

48-1d-1033 Approval of interest exchange.

- (1) A plan of interest exchange is not effective unless it has been approved:
 - (a) by all the partners of a domestic acquired partnership entitled to vote on or consent to any matter; and
 - (b) in a record, by each partner of the domestic acquired partnership that will have interest holder liability for debts, obligations, and other liabilities that arise after the interest exchange becomes effective, unless:
 - (i) the partnership agreement of the partnership provides in a record for the approval of an interest exchange or a merger in which some or all its partners become subject to interest holder liability by the vote or consent of fewer than all the partners; and
 - (ii) the partner consented in a record to or voted for that provision of the partnership agreement or became a partner after the adoption of that provision.
- (2) An interest exchange involving a domestic acquired entity that is not a partnership is not effective unless it is approved by the domestic entity in accordance with its organic law.
- (3) An interest exchange involving a foreign acquired entity is not effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of formation.
- (4) Except as otherwise provided in its organic law or organic rules, the interest holders of the acquiring entity are not required to approve the interest exchange.

Enacted by Chapter 412, 2013 General Session