

## **274.017 Restricted issuance and transfer of shares.**

- (1) A professional service corporation may issue and a shareholder thereof may transfer or pledge shares, fractional shares, and rights or options to purchase shares only to:
  - (a) A natural person who is authorized by law in this state or in any other state or territory of the United States or the District of Columbia to render a professional service permitted by the articles of incorporation of the corporation;
  - (b) A partnership, domestic or foreign, in which all the partners are qualified persons with respect to such professional corporation and in which at least one (1) partner is authorized by the laws of this state to render a professional service permitted by the articles of incorporation of the corporation;
  - (c) A professional limited liability company, domestic or foreign, authorized by law in this state to render a professional service permitted by the articles of organization of the limited liability company and the articles of incorporation of the corporation; or
  - (d) A professional service corporation, domestic or foreign, authorized by law in this state to render a professional service permitted by the articles of incorporation of each corporation.
- (2) Any issuance, transfer, or pledge of shares, fractional shares, or rights or options to purchase shares in violation of this section shall be void; however, nothing herein contained shall prohibit the transfer of shares of a professional corporation by operation of law or court decree.

**Effective:** July 15, 2010

**History:** Repealed and reenacted 2010 Ky. Acts ch. 51, sec. 88, effective July 15, 2010; and amended ch. 133, sec. 25, effective July 15, 2010. -- Amended 2007 Ky. Acts ch. 137, sec. 88, effective June 26, 2007. -- Amended 2006 Ky. Acts ch. 149, sec. 231, effective July 12, 2006. -- Amended 1998 Ky. Acts ch. 341, sec. 20, effective July 15, 1998. -- Created 1980 Ky. Acts ch. 288, sec. 6, effective July 15, 1980.

**Legislative Research Commission Note (7/15/2010).** This section was amended by 2010 Ky. Acts ch. 133, and repealed and reenacted by 2010 Ky. Acts ch. 51. Pursuant to Section 184 of Acts ch. 51, it was the intent of the General Assembly that the repeal and reenactment not serve to void the amendment, and these Acts do not appear to be in conflict; therefore, they have been codified together.

**Legislative Research Commission Note (7/15/2010).** 2010 Ky. Acts ch. 51, sec. 183, provides, "The specific textual provisions of Sections 1 to 178 of this Act which reflect amendments made to those sections by 2007 Ky. Acts ch. 137 shall be deemed effective as of June 26, 2007, and those provisions are hereby made expressly retroactive to that date, with the remainder of the text of those sections being unaffected by the provisions of this section."