

without substantive change from Art. 23, §3.

Subsection (a) of this section has been drafted more broadly than present §3 to improve its accuracy. Sec. 3 seems to imply that the banks and municipal corporations are the only types of corporations which may not be formed under this subtitle. Actually, however, other types of entities as well, such as credit unions, must form under other provisions of law. Therefore, as regards these entities the section is cast in a coordinative, rather than exclusionary form.

Additionally, several particular categories of corporations can be formed only by adhering to special statutory provisions. These include cooperatives, foundations, nonstock corporations, close corporations, and professional service corporations.

There is no intention to change the present law.

Art. 23, §317, which deals with formation of telegraph companies, is proposed for repeal because it duplicates this section.

2-102. FORMATION—GENERALLY.

(A) WHO MAY FORM.

IN ORDER TO FORM A CORPORATION, ONE OR MORE ADULT INDIVIDUALS ACTING AS INCORPORATORS SHALL:

(1) SIGN AND ACKNOWLEDGE ARTICLES OF INCORPORATION; AND

(2) FILE THEM FOR RECORD WITH THE DEPARTMENT.

(B) CORPORATE STATUS.

(1) WHEN THE DEPARTMENT ACCEPTS ARTICLES OF INCORPORATION FOR RECORD, THE PROPOSED CORPORATION BECOMES A BODY CORPORATE UNDER THE NAME AND SUBJECT TO THE PURPOSES, CONDITIONS, AND PROVISIONS STATED IN THE ARTICLES.

(2) EXCEPT IN A PROCEEDING BY THE STATE FOR FORFEITURE OF A CORPORATION'S CHARTER, ACCEPTANCE OF THE ARTICLES FOR RECORD BY THE DEPARTMENT IS CONCLUSIVE EVIDENCE OF THE FORMATION OF THE CORPORATION.

REVISOR'S NOTE: Subsection (a) of this section is