

By: Representative Wilson

To: Judiciary A

HOUSE BILL NO. 1403

1 AN ACT TO AMEND SECTIONS 79-37-102, 79-37-111, 79-37-114,  
 2 79-37-116, 79-37-401, 79-37-405, 79-37-406, 79-37-505 AND  
 3 79-37-506, MISSISSIPPI CODE OF 1972, WHICH COMPRISE THE  
 4 MISSISSIPPI ENTITY CONVERSION AND DOMESTICATION ACT, TO REVISE THE  
 5 PROCEDURES REGULATING HOW A FOREIGN ENTITY MAY APPLY TO BECOME A  
 6 DOMESTIC ENTITY; AND FOR RELATED PURPOSES.

7 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MISSISSIPPI:

8 **SECTION 1.** Section 79-37-102, Mississippi Code of 1972, is  
 9 amended as follows:

10 79-37-102. As used in this chapter, unless the context  
 11 otherwise requires:

12 (1) [Reserved]

13 (2) [Reserved]

14 (3) "Approve" means, in the case of an entity, for its  
 15 governors and interest holders to take whatever steps are  
 16 necessary under the entity's organic rules, organic law, and other  
 17 law to:

18 (A) Propose a transaction subject to this chapter;

19 (B) Adopt and approve the terms and conditions of

20 the transaction; and



21 (C) Conduct any required proceedings or otherwise  
22 obtain any required votes or consents of the governors or interest  
23 holders.

24 (4) "Conversion" means a transaction authorized by  
25 Article 4 of this chapter.

26 (5) "Converted entity" means the converting entity as  
27 it continues in existence after a conversion.

28 (6) "Converting entity" means the domestic entity that  
29 approves a plan of conversion pursuant to Section 79-37-403 or the  
30 foreign entity that approves a conversion pursuant to the law of  
31 its jurisdiction of formation.

32 (7) "Distributional interest" means the right under an  
33 unincorporated entity's organic law and organic rules to receive  
34 distributions from the entity.

35 (8) "Domestic," with respect to an entity, means  
36 governed as to its internal affairs by the law of this state.

37 (9) "Domesticated entity" means the domesticating  
38 entity as it continues in existence after a domestication.

39 (10) "Domesticating entity" means the domestic entity  
40 that approves a plan of domestication pursuant to Section  
41 79-37-503 or the foreign entity that approves a domestication  
42 pursuant to the law of its jurisdiction of formation.

43 (11) "Domestication" means a transaction authorized by  
44 Article 5 of this chapter.

45 (12) "Entity":



46 (A) Means:

47 (i) A business corporation;

48 (ii) A nonprofit corporation, except that

49 charitable organizations as defined under Section 79-11-501 et

50 seq. may not convert pursuant to Article 4 of this chapter;

51 (iii) A general partnership, including a

52 limited liability partnership;

53 (iv) A limited partnership, including a

54 limited liability limited partnership;

55 (v) A limited liability company;

56 (vi) [Reserved];

57 (vii) [Reserved];

58 (viii) [Reserved];

59 (ix) A statutory trust, business trust, or

60 common-law business trust;

61 (x) An agricultural association, including an

62 agricultural co-operative marketing association; or

63 (xi) Any other person that has:

64 (I) A legal existence separate from any

65 interest holder of that person; or

66 (II) The power to acquire an interest in

67 real property in its own name; and

68 (B) Does not include:

69 (i) An individual;



70 (ii) A trust with a predominantly donative  
71 purpose or a charitable trust;

72 (iii) An association or relationship that is  
73 not an entity listed in subparagraph (A) and is not a partnership  
74 under the rules stated in Section 79-13-202(c) or a similar  
75 provision of the law of any other jurisdiction;

76 (iv) A decedent's estate; or

77 (v) A government or a governmental  
78 subdivision, agency, or instrumentality.

79 (13) "Filing entity" means an entity whose formation  
80 requires the filing of a public organic record. The term does not  
81 include a limited liability partnership.

82 (14) "Foreign," with respect to an entity, means an  
83 entity governed as to its internal affairs by the law of a  
84 jurisdiction other than this state.

85 (15) "Governance interest" means a right under the  
86 organic law or organic rules of an unincorporated entity, other  
87 than as a governor, agent, assignee, or proxy, to:

88 (A) Receive or demand access to information  
89 concerning, or the books and records of, the entity;

90 (B) Vote for or consent to the election of the  
91 governors of the entity; or

92 (C) Receive notice of or vote on or consent to an  
93 issue involving the internal affairs of the entity.

94 (16) "Governor" means:



- 95 (A) A director of a business corporation;
- 96 (B) A director or trustee of a nonprofit  
97 corporation;
- 98 (C) A general partner of a general partnership;
- 99 (D) A general partner of a limited partnership;
- 100 (E) A manager of a manager-managed limited  
101 liability company;
- 102 (F) A member of a member-managed limited liability  
103 company;
- 104 (G) [Reserved];
- 105 (H) [Reserved];
- 106 (I) [Reserved];
- 107 (J) A trustee of a statutory trust, business  
108 trust, or common-law business trust; or
- 109 (K) Any other person under whose authority the  
110 powers of an entity are exercised and under whose direction the  
111 activities and affairs of the entity are managed pursuant to the  
112 organic law and organic rules of the entity.
- 113 (17) "Interest" means:
- 114 (A) A share in a business corporation;
- 115 (B) A membership in a nonprofit corporation;
- 116 (C) A partnership interest in a general  
117 partnership;
- 118 (D) A partnership interest in a limited  
119 partnership;



120 (E) A membership interest in a limited liability  
121 company;  
122 (F) [Reserved];  
123 (G) [Reserved];  
124 (H) [Reserved];  
125 (I) A beneficial interest in a statutory trust,  
126 business trust, or common-law business trust;  
127 (J) A membership in an agricultural association,  
128 including an agricultural co-operative marketing association; or  
129 (K) A governance interest or distributional  
130 interest in any other type of unincorporated entity.  
131 (18) [Reserved]  
132 (19) "Interest holder" means:  
133 (A) A shareholder of a business corporation;  
134 (B) A member of a nonprofit corporation;  
135 (C) A general partner of a general partnership;  
136 (D) A general partner of a limited partnership;  
137 (E) A limited partner of a limited partnership;  
138 (F) A member of a limited liability company;  
139 (G) [Reserved];  
140 (H) [Reserved];  
141 (I) [Reserved];  
142 (J) A beneficiary or beneficial owner of a  
143 statutory trust, business trust, or common-law business trust;



144 (K) A member of an agricultural association,  
145 including an agricultural co-operative marketing association; or

146 (L) Any other direct holder of an interest.

147 (20) "Interest holder liability" means:

148 (A) Personal liability for a liability of an  
149 entity that is imposed on a person:

150 (i) Solely by reason of the status of the  
151 person as an interest holder; or

152 (ii) By the organic rules of the entity which  
153 make one or more specified interest holders or categories of  
154 interest holders liable in their capacity as interest holders for  
155 all or specified liabilities of the entity; or

156 (B) An obligation of an interest holder under the  
157 organic rules of an entity to contribute to the entity.

158 (21) "Jurisdiction", used to refer to a political  
159 entity, means the United States, a state, a foreign country, or a  
160 political subdivision of a foreign country.

161 (22) "Jurisdiction of formation" means the jurisdiction  
162 whose law includes the organic law of an entity.

163 (23) [Reserved]

164 (24) [Reserved]

165 (25) "Organic law" means the law of an entity's  
166 jurisdiction of formation governing the internal affairs of the  
167 entity.



168           (26) "Organic rules" means the public organic record  
169 and private organic rules of an entity.

170           (27) "Person" means an individual, business  
171 corporation, nonprofit corporation, partnership, limited  
172 partnership, limited liability company, agricultural association,  
173 agricultural co-operative marketing association, statutory trust,  
174 business trust, common-law business trust, estate, trust,  
175 association, joint venture, public corporation, government or  
176 governmental subdivision, agency, or instrumentality, or any other  
177 legal or commercial entity.

178           (28) "Plan" means a plan of conversion or plan of  
179 domestication.

180           (29) "Plan of conversion" means a plan under Section  
181 79-37-402.

182           (30) "Plan of domestication" means a plan under Section  
183 79-37-502.

184           (31) [Reserved]

185           (32) [Reserved]

186           (33) "Private organic rules" mean the rules, whether or  
187 not in a record, that govern the internal affairs of an entity,  
188 are binding on all of its interest holders, and are not part of  
189 its public organic record, if any. The term includes:

190                   (A) The bylaws of a business corporation;

191                   (B) The bylaws of a nonprofit corporation;





192 (C) The partnership agreement of a general  
193 partnership;  
194 (D) The partnership agreement of a limited  
195 partnership;  
196 (E) The operating agreement of a limited liability  
197 company;  
198 (F) [Reserved];  
199 (G) [Reserved];  
200 (H) [Reserved];  
201 (I) The bylaws of an agricultural association,  
202 including an agricultural co-operative marketing association; and  
203 (J) The trust instrument of a statutory trust or  
204 similar rules of a business trust or common-law business trust.  
205 (34) "Property" means all property, whether real,  
206 personal, or mixed or tangible or intangible, or any right or  
207 interest therein.  
208 (35) "Protected agreement" means:  
209 (A) A record evidencing indebtedness and any  
210 related agreement in effect on January 1, 2015;  
211 (B) An agreement that is binding on an entity on  
212 January 1, 2015;  
213 (C) The organic rules of an entity in effect on  
214 January 1, 2015; or  
215 (D) An agreement that is binding on any of the  
216 governors or interest holders of an entity on January 1, 2015.



217                   (36) "Public organic record" means the record the  
218 filing of which by the Secretary of State is required to form an  
219 entity and any amendment to or restatement of that record. The  
220 term includes:

221                   (A) The articles of incorporation of a business  
222 corporation;

223                   (B) The articles of incorporation of a nonprofit  
224 corporation;

225                   (C) The certificate of limited partnership of a  
226 limited partnership;

227                   (D) The certificate of formation of a limited  
228 liability company;

229                   (E) [Reserved];

230                   (F) [Reserved];

231                   (G) The articles of association of an agricultural  
232 association, including an agricultural co-operative marketing  
233 association; and

234                   (H) The certificate of trust of a statutory trust  
235 or similar record of a business trust.

236                   (37) "Record," used as a noun, means information that  
237 is inscribed on a tangible medium or that is stored in an  
238 electronic or other medium and is retrievable in perceivable form.

239                   (38) "Registered foreign entity" means a foreign entity  
240 that is registered to do business in this state pursuant to a  
241 record filed by the Secretary of State.



242 (39) "Sign" means, with present intent to authenticate  
243 or adopt a record:

244 (A) To execute or adopt a tangible symbol; or

245 (B) To attach to or logically associate with the  
246 record an electronic symbol, sound, or process.

247 (40) "State" means a state of the United States, the  
248 District of Columbia, Puerto Rico, the United States Virgin  
249 Islands, or any territory or insular possession subject to the  
250 jurisdiction of the United States.

251 (41) "Statement of conversion" means a statement under  
252 Section 79-37-405.

253 (42) "Statement of domestication" means a statement  
254 under Section 79-37-505.

255 (43) [Reserved]

256 (44) [Reserved]

257 (45) [Reserved]

258 (46) "Transfer" includes:

259 (A) An assignment;

260 (B) A conveyance;

261 (C) A sale;

262 (D) A lease;

263 (E) An encumbrance, including a mortgage or  
264 security interest;

265 (F) A gift; and

266 (G) A transfer by operation of law.



267 (47) "Type of entity" means a generic form of entity:  
268 (A) Recognized at common law; or  
269 (B) Formed under an organic law, whether or not  
270 some entities formed under that law are subject to provisions of  
271 that law that create different categories of the form of entity.

272 **SECTION 2.** Section 79-37-111, Mississippi Code of 1972, is  
273 amended as follows:

274 79-37-111. (a) To be entitled to filing by the Secretary of  
275 State, a document must satisfy the following requirements and the  
276 requirements of any other provision of this chapter that adds to  
277 or varies these requirements:

278 (1) This chapter requires or permits filing the  
279 document in the Office of the Secretary of State.

280 (2) The document contains the information required by  
281 this chapter and may contain other information.

282 (3) The document is in a record.

283 (4) The document is in the English language, but the  
284 name of an entity need not be in English if written in English  
285 letters or Arabic or Roman numerals.

286 (5) The document is signed:

287 (A) By an officer or director of a domestic or  
288 foreign corporation;

289 (B) By a person authorized by a domestic or  
290 foreign entity that is not a corporation; or



291 (C) If the entity is in the hands of a receiver,  
292 trustee, or other court-appointed fiduciary, by that fiduciary.

293 (6) The document must state the name and capacity of  
294 the person that signed it.

295 (7) The document must be delivered to the Office of the  
296 Secretary of State for filing in the format and in the manner  
297 determined by the Secretary of State.

298 (b) When a document is delivered to the Office of the  
299 Secretary of State for filing, the correct filing fee must be paid  
300 or provision for payment made in a manner permitted by the  
301 Secretary of State.

302 **SECTION 3.** Section 79-37-114, Mississippi Code of 1972, is  
303 amended as follows:

304 79-37-114. (a) A domestic or foreign entity may correct a  
305 document filed by the Secretary of State within \* \* \* one hundred  
306 twenty (120) days of the filing if:

307 (1) The document contains an inaccuracy;

308 (2) The document was defectively signed; or

309 (3) The electronic transmission of the document to the  
310 Secretary of State was defective.

311 (b) A document is corrected by filing with the Secretary of  
312 State a statement of correction that:

313 (1) Describes the document to be corrected and states  
314 its filing date or has attached a copy of the document;



315 (2) Specifies the inaccuracy or defect to be corrected;

316 and

317 (3) Corrects the inaccuracy or defect.

318 (c) A statement of correction is effective on the effective  
319 date of the document it corrects except as to persons relying on  
320 the uncorrected document and adversely affected by the correction.  
321 As to those persons, a statement of correction is effective when  
322 filed.

323 **SECTION 4.** Section 79-37-116, Mississippi Code of 1972, is  
324 amended as follows:

325 79-37-116. (a) If the Secretary of State refuses to file a  
326 document delivered for filing, the domestic or foreign entity that  
327 submitted the document for filing may appeal the refusal within  
328 thirty (30) days after the return of the document to \* \* \* the  
329 Chancery Court of the First Judicial District of Hinds County,  
330 Mississippi \* \* \*. The appeal is commenced by petitioning the  
331 court to compel filing the document and by attaching to the  
332 petition the document and the explanation of the Secretary of  
333 State for the refusal to file.

334 (b) The court may summarily order the Secretary of State to  
335 file the document or take other action the court considers  
336 appropriate.

337 (c) The court's final decision may be appealed as in other  
338 civil proceedings.



339           **SECTION 5.** Section 79-37-401, Mississippi Code of 1972, is  
340 amended as follows:

341           79-37-401. (a) By complying with this article, a domestic  
342 entity may become:

343                   (1) A domestic entity that is a different type of  
344 entity; or

345                   (2) A foreign entity that is a different type of  
346 entity, if the conversion is authorized by the law of the foreign  
347 entity's jurisdiction of formation and the domestic entity has  
348 complied with Article 5 of this chapter.

349           (b) By complying with the provisions of this article  
350 applicable to foreign entities, a foreign entity may become a  
351 domestic entity that is a different type of entity if the  
352 conversion is authorized by the law of the foreign entity's  
353 jurisdiction of formation and the foreign entity has first  
354 domesticated to this state pursuant to Article 5 of this chapter.

355           (c) If a protected agreement contains a provision that  
356 applies to a merger of a domestic entity but does not refer to a  
357 conversion, the provision applies to a conversion of the entity as  
358 if the conversion were a merger until the provision is amended  
359 after January 1, 2015.

360           **SECTION 6.** Section 79-37-405, Mississippi Code of 1972, is  
361 amended as follows:



362 79-37-405. (a) A statement of conversion must be signed on  
363 behalf of the converting entity and delivered to the Secretary of  
364 State for filing.

365 (b) A statement of conversion must contain:

366 (1) The name, jurisdiction of formation, and type of  
367 entity of the converting entity;

368 (2) The name, jurisdiction of formation, and type of  
369 entity of the converted entity;

370 (3) If the statement of conversion is not to be  
371 effective upon filing, the later date and time on which it will  
372 become effective, which may not be more than ninety (90) days  
373 after the date of filing;

374 (4) If the converting entity is a domestic entity, a  
375 statement that the plan of conversion was approved in accordance  
376 with this article or, if the converting entity is a foreign  
377 entity, a statement that the conversion was approved by the  
378 foreign entity in accordance with the law of its jurisdiction of  
379 formation and filed copies of the conversion documents from its  
380 jurisdiction of formation, as an attachment;

381 (5) If the converted entity is a domestic filing  
382 entity, its public organic record, as an attachment;

383 (6) If the converted entity is a domestic limited  
384 liability partnership, its statement of qualification, as an  
385 attachment; and





386 (7) If the converted entity is a foreign entity, a  
387 mailing address to which the Secretary of State may send any  
388 process served on the Secretary of State pursuant to Section  
389 79-37-406(e).

390 (c) In addition to the requirements of subsection (b), a  
391 statement of conversion may contain any other provision not  
392 prohibited by law.

393 (d) If the converted entity is a domestic entity, its public  
394 organic record, if any, must satisfy the requirements of the law  
395 of this state, except that the public organic record does not need  
396 to be signed and may omit any provision that is not required to be  
397 included in a restatement of the public organic record.

398 \* \* \*

399 ( \* \* \*e) A statement of conversion is effective on the date  
400 and time of filing or the later date and time specified in the  
401 statement of conversion.

402 ( \* \* \*f) If the converted entity is a domestic entity, the  
403 conversion is effective when the statement of conversion is  
404 effective. If the converted entity is a foreign entity, the  
405 conversion is effective on the later of:

406 (1) The date and time provided by the organic law of  
407 the converted entity; or

408 (2) When the statement is effective.

409 **SECTION 7.** Section 79-37-406, Mississippi Code of 1972, is  
410 amended as follows:



411           79-37-406. (a) When a conversion becomes effective:  
412                   (1) The converted entity is:  
413                       (A) Organized under and subject to the organic law  
414 of the converted entity; and  
415                       (B) The same entity without interruption as the  
416 converting entity;  
417                   (2) All property of the converting entity continues to  
418 be vested in the converted entity without transfer, reversion, or  
419 impairment;  
420                   (3) All debts, obligations, and other liabilities of  
421 the converting entity continue as debts, obligations, and other  
422 liabilities of the converted entity;  
423                   (4) Except as otherwise provided by law or the plan of  
424 conversion, all the rights, privileges, immunities, powers, and  
425 purposes of the converting entity remain in the converted entity;  
426                   (5) The name of the converted entity may be substituted  
427 for the name of the converting entity in any pending action or  
428 proceeding;  
429                   (6) If a converted entity is a filing entity, its  
430 public organic record is effective;  
431                   (7) If the converted entity is a limited liability  
432 partnership, its statement of qualification is effective;  
433                   (8) The private organic rules of the converted entity  
434 which are to be in a record, if any, approved as part of the plan  
435 of conversion are effective; and



436           (9) The interests in the converting entity are  
437 converted, and the interest holders of the converting entity are  
438 entitled only to the rights provided to them under the plan of  
439 conversion and to any appraisal rights they have under Section  
440 79-37-109 and the converting entity's organic law.

441           (b) Except as otherwise provided in the organic law or  
442 organic rules of the converting entity, the conversion does not  
443 give rise to any rights that an interest holder, governor, or  
444 third party would have upon a dissolution, liquidation, or winding  
445 up of the converting entity.

446           (c) When a conversion becomes effective, a person that did  
447 not have interest holder liability with respect to the converting  
448 entity and becomes subject to interest holder liability with  
449 respect to a domestic entity as a result of a conversion has  
450 interest holder liability only to the extent provided by the  
451 organic law of the entity and only for those debts, obligations,  
452 and other liabilities that arise after the conversion becomes  
453 effective.

454           (d) When a conversion becomes effective, the interest holder  
455 liability of a person that ceases to hold an interest in a  
456 domestic converting entity with respect to which the person had  
457 interest holder liability is subject to the following rules:

458           (1) The conversion does not discharge any interest  
459 holder liability under the organic law of a domestic converting



460 entity to the extent the interest holder liability arose before  
461 the conversion became effective.

462 (2) The person does not have interest holder liability  
463 under the organic law of the domestic converting entity for any  
464 debt, obligation, or other liability that arises after the  
465 conversion becomes effective.

466 (3) The organic law of the domestic converting entity  
467 continues to apply to the release, collection, or discharge of any  
468 interest holder liability preserved under paragraph (1) as if the  
469 conversion had not occurred.

470 (4) The person has whatever rights of contribution from  
471 any other person as are provided by other law or the organic rules  
472 of the domestic converting entity with respect to any interest  
473 holder liability preserved under paragraph (1) as if the  
474 conversion had not occurred.

475 (e) When a conversion becomes effective, a foreign entity  
476 that is the converted entity may be served with process in this  
477 state for the collection and enforcement of any of its debts,  
478 obligations, and other liabilities in accordance with applicable  
479 law.

480 (f) If the converting entity is a registered foreign entity,  
481 its registration to do business in this state is \* \* \* amended to  
482 reflect its new status when the conversion becomes effective.



483 (g) A conversion does not require the entity to wind up its  
484 affairs and does not constitute or cause the dissolution of the  
485 entity.

486 **SECTION 8.** Section 79-37-505, Mississippi Code of 1972, is  
487 amended as follows:

488 79-37-505. (a) A statement of domestication must be signed  
489 by the domesticating entity and delivered to the Secretary of  
490 State for filing.

491 (b) A statement of domestication must contain:

492 (1) The name, jurisdiction of formation, and type of  
493 entity of the domesticating entity;

494 (2) The name and jurisdiction of formation of the  
495 domesticated entity;

496 (3) If the statement of domestication is not to be  
497 effective upon filing, the later date and time on which it will  
498 become effective, which may not be more than ninety (90) days  
499 after the date of filing;

500 (4) If the domesticating entity is a domestic entity, a  
501 statement that the plan of domestication was approved in  
502 accordance with this article or, if the domesticating entity is a  
503 foreign entity, a statement that the domestication was approved in  
504 accordance with the law of its jurisdiction of formation;

505 (5) If the domesticated entity is a domestic filing  
506 entity, its public organic record, as an attachment;



507           (6) If the domesticated entity is a domestic limited  
508 liability partnership, its statement of qualification, as an  
509 attachment; and

510           (7) If the domesticated entity is a foreign entity that  
511 is not a registered foreign entity, a mailing address to which the  
512 Secretary of State may send any process served on the Secretary of  
513 State pursuant to Section 79-37-506(e).

514           (8) If the domesticated entity is a foreign entity, a  
515 copy of filed domestication documents from the new jurisdiction as  
516 an attachment.

517           (9) If the domesticated entity is a domestic entity, a  
518 certificate of good standing or certificate of existence issued  
519 less than one-hundred and eighty (180) days before, from its  
520 jurisdiction of formation, as an attachment.

521           (c) In addition to the requirements of subsection (b), a  
522 statement of domestication may contain any other provision not  
523 prohibited by law.

524           (d) If the domesticated entity is a domestic entity, its  
525 public organic record, if any, must satisfy the requirements of  
526 the law of this state, but the public organic record does not need  
527 to be signed and may omit any provision that is not required to be  
528 included in a restatement of the public organic record.

529       \* \* \*



530 ( \* \* \*e) A statement of domestication is effective on the  
531 date and time of filing or the later date and time specified in  
532 the statement of domestication.

533 ( \* \* \*f) A domestication in which the domesticated entity  
534 is a domestic entity is effective when the statement of  
535 domestication is effective. A domestication in which the  
536 domesticated entity is a foreign entity is effective on the later  
537 of:

538 (1) The date and time provided by the organic law of  
539 the domesticated entity; or

540 (2) When the statement is effective.

541 **SECTION 9.** Section 79-37-506, Mississippi Code of 1972, is  
542 amended as follows:

543 79-37-506. (a) When a domestication becomes effective:

544 (1) The domesticated entity is:

545 (A) Organized under and subject to the organic law  
546 of the domesticating entity; and

547 (B) The same entity without interruption as the  
548 domesticating entity;

549 (2) All property of the domesticating entity continues  
550 to be vested in the domesticated entity without transfer,  
551 reversion, or impairment;

552 (3) All debts, obligations, and other liabilities of  
553 the domesticating entity continue as debts, obligations, and other  
554 liabilities of the domesticated entity;



555           (4) Except as otherwise provided by law or the plan of  
556 domestication, all of the rights, privileges, immunities, powers,  
557 and purposes of the domesticating entity remain in the  
558 domesticated entity;

559           (5) The name of the domesticated entity may be  
560 substituted for the name of the domesticating entity in any  
561 pending action or proceeding;

562           (6) If the domesticated entity is a filing entity, its  
563 public organic record is effective;

564           (7) If the domesticated entity is a limited liability  
565 partnership, its statement of qualification is effective  
566 simultaneously;

567           (8) The private organic rules of the domesticated  
568 entity that are to be in a record, if any, approved as part of the  
569 plan of domestication are effective; and

570           (9) The interests in the domesticating entity are  
571 converted to the extent and as approved in connection with the  
572 domestication, and the interest holders of the domesticating  
573 entity are entitled only to the rights provided to them under the  
574 plan of domestication and to any appraisal rights they have under  
575 Section 79-37-109 and the domesticating entity's organic law.

576           (b) Except as otherwise provided in the organic law or  
577 organic rules of the domesticating entity, the domestication does  
578 not give rise to any rights that an interest holder, governor, or





579 third party would have upon a dissolution, liquidation, or  
580 winding\_up of the domesticating entity.

581 (c) When a domestication becomes effective, a person that  
582 did not have interest holder liability with respect to the  
583 domesticating entity and that becomes subject to interest holder  
584 liability with respect to a domestic entity as a result of the  
585 domestication has interest holder liability only to the extent  
586 provided by the organic law of the entity and only for those  
587 debts, obligations, and other liabilities that arise after the  
588 domestication becomes effective.

589 (d) When a domestication becomes effective, the interest  
590 holder liability of a person that ceases to hold an interest in a  
591 domestic domesticating entity with respect to which the person had  
592 interest holder liability is subject to the following rules:

593 (1) The domestication does not discharge any interest  
594 holder liability under the organic law of a domesticating domestic  
595 entity to the extent the interest holder liability arose before  
596 the domestication became effective.

597 (2) A person does not have interest holder liability  
598 under the organic law of the domestic domesticating entity for any  
599 debt, obligation, or other liability that arises after the  
600 domestication becomes effective.

601 (3) The organic law of a domestic domesticating entity  
602 continues to apply to the release, collection, or discharge of any



603 interest holder liability preserved under paragraph (1) as if the  
604 domestication had not occurred.

605 (4) A person has whatever rights of contribution from  
606 any other person as are provided by other law or the organic rules  
607 of the domestic domesticating entity with respect to any interest  
608 holder liability preserved under paragraph (1) as if the  
609 domestication had not occurred.

610 (e) When a domestication becomes effective, a foreign entity  
611 that is the domesticated entity may be served with process in this  
612 state for the collection and enforcement of any of its debts,  
613 obligations, and other liabilities in accordance with applicable  
614 law.

615 (f) If a domesticating entity is a registered foreign  
616 entity, the registration to do business in this state of the  
617 domesticating entity is \* \* \* amended to reflect its new status  
618 when the domestication becomes effective.

619 (g) A domestication does not require the entity to wind up  
620 its affairs and does not constitute or cause the dissolution of  
621 the entity.

622 **SECTION 10.** This act shall take effect and be in force from  
623 and after July 1, 2017.

