

§1093. Conversion of partnership to a business entity

1. Conversion. A partnership or a limited liability partnership may be converted to a limited partnership, limited liability limited partnership, corporation or limited liability company pursuant to this section.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

2. Terms and conditions. The terms and conditions of a conversion of a partnership to a limited partnership, limited liability limited partnership, corporation or limited liability company must be approved by all of the partners or as otherwise provided in the partnership agreement.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

3. Organizational documents filed. After the conversion is approved by the partners, articles of conversion must be executed on behalf of the converting entity by a partner or other duly authorized representative. The articles must:

A. Set forth the name of the entity immediately before the filing of the articles of conversion and the name to which the name of the entity is to be changed, which must be a name that satisfies the organic law of the surviving entity; [PL 2005, c. 543, Pt. A, §2 (NEW).]

B. State the type of entity that the surviving entity will be; [PL 2005, c. 543, Pt. A, §2 (NEW).]

C. Set forth a statement that the plan of entity conversion was duly approved by the partners in the manner required by this Act and the partnership agreement; and [PL 2005, c. 543, Pt. A, §2 (NEW).]

D. If the surviving entity is a filing entity, either contain all the provisions required to be set forth in its public organic document with any other desired provisions that are permitted or have attached a public organic document. [PL 2005, c. 543, Pt. A, §2 (NEW).]

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4. Effective date of conversion. The conversion takes effect when the articles of conversion are filed or at any later date specified in the articles of conversion or as provided by the organic laws of the surviving entity.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

5. Liability. A general partner who becomes a limited partner, general partner in a limited liability limited partnership, shareholder or member as a result of the conversion remains liable as a general partner of a partnership for an obligation incurred by the partnership before the conversion takes effect. If the other party to a transaction with a limited partnership, limited liability limited partnership, corporation or limited liability company reasonably believes when entering the transaction that the limited partner, general partner, shareholder or member is a general partner in a partnership or a general partner in a limited partnership, the limited partner, general partner, shareholder or member is liable for an obligation for which such partner would be personally liable under section 1034 that is incurred by the limited partnership, limited liability limited partnership, corporation or limited liability company within 90 days after the conversion takes effect. The limited partner's, general partner's, shareholder's or member's liability for all other obligations of the limited partnership, limited liability limited partnership, corporation or limited liability company incurred after the conversion takes effect is that of a limited partner, shareholder or member as provided in the jurisdiction in which the limited partnership, limited liability limited partnership, corporation or limited liability company is formed.

[PL 2005, c. 543, Pt. A, §2 (NEW).]

SECTION HISTORY

PL 2005, c. 543, §A2 (NEW).

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