote on the  
6 proposed transaction;

7 (2) in which the consideration to be received by the  
8 shareholders for shares of any class of which shares are  
9 owned by the interested shareholder is not less than the  
10 highest amount paid by the interested shareholder in  
11 acquiring shares of the same class; or

12 (3) effected pursuant to section [1924(b) (1) (ii)  
13 (relating to adoption by board of directors)] 321(d) (1) (ii)  
14 (relating to approval by business corporation).

15 \* \* \*

16 § 2539. Adoption of plan of merger by board of directors.

17 Section [1924(b) (1) (ii) (relating to adoption by board of  
18 directors)] 321(d) (1) (ii) (relating to approval by business  
19 corporation) shall be applicable to a plan relating to a merger  
20 [or consolidation] to which a registered corporation described  
21 in section 2502(1) (i) (relating to registered corporation  
22 status) is a party only if the plan:

23 (1) has been approved by the board of directors of the  
24 registered corporation; and

25 (2) is consistent with the requirements, if applicable,  
26 of Subchapter F (relating to business combinations).

27 § 2701. APPLICATION AND EFFECT OF CHAPTER.

<--

28 \* \* \*

29 (B) LAWS APPLICABLE TO MANAGEMENT CORPORATIONS.--EXCEPT AS  
30 OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO

1 PRELIMINARY PROVISIONS) AND THIS SUBPART SHALL BE GENERALLY  
2 APPLICABLE TO ALL MANAGEMENT CORPORATIONS. THE SPECIFIC  
3 PROVISIONS OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL  
4 PROVISIONS OF PART I AND THIS SUBPART. EXCEPT AS OTHERWISE  
5 PROVIDED IN THIS ARTICLE, A MANAGEMENT CORPORATION MAY BE  
6 SIMULTANEOUSLY SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER  
7 CHAPTERS OF THIS ARTICLE.

8 \* \* \*

9 § 2721. Bylaw and fundamental change procedures.

10 So long as a business corporation is a management corporation  
11 subject to this chapter:

12 (1) The board of directors shall have the full authority  
13 vested by this subpart in the shareholders to amend the  
14 articles under section 2704(b) (relating to procedure) to  
15 renew the election of the corporation to be subject to this  
16 chapter and to adopt or change the bylaws, and a bylaw  
17 adopted by the board of directors pursuant to this section  
18 may continue in effect as long as the corporation remains  
19 subject to this chapter.

20 (2) [An amendment or plan shall not be adopted under  
21 Chapter 19 (relating to fundamental changes), and a bylaw  
22 shall not be adopted or changed by the shareholders, without  
23 the approval of the board of directors.] None of the  
24 following shall be adopted or changed by the shareholders  
25 without the approval of the board of directors:

26 (i) a plan under Chapter 3 (relating to entity  
27 transactions);

28 (ii) an amendment of the articles;

29 (iii) an amendment, adoption or repeal of a bylaw;

30 (iv) a plan of asset transfer; or

1           (v) a resolution recommending dissolution.

2           (3) In the case of a corporation that in the ordinary  
3 course of business redeems all outstanding shares at the  
4 option of the shareholder at the net asset value or at  
5 another agreed method or amount of value thereof, [an  
6 amendment or plan under Chapter 19] a plan under Chapter 3,  
7 an amendment of the articles or a plan of asset transfer  
8 under section 1932 (relating to voluntary transfer of  
9 corporate assets) shall not require the approval of the  
10 shareholders of the corporation for adoption by the  
11 corporation.

12 § 2901. APPLICATION AND EFFECT OF CHAPTER.

<--

13           \* \* \*

14           (C) LAWS APPLICABLE TO PROFESSIONAL CORPORATIONS.--EXCEPT AS  
15 OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO  
16 PRELIMINARY PROVISIONS) AND THIS SUBPART SHALL BE GENERALLY  
17 APPLICABLE TO ALL PROFESSIONAL CORPORATIONS. THE SPECIFIC  
18 PROVISIONS OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL  
19 PROVISIONS OF PART I AND THIS SUBPART. EXCEPT AS OTHERWISE  
20 PROVIDED IN THIS ARTICLE, A PROFESSIONAL CORPORATION MAY BE  
21 SIMULTANEOUSLY SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER  
22 CHAPTERS OF THIS ARTICLE.

23 § 2921. Corporate name.

24           \* \* \*

25           (b) Additional names permitted.--The provisions of section  
26 [1303(a) (relating to corporate name)] 202 (relating to  
27 requirements for names generally) shall not prohibit the use of  
28 a name of a professional corporation if the name contains and is  
29 restricted to the name or the last name of one or more of the  
30 present, prospective or former shareholders or of individuals

1 who were associated with a predecessor or whose individual name  
2 or names appeared in the name of the predecessor. The name may  
3 also contain:

- 4 (1) the word "and" or any symbol or substitute therefor;
- 5 (2) the word "associates";
- 6 (3) the term "P.C."; or
- 7 (4) any or all of the words or terms in paragraphs (1),  
8 (2) and (3).

9 § 3101. APPLICATION AND EFFECT OF CHAPTER. <--

10 \* \* \*

11 (C) LAWS APPLICABLE TO INSURANCE CORPORATIONS.--EXCEPT AS  
12 OTHERWISE PROVIDED IN THIS CHAPTER, PART I (RELATING TO  
13 PRELIMINARY PROVISIONS) AND THIS SUBPART SHALL BE GENERALLY  
14 APPLICABLE TO ALL INSURANCE CORPORATIONS. THE SPECIFIC  
15 PROVISIONS OF THIS CHAPTER SHALL CONTROL OVER THE GENERAL  
16 PROVISIONS OF PART I AND THIS SUBPART. EXCEPT AS OTHERWISE  
17 PROVIDED IN THIS ARTICLE, AN INSURANCE CORPORATION MAY BE  
18 SIMULTANEOUSLY SUBJECT TO THIS CHAPTER AND ONE OR MORE OTHER  
19 CHAPTERS OF THIS ARTICLE.

20 § 3301. Application and effect of chapter.

21 \* \* \*

22 (c) Laws applicable to benefit corporations.--Except as  
23 otherwise provided in this chapter, Part I (relating to  
24 preliminary provisions) and this subpart shall apply generally  
25 to benefit corporations. The [specific] provisions of this <--  
26 chapter shall control over [the general provisions of Part I and <--  
27 this subpart] INCONSISTENT PROVISIONS OF THIS TITLE. A benefit <--  
28 corporation may be simultaneously subject to this chapter and  
29 one or more other chapters of this article.

30 \* \* \*

1 § 3304. Election of benefit corporation status.

2 \* \* \*

3 (b) Fundamental transactions.--If an association that is not  
4 a benefit corporation is a party to a merger[, consolidation] or  
5 division or is the exchanging association in [a share] an  
6 interest exchange, and the surviving, new or any resulting  
7 association in the merger, [consolidation,] division or [share]  
8 interest exchange is to be a benefit corporation, then the plan  
9 of merger, [consolidation,] division or [share] interest  
10 exchange shall not be effective unless it is adopted by the  
11 [corporation] association by at least the minimum status vote.

12 Section 25. Sections 4121, 4122 and 4123 of Title 15 are  
13 repealed:

14 [§ 4121. Admission of foreign corporations.

15 (a) General rule.--A foreign business corporation, before  
16 doing business in this Commonwealth, shall procure a certificate  
17 of authority to do so from the Department of State, in the  
18 manner provided in this subchapter. A foreign business  
19 corporation shall not be denied a certificate of authority by  
20 reason of the fact that the laws of the jurisdiction governing  
21 its incorporation and internal affairs differ from the laws of  
22 this Commonwealth.

23 (b) Qualification under former statutes.--If a foreign  
24 corporation for profit was on March 19, 1966, admitted to do  
25 business in this Commonwealth by the filing of a power of  
26 attorney and statement under the act of June 8, 1911 (P.L.710,  
27 No.283), the power of attorney and statement shall be deemed an  
28 approved application for a certificate of authority issued under  
29 this subchapter and the corporation shall be deemed a holder of  
30 the certificate. The corporation shall include in its initial

1 application, if any, for an amended certificate of authority  
2 under this subchapter the information required by this  
3 subchapter to be set forth in an application for a certificate  
4 of authority. A certificate of authority issued under the former  
5 provisions of the Business Corporation Law of 1933 shall be  
6 deemed to be issued under this subchapter, and the certificate  
7 of authority shall be deemed not to contain any reference to the  
8 kind of business that the corporation proposes to do in this  
9 Commonwealth.

10 (c) Foreign insurance corporations.--A foreign insurance  
11 corporation shall not be required to procure a certificate of  
12 authority under this subchapter.

13 § 4122. Excluded activities.

14 (a) General rule.--Without excluding other activities that  
15 may not constitute doing business in this Commonwealth, a  
16 foreign business corporation shall not be considered to be doing  
17 business in this Commonwealth for the purposes of this  
18 subchapter by reason of carrying on in this Commonwealth any one  
19 or more of the following acts:

20 (1) Maintaining or defending any action or  
21 administrative or arbitration proceeding or effecting the  
22 settlement thereof or the settlement of claims or disputes.

23 (2) Holding meetings of its directors or shareholders or  
24 carrying on other activities concerning its internal affairs.

25 (3) Maintaining bank accounts.

26 (4) Maintaining offices or agencies for the transfer,  
27 exchange and registration of its securities or appointing and  
28 maintaining trustees or depositaries with relation to its  
29 securities.

30 (5) Effecting sales through independent contractors.

1           (6) Soliciting or procuring orders, whether by mail or  
2 through employees or agents or otherwise, and maintaining  
3 offices therefor, where the orders require acceptance without  
4 this Commonwealth before becoming binding contracts.

5           (7) Creating as borrower or lender, acquiring or  
6 incurring, obligations or mortgages or other security  
7 interests in real or personal property.

8           (8) Securing or collecting debts or enforcing any rights  
9 in property securing them.

10          (9) Transacting any business in interstate or foreign  
11 commerce.

12          (10) Conducting an isolated transaction completed within  
13 a period of 30 days and not in the course of a number of  
14 repeated transactions of like nature.

15          (11) Inspecting, appraising and acquiring real estate  
16 and mortgages and other liens thereon and personal property  
17 and security interests therein, and holding, leasing,  
18 conveying and transferring them, as fiduciary or otherwise.

19          (b) Exceptions.--The specification of activities in  
20 subsection (a) does not establish a standard for activities that  
21 may subject a foreign business corporation to:

22           (1) Service of process under any statute or general  
23 rule.

24           (2) Taxation by the Commonwealth or any political  
25 subdivision thereof.

26 § 4123. Requirements for foreign corporation names.

27          (a) General rule.--The Department of State shall not issue a  
28 certificate of authority to any foreign business corporation  
29 that, except as provided in subsection (b), has a name that is  
30 rendered unavailable for use by a domestic business corporation

1 by any provision of section 1303(a), (b) or (c) (relating to  
2 corporate name), except subsection (c)(1)(ii) thereof (relating  
3 to banking names).

4 (b) Exceptions.--

5 (1) The provisions of section 1303(b) (relating to  
6 duplicate use of names) shall not prevent the issuance of a  
7 certificate of authority to a foreign business corporation  
8 setting forth a name that is not distinguishable upon the  
9 records of the department from the name of any other domestic  
10 or foreign corporation for profit or corporation not-for-  
11 profit, or of any corporation or other association then  
12 registered under 54 Pa.C.S. Ch. 5 (relating to corporate and  
13 other association names) or to any name reserved or  
14 registered as provided in this part, if the foreign business  
15 corporation applying for a certificate of authority files in  
16 the department a resolution of its board of directors  
17 adopting a fictitious name for use in transacting business in  
18 this Commonwealth, which fictitious name is distinguishable  
19 upon the records of the department from the name of the other  
20 corporation or other association or from any name reserved or  
21 registered as provided in this part and that is otherwise  
22 available for use by a domestic business corporation.

23 (2) The provisions of section 1303(c) (relating to  
24 required approvals or conditions) shall not prevent the  
25 issuance of a certificate of authority to a foreign business  
26 corporation setting forth a name that is prohibited by that  
27 subsection if the foreign business corporation applying for a  
28 certificate of authority files in the department a resolution  
29 of its board of directors adopting a fictitious name for use  
30 in transacting business in this Commonwealth that is



1 available for use by a domestic business corporation.]

2 Section 26. Section 4124 of Title 15 is amended to read:

3 § 4124. [Application for a certificate of authority.]

4 Advertisement of registration to do business.

5 [(a) General rule.--An application for a certificate of  
6 authority shall be executed by the foreign business corporation  
7 and shall set forth:

8 (1) The name of the corporation.

9 (2) The name of the jurisdiction under the laws of which  
10 it is incorporated.

11 (3) The address, including street and number, if any, of  
12 its principal office under the laws of the jurisdiction in  
13 which it is incorporated.

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

18 (5) A statement that it is a corporation incorporated  
19 for a purpose or purposes involving pecuniary profit,  
20 incidental or otherwise.

21 (b) Advertisement.--]A foreign business corporation shall  
22 officially publish notice of its intention to [apply or its  
23 application for a certificate of authority] register to do  
24 business or its registration to do business in this Commonwealth  
25 under Chapter 4 (relating to foreign associations). The notice  
26 may appear prior to or after the day on which [application is  
27 made to the Department of State] a registration statement is  
28 delivered to the department for filing and shall set forth  
29 briefly:

30 (1) A statement that the corporation will [apply or has

1 applied for a certificate of authority under the provisions  
2 of the Business Corporation Law of 1988] register or has  
3 registered to do business in this Commonwealth under Chapter  
4 4.

5 (2) The name of the corporation and [of the jurisdiction  
6 under the laws of which it is incorporated] its jurisdiction  
7 of formation.

8 (3) The address, including street and number, if any, of  
9 its principal office under the laws of [the jurisdiction in  
10 which it is incorporated] its jurisdiction of formation.

11 (4) Subject to section 109, the address, including  
12 street and number, if any, of its proposed registered office  
13 in this Commonwealth.

14 (c) [Filing.--The application for a certificate of authority  
15 shall be filed in the Department of State.] (Reserved).

16 (d) [Cross reference.--See section 134 (relating to  
17 docketing statement).] (Reserved).

18 Section 27. Sections 4125, 4126, 4127, 4128 of Title 15 are  
19 repealed:

20 [§ 4125. Issuance of certificate of authority.

21 Upon the filing of the application for a certificate of  
22 authority, the foreign business corporation shall be deemed to  
23 hold a certificate of authority to do business in this  
24 Commonwealth.

25 § 4126. Amended certificate of authority.

26 (a) General rule.--After receiving a certificate of  
27 authority, a qualified foreign business corporation may, subject  
28 to the provisions of this subchapter, change or correct any of  
29 the information set forth in its application for a certificate  
30 of authority or previous filings under this section by filing in

1 the Department of State an application for an amended  
2 certificate of authority. The application shall be executed by  
3 the corporation and shall state:

4 (1) The name under which the applicant corporation  
5 currently holds a certificate of authority to do business in  
6 this Commonwealth.

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) The information to be changed or corrected.

12 (4) If the application reflects a change in the name of  
13 the corporation, the application shall include a statement  
14 that either:

15 (i) the change of name reflects a change effected in  
16 the jurisdiction of incorporation; or

17 (ii) documents complying with section 4123(b)  
18 (relating to exceptions) accompany the application.

19 (b) Issuance of amended certificate of authority.--Upon the  
20 filing of the application, the applicant corporation shall be  
21 deemed to hold an amended certificate of authority.

22 (c) Cross references.--See sections 134 (relating to  
23 docketing statement) and 135 (relating to requirements to be met  
24 by filed documents).

25 § 4127. Merger, consolidation or division of qualified foreign  
26 corporations.

27 (a) General rule.--Whenever a qualified foreign business  
28 corporation is a nonsurviving party to a statutory merger,  
29 consolidation or division permitted by the laws of the  
30 jurisdiction under which it is incorporated, the corporation or

1 other association surviving the merger, or the new corporation  
2 or other association resulting from the consolidation or  
3 division, as the case may be, shall file in the department a  
4 statement of merger, consolidation or division, which shall be  
5 executed by the surviving or new corporation or other  
6 association and shall set forth:

7 (1) The name of each nonsurviving qualified foreign  
8 business corporation.

9 (2) The name of the jurisdictions under the laws of  
10 which each nonsurviving qualified foreign business  
11 corporation was incorporated.

12 (3) The date on which each nonsurviving qualified  
13 foreign business corporation received a certificate of  
14 authority to do business in this Commonwealth.

15 (4) A statement that the corporate existence of each  
16 nonsurviving qualified foreign business corporation has been  
17 terminated by merger, consolidation or division, as the case  
18 may be.

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

26 (b) Effect of filing.--The filing of the statement shall  
27 operate, as of the effective date of the merger, consolidation  
28 or division, to cancel the certificate of authority of each  
29 nonsurviving constituent corporation that was a qualified  
30 foreign business corporation and to qualify the surviving, new

1 or resulting corporations, under this subchapter. If the  
2 surviving, new or resulting corporations do not desire to  
3 continue as qualified foreign business corporations, they may  
4 thereafter withdraw in the manner provided by section 4129  
5 (relating to application for termination of authority).

6 (c) Surviving qualified foreign corporations.--It shall not  
7 be necessary for a surviving corporation that was a qualified  
8 foreign business corporation to effect any filing under this  
9 subchapter with respect to a merger or division or to procure an  
10 amended certificate of authority to do business in this  
11 Commonwealth unless the name of the corporation is changed by  
12 the merger or division.

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

16 § 4128. Revocation of certificate of authority.

17 (a) General rule.--Whenever the Department of State finds  
18 that a qualified foreign business corporation has failed to  
19 secure an amended certificate of authority as required by this  
20 subchapter after changing its name, or has failed or refused to  
21 appear by its proper representatives, or otherwise to comply  
22 with any subpoena issued by any court having jurisdiction of the  
23 subject matter, or to produce books, papers, records or  
24 documents as required by a subpoena, or is violating any of the  
25 laws of this Commonwealth, or that its articles have been  
26 revoked or voided by its jurisdiction of incorporation, the  
27 department shall give notice and opportunity for hearing by  
28 registered or certified mail to the corporation that the default  
29 exists and that its certificate of authority, including any  
30 amendments thereof, will be revoked unless the default is cured

1 within 30 days after the mailing of the notice. If the default  
2 is not cured within the period of 30 days, the department shall  
3 revoke the certificate of authority, including any amendments  
4 thereof, of the foreign business corporation. Upon revoking the  
5 certificate of authority, the department shall mail to the  
6 corporation, at its registered office in this Commonwealth, a  
7 certificate of revocation.

8 (b) Effect of revocation.--Upon the issuance of the  
9 certificate of revocation, the authority of the corporation to  
10 do business in this Commonwealth shall cease, and the  
11 corporation shall not thereafter do any business in this  
12 Commonwealth unless it applies for and receives a new  
13 certificate of authority.

14 (c) Exception.--Subsections (a) and (b) shall not apply to a  
15 foreign insurance corporation.]

16 Section 28. Section 4129 of Title 15 is amended to read:

17 § 4129. [Application for] Advertisement of termination of  
18 [authority] registration to do business.

19 [(a) General rule.--Any qualified foreign business  
20 corporation may withdraw from doing business in this  
21 Commonwealth and surrender its certificate of authority by  
22 filing in the Department of State an application for termination  
23 of authority, executed by the corporation, which shall set  
24 forth:

25 (1) The name of the corporation and, subject to section  
26 109 (relating to name of commercial registered office  
27 provider in lieu of registered address), the address,  
28 including street and number, if any, of its last registered  
29 office in this Commonwealth.

30 (2) The name of the jurisdiction under the laws of which

1 it is incorporated.

2 (3) The date on which it received a certificate of  
3 authority to do business in this Commonwealth.

4 (4) A statement that it surrenders its certificate of  
5 authority to do business in this Commonwealth.

6 (5) A statement that notice of its intention to withdraw  
7 from doing business in this Commonwealth was mailed by  
8 certified or registered mail to each municipal corporation in  
9 which the registered office or principal place of business of  
10 the corporation in this Commonwealth is located, and that the  
11 official publication required by subsection (b) has been  
12 effected.

13 (6) The post office address, including street and  
14 number, if any, to which process may be sent in an action or  
15 proceeding upon any liability incurred before the filing of  
16 the application for termination of authority.]

17 (b) Advertisement.--A [qualified] registered foreign  
18 business corporation shall, before filing [an application for  
19 termination of authority] a statement under section 415  
20 (relating to voluntary withdrawal of registration), officially  
21 publish and mail a notice of its intention to withdraw from  
22 doing business in this Commonwealth in a manner similar to that  
23 required by section 1975(b) (relating to notice to creditors and  
24 taxing authorities). The notice shall set forth [briefly]:

25 (1) The name of the corporation and [the jurisdiction  
26 under the laws of which it is incorporated] its jurisdiction  
27 of formation.

28 (2) The address, including street and number, if any, of  
29 its principal office under the laws of its jurisdiction of  
30 [incorporation] formation.

1           (3) Subject to section 109, the address, including  
2 street and number, if any, of its last registered office in  
3 this Commonwealth.

4           (c) [Filing.--The application for termination of authority  
5 and the certificates or statement required by section 139  
6 (relating to tax clearance of certain fundamental transactions)  
7 shall be filed in the department. See section 134 (relating to  
8 docketing statement).] (Reserved).

9           (d) [Effect of filing.--Upon the filing of the application  
10 for termination of authority, the authority of the corporation  
11 to do business in this Commonwealth shall cease. The termination  
12 of authority shall not affect any action or proceeding pending  
13 at the time thereof or affect any right of action arising with  
14 respect to the corporation before the filing of the application  
15 for termination of authority. Process against the corporation in  
16 an action upon any liability incurred before the filing of the  
17 application for termination of authority may be served as  
18 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction  
19 and interstate and international procedure) or as otherwise  
20 provided or prescribed by law.] (Reserved).

21           Section 29. Sections 4130, 4131, 4141, 4142, 4143, 4144 and  
22 Subchapter D of Chapter 41 of Title 15 are repealed:

23 [§ 4130. Change of address after withdrawal.

24           (a) General rule.--Any foreign business corporation that has  
25 withdrawn from doing business in this Commonwealth, or its  
26 successor in interest, may, from time to time, change the  
27 address to which process may be sent in an action upon any  
28 liability incurred before the filing of an application for  
29 termination of authority by filing in the Department of State of  
30 a statement of change of address by withdrawn corporation



1 executed by the corporation, setting forth:

2 (1) The name of the withdrawn corporation and, if the  
3 statement is filed by a successor in interest, the name and  
4 capacity of the successor.

5 (2) The name of the jurisdiction under the laws of which  
6 the corporation filing the statement is incorporated.

7 (3) The former post office address, including street and  
8 number, if any, of the withdrawn corporation as of record in  
9 the department.

10 (4) The new post office address, including street and  
11 number, if any, of the withdrawn corporation or its  
12 successor.

13 (b) Cross reference.--See section 134 (relating to docketing  
14 statement).

15 § 4131. Registration of name.

16 (a) General rule.--A nonqualified foreign business  
17 corporation may register its name under 54 Pa.C.S. Ch. 5  
18 (relating to corporate and other association names) if the name  
19 is available for use by a qualified foreign business corporation  
20 under section 4123 (relating to requirements for foreign  
21 corporation names), by filing in the Department of State an  
22 application for registration of name, executed by the  
23 corporation, which shall set forth:

24 (1) The name of the corporation.

25 (2) The address, including street and number, if any, of  
26 the corporation.

27 (b) Annual renewal.--A corporation that has in effect a  
28 registration of its corporate name may renew the registration  
29 from year to year by annually filing an application for renewal  
30 setting forth the facts required to be set forth in an original

1 application for registration. A renewal application may be filed  
2 between October 1 and December 31 in each year and shall extend  
3 the registration for the following calendar year.

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

6 § 4141. Penalty for doing business without certificate of  
7 authority.

8 (a) Right to bring actions or proceedings suspended.--A  
9 nonqualified foreign business corporation doing business in this  
10 Commonwealth within the meaning of Subchapter B (relating to  
11 qualification) shall not be permitted to maintain any action or  
12 proceeding in any court of this Commonwealth until the  
13 corporation has obtained a certificate of authority. Nor, except  
14 as provided in subsection (b), shall any action or proceeding be  
15 maintained in any court of this Commonwealth by any successor or  
16 assignee of the corporation on any right, claim or demand  
17 arising out of the doing of business by the corporation in this  
18 Commonwealth until a certificate of authority has been obtained  
19 by the corporation or by a corporation that has acquired all or  
20 substantially all of its assets.

21 (b) Contracts, property and defense against actions  
22 unaffected.--The failure of a foreign business corporation to  
23 obtain a certificate of authority to transact business in this  
24 Commonwealth shall not impair the validity of any contract or  
25 act of the corporation, shall not prevent the corporation from  
26 defending any action in any court of this Commonwealth and shall  
27 not render escheatable any of its real or personal property.

28 § 4142. General powers and duties of qualified foreign  
29 corporations.

30 (a) General rule.--A qualified foreign business corporation,

1 so long as its certificate of authority is not revoked, shall  
2 enjoy the same rights and privileges as a domestic business  
3 corporation, but no more, and, except as in this subpart  
4 otherwise provided, shall be subject to the same liabilities,  
5 restrictions, duties and penalties now in force or hereafter  
6 imposed upon domestic business corporations, to the same extent  
7 as if it had been incorporated under this subpart.

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

12 (c) Foreign insurance corporations.--A foreign insurance  
13 corporation shall, insofar as it is engaged in the business of  
14 writing insurance or reinsurance as principal, be subject to the  
15 laws of this Commonwealth regulating the business of insurance  
16 in lieu of the provisions of subsection (a).

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

19 (a) Acquisition of real and personal property.--Every  
20 nonqualified foreign business corporation may acquire, hold,  
21 mortgage, lease and transfer real and personal property in this  
22 Commonwealth in the same manner and subject to the same  
23 limitations as a qualified foreign business corporation.

24 (b) Duties.--Except as provided in section 4141(a) (relating  
25 to right to bring actions suspended), a nonqualified foreign  
26 business corporation doing business in this Commonwealth within  
27 the meaning of Subchapter B (relating to qualification) shall be  
28 subject to the same liabilities, restrictions, duties and  
29 penalties now or hereafter imposed upon a qualified foreign  
30 business corporation.

1 § 4144. Registered office of qualified foreign corporations.

2 (a) General rule.--Subject to the provisions of section  
3 1507(c) (relating to alternative procedure), every qualified  
4 foreign business corporation shall have, and continuously  
5 maintain, in this Commonwealth a registered office, which may  
6 but need not be the same as its place of business in this  
7 Commonwealth.

8 (b) Change.--A qualified foreign business corporation may,  
9 from time to time, change the address of its registered office  
10 in the manner provided by section 1507(b) (relating to statement  
11 of change of registered office).

12 SUBCHAPTER D

13 DOMESTICATION

14 Sec.

15 4161. Domestication.

16 4162. Effect of domestication.

17 § 4161. Domestication.

18 (a) General rule.--Any qualified foreign business  
19 corporation may become a domestic business corporation by filing  
20 in the Department of State articles of domestication. The  
21 articles of domestication, upon being filed in the department,  
22 shall constitute the articles of the domesticated foreign  
23 corporation, and it shall thereafter continue as a corporation  
24 which shall be a domestic business corporation subject to this  
25 subpart.

26 (b) Articles of domestication.--The articles of  
27 domestication shall be executed by the corporation and shall set  
28 forth in the English language:

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

1 characters or Arabic or Roman numerals. If the name is one  
2 that is rendered unavailable by any provision of section  
3 1303(b) or (c) (relating to corporate name), the corporation  
4 shall adopt, in accordance with any procedures for changing  
5 the name of the corporation that are applicable prior to the  
6 domestication of the corporation, and shall set forth in the  
7 articles of domestication an available name.

8 (2) Subject to section 109 (relating to name of  
9 commercial registered office provider in lieu of registered  
10 address), the address, including street and number, if any,  
11 of its registered office in this Commonwealth.

12 (3) A statement that upon domestication the corporation  
13 will be subject to the domestic corporation provisions of the  
14 Business Corporation Law of 1988 and, if desired, a brief  
15 statement of the purpose or purposes for which it is to be  
16 domesticated which shall be a purpose or purposes for which a  
17 domestic business corporation may be incorporated under  
18 Article B (relating to domestic business corporations  
19 generally) and which may consist of or include a statement  
20 that the corporation shall have unlimited power to engage in  
21 and to do any lawful act concerning any or all lawful  
22 business for which corporations may be incorporated under the  
23 Business Corporation Law of 1988.

24 (4) The term for which upon domestication it is to  
25 exist, if not perpetual.

26 (5) Any desired provisions relating to the manner and  
27 basis of reclassifying the shares of the corporation.

28 (6) A statement that the filing of articles of  
29 domestication and, if desired, the renunciation of the  
30 original charter or articles of the corporation has been

1 authorized (unless its charter or other organic documents  
2 require a greater vote) by a majority of the votes cast by  
3 all shareholders entitled to vote thereon and, if any class  
4 of shares is entitled to vote thereon as a class, a majority  
5 of the votes cast in each class vote.

6 (7) Any provisions desired providing special treatment  
7 of shares held by any shareholder or group of shareholders if  
8 the laws of the jurisdiction under which the corporation was  
9 incorporated prior to its domestication permit such special  
10 treatment.

11 (8) Any other provisions authorized by Article B to be  
12 set forth in the original articles.

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

16 § 4162. Effect of domestication.

17 (a) General rule.--As a domestic business corporation, the  
18 domesticated corporation shall no longer be a foreign business  
19 corporation for the purposes of this subpart and shall, instead,  
20 be a domestic business corporation with all the powers and  
21 privileges and all the duties and limitations granted and  
22 imposed upon domestic business corporations. In all other  
23 respects, the domesticated corporation shall be deemed to be the  
24 same corporation as it was prior to the domestication without  
25 any change in or effect on its existence. Without limiting the  
26 generality of the previous sentence, the domestication shall not  
27 be deemed to have affected in any way:

28 (1) the right and title of the corporation in and to its  
29 assets, property, franchises, estates and choses in action;

30 (2) the liability of the corporation for its debts,

1 obligations, penalties and public accounts due the  
2 Commonwealth;

3 (3) any liens or other encumbrances on the property or  
4 assets of the corporation; or

5 (4) any contract, license or other agreement to which  
6 the corporation is a party or under which it has any rights  
7 or obligations.

8 (b) Reclassification of shares.--The shares of the  
9 domesticated corporation shall be unaffected by the  
10 domestication except to the extent, if any, reclassified in the  
11 articles of domestication.]

12 Section 30. Sections 5103(a) introductory paragraph and the  
13 definitions of "articles," "foreign nonprofit corporation,"  
14 "nonqualified foreign corporation" and "qualified foreign  
15 corporation" or "qualified foreign nonprofit corporation" are  
16 amended to read:

17 § 5103. Definitions.

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

25 \* \* \*

26 "Articles." The original articles of incorporation, all  
27 amendments thereof, and any other articles, statements or  
28 certificates permitted or required to be filed in the Department  
29 of State by sections 108 (relating to change in location or  
30 status of registered office provided by agent) and 138 (relating

1 to statement of correction), Chapter 3 (relating to entity  
2 transactions) or this subpart and including what have heretofore  
3 been designated by law as certificates of incorporation or  
4 charters. If an amendment of the articles or [articles of merger  
5 or division made in the manner permitted by this subpart] a  
6 statement filed under Chapter 3 restates articles in their  
7 entirety [or if there are articles of consolidation, conversion  
8 or domestication], thenceforth the "articles" shall not include  
9 any prior documents and any certificate issued by the department  
10 with respect thereto shall so state.

11 \* \* \*

12 "Foreign nonprofit corporation." A foreign corporation not-  
13 for-profit or other entity subject to Chapter 61 (relating to  
14 foreign nonprofit corporations), whether or not required to  
15 [qualify thereunder] register under Chapter 4 (relating to  
16 foreign associations).

17 \* \* \*

18 ["Nonqualified foreign corporation" or "nonqualified foreign  
19 nonprofit corporation." A foreign corporation not-for-profit  
20 that is not a qualified foreign corporation, as defined in this  
21 section.]

22 \* \* \*

23 ["Qualified foreign corporation" or "qualified foreign  
24 nonprofit corporation." A foreign corporation not-for-profit  
25 authorized under Chapter 61 (relating to foreign nonprofit  
26 corporations) to do business in this Commonwealth.]

27 \* \* \*

28 Section 31. Section 5106 of Title 15 is amended to read:  
29 § 5106. Uniform application of subpart.

30 (a) General rule.--Except as provided in subsection (b),



1 this [subpart] title and its amendments are intended to provide  
2 uniform rules for the governance and regulation of the affairs  
3 of nonprofit corporations and of their officers, directors and  
4 members and of members of other bodies, regardless of the date  
5 or manner of incorporation or qualification, or of the issuance  
6 of any evidences of membership in or shares of a nonprofit  
7 corporation.

8 (b) Exceptions.--

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

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

19 (3) Subsection (a) shall not adversely affect the rights  
20 specifically provided for or saved in this subpart,  
21 including, without limiting the generality of the foregoing,  
22 the provisions of section [5952(d) (relating to proposal and  
23 adoption of plan of division)] 363 (relating to approval of  
24 division).

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

30 Section 32. Sections 5303, 5304 and 5305 of Title 15 are

1 repealed:

2 [§ 5303. Corporate name.

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

6 (b) Duplicate use of names.--The corporate name shall be  
7 distinguishable upon the records of the Department of State  
8 from:

9 (1) The name of any other domestic corporation for  
10 profit or not-for-profit which is either in existence or for  
11 which articles of incorporation have been filed but have not  
12 yet become effective, or of any foreign corporation for  
13 profit or not-for-profit which is either authorized to do  
14 business in this Commonwealth or for which an application for  
15 a certificate of authority has been filed but which has not  
16 yet become effective, or the name of any association  
17 registered at any time under 54 Pa.C.S. Ch. 5 (relating to  
18 corporate and other association names), unless the other  
19 association:

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

26 (ii) has filed with the Department of Revenue a  
27 certificate of out of existence, or has failed for a  
28 period of three successive years to file with the  
29 Department of Revenue a report or return required by law  
30 and the fact of such failure has been certified by the

1 Department of Revenue to the Department of State;

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

10 (iv) has had the registration of its name under 54  
11 Pa.C.S. Ch. 5 terminated and, if the termination was  
12 effected by operation of 54 Pa.C.S. § 504 (relating to  
13 effect of failure to make filings), the application for  
14 the use of the name is accompanied by a verified  
15 statement stating that at least 30 days' written notice  
16 of intention to appropriate the name was given to the  
17 delinquent association at its last known place of  
18 business and that, after diligent search by the affiant,  
19 the affiant believes the association to be out of  
20 existence.

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

29 (c) Required approvals or conditions.--

30 (1) The corporate name shall not imply that the

1 corporation is:

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

4 (ii) A bank, bank and trust company, savings bank,  
5 private bank or trust company, as defined in the act of  
6 November 30, 1965 (P.L.847, No.356), known as the Banking  
7 Code of 1965.

8 (iii) An insurance company.

9 (iv) A public utility as defined in 66 Pa.C.S. § 102  
10 (relating to definitions).

11 (v) A credit union. See 17 Pa.C.S. § 104 (relating  
12 to prohibition on use of words "credit union," etc.).

13 (2) The corporate name shall not contain:

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

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

24 (iii) The words "engineer" or "engineering" or  
25 "surveyor" or "surveying" or any other word implying that  
26 any form of the practice of engineering or surveying as  
27 defined in the act of May 23, 1945 (P.L.913, No.367),  
28 known as the Professional Engineers Registration Law, is  
29 provided unless at least one of the incorporators of a  
30 proposed corporation or the directors of the existing

1 corporation has been properly registered with the State  
2 Registration Board for Professional Engineers in the  
3 practice of engineering or surveying and there is  
4 submitted to the department a certificate from the board  
5 to that effect.

6 (iv) The words "Young Men's Christian Association"  
7 or any other words implying that the corporation is  
8 affiliated with the State Young Men's Christian  
9 Association of Pennsylvania unless the corporation is  
10 incorporated for the purpose of the improvement of the  
11 spiritual, mental, social and physical condition of young  
12 people, by the support and maintenance of lecture rooms,  
13 libraries, reading rooms, religious and social meetings,  
14 gymnasiums, and such other means and services as may  
15 conduce to the accomplishment of that object, according  
16 to the general rules and regulations of such State  
17 association.

18 (v) The words "architect" or "architecture" or any  
19 other word implying that any form of the practice of  
20 architecture as defined in the act of December 14, 1982  
21 (P.L.1227, No.281), known as the Architects Licensure  
22 Law, is provided unless at least one of the incorporators  
23 of a proposed corporation or the directors of the  
24 existing corporation has been properly registered with  
25 the Architects Licensure Board in the practice of  
26 architecture and there is submitted to the department a  
27 certificate from the board to that effect.

28 (vi) The word "cooperative" or an abbreviation  
29 thereof unless the corporation is a cooperative  
30 corporation.

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

10 (e) Remedies for violation of section.--The use of a name in  
11 violation of this section shall not vitiate or otherwise affect  
12 the corporate existence, but any court having jurisdiction may  
13 enjoin the corporation from using or continuing to use a name in  
14 violation of this section upon the application of:

- 15 (1) the Attorney General, acting on his own motion or at  
16 the instance of any administrative department, board or  
17 commission of this Commonwealth; or  
18 (2) any person adversely affected.

19 (f) Cross references.--See sections 135(e) (relating to  
20 distinguishable names) and 5106(b)(2) (relating to limited  
21 uniform application of subpart).

22 § 5304. Required name changes by senior corporations.

23 (a) Adoption of new name upon reactivation.--Where a  
24 corporate name is made available on the basis that the  
25 corporation or other association that formerly registered the  
26 name has failed to file with the Department of Revenue a report  
27 or a return required by law or where the corporation or other  
28 association has filed with the Department of Revenue a  
29 certificate of out of existence, the corporation or other  
30 association shall cease to have by virtue of its prior

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

10 (b) Enforcement of undertaking to release name.--If a  
11 corporation has used a name that is not distinguishable upon the  
12 records of the Department of State from the name of another  
13 corporation or other association as permitted by section 5303(b)  
14 (1) (relating to duplicate use of names) and the other  
15 corporation or other association continues to use its name in  
16 this Commonwealth and does not change its name, cease to do  
17 business, be wound up, or withdraw as it proposed to do in its  
18 consent or change its name as required by subsection (a), any  
19 court having jurisdiction may enjoin the other corporation or  
20 other association from continuing to use its name or a name that  
21 is not distinguishable therefrom, upon the application of:

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

25 (2) upon the application of any person adversely  
26 affected.

27 § 5305. Reservation of corporate name.

28 (a) General rule.--The exclusive right to the use of a  
29 corporate name may be reserved by any person. The reservation  
30 shall be made by delivering to the Department of State an

1 application to reserve a specified corporate name, executed by  
2 the applicant. If the department finds that the name is  
3 available for corporate use, it shall reserve the name for the  
4 exclusive use of the applicant for a period of 120 days.

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

10 (c) Cross references.--See sections 134 (relating to  
11 docketing statement) and 6131 (relating to registration of  
12 name).]

13 Section 33. Sections 5341, 5704(B)(1), 5757 and 5766(c) of <--  
14 Title 15 are amended to read:

15 § 5341. Statement of revival.

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

29 (b) Contents of statement.--The statement of revival shall  
30 be [executed] signed in the name of the forfeited or expired



1 corporation and shall, subject to section 109 (relating to name  
2 of commercial registered office provider in lieu of registered  
3 address), set forth:

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

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

10 (3) The name that the corporation adopts as its new name  
11 if the adoption of a new name is required by section [5304]  
12 207 (relating to required name changes by senior  
13 [corporations] associations).

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

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

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

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

28 (c) Filing and effect.--The statement of revival and, in the  
29 case of a forfeited corporation, the clearance certificates  
30 required by section 139 (relating to tax clearance of certain

1 fundamental transactions) shall be [filed in the Department of  
2 State] delivered to the department for filing. Upon the filing  
3 of the statement of revival, the corporation shall be revived  
4 with the same effect as if its charter or articles had not been  
5 forfeited or expired by limitation. The revival shall validate  
6 all contracts and other transactions made and effected within  
7 the scope of the articles of the corporation by its  
8 representatives during the time when its charter or articles  
9 were forfeited or expired to the same effect as if its charter  
10 or articles had not been forfeited or expired.

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

14 § 5704. PLACE AND NOTICE OF MEETINGS OF MEMBERS. <--

15 \* \* \*

16 (B) NOTICE.--NOTICE IN RECORD FORM OF EVERY MEETING OF THE  
17 MEMBERS SHALL BE GIVEN BY, OR AT THE DIRECTION OF, THE SECRETARY  
18 OR OTHER AUTHORIZED PERSON TO EACH MEMBER OF RECORD ENTITLED TO  
19 VOTE AT THE MEETING AT LEAST:

20 (1) TEN DAYS PRIOR TO THE DAY NAMED FOR A MEETING THAT  
21 WILL CONSIDER A TRANSACTION UNDER CHAPTER 3 (RELATING TO  
22 ENTITY TRANSACTIONS) OR A FUNDAMENTAL CHANGE UNDER CHAPTER 59  
23 (RELATING TO FUNDAMENTAL CHANGES); OR

24 \* \* \*

25 § 5757. Action by members.

26 (a) General rule.--Except as otherwise provided in this  
27 [subpart] title or in a bylaw adopted by the members, whenever  
28 any corporate action is to be taken by vote of the members of a  
29 nonprofit corporation, it shall be authorized upon receiving the  
30 affirmative vote of a majority of the votes cast by the members

1 entitled to vote thereon and, if any members are entitled to  
2 vote thereon as a class, upon receiving the affirmative vote of  
3 a majority of the votes cast by the members entitled to vote as  
4 a class.

5 (b) Changes in required vote.--Whenever a provision of this  
6 [subpart] title requires a specified number or percentage of  
7 votes of members or of a class of members for the taking of any  
8 action, a nonprofit corporation may prescribe in a bylaw adopted  
9 by the members that a higher number or percentage of votes shall  
10 be required for the action. The number or percentage of members  
11 necessary to call a special meeting of members or to petition  
12 for the proposal of an amendment of articles under this subpart  
13 may not be increased under this subsection. See sections 5504(d)  
14 (relating to adoption, amendment and contents of bylaws) and  
15 5914(d) (relating to adoption of amendments).

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

23 (d) Cross reference.--See section 322 (relating to approval  
24 by nonprofit corporation).

25 § 5766. Consent of members in lieu of meeting.

26 \* \* \*

27 (c) [Effectiveness] Notice of action by partial consent.--  
28 [An action taken pursuant to subsection (b) shall not become  
29 effective until after at least ten days' notice of the action  
30 has been given to each member entitled to vote thereon who has

1 not consented thereto.] Unless the bylaws require notice before  
2 an action pursuant to subsection (b) takes effect, prompt notice  
3 that an action has been taken shall be given to each member  
4 entitled to vote on the action that has not consented.

5 Section 34. The heading of Chapter 59 of Title 15 is amended  
6 to read:

7 CHAPTER 59

8 [FUNDAMENTAL CHANGES] AMENDMENTS, SALE

9 OF ASSETS AND DISSOLUTION

10 SECTION 34.1. SECTIONS 5901, 5902(A) AND 5905 OF TITLE 15 <--  
11 ARE AMENDED TO READ:

12 [§ 5901. OMISSION OF CERTAIN PROVISIONS FROM FILED PLANS.

13 (A) GENERAL RULE.--A PLAN AS FILED IN THE DEPARTMENT OF  
14 STATE UNDER ANY PROVISION OF THIS CHAPTER MAY OMIT ALL  
15 PROVISIONS OF THE PLAN EXCEPT PROVISIONS, IF ANY:

16 (1) THAT ARE INTENDED TO AMEND OR CONSTITUTE THE  
17 OPERATIVE PROVISIONS OF THE ARTICLES OF A CORPORATION AS IN  
18 EFFECT SUBSEQUENT TO THE EFFECTIVE DATE OF THE PLAN; OR

19 (2) THAT ALLOCATE OR SPECIFY THE RESPECTIVE ASSETS AND  
20 LIABILITIES OF THE RESULTING CORPORATIONS, IN THE CASE OF A  
21 PLAN OF DIVISION.

22 (B) AVAILABILITY OF FULL PLAN.--IF ANY OF THE PROVISIONS OF  
23 A PLAN ARE OMITTED FROM THE PLAN AS FILED IN THE DEPARTMENT, THE  
24 ARTICLES OF AMENDMENT, MERGER, CONSOLIDATION, DIVISION OR  
25 CONVERSION SHALL STATE THAT THE FULL TEXT OF THE PLAN IS ON FILE  
26 AT THE PRINCIPAL PLACE OF BUSINESS OF THE SURVIVING OR NEW OR A  
27 RESULTING CORPORATION AND SHALL STATE THE ADDRESS THEREOF. A  
28 CORPORATION THAT TAKES ADVANTAGE OF THIS SECTION SHALL FURNISH A  
29 COPY OF THE FULL TEXT OF THE PLAN, ON REQUEST AND WITHOUT COST,  
30 TO ANY MEMBER OF ANY CORPORATION THAT WAS A PARTY TO THE PLAN

1 AND ON REQUEST AND AT COST TO ANY OTHER PERSON.]

2 § 5902. STATEMENT OF TERMINATION.

3 (A) GENERAL RULE.--IF ARTICLES OF AMENDMENT [OR ARTICLES OF  
4 MERGER, CONSOLIDATION, DIVISION OR CONVERSION OF A NONPROFIT  
5 CORPORATION OR TO WHICH IT IS A PARTY] HAVE BEEN FILED IN THE  
6 [DEPARTMENT OF STATE] DEPARTMENT PRIOR TO THE TERMINATION OF THE  
7 AMENDMENT [OR PLAN] PURSUANT TO PROVISIONS THEREFOR SET FORTH IN  
8 THE RESOLUTION OR PETITION RELATING TO THE AMENDMENT [OR IN THE  
9 PLAN], THE TERMINATION SHALL NOT BE EFFECTIVE UNLESS THE  
10 CORPORATION SHALL, PRIOR TO THE TIME THE AMENDMENT OR PLAN IS TO  
11 BECOME EFFECTIVE, FILE IN THE DEPARTMENT A STATEMENT OF  
12 TERMINATION. THE STATEMENT OF TERMINATION SHALL BE EXECUTED BY  
13 THE CORPORATION THAT FILED THE AMENDMENT [OR BY EACH CORPORATION  
14 THAT IS A PARTY TO THE PLAN, UNLESS THE PLAN PERMITS TERMINATION  
15 BY LESS THAN ALL OF THE CORPORATIONS, IN WHICH CASE THE  
16 STATEMENT SHALL BE EXECUTED ON BEHALF OF THE CORPORATION OR  
17 CORPORATIONS EXERCISING THE RIGHT TO TERMINATE,] AND SHALL SET  
18 FORTH:

19 (1) A COPY OF THE ARTICLES OF AMENDMENT [OR ARTICLES OF  
20 MERGER, CONSOLIDATION, DIVISION OR CONVERSION RELATING TO THE  
21 AMENDMENT OR PLAN THAT IS TERMINATED].

22 (2) A STATEMENT THAT THE AMENDMENT [OR PLAN] HAS BEEN  
23 TERMINATED IN ACCORDANCE WITH THE PROVISIONS THEREFOR SET  
24 FORTH THEREIN.

25 \* \* \*

26 § 5905. PROPOSAL OF FUNDAMENTAL TRANSACTIONS.

27 WHERE ANY PROVISION OF THIS CHAPTER REQUIRES THAT AN  
28 AMENDMENT OF THE ARTICLES[, A PLAN] OR THE DISSOLUTION OF A  
29 NONPROFIT CORPORATION BE PROPOSED OR APPROVED BY ACTION OF THE  
30 BOARD OF DIRECTORS, THAT REQUIREMENT SHALL BE CONSTRUED TO

1 AUTHORIZE AND BE SATISFIED BY THE WRITTEN AGREEMENT OR CONSENT  
2 OF ALL OF THE MEMBERS OF THE CORPORATION ENTITLED TO VOTE  
3 THEREON.

4 Section 35. The heading of Subchapter C of Chapter 59 of  
5 Title 15 is amended to read:

6 SUBCHAPTER C

7 [MERGER, CONSOLIDATION AND] SALE OF ASSETS

8 Section 36. Sections 5921, 5922, 5923, 5924, 5925, 5926,  
9 5927, 5928 and 5929 of Title 15 are repealed:

10 [§ 5921. Merger and consolidation authorized.

11 (a) Domestic surviving or new corporation.--Any two or more  
12 domestic nonprofit corporations, or any two or more foreign  
13 nonprofit corporations, or any one or more domestic nonprofit  
14 corporations and any one or more foreign nonprofit corporations,  
15 may, in the manner provided in this subchapter, be merged into  
16 one of the domestic nonprofit corporations, designated in this  
17 subchapter as the surviving corporation, or consolidated into a  
18 new corporation to be formed under this subpart, if the foreign  
19 corporations are authorized by the laws of the jurisdiction  
20 under which they are incorporated to effect a merger or  
21 consolidation with a corporation of another jurisdiction.

22 (b) Foreign surviving or new corporation.--Any one or more  
23 domestic nonprofit corporations, and any one or more foreign  
24 nonprofit corporations, may, in the manner provided in this  
25 subchapter, be merged into one of the foreign nonprofit  
26 corporations, designated in this subchapter as the surviving  
27 corporation, or consolidated into a new corporation to be  
28 incorporated under the laws of the jurisdiction under which one  
29 of the foreign nonprofit corporations is incorporated, if the  
30 laws of that jurisdiction authorize a merger with or

1 consolidation into a corporation of another jurisdiction.

2 § 5922. 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 nonprofit 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) Such other provisions as are deemed desirable.

16 (b) Post-adoption amendment.--A plan of merger or  
17 consolidation may contain a provision that the boards of  
18 directors or other bodies of the constituent corporations may  
19 amend the plan at any time prior to its effective date, except  
20 that an amendment made subsequent to the adoption of the plan by  
21 the members of any constituent corporation shall not change:

22 (1) The term of memberships or the amount or kind of  
23 securities, obligations, cash, property or rights to be  
24 received in exchange for or on conversion of all or any of  
25 the memberships in the constituent corporation.

26 (2) Any term of the articles of the surviving or new  
27 corporation to be effected by the merger or consolidation.

28 (3) Any of the terms and conditions of the plan if the  
29 change would adversely affect the members of the constituent  
30 corporation.

1 (c) Proposal.--Every merger or consolidation shall be  
2 proposed in the case of each domestic nonprofit corporation:

3 (1) by the adoption by the board of directors or other  
4 body of a resolution approving the plan of merger or  
5 consolidation;

6 (2) unless otherwise provided in the articles, by  
7 petition of members entitled to cast at least 10% of the  
8 votes that all members are entitled to cast thereon, setting  
9 forth the proposed plan of merger or consolidation, which  
10 petition shall be directed to the board of directors and  
11 filed with the secretary of the corporation; or

12 (3) by such other method as may be provided in the  
13 bylaws.

14 (d) Submission to members.--Except where the corporation has  
15 no members entitled to vote thereon, the board of directors or  
16 other body shall direct that the plan be submitted to a vote of  
17 the members entitled to vote thereon at a regular or special  
18 meeting of the members.

19 (e) Party to plan or transaction.--A corporation,  
20 partnership, business trust or other association that approves a  
21 plan in its capacity as a member or creditor of a merging or  
22 consolidating corporation or that furnishes all or a part of the  
23 consideration contemplated by a plan does not thereby become a  
24 party to the plan or the merger or consolidation for the  
25 purposes of this subchapter.

26 (f) Reference to outside facts.--Any of the terms of a plan  
27 of merger or consolidation may be made dependent upon facts  
28 ascertainable outside of the plan if the manner in which the  
29 facts will operate upon the terms of the plan is set forth in  
30 the plan. Such facts may include, without limitation, actions or



1 events within the control of or determinations made by a party  
2 to the plan or a representative of a party to the plan.

3 § 5923. Notice of meeting of members.

4 (a) General rule.--Notice in record form of the meeting of  
5 members that will act on the proposed plan shall be given to  
6 each member of record, whether or not entitled to vote thereon,  
7 of each domestic nonprofit corporation that is a party to the  
8 merger or consolidation. The notice shall include or be  
9 accompanied by a copy of the proposed plan or a summary thereof.  
10 The notice shall provide that a copy of the bylaws of the  
11 surviving or new corporation will be furnished to any member on  
12 request and without cost.

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

15 § 5924. Adoption of plan.

16 (a) General rule.--The plan of merger or consolidation shall  
17 be adopted upon receiving the affirmative vote of the members  
18 present entitled to cast at least a majority of the votes that  
19 all members present are entitled to cast thereon of each of the  
20 domestic nonprofit corporations that is a party to the merger or  
21 consolidation and, if any class of members is entitled to vote  
22 thereon as a class, the affirmative vote of the members present  
23 of such class entitled to cast at least a majority of the votes  
24 that all members present of such class are entitled to cast  
25 thereon.

26 (b) Adoption in absence of voting members.--If a merging or  
27 consolidating corporation has no members entitled to vote  
28 thereon, or no members entitled to vote thereon other than  
29 persons who also constitute the board of directors or other  
30 body, a plan of merger or consolidation shall be deemed adopted

1 by the corporation when it has been adopted by the board of  
2 directors or other body pursuant to section 5922 (relating to  
3 plan of merger or consolidation).

4 (c) Termination of plan.--Prior to the time when a merger or  
5 consolidation becomes effective, the merger or consolidation may  
6 be terminated pursuant to provisions for termination, if any,  
7 set forth in the plan. If articles of merger or consolidation  
8 have been filed in the department prior to the termination, a  
9 statement under section 5902 (relating to statement of  
10 termination) shall be filed in the department.

11 § 5925. Authorization by foreign corporations.

12 The plan of merger or consolidation shall be authorized,  
13 adopted or approved by each foreign nonprofit corporation that  
14 desires to merge or consolidate in accordance with the laws of  
15 the jurisdiction in which it is incorporated and, in the case of  
16 a foreign domiciliary corporation, in accordance with the  
17 provisions of this subpart to the extent provided by section  
18 6145 (relating to applicability of certain safeguards to foreign  
19 domiciliary corporations).

20 § 5926. Articles of merger or consolidation.

21 Upon the adoption of the plan of merger or consolidation by  
22 the corporations desiring to merge or consolidate, as provided  
23 in this subchapter, articles of merger or articles of  
24 consolidation, as the case may be, shall be executed by each  
25 corporation and shall, subject to section 109 (relating to name  
26 of commercial registered office provider in lieu of registered  
27 address), set forth:

28 (1) The name and the location of the registered office,  
29 including street and number, if any, of the domestic  
30 surviving or new corporation or, in the case of a foreign

1 surviving or new corporation, the name of the corporation and  
2 its jurisdiction of incorporation, together with either:

3 (i) if a qualified foreign nonprofit corporation,  
4 the address, including street and number, if any, of its  
5 registered office in this Commonwealth; or

6 (ii) if a nonqualified foreign nonprofit  
7 corporation, the address, including street and number, if  
8 any, of its principal office under the laws of the  
9 jurisdiction in which it is incorporated.

10 (2) The name and address, including street and number,  
11 if any, of the registered office of each other domestic  
12 nonprofit corporation and qualified foreign nonprofit  
13 corporation that is a party to the merger or consolidation.

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

17 (4) The manner in which the plan was adopted by each  
18 domestic corporation and, if one or more foreign corporations  
19 are parties to the merger or consolidation, the fact that the  
20 plan was authorized, adopted or approved, as the case may be,  
21 by each of the foreign corporations in accordance with the  
22 laws of the jurisdiction in which it is incorporated.

23 (5) Except as provided in section 5901 (relating to  
24 omission of certain provisions from filed plans), the plan of  
25 merger or consolidation.

26 § 5927. Filing of articles of merger or consolidation.

27 (a) General rule.--The articles of merger or articles of  
28 consolidation, as the case may be, and the certificates or  
29 statement, if any, required by section 139 (relating to tax  
30 clearance of certain fundamental transactions) shall be filed in

1 the Department of State.

2 (b) Cross reference.--See section 134 (relating to docketing  
3 statement).

4 § 5928. Effective date of merger or consolidation.

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

15 § 5929. Effect of merger or consolidation.

16 (a) Single surviving or new corporation.--Upon the merger or  
17 consolidation becoming effective, the several corporations  
18 parties to the merger or consolidation shall be a single  
19 corporation which, in the case of a merger, shall be the  
20 corporation designated in the plan of merger as the surviving  
21 corporation and, in the case of a consolidation, shall be the  
22 new corporation provided for in the plan of consolidation. The  
23 separate existence of all corporations parties to the merger or  
24 consolidation shall cease, except that of the surviving  
25 corporation, in the case of a merger. The surviving or new  
26 corporation, as the case may be, if it is a domestic nonprofit  
27 corporation, shall not thereby acquire authority to engage in  
28 any business or exercise any right that a corporation may not be  
29 incorporated under this subpart to engage in or exercise.

30 (b) Property rights.--Except as otherwise provided by order,

1 if any, obtained pursuant to section 5547(b) (relating to  
2 nondiversion of certain property), all the property, real,  
3 personal and mixed, and franchises of each of the corporations  
4 parties to the merger or consolidation, and all debts due on  
5 whatever account to any of them, including subscriptions for  
6 membership and other choses in action belonging to any of them,  
7 shall be deemed to be vested in and shall belong to the  
8 surviving or new corporation, as the case may be, without  
9 further action, and the title to any real estate, or any  
10 interest therein, vested in any of the corporations shall not  
11 revert or be in any way impaired by reason of the merger or  
12 consolidation. The surviving or new corporation shall  
13 thenceforth be responsible for all the liabilities of each of  
14 the corporations so merged or consolidated. Liens upon the  
15 property of the merging or consolidating corporations shall not  
16 be impaired by the merger or consolidation, and any claim  
17 existing or action or proceeding pending by or against any of  
18 the corporations may be prosecuted to judgment as if the merger  
19 or consolidation had not taken place, or the surviving or new  
20 corporation may be proceeded against or substituted in its  
21 place. Any devise, gift or grant contained in any will or other  
22 instrument, in trust or otherwise, made before or after such  
23 merger or consolidation, to or for any of the constituent  
24 corporations, shall inure to the surviving or new corporation,  
25 as the case may be, subject to compliance with the requirements  
26 of section 5550 (relating to devises, bequests and gifts after  
27 certain fundamental changes).

28 (c) Taxes.--Any taxes, interest, penalties and public  
29 accounts of the Commonwealth claimed against any of the merging  
30 or consolidating corporations that are settled, assessed or

1 determined prior to or after the merger or consolidation shall  
2 be the liability of the surviving or new corporation and,  
3 together with interest thereon, shall be a lien against the  
4 franchises and property, both real and personal, of the  
5 surviving or new corporation.

6 (d) Articles of incorporation.--In the case of a merger, the  
7 articles of incorporation of the surviving domestic nonprofit  
8 corporation, if any, shall be deemed to be amended to the  
9 extent, if any, that changes in its articles are stated in the  
10 plan of merger. In the case of a consolidation into a domestic  
11 nonprofit corporation, the statements that are set forth in the  
12 plan of consolidation, or articles of incorporation set forth  
13 therein, shall be deemed to be the articles of incorporation of  
14 the new corporation.]

15 Section 37. Section 5930(a) of Title 15 is amended to read:  
16 § 5930. Voluntary transfer of corporate assets.

17 (a) General rule.--A sale, lease, exchange or other  
18 disposition of all, or substantially all, of the property and  
19 assets, with or without goodwill, of a nonprofit corporation, if  
20 not made pursuant to Subchapter [D] F of Chapter [19] 3  
21 (relating to division), may be made only pursuant to a plan of  
22 asset transfer. The property or assets of a direct or indirect  
23 subsidiary corporation that is controlled by a parent  
24 corporation shall also be deemed the property or assets of the  
25 parent corporation for purposes of this subsection. The plan of  
26 asset transfer shall set forth the terms and consideration of  
27 the sale, lease, exchange or other disposition or may authorize  
28 the board of directors or other body to fix any or all of the  
29 terms and conditions, including the consideration to be received  
30 by the corporation. Any of the terms of the plan may be made

1 dependent upon facts ascertainable outside of the plan if the  
2 manner in which the facts will operate upon the terms of the  
3 plan is set forth in the plan. The plan of asset transfer shall  
4 be proposed and adopted, and may be amended after its adoption  
5 and terminated, by a nonprofit corporation in the manner  
6 provided in this subchapter for the proposal, adoption,  
7 amendment and termination of a plan of merger. A copy or summary  
8 of the plan shall be included in, or enclosed with, the notice  
9 of the meeting at which members will act on the plan. In order  
10 to make effective any plan so adopted, it shall not be necessary  
11 to file any articles or other document in the department, but  
12 the corporation shall comply with the requirements of section  
13 5547(b) (relating to nondiversion of certain property).

14 \* \* \*

15 Section 38. The heading of Subchapter D of Chapter 59 of  
16 Title 15 is amended to read:

17 SUBCHAPTER D

18 [DIVISION] (RESERVED)

19 Section 39. Sections 5951, 5952, 5953, 5954, 5955, 5956,  
20 5957 and Subchapter E of Chapter 59 and sections 6121, 6122 and  
21 6123 of Title 15 are repealed:

22 [§ 5951. Division authorized.

23 (a) Division of domestic corporation.--Any domestic  
24 nonprofit corporation may, in the manner provided in this  
25 subchapter, be divided into two or more domestic nonprofit  
26 corporations incorporated or to be incorporated under this  
27 article, or into one or more domestic nonprofit corporations and  
28 one or more foreign nonprofit corporations to be incorporated  
29 under the laws of another jurisdiction or jurisdictions, or into  
30 two or more foreign nonprofit corporations, if the laws of the

1 other jurisdictions authorize the division.

2 (b) Division of foreign corporation.--Any foreign nonprofit  
3 corporation may, in the manner provided in this subchapter, be  
4 divided into one or more domestic nonprofit corporations to be  
5 incorporated under this subpart and one or more foreign  
6 nonprofit corporations incorporated or to be incorporated under  
7 the laws of another jurisdiction or jurisdictions, or into two  
8 or more domestic nonprofit corporations, if the foreign  
9 nonprofit corporation is authorized under the laws of the  
10 jurisdiction under which it is incorporated to effect a  
11 division.

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

20 § 5952. Proposal and adoption of plan of division.

21 (a) Preparation of plan.--A plan of division shall be  
22 prepared, setting forth:

23 (1) The terms and conditions of the division, including  
24 the manner and basis of:

25 (i) The reclassification of the membership interests  
26 or shares of the surviving corporation, if there be one.

27 (ii) The disposition of the membership interests or  
28 shares or obligations, if any, of the new corporation or  
29 corporations resulting from the division.

30 (2) A statement that the dividing nonprofit corporation



1 will, or 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) Such other provisions as are deemed desirable.

8 (b) Articles of new corporations.--There shall be included  
9 in or annexed to the plan of division:

10 (1) Articles of incorporation, which shall contain all  
11 of the statements required by this subpart to be set forth in  
12 restated articles, for each of the new domestic nonprofit  
13 corporations, if any, resulting from the division.

14 (2) Articles of incorporation, certificates of  
15 incorporation or other charter documents for each of the new  
16 foreign nonprofit corporations, if any, resulting from the  
17 division.

18 (c) Proposal and adoption.--Except as otherwise provided in  
19 section 5953 (relating to division without member approval), the  
20 plan of division shall be proposed and adopted, and may be  
21 amended after its adoption and terminated, by a domestic  
22 nonprofit corporation in the manner provided for the proposal,  
23 adoption, amendment and termination of a plan of merger in  
24 Subchapter C (relating to merger, consolidation and sale of  
25 assets) or, if the dividing corporation is a foreign nonprofit  
26 corporation, in accordance with the laws of the jurisdiction in  
27 which it is incorporated and, in the case of a foreign  
28 domiciliary corporation, the provisions of this subpart to the  
29 extent provided by section 6145 (relating to applicability of  
30 certain safeguards to foreign corporations). There shall be

1 included in or enclosed with the notice of the meeting of  
2 members that will act on the plan a copy or summary of the plan.

3 (d) Special requirements.--If any provision of the bylaws of  
4 a dividing domestic nonprofit corporation adopted before January  
5 1, 1972 shall require for the adoption of a plan of merger or  
6 consolidation or a plan involving the sale, lease or exchange of  
7 all or substantially all of the property and assets of the  
8 corporation a specific number or percentage of votes of  
9 directors, members, or members of an other body or other special  
10 procedures, the plan of division shall not be adopted without  
11 such number or percentage of votes or compliance with such other  
12 special procedures.

13 (e) Financial status of resulting corporations.--Unless the  
14 plan of division provides that the dividing corporation shall  
15 survive the division and that all membership interests or shares  
16 or obligations, if any, of all new corporations resulting from  
17 the plan shall be owned solely by the surviving corporation, no  
18 plan of division may be made effective at a time when the  
19 dividing corporation is insolvent or when the division would  
20 render any of the resulting corporations insolvent.

21 (f) Rights of holders of indebtedness.--If any debt  
22 securities, notes or similar evidences of indebtedness for money  
23 borrowed, whether secured or unsecured, indentures or other  
24 contracts were issued, incurred or executed by the dividing  
25 corporation before January 1, 1972, and have not been amended  
26 subsequent to that date, the liability of the dividing  
27 corporation thereunder shall not be affected by the division nor  
28 shall the rights of the obligees thereunder be impaired by the  
29 division, and each of the resulting corporations may be  
30 proceeded against or substituted in place of the dividing

1 corporation as joint and several obligors on such liability,  
2 regardless of any provision of the plan of division apportioning  
3 the liabilities of the dividing corporation.

4 (g) Reference to outside facts.--Any of the terms of a plan  
5 of division may be made dependent upon facts ascertainable  
6 outside of the plan if the manner in which the facts will  
7 operate upon the terms of the plan is set forth in the plan.  
8 Such facts may include, without limitation, actions or events  
9 within the control of or determinations made by the dividing  
10 corporation or a representative of the dividing corporation.

11 § 5953. Division without member approval.

12 Unless otherwise required by its bylaws or by section 5952  
13 (relating to proposal and adoption of plan of division), a plan  
14 of division that does not alter the state of incorporation of a  
15 nonprofit corporation nor amend in any respect the provisions of  
16 its articles, except amendments that under section 5914(b)  
17 (relating to adoption in absence of voting members) may be made  
18 without member action, shall not require the approval of the  
19 members of the corporation if the transfers of assets effected  
20 by the division, if effected by means of a sale, lease, exchange  
21 or other disposition, would not require the approval of members  
22 under section 5930 (relating to voluntary transfer of corporate  
23 assets).

24 § 5954. Articles of division.

25 Upon the adoption of a plan of division by the corporation  
26 desiring to divide, as provided in this subchapter, articles of  
27 division shall be executed by the corporation and shall, subject  
28 to section 109 (relating to name of commercial registered office  
29 provider in lieu of registered address), set forth:

30 (1) The name and the location of the registered office,

1 including street and number, if any, of the dividing domestic  
2 nonprofit corporation or, in the case of a dividing foreign  
3 nonprofit corporation, the name of the corporation and the  
4 jurisdiction in which it is incorporated, together with  
5 either:

6 (i) If a qualified foreign nonprofit corporation,  
7 the address, including street and number, if any, of its  
8 registered office in this Commonwealth.

9 (ii) If a nonqualified foreign nonprofit  
10 corporation, the address, including street and number, if  
11 any, of its principal office under the laws of that  
12 jurisdiction.

13 (2) The statute under which the dividing corporation was  
14 incorporated and the date of incorporation.

15 (3) A statement that the dividing corporation will, or  
16 will not, survive the division.

17 (4) The name and the address, including street and  
18 number, if any, of the registered office of each new domestic  
19 nonprofit corporation or qualified foreign nonprofit  
20 corporation resulting from the division.

21 (5) If the plan is to be effective on a specified date,  
22 the hour, if any, and the month, day and year of the  
23 effective date.

24 (6) The manner in which the plan was adopted by the  
25 corporation.

26 (7) Except as provided in section 5901 (relating to  
27 omission of certain provisions from filed plans), the plan of  
28 division.

29 § 5955. Filing of articles of division.

30 (a) General rule.--The articles of division and the

1 certificates or statement, if any, required by section 139  
2 (relating to tax clearance of certain fundamental transactions)  
3 shall be filed in the Department of State.

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

6 § 5956. Effective date of division.

7 Upon the filing of articles of division in the department or  
8 upon the effective date specified in the plan of division,  
9 whichever is later, the division shall become effective. The  
10 division of a domestic nonprofit corporation into one or more  
11 foreign nonprofit corporations or the division of a foreign  
12 nonprofit corporation shall be effective according to the laws  
13 of the jurisdictions where the foreign corporations are or are  
14 to be incorporated and, in the case of a foreign domiciliary  
15 corporation, the provisions of this subpart to the extent  
16 provided by section 6145 (relating to applicability of certain  
17 safeguards to foreign domiciliary corporations), but not until  
18 articles of division have been adopted and filed as provided in  
19 this subchapter.

20 § 5957. Effect of division.

21 (a) Multiple resulting corporations.--Upon the division  
22 becoming effective, the dividing corporation shall be subdivided  
23 into the distinct and independent resulting corporations named  
24 in the plan of division and, if the dividing corporation is not  
25 to survive the division, the existence of the dividing  
26 corporation shall cease. The resulting corporations, if they are  
27 domestic nonprofit corporations, shall not thereby acquire  
28 authority to engage in any business or exercise any right that a  
29 corporation may not be incorporated under this subpart to engage  
30 in or exercise. Any resulting foreign nonprofit corporation that

1 is stated in the articles of division to be a qualified foreign  
2 nonprofit corporation shall be a qualified foreign nonprofit  
3 corporation under Article C (relating to foreign nonprofit  
4 corporations), and the articles of division shall be deemed to  
5 be the application for a certificate of authority and the  
6 certificate of authority issued thereon of the corporation.

7 (b) Property rights; allocations of assets and  
8 liabilities.--

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

12 (i) All the property, real, personal and mixed, and  
13 franchises of the dividing corporation, and all debts due  
14 on whatever account to it, including subscriptions for  
15 membership and other choses in action belonging to it,  
16 shall, to the extent allocations of assets are  
17 contemplated by the plan of division, be deemed without  
18 further action to be allocated to and vested in the  
19 resulting corporations on such a manner and basis and  
20 with such effect as is specified in the plan, or per  
21 capita among the resulting corporations, as tenants in  
22 common, if no specification is made in the plan, and the  
23 title to any real estate, or interest therein, vested in  
24 any of the corporations shall not revert or be in any way  
25 impaired by reason of the division.

26 (ii) Upon the division becoming effective, the  
27 resulting corporations shall each thenceforth be  
28 responsible as separate and distinct corporations only  
29 for such liabilities as each corporation may undertake or  
30 incur in its own name, but shall be liable for the

1 liabilities of the dividing corporation in the manner and  
2 on the basis provided in subparagraphs (iv) and (v).

3 (iii) Liens upon the property of the dividing  
4 corporation shall not be impaired by the division.

5 (iv) Except as provided in section 5952(f) (relating  
6 to proposal and adoption of plan of division), to the  
7 extent allocations of liabilities are contemplated by the  
8 plan of division, the liabilities of the dividing  
9 corporation shall be deemed without further action to be  
10 allocated to and become the liabilities of the resulting  
11 corporations on such a manner and basis and with such  
12 effect as is specified in the plan; and one or more, but  
13 less than all, of the resulting corporations shall be  
14 free of the liabilities of the dividing corporation to  
15 the extent, if any, specified in the plan, if in either  
16 case:

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

19 (B) the plan does not constitute a fraudulent  
20 transfer under 12 Pa.C.S. Ch. 51 (relating to  
21 fraudulent transfers).

22 (v) If the conditions in subparagraph (iv) for  
23 freeing one or more of the resulting corporations from  
24 the liabilities of the dividing corporation or for  
25 allocating some or all of the liabilities of the dividing  
26 corporation are not satisfied, the liabilities of the  
27 dividing corporation as to which those conditions are not  
28 satisfied shall not be affected by the division nor shall  
29 the rights of creditors thereunder be impaired by the  
30 division and any claim existing or action or proceeding

1 pending by or against the corporation with respect to  
2 those liabilities may be prosecuted to judgment as if the  
3 division had not taken place, or the resulting  
4 corporations may be proceeded against or substituted in  
5 place of the dividing corporation as joint and several  
6 obligors on those liabilities, regardless of any  
7 provision of the plan of division apportioning the  
8 liabilities of the dividing corporation.

9 (2) It shall not be necessary for a plan of division to  
10 list each individual asset or liability of the dividing  
11 corporation to be allocated to a new corporation so long as  
12 those assets and liabilities are described in a reasonable  
13 manner.

14 (3) Each new corporation shall hold any assets and  
15 liabilities allocated to it as the successor to the dividing  
16 corporation, and those assets and liabilities shall not be  
17 deemed to have been assigned to the new corporation in any  
18 manner, whether directly or indirectly or by operation of  
19 law.

20 (c) Taxes.--Any taxes, interest, penalties and public  
21 accounts of the Commonwealth claimed against the dividing  
22 corporation that are settled, assessed or determined prior to or  
23 after the division shall be the liability of any of the  
24 resulting corporations and, together with interest thereon,  
25 shall be a lien against the franchises and property, both real  
26 and personal, of all the corporations. Upon the application of  
27 the dividing corporation, the Department of Revenue, with the  
28 concurrence of the Office of Employment Security of the  
29 Department of Labor and Industry, shall release one or more, but  
30 less than all, of the resulting corporations from liability and



1 liens for all taxes, interest, penalties and public accounts of  
2 the dividing corporation due the Commonwealth for periods prior  
3 to the effective date of the division if those departments are  
4 satisfied that the public revenues will be adequately secured.

5 (d) Articles of surviving corporation.--The articles of  
6 incorporation of the surviving corporation, if there be one,  
7 shall be deemed to be amended to the extent, if any, that  
8 changes in its articles are stated in the plan of division.

9 (e) Articles of new corporations.--The statements that are  
10 set forth in the plan of division with respect to each new  
11 domestic nonprofit corporation and that are required or  
12 permitted to be set forth in restated articles of incorporation  
13 of corporations incorporated under this subpart, or the articles  
14 of incorporation of each new corporation set forth therein,  
15 shall be deemed to be the articles of incorporation of each new  
16 corporation.

17 (f) Directors and officers.--Unless otherwise provided in  
18 the plan, the directors and officers of the dividing corporation  
19 shall be the initial directors and officers of each of the  
20 resulting corporations.

21 (g) Disposition of memberships.--Unless otherwise provided  
22 in the plan, the memberships and other securities or  
23 obligations, if any, of each new corporation resulting from the  
24 division shall be distributable to:

25 (1) the surviving corporation if the dividing  
26 corporation survives the division; or

27 (2) the members of the dividing corporation pro rata in  
28 any other case.

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

1 (1) The effect of a division of a domestic nonprofit  
2 corporation shall be governed solely by the laws of this  
3 Commonwealth and any other jurisdiction under the laws of  
4 which any of the resulting corporations is incorporated.

5 (2) The effect of a division on the assets and  
6 liabilities of the dividing corporation shall be governed  
7 solely by the laws of this Commonwealth and any other  
8 jurisdiction under the laws of which any of the resulting  
9 corporations is incorporated.

10 (3) The validity of any allocations of assets or  
11 liabilities by a plan of division of a domestic nonprofit  
12 corporation, regardless of whether any of the new  
13 corporations is a foreign nonprofit corporation, shall be  
14 governed solely by the laws of this Commonwealth.

15 (4) In addition to the express provisions of this  
16 subsection, this subchapter shall otherwise generally be  
17 granted the protection of full faith and credit under the  
18 Constitution of the United States.

19 SUBCHAPTER E

20 CONVERSION

21 Sec.

22 5961. Conversion authorized.

23 5962. Proposal and adoption of plan of conversion.

24 5963. Articles of conversion.

25 5964. Filing of articles of conversion.

26 5965. Effective date of conversion.

27 5966. Effect of conversion.

28 § 5961. Conversion authorized.

29 (a) General rule.--Any nonprofit corporation may, in the  
30 manner provided in this subchapter, be converted into a business

1 corporation, hereinafter designated as the resulting  
2 corporation.

3 (b) Exceptions.--

4 (1) This subchapter shall not authorize any conversion  
5 involving:

6 (i) A cooperative corporation.

7 (ii) Beneficial, benevolent, fraternal or fraternal  
8 benefit societies having a lodge system and a  
9 representative form of government, or transacting any  
10 type of insurance whatsoever.

11 (iii) Any corporation which by the laws of this  
12 Commonwealth is subject to the supervision of the  
13 Department of Banking, the Insurance Department or the  
14 Pennsylvania Public Utility Commission.

15 (2) Paragraph (1) of this subsection shall not be  
16 construed as repealing any statute which provides a procedure  
17 for the conversion of a nonprofit corporation into an  
18 insurance corporation.

19 § 5962. Proposal and adoption of plan of conversion.

20 (a) Preparation of plan.--A plan of conversion shall be  
21 prepared, setting forth:

22 (1) The terms and conditions of the conversion.

23 (2) The mode of carrying the conversion into effect.

24 (3) A restatement of the articles of the resulting  
25 corporation, which articles shall comply with the  
26 requirements of Subpart B of Part II (relating to business  
27 corporations).

28 (4) Such other details and provisions as are deemed  
29 desirable.

30 (b) Proposal and adoption.--The plan of conversion shall be

1 proposed and adopted, and may be terminated, in the manner  
2 provided for the proposal, adoption and termination of a plan of  
3 merger in Subchapter C (relating to merger, consolidation and  
4 sale of assets).

5 § 5963. Articles of conversion.

6 Upon the adoption of a plan of conversion by the nonprofit  
7 corporation desiring to convert, as provided in this subchapter,  
8 articles of conversion shall be executed by the corporation and  
9 shall set forth:

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

15 (2) The statute under which the corporation was  
16 incorporated and the date of incorporation.

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 the  
21 corporation.

22 (5) Except as provided in section 5901 (relating to  
23 omission of certain provisions from filed plans), the plan of  
24 conversion.

25 § 5964. Filing of articles of conversion.

26 (a) General rule.--The articles of conversion shall be filed  
27 in the Department of State.

28 (b) Cross reference.--See section 134 (relating to docketing  
29 statement).

30 § 5965. Effective date of conversion.

1       Upon the filing of articles of conversion in the Department  
2 of State, or upon the effective date specified in the plan of  
3 conversion, whichever is later, the conversion shall become  
4 effective.

5 § 5966. Effect of conversion.

6       Upon the conversion becoming effective, the corporation shall  
7 be deemed to be a business corporation for all purposes, shall  
8 cease to be a nonprofit corporation, and may thereafter operate  
9 for a purpose or purposes resulting in pecuniary profit,  
10 incidental or otherwise, to its members or shareholders. The  
11 corporation shall issue share certificates to each shareholder  
12 entitled thereto. The corporation shall remain liable for all  
13 existing obligations, public and private, taxes due the  
14 Commonwealth or any other taxing authority for periods prior to  
15 the effective date of the conversion, and, as such business  
16 corporation, it shall continue to be entitled to all assets  
17 theretofore pertaining to it as a nonprofit corporation except  
18 as otherwise provided by order, if any, obtained pursuant to  
19 section 5547(b) (relating to nondiversion of certain property).

20 § 5980. Dissolution by domestication.

21       Whenever a domestic nonprofit corporation has domesticated  
22 itself under the laws of another jurisdiction by action similar  
23 to that provided under section 6161 (relating to domestication)  
24 and has authorized that action by the vote required by this  
25 subchapter for the approval of a proposal that the corporation  
26 dissolve voluntarily, the corporation may surrender its charter  
27 under the laws of this Commonwealth by filing in the department  
28 articles of dissolution under this subchapter containing the  
29 statements specified under section 5977(b) (1) through (4)  
30 (relating to articles of dissolution). If the corporation as

1 domesticated in the other jurisdiction qualifies to do business  
2 in this Commonwealth either prior to or simultaneously with the  
3 filing of the articles of dissolution under this section, the  
4 corporation shall not be required to file with the articles of  
5 dissolution the tax clearance certificates that would otherwise  
6 be required under section 139 (relating to tax clearance of  
7 certain fundamental transactions).

8 § 6121. Admission of foreign corporations.

9 (a) General rule.--A foreign nonprofit corporation, before  
10 doing business in this Commonwealth, shall procure a certificate  
11 of authority to do so from the Department of State, in the  
12 manner provided in this subchapter. A foreign nonprofit  
13 corporation shall not be denied a certificate of authority by  
14 reason of the fact that the laws of the jurisdiction governing  
15 its incorporation and internal affairs differ from the laws of  
16 this Commonwealth.

17 (b) Qualification under former statute.--If a foreign  
18 corporation was on March 19, 1966, admitted to do business in  
19 this Commonwealth by the filing of a power of attorney and  
20 statement under the act of June 8, 1911 (P.L.710, No.283), such  
21 power of attorney and statement shall be deemed an approved  
22 application for a certificate of authority issued under this  
23 subchapter and the corporation shall be deemed a holder of the  
24 certificate. The corporation shall include in its initial  
25 application, if any, for an amended certificate of authority  
26 under this subchapter the information required by this  
27 subchapter to be set forth in an application for a certificate  
28 of authority. A certificate of authority issued under the former  
29 provisions of the Nonprofit Corporation Law of 1933 or former 15  
30 Pa.C.S. Pt. III Art. B, known as the Nonprofit Corporation Law

1 of 1972, as added by the act of November 15, 1972 (P.L.1063,  
2 No.271), shall be deemed to be issued under this subchapter and  
3 the certificate of authority shall be deemed not to contain any  
4 reference to the kind of business that the corporation proposes  
5 to do in this Commonwealth.

6 § 6122. Excluded activities.

7 (a) General rule.--Without excluding other activities which  
8 may not constitute doing business in this Commonwealth, a  
9 foreign nonprofit corporation shall not be considered to be  
10 doing business in this Commonwealth for the purposes of this  
11 subchapter by reason of carrying on in this Commonwealth any one  
12 or more of the following acts:

13 (1) Maintaining or defending any action or  
14 administrative or arbitration proceeding or effecting the  
15 settlement thereof or the settlement of claims or disputes.

16 (2) Holding meetings of its directors, other body or  
17 members or carrying on other activities concerning its  
18 internal affairs.

19 (3) Maintaining bank accounts.

20 (4) Maintaining offices or agencies for the transfer,  
21 exchange and registration of its memberships or securities,  
22 or appointing and maintaining trustees or depositories with  
23 relation to its memberships or securities.

24 (5) Granting funds.

25 (6) Distributing information to its members.

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 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           (3) The provisions of section 6145 (relating to  
18 applicability of certain safeguards to foreign domiciliary  
19 corporations).

20 § 6123. Requirements for foreign corporation names.

21          (a) General rule.--The Department of State shall not issue a  
22 certificate of authority to any foreign nonprofit corporation  
23 that, except as provided in subsection (b), has a name that is  
24 rendered unavailable for use by a domestic nonprofit corporation  
25 by any provision of section 5303(a), (b) or (c) (relating to  
26 corporate name).

27          (b) Exceptions.--

28           (1) The provisions of section 5303(b) (relating to  
29 duplicate use of names) shall not prevent the issuance of a  
30 certificate of authority to a foreign nonprofit corporation



1 setting forth a name that is not distinguishable upon the  
2 records of the department from the name of any other domestic  
3 or foreign corporation for profit or not-for-profit, or of  
4 any corporation or other association then registered under 54  
5 Pa.C.S. Ch. 5 (relating to corporate and other association  
6 names) or to any name reserved or registered as provided in  
7 this part, if the foreign nonprofit corporation applying for  
8 a certificate of authority files in the department a  
9 resolution of its board of directors or other body adopting a  
10 fictitious name for use in transacting business in this  
11 Commonwealth, which fictitious name is distinguishable upon  
12 the records of the department from the name of the other  
13 corporation or other association and from any name reserved  
14 or registered as provided in this part that is otherwise  
15 available for use by a domestic nonprofit corporation.

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

26 Section 40. Section 6124 of Title 15 is amended to read:

27 § 6124. [Application for a certificate of authority.]

28 Advertisement of registration to do business.

29 [(a) General rule.--An application for a certificate of  
30 authority shall be executed by the foreign nonprofit corporation

1 and shall set forth:

2 (1) The name of the corporation.

3 (2) The name of the jurisdiction under the laws of which  
4 it is incorporated.

5 (3) The address, including street and number, if any, of  
6 its principal office under the laws of the jurisdiction in  
7 which it is incorporated.

8 (4) Subject to section 109 (relating to name of  
9 commercial registered office provider in lieu of registered  
10 address), the address, including street and number, if any,  
11 of its proposed registered office in this Commonwealth.

12 (5) A statement that it is a corporation incorporated  
13 for a purpose or purposes not involving pecuniary profit,  
14 incidental or otherwise.

15 (b) Advertisement.--]A foreign nonprofit corporation shall  
16 officially publish notice of its intention to [apply or its  
17 application for a certificate of authority] register to do  
18 business or its registration to do business in this Commonwealth  
19 under Chapter 4 (relating to foreign associations). The notice  
20 may appear prior to or after the day on which [application is  
21 made to the Department of State] a registration statement is  
22 delivered to the department for filing and shall set forth  
23 [briefly]:

24 (1) A statement that the corporation will [apply or has  
25 applied for a certificate of authority under the provisions  
26 of the Nonprofit Corporation Law of 1988] register or has  
27 registered to do business in this Commonwealth under Chapter  
28 4.

29 (2) The name of the corporation and [of the jurisdiction  
30 under the laws of which it is incorporated] its jurisdiction

1 of formation.

2 (3) The address, including street and number, if any, of  
3 its principal office under the laws of [the jurisdiction in  
4 which it is incorporated] its jurisdiction of formation.

5 (4) Subject to section 109, the address, including  
6 street and number, if any, of its proposed registered office  
7 in this Commonwealth.

8 (c) [Filing.--The application for a certificate of authority  
9 shall be filed in the Department of State.] (Reserved).

10 (d) [Cross reference.--See section 134 (relating to  
11 docketing statement).] (Reserved).

12 Section 41. Sections 6125, 6126, 6127 and 6128 of Title 15  
13 are repealed:

14 [§ 6125. Issuance of certificate of authority.

15 Upon the filing of the application for a certificate of  
16 authority, the foreign nonprofit corporation shall be deemed to  
17 hold a certificate of authority to do business in this  
18 Commonwealth.

19 § 6126. Amended certificate of authority.

20 (a) General rule.--After receiving a certificate of  
21 authority, a qualified foreign nonprofit corporation may,  
22 subject to the provisions of this subchapter, change or correct  
23 any of the information set forth in its application for a  
24 certificate of authority or previous filings under this section  
25 by filing in the Department of State an application for an  
26 amended certificate of authority. The application shall be  
27 executed by the corporation and shall state:

28 (1) The name under which the applicant corporation  
29 currently holds a certificate of authority to do business in  
30 this Commonwealth.

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 registered office in this Commonwealth.

5           (3) The information to be changed or corrected.

6           (4) If the application reflects a change in the name of  
7 the corporation, the application shall include a statement  
8 that either:

9           (i) the change of name reflects a change effected in  
10 the jurisdiction of incorporation; or

11           (ii) documents complying with section 6123(b)  
12 (relating to exceptions) accompany the application.

13       (b) Issuance of amended certificate of authority.--Upon the  
14 filing of the application, the applicant corporation shall be  
15 deemed to hold an amended certificate of authority.

16       (c) Cross reference.--See section 134 (relating to docketing  
17 statement).

18 § 6127. Merger, consolidation or division of qualified foreign  
19 corporations.

20       (a) General rule.--Whenever a qualified foreign nonprofit  
21 corporation is a nonsurviving party to a statutory merger,  
22 consolidation or division permitted by the laws of the  
23 jurisdiction under which it is incorporated, the corporation  
24 surviving the merger, or the new corporation resulting from the  
25 consolidation or division, as the case may be, shall file in the  
26 Department of State a statement of merger, consolidation or  
27 division, which shall be executed by the surviving or new  
28 corporation and shall set forth:

29           (1) The name of each nonsurviving qualified foreign  
30 nonprofit corporation.

1           (2) The name of the jurisdictions under the laws of  
2           which each nonsurviving qualified foreign nonprofit  
3           corporation was incorporated.

4           (3) The date on which each nonsurviving qualified  
5           foreign nonprofit corporation received a certificate of  
6           authority to do business in this Commonwealth.

7           (4) A statement that the corporate existence of each  
8           nonsurviving qualified foreign nonprofit corporation has been  
9           terminated by merger, consolidation or division, as the case  
10          may be.

11          (5) In the case of a consolidation or division or if the  
12          surviving corporation was a nonqualified foreign nonprofit  
13          corporation prior to the merger, the statements on the part  
14          of the surviving or new corporation required by section  
15          6124(a) (relating to application for a certificate of  
16          authority).

17          (b) Effect of filing.--The filing of the statement shall  
18          operate, as of the effective date of the merger, consolidation  
19          or division, to cancel the certificate of authority of each  
20          nonsurviving constituent corporation that was a qualified  
21          foreign nonprofit corporation and to qualify the surviving or  
22          new corporation under this subchapter. If the surviving or new  
23          corporation does not desire to continue as a qualified foreign  
24          nonprofit corporation, it may thereafter withdraw in the manner  
25          provided by section 6129 (relating to application for  
26          termination of authority).

27          (c) Surviving qualified foreign corporations.--It shall not  
28          be necessary for a surviving corporation that was a qualified  
29          foreign nonprofit corporation to effect any filing under this  
30          subchapter with respect to a merger or division or to procure an

1 amended certificate of authority to do business in this  
2 Commonwealth unless the name of such corporation is changed by  
3 the merger or division.

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

6 § 6128. Revocation of certificate of authority.

7 (a) General rule.--Whenever the Department of State finds  
8 that a qualified foreign nonprofit corporation has failed to  
9 secure an amended certificate of authority as required by this  
10 subchapter after changing its name, or has failed or refused to  
11 appear by its proper representatives, or otherwise to comply  
12 with any subpoena issued by any court having jurisdiction of the  
13 subject matter, or to produce books, papers, records or  
14 documents as required by a subpoena, or is violating any of the  
15 laws of this Commonwealth, or that its articles have been  
16 revoked or voided by its jurisdiction of incorporation, the  
17 department shall give notice and opportunity for hearing by  
18 registered or certified mail to the corporation that the default  
19 exists and that its certificate of authority, including any  
20 amendments thereof, will be revoked unless the default is cured  
21 within 30 days after the mailing of the notice. If the default  
22 is not cured within the period of 30 days, the department shall  
23 revoke the certificate of authority, including any amendments  
24 thereof, of the foreign nonprofit corporation. Upon revoking the  
25 certificate of authority, the department shall mail to the  
26 corporation, at its registered office in this Commonwealth, a  
27 certificate of revocation.

28 (b) Effect of revocation.--Upon the issuance of the  
29 certificate of revocation, the authority of the corporation to  
30 do business in this Commonwealth shall cease and the corporation

1 shall not thereafter do any business in this Commonwealth unless  
2 it applies for and receives a new certificate of authority.]

3 Section 42. Section 6129 of Title 15 is amended to read:

4 § 6129. [Application for] Advertisement of termination of  
5 [authority] registration to do business.

6 [(a) General rule.--Any qualified foreign nonprofit  
7 corporation may withdraw from doing business in this  
8 Commonwealth and surrender its certificate of authority by  
9 filing in the Department of State an application for termination  
10 of authority, executed by the corporation, which shall set  
11 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 office  
16 in this Commonwealth.

17 (2) The name of the jurisdiction under the laws of which  
18 it is incorporated.

19 (3) The date on which it received a certificate of  
20 authority to do business in this Commonwealth.

21 (4) A statement that it surrenders its certificate of  
22 authority to do business in this Commonwealth.

23 (5) A statement that notice of its intention to withdraw  
24 from doing business in this Commonwealth was mailed by  
25 certified or registered mail to each municipal corporation in  
26 which the registered office or principal place of business of  
27 the corporation in this Commonwealth is located, and that the  
28 official publication required by subsection (b) has been  
29 effected.

30 (6) The post office address, including street and

1 number, if any, to which process may be sent in an action or  
2 proceeding upon any liability incurred before the filing of  
3 the application for termination of authority.

4 (b) Advertisement.--]A [qualified] registered foreign  
5 nonprofit corporation shall, before filing [an application for  
6 termination of authority] a statement of withdrawal under  
7 section 415 (relating to voluntary withdrawal of registration),  
8 officially publish and mail a notice of its intention to  
9 withdraw from doing business in this Commonwealth in a manner  
10 similar to that required by section 5975(b) (relating to notice  
11 to creditors and taxing authorities). The notice shall set forth  
12 [briefly]:

13 (1) The name of the corporation and [the jurisdiction  
14 under the laws of which it is incorporated] its jurisdiction  
15 of formation.

16 (2) The address, including street and number, if any, of  
17 its principal office under the laws of its jurisdiction of  
18 [incorporation] formation.

19 (3) Subject to section 109, the address, including  
20 street and number, if any, of its last registered office in  
21 this Commonwealth.

22 (c) [Filing.--The application for termination of authority  
23 and the certificates or statement required by section 139  
24 (relating to tax clearance of certain fundamental transactions)  
25 shall be filed in the department. See section 134 (relating to  
26 docketing statement).] (Reserved).

27 (d) [Effect of filing.--Upon the filing of the application  
28 for termination of authority, the authority of the corporation  
29 to do business in this Commonwealth shall cease. The termination  
30 of authority shall not affect any action or proceeding pending



1 at the time thereof or affect any right of action arising with  
2 respect to the corporation before the filing of the application  
3 for termination of authority. Process against the corporation in  
4 an action upon any liability incurred before the filing of the  
5 application for termination of authority may be served as  
6 provided in 42 Pa.C.S. Ch. 53 (relating to bases of jurisdiction  
7 and interstate and international procedure) or as otherwise  
8 provided or prescribed by law.] (Reserved).

9 Section 43. Sections 6130, 6131, 6141, 6142, 6143, 6144 and  
10 Subchapter D of Chapter 61 of Title 15 are repealed:

11 [§ 6130. Change of address after withdrawal.

12 (a) General rule.--Any foreign nonprofit corporation that  
13 has withdrawn from doing business in this Commonwealth, or its  
14 successor in interest, may, from time to time, change the  
15 address to which process may be sent in an action upon any  
16 liability incurred before the filing of an application for  
17 termination of authority by filing in the Department of State a  
18 statement of change of address by the withdrawn corporation  
19 executed by the corporation, setting forth:

20 (1) The name of the withdrawn corporation and, if the  
21 statement is filed by a successor in interest, the name and  
22 capacity of the successor.

23 (2) The name of the jurisdiction under the laws of which  
24 the corporation filing the statement is incorporated.

25 (3) The former post office address, including street and  
26 number, if any, of the withdrawn corporation as of record in  
27 the department.

28 (4) The new post office address, including street and  
29 number, if any, of the withdrawn corporation or its  
30 successor.

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

3 § 6131. Registration of name.

4 (a) General rule.--A nonqualified foreign nonprofit  
5 corporation may register its name under 54 Pa.C.S. Ch. 5  
6 (relating to corporate and other association names) if the name  
7 is available for use by a qualified foreign nonprofit  
8 corporation under section 6123 (relating to requirements for  
9 foreign corporation names), by filing in the Department of State  
10 an application for registration of name, executed by the  
11 corporation, which shall set forth:

12 (1) The name of the corporation.

13 (2) The address, including street and number, if any, of  
14 the corporation.

15 (b) Annual renewal.--A corporation that has in effect a  
16 registration of its corporate name may renew the registration  
17 from year to year by annually filing an application for renewal  
18 setting forth the facts required to be set forth in an original  
19 application for registration. A renewal application may be filed  
20 between October 1 and December 31 in each year and shall extend  
21 the registration for the following calendar year.

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

24 § 6141. Penalty for doing business without certificate of  
25 authority.

26 (a) Right to bring actions suspended.--A nonqualified  
27 foreign nonprofit corporation doing business in this  
28 Commonwealth within the meaning of Subchapter B (relating to  
29 qualification) shall not be permitted to maintain any action or  
30 proceeding in any court of this Commonwealth until the

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

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

16 § 6142. General powers and duties of qualified foreign  
17 corporations.

18 (a) General rule.--A qualified foreign nonprofit  
19 corporation, so long as its certificate of authority is not  
20 revoked, shall enjoy the same rights and privileges as a  
21 domestic nonprofit corporation, but no more, and, except as in  
22 this subpart otherwise provided, shall be subject to the same  
23 liabilities, restrictions, duties and penalties now in force or  
24 hereafter imposed upon domestic nonprofit corporations, to the  
25 same extent as if it had been incorporated under this subpart.

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

30 § 6143. General powers and duties of nonqualified foreign

1 corporations.

2 (a) Acquisition of real and personal property.--Every  
3 nonqualified foreign nonprofit corporation may acquire, hold,  
4 mortgage, lease and transfer real and personal property in this  
5 Commonwealth, in the same manner and subject to the same  
6 limitations as a qualified foreign nonprofit corporation.

7 (b) Duties.--Except as provided in section 6141(a) (relating  
8 to penalty for doing business without certificate of authority),  
9 a nonqualified foreign nonprofit corporation doing business in  
10 this Commonwealth within the meaning of Subchapter B (relating  
11 to qualification) shall be subject to the same liabilities,  
12 restrictions, duties and penalties now or hereafter imposed upon  
13 a qualified foreign nonprofit corporation.

14 § 6144. Registered office of qualified foreign corporations.

15 (a) General rule.--Subject to the provisions of section  
16 5507(c) (relating to alternative procedure), every qualified  
17 foreign nonprofit corporation shall have, and continuously  
18 maintain, in this Commonwealth a registered office, which may  
19 but need not be the same as its place of business in this  
20 Commonwealth.

21 (b) Change.--A qualified foreign corporation may, from time  
22 to time, change the address of its registered office in the  
23 manner provided by section 5507(b) (relating to statement of  
24 change of registered office).

25 SUBCHAPTER D

26 DOMESTICATION

27 Sec.

28 6161. Domestication.

29 6162. Effect of domestication.

30 § 6161. Domestication.

1 (a) General rule.--Any qualified foreign nonprofit  
2 corporation may become a domestic nonprofit corporation by  
3 filing in the Department of State articles of domestication. The  
4 articles of domestication, upon being filed in the department,  
5 shall constitute the articles of the domesticated foreign  
6 corporation, and it shall thereafter continue as a corporation  
7 which shall be a domestic nonprofit corporation subject to this  
8 subpart.

9 (b) Articles of domestication.--The articles of  
10 domestication shall be executed by the corporation and shall set  
11 forth in the English language:

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

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

19 (3) A statement that upon domestication the corporation  
20 will be subject to the domestic corporation provisions of the  
21 Nonprofit Corporation Law of 1988 and a brief statement of  
22 the purpose or purposes for which it is to be domesticated  
23 which shall be a purpose or purposes for which a domestic  
24 nonprofit corporation may be incorporated under Article B  
25 (relating to domestic nonprofit corporations generally).

26 (4) The term for which upon domestication it is to  
27 exist, if not perpetual.

28 (5) Any desired provisions relating to the manner and  
29 basis of reclassifying the memberships in the corporation.

30 (6) A statement that the filing of articles of

1 domestication and, if desired, the renunciation of the  
2 original charter or articles of the corporation has been  
3 authorized (unless its charter or other organic documents  
4 require a greater vote) by a majority of the votes cast by  
5 all members entitled to vote thereon and, if any class of  
6 members is entitled to vote thereon as a class, a majority of  
7 the votes cast in each class vote.

8 (7) Any other provisions authorized by Article B to be  
9 set forth in the original articles.

10 (c) Cross reference.--See section 134 (relating to docketing  
11 statement).

12 § 6162. Effect of domestication.

13 As a domestic nonprofit corporation, the domesticated  
14 corporation shall no longer be a foreign nonprofit corporation  
15 for the purposes of this subpart and shall have all the powers  
16 and privileges and be subject to all the duties and limitations  
17 granted and imposed upon domestic nonprofit corporations. The  
18 property, franchises, debts, liens, estates, taxes, penalties  
19 and public accounts due the Commonwealth shall continue to be  
20 vested in and imposed upon the corporation to the same extent as  
21 if it were the successor by merger of the domesticating  
22 corporation with and into a domestic nonprofit corporation under  
23 Subchapter C of Chapter 59 (relating to merger, consolidation  
24 and sale of assets). Memberships in the domesticated corporation  
25 shall be unaffected by the domestication except to the extent,  
26 if any, reclassified in the articles of domestication.]

27 SECTION 43.1. TITLE 15 IS AMENDED BY ADDING A SECTION TO <--  
28 READ:

29 § 7411. EXPIRATION.

30 THIS CHAPTER SHALL EXPIRE DECEMBER 31, 2014.

1 Section 44. The definitions of "bureau" and "corporation" in  
2 section 7702 of Title 15 are amended to read:

3 § 7702. Definitions.

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

7 ["Bureau." The Corporation Bureau of the department.]

8 "Corporation." A corporation [organized] for profit which  
9 has elected to be governed by this chapter.

10 \* \* \*

11 Section 45. Sections 7703(b)(1), 7704(d)(1) and 7723(a) of  
12 Title 15 are amended to read:

13 § 7703. Corporations.

14 \* \* \*

15 (b) Name.--

16 (1) [The corporation may adopt any corporate name to  
17 indicate its cooperative character as long as the name has  
18 not been previously adopted.] The name of the corporation  
19 must comply with section 202 (relating to requirements for  
20 names generally).

21 \* \* \*

22 § 7704. Articles of incorporation.

23 \* \* \*

24 (d) Content of articles.--The articles of incorporation  
25 shall be signed by the persons originally associating themselves  
26 together and shall state [distinctly]:

27 (1) The name [by which] of the corporation [shall be  
28 known, which may not be the same as, or confusingly similar  
29 to, the name of an association or corporation existing under  
30 the law of the Commonwealth, the name of a foreign or alien

1 association or corporation authorized to transact business in  
2 this Commonwealth, or a corporate name reserved or registered  
3 as provided by law].

4 \* \* \*

5 § 7723. Dissolution.

6 (a) General rule.--A corporation may dissolve and wind up;  
7 may merge [or consolidate] with other corporations; and may sell  
8 to, lease to or exchange with other corporations all or  
9 substantially all of its property and assets. Except as  
10 otherwise provided in this chapter, these actions are governed  
11 by Chapter 3 (relating to entity transactions) and Subchapter C  
12 of Chapter 19 (relating to merger[, consolidation, share  
13 exchanges] liabilities and sale of assets). A workers'  
14 cooperative corporation which has not revoked its election to be  
15 governed by this chapter may not [consolidate or] merge with one  
16 or more corporations organized under any law other than this  
17 chapter. If a member objects to a corporation's merger [or  
18 consolidation], the member may terminate membership in the  
19 corporation. The price of redemption of the member's interest  
20 shall be the amount in the member's individual capital account  
21 on terms and conditions as the law, the articles of  
22 incorporation and the bylaws provide.

23 \* \* \*

24 Section 46. Section 8203 of Title 15 is repealed:

25 [§ 8203. Name.

26 (a) General rule.--The name of a registered limited  
27 liability partnership shall:

28 (1) Not be one rendered unavailable for use by a  
29 corporation by any provision of section 1303(b) and (c)  
30 (relating to corporate name).



1           (2) Contain the term "company," "limited" or "limited  
2 liability partnership," or an abbreviation of one of those  
3 terms, or words or abbreviations of like import in English or  
4 any other language.

5       (b) Reservation of name.--The exclusive right to the use of  
6 a name for purposes of this subchapter may be reserved and  
7 transferred in the manner provided in section 1305 (relating to  
8 reservation of corporate name).]

9       Section 47. Section 8211(b) of Title 15 is amended to read:

10 § 8211. Foreign registered limited liability partnerships.

11       \* \* \*

12       [(b) Registration to do business.--A foreign registered  
13 limited liability partnership, regardless of whether or not it  
14 is also a foreign limited partnership, shall be subject to  
15 Subchapter K of Chapter 85 (relating to foreign limited  
16 partnerships) as if it were a foreign limited partnership,  
17 except that:

18           (1) Its application for registration shall state that it  
19 is a registered limited liability partnership.

20           (2) The name under which it registers and conducts  
21 business in this Commonwealth shall comply with the  
22 requirements of section 8203 (relating to name).

23           (3) Section 8582(a) (5) and (6) (relating to  
24 registration) shall not be applicable to the application for  
25 registration of a foreign limited liability partnership that  
26 is not a foreign limited partnership.]

27       \* \* \*

28       Section 48. The definitions of "certificate of limited  
29 partnership," "foreign limited partnership," "nonqualified  
30 foreign limited partnership" and "qualified foreign limited

1 partnership" in section 8503(a) of Title 15 are amended to read:

2 § 8503. Definitions and index of definitions.

3 (a) Definitions.--The following words and phrases when used  
4 in this chapter shall have the meanings given to them in this  
5 section unless the context clearly indicates otherwise:

6 "Certificate of limited partnership." The certificate  
7 referred to in section 8511 (relating to certificate of limited  
8 partnership) and the certificate as amended. The term includes  
9 any other statements or certificates permitted or required to be  
10 filed in the Department of State by sections 108 (relating to  
11 change in location or status of registered office provided by  
12 agent) and 138 (relating to statement of correction), Chapter 3  
13 (relating to entity transactions) or this part. If an amendment  
14 of the certificate of limited partnership or a [certificate of  
15 merger or division made in the manner permitted by this chapter]  
16 statement filed under Chapter 3 restates the certificate in its  
17 entirety [or if there is a certificate of consolidation],  
18 thenceforth the "certificate of limited partnership" shall not  
19 include any prior documents and any certificate issued by the  
20 department with respect thereto shall so state.

21 \* \* \*

22 "Foreign limited partnership." A partnership formed under  
23 the laws of any jurisdiction other than this Commonwealth and  
24 having as partners one or more general partners and one or more  
25 limited partners, whether or not required to register under  
26 [Subchapter K (relating to foreign limited partnerships)]  
27 Chapter 4 (relating to foreign associations).

28 \* \* \*

29 ["Nonqualified foreign limited partnership." A foreign  
30 limited partnership that is not a qualified foreign limited

1 partnership as defined in this section.]

2 \* \* \*

3 ["Qualified foreign limited partnership." A foreign limited  
4 partnership that is registered under Subchapter K (relating to  
5 foreign limited partnerships) to do business in this  
6 Commonwealth.]

7 \* \* \*

8 Section 49. Section 8505 of Title 15 is repealed:

9 [§ 8505. Name.

10 (a) General rule.--The name of each limited partnership as  
11 set forth in its certificate of limited partnership:

12 (1) Shall be expressed in Roman letters or characters or  
13 Arabic or Roman numerals.

14 (2) Shall not be one rendered unavailable to use by a  
15 corporation by any provision of section 1303(b) and (c)  
16 (relating to corporate name).

17 (3) May contain the name of a limited partner or a  
18 general partner. See section 8523(d) (relating to use of name  
19 of limited partner).

20 (b) Reservation of name.--The exclusive right to the use of  
21 a name for purposes of this chapter may be reserved and  
22 transferred in the manner provided by section 1305 (relating to  
23 reservation of corporate name).]

24 Section 50. Sections 8513(d) and 8514(a) of Title 15 are  
25 amended to read:

26 § 8513. Cancellation of certificate.

27 \* \* \*

28 [(d) Dissolution by domestication.--Whenever a domestic  
29 limited partnership has domesticated itself under the laws of  
30 another jurisdiction by action similar to that provided by

1 section 8590 (relating to domestication) and has authorized that  
2 action by the vote required by this chapter for the approval of  
3 a proposal that the limited partnership dissolve voluntarily,  
4 the limited partnership may surrender its certificate of limited  
5 partnership under the laws of this Commonwealth by filing in the  
6 department a certificate of cancellation under subsection (a).]

7 \* \* \*

8 § 8514. Execution of certificates.

9 (a) General rule.--Each certificate or other document  
10 required or permitted by this chapter to be [filed in] delivered  
11 to the Department of State for filing shall be [executed] signed  
12 in the following manner:

13 (1) An original certificate of limited partnership must  
14 be signed by all general partners named therein.

15 (2) A certificate of amendment must be signed by at  
16 least one general partner and by each other general partner  
17 designated in the certificate as a new general partner.

18 (3) A certificate of cancellation must be signed by all  
19 general partners or liquidating trustees or, if there is no  
20 general partner or liquidating trustee, by a majority in  
21 interest of the limited partners.

22 (4) A certificate of change of registered office must be  
23 signed by a general partner.

24 (5) A certificate of summary of record must be signed by  
25 all general partners.

26 (6) A certificate of withdrawal must be signed by the  
27 person withdrawing.

28 (7) A certificate of termination must be signed by a  
29 general partner.

30 (8) A [certificate of merger, consolidation or division]

1 statement of merger, interest exchange, conversion, division  
2 or domestication must be signed by a general partner.

3 (9) [An application for registration as a foreign  
4 limited partnership] A foreign registration statement must be  
5 signed by a general partner.

6 (10) [A certificate of amendment of registration of a  
7 foreign limited partnership] An amendment of a foreign  
8 registration statement must be signed by a general partner.

9 (11) A [certificate of cancellation of registration of]  
10 statement of withdrawal by a foreign limited partnership must  
11 be signed by a general partner.

12 [(12) A certificate of domestication must be signed by a  
13 general partner.]

14 \* \* \*

15 Section 51. Subchapter F of Chapter 85 of Title 15 is  
16 repealed:

17 [SUBCHAPTER F

18 MERGER AND CONSOLIDATION

19 Sec.

20 8545. Merger and consolidation of limited partnerships  
21 authorized.

22 8546. Approval of merger or consolidation.

23 8547. Certificate of merger or consolidation.

24 8548. Effective date of merger or consolidation.

25 8549. Effect of merger or consolidation.

26 § 8545. Merger and consolidation of limited partnerships  
27 authorized.

28 (a) Domestic surviving or new limited partnership.--Any two  
29 or more domestic limited partnerships, or any two or more  
30 foreign limited partnerships, or any one or more domestic

1 limited partnerships and any one or more foreign limited  
2 partnerships, may, in the manner provided in this subchapter, be  
3 merged into one of the domestic limited partnerships, designated  
4 in this subchapter as the surviving limited partnership, or  
5 consolidated into a new limited partnership to be formed under  
6 this chapter, if the foreign limited partnerships are authorized  
7 by the laws of the jurisdiction under which they are organized  
8 to effect a merger or consolidation with a limited partnership  
9 of another jurisdiction.

10 (b) Foreign surviving or new limited partnership.--Any one  
11 or more domestic limited partnerships, and any one or more  
12 foreign limited partnerships, may, in the manner provided in  
13 this subchapter, be merged into one of the foreign limited  
14 partnerships, designated in this subchapter as the surviving  
15 limited partnership, or consolidated into a new limited  
16 partnership to be organized under the laws of the jurisdiction  
17 under which one of the foreign limited partnerships is  
18 organized, if the laws of that jurisdiction authorize a merger  
19 with or consolidation into a limited partnership of another  
20 jurisdiction.

21 (c) Business trusts and other associations.--The provisions  
22 of this subchapter applicable to domestic and foreign limited  
23 partnerships shall also be applicable to a merger or  
24 consolidation to which a domestic limited partnership is a party  
25 or in which such a partnership is the resulting entity with or  
26 into a domestic or foreign corporation, business trust, general  
27 partnership or other association. Except as otherwise provided  
28 by law in this or any other state, the powers and duties vested  
29 in and imposed upon the general partners and limited partners in  
30 this subchapter shall be exercised and performed by the group of

1 persons under the direction of whom the business and affairs of  
2 the corporation, business trust or other association are managed  
3 and the holders or owners of shares or other interests in the  
4 corporation, business trust or other association, respectively,  
5 irrespective of the names by which the managing group and the  
6 holders or owners of shares or other interests are designated.  
7 The units into which the shares or other interests in the  
8 corporation, business trust or other association are divided  
9 shall be deemed to be partnership interests for the purposes of  
10 applying the provisions of this subchapter to a merger or  
11 consolidation involving the corporation, business trust or other  
12 association.

13 § 8546. Approval of merger or consolidation.

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

17 (1) The terms and conditions of the merger or  
18 consolidation.

19 (2) If the surviving or new partnership is or is to be a  
20 domestic limited partnership:

21 (i) in the case of a merger, any changes desired to  
22 be made in the certificate of limited partnership or  
23 partnership agreement, which may include a restatement of  
24 either or both; or

25 (ii) in the case of a consolidation:

26 (A) all of the statements required by this  
27 chapter to be set forth in a restated certificate of  
28 limited partnership; and

29 (B) the written provisions, if any, of the  
30 partnership agreement.

1           (3) The manner and basis of converting the partnership  
2 interests of each limited partnership into partnership  
3 interests, securities or obligations of the surviving or new  
4 limited partnership, as the case may be, and, if any of the  
5 partnership interests of any of the limited partnerships that  
6 are parties to the merger or consolidation are not to be  
7 converted solely into partnership interests, securities or  
8 obligations of the surviving or new limited partnership, the  
9 partnership interests, securities or obligations of any other  
10 person or cash, property or rights that the holders of such  
11 partnership interests are to receive in exchange for, or upon  
12 conversion of, such partnership interests, and the surrender  
13 of any certificates evidencing them, which securities or  
14 obligations, if any, of any other person or cash, property or  
15 rights may be in addition to or in lieu of the partnership  
16 interests, securities or obligations of the surviving or new  
17 limited partnership.

18           (4) Such other provisions as are deemed desirable.

19           (b) Post-adoption amendment of plan of merger or  
20 consolidation.--A plan of merger or consolidation may contain a  
21 provision that the general partners of the constituent limited  
22 partnerships may amend the plan at any time prior to its  
23 effective date, except that an amendment made subsequent to any  
24 adoption of the plan by the limited partners of any constituent  
25 domestic limited partnership shall not change:

26           (1) The amount or kind of partnership interests,  
27 obligations, cash, property or rights to be received in  
28 exchange for or on conversion of all or any of the  
29 partnership interests of the constituent domestic limited  
30 partnership adversely to the holders of those partnership



1 interests.

2 (2) Any term of the certificate of limited partnership  
3 or partnership agreement of the surviving or new limited  
4 partnership as it is to be in effect immediately following  
5 consummation of the merger or consolidation except provisions  
6 that may be amended without the approval of the limited  
7 partners.

8 (3) Any of the other terms and conditions of the plan if  
9 the change would adversely affect the holders of any  
10 partnership interests of the constituent domestic limited  
11 partnership.

12 (c) Proposal of merger or consolidation.--Every merger or  
13 consolidation shall be proposed in the case of each domestic  
14 limited partnership by the adoption by the general partners of a  
15 resolution approving the plan of merger or consolidation. Except  
16 where the approval of the limited partners is unnecessary under  
17 this subchapter or the partnership agreement, the general  
18 partners shall submit the plan to a vote of the limited partners  
19 entitled to vote thereon at a regular or special meeting of the  
20 limited partners.

21 (d) Party to plan.--An association that approves a plan in  
22 its capacity as a partner or creditor of a merging or  
23 consolidating limited partnership, or that furnishes all or a  
24 part of the consideration contemplated by a plan, does not  
25 thereby become a party to the merger or consolidation for the  
26 purposes of this subchapter.

27 (e) Notice of meeting of limited partners.--Notwithstanding  
28 any other provision of the partnership agreement, written notice  
29 of the meeting of limited partners called for the purpose of  
30 considering the proposed plan shall be given to each limited

1 partner of record, whether or not entitled to vote thereon, of  
2 each domestic limited partnership that is a party to the  
3 proposed merger or consolidation. There shall be included in, or  
4 enclosed with, the notice a copy of the proposed plan or a  
5 summary thereof. The provisions of this subsection may not be  
6 relaxed by the certificate of limited partnership or partnership  
7 agreement.

8 (f) Adoption of plan by limited partners.--The plan of  
9 merger or consolidation shall be adopted upon receiving a  
10 majority of the votes cast by all limited partners, if any,  
11 entitled to vote thereon of each of the domestic limited  
12 partnerships that is a party to the proposed merger or  
13 consolidation and, if any class of limited partners is entitled  
14 to vote thereon as a class, a majority of the votes cast in each  
15 class vote. A proposed plan of merger or consolidation shall not  
16 be deemed to have been adopted by the limited partnership unless  
17 it has also been approved by the general partners, regardless of  
18 the fact that the general partners have directed or suffered the  
19 submission of the plan to the limited partners for action.

20 (g) Adoption by general partners.--

21 (1) Unless otherwise required by the partnership  
22 agreement, a plan of merger or consolidation shall not  
23 require the approval of the limited partners of a limited  
24 partnership if:

25 (i) the plan, whether or not the limited partnership  
26 is the surviving limited partnership, does not alter the  
27 status of the limited partnership as a domestic limited  
28 partnership or alter in any respect the provisions of its  
29 certificate of limited partnership or partnership  
30 agreement, except changes that may be made without action

1 by the limited partners; and

2 (ii) each partnership interest outstanding  
3 immediately prior to the effective date of the merger or  
4 consolidation is to continue as or to be converted into,  
5 except as may be otherwise agreed by the holder thereof,  
6 an identical partnership interest in the surviving or new  
7 limited partnership after the effective date of the  
8 merger or consolidation.

9 (2) If a merger or consolidation is effected pursuant to  
10 paragraph (1), the plan of merger or consolidation shall be  
11 deemed adopted by the limited partnership when it has been  
12 adopted by the general partners pursuant to subsection (c).

13 (h) Termination of plan.--Prior to the time when a merger or  
14 consolidation becomes effective, the merger or consolidation may  
15 be terminated pursuant to provisions therefor, if any, set forth  
16 in the plan. If a certificate of merger or consolidation has  
17 been filed in the department prior to the termination, a  
18 certificate of termination executed by each limited partnership  
19 that is a party to the merger or consolidation, unless the plan  
20 permits termination by less than all of the limited  
21 partnerships, in which case the certificate shall be executed on  
22 behalf of the limited partnership exercising the right to  
23 terminate, shall be filed in the department. The certificate of  
24 termination shall set forth:

25 (1) A copy of the certificate of merger or consolidation  
26 relating to the plan that is terminated.

27 (2) A statement that the plan has been terminated in  
28 accordance with the provisions therefor set forth therein.

29 See sections 134 (relating to docketing statement), 135  
30 (relating to requirements to be met by filed documents), 138

1 (relating to statement of correction) and 8514 (relating to  
2 execution of certificates).

3 (i) Authorization by foreign limited partnerships.--The plan  
4 of merger or consolidation shall be authorized, adopted or  
5 approved by each foreign limited partnership that desires to  
6 merge or consolidate in accordance with the laws of the  
7 jurisdiction in which it is organized.

8 (j) Reference to outside facts.--Any of the terms of a plan  
9 of merger or consolidation may be made dependent upon facts  
10 ascertainable outside of the plan if the manner in which the  
11 facts will operate upon the terms of the plan is set forth in  
12 the plan. Such facts may include, without limitation, actions or  
13 events within the control of or determinations made by a party  
14 to the plan or a representative of a party to the plan.

15 § 8547. Certificate of merger or consolidation.

16 (a) General rule.--Upon the adoption of the plan of merger  
17 or consolidation by the limited partnerships desiring to merge  
18 or consolidate, as provided in this subchapter, a certificate of  
19 merger or a certificate of consolidation, as the case may be,  
20 shall be executed by each limited partnership and shall, subject  
21 to section 109 (relating to name of commercial registered office  
22 provider in lieu of registered address), set forth:

23 (1) The name and the location of the registered office,  
24 including street and number, if any, of the domestic  
25 surviving or new limited partnership or, in the case of a  
26 foreign surviving or new limited partnership, the name of the  
27 limited partnership and its jurisdiction of organization,  
28 together with either of the following:

29 (i) If a qualified foreign limited partnership, the  
30 address, including street and number, if any, of its

1 registered office in this Commonwealth.

2 (ii) If a nonqualified foreign limited partnership,  
3 the address, including street and number, if any, of its  
4 principal office under the laws of the jurisdiction in  
5 which it is organized.

6 (2) The name and address, including street and number,  
7 if any, of the registered office of each other domestic  
8 limited partnership and qualified foreign limited partnership  
9 that is a party to the plan.

10 (3) 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 (4) The manner in which the plan was adopted by each  
14 domestic limited partnership and, if one or more foreign  
15 limited partnerships are parties to the plan, the fact that  
16 the plan was authorized, adopted or approved, as the case may  
17 be, by each of the foreign limited partnerships in accordance  
18 with the laws of the jurisdiction in which it is organized.

19 (5) Except as provided in subsection (b), the plan of  
20 merger or consolidation.

21 (b) Omission of certain provisions of plan of merger or  
22 consolidation.--A certificate of merger or consolidation may  
23 omit all provisions of the plan of merger or consolidation  
24 except provisions, if any, that are intended to amend or  
25 constitute the operative provisions of the certificate of  
26 limited partnership of a limited partnership as in effect  
27 subsequent to the effective date of the plan, if the certificate  
28 of merger or consolidation states that the full text of the plan  
29 is on file at the principal place of business of the surviving  
30 or new limited partnership and states the address thereof. A

1 limited partnership that takes advantage of this subsection  
2 shall furnish a copy of the full text of the plan, on request  
3 and without cost, to any partner of any limited partnership that  
4 was a party to the plan and, unless all parties to the plan had  
5 fewer than 30 partners each, on request and at cost to any other  
6 person.

7 (c) Filing of certificate of merger or consolidation.--The  
8 certificate of merger or certificate of consolidation, as the  
9 case may be, and the certificates or statement, if any, required  
10 by section 139 (relating to tax clearance of certain fundamental  
11 transactions) shall be filed in the department.

12 (d) Cross references.--See sections 134 (relating to  
13 docketing statement) and 8514 (relating to execution of  
14 certificates).

15 § 8548. Effective date of merger or consolidation.

16 Upon the filing of the certificate of merger or the  
17 certificate of consolidation in the Department of State or upon  
18 the effective date specified in the plan of merger or  
19 consolidation, whichever is later, the merger or consolidation  
20 shall be effective. The merger or consolidation of one or more  
21 domestic limited partnerships into a foreign limited partnership  
22 shall be effective according to the provisions of law of the  
23 jurisdiction in which the foreign limited partnership is  
24 organized, but not until a certificate of merger or certificate  
25 of consolidation has been adopted and filed, as provided in this  
26 subchapter.

27 § 8549. Effect of merger or consolidation.

28 (a) Single surviving or new limited partnership.--Upon the  
29 merger or consolidation becoming effective, the several limited  
30 partnerships parties to the plan of merger or consolidation

1 shall be a single limited partnership which, in the case of a  
2 merger, shall be the limited partnership designated in the plan  
3 of merger as the surviving limited partnership and, in the case  
4 of a consolidation, shall be the new limited partnership  
5 provided for in the plan of consolidation. The separate  
6 existence of all limited partnerships parties to the plan of  
7 merger or consolidation shall cease, except that of the  
8 surviving limited partnership, in the case of a merger.

9 (b) Property rights.--All the property, real, personal and  
10 mixed, of each of the limited partnerships parties to the plan  
11 of merger or consolidation, and all debts due on whatever  
12 account to any of them, as well as all other things and causes  
13 of action belonging to any of them, shall be deemed to be vested  
14 in and shall belong to the surviving or new limited partnership,  
15 as the case may be, without further action, and the title to any  
16 real estate, or any interest therein, vested in any of the  
17 limited partnerships shall not revert or be in any way impaired  
18 by reason of the merger or consolidation. The surviving or new  
19 limited partnership shall thenceforth be responsible for all the  
20 liabilities of each of the limited partnerships so merged or  
21 consolidated. Liens upon the property of the merging or  
22 consolidating limited partnerships shall not be impaired by the  
23 merger or consolidation, and any claim existing or action or  
24 proceeding pending by or against any of the limited partnerships  
25 may be prosecuted to judgment as if the merger or consolidation  
26 had not taken place or the surviving or new limited partnership  
27 may be proceeded against or substituted in its place.

28 (c) Taxes.--Any taxes, interest, penalties and public  
29 accounts of the Commonwealth claimed against any of the merging  
30 or consolidating limited partnerships that are settled, assessed

1 or determined prior to or after the merger or consolidation  
2 shall be the liability of the surviving or new limited  
3 partnership and, together with interest thereon, shall be a lien  
4 against the property, both real and personal, of the surviving  
5 or new limited partnership.

6 (d) Certificate of limited partnership.--In the case of a  
7 merger, the certificate of limited partnership of the surviving  
8 domestic limited partnership, if any, shall be deemed to be  
9 amended to the extent, if any, that changes in its certificate  
10 of limited partnership are stated in the plan of merger. In the  
11 case of a consolidation into a domestic limited partnership, the  
12 statements that are set forth in the plan of consolidation, or  
13 certificate of limited partnership set forth therein, shall be  
14 deemed to be the certificate of limited partnership of the new  
15 limited partnership.]

16 Section 52. Section 8571(c) of Title 15 is amended to read:  
17 § 8571. Nonjudicial dissolution.

18 \* \* \*

19 [(c) Dissolution by domestication.--Whenever a domestic  
20 limited partnership has domesticated itself under the laws of  
21 another jurisdiction by action similar to that provided by  
22 section 8590 (relating to domestication) and has authorized that  
23 action in the manner required by this subchapter for the  
24 approval of a proposal that the partnership dissolve  
25 voluntarily, the partnership may surrender its certificate of  
26 limited partnership under the laws of this Commonwealth by  
27 filing in the department a certificate of cancellation under  
28 section 8513 (relating to cancellation of certificate). If the  
29 partnership, as domesticated in the other jurisdiction,  
30 registers to do business in this Commonwealth either prior to or



1 simultaneously with the filing of the certificate of  
2 cancellation under this subsection, the partnership shall not be  
3 required to file with the certificate of cancellation the tax  
4 clearance certificates that would otherwise be required by  
5 section 139 (relating to tax clearance of certain fundamental  
6 transactions).]

7 \* \* \*

8 Section 53. Subchapters J and K of Chapter 85 of Title 15  
9 are repealed:

10 [SUBCHAPTER J

11 DIVISION

12 Sec.

13 8576. Division authorized.

14 8577. Proposal and adoption of plan of division.

15 8578. Division without approval of limited partners.

16 8579. Certificate of division.

17 8580. Effect of division.

18 § 8576. Division authorized.

19 (a) Division of domestic limited partnership.--Any domestic  
20 limited partnership may, in the manner provided in this  
21 subchapter, be divided into two or more domestic limited  
22 partnerships organized or to be organized under this chapter or  
23 into one or more domestic limited partnerships and one or more  
24 foreign limited partnerships to be organized under the laws of  
25 another jurisdiction or jurisdictions or into two or more  
26 foreign limited partnerships if the laws of the other  
27 jurisdictions authorize the division.

28 (b) Division of foreign limited partnership.--Any foreign  
29 limited partnership may, in the manner provided in this  
30 subchapter, be divided into one or more domestic limited

1 partnerships to be organized under this chapter and one or more  
2 foreign limited partnerships organized or to be organized under  
3 the laws of another jurisdiction or jurisdictions or into two or  
4 more domestic limited partnerships if the foreign limited  
5 partnership is authorized under the laws of the jurisdiction  
6 under which it is organized to effect a division.

7 (c) Surviving and new limited partnerships.--The limited  
8 partnership effecting a division, if it survives the division,  
9 is designated in this subchapter as the surviving limited  
10 partnership. All limited partnerships originally organized by a  
11 division are designated in this subchapter as new limited  
12 partnerships. The surviving limited partnership, if any, and the  
13 new limited partnership or partnerships are collectively  
14 designated in this subchapter as the resulting limited  
15 partnerships.

16 § 8577. Proposal and adoption of plan of division.

17 (a) Preparation of plan.--A plan of division shall be  
18 prepared, setting forth:

19 (1) The terms and conditions of the division, including  
20 the manner and basis of:

21 (i) The reclassification of the partnership  
22 interests in the surviving limited partnership, if there  
23 be one, and, if any of the partnership interests in the  
24 dividing limited partnership are not to be converted  
25 solely into partnership interests or other securities or  
26 obligations of one or more of the resulting limited  
27 partnerships, the partnership interests or other  
28 securities or obligations of any other person or cash,  
29 property or rights that the holders of the partnership  
30 interests are to receive in exchange for or upon

1 conversion of the partnership interests and the surrender  
2 of any certificates evidencing them, which securities or  
3 obligations, if any, of any other person or cash,  
4 property or rights may be in addition to or in lieu of  
5 partnership interests or other securities or obligations  
6 of one or more of the resulting limited partnerships.

7 (ii) The disposition of the partnership interests  
8 and other securities or obligations, if any, of the new  
9 limited partnership or partnerships resulting from the  
10 division.

11 (2) A statement that the dividing limited partnership  
12 will or will not survive the division.

13 (3) Any changes desired to be made in the certificate of  
14 limited partnership of the surviving limited partnership, if  
15 there be one, including a restatement of the certificate.

16 (4) The certificates of limited partnership required by  
17 subsection (c).

18 (5) Such other provisions as are deemed desirable.

19 (b) Reference to outside facts.--Any of the terms of the  
20 plan may be made dependent upon facts ascertainable outside of  
21 the plan if the manner in which the facts will operate upon the  
22 terms of the plan is set forth in the plan. Such facts may  
23 include, without limitation, actions or events within the  
24 control of or determinations made by the dividing limited  
25 partnership or a representative of the dividing limited  
26 partnership.

27 (c) Certificates of limited partnership of new limited  
28 partnerships.--There shall be included in or annexed to the plan  
29 of division:

30 (1) Certificates of limited partnership, which shall

1 contain all of the statements required by this chapter to be  
2 set forth in a restated certificate of limited partnership  
3 for each of the new domestic limited partnerships, if any,  
4 resulting from the division.

5 (2) Certificates of limited partnership or other  
6 organizational documents for each of the new foreign limited  
7 partnerships, if any, resulting from the division.

8 (d) Proposal and adoption.--Except as otherwise provided in  
9 section 8578 (relating to division without approval of limited  
10 partners), the plan of division shall be proposed and adopted  
11 and may be amended after its adoption and termination by a  
12 domestic limited partnership in the manner provided for the  
13 proposal, adoption, amendment and termination of a plan of  
14 merger in Subchapter F (relating to merger and consolidation),  
15 except section 8546(g) (relating to approval of merger or  
16 consolidation) or, if the dividing limited partnership is a  
17 foreign limited partnership, in accordance with the laws of the  
18 jurisdiction in which it is organized. There shall be included  
19 in or enclosed with the notice of the meeting of limited  
20 partners to act on the plan, a copy or a summary of the plan.

21 (f) Rights of holders of indebtedness.--If any such debt  
22 securities, notes, similar evidences of indebtedness, indentures  
23 or other contracts were issued, incurred or executed by the  
24 dividing limited partnership before August 21, 2001, and have  
25 not been amended subsequent to that date, the liability of the  
26 dividing limited partnership thereunder shall not be affected by  
27 the division nor shall the rights of the obligees thereunder be  
28 impaired by the division, and each of the resulting limited  
29 partnerships may be proceeded against or substituted in place of  
30 the dividing limited partnership as joint and several obligors

1 on such liability, regardless of any provision of the plan of  
2 division apportioning the liabilities of the dividing limited  
3 partnership.

4 (g) Special requirements.--If any provision of the  
5 certificate of limited partnership or partnership agreement of a  
6 dividing domestic limited partnership adopted before February 5,  
7 1995, requires for the proposal or adoption of a plan of merger  
8 or consolidation a specific number or percentage of votes of  
9 general or limited partners or other special procedures, the  
10 plan of division shall not be proposed or adopted by the general  
11 or limited partners without that number or percentage of votes  
12 or compliance with the other special procedures.

13 § 8578. Division without approval of limited partners.

14 Unless otherwise restricted by its partnership agreement, a  
15 plan of division that does not alter the state of organization  
16 of a limited partnership nor amend in any respect the provisions  
17 of its certificate of limited partnership or partnership  
18 agreement (except amendments that may be made without action by  
19 the limited partners) shall not require the approval of the  
20 limited partners of the limited partnership if:

21 (1) the dividing limited partnership survives the  
22 division and all the partnership interests and other  
23 securities and obligations, if any, of all new limited  
24 partnerships resulting from the plan are owned solely by the  
25 surviving limited partnership; or

26 (2) the transfers of assets effected by the division, if  
27 effected by means of a sale, lease, exchange or other  
28 disposition, would not require the approval of the limited  
29 partners.

30 § 8579. Certificate of division.

1 (a) Contents.--Upon the adoption of a plan of division by  
2 the limited partnership desiring to divide, as provided in this  
3 subchapter, a certificate of division shall be executed by the  
4 limited partnership and shall, subject to section 109 (relating  
5 to name of commercial registered office provider in lieu of  
6 registered address), set forth:

7 (1) The name and the location of the registered office,  
8 including street and number, if any, of the dividing domestic  
9 limited partnership or, in the case of a dividing foreign  
10 limited partnership, the name of the limited partnership and  
11 the jurisdiction in which it is organized, together with  
12 either:

13 (i) If a qualified foreign limited partnership, the  
14 address, including street and number, if any, of its  
15 registered office in this Commonwealth.

16 (ii) If a nonqualified foreign limited partnership,  
17 the address, including street and number, if any, of its  
18 principal office under the laws of that jurisdiction.

19 (2) The statute under which the dividing limited  
20 partnership was organized and the date of organization.

21 (3) A statement that the dividing limited partnership  
22 will or will not survive the division.

23 (4) The name and the address, including street and  
24 number, if any, of the registered office of each new domestic  
25 limited partnership or qualified foreign limited partnership  
26 resulting from 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 limited partnership.

2 (7) The plan of division.

3 (b) Filing.--The certificate of division and the  
4 certificates or statement, if any, required by section 139  
5 (relating to tax clearance of certain fundamental transactions)  
6 shall be filed in the Department of State.

7 (c) Effective date of certificate of division.--Upon the  
8 filing of a certificate of division in the Department of State  
9 or upon the effective date specified in the plan of division,  
10 whichever is later, the division shall become effective. The  
11 division of a domestic limited partnership into one or more  
12 foreign limited partnerships or the division of a foreign  
13 limited partnership shall be effective according to the laws of  
14 the jurisdictions where the foreign limited partnerships are or  
15 are to be organized, but not until a certificate of division has  
16 been adopted and filed as provided in this subchapter.

17 (d) Cross references.--See sections 134 (relating to  
18 docketing statement), 135 (relating to requirements to be met by  
19 filed documents) and 8514 (relating to execution of  
20 certificates).

21 § 8580. Effect of division.

22 (a) Multiple resulting limited partnerships.--Upon the  
23 division becoming effective, the dividing limited partnership  
24 shall be subdivided into the distinct and independent resulting  
25 limited partnerships named in the plan of division, and, if the  
26 dividing limited partnership is not to survive the division, the  
27 existence of the dividing limited partnership shall cease. The  
28 resulting limited partnerships, if they are domestic limited  
29 partnerships, shall not thereby acquire authority to engage in  
30 any business or exercise any right that a limited partnership

1 may not be organized under this chapter to engage in or  
2 exercise. Any resulting foreign limited partnership that is  
3 stated in the certificate of division to be a qualified foreign  
4 limited partnership shall be a qualified foreign limited  
5 partnership under Subchapter K (relating to foreign limited  
6 partnerships), and the certificate of division shall be deemed  
7 to be the application for registration as a foreign limited  
8 partnership of the limited partnership.

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

11 (1) (i) All the property, real, personal and mixed, of  
12 the dividing limited partnership, and all debts due on  
13 whatever account to it, including subscriptions for  
14 partnership interests or other causes of action belonging  
15 to it, shall, except as otherwise provided in paragraph  
16 (2), to the extent allocations of assets are contemplated  
17 by the plan of division, be deemed without further action  
18 to be allocated to and vested in the resulting limited  
19 partnerships on such a manner and basis and with such  
20 effect as is specified in the plan, or per capita among  
21 the resulting limited partnerships, as tenants in common,  
22 if no specification is made in the plan, and the title to  
23 any real estate or interest therein vested in any of the  
24 limited partnerships shall not revert or be in any way  
25 impaired by reason of the division.

26 (ii) Upon the division becoming effective, the  
27 resulting limited partnerships shall each thenceforth be  
28 responsible as separate and distinct limited partnerships  
29 only for such liabilities as each limited partnership may  
30 undertake or incur in its own name but shall be liable



1 for the liabilities of the dividing limited partnership  
2 in the manner and on the basis provided in subparagraphs  
3 (iv) and (v).

4 (iii) Liens upon the property of the dividing  
5 limited partnership shall not be impaired by the  
6 division.

7 (iv) To the extent allocations of liabilities are  
8 contemplated by the plan of division, the liabilities of  
9 the dividing limited partnership shall be deemed without  
10 further action to be allocated to and become the  
11 liabilities of the resulting limited partnerships on such  
12 a manner and basis and with such effect as is specified  
13 in the plan; and one or more but less than all of the  
14 resulting limited partnerships shall be free of the  
15 liabilities of the dividing limited partnership to the  
16 extent, if any, specified in the plan if in either case:

17 (A) no fraud of partners or violation of law  
18 shall be effected thereby; and

19 (B) the plan does not constitute a fraudulent  
20 transfer under 12 Pa.C.S. Ch. 51 (relating to  
21 fraudulent transfers).

22 (v) If the conditions in subparagraph (iv) for  
23 freeing one or more of the resulting limited partnerships  
24 from the liabilities of the dividing limited partnership,  
25 or for allocating some or all of the liabilities of the  
26 dividing limited partnership, are not satisfied, the  
27 liabilities of the dividing limited partnership as to  
28 which those conditions are not satisfied shall not be  
29 affected by the division nor shall the rights of  
30 creditors thereunder or of any person dealing with the

1 limited partnership be impaired by the division, and any  
2 claim existing or action or proceeding pending by or  
3 against the limited partnership with respect to those  
4 liabilities may be prosecuted to judgment as if the  
5 division had not taken place, or the resulting limited  
6 partnerships may be proceeded against or substituted in  
7 place of the dividing limited partnership as joint and  
8 several obligors on those liabilities, regardless of any  
9 provision of the plan of division apportioning the  
10 liabilities of the dividing limited partnership.

11 (vi) The conditions in subparagraph (iv) for freeing  
12 one or more of the resulting limited partnerships from  
13 the liabilities of the dividing limited partnership and  
14 for allocating some or all of the liabilities of the  
15 dividing limited partnership shall be conclusively deemed  
16 to have been satisfied if the plan of division has been  
17 approved by the Pennsylvania Public Utility Commission in  
18 a final order issued after August 21, 2001, that has  
19 become not subject to further appeal.

20 (2) (i) The allocation of any fee or freehold interest  
21 or leasehold having a remaining term of 30 years or more  
22 in any tract or parcel of real property situate in this  
23 Commonwealth owned by a dividing limited partnership  
24 (including property owned by a foreign limited  
25 partnership dividing solely under the law of another  
26 jurisdiction) to a new limited partnership resulting from  
27 the division shall not be effective until one of the  
28 following documents is filed in the office for the  
29 recording of deeds of the county, or each of them, in  
30 which the tract or parcel is situated:

1 (A) A deed, lease or other instrument of  
2 confirmation describing the tract or parcel.

3 (B) A duly executed duplicate original copy of  
4 the certificate of division.

5 (C) A copy of the certificate of division  
6 certified by the Department of State.

7 (D) A declaration of acquisition setting forth  
8 the value of real estate holdings in the county of  
9 the limited partnership as an acquired company.

10 (ii) The provisions of 75 Pa.C.S. § 1114 (relating  
11 to transfer of vehicle by operation of law) shall not be  
12 applicable to an allocation of ownership of any motor  
13 vehicle, trailer or semitrailer to a new limited  
14 partnership under this section or under a similar law of  
15 any other jurisdiction, but any such allocation shall be  
16 effective only upon compliance with the requirements of  
17 75 Pa.C.S. § 1116 (relating to issuance of new  
18 certificate following transfer).

19 (3) It shall not be necessary for a plan of division to  
20 list each individual asset or liability of the dividing  
21 limited partnership to be allocated to a new limited  
22 partnership so long as those assets and liabilities are  
23 described in a reasonable and customary manner.

24 (4) Each new limited partnership shall hold any assets  
25 and liabilities allocated to it as the successor to the  
26 dividing limited partnership, and those assets and  
27 liabilities shall not be deemed to have been assigned to the  
28 new limited partnership in any manner, whether directly or  
29 indirectly or by operation of law.

30 (c) Taxes.--Any taxes, interest, penalties and public

1 accounts of the Commonwealth claimed against the dividing  
2 limited partnership that are settled, assessed or determined  
3 prior to or after the division shall be the liability of any of  
4 the resulting limited partnerships and, together with interest  
5 thereon, shall be a lien against the franchises and property,  
6 both real and personal, of all the limited partnerships. Upon  
7 the application of the dividing limited partnership, the  
8 Department of Revenue, with the concurrence of the Office of  
9 Employment Security of the Department of Labor and Industry,  
10 shall release one or more, but less than all, of the resulting  
11 limited partnerships from liability and liens for all taxes,  
12 interest, penalties and public accounts of the dividing limited  
13 partnership due the Commonwealth for periods prior to the  
14 effective date of the division if those departments are  
15 satisfied that the public revenues will be adequately secured.

16 (d) Certificate of limited partnership of surviving limited  
17 partnership.--The certificate of limited partnership of the  
18 surviving limited partnership, if there be one, shall be deemed  
19 to be amended to the extent, if any, that changes in its  
20 certificate of limited partnership are stated in the plan of  
21 division.

22 (e) Certificates of limited partnership of new limited  
23 partnerships.--The statements that are set forth in the plan of  
24 division with respect to each new domestic limited partnership  
25 and that are required or permitted to be set forth in a restated  
26 certificate of limited partnership of limited partnerships  
27 organized under this chapter, or the certificate of limited  
28 partnership of each new limited partnership set forth therein,  
29 shall be deemed to be the certificate of limited partnership of  
30 each new limited partnership.

1 (f) Disposition of partnership interests.--Unless otherwise  
2 provided in the plan, the partnership interests and other  
3 securities or obligations, if any, of each new limited  
4 partnership resulting from the division shall be distributable  
5 to:

6 (1) the surviving limited partnership if the dividing  
7 limited partnership survives the division; or

8 (2) the partners of the dividing limited partnership in  
9 the proportions in which the partners share in distributions,  
10 in any other case.

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

13 (1) The effect of a division of a domestic limited  
14 partnership shall be governed solely by the laws of this  
15 Commonwealth and any other jurisdiction under the laws of  
16 which any of the resulting limited partnerships is organized.

17 (2) The effect of a division on the assets and  
18 liabilities of the dividing limited partnership shall be  
19 governed solely by the laws of this Commonwealth and any  
20 other jurisdiction under the laws of which any of the  
21 resulting limited partnerships is organized.

22 (3) The validity of any allocations of assets or  
23 liabilities by a plan of division of a domestic limited  
24 partnership, regardless of whether or not any of the new  
25 limited partnerships is a foreign limited partnership, shall  
26 be governed solely by the laws of this Commonwealth.

27 (4) In addition to the express provisions of this  
28 subsection, this subchapter shall otherwise generally be  
29 granted the protection of full faith and credit under the  
30 Constitution of the United States.

1 SUBCHAPTER K

2 FOREIGN LIMITED PARTNERSHIPS

3 Sec.

4 8581. Governing law.

5 8582. Registration.

6 8583. Effect of filing.

7 8584. Name.

8 8585. Changes and amendments.

9 8586. Cancellation of registration.

10 8587. Doing business without registration.

11 8588. Action by Attorney General.

12 8589. General powers and duties of qualified foreign limited  
13 partnerships.

14 8590. Domestication.

15 § 8581. Governing law.

16 Subject to the Constitution of Pennsylvania:

17 (1) The laws of the jurisdiction under which a foreign  
18 limited partnership is organized govern its organization and  
19 internal affairs and the liability of its limited partners.

20 (2) A foreign limited partnership may not be denied  
21 registration by reason of any difference between those laws  
22 and the laws of this Commonwealth.

23 § 8582. Registration.

24 (a) General rule.--Before doing business in this  
25 Commonwealth, a foreign limited partnership shall register under  
26 this subchapter. In order to register, a foreign limited  
27 partnership shall execute and file in the Department of State an  
28 application for registration as a foreign limited partnership  
29 setting forth:

30 (1) The name of the foreign limited partnership and, if

1 different, the name under which it proposes to register and  
2 do business in this Commonwealth.

3 (2) The jurisdiction and date of its formation.

4 (3) Subject to section 109 (relating to name of  
5 commercial registered office provider in lieu of registered  
6 address), the address, including street and number, if any,  
7 of its registered office.

8 (4) The address of the office required to be maintained  
9 in the jurisdiction of its organization by the laws of that  
10 jurisdiction or, if not so required, of the principal office  
11 of the foreign limited partnership.

12 (5) The name and business address of each general  
13 partner.

14 (6) The address of the office at which is kept a list of  
15 the names and addresses of the limited partners and their  
16 capital contributions, together with an undertaking by the  
17 foreign limited partnership to keep those records until the  
18 registration of the foreign limited partnership in this  
19 Commonwealth is canceled or withdrawn.

20 (b) Exceptions.--None of the activities described in section  
21 4122 (relating to excluded activities) shall be considered doing  
22 business in this Commonwealth for the purposes of this  
23 subchapter.

24 (c) Cross references.--See sections 134 (relating to  
25 docketing statement) and 8514 (relating to execution of  
26 certificates).

27 § 8583. Effect of filing.

28 Upon the filing of the application for registration as a  
29 foreign limited partnership, the partnership shall be authorized  
30 to do business in this Commonwealth.

1 § 8584. Name.

2 (a) General rule.--A foreign limited partnership may  
3 register with the Department of State under any name (whether or  
4 not it is the name under which it is registered in its  
5 jurisdiction of organization) that could be used by a domestic  
6 limited partnership.

7 (b) Cross reference.--See section 8505 (relating to name).

8 § 8585. Changes and amendments.

9 (a) General rule.--If any arrangements or other facts  
10 described in the application for registration of a foreign  
11 limited partnership have changed, making the application  
12 inaccurate in any material respect, the foreign limited  
13 partnership shall promptly execute and file in the Department of  
14 State a certificate of amendment of registration setting forth:

15 (1) The name under which the foreign limited partnership  
16 is registered to do business in this Commonwealth.

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

21 (3) The arrangements or other facts that have changed.

22 (b) Effect of filing.--The application for registration as a  
23 foreign limited partnership shall be amended upon filing of the  
24 certificate of amendment of registration in the department.

25 (c) Cross references.--See sections 134 (relating to  
26 docketing statement), 138 (relating to statement of correction)  
27 and 8514 (relating to execution of certificates).

28 § 8586. Cancellation of registration.

29 (a) General rule.--A qualified foreign limited partnership  
30 may cancel its registration by executing and filing in the



1 Department of State a certificate of cancellation of  
2 registration setting forth:

3 (1) The name under which the foreign limited partnership  
4 is registered to do business in this Commonwealth.

5 (2) Subject to section 109 (relating to name of  
6 commercial registered office provider in lieu of registered  
7 address), the address, including street and number, if any,  
8 of its last registered office in this Commonwealth.

9 (3) The name of the jurisdiction under the laws of which  
10 it is organized.

11 (4) The date on which it registered to do business in  
12 this Commonwealth.

13 (5) A statement that it withdraws from doing business in  
14 this Commonwealth.

15 (6) 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 foreign limited partnership in this Commonwealth is  
20 located.

21 (7) The post office address, including street and  
22 number, if any, to which process may be sent in an action  
23 upon any liability incurred before the filing of the  
24 certificate of cancellation of registration.

25 (b) Filing.--The certificate of cancellation of registration  
26 and the certificates or statement required by section 139  
27 (relating to tax clearance of certain fundamental transactions)  
28 shall be filed in the department.

29 (c) Effect of filing.--Upon the filing of the certificate of  
30 cancellation of registration, the authority of the foreign

1 limited partnership to do business in this Commonwealth shall  
2 cease. The termination of authority shall not affect any action  
3 pending at the time thereof or affect any right of action  
4 arising with respect to the foreign limited partnership before  
5 the filing of the certificate of cancellation of registration.  
6 Process against the foreign limited partnership in an action  
7 upon any liability incurred before the filing of the certificate  
8 of cancellation of registration may be served as provided in 42  
9 Pa.C.S. Ch. 53 (relating to bases of jurisdiction and interstate  
10 and international procedure) or as otherwise provided or  
11 prescribed by law.

12 (d) Cross references.--See sections 134 (relating to  
13 docketing statement) and 8514 (relating to execution of  
14 certificates).

15 § 8587. Doing business without registration.

16 (a) Maintenance of actions or proceedings prohibited.--A  
17 nonqualified foreign limited partnership doing business in this  
18 Commonwealth may not maintain any action or proceeding in any  
19 court of this Commonwealth until it has registered under this  
20 subchapter, nor, except as provided in subsection (b), shall any  
21 action or proceeding be maintained in any court of this  
22 Commonwealth on any right, claim or demand arising out of the  
23 doing of business by the foreign limited partnership in this  
24 Commonwealth by any successor, assignee or acquiror of all or  
25 substantially all of the assets of the foreign limited  
26 partnership that is a foreign corporation for profit or not-for-  
27 profit or a foreign limited partnership until such foreign  
28 corporation or foreign limited partnership has been authorized  
29 to do business in this Commonwealth.

30 (b) Contracts, property and defense of actions unaffected.--

1 The failure of a foreign limited partnership to register under  
2 this subchapter shall not impair the validity of any contract or  
3 act of the foreign limited partnership, shall not prevent the  
4 foreign limited partnership from defending any action in any  
5 court of this Commonwealth and shall not render escheatable any  
6 of its real or personal property.

7 (c) Liability of limited partner.--A limited partner of a  
8 foreign limited partnership is not liable as a general partner  
9 of the foreign limited partnership solely by reason of the  
10 foreign limited partnership having done business in this  
11 Commonwealth without registration under this subchapter.

12 (d) Acquisition of real and personal property.--Every  
13 nonqualified foreign limited partnership may acquire, hold,  
14 mortgage, lease and transfer real and personal property in this  
15 Commonwealth in the same manner and subject to the same  
16 limitations as a qualified foreign limited partnership.

17 (e) Duties.--Except as provided in subsection (a), a  
18 nonqualified foreign limited partnership doing business in this  
19 Commonwealth shall be subject to the same liabilities,  
20 restrictions, duties and penalties now or hereafter imposed upon  
21 a qualified foreign limited partnership.

22 § 8588. Action by Attorney General.

23 The Attorney General may bring an action to restrain a  
24 foreign limited partnership from doing business in this  
25 Commonwealth in violation of this subchapter.

26 § 8589. General powers and duties of qualified foreign limited  
27 partnerships.

28 (a) General rule.--A qualified foreign limited partnership,  
29 so long as its registration under this subchapter is not  
30 canceled or revoked, shall enjoy the same rights and privileges

1 as a domestic limited partnership, but no more, and, except as  
2 in this part otherwise provided, shall be subject to the same  
3 liabilities, restrictions, duties and penalties now in force or  
4 hereafter imposed upon domestic limited partnerships, to the  
5 same extent as if it had been formed under this chapter.

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

10 § 8590. Domestication.

11 (a) General rule.--Any qualified foreign limited partnership  
12 may become a domestic limited partnership by filing in the  
13 Department of State a certificate of domestication. The  
14 certificate of domestication, upon being filed in the  
15 department, shall constitute the certificate of limited  
16 partnership of the domesticated foreign limited partnership, and  
17 it shall thereafter continue as a limited partnership which  
18 shall be a domestic limited partnership subject to this chapter.

19 (b) Certificate of domestication.--The certificate of  
20 domestication shall be executed by the limited partnership and  
21 shall set forth in the English language:

22 (1) The name of the limited partnership. If the name is  
23 in a foreign language, it shall be set forth in Roman letters  
24 or characters or Arabic or Roman numerals. If the name is one  
25 that is rendered unavailable for use by any provision of  
26 section 8505 (relating to name), the limited partnership  
27 shall adopt, in accordance with any procedures for changing  
28 the name of the limited partnership that are applicable prior  
29 to the domestication of the limited partnership, and shall  
30 set forth in the certificate of domestication an available

1 name.

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

6 (3) A statement that upon domestication the limited  
7 partnership will be subject to the domestic limited  
8 partnership provisions of the Pennsylvania Revised Uniform  
9 Limited Partnership Act and, if desired, a brief statement of  
10 the purpose or purposes for which it is to be domesticated,  
11 which shall be a purpose or purposes for which a domestic  
12 limited partnership may be organized under this chapter and  
13 which may consist of or include a statement that the limited  
14 partnership shall have unlimited power to engage in and to do  
15 any lawful act concerning any or all lawful business for  
16 which limited partnerships may be organized under the  
17 Pennsylvania Revised Uniform Limited Partnership Act.

18 (4) Any desired provisions relating to the manner and  
19 basis of reclassifying the partnership interests in the  
20 limited partnership.

21 (5) A statement that the filing of the certificate of  
22 domestication and, if desired, the renunciation of the  
23 original certificate of limited partnership of the limited  
24 partnership has been authorized (unless its certificate of  
25 limited partnership or other organic documents require a  
26 greater vote) by a majority of the votes cast by all partners  
27 entitled to vote thereon and, if any class of partners is  
28 entitled to vote thereon as a class, a majority of the votes  
29 cast in each class vote.

30 (6) Any other provisions authorized by this chapter to

1 be set forth in an original certificate of limited  
2 partnership.

3 See sections 134 (relating to docketing statement), 135  
4 (relating to requirements to be met by filed documents) and 8514  
5 (relating to execution of certificates).

6 (c) Effect of domestication.--

7 (1) As a domestic limited partnership, the domesticated  
8 limited partnership shall no longer be a foreign limited  
9 partnership for the purposes of this chapter and shall  
10 instead be a domestic limited partnership with all the powers  
11 and privileges and all the duties and limitations granted and  
12 imposed upon domestic limited partnerships. In all other  
13 respects, the domesticated limited partnership shall be  
14 deemed to be the same limited partnership as it was prior to  
15 the domestication without any change in or effect on its  
16 existence. Without limiting the generality of the previous  
17 sentence, the domestication shall not be deemed to have  
18 dissolved the limited partnership or to have affected in any  
19 way:

20 (i) the right and title of the limited partnership  
21 in and to its assets, property, franchises, estates and  
22 choses in action;

23 (ii) the liability of the limited partnership for  
24 its debts, obligations, penalties and public accounts due  
25 the Commonwealth;

26 (iii) any liens or other encumbrances on the  
27 property or assets of the limited partnership; or

28 (iv) any contract, license or other agreement to  
29 which the limited partnership is a party or under which  
30 it has any rights or obligations.

1           (2) The partnership interests in the domesticated  
2 limited partnership shall be unaffected by the domestication  
3 except to the extent, if any, reclassified in the certificate  
4 of domestication.]

5 Section 54. The definitions of "certificate of  
6 organization," "foreign limited liability company" and  
7 "qualified foreign limited liability company" in section 8903(a)  
8 of Title 15 are amended to read:

9 § 8903. Definitions and index of definitions.

10 (a) Definitions.--The following words and phrases when used  
11 in this chapter shall have the meanings given to them in this  
12 section unless the context clearly indicates otherwise:

13 "Certificate of organization." The certificate of  
14 organization referred to in section 8913 (relating to  
15 certificate of organization) and the certificate of organization  
16 as amended. The term includes any other statements or  
17 certificates permitted or required to be filed in the Department  
18 of State by sections 108 (relating to change in location or  
19 status of registered office provided by agent) and 138 (relating  
20 to statement of correction), Chapter 3 (relating to entity  
21 transactions) or this part. If an amendment of the certificate  
22 of organization or a [certificate of merger or division made in  
23 the manner permitted by this chapter] statement filed under  
24 Chapter 3 restates the certificate of organization in its  
25 entirety [or if there is a certificate of consolidation or  
26 domestication], thenceforth the certificate of organization  
27 shall not include any prior documents, and any certificate  
28 issued by the Department of State with respect thereto shall so  
29 state.

30 \* \* \*

1 "Foreign limited liability company." An association  
2 organized under the laws of any jurisdiction other than this  
3 Commonwealth, whether or not required to register under  
4 [Subchapter J (relating to foreign companies)] Chapter 4  
5 (relating to foreign associations), which would be a limited  
6 liability company if organized under the laws of this  
7 Commonwealth.

8 \* \* \*

9 "Qualified foreign limited liability company." A foreign  
10 limited liability company that is registered under [Subchapter J  
11 (relating to foreign companies) to do business in this  
12 Commonwealth] Chapter 4 (relating to foreign associations).

13 \* \* \*

14 Section 55. Sections 8905 and 8908 and Subchapters G and H  
15 of Chapter 89 and section 8978 and Subchapter J of Chapter 89 of  
16 Title 15 are repealed:

17 [§ 8905. Name.

18 (a) General rule.--The name of each limited liability  
19 company as set forth in its certificate of organization shall:

20 (1) Be expressed in Roman letters or characters or  
21 Arabic or Roman numerals.

22 (2) Not be one rendered unavailable for use by a  
23 corporation by any provision of section 1303(b) and (c)  
24 (relating to corporate name).

25 (3) Contain the term "company," "limited" or "limited  
26 liability company" or an abbreviation of one of those terms.

27 (b) Reservation of name.--The exclusive right to the use of  
28 a name for purposes of this chapter may be reserved and  
29 transferred in the manner provided by section 1305 (relating to  
30 reservation of corporate name).



1 § 8908. Election of professional association to become limited  
2 liability company.

3 (a) General rule.--This chapter applies to every  
4 professional association subject to Chapter 93 (relating to  
5 professional associations) that elects to accept the provisions  
6 of this chapter in the manner set forth in subsection (b).

7 (b) Procedure for election.--A professional association may  
8 elect to accept this chapter by filing in the Department of  
9 State a certificate of election of limited liability company  
10 status which shall be executed by all of the associates of the  
11 professional association and shall set forth:

12 (1) The name of the professional association.

13 (2) The name of the county in the office of the  
14 prothonotary of which the initial articles of association of  
15 the association were filed.

16 (3) A statement that the associates of the professional  
17 association have elected to accept the provisions of this  
18 chapter for the government and regulation of the affairs of  
19 the association.

20 (4) The provisions that shall constitute the initial  
21 certificate of organization of the limited liability company  
22 resulting from the filing, which may include such amendments  
23 to the articles of association of the professional  
24 association as the associates may choose to adopt.

25 See sections 134 (relating to docketing statement) and 135  
26 (relating to requirements to be met by filed documents).

27 (c) Date of organization.--This chapter shall become  
28 applicable to the professional association, and it shall be  
29 deemed organized as a limited liability company, on the date the  
30 certificate of election is filed in the department.

1 SUBCHAPTER G

2 MERGERS AND CONSOLIDATIONS

3 Sec.

4 8956. Merger and consolidation of limited liability companies  
5 authorized.

6 8957. Approval of merger or consolidation.

7 8958. Certificate of merger or consolidation.

8 8959. Effect of merger or consolidation.

9 § 8956. Merger and consolidation of limited liability companies  
10 authorized.

11 (a) Domestic surviving or new limited liability company.--

12 Any two or more domestic limited liability companies, or any two  
13 or more foreign limited liability companies, or any one or more  
14 domestic limited liability companies and any one or more foreign  
15 limited liability companies, may, in the manner provided in this  
16 subchapter, be merged into one of the domestic limited liability  
17 companies designated in this subchapter as the surviving limited  
18 liability company, or consolidated into a new limited liability  
19 company to be formed under this chapter, if the foreign limited  
20 liability companies are authorized by the laws of the  
21 jurisdiction under which they are organized to effect a merger  
22 or consolidation with a limited liability company of another  
23 jurisdiction.

24 (b) Foreign surviving or new limited liability company.--Any

25 one or more domestic limited liability companies and any one or  
26 more foreign limited liability companies may, in the manner  
27 provided in this subchapter, be merged into one of the foreign  
28 limited liability companies designated in this subchapter as the  
29 surviving limited liability company, or consolidated into a new  
30 limited liability company to be organized under the laws of the

1 jurisdiction under which one of the foreign limited liability  
2 companies is organized, if the laws of that jurisdiction  
3 authorize a merger with or consolidation into a limited  
4 liability company of another jurisdiction.

5 (c) Business trusts and other associations.--The provisions  
6 of this subchapter applicable to domestic and foreign limited  
7 liability companies shall also be applicable to a merger or  
8 consolidation to which a domestic limited liability company is a  
9 party or in which such a company is the resulting entity with or  
10 into a domestic or foreign corporation, partnership, business  
11 trust or other association. The surviving or resulting entity in  
12 such a merger or consolidation may be a corporation,  
13 partnership, business trust or other association. Except as  
14 otherwise provided by law in this Commonwealth or any other  
15 jurisdiction, the powers and duties vested in and imposed upon  
16 the managers and members in this subchapter shall be exercised  
17 and performed by the group of persons under the direction of  
18 whom the business and affairs of the corporation, partnership,  
19 business trust or other association are managed and the holders  
20 or owners of shares or other interests in the corporation,  
21 partnership, business trust or other association, respectively,  
22 irrespective of the names by which the managing group and the  
23 holders or owners of shares or other interests are designated.  
24 The units into which the shares or other interests in the  
25 corporation, partnership, business trust or other association  
26 are divided shall be deemed to be membership interests for the  
27 purposes of applying the provisions of this subchapter to a  
28 merger or consolidation involving the corporation, partnership,  
29 business trust or other association.

30 § 8957. Approval of merger or consolidation.

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

4 (1) The terms and conditions of the merger or  
5 consolidation.

6 (2) If the surviving or new limited liability company is  
7 or is to be a domestic limited liability company:

8 (i) in the case of a merger, any changes desired to  
9 be made in the certificate of organization or operating  
10 agreement, which may include a restatement of either or  
11 both; or

12 (ii) in the case of a consolidation:

13 (A) all of the statements required by this  
14 chapter to be set forth in a restated certificate of  
15 organization; and

16 (B) the written provisions, if any, of the  
17 operating agreement.

18 (3) The manner and basis of converting the membership  
19 interests of each company into membership interests,  
20 securities or obligations of the surviving or new company, as  
21 the case may be, and, if any of the membership interests of  
22 any of the companies that are parties to the merger or  
23 consolidation are not to be converted solely into membership  
24 interests, securities or obligations of the surviving or new  
25 company, the membership interests, securities or obligations  
26 of any other person or cash, property or rights that the  
27 holders of such membership interests are to receive in  
28 exchange for, or upon conversion of, such membership  
29 interests, and the surrender of any certificates evidencing  
30 them, which securities or obligations, if any, of any other

1 person or cash, property or rights may be in addition to or  
2 in lieu of the membership interests, securities or  
3 obligations of the surviving or new company.

4 (4) Such other provisions as are deemed desirable.

5 (b) Reference to outside facts.--Any of the terms of the  
6 plan may be made dependent upon facts ascertainable outside of  
7 the plan if the manner in which the facts will operate upon the  
8 terms of the plan is set forth in the plan. Such facts may  
9 include, without limitation, actions or events within the  
10 control of or determinations made by a party to the plan or a  
11 representative of a party to the plan.

12 (c) Post-adoption amendment of plan of merger or  
13 consolidation.--A plan of merger or consolidation may contain a  
14 provision that the managers, if any, of the constituent  
15 companies may amend the plan at any time prior to its effective  
16 date, except that an amendment made subsequent to any adoption  
17 of the plan by the members of any constituent domestic company  
18 shall not, without the approval of the members, change:

19 (1) The amount or kind of membership interests,  
20 obligations, cash, property or rights to be received in  
21 exchange for or on conversion of all or any of the membership  
22 interests of the constituent domestic company adversely to  
23 the holders of those membership interests.

24 (2) Any provision of the certificate of organization or  
25 operating agreement of the surviving or new company as it is  
26 to be in effect immediately following consummation of the  
27 merger or consolidation except provisions that may be amended  
28 without the approval of the members.

29 (3) Any of the other terms and conditions of the plan if  
30 the change would adversely affect the holders of any

1 membership interests of the constituent domestic company.

2 (d) Proposal of merger or consolidation.--Every merger or  
3 consolidation shall be proposed, in the case of each domestic  
4 limited liability company that is managed by one or more  
5 managers, by the adoption by the managers of a resolution  
6 approving the plan of merger or consolidation and, in any other  
7 case, in accordance with any applicable procedures specified in  
8 the operating agreement. Except where the approval of the  
9 members is unnecessary under this subchapter or the operating  
10 agreement, the plan shall be submitted to a vote of the members  
11 entitled to vote thereon at a regular or special meeting of the  
12 members.

13 (e) Party to plan.--An association that approves a plan in  
14 its capacity as a member or creditor of a merging or  
15 consolidating company or that furnishes all or a part of the  
16 consideration contemplated by a plan does not thereby become a  
17 party to the merger or consolidation for the purposes of this  
18 subchapter.

19 (f) Notice of meeting of members.--Written notice of the  
20 meeting of members that will act on the proposed plan shall be  
21 given to each member of record, whether or not entitled to vote  
22 thereon, of each domestic limited liability company that is a  
23 party to the merger or consolidation. There shall be included in  
24 or enclosed with the notice a copy of the proposed plan or a  
25 summary thereof. The provisions of this subsection may not be  
26 relaxed by any provision of the certificate of organization or  
27 operating agreement.

28 (g) Adoption of plan by members.--The plan of merger or  
29 consolidation shall be adopted upon receiving a majority of the  
30 votes cast by all members, if any, entitled to vote thereon of

1 each of the domestic limited liability companies that is a party  
2 to the merger or consolidation and, if any class of members is  
3 entitled to vote thereon as a class, a majority of the votes  
4 cast in each class vote. A proposed plan of merger or  
5 consolidation shall not be deemed to have been adopted by a  
6 company that is managed by one or more managers unless it has  
7 also been approved by the managers, regardless of the fact that  
8 the managers have directed or suffered the submission of the  
9 plan to the members for action.

10 (h) Adoption by managers.--

11 (1) Unless otherwise required by a written provision of  
12 the operating agreement, a plan of merger or consolidation  
13 shall not require the approval of the members of a company  
14 that is managed by one or more managers if:

15 (i) the plan, whether or not the company is the  
16 surviving company, does not alter the status of the  
17 company as a domestic limited liability company or alter  
18 in any respect the provisions of its certificate of  
19 organization or operating agreement, except changes that  
20 may be made without action by the members; and

21 (ii) each membership interest outstanding  
22 immediately prior to the effective date of the merger or  
23 consolidation is to continue as or to be converted into,  
24 except as may be otherwise agreed by the holder thereof,  
25 an identical membership interest in the surviving or new  
26 company after the effective date of the merger or  
27 consolidation.

28 (2) If a merger or consolidation is effected pursuant to  
29 paragraph (1), the plan of merger or consolidation shall be  
30 deemed adopted by the company when it has been adopted by the

1 managers pursuant to subsection (d).

2 (i) Termination of plan.--Prior to the time when a merger or  
3 consolidation becomes effective, the merger or consolidation may  
4 be terminated pursuant to provisions therefor, if any, set forth  
5 in the plan. If a certificate of merger or consolidation has  
6 been filed in the department prior to the termination, a  
7 certificate of termination executed by each company that is a  
8 party to the merger or consolidation, unless the plan permits  
9 termination by less than all of the companies, in which case the  
10 certificate shall be executed on behalf of the company  
11 exercising the right to terminate, shall be filed in the  
12 department. The certificate of termination shall set forth:

13 (1) A copy of the certificate of merger or consolidation  
14 relating to the plan that is terminated.

15 (2) A statement that the plan has been terminated in  
16 accordance with the provisions therefor set forth therein.

17 See sections 134 (relating to docketing statement), 135  
18 (relating to requirements to be met by filed documents), 138  
19 (relating to statement of correction) and 8907 (relating to  
20 execution of documents).

21 (j) Authorization by foreign limited liability companies.--  
22 The plan of merger or consolidation shall be authorized, adopted  
23 or approved by each foreign limited liability company that  
24 desires to merge or consolidate in accordance with the laws of  
25 the jurisdiction in which it is organized.

26 § 8958. Certificate of merger or consolidation.

27 (a) General rule.--Upon the adoption of the plan of merger  
28 or consolidation by the limited liability companies desiring to  
29 merge or consolidate, as provided in this subchapter, a  
30 certificate of merger or a certificate of consolidation, as the



1 case may be, shall be executed by each company and shall,  
2 subject to section 109 (relating to name of commercial  
3 registered office provider in lieu of registered address), set  
4 forth:

5 (1) The name and the location of the registered office,  
6 including street and number, if any, of the domestic  
7 surviving or new limited liability company or, in the case of  
8 a foreign surviving or new limited liability company, the  
9 name of the company and its jurisdiction of organization,  
10 together with either of the following:

11 (i) If a qualified foreign limited liability  
12 company, the address, including street and number, if  
13 any, of its registered office in this Commonwealth.

14 (ii) If a nonqualified foreign limited liability  
15 company, the address, including street and number, if  
16 any, of its principal office under the laws of the  
17 jurisdiction in which it is organized.

18 (2) The name and address, including street and number,  
19 if any, of the registered office of each other domestic  
20 limited liability company and qualified foreign limited  
21 liability company that is a party to the merger or  
22 consolidation.

23 (3) If the plan is to be effective on a specified date,  
24 the hour, if any, and the month, day and year of the  
25 effective date.

26 (4) The manner in which the plan was adopted by each  
27 domestic limited liability company and, if one or more  
28 foreign limited liability companies are parties to the merger  
29 or consolidation, the fact that the plan was authorized,  
30 adopted or approved, as the case may be, by each of the

1 foreign limited liability companies in accordance with the  
2 laws of the jurisdiction in which it is organized.

3 (5) Except as provided in subsection (b), the plan of  
4 merger or consolidation.

5 (b) Omission of certain provisions of plan of merger or  
6 consolidation.--A certificate of merger or consolidation may  
7 omit all provisions of the plan of merger or consolidation  
8 except provisions, if any, that are intended to amend or  
9 constitute the operative provisions of the certificate of  
10 organization of a company as in effect subsequent to the  
11 effective date of the plan, if the certificate of merger or  
12 consolidation states that the full text of the plan is on file  
13 at the principal place of business of the surviving or new  
14 company and states the address thereof. A company that takes  
15 advantage of this subsection shall furnish a copy of the full  
16 text of the plan, on request and without cost, to any member of  
17 any company that was a party to the plan and, unless all parties  
18 to the plan had fewer than 30 members each, on request and at  
19 cost to any other person.

20 (c) Filing of certificate of merger or consolidation.--The  
21 certificate of merger or certificate of consolidation, as the  
22 case may be, and the certificates or statement, if any, required  
23 by section 139 (relating to tax clearance of certain fundamental  
24 transactions) shall be filed in the department.

25 (d) Effective date of merger or consolidation.--Upon the  
26 filing of the certificate of merger or the certificate of  
27 consolidation in the Department of State or upon the effective  
28 date specified in the plan of merger or consolidation, whichever  
29 is later, the merger or consolidation shall be effective. The  
30 merger or consolidation of one or more domestic limited

1 liability companies into a foreign limited liability company  
2 shall be effective according to the provisions of law of the  
3 jurisdiction in which the foreign limited liability company is  
4 organized, but not until a certificate of merger or certificate  
5 of consolidation has been adopted and filed, as provided in this  
6 subchapter.

7 (e) Cross references.--See sections 134 (relating to  
8 docketing statement), 135 (relating to requirements to be met by  
9 filed documents) and 8907 (relating to execution of documents).  
10 § 8959. Effect of merger or consolidation.

11 (a) Single surviving or new limited liability company.--Upon  
12 the merger or consolidation becoming effective, the several  
13 limited liability companies parties to the merger or  
14 consolidation shall be a single company which, in the case of a  
15 merger, shall be the company designated in the plan of merger as  
16 the surviving company and, in the case of a consolidation, shall  
17 be the new company provided for in the plan of consolidation.  
18 The separate existence of all companies parties to the merger or  
19 consolidation shall cease, except that of the surviving company,  
20 in the case of a merger.

21 (b) Property rights.--All the property, real, personal and  
22 mixed, of each of the companies parties to the merger or  
23 consolidation and all debts due on whatever account to any of  
24 them, as well as all other things and causes of action belonging  
25 to any of them, shall be deemed to be vested in and shall belong  
26 to the surviving or new company, as the case may be, without  
27 further action, and the title to any real estate or any interest  
28 therein vested in any of the companies shall not revert or be in  
29 any way impaired by reason of the merger or consolidation. The  
30 surviving or new company shall thenceforth be responsible for

1 all the liabilities of each of the companies so merged or  
2 consolidated. Liens upon the property of the merging or  
3 consolidating companies shall not be impaired by the merger or  
4 consolidation, and any claim existing or action or proceeding  
5 pending by or against any of the companies may be prosecuted to  
6 judgment as if the merger or consolidation had not taken place  
7 or the surviving or new company may be proceeded against or  
8 substituted in its place.

9 (c) Taxes.--Any taxes, interest, penalties and public  
10 accounts of the Commonwealth claimed against any of the merging  
11 or consolidating companies that are settled, assessed or  
12 determined prior to or after the merger or consolidation shall  
13 be the liability of the surviving or new company and, together  
14 with interest thereon, shall be a lien against the property,  
15 both real and personal, of the surviving or new company.

16 (d) Certificate of organization.--In the case of a merger,  
17 the certificate of organization of the surviving domestic  
18 limited liability company, if any, shall be deemed to be amended  
19 to the extent, if any, that changes in its certificate of  
20 organization are stated in the plan of merger. In the case of a  
21 consolidation into a domestic limited liability company, the  
22 statements that are set forth in the plan of consolidation or  
23 certificate of organization set forth therein shall be deemed to  
24 be the certificate of organization of the new limited liability  
25 company.

26 SUBCHAPTER H

27 DIVISION

28 Sec.

29 8961. Division authorized.

30 8962. Proposal and adoption of plan of division.

1 8963. Division without member approval.

2 8964. Certificate of division.

3 8965. Effect of division.

4 § 8961. Division authorized.

5 (a) Division of domestic company.--Any domestic limited  
6 liability company may, in the manner provided in this  
7 subchapter, be divided into two or more domestic limited  
8 liability companies organized or to be organized under this  
9 chapter, or into one or more domestic limited liability  
10 companies and one or more foreign limited liability companies to  
11 be organized under the laws of another jurisdiction or  
12 jurisdictions, or into two or more foreign limited liability  
13 companies, if the laws of the other jurisdictions authorize the  
14 division.

15 (b) Division of foreign company.--Any foreign limited  
16 liability company may, in the manner provided in this  
17 subchapter, be divided into one or more domestic limited  
18 liability companies to be organized under this chapter and one  
19 or more foreign limited liability companies organized or to be  
20 organized under the laws of another jurisdiction or  
21 jurisdictions, or into two or more domestic limited liability  
22 companies, if the foreign limited liability company is  
23 authorized under the laws of the jurisdiction under which it is  
24 incorporated to effect a division.

25 (c) Surviving and new companies.--The company effecting a  
26 division, if it survives the division, is designated in this  
27 subchapter as the surviving company. All companies originally  
28 organized by a division are designated in this subchapter as new  
29 companies. The surviving company, if any, and the new company or  
30 companies are collectively designated in this subchapter as the

1 resulting companies.

2 § 8962. Proposal and adoption of plan of division.

3 (a) Preparation of plan.--A plan of division shall be  
4 prepared, setting forth:

5 (1) The terms and conditions of the division, including  
6 the manner and basis of:

7 (i) The reclassification of the membership interests  
8 of the surviving company, if there be one, and, if any of  
9 the membership interests of the dividing company are not  
10 to be converted solely into membership interests or other  
11 securities or obligations of one or more of the resulting  
12 companies, the membership interests or other securities  
13 or obligations of any other person or cash, property or  
14 rights that the holders of such membership interests are  
15 to receive in exchange for or upon conversion of such  
16 membership interests, and the surrender of any  
17 certificates evidencing them, which securities or  
18 obligations, if any, of any other person or cash,  
19 property or rights may be in addition to or in lieu of  
20 membership interests or other securities or obligations  
21 of one or more of the resulting companies.

22 (ii) The disposition of the membership interests and  
23 other securities or obligations, if any, of the new  
24 company or companies resulting from the division.

25 (2) A statement that the dividing company will or will  
26 not survive the division.

27 (3) Any changes desired to be made in the certificate of  
28 organization of the surviving company, if there be one,  
29 including a restatement of the certificate.

30 (4) The certificates of organization required by

1 subsection (c).

2 (5) Such other provisions as are deemed desirable.

3 (b) Reference to outside facts.--Any of the terms of the  
4 plan may be made dependent upon facts ascertainable outside of  
5 the plan if the manner in which the facts will operate upon the  
6 terms of the plan is set forth in the plan. Such facts may  
7 include, without limitation, actions or events within the  
8 control of or determinations made by the dividing limited  
9 liability company or a representative of the dividing limited  
10 liability company.

11 (c) Certificates of organization of new companies.--There  
12 shall be included in or annexed to the plan of division:

13 (1) Certificates of organization, which shall contain  
14 all of the statements required by this chapter to be set  
15 forth in a restated certificate, for each of the new domestic  
16 limited liability companies, if any, resulting from the  
17 division.

18 (2) Certificates of organization or other organizational  
19 documents for each of the new foreign limited liability  
20 companies, if any, resulting from the division.

21 (d) Proposal and adoption.--Except as otherwise provided in  
22 section 8963 (relating to division without member approval), the  
23 plan of division shall be proposed and adopted and may be  
24 amended after its adoption and terminated by a domestic limited  
25 liability company in the manner provided for the proposal,  
26 adoption, amendment and termination of a plan of merger in  
27 Subchapter G (relating to mergers and consolidations) or, if the  
28 dividing company is a foreign limited liability company, in  
29 accordance with the laws of the jurisdiction in which it is  
30 organized.

1 § 8963. Division without member approval.

2 Unless otherwise required by a written provision of the  
3 operating agreement, a plan of division that does not alter the  
4 state of organization of a limited liability company that is  
5 managed by one or more managers nor amend in any respect the  
6 provisions of its certificate of organization or operating  
7 agreement (except amendments which may be made without action by  
8 the members) shall not require the approval of the members of  
9 the company if:

10 (1) the dividing company has only one class of  
11 membership interests outstanding and the membership interests  
12 and other securities, if any, of each company resulting from  
13 the plan are distributed pro rata to the members of the  
14 dividing company;

15 (2) the dividing company survives the division and all  
16 the membership interests and other securities and  
17 obligations, if any, of all new companies resulting from the  
18 plan are owned solely by the surviving company; or

19 (3) the transfers of assets effected by the division, if  
20 effected by means of a sale, lease, exchange or other  
21 disposition, would not require the approval of the members.

22 § 8964. Certificate of division.

23 (a) Contents.--Upon the adoption of a plan of division by  
24 the limited liability company desiring to divide, as provided in  
25 this subchapter, a certificate of division shall be executed by  
26 the company and shall, subject to section 109 (relating to name  
27 of commercial registered office provider in lieu of registered  
28 address), set forth:

29 (1) The name and the location of the registered office,  
30 including street and number, if any, of the dividing domestic



1 limited liability company or, in the case of a dividing  
2 foreign limited liability company, the name of the company  
3 and the jurisdiction in which it is organized, together with  
4 either:

5 (i) If a qualified foreign limited liability  
6 company, the address, including street and number, if  
7 any, of its registered office in this Commonwealth.

8 (ii) If a nonqualified foreign limited liability  
9 company, the address, including street and number, if  
10 any, of its principal office under the laws of that  
11 jurisdiction.

12 (2) The statute under which the dividing company was  
13 organized and the date of organization.

14 (3) A statement that the dividing company will or will  
15 not survive the division.

16 (4) The name and address, including street and number,  
17 if any, of the registered office of each new domestic limited  
18 liability company or qualified foreign limited liability  
19 company resulting from the division.

20 (5) If the plan is to be effective on a specific date,  
21 the hour, if any, and the month, day and year of the  
22 effective date.

23 (6) The manner in which the plan was adopted by the  
24 company.

25 (7) The plan of division.

26 (b) Filing.--The certificate of division and the  
27 certificates or statement, if any, required by section 139  
28 (relating to tax clearance of certain fundamental transactions)  
29 shall be filed in the Department of State.

30 (c) Effective date of division.--Upon the filing of the

1 certificate of division in the Department of State or upon the  
2 effective date specified in the plan of division, whichever is  
3 later, the division shall become effective. The division of a  
4 domestic limited liability company into one or more foreign  
5 limited liability companies or the division of a foreign limited  
6 liability company shall be effective according to the laws of  
7 the jurisdictions where the foreign companies are or are to be  
8 organized but not until a certificate of division has been  
9 adopted and filed as provided in this subchapter.

10 (d) Cross references.--See sections 134 (relating to  
11 docketing statement), 135 (relating to requirements to be met by  
12 filed documents) and 8907 (relating to execution of documents).  
13 § 8965. Effect of division.

14 (a) Multiple resulting companies.--Upon the division  
15 becoming effective, the dividing company shall be subdivided  
16 into the distinct and independent resulting companies named in  
17 the plan of division, and, if the dividing company is not to  
18 survive the division, the existence of the dividing company  
19 shall cease. The resulting companies, if they are domestic  
20 limited liability companies, shall not thereby acquire authority  
21 to engage in any business or exercise any right that a company  
22 may not be organized under this chapter to engage in or  
23 exercise. Any resulting foreign limited liability company that  
24 is stated in the certificate of division to be a qualified  
25 foreign limited liability company shall be a qualified foreign  
26 limited liability company under Subchapter J (relating to  
27 foreign companies), and the certificate of division shall be  
28 deemed to be the application for registration of a foreign  
29 limited liability company of the limited liability company.

30 (b) Property rights; allocations of assets and

1 liabilities.--

2 (1) (i) All the property, real, personal and mixed, of  
3 the dividing company and all debts due on whatever  
4 account to it, including subscriptions for membership  
5 interests and other causes of action belonging to it,  
6 shall, except as otherwise provided in paragraph (2), to  
7 the extent allocations of assets are contemplated by the  
8 plan of division, be deemed without further action to be  
9 allocated to and vested in the resulting companies on  
10 such a manner and basis and with such effect as is  
11 specified in the plan, or per capita among the resulting  
12 companies as tenants in common if no specification is  
13 made in the plan, and the title to any real estate or  
14 interest therein vested in any of the companies shall not  
15 revert or be in any way impaired by reason of the  
16 division.

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

24 (iii) Liens upon the property of the dividing  
25 company shall not be impaired by the division.

26 (iv) To the extent allocations of liabilities are  
27 contemplated by the plan of division, the liabilities of  
28 the dividing company shall be deemed without further  
29 action to be allocated to and become the liabilities of  
30 the resulting companies on such a manner and basis and

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

5 (A) no fraud on members or violation of law  
6 shall be effected thereby; and

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

10 (v) If the conditions in subparagraph (iv) for  
11 freeing one or more of the resulting companies from the  
12 liabilities of the dividing company, or for allocating  
13 some or all of the liabilities of the dividing company,  
14 are not satisfied, the liabilities of the dividing  
15 company as to which those conditions are not satisfied  
16 shall not be affected by the division nor shall the  
17 rights of creditors thereunder or of any person dealing  
18 with the company be impaired by the division, and any  
19 claim existing or action or proceeding pending by or  
20 against the company with respect to those liabilities may  
21 be prosecuted to judgment as if the division had not  
22 taken place, or the resulting companies may be proceeded  
23 against or substituted in place of the dividing company  
24 as joint and several obligors on those liabilities,  
25 regardless of any provision of the plan of division  
26 apportioning the liabilities of the dividing company.

27 (vi) The conditions in subparagraph (iv) for freeing  
28 one or more of the resulting companies from the  
29 liabilities of the dividing company and for allocating  
30 some or all of the liabilities of the dividing company

1 shall be conclusively deemed to have been satisfied if  
2 the plan of division has been approved by the  
3 Pennsylvania Public Utility Commission in a final order  
4 issued after August 21, 2001, that has become not subject  
5 to further appeal.

6 (2) (i) The allocation of any fee or freehold interest  
7 or leasehold having a remaining term of 30 years or more  
8 in any tract or parcel of real property situate in this  
9 Commonwealth owned by a dividing company (including  
10 property owned by a foreign limited liability company  
11 dividing solely under the law of another jurisdiction) to  
12 a new company resulting from the division shall not be  
13 effective until one of the following documents is filed  
14 in the office for the recording of deeds of the county,  
15 or each of them, in which the tract or parcel is  
16 situated:

17 (A) A deed, lease or other instrument of  
18 confirmation describing the tract or parcel.

19 (B) A duly executed duplicate original copy of  
20 the certificate of division.

21 (C) A copy of the certificate of division  
22 certified by the Department of State.

23 (D) A declaration of acquisition setting forth  
24 the value of real estate holdings in such county of  
25 the company as an acquired company.

26 (ii) The provisions of 75 Pa.C.S. § 1114 (relating  
27 to transfer of vehicle by operation of law) shall not be  
28 applicable to an allocation of ownership of any motor  
29 vehicle, trailer or semitrailer to a new company under  
30 this section or under a similar law of any other

1 jurisdiction but any such allocation shall be effective  
2 only upon compliance with the requirements of 75 Pa.C.S.  
3 § 1116 (relating to issuance of new certificate following  
4 transfer).

5 (3) It shall not be necessary for a plan of division to  
6 list each individual asset or liability of the dividing  
7 company to be allocated to a new company so long as those  
8 assets and liabilities are described in a reasonable and  
9 customary manner.

10 (4) Each new company shall hold any assets and  
11 liabilities allocated to it as the successor to the dividing  
12 company, and those assets and liabilities shall not be deemed  
13 to have been assigned to the new company in any manner,  
14 whether directly or indirectly or by operation of law.

15 (c) Taxes.--Any taxes, interest, penalties and public  
16 accounts of the Commonwealth claimed against the dividing  
17 company that are settled, assessed or determined prior to or  
18 after the division shall be the liability of any of the  
19 resulting companies and, together with interest thereon, shall  
20 be a lien against the franchises and property, both real and  
21 personal, of all the companies. Upon the application of the  
22 dividing company, the Department of Revenue, with the  
23 concurrence of the Office of Employment Security of the  
24 Department of Labor and Industry, shall release one or more, but  
25 less than all, of the resulting companies from liability and  
26 liens for all taxes, interest, penalties and public accounts of  
27 the dividing company due the Commonwealth for periods prior to  
28 the effective date of the division if those departments are  
29 satisfied that the public revenues will be adequately secured.

30 (d) Certificate of organization of surviving company.--The

1 certificate of organization of the surviving company, if there  
2 be one, shall be deemed to be amended to the extent, if any,  
3 that changes in its certificate are stated in the plan of  
4 division.

5 (e) Certificates of organization of new companies.--The  
6 statements that are set forth in the plan of division with  
7 respect to each new domestic limited liability company and that  
8 are required or permitted to be set forth in a restated  
9 certificate of organization of companies organized under this  
10 chapter or the certificate of organization of each new company  
11 set forth therein shall be deemed to be the certificate of  
12 organization of each new company.

13 (f) Managers.--Unless otherwise provided in the plan, the  
14 managers, if any, of the dividing limited liability company  
15 shall be the initial managers of each of the resulting  
16 companies.

17 (g) Disposition of membership interests.--Unless otherwise  
18 provided in the plan, the membership interests and other  
19 securities or obligations, if any, of each new company resulting  
20 from the division shall be distributable to:

21 (1) the surviving company if the dividing company  
22 survives the division; or

23 (2) the members of the dividing company in the  
24 proportions in which the members share in distributions, in  
25 any other case.

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

28 (1) The effect of a division of a domestic limited  
29 liability company shall be governed by the laws of this  
30 Commonwealth and any other jurisdiction under the laws of

1       which any of the resulting companies is organized.

2           (2)   The effect of a division on the assets and  
3       liabilities of the dividing company shall be governed solely  
4       by the laws of this Commonwealth and any other jurisdiction  
5       under the laws of which any of the resulting companies is  
6       organized.

7           (3)   The validity of any allocation of assets or  
8       liabilities by a plan of division of a domestic limited  
9       liability company, regardless of whether or not any of the  
10      new companies is a foreign limited liability company, shall  
11      be governed solely by the laws of this Commonwealth.

12          (4)   In addition to the express provisions of this  
13      subsection, this subchapter shall otherwise generally be  
14      granted the protection of full faith and credit under the  
15      Constitution of the United States.

16 § 8978.   Dissolution by domestication.

17       Whenever a domestic limited liability company has  
18      domesticated itself under the laws of another jurisdiction by  
19      action similar to that provided by section 8982 (relating to  
20      domestication) and has authorized that action by the vote  
21      required by this subchapter for the approval of a proposal that  
22      the company dissolve voluntarily, the company may surrender its  
23      certificate of organization under the laws of this Commonwealth  
24      by filing in the Department of State a certificate of  
25      dissolution under section 8975 (relating to certificate of  
26      dissolution). In lieu of the statements required by section  
27      8975(a)(2) through (4), the certificate of dissolution shall set  
28      forth a statement that the company has domesticated itself under  
29      the laws of another jurisdiction. If the company, as  
30      domesticated in the other jurisdiction, registers to do business



1 in this Commonwealth either prior to or simultaneously with the  
2 filing of the certificate of dissolution under this section, the  
3 company shall not be required to file with the certificate of  
4 dissolution the tax clearance certificates that would otherwise  
5 be required by section 139 (relating to tax clearance of certain  
6 fundamental transactions).

7 SUBCHAPTER J

8 FOREIGN COMPANIES

9 Sec.

10 8981. Foreign limited liability companies.

11 8982. Domestication.

12 § 8981. Foreign limited liability companies.

13 (a) General rule.--A foreign limited liability company shall  
14 be subject to Subchapter K of Chapter 85 (relating to foreign  
15 limited partnerships) as if it were a foreign limited  
16 partnership, except that:

17 (1) Section 8582(a)(5) and (6) (relating to  
18 registration) shall not be applicable to the application for  
19 registration of a foreign limited liability company.

20 (2) If the foreign limited liability company is to be a  
21 qualified foreign restricted professional company, its  
22 application for registration shall so state and shall also  
23 contain a brief description of the professional service or  
24 services to be rendered by the company.

25 (3) A qualified foreign limited liability company shall  
26 enjoy the same rights and privileges as a domestic limited  
27 liability company, but no more, and, except as otherwise  
28 provided by law, shall be subject to the same liabilities,  
29 restrictions, duties and penalties now in force or hereafter  
30 imposed upon domestic limited liability companies to the same

1 extent as if it had been organized under this chapter.

2 (b) Provision applicable to all foreign limited liability  
3 companies.--Section 8926 (relating to certain specifically  
4 authorized debt terms) shall be applicable to any obligation, as  
5 defined in section 1510 (relating to certain specifically  
6 authorized debt terms), of a foreign limited liability company  
7 executed or effected in this Commonwealth or affecting real  
8 property situated in this Commonwealth.

9 § 8982. Domestication.

10 (a) General rule.--Any qualified foreign limited liability  
11 company may become a domestic limited liability company by  
12 filing in the Department of State a certificate of  
13 domestication. The certificate of domestication, upon being  
14 filed in the department, shall constitute the certificate of  
15 organization of the domesticated company, and it shall  
16 thereafter continue as a limited liability company which shall  
17 be a domestic limited liability company subject to this chapter.

18 (b) Certificate of domestication.--The certificate of  
19 domestication shall be executed by the company and shall set  
20 forth in the English language:

21 (1) The name of the company. If the name is in a foreign  
22 language, it shall be set forth in Roman letters or  
23 characters or Arabic or Roman numerals. If the name is one  
24 that is rendered unavailable for use by any provision of  
25 section 8905 (relating to name), the company shall adopt, in  
26 accordance with any procedures for changing the name of the  
27 company that are applicable prior to the domestication of the  
28 company, and shall set forth in the certificate of  
29 domestication an available name.

30 (2) Subject to section 109 (relating to name of

1 commercial registered office provider in lieu of registered  
2 address), the address, including street and number, if any,  
3 of its registered office in this Commonwealth.

4 (3) A statement that upon domestication the company will  
5 be subject to the domestic limited liability company  
6 provisions of the Limited Liability Company Law of 1994 and,  
7 if desired, a brief statement of the purpose or purposes for  
8 which it is to be domesticated which shall be a purpose or  
9 purposes for which a domestic limited liability company may  
10 be organized under this chapter and which may consist of or  
11 include a statement that the company shall have unlimited  
12 power to engage in and to do any lawful act concerning any or  
13 all lawful business for which companies may be organized  
14 under the Limited Liability Company Law of 1994.

15 (4) Any desired provisions relating to the manner and  
16 basis of reclassifying the membership interests of the  
17 company.

18 (5) A statement that the filing of the certificate of  
19 domestication and, if desired, the renunciation of the  
20 original certificate of organization of the company has been  
21 authorized, unless its certificate of organization or other  
22 organic documents require a greater vote, by a majority of  
23 the votes cast by all members entitled to vote thereon and,  
24 if any class of members is entitled to vote thereon as a  
25 class, a majority of the votes cast in each class vote.

26 (6) Any other provisions authorized or required by this  
27 chapter to be set forth in an original certificate of  
28 organization.

29 See sections 134 (relating to docketing statement), 135  
30 (relating to requirements to be met by filed documents) and 8907

1 (relating to execution of documents).

2 (c) Effect of domestication.--

3 (1) As a domestic limited liability company, the  
4 domesticated company shall no longer be a foreign limited  
5 liability company for the purposes of this chapter and shall  
6 instead be a domestic limited liability company with all the  
7 powers and privileges and all the duties and limitations  
8 granted and imposed upon domestic limited liability  
9 companies. In all other respects, the domesticated limited  
10 liability company shall be deemed to be the same limited  
11 liability company as it was prior to the domestication  
12 without any change in or effect on its existence. Without  
13 limiting the generality of the previous sentence, the  
14 domestication shall not be deemed to have dissolved the  
15 company or to have affected in any way:

16 (i) the right and title of the company in and to its  
17 assets, property, franchises, estates and choses in  
18 action;

19 (ii) the liability of the company for its debts,  
20 obligations, penalties and public accounts due the  
21 Commonwealth;

22 (iii) any liens or other encumbrances on the  
23 property or assets of the company; or

24 (iv) any contract, license or other agreement to  
25 which the company is a party or under which it has any  
26 rights or obligations.

27 (2) The membership interests in the domesticated company  
28 shall be unaffected by the domestication except to the  
29 extent, if any, reclassified in the certificate of  
30 domestication.]

1 Section 56. The definition of "transfer" in section 9112 of  
2 Title 15 is amended to read:

3 § 9112. Definitions.

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

7 \* \* \*

8 ["Transfer." Includes:

9 (1) an assignment;

10 (2) a conveyance;

11 (3) a sale;

12 (4) a lease;

13 (5) an encumbrance, including a mortgage or security  
14 interest;

15 (6) a gift; and

16 (7) a transfer by operation of law.]

17 Section 57. Sections 9302(3), 9502(a) introductory  
18 paragraph, 9503(b) and 9507(a) of Title 15 are amended to read:  
19 § 9302. Application of chapter.

20 This chapter shall apply to and the word "association" in  
21 this chapter shall mean a professional association organized  
22 under the act of August 7, 1961 (P.L.941, No.416), known as the  
23 Professional Association Act, which has not:

24 \* \* \*

25 (3) [Elected to become a limited liability company in  
26 the manner provided by section 8908 (relating to election of  
27 professional association to become limited liability  
28 company).] Converted to a limited liability company under  
29 Subchapter E of Chapter 3 (relating to conversion).

30 \* \* \*

1 § 9502. Creation, status and termination of business trusts.

2 (a) Creation.--[A business trust may be created in real or  
3 personal property, or both, with power in] Except as provided in  
4 the instrument, the trustee has the power:

5 \* \* \*

6 § 9503. Documentation of trust.

7 \* \* \*

8 (b) Definition of "instrument".--The term "instrument," as  
9 used in this chapter, shall mean the original deed of trust or  
10 other written instrument, all amendments thereof and any other  
11 statements or certificates permitted or required to be filed in  
12 the department by sections 108 (relating to change in location  
13 or status of registered office provided by agent) and 138  
14 (relating to statement of correction), Chapter 3 (relating to  
15 entity transactions) or this chapter. If an amendment of the  
16 instrument or [articles of merger made in the manner permitted  
17 by section 1921(c) (relating to business trusts and other  
18 associations) or a certificate of merger made in the manner  
19 permitted by section 8545(c) (relating to business trusts and  
20 other associations)] a statement filed under Chapter 3 restates  
21 an instrument in its entirety, thenceforth the "instrument"  
22 shall not include any prior documents, and any certificate  
23 issued by the department with respect thereto shall so state.

24 \* \* \*

25 § 9507. Foreign business trusts.

26 [(a) General rule.--A business trust organized under any  
27 laws other than those of this Commonwealth shall be subject to  
28 Subchapters B (relating to qualification) and C (relating to  
29 powers, duties and liabilities) of Chapter 41, as if it were a  
30 foreign business corporation, except that a qualified foreign

1 business trust shall enjoy the same rights and privileges as a  
2 domestic business trust, but no more, and, except as otherwise  
3 provided by law, shall be subject to the same liabilities,  
4 restrictions, duties and penalties now in force or hereafter  
5 imposed upon domestic business trusts, to the same extent as if  
6 it were a domestic business trust.]

7 \* \* \*

8 Section 58. Section 302 of Title 54 is amended to read:

9 § 302. Definitions.

10 (a) Definitions.--The following words and phrases when used  
11 in this chapter shall have, unless the context clearly indicates  
12 otherwise, the meanings given to them in this section:

13 "Business." Any commercial or professional activity.

14 "Entity." Any individual or any corporation, association,  
15 partnership, joint-stock company, business trust, syndicate,  
16 joint adventureship or other combination or group of persons,  
17 regardless of whether it is organized or formed under the laws  
18 of this Commonwealth or any other jurisdiction.

19 "Fictitious name." Any assumed or fictitious name, style or  
20 designation other than the proper name of the entity using such  
21 name. The term includes a name assumed by a general partnership,  
22 syndicate, joint adventureship or similar combination or group  
23 of persons.

24 "Proper name." When used with respect to an association of a  
25 type listed in the following paragraphs, the term means the name  
26 set forth in:

27 (1) the [articles of incorporation, for a corporation;]  
28 public organic record, for a domestic filing association;

29 (2) the statement of registration, for a limited  
30 liability partnership;

1 [(3) the certificate of limited partnership, for a  
2 limited partnership;]

3 (4) the statement of election, for an electing  
4 partnership;

5 [(5) the certificate of organization, for a limited  
6 liability company;

7 (6) the articles of association, for a professional  
8 association;

9 (7) the deed of trust or other trust instrument, if any,  
10 that has been filed in the Department of State for a business  
11 trust; or

12 (8) a publicly filed document in another jurisdiction  
13 which is of a type listed in paragraphs (1) through (7).]

14 (9) the statement of registration of a foreign  
15 registered association under 15 Pa.C.S. § 412(a)(1)(i)  
16 (relating to foreign registration statement), or if that name  
17 does not comply with 15 Pa.C.S. § 202 (relating to  
18 requirements for names generally), the name set forth in the  
19 statement under 15 Pa.C.S. § 412 (a)(1)(ii).

20 (b) Other defined terms.--The definitions in 15 Pa.C.S. §  
21 102 (relating to definitions) apply to this title except to the  
22 extent they are inconsistent with the provisions of this title.

23 Section 59. Section 303 of Title 54 is amended by adding a  
24 subsection to read:

25 § 303. Scope of chapter.

26 \* \* \*

27 (d) Effect of registration.--The registration of a name  
28 under this chapter does not render the name unavailable for use  
29 by another entity.

30 Section 60. Sections 311(e)(1) and (4), 501(a)(3), (4), (5),



1 (6) and (8) and (b), 502(a)(2) introductory paragraph and 503(b)  
2 (1)(ii) and (c) of Title 54 are amended to read:

3 § 311. Registration.

4 \* \* \*

5 (e) Duplicate use of names.--The fictitious name shall be  
6 distinguishable upon the records of the department from:

7 (1) The name of any domestic [corporation, or any]  
8 filing entity, domestic limited liability limited  
9 partnership, domestic electing partnership, registered  
10 foreign [corporation authorized to do business in this  
11 Commonwealth,] association or the name of any corporation or  
12 other association registered at any time under Chapter 5  
13 (relating to corporate and other association names) unless  
14 such name is available or is made available for use under the  
15 provisions or procedures of 15 Pa.C.S. § [5303(b)(1)(i) or  
16 (ii) (relating to duplicate use of names) or the equivalent.]  
17 202(b)(1) (relating to requirements for names generally).

18 \* \* \*

19 (4) A name the exclusive right to which is at the time  
20 reserved or registered by any other person [whatsoever in the  
21 manner provided by] under 15 Pa.C.S. § 208 (relating to  
22 reservation of name) or 209 (relating to registration of name  
23 of nonregistered foreign association) or another statute.

24 \* \* \*

25 § 501. Register established.

26 (a) General rule.--A register is established by this chapter  
27 which shall consist of such of the following names as are not  
28 deleted therefrom by operation of section 504 (relating to  
29 effect of failure to make filings) or 506 (relating to voluntary  
30 termination of registration by corporations and other

1 associations):

2 \* \* \*

3 (3) In the case of a domestic or [qualified] registered  
4 foreign corporation, a name rendered unavailable for  
5 corporate use by other corporations by reason of any filing  
6 in the department by such domestic or [qualified] registered  
7 foreign corporation.

8 (4) A name registered under 15 Pa.C.S. § [4131] 209  
9 (relating to registration of name of nonregistered foreign  
10 association) or any similar provision of law.

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

14 (i)] instrument filed in the department under 15  
15 Pa.C.S. § 9503 (relating to documentation of trust)[; or

16 (ii) application for registration filed under 15  
17 Pa.C.S. § 9507 (relating to foreign business trusts)].

18 (6) In the case of a limited partnership or limited  
19 liability company subject to 15 Pa.C.S. Ch. 85 (relating to  
20 limited partnerships) or 89 (relating to limited liability  
21 companies), the name of the partnership or company as set  
22 forth in the certificate of limited partnership, certificate  
23 of organization or [application for] statement of  
24 registration as a registered foreign [limited partnership or  
25 foreign limited liability company, as the case may be]  
26 association.

27 (8) In the case of a registered limited liability  
28 partnership subject to 15 Pa.C.S. Ch. 82 (relating to  
29 registered limited liability partnerships) that is not also a  
30 limited partnership, the name of the partnership as set forth

1 in the statement of registration [or application for  
2 registration] as a registered foreign [registered limited  
3 liability partnership] association.

4 (b) Subsequent availability of certain names.--Whenever, by  
5 reason of change in name, withdrawal or dissolution of a  
6 domestic or [qualified] registered foreign [corporation]  
7 association, failure to renew a registration of its name by a  
8 [nonqualified] nonregistered foreign [corporation] association,  
9 or for any other cause, its name is no longer rendered  
10 unavailable by the express provisions of Title 15 (relating to  
11 corporations and unincorporated associations), such name shall  
12 no longer be deemed to be registered under subsection (a) (3) or  
13 (4) on the register established by this chapter.

14 § 502. Certain additions to register.

15 (a) Corporation names.--

16 \* \* \*

17 (2) Any person who is not eligible to make a filing  
18 under 15 Pa.C.S. § [4131 (relating to registration of name)  
19 or 6131] 209 (relating to registration of name of  
20 nonregistered foreign association) may register a corporation  
21 name with the department by filing an application for  
22 registration of name, executed by the person, which shall set  
23 forth:

24 \* \* \*

25 § 503. Decennial filings required.

26 \* \* \*

27 (b) Exceptions.--Subsection (a) shall not apply to any of  
28 the following:

29 (1) A corporation or other association that during the  
30 ten years ending on December 31 of the year in which a filing

1 would otherwise be required under subsection (a) has made any  
2 filing in the department pursuant to a provision of this  
3 title or 15 Pa.C.S. (relating to corporations and  
4 unincorporated associations) other than:

5 \* \* \*

6 (ii) a filing under[:

7 (A) 15 Pa.C.S. § 1305 (relating to reservation  
8 of corporate name);

9 (B) 15 Pa.C.S. § 5305 (relating to reservation  
10 of corporate name);

11 (C) 15 Pa.C.S. § 8203(b) (relating to name);

12 (D) 15 Pa.C.S. § 8505(b) (relating to name); or

13 (E)] 15 Pa.C.S. § [8905(b)] 208 (relating to  
14 reservation of name) or 209 (relating to registration  
15 of name of nonregistered foreign association).

16 \* \* \*

17 [(c) Exemptions.--An association shall be exempt from the  
18 2001 decennial filing if the association made a filing:

19 (1) After December 31, 1989, and before January 1, 1992,  
20 pursuant to a provision of this title or 15 Pa.C.S. other  
21 than a filing under:

22 (i) 15 Pa.C.S. § 1305;

23 (ii) 15 Pa.C.S. § 5305;

24 (iii) 15 Pa.C.S. § 8203(b);

25 (iv) 15 Pa.C.S. § 8505(b); or

26 (v) 15 Pa.C.S. § 8905(b).

27 (2) Under this section during the year 2000.]

28 \* \* \*

29 Section 61. This act shall take effect ~~in 60 days.~~ AS

<--

30 FOLLOWS:

1           (1) THE FOLLOWING PROVISIONS SHALL TAKE EFFECT

2 IMMEDIATELY:

3           (I) THE ADDITION OF 15 PA.C.S. § 7411.

4           (II) THIS SECTION.

5           (2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT JULY 1,

6 2015.