

Section 203. Place of Business; Change of Place of Business; Collection Agencies.—* * *

E. An association, pursuant to a resolution of its board of directors a certified copy of which shall be filed with the department, may, with the prior written approval of the department and upon the issuance of a letter of authority by the department, change the place of business of a branch to a place within the city, borough, township or village in which such branch is located. An association may change the place of business of a branch to a place outside the city, borough, township or village in which such branch is located but within the county of its principal place of business or within a county contiguous thereto, in the same manner and subject to the same requirements and limitations as are by this act prescribed in the case of the establishment of branches. An association having changed the place of business of a branch hereunder shall, immediately upon compliance with the provisions of this act relating thereto, discontinue the operation of its branch at the previous location.

Section 2. Subsection C of section 204 of the act, added December 30, 1955 (P. L. 925), is amended to read:

Subsection C, section 204 of the act, added December 30, 1955, P. L. 925, amended.

Section 204. Branches.—* * *

C. With the prior written approval of the department, an association pursuant to a resolution of its board of directors, may discontinue the operation of any branch provided public notice thereof is given in such manner as the department directs at least [ninety] *thirty* days before the date of discontinuance.

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Section 3. This act shall take effect immediately.

Act effective immediately.

APPROVED—The 7th day of August, A. D. 1961.

DAVID L. LAWRENCE

No. 416

AN ACT

Authorizing members of any profession to organize an association to render the type of service which the members are authorized to render; providing for the regulation of the association and its members and employes and imposing powers and duties on the association and its members.

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Professional Association Act.

Section 1. Short Title.—This act shall be known and may be cited as the “Professional Association Act.”

Section 2. Definitions.—As used in this act—

(1) “Associates” shall be the members of any professional association.

(2) “Profession” shall include all occupations, legally or traditionally designated as professions, and which members thereof by law, tradition, or ethics, are forbidden to incorporate for the purpose of rendering professional services, including, but not limited to, architects, attorneys at law, certified public accountants, chiropractors, dentists, osteopaths, physicians and surgeons.

(3) “Professional association” shall be any association organized under this act.

(4) “Professional service” shall mean any type of service which can be rendered by the member of any profession within the purview of his or her profession.

Section 3. Qualifications of Associates.—Any person or persons, all of whom are licensed or otherwise legally authorized to render the same kind of professional services within the Commonwealth of Pennsylvania, may organize a professional association.

Section 4. Purpose of Association.—A professional association may be organized only for the purpose of rendering the one specific kind of professional service its associates are authorized to render, and it shall not engage in any business other than rendering the professional service for which it was organized. Such professional services shall be rendered subject to rules and regulations of the professional licensing boards with particular reference to manner of practice, number of locations of practice, and professional conduct, as well as any other matter which may properly come within the jurisdiction of such professional licensing boards. However, it may invest its funds in real estate, mortgages, stocks, bonds or any other type of investment, and it may own real and personal property necessary or appropriate for rendering its professional service.

Section 5. Articles of Association.—The associates shall all subscribe to articles of association before the professional association shall commence its operations. The articles of association shall contain the name of the association, the names and addresses of all of the associates, the address of the principal office of the association, and a general purpose clause of the association. One copy of the articles of association, fully executed, shall be filed with the prothonotary of the court of the county in which the association has its principal office within thirty days of the formation of the professional association. Amended articles of association shall be filed with the said prothonotary by the associa-

tion within thirty days of any change in the membership or in the principal office of the association.

Section 6. Board of Governors.—The associates shall elect a board of governors which shall manage all of the affairs of the professional association. The membership of the board of governors shall consist of one or more persons who may but need not be associates. The board shall elect a chairman, a secretary, a treasurer, and whatever other officers it deems necessary for the successful management of the association.

Section 7. By-laws.—The associates shall adopt by-laws to regulate the affairs of the professional association. The by-laws shall provide for the method of election of the members of the board of governors, the number of members of the board of governors, the method of election of officers of the board of governors, the dates of the regular meetings of the associates which shall occur at least once each year, the dates of the regular meetings of the board of governors, which shall occur at least once each year, a method for determining the values of the respective interests of the associates, the method of amending the by-laws, the term of existence of the association, and whatever else the associates deem necessary for the successful regulation of the affairs of the association.

Section 8. Employes.—The board of governors may engage whatever employes it deems necessary for the operation of the professional association. No employe shall be engaged to render professional services unless he is duly licensed or otherwise legally authorized to render such professional services within the Commonwealth of Pennsylvania; however, the association is not precluded from engaging agents or employes who are not duly licensed or otherwise legally authorized to render professional services to render services of a non-professional nature. All of the associates shall be eligible to be employes of the association.

Section 9. Salaries.—The board of governors shall have the right to establish the amount and method of compensation of all of the employes.

Section 10. Distribution of Excess Earnings.—The board of governors shall have the right to establish what portion of excess earnings of the association shall be distributed among the associates. Any distribution of excess earnings of the association shall be made to each associate according to his proportionate ownership in the association.

Section 11. Interests of Associates.—The portion of ownership of each associate in a professional association shall be evidenced by an ownership certificate.

Section 12. Transfer of Interests.—Any associate or the personal representative of his estate may transfer, in whole or in part, his interest in a professional association: Provided, however, That the transferee shall be licensed or otherwise legally authorized to render the same kind of professional service which the professional association was organized to render. If any restrictions are imposed on the right to transfer, such restrictions shall be specifically set forth in the by-laws of the association, and reference to the restriction shall be set forth either generally or specifically on any certificates which evidence ownership in the association.

Section 13. Redemption of Interests.—A professional association shall have the right upon agreement with any associate (including any associate who has been expelled), or the personal representative of his estate, to redeem the interest in the association of such associate or his estate.

Section 14. Term of Existence.—A professional association may be organized for any term of years, or its existence may be perpetual. Neither death, bankruptcy, resignation, expulsion, insanity, retirement, nor transfer or redemption of the interest of any associate shall cause its dissolution.

Section 15. Name of a Professional Association.—The associates may adopt any name for their professional association which is not contrary to law or the ethics of their profession.

Section 16. Voting of Associates.—At any meeting of the associates of a professional association, each associate shall have the right to vote according to his proportionate ownership in the association.

Section 17. Liability of Associates.—(a) All of the associates of a professional association are liable, jointly and severally, for—

(1) The torts of any agent or employe of the association committed while such agent or employe is acting within the ordinary course of operation of the association.

(2) The misapplication by any associate of any money or property of a third person if such money or property was received by the association in the ordinary course of its operation.

(b) All of the associates of a professional association are liable, jointly, for all debts and legal obligations of the association other than those chargeable under clauses (1) and (2) of subsection (a) of this section.

Section 18. Professional Disqualifications.—If any agent or employe of the association engaged for the purpose of rendering professional services or any associate becomes legally disqualified to render professional services, his or her agency or employment shall be immediately terminated upon disqualification, and in the case of an associate, such associate shall be immediately expelled from the association. The expelled associate shall have the right to transfer his interest in the association in accordance with the provisions of section 12 of this act.

Section 19. Dissolution.—(a) A professional association shall be dissolved only upon the occurrence of one of the following:

(1) Expiration of the term of existence as provided in the by-laws of the association, or

(2) Upon vote of a majority (or whatever percentage is provided in the by-laws but in no event less than a simple majority) of the associates, voting according to their proportionate shares of ownership, to dissolve prior to the expiration of the term of existence of the association.

(b) Upon dissolution, all debts and obligations of the association shall be satisfied, and if any property of the association remains, it shall be divided among the associates proportionally according to their ownership in the association: Provided, however, That if all of the debts and legal obligations of the association have not been satisfied at the time of dissolution, all of the associates shall remain, jointly and severally, liable until all such debts and obligations are satisfied.

(c) If a special meeting is called for the purpose of voting to dissolve a professional association, notice shall be given to each of the associates at his address of record with the association of the time, place, and purpose of the meeting, by registered or certified mail, return receipt requested, at least sixty days prior to the meeting.

Section 20. This act shall take effect immediately.

APPROVED—The 7th day of August, A. D. 1961.

DAVID L. LAWRENCE

No. 417

AN ACT

Amending the act of June 24, 1939 (P. L. 872), entitled "An act to consolidate, amend and revise the penal laws of the Commonwealth," defining the crimes of fraudulent use of credit cards and fraudulent obtaining of telecommunications service, and prescribing penalties.