

ARTICLE 4. POWERS

Sec.

7140. Powers.

7141. Restrictions; methods of asserting.

7142. Assets held in charitable trust; action to remedy breach.

Article 4 was added by Stats.1978, c. 567, p. —, § 6, operative January 1, 1980.

§ 7140. Powers

(a) A corporation, subject to limitations contained in its articles or bylaws, shall have the power to:

(1) Adopt, use, and at will alter a corporate seal, but failure to affix a seal does not affect the validity of any instrument.

(2) Adopt, amend, and repeal bylaws.

(3) Qualify to conduct its activities in any other state, territory, dependency or foreign country.

(4) Issue, purchase, redeem, receive, take or otherwise acquire, own, sell, lend, exchange, transfer or otherwise dispose of, pledge, use and otherwise deal in and with its own memberships, bonds, debentures, notes and debt securities.

(5) Pay pensions, and establish and carry out pension, deferred compensation, saving, thrift and other retirement, incentive and benefit plans, trusts and provisions for any or all of its directors, officers, employees, and persons providing services to it or any of its subsidiary or affiliated corporations, and to indemnify and purchase and maintain insurance on behalf of any fiduciary of such plans, trusts, or provisions.

(6) Issue certificates evidencing membership in accordance with the provisions of Section 7313 and issue identity cards.

(7) Levy dues, assessments, admission and transfer fees.

(b) A corporation, subject to limitations contained in its articles or bylaws, shall also have all of the powers of a natural person in carrying out its activities, including, without limitation, the power to:

(1) Make donations for the public welfare or for community funds, hospital, charitable, educational, scientific, civic, religious or similar purposes.

(2) Subject to the provisions of Sections 7233, 7234, 7235, 7236 and 7238, assume obligations, enter into contracts, including contracts of guarantee or suretyship, incur liabilities, borrow or lend money or otherwise use its credit, and secure any of its obligations, contracts or liabilities by mortgage, pledge or other encumbrance of all or any part of its property and income.

(3) Participate with others in any partnership, joint venture or other association, transaction or arrangement of any kind whether or not such participation involves sharing or delegation of control with or to others.

(4) Act as trustee under any trust incidental to the purposes of the corporation, and receive, hold, administer, and expend funds and property subject to such trust.

(5) Carry on a business at a profit and apply any profit that results from the business activity to any activity in which it may lawfully engage.

(c) The powers which a corporation may exercise pursuant to this section shall be subject to compliance with other provisions of this part and any other applicable laws.

(Added by Stats.1978, c. 567, p. —, § 6, operative Jan. 1, 1980.)

Existing corporations, application of this section, see § 9914.

Derivation: Former § 9501, enacted by Stats.1947, c. 1038, p. 2414, § 9501, amended by Stats.1974, c. 914, p. 1928, § 1.

Former § 12005, enacted by Stats.1947, c. 1038, p. 2424, § 12005.

Library References
Corporations § 370(1).
C.J.S. Corporations § 941.

§ 7141. Restrictions; methods of asserting

Subject to Section 7142:

(a) No limitation upon the activities, purposes, or powers of the corporation or upon the powers of the members, officers, or directors, or the manner of exercise

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(213) 477-9091
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February 4, 1980

CABLE ADDRESS: BLUMLAW

Seymour E. Bird, M. D., Inc.
1800 Fairburn Avenue
Los Angeles, CA 90025

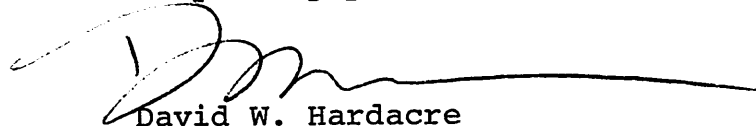
Dear Dr. Bird:

Please accept my apology for our not responding sooner to your inquiry concerning the power of the Los Angeles Psychoanalytic Society and Institute to receive and manage real property. I can only plead that year end is a particularly busy time for our office.

The Society has full power and authority to hold, manage and convey real property. I don't have a copy of the Society's Articles of Incorporation. The minute book is held by the Society, not our office. However, even if the Articles do not refer specifically to real property, the Corporations Code grants (very broad powers) which include the power to deal with real property. That power was formerly set forth in Corporations Code §9501 and is now covered under the new Non-Profit Corporation Law at Corporations Code §7140(b).

The new law was effective January 1, 1980. We advise our Non-Profit Corporation clients to revise their Articles of Incorporation and By-Laws to take advantage of several provisions of the new law which will make operation as a Non-Profit Corporation simpler. The Society will shortly be receiving a notice from the office of the Secretary of State designating the Society's classification under the new Non-Profit Corporation Law. If we can be of assistance in helping the Society to take advantage of the new law, we will be happy to do so and suggest that you contact us upon receipt of the classification notice. If it has not been received by mid-year, you should contact us so that we may inquire of the Secretary of State as to the reasons for the delay.

Very truly yours,



David W. Hardacre

DWH:bl

LAW OFFICES

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January 28, 1980

CABLE ADDRESS: BLUMLAW

Dr. Robert Zaitlin
President
Los Angeles Psychoanalytic Society
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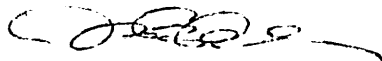
Re: New Non-Profit Corporation Law

Dear Dr. Zaitlin:

Effective January 1, 1980, California passed a new California Non-Profit Corporation Law. You will probably be receiving one or more puzzling notices from the California Secretary of State concerning this new law. While no sweeping changes in your corporate structure may necessarily be required by the new law, it may be advisable to review the Articles of Incorporation and By-Laws to determine those areas, if any, in which there is conflict which may cause trouble in the future.

Please let me know if we may be of assistance in explaining any aspects of the new law to you and in reviewing corporate documents for compliance.

Cordially,



Ivon B. Blum

IBB:csp



March Fong Eu
Secretary of State

1230 J Street
Sacramento, California 95814

CORPORATE DIVISION

Legal Review	(916) 445-0620
Certification	(916) 445-1430
Status	(916) 445-2900
Microfilm Records	(916) 445-1768
Name Availability	(916) 322-2387
Trademarks	(916) 445-9872
Statement of Officers	(916) 445-2020

2154980 NOTICE DATE 11/16/79 3257 CORPORATE CLASSIFICATION
*
LOS ANGELES PSYCHOANALYTIC SOCIETY AND PUBLIC BENEFIT
INSTITUTE
2014 SAWTELLE BLVD.
LOS ANGELES, CA 90025

ADVISORY NOTICE

The state law concerning nonprofit corporations has been revised effective January 1, 1980. It requires the identification of three kinds of nonprofit corporations. They are public benefit, mutual benefit and religious.

A nonprofit religious corporation is recognized as a separate category due to the constraints imposed by the constitutional doctrine of separation of church and state. As to other nonprofit corporations, it was found that they are grouped into those which are operated for the benefit of the members (nonprofit mutual benefit corporations) and those which are operated for charitable or public purposes (nonprofit public benefit corporation). Some of the provisions as to public benefit corporations are more stringent in order to protect funds acquired by such corporations by donations from individuals, estates and foundations.

The Office of the Secretary of State is required by Section 9912 of the Corporations Code to notify existing corporations which of the three categories they fall into, that is, nonprofit public benefit corporation, nonprofit mutual benefit corporation or nonprofit religious corporation. Our determination for your corporation is shown at the top of this letter to the right of the address.

If you or your attorney believe that our classification of your corporation is incorrect, please write us a letter setting forth the correct classification with the reasons therefor and indicating the particular paragraph of Section 9912 of the Corporations Code which is applicable in your case.

The articles for existing corporations remain valid as provided by Section 9913 of the Corporations Code. You need not amend your Articles of Incorporation.