

1983 WL 182092 (S.C.A.G.)

Office of the Attorney General

State of South Carolina

December 21, 1983

***1 RE: Opinion Request—Piedmont Health Care Corporation**

The Honorable Rogers T. Smith
Chief Insurance Commissioner
S.C. Department of Insurance
Post Office Box 4067
Columbia, South Carolina 29204

Dear Commissioner Smith:

This letter is in response to your opinion request to Attorney General Medlock dated October 27, 1983, in regard to the above-referenced health maintenance organization (HMO). Your opinion request referenced the Board of Directors of Piedmont Health Care Corporation entering into an agreement with HealthAmerica Corporation, of Nashville, Tennessee, whereby HealthAmerica would manage Piedmont and the employees of Piedmont would become employees of HealthAmerica. You further stated that the execution and approval of the agreement between Piedmont and HealthAmerica would give HealthAmerica the irrevocable right to purchase Piedmont at any time during the 25-year option. Per my conversation with Kenny Boggs, General Counsel of your office, we have been advised that you wish to withdraw your opinion request as to all issues except merger of a non-profit into a profit corporation in that the Office of the Attorney General is the proper party to oversee charitable trusts and management of non-profit corporations in this State. See [Sections 1-7-130](#) and [33-31-410](#), Code of Laws, South Carolina, 1976, as amended.

As to your inquiry concerning the merger of a non-profit into a profit corporation, Section 33-17-10(c) states that a business corporation organized pursuant to Sections 33-1-10 through 33-25-10, *et seq.*, Code of Laws, South Carolina, 1976, as amended, 'can merge with a joint stock company, unincorporated association, business trust or other corporation organized and existing under the laws of this State.' Therefore, a non-profit corporation being an 'other corporation organized and existing under the laws of this State' could merge with a profit corporation. I have conferred with Elliott D. Thompspon, Esquire attorney for HealthAmerica, and he has informed me that they will notify the Attorney General if and when the option to purchase Piedmont Health Care Corporation is exercised in order that the Attorney General may inquire as to the fair market consideration of that transaction.

Very truly yours,

C. Havird Jones, Jr.
Assistant Attorney General

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