

**17-7202. Close corporation defined; contents of articles of incorporation; effect of joint held stock.** (a) A close corporation is a corporation organized under this act whose articles of incorporation contain the provisions required by K.S.A. 17-6002, and amendments thereto, and, in addition, provide that:

(1) All of the corporation's issued stock of all classes, exclusive of treasury shares, shall be held of record by not more than a specified number of persons, not exceeding 35; and

(2) All of the issued stock of all classes shall be subject to one or more of the restrictions on transfer permitted by K.S.A. 17-6426, and amendments thereto; and

(3) The corporation shall make no offering of any of its stock of any class which would constitute a "public offering" within the meaning of the United States securities act of 1933, as it may be amended from time to time.

(b) The articles of incorporation of a close corporation may set forth the qualifications of stockholders, either by specifying classes of persons who shall be entitled to be holders of record of stock of any class, or by specifying classes of persons who shall not be entitled to be holders of stock of any class, or both.

(c) For purposes of determining the number of holders of record of the stock of a close corporation, stock which is held in joint or common tenancy or by the entireties shall be treated as held by one stockholder.

**History:** L. 1972, ch. 52, § 126; L. 2004, ch. 143, § 77; Jan. 1, 2005.