

CHAPTER 319A

PROFESSIONAL CORPORATIONS

319A.02 Definitions.

319A.11 To whom shares may be issued.

319A.02 DEFINITIONS.*[For text of subds 1 to 6, see M.S.1992]*

Subd. 7. "Corporation" as used in this chapter includes a limited liability company organized under chapter 322B and, with respect to a limited liability company, references in this chapter to articles of incorporation, bylaws, directors, officers, shareholders and shares of stock shall refer to articles of organization, operating agreement, governors, managers, members and membership interests, respectively.

History: 1993 c 137 s 17

319A.11 TO WHOM SHARES MAY BE ISSUED.

Subdivision 1. **Generally.** (a) 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.

(b) Notwithstanding paragraph (a), a professional corporation may issue its stock under this section to an employee stock ownership plan, as defined in section 4975(e)(7) of the Internal Revenue Code of 1986, as amended, if

(1) the voting trustees of the plan are natural persons licensed to render a kind of professional service which the corporation is authorized to render, and

(2) the shares are not directly issued to a person or entity not licensed to render a kind of advice which the corporation is authorized to render.

[For text of subd 2, see M.S.1992]

History: 1993 c 375 art 17 s 12