

Sunsets 1/1/2016

48-2c-1406 Approval of company conversion to other entity.

- (1)
 - (a) A domestic company may convert to any subject entity upon the authorization of the conversion in accordance with this section.
 - (b) If an operating agreement specifies the manner of authorizing a conversion of a company, the conversion shall be authorized as specified in the operating agreement.
 - (c) If the operating agreement does not specify the manner of authorizing a conversion of the company and does not prohibit a conversion of the company, the conversion shall be authorized in the same manner as specified in the operating agreement for authorizing a merger that involves the company as a constituent party to the merger.
 - (d) If the operating agreement does not specify the manner of authorizing a conversion of the company or a merger that involves the company as a constituent party and does not prohibit a conversion of the company, the conversion must be authorized by unanimous consent of all members.
- (2) A converted domestic company shall, upon conversion to a subject entity, be considered the same entity as the subject entity and the rights, privileges, powers, and interests in property of the domestic company, as well as the debts, liabilities, and duties of the domestic company, may not, for any purpose of the laws of this state, be considered, as a consequence of the conversion, to have been transferred to the subject entity to which the domestic company has converted.
- (3)
 - (a) Unless otherwise agreed, the conversion of a domestic company to another entity, pursuant to this section, does not require the domestic company to wind up its affairs or to pay its liabilities or distribute its assets under this chapter.
 - (b) In connection with conversion of a domestic company to another entity under this section, all interests in, or securities of or rights in the domestic company which is to be converted may be:
 - (i) exchanged for or converted into cash, property, interests in, or securities of or rights in the entity into which the domestic company is converted; or
 - (ii) in addition to or in lieu of an exchange or conversion described in Subsection (3)(b)(i), may be exchanged for or converted into cash, property, interests in, or securities of or rights in another entity.
- (4) A conversion of a domestic company into a foreign subject entity must be:
 - (a) permitted by the statutes governing the foreign subject entity;
 - (b) approved in the manner required by the statutes described in Subsection (4)(a); and
 - (c) accompanied by any filing in the foreign jurisdiction required by the statutes described in Subsection (4)(a).