

§741. Issuance of shares

1. Qualified shareholders. A professional corporation may issue shares, fractional shares and rights or options to purchase shares only to:

A. Individuals who are authorized by law in this State or another state to render a professional service described in the corporation's articles of incorporation; [PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

A-1. Nonlicensed individuals authorized to organize with licensed individuals pursuant to section 732, subsection 3; [PL 2003, c. 344, Pt. D, §7 (NEW).]

B. General partnerships in which all the partners are qualified persons with respect to the professional corporation and in which at least one partner is authorized by law in this State to render a professional service described in the corporation's articles of incorporation; [PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

C. Professional corporations, professional limited liability companies or professional limited liability partnerships, domestic or foreign, authorized by law in this State to render a professional service described in the corporation's articles of incorporation; [PL 2003, c. 344, Pt. B, §4 (AMD).]

D. Any other entity that is authorized by law to provide the same professional service provided by the professional corporation; or [PL 2003, c. 344, Pt. B, §4 (AMD).]

E. Any other person or entity, including employee stock ownership plans or programs and other employee ownership programs, that the licensing authority with jurisdiction over the professional corporation determines is qualified to hold shares of such a professional corporation. [PL 2003, c. 344, Pt. B, §5 (NEW).]

[PL 2003, c. 344, Pt. B, §§4, 5 (AMD); PL 2003, c. 344, Pt. D, §7 (AMD).]

2. Licensing authority jurisdiction. If a licensing authority with jurisdiction over a profession considers it necessary to prevent violation of the ethical standards of the profession, the authority may adopt rules under its general rule-making authority or other regulatory authority to restrict or condition, or revoke in part, the authority of professional corporations subject to its jurisdiction to issue shares. A rule described in this subsection does not, of itself, make a shareholder of a professional corporation at the time the rule becomes effective a disqualified person.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

3. Unlawful shares void. Shares issued in violation of this section or a rule described in subsection 2 are void.

[PL 2001, c. 640, Pt. B, §2 (NEW); PL 2001, c. 640, Pt. B, §7 (AFF).]

SECTION HISTORY

PL 2001, c. 640, §B2 (NEW). PL 2001, c. 640, §B7 (AFF). PL 2003, c. 344, §§B4,5,D7 (AMD).

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