

officers to collect fees for services required to be rendered by this act; imposing penalties; and repealing certain acts and parts of acts relating to corporations.

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ARTICLE I

GENERAL PROVISIONS

Section 1. Short Title.—Be it enacted, &c., That this act shall be known, and may be cited, as the “Business Corporation Law.” Business Corporation Law.

Section 2. Definitions.—The following words or phrases, unless the context clearly indicates otherwise, shall have the meanings ascribed to them in this section:

“Articles” includes the original articles of incorporation, any or all amendments thereto, and articles of merger or consolidation, and also includes what have heretofore been designated by law as certificates of incorporation or charters.

“Assets” includes all the property and rights of every kind of the corporation.

“Authorized Capital Stock” means the aggregate number of shares of all classes, either with or without par value, which the corporation is authorized to issue.

“Corporation for Profit” means a corporation organized for the direct or indirect pecuniary profit of its shareholders.

“Domestic Business Corporation” or “Business Corporation” means a corporation for profit organized under this act, or heretofore organized under or by virtue of any other law of this Commonwealth, for any purpose or purposes for which a corporation may be organized under this act.

“Foreign Business Corporation” means a corporation for profit, organized under or by virtue of any laws other than those of this Commonwealth, for any purpose or purposes for which a corporation may be formed under this act.

“Incorporator” means a signer of the original articles of incorporation.

“Paid-in Surplus” means that part of the consideration received by a business corporation, for or on account of all shares issued, which does not constitute stated capital.

“Registered Office” means that office maintained by a domestic or foreign business corporation in this Commonwealth, the address of which is filed with the Department of State.

“Share Certificate” means a written instrument signed by the proper corporate officers, as required by this act, and evidencing the fact that the person or corporation therein named is the registered owner of the shares therein described, and also includes the term “Certificate of Stock” as used in existing laws.

“Shareholder” means a registered owner of shares in a business corporation.

“Shares” are the units into which the shareholders’ rights to participate in the control of a business cor-

poration, in its surplus or profits, or in the distribution of its assets, are divided.

“Stated Capital” means, at any particular time, the sum of the par value of all shares then issued having a par value, the consideration received by a business corporation for all shares then issued without par value, except such part thereof as may have been allocated otherwise than to stated capital in a manner permitted by this act, and such other amounts as may have been transferred to the stated capital account of the corporation, whether from the issue of shares, as a share dividend, or otherwise, minus such formal reductions from such sum as may have been effected in a manner permitted by this act.

“Subscriber” means one who subscribes for shares in a business corporation, whether before or after incorporation.

“Written” includes printed, typewritten, engraved, lithographed, telegraphed, cabled, radiogramed, photographed, photostated, telephotographed, or other form of recordation.

Section 3. Applicability and Acceptance of Act.—A. Every corporation of the second class, heretofore organized and incorporated under the Corporation Act of 1874, its amendments and supplements, and every corporation heretofore created by any special act or formed under any general act, which has accepted in any manner whatsoever the Constitution of Pennsylvania and which, if not existing, would be required to incorporate under this act, shall hereafter be subject to the provisions of this act without formal reorganization hereunder, and shall be deemed to exist under this act. The provisions of this act shall govern all such corporations heretofore incorporated in this Commonwealth.

B. Any corporation incorporated prior to 1874 by any general or special act, which has not accepted the Constitution of Pennsylvania in any manner whatsoever, and which, if not existing, would be required to incorporate under this act, shall be deemed to exist under and shall be governed by the provisions of this act, upon filing with the Department of State a certificate accepting the provisions of the Constitution of Pennsylvania and of this act. The certificate shall be executed under the seal of the corporation, shall be signed by two duly authorized officers of the corporation, and shall set forth:

- (1) The name of the corporation,
- (2) The act of Assembly by or under which it was created,
- (3) A statement that the corporation accepts the Constitution of Pennsylvania and the provisions of this act, and
- (4) A statement that the acceptance of the Constitution of Pennsylvania and of the provisions of this act

was duly authorized by a meeting of the shareholders called for that purpose.

C. Every foreign business corporation heretofore admitted to do business in this Commonwealth, which, if now seeking admission, would be required to comply with the provisions of this act, shall, within ninety days after the effective date of this act, secure a certificate of authority from the Department of State, and shall thereafter be subject to the provisions of this act.

Section 4. Scope of Act.—This act does not relate to, does not affect, and does not apply to:

(1) Coöperative associations, whether for profit or not for profit.

(2) Any corporation which may be organized under the Nonprofit Corporation Law, or which, if not existing, would be required to incorporate under that act.

(3) Any corporation which, by the laws of this Commonwealth, is subject to the supervision of the Department of Banking, the Insurance Department, The Public Service Commission, or the Water and Power Resources Board.

Section 5. Saving Clause.—A. This act shall not impair or affect any act done, offense committed, or right accruing, accrued, or acquired, or liability, duty, obligation, penalty, judgment or punishment incurred prior to the time this act takes effect, but the same may be enjoyed, asserted, enforced, prosecuted, or inflicted as fully and to the same extent as if this act had not been passed.

B. The provisions of all acts or parts of acts which are repealed by this act, or are reenacted in this act, shall be considered as remaining continuously in force so far as concerns all rights vested and accrued; and liabilities, duties, and obligations incurred under such provisions before the effective date of this act shall be preserved or may be enforced as if this act had not been passed.

C. The provisions of this act, as far as they are the same as those of existing laws, shall be construed as a continuation of such laws and not as new enactments. The repeal of any acts by this act shall not affect the corporate existence of any corporation heretofore created. Any person holding office under any act repealed by this act shall continue to hold such office until the expiration of the term thereof, subject to the conditions attached to such office prior to the passage of this act.

Section 6. Interpretation of Act.—A. The provisions of this act are severable, and if any of its provisions shall be held unconstitutional, the decision of the court shall not affect or impair any of the remaining provisions of this act. It is hereby declared to be the legislative intent that this act would have been adopted had such unconstitutional provisions not been included herein.

B. Whenever in this act reference is made to any act by title, such reference shall be construed to apply to and include any codification wherein the provisions of the act referred to are substantially reenacted.

C. No corporation which might be incorporated under this act shall hereafter be incorporated except under the provisions of this act.

D. This act shall not be deemed to curtail in any manner whatsoever the law or equity jurisdiction of the courts of this Commonwealth.

E. Section headings shall not be taken to govern or limit the scope of the sections of this act. The singular shall include the plural, and the masculine shall include the feminine and neuter.

Section 7. Fees.—Any State department, board, commission, or officer, shall be entitled to receive for services performed, as required by this act, such fees as are or may be lawfully charged for those or similar services.

Section 8. Notice of Meetings.—A. Whenever written notice is required to be given to any person under the provisions of the Constitution or of this act or by the articles or by-laws of any business corporation, it may be given to such person, either personally or by sending a copy thereof through the mail, or by telegram, charges prepaid, to his address appearing on the books of the corporation, or supplied by him to the corporation for the purpose of notice. If the notice is sent by mail or by telegraph, it shall be deemed to have been given to the person entitled thereto when deposited in the United States mail or with a telegraph office for transmission to such person. Such notice shall specify the place, day and hour of the meeting and, in the case of a special meeting, the general nature of the business to be transacted.

B. Whenever any written notice is required to be given under the provisions of the Constitution or of this act or the articles or by-laws of any corporation, a waiver thereof in writing, signed by the person or persons entitled to such notice, whether before or after the time stated therein, shall be deemed equivalent to the giving of such notice. Except in the case of a special meeting, neither the business to be transacted at nor the purpose of the meeting need be specified in the waiver of notice of such meeting.

C. Attendance of a person, either in person or by proxy, at any meeting shall constitute a waiver of notice of such meeting, except where a person attends a meeting for the express purpose of objecting to the transaction of any business because the meeting was not lawfully called or convened.

Section 9. Effect of Filing Papers Required to Be Filed.—The filing of the articles, or of any other papers or documents, pursuant to the provisions of this act, is

required for the purpose of affording all persons the opportunity of acquiring knowledge of the contents thereof, but no person dealing with the corporation shall be charged with constructive notice of the contents of any such articles, papers, or documents by reason of such filing.

Section 10. Powers of Department of State.—The Department of State shall have the power and authority reasonably necessary to enable it to administer this act efficiently and to perform the duties imposed upon it by this act. All articles, papers, and other documents required by this act to be filed with the Department of State shall be made in such form as shall be prescribed by that department.

Section 11. Certificates and Certified Copies of Certain Documents to Be Received in Evidence.—All certificates issued by the Department of State in accordance with the provisions of this act, and all copies of articles, papers, and other documents filed with the Department of State in accordance with the provisions of this act, when certified by the Secretary of the Commonwealth, shall be taken and received by all courts, public offices and official bodies as prima facie evidence of the facts therein stated. A certificate by the Department of State, under the seal of the Commonwealth, as to the existence or nonexistence of facts relating to corporations which would not appear from the foregoing documents or certificates, shall be taken and received by all courts, public offices and official bodies as prima facie evidence of the existence or nonexistence of the facts therein stated.

ARTICLE II

FORMATION OF BUSINESS CORPORATIONS

Section 201. Purpose of Incorporation and Qualifications of Incorporators.—Three or more natural persons of full age and either sex, married or single, at least two-thirds of whom are citizens of the United States or of its territories or possessions, may form a business corporation, under the provisions of this act, for any lawful purpose or purposes.

Section 202. The Corporate Name.—A. The corporate name may be in any language, but shall be expressed in English letters or characters, and shall contain the word "corporation," "company," or "incorporated," or shall end with an abbreviation of one of these words, except that the word "company" or the abbreviation "Co." may be used only if that word or abbreviation is not immediately preceded by the word "and" or any symbol or substitute therefor. The corporate name shall not imply that the corporation is an administrative agency of the Commonwealth or of the United States or is subject to the supervision of the Department of Banking or of the Insurance Department, and shall not con-

tain the word "bank," "banking," "bankers," "savings," "trust," "deposit," "insurance," "mutual," "assurance," "indemnity," "casualty," "fiduciary," "benefit," "beneficial," "benevolent," "public service," "building and loan," "surety," "security," "guaranty," "guarantee," "coöperative," "State," "Commonwealth," "National," "Federal," or "United States."

B. The corporate name shall not be the same as, or deceptively similar to:

(1) . The name of any other domestic corporation, or of any foreign corporation authorized to do business in this Commonwealth, or the name of any unincorporated body whatsoever, voluntarily registered with the Department of State under any act of Assembly, unless such other domestic or foreign corporation or unincorporated body is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this Commonwealth, and the written consent of such other domestic or foreign corporation or unincorporated body to the adoption of its name, or a deceptively similar name, has been given and is filed with the articles: Provided, That nothing herein contained shall be construed to refer or apply to any assumed or fictitious name required by law to be filed with the Department of State.

(2) The name of any administrative department, board, or commission or other agency of the Commonwealth.

(3) A name the exclusive right to which is at the time reserved by any other corporation whatsoever in the manner provided in this act or any other act of Assembly.

C. Nothing in this section shall abrogate or limit the law as to unfair competition or unfair practices, nor derogate from the common law, the principles of equity, or the statutes of this Commonwealth with respect to the right to acquire and protect trade names.

D. The assumption of a name in violation of this section shall not vitiate or otherwise affect the corporate existence, but the court of common pleas of Dauphin County may, upon the application of the Attorney General, acting on his own motion or at the instance of any administrative department, board, or commission of the Commonwealth, and the court of common pleas of any county having jurisdiction over the corporation may, upon the application of any person, unincorporated body or corporation adversely affected, enjoin the corporation from using or continuing to use a name assumed in violation of this section.

Section 203. Reservation of Corporate Name.—

A. The exclusive right to the use of a corporate name may be reserved by—

(1) Any person intending to organize a corporation under this act, or

(2) Any domestic business corporation intending to change its name, or

(3) Any foreign business corporation intending to make application for a certificate of authority to transact business in this Commonwealth, or

(4) Any foreign business corporation authorized to transact business in this Commonwealth and intending to change its name, or

(5) Any person intending to organize a foreign business corporation and intending to have such corporation make application for a certificate of authority to do business in this Commonwealth.

B. Such reservation shall be made by filing with the Department of State an application to reserve a specified corporate name, executed by the applicant. If that department finds that such name is available for corporate use, it shall reserve the name for the exclusive use of the applicant for a period of sixty days. The right to the exclusive use of a specified corporate name so reserved may be transferred to any person by filing with the Department of State a notice of such transfer, executed by the person for whom such name was reserved, and specifying the name and address of the transferee.

Section 204. Articles of Incorporation.—Articles of incorporation shall be signed by each of the incorporators, and acknowledged by at least two of them before any officer within or without this Commonwealth authorized to take acknowledgments, and shall set forth, in the English language:

(1) The name of the corporation, unless the name is in a foreign language, in which case it shall be set forth in English letters or characters.

(2) The location and post office address of its initial registered office in this Commonwealth.

(3) A precise and accurate statement of the purpose or purposes for which the corporation is organized and that it is organized under the provisions of this act.

(4) The term for which it is to exist, which may be perpetual.

(5) The aggregate number of shares which the corporation shall have authority to issue, and, if the shares are to consist of one class only, the par value of each of the shares or a statement that all of the shares are without par value, or, if the shares are to be divided into classes, the number of shares of each class, if any, that are to have a par value and the par value of each share of each class, and the number of shares of each class, if any, that are to be without par value.

(6) If the shares are to be divided into classes, a description of each class and a statement of the preferences, qualifications, limitations, restrictions, and the

special or relative rights granted to or imposed upon the shares of each class.

(7) If the corporation is to issue the shares of any preferred or special class in series, a description of each series and a statement of the variations in the relative rights and preferences as between different series, in so far as the same are to be fixed in the articles, and a statement of any authority to be vested in the board of directors to establish series and fix and determine the variations in the relative rights and preferences as between series.

(8) The amount of paid-in capital with which the corporation will begin business, which shall not be less than five hundred dollars (\$500.00) in cash.

(9) The names of the first directors, their post office addresses, and their terms of office.

(10) The name and post office address of each of the incorporators and a statement of the number of shares subscribed by each, which shall not be less than one, and the class of shares for which each subscribes.

(11) Any provisions which the incorporators may choose to insert granting to shareholders preëemptive rights to subscribe to any or all issues of shares or securities of the corporation.

(12) Any provisions not inconsistent with law which the incorporators may choose to insert for the regulation of the internal affairs of the corporation and the business of the corporation.

Section 205. Advertisement.—The incorporators shall advertise their intention to file articles of incorporation with the Department of State one time in two newspapers published in the English language, one of which shall be a newspaper of general circulation, and the other the legal newspaper, if any, designated by the rules of the court for the publication of legal notices; otherwise, in two newspapers of general circulation published in the county in which the initial registered office of the corporation is to be located. Where there is but one newspaper of general circulation published in any county, advertisement in such newspaper shall be sufficient. Advertisements shall appear at least three days prior to the day the articles of incorporation are filed with the Department of State, and shall set forth briefly:

- (1) The name of the proposed corporation,
- (2) A statement that the proposed corporation is to be organized under the provisions of this act,
- (3) The purpose or purposes of the proposed corporation, and
- (4) The time when the articles will be filed with the Department of State.

Section 206. Filing of Articles; Certificate of Incorporation.—A. The incorporators shall deliver, or cause to be delivered, to the Department of State the articles of incorporation and proof of the advertisement

required by the preceding section. If the Department of State finds that the articles conform to law, it shall forthwith, but not prior to the day specified in the advertisement required by the preceding section, endorse its approval thereon, and when all bonus, fees, and charges have been paid, as required by law, shall file the articles and issue to the incorporators, or their representative, a certificate of incorporation, to which shall be attached a copy of the approved articles. The articles, upon being approved and filed by the Department of State, shall constitute the charter of the corporation.

B. If the articles of incorporation delivered to the Department of State are for the incorporation of a business corporation for the transaction of any business in which a corporation may not engage without the approval of or a license from any department, board, or commission of the Commonwealth, the Department of State shall refer the articles to such department, board, or commission, and shall not file the articles or issue a certificate of incorporation until the approval or consent of such department, board, or commission shall have been endorsed on the articles.

Section 207. Effect of Issuance of Certificate of Incorporation.—Upon the issuance of the certificate of incorporation by the Department of State, the corporate existence shall begin, and those persons who subscribed for shares prior to the issuance of the certificate of incorporation, or their assignees, shall be shareholders in the corporation. The certificate of incorporation shall be conclusive evidence of the fact that the corporation has been incorporated, but proceedings may be instituted by the Commonwealth to dissolve, wind up and terminate a corporation which should not have been formed under this act, or which has been formed without a substantial compliance with the conditions prescribed by this act as precedent to incorporation.

Section 208. Conditions Precedent to Beginning Business; Penalty for Violation of Section.—A. A corporation formed under this act shall not incur any indebtedness or begin the transaction of any business except such as shall be incident to its organization or to the obtaining of subscriptions to, or the payment for, its shares until—

(1) The amount of capital with which it will begin business, as stated in the articles, has been fully paid; and

(2) There has been filed with the Department of State an affidavit signed by at least a majority of the board of directors, stating that the amount of capital with which it will commence business, as stated in the articles, has been fully paid in.

B. If a corporation shall transact any business in violation of this section, the officers who participated therein and the directors, except those who dissented

therefrom and caused their dissent to be filed at the time in the registered office of the corporation, or who, being absent, filed their dissent upon learning of the action, shall be severally liable for the debts and liabilities of the corporation arising therefrom.

Section 209. Cemetery and Burial Corporations.—In the case of the incorporation of a cemetery or burial corporation as a business corporation, the articles shall, in addition to the information heretofore required by this article, contain a provision that a sum equal to at least one-tenth of the gross amount of the funds arising from the sale of lots in the burial ground or cemetery of the corporation shall be set apart for the perpetual care and preservation of the grounds and the repair and renewal of the buildings and property of such corporation; that such sum shall be invested by the board of directors in securities which are legal investments for trustees under the laws of this Commonwealth; and that the income arising therefrom shall be applied by the board of directors to the foregoing purposes.

Section 210. Organization Meetings.—After the issuance of the certificate of incorporation, the first meeting of the shareholders shall be held within or without this Commonwealth at the call of the shareholders who were the incorporators, or a majority of them, for the purpose of adopting by-laws, unless the articles provide that by-laws shall be adopted by the board of directors, and for such other purposes as shall be stated in the notice of the meeting. The persons calling the meeting shall give to each shareholder at least ten days' written notice of the time, place, and purpose or purposes of the meeting.

After the issuance of the certificate of incorporation, an organization meeting of the board of directors named in the articles shall be held, either within or without this Commonwealth, at the call of a majority of the directors, for the purpose of adopting by-laws, if the articles authorize the directors to adopt by-laws, of electing officers, and of transacting such other business as may come before the meeting. The directors calling the meeting shall give at least five days' written notice to each director, named in the articles, of the time and place of the meeting.

Section 211. Legislature Reserves Power to Alter or Revoke Charters.—The General Assembly may alter, revoke or annul the charter of any corporation formed under this act, as provided by Article XVI, Section ten, of the Constitution.

ARTICLE III

CORPORATE POWERS, DUTIES, AND SAFEGUARDS

Section 301. Corporate Capacity and Authority.—A business corporation shall have the capacity of natural persons to act, but shall have authority to perform only

such acts as are necessary or proper to accomplish the purpose or purposes for which it is organized, and which are not repugnant to law.

Section 302. General Powers.—Subject to the limitations and restrictions contained in this act or in its articles, every business corporation shall have power:

(1) To continue as a corporation for the time specified in its articles, subject to the power of the General Assembly under the Constitution of this Commonwealth.

(2) To sue and be sued, complain and defend, in its corporate name.

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

(4) To purchase, take, receive, lease as lessee, take by gift, devise or bequest, or otherwise acquire, and to own, hold, use and otherwise deal with any real or personal property, or any interest therein, situated in or out of this Commonwealth, which may be appropriate to enable it to accomplish fully and properly its corporate purpose or purposes.

(5) To sell and convey, mortgage, pledge, lease as lessor, and otherwise dispose of all or any part of its property and assets.

(6) Whenever appropriate to enable it to accomplish any or all of the purposes for which it is organized, to guarantee, purchase, take, receive, or otherwise acquire, hold, sell, assign, transfer, mortgage, loan, pledge, or otherwise dispose of, and otherwise use and deal in and with the shares, bonds, securities, and other evidences of indebtedness of any other domestic corporation or of any corporation formed under any laws other than those of this Commonwealth, and, while the owner of the same, to exercise all the rights, powers, or privileges of ownership, including the right to vote thereon.

(7) To purchase, take, receive, or otherwise acquire, hold on pledge, transfer, or otherwise dispose of its own shares, except that no such purchase or acquisition shall be made at a time when the net assets of the corporation are less than its stated capital, or which would reduce its net assets below its stated capital.

(8) To borrow money for any or all of the purposes for which it is organized, to issue its promissory notes, bonds, or other forms of certificates of indebtedness, for the repayment thereof, with interest, and to secure any of its obligations by mortgage, pledge, or deed of trust of, or on, any of its property, franchises and income.

(9) To invest its surplus funds from time to time, to lend money for any or all of the purposes for which it is organized, and to take and hold real and personal property as security for the payment of funds so invested or loaned.

(10) To conduct its business, carry on its operations, and have offices within and outside of this Commonwealth, and to exercise in any other state, territory, district, or possession of the United States, or in any foreign country and the territories and colonies thereof, the powers granted by this act.

(11) To make, alter, amend, and repeal by-laws, not inconsistent with its articles or with law, for the administration and regulation of the affairs of the corporation.

(12) To elect or appoint and remove officers and agents of the corporation, and to define their duties and fix their compensation.

(13) To enter into any obligation necessary for the transaction of its affairs.

(14) To have and exercise all of the powers and means necessary or essential to effect the purpose or purposes for which the corporation is organized.

(15) To dissolve and wind up.

The powers herein enumerated shall not be construed as limiting or enlarging the grant of authority hereinbefore made by this article, or as a limitation on the purposes for which a corporation may be organized. It shall not be necessary to set forth any of such enumerated powers in the articles of the corporation. Except as otherwise provided in this act or in the articles or in the by-laws, the powers herein enumerated shall be exercised by the board of directors of the corporation.

Section 303. Defense of Ultra Vires.—A. No limitation upon the business, purpose or purposes, or powers of a business corporation, expressed or implied in its articles or implied by law, shall be asserted in order to defend any action at law or in equity between the corporation and a third person, or between a shareholder and a third person, involving any contract to which the corporation is a party or any right of property or any alleged liability of whatsoever nature; but such limitation may be asserted:

(1) In an action by a shareholder against the corporation to enjoin the doing of unauthorized acts or the transaction or continuation of unauthorized business. If the unauthorized acts or the business sought to be enjoined are being transacted pursuant to any contract to which the corporation is a party, the court may, if all of the parties to the contract are parties to the suit, and if it deems the same to be equitable, set aside and enjoin the performance of such contract, and in so doing shall allow to the corporation, or the other parties, as the case may be, compensation for the loss or damage sustained by either of them, which may result from the action of the court in setting aside and enjoining the performance of such contract, but anticipated profits to be derived from the performance of the contract shall not be awarded by the court as a loss or damage sustained.

(2) In an action at law or in equity by the corpora-

tion, whether acting through a receiver, trustee, or other legal representative, or through shareholders in a representative suit, against the officers or directors of the corporation for exceeding their authority.

(3) In a proceeding by the Commonwealth, as authorized by law, to dissolve the corporation, or in a proceeding by the Commonwealth to enjoin the corporation from the transaction of unauthorized or unlawful business.

B. No conveyance or transfer by or to a corporation of property, real or personal, of any kind or description, shall be invalid or fail because in making such conveyance or transfer, or in acquiring the property, real or personal, the board of directors or any of the officers of the corporation, acting within the scope of the actual or apparent authority given to them by the board of directors, have exceeded any of the corporation's purposes or powers.

C. The provisions of this section shall extend to contracts and conveyances made by foreign corporations in this Commonwealth and to all conveyances by foreign corporations of real property situated in this Commonwealth.

Section 304. Adoption and Contents of By-laws.—Except as hereinafter provided, the shareholders shall have the power to make, alter, amend, and repeal the by-laws of a business corporation. The authority to make by-laws may be expressly vested by the articles in the board of directors, subject to the power of the shareholders to change or repeal such by-laws. Unless the articles or by-laws otherwise provide, the by-laws shall be adopted, altered, amended, and repealed by a majority vote of the members of the board of directors, or of the shareholders entitled to vote thereon, as the case may be, at any regular or special meeting duly convened after notice to the shareholders or directors of that purpose. The by-laws may contain any provisions for the regulation and management of the affairs of the corporation not inconsistent with law or the articles, and may provide penalties for the breach thereof, not exceeding twenty dollars.

Section 305. Persons Bound by By-laws.—The by-laws of a business corporation shall operate merely as regulations among the shareholders of the corporation, and shall not affect contracts or other dealings with other persons, unless such persons have actual knowledge of such by-laws. Any form of execution provided in the by-laws to the contrary notwithstanding, any note, mortgage, evidence of indebtedness, contract, or other instrument of writing, or any assignment or endorsement thereof, executed or entered into between any corporation and any other person, copartnership, association or corporation, when signed by the president or vice president and secretary or assistant secretary or treasurer or

assistant treasurer of such corporation, shall be held to have been properly executed for and in behalf of the corporation.

Section 306. Registered Office.—Every business corporation shall have and continuously maintain in this Commonwealth a registered office which may, but need not, be the same as its place of business. The address, including street and number, if any, of the initial registered office, shall be stated in the articles of the corporation, as heretofore provided in this act.

Section 307. Change of Registered Office.—After incorporation, a change of the location of the registered office may be authorized at any time by a majority vote of the members of the board of directors. Before the change of location shall become effective, the corporation shall file with the Department of State a statement executed under the seal of the corporation, signed and verified by two duly authorized officers of the corporation, setting forth:

- (1) The name of the corporation.
- (2) The address, including street and number, if any, of its then registered office.
- (3) The address, including street and number, if any, to which the registered office is to be changed.
- (4) That such change was authorized by resolution duly adopted by at least a majority of the members of the board of directors.

The change of address of the registered office shall become effective upon the filing of such statement with the Department of State.

Section 308. Corporate Records; Inspection.—A. Every business corporation shall keep at its registered office an original or duplicate record of the proceedings of the shareholders and of the directors, and the original or a copy of its by-laws, including all amendments or alterations thereto to date, certified by the secretary of the corporation, and shall keep at its registered office, or at the office of a transfer agent or registrar within this Commonwealth, an original or a duplicate share register, giving the names of the shareholders in alphabetical order, and showing their respective addresses, the number and classes of shares held by each, the number and date of certificates issued for the shares, and the number and date of cancellation of every certificate surrendered for cancellation. Every such corporation shall also keep appropriate, complete and accurate books or records of account, which may be kept at its registered office, or at its principal place of business.

B. Every shareholder shall have a right to examine, in person or by agent or attorney, at any reasonable time or times, for any reasonable purpose, the share register, books or records of account, and records of the proceedings of the shareholders and directors, and make extracts therefrom.

Section 309. Procedure to Increase Indebtedness of Corporation.—No business corporation shall increase its indebtedness, except in the manner provided in this section. The board of directors of the corporation shall adopt a resolution setting forth the desired increase, and directing that the question of the proposed increase be submitted to a vote at an annual meeting of the shareholders or at a special meeting of the shareholders. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the question of increasing the indebtedness of the corporation, shall be given to each shareholder of record at least sixty days before the date of the meeting. If such meeting be an annual meeting, such purpose may be included in a notice of such annual meeting, provided the notice is given at least sixty days before the date of the annual meeting. The resolution shall be adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares, unless any class of shares is entitled to vote thereon as a class, in which event the proposed resolution shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares of each class entitled to vote as a class thereon, and at least the affirmative vote of the holders of a majority of all outstanding shares. Nothing herein contained shall be construed to apply to indebtedness contracted in the usual course of corporate business.

Section 310. Authority to Acquire Property at Judicial Sale.—A business corporation may, at any judicial sale of any property upon which the corporation holds a mortgage or has a lien of any nature whatsoever, bid in such property if necessary for the protection of its interests. The corporation shall acquire a good and indefeasible title to any and all property so purchased, irrespective of any limitation as to the acquisition of property that may exist in its articles or in this act. All property so purchased may be held by the corporation until such time as it shall believe it advisable to dispose of the same. It shall be lawful for the corporation to sell the property upon such terms and for such consideration as it deems desirable. The corporation may sell such property, and convey a marketable title thereto, without the authorization or confirmation of any court.

Section 311. Voluntary Transfer of Corporate Assets.—A. The sale, lease, or exchange of all, or substantially all, the property and assets of a corporation, when made in the usual and regular course of the business of a corporation, may be made upon such terms and conditions, and for such considerations, which may consist in whole or in part of money or property, real or personal, including shares, or bonds, or other evidences of indebtedness of any other corporation, domestic or foreign, as shall be authorized by its board of directors.

In every such case, no authorization or consent of the shareholders shall be required.

B. A sale, lease, or exchange of all, or substantially all, the property and assets, with or without the good will of a corporation, whether to a subsidiary corporation or not, if not made in the usual and regular course of its business, may be made upon such terms and conditions and for such considerations which may consist, in whole or in part, of money or property, real or personal, including shares, or bonds, or other evidences of indebtedness of any other corporation, domestic or foreign, as may be authorized in the manner hereinafter provided in this subsection. The board of directors shall adopt a resolution recommending such sale, lease, or exchange, and directing the submission thereof, to a vote of the shareholders entitled to vote in respect thereof at a meeting which may be either an annual meeting of the shareholders or a special meeting of the shareholders entitled to vote in respect of such sale, lease, or exchange. Written notice stating that the purpose, or one of the purposes, of such meeting is to consider the sale, lease, or exchange of all, or substantially all, the property and assets of the corporation, shall be given to each shareholder of record, whether or not entitled to vote, at least ten days prior to the date of the meeting, in the manner provided by this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in the notice of the annual meeting. At such meeting, the shareholders may authorize such sale, lease, or exchange, and fix, or may authorize the board of directors to fix, any or all of the terms and conditions thereof, and the consideration to be received by the corporation therefor. Such authorization shall receive the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on the question, unless any class of shares is entitled to vote as a class on the question, in which event such authorization shall receive the affirmative vote of the holders of at least a majority of the outstanding shares of each class of shares entitled to vote as a class on the question, and at least a majority of all outstanding shares entitled to vote thereon. After such authorization by a vote of the shareholders, the board of directors, in its discretion, may abandon such sale, lease, or exchange, subject to the rights of third parties under any contracts relating thereto, without further action or approval by the shareholders.

C. Nothing in this section shall be construed to authorize the conversion or exchange of assets in fraud of corporate creditors, or of minority shareholders, or shareholders without voting rights, or in violation of the act approved the twenty-third day of May, one thousand nine hundred nineteen (Pamphlet Laws, two hundred sixty-two), and its amendments and supplements, or

The Fiscal Code, approved the ninth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws, three hundred forty-three), and its amendments and supplements.

Section 312. Reorganization Upon Forced Sale of Corporate Property and Franchises.—A. When the franchises, property and assets of any domestic or foreign business corporation, which are located in this Commonwealth, shall be sold under and by virtue of any process or decree of any court of this Commonwealth or of the United States, or under or by virtue of a power of sale contained in any mortgage or deed of trust, the persons for or on whose account such franchises, property and assets were purchased may organize a business corporation in the manner heretofore provided in this act, which shall be vested with, and be entitled to exercise and enjoy, all the rights, privileges and franchises which at the time of such sale belonged to or were vested in the corporation last owning the property sold, or its receiver, and shall be subject to all the duties imposed by law on business corporations. In such event the articles of incorporation shall, in addition to the information heretofore required by this act, set forth the name of the corporation whose property and franchises were acquired, the law under which such corporation was organized, the date of the judgment or decree authorizing or directing the sale, and a brief description of the property sold.

B. At or previous to the sale, the purchasers, or the persons for whom the purchase is to be made, may enter into a plan or agreement for, or in anticipation of, the readjustment of the respective interests of any creditors, mortgagees, shareholders, or any of them, of the corporation owning such franchises, property and assets at the time of the sale, and of holders of claims against such corporation, and for the representation of such interests in the bonds, shares, obligations, or other securities of the new corporation. Such plan or agreement may provide for the regulation of the voting powers of any class or classes of shares, and may provide for and regulate voting by the holders and owners of any or all of the bonds of the old corporation, or of the bonds issued or to be issued by the new corporation. In such event, the right of voting by bondholders shall be exercised in such manner, for such period, and upon such conditions as shall be provided in the plan or agreement. Such plan or agreement shall be binding upon the new corporation. The new corporation may issue its bonds and stock in conformity with the provisions of such plan or agreement, and may at any time within six months after its organization compromise, settle or assume the payment of any debt, claim, or liability of the old corporation, or any claims against it, upon such terms as may be lawfully approved by a majority of the agents or trustees charged

with the carrying out of the plan or agreement of reorganization.

Section 313. Usury Not a Defense.—No business corporation shall plead or set up usury, or the taking of more than six per cent interest, as a defense to any action brought against it to recover damages on, or to enforce payment of, or to enforce any other remedy on, any mortgage, bond, note, or other obligation executed or effected by the corporation.

Section 314. Special Powers in Time of War.—In time of war, every business corporation shall have power to transact any lawful business in aid of the United States, in the prosecution of war, to make donations to associations and organizations aiding in war activities, and to lend money to the Commonwealth or the Federal government for war purposes.

Section 315. Payment of Salaries of Employes in Military Service.—Any business corporation may continue the salaries of such of its employes as may have enlisted or enrolled, or may hereafter enlist or enroll, in any branch of the military or naval service of the United States, or any state thereof, or in any other organization established for the protection of the lives and property of citizens of the United States during the term of such enlistment or enrollment, or during such part thereof as such employes, by reason of such enlistment or enrollment, may be unable to perform their duties as employes of the corporation.

Section 316. Pensions.—Every business corporation may grant allowances or pensions out of the earnings of the corporation to its directors, officers, or employes, for faithful and long-continued service, who have, in such service, become old, infirm, or disabled.

Section 317. Voting Powers of Security Holders.—Every business corporation, by suitable provisions in its articles, may confer upon the holders of any bonds or debentures, issued or to be issued by the corporation, whether secured by mortgage or otherwise, such power to vote in respect to the corporate affairs and management of the corporation as may be provided in the articles; and, in case of a default in the payment of the principal or interest on such bonds or debentures, or otherwise, or in any other case, may likewise confer upon such bondholders or debenture holders the same right of inspection of the corporate books, accounts and records of such corporation, and also any other rights, which the shareholders of the corporation have or may have under its articles or the laws of this Commonwealth.

Section 318. Financial Report to Shareholders.—Unless the by-laws expressly provide otherwise, the directors of every business corporation shall cause to be sent to the shareholders, within ninety days after the close of its fiscal year, a financial report as of the closing date of the preceding fiscal year. Such report shall give a sum-

mary of the assets and liabilities of the corporation, the amount of dividends paid or declared during the past year, the condition, as to surplus or deficit and how acquired or created, the number of shares issued and outstanding, together with any such particulars as are necessary to disclose the general nature of the liabilities and assets of the corporation. The report shall also set forth a balance sheet as of the closing date of the preceding fiscal or calendar year, together with a statement of income and profit and loss for the year ended on that date. The statement of income and profit and loss shall be prepared in the form ordinarily used by accountants for the particular kind of business carried on by the corporation. Unless the by-laws expressly provide otherwise, all such reports shall be verified by a certified public accountant, who is not a director or full-time employe of the corporation, or by a firm of practicing public accountants at least one member of which is a certified public accountant. The accountant or firm shall be elected by the shareholders of the corporation.

Section 319. Insolvency or Bankruptcy.—Whenever a business corporation shall be insolvent or in financial difficulty, the board of directors may, by resolution and without the consent of the shareholders, authorize and designate the officers of the corporation to execute a deed of assignment for the benefit of creditors, or file a voluntary petition in bankruptcy, or file an answer consenting to the appointment of a receiver upon a bill in equity filed by creditors or shareholders, or, if insolvent, file an answer to an involuntary petition in bankruptcy admitting the insolvency of the corporation and its willingness to be adjudged a bankrupt on that ground.

ARTICLE IV

DIRECTORS AND OFFICERS

Section 401. Board of Directors.—The business and affairs of every business corporation shall be managed by a board of at least three directors, who need not be residents of this Commonwealth or shareholders in the corporation, unless the articles or by-laws so require. Each director shall hold office for the term for which he is elected and until his successor shall have been elected and qualified. The names and terms of office of the first directors shall be stated in the articles. Except as hereinafter provided in this article, in the case of vacancies, directors, other than those constituting the first board of directors, shall be elected by the shareholders. A business corporation may allow compensation to its directors for their services, and a director may also be a salaried officer of the corporation.

Section 402. Number, Qualifications, and Election of Directors.—Subject to the provisions of this act, the number, qualifications, terms of office, manner of elec-

tion, time and place of meeting, compensation, and powers and duties of the directors may be prescribed from time to time by the by-laws. Except as otherwise provided in the by-laws:

(1) A director shall be elected for a term of at least one year.

(2) The number of directors shall be the same as that stated in the articles.

(3) Vacancies in the board of directors shall be filled by a majority of the remaining members of the board though less than a quorum, and each person so elected shall be a director until his successor is elected by the shareholders, who may make such election at the next annual meeting of the shareholders or at any special meeting duly called for that purpose and held prior thereto.

(4) The meetings of the board of directors may be held at such place within this Commonwealth, or elsewhere, as a majority of the directors may from time to time appoint, or as may be designated in the notice calling the meeting.

(5) A majority of the directors in office shall be necessary to constitute a quorum for the transaction of business, and the acts of a majority of the directors present at a meeting at which a quorum is present shall be the acts of the board of directors: Provided, That if all the directors shall severally or collectively consent in writing to any action to be taken by the corporation, such action shall be as valid corporate action as though it had been authorized at a meeting of the board of directors.

(6) The board of directors may, by resolution adopted by a majority of the whole board, delegate two or more of its number to constitute an executive committee, which, to the extent provided in such resolution, shall have and exercise the authority of the board of directors in the management of the business of the corporation.

Section 403. Classification of Directors.—If the articles or by-laws of a business corporation so provide, the directors of the corporation may be classified in respect to the time for which they shall severally hold office. In such case, each class shall be as nearly equal in number as possible, the term of office of at least one class shall expire in each year, and the members of a class shall not be elected for a shorter period than one year, or for a longer period than four years.

Section 404. Notice of Directors' Meetings.—Meetings of the board of directors may be held upon such notice as the by-laws may prescribe. Unless the by-laws provide otherwise, written notice of every meeting of the board of directors shall be given to each director at least five days prior to the day named for the meeting. When a meeting is adjourned, it shall not be necessary

to give any notice of the adjourned meeting, or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken unless otherwise provided in the by-laws.

Section 405. Removal of Directors.—A. The entire board of directors or any individual director may be removed from office without assigning any cause by a majority vote of the holders of the outstanding shares entitled to vote at an election of directors. In case the board or any one or more directors be so removed, new directors may be elected at the same meeting. Unless the entire board be removed, no individual director shall be removed in case the votes of a sufficient number of shares are cast against the resolution for his removal, which if cumulatively voted at an election of the full board would be sufficient to elect one or more directors.

B. The board of directors may declare vacant the office of a director if he be declared of unsound mind by an order of court, or convicted of felony, or for any other proper cause, or if, within sixty days or such other time as the by-laws may specify, after notice of his election, he does not accept such office either in writing or by attending a meeting of the board of directors and fulfill such other requirements of qualification as the by-laws may specify.

C. The court of common pleas of the county where the registered office of the corporation is located may at the suit of any shareholder or shareholders holding at least ten per cent of the common or outstanding shares, with or without voting rights, remove from office any director or directors in case of fraudulent or dishonest acts, or gross abuse of authority or discretion with reference to the corporation, and may bar from reelection any director so removed for a period prescribed by the court. The corporation shall be made a party to such actions.

Section 406. Officers and Agents.—Every business corporation shall have a president, a secretary, and a treasurer, and may have such other officers and assistant officers and agents as the needs of the corporation may require. The officers, assistant officers, and agents shall be elected or appointed either by the board of directors or by the shareholders, at such time, in such manner, and for such terms as the by-laws may prescribe. It shall not be necessary for the officers to be directors. If the by-laws so provide, any two or more offices may be held by the same person, except the offices of president and secretary. The board of directors may secure the fidelity of any or all of such officers by bond or otherwise. Unless otherwise provided in the by-laws, the board of directors shall have power to fill any vacancies in any office occurring from whatever reason. All officers and agents of the corporation, as between themselves and the

corporation, shall have such authority and perform such duties in the management of the property and affairs of the corporation as may be provided in the by-laws, or, in the absence of controlling provisions in the by-laws, as may be determined by resolution of the board of directors.

Section 407. Removal of Officers.—Any officer or agent elected or appointed by the board of directors may be removed by the board of directors whenever in its judgment the best interests of the corporation will be served thereby, but such removal shall be without prejudice to the contract rights, if any, of the person so removed.

Section 408. Relation of Directors and Officers to Corporation.—Officers and directors shall be deemed to stand in a fiduciary relation to the corporation, and shall discharge the duties of their respective positions in good faith and with that diligence, care and skill which ordinarily prudent men would exercise under similar circumstances in their personal business affairs.

Section 409. Women May Be Directors or Officers.—Women, married or single, may serve as directors and officers of business corporations.

ARTICLE V

SHAREHOLDERS' MEETINGS, RIGHTS, AND LIABILITIES

Section 501. Meetings of Shareholders.—A. Meetings of shareholders may be held at such place within or without this Commonwealth as may be provided in the by-laws. Unless the by-laws provide otherwise, all meetings of the shareholders shall be held in this Commonwealth at the registered office of the corporation.

B. The by-laws may provide for the number and the time of meetings of shareholders, but at least one meeting of the shareholders shall be held in each calendar year for the election of directors, at such time as shall be provided in the by-laws. Failure to hold the annual meeting at the designated time shall not work any forfeiture or dissolution of the corporation. If the annual meeting shall not be called and held within six months after the designated time, any shareholder may call such meeting.

C. Special meetings of the shareholders may be called at any time by the president, or the board of directors, or the holders of not less than one-fifth of all the shares outstanding and entitled to vote at the particular meeting, or by such other officers or persons as may be provided in the articles or by-laws. At any time, upon written request of any person entitled to call a special meeting, it shall be the duty of the secretary to call a special meeting of the shareholders, to be held at such time as the secretary may fix, not less than ten nor more than sixty days after the receipt of the request.

If the secretary shall neglect or refuse to issue such call the person or persons making the request may do so.

D. Adjournment or adjournments of any annual or special meeting may be taken, but any meeting at which directors are to be elected shall be adjourned only from day to day until such directors have been elected.

Section 502. Notice of Meetings of Shareholders.—Written notice of every meeting of the shareholders shall be given by, or at the direction of, the person authorized to call the meeting, to each shareholder of record entitled to vote at the meeting, at least five days prior to the day named for the meeting, unless a greater period of notice is required elsewhere in this act in a particular case. When a meeting is adjourned, it shall not be necessary to give any notice of the adjourned meeting or of the business to be transacted at an adjourned meeting, other than by announcement at the meeting at which such adjournment is taken, unless otherwise provided in the by-laws.

Section 503. Quorum of Shareholders.—A shareholders' meeting duly called shall not be organized for the transaction of business unless a quorum is present. Unless otherwise provided in the articles:

(1) The presence, in person or by proxy, of the holders of a majority of the outstanding shares entitled to vote shall constitute a quorum.

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

(3) If a meeting cannot be organized because a quorum has not attended, those present may, except as otherwise provided in this act, adjourn the meeting to such time and place as they may determine, but in the case of any meeting called for the election of directors, those who attend the second of such adjourned meetings, although less than a quorum as fixed in this section or in the articles, shall nevertheless constitute a quorum for the purpose of electing directors.

Section 504. Shareholders May Vote in Person or by Proxy.—Except as otherwise provided in the articles and this act, every shareholder of record shall have the right, at every shareholders' meeting, to one vote for every share standing in his name on the books of the corporation. Every shareholder may vote either in person or by proxy. Every proxy shall be executed in writing by the shareholder, or by his duly authorized attorney in fact, and filed with the secretary of the corporation. A proxy, unless coupled with an interest, shall be revocable at will, notwithstanding any other agreement or any provision in the proxy to the contrary, but the revocation of a proxy shall not be effective until notice thereof has been given to the secretary of the corporation. No unrevoked proxy shall be valid after eleven months from the

date of its execution, unless a longer time is expressly provided therein, but in no event shall a proxy, unless coupled with an interest, be voted on after three years from the date of its execution. A proxy shall not be revoked by the death or incapacity of the maker unless before the vote is counted or the authority is exercised, written notice of such death or incapacity is given to the secretary of the corporation. A shareholder shall not sell his vote or execute a proxy to any person for any sum of money or anything of value.

Section 505. Elections of Directors; Cumulative Voting.—Unless otherwise provided in the by-laws, elections for directors need not be by ballot, except upon demand made by a shareholder at the election and before the voting begins. In all elections for directors, every shareholder entitled to vote shall have the right, in person or by proxy, to multiply the number of votes to which he may be entitled by the number of directors to be elected, and he may cast the whole number of such votes for one candidate or he may distribute them among any two or more candidates. The candidates receiving the highest number of votes up to the number of directors to be elected shall be elected.

Section 506. Voting by Trustees and Pledges.—Shares standing in the name of a trustee appointed by the court of common pleas, or shares held by an assignee for the benefit of creditors, or by a receiver, may be voted either in person or by proxy of the trustee, assignee or receiver. A shareholder whose shares are pledged shall be entitled to vote thereon, in person or by proxy, until the shares have been transferred on the books of the corporation to the pledgee or nominee, and thereafter the pledgee or nominee shall be entitled to vote the shares in person or by proxy.

Section 507. Voting by Joint Holders of Shares.—Where shares are held jointly or as tenants in common by two or more persons, such shares shall be voted and any proxy shall be given by the person or persons designated for that purpose in the agreement under which such shares are held jointly or by tenancy in common. If the agreement does not determine the question which person or persons shall vote such shares or give any proxy in regard thereto, the will of the majority of such persons shall control the manner of voting or the giving of a proxy. If only one or more of such persons is present in person or by proxy, he or they shall have the right to vote all such shares, and all of the shares standing in the names of such persons shall be deemed to be represented for the purpose of determining a quorum. Where in any case such persons are equally divided upon the manner of voting the shares held by them, the vote of such shares shall be divided equally among such persons. Except as hereinafter provided, the same shall be true in the case of trustees appointed by the court of common

pleas, unless the decree of court appointing them otherwise directs. Where in any case such trustees are equally divided upon the manner of voting the shares jointly held by them, it shall be lawful for the court of common pleas, upon petition filed by any of the trustees, or by any beneficiary, to direct the voting of such shares in the manner which, in the opinion of the court, will be for the best interests of the parties beneficially interested in the shares.

Section 508. Voting Shares Held by Corporation.—A corporation owning shares in another corporation may vote the same by its president, or by proxy appointed by him, unless some other person, by resolution of its board of directors, shall be appointed to vote such shares, in which case such person shall be entitled to vote the shares upon the production of a certified copy of such resolution. Shares of its own capital stock belonging to a corporation shall not be voted, directly or indirectly, at any meeting, and shall not be counted in determining the total number of outstanding shares for voting purposes at any given time, but shares of its own capital stock held by it in a fiduciary capacity may be voted and shall be counted in determining the total number of outstanding shares at any given time.

Section 509. Determination of Shareholders of Record.—Unless the by-laws otherwise provide, the board of directors may fix a time, not less than ten or more than forty days, prior to the date of any meeting of shareholders, or the date fixed for the payment of any dividend or distribution, or the date for the allotment of rights, or the date when any change or conversion or exchange of shares will be made or go into effect, as a record date for the determination of the shareholders entitled to notice of, and to vote at, any such meeting, or entitled to receive payment of any such dividend or distribution, or to receive any such allotment of rights, or to exercise the rights in respect to any such change, conversion, or exchange of shares. In such case, only such shareholders as shall be shareholders of record on the date so fixed shall be entitled to notice of, and to vote at, such meeting, or to receive payment of such dividend, or to receive such allotment of rights, or to exercise such rights, as the case may be, notwithstanding any transfer of any shares on the books of the corporation after any record date fixed, as aforesaid. The board of directors may close the books of the corporation against transfers of shares during the whole or any part of such period, and in such case written or printed notice thereof shall be mailed at least ten days before the closing thereof to each shareholder of record at the address appearing on the records of the corporation or supplied by him to the corporation for the purpose of notice. While the stock transfer books of the corporation are closed, no transfer of shares shall be made there-

on. Unless a record date is fixed by the by-laws or the board of directors for the determination of shareholders entitled to receive notice of, or vote at, a shareholders' meeting, transferees of shares which are transferred on the books of the corporation within ten days next preceding the date of such meeting shall not be entitled to notice of or to vote at such meeting.

Section 510. Voting Lists.—The officer or agent having charge of the transfer books for shares of a corporation shall make, at least five days before each meeting of shareholders, a complete list of the shareholders entitled to vote at the meeting, arranged in alphabetical order, with the address of and the number of shares held by each, which list shall be kept on file at the registered office of the corporation, and shall be subject to inspection by any shareholder at any time during usual business hours. Such list shall also be produced and kept open at the time and place of the meeting, and shall be subject to the inspection of any shareholder during the whole time of the meeting. The original share ledger or transfer book, or a duplicate thereof kept in this Commonwealth, shall be prima facie evidence as to who are the shareholders entitled to examine such list or share ledger or transfer book, or to vote, in person or by proxy, at any meeting of shareholders. An officer or agent having charge of the transfer books who shall fail to prepare the list of shareholders, or keep the same on file for a period of five days, or produce and keep the same open for inspection at any meeting, as provided in this section, shall be liable to any shareholder suffering damages on account of such failure, to the extent of such damages.

Section 511. Voting Trusts.—A. Two or more shareholders of any business corporation may, by agreement in writing, transfer their shares to any corporation or person for the purpose of vesting in the transferee or transferees all voting or other rights pertaining to such shares for a period not exceeding ten years, and upon the terms and conditions stated in the agreement.

B. The share certificates of shares so transferred shall be surrendered and cancelled, and new certificates therefor shall be issued to the transferee or transferees, as voting trustee or trustees, in which new certificates it shall appear that they are issued pursuant to the agreement. In the registration of the transfer of the shares on the books of the corporation it shall be noted that the transfer is made pursuant to the agreement. The trustee or trustees may execute and deliver to the transferors voting trust certificates, which shall be transferable in the same manner and with the same effect as certificates of shares, under the provisions of the Uniform Stock Transfer Act, approved the fifth day of May, one thousand nine hundred eleven (Pamphlet Laws, one hundred twenty-six), and its amendments and supplements, upon the transfer and registration of the shares. The trustee

or trustees shall possess all voting and other rights pertaining to the shares so transferred and registered, subject to the terms and conditions of, and for the period specified in, the agreement.

C. Unless otherwise provided in the agreement—

(1) The trustees may vote in person or by proxy.

(2) If there are two or more trustees, the manner of voting shall be determined as heretofore provided in this act for the voting of shares by joint holders.

(3) Vacancies among the trustees shall be filled by the remaining trustees.

(4) A trustee shall incur no responsibility as trustee except for his own individual neglect or malfeasance.

Section 512. Judges of Election.—A. In advance of any meeting of shareholders, the board of directors may appoint judges of election, who need not be shareholders, to act at such meeting or any adjournment thereof. If judges of election be not so appointed, the chairman of any such meeting may, and on the request of any shareholder or his proxy shall, make such appointment at the meeting. The number of judges shall be one or three. If appointed at a meeting on the request of one or more shareholders or proxies, the majority of shares present and entitled to vote shall determine whether one or three judges are to be appointed. No person who is a candidate for office shall act as a judge.

B. In case any person appointed as judge fails to appear or fails or refuses to act, the vacancy may be filled by appointment made by the board of directors in advance of the convening of the meeting, or at the meeting by the person or officer acting as chairman.

C. The judges of election shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum, the authenticity, validity, and effect of proxies, receive votes or ballots, hear and determine all challenges and questions in any way arising in connection with the right to vote, count and tabulate all votes, determine the result, and do such acts as may be proper to conduct the election or vote with fairness to all shareholders. The judges of election shall perform their duties impartially, in good faith, to the best of their ability, and as expeditiously as is practical. If there be three judges of election, the decision, act or certificate of a majority shall be effective in all respects as the decision, act or certificate of all.

D. On request of the chairman of the meeting, or of any shareholder or his proxy, the judges shall make a report in writing of any challenge or question or matter determined by them, and execute a certificate of any fact found by them. Any report or certificate made by them shall be prima facie evidence of the facts stated therein.

Section 513. Informal Action by Shareholders.—Except for the action required by this act for increasing the stated capital or indebtedness of a corporation, any action required by this act to be taken at a meeting of the shareholders of a corporation may be taken without a meeting, if a consent in writing, setting forth the action so taken, shall be signed by all of the shareholders who would be entitled to vote at a meeting for such purpose and shall be filed with the secretary of the corporation.

Section 514. Liability of Shareholders.—A. A shareholder of a business corporation shall not be personally liable for any debt or liability of the corporation, except salaries and wages due and owing to its laborers and employes, for services rendered to the corporation. In such event, every shareholder shall be personally liable in an amount equal to the value of the shares of the corporation owned by him, but no shareholder shall be so liable unless suit for the collection of such salaries and wages shall be brought against him within six months after the same shall become due. The term value, as used in this subsection, shall mean, in the case of shares with par value, the aggregate par value of such shares, and, in the case of shares without par value, the consideration received by the corporation on the original issue of such shares.

B. In any action brought to enforce the liability imposed by this section upon shareholders, the plaintiff may include as defendants the corporation and any one or more shareholders of such corporation claimed to be liable therefor. Service of summons or other process may be made upon the stockholders resident within such county in the same manner as writs of summons are now directed to be served, and upon those residing in other counties of this Commonwealth by the sheriff of the county in which they may respectively reside, and upon those nonresidents of this Commonwealth in such manner as the court may direct. If judgment be given in favor of the plaintiff for his claim, or any part thereof, the judgment shall be given against the corporation and any shareholders found liable. The execution upon such judgment shall be first levied on the property of the corporation within the Commonwealth, and in case such property, sufficient to satisfy the judgment, cannot be found, then execution shall be levied on the property of such shareholders for the deficiency, or so much thereof as the shareholder defendants in such judgment shall be liable to pay. The shareholders who satisfy any judgment, or any part thereof, shall be entitled to contribution from the corporation in the first instance, and if contribution is unobtainable from the corporation, then pro rata from the other solvent shareholders originally liable for the claims on which the judgment was obtained.

ARTICLE VI

SHARES OF CAPITAL STOCK

Section 601. Classes of Shares.—Every business corporation shall have power to create and issue one or more classes or kinds of shares, any or all of which classes or kinds may consist of shares with par value or shares without par value, with full, limited, or no voting rights, and with such designations, preferences, qualifications, privileges, limitations, options, conversion rights, and other special rights as shall be stated or authorized in the articles. Shares of a business corporation shall be deemed personal property. Except as otherwise provided by the articles, each share shall be in all respects equal to every other share. Unless the articles or by-laws otherwise provide, the board of directors shall have the power, by resolution duly adopted, to issue from time to time, in whole or in part, the kinds or classes of shares authorized in the articles. The power to increase or decrease, or otherwise adjust the stated capital of a corporation, as in this act elsewhere provided, shall apply to all or any such classes or kinds of shares authorized by this section.

Section 602. Issuance of Certain Shares in Series.—

A. If the articles so provide, the shares of any preferred or special class may be divided into and issued in series. If the shares of any such class are to be issued in series, then each series shall be so designated as to distinguish the shares thereof from the shares of all other series and classes. Any or all of the series of any such class and the variations in the relative rights and preferences, as between different series, may be fixed and determined by the articles, provided that all shares of the same class shall be identical except as to the following relative rights and preferences, in respect of any or all of which there may be variations between different series, namely, the rate of dividend, the price at, and the terms and conditions on, which shares may be redeemed, the amounts payable upon shares in event of voluntary or involuntary liquidation, sinking fund provisions for the redemption or purchase of shares, and the terms and conditions on which shares may be converted in the event the shares of any series are issued with the privilege of conversion. Different series of the same class of shares shall not be construed to constitute different classes of shares for the purpose of voting by classes under this act.

B. If the articles shall expressly vest authority in the board of directors, then, to the extent that the articles shall not have established series and fixed and determined the variations in the relative rights and preferences as between series, the board of directors shall have authority, by resolution, to divide any or all of such classes into series and, within the limitations set forth in this section, fix and determine the relative rights and preferences of

any series so established. Such authority of the board of directors shall be subject to such limitations, if any, as are stated in the articles, and shall always be subject to the limitation that the board of directors shall not create a sinking fund, in respect of any series, unless provision for a sinking fund, at least as beneficial to all issued and outstanding shares of the same class, shall either then exist or be at the same time created.

C. Prior to the issue of any shares of a series established by resolution adopted by the board of directors, the corporation shall present to the Department of State a statement, executed under the seal of the corporation, signed and verified by two duly authorized officers thereof, and setting forth:

(1) The name of the corporation.

(2) The resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof.

(3) The date and the manner of the adoption of such resolution.

If the Department of State finds that such statement conforms to law and the articles of the corporation, and when all fees have been paid as required by law, it shall endorse its approval thereon, shall file the statement, and shall issue to the corporation, or its representative, a copy of the approved statement. Upon the filing of such statement by the Department of State, the resolution establishing and designating the series and fixing and determining the relative rights and preferences thereof shall become effective.

Section 603. Consideration for Shares.—A. Shares of a business corporation shall not be issued except for money, labor done, or money or property actually received. Subscriptions for shares having a par value shall be made payable with money to an amount not less than the aggregate par value of the shares subscribed for or with consideration other than money, the fair value of which to the corporation is not less than the aggregate par value of the shares subscribed for. Subscriptions for shares having no par value, which are made before incorporation, shall be made payable with consideration of the character and value determined by the incorporators. Subscriptions for shares having no par value, which are made after incorporation, shall be made payable with consideration of the character and value determined by the shareholders at any annual or special meeting duly called and held for that purpose, or determined by the board of directors, acting under authority conferred by the shareholders or by the articles of the corporation. Shares of a corporation issued and thereafter acquired by it may be disposed of by the corporation for such consideration as may be fixed from time to time by the board of directors. For the purpose of determining whether shares have been fully paid for,

in order to fix the extent of the outstanding obligation of a shareholder to the corporation with respect to such shares, the value placed by the incorporators, the shareholders, or the board of directors, as the case may be, upon the consideration, other than cash, with which the subscriptions for shares are made payable, shall be conclusive.

B. The consideration for the issuance of shares as a share dividend shall be that part of the surplus of a business corporation which is hereinafter required by this act to be transferred to stated capital upon the issuance of such shares.

C. In the event of an exchange of issued shares having a par value for a different number of shares having the same aggregate par value, whether of the same or a different class or classes, or in the event of a conversion of shares, or in the event of an exchange of shares, with or without par value into the same or a different number of shares without par value, whether of the same or a different class or classes, the consideration for the shares so issued in exchange shall be deemed to be (1) the consideration originally received for the shares so exchanged or converted, and (2) that part of the surplus, if any, transferred to stated capital upon the issuance of shares for the shares so exchanged or converted, and (3) any additional consideration paid to the corporation upon the issuance of shares for the shares so exchanged or converted.

Section 604. Payment of Subscriptions for Shares.—Unless otherwise provided in the subscription agreement, subscriptions for shares, whether made before or after the organization of a corporation, shall be paid in full at such time, or in such installments and at such times, as shall be determined by the board of directors. Any call made by the board of directors for payment of subscriptions shall be uniform as to all shares of the same class, or as to all shares of the same series, as the case may be. The directors shall cause notice of the amount of any call, and of the time and place of payment, to be given at least thirty days before the date the call is due, either personally or by mail addressed to each shareholder at his last address, as it appears on the books of the corporation. If a shareholder be indebted to a business corporation on account of unpaid subscriptions for shares, the corporation shall have a lien upon such shares for such indebtedness. Shares for which the agreed consideration has been paid, delivered, or rendered to the corporation shall be fully paid shares and non-assessable. No note or obligation given by a shareholder, whether secured by pledge or otherwise, shall be considered as payment, in whole or in part, of any shares of a business corporation.

Section 605. Defaults in Payment of Consideration for Shares.—When any shareholder fails to pay any

call upon his shares properly made by the directors, at the time when such payment is due, the directors may proceed to collect the amount due in the same manner as any debt due the corporation, or they may sell, at public sale, such part of the shares of the delinquent shareholder as will pay all or any part of the installments then due from him, with interest and all incidental expenses, and transfer the shares so sold to the purchaser, who shall be entitled to a certificate therefor. Notice of the time and place of such sale, and of the sum due on each share, shall be given by advertisement, once a week for two consecutive weeks next preceding the date fixed for the sale, in a newspaper of general circulation published in the county where the corporation has its registered office and in the legal newspaper, if any, designated by the rules of court for the publication of legal notices in such county, or, if there be no newspaper of general circulation published in such county, then in a newspaper of general circulation in such county, and such notice shall be mailed by the treasurer of the corporation to the delinquent shareholder, at his last known post office address, at least twenty days before the date fixed for such sale. If no bidder can be had to pay the amount due on the shares, or if the amount is not collected by an action at law brought within the county where such corporation has its registered office, the shares shall be forfeited to the corporation, and the amount previously paid in by the delinquent shareholder on the shares shall be forfeited to the corporation. Such shares, if forfeited, may be reissued or reoffered for subscription by the corporation. No share shall be voted at any meeting upon which any installment is due and unpaid.

Section 606. Expenses of Organization, Reorganization, and Financing.—The reasonable charges and expenses of organization or reorganization of a corporation, and reasonable compensation for the sale or underwriting of its shares, may be paid or allowed by such corporation, out of the consideration received by it in payment for its shares, without thereby rendering such shares not full paid and non-assessable.

Section 607. Share Certificates.—A. The shares of a corporation shall be represented by share certificates, which shall state:

(1) That the corporation is organized under the laws of this Commonwealth.

(2) The name of the registered holder of the shares represented thereby.

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

(4) The par value of each share represented, or a statement that the shares are without par value.

(5) If the corporation is authorized to issue shares of more than one class, the designations, preferences, voting power, qualifications, privileges, limitations, options, conversion rights, and other special rights of the shares of each class to be issued, which shall be stated in full or in the form of a summary, either upon the face or back of the certificate.

(6) If the corporation is authorized to issue any preferred or special class in series, the variations and the relative rights and preferences between the shares of each series, so far as they have been fixed and determined, and the authority of the board of directors to fix and determine the relative rights and preferences of subsequent series.

B. Every share certificate shall be signed by the president and secretary, or by such officers as the by-laws may provide, and sealed with the corporate seal, which may be a facsimile, engraved or printed, but where such certificate is signed by a transfer agent or by a transfer clerk of such corporation and a registrar, the signature of any corporate officer upon such certificate may be a facsimile, engraved or printed. In case any officer who has signed, or whose facsimile signature has been placed upon any share certificate shall have ceased to be such officer because of death, resignation, or otherwise, before the certificate is issued, it may be issued by the corporation with the same effect as if the officer had not ceased to be such at the date of its issue.

C. A share certificate representing shares without par value shall not state any par value, nor any value thereof in money, nor any right of dividend to which such shares shall be entitled, in terms of a percentage of any par or other value, but preferences, rights, limitations, privileges and restrictions may be stated thereon in dollars and cents per share.

D. Every shareholder of record shall be entitled to a share certificate representing the shares owned by him, but a share certificate shall not be issued by a corporation until the shares represented thereby have been fully paid for.

Section 608. Issuance of Fractional Shares or Scrip. —A corporation may issue a certificate for a fractional share, and, by action of its board of directors, may issue in lieu thereof scrip or other evidence of ownership, in bearer form or in the name of the holder, which shall entitle the bearer or holder to receive a certificate for a full share upon the surrender of such scrip or other evidence of ownership aggregating a full share, but which shall not, unless otherwise provided, entitle the bearer or holder to exercise any voting right, or to receive dividends, or to participate in any of the assets of the corporation in the event of liquidation. The board of directors may cause such scrip or evidence of ownership to be issued subject to the condition that it shall become

void if not exchanged for share certificates before a specified date, or subject to the condition that the shares for which such scrip or evidence of ownership is exchangeable may be sold by the corporation and the proceeds thereof distributed to the bearers or holders of such scrip or evidence of ownership, or subject to any other conditions which the board of directors may deem advisable.

Section 609. Liability of Subscribers and Shareholders.—A subscriber to, or holder of, shares of a corporation formed under this act shall not be under any liability to the corporation with respect to such shares, other than the obligation of complying with the terms of the subscription for such shares. Any person becoming an assignee or transferee of shares, or of a subscription for shares, in good faith and without knowledge or notice that the full consideration therefor has not been paid, shall not be personally liable to the corporation or its creditors for any unpaid portion of such consideration. No person holding shares as executor, administrator, guardian, trustee, receiver, or in any other representative or fiduciary capacity, shall be personally liable as a shareholder by reason of so holding such shares, but the estate and funds in the hands of such fiduciary or representative shall be so liable. No pledgee or other holder of shares as collateral security shall be personally liable as a shareholder, but the person pledging such shares shall be considered the holder thereof and shall be liable as a shareholder.

Section 610. Validity of Shares.—The fact that shares are issued in violation of, or without full compliance with, the provisions of this act shall not make the shares so issued invalid, unless they are issued in violation of Article XVI, Section seven, of the Constitution of this Commonwealth.

Section 611. Preëmptive Rights of Shareholders.—Unless otherwise provided in its articles, a business corporation may issue shares, option rights or securities having conversion or option rights, without first offering them to shareholders of any class or classes. Shares which have been offered to shareholders having a preëmptive right thereto, at a price and upon terms duly fixed, and which have not been subscribed for by them within the time duly fixed by the articles or the board of directors, may be thereafter offered for subscription to any person or persons at a price and upon terms not more favorable than those at which they were offered to such shareholders.

Section 612. Employes' Share Purchase Plan.—Unless otherwise provided in its articles, every business corporation may provide and carry out a plan for the issue and sale of its authorized but unissued shares to its employes, or to the employes of any subsidiary corporation, or to a trustee on their behalf, without first offering

such shares to its shareholders, upon such terms and conditions, and in such manner as shall be provided in the by-laws, except that shares subject to preemptive rights may be so issued and sold under such plan only with the written consent or affirmative vote of the holders of two-thirds of the shares entitled to exercise preemptive rights with respect thereto.

Section 613. Transfer of Share Certificates and Shares.—A. The transfer of share certificates and the shares represented thereby may be regulated by the by-laws, provided such by-laws are not inconsistent with the provisions of the Uniform Stock Transfer Act, approved the fifth day of May, one thousand nine hundred eleven (Pamphlet Laws, one hundred twenty-six), and its amendments and supplements.

B. A business corporation may open a share register in any state of the United States, and may employ an agent or agents to keep such register and to record therein transfer of shares in this, or in other states, or both. The acts of such agents shall be binding on the corporation, and their duties and liabilities shall be such as may be agreed to by the corporation.

Section 614. Stated Capital and Paid-in Surplus.—Every business corporation shall have a stated capital, which shall consist of the aggregate par value of all its issued shares having a par value, and the aggregate amount of value of the agreed consideration received for all its issued shares without par value, unless the board of directors, by resolution, and subject to the limitations hereinafter contained in this section, shall determine, (a) before or at the time of issue of any shares of the corporation issued for cash, or, (b) within sixty days after the issuance of any shares issued for labor or services actually performed for the corporation or issued for property other than cash, that only a part of the consideration for shares so issued shall be stated capital, and that the remainder of the consideration so received shall be paid-in surplus. In the event of any such determination—

(1) If the shares to be issued shall consist wholly of shares having a par value, then the stated capital represented by such shares shall be the aggregate par value of the shares so to be issued.

(2) If the shares to be issued shall consist wholly of shares without par value, all of which shares have a preferential right in the assets of the corporation in the event of involuntary liquidation, then the stated capital represented by such shares shall be not less than the aggregate amount of value of the agreed consideration to be received for such shares.

(3) If the shares to be issued consist wholly of shares without par value, and none of such shares has a preferential right in the assets of the corporation in the event of its involuntary liquidation, then the stated capital

represented by such shares shall be the total consideration received therefor less such part thereof as may be allocated to paid-in surplus.

(4) If the shares to be issued shall consist of several or all of the classes of shares enumerated above, then the stated capital to be represented by such shares shall be not less than the aggregate par value of any shares to be issued having a par value, and the aggregate amount of value of the agreed consideration to be received for any shares to be issued without par value having a preferential right, in the event of involuntary liquidation.

In each such case, the resolution of the board of directors shall specify, in dollars, the part of such consideration which shall be stated capital. Every business corporation shall at all times keep its books in such manner as to indicate clearly the allocation of consideration received for shares between stated capital and paid-in surplus. The stated capital of the corporation may be increased from time to time by resolution of the board of directors, directing that all or a part of the surplus of the corporation be transferred to stated capital. The board of directors may direct that the amount of the surplus so transferred shall be deemed to be stated capital in respect of any designated class of shares.

ARTICLE VII

DIVIDENDS, REDEMPTION OF SHARES, AND REDUCTION OF STATED CAPITAL

Section 701. Directors May Declare Dividends.—A. Subject to any restrictions contained in the articles of the corporation and the provisions of this article, any business corporation, by its board of directors, may declare and pay dividends upon the outstanding shares of the corporation out of its surplus, as hereinafter provided, from time to time and to such extent as the board of directors may deem advisable. Dividends may be paid in cash, in property, or in shares of the corporation, but no corporation shall pay dividends:

(1) In cash or property, except from the surplus of the aggregate of its assets over the aggregate of its liabilities, including in the latter the amount of its stated capital, after deducting from such aggregate of its assets the amount by which such aggregate was increased by unrealized appreciation in value or revaluation of fixed assets.

(2) In shares of the corporation, except from the surplus of the aggregate of its assets over the aggregate of its liabilities, including in the latter the amount of its stated capital.

B. In computing the aggregate of the assets of the corporation, the board of directors shall determine and

make proper allowance for depreciation and depletion sustained, and losses of every character, except as otherwise provided in this section. Deferred assets and pre-paid expenses shall be written off at least annually in proportion to their use, as may be determined by the board of directors. Amounts of surplus arising from an unrealized appreciation or revaluation of fixed assets shall be shown on the books of the corporation as a separate item apart from surplus profits or paid-in surplus.

C. A corporation engaged solely or substantially in the exploitation of mines, oil wells, gas wells, patents, or other wasting assets, or organized solely or substantially to liquidate specific assets, need not make any deduction for the depletion of such assets by lapse of time, consumption, liquidation, or exploitation in computing the fund available for dividends, and such a corporation may pay dividends from the net profits arising from its business without deduction of such depletion, subject, however, to the rights of shareholders of different classes.

Section 702. Additional Limitations on Cash or Property Dividends.—Cash or property dividends shall not be paid out of surplus due to or arising from:

- (1) Any profit on treasury shares before resale; or
- (2) Any unrealized profits due to increase in valuation of inventories before sale; or
- (3) The accrued portion of unrealized profits on notes, bonds, or obligations for the payment of money purchased or acquired at a discount; or
- (4) The unaccrued or unearned portion of any unrealized profit in any form whatever, whether in the form of notes, bonds, obligations for the payment of money, installment sales, credits, or otherwise.

Section 703. Limitations on Dividends Payable in Shares.—Dividends in shares of the corporation may be payable in shares with or without par value. If a dividend is declared payable in shares having a par value, such shares shall be issued at the par value thereof, and there shall be transferred to stated capital at the time such dividend is declared an amount of surplus equal to the aggregate par value of the shares to be issued as a dividend. If a dividend is declared payable in shares having no par value, such shares shall be issued at such value as shall be fixed by the board of directors by resolution at the time such dividend is declared, and there shall be transferred to stated capital at the time such dividend is declared an amount of surplus equal to the aggregate value so fixed in respect to such shares. For the purpose of determining whether shares have been fully paid for, in order to fix the extent of the outstanding obligation of a shareholder to the corporation with respect to such shares, the value placed by the board of directors upon the corporate assets in estimating the surplus to be transferred to stated capital as

payment for shares issued as a share dividend shall be conclusive. Shares issued as share dividends shall be fully paid shares and non-assessable. No dividend payable in shares of any class shall be paid to shareholders of any other class, unless the articles so provide, or such payment is authorized by the vote of the holders of a majority of the shares of the class in which the payment is to be made. A split-up or division of issued shares into a greater number of shares of the same class shall not be construed to be a share dividend within the meaning of this section.

Section 704. Dividends Payable Out of Paid-in Surplus.—Dividends may be paid out of paid-in surplus only upon shares having a preferential right to receive dividends, provided, that the source of such dividends shall be disclosed to the shareholders entitled thereto, prior to or concurrently with the payment of such dividends.

Section 705. Redemption and Cancellation of Shares.—A. Whenever any business corporation shall have issued any shares which are subject to redemption and cancellation, it may, by resolution of its board of directors, redeem and cancel such shares for consideration not in excess of that provided in the articles. Such corporation may apply to such redemption an amount out of its stated capital which shall not be greater than that portion of the stated capital represented by such shares at the time of such redemption, and the stated capital of the corporation shall be deemed to be reduced to this extent. No redemption of shares shall be made which will reduce the remaining assets of the corporation below an amount sufficient to pay all debts and known liabilities of the corporation as they mature, except such debts and liabilities as have been otherwise adequately provided for, or which will reduce the net assets below the aggregate amount payable to the holders of shares having prior or equal rights to the assets of the corporation upon dissolution.

B. In every such case, a statement of redemption and cancellation shall be executed under the seal of the corporation, signed and verified by two duly authorized officers thereof, which shall set forth:

(1) The name of the corporation and the address of its registered office.

(2) The aggregate number of shares which the corporation had authority to issue, itemized by classes and series.

(3) The number of shares redeemed and cancelled, itemized by classes and series.

(4) The number of shares which the corporation has authority to issue, itemized by classes and series, after giving effect to the redemption and cancellation.

(5) A statement of the aggregate number of issued

shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class, after giving effect to such redemption and cancellation.

(6) A statement, expressed in dollars, of the amount of the stated capital and the amount of paid-in surplus of the corporation, after giving effect to such redemption and cancellation.

C. The statement shall be delivered to the Department of State, either prior to or within thirty days after the date of such redemption and cancellation. If the Department of State finds that the statement conforms to law, it shall endorse its approval thereon, shall file the statement, and shall issue to the corporation, or its representative, a copy of the approved statement. The filing of such statement shall operate as an amendment to the articles of the corporation and shall reduce the number of shares of the class so redeemed which the corporation is authorized to issue by the number of the shares so redeemed and cancelled. Nothing contained in this section shall be construed to prohibit a reduction of authorized capital stock or a reduction of stated capital in any other manner permitted by this act.

Section 706. Reduction of Stated Capital Without Change in Share Structure.—A. A reduction in the stated capital of a corporation which does not involve an exchange, reclassification, or cancellation of shares, or a reduction of the number of authorized shares of any class below the number of issued shares of that class, or a redemption and cancellation of shares, may be effected in the manner hereinafter provided in this section. The board of directors of the corporation shall adopt a resolution setting forth the amount of the proposed reduction and the manner in which the reduction shall be effected, and directing that the question of such reduction be submitted to a vote at an annual meeting of the shareholders, or at a special meeting of the shareholders entitled to vote thereon. Written notice, stating that the purpose, or one of the purposes of such meeting, is to consider the question of reducing the stated capital of the corporation, shall be given to each shareholder of record entitled to vote thereon within the time, and in the manner, prescribed in this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in a notice of such annual meeting. The resolution shall be adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed resolution for reduction of stated capital shall require for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares of each class entitled to vote as a class thereon, and at least

the affirmative vote of the holders of a majority of all outstanding shares entitled to vote thereon.

B. Upon the approval of the resolution by the shareholders, a statement shall be executed under the seal of the corporation, signed and verified by at least two duly authorized officers thereof, which shall set forth:

(1) The name of the corporation and the address of its registered office.

(2) The number of shares outstanding, the number of shares entitled to vote in respect of such reduction, and, if the shares of any class are entitled to vote as a class, the number of shares of such class and the number of shares of all other classes entitled to vote thereon.

(3) The number of shares voted for and against such reduction, respectively, and, if the shares of any class are entitled to vote as a class, the number of shares of each such class and the number of shares of all other classes voted for and against such reduction, respectively.

(4) A statement, expressed in dollars, of the amount of stated capital and the amount of paid-in surplus of the corporation adjusted to give effect to such resolution.

C. The statement shall be filed with the Department of State. If the Department of State finds that such statement conforms to law, it shall endorse its approval thereon, shall file the statement, and shall issue to the corporation, or its representative, a copy of the approved statement. Upon the filing of such statement, the reduction shall be effective.

Section 707. Liability for Unlawful Dividends and Distributions.—The directors of a business corporation shall not declare or pay dividends, or authorize or ratify the withdrawal or distribution of any part of its assets to shareholders, except as authorized in this act. If any dividend shall be paid, or if any withdrawal or distribution of the corporate assets shall be made, except as provided in this act, the directors under whose administration the same were made, except those who shall have caused their dissent therefrom to be entered on the minutes of the meeting at which such action was authorized, or who being absent at the time shall have promptly filed their written objection thereto with the secretary of the corporation upon learning of such action, shall be jointly and severally liable to the corporation in an amount equal to the amount of the unlawful dividend or the unlawful withdrawal or distribution of assets. Any director against whom a claim shall be asserted under or pursuant to this section, and who shall be held liable thereon, shall be entitled to a contribution from the other directors who are likewise liable thereon, pro rata, according to the number of such directors. Any two or more directors may be sued in the same action.

ARTICLE VIII

AMENDMENT OF ARTICLES

Section 801. Amendment of Articles Authorized.—A business corporation, in the manner hereinafter provided in this article, may from time to time amend its articles:

(1) To adopt a new name, subject to the restrictions heretofore provided in this act;

(2) To modify any provision thereof limiting its term of existence by increasing such term, or to remove such provision and provide for perpetual existence;

(3) To change, add to, or diminish its powers or purposes, or to set forth different or additional powers or purposes;

(4) To increase or diminish its authorized capital stock, or to reclassify the same by changing the number, par value, designations, preferences, or relative, participating, optional or other special rights of the shares, or the qualifications, limitations, or restrictions of such rights, or by changing shares with par value into shares without par value, or shares without par value into shares with par value, either with or without increasing or decreasing the number of shares; and in any and as many other respects as desired, provided that the articles, as so amended, would be authorized by this act as original articles of incorporation.

Section 802. Proposal of Amendments. — Every amendment to the articles shall first be proposed by the board of directors by the adoption of a resolution setting forth the proposed amendment and directing that it be submitted to a vote of the shareholders entitled to vote thereon at a designated meeting, which may be either an annual meeting of the shareholders or a special meeting of the shareholders entitled to vote on the amendment. The resolution shall contain the language of the proposed amendment to the articles by providing that the articles shall be amended so as to read as therein set forth in full, or that any provision thereof be amended so as to read as therein set forth in full, or that the matter stated in the resolution be added to or stricken from the articles.

Section 803. Notice of Shareholders' Meetings.—Written notice shall, not less than ten days before the shareholders' meetings called by the board of directors for the purpose of considering proposed amendments, be given to each shareholder of record, except the written notice of any proposed amendment for increasing the authorized capital stock of the corporation shall be given to each shareholder of record at least sixty days before such meeting. Such notice shall set forth the proposed amendment or a summary of the changes to be effected thereby.

Section 804. Shares Entitled to Vote on Amendments.—Except as hereinafter provided, only the holders

of outstanding shares who, under the articles are entitled to vote on proposed amendments to the articles of the corporation, shall be entitled to vote thereon. If a proposed amendment would authorize the board of directors to fix and determine the relative rights and preferences, as between series, of any preferred or special class, or would revoke the authority of the board of directors to do so, then the holders of the outstanding shares of any such class shall be entitled to vote in respect to such amendment. If a proposed amendment would make any change in the preferences, qualifications, limitations, restrictions, or special or relative rights of the shares of any class, or increase or decrease the par value or the authorized number of shares of any class, or limit or deny the existing preëmptive rights of the shares of any class, or authorize a new class of shares, senior or superior in any respect to the shares of any class then authorized, or increase the number of authorized shares of any class, senior or superior in any respect to the shares of any class then authorized, the holders of the outstanding shares of the class or classes affected adversely by the proposed amendment shall be entitled to vote as a class on such amendment regardless of any limitations stated in the articles on the voting rights of such class or classes.

Section 805. Adoption of Amendments by Shareholders.—A vote of the shareholders entitled to vote on a proposed amendment shall be taken at the annual or special meeting of which notice for that purpose has been duly given. Unless the articles require a greater vote, the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote thereon, unless any class of shares is entitled to vote thereon as a class, in which event the proposed amendment shall be adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares in each class of shares entitled to vote as a class thereon, and the affirmative vote of the holders of at least a majority of all outstanding shares entitled to vote thereon. Any number of amendments may be submitted to the shareholders and voted upon by them at one meeting.

Section 806. Articles of Amendment.—After an amendment has been adopted by the shareholders, articles of amendment shall be executed under the seal of the corporation and verified by two duly authorized officers of the corporation, and shall set forth:

(1) The name and location of the registered office of the corporation.

(2) The act of Assembly under which the corporation was formed, and the date when and the place where the original articles were recorded.

(3) The time and place of the meeting of the shareholders of the corporation at which the amendment was adopted, and the kind and period of notice given to the shareholders.

(4) The number of shares outstanding, the number of shares entitled to vote on the amendment, and, if the shares of any class are entitled to vote as a class, then the number of shares of each class and the number of shares of all other classes entitled to vote thereon.

(5) The number of shares voted for and against such amendment, respectively, and if shares of any class are entitled to vote as a class, the number of shares of such class and the number of shares of all other classes voted for and against such amendment, respectively.

(6) The amendment adopted by the shareholders, which shall be set forth in full.

(7) If the total number of shares is to be increased or decreased, the total number of shares, including those previously authorized, which the corporation will thenceforth be authorized to have, the number of shares that have a par value thereof and the number of shares that have no par value, and, if shares are divided into more than one class, a description of the classes and a statement of the number of shares in each class and of the relative rights, voting powers, preferences, and restrictions granted to or imposed upon the shares of each class.

Section 807. Advertisement.—The corporation shall advertise its intention to file articles of amendment with the Department of State in a manner similar to that heretofore prescribed in this act in the case of the formation of a business corporation. Advertisements shall appear at least three days prior to the day upon which the articles of amendment are presented to the Department of State, and shall set forth briefly:

(1) The name and location of the registered office of the corporation.

(2) A statement that the articles of amendment are to be filed under the provisions of this act.

(3) The nature and character of the proposed amendment.

(4) The time when the articles of amendment will be filed with the Department of State.

Section 808. Filing of Articles of Amendment.—The articles of amendment, and proof of the advertisement heretofore required in this article, shall be delivered by the corporation, or its representative, to the Department of State. If the Department of State finds that such articles conform to law, it shall forthwith, but not prior to the day specified in the advertisement required by the preceding section, endorse its approval thereon, and when all bonus, fees, taxes and charges have been paid, as required by law, shall file the articles and issue

to the corporation, or its representative, a certificate of amendment, to which shall be attached a copy of the approved articles.

Section 809. Effective Date of Amendment.—Upon the issuance of the certificate of amendment by the Department of State, the amendments shall become effective and the articles of incorporation shall be deemed to be amended accordingly. The certificate of amendment shall be conclusive evidence of the performance of all conditions required in this act in proceedings to amend the articles of incorporation, except as against the Commonwealth. No amendment shall affect any existing cause of action in favor of or against the corporation, or any pending suit in which the corporation shall be a party, or the existing rights of persons other than shareholders; and, in the event the corporate name shall be changed by the amendment, no suit brought by or against the corporation under its former name shall be abated for that reason.

ARTICLE IX

MERGER AND CONSOLIDATION

Section 901. Merger and Consolidation Authorized.—A. Any two or more domestic business corporations, or any one or more foreign business corporations, may, in the manner hereinafter provided in this article, be merged into one of such domestic business corporations, hereinafter designated as the surviving corporation, or consolidated into a new corporation to be formed under this act, provided such foreign business corporations are authorized by the law or laws of the jurisdiction under which they were formed to effect such merger or consolidation.

B. Any one or more domestic business corporations, and any one or more foreign business corporations, may, in the manner hereinafter provided in this act, be merged into one of such foreign business corporations, hereinafter designated as the surviving corporation, or consolidated into a new corporation to be formed under the law or laws of the jurisdiction under which one of the foreign business corporations was formed, provided the laws of such jurisdiction authorize such merger or consolidation.

Section 902. Approval of Joint Plan of Merger or Consolidation.—A. The board of directors of each of the corporations which desire to merge or consolidate shall, by resolution adopted by at least a majority vote of all the members of each board, approve a joint plan of merger or consolidation, as the case may be, setting forth the terms and conditions of the merger or consolidation and mode of carrying the same into effect, the manner and basis of converting the shares of each corporation into shares or other securities or obligations of

the surviving or new corporation, as the case may be, and such other details and provisions as are deemed necessary.

B. The board of directors of each corporation, upon approving such plan of merger or plan of consolidation, shall, by resolution, direct that the plan be submitted to a vote of the shareholders of such corporation entitled to vote thereon at an annual or special meeting of the shareholders. Written notice shall, not less than ten days before such annual or special meeting, be given to each shareholder of record of such corporation, whether or not entitled to vote on such plan, unless the plan of merger or plan of consolidation contemplates an increase in the aggregate of the authorized capital stock of the constituent corporations, in which event, sixty days' notice of such meeting shall be given to each shareholder. The notice shall state the place, day, hour, and purpose of the meeting, and a copy or a summary of the plan of merger or plan of consolidation, as the case may be, shall be included in or enclosed with such notice.

C. The plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least the majority of the outstanding shares entitled to vote thereon of each of the merging or consolidating corporations, unless any class of shares of any of such corporations is entitled to vote thereon as a class, in which event, as to such corporation, the plan of merger or consolidation shall be approved upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares of each class of shares entitled to vote thereon as a class, and the affirmative vote of the holders of at least a majority of all outstanding shares entitled to vote thereon.

Section 903. Articles of Merger or Consolidation.— Upon the approval of the plan of merger or the plan of consolidation by the shareholders of the corporations desiring to merge or consolidate, articles of merger or articles of consolidation, as the case may be, shall be executed under the seal of each corporation, signed and verified by two duly authorized officers of each corporation, and shall set forth:

(1) The name and the location of the registered office of the surviving or new corporation.

(2) The time and place of the meeting of the shareholders of each corporation at which the plan of merger or consolidation, as the case may be, was adopted, the kind and period of notice given to the shareholders, and the total vote by which the plan was adopted.

(3) Any changes desired to be made in the articles of the surviving corporation in the case of a merger, or, in the case of a consolidation, all of the statements required by this act to be set forth in original articles in the case of the formation of a corporation.

(4) The number, names and addresses of the persons to be the first directors of the surviving or new corporation.

(5) The plan of merger or consolidation.

Section 904. Advertisement.—The corporation shall advertise its intention to file articles of merger or articles of consolidation, as the case may be, with the Department of State, in a manner similar to that heretofore prescribed in this act in the case of the formation of a business corporation. Advertisements shall appear at least three days prior to the day on which the articles of merger or articles of consolidation are presented to the Department of State, and shall set forth briefly:

(1) The name and the location of the registered office of each of the corporations intending to merge or consolidate.

(2) The name and the location of the proposed registered office of the surviving or new corporation.

(3) A statement that the articles of merger or consolidation are to be filed under the provisions of this act.

(4) The purpose or purposes of the surviving or new corporation.

(5) The time when the articles of merger or consolidation will be delivered to the Department of State.

Section 905. Filing of Articles of Merger or Consolidation.—The articles of merger or articles of consolidation, as the case may be, and proof of the advertisement required by the preceding section, shall be delivered to the Department of State. If the Department of State finds that such articles conform to law, it shall forthwith, but not prior to the day specified in the advertisement required by the preceding section, endorse its approval thereon, and when all bonus, fees, taxes and charges have been paid, as required by law, shall file the articles and issue to the corporation, or its representative, a certificate of merger or a certificate of consolidation, as the case may be, to which shall be attached a copy of the approved articles.

Section 906. Effective Date of Merger or Consolidation.—Upon the issuance of the certificate of merger or the certificate of consolidation by the Department of State, the merger or consolidation shall be effective. The certificate of merger or the certificate of consolidation shall be conclusive evidence of the performance of all conditions precedent to such consolidation or merger and the creation or existence of a new or surviving corporation, except as against the Commonwealth. The merger or consolidation of one or more domestic corporations into a foreign corporation shall be effective according to the provisions of law of the jurisdiction in which such foreign corporation was formed, but not until articles of merger or articles of consolidation have been adopted and filed, as heretofore provided in this act.

Section 907. Effect of Merger or Consolidation.—Upon the merger or consolidation becoming effective, the several corporations parties to the plan of merger or consolidation shall be a single corporation which, in the case of a merger, shall be that corporation designated in the plan of merger as the surviving corporation, and, in the case of a consolidation, shall be the new corporation provided for in the plan of consolidation. The separate existence of all corporations parties to the plan of merger or consolidation shall cease, except that of the surviving corporation, in the case of a merger. The surviving or new corporation, as the case may be, shall not thereby acquire authority to engage in any business or exercise any right which a corporation may not be formed under this act to engage in or exercise. All the property, real, personal, and mixed, of each of the corporations parties to the plan of merger or consolidation, and all debts due on whatever account to any of them, including subscriptions to shares and other choses in action belonging to any of them, shall be taken and deemed to be transferred to and vested in the surviving or new corporation, as the case may be, without further act or deed. The surviving or new corporation shall thenceforth be responsible for all the liabilities and obligations of each of the corporations so merged or consolidated, but the liabilities of the merging or consolidating corporations, or of their shareholders, directors, or officers, shall not be affected, nor shall the rights of the creditors thereof or of any persons dealing with such corporations, or any liens upon the property of such corporations, be impaired by such merger or consolidation, and any claim existing or action or proceeding pending by or against any of such corporations may be prosecuted to judgment as if such merger or consolidation had not taken place, or the surviving or new corporation may be proceeded against or substituted in its place. In the case of a merger, the articles of incorporation of the surviving corporation shall be deemed to be amended to the extent, if any, that changes in its articles are stated in the articles of merger; and in the case of a consolidation, the statements set forth in the articles of consolidation, and which are required or permitted to be set forth in the articles of incorporation of corporations formed under this act, shall be deemed to be the articles of incorporation of the new corporation. The aggregate amount of the net assets of the merging or consolidating corporations which was available for the payment of dividends immediately prior to such merger or consolidation, to the extent that the value thereof is not transferred to stated capital by the issuance of shares or otherwise, shall continue to be available for the payment of dividends by such surviving or new corporation.

Section 908. Rights of Dissenting Shareholders.—A. If any shareholder of a corporation which becomes a

party to a plan of merger or consolidation shall file with such corporation, prior to or at the meeting of shareholders at which the plan of merger or consolidation is submitted to a vote, a written objection to such plan of merger or consolidation, and shall not vote in favor thereof, and such shareholder, within twenty days after the merger or consolidation was effected, shall make written demand on the surviving or new corporation for the payment of the fair value of his shares as of the day prior to the date on which the vote was taken approving the merger or consolidation, without regard to any depreciation or appreciation thereof in consequence of the merger or consolidation, the surviving or new corporation shall pay to such shareholder the fair value of his shares upon surrender of the share certificate or certificates representing his shares. The demand of the shareholder shall state the number and class of the shares owned by him. Any shareholder failing to file such written objection or make demand within the twenty-day period shall be conclusively presumed to have consented to the merger or consolidation, and shall be bound by the terms thereof. If within thirty days after the date on which such merger or consolidation was effected the value of such shares shall be agreed upon between the dissenting shareholder and the surviving or new corporation, payment thereof shall be made in cash within ninety days after the date on which such merger or consolidation was effected, upon the surrender of the share certificate or certificates representing his shares. Upon payment of the agreed value, the dissenting shareholder shall cease to have any interest in such shares or in the corporation.

B. If within such period of thirty days the shareholder and the surviving or new corporation do not so agree, then the dissenting shareholder may, within sixty days after the expiration of the thirty-day period, apply, by petition to the court of common pleas, in equity, within the county in which the registered office of the surviving or new corporation is situated, for the appointment by the court of three disinterested persons to appraise the fair value of his shares without regard to any depreciation or appreciation thereof in consequence of the merger or consolidation. The award of the appraisers, or of a majority of them, shall be submitted to the court for determination, and the judgment of the court thereon shall be final and conclusive. The costs of such appraisal, including a reasonable fee to the appraisers, shall be fixed by the court, and shall be borne by the surviving or new corporation unless, in the opinion of the court, the action of any shareholder in refusing the offer of the corporation has been arbitrary, vexatious, or in bad faith, in which case the costs shall be assessed in the discretion of the court. The

award shall be payable only upon, and simultaneously with, the surrender to the surviving or new corporation of the share certificate or certificates representing the shares of the dissenting shareholder. If the award shall not be paid by the surviving or new corporation within thirty days after the order of the court thereon, the amount of the award shall be a judgment against the surviving or new corporation, as the case may be, and may be collected as other judgments in such court are by law collectible. Upon the payment of the award or judgment, the dissenting shareholder shall cease to have any interest in such shares or in the surviving or new corporation. Such shares may be held and disposed of by the surviving or new corporation as it may see fit. Unless the dissenting shareholder shall file a petition within the time herein limited, such shareholder and all persons claiming under him shall be conclusively presumed to have approved and ratified the merger or consolidation, and shall be bound by the terms thereof.

ARTICLE X

FOREIGN BUSINESS CORPORATIONS

Section 1001. Admission of Foreign Business Corporations.—A foreign business corporation, before doing any business in this Commonwealth, shall procure a certificate of authority to do so from the Department of State, in the manner hereinafter provided in this article, unless the entire business operations of the corporation within this Commonwealth are within the protection of the Commerce Clause of the Federal Constitution, in which event the corporation may engage in such business operations without procuring a certificate of authority. A foreign business corporation shall not be denied a certificate of authority by reason of the fact that the laws of the state or country governing its organization and internal affairs differ from the laws of this Commonwealth, and nothing in this act contained shall be construed to authorize this Commonwealth to regulate the organization or the internal affairs of such corporation.

Section 1002. Restrictions on Admission of Foreign Business Corporations.—The Department of State shall not issue a certificate of authority to any foreign business corporation:

(1) If the application for the certificate of authority, hereinafter required by this article to be filed, sets forth any kind of business for the transaction of which a domestic business corporation could not be formed under the laws of the Commonwealth.

(2) The name of which is not expressed in English letters or characters, or does not contain the word "corporation," "company," or "incorporated," or end with an abbreviation of one of such words, as provided in this act in the case of domestic business corporations,

unless such corporation, for use in this Commonwealth, expresses its name in English letters or characters, and includes in or adds to the end of its name one of such words or an abbreviation thereof, in the manner heretofore provided in this act.

(3) Which has a name the same as or deceptively similar to the name of any domestic corporation or any other foreign corporation authorized to do business in this Commonwealth, or the name of any unincorporated body voluntarily registered with the Department of State under any act of Assembly, unless such other domestic or foreign corporation or unincorporated body is about to change its name, or to cease to do business, or is being wound up, or such foreign corporation is about to withdraw from doing business in this Commonwealth, and the written consent of such other domestic or foreign corporation or unincorporated body to the adoption of its name or a deceptively similar name has been given and is filed with the statement hereinafter required by this act: Provided, That nothing herein contained shall be construed to refer or apply to any assumed or fictitious name required by law to be filed with the Department of State.

(4) Which has a name the same as, or deceptively similar to, a name the exclusive right to which is at the time reserved by another corporation, in the manner provided in this act or any other act of Assembly.

(5) Which has as part of its name any word or phrase not permitted by this act to be a part of the name of a domestic business corporation.

Section 1003. Advertisement.—A foreign business corporation, before it may procure a certificate of authority, shall advertise its intention to apply for a certificate of authority by publication in a manner similar to that heretofore prescribed in this act in the case of the formation of a domestic business corporation. Advertisements shall appear at least three days prior to the day on which application is made to the Department of State, and shall set forth briefly:

(a) The name of the corporation and of the state or country under the laws of which it is formed.

(b) The address, including street and number, if any, of its principal office in the state or country under the laws of which it is incorporated.

(c) The address, including street and number, if any, of its proposed registered office in this Commonwealth.

(d) The character and nature of the business it proposes to do within this Commonwealth.

(e) The date when its application for a certificate of authority will be presented to the Department of State.

Section 1004. Application for a Certificate of Authority.—The foreign business corporation, or its rep-

representative, shall deliver to the Department of State a copy of its articles and all amendments thereto, duly certified by the proper public officer of the state or country of its incorporation, or, if the corporation is created by a special law and has no articles, a duly certified copy of such law, a verified translation of any part of such articles, amendments or law which is in a foreign language, proof of the advertisement heretofore required by this article, and an application for a certificate of authority, executed under the seal of the corporation, and signed and verified by at least two duly authorized officers thereof, which shall set forth:

- (1) The name of the corporation.
- (2) If the name of the corporation does not contain one of the words "corporation," "company," or "incorporated," or does not end with an abbreviation of one of such words, then the name of the corporation with the word or abbreviation which it elects to add thereto for use in this Commonwealth.
- (3) The name of the state or country under the laws of which it is formed.
- (4) The address, including street and number, if any, of its principal office in the state or country under the laws of which it is formed.
- (5) The address, including street and number, if any, of its proposed registered office in this Commonwealth.
- (6) A designation of the Secretary of the Commonwealth and his successor in office as the true and lawful attorney of the corporation upon whom all lawful process in any action or proceeding against it may be served, that the service of process upon the Secretary of the Commonwealth shall be of the same legal force and validity as if served on the corporation, and that the authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in this Commonwealth.
- (7) The character and nature of the business it proposes to do within this Commonwealth.
- (8) A statement of the aggregate number of shares which it has authority to issue, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
- (9) A statement of the aggregate number of its issued shares, itemized by classes, par value of shares, shares without par value, and series, if any, within a class.
- (10) Such further and additional information as the Department of State may from time to time require for the purpose of ascertaining whether or not the applicant corporation is entitled to a certificate of authority.

Section 1005. Issuance of Certificate of Authority.—
If the Department of State finds that the provisions of

this article have been complied with and that the applicant corporation is entitled to a certificate of authority to do business in this Commonwealth, it shall forthwith, but not prior to the day specified in the advertisement heretofore required in this article, endorse its approval upon the application for a certificate of authority, and when all bonus, fees and charges have been paid, as required by law, shall file the application and the copy of the articles, and shall issue to the corporation a certificate of authority to do business in this Commonwealth. The certificate of authority shall set forth the name of the corporation, the address of its registered office in this Commonwealth, and the character and nature of the business it is authorized to transact in this Commonwealth. Upon the issuance of the certificate of authority by the Department of State, the corporation may do, in this Commonwealth, any of the business referred to in the certificate of authority and no other, subject, however, to the right of the Commonwealth to cancel or revoke such right to transact business in this Commonwealth, as provided in this act. The certificate of authority shall be delivered to the corporation, or its representative.

Section 1006. Registered Office of Foreign Business Corporations.—Every foreign business corporation, required by the provisions of this article to obtain a certificate of authority to do business in this Commonwealth, shall have, and continuously maintain, in this Commonwealth a registered office, which may, but need not, be the same as its place of business in this Commonwealth. The address, including street and number, if any, of the initial registered office of each foreign corporation shall be stated in its application for a certificate of authority to do business in this Commonwealth. A foreign business corporation may, from time to time, change the address of its registered office upon obtaining from the Department of State, before such change is made, an amended certificate of authority, as hereinafter provided in this article.

Section 1007. Amended Certificate of Authority.—
A. After receiving a certificate of authority, a foreign business corporation may, subject to the provisions of this act, change its name or the address of its registered office in the Commonwealth, or be authorized to do in this Commonwealth other or additional business than that authorized by its certificate of authority, by filing with the Department of State an application for an amended certificate of authority and proof of the advertisement hereinafter required by this section. Such application shall be executed under the seal of the corporation, signed and verified by two duly authorized officers thereof, and shall set forth the changes desired by the corporation.

B. A foreign business corporation shall, before making application to the Department of State, advertise its intention to apply for an amended certificate of authority by publication in a manner similar to that prescribed in this act in the case of the formation of a domestic business corporation. Advertisements shall appear at least three days prior to the day on which application is made to the Department of State, and shall set forth briefly:

(1) The name of the corporation and of the state or country under the laws of which it is formed.

(2) If the application is for permission to do in this Commonwealth other or additional business, the character and nature of the business it proposes to do under the amended certificate of authority.

(3) If the application is for a change of name, the new name under which it proposes to do business.

(4) If the application is for change of the registered office of the corporation to another county, the address, including street and number, if any, of its then registered office and the address, including street and number, if any, to which the registered office is to be changed.

C. If the Department of State finds that the provisions of this article have been complied with and that the applicant corporation is entitled to an amended certificate of authority, it shall forthwith, but not prior to the day specified in the advertisement heretofore required by this section, endorse its approval upon the application, and when all fees and charges have been paid, as required by law, shall file the application and issue to the applicant corporation an amended certificate of authority setting forth the desired changes.

Section 1008. Amendments to Articles of Foreign Business Corporations.—Upon amendment of the articles of any foreign corporation authorized by a certificate of authority to transact business in this Commonwealth, such corporation shall forthwith file with the Department of State a copy of such amendment, duly authenticated by the proper official of the state or country under the laws of which such corporation is organized. The filing of any such amendment shall not, of itself, enlarge or alter the nature or kind of business which such corporation is authorized to transact in this Commonwealth, nor authorize such corporation to transact business in this Commonwealth under any other name than the name set forth in its certificate of authority, unless such corporation shall apply for and receive an amended certificate of authority, as hereinbefore provided in this article.

Section 1009. Merger of Foreign Business Corporations.—Whenever a foreign business corporation authorized by a certificate of authority to transact business in this Commonwealth shall be a party to a statutory merger permitted by the laws of the state or country

under which it is organized, and such corporation shall be the surviving corporation, it shall forthwith file with the Department of State a copy of the articles of merger, duly authenticated by the proper officer of the state or country under the laws of which such statutory merger was effected. It shall not be necessary for such corporation to procure either a new or amended certificate of authority to transact business in this Commonwealth, unless the name of such corporation be changed thereby, or unless the corporation desires to transact in this Commonwealth other or additional business than that which it is then authorized to transact in this Commonwealth.

Section 1010. General Powers of Foreign Business Corporations.—A foreign business corporation which shall have received a certificate of authority under this act, so long as such certificate of authority shall not be revoked or cancelled, shall enjoy the same rights and privileges as a domestic business corporation, but no more, and, except as in this act otherwise provided, shall be subject to the same liabilities, restrictions, duties and penalties now in force or hereafter imposed upon domestic business corporations, to the same extent as if it had been organized under this act to transact the business set forth in its certificate of authority.

Section 1011. Service of Process Upon the Secretary of the Commonwealth.—Service of process against a foreign business corporation, upon the Secretary of the Commonwealth, shall be made by the sheriff of Dauphin County by leaving the fee the plaintiff is required by law to pay for this service, and two copies of the process, at the office of the Secretary of the Commonwealth. The sheriff shall make due return of his service of the process to the court, magistrate, or justice of the peace issuing the same. Such process may be issued by any court, magistrate, or justice of the peace having jurisdiction of the subject matter of the controversy in any county of the Commonwealth in which the corporation shall have its registered office, or in the county in which the right of action arose. When legal process against any such corporation has been served upon the Secretary of the Commonwealth, he shall immediately send by mail, postage prepaid, one copy of such process directed to the corporation at its registered office. The fee paid by the plaintiff to the Secretary of the Commonwealth at the time of the service shall be taxed in the plaintiff's costs, if he prevails in the suit necessitating the service of the process. The Secretary of the Commonwealth shall keep a record of the day and hour of the service of such process on him, and a certified copy of such record shall be sufficient evidence thereof. The service of process on the Secretary of the Commonwealth, under this section, shall be of the same legal force and validity as if the process had been served on the corporation, and the

authority for such service of process shall continue in force as long as any liability remains outstanding against the corporation in the Commonwealth. Nothing herein contained shall limit or affect the right to serve any process, notice, or demand, required or permitted by law to be served upon a foreign corporation, in any other manner now or hereafter permitted by law.

Section 1012. Acquisition of Real Property.—Every foreign business corporation authorized to transact business within this Commonwealth may acquire, hold, mortgage, lease and transfer real property in this Commonwealth, in the same manner and subject to the same limitations as domestic business corporations. Every such corporation may purchase in its corporate name, at any sheriff's or other judicial sale, any real estate within this Commonwealth upon which such corporation may have or hold a judgment or lien, and may, at its pleasure, sell and convey such real estate. All the rights, privileges and duties now by law accorded to and imposed upon lien creditors purchasing at judicial sales are hereby extended to such corporations.

Section 1013. Revocation of Certificate of Authority.—Whenever the Department of State shall find that a foreign business corporation, authorized by a certificate of authority to do business in this Commonwealth, is engaged in this Commonwealth in any business which it is not authorized to transact by its certificate of authority or by any amended certificate of authority, or has changed its name or the location of its registered office without first securing an amended certificate of authority, as required by this act, or is violating any of the laws of this Commonwealth, the Department of State shall give notice by registered mail to such corporation that such default exists and that its certificate of authority, including any amendments thereto, will be revoked and cancelled unless such default shall be cured within thirty days after the mailing of such notice. If such default shall not be cured within such period of thirty days, the Department of State shall revoke and cancel the certificate of authority of such foreign corporation, including any amendments thereto. Upon revoking and cancelling any such certificate of authority, the Department of State shall mail to such corporation, at its registered office in this Commonwealth, a certificate of revocation. Upon the issuance of such certificate of revocation, the authority of the corporation to transact business in this Commonwealth shall cease, and such corporation shall not thereafter transact any business in this Commonwealth unless it applies for and receives a new certificate of authority.

Section 1014. Penalty for Doing Business Without Certificate of Authority.—Any person, agent, officer or employe who shall transact any business within this Commonwealth for any foreign business corporation

which is required by the provisions of this act to procure a certificate of authority, but has not done so, shall be guilty of a misdemeanor, and, upon conviction thereof, shall be punished by imprisonment not exceeding thirty days, or by a fine not exceeding one thousand dollars (\$1,000), or both, in the discretion of the court trying the same; but the failure of any such corporation to apply for and secure a certificate of authority from the Department of State shall not impair or affect the validity of any contract with such corporation, and actions or proceedings at law or in equity may be instituted and maintained on any such contract. No such action, however, shall be instituted or recovery had by any such corporation on any such contract, either expressed or implied, in any of the courts of this Commonwealth, or before any justice of the peace or magistrate thereof, until such corporation shall obtain a certificate of authority, and shall pay to the Department of State a fine of two hundred fifty dollars (\$250.00).

Section 1015. Surrender of Certificate of Authority.

—A. Any foreign business corporation may withdraw from doing business in this Commonwealth and surrender its certificate of authority by filing with the Department of State an application for a certificate of withdrawal, executed under the seal of the corporation and signed and verified by two duly authorized officers thereof, which shall set forth:

- (1) The name of the corporation.
- (2) The state or country of its corporation.
- (3) The date on which it received a certificate of authority to do business in the Commonwealth.
- (4) A statement that it revokes its designation of the Secretary of the Commonwealth as the person on whom process against it may be served in this Commonwealth.
- (5) A statement that it surrenders its certificate of authority to do business in this Commonwealth.
- (6) A statement that it consents that process against it in an action or proceeding upon any liability or obligation incurred within this Commonwealth before the issuance of the certificate of withdrawal may be served upon the Secretary of the Commonwealth after the filing of such certificate.

(7) A post office address to which the Secretary of the Commonwealth may mail a copy of any process against it that may be served upon him.

B. A foreign business corporation shall, before making application for a certificate of withdrawal, advertise its intention to withdraw from doing business in this Commonwealth in a manner similar to that hereinafter required by this act in the case of the voluntary dissolution of a domestic business corporation.

C. Upon the filing of such application, proof of the advertisement heretofore required by this section, and

the return for cancellation of the corporation's certificate of authority, or the filing of proof that it has been lost or destroyed, the Department of State, after all bonus, taxes, fees and charges have been paid, as required by law, shall cancel the certificate of authority, if any, and shall issue to the corporation, or its representative, a certificate of withdrawal. Upon the issuance of the certificate of withdrawal, the authority of the corporation to do business within this Commonwealth shall cease and determine. The issuance of such certificate shall not affect any action pending at the time thereof, or affect any right of action upon any contract made by such corporation in the Commonwealth before the issuance of the certificate. Process against the corporation in an action upon any liability or obligation incurred within this Commonwealth, before the issuance of such certificate, may be served thereafter upon the Secretary of the Commonwealth.

ARTICLE XI

DISSOLUTION AND WINDING UP

Section 1101. Voluntary Dissolution by Incorporators.—The incorporators of a business corporation which has not commenced business, or which has not issued any shares, may affect the dissolution of the corporation by filing articles of dissolution with the Department of State. The articles of dissolution shall be executed under the seal of the corporation, signed and verified by a majority of the incorporators, and shall set forth:

- (1) The name of the corporation.
- (2) The address, including street and number, if any, of its registered office.
- (3) The date of its incorporation.
- (4) That the corporation has not commenced business and that none of its shares has been issued.
- (5) That the amount, if any, actually paid in on subscriptions to its shares, less any part thereof disbursed for necessary expenses, has been returned to those entitled thereto.
- (6) That no debt of the corporation remain unpaid.
- (7) That all the incorporators elect that the corporation be dissolved.

The articles of dissolution shall be delivered to the Department of State. If the Department of State finds that the articles conform to law, it shall endorse its approval thereon, and when all bonus, taxes, fees and charges, required by law, have been paid, shall file the articles and issue a certificate of dissolution to the incorporators, or their representative, to which shall be attached a copy of the approved articles. Upon the issuance of the certificate of dissolution, the existence of the corporation shall cease.

Section 1102. Election of Corporation to Dissolve Voluntarily.—Any business corporation which has commenced business and which has issued shares may elect to dissolve voluntarily, and wind up its affairs, by a written agreement signed by all the shareholders of record of the corporation consenting to its dissolution, or after the board of directors shall have adopted a resolution recommending that the corporation be dissolved voluntarily, and directing that the question of dissolution be submitted to a vote of the shareholders at a meeting which may be either an annual meeting of the shareholders, or a special meeting of the shareholders entitled to vote on the question. Written notice, stating that the purpose, or one of the purposes, of such meeting is to discuss the advisability of voluntarily dissolving the corporation, shall be given to each shareholder of record, whether or not entitled to vote, within the time and in the manner provided in this act for the giving of notice of meetings of shareholders. If such meeting be an annual meeting, such purpose may be included in the notice of the annual meeting. The resolution shall be declared adopted upon receiving the affirmative vote of the holders of at least a majority of the outstanding shares entitled to vote on the resolution, unless any class of shares is entitled to vote on the resolution as a class, in which event the resolution must receive for its adoption the affirmative vote of the holders of at least a majority of the outstanding shares of each class of shares entitled to vote on the resolution as a class, and the affirmative vote of the holders of at least a majority of all outstanding shares entitled to vote on the resolution.

Section 1103. Certificate of Election to Dissolve.—Upon the execution by all the shareholders of a written agreement for the voluntary dissolution of a corporation, or upon the adoption at a meeting of the shareholders of a resolution for the voluntary dissolution of a corporation, as the case may be, a certificate of election to dissolve shall be executed under the seal of the corporation, signed and verified by two duly authorized officers of the corporation, which shall set forth:

(1) The name of the corporation.

(2) The address, including street and number, if any, of the registered office of the corporation in this Commonwealth.

(3) The names and respective addresses, including street and number, if any, of its officers.

(4) The names and respective addresses, including street and number, if any, of its directors.

(5) If the election to dissolve was by written agreement of all shareholders, a statement that the agreement was signed by all shareholders of record of the corporation, or signed in their names by their duly authorized attorneys.

(6) If the election to dissolve was by resolution adopted at a meeting of the shareholders, the number of shares outstanding, the number of shares entitled to vote in respect of the dissolution of the corporation, and the number of shares voted for and against the voluntary dissolution of the corporation, respectively, and if the shares of any class are entitled to vote as a class, the number of shares of such class and the number of shares of all other classes voted for and against the voluntary dissolution of the corporation.

The certificate of election to dissolve shall be delivered to the Department of State. If the Department of State finds that the certificate conforms to law, it shall endorse its approval thereon, and when all bonus, taxes, fees and charges, required by law, have been paid, shall file the certificate, and shall issue to the corporation, or its representative, a copy of the approved certificate. Upon the filing by the Department of State of a certificate of election to dissolve, the corporation shall cease to carry on its business, except in so far as may be necessary for the proper winding up thereof, but its corporate existence shall continue until a certificate of dissolution has been issued by the Department of State, or until a decree dissolving the corporation has been entered by a court of common pleas, as elsewhere provided in this act.

Section 1104. Winding Up in Voluntary Dissolution Proceedings.—A. The board of directors of a business corporation shall have full power to wind up and settle the affairs of a business corporation in the event of a voluntary dissolution proceeding.

B. After the filing by the Department of State of a certificate of election to dissolve, the board of directors shall immediately cause notice of the winding up proceedings to be mailed to each known creditor and claimant, and to be published once a week for two successive weeks in two newspapers published in the English language, one of which shall be a newspaper of general circulation and the other the legal newspaper, if any, designated by the rules of court for the publication of legal notices; otherwise, in two newspapers of general circulation published in the county in which the registered office of the corporation is located. Where there is but one newspaper of general circulation published in any county, advertisement in such newspaper shall be sufficient.

C. The board of directors shall, as speedily as possible, proceed to collect all sums due or owing to the corporation, to sell and convert into cash any and all corporate assets, to collect the whole or so much as may be necessary or just of any amounts remaining unpaid on subscriptions to shares, and, out of the sum so realized, to pay, satisfy, and discharge all debts and liabilities of the corporation, according to their respective priorities. Any surplus remaining after paying off all

debts and liabilities of the corporation shall be paid by the board of directors to the shareholders, according to their respective rights and preferences.

D. The board of directors, at any time during the winding up proceedings, may, by petition, apply to any court of common pleas of the county in which the registered office of the corporation is located to have the proceedings continued under the supervision of the court, and thereafter the proceedings shall continue under the supervision of the court, as hereinafter provided in this act.

Section 1105. Articles of Dissolution.—When all debts, liabilities, and obligations of the corporation have been paid and discharged, or adequate provision shall have been made therefor, and all of the remaining property and assets of the corporation shall have been distributed to its shareholders, articles of dissolution shall be executed under the seal of the corporation and signed and verified by two duly authorized officers of the corporation, which shall set forth:

- (1) The name of the corporation.
- (2) The address, including street and number, if any, of the registered office of the corporation.
- (3) A statement that the corporation has theretofore delivered to the Department of State a certificate of election to dissolve, and the date on which the certificate was filed by the Department of State.
- (4) A statement that all debts, obligations and liabilities of the corporation have been paid and discharged, or that adequate provision has been made therefor.
- (5) A statement that all the remaining property and assets of the corporation have been distributed among its shareholders, in accordance with their respective rights and interests.
- (6) A statement that there are no suits pending against the corporation in any court.

The articles of dissolution, and proof of the advertisement required by the preceding section, shall be delivered to the Department of State. If the Department of State finds that such articles conform to law, it shall endorse its approval thereon, and if all bonus, taxes, fees and charges, required by law, have been paid, shall file the articles and issue to the corporation, or its representative, a certificate of dissolution, to which shall be attached a copy of the approved articles. Upon the issuance of the certificate of dissolution, the existence of the corporation shall cease.

Section 1106. Winding Up of Corporation Upon the Expiration of Its Charter.—Every business corporation which is dissolved by expiration of its charter shall, nevertheless, continue to exist for the purpose of winding up its affairs, prosecuting and defending actions by or against it, collecting and discharging obligations, disposing of and conveying its property, and collecting and

dividing its assets, but not for the purpose of continuing business, except in so far as necessary for the winding up of the corporation. The board of directors of such corporation shall continue as a board, and shall have full power to wind up the affairs of such corporation.

Section 1107. Involuntary Proceedings for Winding Up and Dissolution.—A. The several courts of common pleas of the Commonwealth may, upon petition filed by a shareholder of a business corporation, entertain proceedings for the involuntary winding up and dissolution of the corporation, when it is made to appear:

(1) That the objects of the corporation have wholly failed, or are entirely abandoned, or that their accomplishment is impracticable; or

(2) That the acts of the directors, or those in control of the corporation, are illegal, oppressive, or fraudulent, and that it is beneficial to the interests of the shareholders that the corporation be wound up and dissolved; or

(3) That the corporate assets are being misapplied or wasted, and that it is beneficial to the interests of the shareholders that the corporation be wound up and dissolved; or

(4) That the directors are deadlocked in the management of the corporate affairs and the shareholders are unable to break the deadlock, and that irreparable injury to the corporation is being suffered or is threatened by reason thereof.

B. The several courts of common pleas of this Commonwealth may, upon petition filed by a creditor of a business corporation whose claim has either been reduced to judgment and an execution thereon returned unsatisfied, or whose claim is admitted by the corporation, entertain proceedings for the involuntary winding up and dissolution of the corporation when, in either case, it is made to appear that the corporation is unable to pay its debts and obligations in the regular course of business, as they mature, or to afford reasonable security to those who may deal with it.

C. Any petition for the involuntary winding up and dissolution of a corporation, authorized to be filed under this section, shall be filed with a court of common pleas of the county in which the registered office of the corporation is located.

Section 1108. Procedure in Liquidation of Corporations by Courts of Common Pleas.—A. Upon the filing of a petition by the board of directors, or a shareholder, or a creditor, as authorized in this article, for the voluntary or involuntary winding up and dissolution of a business corporation, as the case may be, the court of common pleas shall have all the ordinary powers of a court of equity to issue injunctions, to appoint a receiver or receivers, *pendente lite*, with such powers and duties as the court from time to time may direct, and to take such

other proceedings as may be requisite to preserve the corporate assets and carry on the business of the corporation until a full hearing can be had.

B. Upon a hearing and proof of the issues, after such notice as the court may direct to be given to all parties to the proceeding, and to any other parties in interest designated by the court, the court may appoint a liquidating receiver with authority to collect the assets of the corporation, including all amounts owing to the corporation by shareholders on account of any unpaid portion of the consideration for the issuance of shares. Such liquidating receiver shall have authority, subject to the order of the court, to sell, convey, and dispose of all or any part of the assets of the corporation, either at public or private sale. The assets of the corporation, or the proceeds resulting from a sale, conveyance, or other disposition thereof, shall be applied to the expenses of such liquidation and to the payment of the liabilities and obligations of the corporation, and any remaining assets or proceeds shall be distributed among its shareholders according to their respective rights and interests. The order appointing such liquidating receiver shall state his powers and duties. Such powers and duties may be increased or diminished at any time during the proceedings. A receiver of a corporation appointed under the provisions of this section shall have authority to sue and defend in all courts in his own name as receiver of such corporation. The court appointing such receiver may issue writs in favor of such receiver to the sheriff of any county in this Commonwealth for service.

C. A receiver shall in all cases be a resident of this Commonwealth, or a corporation authorized to act as receiver, which corporation may be a domestic corporation or a foreign corporation authorized to transact business in this Commonwealth, and shall give such bond as the court may direct, with such sureties as the court may require.

D. In proceedings to liquidate the assets and business of a corporation, the court may require all creditors of the corporation to file with the prothonotary of the court, or with the receiver, proofs, under oath, of their respective claims. If the court requires the filing of claims, it shall fix a date, which shall be not less than four months from the date of the order, as the last day for the filing of claims, and shall prescribe the notice that shall be given to creditors and claimants of the date so fixed. Prior to the date so fixed, the court may extend the time for the filing of claims. Creditors and claimants failing to file proofs of claim on or before the date so fixed may be barred, by order of court, from participating in the distribution of the assets of the corporation.

Section 1109. Discontinuance of Liquidation Proceedings; Reorganization.—The liquidation of the as-

sets and business of a corporation may be discontinued at any time during the winding up proceedings, in the following manner:

(1) If the suit shall have been instituted by a shareholder and it is made to appear to the court that the deadlock in the corporate affairs has been broken or the management or control of the corporation has been changed, the court, in its discretion, may dismiss the proceeding and direct the receiver to redeliver to the corporation all its remaining property and assets.

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

(3) When a compromise or reorganization of the corporation is proposed, whether the suit shall have been instituted by a shareholder or by a creditor, the court, upon the summary application of any shareholder, or creditor, or receiver, may order a meeting of the creditors, or shareholders, to be summoned in such manner as the court may direct. If a majority in number, representing three-fourths in value of the creditors or the holders of three-fourths of the shares entitled to vote thereon, or both, or if a majority in number, representing three-fourths in value of any class of creditors, or if the holders of three-fourths of the shares of any class, as the case may be, agree to any compromise or reorganization of the corporation, such compromise or reorganization, if approved by the court, shall be binding on all creditors or on all shareholders, or both, or on the class of creditors or class of shareholders, or both, as the case may be, and also on the corporation and its receiver, if any.

Section 1110. Decree of Involuntary Dissolution.—The court of common pleas, in a proceeding to wind up the assets and business of a business corporation, shall enter a decree dissolving the corporation, when the costs and expenses of such proceeding, and all debts, liabilities, and obligations of the corporation shall have been paid and discharged, and all of its remaining property and assets distributed to its shareholders, or, in case its property and assets are not sufficient to satisfy and discharge such costs, expenses, debts, and obligations, when all the property and assets have been applied, as far as they will go, to their payment. Upon the issuance of the decree by the court, the existence of the corporation shall cease. After the court shall enter a decree of dissolution, it shall be the duty of the prothonotary of the court to cause a certified copy of the decree of dissolution to be filed with the Department of State. No fee shall be

charged by the Department of State for the filing of any decree of dissolution.

Section 1111. Survival of Remedies After Dissolution.—The dissolution of a business corporation, either by the issuance of a certificate of dissolution by the Department of State, or by the decree of a court of common pleas, when the court has not liquidated the assets and property of the corporation, or by expiration of its period of duration, or by the sale of all its franchises, property and assets to another business corporation, shall not take away or impair any remedy given against such corporation, its directors or shareholders, for any liability incurred prior to such dissolution, if suit thereon is brought and service of process had within two years after the date of such dissolution. Such suits may be prosecuted against and defended by the corporation in its corporate name.

Section 1112. Action to Annul, Vacate or Forfeit Corporate Franchises.—The Attorney General may institute proceedings to annul, vacate or forfeit the articles and the franchise of a business corporation, upon such grounds and in such manner as is now provided by law. In every such case, the court of common pleas in which such action is instituted shall have full power to wind up the affairs of the corporation in the manner hereinbefore provided in this article.

ARTICLE XII

EFFECTIVE DATE AND REPEALER

Section 1201. Effective Date.—This act shall become effective on the third day of July, one thousand nine hundred and thirty-three.

Section 1202. Acts and Parts of Acts Specifically Repealed.—The following acts and parts of acts are hereby specifically repealed in so far as they relate to business corporations:

The act approved the nineteenth day of March, one thousand eight hundred sixteen (Pamphlet Laws, two hundred thirty-eight), (Chapter one hundred forty), entitled "An act to compel the payment of dividends due to the commonwealth, made by incorporated companies."

The act approved the twenty-eighth day of March, one thousand eight hundred twenty (Pamphlet Laws, one hundred sixty-nine), entitled "An act to regulate proxies."

The act approved the third day of May, one thousand eight hundred fifty-five (Pamphlet Laws, four hundred twenty-three), (Number four hundred forty-eight), entitled "An act relating to Corporations."

The act approved the ninth day of April, one thousand eight hundred fifty-six (Pamphlet Laws, two hundred ninety-three), (Number three hundred eight),

entitled "Supplement to the acts relating to incorporations by the Courts of Common Pleas."

The act approved the eighth day of April, one thousand eight hundred sixty-one (Pamphlet Laws, two hundred fifty-nine), entitled "An act concerning the Sale of Railroads, Canals, Turnpikes, Bridges and Plank Roads," and its amendments.

The act approved the twenty-seventh day of November, one thousand eight hundred sixty-five (Pamphlet Laws of one thousand eight hundred sixty-six, page one thousand two hundred twenty-eight), (Number one thousand one hundred nineteen), entitled "An act relating to the organization and meetings of certain corporations incorporated, under the laws of this commonwealth."

The act approved the eleventh day of January, one thousand eight hundred sixty-seven (Pamphlet Laws, one thousand three hundred seventy-two), entitled "An act to enable iron, manufacturing and mining corporations to borrow money."

The act approved the thirty-first day of March, one thousand eight hundred sixty-eight (Pamphlet Laws, fifty), entitled "An act to authorize incorporated companies to invest and re-invest surplus funds in mortgages, stocks and other securities, and fixing the time for holding elections for directors."

The act approved the fifteenth day of April, one thousand eight hundred sixty-nine (Pamphlet Laws, twenty-nine), entitled "An act requiring a majority of the directors or managers of corporations to constitute a quorum."

The act approved the seventeenth day of February, one thousand eight hundred seventy-one (Pamphlet Laws, fifty-six), (Number sixty-two), entitled "An act to authorize corporations to subscribe for or purchase the capital stock and to purchase the bonds of the American Steamship Company of Philadelphia."

The act approved the fourth day of April, one thousand eight hundred seventy-two (Pamphlet Laws, forty), entitled "An act supplemental to an act, entitled 'A supplement to acts relating to incorporations by the courts of common pleas,' approved on the ninth day of April, Anno Domini one thousand eight hundred and fifty-six."

The act approved the fourth day of April, one thousand eight hundred seventy-two (Pamphlet Laws, forty-six), (Number thirty-nine), entitled "An act for the appointment of a receiver in cases where corporations have been dissolved by judgment of ouster, upon proceedings of quo warranto."

The act approved the twenty-ninth day of April, one thousand eight hundred seventy-four (Pamphlet Laws, seventy-three), entitled "An act to provide for the incorporation and regulation of certain corporations," and its amendments.

The act approved the fourteenth day of May, one thousand eight hundred seventy-four (Pamphlet Laws, one hundred forty-six), entitled "An act relative to service of process upon the stockholders of corporations in actions brought to charge the stockholders for debts of the corporation, or for unpaid instalments upon their stock."

The act approved the fifteenth day of May, one thousand eight hundred seventy-four (Pamphlet Laws, one hundred eighty-six), (Number one hundred nineteen), entitled "An act to authorize corporations to increase the security of their bonded indebtedness."

The act approved the seventeenth day of April, one thousand eight hundred seventy-six (Pamphlet Laws, thirty), entitled "A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations," and its amendments.

The act approved the twenty-fifth day of April, one thousand eight hundred seventy-six (Pamphlet Laws, forty-seven), (Number thirty-six), entitled "An act supplementary to the act, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini eighteen hundred and seventy-four, extending its provisions to all who may have the right to vote at elections for directors, managers or trustees."

The act approved the twenty-second day of May, one thousand eight hundred seventy-eight (Pamphlet Laws, ninety-six), (Number one hundred twenty-nine), entitled "An act to extend the time during which corporations may hold and convey the title to real estate, heretofore bought under execution or conveyed to them in satisfaction of debts, and now remaining in their hands unsold."

The act approved the twenty-fifth day of May, one thousand eight hundred seventy-eight (Pamphlet Laws, one hundred forty-five), entitled "A supplement to an act, entitled 'An act concerning the sale of railroads, canals, turnpikes, bridges and plank roads,' approved the eighth day of April, Anno Domini one thousand eight hundred and sixty-one, extending the provisions of said act to coal, iron, steel, lumber, or oil or mining, manufacturing, transportation and telegraph, companies in this commonwealth."

The act approved the twenty-fifth day of May, one thousand eight hundred seventy-eight (Pamphlet Laws, one hundred forty-eight), entitled "A supplement to an act, entitled 'An act concerning the sale of railroads, canals, turnpikes, bridges and plank roads,' approved April eighth, one thousand eight hundred and sixty-one,

authorizing the purchaser or purchasers of any railroad, canal, turnpike, bridge, or plank road or telegraph, at any sale hereafter made, by virtue of any process or decree of any court of this state or the circuit court of the United States to issue stock or bonds secured by mortgage, or both, for their respective interests in the property and franchises purchased, and ratifying and confirming the issue or issues of stock and bonds secured by mortgage, that may have heretofore been issued by corporations organized under the act to which this is a supplement."

The act approved the tenth day of April, one thousand eight hundred seventy-nine (Pamphlet Laws, twenty), entitled "An act to amend the eighteenth paragraph of section second of the supplement, approved the seventeenth day of April, one thousand eight hundred and seventy-six, to the act, approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations.'"

The act approved the thirteenth day of May, one thousand eight hundred seventy-nine (Pamphlet Laws, fifty-seven, entitled "An act to authorize corporations to borrow money to redeem previous loans authorized by special laws, and limiting the rate of interest and terms thereof, and providing for the payment of mechanics' liens."

The act approved the twenty-fourth day of May, one thousand eight hundred eighty-one (Pamphlet Laws, twenty-two), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four."

The act approved the twenty-first day of May, one thousand eight hundred eighty-one (Pamphlet Laws, thirty), (Number thirty-three), entitled "An act to enable mining, manufacturing, and trading companies to wind up their affairs, after the expiration of their charters."

The act approved the twenty-second day of May, one thousand eight hundred eighty-three (Pamphlet Laws, forty-one), entitled "An act to revive and continue in force the provisions of an act, entitled, 'An act to extend the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,' approved the twenty-second day of May, Anno Domini eighteen hundred and seventy-eight."

The act approved the second day of June, one thousand eight hundred eighty-three (Pamphlet Laws, sixty-one), entitled "An act supplementary to an act, entitled 'An act for the incorporation and regulation of corpo-

rations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, authorizing the incorporation of pipe lines for the transportation of petroleum, and providing for the exercise of the right of eminent domain in taking lands and property for such purposes."

The act approved the thirteenth day of June, one thousand eight hundred eighty-three (Pamphlet Laws, one hundred twenty-two), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, providing for the improvement, amendment and alteration of the charters of corporations of the second class, and authorizing the incorporation of traction motor companies."

The act approved the twenty-second day of June, one thousand eight hundred eighty-three (Pamphlet Laws, one hundred fifty-six), (Number one hundred forty-one), entitled "A further supplement to an act approved April twenty-ninth, Anno Domini one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' as amended by the act approved the tenth day of April, one thousand eight hundred and seventy-nine, and amending the second section thereof so as to authorize the formation of corporations for the purpose of driving and floating saw logs, lumber and timber."

The act approved the twenty-fifth day of June, one thousand eight hundred eighty-five (Pamphlet Laws, one hundred seventy-eight), entitled "An act to amend an act, entitled 'An act to enable the officers of dissolved corporations to convey real estate held by such corporations,' authorizing the court to direct the sale of such real estate, on the petition of any one, or more of the shareholders."

The act approved the twenty-third day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, one hundred seventy-six), entitled "An act to authorize certain corporations, incorporated and existing under the laws of any other State of the United States, to purchase certain real estate at judicial sales, and to hold and convey the same under certain conditions."

The act approved the twenty-fourth day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, one hundred eighty-eight), (Number one hundred thirty-one), entitled "An act to amend an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, relating to the holding of land by manufacturers of iron with charcoal."

The act approved the twenty-fifth day of May, one thousand eight hundred eighty-seven (Pamphlet Laws,

two hundred seventy-three), entitled "A supplement to an act, entitled 'An Act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, amending the twelfth section of said act, and thereby relieving full paid capital stock from liability to further assessment."

The act approved the twenty-sixth day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, two hundred seventy-four), (Number one hundred sixty), entitled "A supplement to an act to revive and continue in force the provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts and now remaining in their hands unsold,' approved the twenty-second day of May, Anno Domini one thousand eight hundred and eighty-three."

The act approved the thirty-first day of May, one thousand eight hundred eighty-seven (Pamphlet Laws, two hundred seventy-six), entitled "An act to amend the first section of an act, entitled 'A supplement to an act entitled "An act concerning the sale of railroads, canals, turnpikes, bridges and plank roads," approved April eighth, one thousand eight hundred and sixty-one, authorizing the purchaser or purchasers of any railroad, canal, turnpike, bridge or plank road, or telegraph, at any sale hereafter made by virtue of any process or decree of any court of this State, or the circuit court of the United States, to issue stock or bonds secured by mortgage, or both, for their respective interests in the property and franchises purchased, and ratifying and confirming the issue or issues of stock and bonds secured by mortgage, that may have heretofore been issued by corporations organized under the act to which this is a supplement,' authorizing the purchaser or purchasers under and by virtue of a power of sale contained in any mortgage, or deed of trust without any process or decree of a court in the premises, to determine the amount of the capital stock and bonds to be issued therefor, and to issue certificates of stock and bonds and secure the same by mortgage or mortgages on the property so purchased."

The act approved the thirty-first day of May, one thousand eight hundred and eighty-seven (Pamphlet Laws, two hundred eighty-one), (Number one hundred sixty-six), entitled "An act permitting the stockholders of corporations to determine the number of directors, and the time for holding annual elections of officers."

The act approved the seventeenth day of June, one thousand eight hundred eighty-seven (Pamphlet Laws, four hundred eleven), entitled "A further supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved

April twenty-ninth, one thousand eight hundred and seventy-four, providing for the further regulation of such corporations.”

The act approved the third day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, seventy-six), entitled “A further supplement to an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved April twenty-ninth, Anno Domini one thousand eight hundred and seventy-four, providing for the further regulation of such corporations, and authorizing corporations incorporated for the purpose of mining for petroleum to purchase, hold and dispose of the stocks and bonds of certain other corporations.”

The act approved the seventh day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, one hundred two), (Number one hundred eight), entitled “An act defining evidence of stock ownership in corporations and for determining the right to vote thereon.”

The act approved the ninth day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, one hundred fifty-nine), entitled “An act supplementary to an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, amending the twenty-ninth section of said act, so as to provide for the further regulation of and granting additional powers to all corporations now or hereafter incorporated under the provisions of said act for the insurance of owners of real estate, mortgagees and others interested in real estate, from loss by reason of defective titles, liens and incumbrances.”

The act approved the sixteenth day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, two hundred forty-one), entitled “An act to amend an act which became a law on April seventeenth, one thousand eight hundred and seventy-six, entitled ‘A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled “An act to provide for the incorporation and regulation of certain corporations,” providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations,’ amending sections two and eleven of said act.”

The act approved the twenty-first day of May, one thousand eight hundred eighty-nine (Pamphlet Laws, two hundred fifty-seven), entitled “A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ amending the thirteenth section thereof.”

The act approved the twenty-first day of May, one

thousand eight hundred eighty-nine (Pamphlet Laws, two hundred fifty-nine), entitled "A further supplement to an act approved April twenty-ninth, Anno Domini one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' amended by the act approved the tenth day of April, Anno Domini one thousand eight hundred and seventy-nine, and further amended by the act approved the twenty-second day of June, Anno Domini one thousand eight hundred and eighty-three, providing for a further amendment of said eighteenth section as amended by the said last mentioned act, and amending the second section of said last mentioned act, so as to authorize the formation of corporations for the purpose of driving and floating saw logs, lumber and timber upon all streams not exceeding twenty miles in length, and the heads of all streams not exceeding twenty miles in length from their source, and for the formation of corporations for the storage, transmission and transportation of water for the purpose of providing power to, and for, manufacturing and other purposes."

The act approved the fifteenth day of April, one thousand eight hundred ninety-one (Pamphlet Laws, fifteen), entitled "An act to amend an act, entitled 'An act to amend an act, entitled "An act to enable the officers of dissolved corporations to convey real estate held by such corporations,' authorizing the court to direct the sale of such real estate, on the petition of any one or more of the shareholders," approved the twenty-fifth day of June, one thousand eight hundred and eighty-five,' authorizing the court to direct the sale of such real estate on the petition of any one or more of the shareholders or their legal representatives whenever requested so to do."

The act approved the fourteenth day of May, one thousand eight hundred ninety-one (Pamphlet Laws, sixty-one), entitled "An act to amend the fifth section of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, defining the officers of corporations and allowing certain officers receiving salaries to be directors and receive compensations."

The act approved the sixteenth day of May, one thousand eight hundred ninety-one (Pamphlet Laws, eighty-eight), entitled "An act to authorize burial or cemetery companies to accept trusts in certain cases."

The act approved the twentieth day of May, one thousand eight hundred ninety-one (Pamphlet Laws, one hundred one), (Number seventy-seven), entitled "An act authorizing salaried officers of private or business corporations to concurrently serve as directors therein."

The act approved the twenty-sixth day of April, one thousand eight hundred ninety-three (Pamphlet Laws,

twenty-six), (Number twenty-two), entitled "An act providing for the appointment of a receiver in cases where corporations have been dissolved by judgment of ouster upon proceedings of quo warranto."

The act approved the eleventh day of May, one thousand eight hundred ninety-three (Pamphlet Laws, forty-two), (Number forty), entitled "An act to authorize corporations organized for profit under the laws of Pennsylvania, to make allowances or pensions to employes for faithful and long continued service, who, in such service, have become old, infirm or disabled."

The act approved the eighteenth day of May, one thousand eight hundred ninety-three (Pamphlet Laws, eighty-eight), entitled "An act to revive and continue in force provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts and now remaining in their hands unsold,' approved the twenty-sixth day of May, Anno Domini one thousand eight hundred and eighty-seven."

The act approved the twenty-sixth day of May, one thousand eight hundred ninety-three (Pamphlet Laws, one hundred forty-one), entitled "An act amending an act, entitled 'An act defining evidence of stock ownership in corporations, and for determining the right to vote thereon,' approved May seventh, one thousand eight hundred and eighty-nine, further defining evidence of stock ownership and the right to vote thereon."

The act approved the third day of June, one thousand eight hundred ninety-three (Pamphlet Laws, two hundred eighty-seven), (Number two hundred fifty-three), entitled "An act to amend an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, as amended by the act approved the seventeenth day of April, Anno Domini one thousand eight hundred and seventy-six, providing for the incorporation of companies for the manufacture and production of silverware, plated ware, jewelry, works of ornament and art, and pictures, and the buying and selling of such articles."

The act approved the eighth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, three hundred fifty-one), entitled "An act to provide for the manner of reducing the capital stock of corporations."

The act approved the eighth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, three hundred fifty-five), entitled "An act to regulate the change of location of the principal office, the place of annual and other meetings of stockholders, and the time of such annual meetings of corporations of this Commonwealth."

The act approved the tenth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, four hundred twelve), entitled "A further supplement to an act approved April twenty-ninth, Anno Domini one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' amended by an act approved the tenth day of April, Anno Domini one thousand eight hundred and seventy-nine, and further amended by act approved the twenty-second day of June, Anno Domini one thousand eight hundred and eighty-three, and further amended by act approved the twenty-first day of May, Anno Domini one thousand eight hundred and eighty-nine, providing for a further amendment of the eighteenth paragraph of section two of the original act, and amending the second section of said act so as to authorize the formation of corporations for the purpose of driving and floating logs, lumber and timber upon all streams not exceeding thirty-five miles in length, and the heads of all streams not exceeding thirty-five miles in length from their sources."

The act approved the tenth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, four hundred seventeen), (Number three hundred sixteen), entitled "An act to authorize corporations to increase their capital stock for corporate purposes."

The act approved the tenth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, four hundred seventeen), (Number three hundred seventeen), entitled "An act to provide for the incorporation of certain kinds of real estate companies having for their primary object the encouragement of trade, commerce and manufactures."

The act approved the tenth day of June, one thousand eight hundred ninety-three (Pamphlet Laws, four hundred thirty-five), entitled "An act amending an act, entitled 'A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the incorporation and regulation of certain corporations,' providing for the further regulation of such corporations, and for the incorporation and regulation of certain additional corporations,' approved April seventeenth, one thousand eight hundred and seventy-six, authorizing the incorporation of drainage companies."

The act approved the twenty-fourth day of June, one thousand eight hundred ninety-five (Pamphlet Laws, two hundred fifty-eight), (Number one hundred seventy-two), entitled "An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth."

The act approved the twenty-fifth day of June, one thousand eight hundred ninety-five (Pamphlet Laws, two hundred ninety-five), (Number two hundred eleven),

entitled "An act to amend paragraph sixteen of the second sub-division of the second section of an act, entitled 'An act to provide for the incorporation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, as amended by the act approved the seventeenth day of April, Anno Domini one thousand eight hundred and seventy-six, providing for the incorporation of companies for buying, selling, trading or dealing in any kind or kinds of goods, wares and merchandise at wholesale."

The act approved the twenty-fifth day of June, one thousand eight hundred ninety-five (Pamphlet Laws, three hundred ten), entitled "A further supplement to 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four."

The act approved the twenty-sixth day of June, one thousand eight hundred ninety-five (Pamphlet Laws, three hundred sixty-nine), (Number two hundred sixty-one), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, further amending the twelfth section thereof, so as to permit corporations organized thereunder, either for the purpose of carrying on any manufacturing business or for the supply of water, or for the manufacture or supplying of light, to purchase bonds or stock of other corporations of the same character, or to guarantee the payment of interest and principal of such bonds, or either principal or interest, or to lease and operate corporate property."

The act approved the twenty-seventh day of June, one thousand eight hundred ninety-five (Pamphlet Laws, three hundred ninety-nine), entitled "An act conferring upon certain fidelity, insurance, safety deposit, trust and savings companies the powers and privileges of companies incorporated under the provisions of section twenty-nine of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, Anno Domini one thousand eight hundred and seventy-four, and of the supplements thereto."

The act approved the twentieth day of April, one thousand eight hundred ninety-seven (Pamphlet Laws, twenty-eight), (Number twenty-three), entitled "An act to revive and continue in force provisions of an act, entitled 'An act to extend the time which corporations may hold and convey the title to real estate heretofore bought under execution, or conveyed to them in satisfaction of debts and now remaining in their hands unsold,' approved the eighteenth day of May, Anno Domini one thousand eight hundred and ninety-three."

The act approved the ninth day of February, one thousand nine hundred one (Pamphlet Laws, three), entitled "An act to provide for increasing the capital stock and indebtedness of corporations."

The act approved the nineteenth day of April, one thousand nine hundred one (Pamphlet Laws, eighty), (Number fifty-one), entitled "An act to regulate the number of directors in corporations chartered under the laws of this Commonwealth."

The act approved the twenty-ninth day of May, one thousand nine hundred one (Pamphlet Laws, three hundred twenty-six), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four; authorizing formation of corporations for profit by voluntary association of three or more persons, one of whom, at least, must be a citizen of this Commonwealth."

The act approved the twenty-ninth day of May, one thousand nine hundred one (Pamphlet Laws, three hundred forty-four), (Number two hundred thirteen), entitled "An act to aid the Auditor General in the collection of taxes due the Commonwealth from corporations, limited partnerships and joint-stock associations."

The act approved the twenty-ninth day of May, one thousand nine hundred one (Pamphlet Laws, three hundred forty-nine), entitled "An act supplementary to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four; providing for the merger and consolidation of certain corporations."

The act approved the seventh day of June, one thousand nine hundred one (Pamphlet Laws, five hundred thirty), entitled "An act to amend the forty-fifth section of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four; providing for the publication in separate pamphlet form of a certified list of all charters of incorporation."

The act approved the second day of July, one thousand nine hundred one (Pamphlet Laws, six hundred three), (Number two hundred ninety-eight), entitled "An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities or evidences of indebtedness created by, any other corporation."

The act approved the second day of July, one thousand nine hundred one (Pamphlet Laws, six hundred six), (Number three hundred two), entitled "An act authorizing corporations organized under the laws of

Pennsylvania to increase or diminish the par value of the shares of their capital stock.”

The act approved the ninth day of July, one thousand nine hundred one (Pamphlet Laws, six hundred twenty-four), entitled “An act to amend the eighteenth paragraph of section second of an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, so as to authorize the formation of corporations for any lawful purpose not otherwise specifically provided for by act of Assembly.”

The act approved the fifth day of March, one thousand nine hundred three (Pamphlet Laws, fourteen), (Number seventeen), entitled “An act concerning proxies, authorizing representation and voting of shares of capital stock of corporations at meetings and elections thereof.”

The act approved the twenty-fourth day of March, one thousand nine hundred three (Pamphlet Laws, fifty), (Number fifty-two), entitled “An act relating to the taking of stock votes upon subjects presented to stockholders of corporations of this Commonwealth for their action.”

The act approved the fifteenth day of April, one thousand nine hundred three (Pamphlet Laws, two hundred), (Number one hundred forty-five), entitled “An act to revive and continue in force the provisions of an act, entitled ‘An act to extend the time during which corporations may hold and convey the title to real estate, heretofore bought under execution or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,’ approved the twentieth day of April, Anno Domini one thousand eight hundred and ninety-seven.”

The act approved the twenty-second day of April, one thousand nine hundred three (Pamphlet Laws, two hundred fifty-one), entitled “An act regulating the change of corporate titles.”

The act approved the twenty-third day of April, one thousand nine hundred three (Pamphlet Laws, two hundred seventy-two), entitled “An act to amend the first section of an act, entitled ‘A supplement to an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations, approved April twenty-nine, one thousand eight hundred and seventy-four,’ authorizing the formation of corporations for profit by voluntary association of three or more persons, one of whom, at least, must be a citizen of this Commonwealth,’ said supplement approved the twenty-ninth day of May, one thousand nine hundred and one; and to extend the provisions of said act to all corporations for profit embraced within corporations of the second class, defined in section two (2) and the various supplements to section two (2), of the act of April twenty-ninth, one thousand

eight hundred and seventy-four, and confirming all charters granted under the said supplements, to corporations which have been formed under the various supplements to the said section two (2) of the act of April twenty-ninth, one thousand eight hundred and seventy-four, by the association of three or more persons, one of whom at least was a citizen of this Commonwealth."

The act approved the sixteenth day of March, one thousand nine hundred five (Pamphlet Laws, forty-two), (Number twenty-six), entitled "An act providing for the voting of shares of stock in corporations in this Commonwealth, held by executors, administrators, guardians, and trustees, and the manner of voting the same."

The act approved the thirty-first day of March, one thousand nine hundred five (Pamphlet Laws, ninety-three), entitled "An act amending the third section of a supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-nine, one thousand eight hundred and seventy-four, 'providing for the improvement, amendment and alteration of the charters of corporations of the second class, and authorizing the incorporation of traction motor companies,' approved the thirteenth day of June, Anno Domini one thousand eight hundred and eighty-three; requiring corporations to file a certificate with the Governor of the Commonwealth, setting forth that all reports required by the Auditor General of the Commonwealth have been duly filed, and that all taxes due the Commonwealth have been paid, before the improvement, amendment or alteration of the charter of any corporation."

The act approved the thirty-first day of March, one thousand nine hundred five (Pamphlet Laws, ninety-five), entitled "An act to amend section three of a supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, one thousand eight hundred and seventy-four, providing for the merger and consolidation of certain corporations, approved the twenty-ninth day of May, one thousand nine hundred and one; requiring the filing of all reports required by the Auditor General, and the payment of all taxes due the Commonwealth of Pennsylvania, by corporations, before merger or consolidation."

The act approved the twenty-second day of April, one thousand nine hundred five (Pamphlet Laws, two hundred sixty-four), (Number one hundred eighty-three), entitled "An act to amend the first section of an act, entitled 'An act to provide for the manner of reducing the capital stock of corporations,' approved the eighth day of June, Anno Domini one thousand eight hundred and ninety-three (1893); extending the provisions of the said act to all corporations created by general or spe-

cial law, and repealing all acts or parts of acts inconsistent therewith."

The act approved the twenty-second day of April, one thousand nine hundred five (Pamphlet Laws, two hundred eighty), entitled "An act to amend section one of the act, entitled 'An act to provide for increasing the capital stock and indebtedness of corporations,' approved the ninth day of February, Anno Domini one thousand nine hundred and one; authorizing corporations to increase their capital stock and indebtedness, and secure the payment of principal and interest of their indebtedness."

The act approved the twenty-third day of May, one thousand nine hundred seven (Pamphlet Laws, two hundred four), entitled "An act to amend an act, entitled 'An act to enable mining, manufacturing, and trading companies to wind up their affairs, after the expiration of their charters,' approved the twenty-first day of May, Anno Domini one thousand eight hundred and eighty-one."

The act approved the first day of June, one thousand nine hundred seven (Pamphlet Laws, three hundred eighty-two), (Number two hundred seventy-five), entitled "A supplement to an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four; empowering companies incorporated, under the provisions of said act, for the insurance of owners of real estate, mortgagees, and others interested in real estate from loss, by reason of defective titles, liens, et cetera, to guarantee the payment of the principal and interest of bonds secured by mortgage upon real estate."

The act approved the eighteenth day of March, one thousand nine hundred nine (Pamphlet Laws, forty-one), entitled "An act to better provide for perpetual care and preservation of burial-grounds or cemeteries within this Commonwealth."

The act approved the third day of May, one thousand nine hundred nine (Pamphlet Laws, four hundred eight), entitled "An act authorizing the merger and consolidation of certain corporations."

The act approved the eleventh day of May, one thousand nine hundred nine (Pamphlet Laws, five hundred fifteen), entitled "An act amending and supplementing section two of the act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-nine, one thousand eight hundred and seventy-four, by striking out clause twenty of corporations of the second class, and providing that corporations of the second class shall include corporations for any lawful purpose not specifically designated by law as the purpose for which a corporation may be

formed, and providing that certain companies heretofore incorporated may become incorporated hereunder.”

The act approved the third day of June, one thousand nine hundred eleven (Pamphlet Laws, six hundred thirty-five), entitled “An act to further amend the eighteenth paragraph of the second section of an act, entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ approved the twenty-ninth day of April, Anno Domini one thousand eight hundred and seventy-four, so as to compel corporations heretofore or hereafter incorporated for the purpose of the storage, transportation and furnishing of water for manufacturing and other purposes, and for the creation, establishing, furnishing, transmission and using of water-power therefrom, to furnish such power for public purposes.”

The act approved the eighth day of June, one thousand nine hundred eleven (Pamphlet Laws, seven hundred ten), entitled “An act to regulate the doing of business in this Commonwealth by foreign corporations; the registration thereof and service of process thereon; and providing punishment and penalties for the violation of its provisions; and repealing previous legislation on the subject.”

The act approved the twenty-third day of May, one thousand nine hundred thirteen (Pamphlet Laws, three hundred thirty-six), (Number two hundred twenty-two), entitled “An act authorizing corporations of this Commonwealth to declare, at any time or times, dividends out of net profits; and prescribing the time within which the same shall be paid.”

The act approved the fifth day of June, one thousand nine hundred thirteen (Pamphlet Laws, four hundred forty-nine), entitled “An act to amend an act, entitled ‘An act to amend an act, entitled “An act to enable mining, manufacturing, and trading companies to wind up their affairs after the expiration of their charters,” approved the twenty-first day of May, Anno Domini eighteen hundred and eighty-one,’ approved the twenty-third day of May, Anno Domini nineteen hundred and seven; extending the same so as to include companies for the purchase and sale of real estate, and construction companies.”

The act approved the twenty-second day of April, one thousand nine hundred fifteen (Pamphlet Laws, one hundred seventy), entitled, “An act to amend section four of an act, entitled ‘An act to regulate the doing of business in this Commonwealth by foreign corporations; the registration thereof and service of process thereon; and providing punishment and penalties for the violation of its provisions; and repealing previous legislation on the subject,’ approved the eighth day of June, one thousand nine hundred and eleven.”

The act approved the twenty-ninth day of April, one thousand nine hundred fifteen (Pamphlet Laws, two

hundred five), entitled "An act to amend the third section of an act, entitled 'An act authorizing the merger and consolidation of certain corporations,' approved the third day of May, Anno Domini one thousand nine hundred and nine."

The act approved the sixth day of May, one thousand nine hundred fifteen (Pamphlet Laws, two hundred seventy-one), (Number one hundred sixty-six), entitled "An act to revive and continue in force the provisions of an act, entitled 'An act to extend the time during which corporations may hold and convey the title to real estate, heretofore bought under execution or conveyed to them in satisfaction of debts, and now remaining in their hands unsold,' approved the twenty-second day of May, Anno Domini one thousand eight hundred and seventy-eight, in so far as it relates to banking companies; amending and extending the same, and giving said banking companies the right to bring suit and maintain an action, either at law or in equity, and to maintain any action already brought, for the recovery of possession of property so bought, the same as an individual could do."

The act approved the second day of June, one thousand nine hundred fifteen (Pamphlet Laws, seven hundred twenty-four), (Number three hundred thirty-three), entitled "An act to amend section twenty-three of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four, as amended by the fifth section of an act, entitled 'A supplement to an act approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled "An act to provide for the incorporation and regulation of certain corporations," providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations,' approved April seventeenth, one thousand eight hundred and seventy-six; requiring the filing of all the reports required by the Auditor General of the Commonwealth, and the payment of all taxes due the Commonwealth of Pennsylvania, by certain corporations, up to and including the date of the proposed sale, assignment, disposition, and conveyance of the franchises and property of such corporation before the returns authorizing such sale, assignment, disposition, and conveyance shall be filed in the office of the Secretary of the Commonwealth."

The act approved the seventeenth day of May, one thousand nine hundred seventeen (Pamphlet Laws, two hundred twenty-eight), entitled "An act to authorize the payment by corporations to their directors of compensation for services rendered by them."

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred eighty-one), (Number two hundred forty-eight), entitled

“An act permitting corporations to invest their surplus funds in bonds of the United States issued for war purposes.”

The act approved the fifth day of July, one thousand nine hundred seventeen (Pamphlet Laws, six hundred ninety-eight), (Number two hundred fifty-eight), entitled “An act to authorize corporations organized for profit, under the laws of Pennsylvania, to continue the salaries of employes enlisting or enrolling in any branch of the military or naval service of the United States, or other protective organization.”

The act approved the twentieth day of July, one thousand nine hundred seventeen (Pamphlet Laws, one thousand one hundred twenty-seven), entitled “An act authorizing manufacturing corporations, now or hereafter organized under the laws of this State, to engage in the production of necessary raw materials for such manufacturing purposes.”

The act approved the eighteenth day of April, one thousand nine hundred nineteen (Pamphlet Laws, sixty-seven), entitled “An act to give to women, married and single, the same right as men to be corporators, and, in furtherance of their interests as stockholders, to serve as directors and officers of corporations for profit.”

The act approved the twelfth day of June, one thousand nine hundred nineteen (Pamphlet Laws, four hundred forty-two), entitled “An act to amend clause twelve, section thirty-nine of an act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled ‘An act to provide for the incorporation and regulation of certain corporations.’ ”

The act approved the twelfth day of July, one thousand nine hundred nineteen (Pamphlet Laws, nine hundred fourteen), entitled “An act authorizing stock corporations, other than building and loan associations and corporations authorized by law to transact a banking or insurance business, to make provision, upon formation, reorganization, merger, or consolidation, for the issue of either or both preferred or common shares without nominal or par value; regulating the same and such corporations; and prescribing the method of determining the number of shares and capital of corporations issuing shares in such manner.”

The act approved the thirtieth day of March, one thousand nine hundred twenty-one (Pamphlet Laws, fifty-four), (Number twenty-eight), entitled “An act permitting corporations to change the date of their annual meeting as fixed by its charter.”

The act approved the fourteenth day of April, one thousand nine hundred twenty-one (Pamphlet Laws, one hundred forty-one), entitled “An act to further amend the eighteenth paragraph of section two of an act, approved the twenty-ninth day of April, one thousand

eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations,' as amended, by providing for the incorporation of companies for the purpose of extracting from the earth minerals and materials used in the manufacture of iron, steel, or other products and the preparation for market and selling thereof and dealing therein."

The act approved the twenty-fifth day of May, one thousand nine hundred twenty-one (Pamphlet Laws, one thousand one hundred fifty-nine), entitled "An act authorizing certain corporations to issue preferred or common stock of one or more classes; providing for the manner of issuance, restrictions and regulations in the manner of voting thereof, and the rights and privileges of the holders thereof; validating certain acts of corporations not participated in by the holders of non-voting stock; and repealing all acts and parts of acts inconsistent therewith."

The act approved the fifteenth day of March, one thousand nine hundred twenty-three (Pamphlet Laws, ten), entitled "An act relating to the recording of certificates of incorporation of domestic corporations; providing for the recording of certified copies thereof in certain cases; validating the recording of such certified copies heretofore recorded; and making the record of such certified copies competent evidence for all purposes."

The act approved the twenty-first day of May, one thousand nine hundred twenty-three (Pamphlet Laws, two hundred eighty-eight), (Number one hundred eighty-four), entitled "An act to better secure all bonds, stocks, mortgages, or other securities deposited with the State Treasurer, by providing for their inspection, examination, and verification, and the verification of the books, containing a record of such bonds, stocks, mortgages, or other securities, by the Auditor General or his agents."

The act approved the twenty-fourth day of May, one thousand nine hundred twenty-three (Pamphlet Laws, four hundred thirty-eight), entitled "An act authorizing corporations incorporated under the laws of any other State of the United States to acquire, use, encumber, and dispose of such real estate, and rights, and interests in, in the nature of or in respect to real estate, in Pennsylvania, as may be necessary and proper for the exercise of such of their corporate purposes as it may be lawful for them to exercise in this State; defining certain of their powers, rights, and liabilities in connection therewith; regulating the exercise of said rights by foreign public service corporations; repealing certain acts; and validating certain titles, rights, and interests heretofore acquired."

The act approved the twenty-eighth day of June, one thousand nine hundred twenty-three (Pamphlet Laws,

eight hundred ninety-four), entitled "An act to amend the act, approved the twenty-first day of May, one thousand eight hundred and eighty-one (Pamphlet Laws, thirty), entitled 'An act to enable mining, manufacturing, and trading companies to wind up their affairs after the expiration of their charters,' as amended, by extending the same to include foreign corporations."

The act approved the twelfth day of July, one thousand nine hundred twenty-three (Pamphlet Laws, one thousand eighty-three), entitled "An act authorizing corporations to issue stock at a price in excess of the par value thereof."

The act approved the sixth day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, one hundred fifty-two), entitled "An act to further amend clause five of section twenty-nine of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations.'"

The act approved the seventh day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, one hundred eighty-three), entitled "An act providing that certificates of association and articles of incorporation or of any improvements, amendments, or alterations thereto may be acknowledged and sworn or affirmed to before a notary public or justice of the peace; validating such acknowledgments made prior to the approval of this act."

The act approved the seventh day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, one hundred eighty-four), (Number one hundred thirty-three), entitled "An act to amend section one of an act, approved the twenty-fourth day of May, one thousand nine hundred and twenty-three (Pamphlet Laws, four hundred and thirty-eight), entitled 'An act authorizing corporations incorporated under the laws of any other State of the United States to acquire, use, encumber, and dispose of such real estate, and rights, and interests in, in the nature of or in respect to real estate, in Pennsylvania, as may be necessary and proper for the exercise of such of their corporate purposes as it may be lawful for them to exercise in this State; defining certain of their powers, rights, and liabilities in connection therewith; regulating the exercise of said rights by foreign public service corporations; repealing certain acts, and validating certain titles, rights, and interests heretofore acquired,' by extending its provisions to corporations incorporated under the laws of the District of Columbia or by Act of Congress."

The act approved the thirtieth day of April, one thousand nine hundred and twenty-five (Pamphlet Laws, four hundred three), entitled "An act relating to the dissolution of corporations; and imposing certain duties

on the Secretary of the Commonwealth and the prothonotaries.”

The act approved the twelfth day of May, one thousand nine hundred and twenty-five (Pamphlet Laws, six hundred fifteen), entitled “An act pertaining to corporations organized or doing business within the Commonwealth; limiting the operation of their by-laws; and providing for the execution of contracts, notes, mortgages, et cetera, by such corporations.”

The act approved the thirteenth day of May, one thousand nine hundred and twenty-five (Pamphlet Laws, six hundred seventy-nine), (Number three hundred sixty-eight), entitled “An act authorizing corporations to issue stock to their employes and to employes of their subsidiaries, at par value, or at a price in excess of par value.”

The act approved the twenty-ninth day of March, one thousand nine hundred twenty-seven (Pamphlet Laws, seventy), entitled “An act to amend section one of the act, approved the twenty-fifth day of April, one thousand eight hundred and seventy-six (Pamphlet Laws, forty-seven), entitled ‘An act supplementary to the act entitled “An act to provide for the incorporation and regulation of certain corporations,” approved the twenty-ninth day of April, Anno Domini eighteen hundred and seventy-four, extending its provisions to all who may have the right to vote at elections for directors, managers or trustees,’ regulating the manner of voting in first class corporations.”

The act approved the twenty-second day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, three hundred fifty-three), (Number two hundred eighteen), entitled “An act to amend subdivision three of section three of an act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled ‘An act to provide for the incorporation and regulation of certain corporations,’ by regulating the weekly advertisements for corporate charters.”

The act approved the twenty-seventh day of April, one thousand nine hundred twenty-seven (Pamphlet Laws, four hundred four), (Number two hundred sixty), entitled “An act prohibiting corporations from pleading usury as a defense.”

The act approved the fifth day of May, one thousand nine hundred twenty-seven (Pamphlet Laws, eight hundred thirteen), entitled “An act to amend section one of an act, approved the twenty-fourth day of May, one thousand nine hundred and twenty-three (Pamphlet Laws, four hundred thirty-eight), entitled ‘An act authorizing corporations incorporated under the laws of any other State of the United States to acquire, use, encumber, and dispose of such real estate, and rights, and interests in, in the nature of or in respect to real estate,

in Pennsylvania, as may be necessary and proper for the exercise of such of their corporate purposes as it may be lawful for them to exercise in this State; defining certain of their powers, rights, and liabilities in connection therewith; regulating the exercise of said rights by foreign public service corporations; repealing certain acts; and validating certain titles, rights, and interests heretofore acquired,' as amended; by providing that stockholders of such corporations owning real estate in this State, and who reside in this State, shall have the right to inspect the books, documents, and records of such corporations the same as in case of domestic corporations, and granting to courts of common pleas jurisdiction and power to enforce such right."

The act approved the sixth day of May, one thousand nine hundred twenty-seven (Pamphlet Laws, eight hundred twenty-eight) (Number four hundred seventeen), entitled "An act to further amend the second paragraph of the fifth section of an act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations.'"

The act approved the twenty-seventh day of March, one thousand nine hundred twenty-nine (Pamphlet Laws, seventy-four), entitled "An act amending section one of an act entitled 'An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities, or evidences of indebtedness created by, any other corporation,' approved the second day of July, Anno Domini one thousand nine hundred and one (Pamphlet Laws, six hundred and three), so as to include corporations, either public or private, of this or any other State or of the United States of America, or of any territory or dependency thereof, or of any foreign country or any subdivision or agency thereof; and to validate all purchases, sales, assignments, transfers, mortgages, pledges, or other disposition thereof at any time heretofore made."

The act approved the tenth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws, four hundred eighty), entitled "An act to amend section one of the act, approved the twenty-fourth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, two hundred fifty-eight), entitled 'An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth,' by authorizing the counter-signatures of assistant treasurers thereon; by permitting the signatures, counter-signatures, and seals thereon in facsimile printed or engraved; and validating certificates of stock heretofore so executed and issued."

The act approved the eighteenth day of April, one

thousand nine hundred twenty-nine (Pamphlet Laws, five hundred forty-four), entitled "An act to amend the act, approved the second day of July, one thousand nine hundred and one (Pamphlet Laws, six hundred three), entitled 'An act authorizing corporations, organized for profit, to purchase, hold, sell, assign, transfer, mortgage, pledge, or otherwise dispose of, the shares of capital stock of, or any bonds, securities, or evidences of indebtedness created by, any other corporation' by extending the provisions thereof so as to apply to all corporations, and validating past transactions of such character."

The act approved the thirtieth day of April, one thousand nine hundred twenty-nine (Pamphlet Laws, nine hundred three), entitled "An act relating to corporations; providing methods of determining what stockholders shall be entitled to vote at meetings, or to receive dividends, or allotments of rights, or to exercise rights; and the effect thereon of transfers of stock within sixty days of any election or meeting."

The act approved the eighth day of May, one thousand nine hundred twenty-nine (Pamphlet Laws, one thousand six hundred forty-seven), (Number five hundred twelve), entitled "An act to amend the act approved the twenty-seventh day of April, one thousand nine hundred and twenty-seven (Pamphlet Laws, four hundred four), entitled 'An act prohibiting corporations from pleading usury as a defense.'"

The act approved the seventeenth day of May, one thousand nine hundred twenty-nine (Pamphlet Laws, one thousand eight hundred two), entitled "An act providing that when all or a majority of the outstanding shares of the capital stock of any corporation, now or hereafter created under the laws of this Commonwealth, are owned by a corporation, created under the laws of any other State, the owner or owners of not less than one-fifth of the total number of the outstanding shares of the capital stock of such foreign corporation shall have the right to investigate and inquire into the affairs, management, and operations of such domestic corporation, and to institute, maintain and prosecute actions or proceedings against, or in behalf of, such domestic corporation, for any purpose, to the same extent, in the same manner, with the same force and effect, and with the same rights and remedies, as if he or they were the owner or owners of shares of the capital stock of such domestic corporation; and prescribing the conditions upon which a bond may be required in any such action or proceeding."

The act approved the twentieth day of March, one thousand nine hundred thirty-one (Pamphlet Laws, four), entitled "An act to amend section one of the act, approved the twenty-fourth day of June, one thousand eight hundred and ninety-five (Pamphlet Laws, two hun-

dred fifty-eight), entitled 'An act relating to and regulating the issue and transfer of certificates of stock by companies incorporated under the laws of this Commonwealth,' as amended, by permitting the signatures, counter-signatures, and seals thereon in facsimile printed or engraved, when the certificate is signed by a transfer agent or assistant transfer agent and registrar; and permitting the use of certificates bearing the signature or counter-signature, or facsimile signature or counter-signature, of any officer who has ceased to be such when the certificate is issued.'

The act approved the twenty-sixth day of March, one thousand nine hundred thirty-one (Pamphlet Laws, ten), (Number eight), entitled "An act to amend subdivision three of section three of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations,' as amended, by regulating the advertising of application of charters for corporations of the first class."

The act approved the twenty-fifth day of May, one thousand nine hundred thirty-one (Pamphlet Laws, one hundred eighty-nine), entitled "An act to further amend section twelve of the act, approved the twenty-ninth day of April, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), entitled 'An act to provide for the incorporation and regulation of certain corporations,' by providing that corporations organized either for the supply, storage, or transportation of water and water power, or for the supply of light, heat, and power by means of electricity, and corporations formed by the merger or consolidation of such corporations, may subscribe for, take, purchase, hold, and dispose of the bonds and stock of any company of the same character, or may guarantee the payment of principal and interest of such bonds, or either principal or interest, or may lease and operate corporate property."

The act approved the twelfth day of June, one thousand nine hundred thirty-one (Pamphlet Laws, five hundred sixty-one), entitled "An act to amend section twenty-three of an act, entitled 'An act to provide for the incorporation and regulation of certain corporations,' approved April twenty-ninth, one thousand eight hundred and seventy-four (Pamphlet Laws, seventy-three), as amended by an act, entitled 'An act to amend section twenty-three of an act, entitled "An act to provide for the incorporation and regulation of certain corporations," approved April twenty-ninth, one thousand eight hundred and seventy-four, as amended, by the fifth section of an act, entitled "A supplement to an act, approved April twenty-ninth, one thousand eight hundred and seventy-four, entitled 'An act to provide for the

incorporation and regulation of certain corporations,' providing for the further regulation of such corporations and for the incorporation and regulation of certain additional corporations," approved April seventeenth, one thousand eight hundred and seventy-six; requiring the filing of all the reports required by the Auditor General of the Commonwealth, and the payment of all taxes due the Commonwealth of Pennsylvania, by certain corporations, up to and including the date of the proposed sale, assignment, disposition, and conveyance of the franchises and property of such corporation before the returns authorizing such sale, assignment, disposition, and conveyance shall be filed in the office of the Secretary of the Commonwealth,' approved June second, one thousand nine hundred and fifteen (Pamphlet Laws, seven hundred twenty-four); providing that in the case of the sale, assignment, disposition, or conveyance by certain building and loan associations of their franchises and property to certain other building and loan associations, in lieu of the advertisement required by section nineteen of the act first mentioned, notice of the time, place and object of the meeting of stockholders, therein mentioned, shall be published, once a week for two weeks prior to such meeting, in at least one newspaper published in the county, city or borough wherein the place of business of the building and loan association, so selling, assigning, disposing or conveying, is situate."

The act approved at the nineteen thirty-three session of the Legislature, entitled "An act to authorize certain corporations organized under the laws of Pennsylvania, including railroad corporations organized under the laws of Pennsylvania and of any other state or states, to increase or decrease the par value of the shares of their capital stock; providing that such change of par value of shares may reduce the aggregate par value of outstanding capital stock, or alter or affect the division of authorized capital stock as between outstanding stock and authorized stock unissued; prescribing the manner in which such change shall be made; and repealing all acts and parts of acts inconsistent herewith."

The act approved at the nineteen thirty-three session of the Legislature, entitled "An act authorizing stock corporations, with certain exceptions, to make provision for, and to issue, shares of capital stock of any class or classes, or to change shares of authorized or outstanding capital stock of any class into one or more classes, with or without nominal or par value, and with such designations, terms, relative rights, powers, privileges, preferences, limitations, restrictions and qualifications, as may be specified; regulating such corporations and the liabilities of their directors; making other provisions relating to the capital and capital stock of such corporations; and repealing all acts or parts of acts inconsistent herewith."

All other acts or parts of acts inconsistent herewith are hereby repealed in so far as they relate to business corporations.

APPROVED—The 5th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 107

AN ACT

Declaring and adopting the mountain laurel (*Kalmia Latifolia*) as the State flower of Pennsylvania.

Section 1. Be it enacted, &c., That the mountain laurel (*Kalmia Latifolia*) is hereby adopted as the State flower of Pennsylvania. State flower.

APPROVED—The 5th day of May, A. D. 1933.

GIFFORD PINCHOT

No. 108

AN ACT

Relating to the business of building and loan associations; providing for the organization and voluntary dissolution of such associations; defining the rights, powers, duties, liabilities, and immunities of such associations, and of their officers, directors, shareholders, solicitors, and other employes; prohibiting the transaction of business in this Commonwealth by foreign building and loan associations; conferring powers and imposing duties upon the courts, recorders of deeds, and certain State departments, commissions, and officers; establishing limitations of actions; imposing penalties; and repealing certain acts and parts of acts.

Be it enacted by the Senate and House of Representatives of the Commonwealth of Pennsylvania in General Assembly met, and it is hereby enacted by the authority of the same, as follows:

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