



LAWS OF ALASKA

1969

Source

SB 45 am H

Chapter No.

75

AN ACT

Relating to the Alaska Professional Corporation Act.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

* Section 1. AS 10.45.070 is repealed and re-enacted to read:

Sec. 10.45.070. MANAGEMENT BY DIRECTORS PERMITTED.

(a) The management of a professional corporation shall be vested in the board of directors which shall have the continuing exclusive authority to make the management decisions necessary to the conduct of the profession for which the professional corporation is formed. The officers of the corporation, who shall be elected by the board of directors, have such power and authority to represent the board as the board from time to time expressly or impliedly grant. A shareholder does not have power to bind the corporation within the scope of the corporation's activities merely by virtue of his being a shareholder.

(b) A professional corporation which has only one or two shareholders may manage its affairs by directors only, who shall be the shareholders. The one or two shareholders may fill all the general offices of the corporation.

* Sec. 2. AS 10.45.080 is amended to read:

Sec. 10.45.080. TRANSFER OF SHARES. A shareholder of a professional corporation may sell or transfer his shares in the professional corporation only to another individual duly licensed to render the same professional service as that for which the professional corporation was formed. The articles of incorporation may provide specifically for restraints on the alienation of shares and may require the purchase, redemption, or retirement of shares by the corporation at a price and in a manner set out in

the articles. The articles may authorize the corporation's board of directors or its shareholders to adopt bylaws restraining the alienation of shares and providing for their purchase, redemption, or retirement by the corporation.

- * Sec. 3. AS 10.45.120 is amended to read:

Sec. 10.45.120. CORPORATE NAME. The corporate name of a professional corporation shall contain the last name of one or more of its shareholders, unless the regulations of a particular regulating board or the ethics of a profession permit the use of a corporate name which does not include the surname of any present or former shareholder. The corporate name shall be ended by the word "Corporation," or "Incorporated," or by the abbreviation "Corp." or "Inc.," or by the words, "a professional corporation."

- * Sec. 4. AS 10.45.140 is repealed and re-enacted to read:

Sec. 10.45.140. PROFESSIONAL RELATIONSHIP AND LIABILITIES. (a) This chapter does not modify the law applicable to the relationship between a person furnishing professional service and a person receiving the service, including liability arising out of the professional service, and including any confidential relationship between the person rendering the professional service and the person receiving the service.

(b) Except as provided in (a) of this section, no shareholder of a professional corporation organized under this chapter is individually liable for the debts of or the claims against the corporation unless the debt or claim arises as a result of a wrongful act or omission of the shareholder.

- * Sec. 5. AS 10.45 is amended by adding a new section to read:

Sec. 10.45.155. CONTINUITY OF LIFE. Unless the articles of incorporation expressly provide otherwise, a professional corporation shall continue as a separate entity independent of its shareholders, for all purposes and for the period of time provided in the articles, or until dissolved by a vote of two-thirds of the members. A professional corporation shall continue notwithstanding the death, insanity, incompetency, conviction for felony, resignation, withdrawal, transfer of ownership of shares, retirement, or expulsion of any one or more of the shareholders, the transfer of shares to a new shareholder, or the happening of any other event, which under the law of this state, and under like circumstances, would work a dissolution of a partnership.

- * Sec. 6. AS 10.45 is amended by adding a new section to read:

Sec. 10.45.165. SHAREHOLDER HAS NO POWER TO DISSOLVE. No shareholder of a professional corporation has the power to dissolve the corporation by his independent act of any kind.

- * Sec. 7. AS 10.45.220 is amended by adding a new subsection to read:

(b) If there is only one shareholder and the shares held by the deceased shareholder are not disposed of within six months after death, the legal representative, legatees or distributees of the deceased shareholder shall either (1) liquidate the professional corporation; or (2) amend its articles of incorporation so that the professional corporation may continue in existence as a business corporation under the Alaska Business Corporation Act.

* Sec. 8. The following laws are repealed: AS 10.45.150, AS 10.45.160, AS 10.45.170.