CHAPTER 4
PROFESSIONAL CORPORATIONS

ARTICLE 1.
GENERAL PROVISIONS

"§10-4-380 10A-4-1.01. Short title.

"This article shall be known and This chapter and the provisions of Chapter 1, to the extent applicable to professional corporations, may be cited as the Revised Alabama Professional Corporation Act Law.

Comment

This section is derived from section 10-4-380 of the current Alabama Code, Title 10. Non-substantive revisions have been made, so that it replicates section 10A-1-1.08(d) of the Hub, and follows the pattern of the short title provisions of other articles of the Code.

The provisions of current Alabama “Professional Corporations Act” have heretofore been codified as Alabama Code, sections 10-4-380 through 10-4-406. The Drafting Committee believed that those provisions should be almost entirely located in this entity specific Chapter (or “spoke”) and none should be moved to Chapter One (the “Hub”). The Drafting Committee also determined that they should be placed in this Chapter 4, appearing immediately following the Nonprofit Corporations Chapter, which is Chapter 3. Presently the Professional Corporations Act appears at the end of the “Particular Corporations” Chapter, which is chapter 4. This location of the Professional Corporations Chapter permits retention of “4” as the second number, after the title number of 10A, in the numbering of professional corporation sections. So, each section of the professional corporations provisions will be numbered “10A-4-”, rather than “10-4-”, as presently. Retention of the familiar numbering seems advantageous. Ease of accessibility is one purpose of the codification project, and retention of familiar numbering patterns serves that purpose.

"§10-4-381 10A-4-1.02 Applicability of Business Corporation Act Law and Nonprofit Corporation Act Law.

"The provisions of the Alabama Business Corporation Act Law shall apply to professional corporations, domestic and foreign, except to
the extent such the provisions are inconsistent with the provisions of this article chapter; provided, however, that in the case of not-for-profit professional corporations, domestic or foreign, the provisions of the Alabama Nonprofit Corporation Act Law shall apply except to the extent such the provisions are inconsistent with the provisions of this article chapter.

Comment

This section is derived from section 10-4-381 without substantive change.

"§10-4-382 10A-4-1.03. Definitions.

"As used in this article chapter, unless the context otherwise requires, the term:

"(1) PROFESSIONAL SERVICE. Any service which may lawfully be performed only pursuant to a license issued by a state court, state regulatory licensing board or other like agency pursuant to state laws As defined in Section 10A-1-1.03(80).

"(2) LICENSING AUTHORITY. The state court, state regulatory licensing board or other like agency which has the power to issue a license or other legal authorization to render professional services As defined in Section 10A-1-1.03(48).

"(3) DOMESTIC PROFESSIONAL CORPORATION. A corporation for profit or not-for-profit organized pursuant to the provisions of this article chapter.

"(4) FOREIGN PROFESSIONAL CORPORATION. A corporation or unincorporated association, for profit or not-for-profit, organized for the purpose of rendering professional services under a law other than the law of Alabama.

"(5) QUALIFIED PERSON. With respect to any domestic professional corporation:

"a. An individual who is authorized by law of Alabama or of any qualified state to render a professional service permitted by the articles of incorporation certificate of formation of such the professional corporation;
"b. A general partnership in which all the partners are qualified persons with respect to such the corporation; and

c. A professional corporation, domestic or foreign, in which all the shareholders are qualified persons with respect to the professional corporation.

d. A limited liability company in which all the members are qualified persons with respect to the professional corporation.”

"Qualified person" does not include any person during any period in which such the person's authorization to render professional services has been completely terminated or suspended.

"(6) DISQUALIFIED PERSON. Any person who is not a qualified person.

"(7) QUALIFIED STATE. Any state, (other than Alabama), or territory of the United States or the District of Columbia which allows individuals authorized to render professional services in Alabama and not in such the other state, or partnerships of such the individuals, or domestic professional corporations or professional associations owned by such the individuals to own shares of professional corporations or to be members of professional associations organized under its laws."

Comment

This section is derived from section 10-4-382, without substantive change. Two definitions, “licensing authority” and “professional service” are now defined in the Hub, to which cross reference is made in the definitions of those terms in this section. The definition of “qualified person” has been updated to include limited liability companies. Other stylistic changes have been made.

ARTICLE 2.
PURPOSES, POWERS, AND ORGANIZATION

"§10-4-38310A-4-2.01. Purposes for which professional corporations may be organized.

"Domestic professional corporations may be organized under this article chapter only for the purpose of rendering professional services and
services ancillary thereto within a single profession, except that, the same professional corporation or not-for-profit professional corporation may render both medical, and dental services, and other health related services; provided that in the case of a professional corporation, at least one shareholder of such the professional corporation is a duly licensed medical professional and at least one shareholder is a duly licensed dental professional at the time both services are rendered, and each shareholder is a duly licensed medical or dental professional to provide each professional service for which the professional corporation is organized, or, in the case of a not-for-profit professional corporation, all of the professional services rendered by such the corporation are rendered by persons duly licensed medical professionals and duly licensed dental professionals to render the professional service.

Comment

This section is derived from 10-4-383. In addition to non-substantive changes, it has been revised to recognize that a modern clinic may perform professional services other than medical or dental.

"§10-4-38410A-4-2.02. Applicability of article generally Required statement of purpose in certificate of formation.

"(a) Any corporation whose articles of incorporation certification of formation include as a stated purpose the performance of professional services may be incorporated under this article chapter by stating in its articles of incorporation certificate of formation that it is incorporated under this article chapter.

"(b) A professional business corporation, (other than a not-for-profit professional corporation), which is subject to this article chapter shall cease being governed by this article chapter and shall be governed by the Alabama Business Corporation Act Law, Section 10A-2-1.01 et seq., if it is a domestic corporation, if it amends its articles of incorporation certificate of formation to delete the statement that it is organized under this article chapter, and conforms its articles to the Alabama Business Corporation Act Law and, if it is a foreign corporation, complies with the applicable provisions of the Alabama Business Corporation Act this title applicable to foreign entities. A domestic not-for-profit professional corporation which is subject to this article chapter shall cease being governed by this article chapter and shall be governed by the Alabama Nonprofit Corporation Act Law, Section 10A-3-1.01 et seq., if it is a domestic corporation, if it amends its articles of incorporation certificate of formation to delete the statement that it is
organized under this article chapter, and conforms its articles certificate to the Alabama Nonprofit Corporation Act and, if it is a foreign corporation, complies with the applicable provisions of the Alabama Nonprofit Corporation Act this title applicable to foreign entities.

"(c) Any corporation which is not subject to this article chapter may become subject to this article chapter, if it is a domestic corporation, by conforming its articles to this article chapter.

"(d) Any foreign professional corporation which renders professional services in Alabama shall be subject to this article chapter.

Comment
This section is derived from section 10-4-384 without substantive change.

"§10-4-38510A-4-2.03. Powers of professional corporation generally; profession limited by articles of incorporation certificate of formation.

"(a) Subject to Section 10-4-402 10A-4-5.07, a domestic professional corporation, including a professional corporation that is a nonprofit corporation, shall have all the powers necessary or convenient to effectuate its purposes, including those enumerated in the Alabama Business Corporation Act; provided, however, that if such professional corporation is a not-for-profit corporation, it shall have all the powers necessary or convenient to effectuate its purposes, including those enumerated in the Alabama Nonprofit Corporation Act Sections 10A-1-2.11, 10A-1-2.12, and 10A-1-2.13.

"(b) A domestic professional corporation shall not engage in any profession other than the profession permitted by its articles of incorporation certificate of formation, except that a domestic professional corporation may invest its funds in real estate, mortgages, stocks, bonds, or any other type investment.

Comment
This section is derived from section 10-4-385; since the powers of both not-for-profit and for-profit professional corporations are now in the Hub, the distinctive references to these two sets of powers in the present section 10-4-385 has been deleted.
"§10-4-386 10A-4-2.04. Rendition of professional services.

"A professional corporation, domestic or foreign, may render professional services in Alabama only through individuals permitted to render such the services in Alabama; but nothing in this article chapter shall be construed to require that any individual who is employed by a professional corporation be licensed to perform services for which no license is otherwise required or to prohibit the rendering of professional services by a licensed individual acting in his or her individual capacity, notwithstanding such the individual may be a shareholder, member, director, officer, employee, or agent of a professional corporation, domestic or foreign."

Comment

This section is derived from section 10-4-386 without substantive change.

ARTICLE 3
SHAREHOLDERS; DIRECTORS AND OFFICERS;
PROFESSIONAL LIABILITY

"§10-4-388 10A-4-3.01. Issuance and transfer of shares.

"(a) A domestic professional corporation may issue shares, fractional shares, and rights or options to purchase shares only to qualified persons.

"(b) Where deemed necessary by the licensing authority for any profession in order to prevent violations of the ethical standards of such the profession, the licensing authority may, within its rule-making power, by rule further restrict, condition, or abridge the authority of domestic professional corporations to issue shares but no such rule shall, of itself, have the effect of causing a shareholder of a professional corporation at the time such the rule becomes effective to become a disqualified person unless and to the extent specified by such the licensing authority.

"(c) A shareholder of a domestic professional corporation may transfer or pledge shares, fractional shares, and rights or options to purchase shares of the professional corporation only to qualified persons.

"(d) Any issuance or transfer of shares in violation of this section shall be void, however, nothing contained herein shall prohibit the
transfer of shares of a domestic professional corporation by operation of law or court decree.

"(e) Nothing in this section shall require domestic not-for-profit professional corporations to issue shares. Such The corporations may have members and all such members must be qualified persons. A licensing authority may, within its rule-making power, by rule further restrict, condition or abridge membership in domestic not-for-profit corporations, but no such rule shall, of itself, have the effect of causing a member of a domestic not-for-profit professional corporation at the time such the rule becomes effective to become a disqualified person unless and to the extent specified by such the licensing authority.

Comment

This provision is derived from section 10-4-388 without substantive change. For general provisions on the issuance of corporate shares, see section 10A-2-6.20 et seq.

"§10-4-38910A-4-3.02. Death or disqualification of shareholder.

"(a) Upon the death of a shareholder of a domestic professional corporation or if a shareholder of a domestic professional corporation becomes a disqualified person or if shares of a domestic professional corporation are transferred by operation of law or court decree to a disqualified person, the shares of such the deceased shareholder or of such the disqualified person may be transferred to a qualified person and, if not so transferred, shall be purchased or redeemed by the domestic professional corporation to the extent of funds which may be legally made available for such the purchase.

"(b) If the price for such the shares is not fixed by the articles of incorporation or bylaws governing documents of the domestic professional corporation or by private agreement, the domestic professional corporation, within six months after such the death or 30 days after such the disqualification or transfer, as the case may be, shall make a written offer to pay for such the shares at a specified price deemed by such the domestic professional corporation to be the fair value thereof as of the date of such the death, disqualification or transfer. Such the offer shall be given to the executor or administrator of the estate of a deceased shareholder or to the disqualified shareholder or transferee and shall be accompanied by a balance sheet of the domestic professional corporation, as of the latest available date and not more than 12 months prior to the making of such the offer, and a profit and loss statement of
such the domestic professional corporation for the 12 months' period ended on the date of such the balance sheet.

"(c) If within 30 days after the date of such the written offer from the domestic professional corporation the fair value of such the shares is agreed upon between such the disqualified person and the domestic professional corporation, payment therefor shall be made within 90 days, or such other period as the parties may fix by agreement, after the date of such the offer, upon surrender of the certificate or certificates representing such the shares. Upon payment of the agreed value the disqualified persons shall cease to have any interest in such the shares.

"(d) If within 30 days from the date of such the written offer from the domestic professional corporation, the disqualified person and the domestic professional corporation do not so agree, then either party may commence a civil action in the circuit court in the county in Alabama where the registered office of the domestic professional corporation is located requesting that the fair value of such the shares be found and determined. The disqualified person, wherever residing, shall be made a party to the proceeding as an action against his or her shares quasi in rem. Service shall be made in accordance with the rules of civil procedure. The disqualified person shall be entitled to judgment against the domestic professional corporation for the amount of the fair value of his or her shares as of the date of death, disqualification, or transfer upon surrender to the domestic professional corporation of the certificate or certificates representing such the shares. The court may, in its discretion, order that the judgment be paid in such the installments and with such the interest and on such the terms as the court may determine. The court may, if it so elects, appoint one or more persons as appraisers to receive evidence and recommend a decision on the question of fair value. The appraisers shall have such the power and authority as shall be specified in the order of their appointment or an amendment thereof.

"(e) The judgment shall include an allowance for interest at such the rate as the court may find to be fair and equitable in all the circumstances, from the date of death, disqualification, or transfer.

"(f) The costs and expenses of any such proceeding shall be determined by the court and shall be assessed against the domestic professional corporation, but all or any part of such costs and expenses may be apportioned and assessed as the court may deem equitable against the disqualified person if the court shall find that the action of such the disqualified person in failing to accept such the offer was arbitrary or vexatious or not in good faith. Such The expenses shall include
reasonable compensation for and reasonable expenses of the appraisers
and a reasonable attorney's fee but shall exclude the fees and expenses of
counsel for and of experts employed by any party; but if the fair value of
the shares as determined materially exceeds the amount which the
domestic professional corporation offered to pay therefor, or if no offer
was made, the court in its discretion may award to the disqualified person
such the sum as the court may determine to be reasonable compensation
to any expert or experts employed by the disqualified person in the
proceeding.

"(g) If a purchase, redemption, or transfer of the shares of a
deceased or disqualified shareholder or of a transferee who is a
disqualified person is not completed within 12 months after the death of
the deceased shareholder or 12 months after the disqualification or
transfer, as the case may be, the domestic professional corporation shall
forthwith cancel the shares on its books and the disqualified person shall
have no further interest as a shareholder in the domestic professional
corporation other than his or her right to payment for such the shares
under this section.

"(h) Shares acquired by a domestic professional corporation
pursuant to payment of the agreed value therefor or to payment of the
judgment entered therefor, as in this section provided, may be held,
cancelled, or disposed of by such the domestic professional corporation as
in the case of other treasury shares.

"(i) This section shall not be deemed to require the purchase of
shares of a disqualified person where the period of such the
disqualification is for less than 12 months from the date of
disqualification or transfer.

"(j) Any provision regarding purchase, redemption, or transfer
of shares of a domestic professional corporation contained in the articles
of incorporation certificate of formation, bylaws, or any private
agreement shall be specifically enforceable in the courts of Alabama.

"(k) Nothing herein contained shall prevent or relieve a
domestic professional corporation from paying pension benefits or other
deferred compensation for services rendered to or on behalf of a former
shareholder as otherwise permitted by law.

"(l) A domestic professional corporation may purchase its own
shares from a disqualified person without regard to the availability of
capital or surplus for such the purchase; however, no purchase of or
payment for such the shares shall be made at a time when the domestic professional corporation is insolvent or when such the purchase or payment would make it insolvent.

"(m) The foregoing provisions of this section shall not apply to a domestic not-for-profit professional corporation. Any member of such a corporation who becomes a disqualified person must cease being a member not more than 12 months after the date of disqualification, if he or she is then a disqualified person.

Comment
This section is derived from section 10-4-389, without substantive change.

"§10-4-390 10A-4-3.03. Liability generally.

"(a) Every individual who renders professional services as an employee of a domestic or professional corporation shall be liable for any negligent or wrongful act or omission in which he or she personally participates to the same extent as if he or she rendered such the services as a sole practitioner.

"(b) The personal liability of a shareholder, employee, director, or officer of a domestic professional corporation (other than a not-for-profit corporation) shall be no greater in any respect than that of a shareholder, employee, director, or officer of a corporation organized under the Alabama Business Corporation Act Law.

"(c) The personal liability of a member, employee, director, or officer of a domestic not-for-profit professional corporation shall be no greater in any respect than that of a member, employee, director, or officer of a corporation organized under the Alabama Nonprofit Corporation Act Law.

"(d) The personal liability of a shareholder, member, employee, director, or officer of a foreign professional corporation shall be determined under the law of the jurisdiction in which it is organized.

Comment
This section is derived from section 10-4-390, without substantive change.
§10-4-394. Professional relationships; privileged communications.

(a) The relationship between an individual performing professional services as an employee of a professional corporation, domestic or foreign, and a client or patient shall be the same as if the individual performed such the services as a sole practitioner.

(b) The relationship between a professional corporation, domestic or foreign, performing professional services and the client or patient shall be the same as between the client or patient and the individual performing the services.

(c) Any privilege applicable to communications between a person rendering professional services and the person receiving such the services recognized under the laws of Alabama, whether statutory or deriving from common law, shall remain inviolate and shall extend to a professional corporation, domestic or foreign, and its employees in all cases in which it would be applicable to communications between an individual rendering such the professional services and a person receiving such the services.

Comment

This section is derived from section 10-4-391, without substantive change.

§10-4-395. Voting trusts.

A voting trust with respect to shares of a domestic professional corporation shall not be valid unless all the trustees and beneficiaries thereof are qualified persons, except that a voting trust may be validly continued for a period of 12 months after the death of a deceased beneficiary or after a beneficiary has become a disqualified person.

Comment

This section is derived from section 10-4-392, without substantive change.

§10-4-396. Directors and officers.

At least one director of a domestic professional corporation and the president of a domestic professional corporation shall be qualified
persons with respect to the corporation; provided, however, that the foregoing restriction shall not apply for a period of 12 months after the death of the sole shareholder of a domestic professional corporation.

Comment

This section is derived from section 10-4-393, without substantive change.

ARTICLE 4.
SPECIAL PROVISIONS AS TO AMENDMENTS;
MERGER AND CONSOLIDATION

"§10A-4-39410A-4-4.01. Amendments to articles of incorporation certificate of formation by administrators and the like.

"Administrators, executors, guardians, conservators, or receivers of the estates of shareholders of a domestic professional corporation who hold all of the outstanding shares of the corporation may amend the articles of incorporation certificate of formation by signing a written consent to such the amendment. Articles of amendment so adopted shall be executed in duplicate by the domestic professional corporation by such administrators, executors, guardians, conservators, or receivers and by the secretary or assistant secretary of the domestic professional corporation; and verified by one of the persons signing such articles, and shall be filed with and delivering the amendment for filing to the probate judge of probate of the county in which such the corporation's articles of incorporation certificate of formation were filed in accordance with Article 4 of Chapter 1. Such The articles certificate of amendment shall set forth, in addition to the information required to be included in articles certificate of amendment by Sections 10A-1-3.13 and 10A-2-10.06, a statement that the administrators, executors, guardians, conservators, or receivers own all the outstanding shares.

"(1) — The name of the corporation;

"(2) — The amendments so adopted;

"(3) — The date of adoption of the amendments by the administrators, executors, guardians, conservators, or receivers;

"(4) — A statement that the administrators, executors, guardians, conservators or receivers, own all the outstanding shares.
Comment

This provision is derived from section 10-4-394. It serves an important function in the circumstance where all shareholders who are qualified persons have died by permitting the estates of the shareholders, perhaps to dissolve or perhaps to continue other than as a professional corporation. Some requirements of 10-4-394 have been omitted because covered by Hub provisions on filing (Chapter 4 of the Hub) and by Hub and Article 2 provisions on amendments.

§10-4-39510A-4-4.02. Merger and consolidation.

"(a) A domestic professional corporation may merge or consolidate with another corporation, or professional corporation, domestic or foreign, under Article 11 of Chapter 2, or may merge with or convert to another type of entity as permitted by Article 8 of Chapter 1. Upon such the merger, or consolidation, or conversion, if the surviving or new corporation or converted entity, as the case may be, is to render professional services in Alabama, it shall comply with the provisions of this article chapter.

"(b) An unincorporated professional association organized under Title 10, Chapter 10 Article 1 of Chapter 30, may merge or consolidate with a professional corporation organized under this article chapter. In such the merger, the procedure specified in Article 5 11 of Title 10, Chapter 2A, shall apply, provided that:

"(1) The surviving corporation shall be a domestic professional corporation,

"(2) The following terms, when used in said Article 5 11 to refer to an unincorporated professional association, shall have the following meanings:

"a. "Board of directors" shall mean "board of governors,"

"b. "Corporation" shall mean "unincorporated association,"

"c. "Shares or securities" in the case of an unincorporated professional association which is a nonstick organization, shall mean the undivided interests of the members in the assets of the association,
"d. "Shareholder" in the case of an unincorporated association which is a nonstick organization, shall mean "member."

"(3) The plan of merger or plan of consolidation shall be approved by a vote of two thirds of the members of the professional association."

Comment

This section is derived from section 10-4-395. Subsection (a) has been updated to permit use of the “junction box” of Article 8 of Chapter One, as well as use of the traditional merger provisions of Chapter Two (Business Corporations) of the Code.

ARTICLE 5.
REGULATION OF PROFESSIONAL CORPORATIONS;
FOREIGN PROFESSIONAL CORPORATIONS;
APPLICATION TO EXISTING CORPORATIONS

"§10-4-396 10A-4-5.01. Involuntary dissolution at the request of licensing authority on petition of Attorney General.

"The Attorney General may institute proceedings to involuntarily dissolve a domestic professional corporation under Article 7 of Chapter 2A of this title Section 10A-2-14.30(1), or, in the case of a domestic not-for-profit corporation, to involuntarily dissolve it under the provisions of the Alabama Nonprofit Corporation Act Law. A licensing authority may request that the Attorney General institute such proceedings.

Comment

This section is derived from section 10-4-396, without substantive change.

"§10-4-397 10A-4-5.02. Admission of foreign professional corporations.

"(a) A foreign professional corporation shall be entitled to procure a certificate of register under Article 7 of Chapter 1 for authority to render professional services in Alabama only if:

"(1) A professional corporation incorporated under this
article chapter would be allowed to register or procure a certificate of authority or equivalent authorization to render professional services in the state under whose laws the foreign professional corporation is organized;

"(2) The foreign professional corporation meets the requirements of Section 10-4-383 10A-4-2.01 of this article;

"(3) The foreign professional corporation designates the Alabama licensed individual or individuals through whom it will render professional services in Alabama and such the individual or individuals are not, at time of such the designation, so designated by any other foreign professional corporation;

"(4) The name of the foreign professional corporation meets the requirements of Section 10-4-387 10A-1-5.08 of this article, provided that the foreign professional corporation can meet the requirements of paragraph (1) of said Section 10-4-387 10A-1-5.08 by adding at the end of its name, for use in Alabama, the words "professional corporation" or the abbreviation "P.C."; and

"(5) All the shareholders, (or all the members, in the case of a not-for-profit corporation which has members), at least one director and the president of the foreign professional corporation are licensed in at least one state or territory of the United States or the District of Columbia to render the professional services which the foreign professional corporation would render in Alabama.

"(6) The foreign professional corporation includes in its application a statement acknowledging that it will be subject to the jurisdiction of the Alabama regulatory and licensing authorities with respect to any professional services rendered to clients or patients in Alabama.

"(b) No foreign professional corporation shall maintain an office in Alabama for the conduct of business or professional practice until it has obtained a certificate of authority to render professional services in Alabama.

Comment

This section is derived from section 10-4-397, without substantive change. Because of the entity specific nature of its provisions, it is retained in the Professional Corporation “spoke”, though most provisions as to foreign entities have been located in the Hub, Article One, Chapter.
7. Note that those provisions do not require the secretary of state to issue a “certificate of authority” but instead employ a simplified registration procedure. Adjustments in the language of this section reflect that procedural change.

"§10-4-398. Revocation of certificate of authority.

"The certificate of authority of a foreign professional corporation may be revoked by the Secretary of State if the corporation fails to comply with any provision of this article applicable to it. Each licensing authority in Alabama shall certify to the Secretary of State, from time to time, the names of all foreign professional corporations which have given cause for revocation as provided in this article, together with the facts pertinent thereto. Whenever a licensing authority shall certify the name of a foreign professional corporation to the Secretary of State as having given cause for revocation, the licensing authority shall concurrently mail to the corporation at its registered office in Alabama notice that such certification has been made. No certificate of authority of a foreign professional corporation shall be revoked by the Secretary of State unless he or she shall have given the corporation not less than 60 days' notice thereof and the corporation shall fail prior to revocation to correct such noncompliance.

Comment

This section is derived from section 10-4-398, without substantive change.

"§10-4-399. Annual report of domestic and foreign professional corporations.

"(a) Every professional corporation, domestic or foreign, which is required to file an annual report under Section 10-2A-260, shall include in such the annual report, in addition to the items required by Section 10-2A-260:

"(1) A statement that all the shareholders, at least one director, and the president of the corporation are qualified persons with respect to the corporation, and

"(2) In the case of a foreign professional corporation, the name or names of the Alabama licensed professional or professionals through whom the foreign professional corporation will render professional services in Alabama."
"(b) Financial information contained in the annual report of a professional corporation, other than the amount of stated capital of the corporation, shall not be open to public inspection nor shall the licensing authority disclose any facts or information obtained therefrom except insofar as its official duty may require the same to be made public or in the event such the information is required for evidence in any criminal proceedings or in any other action by the State of Alabama.

Comment

This section is derived from section 10-4-399, without substantive change.

§10-4-400.10A.05. Interrogatories by licensing authority; generally.

"(a) Each licensing authority of Alabama may propound to any professional corporation, domestic or foreign, organized to practice a profession within the jurisdiction of such the licensing authority, and to any officer or director thereof, such the interrogatories as may be reasonably necessary and proper to enable the licensing authority to ascertain whether such the corporation has complied with all the provisions of this article chapter applicable to such the professional corporation. Such The interrogatories shall be answered within 30 days after the mailing thereof, or within such the additional time as shall be fixed by the licensing authority, and the answers thereto shall be full and complete and shall be made in writing and under oath. If such the interrogatories be directed to an individual they shall be answered by him or her, and if directed to a corporation they shall be answered by the president, vice president, secretary, or assistant secretary thereof. The licensing authority shall certify to the Attorney General, for such action as the Attorney General may deem appropriate, all interrogatories and answers thereto which disclosed a violation of any of the provisions of this article.

"(b) Interrogatories propounded by a licensing authority and the answers thereto shall not be open to public inspection nor shall the licensing authority disclose any facts or information obtained therefrom except insofar as its official duty may require the same to be made public or in the event such the interrogatories or the answers thereto are required for evidence in any criminal proceedings or in any other action by the State of Alabama.
Comment

This section is derived from section 10-4-400, without substantive change.

§10-4-401 10A-4-5.06. Penalty for false statement, etc.; procedure upon failure to answer interrogatories.

"(a) Each officer and director of a professional corporation, domestic or foreign, who signs any articles, statement, report, application, answer to an interrogatory, or other document filed pursuant to this article with the licensing authority having jurisdiction which is known to such the officer or director to be false in any material respect, shall be deemed to be guilty of a Class C misdemeanor.

"(b) If any professional corporation, domestic or foreign, or individual shall fail to answer interrogatories directed to such the professional corporation or to such the individual under Section 10-4-400 10A-4-5.05 of this article, the licensing authority which propounded such the interrogatories may seek an order from the circuit court compelling an answer.

Comment

This section is derived from section 10-4-401, without substantive change

§10-4-402 10A-4-5.07. Article Chapter does not restrict regulation by licensing authority.

"(a) Nothing in this article chapter shall restrict or limit in any manner the authority or duty of a licensing authority with respect to individuals rendering a professional service within the jurisdiction of the licensing authority. Nothing in this article chapter shall restrict or limit any law, rule or regulation pertaining to standards of professional conduct.

"(b) Nothing in this article chapter shall limit the authority of a licensing authority to impose requirements in addition to those stated in this article on any professional corporation, domestic or foreign, within the jurisdiction of the licensing authority.
Comment

This section is derived from section 10-4-402, without substantive change.

§10A-4-5.08. Application to existing corporations.

(a) The provisions of this article chapter shall apply to all existing corporations organized under the statute formerly codified as Article 11 of Chapter 4, Title 10 and repealed by Acts 1983, No. 83-514, effective January 1, 1984; provided, that any professional corporation, or not-for-profit corporation, in existence on December 31, 1983, in which duly licensed medical and dental professionals are shareholders, or in the case of a not-for-profit professional corporation, render medical and dental services, shall be deemed to be in compliance with Sections 10-4-383 and 10A-4-2.01 and 10A-4-2.03, as amended, and other applicable provisions of the Revised Professional Corporation Act. The repeal of a prior act by this article chapter shall not impair, or otherwise affect, the organization or continued existence of an existing domestic professional corporation nor the right of any foreign professional corporation presently qualified to render professional services in Alabama to continue to do so without again qualifying to render professional services in Alabama.

(b) Any unincorporated professional association organized under Title 10, Chapter 10, Section 10A-30-1.01 may become subject to the provisions of this article chapter by amending its articles of association in compliance with this article chapter, and filing duly executed duplicate originals of such the articles of incorporation certificate of formation with the probate judge of probate of the county in which its articles of association were certificate of formation was filed.

(c) Any domestic not-for-profit corporation rendering professional services may become subject to the provisions of this article chapter by amending its articles of incorporation certificate of formation in compliance with this article chapter and filing duly executed duplicate originals of such the articles certificate with the probate judge of probate of the county in which its articles of incorporation were certificate of formation was filed.

(d) The provisions of this article chapter shall not apply to any unincorporated professional association now in existence under Title 10, Chapter 10 Section 10A-30-1.01, or to any domestic not-for-profit
corporation rendering professional services unless such the association or not-for-profit corporation voluntarily becomes subject to this article chapter as herein provided, and nothing contained in this article chapter shall alter or affect any existing or future right or privilege permitting or not prohibiting performance of professional services through the use of any other form of business organization."

**Comment**

This section is derived from section 10-4-403, without substantive change.