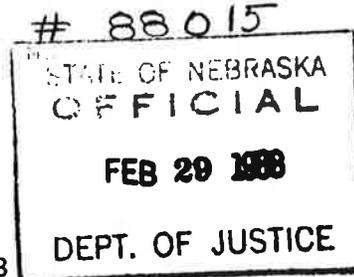


DEPARTMENT OF JUSTICE

STATE OF NEBRASKA

TELEPHONE 402/471-2682 • STATE CAPITOL • LINCOLN, NEBRASKA 68509



ROBERT M. SPIRE
Attorney General
A. EUGENE CRUMP
Deputy Attorney General

DATE: February 26, 1988

SUBJECT: Shareholder Residency Requirements; Nebraska Professional Corporation Act

REQUESTED BY: Allen J. Beerman, Secretary of State

WRITTEN BY: Robert M. Spire, Attorney General
Fredrick F. Neid, Assistant Attorney General

You have requested our opinion concerning whether shareholders of Nebraska professional corporations are required to be residents of the State of Nebraska.

Eligibility and other criteria for organization of and ownership participation in professional corporations in the State of Nebraska are governed by the Nebraska Professional Corporation Act, Neb.Rev.Stat. §§21-2201 et seq. Individuals who are residents of the state may organize (incorporate) a professional corporation. Neb.Rev.Stat. §21-2204(1) (Reissue 1983) states, in part:

One or more individuals residing within the State of Nebraska, each of whom is licensed or otherwise legally authorized to render the same professional service may, by filing articles of incorporation with the Secretary of State, organize and become a shareholder in a professional corporation. . . .

(Emphasis supplied).

The individual(s) incorporating the professional corporation is required to be a resident of the state as well as legally authorized to render the professional service the corporation is organized for.

Requirements for eligibility for shareholders of professional corporations are set forth in Neb.Rev.Stat. §21-2208 (Reissue 1983) which, in relevant part, states:

L. Jay Bartel
Martel J. Bundy
Janie C. Castaneda
Elaine A. Catlin
Dale A. Comer
Laura L. Freppel

Lynne R. Fritz
Yvonne E. Gates
Royce N. Harper
William L. Howland
Marilyn B. Hutchinson

Mel Kammerlohr
Charles E. Lowe
Lisa D. Martin-Price
Steven J. Moeller
Harold I. Mosher

Fredrick F. Neid
Bernard L. Packett
Marie C. Pawol
Jill Gradwohl Schroeder
LeRoy W. Sievers

James H. Spears
Mark D. Starr
John R. Thompson
Susan M. Ugal
Linda L. Willard

Allen Beerman
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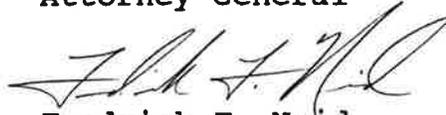
A professional corporation may issue shares of its capital stock only to persons who are duly registered in Nebraska to render the same professional service as that provided in its articles of incorporation. A shareholder in a professional corporation may voluntarily transfer his shares only to a person who is duly licensed to render the same professional service as that for which the corporation was organized. . . .

The only criteria for eligibility as a shareholder is that the person be duly licensed or registered in Nebraska to render the professional service the corporation is organized for. There is no express statutory requirement that a shareholder be a resident of Nebraska unless the shareholder was the incorporator.

It is our opinion that shareholders are not required to be residents of Nebraska unless they are also organizers (incorporators) of the professional corporation. Accordingly, a professional corporation may be organized by a Nebraska resident who is a qualified professional and capital stock may be issued to nonresidents who are legally authorized in Nebraska to render that professional service.

Sincerely,

ROBERT M. SPIRE
Attorney General

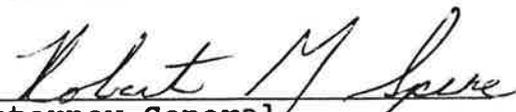


Fredrick F. Neid
Assistant Attorney General

FFN:jem

88-02

APPROVED:


Attorney General