

**GENERAL ASSEMBLY OF NORTH CAROLINA  
SESSION 2001**

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**SENATE BILL 842  
Judiciary I Committee Substitute Adopted 5/24/01**

Short Title: Business Entity Changes. (Public)

Sponsors:

Referred to:

April 4, 2001

1                                    A BILL TO BE ENTITLED  
2 AN ACT TO MAKE VARIOUS CHANGES TO THE NORTH CAROLINA  
3 BUSINESS CORPORATION ACT, THE NORTH CAROLINA NONPROFIT  
4 CORPORATION ACT, THE NORTH CAROLINA LIMITED LIABILITY  
5 COMPANY ACT, AND THE LAWS GOVERNING PARTNERSHIPS.

6 The General Assembly of North Carolina enacts:

7 **PART I. AMENDMENTS TO THE NORTH CAROLINA BUSINESS**  
8 **CORPORATION ACT.**

9                    **SECTION 1.** G.S. 55-1-20(f) reads as rewritten:

10            "(f) A document submitted by a domestic or foreign corporation or nonprofit  
11 corporation must be executed:

- 12            (1) By the chairman of the board of directors, by its president, or by  
13                    another of its officers;
- 14            (2) If directors have not been selected or the corporation has not been  
15                    formed, by an incorporator; or
- 16            (3) If the corporation is in the hands of a receiver, trustee, or other  
17                    court-appointed fiduciary, by that fiduciary.

18            A document submitted by an unincorporated entity must be executed by a person  
19 authorized to execute documents (i) pursuant to G.S. 57C-1-20(f) if the unincorporated  
20 entity is a domestic or foreign limited liability company, (ii) pursuant to G.S. 59-204 if  
21 the unincorporated entity is a domestic or foreign limited partnership, or (iii) pursuant to  
22 G.S. ~~59-73.7(a)(4)~~ 59-35.1(a)(4) if the unincorporated entity is any other partnership as  
23 defined in G.S. 59-36 whether or not formed under the laws of this State."

24            **SECTION 2.** G.S. 55-1-22(a) is amended by adding the following new  
25 subdivision to read:

26            "(12a) Articles of conversion (other than articles of  
27                    conversion included as part of another document)                    50.00".

28            **SECTION 3.** G.S. 55-1-40 is amended by adding the following new  
29 subdivisions, to be placed by the Revisor of Statutes in the appropriate order, to read:

1 **"§ 55-1-40. Chapter definitions.**

2 In this Chapter unless otherwise specifically provided:

3 ...

4 (2a) 'Business entity,' as used in G.S. 55-11-10 and Article 11A of this  
5 Chapter, means a domestic corporation (including a professional  
6 corporation as defined in G.S. 55B-2), a foreign corporation, a  
7 domestic or foreign nonprofit corporation, a domestic or foreign  
8 limited liability company, a domestic or foreign limited partnership as  
9 defined in G.S. 59-102, a registered limited liability partnership or  
10 foreign limited liability partnership as defined in G.S. 59-32, or any  
11 other partnership as defined in G.S. 59-36 whether or not formed under  
12 the laws of this State.

13 ...

14 (6b) 'Domestic limited liability company' has the same meaning as in G.S.  
15 57C-1-03.

16 (6c) 'Domestic limited partnership' has the same meaning as in G.S. 59-  
17 103.

18 (6d) 'Domestic nonprofit corporation' means a corporation as defined in  
19 G.S. 55A-1-40.

20 (6e) 'Electronic' has the same meaning as in G.S. 66-312.

21 (6f) 'Electronic record' has the same meaning as in G.S. 66-312.

22 (6g) 'Electronic signature' has the same meaning as in G.S. 66-312.

23 ...

24 (10a) 'Foreign limited liability company' has the same meaning as in G.S.  
25 57C-1-03.

26 (10b) 'Foreign limited partnership' has the same meaning as in G.S. 59-107.

27 (10c) 'Foreign nonprofit corporation' means a foreign corporation as defined  
28 in G.S. 55A-1-40 that is a nonprofit corporation as defined in G.S.  
29 55A-1-40.

30 ...."

31 **SECTION 4.** G.S. 55-1-40(17) reads as rewritten:

32 "(17) 'Principal office' means the office (in or out of this State) ~~so designated~~  
33 ~~in the annual report~~ where the principal executive offices of a domestic  
34 or foreign corporation are ~~located~~ located, as designated in its most  
35 recent annual report filed with the Secretary of State or, in the case of a  
36 domestic or foreign corporation that has not yet filed an annual report,  
37 in its articles of incorporation or application for a certificate of  
38 authority, respectively."

39 **SECTION 5.** G.S. 55-1-40(24a) reads as rewritten:

40 "(24a) 'Unincorporated entity' means a domestic or foreign limited liability  
41 ~~company~~ company, as defined in G.S. 57C-1-03, a domestic or foreign  
42 limited partnership ~~partnership, as defined in G.S. 59-102, a registered~~

1 limited liability partnership or foreign limited liability partnership as  
2 defined in G.S. 59-32, or any other partnership as defined in G.S.  
3 59-36, whether or not formed under the laws of this State, ~~including a~~  
4 ~~registered limited liability partnership as defined in G.S. 59-32 and any~~  
5 ~~other limited liability partnership formed under a law other than the~~  
6 ~~laws of this State."~~

7 **SECTION 6.** G.S. 55-1-41 reads as rewritten:

8 **"§ 55-1-41. Notice.**

9 (a) Notice under this Chapter shall be in writing unless oral notice is authorized  
10 in the corporation's articles of incorporation or bylaws and written notice is not  
11 specifically required by this Chapter.

12 (b) Notice may be communicated in person; by ~~telephone, telegraph, teletype, or~~  
13 ~~other form of wire or wireless communication, or by facsimile transmission; electronic~~  
14 means; or by mail or private carrier. If these forms of personal notice are impracticable  
15 as to one or more persons, notice may be communicated to such persons by publishing  
16 notice in a newspaper in the county wherein the corporation has its principal place of  
17 business in the State, or if it has no principal place of business in the State, the county  
18 wherein it has its registered office; or by radio, television, or other form of public  
19 broadcast communication.

20 (c) Written notice by a domestic or foreign corporation to its shareholder is  
21 effective when deposited in the United States mail with postage thereon prepaid and  
22 correctly addressed to the shareholder's address shown in the corporation's current  
23 record of shareholders. To the extent the corporation pursuant to G.S. 55-1-50 and the  
24 shareholder have agreed, notice by a domestic corporation to its shareholder in the form  
25 of an electronic record sent by electronic means is effective when it is sent as provided  
26 in G.S. 66-325. A shareholder may terminate any such agreement at any time on a  
27 prospective basis effective upon written notice of termination to the corporation or upon  
28 such later date as may be specified in the notice.

29 (d) Written notice to a domestic or foreign corporation (authorized to transact  
30 business in this State) may be addressed to its registered agent at its registered office or  
31 to the corporation or its secretary at its principal office shown in its most recent annual  
32 report on file in the office of the Secretary of State or, in the case of a domestic or  
33 foreign corporation that has not yet delivered filed an annual report, in its articles of  
34 incorporation or application for a certificate of authority, authority, respectively.

35 (e) Except as provided in subsection (c), written notice is effective at the earliest  
36 of the following:

- 37 (1) When received;
- 38 (2) Five days after its deposit in the United States mail, as evidenced by  
39 the postmark or otherwise, if mailed with at least first-class postage  
40 thereon prepaid and correctly addressed;

- 1 (3) On the date shown on the return receipt, if sent by registered or  
2 certified mail, return receipt requested, and the receipt is signed by or  
3 on behalf of the addressee.

4 In the case of notice in the form of an electronic record sent by electronic means, the  
5 time of receipt shall be determined as provided in G.S. 66-325.

6 (f) Oral notice is effective when actually communicated to the person entitled  
7 thereto.

8 (g) If this Chapter prescribes notice requirements for particular circumstances,  
9 those requirements govern. If articles of incorporation or bylaws prescribe notice  
10 requirements not inconsistent with this section or other provisions of this Chapter, those  
11 requirements govern."

12 **SECTION 7.** Article 1 of Chapter 55 of the General Statutes is amended by  
13 adding a new Part to read:

14 "Part 5. Miscellaneous.

15 **"§ 55-1-50. Electronic transactions.**

16 For purposes of applying Article 40 of Chapter 66 of the General Statutes to  
17 transactions under this Chapter, a corporation may agree to conduct a transaction by  
18 electronic means through provision in its articles of incorporation or bylaws or by action  
19 of its board of directors."

20 **SECTION 8.** G.S. 55-2-02(a) reads as rewritten:

21 "(a) The articles of incorporation must set forth:

- 22 (1) A corporate name for the corporation that satisfies the requirements of  
23 G.S. 55-4-01;  
24 (2) The number of shares the corporation is authorized to issue and any  
25 other information required by G.S. 55-6-01;  
26 (3) The street address, and the mailing address if different from the street  
27 address, of the corporation's initial registered office, the county in  
28 which the initial registered office is located, and the name of the  
29 corporation's initial registered agent at that address; ~~and~~  
30 (3a) The street address, and the mailing address if different from the street  
31 address, of the corporation's principal office, if any, and the county in  
32 which the principal office, if any, is located; and  
33 (4) The name and address of each incorporator."

34 **SECTION 9.** G.S. 55-2-02 is amended by adding the following new  
35 subsection to read:

36 "(d) Articles of incorporation filed to effect the conversion of another business  
37 entity pursuant to Article 11A of this Chapter shall also include the statements required  
38 by G.S. 55-11A-03(a)."

39 **SECTION 10.** G.S. 55-2-03(a) reads as rewritten:

40 "(a) ~~Unless a delayed effective date is specified, the corporate~~ Corporate existence  
41 begins when the articles of incorporation ~~are filed.~~ become effective."

42 **SECTION 11.** G.S. 55-7-04 reads as rewritten:

1 **"§ 55-7-04. Action without meeting.**

2 (a) Action required or permitted by this Chapter to be taken at a shareholders'  
3 meeting may be taken without a ~~meeting~~ meeting and without prior notice except as  
4 required by subsection (d) of this section, if the action is taken by all the shareholders  
5 entitled to vote on the ~~action~~ action or, subject to subsection (a1) of this section, if so  
6 provided in the articles of incorporation of a corporation that is not a public corporation  
7 at the time the action is taken, by shareholders having not less than the minimum  
8 number of votes that would be necessary to take the action at a meeting at which all  
9 shareholders entitled to vote were present and voted. The action must be evidenced by  
10 one or more written consents bearing the date of signature and signed by all the number  
11 of shareholders sufficient to take the action without a meeting, before or after such  
12 action, describing the action taken and delivered to the corporation for inclusion in the  
13 minutes or ~~filing~~ filing with the corporate records. To the extent the corporation has  
14 agreed pursuant to G.S. 55-1-50, a shareholder's consent to action taken without  
15 meeting may be in electronic form and delivered by electronic means.

16 (a1) Notwithstanding subsection (a) of this section, the following actions may be  
17 taken without a meeting only by all the shareholders entitled to vote on the action:

18 (1) If cumulative voting is not authorized, the election of directors at the  
19 annual meeting; or

20 (2) If cumulative voting is authorized, the election of directors and the  
21 removal of a director unless the entire board of directors is to be  
22 removed, and if G.S. 55-7-28(e) applies to the corporation, an  
23 amendment to deny or limit the right of shareholders to vote  
24 cumulatively and an amendment to the articles of incorporation or  
25 bylaws to decrease the number of directors.

26 The action must be evidenced by one or more written consents bearing the date of  
27 signature and signed by the number of shareholders sufficient to take the action without  
28 a meeting, before or after such action, describing the action taken and delivered to the  
29 corporation for inclusion in the minutes or filing with the corporate records. To the  
30 extent the corporation has agreed pursuant to G.S. 55-1-50, a shareholder's consent to  
31 action taken without meeting may be in electronic form and delivered by electronic  
32 means.

33 (b) If not otherwise fixed under G.S. 55-7-03 or G.S. 55-7-07, the record date for  
34 determining shareholders entitled to take action without a meeting is the date the first  
35 shareholder signs the consent under subsection (a). No written consent shall be effective  
36 to evidence the action referred to therein unless, within 60 days after the earliest date  
37 appearing on a written consent delivered to the corporation in the manner required by  
38 this section, the corporation receives written consents signed by shareholders sufficient  
39 to take the action without a meeting.

40 (c) A consent signed under this section has the effect of a meeting vote and may  
41 be described as such in any document.

1 (d) ~~If this Chapter requires that notice of proposed action be given to nonvoting~~  
2 ~~shareholders and the action is to be taken by unanimous consent of the voting~~  
3 ~~shareholders, the corporation must give its nonvoting shareholders written notice of the~~  
4 ~~proposed action at least 10 days before the action is taken. Unless the articles of~~  
5 ~~incorporation otherwise provide, if shareholder approval is required by this Chapter for~~  
6 ~~(i) an amendment to the articles of incorporation pursuant to Article 10 of this Chapter,~~  
7 ~~(ii) a plan of merger, conversion, or share exchange pursuant to Article 11 of this~~  
8 ~~Chapter, (iii) the sale, lease, exchange, or other disposition of all, or substantially all, of~~  
9 ~~the corporation's property pursuant to Article 12 of this Chapter, or (iv) a proposal for~~  
10 ~~dissolution pursuant to Article 14 of this Chapter, and the approval is to be obtained~~  
11 ~~through action without meeting, the corporation must give its shareholders, other than~~  
12 ~~shareholders who consent to the action, written notice of the proposed action at least 10~~  
13 ~~days before the action is taken. The notice ~~must~~ shall contain or be accompanied by the~~  
14 ~~same material that, under this Chapter, would have been required to be sent to~~  
15 ~~nonvoting shareholders not entitled to vote on the action in a notice of meeting at which~~  
16 ~~the proposed action would have been submitted to the shareholders for action.~~

17 (e) If action is taken without a meeting by less than all shareholders entitled to  
18 vote on the action, the corporation shall give written notice to all shareholders who have  
19 not consented to the action and who, if the action had been taken at a meeting, would  
20 have been entitled to notice of the meeting with the same record date as the action taken  
21 without a meeting, within 10 days after the action is taken. The notice shall describe the  
22 proposed action and indicate that the action has been taken without a meeting of  
23 shareholders. Failure to comply with the requirements of this subsection shall not  
24 invalidate any action taken that otherwise complies with this section."

25 **SECTION 12.** Article 7 of Chapter 55 of the General Statutes is amended by  
26 adding a new section to read:

27 "**§ 55-7-08. Attendance.**

28 To the extent authorized by a corporation's board of directors, a shareholder or the  
29 shareholder's proxy not physically present at a meeting of shareholders may attend the  
30 meeting by electronic or other means of remote communication that allow the  
31 shareholder or proxy (i) to read or to hear the meeting proceedings substantially  
32 concurrently as the proceedings occur, (ii) to be read or to be heard substantially  
33 concurrently as the shareholder or proxy communicates, and (iii) to vote on matters to  
34 which the shareholder or proxy is entitled to vote."

35 **SECTION 13.** G.S. 55-7-20(c) reads as rewritten:

36 "(c) The corporation shall make the shareholders' list available at the meeting, and  
37 any shareholder, personally or by or with his representative, is entitled to inspect the list  
38 at any time during the meeting or any adjournment. The corporation is not required to  
39 make the list available through electronic or other means of remote communication to a  
40 shareholder or proxy attending the meeting by remote communication pursuant to G.S.  
41 55-7-08."

42 **SECTION 14.** G.S. 55-7-22(b) reads as rewritten:

1       "(b) A shareholder may appoint one or more proxies to vote or otherwise act for  
2 ~~him~~ the shareholder by signing an appointment form, either personally or by ~~his~~ the  
3 shareholder's attorney-in-fact. ~~A photocopy, telegram, cablegram, facsimile~~  
4 ~~transmission, or equivalent reproduction of a writing appointing one or more~~  
5 ~~proxies.~~ Without limiting G.S. 55-1-50, an appointment in the form of an electronic  
6 record that bears the shareholder's electronic signature and that may be directly  
7 reproduced in paper form by an automated process shall be deemed a valid appointment  
8 form within the meaning of this section. In addition, if and to the extent permitted by the  
9 ~~corporation,~~ a public corporation may permit a shareholder may to appoint one or more  
10 proxies (i) ~~by an electronic mail message or other form of electronic, wire, or wireless~~  
11 ~~communication that provides a written statement appearing to have been sent by the~~  
12 ~~shareholder, or (ii) in the case of a public corporation, by any kind of electronic or~~  
13 telephonic transmission, even if not accompanied by written communication, under  
14 circumstances or together with information from which the corporation can reasonably  
15 assume that the appointment was made or authorized by the shareholder."

16       **SECTION 15.** G.S. 55-8-21(a) reads as rewritten:

17       "(a) Unless the articles of incorporation or bylaws provide otherwise, action  
18 required or permitted by this Chapter to be taken at a board of directors' meeting may be  
19 taken without a meeting if the action is taken by all members of the board. The action  
20 must be evidenced by one or more written consents signed by each director before or  
21 after such action, describing the action taken, and included in the minutes or filed with  
22 the corporate records. To the extent the corporation has agreed pursuant to G.S. 55-1-  
23 50, a director's consent to action taken without meeting may be in electronic form and  
24 delivered by electronic means."

25       **SECTION 16.** G.S. 55-9-01(b)(1) reads as rewritten:

26       "(1) 'Business combination' includes any ~~merger or consolidation merger,~~  
27 consolidation, or conversion of a corporation with or into any other  
28 corporation or any unincorporated entity, or the sale or lease of all or  
29 any substantial part of the corporation's assets to, or any payment, sale  
30 or lease to the corporation or any subsidiary thereof in exchange for  
31 securities of the corporation of any assets (except assets having an  
32 aggregate fair market value of less than five million dollars  
33 (\$5,000,000)) of any other entity."

34       **SECTION 17.** Chapter 55 of the General Statutes is amended by adding a  
35 new Article to read:

36                               "Article 11A.

37                               "Conversions.

38                               "Part 1. Conversion to Corporation.

39       "§ 55-11A-01. Conversion.

40       A business entity, other than a domestic corporation, may convert to a domestic  
41 corporation if:

1           (1) The conversion is permitted by the laws of the state or country  
2           governing the organization and internal affairs of the converting  
3           business entity; and

4           (2) The converting business entity complies with the requirements of this  
5           Part and, to the extent applicable, the laws referred to in subdivision  
6           (1) of this section.

7 **"§ 55-11A-02. Plan of conversion.**

8           (a) The converting business entity shall approve a written plan of conversion  
9 containing:

10           (1) The name of the converting business entity, its type of business entity,  
11           and the state or country whose laws govern its organization and  
12           internal affairs;

13           (2) The name of the resulting domestic corporation into which the  
14           converting business entity shall convert;

15           (3) The terms and conditions of the conversion; and

16           (4) The manner and basis for converting the interests in the converting  
17           business entity into shares, obligations, or other securities of the  
18           resulting domestic corporation or into cash or other property in whole  
19           or in part.

20           The plan of conversion may contain other provisions relating to the conversion.

21           (b) The plan of conversion shall be approved in accordance with the laws of the  
22 state or country governing the organization and internal affairs of the converting  
23 business entity.

24           (c) After a plan of conversion has been approved as provided in subsection (b) of  
25 this section, but before articles of incorporation for the resulting domestic corporation  
26 become effective, the plan of conversion may be amended or abandoned to the extent  
27 permitted by the laws that govern the organization and internal affairs of the converting  
28 business entity.

29 **"§ 55-11A-03. Filing of articles of incorporation by converting entity.**

30           (a) After a plan of conversion has been approved by the converting business  
31 entity as provided in G.S. 55-11A-02, the converting business entity shall deliver  
32 articles of incorporation to the Secretary of State for filing. In addition to the matters  
33 required or permitted by G.S. 55-2-02, the articles of incorporation shall contain articles  
34 of conversion stating:

35           (1) That the corporation is being formed pursuant to a conversion of a  
36           business entity;

37           (2) The name of the converting business entity, its type of business entity,  
38           and the state or country whose laws govern its organization and  
39           internal affairs; and

40           (3) That a plan of conversion has been approved by the converting  
41           business entity as required by law.



1       **(b)** If the plan of conversion is abandoned after the articles of incorporation have  
2 been filed with the Secretary of State but before the articles of incorporation become  
3 effective, the converting business entity shall deliver to the Secretary of State for filing  
4 prior to the time the articles of incorporation become effective an amendment to the  
5 articles of incorporation withdrawing the articles of incorporation.

6       **(c)** The conversion takes effect when the articles of incorporation become  
7 effective.

8       **(d)** Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

9 **"§ 55-11A-04. Effects of conversion.**

10 When the conversion takes effect:

- 11       **(1)** The converting business entity ceases its prior form of organization  
12 and continues in existence as the resulting domestic corporation;  
13       **(2)** The title to all real estate and other property owned by the converting  
14 business entity continues vested in the resulting domestic corporation  
15 without reversion or impairment;  
16       **(3)** All liabilities of the converting business entity continue as liabilities of  
17 the resulting domestic corporation;  
18       **(4)** A proceeding pending by or against the converting business entity may  
19 be continued as if the conversion did not occur; and  
20       **(5)** The interests in the converting business entity that are to be converted  
21 into shares, obligations, or other securities of the resulting domestic  
22 corporation or into the right to receive cash or other property are  
23 thereupon so converted, and the former holders of interests in the  
24 converting business entity are entitled only to the rights provided in the  
25 plan of conversion.

26       The conversion shall not affect the liability or absence of liability of any holder of an  
27 interest in the converting business entity for any acts, omissions, or obligations of the  
28 converting business entity made or incurred prior to the effectiveness of the conversion.  
29 The cessation of the existence of the converting business entity in its prior form of  
30 organization in the conversion shall not constitute a dissolution or termination of the  
31 converting business entity.

32 "Part 2. Conversion of Corporation.

33 **"§ 55-11A-10. Conversion.**

34 A domestic corporation may convert to a different business entity if:

- 35       **(1)** The conversion is permitted by the laws of the state or country  
36 governing the organization and internal affairs of such other business  
37 entity; and  
38       **(2)** The converting domestic corporation complies with the requirements  
39 of this Part and, to the extent applicable, the laws referred to in  
40 subdivision (1) of this section.

41 **"§ 55-11A-11. Plan of conversion.**

1       (a) The converting domestic corporation shall approve a written plan of  
2 conversion containing:

3           (1) The name of the converting domestic corporation;

4           (2) The name of the resulting business entity into which the domestic  
5 corporation shall convert, its type of business entity, and the state or  
6 country whose laws govern its organization and internal affairs;

7           (3) The terms and conditions of the conversion; and

8           (4) The manner and basis for converting the shares of the domestic  
9 corporation into interests, obligations, or securities of the resulting  
10 business entity or into cash or other property in whole or in part.

11       The plan of conversion may contain other provisions relating to the conversion.

12       (b) For a plan of conversion to be approved:

13           (1) The board of directors shall recommend the plan of conversion to the  
14 shareholders, unless the board of directors determines that because of  
15 conflict of interest or other special circumstances it should make no  
16 recommendation, in which event the board of directors shall  
17 communicate the basis for its lack of a recommendation to the  
18 shareholders with the plan; and

19           (2) The shareholders entitled to vote shall approve the plan.

20       (c) The board of directors may condition its submission of the proposed  
21 conversion on any basis.

22       (d) The corporation shall notify each shareholder, whether or not entitled to vote,  
23 of the proposed shareholders' meeting in accordance with G.S. 55-7-05. The notice shall  
24 state that the purpose, or one of the purposes, of the meeting is to consider the plan of  
25 conversion and contain or be accompanied by a copy of the plan.

26       (e) Unless this Chapter, the articles of incorporation, a bylaw adopted by the  
27 shareholders or the board of directors, acting pursuant to subsection (c) of this section,  
28 require a greater vote or a vote by voting groups, the plan of conversion to be authorized  
29 shall be approved by each voting group entitled to vote separately on the plan by a  
30 majority of all the votes entitled to be cast on the plan by that voting group and, for the  
31 purpose of Article 9 of this Chapter or any provision in the articles of incorporation or  
32 bylaws adopted prior to October 1, 2001, a conversion shall be deemed to be included  
33 within the term 'merger'. If any shareholder of the converting domestic corporation has  
34 or will have personal liability for any existing or future obligation of the resulting  
35 business entity solely as a result of holding an interest in the resulting business entity,  
36 then in addition to the requirements of the preceding sentence, approval of the plan of  
37 conversion by the domestic corporation shall require the affirmative vote or written  
38 consent of that shareholder.

39       (f) Separate voting by voting groups is required on a plan of conversion if the  
40 plan contains a provision that, if contained in a proposed amendment to articles of  
41 incorporation, would require action by one or more separate voting groups on the

1 proposed amendment under G.S. 55-10-04, except where the consideration to be  
2 received in exchange for the shares of that group consists solely of cash.

3 (g) After a plan of conversion has been approved by a domestic corporation but  
4 before the articles of conversion become effective, the plan of conversion (i) may be  
5 amended as provided in the plan of conversion, or (ii) may be abandoned, subject to any  
6 contractual rights, as provided in the plan of conversion or, if there is no such provision,  
7 as determined by the board of directors without further shareholder action.

8 **"§ 55-11A-12. Articles of conversion.**

9 (a) After a plan of conversion has been approved by the converting domestic  
10 corporation as provided in G.S. 55-11A-11, the converting domestic corporation shall  
11 deliver articles of conversion to the Secretary of State for filing. The articles of  
12 conversion shall state:

13 (1) The name of the converting domestic corporation;

14 (2) The name of the resulting business entity, its type of business entity,  
15 the state or country whose laws govern its organization and internal  
16 affairs, and, if the resulting business entity is not authorized to transact  
17 business or conduct affairs in this State, a designation of its mailing  
18 address and a commitment to file with the Secretary of State a  
19 statement of any subsequent change in its mailing address; and

20 (3) That a plan of conversion has been approved by the domestic  
21 corporation as required by law.

22 If the domestic corporation is converting to a business entity whose formation or  
23 whose status as a registered limited liability partnership, as defined in G.S. 59-32, or  
24 limited liability limited partnership, as defined in G.S. 59-102, requires the filing of a  
25 document with the Secretary of State, then the articles of conversion shall be included  
26 as part of that document instead of separately filing the articles of conversion.

27 If the plan of conversion is abandoned after the articles of conversion have been  
28 filed with the Secretary of State but before the articles of conversion become effective,  
29 the converting domestic corporation shall deliver to the Secretary of State for filing  
30 prior to the time the articles of conversion become effective an amendment to the  
31 articles of conversion withdrawing the articles of conversion.

32 (b) The conversion takes effect when the articles of conversion become effective.

33 (c) Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

34 **"§ 55-11A-13. Effects of conversion.**

35 (a) When the conversion takes effect:

36 (1) The converting domestic corporation ceases its prior form of  
37 organization and continues in existence as the resulting business entity;

38 (2) The title to all real estate and other property owned by the converting  
39 domestic corporation continues vested in the resulting business entity  
40 without reversion or impairment;

41 (3) All liabilities of the converting domestic corporation continue as  
42 liabilities of the resulting business entity;

- 1           (4) A proceeding pending by or against the converting domestic  
2           corporation may be continued as if the conversion did not occur;  
3           (5) The shares in the converting domestic corporation that are to be  
4           converted into interests, obligations, or securities of the resulting  
5           business entity or into the right to receive cash or other property are  
6           thereupon so converted, and the former shareholders of the converting  
7           domestic corporation are entitled only to the rights provided in the plan  
8           of conversion or any rights they may have under Article 13 of this  
9           Chapter; and  
10          (6) The resulting business entity is deemed to agree that it will promptly  
11          pay to the dissenting former shareholders of the converting domestic  
12          corporation the amount, if any, to which they are entitled under Article  
13          13 of this Chapter and otherwise to comply with the requirements of  
14          Article 13 as if it were a domestic corporation.

15          The conversion shall not affect the liability or absence of liability of any shareholder  
16          of the converting domestic corporation for any acts, omissions, or obligations of the  
17          converting domestic corporation made or incurred prior to the effectiveness of the  
18          conversion. The cessation of the existence of the converting domestic corporation in its  
19          form of organization as a domestic corporation in the conversion shall not constitute a  
20          dissolution or termination of the converting domestic corporation.

21          (b) If the resulting business entity is not a domestic limited liability company or a  
22          domestic limited partnership, when the conversion takes effect the resulting business  
23          entity is deemed:

- 24                (1) To agree that it may be served with process in this State for  
25                enforcement of (i) any obligation of the converting domestic  
26                corporation, (ii) the rights of dissenting shareholders of the converting  
27                domestic corporation under Article 13 of this Chapter, and (iii) any  
28                obligation of the resulting business entity arising from the conversion;  
29                and  
30                (2) To have appointed the Secretary of State as its agent for service of  
31                process in any proceeding described in subdivision (1) of this  
32                subsection. Service on the Secretary of State of any such process shall  
33                be made by delivering to and leaving with the Secretary of State, or  
34                with any clerk authorized by the Secretary of State to accept service of  
35                process, duplicate copies of the process and the fee required by G.S.  
36                55-1-22(b). Upon receipt of service of process on behalf of a resulting  
37                business entity in the manner provided for in this section, the Secretary  
38                of State shall immediately mail a copy of the process by registered or  
39                certified mail, return receipt requested, to the resulting business entity.  
40                If the resulting business entity is authorized to transact business or  
41                conduct affairs in this State, the address for mailing shall be its  
42                principal office designated in the latest document filed with the

1 Secretary of State that is authorized by law to designate the principal  
2 office or, if there is no principal office on file, its registered office. If  
3 the resulting business entity is not authorized to transact business or  
4 conduct affairs in this State, the address for mailing shall be the  
5 mailing address designated pursuant to G.S. 55-11A-12(a)(2)."

6 **SECTION 18.** G.S. 55-11-07(a) reads as rewritten:

7 "(a) One or more foreign corporations may merge or enter into a share exchange  
8 with one or more domestic corporations if:

- 9 (1) In a merger, the merger is permitted by the law of the state or country  
10 under whose law each foreign corporation is incorporated and each  
11 foreign corporation complies with that law in effecting the merger;  
12 (2) In a share exchange, the corporation whose shares will be acquired is a  
13 domestic corporation, whether or not a share exchange is permitted by  
14 the law of the state or country under whose law the acquiring  
15 corporation is incorporated;  
16 (3) The foreign corporation complies with G.S. 55-11-05 if it is the  
17 surviving corporation of the merger or acquiring corporation of the  
18 share ~~exchange~~; exchange and, if the foreign corporation is not  
19 authorized to transact business in this State, includes in the articles of  
20 merger or articles of share exchange filed pursuant to G.S. 55-11-05 a  
21 designation of the foreign corporation's mailing address and a  
22 commitment to file with the Secretary of State a statement of any  
23 subsequent change in its mailing address; and  
24 (4) Each domestic corporation complies with the applicable provisions of  
25 G.S. 55-11-01 through G.S. 55-11-04 and, if it is the surviving  
26 corporation of the merger or acquiring corporation of the share  
27 exchange, with G.S. 55-11-05."

28 **SECTION 19.** G.S. 55-11-07(b) reads as rewritten:

29 "(b) Upon the merger or share exchange taking effect, the surviving foreign  
30 corporation of a merger and the acquiring foreign corporation of a share exchange is  
31 deemed:

- 32 (1) To appoint the Secretary of State as its agent for service of process in a  
33 proceeding to enforce any obligation or the rights of dissenting  
34 shareholders of each domestic corporation party to the merger or share  
35 exchange; and  
36 (2) To agree that it will promptly pay to the dissenting shareholders of  
37 each domestic corporation party to the merger or share exchange the  
38 amount, if any, to which they are entitled under Article 13.

39 Service on the Secretary of State of any process authorized by this subsection shall  
40 be made by delivering to and leaving with the Secretary of State, or with any clerk  
41 authorized by the Secretary of State to accept service of process, duplicate copies of the  
42 process and the fee required by G.S. 55-1-22(b). Upon receipt of service of process in

1 the manner provided in this subsection, the Secretary of State shall immediately mail a  
2 copy of the process by registered or certified mail, return receipt requested, to the  
3 foreign corporation. If the foreign corporation is authorized to transact business in this  
4 State, the address for mailing shall be its principal office or, if there is no mailing  
5 address for the principal office on file, its registered office. If the foreign corporation is  
6 not authorized to transact business in this State, the address for mailing shall be the  
7 mailing address designated pursuant to subdivision (3) of subsection (a) of this section."

8 **SECTION 20.** G.S. 55-11-09(a) reads as rewritten:

9 "(a) One or more domestic or foreign nonprofit corporations may merge with one  
10 or more domestic corporations if:

- 11 (1) Each domestic nonprofit corporation complies with the applicable  
12 provisions of G.S. 55A-11-01 through G.S. 55A-11-03;
- 13 (2) In a merger involving one or more foreign nonprofit corporations, the  
14 merger is permitted by law of the state or country under whose law  
15 each foreign nonprofit corporation is incorporated and each foreign  
16 nonprofit corporation complies with that law in effecting the merger;
- 17 (3) The domestic or foreign nonprofit corporation complies with G.S.  
18 55-11-05 if it is the surviving ~~corporation; corporation and, in the case~~  
19 of a foreign nonprofit corporation not authorized to conduct affairs in  
20 this State, includes in the articles of merger filed pursuant to G.S. 55-  
21 11-05 a designation of the foreign nonprofit corporation's mailing  
22 address and a commitment to file with the Secretary of State a  
23 statement of any subsequent change in its mailing address; and
- 24 (4) Each domestic corporation complies with the applicable provisions of  
25 G.S. 55-11-01, 55-11-03, and 55-11-04 and, if it is the surviving  
26 corporation, with G.S. 55-11-05."

27 **SECTION 21.** G.S. 55-11-09(b) reads as rewritten:

28 "(b) Upon the merger taking effect, if ~~the domestic or a~~ foreign nonprofit  
29 corporation is the surviving corporation, then it is deemed:

- 30 (1) To appoint the Secretary of State as its agent for service of process in a  
31 proceeding to enforce any obligation or the rights of dissenting  
32 shareholders of each domestic corporation party to the merger; and
- 33 (2) To agree that it will promptly pay to the dissenting shareholders of  
34 each domestic corporation party to the merger or share exchange the  
35 amount, if any, to which they are entitled under Article 13 of this  
36 Chapter.

37 Service on the Secretary of State of any process authorized by this subsection shall  
38 be made by delivering to and leaving with the Secretary of State, or with any clerk  
39 authorized by the Secretary of State to accept service of process, duplicate copies of the  
40 process and the fee required by G.S. 55-1-22(b). Upon receipt of service of process in  
41 the manner provided in this subsection, the Secretary of State shall immediately mail a  
42 copy of the process by registered or certified mail, return receipt requested, to the

1 foreign nonprofit corporation. If the foreign nonprofit corporation is authorized to  
2 conduct affairs in this State, the address for mailing shall be its principal office as  
3 defined in G.S. 55A-1-40(20), or, if there is no mailing address for the principal office  
4 on file, its registered office. If the foreign nonprofit corporation is not authorized to  
5 conduct affairs in this State, the address for mailing shall be the mailing address  
6 designated pursuant to subdivision (3) of subsection (a) of this section."

7 **SECTION 22.** G.S. 55-11-10(a) is repealed.

8 **SECTION 23.** G.S. 55-11-10(c) reads as rewritten:

9 "(c) Each merging domestic corporation and each other merging business entity  
10 shall approve a written plan of merger containing:

- 11 (1) For each merging business entity, its name, type of business entity, and  
12 the state or country whose laws govern its organization and internal  
13 affairs;
- 14 (2) The name of the merging business entity that shall survive the merger;
- 15 (3) The terms and conditions of the merger;
- 16 (4) The manner and basis for converting the interests in each merging  
17 business entity into interests, obligations, or securities of the surviving  
18 business entity or into cash or other property in whole or in part; and
- 19 (5) If the surviving business entity is a domestic corporation, any  
20 amendments to its articles of incorporation that are to be made in  
21 connection with the merger.

22 The plan of merger may contain other provisions relating to the merger.

23 In the case of a domestic corporation, approval of the plan of merger requires that  
24 the plan of merger be adopted by its board of directors as provided in G.S. 55-11-03  
25 and, unless shareholder approval is not required under subsection (g) of G.S. 55-11-03,  
26 be approved by its shareholders as provided in G.S. 55-11-03. If any shareholder of a  
27 merging domestic corporation has or will have personal liability for any existing or  
28 future obligation of the surviving business entity solely as a result of holding an interest  
29 in the surviving business entity, then in addition to the requirements of the preceding  
30 sentence, approval of the plan of merger by the domestic corporation shall require the  
31 affirmative vote or written consent of that shareholder. In the case of each other  
32 merging business entity, the plan of merger must be approved in accordance with the  
33 laws of the state or country governing the organization and internal affairs of that  
34 merging business entity.

35 After a plan of merger has been approved by a domestic corporation but before the  
36 articles of merger become effective, the plan of merger (i) may be amended as provided  
37 in the plan of merger, or (ii) may be abandoned (subject to any contractual rights) as  
38 provided in the plan of merger or, if there is no such provision, as determined by the  
39 board of directors without further shareholder action."

40 **SECTION 24.** G.S. 55-11-10(e1)(2) reads as rewritten:

- 41 "(2) To have appointed the Secretary of State as its agent for service of  
42 process in any such proceeding. Service on the Secretary of State of

1 any such process shall be made by delivering to and leaving with the  
2 Secretary of ~~State State~~, or with any clerk authorized by the Secretary  
3 of State to accept service of process, duplicate copies of such process  
4 and the fee required by G.S. 55-1-22(b). Upon receipt of service of  
5 process on behalf of a surviving business entity in the manner provided  
6 for in this section, the Secretary of State shall immediately mail a copy  
7 of the process by registered or certified mail, return receipt requested,  
8 to the surviving business entity. If the surviving business entity is  
9 authorized to transact business or conduct affairs in this State, the  
10 address for mailing shall be its principal office designated in the latest  
11 document filed with the Secretary of State that is authorized by law to  
12 designate the principal office or, if there is no principal office on file,  
13 its registered office. If the surviving business entity is not authorized to  
14 transact business or conduct affairs in this State, the address for  
15 mailing shall be the mailing address designated pursuant to  
16 subdivision (3) of subsection (d) of this section."

17 **SECTION 25.** G.S. 55-11-10(d) reads as rewritten:

18 "(d) After a plan of merger has been approved by each merging domestic  
19 corporation and each other merging business entity as provided in subsection (c) of this  
20 section, the surviving business entity shall deliver articles of merger to the Secretary of  
21 State for filing. The articles of merger shall set forth:

- 22 (1) The plan of merger;
- 23 (2) For each merging business entity, its name, type of business entity, and  
24 the state or country whose laws govern its organization and internal  
25 affairs;
- 26 (3) The name and address of the surviving business entity; entity and, if  
27 the surviving business entity is not authorized to transact business or  
28 conduct affairs in this State, a designation of its mailing address and a  
29 commitment to file with the Secretary of State a statement of any  
30 subsequent change in its mailing address;
- 31 (4) A statement that the plan of merger has been approved by each  
32 merging business entity in the manner required by law; and
- 33 (5) The effective date and time of merger if it is not to be effective at the  
34 time of filing of the articles of merger.

35 If the plan of merger is amended or abandoned after the articles of merger have been  
36 filed but before the articles of merger become effective, the surviving business entity  
37 promptly shall deliver to the Secretary of State for filing prior to the time the articles of  
38 merger become effective an amendment to the articles of merger reflecting the  
39 amendment or abandonment of the plan of merger.

40 Certificates of merger shall also be registered as provided in G.S. 47-18.1."

41 **SECTION 26.** G.S. 55-13-02(a) is amended by adding the following new  
42 subdivision to read:



1           "(2a) Consummation of a plan of conversion pursuant to Part 2 of Article  
2           11A of this Chapter;".

3           **SECTION 27.** G.S. 55-13-22(a) reads as rewritten:

4           "(a) If proposed corporate action creating dissenters' rights under G.S. 55-13-02 is  
5 ~~authorized~~ approved at a shareholders' meeting, the corporation shall mail by registered  
6 or certified mail, return receipt requested, a written dissenters' notice to all shareholders  
7 who satisfied the requirements of G.S. 55-13-21. If proposed corporate action creating  
8 dissenters' rights under G.S. 55-13-02 is approved by shareholder action without  
9 meeting pursuant to G.S. 55-7-04, the corporation shall mail by registered or certified  
10 mail, return receipt requested, a written dissenters' notice to each shareholder entitled to  
11 assert dissenters' rights. A shareholder who consents to such action taken without  
12 meeting pursuant to G.S. 55-7-04 approving a proposed corporate action is not entitled  
13 to payment for the shareholder's shares under this Article with respect to that corporate  
14 action."

15           **SECTION 27A.** G.S. 55-15-03(a) reads as rewritten:

16           "(a) A foreign corporation may apply for a certificate of authority to transact  
17 business in this State by delivering an application to the Secretary of State for filing.  
18 The application must set forth:

- 19           (1) The name of the foreign corporation or, if its name is unavailable for  
20 use in this State, a corporate name that satisfies the requirements of  
21 G.S. 55-15-06;
- 22           (2) The name of the state or country under whose law it is incorporated;
- 23           (3) Its date of incorporation and period of duration;
- 24           (4) The street address, and the mailing address if different from the street  
25 address, of its principal ~~office;~~ office, if any, and the county in which  
26 the principal office, if any, is located;
- 27           (5) The street address, and the mailing address if different from the street  
28 address, of its registered office in this State, the county in which the  
29 registered office is located, and the name of its registered agent at that  
30 office; and
- 31           (6) The names and usual business addresses of its current officers."

32           **SECTION 28.** G.S. 55-15-10(b) reads as rewritten:

33           "(b) Whenever a foreign corporation authorized to transact business in this State  
34 shall fail to appoint or maintain a registered agent in this State, or whenever its  
35 registered agent cannot with due diligence be found at the registered office, or whenever  
36 its certificate of authority shall have been revoked under G.S. 55-15-31, then the  
37 Secretary of State shall be an agent of such corporation upon whom any such process,  
38 notice or demand may be served. Service on the Secretary of State of any such process,  
39 notice or demand shall be made by delivering to and leaving with ~~him~~ the Secretary of  
40 State or with any clerk ~~having charge of the corporation department of his office,~~  
41 authorized by the Secretary of State to accept service of process, duplicate copies of  
42 such process, notice or ~~demand.~~ demand and the fee required by G.S. 55-1-22(b). In the

1 event any such process, notice or demand is served on the Secretary of State, ~~he~~ the State in  
2 the manner provided in this subsection, the Secretary of State shall immediately mail  
3 one of the copies thereof, by registered or certified mail, return receipt requested, to the  
4 corporation at its principal office shown in its most recent annual report or in any  
5 subsequent communication received from the corporation stating the current mailing  
6 address of its principal office or, if there is no mailing address for the principal office on  
7 file, to the corporation at its registered office. Service on a foreign corporation under  
8 this subsection shall be effective for all purposes from and after the date of such the  
9 service on the Secretary of State."

10 **SECTION 29.** G.S. 55-15-20(b) reads as rewritten:

11 "(b) A foreign corporation authorized to transact business in this State may apply  
12 for a certificate of withdrawal by delivering an application to the Secretary of State for  
13 filing. The application must set forth:

- 14 (1) The name of the foreign corporation and the name of the state or  
15 country under whose law it is incorporated;
- 16 (2) That it is not transacting business in this State and that it surrenders its  
17 authority to transact business in this State;
- 18 (3) That the corporation revokes the authority of its registered agent to  
19 accept service of process and consents that service of process in any  
20 action or proceeding based upon any cause of action arising in this  
21 State, or arising out of business transacted in this State, during the time  
22 the corporation was authorized to transact business in this State may  
23 thereafter be made on such corporation by service thereof on the  
24 Secretary of State;
- 25 (4) A mailing address to which the Secretary of State may mail a copy of  
26 any process served on ~~him~~ the Secretary of State under subdivision (3);  
27 and
- 28 (5) A commitment to ~~notify~~ file with the Secretary of State ~~in the future~~ a  
29 statement of any subsequent change in its mailing address."

30 **SECTION 30.** G.S. 55-15-20(c) reads as rewritten:

31 "(c) After the withdrawal of the foreign corporation is effective, service of process  
32 on the Secretary of State in accordance with subsection (b)(3)(b) of this section is  
33 service on the foreign corporation, shall be made by delivering to and leaving with the  
34 Secretary of State or any clerk authorized by the Secretary of State to accept service of  
35 process, duplicate copies of the process and the fee required by G.S. 55-1-22(b). Upon  
36 receipt of process, process in the manner provided in this subsection, the Secretary of  
37 State shall immediately mail a copy of the process by registered or certified mail, return  
38 receipt requested, to the foreign corporation at the mailing address set forth under  
39 designated pursuant to subsection (b)-(b) of this section."

40 **SECTION 31.** G.S. 55-15-21 reads as rewritten:

41 "§ 55-15-21. **Withdrawal of foreign corporation by reason of a merger,**  
42 **consolidation, or conversion.**

1 (a) Whenever a foreign corporation authorized to transact business in this State  
2 ceases its separate existence as a result of a statutory merger or consolidation permitted  
3 by the laws of the state or country under which it was incorporated, or converts into  
4 another entity as permitted by those laws, the surviving or resulting entity shall apply  
5 for a certificate of withdrawal for the foreign corporation by delivering to the Secretary  
6 of State for filing a copy of the articles of merger, consolidation, or conversion or a  
7 certificate reciting the facts of the merger, consolidation, or conversion, duly  
8 authenticated by the Secretary of State or other official having custody of corporate  
9 records in the state or country under the laws of which such foreign corporation was  
10 incorporated. If the surviving or resulting entity is not authorized to transact business in  
11 this State the articles or certificate must be accompanied by an application which must  
12 set forth:

- 13 (1) The name of the foreign corporation authorized to transact business in  
14 this State, the type of entity and name of the surviving or resulting  
15 entity, and a statement that the surviving or resulting entity is not  
16 authorized to transact business in this State;
- 17 (2) A statement that the surviving or resulting entity consents that service  
18 of process based upon any cause of action arising in this State, or  
19 arising out of business transacted in this State, during the time the  
20 foreign corporation was authorized to transact business in this State  
21 may thereafter be made by service thereof on the Secretary of State;
- 22 (3) A mailing address to which the Secretary of State may mail a copy of  
23 any process served on ~~him~~ the Secretary of State under subdivision  
24 (a)(2) of this section; and
- 25 (4) A commitment to ~~notify~~ file with the Secretary of State ~~in the future~~ a  
26 statement of any subsequent change in its mailing address.

27 (b) If the Secretary of State finds that the articles or certificate and the application  
28 for withdrawal, if required, conform to law the Secretary of State shall:

- 29 (1) Endorse on the articles or certificate and the application for  
30 withdrawal, if required, the word "filed" and the hour, day, month and  
31 year of the filing thereof;
- 32 (2) File the articles or certificate and the application, if required;
- 33 (3) Issue a certificate of withdrawal; and
- 34 (4) Send to the surviving or resulting entity or its representative the  
35 certificate of withdrawal, together with the exact or conformed copy of  
36 the application, if required, affixed thereto.

37 (c) After the withdrawal of the foreign corporation is effective, service of process  
38 on the Secretary of State in accordance with subsection (a) of this section shall be made  
39 by delivering to and leaving with the Secretary of State, or any clerk authorized by the  
40 Secretary of State to accept service of process, duplicate copies of the process and the  
41 fee required by G.S. 55-1-22(b). Upon receipt of process in the manner provided in this  
42 subsection, the Secretary of State shall immediately mail a copy of the process by

1 registered or certified mail, return receipt requested, to the surviving or resulting entity  
2 at the mailing address designated pursuant to subsection (a) of this section."

3 **PART II. AMENDMENTS TO THE NORTH CAROLINA NONPROFIT**  
4 **CORPORATION ACT.**

5 **SECTION 32.** G.S. 55A-1-20(f) reads as rewritten:

6 "(f) A document submitted by a domestic or foreign corporation or business  
7 corporation shall be executed:

- 8 (1) By the presiding officer of the board of directors by its president, or by  
9 another of its officers;  
10 (2) If directors have not been selected or the corporation has not been  
11 formed, by an incorporator; or  
12 (3) If the corporation is in the hands of a receiver, trustee, or other  
13 court-appointed fiduciary, by that fiduciary.

14 A document submitted by an unincorporated entity must be executed by a person  
15 authorized to execute documents (i) pursuant to G.S. 57C-1-20(f) if the unincorporated  
16 entity is a domestic or foreign limited liability company, (ii) pursuant to G.S. 59-204 if  
17 the unincorporated entity is a domestic or foreign limited partnership, or (iii) pursuant to  
18 ~~G.S. 59-73.7(a)(4)~~ G.S. 59-35.1(a)(4) if the unincorporated entity is any other  
19 partnership as defined in G.S. 59-36 whether or not formed under the laws of this  
20 State."

21 **SECTION 33.** G.S. 55A-1-40(20) reads as rewritten:

22 "(20) 'Principal office' means the office (in or out of this State) so designated  
23 in the articles of incorporation, the Designation of Principal Office  
24 Address form, or in any subsequent Corporation's Statement of Change  
25 of Principal Office Address form filed with the Secretary of State  
26 where the principal offices of a domestic or foreign corporation are  
27 ~~located.~~ located, as most recently designated by the domestic or  
28 foreign corporation in its articles of incorporation, a Designation of  
29 Principal Office Address form, a Corporation's Statement of Change of  
30 Principal Office Address form, or in the case of a foreign corporation,  
31 its application for a certificate of authority."

32 **SECTION 34.** G.S. 55A-1-40 is amended by adding the following new  
33 subdivisions, to be placed by the Revisor of Statutes in the appropriate order, to read:

34 **"§ 55A-1-40. Chapter definitions.**

35 In this Chapter unless otherwise specifically provided:

- 36 ...  
37 (2a) 'Business corporation' or 'domestic business corporation' means a  
38 corporation as defined in G.S. 55-1-40.  
39 ...  
40 (8a) 'Domestic limited liability company' has the same meaning as in G.S.  
41 57C-1-03.

1           (8b) 'Domestic limited partnership' has the same meaning as in G.S. 59-  
2           102.

3           ...

4           (10a) 'Foreign business corporation' means a foreign corporation as defined  
5           in G.S. 55-1-40.

6           ...

7           (11a) 'Foreign limited liability company' has the same meaning as in G.S.  
8           57C-1-03.

9           (11b) 'Foreign limited partnership' has the same meaning as in G.S. 59-102.  
10          ...."

11         **SECTION 35.** G.S. 55A-1-40(24a) reads as rewritten:

12         "(24a) 'Unincorporated entity' means a domestic or foreign limited liability  
13         ~~company as defined in G.S. 57C-1-03, company, a domestic or foreign~~  
14         ~~limited partnership as defined in G.S. 59-102, partnership, a registered~~  
15         limited liability partnership or foreign limited liability partnership as  
16         defined in G.S. 59-32, or any other partnership as defined in G.S.  
17         59-36, whether or not formed under the laws of this State, including a  
18         ~~registered limited liability partnership as defined in G.S. 59-32 and any~~  
19         ~~other limited liability partnership formed under a law other than the~~  
20         ~~laws of this State.State."~~

21         **SECTION 36.** G.S. 55A-11-06(a) reads as rewritten:

22         "(a) Except as provided in G.S. 55A-11-02, one or more foreign nonprofit  
23         corporations may merge with one or more domestic nonprofit corporations if:

24           (1) The merger is permitted by the law of the state or country under whose  
25           law each foreign corporation is incorporated and each foreign  
26           corporation complies with that law in effecting the merger;

27           (2) The foreign corporation complies with G.S. 55A-11-04 if it is the  
28           surviving corporation of the ~~merger; merger and, if the foreign~~  
29           ~~corporation is not authorized to conduct affairs in this State, includes~~  
30           in the articles of merger filed with the Secretary of State pursuant to  
31           G.S. 55A-11-04 a designation of the foreign corporation's mailing  
32           address and a commitment to file with the Secretary of State a  
33           statement of any subsequent change in its mailing address; and

34           (3) Each domestic nonprofit corporation complies with the applicable  
35           provisions of G.S. 55A-11-01 through G.S. 55A-11-03 and, if it is the  
36           surviving corporation of the merger, with G.S. 55A-11-04."

37         **SECTION 37.** G.S. 55A-11-06(b) reads as rewritten:

38         "(b) Upon the merger taking effect, ~~if the surviving corporation, if it does not have~~  
39         ~~a registered agent in this State, corporation is a foreign corporation, it shall be deemed~~  
40         to have appointed the Secretary of State as its ~~registered agent for service of process in a~~  
41         proceeding to enforce any obligation of a domestic corporation party to the ~~merger, until~~  
42         ~~such time as it appoints a registered agent in this State.merger. Service on the Secretary~~

1 of State of any such process shall be made by delivering to and leaving with the  
2 Secretary of State, or with any clerk authorized by the Secretary of State to accept  
3 service of process, duplicate copies of the process and the fee required by G.S. 55A-1-  
4 22(b). Upon receipt of service of process in the manner provided in this subsection, the  
5 Secretary of State shall immediately mail a copy of the process by registered or certified  
6 mail, return receipt requested, to the foreign corporation. If the foreign corporation is  
7 authorized to conduct affairs in this State, the address for mailing shall be its principal  
8 office or, if there is no mailing address for the principal office on file, its registered  
9 office. If the foreign corporation is not authorized to conduct affairs in this State, the  
10 address for mailing shall be the mailing address designated pursuant to subdivision (2)  
11 of subsection (a) of this section."

12 **SECTION 38.** G.S. 55A-11-08(a) reads as rewritten:

13 "(a) One or more domestic or foreign business corporations may merge with one  
14 or more domestic nonprofit corporations if:

- 15 (1) Each domestic business corporation complies with the applicable  
16 provisions of G.S. 55-11-01, 55-11-03, and 55-11-04;
- 17 (2) In a merger involving one or more foreign business corporations, the  
18 merger is permitted by the law of the state or country under whose law  
19 each foreign business corporation is incorporated and each foreign  
20 business corporation complies with that law in effecting the merger;
- 21 (3) The domestic or foreign business corporation complies with G.S.  
22 55A-11-04 if it is the surviving ~~corporation~~; corporation and, in the  
23 case of a foreign business corporation not authorized to transact  
24 business in this State, includes in the articles of merger filed pursuant  
25 to G.S. 55A-11-04 a designation of the foreign business corporation's  
26 mailing address and a commitment to file with the Secretary of State a  
27 statement of any subsequent change in its mailing address; and
- 28 (4) Each domestic nonprofit corporation complies with the applicable  
29 provisions of G.S. 55A-11-01 through G.S. 55A-11-03 and, if it is the  
30 surviving corporation, with G.S. 55A-11-04."

31 **SECTION 39.** G.S. 55A-11-08(b) reads as rewritten:

32 "(b) Upon the merger taking effect, if the surviving corporation ~~does not have a~~  
33 ~~registered agent in this State, is a foreign business corporation,~~ it shall be deemed to  
34 have appointed the Secretary of State as its registered-agent for service of process in a  
35 proceeding to enforce any obligation of a domestic nonprofit corporation party to the  
36 merger, until such time as it appoints a registered agent in this State. merger. Service on  
37 the Secretary of State of any such process shall be made by delivering to and leaving  
38 with the Secretary of State, or with any clerk authorized by the Secretary of State to  
39 accept service of process, duplicate copies of the process and the fee required by G.S.  
40 55A-1-22(b). Upon receipt of service of process in the manner provided in this  
41 subsection, the Secretary of State shall immediately mail a copy of the process by  
42 registered or certified mail, return receipt requested, to the foreign business corporation.

1 If the foreign business corporation is authorized to transact business in this State, the  
2 address for mailing shall be its principal office as defined in G.S. 55-1-40(17) or, if  
3 there is no mailing address for the principal office on file, its registered office. If the  
4 foreign business corporation is not authorized to transact business in this State, the  
5 address for mailing shall be the mailing address designated pursuant to subdivision (3)  
6 of subsection (a) of this section."

7 **SECTION 40.** G.S. 55A-11-09(a) reads as rewritten:

8 "(a) As used in this section, 'business entity' means a domestic business  
9 corporation as defined in G.S. 55-1-40 (including a professional corporation as defined  
10 in G.S. 55B-2), a foreign business corporation as defined in G.S. 55-1-40 (including a  
11 foreign professional corporation as defined in G.S. 55B-16), a domestic or foreign  
12 nonprofit corporation as defined in G.S. 55A-1-40, corporation, a domestic or foreign  
13 limited liability company-company, as defined in G.S. 57C-1-03, a domestic or foreign  
14 limited partnership-partnership, as defined in G.S. 59-102, a registered limited liability  
15 partnership or foreign limited liability partnership as defined in G.S. 59-32, or any other  
16 partnership as defined in G.S. 59-36 whether or not formed under the laws of this  
17 State."

18 **SECTION 41.** G.S. 55A-11-09(d) reads as rewritten:

19 "(d) After a plan of merger has been approved by each merging domestic  
20 nonprofit corporation and each other merging business entity as provided in subsection  
21 (c) of this section, the surviving business entity shall deliver articles of merger to the  
22 Secretary of State for filing. The articles of merger shall set forth:

- 23 (1) The plan of merger;
- 24 (2) For each merging business entity, its name, type of business entity, and  
25 the state or country whose laws govern its organization and internal  
26 affairs;
- 27 (3) The name of the surviving business entity and, if the surviving  
28 business entity is not authorized to transact business or conduct affairs  
29 in this State, a designation of its mailing address and a commitment to  
30 file with the Secretary of State a statement of any subsequent change  
31 in its mailing address;
- 32 (4) A statement that the plan of merger has been approved by each  
33 merging business entity in the manner required by law; and
- 34 (5) The effective date and time of merger if it is not to be effective at the  
35 time of filing of the articles of merger.

36 If the plan of merger is amended or abandoned after the articles of merger have been  
37 filed but before the articles of merger become effective, the surviving business entity  
38 promptly shall deliver to the Secretary of State for filing prior to the time the articles of  
39 merger become effective an amendment to the articles of merger reflecting the  
40 amendment or abandonment of the plan of merger.

41 Certificates of merger shall also be registered as provided in G.S. 47-18.1."

42 **SECTION 42.** G.S. 55A-11-09(e1)(2) reads as rewritten:

1           "(2) To have appointed the Secretary of State as its agent for service of  
2 process in any such proceeding. Service on the Secretary of State of  
3 any such process shall be made by delivering to and leaving with the  
4 Secretary of ~~State~~ State, or with any clerk authorized by the Secretary  
5 of State to accept service of process, duplicate copies of such process  
6 and the fee required by G.S. 55A-1-22(b). Upon receipt of service of  
7 process on behalf of a surviving business entity in the manner provided  
8 ~~by for in~~ this section, the Secretary of State shall immediately mail a  
9 copy of the process by registered or certified mail, return receipt  
10 requested, to the surviving business entity. If the surviving business  
11 entity is authorized to transact business or conduct affairs in this State,  
12 the address for mailing shall be its principal office designated in the  
13 latest document filed with the Secretary of State that is authorized by  
14 law to designate the principal office or, if there is no principal office  
15 on file, its registered office. If the surviving business entity is not  
16 authorized to transact business or conduct affairs in this State, the  
17 address for mailing shall be the mailing address designated pursuant to  
18 subdivision (3) of subsection (d) of this section."

19           **SECTION 43.** G.S. 55A-15-10(b) reads as rewritten:

20           "(b) When a foreign corporation authorized to conduct affairs in this State fails to  
21 appoint or maintain a registered agent in this State, or when its registered agent cannot  
22 with due diligence be found at the registered office, or when its certificate of authority  
23 shall have been revoked under G.S. 55A-15-31, the Secretary of State shall be an agent  
24 of such corporation upon whom any process, notice, or demand may be served. Service  
25 on the Secretary of State of any process, notice, or demand shall be made by delivering  
26 to and leaving with the Secretary of State or with any clerk ~~having charge of the~~  
27 ~~corporation department of the Secretary of State's office, authorized by the Secretary of~~  
28 State to accept service of process, duplicate copies of such process, notice, or demand.  
29 demand and the fee required by G.S. 55A-1-22(b). In the event any process, notice, or  
30 demand is served on the Secretary of ~~State~~, State in the manner provided for in this  
31 subsection, he ~~the~~ Secretary of State shall immediately mail one of the copies thereof,  
32 by registered or certified mail, return receipt requested, to the corporation at its principal  
33 office ~~shown in its most recent annual report, if applicable, the articles of incorporation,~~  
34 ~~the Designation of Principal Office Address form, in any subsequent Corporation's~~  
35 ~~Statement of Change of Principal Office Address form, or in any subsequent~~  
36 ~~communication received from the corporation stating the current mailing address of its~~  
37 ~~principal office~~ or, if there is no mailing address for the principal office on file, to the  
38 corporation at its registered office. Service on a foreign corporation under this  
39 subsection shall be effective for all purposes from and after the date of ~~such~~ the service  
40 on the Secretary of State."

41           **SECTION 44.** G.S. 55A-15-20(b)(5) reads as rewritten:



1           "(5) A commitment to ~~notify~~ file with the Secretary of State ~~in the future a~~  
2           statement of any subsequent change in its mailing address."

3           **SECTION 45.** G.S. 55A-15-20(d) reads as rewritten:

4           "(d) After the withdrawal of the foreign corporation is effective, service of process  
5 on the Secretary of State in accordance with ~~subdivision (b)(3)~~ subsection (b) of this  
6 section ~~is service on the foreign corporation.~~ shall be made by delivering to and leaving  
7 with the Secretary of State or any clerk authorized by the Secretary of State to accept  
8 service of process, duplicate copies of the process and the fee required by G.S. 55A-1-  
9 22(b). Upon receipt of ~~process,~~ process in the manner provided in this subsection, the  
10 Secretary of State shall immediately mail a copy of the process by registered or certified  
11 mail, return receipt requested, to the foreign corporation at the mailing address ~~set forth~~  
12 ~~under~~ designated pursuant to subsection (b) of this section."

13           **SECTION 46.** G.S. 55A-15-21(a) reads as rewritten:

14           "(a) Whenever a foreign corporation authorized to conduct affairs in this State  
15 ceases its separate existence as a result of a statutory merger or consolidation permitted  
16 by the laws of the state or country under which it was incorporated, or converts into  
17 another entity as permitted by those laws, the surviving or resulting entity shall apply  
18 for a certificate of withdrawal for the foreign corporation by delivering to the Secretary  
19 of State for filing a copy of the articles of merger, consolidation, or conversion or a  
20 certificate reciting the facts of the merger, consolidation, or conversion duly  
21 authenticated by the secretary of state or other official having custody of corporate  
22 records in the state or country under the laws of which the foreign corporation was  
23 incorporated. If the surviving or resulting entity is not authorized to conduct affairs in  
24 this State, the articles or certificate shall be accompanied by an application which must  
25 set forth:

- 26           (1) The name of the foreign corporation authorized to conduct affairs in  
27 this State, the type of entity and the name of the surviving or resulting  
28 entity, and a statement that the surviving or resulting entity is not  
29 authorized to conduct affairs in this State;
- 30           (2) A statement that the surviving or resulting entity consents that service  
31 of process based upon any cause of action arising in this State, or  
32 arising out of affairs conducted in this State, during the time the  
33 foreign corporation was authorized to conduct affairs in this State may  
34 thereafter be made by service thereof on the Secretary of State;
- 35           (3) A mailing address to which the Secretary of State may mail a copy of  
36 any process served on ~~him~~ the Secretary of State under subdivision  
37 (a)(2) of this section; and
- 38           (4) A commitment to ~~notify~~ file with the Secretary of State ~~in the future a~~  
39 statement of any subsequent change in its mailing address."

40           **SECTION 47.** G.S. 55A-15-21 is amended by adding a new subsection to

41 read:

1       "(c) After the withdrawal of the foreign corporation is effective, service of process  
2 on the Secretary of State in accordance with subsection (b) of this section shall be made  
3 by delivering to and leaving with the Secretary of State, or any clerk authorized by the  
4 Secretary of State to accept service of process, duplicate copies of the process and the  
5 fee required by G.S. 55A-1-22(b). Upon receipt of process in the manner provided in  
6 this subsection, the Secretary of State shall immediately mail a copy of the process by  
7 registered or certified mail, return receipt requested, to the foreign corporation at the  
8 mailing address designated pursuant to subsection (a) of this section."

9 **PART III. AMENDMENTS TO THE NORTH CAROLINA LIMITED**  
10 **LIABILITY COMPANY ACT.**

11       **SECTION 48.** G.S. 57C-1-03 is amended by adding the following new  
12 subdivisions, to be placed by the Revisor of Statutes in the appropriate order, to read:

13 **"§ 57C-1-03. Definitions.**

14       The following definitions apply in this Chapter, unless otherwise specifically  
15 provided:

16       ...

17       (5a) Director. – For any limited liability company the management of  
18 whose affairs is vested in whole or in part in persons other than its  
19 managers pursuant to G.S. 57C-3-20(b), any person who is so vested  
20 with, or is one of a group of persons so vested with, the authority to  
21 direct the management of the limited liability company's affairs.

22       ...

23       (6a) Domestic nonprofit corporation. – A corporation as defined in G.S.  
24 55A-1-40(5).

25       (6b) Executive. – For any limited liability company the management of  
26 whose affairs is vested in whole or in part in persons other than its  
27 managers pursuant to G.S. 57C-3-20(b), any person who is so vested  
28 with authority to participate in the management of the limited liability  
29 company's affairs under the direction of the limited liability company's  
30 managers or directors.

31       ...

32       (9a) Foreign nonprofit corporation. – A foreign corporation as defined in  
33 G.S. 55A-1-40(11) that is a nonprofit corporation as defined in G.S.  
34 55A-1-40(17).

35       ...

36       (12a) Management of the affairs. – In respect of an entity, unless the context  
37 indicates otherwise, the authority to direct and participate in the  
38 management of the entity.

39       ...

40       (17a) Principal office. – The office, in or out of this State, where the  
41 principal executive offices of a domestic or foreign limited liability  
42 company are located, as designated in its most recent annual report

1 filed with the Secretary of State or, in the case of a domestic or foreign  
2 limited liability company that has not yet filed an annual report, in its  
3 articles of organization or application for a certificate of authority,  
4 respectively.

5 ...."

6 **SECTION 49.** G.S. 57C-1-03(3a) reads as rewritten:

7 "(3a) Business entity. – A corporation (including a professional corporation  
8 as defined in G.S. 55B-2), a foreign corporation (including a foreign  
9 professional corporation defined in G.S. 55B-16), a domestic or  
10 foreign nonprofit ~~corporation~~ corporation, as defined in G.S. 55A-1-  
11 40, a domestic or foreign limited liability company, a domestic or  
12 foreign limited ~~partnership~~ partnership, as defined in G.S. 59-102, a  
13 registered limited liability partnership or foreign limited liability  
14 partnership as defined in G.S. 59-32, or any other partnership as  
15 defined in G.S. 59-36 whether or not formed under the laws of this  
16 State ~~(including a registered limited liability partnership as defined in~~  
17 ~~G.S. 59-32 and any other limited liability partnership formed under a~~  
18 ~~law other than the laws of this State).~~ State."

19 **SECTION 50.** G.S. 57C-1-03(4) reads as rewritten:

20 "(4) ~~Corporation.~~ Corporation or domestic corporation. – Has the same  
21 meaning as in G.S. 55-1-40(4)."

22 **SECTION 51.** G.S. 57C-1-03(13) reads as rewritten:

23 "(13) Manager. – Has the following meanings: (i) with respect to a domestic  
24 limited liability company that has set forth in its articles of  
25 organization that it is to be or may be managed by persons other than  
26 members, company, any person designated in, or in accordance with  
27 with, G.S. 57C-3-20(a), (ii) ~~with respect to any other limited liability~~  
28 ~~company, its members, and (iii)~~ (ii) with respect to a foreign limited  
29 liability company, any person authorized to act for and bind the  
30 foreign limited liability company."

31 **SECTION 52.** G.S. 57C-1-03(15) reads as rewritten:

32 "(15) Membership interest or interest. – In the context of a member of a  
33 limited liability company, the terms mean all of a member's rights in  
34 the limited liability company, including ~~without limitation the~~  
35 ~~member's any~~ share of the profits and losses of the limited liability  
36 company, the any right to receive distributions of the limited liability  
37 company assets, any right to vote, vote on matters relating to the  
38 limited liability company, and any right to participate in the  
39 management. management of the limited liability company's affairs."

40 **SECTION 53.** G.S. 57C-1-20(f) reads as rewritten:

41 "(f) A document submitted by a domestic or foreign limited liability company  
42 must be executed:

- 1 (1) By a manager of the limited liability company;  
 2 ~~(2) If managers have not been selected, or if the limited liability company~~  
 3 ~~does not have a manager other than a member, by any member;~~  
 4 (3) If the limited liability company has not been formed or if no initial  
 5 members of the limited liability company have been identified in the  
 6 manner provided in this Chapter, by an organizer; or  
 7 (4) If the limited liability company is in the hands of a receiver, trustee, or  
 8 other court-appointed fiduciary, by that fiduciary.

9 A document submitted by a business entity other than a domestic or foreign limited  
 10 liability company must be executed by a person authorized to execute documents (i)  
 11 pursuant to G.S. 55-1-20(f) if the business entity is a corporation or foreign corporation,  
 12 (ii) pursuant to G.S. 55A-1-20(f) if the business entity is a domestic or foreign nonprofit  
 13 corporation, (iii) pursuant to G.S. 59-204 if the business entity is a domestic or foreign  
 14 limited partnership, or (iv) pursuant to ~~G.S. 59-73.7(a)(4)~~ G.S. 59-35.1(a)(4) if the  
 15 business entity is any other partnership as defined in G.S. 59-36 whether or not formed  
 16 under the laws of this State."

17 **SECTION 54.** G.S. 57C-1-22(a) reads as rewritten:

18 "(a) The Secretary of State shall collect the following fees when the documents  
 19 described in this subsection are delivered to the Secretary of State for filing:

	<u>Document</u>	<u>Fee</u>
20		
21	(1) Articles of organization	\$125.00
22	(2) Application for reserved name	10.00
23	(3) Notice of transfer of reserved name	10.00
24	(4) Application for registered name	10.00
25	(5) Application for renewal of registered name	10.00
26	(6) Limited liability company's statement of change of 27 registered agent or registered office or both	5.00
28	(7) Agent's statement of change of registered office for 29 each affected limited liability company	5.00
30	(8) Agent's statement of resignation	No fee
31	(9) Designation of registered agent or registered 32 office or both	5.00
33	(10) Amendment of articles of organization	50.00
34	(11) Restated articles of organization without amendment of 35 articles	10.00
36	(12) Restated articles of organization with amendment of 37 articles	50.00
38	<u>(12a) Articles of conversion (other than articles of conversion</u> 39 <u>included as part of another document)</u>	<u>50.00</u>
40	(13) Articles of merger	50.00
41	(14) Articles of dissolution	30.00
42	(15) Cancellation of articles of dissolution	10.00

1	(16) Certificate of administrative dissolution	No fee
2	(16a) Application for reinstatement following administrative	
3	dissolution	100.00
4	(17) Certificate of reinstatement	No fee
5	(18) Certificate of judicial dissolution	No fee
6	(19) Application for certificate of authority	250.00
7	(20) Application for amended certificate of authority	50.00
8	(21) Application for certificate of withdrawal	10.00
9	(22) Certificate of revocation of authority to transact	
10	business	No fee
11	(23) Articles of correction	10.00
12	(24) Application for certificate of existence or	
13	authorization	5.00
14	<del>(25) Annual report</del>	<del>200.00</del>
15	(26) Any other document required or permitted to be filed by	
16	this Chapter	10.00
17	(27) Advisory review of a document	200.00."

18 **SECTION 54A.(a)** G.S. 57C-1-22 is amended by adding a new subsection

19 to read:

20 "(f) Effective until June 30, 2002, the Secretary of State shall collect a filing fee  
 21 of two hundred dollars (\$200.00) for each annual report delivered to the Secretary of  
 22 State pursuant to this section. The Secretary of State shall retain six dollars (\$6.00) of  
 23 each fee paid under this section, but the balance of the fee shall be deposited into the  
 24 General Fund. That portion of the fee retained by the Secretary of State shall not revert  
 25 to the General Fund, but shall be used for the purpose of notifying limited liability  
 26 companies of the annual report requirement and for carrying out the requirements of this  
 27 section (processing annual reports that are delivered for filing). Monies received and  
 28 spent pursuant to this subsection shall be subject to audit pursuant to the Executive  
 29 Budget Act, Article 1 of Chapter 143 of the General Statutes."

30 **SECTION 54A.(b)** G.S. 57C-1-22 is amended by adding a new subsection

31 to read:

32 "(f) Effective July 1, 2002, the Secretary of State shall collect a filing fee of two  
 33 hundred dollars (\$200.00) for each annual report delivered to the Secretary of State  
 34 pursuant to this section. The Secretary of State shall retain three dollars (\$3.00) of each  
 35 fee paid under this section, but the balance of the fee shall be deposited into the General  
 36 Fund. That portion of the fee retained by the Secretary of State shall not revert to the  
 37 General Fund, but shall be used for the purpose of notifying limited liability companies  
 38 of the annual report requirement and for carrying out the requirements of this section  
 39 (processing annual reports that are delivered for filing). Monies received and spent  
 40 pursuant to this subsection shall be subject to audit pursuant to the Executive Budget  
 41 Act, Article 1 of Chapter 143 of the General Statutes."

42 **SECTION 55.** G.S. 57C-2-01 reads as rewritten:

1 **"§ 57C-2-01. Purposes.**

2 (a) Every limited liability company ~~organized~~formed under this Chapter has the  
3 purpose of engaging in any lawful business unless a more limited lawful purpose is set  
4 forth in its articles of organization.

5 (b) A domestic or foreign limited liability company engaging in a business that is  
6 subject to regulation under another statute of this State may be formed or authorized to  
7 transact business under this Chapter only if permitted by and subject to all limitations of  
8 the other statute giving effect to subsection (c) of this section.

9 (c) Subsections (a) and (b) of this section to the contrary notwithstanding and  
10 except as set forth in this subsection, a domestic or foreign limited liability company  
11 shall engage in rendering professional services only to the extent that a professional  
12 corporation acting pursuant to Chapter 55B of the General Statutes or a corporation  
13 acting pursuant to Chapter 55 of the General Statutes may engage in rendering  
14 professional services under the conditions and limitations imposed by an applicable  
15 licensing statute. Chapter 55B of the General Statutes and each applicable licensing  
16 statute are deemed amended to provide that professionals licensed under the applicable  
17 licensing statute may render professional services through a domestic or foreign limited  
18 liability company. For purposes of applying the provisions, conditions, and limitations  
19 of Chapter 55B of the General Statutes and the applicable licensing statute to domestic  
20 and foreign limited liability companies that engage in rendering professional services,  
21 (i) unless the context clearly requires otherwise, references to Chapter 55 of the General  
22 Statutes (the North Carolina Business Corporation Act) shall be treated as references to  
23 this Chapter, and references to a "corporation" or "foreign corporation" shall be treated  
24 as references to a limited liability company or foreign limited liability company,  
25 respectively, (ii) members shall be treated in the same manner as shareholders of a  
26 professional corporation, (iii) managers and directors shall be treated in the same  
27 manner as directors of a professional corporation, (iv) the persons signing the articles of  
28 organization of a limited liability company shall be treated in the same manner as the  
29 incorporators of a professional corporation, and (v) the name of a domestic or foreign  
30 limited liability company so engaged shall comply with G.S. 57C-2-30 or G.S.  
31 57C-7-06 and, in addition, shall contain the word "Professional" or the abbreviation  
32 "P.L.L.C." or "PLLC". For purposes of this subsection, "applicable licensing statute"  
33 shall mean those provisions of the General Statutes referred to in G.S. 55B-2(6).

34 Nothing in this Chapter shall be interpreted to abolish, modify, restrict, limit, or alter  
35 the law in this State applicable to the professional relationship and liabilities between  
36 the individual furnishing the professional services and the person receiving the  
37 professional services, the standards of professional conduct applicable to the rendering  
38 of the services, or any responsibilities, obligations, or sanctions imposed under  
39 applicable licensing statutes. A ~~member or member, manager manager, director, or~~  
40 executive of a professional limited liability company is not individually liable, directly  
41 or indirectly, including by indemnification, contribution, assessment, or otherwise, for  
42 debts, obligations, and liabilities of, or chargeable to, the professional limited liability

1 company that arise from errors, omissions, negligence, malpractice, incompetence, or  
2 malfeasance committed by another member, manager, director, executive, employee,  
3 agent, or other representative of the professional limited liability company; provided,  
4 however, nothing in this Chapter shall affect the liability of a ~~member or member,~~  
5 ~~manager manager, director, or executive~~ of a professional limited liability company for  
6 his or her own errors, omissions, negligence, malpractice, incompetence, or malfeasance  
7 committed in the rendering of professional services."

8 **SECTION 56.** G.S. 57C-2-02 reads as rewritten:

9 **"§ 57C-2-02. Powers of the limited liability company.**

10 Unless its articles of organization or this Chapter provide otherwise, each limited  
11 liability company has the same powers as an individual to do all things necessary or  
12 convenient to carry out its business and affairs, including, without limitation, power:

- 13 (1) To sue and be sued, complain, and defend in its own name;
- 14 (2) To make and amend operating agreements, not inconsistent with its  
15 articles of organization or with the laws of this State, for managing the  
16 business and regulating the affairs of the limited liability company;
- 17 (3) To purchase, receive, lease, or otherwise acquire, and own, hold,  
18 improve, use, and otherwise deal with, real or personal property, or  
19 any legal or equitable interest in property, wherever located;
- 20 (4) To sell, convey, mortgage, pledge, lease, exchange, and otherwise  
21 dispose of all or any part of its property;
- 22 (5) To purchase, receive, subscribe for, or otherwise acquire; own, hold,  
23 vote, use, sell, mortgage, lend, pledge, or otherwise dispose of; and  
24 deal in and with shares or other interests in, or obligations of, any other  
25 entity;
- 26 (6) To make contracts and guarantees, incur liabilities, borrow money,  
27 issue its notes, bonds, and other obligations (which may be convertible  
28 into or include the option to purchase other interests in the limited  
29 liability company), and secure any of its obligations by mortgage or  
30 pledge of any of its property, franchises, or income;
- 31 (7) To lend money, invest and reinvest its funds, and receive and hold real  
32 and personal property as security for repayment;
- 33 (8) To be a promoter, partner, member, associate, or manager of any  
34 partnership, joint venture, trust, or other entity;
- 35 (9) To conduct its business, locate offices, and exercise the powers  
36 granted by this Chapter within or without this State;
- 37 (10) To elect or appoint managers, directors, executives, officers,  
38 employees, and agents of the limited liability company, define their  
39 duties, fix their compensation, and lend them money and credit;
- 40 (11) To pay pensions and establish pension plans, pension trusts,  
41 profit-sharing plans, and other benefit or incentive plans for any or all

1 of its current or former managers, directors, executives, officers,  
2 employees, and agents;

3 (12) To make donations for the public welfare or for charitable, religious,  
4 cultural, scientific, or educational purposes;

5 (13) To transact any lawful business that will aid governmental policy;

6 (14) To make payments or donations, or do any other act, not inconsistent  
7 with law, that furthers the business and affairs of the limited liability  
8 company;

9 (15) To provide insurance for its benefit on the life or physical or mental  
10 ability of any of its managers, directors, executives, officers, or  
11 employees or on the life or physical or mental ability of any owner of  
12 any interest in the limited liability company for the purpose of  
13 acquiring the interest owned by him at the time of his death or  
14 disability, and for these purposes the limited liability company is  
15 deemed to have an insurable interest in its managers, directors,  
16 executives, officers, employees, or members and other interest owners;  
17 and to provide insurance for its benefit on the life or physical or mental  
18 ability of any other person in whom it has an insurable interest; and

19 (16) To render professional services, subject to G.S. 57C-2-01(c)."

20 **SECTION 57.** G.S. 57C-2-20(c) reads as rewritten:

21 "(c) Organization of a limited liability company requires one or more initial  
22 members and any further action as may be determined by the initial member or  
23 members. If initial members are not identified in the articles of organization of a limited  
24 liability company in the manner provided in G.S. 57C-3-01(a), the organizers shall hold  
25 one or more meetings at the call of a majority of the organizers to identify the initial  
26 members of the limited liability company. Unless otherwise provided in this Chapter or  
27 in the articles of organization of the limited liability company, all decisions to be made  
28 by the organizers at such meetings shall require the approval, consent, agreement, or  
29 ratification of a majority of the organizers. Unless otherwise provided in the articles of  
30 organization, the organizers may, in lieu of a meeting, take action as described in this  
31 subsection by written consent signed by all of the organizers. The written consent may  
32 be incorporated in, or otherwise made part of, the initial written operating agreement of  
33 the limited liability company."

34 **SECTION 58.** G.S. 57C-2-21(a) reads as rewritten:

35 "(a) The articles of organization must set forth:

36 (1) A name for the limited liability company that satisfies the provisions  
37 of G.S. 57C-2-30;

38 (2) If the limited liability company is to dissolve by a specific date, the  
39 latest date on which the limited liability company is to dissolve. If no  
40 date for dissolution is specified, there shall be no limit on the duration  
41 of the limited liability company;



- 1 (3) The name and address of each person executing the articles of  
2 organization and whether the person is executing the articles of  
3 organization in the capacity of a member or an organizer;
- 4 (4) The street address, and the mailing address if different from the street  
5 address, of the limited liability company's initial registered office, the  
6 county in which the initial registered office is located, and the name of  
7 the limited liability company's initial registered agent at that address;  
8 ~~and~~
- 9 (4a) The street address, and the mailing address if different from the street  
10 address, of the limited liability company's principal office, if any, and  
11 the county in which the principal office, if any, is located; and
- 12 (5) Unless all of the members by virtue of their status as members shall be  
13 managers of the limited liability company, a statement that, except as  
14 provided in G.S. 57C-3-20(a), the members shall not be managers by  
15 virtue of their status as members."

16 **SECTION 59.** G.S. 57C-2-23(a) reads as rewritten:

17 "(a) Each domestic limited liability company other than a professional limited  
18 liability company governed by G.S. 57C-2-01(c) and each foreign limited liability  
19 company authorized to transact business in this State, shall deliver to the Secretary of  
20 State for filing an annual report, in a form ~~jointly~~ prescribed by the ~~Secretary of~~  
21 ~~Revenue and~~ Secretary of State, that sets forth all of the following:

- 22 (1) The name of the limited liability or foreign limited liability company  
23 and the state or country under whose law it is ~~organized~~ formed.
- 24 (2) The street address, and the mailing address if different from the street  
25 address, of the registered office, the county in which the registered  
26 office is located, and the name of its registered agent at that office in  
27 this State, and a statement of any change of the registered office or  
28 registered agent, or both.
- 29 (3) The address and telephone number of its principal office.
- 30 (4) The names and business addresses of its ~~managers~~ managers or if the  
31 limited liability company has never had members, its organizers.
- 32 (5) A brief description of the nature of its business.

33 If the information contained in the most recently filed annual report has not changed, a  
34 certification to that effect may be made instead of setting forth the information required  
35 by subdivisions (2) through (5) of this subsection. The Secretary of State shall make  
36 available the form required to file an annual report."

37 **SECTION 59A.** G.S. 57C-2-23(c) reads as rewritten:

38 "(c) The annual report shall be delivered to the Secretary of State by ~~the fifteenth~~  
39 ~~day of the fourth month following the close of the limited liability company's fiscal~~  
40 April 15<sup>th</sup> of each year."

41 **SECTION 60.** G.S. 57C-2-30(a)(2) reads as rewritten:

1           "(2) ~~May~~ Shall not contain language stating or implying that the limited  
2           liability company is ~~organized-formed~~ for a purpose other than that  
3           permitted by G.S. 57C-2-01 and its articles of organization; and".

4           **SECTION 61.** G.S. 57C-2-32(b) reads as rewritten:

5           "(b) A foreign limited liability company registers its name, or its name with any  
6           required addition, by filing with the Secretary of State an application:

7           (1) Setting forth its name, or its name with any required addition, the state  
8           or country and date of its ~~organization,~~ formation, and a brief  
9           description of the nature of the business in which it is engaged; and

10          (2) Accompanied by a certificate of existence (or a document of a similar  
11          import) from the state or country of ~~organization.~~ formation."

12          **SECTION 62.** G.S. 57C-2-32(e) reads as rewritten:

13          "(e) A foreign limited liability company whose registration is effective may  
14          thereafter qualify as a foreign limited liability company under that name or consent in  
15          writing to the use of that name by a limited liability company thereafter ~~organized~~  
16          formed under this Chapter or by another foreign limited liability company thereafter  
17          authorized to transact business in this State. The registration terminates when the  
18          domestic limited liability company is ~~organized-formed~~ or the foreign limited liability  
19          company qualifies or consents to the qualification of another foreign limited liability  
20          company under the registered name."

21          **SECTION 63.** G.S. 57C-2-34(b) reads as rewritten:

22          "(b) The Secretary of State shall adopt uniform certificates to be furnished for  
23          registration in accordance with this section. In the case of a foreign limited liability  
24          company, a similar certificate by any competent authority of the jurisdiction of  
25          ~~organization-formation~~ may be registered in accordance with this section."

26          **SECTION 64.** G.S. 57C-3-01 is amended by adding the following new  
27          subsection to read:

28          "(c) Nothing in this Chapter precludes a person from being a member of a limited  
29          liability company because that person has not made, and has no obligation to make, any  
30          contributions to the limited liability company and has no right to receive any  
31          distributions from the limited liability company or share in any profits or losses of the  
32          limited liability company."

33          **SECTION 65.** G.S. 57C-3-02(3)e. reads as rewritten:

34                "e. Seeking, consenting to, or acquiescing in, the appointment of a  
35                trustee or receiver for, or liquidation of the ~~member person~~ or of  
36                all or any substantial part of ~~his~~ that person's properties; or".

37          **SECTION 66.** G.S. 57C-3-04(e) reads as rewritten:

38          "(e) The managers or directors shall have the right to keep confidential from  
39          members who are not ~~managers,~~ managers or directors, for such period of time as the  
40          managers or directors deem reasonable, any information which the managers or  
41          directors reasonably believe to be in the nature of trade secrets or other information the

1 disclosure of which the managers or directors in good faith believe is not in the best  
2 interest of the limited liability company."

3 **SECTION 67.** G.S. 57C-3-20(a) reads as rewritten:

4 "(a) Unless the articles of organization provide otherwise, all members by virtue  
5 of their status as members shall be managers of the limited liability company, together  
6 with any other persons that may be designated as managers ~~in~~ in, or in accordance with,  
7 the articles of organization or a written operating agreement. If the articles of  
8 organization provide that all members are not necessarily managers by virtue of their  
9 status as members, then those persons designated as managers ~~in~~ in, or in accordance  
10 with, the articles of organization or a written operating agreement shall be managers,  
11 but for any period during which no such designation has been made or is in effect, all  
12 members shall be managers."

13 **SECTION 68.** G.S. 57C-3-22 is amended by adding a new subsection to  
14 read:

15 "(f) Except to the extent otherwise provided in the articles of organization or a  
16 written operating agreement, each director and executive shall be subject to the same  
17 requirements and afforded the same rights as are provided in this section for a manager  
18 when the director or executive exercises authority in the management of a limited  
19 liability company's affairs that would otherwise be vested in the managers pursuant to  
20 G.S. 57C-3-20(b)."

21 **SECTION 69.** G.S. 57C-3-30 reads as rewritten:

22 "**§ 57C-3-30. Liability to third parties of members and managers; parties to**  
23 **actions; governing law.**

24 (a) A person who is a ~~member or manager, or both,~~ member, manager, director,  
25 executive, or any combination thereof of a limited liability company is not liable for the  
26 obligations of a limited liability company solely by reason of being a ~~member or~~  
27 ~~manager or both,~~ member, manager, director, or executive and does not become so by  
28 participating, in whatever capacity, in the management or control of the business. A  
29 ~~member or manager~~ member, manager, director, or executive may, however, become  
30 personally liable by reason of ~~his~~ that person's own acts or conduct.

31 (b) A member of a limited liability company is not a proper party to proceedings  
32 by or against a limited liability company, except where the object of the proceeding is to  
33 enforce a member's right against or liability to the limited liability company.

34 (c) The liability of ~~members and managers~~ members, managers, directors, and  
35 executives of a limited liability company organized and existing under this Chapter shall  
36 at all times be determined solely and exclusively by this Chapter and the laws of this  
37 State.

38 (d) If a conflict arises between the laws of this State and the laws of any other  
39 jurisdiction with regard to the liability of a member or manager of a limited liability  
40 company organized and existing under this Chapter for the debts, obligations, and  
41 liabilities of the limited liability company, this Chapter and the laws of this State shall  
42 govern in determining the liability."

1           **SECTION 70.** G.S. 57C-3-31 reads as rewritten:

2   "**§ 57C-3-31. Mandatory indemnification of ~~managers~~ managers, directors,**  
3    **executives, and members.**

4       (a) ~~A~~Unless otherwise provided in the articles of organization or a written  
5 operating agreement, a limited liability company must indemnify every ~~manager~~  
6 manager, director, and executive in respect of payments made and personal liabilities  
7 reasonably incurred by the ~~manager~~ manager, director, and executive in the authorized  
8 conduct of its business or for the preservation of its business or property.

9       (b) ~~Unless limited by its~~Unless otherwise provided in the articles of  
10 organization, organization or a written operating agreement, a limited liability company  
11 shall indemnify a ~~member or manager~~ member, manager, director, or executive who is  
12 wholly successful, on the merits or otherwise, in the defense of any proceeding to which  
13 he ~~the~~ person was a party because he ~~the~~ person is or was a ~~member or manager~~  
14 member, manager, director, or executive of the limited liability company against  
15 reasonable expenses incurred by ~~him~~ the person in connection with the proceeding."

16           **SECTION 71.** G.S. 57C-3-32 reads as rewritten:

17   "**§ 57C-3-32. Limitation of liability of ~~managers~~ managers, directors, executives,**  
18    **and members and permissive indemnification of ~~managers~~ managers,**  
19    **directors, executives, and members; insurance.**

20       (a) Subject to subsection (b) of this section, the articles of organization or a  
21 written operating agreement may:

22           (1) Eliminate or limit the personal liability of a ~~manager~~ manager,  
23 director, or executive for monetary damages for breach of any duty  
24 provided for in G.S. 57C-3-22 (other than liability under G.S.  
25 57C-4-07); and

26           (2) Provide for indemnification of a ~~manager or member~~ manager,  
27 member, director, or executive for judgments, settlements, penalties,  
28 finances, or expenses incurred in a proceeding to which the ~~member or~~  
29 ~~manager~~ member, manager, director, or executive is a party because he  
30 the person is or was a ~~manager or member~~ manager, member, director,  
31 or executive. For purposes of this subdivision, the words "expenses",  
32 "proceeding", and "party" shall have the meanings set forth in G.S.  
33 55-8-50(b).

34       (b) No provision permitted under subsection (a) of this section shall limit,  
35 eliminate, or indemnify against the liability of a ~~manager~~ manager, director, or  
36 executive for (i) acts or omissions that the ~~manager~~ manager, director, or executive  
37 knew at the time of the acts or omissions were clearly in conflict with the interests of  
38 the limited liability company, (ii) any transaction from which the ~~manager~~ manager,  
39 director, or executive derived an improper personal benefit, or (iii) acts or omissions  
40 occurring prior to the date the provision became effective, except that indemnification  
41 pursuant to subdivision (2) of subsection (a) of this section may be provided if approved  
42 by all the members. As used in this subsection, "improper personal benefit" does not

1 include reasonable compensation or other reasonable incidental benefit for or on  
2 account of service as a manager, ~~an~~ director, executive, officer, ~~an~~ employee, ~~an~~  
3 independent contractor, ~~an~~ attorney, or a consultant of the limited liability company.

4 (c) A limited liability company may purchase and maintain insurance on behalf  
5 of an individual who is or was a manager, ~~an~~ director, executive, officer, employee, or  
6 ~~an~~ agent of the limited liability company, or who, while a manager, ~~an~~ director,  
7 executive, officer, employee, or ~~an~~ agent of the limited liability company is or was  
8 serving at the request of the limited liability company as a director, ~~an~~ executive,  
9 officer, a partner, a member, manager, a trustee, ~~an~~ employee, or ~~an~~ agent of a person,  
10 against liability asserted against or incurred by ~~him~~ the person in that capacity or arising  
11 from ~~his~~ the person's status as a member, manager, ~~an~~ employee, or ~~an~~ agent, whether or  
12 not the limited liability company would have the power to indemnify ~~him~~ the person  
13 against the same liability under any provision of this Chapter."

14 **SECTION 72.** G.S. 57C-4-07 reads as rewritten:

15 "**§ 57C-4-07. Liability upon wrongful distribution.**

16 (a) A manager or director who votes for or assents to a distribution in violation of  
17 G.S. 57C-4-06 or a written operating agreement is personally liable to the limited  
18 liability company for the amount of the distribution that exceeds what could have been  
19 distributed without violating G.S. 57C-4-06 or the operating agreement if it is  
20 established that the manager or director did not act in compliance with G.S. 57C-3-22.

21 (b) Each manager or director held liable under subsection (a) of this section for a  
22 wrongful distribution is entitled to:

23 (1) Contribution from each other manager or director who could be held  
24 liable under subsection (a) of this section for the wrongful distribution;  
25 and

26 (2) Reimbursement from each member for the amount the member  
27 received knowing that the distribution was made in violation of G.S.  
28 57C-4-06 or the operating agreement.

29 (c) A proceeding under this section is barred unless it is commenced within three  
30 years after the date on which the effect of the distribution is measured under G.S.  
31 57C-4-06(c)."

32 **SECTION 73.** G.S. 57C-6-02(2) reads as rewritten:

33 "(2) A member if it is established that (i) the ~~managers or those~~ managers,  
34 directors, or any other persons in control of the limited liability  
35 company are deadlocked in the management of the affairs of the  
36 limited liability company, the members are unable to break the  
37 deadlock, and irreparable injury to the limited liability company is  
38 threatened or being suffered, or the business and affairs of the limited  
39 liability company can no longer be conducted to the advantage of the  
40 members generally, because of the deadlock; (ii) liquidation is  
41 reasonably necessary for the protection of the rights or interests of the  
42 complaining member, (iii) the assets of the limited liability company

1 are being misapplied or wasted; or (iv) the articles of organization or a  
2 written operating agreement entitles the complaining member to  
3 dissolution of the limited liability company; or".

4 **SECTION 74.** G.S. 57C-6-03(c) reads as rewritten:

5 "(c) A limited liability company administratively dissolved under this section may  
6 apply to the Secretary of State for reinstatement not later than five years after the  
7 effective date of the administrative dissolution. The procedures for reinstatement and for  
8 the appeal of any denial of the limited liability company's application for reinstatement  
9 shall be the same procedures applicable to business corporations under G.S. 55-14-22,  
10 55-14-23, and 55-14-24. The effect of reinstatement of a limited liability company shall  
11 be the same as for a business corporation under G.S. 55-14-22."

12 **SECTION 75.** G.S. 57C-6-04(a) reads as rewritten:

13 "(a) Except as otherwise provided in this Chapter, the articles of organization, or a  
14 written operating agreement, the managers shall wind up the limited liability company's  
15 affairs following its dissolution. If the dissolved limited liability company has no  
16 manages, managers, and provision is not otherwise made in the articles of organization  
17 or a written operating agreement, the legal representative of or successor to the ~~member~~  
18 ~~whose event of withdrawal has resulted in the dissolution may wind up~~ last remaining  
19 member may wind up the limited liability company's affairs. The court may wind up the  
20 limited liability company's affairs, or appoint a person to wind up its affairs, on  
21 application of any member, his legal representative, or assignee."

22 **SECTION 76.** G.S. 57C-6-06(5) reads as rewritten:

23 "(5) Any other information the ~~members or~~ managers filing the articles of  
24 dissolution determine."

25 **SECTION 77.** G.S. 57C-6-06.1(5) reads as rewritten:

26 "(5) Any other information the ~~members or~~ managers filing the articles of  
27 cancellation determine."

28 **SECTION 78.** G.S. 57C-7-01 reads as rewritten:

29 "**§ 57C-7-01. Law governing.**

30 The laws of the state or other jurisdiction under which a foreign limited liability  
31 company is ~~organized~~ formed shall govern its formation, organization, and  
32 internal affairs and the liability of its managers and members, regardless of whether the  
33 foreign limited liability company procured or should have procured a certificate of  
34 authority under this Chapter, and a foreign limited liability company ~~may~~ shall not be  
35 denied a certificate of authority by reason of any difference between the laws under  
36 which it is ~~organized~~ formed and the laws of this State. A foreign limited liability  
37 company with a valid certificate of authority has the same but no greater rights and has  
38 the same but no greater privileges as, and is subject to the same duties, restrictions,  
39 penalties, and liabilities now or later imposed on, a domestic limited liability company  
40 of like character."

41 **SECTION 79.** G.S. 57C-7-04(a) reads as rewritten:

1       "(a) A foreign limited liability company may apply for a certificate of authority to  
2 transact business in this State by delivering an application to the Secretary of State for  
3 filing. The application must set forth:

- 4           (1) The name of the foreign limited liability company or, if its name is  
5           unavailable for use in this State, a name that satisfies the requirements  
6           of G.S. 57C-7-06;
- 7           (2) The name of the state or country under whose law it is ~~organized;~~  
8           formed;
- 9           (3) Its date of ~~organization~~ formation and period of duration;
- 10          (4) The street address, and the mailing address if different from the street  
11          address, of its principal ~~office in the state or country under whose law~~  
12          ~~it is organized;~~ office, if any, and the county in which the principal  
13          office, if any, is located;
- 14          (5) The street address, and the mailing address if different from the street  
15          address, of its registered office in this State and the name of its  
16          registered agent at that office; and
- 17          (6) The names and usual business addresses of its current managers."

18       **SECTION 80.** G.S. 57C-7-04(b) reads as rewritten:

19       "(b) The foreign limited liability company shall deliver with the completed  
20 application a certificate of existence (or a document of similar import) duly  
21 authenticated by the Secretary of State or other official having custody of limited  
22 liability company records in the state or country under whose law it is ~~organized-~~  
23 formed."

24       **SECTION 81.** G.S. 57C-7-05(a)(3) reads as rewritten:

25       "(3) The state or country of its ~~organization-~~ formation."

26       **SECTION 82.** G.S. 57C-7-05(b)(2) reads as rewritten:

27       "(2) The name of the state or country under whose law it is ~~organized;~~  
28       formed;".

29       **SECTION 83.** G.S. 57C-7-06(b)(1) reads as rewritten:

30       "(1) The name of a corporation, limited partnership, or limited liability  
31       company ~~organized~~ formed in this State, or a foreign corporation,  
32       foreign limited partnership, or foreign limited liability company  
33       authorized to transact business in this State;".

34       **SECTION 84.** G.S. 57C-7-06(c) reads as rewritten:

35       "(c) A foreign limited liability company may apply to the Secretary of State for  
36 authorization to use in this State a name that is not distinguishable upon the Secretary of  
37 State's records from the name of another limited liability company (~~organized~~ (formed  
38 or authorized to transact business in this State)). The Secretary of State shall authorize  
39 use of the name applied for if:

- 40           (1) The other person who has or uses the name or who has reserved or  
41           registered the name consents to the use in writing and submits an  
42           undertaking in form satisfactory to the Secretary of State to change its

1 name to a name that is distinguishable upon the records of the  
2 Secretary of State from the name of the applying limited liability  
3 company; or

- 4 (2) The applicant delivers to the Secretary of State a certified copy of a  
5 final judgment of a court of competent jurisdiction establishing the  
6 applicant's right to use the name applied for in this State."

7 **SECTION 85.** G.S. 57C-7-10(b) reads as rewritten:

8 "(b) Whenever a foreign limited liability company authorized to transact business  
9 in this State shall fail to appoint or maintain a registered agent in this State, or whenever  
10 its registered agent cannot with due diligence be found at the registered office, then the  
11 Secretary of State shall be an agent of the foreign limited liability company upon whom  
12 any such process, notice, or demand may be served. Service on the Secretary of State of  
13 any such process, notice, or demand shall be made by delivering to and leaving with the  
14 Secretary of State or with any clerk ~~having charge of the limited liability company~~  
15 ~~department of the Secretary of State's office,~~ authorized by the Secretary of State to  
16 accept service of process, duplicate copies of the process, notice, or ~~demand.~~ demand  
17 and the fee required by G.S. 57C-1-22(b). In the event any such process, notice, or  
18 demand is served on the Secretary of State, State in the manner provided in this  
19 subsection, the Secretary of State shall immediately mail one of the copies thereof, by  
20 registered or certified mail, return receipt requested, to the foreign limited liability  
21 company at its principal office ~~shown in its application for certificate of authority or~~  
22 ~~amended certificate of authority or at the address indicated in the latest communication~~  
23 ~~received by the Secretary of State from the foreign limited liability company stating the~~  
24 ~~current mailing address of its principal office~~ or, if there is no mailing address for the  
25 principal office on file, to the foreign limited liability company at its registered office.  
26 Service on a foreign limited liability company under this subsection shall be effective  
27 for all purposes from and after the date of the service on the Secretary of State."

28 **SECTION 86.** G.S. 57C-7-11(b) reads as rewritten:

29 "(b) A foreign limited liability company authorized to transact business in this  
30 State may apply for a certificate of withdrawal by delivering an application to the  
31 Secretary of State for filing. The application must set forth:

- 32 (1) The name of the foreign limited liability company and the name of the  
33 state or country under whose law it is ~~organized;~~ formed;  
34 (2) That it is not transacting business in this State and that it surrenders its  
35 authority to transact business in this State;  
36 (3) That the foreign limited liability company revokes the authority of its  
37 registered agent to accept service of process and consents that service  
38 of process in any action or proceeding based upon any cause of action  
39 arising in this State, or arising out of business transacted in this State,  
40 during the time the foreign limited liability company was authorized to  
41 transact business in this State, may thereafter be made on such foreign  
42 limited liability company by service thereof on the Secretary of State;



1 (4) A mailing address to which the Secretary of State may mail a copy of  
2 any process served on ~~him~~ the Secretary of State under subdivision (3)  
3 of this subsection; and

4 (5) A commitment to ~~notify~~ file with the Secretary of State ~~in the future~~ a  
5 statement of any subsequent change in its mailing address."

6 **SECTION 87.** G.S. 57C-7-11(d) reads as rewritten:

7 "(d) After the withdrawal of the foreign limited liability company is effective,  
8 service of process on the Secretary of State in accordance with ~~subdivision (b)(3)~~  
9 subsection (b) of this section ~~is service on the foreign limited liability company.~~ shall be  
10 made by delivering to and leaving with the Secretary of State, or any clerk authorized  
11 by the Secretary of State to accept service of process, duplicate copies of that process  
12 and the fee required by G.S. 57C-1-22(b). Upon receipt of ~~process,~~ process in the  
13 manner provided in this subsection, the Secretary of State shall mail a copy of the  
14 process by registered or certified mail, return receipt requested, to the foreign limited  
15 liability company at the mailing address ~~set forth under~~ designated pursuant to  
16 subsection (b) of this section."

17 **SECTION 88.** G.S. 57C-7-12(a) reads as rewritten:

18 "(a) Whenever a foreign limited liability company authorized to transact business  
19 in this State ceases its separate existence as a result of a statutory merger, consolidation,  
20 or conversion permitted by the laws of the state or country under which it was  
21 ~~organized,~~ formed, or converts into another type of entity as permitted by those laws,  
22 the surviving or resulting entity shall apply for a certificate of withdrawal for the foreign  
23 limited liability company by delivering to the Secretary of State for filing a copy of the  
24 articles of merger, consolidation, or conversion or a certificate reciting the facts of the  
25 merger, consolidation, or conversion, duly authenticated by the Secretary of State or  
26 other official having custody of limited liability company records in the state or country  
27 under the laws of which the foreign limited liability company was ~~organized,~~ formed. If  
28 the surviving or resulting entity is not authorized to transact business in this State, the  
29 articles or certificate must be accompanied by an application which must set forth:

30 (1) The name of the foreign limited liability company authorized to  
31 transact business in this State, the type of entity and name of the  
32 surviving or resulting entity, and a statement that the surviving or  
33 resulting entity is not authorized to transact business in this State;

34 (2) A statement that the surviving or resulting entity consents that service  
35 of process based upon any cause of action arising in this State, or  
36 arising out of business transacted in this State, during the time the  
37 foreign limited liability company was authorized to transact business  
38 in this State, may thereafter be made by service thereof on the  
39 Secretary of State;

40 (3) A mailing address to which the Secretary of State may mail a copy of  
41 any process served on ~~him~~ the Secretary of State under subdivision  
42 (a)(2) of this section; and

1 (4) A commitment to file with the Secretary of State a statement of any  
2 subsequent change in its ~~subsequent~~ mailing address."

3 **SECTION 89.** G.S. 57C-7-12 is amended by adding a new subsection to  
4 read:

5 "(c) After the withdrawal of the foreign limited liability company is effective,  
6 service of process on the Secretary of State in accordance with subsection (a) of this  
7 section shall be made by delivering to and leaving with the Secretary of State, or any  
8 clerk authorized by the Secretary of State to accept service of process, duplicate copies  
9 of process and the fee required by G.S. 57C-1-22(b). Upon receipt of process in the  
10 manner provided in this subsection, the Secretary of State shall immediately mail a copy  
11 of the process by registered or certified mail, return receipt requested, to the surviving  
12 or resulting entity at the mailing address designated pursuant to subsection (a) of this  
13 section."

14 **SECTION 90.** G.S. 57C-8-01(b) reads as rewritten:

15 "(b) The complaint shall allege with particularity the efforts, if any, made by the  
16 plaintiff to obtain the action the plaintiff desires from the ~~managers or comparable~~  
17 managers, directors, or other applicable authority and the reasons for the plaintiff's  
18 failure to obtain the action, or for not making the effort. Whether or not a demand for  
19 action was made, if the limited liability company commences an investigation of the  
20 charges made in the demand or complaint, the court may stay any proceeding until the  
21 investigation is completed."

22 **SECTION 91.** G.S. 57C-8-01(c) reads as rewritten:

23 "(c) Upon motion of the limited liability company, the court may appoint a  
24 committee composed of two or more disinterested ~~managers~~ managers, directors, or  
25 other disinterested persons, acceptable to the limited liability company, to determine  
26 whether it is in the best interest of the limited liability company to pursue a particular  
27 legal right or remedy. The committee shall report its findings to the court. After  
28 considering the report and any other relevant evidence, the court shall determine  
29 whether the proceeding should be continued or not."

30 **SECTION 92.** The heading of Part 1 of Article 9A of Chapter 57C of the  
31 General Statutes reads as rewritten:

32 "Part 1. ~~Conversions.~~ Conversion to Limited Liability Company."

33 **SECTION 93.** G.S. 57C-9A-01 reads as rewritten:

34 "**§ 57C-9A-01. Conversion.**

35 (a) ~~A domestic limited liability company may convert to a domestic limited~~  
36 ~~partnership pursuant to Part 10A of Article 5 of Chapter 59 of the General Statutes.~~

37 (b) ~~A foreign limited liability company, a domestic or foreign limited partnership~~  
38 ~~as defined in G.S. 59-102, or any other partnership as defined in G.S. 59-36 whether or~~  
39 ~~not formed under the laws of this State (including a registered limited liability~~  
40 ~~partnership as defined in G.S. 59-32 and any other limited liability partnership formed~~  
41 ~~under a law other than the laws of this State) may convert to a domestic limited liability~~  
42 ~~company if:~~

- 1           (1) ~~The converting business entity complies with the requirements of this~~  
2           ~~Part; and~~
- 3           (2) ~~If the converting business entity is a foreign limited liability company,~~  
4           ~~a foreign limited partnership, or other partnership as defined in G.S.~~  
5           ~~59-36 whose organization and internal affairs are governed by a law~~  
6           ~~other than the laws of this State, the conversion is permitted by the~~  
7           ~~laws of the state or country governing the organization and internal~~  
8           ~~affairs of the converting business entity and the converting business~~  
9           ~~entity complies with those laws.~~

10           A business entity other than a domestic limited liability company may convert to a  
11 domestic limited liability company if:

- 12           (1) The conversion is permitted by the laws of the state or country  
13 governing the organization and internal affairs of the converting  
14 business entity; and
- 15           (2) The converting business entity complies with the requirements of this  
16 Part and, to the extent applicable, the laws referred to in subdivision  
17 (1) of this section."

18           **SECTION 94.** G.S. 57C-9A-02 reads as rewritten:

19           "**§ 57C-9A-02. Plan of conversion.**

20           (a) ~~The holders of the interests in the~~ converting business entity shall approve a  
21 written plan of conversion containing:

- 22           (1) The name of the resulting domestic limited liability company into  
23 which the converting business entity shall convert;
- 24           (1a) The name of the converting business entity, its type of business entity,  
25 and the state or country whose laws govern its organization and  
26 internal affairs;
- 27           (2) The terms and conditions of the conversion; and
- 28           (3) The manner and basis for converting the interests in the converting  
29 business entity into interests, obligations, or securities of the resulting  
30 domestic limited liability company or into cash or other property in  
31 whole or in part.

32           The plan of conversion may also contain other provisions relating to the conversion.

33           (b) ~~In the case of a domestic limited partnership or other partnership as defined in~~  
34 ~~G.S. 59-36 whose organization and internal affairs are governed by the laws of this~~  
35 ~~State, the plan of conversion must be approved in the manner provided for the approval~~  
36 ~~of such a conversion in a written partnership agreement that is binding on all the~~  
37 ~~partners or, if there is no such provision, by the unanimous consent of all the partners.~~  
38 ~~In the case of a foreign limited liability company, a foreign limited partnership, or other~~  
39 ~~partnership as defined in G.S. 59-36 whose organization and internal affairs are~~  
40 ~~governed by a law other than the laws of this State, the~~ The plan of conversion must be  
41 approved in accordance with the laws of the state or country governing the organization  
42 and internal affairs of the converting business entity.

1 (c) After a plan of conversion has been approved as provided in subsection (b) of  
2 this section, but before articles of organization for the resulting domestic limited  
3 liability company become effective, the plan of conversion may be amended or  
4 abandoned to the extent ~~provided in the plan of conversion permitted by the laws that~~  
5 govern the organization and internal affairs of the converting business entity."

6 **SECTION 95.** G.S. 57C-9A-03 reads as rewritten:

7 "**§ 57C-9A-03. Filing of articles of organization by converting business entity.**

8 (a) After a plan of conversion has been approved by the converting business  
9 entity as provided in G.S. 57C-9A-02, the converting business entity shall deliver  
10 articles of organization to the Secretary of State for filing. In addition to the matters  
11 required or permitted by G.S. 57C-2-21, the articles of organization shall ~~state:~~ contain  
12 articles of conversion stating:

- 13 (1) That the domestic limited liability company is being formed pursuant  
14 to a conversion of another business entity;
- 15 (2) The name of the converting business entity, its type of business entity,  
16 and the state or country whose laws govern its organization and  
17 internal affairs; and
- 18 (3) That a plan of conversion has been approved by the converting  
19 business entity as required by law.

20 If the plan of conversion is abandoned after the articles of organization have been  
21 filed with the Secretary of State but before the articles of organization become effective,  
22 the converting business entity promptly shall deliver to the Secretary of State for filing  
23 prior to the time the articles of organization become effective an amendment to the  
24 articles of organization reflecting the abandonment of the plan of conversion.  
25 withdrawing the articles of organization.

26 (b) The conversion takes effect when the articles of organization become  
27 effective.

28 ~~(e) The converting business entity shall furnish a copy of the plan of conversion,~~  
29 ~~on request and without cost, to any member or partner (whether general or limited) of~~  
30 ~~the converting business entity.~~

31 (d) Certificates of conversion shall also be registered as provided in G.S.  
32 47-18.1."

33 **SECTION 96.** Article 9A of Chapter 57C of the General Statutes is  
34 amended by adding a new Part to read:

35 "Part 1A. Conversion of Limited Liability Company.

36 "**§ 57C-9A-10. Conversion.**

37 A domestic limited liability company may convert to a different business entity if:

- 38 (1) The conversion is permitted by the laws of the state or country  
39 governing the organization and internal affairs of such other business  
40 entity; and

1           (2) The converting domestic limited liability company complies with the  
2           requirements of this Part and, to the extent applicable, the laws  
3           referred to in subdivision (1) of this section.

4 **"§ 57C-9A-11. Plan of conversion.**

5           (a) The converting domestic limited liability company shall approve a written  
6 plan of conversion containing:

7           (1) The name of the converting domestic limited liability company;

8           (2) The name of the resulting business entity into which the domestic  
9           limited liability company shall convert, its type of business entity, and  
10           the state or country whose laws govern its organization and internal  
11           affairs;

12           (3) The terms and conditions of the conversion; and

13           (4) The manner and basis for converting the interests in the domestic  
14           limited liability company into interests, obligations, or securities of the  
15           resulting business entity or into cash or other property in whole or in  
16           part.

17           The plan of conversion may contain other provisions relating to the conversion.

18           (b) The plan of conversion shall be approved by the domestic limited liability  
19 company in the manner provided for the approval of such conversion in its articles of  
20 organization or a written operating agreement or, if there is no such provision, by the  
21 unanimous consent of its members. If any member of the converting domestic limited  
22 liability company has or will have personal liability for any existing or future obligation  
23 of the resulting business entity solely as a result of holding an interest in the resulting  
24 business entity, then in addition to the requirements of the preceding sentence, approval  
25 of the plan of conversion by the domestic limited liability company shall require the  
26 consent of that member. The converting domestic limited liability company shall  
27 provide a copy of the plan of conversion to each member of the converting domestic  
28 limited liability company at the time provided in its articles of organization or a written  
29 operating agreement or, if there is no such provision, prior to its approval of the plan of  
30 conversion.

31           (c) After a plan of conversion has been approved by a domestic limited liability  
32 company but before the articles of conversion become effective, the plan of conversion  
33 (i) may be amended as provided in the plan of conversion or (ii) may be abandoned,  
34 subject to any contractual rights, as provided in the plan of conversion, articles of  
35 organization, or written operating agreement or, if not so provided, as determined by the  
36 managers of the domestic limited liability company in accordance with G.S. 57C-3-  
37 20(b).

38 **"§ 57C-9A-12. Articles of conversion.**

39           (a) After a plan of conversion has been approved by the converting domestic  
40 limited liability company as provided in G.S. 57C-9A-11, the converting domestic  
41 limited liability company shall deliver articles of conversion to the Secretary of State for  
42 filing. The articles of conversion shall state:

- 1           (1) The name of the converting domestic limited liability company;  
2           (2) The name of the resulting business entity, its type of business entity,  
3           the state or country whose laws govern its organization and internal  
4           affairs, and, if the resulting business entity is not authorized to transact  
5           business or conduct affairs in this State, a designation of its mailing  
6           address and a commitment to file with the Secretary of State a  
7           statement of any subsequent change in its mailing address; and  
8           (3) That a plan of conversion has been approved by the domestic limited  
9           liability company as required by law.

10       If the domestic limited liability company is converting to a business entity whose  
11       formation or whose status as a registered limited liability partnership, as defined in G.S.  
12       59-32, or limited liability limited partnership, as defined in G.S. 59-102, requires the  
13       filing of a document with the Secretary of State, then the articles of conversion shall be  
14       included as part of that document instead of separately filing the articles of conversion.

15       If the plan of conversion is abandoned after the articles of conversion have been  
16       filed with the Secretary of State but before the articles of conversion become effective,  
17       the converting domestic limited liability company shall deliver to the Secretary of State  
18       for filing prior to the time the articles of conversion become effective an amendment of  
19       the articles of conversion withdrawing the articles of conversion.

20       (b) The conversion takes effect when the articles of conversion become effective.

21       (c) Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

22       **"§ 57C-9A-13. Effects of conversion.**

23       (a) When the conversion takes effect:

- 24           (1) The converting domestic limited liability company ceases its prior  
25           form of organization and continues in existence as the resulting  
26           business entity;  
27           (2) The title to all real estate and other property owned by the converting  
28           domestic limited liability company continues vested in the resulting  
29           business entity without reversion or impairment;  
30           (3) All liabilities of the converting domestic limited liability company  
31           continue as liabilities of the resulting business entity;  
32           (4) A proceeding pending by or against the converting domestic limited  
33           liability company may be continued as if the conversion did not occur;  
34           and  
35           (5) The interests in the converting domestic limited liability company that  
36           are to be converted into interests, obligations, or securities of the  
37           resulting business entity or into the right to receive cash or other  
38           property are thereupon so converted, and the former holders of  
39           interests in the converting domestic limited liability company are  
40           entitled only to the rights provided in the plan of conversion.

41       The conversion shall not affect the liability or absence of liability of any holder of an  
42       interest in the converting domestic limited liability company for any acts, omissions, or

1 obligations of the converting domestic limited liability company made or incurred prior  
2 to the effectiveness of the conversion. The cessation of the existence of the converting  
3 domestic limited liability company in its form of organization as a domestic limited  
4 liability company in the conversion shall not constitute a dissolution or termination of  
5 the converting domestic limited liability company.

6 (b) If the resulting business entity is not a domestic corporation or a domestic  
7 limited partnership when the conversion takes effect, the resulting business entity is  
8 deemed:

9 (1) To agree that it may be served with process in this State for  
10 enforcement of (i) any obligation of the converting domestic limited  
11 liability company and (ii) any obligation of the resulting business  
12 entity arising from the conversion; and

13 (2) To have appointed the Secretary of State as its agent for service of  
14 process in any such proceeding. Service on the Secretary of State of  
15 any such process shall be made by delivering to and leaving with the  
16 Secretary of State, or with any clerk authorized by the Secretary of  
17 State to accept service of process, duplicate copies of the process and  
18 the fee required by G.S. 57C-1-22(b). Upon receipt of service of  
19 process on behalf of a resulting business entity in the manner provided  
20 for in this section, the Secretary of State shall immediately mail a copy  
21 of the process by registered or certified mail, return receipt requested,  
22 to the resulting business entity. If the resulting business entity is  
23 authorized to transact business or conduct affairs in this State, the  
24 address for mailing shall be its principal office designated in the latest  
25 document filed with the Secretary of State that is authorized by law to  
26 designate the principal office or, if there is no principal office on file,  
27 its registered office. If the resulting business entity is not authorized to  
28 transact business or conduct affairs in this State, the address for  
29 mailing shall be the mailing address designated pursuant to G.S. 57C-  
30 9A-12(a)(2)."

31 **SECTION 97.** G.S. 57C-9A-21(b) reads as rewritten:

32 "(b) In the case of a merging domestic limited liability company, the plan of  
33 merger must be approved in the manner provided in its articles of organization or a  
34 written operating agreement for approval of a merger with the type of business entity  
35 contemplated in the plan of merger, or, if there is no provision, by the unanimous  
36 consent of its members. If any member of a merging domestic limited liability company  
37 will have personal liability for any existing or future obligation of the surviving  
38 business entity solely as a result of holding an interest in the surviving business entity,  
39 then in addition to the requirements of the preceding sentence, approval of the plan of  
40 merger by the domestic limited liability company shall require the consent of each such  
41 member. In the case of each other merging business entity, the plan of merger must be

1 approved in accordance with the laws of the state or country governing the organization  
2 and internal affairs of the merging business entity."

3 **SECTION 98.** G.S. 57C-9A-22(a) reads as rewritten:

4 "(a) After a plan of merger has been approved by each merging domestic limited  
5 liability company and each other merging business entity as provided in G.S.  
6 57C-9A-21, the surviving business entity shall deliver articles of merger to the  
7 Secretary of State for filing. The articles of merger shall set forth:

- 8 (1) The plan of merger;
- 9 (2) For each merging business entity, its name, type of business entity, and  
10 the state or country whose laws govern its organization and internal  
11 affairs;
- 12 (3) The name ~~and address~~ of the surviving business entity; entity and, if  
13 the surviving business entity is not authorized to transact business or  
14 conduct affairs in this State, a designation of its mailing address and a  
15 commitment to file with the Secretary of State a statement of any  
16 subsequent change in its mailing address;
- 17 (4) A statement that the plan of merger has been approved by each  
18 merging business entity in the manner required by law; and
- 19 (5) The effective date and time of the merger if it is not to be effective at  
20 the time of filing of the articles of merger.

21 If the plan of merger is amended or abandoned after the articles of merger have been  
22 filed but before the articles of merger become effective, the surviving business entity  
23 promptly shall deliver to the Secretary of State for filing prior to the time the articles of  
24 merger become effective an amendment to the articles of merger reflecting the  
25 amendment or abandonment of the plan of merger."

26 **SECTION 99.** G.S. 57C-9A-23(b) reads as rewritten:

27 "(b) If the surviving business entity is not a domestic limited liability company, a  
28 domestic corporation, a domestic nonprofit corporation, or a domestic limited  
29 ~~partnership~~ partnership, when the merger takes ~~effect~~, effect the surviving business  
30 entity is deemed:

- 31 (1) To agree that it may be served with process in this State in any  
32 proceeding for enforcement of (i) any obligation of any merging  
33 domestic limited liability company, domestic corporation, domestic  
34 nonprofit corporation, domestic limited partnership, or other  
35 partnership as defined in G.S. 59-36 that is formed under the laws of  
36 this State, (ii) the rights of dissenting shareholders of any merging  
37 domestic corporation under Article 13 of Chapter 55 of the General  
38 Statutes, and (iii) any obligation of the surviving business entity  
39 arising from the merger; and
- 40 (2) To have appointed the Secretary of State as its registered agent for  
41 service of process in any such proceeding. Service on the Secretary of  
42 State of any such process shall be made by delivering to and leaving



1 with the Secretary of State or with any clerk authorized by the  
2 Secretary of State to accept service of process, duplicate copies of such  
3 process and the fee required by G.S. 57C-1-22(b). Upon receipt of  
4 service of process on behalf of a surviving business entity in the  
5 manner provided for in this section, the Secretary of State shall  
6 immediately mail a copy of the process by registered or certified mail,  
7 return receipt requested, to the surviving business entity. If the  
8 surviving business entity is authorized to transact business or conduct  
9 affairs in this State, the address for mailing shall be its principal office  
10 designated in the latest document filed with the Secretary of State that  
11 is authorized by law to designate the principal office or, if there is no  
12 principal office on file, its registered office. If the surviving business  
13 entity is not authorized to transact business or conduct affairs in this  
14 State, the address for mailing shall be the mailing address designated  
15 pursuant to ~~subdivision (3) of subsection (d) of this section.~~ G.S. 57C-  
16 9A-22(a)(3)."

17 **SECTION 100.** G.S. 57C-10-02 reads as rewritten:

18 **"§ 57C-10-02. Applicability of provisions to foreign and interstate commerce.**

19 The provisions of this Chapter shall apply to determine the rights and obligations of  
20 a limited liability company ~~organized~~ formed hereunder in commerce with foreign  
21 nations and among the several states, except as prohibited by law."

22 **SECTION 101.** G.S. 57C-10-06 reads as rewritten:

23 **"§ 57C-10-06. Income taxation.**

24 A limited liability company, a foreign limited liability company authorized to  
25 transact business in this State, and a member of one of these companies are subject to  
26 taxation under Article 4 of Chapter 105 of the General Statutes in accordance with their  
27 classification for federal income tax purposes. Accordingly, if a limited liability  
28 company or a foreign limited liability company authorized to transact business in this  
29 State is classified for federal income tax purposes as a ~~corporation, the company is C~~  
30 corporation, as defined in G.S. 105-131(b)(2), or an S corporation, as defined in G.S.  
31 105-131(b)(8), the company and its members are subject to tax under Article 4 of  
32 Chapter 105 of the General Statutes to the same extent as a ~~corporation. C corporation~~  
33 or an S corporation, as the case may be, and its shareholders. If a limited liability  
34 company or a foreign limited liability company authorized to transact business in this  
35 State is classified for federal income tax purposes as a partnership, the company and its  
36 members are subject to tax under Article 4 of Chapter 105 of the General Statutes to the  
37 same extent as a partnership and its members. If a limited liability company or a foreign  
38 limited liability company authorized to transact business in this State is classified for  
39 federal income tax purposes as other than a corporation or a partnership, the company  
40 and its members are subject to tax under Article 4 of Chapter 105 of the General  
41 Statutes in a manner consistent with that classification. This section does not require a  
42 limited liability company or a foreign limited liability company to obtain an

1 administrative ruling from the Internal Revenue Service on its classification under the  
2 Internal Revenue Code."

3           **SECTION 102.** G.S. 57C-10-07 reads as rewritten:

4 "**§ 57C-10-07. Intent.**

5       It is the intent of the General Assembly that the legal existence of limited liability  
6 companies ~~organized~~ formed under this Chapter be recognized outside the boundaries of  
7 this State and that, subject to any reasonable requirement of registration, a domestic  
8 limited liability company transacting business outside this State be granted full faith and  
9 credit under Section 1 of Article IV of the Constitution of the United States."

10 **PART IV. AMENDMENTS TO THE LAW GOVERNING PARTNERSHIPS.**

11           **SECTION 103.** G.S. 59-32 reads as rewritten:

12 "**§ 59-32. Definition of terms.**

13       As used in this Chapter, except as otherwise defined in Article 5 of this Chapter for  
14 purposes of that Article, unless the context otherwise requires:

15       (01) 'Act' means the North Carolina Uniform Partnership Act and refers to  
16 all provisions therein.

17       (1) 'Bankrupt' means bankrupt under the Federal Bankruptcy Act or  
18 insolvent under any State insolvent act.

19       (2) 'Business' means every trade, occupation, or profession.

20       (3) 'Conveyance' means every assignment, lease, mortgage, or  
21 encumbrance.

22       (4) 'Court' means every court and judge having jurisdiction in the case.

23       (4a) 'Domestic corporation' has the same meaning as in G.S. 55-1-40.

24       (4b) 'Domestic limited liability company' has the same meaning as in G.S.  
25 57C-1-03.

26       (4c) 'Domestic limited partnership' has the same meaning as in G.S. 59-  
27 102.

28       (4d) 'Domestic nonprofit corporation' means a corporation as defined in  
29 G.S. 55A-1-40.

30       (4e) 'Foreign corporation' has the same meaning as in G.S. 55-1-40.

31       (4f) 'Foreign limited liability company' has the same meaning as in G.S.  
32 57C-1-03.

33       ~~(4a)~~(4g) 'Foreign limited liability partnership' means a partnership that (i) is  
34 formed under laws other than the laws of this State, and (ii) has the  
35 status of a limited liability partnership or registered limited liability  
36 partnership under those laws.

37       (4h) 'Foreign limited partnership' has the same meaning as in G.S. 59-102.

38       (4i) 'Foreign nonprofit corporation' means a foreign corporation as defined  
39 in G.S. 55A-1-40 that is a nonprofit corporation as defined in G.S.  
40 55A-1-40.

41       (5) 'Person' means individuals, partnerships, corporations, limited liability  
42 companies, and other associations.

1           (5a) 'Principal office' means the office (in or out of this State) where the  
2           principal executive offices of a registered limited liability partnership  
3           or a foreign limited liability partnership are located, as designated in  
4           its most recent annual report filed with the Secretary of State or, if no  
5           annual report has yet been filed, in its application for registration as a  
6           registered limited liability partnership or foreign limited liability  
7           partnership.

8           (6) 'Real property' means land and any interest or estate in land.

9           (7) 'Registered limited liability partnership' means a partnership that is  
10          registered under G.S. 59-84.2 and complies with G.S. 59-84.3."

11          **SECTION 104.** Part 1 of Article 2 of Chapter 59 of the General Statutes is  
12 amended by adding a new section to read:

13 **"§ 59-35.1. Filing of documents.**

14          (a) To be entitled to filing by the Secretary of State, a document submitted  
15 pursuant to this Act shall meet all of the following requirements:

16           (1) The document shall contain the information required by this Act. It  
17 may contain other information as well.

18           (2) The document shall be typewritten or printed.

19           (3) The document shall be in the English language.

20           (4) A document submitted by a partnership other than a domestic or  
21 foreign limited partnership shall be executed by a general partner of  
22 the partnership. A document submitted by any other type of entity  
23 other than a partnership shall be executed by a person authorized to  
24 execute documents (i) pursuant to G.S. 55-1-20(f) if the entity is a  
25 domestic or foreign corporation, (ii) pursuant to G.S. 55A-1-20(f) if  
26 the entity is a domestic or foreign nonprofit corporation, (iii) pursuant  
27 to G.S. 57C-1-20(f) if the entity is a domestic or foreign limited  
28 liability company, or (iv) pursuant to G.S. 59-204 if the entity is a  
29 domestic or foreign limited partnership.

30           (5) The person executing the document shall sign it and state beneath or  
31 opposite the person's signature the person's name and the capacity in  
32 which the person signs. Any signature on the document may be a  
33 facsimile. The document may, but need not, contain an  
34 acknowledgment, verification, or proof.

35           (6) The document shall be delivered to the office of the Secretary of State  
36 for filing and shall be accompanied by one exact or conformed copy  
37 and by the required filing fee.

38          (b) A partnership may correct a document filed by the Secretary of State pursuant  
39 to this Act if the document (i) contains a statement that is incorrect and was incorrect  
40 when the document was filed or (ii) was defectively executed, attested, sealed, verified,  
41 or acknowledged.

42          A document is corrected by:

- 1           (1) Preparing articles of correction that (i) describe the document,  
2           including its filing date, or have attached to them a copy of the  
3           document, (ii) specify the incorrect statement and the reason it is  
4           incorrect or the manner in which the execution was defective, and (iii)  
5           correct the incorrect statement or defective execution; and
- 6           (2) Delivering the articles of correction to the Secretary of State for filing,  
7           accompanied by one exact or conformed copy and the required filing  
8           fee.

9 Articles of correction are effective on the effective date of the document that is  
10 corrected except as to persons relying on the uncorrected document and adversely  
11 affected by the correction. As to those persons, articles of correction are effective when  
12 filed.

13       (c) The Secretary of State may adopt and furnish on request forms for:

- 14           (1) An application for registration as a registered limited liability  
15           partnership;
- 16           (2) Cancellation of registration as a registered limited liability partnership;
- 17           (3) Application for registration as a foreign limited liability partnership;  
18           and
- 19           (4) Cancellation of registration as a foreign limited liability partnership.

20 If the Secretary of State so requires, use of these forms is mandatory.

21       (d) The Secretary of State may adopt and furnish on request forms for other  
22 documents required or permitted to be filed by this Act, but their use is not mandatory.

23       (e) The Secretary of State shall collect the following fees when the documents  
24 described in this subsection are submitted by a partnership to the Secretary of State for  
25 filing:

	<u>Document</u>	<u>Fee</u>
28	(1) <u>Registered limited liability partnership's or</u>	<u>\$5.00</u>
29	<u>foreign limited liability partnership's statement</u>	
30	<u>of change of registered agent or registered office</u>	
31	<u>or both</u>	
32	(2) <u>Agent's statement of change of registered</u>	<u>5.00</u>
33	<u>office for each affected registered limited</u>	
34	<u>liability partnership or foreign limited</u>	
35	<u>liability partnership</u>	
36	(3) <u>Agent's statement of resignation</u>	<u>No Fee</u>
37	(4) <u>Designation of registered agent or</u>	<u>5.00</u>
38	<u>registered office or both</u>	
39	(5) <u>Articles of conversion (other than articles</u>	<u>50.00</u>
40	<u>of conversion included as part of another</u>	
41	<u>document)</u>	
42	(6) <u>Articles of merger</u>	<u>50.00</u>

1	<u>(7) Application for registration as a</u>	<u>125.00</u>
2	<u>registered limited liability partnership</u>	
3	<u>(8) Certificate of amendment of registration</u>	<u>25.00</u>
4	<u>as a registered limited liability partnership</u>	
5	<u>(9) Cancellation of registration as a registered</u>	<u>25.00</u>
6	<u>limited liability partnership</u>	
7	<u>(10) Application for registration as a foreign</u>	<u>125.00</u>
8	<u>limited liability partnership</u>	
9	<u>(11) Certificate of amendment of registration</u>	<u>25.00</u>
10	<u>as a foreign limited liability partnership</u>	
11	<u>(12) Cancellation of registration as a foreign</u>	<u>25.00</u>
12	<u>limited liability partnership</u>	
13	<u>(13) Application for certificate of withdrawal</u>	<u>10.00</u>
14	<u>by reason of merger, consolidation, or</u>	
15	<u>conversion</u>	
16	<u>(14) Annual report</u>	<u>200.00</u>
17	<u>(15) Articles of correction</u>	<u>10.00</u>
18	<u>(16) Any other document required or permitted</u>	<u>10.00</u>
19	<u>to be filed pursuant to this Act</u>	
20	<u>(17) Advisory review of a document</u>	<u>200.00</u>
21	<u>(f) The Secretary of State shall collect a fee of ten dollars (\$10.00) each time</u>	
22	<u>process is served on the Secretary of State under this Act. The party to the proceeding</u>	
23	<u>causing service of process is entitled to recover this fee as costs if the party prevails in</u>	
24	<u>the proceeding.</u>	
25	<u>(g) The Secretary of State shall collect the following fees for copying,</u>	
26	<u>comparing, and certifying a copy of a document filed pursuant to this Act:</u>	
27	<u>(1) One dollar (\$1.00) a page for copying or comparing a copy to the</u>	
28	<u>original; and</u>	
29	<u>(2) Five dollars (\$5.00) for the certificate.</u>	
30	<u>(h) The Secretary of State shall guarantee the expedited filing of a document</u>	
31	<u>upon receipt of the document in proper form and the payment of the required filing fee.</u>	
32	<u>The Secretary of State may collect the following additional fees for the expedited filing</u>	
33	<u>of a document received in good form:</u>	
34	<u>(1) Two hundred dollars (\$200.00) for the filing by the end of the same</u>	
35	<u>business day of a document received by 12:00 noon Eastern Standard</u>	
36	<u>Time; and</u>	
37	<u>(2) One hundred dollars (\$100.00) for the filing of a document within 24</u>	
38	<u>hours after receipt, excluding weekends and holidays.</u>	
39	<u>The Secretary of State shall not collect the fees allowed in this subsection unless the</u>	
40	<u>person submitting the document for filing requests an expedited filing and is informed</u>	
41	<u>by the Secretary of State of the fees prior to the filing of the document.</u>	

1        (i) Upon request, the Secretary of State shall provide for the review of a  
2 document prior to its submission for filing to determine whether it satisfies the  
3 requirements of this Act. Submission of a document for review shall be accompanied by  
4 the proper fee and shall be in accordance with procedures adopted by rule by the  
5 Secretary of State. The advisory review shall be completed within 24 hours after  
6 submission, excluding weekends and holidays, unless the person submitting the  
7 document is otherwise notified in accordance with procedures adopted by rule by the  
8 Secretary of State fixing priority between submissions under this subsection and filings  
9 under subsection (h) of this section. Upon completion of the advisory review, the  
10 Secretary of State shall notify the person submitting the document of any deficiencies in  
11 the document that would prevent its filing.

12        (j) Except as provided in this subsection and in subsection (b) of this section, a  
13 document accepted for filing is effective:

14            (1) At the time of filing on the date it is filed, as evidenced by the  
15            Secretary of State's date and time endorsement on the original  
16            document; or

17            (2) At the time specified in the document as its effective time on the date  
18            it is filed.

19        A document may specify a delayed effective time and date, and if it does so the  
20 document becomes effective at the time and date specified. If a delayed effective date  
21 but no time is specified, the document is effective at 11:59:59 P.M. on that date. A  
22 delayed effective date for a document shall not be later than the 90<sup>th</sup> day after the date it  
23 is filed.

24        The fact that a document has become effective under this subsection does not  
25 determine its validity or invalidity or the correctness or incorrectness of the information  
26 contained in the document.

27        (k) If a document delivered to the office of the Secretary of State for filing  
28 satisfies the requirements of this Act, the Secretary of State shall file it. Documents filed  
29 with the Secretary of State pursuant to this Act may be maintained by the Secretary  
30 either in their original form or in photographic, microfilm, optical disk media, or other  
31 reproduced form. The Secretary may make reproductions of documents filed under this  
32 Act, or under any predecessor act, by photographic, microfilm, optical disk media, or  
33 other means of reproduction and may destroy the originals of those documents  
34 reproduced.

35        The Secretary of State files a document by stamping or otherwise endorsing 'Filed',  
36 together with the Secretary of State's name and official title and the date and time of  
37 filing, on both the original and the document copy. After filing a document, the  
38 Secretary of State shall deliver the document copy to the submitting business entity or  
39 its representative.

40        If the Secretary of State refuses to file a document, the Secretary of State shall return  
41 it to the submitting business entity or its representative within five days after the  
42 document was received, together with a brief, written explanation of the reason for

1 refusal. The Secretary of State may correct apparent errors and omissions on a  
2 document submitted for filing if authorized to make the corrections by the person  
3 submitting the document for filing. Prior to making the correction, the Secretary shall  
4 confirm the authorization to make the corrections according to procedures adopted by  
5 rule.

6 The Secretary of State's duty is to review and file documents that satisfy the  
7 requirements of this Act. The Secretary of State's filing or refusing to file a document  
8 does not:

- 9 (1) Affect the validity or invalidity of the document in whole or in part;
- 10 (2) Relate to the correctness or incorrectness of information contained in  
11 the document; or
- 12 (3) Create a presumption that the document is valid or invalid or that  
13 information contained in the document is correct or incorrect.

14 (l) If the Secretary of State refuses to file a document delivered to the Secretary  
15 of State's office for filing, the person tendering the document for filing may, within 30  
16 days after the refusal, appeal the refusal to the Superior Court of Wake County. The  
17 appeal is commenced by filing a petition with the court and with the Secretary of State  
18 requesting the court to compel the Secretary of State to file the document. The petition  
19 shall have attached to it the document to be filed and the Secretary of State's explanation  
20 for the refusal to file. The appeal to the Superior Court is not governed by Chapter 150B  
21 of the General Statutes, the Administrative Procedure Act, and the court shall  
22 determine, based upon what is appropriate under the circumstances, any further notice  
23 and opportunity to be heard.

24 Upon consideration of the petition and any response made by the Secretary of State,  
25 the court may, prior to entering final judgment, order the Secretary of State to file the  
26 document or take other action the court considers appropriate.

27 The court's final decision may be appealed as in other civil proceedings.

28 (m) A certificate attached to a copy of a document filed by the Secretary of State,  
29 bearing the Secretary of State's signature, which may be in facsimile, and the seal of  
30 office and certifying that the copy is a true copy of the document, is conclusive evidence  
31 that the original document is on file with the Secretary of State. A photographic,  
32 microfilm, optical disk media, or other reproduced copy of a document filed pursuant to  
33 this Act or any predecessor act, when certified by the Secretary, shall be considered an  
34 original for all purposes and is admissible in evidence in like manner as an original.

35 (n) A person commits an offense if the person signs a document the person  
36 knows is false in any material respect with intent that the document be delivered to the  
37 Secretary of State for filing. An offense under this subsection is a Class 1 misdemeanor.

38 (o) Whenever title to real property in this State held by a partnership is vested by  
39 operation of law in another entity upon merger, consolidation, or conversion of the  
40 partnership, a certificate reciting the merger, consolidation, or conversion shall be  
41 recorded in the office of the register of deeds of the county where the property is

1 located, or if the property is located in more than one county, then in each county where  
2 any portion of the property is located.

3 The Secretary of State shall adopt uniform certificates to be furnished for  
4 registration in accordance with this subsection. In the case of a partnership formed  
5 under a law other than the laws of this State, a similar certificate by any competent  
6 authority of the jurisdiction of organization may be registered in accordance with this  
7 subsection.

8 The certificate required by this subsection shall be recorded by the register of deeds  
9 in the same manner as deeds, and for the same fees, but no formalities as to  
10 acknowledgment, probate, or approval by any other officer shall be required. The  
11 former name of the partnership holding title to the real property before the merger,  
12 consolidation, or conversion shall appear in the 'Grantor' index, and the name of the  
13 other entity holding title to the real property by virtue of the merger, consolidation, or  
14 conversion shall appear in the 'Grantee' index."

15 **SECTION 105.(a)** Chapter 59 of the General Statutes is amended by  
16 recodifying Part 7 of Article 2 as a separate new Article to read:

17 "Article 2A.

18 "Conversion and Merger."

19 **SECTION 105.(b)** G.S. 59-73.2, 59-73.3, 59-73.4, 59-73.5, and 59-73.6 are  
20 recodified as G.S. 59-73.20, 59-73.30, 59-73.31, 59-73.32, and 59-73.33, respectively,  
21 in Article 2A of Chapter 59 of the General Statutes, as enacted by this act.

22 **SECTION 105.(c)** G.S. 59-73.7 is repealed.

23 **SECTION 106.** Article 2A of Chapter 59 of the General Statutes, as enacted  
24 by this act, is amended by adding a new Part to read as follows and to include current  
25 G.S. 59-73.1 in Part 1:

26 "Part 1. General Provisions."

27 **SECTION 107.** G.S. 59-73.1 reads as rewritten:

28 **"§ 59-73.1. Definitions.**

29 As used in this ~~Part~~ Article:

30 (1) "Business entity" means a domestic corporation ~~as defined in G.S. 55-~~  
31 ~~1-40~~ (including a professional corporation as defined in G.S. 55B-2), a  
32 foreign corporation ~~as defined in G.S. 55-1-40~~ (including a foreign  
33 professional corporation as defined in G.S. 55B-16), a domestic or  
34 foreign nonprofit ~~corporation~~ corporation, ~~as defined in G.S. 55A-1-~~  
35 ~~40~~, a domestic or foreign limited liability ~~company~~ company ~~as defined in G.S.~~  
36 ~~57C-1-03~~, company, a domestic or foreign limited partnership  
37 partnership, ~~as defined in G.S. 59-102~~, a domestic partnership, or any  
38 other partnership ~~as defined in G.S. 59-36~~ formed under a law other  
39 than the laws of this State (including a limited liability  
40 partnership ~~partnership~~).

41 (2) "Domestic partnership" means a partnership as defined in G.S. 59-36  
42 that is formed under the laws of this State, including a registered



1            ~~limited liability partnership partnership, as defined in G.S. 59-32, but~~  
2            ~~excluding a domestic limited partnership as defined in G.S. 59-~~  
3            ~~102-partnership.~~

- 4            (3) "Partnership" means a partnership as defined in G.S. 59-36 whether or  
5            not formed under the laws of this State including a registered limited  
6            liability partnership and ~~any other~~ a foreign limited liability  
7            ~~partnership formed under a law other than the laws of this State~~  
8            ~~partnership, but excluding a domestic limited partnership as defined in~~  
9            ~~G.S. 59-102 and a foreign limited partnership as defined in G.S. 59-~~  
10           ~~102. partnership."~~

11           **SECTION 108.** Article 2A of Chapter 59 of the General Statutes, as enacted  
12 by this act, is amended by adding a new Part to read:

13                            "Part 2. Conversion to Domestic Partnership.

14           **"§ 59-73.10. Conversion.**

15           A business entity other than a domestic partnership may convert to a domestic  
16 partnership if:

- 17            (1) The conversion is permitted by the laws of the state or country  
18            governing the organization and internal affairs of the converting  
19            business entity; and  
20            (2) The converting business entity complies with the requirements of this  
21            Part and, to the extent applicable, the laws referred to in subdivision  
22            (1) of this section.

23           **"§ 59-73.11. Plan of conversion.**

24           (a) The converting business entity shall approve a written plan of conversion  
25 containing:

- 26            (1) The name of the converting business entity, its type of business entity,  
27            and the state or country whose laws govern its organization and  
28            internal affairs;  
29            (2) The name of the resulting domestic partnership into which the  
30            converting business entity shall convert;  
31            (3) The terms and conditions of the conversion; and  
32            (4) The manner and basis for converting the interests in the converting  
33            business entity into interests, obligations, or securities of the resulting  
34            domestic partnership or into cash or other property in whole or in part.

35           The plan of conversion may contain other provisions relating to the conversion.

36           (b) The plan of conversion shall be approved in accordance with the laws of the  
37 state or country governing the organization and internal affairs of the converting  
38 business entity.

39           (c) After a plan of conversion has been approved as provided in subsection (b) of  
40 this section but before the articles of conversion to domestic partnership for the  
41 resulting domestic partnership become effective, the plan of conversion may be

1 amended or abandoned to the extent permitted by the laws that govern the organization  
2 and internal affairs of the converting business entity.

3 **"§ 59-73.12. Filing of articles of conversion by converting business entity.**

4 (a) After a plan of conversion has been approved by the converting business  
5 entity as provided in G.S. 59-73.11, the converting business entity shall deliver articles  
6 of conversion to the Secretary of State for filing. The articles of conversion shall state:

- 7 (1) That the domestic partnership is being formed pursuant to a conversion  
8 of another business entity;
- 9 (2) The name of the resulting domestic partnership, a designation of its  
10 mailing address, and a commitment to file with the Secretary of State a  
11 statement of any subsequent change in its mailing address;
- 12 (3) The name of the converting business entity, its type of business entity,  
13 and the state or country whose laws govern its organization and  
14 internal affairs; and
- 15 (4) That a plan of conversion has been approved by the converting  
16 business entity in the manner required by law.

17 If the resulting domestic partnership is to be a registered limited liability partnership  
18 when the conversion takes effect, then instead of separately filing the articles of  
19 conversion, the articles of conversion shall be included as part of the application for  
20 registration filed pursuant to G.S. 59-84.2 in addition to the matters otherwise required  
21 or permitted by law.

22 If the plan of conversion is abandoned after the articles of conversion have been  
23 filed with the Secretary of State but before the articles of conversion become effective,  
24 the converting business entity shall deliver to the Secretary of State for filing prior to  
25 the time the articles of conversion become effective an amendment to the articles of  
26 conversion withdrawing the articles of conversion to domestic partnership.

27 (b) The conversion takes effect when the articles of conversion become effective.

28 (c) Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

29 **"§ 59-73.13. Effects of conversion.**

30 (a) When the conversion takes effect:

- 31 (1) The converting business entity ceases its prior form of organization  
32 and continues in existence as the resulting domestic partnership;
- 33 (2) The title to all real estate and other property owned by the converting  
34 business entity continues vested in the resulting domestic partnership  
35 without reversion or impairment;
- 36 (3) All liabilities of the converting business entity continue as liabilities of  
37 the resulting domestic partnership;
- 38 (4) A proceeding pending by or against the converting business entity may  
39 be continued as if the conversion did not occur; and
- 40 (5) The interests in the converting business entity that are to be converted  
41 into interests, obligations, or securities of the resulting domestic  
42 partnership or into the right to receive cash or other property are

1           thereupon so converted, and the former holders of interests in the  
2           converting business entity are entitled only to the rights provided in the  
3           plan of conversion.

4           The conversion shall not affect the liability or absence of liability of any holder of an  
5           interest in the converting business entity for any acts, omissions, or obligations of the  
6           converting business entity made or incurred prior to the effectiveness of the conversion.  
7           The cessation of the existence of the converting business entity in its prior form of  
8           organization in the conversion shall not constitute a dissolution or termination of the  
9           converting business entity.

10          (b) When the conversion takes effect, the resulting domestic partnership is  
11          deemed:

12           (1) To agree that it may be served with process in this State for  
13           enforcement of (i) any obligation of the converting business entity and  
14           (ii) any obligation of the resulting domestic partnership arising from  
15           the conversion; and

16           (2) To have appointed the Secretary of State as its agent for service of  
17           process in any such proceeding. Service on the Secretary of State of  
18           any such process shall be made by delivering to and leaving with the  
19           Secretary of State, or with any clerk authorized by the Secretary of  
20           State to accept service of process, duplicate copies of the process and  
21           the fee required by G.S. 59-35.1(f). Upon receipt of service of process  
22           on behalf of a resulting domestic partnership in the manner provided  
23           for in this section, the Secretary of State shall immediately mail a copy  
24           of the process by registered or certified mail, return receipt requested,  
25           to the resulting domestic partnership. If the resulting domestic  
26           partnership is a registered limited liability partnership, the address for  
27           mailing shall be its principal office designated in the latest document  
28           filed with the Secretary of State that is authorized by law to designate  
29           the principal office or, if there is no principal office on file, its  
30           registered office. If the resulting domestic partnership is not a  
31           registered limited liability partnership, the address for mailing shall be  
32           the mailing address designated pursuant to G.S. 59-73.12(a)(2)."

33           **SECTION 109.** Article 2A of Chapter 59 of the General Statutes, as enacted  
34 by this act, is amended by adding a new Part to read as follows and to include G.S.  
35 59-73.20, as recodified in Section 105 of this act, as the first section in Part 3:

36                           "Part 3. Conversion of Domestic Partnership."

37           **SECTION 110.** G.S. 59-73.20, as recodified in Section 105 of this act, reads  
38 as rewritten:

39           "**§ 59-73.20. Conversion of domestic partnership.**

40           A domestic partnership may convert to a ~~domestic limited liability company~~  
41 ~~pursuant to Part 1 of Article 9A of Chapter 57C of the General Statutes, or to a domestic~~

1 ~~limited partnership pursuant to Part 10A of Article 5 of Chapter 59 of the General~~  
2 ~~Statutes, different business entity if:~~

- 3       (1) The conversion is permitted by the laws of the state or country  
4 governing the organization and internal affairs of such other type of  
5 business entity; and  
6       (2) The converting domestic partnership complies with the requirements  
7 of this Part and, to the extent applicable, the laws referred to in  
8 subdivision (1) of this section."

9       **SECTION 111.** Part 3 of Article 2A of Chapter 59 of the General Statutes,  
10 as created by Section 109 of this act, is amended by adding the following new sections  
11 to read:

12 **"§ 59-73.21. Plan of conversion.**

13       (a) The converting domestic partnership shall approve a written plan of  
14 conversion containing:

- 15           (1) The name of the converting domestic partnership;  
16           (2) The name of the resulting business entity into which the domestic  
17 partnership shall convert, its type of business entity, and the state or  
18 country whose laws govern its organization and internal affairs;  
19           (3) The terms and conditions of the conversion; and  
20           (4) The manner and basis for converting the interests in the domestic  
21 partnership into interests, obligations, or securities of the resulting  
22 business entity or into cash or other property in whole or in part.

23       The plan of conversion may contain other provisions relating to the conversion.

24       (b) The plan of conversion shall be approved by the domestic partnership in the  
25 manner provided for the approval of the conversion in a written partnership agreement  
26 or, if there is no such provision, by the unanimous consent of its partners. If any partner  
27 of the converting domestic partnership has or will have personal liability for any  
28 existing or future obligation of the resulting business entity solely as a result of holding  
29 an interest in the resulting business entity, then in addition to the requirements of the  
30 preceding sentence, approval of the plan of conversion by the domestic partnership shall  
31 require the consent of that partner. The converting domestic partnership shall provide a  
32 copy of the plan of conversion to each partner of the converting domestic partnership at  
33 the time provided in a written partnership agreement or, if there is no such provision,  
34 prior to its approval of the plan of conversion.

35       (c) After a plan of conversion has been approved by a domestic partnership but  
36 before the articles of conversion become effective, the plan of conversion (i) may be  
37 amended as provided in the plan of conversion or (ii) may be abandoned, subject to any  
38 contractual rights, as provided in the plan of conversion or written partnership  
39 agreement or, if not so provided, as determined in the manner necessary for approval of  
40 the plan of conversion.

41 **"§ 59-73.22. Articles of conversion.**

1       (a) After a plan of conversion has been approved by the converting domestic  
2 partnership as provided in G.S. 59-73.21, the converting domestic partnership shall  
3 deliver articles of conversion to the Secretary of State for filing. The articles of  
4 conversion shall state:

5           (1) The name of the converting domestic partnership;

6           (2) The name of the resulting business entity, its type of business entity,  
7 the state or country whose laws govern its organization and internal  
8 affairs, and, if the resulting business entity is not authorized to transact  
9 business or conduct affairs in this State, a designation of its mailing  
10 address and a commitment to file with the Secretary of State a  
11 statement of any subsequent change in its mailing address; and

12          (3) That a plan of conversion has been approved by the domestic  
13 partnership as required by law.

14       If the domestic partnership is converting to a business entity whose formation or  
15 whose status as a registered limited liability partnership or limited liability limited  
16 partnership, as defined in G.S. 59-102, requires the filing of a document with the  
17 Secretary of State, then the articles of conversion shall be included as part of that  
18 document instead of separately filing the articles of conversion.

19       If the plan of conversion is abandoned after the articles of conversion have been  
20 filed with the Secretary of State but before the articles of conversion become effective,  
21 the converting domestic partnership shall deliver to the Secretary of State for filing prior  
22 to the time the articles of conversion become effective an amendment of the articles of  
23 conversion withdrawing the articles of conversion.

24       (b) The conversion takes effect when the articles of conversion become effective.

25       (c) Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

26 **"§ 59-73.23. Effects of conversion.**

27       (a) When the conversion takes effect:

28           (1) The converting domestic partnership ceases its prior form of  
29 organization and continues in existence as the resulting business entity;

30           (2) The title to all real estate and other property owned by the converting  
31 domestic partnership continues vested in the resulting business entity  
32 without reversion or impairment;

33           (3) All liabilities of the converting domestic partnership continue as  
34 liabilities of the resulting business entity;

35           (4) A proceeding pending by or against the converting domestic  
36 partnership may be continued as if the conversion did not occur; and

37           (5) The interests in the converting domestic partnership that are to be  
38 converted into interests, obligations, or securities of the resulting  
39 business entity or into the right to receive cash or other property are  
40 thereupon so converted, and the former holders of interests in the  
41 converting domestic partnership are entitled only to the rights provided  
42 in the plan of conversion.

The conversion shall not affect the liability or absence of liability of any holder of an interest in the converting domestic partnership for any acts, omissions, or obligations of the converting domestic partnership made or incurred prior to the effectiveness of the conversion. The cessation of the existence of the converting domestic partnership in its form of organization as a domestic partnership in the conversion shall not constitute a dissolution or termination of the converting domestic partnership.

(b) If the resulting business entity is not a domestic corporation, a domestic limited partnership, or a domestic limited liability company, when the conversion takes effect the resulting business entity is deemed:

(1) To agree that it may be served with process in this State for enforcement of (i) any obligation of the converting domestic partnership and (ii) any obligation of the resulting business entity arising from the conversion; and

(2) To have appointed the Secretary of State as its agent for service of process in any such proceeding. Service on the Secretary of State of any such process shall be made by delivering to and leaving with the Secretary of State, or with any clerk authorized by the Secretary of State to accept service of process, duplicate copies of the process and the fee required by G.S. 59-35.1(f). Upon receipt of service of process on behalf of a resulting business entity in the manner provided for in this section, the Secretary of State shall immediately mail a copy of the process by registered or certified mail, return receipt requested, to the resulting business entity. If the resulting business entity is authorized to transact business or conduct affairs in this State, the address for mailing shall be its principal office designated in the latest document filed with the Secretary of State that is authorized by law to designate the principal office or, if there is no principal office on file, its registered office. If the resulting business entity is not authorized to transact business or conduct affairs in this State, the address for mailing shall be the mailing address designated pursuant to G.S. 59-73.12(a)(2)."

**SECTION 112.** Article 2A of Chapter 59 of the General Statutes, as enacted by this act, is amended by adding a new Part to read as follows and to include G.S. 59-73.30, 59-73.31, 59-73.32, 59-73.33, each as recodified in Section 105 of this act, in Part 4:

"Part 4. Merger."

**SECTION 113.** G.S. 59-73.31(b), as recodified by Section 105 of this act, reads as rewritten:

"(b) In the case of a merging domestic partnership, the plan of merger must be approved in the manner provided in a written partnership agreement that is binding on all the partners for approval of a merger with the type of business entity contemplated in the plan of merger or, if there is no provision, by the unanimous consent of its partners.

1 If any partner of a merging domestic partnership has or will have personal liability for  
2 any existing or future obligation of the surviving business entity solely as a result of  
3 holding an interest in the surviving business entity, then in addition to the requirements  
4 of the preceding sentence, approval of the plan of merger by the domestic partnership  
5 shall require the consent of that partner. In the case of each other merging business  
6 entity, the plan of merger must be approved in accordance with the laws of the state or  
7 country governing the organization and internal affairs of such merging business  
8 entity."

9           **SECTION 114.** G.S. 59-73.32(a), as recodified by Section 105 of this act,  
10 reads as rewritten:

11       "(a) After a plan of merger has been approved by each merging domestic  
12 partnership and each other merging business entity as provided in ~~G.S. 59-73.4~~, G.S.  
13 59-73.31, the surviving business entity shall deliver articles of merger to the Secretary  
14 of State for filing. The articles of merger shall set forth:

- 15           (1) The plan of merger;
- 16           (2) For each merging business entity, its name, type of business entity, and  
17           the state or country whose laws govern its organization and internal  
18           affairs;
- 19           (3) ~~The name and address of the surviving business entity;~~ entity and, if  
20 the surviving business entity is not authorized to transact business or  
21 conduct affairs in this State, a designation of its mailing address and a  
22 commitment to file with the Secretary of State a statement of any  
23 subsequent change in its mailing address;
- 24           (4) A statement that the plan of merger has been approved by each  
25           merging business entity in the manner required by law; and
- 26           (5) The effective date and time of the merger if it is not to be effective at  
27           the time of filing of the articles of merger.

28       If the plan of merger is amended or abandoned after the articles of merger have been  
29 filed, but before the articles of merger become effective, the surviving business entity  
30 ~~promptly~~ shall deliver to the Secretary of State for filing prior to the time the articles of  
31 merger become effective an amendment to the articles of merger reflecting the  
32 amendment or abandonment of the plan of merger."

33           **SECTION 115.** G.S. 59-73.33(b), as recodified by Section 105 of this act,  
34 reads as rewritten:

35       "(b) If the surviving business entity is not a domestic limited liability company, a  
36 domestic corporation, a domestic nonprofit corporation, or a domestic limited  
37 ~~partnership~~ partnership, when the merger takes ~~effect~~, effect the surviving business  
38 entity is deemed:

- 39           (1) To agree that it may be served with process in this State in any  
40           proceeding for enforcement of (i) any obligation of any merging  
41           domestic limited liability company, domestic corporation, domestic  
42           nonprofit corporation, domestic limited partnership, or other

1 partnership as defined in G.S. 59-36 that is formed under the laws of  
2 this State, (ii) the rights of dissenting shareholders of any merging  
3 domestic corporation under Article 13 of Chapter 55 of the General  
4 Statutes, and (iii) any obligation of the surviving business entity  
5 arising from the merger; and

- 6 (2) To have appointed the Secretary of State as its registered agent for  
7 service of process in any such proceeding. Service on the Secretary of  
8 State of any such process shall be made by delivering to and leaving  
9 with the Secretary of ~~State~~ State, or with any clerk authorized by the  
10 Secretary of State to accept service of process, duplicate copies of such  
11 process and the ~~fees~~ fee required by ~~G.S. 59-73.7(e)~~. G.S. 59-35.1(f).  
12 Upon receipt of service of process on behalf of a surviving business  
13 entity in the manner provided for in this section, the Secretary of State  
14 shall immediately mail a copy of the process by registered or certified  
15 mail, return receipt requested, to the surviving business entity. If the  
16 surviving business entity is authorized to transact business or conduct  
17 affairs in this State, the address for mailing shall be its principal office  
18 designated in the latest document filed with the Secretary of State that  
19 is authorized by law to designate the principal office or, if there is no  
20 principal office on file, its registered office. If the surviving business  
21 entity is not authorized to transact business or conduct affairs in this  
22 State, the address for mailing shall be the mailing address designated  
23 pursuant to ~~subdivision (3) of subsection (d) of this section~~. G.S. 59-  
24 73.32(a)(3)."

25 **SECTION 116.** G.S. 59-77 reads as rewritten:

26 "**§ 59-77. When personal representative may take inventory; receiver.**

27 If the surviving partner should neglect or refuse to have such inventory made, the  
28 personal representative of the deceased partner may have the same made in accordance  
29 with the provisions of G.S. 59-76. Should any surviving partner fail to take such an  
30 inventory or refuse to allow the personal representative of the deceased partner's estate  
31 to do so, such personal representative of the deceased partner's estate may forthwith  
32 apply to a court of competent jurisdiction for the appointment of a receiver for such  
33 partnership, who shall thereupon proceed to wind up the same and dispose of the assets  
34 thereof in accordance with law."

35 **SECTION 117.** G.S. 59-84.1 reads as rewritten:

36 "**§ 59-84.1. Partnership to comply with "assumed name" ~~statute~~. statute; income**  
37 **taxation.**

38 (a) Every partnership other than a limited partnership shall comply with, and be  
39 subject to, the provisions of Articles 14 and 15 of Chapter 66 of the General Statutes in  
40 all cases in which the same are applicable.

41 (b) A partnership, including a registered limited liability partnership and a  
42 foreign limited liability partnership, and a partner of one of these partnerships are



1 subject to taxation under Article 4 of Chapter 105 of the General Statutes in accordance  
2 with their classification for federal income tax purposes. Accordingly, if any such  
3 partnership is classified for federal income tax purposes as a C corporation as defined in  
4 G.S. 105-131(b)(2) or an S corporation as defined in G.S. 105-131(b)(8), the partnership  
5 and its partners are subject to tax under Article 4 of Chapter 105 of the General Statutes  
6 to the same extent as a C corporation or an S corporation, as the case may be, and its  
7 shareholders. If any such partnership is classified for federal income tax purposes as a  
8 partnership, the partnership and its partners are subject to tax under Article 4 of Chapter  
9 105 of the General Statutes accordingly. If any such partnership is classified for federal  
10 income tax purposes as other than a corporation or a partnership, the partnership and its  
11 partners are subject to tax under Article 4 of Chapter 105 of the General Statutes in a  
12 manner consistent with that classification. This section does not require a partnership,  
13 including any registered limited liability partnership or foreign limited liability  
14 partnership authorized to transact business in this State, to obtain an administrative  
15 ruling from the Internal Revenue Service on its classification under the Internal  
16 Revenue Code."

17 **SECTION 118.** G.S. 59-84.2 reads as rewritten:

18 **"§ 59-84.2. Registered limited liability partnerships.**

19 (a) ~~To become a registered limited liability partnership, a partnership must file a~~  
20 partnership whose internal affairs are governed by the laws of this State, other than a  
21 limited partnership, may become a registered limited liability partnership by filing with  
22 the Secretary of State an application ~~stating~~; stating all of the following:

- 23 (1) The name of the partnership.
- 24 (2) The street ~~address~~ address, and the mailing address if different from  
25 the street address, of its principal ~~office~~. office and the county in which  
26 the principal office is located.
- 27 (3) The name and street address, and the mailing address if different from  
28 the street address, ~~for~~ of the partnership's registered agent and  
29 registered office for service of process.
- 30 (4) The county in this State in which the registered office is located.
- 31 ~~(5) A brief statement of the business in which the partnership engages.~~
- 32 ~~(6) A deferred effective date, if any.~~
- 33 (7) The fiscal year end of the partnership.

34 (a1) The terms and conditions on which a partnership becomes a limited liability  
35 partnership must be approved ~~by the vote necessary~~ in the manner provided in to  
36 amend the partnership agreement ~~except~~, agreement; provided, however, if the  
37 partnership agreement does not contain any such provision, the terms and conditions  
38 shall be approved (i) in the case of a partnership having a partnership agreement that  
39 expressly considers obligations to contribute to the partnership, ~~the vote~~ in the manner  
40 necessary to amend those ~~provisions~~. provisions, or (ii) in any other case, in the manner  
41 necessary to amend the partnership agreement.

1       ~~(b) An application for registration as a registered limited liability partnership~~  
2 ~~must be executed by one or more partners.~~

3       ~~(c) An application for registration as a registered limited liability partnership~~  
4 ~~must be accompanied by a fee of one hundred twenty-five dollars (\$125.00).~~

5       ~~(d) The Secretary of State shall register a partnership that submits a completed~~  
6 ~~application with the required fee.~~

7       ~~(e) A registration is effective on the later of the date the registration is filed or the~~  
8 ~~date specified in the application for registration, unless it is voluntarily withdrawn by~~  
9 ~~filing with the Secretary of State a written withdrawal notice executed by one or more~~  
10 ~~of the partners, or is revoked pursuant to G.S. 59-84.4(f).~~

11       ~~(f) The Secretary of State may provide forms for applications for registration.~~

12       (f1) A partnership becomes a registered limited liability partnership when its  
13 application for registration becomes effective.

14       (g) The status of a registered limited liability partnership and the liability of its  
15 partners is not affected by errors or later changes in the information required to be  
16 contained in the application for registration.

17       (h) A partnership shall promptly amend its registration to reflect any change in  
18 the information contained in its application for registration, other than changes in its  
19 registered agent, registered office, or principal office. A registration is amended by  
20 filing a certificate of amendment ~~thereto in the office of~~ with the Secretary of State. The  
21 certificate of amendment shall set forth ~~the following:~~ forth:

22           (1) The name of the ~~partnership~~ partnership as reflected on the application  
23 for registration.

24           (2) The date of filing of the application for registration.

25           (3) The amendment to the application for registration.

26       (i) Each registered limited liability partnership shall continuously maintain in  
27 this State:

28           (1) A registered office that may be the same as any of its places of  
29 business; and

30           (2) The ~~A registered agent of a registered limited liability partnership for~~  
31 ~~service of process must~~ who shall be (i) an individual who is a resident  
32 of this State and whose business office is identical with the registered  
33 office; (ii) a domestic corporation, nonprofit corporation, or limited  
34 liability company whose business office is identical with the registered  
35 office; or (iii) a foreign corporation, nonprofit corporation, or limited  
36 liability company authorized to transact business or conduct affairs in  
37 this State whose business office is identical with the registered office.  
38 The sole duty of the registered agent to the registered limited liability  
39 partnership is to forward to the registered limited liability partnership  
40 at its last known address any notice, process, or demand that is served  
41 on the registered agent.

1       (j) A partnership may cancel its registration by filing a certificate of cancellation  
2 with the Secretary of State. The certificate of cancellation shall set forth:

- 3           (1) The name of the partnership as reflected on the application for  
4 registration;  
5           (2) The date of filing of the application for registration;  
6           (3) A mailing address to which the Secretary of State may mail a copy of  
7 any process served on the Secretary of State under this subsection;  
8           (4) A commitment to file with the Secretary of State a statement of any  
9 subsequent change in its mailing address; and  
10          (5) The effective date and time of cancellation if it is not to be effective at  
11 the time of filing the certificate.

12       Cancellation of registration terminates the authority of the partnership's registered  
13 agent to accept service of process, notice, or demand, and appoints the Secretary of  
14 State as agent to accept service on behalf of the partnership with respect to any action or  
15 proceeding based upon any cause of action arising in this State, or arising out of  
16 business transacted in this State, during the time the partnership was registered as a  
17 registered limited liability partnership. Service on the Secretary of State of any process  
18 shall be made by delivering to and leaving with the Secretary of State, or any clerk  
19 authorized by the Secretary of State to accept service of process, duplicate copies of  
20 such process and the fee required by G.S. 59-35.1(f). Upon receipt of process in the  
21 manner provided in this section, the Secretary of State shall immediately mail a copy of  
22 the process by registered or certified mail, return receipt requested, to the partnership at  
23 the mailing address designated pursuant to this subsection.

24       (k) A registered limited liability partnership may change its registered office or  
25 registered agent by delivering to the Secretary of State for filing a statement of change  
26 that sets forth:

- 27           (1) The name of the registered limited liability partnership;  
28           (2) The street address, and the mailing address if different from the street  
29 address, of the registered limited liability partnership's current  
30 registered office and the county in which it is located;  
31           (3) If the address of the registered limited liability partnership's registered  
32 office is to be changed, the street address, and the mailing address if  
33 different from the street address, of the new registered office and the  
34 county in which it is located;  
35           (4) The name of its current registered agent;  
36           (5) If the current registered agent is to be changed, the name of the new  
37 registered agent and the new registered agent's written consent (either  
38 on the statement or attached to it) to the appointment; and  
39           (6) That after the change or changes are made, the addresses of its  
40 registered office and the business office of its registered agent will be  
41 identical.

1 If a registered agent changes the address of the registered agent's business office, the  
2 registered agent may change the address of the registered office of any registered  
3 limited liability partnership for which the agent is the registered agent by notifying the  
4 registered limited liability partnership in writing of the change and signing (either  
5 manually or in facsimile) and delivering to the Secretary of State for filing a statement  
6 that complies with the requirements of this subsection and recites that the registered  
7 limited liability partnership has been notified of the change.

8 A registered limited liability partnership may change its registered office or  
9 registered agent by including in its annual report required by G.S. 59-84.4 the  
10 information and any written consent required by this subsection.

11 (l) The following provisions shall apply for the resignation of a registered agent:

12 (1) A registered agent may resign his agency appointment by signing and  
13 filing with the Secretary of State the signed original and two exact or  
14 conformed copies of a statement of resignation which may include a  
15 statement that the registered office is also discontinued. The statement  
16 must include or be accompanied by a certification from the registered  
17 agent that the agent has mailed or delivered to the registered limited  
18 liability partnership at its last known address written notice of the  
19 agent's resignation. Such certification shall include the name and title  
20 of the partner notified, if any, and the address to which the notice was  
21 mailed or delivered.

22 (2) After filing the statement, the Secretary of State shall mail one copy to  
23 the registered office (if not discontinued) and the other copy to the  
24 registered limited liability partnership at its principal office.

25 (3) The agency appointment is terminated, and the registered office  
26 discontinued if so provided, on the thirty-first day after the date on  
27 which the statement was filed.

28 (m) The registered agent of a registered limited liability partnership is an agent of  
29 the registered limited liability partnership for service of process, notice, or demand  
30 required or permitted by law to be served on the registered limited liability partnership.

31 (n) Whenever a registered limited liability partnership shall fail to appoint or  
32 maintain a registered agent in this State, or whenever its registered agent cannot with  
33 due diligence be found at the registered office, then the Secretary of State shall be an  
34 agent of the registered limited liability partnership upon whom any process, notice, or  
35 demand may be served. Service on the Secretary of State of any process, notice, or  
36 demand shall be made by delivering to and leaving with the Secretary of State, or with  
37 any clerk authorized by the Secretary of State to accept service of process, duplicate  
38 copies of the process, notice, or demand and the fee required by G.S. 59-35.1(f). In the  
39 event any such process, notice, or demand is served on the Secretary of State in the  
40 manner provided in this subsection, the Secretary of State shall immediately mail one of  
41 the copies thereof, by registered or certified mail, return receipt requested, to the  
42 registered limited liability partnership at its principal office or, if there is no mailing

1 address for the principal office on file, to the registered limited liability partnership at its  
2 registered office. Service on a registered limited liability partnership under this  
3 subsection shall be effective for all purposes from and after the date of the service on  
4 the Secretary of State.

5 (o) The Secretary of State shall keep a record of all processes, notices, and  
6 demands served upon the Secretary of State under this section and shall record therein  
7 the time of such service and the Secretary of State's action with reference thereto.

8 (p) Nothing herein contained shall limit or affect the right to serve any process,  
9 notice, or demand required or permitted by law to be served upon a registered limited  
10 liability partnership in any other manner now or hereafter permitted by law."

11 **SECTION 119.** G.S. 59-84.4(c) reads as rewritten:

12 "(c) The annual report shall be delivered to the Secretary of State by the fifteenth  
13 day of the fourth month following the close of the registered or foreign limited liability  
14 partnership's fiscal year. ~~The annual report must be accompanied by a fee of two~~  
15 ~~hundred dollars (\$200.00)."~~

16 **SECTION 120.** G.S. 59-91 reads as rewritten:

17 "**§ 59-91. Statement of foreign registration.**

18 (a) Before transacting business in this State, a foreign limited liability partnership  
19 must file an application for registration as a foreign limited liability partnership. The  
20 application must contain:

21 (1) The name of the foreign limited liability partnership that satisfies the  
22 requirements of the State or other jurisdiction under whose law it is  
23 formed and ends with the words "registered limited liability  
24 partnership" or "limited liability partnership" or the abbreviation  
25 "R.L.L.P.", "L.L.P.", "RLLP", or "LLP".

26 (2) ~~The street address~~ address, and the mailing address if different from  
27 the street address, of the partnership's principal office. ~~office, and the~~  
28 county in which the principal office is located.

29 (3) The name and street address, and the mailing address if different from  
30 the street address, for the partnership's registered agent and registered  
31 office for service of process, and the county in which the registered  
32 office is located.

33 (4) ~~A brief statement of the business in which the partnership is engaged.~~

34 (5) ~~A deferred effective date, if any.~~

35 (6) The fiscal year end of the partnership.

36 The foreign limited liability partnership shall deliver with the completed application  
37 a certificate of existence, or a document with similar import, duly authenticated by the  
38 ~~secretary of state~~ Secretary of State or other official having custody of the records of  
39 registered limited liability partnerships in the state or country under whose law it is  
40 registered.

41 (b) ~~The registered agent of a foreign limited liability partnership for service of~~  
42 ~~process must be (i) an individual who is a resident of this State and whose business~~

~~1 office is identical with the registered office; (ii) a domestic corporation, nonprofit  
2 corporation, or limited liability company whose business office is identical with the  
3 registered office; or (iii) a foreign corporation, nonprofit corporation, or limited liability  
4 company authorized to transact business in this State whose business office is identical  
5 with the registered office. The sole duty of the registered agent to the foreign limited  
6 liability partnership is to forward to the foreign limited liability partnership at its last  
7 known address any notice, process, or demand that is served on the registered agent.~~

~~8 (e) An application for registration as a foreign limited liability partnership must  
9 be accompanied by a fee of one hundred twenty five dollars (\$125.00).~~

~~10 (d) The Secretary of State shall register a partnership that submits a completed  
11 application for registration as a foreign limited liability partnership with the required  
12 fee.~~

~~13 (e) The status of a partnership as a foreign limited liability partnership is  
14 effective on the later of the date the registration is filed or a date specified in the  
15 statement. The status remains effective, regardless of changes in the partnership, until it  
16 is voluntarily withdrawn by filing with the Secretary of State a written withdrawal  
17 notice executed by one or more partners or revoked pursuant to G.S. 59-84.4(f).~~

~~18 (f) A registration is amended by filing a certificate of amendment thereto in the  
19 office of the Secretary of State. The certificate shall set forth the following:~~

~~20 (1) The name of the partnership.~~

~~21 (2) The date of filing of the registration.~~

~~22 (3) The amendment to the registration.~~

~~23 (g) An application for registration as a foreign limited liability partnership must  
24 be executed by one or more partners.~~

~~25 (h) A foreign limited liability partnership authorized to transact business in this  
26 State shall be subject to the provisions of G.S. 59-84.4 regarding annual reports and  
27 revocation of registration.~~

~~28 (i) A foreign limited liability partnership becomes registered as a foreign limited  
29 liability partnership when its application for registration becomes effective.~~

~~30 (j) A foreign limited liability partnership shall promptly amend its registration to  
31 reflect any change in the information contained in its application for registration, other  
32 than changes in its registered agent, registered office, or principal office. A registration  
33 is amended by filing a certificate of amendment with the Secretary of State. The  
34 certificate of amendment shall set forth:~~

~~35 (1) The name of the foreign limited liability partnership under which it is  
36 registered in this State;~~

~~37 (2) The date of filing of the application for registration; and~~

~~38 (3) The amendment to the application for registration.~~

~~39 (k) A foreign limited liability partnership may cancel its registration by filing a  
40 certificate of cancellation with the Secretary of State. The certificate of cancellation  
41 shall set forth:~~

- 1           (1)   The name of the foreign limited liability partnership under which it is  
2           registered in this State;
- 3           (2)   The date of filing of the application for registration;
- 4           (3)   A mailing address to which the Secretary of State may mail a copy of  
5           any process served on the Secretary of State under this subsection;
- 6           (4)   A commitment to file with the Secretary of State a statement of any  
7           subsequent change in its mailing address; and
- 8           (5)   The effective date and time of cancellation if it is not to be effective at  
9           the time of filing the certificate.

10       Cancellation of registration terminates the authority of the foreign limited liability  
11 partnership's registered agent to accept service of process, notice, or demand and  
12 appoints the Secretary of State as agent to accept such service on behalf of the foreign  
13 limited liability partnership with respect to any action or proceeding based upon any  
14 cause of action arising in this State, or arising out of business transacted in this State,  
15 during the time the foreign limited liability partnership was registered in this State.  
16 Service on the Secretary of State of any such process shall be made by delivering to and  
17 leaving with the Secretary of State or with any clerk authorized by the Secretary of State  
18 to accept service of process, duplicate copies of such process, and the fee required by  
19 G.S. 59-35.1(f). Upon receipt of process in the manner herein provided, the Secretary of  
20 State shall immediately mail a copy of the process by registered or certified mail, return  
21 receipt requested, to the foreign limited liability partnership at the mailing address  
22 designated pursuant to this subsection.

23       (1)   Each foreign limited liability partnership registered in this State must  
24 continuously maintain in this State:

- 25           (1)   A registered office that may be the same as any of its places of  
26           business; and
- 27           (2)   A registered agent who shall be (i) an individual who is a resident of  
28           this State and whose business office is identical with the registered  
29           office; (ii) a domestic corporation, nonprofit corporation, or limited  
30           liability company whose business office is identical with the registered  
31           office; or (iii) a foreign corporation, nonprofit corporation, or limited  
32           liability company authorized to transact business or conduct affairs in  
33           this State whose business office is identical with the registered office.

34       The sole duty of the registered agent to the foreign limited liability partnership is to  
35 forward to the foreign limited liability partnership at its last known address any notice,  
36 process, or demand that is served on the registered agent.

37       (m)   A foreign limited liability partnership may change its registered office or  
38 registered agent by delivering to the Secretary of State for filing a statement of change  
39 that sets forth:

- 40           (1)   The name of the foreign limited liability partnership;

- 1           (2)   The street address, and the mailing address if different from the street  
2           address, of the foreign limited liability partnership's current registered  
3           office and the county in which it is located;
- 4           (3)   If the address of the foreign limited liability partnership's registered  
5           office is to be changed, the street address, and the mailing address if  
6           different from the street address, of the new registered office and the  
7           county in which it is located;
- 8           (4)   The name of its current registered agent;
- 9           (5)   If the current registered agent is to be changed, the name of the new  
10          registered agent and the new registered agent's written consent (either  
11          on the statement or attached to it) to the appointment; and
- 12          (6)   That after the change or changes are made, the addresses of its  
13          registered office and the business office of its registered agent will be  
14          identical.

15          If a registered agent changes the address of the registered agent's business office, the  
16          registered agent may change the address of the registered office of any foreign limited  
17          liability partnership for which he is the registered agent by notifying the foreign limited  
18          liability partnership in writing of the change and signing (either manually or in  
19          facsimile) and delivering to the Secretary of State for filing a statement that complies  
20          with the requirements of this subsection and recites that the foreign limited liability  
21          partnership has been notified of the change.

22          A foreign limited liability partnership may change its registered office or registered  
23          agent by including in its annual report required by G.S. 59-84.4 the information and any  
24          written consent required by this subsection.

25          (n)   The following provisions shall apply for the resignation of a registered agent:

- 26           (1)   A registered agent may resign the agent's appointment by signing and  
27           filing with the Secretary of State the signed original and two exact or  
28           conformed copies of a statement of resignation which may include a  
29           statement that the registered office is also discontinued. The statement  
30           must include or be accompanied by a certification from the registered  
31           agent that the agent has mailed or delivered to the foreign limited  
32           liability partnership at its last known address written notice of the  
33           agent's resignation. Such certification shall include the name and title  
34           of the partner notified, if any, and the address to which the notice was  
35           mailed or delivered.
- 36           (2)   After filing the statement, the Secretary of State shall mail one copy to  
37           the registered office (if not discontinued) and the other copy to the  
38           foreign limited liability partnership at its principal office.
- 39           (3)   The agency appointment is terminated, and the registered office  
40           discontinued if so provided, on the thirty-first day after the date on  
41           which the statement was filed.



1       (o) The registered agent of a foreign limited liability partnership registered in the  
2 State is an agent of the foreign limited liability partnership for service of process, notice,  
3 or demand required or permitted by law to be served on the foreign limited liability  
4 partnership.

5       (p) Whenever a foreign limited liability partnership registered in this State shall  
6 fail to appoint or maintain a registered agent in this State, or whenever its registered  
7 agent cannot with due diligence be found at the registered office, then the Secretary of  
8 State shall be an agent of the foreign limited liability partnership upon whom any such  
9 process, notice, or demand may be served. Service on the Secretary of State of any such  
10 process, notice, or demand shall be made by delivering to and leaving with the Secretary  
11 of State, or with any clerk authorized by the Secretary of State to accept service of  
12 process, duplicate copies of the process, notice, or demand and the fee required by G.S.  
13 59-35.1(f). In the event any process, notice, or demand is served on the Secretary of  
14 State in the manner provided in this subsection, the Secretary of State shall immediately  
15 mail one of the copies thereof, by registered or certified mail, return receipt requested,  
16 to the foreign limited liability partnership at its principal office or, if there is no mailing  
17 address for the principal office on file, to the foreign limited liability partnership at its  
18 registered office. Service on a foreign limited liability partnership under this subsection  
19 shall be effective for all purposes from and after the date of the service on the Secretary  
20 of State.

21       (q) The Secretary of State shall keep a record of all processes, notices, and  
22 demands served upon the Secretary of State under this section and shall record therein  
23 the time of service and the Secretary of State's action with reference thereto.

24       (r) Nothing herein contained shall limit or affect the right to serve any process,  
25 notice, or demand required or permitted by law to be served upon a foreign limited  
26 liability partnership in any other manner now or hereafter permitted by law.

27       (s) Whenever a foreign limited liability partnership authorized to transact  
28 business in this State ceases its separate existence as a result of a statutory merger or  
29 consolidation permitted by the laws of the state or country under which it was  
30 organized, or converts into another type of entity as permitted by those laws, the  
31 surviving or resulting entity shall apply for a certificate of withdrawal for the foreign  
32 limited liability partnership by delivering to the Secretary of State for filing a copy of  
33 the articles of merger, consolidation, or conversion or a certificate reciting the facts of  
34 the merger, consolidation, or conversion, duly authenticated by the Secretary of State or  
35 other official having custody of limited liability partnership records in the state or  
36 country under the laws of which the foreign limited liability partnership was organized.  
37 If the surviving or resulting entity is not authorized to transact business in this State, the  
38 articles or certificate must be accompanied by an application which must set forth:

39           (1) The name of the foreign liability limited partnership authorized to  
40 transact business in this State, the type of entity and name of the  
41 surviving or resulting entity, and a statement that the surviving or  
42 resulting entity is not authorized to transact business in this State;

- 1           (2) A statement that the surviving or resulting entity consents that service  
2 of process based on any cause of action arising in this State, or arising  
3 out of business transacted in this State, during the time the foreign  
4 limited liability partnership was authorized to transact business in this  
5 State, may thereafter be made by service thereof on the Secretary of  
6 State;
- 7           (3) A mailing address to which the Secretary of State may mail a copy of  
8 any process served upon the Secretary under subdivision (2) of this  
9 subsection; and
- 10          (4) A commitment to file with the Secretary of State a statement of any  
11 subsequent change in its mailing address.
- 12          (t) If the Secretary of State finds that the articles or certificate and the application  
13 for withdrawal, if required, conform to law, the Secretary of State shall:
- 14           (1) Endorse on the articles or certificate and the application for  
15 withdrawal, if required, the word "filed" and the hour, day, month, and  
16 year of filing thereof;
- 17           (2) File the articles or certificate and the application, if required;
- 18           (3) Issue a certificate of withdrawal; and
- 19           (4) Send to the surviving or resulting entity or its representative the  
20 certificate of withdrawal, together with the exact or conformed copy of  
21 the application, if required, affixed thereto.
- 22          (u) After the withdrawal of the foreign limited liability partnership is effective,  
23 service of process on the Secretary of State in accordance with subsection (t) of this  
24 section shall be made by delivering to and leaving with the Secretary of State, or with  
25 any clerk authorized by the Secretary of State to accept service of process, duplicate  
26 copies of such process and the fee required by G.S. 59-35.1(f). Upon receipt of process  
27 in the manner herein provided, the Secretary of State shall immediately mail a copy of  
28 the process by registered or certified mail, return receipt requested, to the surviving or  
29 resulting entity at the mailing address designated pursuant to subsection (t) of this  
30 section."

31           **SECTION 121.** G.S. 59-102 reads as rewritten:

32           "**§ 59-102. Definitions.**

33           As used in this Article, unless the context otherwise requires:

- 34           (1) 'Business' means any lawful trade, investment, or other purpose or  
35 activity, whether or not the trade, investment, purpose, or activity is  
36 carried on for profit.
- 37           (1a) 'Business entity' means a domestic corporation ~~as defined in G.S. 55-1-~~  
38 ~~40 (including, without limitation, (including a professional corporation~~  
39 ~~as defined in G.S. 55B-2), a foreign corporation as defined in G.S. 55-~~  
40 ~~1-40 (including, without limitation, (including a foreign professional~~  
41 ~~corporation as defined in G.S. 55B-16), a domestic or foreign~~  
42 ~~nonprofit corporation as defined in G.S. 55A-1-40, corporation, a~~

1 domestic ~~limited liability company as defined in G.S. 57C-1-03, a or~~  
2 ~~foreign limited liability company as defined in G.S. 57C-1-03,~~  
3 ~~company,~~ a domestic limited partnership, a foreign limited partnership,  
4 a registered limited liability partnership, a foreign limited liability  
5 partnership, or any other partnership as defined in G.S. 59-36 whether  
6 or not formed under the laws of this State ~~(including a registered~~  
7 ~~limited liability partnership as defined in G.S. 59-32 and any other~~  
8 ~~limited liability partnership formed under a law other than the laws of~~  
9 ~~this State).~~State.

- 10 (1b) 'Certificate of limited partnership' means the certificate referred to in  
11 G.S. 59-201, and the certificate as amended.
- 12 (2) 'Conformed copy' shall include a photostatic or other photographic  
13 copy of the original document.
- 14 (3) 'Contribution' means any cash, property, services rendered, or a  
15 promissory note or other binding obligation to contribute cash or  
16 property or to perform services, which a partner contributes to a  
17 limited partnership in his capacity as a partner.
- 18 (3a) 'Domestic corporation' has the same meaning as in G.S. 55-1-40 and  
19 includes a professional corporation as defined in G.S. 55B-2.
- 20 (3b) 'Domestic limited liability company' has the same meaning as in G.S.  
21 57C-1-03.
- 22 (3c) 'Domestic nonprofit corporation' means a corporation as defined in  
23 G.S. 55A-1-40.
- 24 (4) "Event of withdrawal of a general partner" means an event that causes  
25 a person to cease to be a general partner as provided in G.S. 59-402.
- 26 (4a) 'Foreign corporation' has the same meaning as in G.S. 55-1-40 and  
27 includes a foreign professional corporation as defined in G.S. 55B-16.
- 28 (4b) 'Foreign limited liability company' has the same meaning as in G.S.  
29 57C-1-03.
- 30 (5) 'Foreign limited partnership' means a partnership formed under the  
31 laws of any state, province, country, or other jurisdiction other than  
32 this State and having as partners one or more general partners and one  
33 or more limited ~~partners.~~ partners, and includes, for all purposes of the  
34 laws of the State of North Carolina, a limited partnership having the  
35 status of a limited liability limited partnership under the laws of its  
36 jurisdiction of formation.
- 37 (5a) 'Foreign nonprofit corporation' means a foreign corporation as defined  
38 in G.S. 55A-1-40 that is a nonprofit corporation as defined in G.S.  
39 55A-1-40.
- 40 (6) 'General partner' means a person who has been admitted to a limited  
41 partnership as a general partner in accordance with the partnership

1 agreement and named in the certificate of limited partnership as a  
2 general partner.

3 (6a) 'Limited liability limited partnership' and 'registered limited liability  
4 limited partnership' mean a limited partnership that is registered under  
5 and complies with G.S. 59-210.

6 (7) 'Limited partner' means a person who has been admitted to a limited  
7 partnership as a limited partner in accordance with the partnership  
8 agreement.

9 (8) 'Limited partnership' and 'domestic limited partnership' mean a  
10 partnership formed by two or more persons under the laws of this State  
11 and having one or more general partners and one or more limited  
12 ~~partners.~~ partners, and includes, for all purposes of the laws of the  
13 State of North Carolina, a registered limited liability limited  
14 partnership.

15 (9) 'Partner' means a limited or general partner.

16 (10) 'Partnership agreement' means any valid agreement of the partners as  
17 to the affairs of a limited partnership, the conduct of its business, and  
18 the responsibilities and rights of its partners. The term 'partnership  
19 agreement' includes any written or oral agreement, whether or not the  
20 agreement is set forth in a document referred to by the partners as a  
21 'partnership agreement', and includes any amendment agreed upon by  
22 the partners unanimously or in accordance with the terms of the  
23 agreement. The term also includes any agreement of the partners to  
24 waive or revise the terms of the partnership agreement in one or more  
25 specific instances and not necessarily on an ongoing or permanent  
26 basis.

27 (11) 'Partnership interest' means a partner's share of the allocations of  
28 income, gain, loss, deduction or credit of a limited partnership and the  
29 right to receive distributions of cash or other partnership assets.

30 (12) 'Person' means a natural person, domestic or foreign partnership,  
31 domestic or foreign limited partnership ~~(domestic or~~  
32 ~~foreign),~~ partnership, domestic or foreign limited liability company,  
33 trust, estate, unincorporated association, or corporation. ~~domestic or~~  
34 foreign corporation, or another entity.

35 (13) 'State' means a state, territory, or possession of the United States, the  
36 District of Columbia, or the Commonwealth of Puerto Rico."

37 **SECTION 122.** G.S. 59-103 reads as rewritten:

38 "**§ 59-103. Name.**

39 (a) The name of the limited partnership shall contain ~~without abbreviation~~ the  
40 words ~~"limited partnership";~~ 'limited partnership' or have the abbreviated 'L.P.' or 'LP' as  
41 the last letters of its name, except that in the case of a limited liability limited  
42 partnership, its name shall comply with the provisions of G.S. 59-210(a)(1).

1 (b) The limited partnership name shall not contain the name of a limited partner  
2 unless (i) it is also the name of a general partner or the corporate name of a corporate  
3 general partner, or (ii) the business of the limited partnership has been carried on under  
4 that name before the admission of that limited ~~partner;~~partner.

5 (c) The limited partnership name shall not contain any word or phrase ~~which that~~  
6 is likely to mislead the public ~~or which indicates or implies that it is organized for any~~  
7 ~~purpose other than one or more of the purposes contained in its certificate of limited~~  
8 ~~partnership;~~public."

9 **SECTION 123.** G.S. 59-105 reads as rewritten:

10 **"§ 59-105. Registered office and registered agent.**

11 (a) Each limited partnership shall have and continuously maintain in this State:

- 12 (1) A registered office that may be the same as any of its places of  
13 business;
- 14 (2) A registered agent, who shall be (i) an individual resident of this State  
15 whose business office is identical with such registered office; (ii) a  
16 domestic corporation, nonprofit corporation, or limited liability  
17 company whose business office is identical with such registered office;  
18 or (iii) a foreign corporation, nonprofit corporation, or limited liability  
19 company authorized to transact business or conduct affairs in this  
20 State, whose business office is identical with such registered office.

21 The sole duty of the registered agent to the limited partnership is to forward to the  
22 limited partnership at its last known address any notice, process, or demand that is  
23 served on the registered agent.

24 (b) Limited partnerships formed prior to October 1, 1986, shall file a certificate  
25 of limited partnership with the Office of the Secretary of State pursuant to G.S.  
26 59-201(a) designating the address of the registered office of the limited partnership and  
27 the identity of the registered agent at such address.

28 (b1) Any process, notice or demand, which is required or permitted by law to be  
29 served upon a limited partnership, may be served upon the duly appointed registered  
30 agent of the limited partnership. Such service upon the registered agent is deemed to  
31 have been made on the limited partnership itself.

32 (b2) A limited partnership may change its registered office or registered agent by  
33 delivering to the Secretary of State for filing a statement of change that sets forth:

- 34 (1) The name of the limited partnership;  
35 (2) The street address, and the mailing address if different from the street  
36 address, of the limited partnership's current registered office and the  
37 county in which it is located;  
38 (3) If the address of the limited partnership's registered office is to be  
39 changed, the street address, and the mailing address if different from  
40 the street address, of the new registered office and the county in which  
41 it is located;  
42 (4) The name of its current registered agent;

1           (5) If the current registered agent is to be changed, the name of the new  
2           registered agent and the new registered agent's written consent (either  
3           on the statement or attached to it) to the appointment; and

4           (6) That after the change or changes are made, the addresses of its  
5           registered office and the business office of its registered agent will be  
6           identical.

7           (b3) If a registered agent changes the address of the agent's business office, the  
8           agent may change the address of the registered office of any limited partnership for  
9           which the agent is the registered agent by notifying the limited partnership in writing of  
10          the change and signing (either manually or in facsimile) and delivering to the Secretary  
11          of State for filing a statement that complies with the requirements of subsection (b2) of  
12          this section and that recites that the limited partnership has been notified of the change.

13          (c) Whenever a limited partnership shall fail to appoint or maintain a registered  
14 agent in this State, or whenever its registered agent cannot with due diligence be found  
15 at the registered office, then the Secretary of State shall be an agent of such limited  
16 partnership upon whom any such process, notice, or demand may be served. Service on  
17 the Secretary of State of any such process, notice, or demand shall be made by  
18 delivering to and leaving with the Secretary of State, or with any clerk ~~having charge of~~  
19 ~~the limited partnership department of his office~~, authorized by the Secretary of State to  
20 accept service of process, duplicate copies of such the process, notice—notice, or  
21 ~~demand.~~ demand and the fee required by G.S. 59-1106(b). In the event any such  
22 process, ~~notice—notice,~~ or demand is served on the Secretary of State, ~~he~~ the Secretary of  
23 State shall immediately cause one of the copies thereof to be forwarded by registered or  
24 certified mail, addressed to the limited partnership at its registered office. ~~Any such~~  
25 Service on a limited partnership so served under this subsection shall be in court  
26 effective for all purposes from and after the date of such service on the Secretary of  
27 State.

28          (d) The Secretary of State shall keep a record of all processes, ~~notices—~~ notices,  
29 and demands served upon ~~him~~ the Secretary of State under this ~~section,~~ section and  
30 shall record therein the time of such service and ~~his~~ the Secretary of State's action with  
31 reference thereto.

32          (e) Nothing herein contained shall limit or affect the right to serve any process,  
33 ~~notice—notice,~~ or demand required or permitted by law to be served upon a limited  
34 partnership in any other manner now or hereafter permitted by law.

35          (f) The following provisions shall apply for the resignation of a registered agent:

36           (1) A registered agent may resign the agent's appointment by signing and  
37           filing with the Secretary of State the signed original and two exact or  
38           conformed copies of a statement of resignation which may include a  
39           statement that the registered office is also discontinued. The statement  
40           shall include or be accompanied by a certification from the registered  
41           agent that the agent has mailed or delivered to the limited partnership  
42           at its last known address written notice of the agent's resignation. The

1 certification shall include the name and title of the partner notified, if  
2 any, and the address to which the notice was mailed or delivered.

3 (2) After filing the statement, the Secretary of State shall mail one copy to  
4 the registered office, if not discontinued, and the other copy to the  
5 limited partnership at the address certified in the statement of  
6 resignation.

7 (3) The agency appointment is terminated, and the registered office  
8 discontinued if so provided, on the thirty-first day after the date on  
9 which the statement was filed."

10 **SECTION 124.** G.S. 59-201(a)(3) reads as rewritten:

11 "~~(3) The~~If the limited partnership is to dissolve by a specific date, the  
12 latest date upon which the limited partnership is to dissolve. If no date  
13 for dissolution is specified, there shall be no limit on the duration of  
14 the limited partnership."

15 **SECTION 124A.** G.S. 59-201 is amended by adding a new subsection to  
16 read:

17 "(e) If the limited partnership is to be a limited liability partnership at its  
18 formation, then instead of separately filing the application for registration as a limited  
19 liability limited partnership, the application for registration shall be included as part of  
20 the certificate of limited partnership."

21 **SECTION 125.** G.S. 59-204(a) reads as rewritten:

22 "(a) Each certificate required by this Article to be filed in the office of the  
23 Secretary of State shall be executed in the following manner:

24 (1) An original certificate of limited partnership must be signed by all  
25 general partners;

26 (2) A certificate of amendment must be signed by at least one general  
27 partner and by each other partner designated in the certificate as a new  
28 general partner; and

29 (3) A certificate of cancellation must be signed by all general partners.

30 Any other document submitted by a domestic or foreign limited partnership for filing  
31 pursuant to this or any other Chapter must be signed by at least one general partner. Any  
32 document submitted by a business entity other than a domestic or foreign limited  
33 partnership must be executed by a person authorized to execute documents (i) pursuant  
34 to G.S. 55-1-20(f) if the business entity is a domestic or foreign corporation, (ii)  
35 pursuant to G.S. 55A-1-20(f) if the business entity is a domestic or foreign nonprofit  
36 corporation, (iii) pursuant to G.S. 57C-1-20(f) if the business entity is a domestic or  
37 foreign limited liability company, or (iv) pursuant to G.S. ~~59-73.7(a)(4)~~59-35.1(a)(4) if  
38 the business entity is a partnership as defined in G.S. 59-36, whether or not formed  
39 under the laws of this State, other than a domestic or foreign limited partnership."

40 **SECTION 126.** G.S. 59-206 is amended by adding the following new  
41 subsections to read:

1       "(d) If a document delivered to the office of the Secretary of State for filing  
2 satisfies the requirements of this Article, the Secretary of State shall file it. Documents  
3 filed with the Secretary of State pursuant to this Article may be maintained by the  
4 Secretary either in their original form or in photographic, microfilm, optical disk media,  
5 or other reproduced form. The Secretary may make reproductions of documents filed  
6 under this Article, or under any predecessor act, by photographic, microfilm, optical  
7 disk media, or other means of reproduction and may destroy the originals of those  
8 documents reproduced.

9       (e) If the Secretary of State refuses to file a document, the Secretary of State  
10 shall return it to the person submitting the document for filing within five days after the  
11 document was received, together with a brief, written explanation of the reason for  
12 refusal.

13       (f) The Secretary of State's duty is to review and file documents that satisfy the  
14 requirements of this Article. The Secretary of State's filing or refusing to file a  
15 document does not:

16           (1) Affect the validity or invalidity of the document in whole or part;

17           (2) Relate to the correctness or incorrectness of information contained in  
18 the document; or

19           (3) Create a presumption that the document is valid or invalid or that  
20 information contained in the document is correct or incorrect.

21       (g) A person commits an offense if the person signs a document the person  
22 knows is false in any material respect with intent that the document be delivered to the  
23 Secretary of State for filing. An offense under this subsection is a Class 1  
24 misdemeanor."

25           **SECTION 127.** Part 2 of Article 5 of Chapter 59 of the General Statutes is  
26 amended by adding the following new sections to read:

27 **"§ 59-209. Certificate of existence.**

28       (a) Anyone may apply to the Secretary of State to furnish a certificate of  
29 existence for a domestic limited partnership or a certificate of authorization for a foreign  
30 limited partnership.

31       (b) A certificate of existence or authorization sets forth:

32           (1) The domestic limited partnership's name or the foreign limited  
33 partnership's name used in this State;

34           (2) That (i) the domestic limited partnership has filed a certificate of  
35 limited partnership under the law of this State, the effective date of the  
36 filing, and the period of the domestic limited partnership's duration, or  
37 (ii) the foreign limited partnership is authorized to transact business in  
38 this State;

39           (3) If the limited partnership has registered as a limited liability limited  
40 partnership, that the registration has not been withdrawn or revoked for  
41 failure to comply with the provisions of this Chapter;

42           (4) That a certificate of cancellation has not been filed; and



1           (5) Other facts of record in the office of the Secretary of State that may be  
2           requested by the applicant.

3           (c) Subject to any qualification stated in the certificate, a certificate of existence  
4 or authorization issued by the Secretary of State may be relied upon as conclusive  
5 evidence that the domestic limited partnership has filed a certificate of limited  
6 partnership and has not filed a certificate of cancellation or that the foreign limited  
7 partnership is authorized to transact business in this State.

8 **"§ 59-210. Limited liability limited partnerships.**

9           (a) To become a limited liability limited partnership, a limited partnership shall  
10 file with the Secretary of State an application stating:

11           (1) The name of the limited liability limited partnership, which shall  
12 contain the words 'registered limited liability limited partnership' or  
13 'limited liability limited partnership' or the abbreviation 'L.L.L.P.',  
14 'R.L.L.L.P.', 'LLLP', or 'RLLLP' as the last words or letters of its name.

15           (2) The street address, and mailing address if different from the street  
16 address, of its principal office, and the county in which the principal  
17 office is located.

18           (3) The fiscal year end of the limited liability limited partnership.

19           (b) The terms and conditions on which a limited partnership becomes a limited  
20 liability limited partnership shall be approved in the manner provided in the partnership  
21 agreement; provided, however, if the partnership agreement does not contain any such  
22 provision, the terms and conditions must be approved (i) in the case of a limited  
23 partnership having a partnership agreement that expressly considers obligations to  
24 contribute to the partnership, in the manner necessary to amend those provisions, or (ii)  
25 in any other case, in the manner necessary to amend the partnership agreement.

26           (c) A limited partnership becomes a limited liability limited partnership when its  
27 application for registration becomes effective.

28           (d) The status of a limited liability limited partnership and the liability of its  
29 partners is not affected by errors or later changes in the information required to be  
30 contained in the application for registration.

31           (e) A limited liability limited partnership shall promptly amend its registration to  
32 reflect any change in the information contained in its application for registration, other  
33 than changes which are required to be reflected in an amendment to its certificate of  
34 limited partnership or in an annual report. A registration is amended by filing a  
35 certificate of amendment with the Secretary of State. The certificate of amendment shall  
36 set forth:

37           (1) The name of the limited liability limited partnership as reflected on the  
38 application for registration;

39           (2) The date of filing of the application for registration; and

40           (3) The amendment to the application for registration.

1       (f) A limited liability limited partnership may cancel its registration by filing a  
2 certificate of cancellation with the Secretary of State. The certificate of cancellation  
3 shall set forth:

- 4           (1) The name of the limited liability limited partnership as reflected on the  
5 application for registration;  
6           (2) The date of filing of the application for registration;  
7           (3) A mailing address to which the Secretary of State may mail a copy of  
8 any process served on the Secretary of State under this subsection;  
9           (4) A commitment to file with the Secretary of State a statement of any  
10 subsequent change in its mailing address; and  
11           (5) The effective date and time of cancellation if it is not to be effective at  
12 the time of filing the certificate.

13       (g) Each limited liability limited partnership shall continuously maintain in this  
14 State a registered office and agent in accordance with G.S. 59-105.

15       (h) A limited liability limited partnership shall be subject to the provisions of  
16 G.S. 59-84.4(f) regarding annual reports and revocation of registration as if it were a  
17 registered limited liability partnership."

18       **SECTION 128.** G.S. 59-402(6) reads as rewritten:

19       "(6) In the case of a general partner who is a natural person,

20           a. ~~His~~ The general partner's death; or

21           b. ~~The entry of~~ an order by a court of competent jurisdiction  
22 adjudicating ~~him~~ the general partner incompetent to manage his  
23 or her person or ~~his estate; property;~~".

24       **SECTION 129.** G.S. 59-402(9) reads as rewritten:

25       "(9) In the case of a general partner that is a corporation, the filing of a  
26 certificate of dissolution, or its equivalent, for the corporation or the  
27 revocation of its charter; ~~or~~".

28       **SECTION 130.** G.S. 59-402(10) reads as rewritten:

29       "(10) Unless otherwise provided in the partnership agreement, or with the  
30 consent of all partners, in ~~In~~ the case of a general partner that is an  
31 estate, the distribution by the fiduciary of the estate's entire interest in  
32 the ~~partnership~~ partnership."

33       **SECTION 131.** G.S. 59-402 is amended by adding the following new  
34 subdivisions to read:

35       "(11) In the case of a general partner that is a limited liability company, the  
36 dissolution and commencement of winding up of the limited liability  
37 company; or

38       (12) In the case of a general partner that is not a natural person, trust,  
39 separate partnership, corporation, estate, or limited liability company,  
40 the termination of the general partner."

41       **SECTION 132.** G.S. 59-403(b) reads as rewritten:

1       "(b) Except as provided in this Article, a general partner of a limited partnership  
2 that is not a limited liability limited partnership has the liabilities of a partner in a  
3 partnership without limited partners to persons other than the partnership and the other  
4 ~~partners.~~ partners, and a general partner of a limited liability limited partnership has the  
5 liabilities of, and has the limitation on liability afforded to, a partner in a registered  
6 limited liability partnership under the North Carolina Uniform Partnership Act to  
7 persons other than the partnership and the other partners. Except as provided in this  
8 Article or in the partnership agreement, a general partner of a limited partnership that is  
9 not a limited liability limited partnership has the liabilities of a partner in a partnership  
10 without limited partners to the partnership and to the other ~~partners.~~ partners, and a  
11 general partner of a limited liability limited partnership has the liabilities of, and has the  
12 limitation on liability afforded to, a partner in a registered limited liability partnership  
13 under the North Carolina Uniform Partnership Act to the partnership and to the other  
14 partners."

15       **SECTION 133.** G.S. 59-403 is amended by adding a new subsection to read:

16       "(c) Unless otherwise provided in the partnership agreement, a general partner of  
17 a limited partnership has the power and authority to delegate to one or more other  
18 persons the general partner's rights and powers to manage and control the business and  
19 affairs of the limited partnership, including to delegate to agents, officers, and  
20 employees of the general partner or the limited partnership, and to delegate by a  
21 management agreement or another agreement with, or otherwise to, other persons.  
22 Unless otherwise provided in the partnership agreement, a delegation by a general  
23 partner of a limited partnership shall not cause the general partner to cease to be a  
24 general partner of the limited partnership, and shall not reduce or absolve the general  
25 partner of the general partner's duties or obligations to the limited partnership or its  
26 other partners."

27       **SECTION 134.** G.S. 59-902 reads as rewritten:

28       "**§ 59-902. Registration.**

29       (a) Before transacting business in this State, a foreign limited partnership shall  
30 procure a certificate of authority to transact business in this State from the Secretary of  
31 State. No foreign limited partnership shall be entitled to transact in this State any  
32 business which a limited partnership organized under this Article is not permitted to  
33 transact. In order to register, a foreign limited partnership shall deliver to the Secretary  
34 of State an original and one conformed copy of an application for registration as a  
35 foreign limited partnership, signed by a general partner and setting forth:

- 36       (1) The name of the foreign limited partnership and, if different, the name  
37       under which it proposes to register and transact business in this State;
- 38       (2) The jurisdiction and date of its formation;
- 39       (3) The date of formation and the period of duration;
- 40       (4) The street address, including county and city or town, and street and  
41 number, if any, and the mailing address if different from the street  
42 address, of the principal office of the foreign limited partnership;

- 1           (5)    The street address, including county and city or town, and street and  
2           ~~number, if any, and the mailing address if different from the street~~  
3           address, of the ~~proposed~~ registered office of the foreign limited  
4           partnership in this State, the county in which the registered office is  
5           located, and the name of its proposed registered agent in this ~~State at~~  
6           ~~such address; the agent must be an individual resident of this State, a~~  
7           ~~domestic corporation, or a foreign corporation having a place of~~  
8           ~~business in, and authorized to do business in this State;~~
- 9           (6)    If the certificate of limited partnership filed in the foreign limited  
10          partnership's state of organization is not required to include the names  
11          and addresses of the partners, a list of the names and addresses or, at  
12          the election of the foreign limited partnership, a list of the names and  
13          addresses of the general partners and the address, including county and  
14          city or town, and street and number, of the office at which is kept a list  
15          of the names and addresses of the limited partners and their capital  
16          contributions, together with an undertaking by the foreign limited  
17          partnership to keep such records until such foreign limited  
18          partnership's registration in this State is cancelled;
- 19          (7)    A statement that in consideration of the issuance of a certificate of  
20          authority to transact business in this State, the foreign limited  
21          partnership appoints the Secretary of State of North Carolina as the  
22          agent to receive service of process, notice, or demand, whenever the  
23          foreign limited partnership fails to appoint or maintain a registered  
24          agent in this State or whenever any such registered agent cannot with  
25          reasonable diligence be found at the registered office;
- 26          (8)    The names and addresses including county and city or town, and street  
27          and number, if any, of all of the general partners; and
- 28          (9)    The ~~execution of a certificate or amendment by a general partner~~  
29          ~~constitutes an affirmation under the penalties of perjury that the facts~~  
30          ~~stated therein are true.~~ effective date and time of the registration if it is  
31          not to be effective at the time of filing of the application.
- 32          (b)    Without excluding other activities which ~~may~~ shall not constitute transacting  
33          business in this State, a foreign limited partnership shall not be considered to be  
34          transacting business in this State, for the purpose of this Article, by reason of carrying  
35          on in this State any one or more of the following activities:
- 36                  (1)    Maintaining or defending any action or suit or any administrative or  
37                  arbitration proceeding, or effecting the settlement thereof or the  
38                  settlement of claims or disputes;
- 39                  (2)    Holding meetings of its partners or carrying on other activities  
40                  concerning its internal affairs;

- 1 (3) Maintaining bank accounts or borrowing money in this State, with or  
2 without security, even if such borrowings are repeated and continuous  
3 transactions;
- 4 (4) Maintaining offices or agencies for the transfer, exchange, and  
5 registration of its securities, or appointing and maintaining trustees or  
6 depositaries with relation to its securities;
- 7 (5) Soliciting or procuring orders, whether by mail or through employees  
8 or agents or otherwise, where such orders require acceptance without  
9 this State before becoming binding contracts;
- 10 (6) Making or investing in loans with or without security including  
11 servicing of mortgages or deeds of trust through independent agencies  
12 within the State, the conducting of foreclosure proceedings and ~~sale,~~  
13 sales, the acquiring of property at foreclosure sale and the management  
14 and rental of such property for a reasonable time while liquidating its  
15 investment, provided no office or agency therefor is maintained in this  
16 State;
- 17 (7) Taking security for or collecting debts due to it or enforcing any rights  
18 in property securing the same;
- 19 (8) Transacting business in interstate commerce; and
- 20 (9) Conducting an isolated transaction completed within a period of six  
21 months and not in the course of a number of repeated transactions of  
22 like nature.

23 (b1) Each foreign limited partnership authorized to transact business in this State  
24 shall continuously maintain in this State:

- 25 (1) A registered office that may be the same as any of its places of  
26 business; and
- 27 (2) A registered agent, who shall be (i) an individual who resides in this  
28 State and whose business office is identical with the registered office;  
29 (ii) a domestic corporation, nonprofit corporation, or limited liability  
30 company whose business office is identical with the registered office,  
31 or (iii) a foreign corporation, nonprofit corporation, or limited liability  
32 company authorized to transact business or conduct affairs in this State  
33 whose business office is identical with the registered office.

34 The sole duty of the registered agent to the foreign limited partnership is to forward  
35 to the foreign limited partnership at its last known address any notice, process, or  
36 demand that is served on the registered agent.

37 (b2) A foreign limited partnership authorized to transact business in this State may  
38 change its registered office or registered agent by delivering to the Secretary of State for  
39 filing a statement of change that sets forth:

- 40 (1) Its name;

- 1           (2) The street address, and the mailing address if different from the street  
2 address, of its current registered office, and the county in which it is  
3 located;
- 4           (3) If the address of its registered office is to be changed, the street  
5 address, and the mailing address if different from the street address, of  
6 the new registered office, and the county in which it is located;
- 7           (4) The name of its current registered agent;
- 8           (5) If the current registered agent is to be changed, the name of its new  
9 registered agent and the new agent's written consent (either on the  
10 statement or attached to it) to the appointment; and
- 11          (6) That after the change or changes are made, the addresses of its  
12 registered office and the business office of its registered agent will be  
13 identical.

14       If a registered agent changes the address of his business office, the registered agent  
15 may change the address of the registered office of any foreign limited partnership for  
16 which he is the registered agent by notifying the foreign limited partnership in writing  
17 of the change and signing (either manually or in facsimile) and delivering to the  
18 Secretary of State for filing a statement of change that complies with the requirements  
19 of this subsection and recites that the foreign limited partnership has been notified of the  
20 change.

21       (b3) The following provisions shall apply for the resignation of a registered agent:

- 22           (1) A registered agent may resign his agency appointment by signing and  
23 filing with the Secretary of State the signed original and two exact or  
24 conformed copies of a statement of resignation which may include a  
25 statement that the registered office is also discontinued. The statement  
26 shall include or be accompanied by a certification from the registered  
27 agent that the agent has mailed or delivered to the foreign limited  
28 partnership at its last known address written notice of the agent's  
29 resignation. Such certification shall include the name and title of the  
30 partner notified, if any, and the address to which the notice was mailed  
31 or delivered.
- 32           (2) After filing the statement, the Secretary of State shall mail one copy to  
33 the registered office, if not discontinued, and the other copy to the  
34 foreign limited partnership at the address certified in the statement of  
35 resignation.
- 36           (3) The agency appointment is terminated, and the registered office  
37 discontinued if so provided, on the thirty-first day after the date on  
38 which the statement was filed.

39       (b4) The registered agent of a foreign limited partnership authorized to transact  
40 business in this State is an agent of the foreign limited partnership for service of  
41 process, notice, or demand required or permitted by law to be served on the foreign  
42 limited partnership.

1 (c) Whenever a foreign limited partnership shall fail to appoint or maintain a  
2 registered agent in this State, or whenever its registered agent cannot with due diligence  
3 be found at the registered office, then the Secretary of State shall be an agent of such  
4 foreign limited partnership upon whom any such process, notice, or demand may be  
5 served. Service on the Secretary of State of any such process, notice, or demand shall be  
6 made by delivering to and leaving with ~~him~~, the Secretary of State, or with any clerk  
7 ~~having charge of the limited partnership department of his office~~, authorized by the  
8 Secretary of State to accept service of process, duplicate copies of ~~such~~ the process,  
9 notice or ~~demand~~, demand and the fee required by G.S. 59-1106(b). In the event any  
10 such process, notice or demand is served on the Secretary of State, ~~he~~ the Secretary of  
11 State shall immediately cause one of the copies thereof to be forwarded by registered or  
12 certified ~~mail, addressed mail~~ to the foreign limited partnership at its registered office.  
13 ~~Any such~~ Service on a foreign limited partnership so served under this subsection shall  
14 be ~~in court effective~~ for all purposes from and after the date of ~~such~~ the service on the  
15 Secretary of State.

16 (d) The Secretary of State shall keep a record of all processes, notices and  
17 demands served upon ~~him~~ the Secretary of State under this section, and shall record  
18 therein the time of such service and ~~his~~ the Secretary of State's action with reference  
19 thereto.

20 (e) Nothing herein contained shall limit or affect the right to serve any process  
21 notice or demand required or permitted by law to be served upon a foreign limited  
22 partnership in any other manner now or hereafter permitted by law."

23 **SECTION 135.** G.S. 59-904 reads as rewritten:

24 "**§ 59-904. Name.**

25 A foreign limited partnership may register with the Secretary of State under any  
26 name (whether or not it is the name under which it is registered in its state of  
27 organization) that includes without abbreviation the words 'limited partnership' or has  
28 the abbreviation 'L.P.', 'LP', 'R.L.L.L.P.', 'RLLLP', 'L.L.L.P.', or 'LLLP' as the last letters  
29 of its name and that could be registered and used as its name under G.S. 59-103 by a  
30 domestic limited partnership."

31 **SECTION 136.** G.S. 59-909(a) reads as rewritten:

32 "(a) Whenever a foreign limited partnership authorized to transact business in this  
33 State ceases its separate existence as a result of a statutory merger or consolidation  
34 permitted by the laws of the state or country under which it was organized, or converts  
35 into another type of entity as permitted by those laws, the surviving or resulting entity  
36 shall apply for a certificate of withdrawal for the foreign limited partnership by  
37 delivering to the Secretary of State for filing a copy of the articles of merger,  
38 consolidation, or conversion or a certificate reciting the facts of the merger,  
39 consolidation, or conversion, duly authenticated by the Secretary of State or other  
40 official having custody of limited partnership records in the state or country under the  
41 laws of which the foreign limited partnership was organized. If the surviving or

1 resulting entity is not authorized to transact business in this State, the articles or  
2 certificate must be accompanied by an application which must set forth:

- 3 (1) The name of the foreign limited partnership authorized to transact  
4 business in this State, the type of entity and name of the surviving or  
5 resulting entity, and a statement that the surviving or resulting entity is  
6 not authorized to transact business in this State;
- 7 (2) A statement that the surviving or resulting entity consents that service  
8 of process based on any cause of action arising in this State, or arising  
9 out of business transacted in this State, during the time the foreign  
10 limited partnership was authorized to transact business in this State,  
11 may thereafter be made by service thereof on the Secretary of State;
- 12 (3) A mailing address to which the Secretary of State may mail a copy of  
13 any process served upon the Secretary under subdivision (a)(2) of this  
14 section; and
- 15 (4) A commitment to ~~notify~~ file with the Secretary of State ~~in the future a~~  
16 statement of any subsequent change in its mailing address."

17 **SECTION 137.** G.S. 59-909 is amended by adding a new subsection to read:

18 "(c) After the withdrawal of the foreign limited partnership is effective, service of  
19 process on the Secretary of State in accordance with subsection (a) of this section shall  
20 be made by delivering to and leaving with the Secretary of State or any clerk authorized  
21 by the Secretary of State to accept service of process, duplicate copies of the process  
22 and the fee required by G.S. 59-1106(b). Upon receipt of process in the manner  
23 provided in this subsection, the Secretary of State shall immediately mail a copy of the  
24 process by registered or certified mail, return receipt requested, to the surviving or  
25 resulting entity at the mailing address designated pursuant to subsection (a) of this  
26 section."

27 **SECTION 138.** The heading of Part 10A of Chapter 59 of the General  
28 Statutes reads as rewritten:

29 "Part 10A. Conversion ~~and Merger.~~ to Limited Partnership."

30 **SECTION 139.** G.S. 59-1050 reads as rewritten:

31 "**§ 59-1050. ~~Conversions.~~ Conversion.**

32 (a) ~~A domestic limited partnership may convert to a domestic limited liability~~  
33 ~~company pursuant to Part 1 of Article 9A of Chapter 57C of the General Statutes.~~

34 (b) ~~A domestic limited liability company as defined in G.S. 57C-1-03, a foreign~~  
35 ~~limited liability company as defined in G.S. 57C-1-03, a foreign limited partnership, or~~  
36 ~~any other partnership as defined in G.S. 59-36 whether or not formed under the laws of~~  
37 ~~this State, including a registered limited liability partnership as defined in G.S. 59-32,~~  
38 ~~and any other limited liability partnership formed under a law other than the laws of this~~  
39 ~~State, but excluding a domestic limited partnership, may convert to a domestic limited~~  
40 ~~partnership if:~~

- 41 (1) ~~Such converting business entity complies with the requirements of~~  
42 ~~G.S. 59-1051 and G.S. 59-1052; and~~



- 1           (2) ~~If the converting business entity is a foreign limited liability company,~~  
2 ~~a foreign limited partnership, or other partnership as defined in G.S.~~  
3 ~~59-36 whose organization and internal affairs are governed by a law~~  
4 ~~other than the laws of this State, the conversion is permitted by laws of~~  
5 ~~the state or country governing the organization and internal affairs of~~  
6 ~~the converting business entity, and the converting business entity~~  
7 ~~complies with the laws.~~

8           A business entity other than a domestic limited partnership may convert to a  
9 domestic limited partnership if:

- 10           (1) The conversion is permitted by the laws of the state or country  
11 governing the organization and internal affairs of the converting  
12 business entity; and  
13           (2) The converting business entity complies with the requirements of this  
14 part and, to the extent applicable, the laws referred to in subdivision  
15 (1) of this section."

16           **SECTION 140.** G.S. 59-1051 reads as rewritten:

17           "**§ 59-1051. Plan of conversion.**

18           (a) ~~The holders of the interests in the converting business entity shall approve a~~  
19 ~~written plan of conversion containing:~~

- 20           (1) The name of the converting business entity, its type of business entity,  
21 and the state or country whose laws govern its organization and  
22 internal affairs;  
23           ~~(1)~~(2) The name of the resulting domestic limited partnership into which the  
24 converting business entity shall convert;  
25           ~~(2)~~(3) The terms and conditions of the conversion; and  
26           ~~(3)~~(4) The manner and basis for converting the interests in the converting  
27 business entity into interests, obligations, or securities of the resulting  
28 domestic limited partnership or into cash or other property in whole or  
29 in part.

30           The plan of conversion may contain other provisions relating to the conversion.

31           ~~(b) In the case of a domestic limited liability company, the plan of conversion~~  
32 ~~must be approved in the manner provided for approval of such a conversion in its~~  
33 ~~articles of organization or a written operating agreement or, if there is no such~~  
34 ~~provision, by the unanimous consent of its members. In the case of a partnership as~~  
35 ~~defined in G.S. 59-36 whose organization and internal affairs are governed by the laws~~  
36 ~~of this State, the plan of conversion must be approved in the manner provided for the~~  
37 ~~approval of such a conversion in a written partnership agreement that is binding on all~~  
38 ~~the partners or, if there is no such provision, by the unanimous consent of all the~~  
39 ~~partners. In the case of a foreign limited liability company, a foreign limited partnership,~~  
40 ~~or other partnership as defined in G.S. 59-36 whose organization and internal affairs are~~  
41 ~~governed by a law other than the laws of this State, the The plan of conversion must~~

1 shall be approved in accordance with the laws of the state or country governing the  
2 organization and internal affairs of the converting business entity.

3 (c) After a plan of conversion has been approved as provided in subsection (b) of  
4 this section, but before a certificate of limited partnership for the resulting domestic  
5 ~~limited liability company partnership~~ becomes effective, the plan of conversion may be  
6 amended or abandoned to the extent ~~provided in the plan of conversion.~~ permitted by  
7 the laws that govern the organization and internal affairs of the converting business  
8 entity."

9 **SECTION 141.** G.S. 59-1052 reads as rewritten:

10 "**§ 59-1052. Filing of certificate of limited partnership by converting business**  
11 **entity.**

12 (a) After a plan of conversion has been approved by the converting business  
13 entity as provided in G.S. 59-1051, the converting business entity shall deliver a  
14 certificate of limited partnership to the Secretary of State for filing. In addition to the  
15 matters required or permitted by G.S. 59-201, the certificate of limited partnership shall  
16 ~~state:~~ contain articles of conversion stating:

- 17 (1) That the domestic limited partnership is being formed pursuant to a  
18 conversion of another business entity;
- 19 (2) The name of the converting business entity, its type of business entity,  
20 and the state or country whose laws govern its organization and  
21 internal affairs; and
- 22 (3) That a plan of conversion has been approved by the converting  
23 business entity in the manner required by law.

24 If the plan of conversion is abandoned after the certificate of limited partnership has  
25 been filed with the Secretary of State but before the certificate of limited partnership  
26 becomes effective, the converting business entity ~~promptly~~ shall deliver to the Secretary  
27 of State for filing prior to the time the articles of organization become effective an  
28 amendment to the certificate of limited partnership reflecting the abandonment of the  
29 plan of conversion. ~~withdrawing the certificate of limited partnership.~~

30 (b) The conversion takes effect when the certificate of limited partnership  
31 becomes effective.

32 (c) ~~The converting business entity shall furnish a copy of the plan of conversion,~~  
33 ~~on request and without cost, to any member or partner (whether general or limited) of~~  
34 ~~the converting business entity.~~

35 (d) Certificates of conversion shall also be registered as provided in G.S.  
36 47-18.1."

37 **SECTION 142.** Article 5 of Chapter 59 of the General Statutes is amended  
38 by adding a new Part to read:

39 "Part 10B. Conversion of Limited Partnership.

40 "**§ 59-1054. Conversion.**

41 A domestic limited partnership may convert to a different business entity if:

1           (1) The conversion is permitted by the laws of the state or country  
2           governing the organization and internal affairs of such other business  
3           entity; and

4           (2) The converting domestic limited partnership complies with the  
5           requirements of this Part and, to the extent applicable, the laws  
6           referred to in subdivision (1) of this section.

7 **"§ 59-1055. Plan of conversion.**

8           (a) The converting domestic limited partnership shall approve a written plan of  
9 conversion containing:

10           (1) The name of the converting domestic limited partnership;

11           (2) The name of the resulting business entity into which the domestic  
12 limited partnership shall convert, its type of business entity, and the  
13 state or country whose laws govern its organization and internal  
14 affairs;

15           (3) The terms and conditions of the conversion; and

16           (4) The manner and basis for converting the interests in the domestic  
17 limited partnership into interests, obligations, or securities of the  
18 resulting business entity or into cash or other property in whole or in  
19 part.

20           The plan of conversion may contain other provisions relating to the conversion.

21           (b) The plan of conversion shall be approved by the domestic limited partnership  
22 in the manner provided for the approval of the conversion in a written partnership  
23 agreement or, if there is no provision, by the unanimous consent of its partners. If any  
24 partner of the converting domestic limited partnership will have personal liability for  
25 any existing or future obligation of the resulting business entity solely as a result of  
26 holding an interest in the resulting business entity, then in addition to the requirements  
27 of the preceding sentence, approval of the plan of conversion by the domestic limited  
28 partnership shall require the consent of each such partner. The converting domestic  
29 limited partnership shall provide a copy of the plan of conversion to each partner of the  
30 converting domestic limited partnership at the time provided in a written partnership  
31 agreement or, if there is no such provision, prior to its approval of the plan of  
32 conversion.

33           (c) After a plan of conversion has been approved by a domestic limited  
34 partnership but before the articles of conversion become effective, the plan of  
35 conversion (i) may be amended as provided in the plan of conversion, or (ii) may be  
36 abandoned (subject to any contractual rights) as provided in the plan of conversion or  
37 written partnership agreement or, if not so provided, as determined by the general  
38 partners of the domestic limited partnership in accordance in G.S. 59-403.

39 **"§ 59-1056. Articles of conversion.**

40           (a) After a plan of conversion has been approved by the converting domestic  
41 limited partnership as provided in G.S. 59-1055, the converting domestic limited

1 partnership shall deliver articles of conversion to the Secretary of State for filing. The  
2 articles of conversion shall state:

- 3 (1) The name of the converting domestic limited partnership;
- 4 (2) The name of the resulting business entity, its type of business entity,  
5 the state or country whose laws govern its organization and internal  
6 affairs, and, if the resulting business entity is not authorized to transact  
7 business or conduct affairs in this State, a designation of its mailing  
8 address and a commitment to file with the Secretary of State a  
9 statement of any subsequent change in its mailing address; and
- 10 (3) That a plan of conversion has been approved by the domestic limited  
11 partnership as required by law.

12 If the domestic limited partnership is converting to a business entity whose  
13 formation or whose status as a registered limited liability partnership, as defined in G.S.  
14 59-32, or limited liability limited partnership requires the filing of a document with the  
15 Secretary of State, then the articles of conversion shall be included as part of that  
16 document instead of separately filing the articles of conversion.

17 If the plan of conversion is abandoned after the articles of conversion have been  
18 filed with the Secretary of State but before the articles of conversion become effective,  
19 the converting domestic limited partnership shall deliver to the Secretary of State for  
20 filing prior to the time the articles of conversion become effective an amendment of the  
21 articles of conversion withdrawing the articles of conversion.

22 (b) The conversion takes effect when the articles of conversion become effective.

23 (c) Certificates of conversion shall also be registered as provided in G.S. 47-18.1.

24 **"§ 59-1057. Effects of conversion.**

25 (a) When the conversion takes effect:

- 26 (1) The converting domestic limited partnership ceases its prior form of  
27 organization and continues in existence as the resulting business entity;
- 28 (2) The title to all real estate and other property owned by the converting  
29 domestic limited partnership continues vested in the resulting business  
30 entity without reversion or impairment;
- 31 (3) All liabilities of the converting domestic limited partnership continue  
32 as liabilities of the resulting business entity;
- 33 (4) A proceeding pending by or against the converting domestic limited  
34 partnership may be continued as if the conversion did not occur; and
- 35 (5) The interests in the converting domestic limited partnership that are to  
36 be converted into interests, obligations, or securities of the resulting  
37 business entity or into the right to receive cash or other property are  
38 thereupon so converted, and the former holders of interests in the  
39 converting domestic limited partnership are entitled only to the rights  
40 provided in the plan of conversion.

41 The conversion shall not affect the liability or absence of liability of any holder of an  
42 interest in the converting domestic limited partnership for any acts, omissions, or

1 obligations of the converting domestic limited partnership made or incurred prior to the  
2 effectiveness of the conversion. The cessation of the existence of the converting  
3 domestic limited partnership in its form of organization as a domestic limited  
4 partnership in the conversion shall not constitute a dissolution or termination of the  
5 converting domestic limited partnership.

6 (b) If the resulting business entity is not a domestic corporation or a domestic  
7 limited liability company, when the conversion takes effect the resulting business entity  
8 is deemed:

9 (1) To agree that it may be served with process in this State for  
10 enforcement of (i) any obligation of the converting domestic limited  
11 partnership, and (ii) any obligation of the resulting business entity  
12 arising from the conversion; and

13 (2) To have appointed the Secretary of State as its agent for service of  
14 process in any such proceeding. Service on the Secretary of State of  
15 any such process shall be made by delivering to and leaving with the  
16 Secretary of State, or with any clerk authorized by the Secretary of  
17 State to accept service of process, duplicate copies of the process and  
18 the fee required by G.S. 59-1106(b). Upon receipt of service of process  
19 on behalf of a resulting business entity in the manner provided for in  
20 this section, the Secretary of State shall immediately mail a copy of the  
21 process by registered or certified mail, return receipt requested, to the  
22 resulting business entity. If the resulting business entity is authorized  
23 to transact business or conduct affairs in this State, the address for  
24 mailing shall be its principal office designated in the latest document  
25 filed with the Secretary of State that is authorized by law to designate  
26 the principal office or, if there is no principal office on file, its  
27 registered office. If the resulting business entity is not authorized to  
28 transact business or conduct affairs in this State, the address for  
29 mailing shall be the mailing address designated pursuant to G.S.  
30 59-1056(a)(2)."

31 **SECTION 143.** Article 5 of Chapter 59 of the General Statutes is amended  
32 by adding a new Part with the heading set forth below and containing G.S. 59-1054,  
33 59-1055, 59-1056, and 59-1057 recodified as G.S. 59-1070, 59-1071, 59-1072, and  
34 59-1073, respectively.

35 "Part 10C. Merger."

36 **SECTION 144.** G.S. 59-1070, as recodified by Section 143 of this act, reads  
37 as rewritten:

38 "**§ 59-1070. Merger.**

39 A domestic limited partnership may merge with one or more other domestic limited  
40 partnerships or other business entities if:

- 1 (1) The merger is permitted by the laws of the state or country governing  
2 the organization and internal affairs of each other merging business  
3 entity; and
- 4 (2) Each merging domestic limited partnership and each other merging  
5 business entity comply with the requirements of G.S. ~~59-1055-59-1071~~  
6 and G.S. ~~59-1056~~59-1072, and, to the extent applicable, the laws  
7 referred to in subdivision (1) of this section."

8 **SECTION 145.** G.S. 59-1071(b), as recodified by Section 143 of this act,  
9 reads as rewritten:

10 "(b) In the case of a merging domestic limited partnership, the plan of merger  
11 must be approved in the manner provided in a written partnership agreement that is  
12 binding on all the partners for approval of a merger with the type of business entity  
13 contemplated in the plan of merger, or, if there is no provision, by the unanimous  
14 consent of its partners. If any partner of a merging domestic limited partnership has or  
15 will have personal liability for any existing or future obligation of the surviving  
16 business entity solely as a result of holding an interest in the surviving business entity,  
17 then in addition to the requirements of the preceding sentence, approval of the plan of  
18 merger by the domestic limited partnership shall require the consent of that partner. In  
19 the case of each other merging business entity, the plan of merger must be approved in  
20 accordance with the laws of the state or country governing the organization and internal  
21 affairs of the merging business entity."

22 **SECTION 146.** G.S. 59-1072(a), as recodified by Section 143 of this act,  
23 reads as rewritten:

24 "(a) After a plan of merger has been approved by each merging domestic limited  
25 partnership and each other merging business entity as provided in G.S. ~~59-1055-~~  
26 ~~59-1071,~~ the surviving business entity shall deliver articles of merger to the Secretary of  
27 State for filing. The articles of merger shall set forth:

- 28 (1) The plan of merger;
- 29 (2) For each merging business entity, its name, type of business entity, and  
30 the state or country whose laws govern its organization and internal  
31 affairs;
- 32 (3) The name and address of the surviving business entity; entity and, if  
33 the surviving business entity is not authorized to transact business or  
34 conduct affairs in this State, a designation of its mailing address and a  
35 commitment to file with the Secretary of State a statement of any  
36 subsequent change in its mailing address;
- 37 (4) A statement that the plan of merger has been approved by each  
38 merging business entity in the manner required by law; and
- 39 (5) The effective date and time of the merger if it is not to be effective at  
40 the time of filing of the articles of merger.

41 If the plan of merger is amended or abandoned after the articles of merger have been  
42 filed but before the articles of merger become effective, the surviving business entity

1 promptly shall deliver to the Secretary of State for filing an amendment to the articles of  
2 merger reflecting the amendment or abandonment of the plan of merger."

3 **SECTION 147.** G.S. 59-1073(b), as recodified by Section 143 of this act,  
4 reads as rewritten:

5 "(b) If the surviving business entity is not a domestic limited liability company, a  
6 domestic corporation, a domestic nonprofit corporation, or a domestic limited  
7 partnership, when the merger takes effect the surviving business entity is deemed:

8 (1) To agree that it may be served with process in this State in any  
9 proceeding for enforcement of (i) any obligation of any merging  
10 domestic limited liability company, domestic corporation, domestic  
11 nonprofit corporation, domestic limited partnership or other  
12 partnership as defined in G.S. 59-36 that is formed under the laws of  
13 this State, (ii) the rights of dissenting shareholders of any merging  
14 domestic corporation under Article 13 of Chapter 55 of the General  
15 Statutes, and (iii) any obligation of the surviving business entity  
16 arising from the merger; and

17 (2) ~~If the surviving business entity does not have a registered agent in this~~  
18 ~~State, to~~ To have appointed the Secretary of State as its registered  
19 agent for service of process in any such proceeding. proceeding until  
20 such time as the surviving business entity appoints a registered agent  
21 in this State. ~~Service on the Secretary of State of any such process~~  
22 ~~shall be made by delivering to and leaving with the Secretary of State~~  
23 ~~State, or with any clerk authorized by the Secretary of State to accept~~  
24 ~~service of process, duplicate copies of such process. the process and~~  
25 ~~the fee required by G.S. 59-1106(b). Upon receipt of service of process~~  
26 ~~on behalf of a surviving business entity, entity in the manner provided~~  
27 ~~for in this section, the Secretary of State shall immediately mail a copy~~  
28 ~~of the process by registered or certified mail, return receipt requested,~~  
29 ~~to the surviving business entity at its address shown in the articles of~~  
30 ~~merger or, if an application for a certificate of withdrawal by reason of~~  
31 ~~merger has been filed, at the address for service of process contained~~  
32 ~~in that application. entity. If the surviving business entity is authorized~~  
33 ~~to transact business or conduct affairs in this State, the address for~~  
34 ~~mailing shall be its principal office designated in the latest document~~  
35 ~~filed with the Secretary of State that is authorized by law to designate~~  
36 ~~the principal office or, if there is no principal office on file, its~~  
37 ~~registered office. If the surviving business entity is not authorized to~~  
38 ~~transact business or conduct affairs in this State, the address for~~  
39 ~~mailing shall be the mailing address designated pursuant to G.S.~~  
40 ~~59-1072(a)(3)."~~

41 **SECTION 148.** G.S. 59-1105 is repealed.

42 **SECTION 149.** G.S. 59-1106 reads as rewritten:

1 **"§ 59-1106. Filing, service, and copying Fees; fees; expedited filings.**

2 (a) The Secretary of State shall collect the following fees ~~and remit them to the~~  
3 ~~State Treasurer for the use of the State. when the documents described in this subsection~~  
4 ~~are delivered to the Secretary of State for filing:~~

5	<u>Document</u>	<u>Fee</u>
6		
7	(1) <del>For filing a certificate</del> <u>Certificate</u>	
8	of limited <del>partnership (G.S. 59-201)</del>	
9	<u>partnership, which does not include an application for</u>	
10	<u>registration as a limited liability limited</u>	
11	<u>partnership</u>	\$50.00
12	(1a) <u>Certificate of limited partnership, which includes</u>	
13	<u>an application for registration as a limited</u>	
14	<u>liability limited partnership</u>	<u>125.00</u>
15	(2) <del>For filing a certificate</del> <u>Certificate of</u>	
16	<u>amendment (G.S. 59-202; 59-905)</u>	25.00
17	(3) <del>For filing a certificate</del> <u>Certificate of</u>	
18	<u>cancellation (G.S. 59-203; 59-906)</u>	25.00
19	(4) <del>For filing an application</del> <u>Application</u>	
20	<u>for reservation of name (G.S. 59-104(a))</u>	10.00
21	(5) <del>For filing a</del> <u>Notice of transfer</u>	
22	<u>of name (G.S. 59-104(d))</u>	10.00
23	(5a) <u>Limited partnership's or foreign limited</u>	
24	<u>partnership's statement of</u>	
25	<u>change of registered agent or registered</u>	
26	<u>office or both</u>	<u>5.00</u>
27	(5b) <u>Agent's statement of change of registered</u>	
28	<u>office for each affected</u>	
29	<u>partnership</u>	<u>5.00</u>
30	(5c) <u>Agent's statement of resignation</u>	<u>No Fee</u>
31	(5d) <u>Designation of registered agent or</u>	
32	<u>registered office or both</u>	<u>5.00</u>
33	(6) <del>For filing an application</del> <u>Application</u>	
34	<u>for registration as foreign limited</u>	
35	<u>partnership (G.S. 59-502)</u>	50.00
36	(7) <del>For preparing and furnishing a copy of</del>	
37	<del>any document, instrument or</del>	
38	<del>paper filed or recorded relating to a limited</del>	
39	<del>partnership (G.S. 59-206(e))</del>	
40	<u>For each page</u>	1.00
41	<u>For affixing the certificate and official seal</u>	
42	<u>Thereeto</u>	5.00



1	(8)	<del>For comparing a copy furnished to him</del>	
2		<del>of any document instrument or</del>	
3		<del>paper filed or recorded relating to a limited partnership.</del>	
4		<del>For each page</del>	<del>1.00</del>
5	(9)	<del>For filing any</del> <u>Any</u> other document	
6		<del>not herein specifically provided</del>	
7		<del>for</del> <u>required or permitted to be filed by this Article</u>	10.00
8	(10)	<del>For the expedited filing by the end of the</del>	
9		<del>same business day of a document received in good</del>	
10		<del>order by 12:00 noon Eastern Standard Time</del>	<del>200.00</del> additional fee
11	(11)	<del>For the expedited filing of a document received</del>	
12		<del>in good order within 24 hours after receipt,</del>	
13		<del>excluding weekends and holidays</del>	100.00
14		additional fee	
15	(12)	Advisory review of a document	<del>200.00.</del> <u>200.00</u>
16	(13)	<u>Certificate of amendment of</u>	
17		<u>registration as foreign limited partnership</u>	<u>25.00</u>
18	(14)	<u>Cancellation of registration as foreign</u>	
19		<u>limited partnership</u>	<u>25.00</u>
20	(15)	<u>Application for certificate of withdrawal</u>	
21		<u>by reason of merger, consolidation, or conversion</u>	<u>10.00</u>
22	(16)	<u>Articles of merger</u>	<u>50.00</u>
23	(17)	<u>Articles of conversion (other than articles of</u>	
24		<u>conversion included</u>	
25		<u>as part of another document)</u>	<u>50.00</u>
26	(18)	<u>Application for registration as a limited</u>	
27		<u>liability limited partnership (other than an</u>	
28		<u>application included in the certificate of</u>	
29		<u>limited partnership)</u>	<u>125.00</u>
30	(19)	<u>Certificate of amendment of registration</u>	
31		<u>as a limited liability limited partnership</u>	<u>25.00</u>
32	(20)	<u>Certificate of cancellation of registration</u>	
33		<u>as a limited liability limited partnership</u>	<u>25.00</u>
34	(21)	<u>Annual report for a limited liability</u>	
35		<u>limited partnership</u>	<u>200.00.</u>
36	(b)	<u>The Secretary of State shall collect a fee of ten dollars (\$10.00) each time</u>	
37		<u>process is served on the Secretary under this Article. The party to a proceeding causing</u>	
38		<u>service of process is entitled to recover this fee as costs if the party prevails in the</u>	
39		<u>proceeding.</u>	
40	(c)	<u>The Secretary of State shall collect the following fees for copying,</u>	
41		<u>comparing, and certifying a copy of any filed document relating to a domestic or foreign</u>	
42		<u>limited partnership:</u>	

1           (1) One dollar (\$1.00) a page for copying or comparing a copy to the  
2           original; and

3           (2) Five dollars (\$5.00) for the certificate.

4           (d) The Secretary of State shall guarantee the expedited filing of a document  
5 upon receipt of the document in proper form and the payment of the required filing fee.  
6 The Secretary of State may collect the following additional fees for the expedited filing  
7 of a document received in good form:

8           (1) Two hundred dollars (\$200.00) for the filing by the end of the same  
9           business day of a document received by 12:00 noon Eastern Standard  
10           Time; and

11           (2) One hundred dollars (\$100.00) for the filing of a document within 24  
12           hours after receipt, excluding weekends and holidays.

13           The Secretary of State shall not collect the fees allowed in ~~subdivisions (10) and (11)~~  
14 ~~of this section-subsection~~ unless the person submitting the document for filing requests  
15 an expedited filing and is informed by the Secretary of State of the fees prior to the  
16 filing of the document. ~~Upon receipt of a document in proper form and payment of the~~  
17 ~~required filing fee, the Secretary of State shall guarantee the expedited filing of the~~  
18 ~~document."~~

19           **SECTION 150.** Part 11 of Article 5 of Chapter 59 of the General Statutes is  
20 amended by adding a new section to read:

21 **"§ 59-1107. Income taxation.**

22           A limited partnership, a foreign limited partnership authorized to transact business in  
23 this State, and a partner of one of these partnerships are subject to taxation under Article  
24 4 of Chapter 105 of the General Statutes in accordance with their classification for  
25 federal income tax purposes. Accordingly, if a limited partnership or a foreign limited  
26 partnership authorized to transact business in this State is classified for federal income  
27 tax purposes as a C corporation as defined in G.S. 105-131(b)(2) or a S corporation as  
28 defined in G.S. 105-131(b)(8), the partnership and its partners are subject to tax under  
29 Article 4 of Chapter 105 of the General Statutes to the same extent as a C corporation or  
30 an S corporation, as the case may be, and its shareholders. If a limited partnership or a  
31 foreign limited partnership authorized to transact business in this State is classified for  
32 federal income tax purposes as a partnership, the partnership and its partners are subject  
33 to tax under Article 4 of Chapter 105 of the General Statutes accordingly. If a limited  
34 partnership or a foreign limited partnership authorized to transact business in this State  
35 is classified for federal income tax purposes as other than a corporation or a partnership,  
36 the partnership and its partners are subject to tax under Article 4 of Chapter 105 of the  
37 General Statutes in a manner consistent with that classification. This section does not  
38 require a limited partnership or a foreign limited partnership to obtain an administrative  
39 ruling from the Internal Revenue Service on its classification under the Internal  
40 Revenue Code."

41 **PART V. AMENDMENTS TO CHAPTER 105.**

42           **SECTION 151.** G.S. 105-187.6(b) reads as rewritten:

1       "(b) Partial Exemptions. – A maximum tax of forty dollars (\$40.00) applies when  
2 a certificate of title is issued as the result of a transfer of a motor vehicle:

3           (1) To a secured party who has a perfected security interest in the motor  
4 vehicle.

5           (2) To a partnership, limited liability company, ~~or corporation as an~~  
6 ~~incident to the formation of the partnership, limited liability company,~~  
7 ~~or corporation, and trust, or other person where no gain or loss arises~~  
8 on the transfer of the motor vehicle under section 351 or section 721 of  
9 the Code, or because the transfer is treated under the Code as being to  
10 an entity that is not a separate entity from its owner or whose separate  
11 existence is otherwise disregarded, or to a partnership, limited liability  
12 company, or corporation by merger, conversion, or consolidation in  
13 accordance with applicable law."

14       **SECTION 152.** G.S. 105-230(b) reads as rewritten:

15       "(b) Any act performed or attempted to be performed during the period of  
16 suspension is invalid and of no ~~effect.~~ effect, unless the Secretary of State reinstates the  
17 corporation or limited liability company pursuant to G.S. 105-232."

18       **SECTION 153.** G.S. 105-232(a) reads as rewritten:

19       "(a) Any corporation or limited liability company whose articles of incorporation,  
20 articles of organization, or certificate of authority to do business in this State has been  
21 suspended by the Secretary of State under G.S. 105-230, that complies with all the  
22 requirements of this Subchapter and pays all State taxes, fees, or penalties due from it  
23 (which total amount due may be computed, for years prior and subsequent to the  
24 suspension, in the same manner as if the suspension had not taken place), and pays to  
25 the Secretary of Revenue a fee of twenty-five dollars (\$25.00) to cover the cost of  
26 reinstatement, is entitled to exercise again its rights, privileges, and franchises in this  
27 State. The Secretary of Revenue shall notify the Secretary of State of this compliance  
28 and the Secretary of State shall reinstate the corporation or limited liability company by  
29 appropriate entry upon the records of the ~~Office of~~ office of the Secretary of State. Upon  
30 entry of reinstatement, it relates back to and takes effect as of the date of the suspension  
31 by the Secretary of State, and the corporation or limited liability company resumes  
32 carrying on its business as if the suspension had never occurred, subject to the rights of  
33 any person who reasonably relied to that person's prejudice on the suspension. The  
34 Secretary of State shall immediately notify by mail the corporation or limited liability  
35 company of the reinstatement."

36 **PART VI. MISCELLANEOUS PROVISIONS.**

37       **SECTION 154.** The Revisor of Statutes shall cause to be printed all  
38 explanatory comments of the drafters of this act as the Revisor may deem appropriate.

39 **PART VII. EFFECTIVE DATE.**

40       **SECTION 155.(a)** Section 54A(a) of this act is effective when this act  
41 becomes law and expires June 30, 2002. Section 54A(b) of this act becomes effective

1 July 1, 2002. Sections 59 and 59A of this act become effective September 1, 2001. The  
2 remainder of this act becomes effective January 1, 2002.

3           **SECTION 155.(b)** The amendment to G.S. 105-232 set forth in Section 153  
4 of this act is intended to be retroactive. Accordingly, any act performed or attempted to  
5 be performed during the period of suspension of any corporation or limited liability  
6 company reinstated pursuant to G.S. 105-232(a) prior to January 1, 2002, shall not be  
7 deemed to be invalid and of no effect under G.S. 105-230, subject to the rights of any  
8 person who reasonably relied to that person's prejudice on the suspension.