

2012 Kansas Statutes

17-2714. Same; valuation and purchase of shares upon death or disqualification of shareholder; procedure; conversion to a general business corporation, when. If the articles of incorporation or bylaws of a corporation subject to this act fail to state a price or method of determining a price at which the corporation or its shareholders may purchase the shares of a deceased shareholder, or a shareholder no longer qualified to own shares in the corporation, then the price for such shares shall be determined by arbitration pursuant to the rules of the American arbitration association. Unless request in writing is made for arbitration as provided in this section within 30 days after the death or disqualification of a shareholder, the fair value shall be determined by a district judge of the district court in which the principal place of business of the professional corporation is located. The election to incorporate under this act shall constitute a full and final waiver of the right of jury trial on all issues in respect to the price and fair value to be paid for such shares. Upon the death or disqualification of the last shareholder qualifying to be shareholder of a professional corporation hereunder, such corporation shall not be dissolved but shall become a general business corporation. The successors in interest to such disqualified or deceased professional shareholder shall have the authority to amend the articles of incorporation to provide that the corporation may function under and be governed by the Kansas general corporation code to collect its accounts receivable, pay its debts, otherwise wind up its affairs or conduct any business or activity which is permitted under the Kansas general corporation code, and the successors in interest of such shareholder also shall have the authority to elect new directors of the corporation.

History: L. 1965, ch. 157, § 9; L. 1976, ch. 145, § 43; L. 1989, ch. 78, § 3; July 1.