

## CHAPTER 319A

## PROFESSIONAL CORPORATIONS ACT

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**319A.03 FORMATION OF CORPORATION.**

One or more natural professional persons may form a corporation pursuant to sections 301.01 to 301.67, chapter 302A, or chapter 317 for the purposes hereinafter set forth.

**History:** 1981 c 270 s 132

**319A.05 APPLICABILITY OF CORPORATION ACTS.**

A corporation incorporating under sections 319A.01 to 319A.22 and sections 301.01 to 301.67, chapter 302A, or chapter 317 shall proceed in the manner specified in sections 301.01 to 301.67, chapter 302A, or chapter 317. After incorporation a professional corporation shall enjoy the powers and privileges and shall be subject to the duties and liabilities of other corporations organized under sections 301.01 to 301.67, chapter 302A, or chapter 317, except insofar as the same may be limited or enlarged by sections 319A.01 to 319A.22. If any provision of sections 319A.01 to 319A.22 conflicts with the provisions of sections 301.01 to 301.67, chapter 302A, or chapter 317, sections 319A.01 to 319A.22 take precedence.

**History:** 1981 c 270 s 133

**319A.11 TO WHOM SHARES MAY BE ISSUED.**

Subdivision 1. **Generally.** A professional corporation may issue its stock only to and admit as a member only natural persons licensed to render a kind of professional service which the corporation is authorized to render or partnerships or professional corporations rendering the same kind of professional service. A person, partnership or professional corporation who becomes a shareholder or member of any such corporation may transfer its shares of stock or its membership only to a natural person, partnership or professional corporation to whom the corporation could have issued the shares of stock or membership. No proxy to vote any share in a professional corporation or membership may be given to a person who is not so licensed, nor may any voting trust be established with respect to the shares of the professional corporation unless all the voting trustees are natural persons so licensed.

Subd. 2. **Nonapplication of securities regulation provisions.** Chapter 80A shall not be applicable to nor govern any transaction relating to any shares of a professional corporation.

**History:** 1981 c 296 s 1

**319A.12 CHANGES IN CORPORATE STATUS.**

[For text of subd 1, see M.S.1980]

Subd. 1a. A professional corporation may at any time by amendment to its articles of incorporation relinquish the powers and privileges conferred upon it by this chapter and elect to be governed thereafter solely by the provisions of sections

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301.01 to 301.67, chapter 302A, or chapter 317. Notwithstanding any provision of this chapter, the representative of a deceased or incompetent shareholder of a professional corporation shall have authority to vote the deceased or incompetent shareholder's shares on the question of adopting such an amendment.

Subd. 2. If within 90 days following the date of death of a shareholder or member of a professional corporation or the loss of his license to render professional service all of the shares or membership owned by the deceased or disqualified shareholder or member have not been transferred to and acquired by the corporation or persons qualified to own the shares or membership, the corporation shall thereafter be governed solely by the provisions of sections 301.01 to 301.67, chapter 302A, or chapter 317 and shall not enjoy any of the powers and privileges conferred by sections 319A.01 to 319A.22. When the corporation ceases to be authorized to render professional service, its corporate name must be changed to comply with the corporate name provision of sections 301.01 to 301.67, chapter 302A, or chapter 317, and any words, phrases or abbreviations contained therein to comply with the provisions of sections 319A.01 to 319A.22 shall be eliminated.

*[For text of subd 3, see M.S.1980]*

**History:** 1981 c 270 s 134,135

## 319A.20 SUSPENSION OR REVOCATION.

The corporate charter of a professional corporation or the certificate of authority of a foreign professional corporation may be suspended or revoked pursuant to sections 301.57, 302A.757, or 317.62 for the reasons enumerated therein or for failure to comply with the provisions of sections 319A.01 to 319A.22 or the rules and regulations of any board. A board through the attorney general may institute such suspension or revocation proceedings.

**History:** 1981 c 270 s 136