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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2015

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A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND BUSINESS CORPORATION ACT

Introduced By: Representatives Kennedy, and Shekarchi

Date Introduced: April 03, 2015

Referred To: House Corporations

(Secretary of State)

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 7-1.2-1003, 7-1.2-1008, 7-1.2-1301, 7-1.2-1309 and 7-1.2-1413 of
2 the General Laws in Chapter 7-1.2 entitled "Rhode Island Business Corporation Act" are hereby
3 amended to read as follows:

4 **7-1.2-1003. Articles of merger.** -- (a) Upon approval, articles of merger must be
5 executed by each corporation by its authorized representative and must state:

6 (1) The plan of merger.

7 (2) If, pursuant to § 7-1.2-1005, the merger is to become effective at a time subsequent to
8 the issuance of the certificate of merger by the secretary of state, the date when the merger is to
9 become effective.

10 (b) The original articles of merger must be delivered to the secretary of state. If the
11 secretary of state finds that the articles conform to law, and, unless the surviving corporation is a
12 Rhode Island corporation, that all fees and ~~franchise~~ taxes have been paid, as evidenced by an
13 appropriate certificate of good standing issued by the Rhode Island division of taxation, the
14 secretary of state shall:

15 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing;

16 (2) File the original in his office; and

17 (3) Issue a certificate of merger.

18 (c) The secretary of state shall deliver the certificate of merger to the surviving or new

1 corporation, as the case may be, or its representative.

2 **7-1.2-1008. Conversion of a domestic corporation to other entities.** -- (a) A
3 corporation of this state may, upon the authorization of such conversion in accordance with this
4 section, convert to a limited liability company, business trust or association, real estate investment
5 trust, common-law trust or any other unincorporated business or entity including a partnership
6 (whether general or limited, including a registered limited liability partnership) or a foreign
7 corporation.

8 (b) The board of directors of the corporation which desires to convert under this section
9 shall adopt a resolution approving such conversion, specifying the type of entity into which the
10 corporation shall be converted and recommending the approval of such conversion by the
11 stockholders of the corporation. Such resolution shall be submitted to the stockholders of the
12 corporation at an annual or special meeting. Due notice of the time, and purpose of the meeting
13 shall be mailed to each holder of stock, whether voting or nonvoting, of the corporation at the
14 address of the stockholder as it appears on the records of the corporation, at least twenty (20) days
15 prior to the date of the meeting. At the meeting, the resolution shall be considered and a vote
16 taken for its adoption or rejection. If all outstanding shares of stock of the corporation, whether
17 voting or nonvoting, shall be voted for the adoption of the resolution, the conversion shall be
18 authorized.

19 (c) If a corporation shall convert in accordance with this section to another entity
20 organized, formed or created under the laws of a jurisdiction other than the state of Rhode Island
21 or to a Rhode Island unincorporated "other entity", upon payment of all fees and ~~franchise~~ taxes
22 by the corporation, as evidenced by an appropriate certificate of good standing issued by the
23 Rhode Island division of taxation, the corporation shall file with the secretary of state a certificate
24 of conversion to a non-Rhode Island entity executed in accordance with § 7-1.2-105 which
25 certifies:

26 (1) The name of the corporation, and if it has been changed, the name under which it was
27 originally incorporated;

28 (2) The date of filing of its original articles of incorporation with the secretary of state;

29 (3) The name and jurisdiction of the entity and type of entity to which the corporation
30 shall be converted;

31 (4) That the conversion has been approved in accordance with the provisions of this
32 section;

33 (5) The agreement of the corporation that it may be served with process in the state of
34 Rhode Island in any action, suit or proceeding for enforcement of any obligation of the

1 corporation arising while it was a corporation of this state, and that it irrevocably appoints the
2 secretary of state as its agent to accept service of process in any such action, suit or proceeding;
3 and

4 (6) The address to which a copy of the process referred to in subsection (c)(5) of this
5 section shall be mailed to it by the secretary of state. In the event of such service upon the
6 secretary of state in accordance with subsection (c)(5) of this section, the secretary of state shall
7 forthwith notify such corporation that has converted out of the state of Rhode Island by letter,
8 certified mail, return receipt requested, directed to such corporation that has converted out of the
9 state of Rhode Island at the address so specified, unless such corporation shall have designated in
10 writing to the secretary of state a different address for such purpose, in which case it shall be
11 mailed to the last address designated. Such letter shall enclose a copy of the process and any other
12 papers served on the secretary of state pursuant to this subsection. It shall be the duty of the
13 plaintiff in the event of such service to serve process and any other papers in duplicate, to notify
14 the secretary of state that service is being affected pursuant to this subsection and to pay the
15 secretary of state the sum of fifteen dollars (\$15.00) for the use of the state, which sum shall be
16 taxed as part of the costs in the proceeding, if the plaintiff shall prevail therein. The secretary of
17 state shall maintain an alphabetical record of any such service setting forth the name of the
18 plaintiff and the defendant, the title, docket number and nature of the proceeding in which process
19 has been served, the fact that service has been effected pursuant to this subsection, the return date
20 thereof, and the day and hour service was made. The secretary of state shall not be required to
21 retain such information longer than five (5) years from receipt of the service of process.

22 (d) Upon the filing in the office of the secretary of state of a certificate of conversion to
23 non-Rhode Island entity in accordance with subsection (c) of this section or upon the future
24 effective date or time of the certificate of conversion to non-Rhode Island entity and payment to
25 the secretary of state of all fees prescribed under this title, the secretary of state shall certify that
26 the corporation has filed all documents and paid all fees required by this title, and thereupon the
27 corporation shall cease to exist as a corporation of this state at the time the certificate of
28 conversion becomes effective in accordance with § 7-1.2-105. Such certificate of the secretary of
29 state shall be prima facie evidence of the conversion by such corporation out of the state of Rhode
30 Island.

31 (e) The conversion of a corporation out of the state of Rhode Island in accordance with
32 this section and the resulting cessation of its existence as a corporation of this state pursuant to a
33 certificate of conversion to non-Rhode Island entity shall not be deemed to affect any obligations
34 or liabilities of the corporation incurred prior to such conversion or the personal liability of any

1 person incurred prior to such conversion, nor shall it be deemed to affect the choice of law
2 applicable to the corporation with respect to matters arising prior to such conversion.

3 (f) Unless otherwise provided in a resolution of conversion adopted in accordance with
4 this section, the converting corporation shall not be required to wind up its affairs or pay its
5 liabilities and distribute its assets, and the conversion shall not constitute a dissolution of such
6 corporation.

7 (g) In connection with a conversion of a domestic corporation to another entity pursuant
8 to this section, shares of stock, of the corporation of this state which is to be converted may be
9 exchanged for or converted into cash, property, rights or securities of, or interests in, the entity to
10 which the corporation of this state is being converted or, in addition to or in lieu thereof, may be
11 exchanged for or converted into cash, property, shares of stock, rights or securities of, or interests
12 in, another domestic corporation or other entity or may be cancelled.

13 (h) When a corporation has been converted to another entity or business form pursuant to
14 this section, the other entity or business form shall, for all purposes of the laws of the state of
15 Rhode Island, be deemed to be the same entity as the corporation. When any conversion shall
16 have become effective under this section, for all purposes of the laws of the state of Rhode Island,
17 all of the rights, privileges and powers of the corporation that has converted, and all property,
18 real, personal and mixed, and all debts due to such corporation, as well as all other things and
19 causes of action belonging to such corporation, shall remain vested in the other entity or business
20 form to which such corporation has converted and shall be the property of such other entity or
21 business form, and the title to any real property vested by deed or otherwise in such corporation
22 shall not revert to such corporation or be in any way impaired by reason of this chapter; but all
23 rights of creditors and all liens upon any property of such corporation shall be preserved
24 unimpaired, and all debts, liabilities and duties of the corporation that has converted shall remain
25 attached to the other entity or business form to which such corporation has converted, and may be
26 enforced against it to the same extent as if said debts, liabilities and duties had originally been
27 incurred or contracted by it in its capacity as such other entity or business form. The rights,
28 privileges, powers and interest in property of the corporation that has converted, as well as the
29 debts, liabilities and duties of such corporation, shall not be deemed, as a consequence of the
30 conversion, to have been transferred to the other entity or business form to which such
31 corporation has converted for any purposes of the laws of the state of Rhode Island.

32 (i) No vote of stockholders of a corporation shall be necessary to authorize a conversion
33 if no shares of the stock of such corporation shall have been issued prior to the adopting by the
34 board of directors of the resolution approving the conversion.

1 **7-1.2-1301. Voluntary dissolution by incorporators.** -- (a) A corporation which has not
2 commenced business and which has not issued any shares, may be voluntarily dissolved by its
3 incorporators at any time in the following manner:

4 (1) Articles of dissolution are executed by a majority of the incorporators, and verified
5 by them, and state:

6 (i) The name of the corporation.

7 (ii) The date of issuance of its certificate of incorporation.

8 (iii) That none of its shares have been issued.

9 (iv) That the corporation has not commenced business.

10 (v) That the amount, if any, actually paid in on subscriptions for its shares, less any part
11 of the amount disbursed for necessary expenses, has been returned to those entitled to it.

12 (vi) That no debts of the corporation remain unpaid.

13 (vii) That a majority of the incorporators elect that the corporation be dissolved.

14 (2) The original articles of dissolution are delivered to the secretary of state. If the
15 secretary of state finds that the articles of dissolution conform to law, the secretary of state shall,
16 when all fees and ~~franchise~~ taxes have been paid~~;~~, [as evidenced by an appropriate certificate of](#)
17 [good standing issued by the Rhode Island division of taxation:](#)

18 (i) Endorse on the original the word "Filed," and the month, day, and year of the filing.

19 (ii) File the original in his or her office.

20 (iii) Issue a certificate of dissolution.

21 (3) If the corporation is dissolved prior to the effective date stated on the articles of
22 incorporation, no ~~franchise~~ taxes shall be due.

23 (b) The certificate of dissolution is delivered to the incorporators or their representative.
24 Upon the issuance of the certificate of dissolution by the secretary of state, the existence of the
25 corporation ceases.

26 **7-1.2-1309. Filing of articles of dissolution.** -- (a) The articles of dissolution are
27 delivered to the secretary of state. If the secretary of state finds that the articles of dissolution
28 conform to law, the secretary of state shall, when all fees and ~~franchise~~ taxes have been paid~~;~~, [as](#)
29 [evidenced by an appropriate certificate of good standing issued by the Rhode Island division of](#)
30 [taxation:](#)

31 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing.

32 (2) File the original in his or her office.

33 (3) Issue a certificate of dissolution.

34 (b) The certificate of dissolution is delivered to the representative of the dissolved

1 corporation. Upon the issuance of the certificate of dissolution the existence of the corporation
2 ceases, except for the purpose of suits, other proceedings, and appropriate corporate action by
3 shareholders, directors, and officers as provided in this chapter.

4 **7-1.2-1413. Filing of application for withdrawal.** -- (a) An original application for
5 withdrawal must be delivered to the secretary of state. If the secretary of state finds that the
6 application conforms to the provisions of this chapter, the secretary of state shall, when all fees
7 and taxes have been paid: as evidenced by an appropriate certificate of good standing issued by
8 the Rhode Island division of taxation:

9 (1) Endorse on the original the word "Filed," and the month, day, and year of the filing.

10 (2) File the original in his or her office.

11 (3) Issue a certificate of withdrawal.

12 (b) The secretary of state shall deliver the certificate of withdrawal to the corporation or
13 its representative. Upon the issuance of the certificate of withdrawal, the authority of the
14 corporation to transact business in this state ceases.

15 SECTION 2. Sections 7-13-2, 7-13-8.2, 7-13-10 and 7-13-53 of the General Laws in
16 Chapter 7-13 entitled "Limited Partnerships" are hereby amended to read as follows:

17 **7-13-2. Name.** -- (a) The name of each limited partnership as presented in its certificate
18 of limited partnership:

19 (1) Shall contain the words "limited partnership," or the ~~letters and punctuation~~
20 abbreviation "L.P." or "LP";

21 (2) May not contain the name of a limited partner unless

22 (i) It is also the name of a general partner or the corporate name of a corporate general
23 partner, or

24 (ii) The business of the limited partnership had been carried on under that name before
25 the admission of that limited partner;

26 (3) Shall be distinguishable upon the records of the secretary of state from the name of
27 any corporation, nonbusiness corporation or other association, domestic or foreign limited
28 liability company, limited partnership organized under the laws of, or registered or qualified to do
29 business in this state or any name which is filed, reserved or registered under this title or as
30 permitted by the laws of this state, subject to the following:

31 (i) This provision does not apply if the applicant files with the secretary of state a
32 certified copy of a final decree of a court of competent jurisdiction establishing the prior right of
33 the applicant to the use of the name in this state; and

34 (ii) The name may be the same as the name of a corporation, nonbusiness corporation or

1 other association the certificate of incorporation or organization of which has been revoked by the
2 secretary of state as permitted by law, and the revocation has not been withdrawn within one year
3 from the date of the revocation.

4 (iii) Words and/or abbreviations that are required by statute to identify the particular type
5 of business entity shall be disregarded when determining if a name is distinguishable upon the
6 records of the secretary of state.

7 (iv) The secretary of state shall promulgate rules and regulations defining the term
8 "distinguishable upon the record" for the administration of this chapter.

9 (b) (1) Any domestic or foreign limited partnership formed under the laws of, or
10 registered to do business in this state may transact business in this state under a fictitious name
11 provided that it files a fictitious business name statement in accordance with this subsection prior
12 to the time it commences to conduct business under the fictitious name.

13 (2) A fictitious business name statement shall be filed with the secretary of state, and
14 shall be executed, in the case of a domestic limited partnership, by an authorized person and, in
15 the case of a foreign limited partnership, by a person with authority to do so under the laws of the
16 state or other jurisdiction of its formation, and shall state:

17 (i) The fictitious business name to be used; and

18 (ii) The name of the applicant limited partnership or foreign limited partnership, and the
19 state and date of its formation.

20 (3) The fictitious business name statement expires upon the filing of a statement of
21 abandonment of use of a fictitious business name registered in accordance with this subsection or
22 upon the dissolution of the domestic limited partnership or the cancellation of registration of the
23 foreign limited partnership.

24 (4) The statement of abandonment of use of a fictitious business name under this
25 subsection shall be filed with the secretary of state, shall be executed in the same manner
26 provided in subdivision (2) and shall state:

27 (i) The fictitious business name being abandoned;

28 (ii) The date on which the original fictitious business name statement being abandoned
29 was filed; and

30 (iii) The information presented in subdivision (2)(ii) of subsection (b).

31 (5) No domestic or foreign limited partnership transacting business under a fictitious
32 business name contrary to the provisions of this section, or its assignee, may maintain any action
33 upon or on account of any contract made, or transaction had, in the fictitious business name in
34 any court of the state until a fictitious business name statement has been filed in accordance with

1 this section.

2 (6) No domestic or foreign limited partnership may be permitted to transact business
3 under a fictitious business name pursuant to this section which is the same as the name of any
4 corporation, nonbusiness corporation or other association, domestic or foreign limited partnership
5 or domestic or foreign limited liability company organized under the laws of, or registered or
6 qualified to do business in this state or any name which is filed, reserved or registered under this
7 title or as permitted by the laws of this state, subject to the following:

8 (i) This provision does not apply if the applicant files with the secretary of state a
9 certified copy of a final decree of a court of competent jurisdiction establishing the prior right of
10 the applicant to the use of the name in this state; and

11 (ii) The name may be the same as the name of a corporation, nonbusiness corporation or
12 other association the certificate of incorporation or organization of which has been revoked by the
13 secretary of state as permitted by law and the revocation has not been withdrawn within one year
14 from the date of revocation.

15 (iii) Words and/or abbreviations that are required by statute to identify the particular type
16 of business entity shall be disregarded when determining if a name is distinguishable upon the
17 records of the secretary of state.

18 (iv) The secretary of state shall promulgate rules and regulations defining the term
19 "distinguishable upon the record" for the administration of this chapter.

20 **7-13-8.2. Approval of conversion of a limited partnership.** – (a) A domestic limited
21 partnership may convert to a corporation, a business trust or association, a real estate investment
22 trust, a common-law trust, or any other unincorporated business or entity including a partnership,
23 whether general or limited (including a registered limited liability partnership) or a limited
24 liability company, organized, formed, or created under the laws of the state of Rhode Island, upon
25 the authorization of that conversion in accordance with this section. If the partnership agreement
26 specified the manner of authorizing a conversion of the limited partnership, the conversion shall
27 be authorized as specified in the partnership agreement. If the partnership agreement does not
28 specify the manner of authorizing a conversion of the limited partnership and does not prohibit a
29 conversion of the limited partnership, the conversion shall be authorized in the same manner as is
30 specified in the partnership agreement for authorizing a merger or consolidation that involves the
31 limited partnership as a constituent party to the merger or consolidation. If the partnership
32 agreement does not specify the manner of authorizing a conversion of the limited partnership or a
33 merger or consolidation that involved the limited partnership as a constituent party and does not
34 prohibit a conversion of the limited partnership, the conversion shall be authorized by the

1 approval (1) by all general partners, and (2) by the limited partners or, if there is more than one
2 class or group of limited partners, then by each class or group of limited partners, in either case,
3 by limited partners who own more than fifty percent (50%) of the then current percentage or other
4 interest in the profits of the domestic limited partnership owned by all of the limited partners or
5 by the limited partners in each class or group, as appropriate.

6 (b) If a limited partnership, shall convert in accordance with this section to another entity
7 or business form organized, formed or created under the laws of a jurisdiction other than the state
8 of Rhode Island or to a Rhode Island unincorporated "other entity", a certificate of conversion to
9 a non-Rhode Island entity shall be filed in the office of the secretary of state. The certificate of
10 conversion to a non-Rhode Island entity shall state:

11 (1) The name of the limited partnership and, if it has been changed, the name under
12 which its certificate of formation was originally filed;

13 (2) The date of filing of its original certificate of formation with the secretary of state;

14 (3) The jurisdiction in which the entity or business form, to which the limited partnership
15 shall be converted, is organized, formed or created, and the name and type of such entity or
16 business form;

17 (4) The future effective date or time, which shall be a date or time certain, of the
18 conversion if it is not to be effective upon the filing of the certificate of conversion to a non-
19 Rhode Island entity;

20 (5) That the conversion has been approved in accordance with this section; and

21 (6) The agreement of the limited partnership that it may be served with process in the
22 state of Rhode Island in any action, suit or proceeding for enforcement of any obligation to the
23 limited partnership arising while it was a limited partnership of the state of Rhode Island, and that
24 it irrevocably appoints the secretary of state as its agent to accept service of process in any such
25 action, suit or proceeding.

26 (c) Upon the filing in the office of the secretary of state of the certificate of conversion to
27 a non-Rhode Island entity or upon the future effective date or time of the certificate of conversion
28 to a non-Rhode Island entity and upon payment of all fees due by the limited partnership, as
29 evidenced by an appropriate certificate of good standing issued by the Rhode Island division of
30 taxation, the secretary of state shall certify that the limited partnership has filed all documents and
31 paid all fees required by this chapter, and thereupon the limited partnership shall cease to exist as
32 a limited partnership of the state of Rhode Island. Such certificate of the secretary of state shall be
33 prima facie evidence of the conversion by such limited partnership out of the state of Rhode
34 Island.

1 (d) The conversion of a limited partnership out of the state of Rhode Island in accordance
2 with this section and the resulting cessation of its existence as a limited partnership of the state of
3 Rhode Island pursuant to a certificate of conversion to a non-Rhode Island entity shall not be
4 deemed to affect any obligations or liabilities of the limited partnership incurred prior to such
5 conversion or the personal liability of any person incurred prior to such conversion, nor shall it be
6 deemed to affect the choice of laws applicable to the limited partnership with respect to matters
7 arising prior to such conversion.

8 (e) When a limited partnership has been converted to another entity or business form
9 pursuant to this section, the other entity or business form shall, for all purposes of the laws of the
10 state of Rhode Island, be deemed to be the same entity as the limited partnership. When any
11 conversion shall have become effective under this section, for all purposes of the laws of the state
12 of Rhode Island, all of the rights, privileges and powers of the limited partnership that has
13 converted, and all property, real, personal and mixed, and all such debts due to such limited
14 partnership, as well as all other things and causes of action belonging to such limited partnership,
15 shall remain vested in the other entity or business form to which such limited partnership has
16 converted and shall be the property of such other entity or business form, and the title to any real
17 property vested by deed or otherwise in such limited partnership shall not revert to such limited
18 partnership or be in any way impaired by reason of this chapter, but all rights of creditors and all
19 liens upon any property of such limited partnership shall be preserved unimpaired, and all debts,
20 liabilities and duties of the limited partnership that has converted shall remain attached to the
21 other entity or business form to which such limited partnership has converted, and may be
22 enforced against it to the same extent as if said debts, liabilities and duties had originally been
23 incurred or contracted by it in its capacity as such other entity or business form. The rights,
24 privileges, powers and interests in property of the limited partnership that has converted, as well
25 as the debts, liabilities and duties of such limited partnership, shall not be deemed, as a
26 consequence of the conversion, to have been transferred to the other entity or business form to
27 which such limited partnership has converted for any purpose of the laws of the state of Rhode
28 Island.

29 **7-13-10. Cancellation of certificate.** -- A certificate of limited partnership is cancelled
30 upon the dissolution and the commencement of winding up of the partnership or at any other time
31 there are no limited partners, or upon the conversion of a limited partnership to a limited liability
32 company. When all fees and taxes have been paid to the tax administrator, as evidenced by an
33 appropriate certificate of good standing issued by the Rhode Island division of taxation, a
34 certificate of cancellation shall be filed in the office of the secretary of state and state:

- 1 (1) The name of the limited partnership;
- 2 (2) The date of filing of its certificate of limited partnership or certificate of conversion
- 3 from a limited partnership to a limited liability company, as the case may be;
- 4 (3) The reason for filing the certificate of cancellation;
- 5 (4) The effective date (which shall be a date certain) of cancellation if it is not to be
- 6 effective upon the filing of the certificate; and
- 7 (5) Any other information the general partners filing the certificate determine.

8 **7-13-53. Cancellation of registration.** -- When all fees and taxes have been paid to the
9 tax administrator, [as evidenced by an appropriate certificate of good standing issued by the Rhode](#)
10 [Island division of taxation](#), a foreign limited partnership may cancel its registration by filing with
11 the secretary of state a certificate of cancellation signed and sworn to by a general partner. In
12 filing a certificate of cancellation the foreign limited partnership revokes the authority of its
13 registered agent to accept service of process and consents that service of process in any action,
14 suit or proceeding based upon any cause of action arising in this state during the time the foreign
15 limited partnership was authorized to transact business in this state may subsequently be made on
16 the foreign limited partnership by service on the secretary of state. The certificate of cancellation
17 must include the post office address to which the secretary of state may mail a copy of any
18 process against the foreign limited partnership that is served on the secretary of state.

19 SECTION 3. Sections 7-16-5.2 and 7-16-8 of the General Laws in Chapter 7-16 entitled
20 "The Rhode Island Limited Liability Company Act" are hereby amended to read as follows:

21 **7-16-5.2. Approval of conversion of a limited liability company.** -- (a) A domestic
22 limited liability company may convert to a corporation, a business trust, or association, a real
23 estate investment trust, a common law trust, a sole proprietorship or any other unincorporated
24 business or entity including a partnership, (whether general or limited including a registered
25 limited liability partnership), or a foreign limited liability company upon the authorization of the
26 conversion in accordance with this section.

27 (b) If the limited liability company agreement specified the manner of authorizing a
28 conversion of the limited liability company, the conversion shall be authorized as specified in the
29 limited liability company agreement. If the limited liability company agreement does not specify
30 the manner of authorizing a conversion of the limited liability company and does not prohibit a
31 conversion of the limited liability company, the conversion shall be authorized in the same
32 manner as is specified in the limited liability company agreement for authorizing a merger or
33 consolidation that involves the limited liability company as a constituent party to the merger or
34 consolidation. If the limited liability company agreement does not specify the manner of

1 authorizing a conversion of the limited liability company or a merger or consolidate that involves
2 the limited liability company as a constituent party and does not prohibit a conversion of the
3 limited liability company, the conversion shall be authorized by the approval by the members or,
4 if there is more than one class or group of members, then by each class or group of members, in
5 either case, by members who own more than fifty percent (50%) of the then current percentage or
6 other interest in the profits of the domestic limited liability company owned by all of the members
7 or by the members in each class or group, as appropriate.

8 (c) Unless otherwise agreed, the conversion of a domestic limited liability company to
9 another entity or business form pursuant to this section shall not require such limited liability
10 company to wind up its affairs under § 7-16-45 or pay its liabilities and distribute its assets under
11 § 7-16-46, and the conversion shall not constitute a dissolution of such limited liability company.
12 When a limited liability company has converted to another entity or business form pursuant to
13 this section, for all purposes of the laws of the state of Rhode Island, the other entity or business
14 form shall be deemed to be the same entity as the converting limited liability company and
15 conversion shall constitute a continuation of the existence of the limited liability company in the
16 form of such other entity or business form.

17 (d) In connection with a conversion of a domestic limited liability company to another
18 entity or business form pursuant to this section, rights or securities of or interests in the domestic
19 limited liability company which is to be converted may be exchanged for or converted into cash,
20 property, rights or securities of or interests in the entity or business form into which the domestic
21 limited liability company is being converted or, in addition to or in lieu thereof, may be
22 exchanged for or converted into cash, property, rights or securities of or interests in another entity
23 or business form or may be cancelled.

24 (e) If a limited liability company shall convert in accordance with this section to another
25 entity or business form organized, formed or created under the laws of a jurisdiction other than
26 the state of Rhode Island or to a Rhode Island unincorporated "other entity", a certificate of
27 conversion to non-Rhode Island entity shall be filed in the office of the secretary of state. The
28 certificate of conversion to non-Rhode Island entity shall state:

29 (1) The name of the limited liability company and, if it has been changed, the name
30 under which its certificate of formation was originally filed;

31 (2) The date of filing of its original certificate of formation with the secretary of state;

32 (3) The jurisdiction in which the entity or business form, to which the limited liability
33 company shall be converted, is organized, formed or created, and the name and type of such
34 entity or business form;

1 (4) The future effective date or time (which shall be a date or time certain) of the
2 conversion if it is not to be effective upon the filing of the certificate of conversion to non-Rhode
3 Island entity;

4 (5) That the conversion has been approved in accordance with this section;

5 (6) The agreement of the limited liability company that it may be served with process in
6 the state of Rhode Island in any action, suit or proceeding for enforcement of any obligation to
7 the limited liability company arising while it was a limited liability company of the state of Rhode
8 Island, and that it irrevocably appoints the secretary of state as its agent to accept service of
9 process in any such action, suit or proceeding;

10 (f) Upon the filing in the office of the secretary of state of the certificate of conversion to
11 non-Rhode Island entity or upon the future effective date or time of the certificate of conversion
12 to non-Rhode Island entity and ~~payment to the secretary of state of all fees prescribed in this~~
13 ~~chapter,~~ upon payment of all fees due by the limited liability company, as evidenced by an
14 appropriate certificate of good standing issued by the Rhode Island division of taxation, the
15 secretary of state shall certify that the limited liability company has filed all documents and paid
16 all fees required by this chapter, and thereupon the limited liability company shall cease to exist
17 as a limited liability company of the state of Rhode Island. Such certificate of the secretary of
18 state shall be prima facie evidence of the conversion by such limited liability company out of the
19 state of Rhode Island.

20 (g) The conversion of a limited liability company out of the state of Rhode Island in
21 accordance with this section and the resulting cessation of its existence as a limited liability
22 company of the state of Rhode Island pursuant to a certificate of conversion to non-Rhode Island
23 entity shall not be deemed to affect any obligations or liabilities of the limited liability company
24 incurred prior to such conversion or the personal liability of any person incurred prior to such
25 conversion, nor shall it be deemed to affect the choice of laws applicable to the limited liability
26 company with respect to matters arising prior to such conversion.

27 (h) When a limited liability company has been converted to another entity or business
28 form pursuant to this section, the other entity or business form shall, for all purposes of the laws
29 of the state of Rhode Island, be deemed to be the same entity as the limited liability company.
30 When any conversion shall have become effective under this section, for all purposes of the laws
31 of the state of Rhode Island, all of the rights, privileges and powers of the limited liability
32 company that has converted, and all property, real, personal and mixed, and all such debts due to
33 such limited liability company, as well as all other things and causes of action belonging to such
34 limited liability company, shall remain vested in the other entity or business form to which such

1 limited liability company has converted and shall be the property of such other entity or business
2 form, and the title to any real property vested by deed or otherwise in such limited liability
3 company shall not revert to such limited liability company or be in any way impaired by reason
4 of this chapter; but all rights of creditors and all liens upon any property of such limited liability
5 company shall be preserved unimpaired, and all debts, liabilities and duties of the limited liability
6 company that has converted shall remain attached to the other entity or business form to which
7 such limited liability company has converted, and may be enforced against it to the same extent
8 as if said debts, liabilities and duties had originally been incurred or contracted by it in its
9 capacity as such other entity or business form. The rights, privileges, powers and interests in
10 property of the limited liability company that has converted, as well as the debts, liabilities and
11 duties of such limited liability company, shall not be deemed, as a consequence of the conversion,
12 to have been transferred to the other entity or business form to which such limited liability
13 company has converted for any purpose of the laws of the state of Rhode Island.

14 **7-16-8. Filing.** -- (a) The secretary of state may not accept for filing any document under
15 this chapter which does not conform with law.

16 (b) The secretary of state may not accept for filing any organizational document,
17 qualification, registration, change of resident agent report, service of process, notice or other
18 document until all required filing and other fees have been paid to the secretary of state.

19 (c) The secretary of state may not accept for filing any article of dissolution, cancellation
20 of registration, article of merger, unless the surviving entity is a domestic entity of record with the
21 office of the secretary of state, or the reinstatement of a limited liability company's certificate of
22 organization or registration until all required filing and other fees have been paid to the secretary
23 of state and all fees and ~~franchise~~ taxes have been paid-, [as evidenced by an appropriate certificate](#)
24 [of good standing issued by the Rhode Island division of taxation.](#)

25 (d) The secretary of state may not accept for filing a certificate of conversion to a non-
26 Rhode Island entity until all required filing and other fees have been paid to the secretary of state
27 and all fees and ~~franchise~~ taxes have been paid-, [as evidenced by an appropriate certificate of](#)
28 [good standing issued by the Rhode Island division of taxation.](#)

29 (e) When the secretary of state accepts the articles of organization or a certificate of
30 registration or any other document filed under this chapter, the secretary of state shall:

- 31 (1) Endorse on the document the date and time of its acceptance for filing;
32 (2) Promptly file the document; and
33 (3) Issue a certificate or other evidence which establishes:
34 (i) That the document was accepted for filing by the secretary of state; and

- 1 (ii) The date and time of the acceptance for filing.
- 2 (f) The document becomes effective upon the issuance of the certificate or other
- 3 evidence or at any later date that is set forth within the document, not more than thirty (30) days
- 4 after the filing of such document.
- 5 SECTION 4. This act shall take effect upon passage.

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LC002349/SUB A
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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF

A N A C T

RELATING TO CORPORATIONS, ASSOCIATIONS AND PARTNERSHIPS - RHODE
ISLAND BUSINESS CORPORATION ACT

1 This act would require that a certificate of good standing issued by the Rhode Island
2 division of taxation indicating that all fees and taxes have been paid must accompany all filings
3 for articles of dissolution, cancellation of registration, articles of merger, and conversions to a
4 non-Rhode Island entity, and would establish a procedure for the conversion of limited
5 partnerships to another business entity.

6 This act would take effect upon passage.

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LC002349/SUB A
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