§337.9 Shrine Club Holding Company. A shrine club holding company may be organized if considered necessary by compliance with the following procedure:

(a) **Application.** A written application must be presented to the Potentate of the temple having jurisdiction of the shrine club, stating the reason such incorporation is necessary.

(b) **Draft.** A draft of the proposed articles of incorporation or association must be attached to the application.

(c) **Provisions.** The articles of incorporation or association must include the following provisions:

   1. It must be a non-profit corporation or association and for the sole purpose of holding title to real or personal property other than cash and securities owned by the club.
   
   2. The trustees and managing officers of the corporation or association must be members in good standing in the club and remain subject to the bylaws of the authorizing temple and the control of the Potentate.
   
   3. The potente shall have power to remove from office in the corporation or association any trustee or managing officer for disobedience of his orders or for any violation of temple bylaws with respect to the conduct of the affairs of the corporation or association.

   4. The sale, lease, exchange, mortgage, pledge or other disposition of all, or substantially all, the property and assets of the corporation, may only be upon such terms and conditions and for such consideration as shall first be authorized by a vote of the temple having jurisdiction of the shrine club at a stated meeting of the temple, or at a special meeting which sets forth in the notice of the meeting the specific nature of the business to be transacted.

   5. When a change is made by Shriners International affecting Shrine law, and the change affects the articles of incorporation or bylaws of this corporation, the articles of incorporation and the bylaws of this corporation, unless prohibited by state law, are thereupon changed to conform with those of Shriners International and appropriate action shall be taken by the corporation to evidence the same.

   6. No amendment of the articles of incorporation shall be effective unless first approved by the temple Potentate, the chairman of the Jurisprudence and Laws Committee, General Counsel, and the Imperial Potentate.
(7) In the event of dissolution, the assets and funds remaining after payment in full of all debts of the corporation or association shall be conveyed to the temple or Shriners Hospitals for Children. No part of the assets or funds may inure to the benefit of any member of the corporation or association, nor revert to any officer or trustee thereof.

(d) **Potentate Action.** The Potentate shall approve or reject the application.

(e) **Filing.** If the Potentate approves the application, the proposed articles of incorporation or association, and a certificate of the Potentate’s approval shall be sent to the Imperial Recorder.

(f) **Shriners International Action.** If the chairman of the Committee on Jurisprudence and Laws, the General Counsel and the Imperial Potentate approve the application, the corporation or association may be organized.

(g) **Reporting.** Every shrine club holding corporation must comply with §337.8 of the bylaws regarding financial reporting.