

1 **UNINCORPORATED BUSINESS ENTITY UNIFORM ACTS**

2 2011 GENERAL SESSION

3 STATE OF UTAH

4 **Chief Sponsor: Lyle W. Hillyard**

5 House Sponsor: John Dougall

7 **LONG TITLE**

8 **General Description:**

9 This bill repeals the existing Partnership Act, Utah Revised Uniform Limited
10 Partnership Act, and Utah Revised Limited Liability Company Act, and enacts with
11 modifications the Utah Uniform Partnership Act, Utah Uniform Limited Partnership
12 Act, and Utah Revised Uniform Limited Liability Company Act.

13 **Highlighted Provisions:**

14 This bill:

15 ▶ enacts provisions related to partnerships, including:

16 • enacting general provisions related to partnerships such as defining terms,
17 addressing what constitutes knowledge and notice, addressing the effect of a
18 partnership agreement, designating supplemental principles of law, providing
19 for execution, filing, and recording of statements, addressing what is the
20 governing law, and the affects of amendments or repeals to the chapter;

- 21 • addressing the nature of a partnership;
- 22 • addressing the relations of partners to persons dealing with a partnership;
- 23 • addressing relations of partners to each other and to the partnership;
- 24 • addressing transferees and creditors of partners;
- 25 • providing for a partner's dissociation including when business is not wound up;
- 26 • providing for winding up partnership business;
- 27 • providing for conversion, merger, and domestication; and
- 28 • providing for a limited liability partnership, a limited liability partnership that
29 provides a professional service, and foreign limited liability partnership;

- 30 ▶ enacts provisions related to limited partnerships, including:
 - 31 • providing for general provisions related to limited partnerships;
 - 32 • addressing formation of limited partnerships and various filing requirements;
 - 33 • addressing limited partners;
 - 34 • addressing general partners;
 - 35 • providing for contributions and distributions;
 - 36 • providing for dissociation;
 - 37 • addressing transferable interests and rights of transferees and creditors;
 - 38 • providing for dissolution;
 - 39 • addressing foreign limited partnerships;
 - 40 • providing for actions by partners; and
 - 41 • providing for conversions, mergers, and domestications;
- 42 ▶ enacts provisions related to limited liability companies, including:
 - 43 • addressing various general provisions related to limited liability companies;
 - 44 • providing for the formation and filings of limited liability companies;
 - 45 • addressing relations of members and managers to a person dealing with a
46 limited liability company;
 - 47 • addressing relations of members to each other and to the limited liability
48 company;
 - 49 • addressing transferable interests and rights of transferees and creditors;
 - 50 • providing for dissociation;
 - 51 • providing for dissolution and winding up;
 - 52 • addressing foreign limited liability companies;
 - 53 • providing for actions by members;
 - 54 • providing for merger, conversion, and domestication;
 - 55 • providing for professional services companies;
 - 56 • providing for series; and
 - 57 • providing for low-profit limited liability companies;

- 58 ▶ includes miscellaneous provisions such as providing for uniformity of application,
- 59 severability, and savings;
- 60 ▶ addresses application of uniform acts to existing and future entities; and
- 61 ▶ makes technical and conforming amendments.

62 Money Appropriated in this Bill:

63 None

64 Other Special Clauses:

65 This bill takes effect on July 1, 2012.

66 Utah Code Sections Affected:

67 AMENDS:

- 68 **7-1-810**, as last amended by Laws of Utah 2008, Chapter 382
- 69 **7-3-10**, as last amended by Laws of Utah 2007, Chapter 277
- 70 **7-8-3**, as last amended by Laws of Utah 2004, Chapter 92
- 71 **13-34-114**, as last amended by Laws of Utah 2010, Chapter 218
- 72 **16-6a-1008.7**, as last amended by Laws of Utah 2006, Chapter 228
- 73 **16-10a-401**, as last amended by Laws of Utah 2010, Chapters 218 and 378
- 74 **16-10a-1008.7**, as enacted by Laws of Utah 2002, Chapter 193
- 75 **16-11-16**, as last amended by Laws of Utah 2010, Chapters 218 and 378
- 76 **16-16-111**, as last amended by Laws of Utah 2010, Chapter 378
- 77 **16-17-102**, as enacted by Laws of Utah 2008, Chapter 364
- 78 **31A-37a-102**, as enacted by Laws of Utah 2008, Chapter 302
- 79 **46-4-503**, as last amended by Laws of Utah 2008, Chapter 382
- 80 **53C-1-201**, as last amended by Laws of Utah 2010, Chapter 218
- 81 **61-2b-25**, as last amended by Laws of Utah 2010, Chapter 379
- 82 **61-2f-401**, as last amended by Laws of Utah 2010, Chapter 184 and renumbered and
- 83 amended by Laws of Utah 2010, Chapter 379
- 84 **75-7-1011**, as enacted by Laws of Utah 2004, Chapter 89

85 ENACTS:

86 **48-1a-101**, Utah Code Annotated 1953
87 **48-1a-102**, Utah Code Annotated 1953
88 **48-1b-101**, Utah Code Annotated 1953
89 **48-1b-102**, Utah Code Annotated 1953
90 **48-1b-103**, Utah Code Annotated 1953
91 **48-1b-104**, Utah Code Annotated 1953
92 **48-1b-105**, Utah Code Annotated 1953
93 **48-1b-106**, Utah Code Annotated 1953
94 **48-1b-107**, Utah Code Annotated 1953
95 **48-1b-201**, Utah Code Annotated 1953
96 **48-1b-202**, Utah Code Annotated 1953
97 **48-1b-203**, Utah Code Annotated 1953
98 **48-1b-204**, Utah Code Annotated 1953
99 **48-1b-301**, Utah Code Annotated 1953
100 **48-1b-302**, Utah Code Annotated 1953
101 **48-1b-303**, Utah Code Annotated 1953
102 **48-1b-304**, Utah Code Annotated 1953
103 **48-1b-305**, Utah Code Annotated 1953
104 **48-1b-306**, Utah Code Annotated 1953
105 **48-1b-307**, Utah Code Annotated 1953
106 **48-1b-308**, Utah Code Annotated 1953
107 **48-1b-401**, Utah Code Annotated 1953
108 **48-1b-402**, Utah Code Annotated 1953
109 **48-1b-403**, Utah Code Annotated 1953
110 **48-1b-404**, Utah Code Annotated 1953
111 **48-1b-405**, Utah Code Annotated 1953
112 **48-1b-406**, Utah Code Annotated 1953
113 **48-1b-501**, Utah Code Annotated 1953

- 114 **48-1b-502**, Utah Code Annotated 1953
- 115 **48-1b-503**, Utah Code Annotated 1953
- 116 **48-1b-504**, Utah Code Annotated 1953
- 117 **48-1b-601**, Utah Code Annotated 1953
- 118 **48-1b-602**, Utah Code Annotated 1953
- 119 **48-1b-603**, Utah Code Annotated 1953
- 120 **48-1b-701**, Utah Code Annotated 1953
- 121 **48-1b-702**, Utah Code Annotated 1953
- 122 **48-1b-703**, Utah Code Annotated 1953
- 123 **48-1b-704**, Utah Code Annotated 1953
- 124 **48-1b-705**, Utah Code Annotated 1953
- 125 **48-1b-801**, Utah Code Annotated 1953
- 126 **48-1b-802**, Utah Code Annotated 1953
- 127 **48-1b-803**, Utah Code Annotated 1953
- 128 **48-1b-804**, Utah Code Annotated 1953
- 129 **48-1b-805**, Utah Code Annotated 1953
- 130 **48-1b-806**, Utah Code Annotated 1953
- 131 **48-1b-807**, Utah Code Annotated 1953
- 132 **48-1b-901**, Utah Code Annotated 1953
- 133 **48-1b-902**, Utah Code Annotated 1953
- 134 **48-1b-903**, Utah Code Annotated 1953
- 135 **48-1b-904**, Utah Code Annotated 1953
- 136 **48-1b-905**, Utah Code Annotated 1953
- 137 **48-1b-906**, Utah Code Annotated 1953
- 138 **48-1b-907**, Utah Code Annotated 1953
- 139 **48-1b-908**, Utah Code Annotated 1953
- 140 **48-1b-909**, Utah Code Annotated 1953
- 141 **48-1b-910**, Utah Code Annotated 1953

142 **48-1b-911**, Utah Code Annotated 1953
143 **48-1b-912**, Utah Code Annotated 1953
144 **48-1b-913**, Utah Code Annotated 1953
145 **48-1b-914**, Utah Code Annotated 1953
146 **48-1b-915**, Utah Code Annotated 1953
147 **48-1b-1001**, Utah Code Annotated 1953
148 **48-1b-1002**, Utah Code Annotated 1953
149 **48-1b-1003**, Utah Code Annotated 1953
150 **48-1b-1004**, Utah Code Annotated 1953
151 **48-1b-1101**, Utah Code Annotated 1953
152 **48-1b-1102**, Utah Code Annotated 1953
153 **48-1b-1102.1**, Utah Code Annotated 1953
154 **48-1b-1103**, Utah Code Annotated 1953
155 **48-1b-1104**, Utah Code Annotated 1953
156 **48-1b-1105**, Utah Code Annotated 1953
157 **48-1b-1201**, Utah Code Annotated 1953
158 **48-1b-1202**, Utah Code Annotated 1953
159 **48-1b-1203**, Utah Code Annotated 1953
160 **48-1b-1204**, Utah Code Annotated 1953
161 **48-1b-1205**, Utah Code Annotated 1953
162 **48-2d-101**, Utah Code Annotated 1953
163 **48-2d-102**, Utah Code Annotated 1953
164 **48-2d-103**, Utah Code Annotated 1953
165 **48-2d-104**, Utah Code Annotated 1953
166 **48-2d-105**, Utah Code Annotated 1953
167 **48-2d-106**, Utah Code Annotated 1953
168 **48-2d-107**, Utah Code Annotated 1953
169 **48-2d-108**, Utah Code Annotated 1953

- 170 **48-2d-109**, Utah Code Annotated 1953
- 171 **48-2d-110**, Utah Code Annotated 1953
- 172 **48-2d-111**, Utah Code Annotated 1953
- 173 **48-2d-112**, Utah Code Annotated 1953
- 174 **48-2d-113**, Utah Code Annotated 1953
- 175 **48-2d-114**, Utah Code Annotated 1953
- 176 **48-2d-201**, Utah Code Annotated 1953
- 177 **48-2d-202**, Utah Code Annotated 1953
- 178 **48-2d-203**, Utah Code Annotated 1953
- 179 **48-2d-204**, Utah Code Annotated 1953
- 180 **48-2d-205**, Utah Code Annotated 1953
- 181 **48-2d-206**, Utah Code Annotated 1953
- 182 **48-2d-207**, Utah Code Annotated 1953
- 183 **48-2d-208**, Utah Code Annotated 1953
- 184 **48-2d-209**, Utah Code Annotated 1953
- 185 **48-2d-210**, Utah Code Annotated 1953
- 186 **48-2d-301**, Utah Code Annotated 1953
- 187 **48-2d-302**, Utah Code Annotated 1953
- 188 **48-2d-303**, Utah Code Annotated 1953
- 189 **48-2d-304**, Utah Code Annotated 1953
- 190 **48-2d-305**, Utah Code Annotated 1953
- 191 **48-2d-306**, Utah Code Annotated 1953
- 192 **48-2d-401**, Utah Code Annotated 1953
- 193 **48-2d-402**, Utah Code Annotated 1953
- 194 **48-2d-403**, Utah Code Annotated 1953
- 195 **48-2d-404**, Utah Code Annotated 1953
- 196 **48-2d-405**, Utah Code Annotated 1953
- 197 **48-2d-406**, Utah Code Annotated 1953

198 **48-2d-407**, Utah Code Annotated 1953
199 **48-2d-408**, Utah Code Annotated 1953
200 **48-2d-501**, Utah Code Annotated 1953
201 **48-2d-502**, Utah Code Annotated 1953
202 **48-2d-503**, Utah Code Annotated 1953
203 **48-2d-504**, Utah Code Annotated 1953
204 **48-2d-505**, Utah Code Annotated 1953
205 **48-2d-506**, Utah Code Annotated 1953
206 **48-2d-507**, Utah Code Annotated 1953
207 **48-2d-508**, Utah Code Annotated 1953
208 **48-2d-509**, Utah Code Annotated 1953
209 **48-2d-601**, Utah Code Annotated 1953
210 **48-2d-602**, Utah Code Annotated 1953
211 **48-2d-603**, Utah Code Annotated 1953
212 **48-2d-604**, Utah Code Annotated 1953
213 **48-2d-605**, Utah Code Annotated 1953
214 **48-2d-606**, Utah Code Annotated 1953
215 **48-2d-607**, Utah Code Annotated 1953
216 **48-2d-701**, Utah Code Annotated 1953
217 **48-2d-702**, Utah Code Annotated 1953
218 **48-2d-703**, Utah Code Annotated 1953
219 **48-2d-704**, Utah Code Annotated 1953
220 **48-2d-801**, Utah Code Annotated 1953
221 **48-2d-802**, Utah Code Annotated 1953
222 **48-2d-803**, Utah Code Annotated 1953
223 **48-2d-804**, Utah Code Annotated 1953
224 **48-2d-805**, Utah Code Annotated 1953
225 **48-2d-806**, Utah Code Annotated 1953

- 226 **48-2d-807**, Utah Code Annotated 1953
- 227 **48-2d-808**, Utah Code Annotated 1953
- 228 **48-2d-809**, Utah Code Annotated 1953
- 229 **48-2d-810**, Utah Code Annotated 1953
- 230 **48-2d-811**, Utah Code Annotated 1953
- 231 **48-2d-812**, Utah Code Annotated 1953
- 232 **48-2d-901**, Utah Code Annotated 1953
- 233 **48-2d-902**, Utah Code Annotated 1953
- 234 **48-2d-903**, Utah Code Annotated 1953
- 235 **48-2d-904**, Utah Code Annotated 1953
- 236 **48-2d-905**, Utah Code Annotated 1953
- 237 **48-2d-906**, Utah Code Annotated 1953
- 238 **48-2d-907**, Utah Code Annotated 1953
- 239 **48-2d-908**, Utah Code Annotated 1953
- 240 **48-2d-1001**, Utah Code Annotated 1953
- 241 **48-2d-1002**, Utah Code Annotated 1953
- 242 **48-2d-1003**, Utah Code Annotated 1953
- 243 **48-2d-1004**, Utah Code Annotated 1953
- 244 **48-2d-1005**, Utah Code Annotated 1953
- 245 **48-2d-1101**, Utah Code Annotated 1953
- 246 **48-2d-1102**, Utah Code Annotated 1953
- 247 **48-2d-1103**, Utah Code Annotated 1953
- 248 **48-2d-1104**, Utah Code Annotated 1953
- 249 **48-2d-1105**, Utah Code Annotated 1953
- 250 **48-2d-1106**, Utah Code Annotated 1953
- 251 **48-2d-1107**, Utah Code Annotated 1953
- 252 **48-2d-1108**, Utah Code Annotated 1953
- 253 **48-2d-1109**, Utah Code Annotated 1953

254 **48-2d-1110**, Utah Code Annotated 1953
255 **48-2d-1111**, Utah Code Annotated 1953
256 **48-2d-1112**, Utah Code Annotated 1953
257 **48-2d-1113**, Utah Code Annotated 1953
258 **48-2d-1114**, Utah Code Annotated 1953
259 **48-2d-1115**, Utah Code Annotated 1953
260 **48-2d-1116**, Utah Code Annotated 1953
261 **48-2d-1117**, Utah Code Annotated 1953
262 **48-2d-1201**, Utah Code Annotated 1953
263 **48-2d-1202**, Utah Code Annotated 1953
264 **48-2d-1203**, Utah Code Annotated 1953
265 **48-2d-1204**, Utah Code Annotated 1953
266 **48-2d-1205**, Utah Code Annotated 1953
267 **48-3-101**, Utah Code Annotated 1953
268 **48-3-102**, Utah Code Annotated 1953
269 **48-3-103**, Utah Code Annotated 1953
270 **48-3-104**, Utah Code Annotated 1953
271 **48-3-105**, Utah Code Annotated 1953
272 **48-3-106**, Utah Code Annotated 1953
273 **48-3-107**, Utah Code Annotated 1953
274 **48-3-108**, Utah Code Annotated 1953
275 **48-3-109**, Utah Code Annotated 1953
276 **48-3-110**, Utah Code Annotated 1953
277 **48-3-111**, Utah Code Annotated 1953
278 **48-3-112**, Utah Code Annotated 1953
279 **48-3-201**, Utah Code Annotated 1953
280 **48-3-202**, Utah Code Annotated 1953
281 **48-3-203**, Utah Code Annotated 1953

282 **48-3-204**, Utah Code Annotated 1953
283 **48-3-205**, Utah Code Annotated 1953
284 **48-3-206**, Utah Code Annotated 1953
285 **48-3-207**, Utah Code Annotated 1953
286 **48-3-208**, Utah Code Annotated 1953
287 **48-3-209**, Utah Code Annotated 1953
288 **48-3-301**, Utah Code Annotated 1953
289 **48-3-302**, Utah Code Annotated 1953
290 **48-3-303**, Utah Code Annotated 1953
291 **48-3-304**, Utah Code Annotated 1953
292 **48-3-401**, Utah Code Annotated 1953
293 **48-3-402**, Utah Code Annotated 1953
294 **48-3-403**, Utah Code Annotated 1953
295 **48-3-404**, Utah Code Annotated 1953
296 **48-3-405**, Utah Code Annotated 1953
297 **48-3-406**, Utah Code Annotated 1953
298 **48-3-407**, Utah Code Annotated 1953
299 **48-3-408**, Utah Code Annotated 1953
300 **48-3-409**, Utah Code Annotated 1953
301 **48-3-410**, Utah Code Annotated 1953
302 **48-3-501**, Utah Code Annotated 1953
303 **48-3-502**, Utah Code Annotated 1953
304 **48-3-503**, Utah Code Annotated 1953
305 **48-3-504**, Utah Code Annotated 1953
306 **48-3-601**, Utah Code Annotated 1953
307 **48-3-602**, Utah Code Annotated 1953
308 **48-3-603**, Utah Code Annotated 1953
309 **48-3-701**, Utah Code Annotated 1953

310 **48-3-702**, Utah Code Annotated 1953
311 **48-3-703**, Utah Code Annotated 1953
312 **48-3-704**, Utah Code Annotated 1953
313 **48-3-705**, Utah Code Annotated 1953
314 **48-3-706**, Utah Code Annotated 1953
315 **48-3-707**, Utah Code Annotated 1953
316 **48-3-708**, Utah Code Annotated 1953
317 **48-3-709**, Utah Code Annotated 1953
318 **48-3-801**, Utah Code Annotated 1953
319 **48-3-802**, Utah Code Annotated 1953
320 **48-3-803**, Utah Code Annotated 1953
321 **48-3-804**, Utah Code Annotated 1953
322 **48-3-805**, Utah Code Annotated 1953
323 **48-3-806**, Utah Code Annotated 1953
324 **48-3-807**, Utah Code Annotated 1953
325 **48-3-808**, Utah Code Annotated 1953
326 **48-3-809**, Utah Code Annotated 1953
327 **48-3-901**, Utah Code Annotated 1953
328 **48-3-902**, Utah Code Annotated 1953
329 **48-3-903**, Utah Code Annotated 1953
330 **48-3-904**, Utah Code Annotated 1953
331 **48-3-905**, Utah Code Annotated 1953
332 **48-3-906**, Utah Code Annotated 1953
333 **48-3-1001**, Utah Code Annotated 1953
334 **48-3-1002**, Utah Code Annotated 1953
335 **48-3-1003**, Utah Code Annotated 1953
336 **48-3-1004**, Utah Code Annotated 1953
337 **48-3-1005**, Utah Code Annotated 1953

338 **48-3-1006**, Utah Code Annotated 1953
339 **48-3-1007**, Utah Code Annotated 1953
340 **48-3-1008**, Utah Code Annotated 1953
341 **48-3-1009**, Utah Code Annotated 1953
342 **48-3-1010**, Utah Code Annotated 1953
343 **48-3-1011**, Utah Code Annotated 1953
344 **48-3-1012**, Utah Code Annotated 1953
345 **48-3-1013**, Utah Code Annotated 1953
346 **48-3-1014**, Utah Code Annotated 1953
347 **48-3-1015**, Utah Code Annotated 1953
348 **48-3-1101**, Utah Code Annotated 1953
349 **48-3-1102**, Utah Code Annotated 1953
350 **48-3-1103**, Utah Code Annotated 1953
351 **48-3-1104**, Utah Code Annotated 1953
352 **48-3-1105**, Utah Code Annotated 1953
353 **48-3-1106**, Utah Code Annotated 1953
354 **48-3-1107**, Utah Code Annotated 1953
355 **48-3-1108**, Utah Code Annotated 1953
356 **48-3-1109**, Utah Code Annotated 1953
357 **48-3-1110**, Utah Code Annotated 1953
358 **48-3-1111**, Utah Code Annotated 1953
359 **48-3-1112**, Utah Code Annotated 1953
360 **48-3-1201**, Utah Code Annotated 1953
361 **48-3-1202**, Utah Code Annotated 1953
362 **48-3-1203**, Utah Code Annotated 1953
363 **48-3-1204**, Utah Code Annotated 1953
364 **48-3-1205**, Utah Code Annotated 1953
365 **48-3-1206**, Utah Code Annotated 1953

- 366 **48-3-1207**, Utah Code Annotated 1953
- 367 **48-3-1208**, Utah Code Annotated 1953
- 368 **48-3-1209**, Utah Code Annotated 1953
- 369 **48-3-1210**, Utah Code Annotated 1953
- 370 **48-3-1301**, Utah Code Annotated 1953
- 371 **48-3-1302**, Utah Code Annotated 1953
- 372 **48-3-1303**, Utah Code Annotated 1953
- 373 **48-3-1304**, Utah Code Annotated 1953
- 374 **48-3-1401**, Utah Code Annotated 1953
- 375 **48-3-1402**, Utah Code Annotated 1953
- 376 **48-3-1403**, Utah Code Annotated 1953
- 377 **48-3-1404**, Utah Code Annotated 1953
- 378 **48-3-1405**, Utah Code Annotated 1953
- 379 **REPEALS:**
- 380 **48-1-1**, as last amended by Laws of Utah 2008, Chapter 249
- 381 **48-1-2**, Utah Code Annotated 1953
- 382 **48-1-3**, as last amended by Laws of Utah 1994, Chapter 61
- 383 **48-1-3.1**, as enacted by Laws of Utah 1985, Chapter 14
- 384 **48-1-4**, Utah Code Annotated 1953
- 385 **48-1-5**, Utah Code Annotated 1953
- 386 **48-1-6**, Utah Code Annotated 1953
- 387 **48-1-7**, Utah Code Annotated 1953
- 388 **48-1-8**, Utah Code Annotated 1953
- 389 **48-1-9**, Utah Code Annotated 1953
- 390 **48-1-10**, Utah Code Annotated 1953
- 391 **48-1-11**, Utah Code Annotated 1953
- 392 **48-1-12**, as last amended by Laws of Utah 1994, Chapter 61
- 393 **48-1-13**, Utah Code Annotated 1953

- 394 **48-1-14**, Utah Code Annotated 1953
- 395 **48-1-15**, as last amended by Laws of Utah 1994, Chapter 61
- 396 **48-1-16**, Utah Code Annotated 1953
- 397 **48-1-17**, Utah Code Annotated 1953
- 398 **48-1-18**, Utah Code Annotated 1953
- 399 **48-1-19**, Utah Code Annotated 1953
- 400 **48-1-20**, Utah Code Annotated 1953
- 401 **48-1-21**, Utah Code Annotated 1953
- 402 **48-1-22**, Utah Code Annotated 1953
- 403 **48-1-23**, Utah Code Annotated 1953
- 404 **48-1-24**, Utah Code Annotated 1953
- 405 **48-1-25**, Utah Code Annotated 1953
- 406 **48-1-26**, Utah Code Annotated 1953
- 407 **48-1-27**, Utah Code Annotated 1953
- 408 **48-1-28**, Utah Code Annotated 1953
- 409 **48-1-29**, Utah Code Annotated 1953
- 410 **48-1-30**, Utah Code Annotated 1953
- 411 **48-1-31**, as last amended by Laws of Utah 1994, Chapter 61
- 412 **48-1-32**, Utah Code Annotated 1953
- 413 **48-1-33**, as last amended by Laws of Utah 1994, Chapter 61
- 414 **48-1-34**, Utah Code Annotated 1953
- 415 **48-1-35**, Utah Code Annotated 1953
- 416 **48-1-36**, Utah Code Annotated 1953
- 417 **48-1-37**, as last amended by Laws of Utah 1994, Chapter 61
- 418 **48-1-38**, Utah Code Annotated 1953
- 419 **48-1-39**, Utah Code Annotated 1953
- 420 **48-1-40**, Utah Code Annotated 1953
- 421 **48-1-41**, as enacted by Laws of Utah 1994, Chapter 61

422 **48-1-42**, as last amended by Laws of Utah 2009, Chapter 183
423 **48-1-43**, as enacted by Laws of Utah 1994, Chapter 61
424 **48-1-44**, as last amended by Laws of Utah 2008, Chapter 249
425 **48-1-45**, as enacted by Laws of Utah 1994, Chapter 61
426 **48-1-46**, as enacted by Laws of Utah 1994, Chapter 61
427 **48-1-47**, as enacted by Laws of Utah 1994, Chapter 61
428 **48-1-48**, as last amended by Laws of Utah 2000, Chapter 261
429 **48-2a-101**, as last amended by Laws of Utah 2008, Chapter 249
430 **48-2a-102**, as last amended by Laws of Utah 2010, Chapter 218
431 **48-2a-103**, as last amended by Laws of Utah 1991, Chapter 189
432 **48-2a-103.5**, as enacted by Laws of Utah 1991, Chapter 189
433 **48-2a-105**, as last amended by Laws of Utah 1991, Chapter 189
434 **48-2a-106**, as enacted by Laws of Utah 1990, Chapter 233
435 **48-2a-107**, as enacted by Laws of Utah 1990, Chapter 233
436 **48-2a-108**, as enacted by Laws of Utah 2001, Chapter 260
437 **48-2a-109**, as enacted by Laws of Utah 2001, Chapter 260
438 **48-2a-110**, as enacted by Laws of Utah 2001, Chapter 260
439 **48-2a-111**, as enacted by Laws of Utah 2001, Chapter 260
440 **48-2a-112**, as enacted by Laws of Utah 2001, Chapter 260
441 **48-2a-113**, as enacted by Laws of Utah 2001, Chapter 260
442 **48-2a-201**, as last amended by Laws of Utah 2008, Chapter 364
443 **48-2a-202**, as last amended by Laws of Utah 2002, Chapter 193
444 **48-2a-202.5**, as last amended by Laws of Utah 2008, Chapter 364
445 **48-2a-203**, as last amended by Laws of Utah 1991, Chapter 189
446 **48-2a-203.5**, as last amended by Laws of Utah 2008, Chapter 382
447 **48-2a-204**, as enacted by Laws of Utah 1990, Chapter 233
448 **48-2a-205**, as enacted by Laws of Utah 1990, Chapter 233
449 **48-2a-206**, as last amended by Laws of Utah 2009, Chapter 183

- 450 **48-2a-207**, as last amended by Laws of Utah 1992, Chapter 30
- 451 **48-2a-208**, as last amended by Laws of Utah 1991, Chapter 189
- 452 **48-2a-209**, as enacted by Laws of Utah 1990, Chapter 233
- 453 **48-2a-210**, as last amended by Laws of Utah 2008, Chapter 364
- 454 **48-2a-301**, as last amended by Laws of Utah 1991, Chapter 189
- 455 **48-2a-302**, as enacted by Laws of Utah 1990, Chapter 233
- 456 **48-2a-303**, as last amended by Laws of Utah 1991, Chapter 189
- 457 **48-2a-304**, as last amended by Laws of Utah 1991, Chapter 189
- 458 **48-2a-305**, as enacted by Laws of Utah 1990, Chapter 233
- 459 **48-2a-401**, as enacted by Laws of Utah 1990, Chapter 233
- 460 **48-2a-402**, as last amended by Laws of Utah 2010, Chapter 324
- 461 **48-2a-403**, as enacted by Laws of Utah 1990, Chapter 233
- 462 **48-2a-404**, as last amended by Laws of Utah 1991, Chapter 189
- 463 **48-2a-405**, as enacted by Laws of Utah 1990, Chapter 233
- 464 **48-2a-501**, as enacted by Laws of Utah 1990, Chapter 233
- 465 **48-2a-502**, as enacted by Laws of Utah 1990, Chapter 233
- 466 **48-2a-503**, as enacted by Laws of Utah 1990, Chapter 233
- 467 **48-2a-504**, as last amended by Laws of Utah 1991, Chapter 189
- 468 **48-2a-601**, as last amended by Laws of Utah 1991, Chapter 189
- 469 **48-2a-602**, as enacted by Laws of Utah 1990, Chapter 233
- 470 **48-2a-603**, as enacted by Laws of Utah 1990, Chapter 233
- 471 **48-2a-604**, as last amended by Laws of Utah 1991, Chapter 189
- 472 **48-2a-605**, as enacted by Laws of Utah 1990, Chapter 233
- 473 **48-2a-606**, as enacted by Laws of Utah 1990, Chapter 233
- 474 **48-2a-607**, as enacted by Laws of Utah 1990, Chapter 233
- 475 **48-2a-608**, as last amended by Laws of Utah 1991, Chapter 189
- 476 **48-2a-701**, as enacted by Laws of Utah 1990, Chapter 233
- 477 **48-2a-702**, as last amended by Laws of Utah 1991, Chapter 189

478 **48-2a-703**, as last amended by Laws of Utah 1991, Chapter 189
479 **48-2a-704**, as last amended by Laws of Utah 1991, Chapter 189
480 **48-2a-705**, as last amended by Laws of Utah 1991, Chapter 189
481 **48-2a-801**, as last amended by Laws of Utah 1991, Chapter 189
482 **48-2a-802**, as enacted by Laws of Utah 1990, Chapter 233
483 **48-2a-803**, as enacted by Laws of Utah 1990, Chapter 233
484 **48-2a-804**, as last amended by Laws of Utah 1991, Chapter 189
485 **48-2a-901**, as enacted by Laws of Utah 1990, Chapter 233
486 **48-2a-902**, as last amended by Laws of Utah 2008, Chapters 249 and 364
487 **48-2a-903**, as enacted by Laws of Utah 1990, Chapter 233
488 **48-2a-904**, as enacted by Laws of Utah 1990, Chapter 233
489 **48-2a-905**, as last amended by Laws of Utah 1991, Chapter 189
490 **48-2a-906**, as last amended by Laws of Utah 1991, Chapter 189
491 **48-2a-907**, as last amended by Laws of Utah 1991, Chapter 189
492 **48-2a-908**, as enacted by Laws of Utah 1990, Chapter 233
493 **48-2a-1001**, as enacted by Laws of Utah 1990, Chapter 233
494 **48-2a-1002**, as last amended by Laws of Utah 1991, Chapter 189
495 **48-2a-1003**, as enacted by Laws of Utah 1990, Chapter 233
496 **48-2a-1004**, as enacted by Laws of Utah 1990, Chapter 233
497 **48-2a-1005**, as last amended by Laws of Utah 1991, Chapter 189
498 **48-2a-1006**, as enacted by Laws of Utah 1990, Chapter 233
499 **48-2a-1101**, as enacted by Laws of Utah 1990, Chapter 233
500 **48-2a-1102**, as enacted by Laws of Utah 1990, Chapter 233
501 **48-2a-1103**, as enacted by Laws of Utah 1990, Chapter 233
502 **48-2a-1104**, as last amended by Laws of Utah 1991, Chapters 5 and 189
503 **48-2a-1105**, as enacted by Laws of Utah 1990, Chapter 233
504 **48-2a-1106**, as enacted by Laws of Utah 1990, Chapter 233
505 **48-2a-1107**, as last amended by Laws of Utah 2009, Chapter 183

- 506 **48-2c-101**, as enacted by Laws of Utah 2001, Chapter 260
- 507 **48-2c-102**, as last amended by Laws of Utah 2009, Chapter 141
- 508 **48-2c-103**, as enacted by Laws of Utah 2001, Chapter 260
- 509 **48-2c-104**, as enacted by Laws of Utah 2001, Chapter 260
- 510 **48-2c-105**, as enacted by Laws of Utah 2001, Chapter 260
- 511 **48-2c-106**, as last amended by Laws of Utah 2010, Chapter 218
- 512 **48-2c-107**, as enacted by Laws of Utah 2001, Chapter 260
- 513 **48-2c-108**, as last amended by Laws of Utah 2002, Chapter 193
- 514 **48-2c-109**, as enacted by Laws of Utah 2001, Chapter 260
- 515 **48-2c-110**, as last amended by Laws of Utah 2005, Chapter 141
- 516 **48-2c-113**, as last amended by Laws of Utah 2010, Chapter 43
- 517 **48-2c-114**, as enacted by Laws of Utah 2001, Chapter 260
- 518 **48-2c-115**, as last amended by Laws of Utah 2008, Chapter 364
- 519 **48-2c-116**, as enacted by Laws of Utah 2001, Chapter 260
- 520 **48-2c-118**, as enacted by Laws of Utah 2001, Chapter 260
- 521 **48-2c-119**, as enacted by Laws of Utah 2001, Chapter 260
- 522 **48-2c-120**, as last amended by Laws of Utah 2006, Chapter 92
- 523 **48-2c-121**, as last amended by Laws of Utah 2005, Chapter 141
- 524 **48-2c-122**, as enacted by Laws of Utah 2001, Chapter 260
- 525 **48-2c-201**, as enacted by Laws of Utah 2001, Chapter 260
- 526 **48-2c-202**, as enacted by Laws of Utah 2001, Chapter 260
- 527 **48-2c-203**, as last amended by Laws of Utah 2009, Chapter 141
- 528 **48-2c-204**, as last amended by Laws of Utah 2008, Chapter 364
- 529 **48-2c-205**, as enacted by Laws of Utah 2001, Chapter 260
- 530 **48-2c-206**, as enacted by Laws of Utah 2001, Chapter 260
- 531 **48-2c-207**, as enacted by Laws of Utah 2001, Chapter 260
- 532 **48-2c-208**, as enacted by Laws of Utah 2001, Chapter 260
- 533 **48-2c-209**, as enacted by Laws of Utah 2001, Chapter 260

534 **48-2c-210**, as enacted by Laws of Utah 2001, Chapter 260
535 **48-2c-211**, as last amended by Laws of Utah 2008, Chapter 364
536 **48-2c-212**, as enacted by Laws of Utah 2001, Chapter 260
537 **48-2c-213**, as enacted by Laws of Utah 2001, Chapter 260
538 **48-2c-214**, as last amended by Laws of Utah 2009, Chapter 141
539 **48-2c-305**, as enacted by Laws of Utah 2001, Chapter 260
540 **48-2c-309**, as last amended by Laws of Utah 2008, Chapter 364
541 **48-2c-311**, as enacted by Laws of Utah 2001, Chapter 260
542 **48-2c-401**, as last amended by Laws of Utah 2005, Chapter 141
543 **48-2c-402**, as enacted by Laws of Utah 2001, Chapter 260
544 **48-2c-403**, as last amended by Laws of Utah 2009, Chapter 141
545 **48-2c-404**, as enacted by Laws of Utah 2001, Chapter 260
546 **48-2c-405**, as last amended by Laws of Utah 2009, Chapter 141
547 **48-2c-406**, as last amended by Laws of Utah 2008, Chapter 364
548 **48-2c-407**, as enacted by Laws of Utah 2001, Chapter 260
549 **48-2c-408**, as last amended by Laws of Utah 2005, Chapter 141
550 **48-2c-409**, as enacted by Laws of Utah 2001, Chapter 260
551 **48-2c-410**, as last amended by Laws of Utah 2010, Chapter 43
552 **48-2c-411**, as last amended by Laws of Utah 2008, Chapter 364
553 **48-2c-412**, as enacted by Laws of Utah 2009, Chapter 141
554 **48-2c-501**, as last amended by Laws of Utah 2005, Chapter 141
555 **48-2c-502**, as enacted by Laws of Utah 2001, Chapter 260
556 **48-2c-503**, as enacted by Laws of Utah 2001, Chapter 260
557 **48-2c-504**, as enacted by Laws of Utah 2001, Chapter 260
558 **48-2c-505**, as enacted by Laws of Utah 2001, Chapter 260
559 **48-2c-506**, as enacted by Laws of Utah 2001, Chapter 260
560 **48-2c-601**, as enacted by Laws of Utah 2001, Chapter 260
561 **48-2c-602**, as last amended by Laws of Utah 2002, Chapter 193

562 **48-2c-603**, as enacted by Laws of Utah 2001, Chapter 260
563 **48-2c-604**, as enacted by Laws of Utah 2001, Chapter 260
564 **48-2c-605**, as enacted by Laws of Utah 2001, Chapter 260
565 **48-2c-606**, as last amended by Laws of Utah 2010, Chapter 43
566 **48-2c-607**, as last amended by Laws of Utah 2010, Chapter 43
567 **48-2c-608**, as enacted by Laws of Utah 2006, Chapter 92
568 **48-2c-609**, as enacted by Laws of Utah 2006, Chapter 92
569 **48-2c-610**, as enacted by Laws of Utah 2006, Chapter 92
570 **48-2c-611**, as enacted by Laws of Utah 2006, Chapter 92
571 **48-2c-612**, as enacted by Laws of Utah 2006, Chapter 92
572 **48-2c-613**, as enacted by Laws of Utah 2006, Chapter 92
573 **48-2c-614**, as enacted by Laws of Utah 2006, Chapter 92
574 **48-2c-615**, as enacted by Laws of Utah 2006, Chapter 92
575 **48-2c-616**, as enacted by Laws of Utah 2006, Chapter 92
576 **48-2c-701**, as enacted by Laws of Utah 2001, Chapter 260
577 **48-2c-702**, as last amended by Laws of Utah 2005, Chapter 141
578 **48-2c-703**, as enacted by Laws of Utah 2001, Chapter 260
579 **48-2c-704**, as last amended by Laws of Utah 2008, Chapter 364
580 **48-2c-705**, as enacted by Laws of Utah 2001, Chapter 260
581 **48-2c-706**, as enacted by Laws of Utah 2001, Chapter 260
582 **48-2c-707**, as last amended by Laws of Utah 2002, Chapter 193
583 **48-2c-708**, as enacted by Laws of Utah 2001, Chapter 260
584 **48-2c-709**, as enacted by Laws of Utah 2001, Chapter 260
585 **48-2c-710**, as enacted by Laws of Utah 2001, Chapter 260
586 **48-2c-801**, as last amended by Laws of Utah 2002, Chapter 193
587 **48-2c-802**, as enacted by Laws of Utah 2001, Chapter 260
588 **48-2c-803**, as last amended by Laws of Utah 2005, Chapter 141
589 **48-2c-803.1**, as enacted by Laws of Utah 2005, Chapter 141

- 590 **48-2c-804**, as last amended by Laws of Utah 2005, Chapter 141
- 591 **48-2c-805**, as enacted by Laws of Utah 2001, Chapter 260
- 592 **48-2c-806**, as enacted by Laws of Utah 2001, Chapter 260
- 593 **48-2c-807**, as last amended by Laws of Utah 2005, Chapter 141
- 594 **48-2c-808**, as enacted by Laws of Utah 2001, Chapter 260
- 595 **48-2c-809**, as last amended by Laws of Utah 2008, Chapter 364
- 596 **48-2c-901**, as enacted by Laws of Utah 2001, Chapter 260
- 597 **48-2c-902**, as enacted by Laws of Utah 2001, Chapter 260
- 598 **48-2c-903**, as last amended by Laws of Utah 2005, Chapter 141
- 599 **48-2c-904**, as enacted by Laws of Utah 2001, Chapter 260
- 600 **48-2c-905**, as enacted by Laws of Utah 2001, Chapter 260
- 601 **48-2c-906**, as enacted by Laws of Utah 2001, Chapter 260
- 602 **48-2c-1001**, as enacted by Laws of Utah 2001, Chapter 260
- 603 **48-2c-1002**, as enacted by Laws of Utah 2001, Chapter 260
- 604 **48-2c-1003**, as enacted by Laws of Utah 2001, Chapter 260
- 605 **48-2c-1004**, as enacted by Laws of Utah 2001, Chapter 260
- 606 **48-2c-1005**, as enacted by Laws of Utah 2001, Chapter 260
- 607 **48-2c-1006**, as enacted by Laws of Utah 2001, Chapter 260
- 608 **48-2c-1007**, as enacted by Laws of Utah 2001, Chapter 260
- 609 **48-2c-1008**, as enacted by Laws of Utah 2001, Chapter 260
- 610 **48-2c-1101**, as enacted by Laws of Utah 2001, Chapter 260
- 611 **48-2c-1102**, as enacted by Laws of Utah 2001, Chapter 260
- 612 **48-2c-1103**, as last amended by Laws of Utah 2005, Chapter 141
- 613 **48-2c-1104**, as enacted by Laws of Utah 2001, Chapter 260
- 614 **48-2c-1105**, as enacted by Laws of Utah 2001, Chapter 260
- 615 **48-2c-1106**, as enacted by Laws of Utah 2001, Chapter 260
- 616 **48-2c-1201**, as last amended by Laws of Utah 2005, Chapter 141
- 617 **48-2c-1202**, as enacted by Laws of Utah 2001, Chapter 260

- 618 **48-2c-1203**, as enacted by Laws of Utah 2001, Chapter 260
- 619 **48-2c-1204**, as last amended by Laws of Utah 2008, Chapter 364
- 620 **48-2c-1205**, as enacted by Laws of Utah 2001, Chapter 260
- 621 **48-2c-1206**, as last amended by Laws of Utah 2008, Chapter 364
- 622 **48-2c-1207**, as last amended by Laws of Utah 2009, Chapter 141
- 623 **48-2c-1208**, as last amended by Laws of Utah 2009, Chapter 141
- 624 **48-2c-1209**, as last amended by Laws of Utah 2009, Chapter 141
- 625 **48-2c-1210**, as enacted by Laws of Utah 2001, Chapter 260
- 626 **48-2c-1211**, as last amended by Laws of Utah 2008, Chapter 364
- 627 **48-2c-1212**, as enacted by Laws of Utah 2001, Chapter 260
- 628 **48-2c-1213**, as enacted by Laws of Utah 2001, Chapter 260
- 629 **48-2c-1214**, as enacted by Laws of Utah 2001, Chapter 260
- 630 **48-2c-1301**, as enacted by Laws of Utah 2001, Chapter 260
- 631 **48-2c-1302**, as enacted by Laws of Utah 2001, Chapter 260
- 632 **48-2c-1303**, as enacted by Laws of Utah 2001, Chapter 260
- 633 **48-2c-1304**, as enacted by Laws of Utah 2001, Chapter 260
- 634 **48-2c-1305**, as enacted by Laws of Utah 2001, Chapter 260
- 635 **48-2c-1306**, as last amended by Laws of Utah 2009, Chapter 141
- 636 **48-2c-1307**, as enacted by Laws of Utah 2001, Chapter 260
- 637 **48-2c-1308**, as enacted by Laws of Utah 2001, Chapter 260
- 638 **48-2c-1309**, as enacted by Laws of Utah 2001, Chapter 260
- 639 **48-2c-1401**, as last amended by Laws of Utah 2009, Chapter 141
- 640 **48-2c-1402**, as enacted by Laws of Utah 2001, Chapter 260
- 641 **48-2c-1403**, as enacted by Laws of Utah 2001, Chapter 260
- 642 **48-2c-1404**, as last amended by Laws of Utah 2005, Chapter 141
- 643 **48-2c-1405**, as enacted by Laws of Utah 2001, Chapter 260
- 644 **48-2c-1406**, as last amended by Laws of Utah 2005, Chapter 141
- 645 **48-2c-1407**, as enacted by Laws of Utah 2001, Chapter 260

- 646 **48-2c-1408**, as enacted by Laws of Utah 2001, Chapter 260
- 647 **48-2c-1409**, as enacted by Laws of Utah 2001, Chapter 260
- 648 **48-2c-1410**, as enacted by Laws of Utah 2001, Chapter 260
- 649 **48-2c-1411**, as enacted by Laws of Utah 2009, Chapter 141
- 650 **48-2c-1501**, as enacted by Laws of Utah 2001, Chapter 260
- 651 **48-2c-1502**, as last amended by Laws of Utah 2010, Chapter 379
- 652 **48-2c-1503**, as enacted by Laws of Utah 2001, Chapter 260
- 653 **48-2c-1504**, as enacted by Laws of Utah 2001, Chapter 260
- 654 **48-2c-1505**, as enacted by Laws of Utah 2001, Chapter 260
- 655 **48-2c-1506**, as enacted by Laws of Utah 2001, Chapter 260
- 656 **48-2c-1507**, as enacted by Laws of Utah 2001, Chapter 260
- 657 **48-2c-1508**, as enacted by Laws of Utah 2001, Chapter 260
- 658 **48-2c-1509**, as enacted by Laws of Utah 2001, Chapter 260
- 659 **48-2c-1510**, as enacted by Laws of Utah 2001, Chapter 260
- 660 **48-2c-1511**, as last amended by Laws of Utah 2008, Chapter 364
- 661 **48-2c-1512**, as enacted by Laws of Utah 2001, Chapter 260
- 662 **48-2c-1513**, as enacted by Laws of Utah 2001, Chapter 260
- 663 **48-2c-1601**, as enacted by Laws of Utah 2001, Chapter 260
- 664 **48-2c-1602**, as enacted by Laws of Utah 2001, Chapter 260
- 665 **48-2c-1603**, as last amended by Laws of Utah 2008, Chapter 364
- 666 **48-2c-1604**, as last amended by Laws of Utah 2008, Chapters 249 and 364
- 667 **48-2c-1605**, as enacted by Laws of Utah 2001, Chapter 260
- 668 **48-2c-1606**, as enacted by Laws of Utah 2001, Chapter 260
- 669 **48-2c-1607**, as enacted by Laws of Utah 2001, Chapter 260
- 670 **48-2c-1608**, as enacted by Laws of Utah 2001, Chapter 260
- 671 **48-2c-1609**, as enacted by Laws of Utah 2001, Chapter 260
- 672 **48-2c-1610**, as enacted by Laws of Utah 2001, Chapter 260
- 673 **48-2c-1611**, as last amended by Laws of Utah 2008, Chapter 364

- 674 **48-2c-1612**, as last amended by Laws of Utah 2008, Chapter 364
- 675 **48-2c-1613**, as last amended by Laws of Utah 2009, Chapter 141
- 676 **48-2c-1614**, as last amended by Laws of Utah 2008, Chapter 364
- 677 **48-2c-1615**, as enacted by Laws of Utah 2001, Chapter 260
- 678 **48-2c-1701**, as enacted by Laws of Utah 2001, Chapter 260
- 679 **48-2c-1702**, as enacted by Laws of Utah 2001, Chapter 260
- 680 **48-2c-1703**, as enacted by Laws of Utah 2001, Chapter 260
- 681 **48-2c-1704**, as enacted by Laws of Utah 2001, Chapter 260
- 682 **48-2c-1705**, as enacted by Laws of Utah 2001, Chapter 260
- 683 **48-2c-1706**, as enacted by Laws of Utah 2001, Chapter 260
- 684 **48-2c-1801**, as enacted by Laws of Utah 2001, Chapter 260
- 685 **48-2c-1802**, as enacted by Laws of Utah 2001, Chapter 260
- 686 **48-2c-1803**, as enacted by Laws of Utah 2001, Chapter 260
- 687 **48-2c-1804**, as enacted by Laws of Utah 2001, Chapter 260
- 688 **48-2c-1805**, as enacted by Laws of Utah 2001, Chapter 260
- 689 **48-2c-1806**, as enacted by Laws of Utah 2001, Chapter 260
- 690 **48-2c-1807**, as enacted by Laws of Utah 2001, Chapter 260
- 691 **48-2c-1808**, as enacted by Laws of Utah 2001, Chapter 260
- 692 **48-2c-1809**, as enacted by Laws of Utah 2001, Chapter 260
- 693 **48-2c-1901**, as enacted by Laws of Utah 2001, Chapter 260
- 694 **48-2c-1902**, as enacted by Laws of Utah 2001, Chapter 260



696 *Be it enacted by the Legislature of the state of Utah:*

697 Section 1. Section **7-1-810** is amended to read:

698 **7-1-810. Limited liability companies.**

699 (1) Notwithstanding any other provision of this title and subject to Subsection (8), if
700 the conditions of this section are met, the following may be organized as or convert to a limited
701 liability company under Title 48, Chapter [2c] 3, Utah Revised Uniform Limited Liability

702 Company Act:

- 703 (a) an industrial bank chartered under Chapter 8, Industrial Banks;
- 704 (b) an industrial loan company as defined in Section 7-8-21; or
- 705 (c) any of the following if the institution is an S Corporation, as defined in Section

706 1361, Internal Revenue Code, immediately before becoming a limited liability company:

- 707 (i) a bank chartered under Chapter 3, Banks;
- 708 (ii) a savings and loan association chartered under Chapter 7, Savings and Loan

709 Associations Act; or

- 710 (iii) a depository institution holding company.

711 (2) (a) Before an institution described in Subsection (1) may organize as or convert to a
712 limited liability company, the institution shall obtain approval of the commissioner.

713 (b) (i) To obtain the approval under this section from the commissioner, the institution
714 shall file a request for approval with the commissioner at least 30 days before the day on which
715 the institution becomes a limited liability company.

716 (ii) If the commissioner does not disapprove the request for approval within 30 days
717 from the day on which the commissioner receives the request, the request is considered
718 approved.

719 (iii) When taking action on a request for approval filed under this section, the
720 commissioner may:

- 721 (A) approve the request;
- 722 (B) approve the request subject to terms and conditions the commissioner considers
723 necessary; or
- 724 (C) disapprove the request.

725 (3) To approve a request for approval, the commissioner shall find:

726 (a) for an institution described in Subsection (1) that is required to be insured by a
727 federal deposit insurance agency, that the institution:

- 728 (i) will operate in a safe and sound manner;
- 729 (ii) has the following characteristics:

730 (A) the institution is not subject to automatic termination, dissolution, or suspension
731 upon the happening of some event other than the passage of time;

732 (B) the exclusive authority to manage the institution is vested in a board of managers
733 or directors that:

734 (I) is elected or appointed by the owners;

735 (II) is not required to have owners of the institution included on the board;

736 (III) possesses adequate independence and authority to supervise the operation of the
737 institution; and

738 (IV) operates with substantially the same rights, powers, privileges, duties, and
739 responsibilities as the board of directors of a corporation;

740 (C) neither state law, nor the institution's operating agreement, bylaws, or other
741 organizational documents provide that an owner of the institution is liable for the debts,
742 liabilities, and obligations of the institution in excess of the amount of the owner's investment;
743 and

744 (D) (I) neither state law, nor the institution's operating agreement, bylaws, or other
745 organizational documents require the consent of any other owner of the institution in order for
746 any owner to transfer an ownership interest in the institution, including voting rights; and

747 (II) the institution is able to obtain new investment funding if needed to maintain
748 adequate capital; and

749 (iii) is able to comply with all legal and regulatory requirements for an insured
750 depository institution under applicable federal and state law; and

751 (b) for an institution described in Subsection (1) that is not required to be insured by a
752 federal deposit insurance agency, that the institution will operate in a safe and sound manner.

753 (4) An institution described in Subsection (3)(a) that is organized as a limited liability
754 company shall maintain the characteristics listed in Subsection (3)(a)(ii) during such time as it
755 is authorized to conduct business under this title as a limited liability company.

756 (5) (a) All rights, privileges, powers, duties, and obligations of an institution described
757 in Subsection (1) that is organized as a limited liability company and its members and

758 managers shall be governed by Title 48, Chapter ~~[2e]~~ 3, Utah Revised Uniform Limited
759 Liability Company Act, except:

760 (i) the following ~~[sections]~~ do not apply to an institution that is described in Subsection
761 (3)(a):

762 [~~(A) Subsection 48-2c-402(2)(a)(ii);~~]

763 [~~(B) Section 48-2c-604;~~]

764 [~~(C) Section 48-2c-703;~~]

765 [~~(D) Section 48-2c-708;~~]

766 [~~(E) Subsection 48-2c-801(2);~~]

767 [~~(F) Section 48-2c-1102;~~]

768 [~~(G) Section 48-2c-1104; and~~]

769 [~~(H) Subsections 48-2c-1201(2) through (5); and~~]

770 (A) Section 48-3-110;

771 (B) Section 48-3-112;

772 (C) Section 48-3-201;

773 (D) Section 48-3-401;

774 (E) Subsections 48-3-407(1) and (3)(d);

775 (F) Section 48-3-410;

776 (G) Subsection 48-3-502(1)(c);

777 (H) Title 48, Chapter 3, Part 6, Member's Dissociation;

778 (I) Section 48-3-701; and

779 (J) Title 48, Chapter 3, Part 8, Foreign Limited Liability Companies; and

780 (ii) as otherwise provided in this title.

781 (b) Notwithstanding Subsection (5)(a), for an institution that is described in Subsection
782 (3)(a):

783 (i) for purposes of transferring a member's interests in the institution, a member's
784 interest in the institution shall be treated like a share of stock in a corporation; and

785 (ii) if a member's interest in the institution is transferred voluntarily or involuntarily to

786 another person, the person who receives the member's interest shall obtain the member's entire
787 rights associated with the member's interest in the institution including:

788 (A) all economic rights; and

789 (B) all voting rights.

790 (c) An institution described in Subsection (3)(a) may not by agreement or otherwise
791 change the application of Subsection (5)(a) to the institution.

792 (6) Unless the context requires otherwise, for the purpose of applying this title to an
793 institution described in Subsection (1) that is organized as a limited liability company:

794 (a) a citation to Title 16, Chapter 10a, Utah Revised Business Corporation Act,
795 includes the equivalent citation to Title 48, Chapter ~~[2c]~~ 3, Utah Revised Uniform Limited
796 Liability Company Act;

797 (b) "articles of incorporation" includes a limited liability company's ~~[articles]~~
798 certificate of organization as that term is used in Section ~~[48-2c-403]~~ 48-3-201;

799 (c) "board of directors" includes one or more persons who have, with respect to an
800 institution described in Subsection (1), authority substantially similar to that of a board of
801 directors of a corporation;

802 (d) "bylaws" includes a limited liability company's operating agreement as that term is
803 defined in Section ~~[48-2c-102]~~ 48-3-102;

804 (e) "corporation" includes a limited liability company organized under Title 48,
805 Chapter ~~[2c]~~ 3, Utah Revised Uniform Limited Liability Company Act;

806 (f) "director" includes any of the following of a limited liability company:

807 (i) a manager;

808 (ii) a director; or

809 (iii) other person who has with respect to the institution described in Subsection (1),
810 authority substantially similar to that of a director of a corporation;

811 (g) "dividend" includes distributions made by a limited liability company under Title
812 48, Chapter ~~[2c, Part 10, Distributions]~~ 3, Part 4, Relations of Members to Each Other and to
813 Limited Liability Company;

814 (h) "incorporator" includes ~~[the organizers]~~ an organizer of a limited liability company
815 as provided in Title 48, Chapter ~~[2c, Part 4, Formation]~~ 3, Part 2, Formation - Certificate of
816 Organization and Other Filings;

817 (i) "officer" includes any of the following of an institution described in Subsection (1):

818 (i) an officer; or

819 (ii) other person who has with respect to the institution described in Subsection (1)
820 authority substantially similar to that of an officer of a corporation;

821 (j) "security," "shares," or "stock" of a corporation includes:

822 (i) a membership interest in a limited liability company as provided in Title 48,
823 Chapter ~~[2c, Part 7, Members]~~ 3, Part 4, Relations of Members to Each Other and to Limited
824 Liability Company; and

825 (ii) ~~[any]~~ a certificate or other evidence of an ownership interest in a limited liability
826 company; and

827 (k) "stockholder" or "shareholder" includes an owner of an interest in an institution
828 described in Subsection (1) including a member as provided in Title 48, Chapter ~~[2c, Part 7,~~
829 ~~Members]~~ 3, Part 4, Relations of Members to Each Other and to Limited Liability Company.

830 (7) In accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, the
831 commissioner shall make rules governing the form of a request for approval filed under this
832 section.

833 (8) A depository institution organized under the laws of this state may not be organized
834 as or converted to a series of ~~[members, managers, or]~~ transferable interests in a limited
835 liability company as provided in ~~[Section 48-2c-606]~~ Title 48, Chapter 3, Part 12, Series
836 Limited Liability Companies.

837 Section 2. Section **7-3-10** is amended to read:

838 **7-3-10. Organization -- Powers, rights, and privileges of banking corporation --**
839 **Other business activities.**

840 (1) A bank chartered under this chapter shall be:

841 (a) a domestic corporation under Title 16, Chapter 10a, Utah Revised Business

842 Corporation Act; or

843 (b) subject to Section 7-1-810, including the requirement that the bank be an S
844 Corporation immediately before becoming a limited liability company, a limited liability
845 company created under Title 48, Chapter [2e] 3, Utah Revised Uniform Limited Liability
846 Company Act.

847 (2) A bank has all the rights, privileges, and powers necessary or incidental to carrying
848 on the business of banking in addition to the powers granted:

849 (a) if the bank is a corporation, under Title 16, Chapter 10a, Utah Revised Business
850 Corporation Act; or

851 (b) subject to Section 7-1-810, if the bank is a limited liability company, under Title
852 48, Chapter [2e] 3, Utah Revised Uniform Limited Liability Company Act.

853 (3) The commissioner may, by rule or order, determine that necessary or incidental
854 rights, privileges, and powers include:

855 (a) the rights, privileges, and powers held by national banks; or

856 (b) other business activities so long as the commissioner's determination is not
857 inconsistent with the rules, regulations, or other actions of the board of governors of the
858 Federal Reserve System under Section 4(c)(8) of the Bank Holding Company Act of 1956, 12
859 U.S.C. Sec. 1843(c)(8).

860 (4) The commissioner shall implement this section in a manner consistent with the
861 purposes set forth in Section 7-1-102.

862 Section 3. Section **7-8-3** is amended to read:

863 **7-8-3. Organization -- Authorization to conduct business -- Deposit insurance.**

864 (1) Subject to Subsection (4), the commissioner may authorize a person described in
865 Subsection (2) to conduct business as an industrial bank.

866 (2) (a) Each person organized to conduct the business of an industrial bank in this state
867 shall be organized under:

868 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act; or

869 (ii) in accordance with Section 7-1-810, Title 48, Chapter [2e] 3, Utah Revised

870 Uniform Limited Liability Company Act.

871 (b) A person may not conduct business as an industrial bank authorized under this
872 chapter to conduct business as an industrial bank in any form of entity other than those
873 provided in Subsection (2)(a).

874 (3) (a) All rights, privileges, powers, duties, and obligations of a corporation
875 authorized to conduct business as an industrial bank and its officers, directors, and stockholders
876 shall be governed by Title 16, Chapter 10a, Utah Revised Business Corporation Act, except as
877 otherwise provided in this title.

878 (b) All rights, privileges, powers, duties, and obligations of a limited liability company
879 authorized to conduct business as an industrial bank and its members and managers shall be
880 governed by Title 48, Chapter [~~2c, Utah Revised~~] 3, Uniform Limited Liability Company Act,
881 except as otherwise provided in this title.

882 (4) (a) An industrial bank is authorized to receive and hold deposits.

883 (b) An industrial bank may not conduct business under this chapter as an industrial
884 bank unless the industrial bank obtains insurance from the Federal Deposit Insurance
885 Corporation or a successor federal deposit insurance entity for any deposits received or held by
886 the industrial bank.

887 Section 4. Section **13-34-114** is amended to read:

888 **13-34-114. Consent to use of educational terms in business names.**

889 (1) For purposes of this section:

890 (a) "Business name" means a name filed with the Division of Corporations and
891 Commercial Code under:

892 (i) Section 16-6a-401;

893 (ii) Section 16-10a-401;

894 (iii) Section 16-11-16;

895 (iv) Section 42-2-6.6;

896 (v) Section [~~48-2a-102~~] 48-2d-108; or

897 (vi) Section [~~48-2c-106~~] 48-3-108.

898 (b) "Educational term" means the term:

899 (i) "university";

900 (ii) "college"; or

901 (iii) "institute" or "institution."

902 (2) If a statute listed in Subsection (1)(a) requires the written consent of the division to
903 file a business name with the Division of Corporations and Commercial Code that includes an
904 educational term, the division may consent to the use of an educational term in accordance with
905 this statute.

906 (3) The division shall consent to the use of an educational term in a business name if
907 the person seeking to file the name:

908 (a) is registered under this chapter;

909 (b) is exempt from the chapter under Section 13-34-105; or

910 (c) (i) is not engaged in educational activities; and

911 (ii) does not represent that it is engaged in educational activities.

912 (4) The division may withhold consent to use of an educational term in a business
913 name if the person seeking to file the name:

914 (a) offers, sells, or awards a degree or any other type of educational credential; and

915 (b) fails to provide bona fide instruction through student-faculty interaction according
916 to the standards and criteria established by the division under Subsection 13-34-104(5).

917 Section 5. Section **16-6a-1008.7** is amended to read:

918 **16-6a-1008.7. Conversion to or from a domestic limited liability company.**

919 (1) (a) A domestic nonprofit corporation may convert to a domestic limited liability
920 company subject to Title 48, Chapter ~~[2e]~~ 3, Utah Revised Uniform Limited Liability Company
921 Act, by complying with:

922 (i) this Subsection (1); and

923 (ii) Section ~~[48-2e-1401]~~ 48-3-1006.

924 (b) If a domestic nonprofit corporation converts to a domestic limited liability company
925 in accordance with this Subsection (1), the articles of conversion shall:

926 (i) comply with Section [~~48-2c-1402~~] 48-3-1008; and
927 (ii) if the corporation has any members, provide for:
928 (A) the cancellation of any membership; or
929 (B) the conversion of any membership in the domestic nonprofit corporation to a
930 membership interest in the domestic limited liability company.
931 (c) [~~In accordance with Section 48-2c-1404, before~~] Before articles of conversion may
932 be filed with the division, the conversion shall be approved:
933 (i) in the manner provided for the articles of incorporation or bylaws of the domestic
934 nonprofit corporation; or
935 (ii) if the articles of incorporation or bylaws of the domestic nonprofit corporation do
936 not provide the method for approval:
937 (A) if the domestic nonprofit corporation has voting members, by all of the members of
938 the domestic nonprofit corporation regardless of limitations or restrictions on the voting rights
939 of the members; or
940 (B) if the nonprofit domestic corporation does not have voting members, by a majority
941 of:
942 (I) the directors in office at the time the conversion is approved by the board of
943 directors; or
944 (II) if directors have not been appointed or elected, the incorporators.
945 (2) A domestic limited liability company may convert to a domestic nonprofit
946 corporation subject to this chapter by:
947 (a) filing articles of incorporation in accordance with this chapter; and
948 (b) complying with Section [~~48-2c-1406~~] 48-3-1006.
949 (3) Any conversion under this section may not result in a violation, directly or
950 indirectly, of:
951 (a) Section 16-6a-1301; or
952 (b) any other provision of this chapter.
953 Section 6. Section **16-10a-401** is amended to read:

954 **16-10a-401. Corporate name.**

955 (1) The name of a corporation:

956 (a) except for the name of a depository institution as defined in Section 7-1-103, shall

957 contain:

958 (i) the word:

959 (A) "corporation";

960 (B) "incorporated"; or

961 (C) "company";

962 (ii) the abbreviation:

963 (A) "corp.";

964 (B) "inc."; or

965 (C) "co."; or

966 (iii) words or abbreviations of like import to the words or abbreviations listed in

967 Subsections (1)(a)(i) and (ii) in another language;

968 (b) may not contain language stating or implying that the corporation is organized for a

969 purpose other than that permitted by:

970 (i) Section 16-10a-301; and

971 (ii) the corporation's articles of incorporation;

972 (c) without the written consent of the United States Olympic Committee, may not

973 contain the words:

974 (i) "Olympic";

975 (ii) "Olympiad"; or

976 (iii) "Citius Altius Fortius"; and

977 (d) without the written consent of the Division of Consumer Protection issued in

978 accordance with Section 13-34-114, may not contain the words:

979 (i) "university";

980 (ii) "college"; or

981 (iii) "institute" or "institution."

982 (2) Except as authorized by Subsections (3) and (4), the name of a corporation shall be
983 distinguishable, as defined in Subsection (5), upon the records of the division from:

984 (a) the name of any domestic corporation incorporated in or foreign corporation
985 authorized to transact business in this state;

986 (b) the name of any domestic or foreign nonprofit corporation incorporated or
987 authorized to transact business in this state;

988 (c) the name of any domestic or foreign limited liability company formed or authorized
989 to transact business in this state;

990 (d) the name of any limited partnership formed or authorized to transact business in
991 this state;

992 (e) any name reserved or registered with the division for a corporation, limited liability
993 company, or general or limited partnership, under the laws of this state; and

994 (f) any business name, fictitious name, assumed name, trademark, or service mark
995 registered by the division.

996 (3) (a) A corporation may apply to the division for authorization to file its articles of
997 incorporation under, or to register or reserve, a name that is not distinguishable upon its records
998 from one or more of the names described in Subsection (2).

999 (b) The division shall approve the application filed under Subsection (3)(a) if:

1000 (i) the other person whose name is not distinguishable from the name under which the
1001 applicant desires to file, or which the applicant desires to register or reserve:

1002 (A) consents to the filing, registration, or reservation in writing; and

1003 (B) submits an undertaking in a form satisfactory to the division to change its name to
1004 a name that is distinguishable from the name of the applicant; or

1005 (ii) the applicant delivers to the division a certified copy of the final judgment of a
1006 court of competent jurisdiction establishing the applicant's right to make the requested filing in
1007 this state under the name applied for.

1008 (4) A corporation may make a filing under the name, including the fictitious name, of
1009 another domestic or foreign corporation that is used or registered in this state if:

- 1010 (a) the other corporation is incorporated or authorized to transact business in this state;
1011 and
1012 (b) the filing corporation:
1013 (i) has merged with the other corporation; or
1014 (ii) has been formed by reorganization of the other corporation.
1015 (5) (a) A name is distinguishable from other names, trademarks, and service marks on
1016 the records of the division if it:
1017 (i) contains one or more different letters or numerals; or
1018 (ii) has a different sequence of letters or numerals from the other names on the
1019 division's records.
1020 (b) Differences which are not distinguishing are:
1021 (i) the words or abbreviations of the words:
1022 (A) "corporation";
1023 (B) "company";
1024 (C) "incorporated";
1025 (D) "limited partnership";
1026 (E) "L.P.";
1027 (F) "limited";
1028 [~~G~~] "~~td.~~";
1029 [~~H~~] (G) "limited liability company";
1030 [~~I~~] (H) "limited company";
1031 [~~J~~] (I) "L.C."; or
1032 [~~K~~] (J) "L.L.C.";
1033 (ii) the presence or absence of the words or symbols of the words "the," "and," or "a";
1034 (iii) differences in punctuation and special characters;
1035 (iv) differences in capitalization;
1036 (v) differences between singular and plural forms of words for a corporation:
1037 (A) incorporated in or authorized to do business in this state on or after May 4, 1998;

1038 or

1039 (B) that changes its name on or after May 4, 1998;

1040 (vi) differences in whether the letters or numbers immediately follow each other or are
1041 separated by one or more spaces if:

1042 (A) the sequence of letters or numbers is identical; and

1043 (B) the corporation:

1044 (I) is incorporated in or authorized to do business in this state on or after May 3, 1999;

1045 or

1046 (II) changes its name on or after May 3, 1999; or

1047 (vii) differences in abbreviations, for a corporation:

1048 (A) incorporated in or authorized to do business in this state on or after May 1, 2000;

1049 or

1050 (B) that changes its name on or after May 1, 2000.

1051 (c) The director of the division has the power and authority reasonably necessary to
1052 interpret and efficiently administer this section and to perform the duties imposed on the
1053 division by this section.

1054 (6) A name that implies that the corporation is an agency of this state or of any of its
1055 political subdivisions, if it is not actually such a legally established agency or subdivision, may
1056 not be approved for filing by the division.

1057 (7) (a) The requirements of Subsection (1)(d) do not apply to a corporation
1058 incorporated in or authorized to do business in this state on or before May 4, 1998, until
1059 December 31, 1998.

1060 (b) On or after January 1, 1999, any corporation incorporated in or authorized to do
1061 business in this state shall comply with the requirements of Subsection (1)(d).

1062 Section 7. Section **16-10a-1008.7** is amended to read:

1063 **16-10a-1008.7. Conversion to or from a domestic limited liability company.**

1064 (1) (a) A corporation may convert to a domestic limited liability company subject to
1065 Title 48, Chapter [2e] 3, Utah Revised Uniform Limited Liability Company Act, by complying

1066 with:

1067 (i) this Subsection (1); and

1068 (ii) Section ~~[48-2c-1401]~~ 48-3-1006.

1069 (b) If a corporation converts to a domestic limited liability company in accordance with

1070 this Subsection (1), the articles of conversion shall:

1071 (i) comply with Section ~~[48-2c-1402]~~ 48-3-1008; and

1072 (ii) if the corporation has issued shares, provide for:

1073 (A) the cancellation of any issued share; or

1074 (B) the conversion of any issued share to a membership interest in the domestic limited

1075 liability company.

1076 (c) ~~[In accordance with Section 48-2c-1404, before]~~ Before articles of conversion may

1077 be filed with the division, the conversion shall be approved:

1078 (i) in the manner provided for the articles of incorporation or bylaws of the

1079 corporation; or

1080 (ii) if the articles of incorporation or bylaws of the corporation do not provide the

1081 method for approval:

1082 (A) if the corporation has issued shares, by all of the outstanding shares of all classes

1083 of shares of the corporation regardless of limitations or restrictions on the voting rights of the

1084 shares; or

1085 (B) if the corporation has not issued shares, by a majority of:

1086 (I) the directors in office at the time that the conversion is approved by the board of

1087 directors; or

1088 (II) if directors have not been appointed or elected, the incorporators.

1089 (2) A domestic limited liability company may convert to a corporation subject to this

1090 chapter by:

1091 (a) filing articles of incorporation in accordance with this chapter; and

1092 (b) complying with Section ~~[48-2c-1406]~~ 48-3-1006.

1093 Section 8. Section **16-11-16** is amended to read:

1094 **16-11-16. Corporate name.**

1095 (1) The name of each professional corporation as set forth in its articles of
1096 incorporation:

1097 (a) shall contain the terms:

1098 (i) "professional corporation"; or

1099 (ii) "P.C.";

1100 (b) may not contain the words:

1101 (i) "incorporated"; or

1102 (ii) "inc.";

1103 (c) may not contain language stating or implying that the professional corporation is
1104 organized for a purpose other than that permitted by:

1105 (i) Section 16-11-6; and

1106 (ii) the professional corporation's articles of incorporation;

1107 (d) without the written consent of the United States Olympic Committee, may not
1108 contain the words:

1109 (i) "Olympic";

1110 (ii) "Olympiad"; or

1111 (iii) "Citius Altius Fortius"; and

1112 (e) without the written consent of the Division of Consumer Protection in accordance
1113 with Section 13-34-114, may not contain the words:

1114 (i) "university";

1115 (ii) "college"; or

1116 (iii) "institute" or "institution."

1117 (2) The professional corporation may not imply by any word in the name that it is an
1118 agency of the state or of any of its political subdivisions.

1119 (3) A person, other than a professional corporation formed or registered under this
1120 chapter, may not use in its name in this state any of the terms:

1121 (a) "professional corporation"; or

- 1122 (b) "P.C."
- 1123 (4) Except as authorized by Subsection (5), the name of the professional corporation
1124 shall be distinguishable, as defined in Subsection (6), upon the records of the division from:
- 1125 (a) the name of any domestic corporation incorporated in or foreign corporation
1126 authorized to transact business in this state;
- 1127 (b) the name of any domestic or foreign nonprofit corporation incorporated or
1128 authorized to transact business in this state;
- 1129 (c) the name of any domestic or foreign limited liability company formed or authorized
1130 to transact business in this state;
- 1131 (d) the name of any limited partnership formed or authorized to transact business in
1132 this state;
- 1133 (e) any name reserved or registered with the division for a corporation, limited liability
1134 company, or general or limited partnership, under the laws of this state; and
- 1135 (f) any business name, fictitious name, assumed name, trademark, or service mark
1136 registered by the division.
- 1137 (5) (a) A professional corporation may apply to the division for authorization to file its
1138 articles of incorporation under, or to register or reserve, a name that is not distinguishable upon
1139 its records from one or more of the names described in Subsection (4).
- 1140 (b) The division shall approve the application filed under Subsection (5)(a) if:
- 1141 (i) the other person whose name is not distinguishable from the name under which the
1142 applicant desires to file, or which the applicant desires to register or reserve:
- 1143 (A) consents to the filing, registration, or reservation in writing; and
1144 (B) submits an undertaking in a form satisfactory to the division to change its name to
1145 a name that is distinguishable from the name of the applicant; or
- 1146 (ii) the applicant delivers to the division a certified copy of the final judgment of a
1147 court of competent jurisdiction establishing the applicant's right to make the requested filing in
1148 this state under the name applied for.
- 1149 (6) (a) A name is distinguishable from other names, trademarks, and service marks

1150 registered with the division if it:

1151 (i) contains one or more different letters or numerals from other names upon the
1152 division's records; or

1153 (ii) has a different sequence of letter or numerals from the other names on the division's
1154 records.

1155 (b) The following differences are not distinguishable:

1156 (i) the words or abbreviations of the words:

1157 (A) "corporation";

1158 (B) "incorporated";

1159 (C) "company";

1160 (D) "limited partnership";

1161 (E) "limited";

1162 (F) "L.P.";

1163 [~~(G)~~ "Ltd.,"]

1164 [~~(H)~~ (G) "limited liability company";

1165 [~~(I)~~ (H) "limited company";

1166 [~~(J)~~ (I) "L.C."; or

1167 [~~(K)~~ (J) "L.L.C.";

1168 (ii) the presence or absence of the words or symbols of the words "the," "and," "a," or
1169 "plus";

1170 (iii) differences in punctuation and special characters;

1171 (iv) differences in capitalization; or

1172 (v) differences in abbreviations.

1173 (7) The director of the division shall have the power and authority reasonably necessary
1174 to interpret and efficiently administer this section and to perform the duties imposed upon the
1175 division by this section.

1176 Section 9. Section **16-16-111** is amended to read:

1177 **16-16-111. Name.**

1178 (1) Use of the term "cooperative" or its abbreviation under this chapter is not a
1179 violation of the provisions restricting the use of the term under any other law of this state.

1180 (2) (a) Notwithstanding Section ~~[48-2a-102]~~ 48-2d-108, the name of a limited
1181 cooperative association shall contain:

1182 (i) the words "limited cooperative association" or "limited cooperative"; or

1183 (ii) the abbreviation "L.C.A." or "LCA". [~~"Limited" may be abbreviated as "Ltd."~~]

1184 (b) "Cooperative" may be abbreviated as "Co-op" or "Coop".

1185 (c) "Association" may be abbreviated as "Assoc." or "Assn.".

1186 (d) (i) Use of the term "cooperative" or its abbreviation as permitted by this chapter is
1187 not a violation of the provisions restricting the use of the term under any other law of this state.

1188 (ii) A limited cooperative association or a member may enforce the restrictions on the
1189 use of the term "cooperative" under this chapter and any other law of this state.

1190 (iii) A limited cooperative association or a member may enforce the restrictions on the
1191 use of the term "cooperative" under any other law of this state.

1192 (3) Except as otherwise provided in Subsection (4), a limited cooperative association
1193 may use only a name that is available. A name is available if it is distinguishable in the records
1194 of the division from:

1195 (a) the name of any entity organized or authorized to transact business in this state;

1196 (b) a name reserved under Section 16-16-112; and

1197 (c) an alternative name approved for a foreign cooperative authorized to transact
1198 business in this state.

1199 (4) A limited cooperative association may apply to the division for authorization to use
1200 a name that is not available. The division shall authorize use of the name if:

1201 (a) the person with ownership rights to use the name consents in a record to the use and
1202 applies in a form satisfactory to the division to change the name used or reserved to a name that
1203 is distinguishable upon the records of the division from the name applied for; or

1204 (b) the applicant delivers to the division a certified copy of the final judgment of a
1205 court establishing the applicant's right to use the name in this state.

1206 Section 10. Section **16-17-102** is amended to read:

1207 **16-17-102. Definitions.**

1208 In this chapter:

1209 (1) "Appointment of agent" means a statement appointing an agent for service of
1210 process filed by:

1211 (a) a domestic or foreign unincorporated nonprofit association under Section
1212 16-17-204; or

1213 (b) a domestic entity that is not a filing entity or a nonqualified foreign entity under
1214 Section 16-17-210.

1215 (2) "Commercial registered agent" means an individual or a domestic or foreign entity
1216 listed under Section 16-17-204.

1217 (3) "Division" means the Division of Corporations and Commercial Code.

1218 (4) "Domestic entity" means an entity whose internal affairs are governed by the law of
1219 this state.

1220 (5) "Entity" means a person that has a separate legal existence or has the power to
1221 acquire an interest in real property in its own name other than:

1222 (a) an individual;

1223 (b) a testamentary, inter vivos, or charitable trust, with the exception of a business
1224 trust, statutory trust, or similar trust;

1225 (c) an association or relationship that is not a partnership by reason of [~~Section 202(c)~~
1226 ~~of the Uniform Partnership Act (1997)] Subsection 48-1a-303(3) or a similar provision of the
1227 law of any other jurisdiction;~~

1228 (d) a decedent's estate; or

1229 (e) a public corporation, government or governmental subdivision, agency, or
1230 instrumentality, or quasi-governmental instrumentality.

1231 (6) "Filing entity" means an entity that is created by the filing of a public organic
1232 document.

1233 (7) "Foreign entity" means an entity other than a domestic entity.

1234 (8) "Foreign qualification document" means an application for a certificate of authority
1235 or other foreign qualification filing with the division by a foreign entity.

1236 (9) "Governance interest" means the right under the organic law or organic rules of an
1237 entity, other than as a governor, agent, assignee, or proxy, to:

1238 (a) receive or demand access to information concerning, or the books and records of,
1239 the entity;

1240 (b) vote for the election of the governors of the entity; or

1241 (c) receive notice of or vote on any or all issues involving the internal affairs of the
1242 entity.

1243 (10) "Governor" means a person by or under whose authority the powers of an entity
1244 are exercised and under whose direction the business and affairs of the entity are managed
1245 pursuant to the organic law and organic rules of the entity.

1246 (11) "Interest" means:

1247 (a) a governance interest in an unincorporated entity;

1248 (b) a transferable interest in an unincorporated entity; or

1249 (c) a share or membership in a corporation.

1250 (12) "Interest holder" means a direct holder of an interest.

1251 (13) "Jurisdiction of organization," with respect to an entity, means the jurisdiction
1252 whose law includes the organic law of the entity.

1253 (14) "Noncommercial registered agent" means a person that is not listed as a
1254 commercial registered agent under Section 16-17-204 and that is:

1255 (a) an individual or a domestic or foreign entity that serves in this state as the agent for
1256 service of process of an entity; or

1257 (b) the individual who holds the office or other position in an entity that is designated
1258 as the agent for service of process pursuant to Subsection 16-17-203(1)(b)(ii).

1259 (15) "Nonqualified foreign entity" means a foreign entity that is not authorized to
1260 transact business in this state pursuant to a filing with the division.

1261 (16) "Nonresident LLP statement" means:

1262 (a) a statement of qualification of a domestic limited liability partnership that does not
1263 have an office in this state; or

1264 (b) a statement of foreign qualification of a foreign limited liability partnership that
1265 does not have an office in this state.

1266 (17) "Organic law" means the statutes, if any, other than this chapter, governing the
1267 internal affairs of an entity.

1268 (18) "Organic rules" means the public organic document and private organic rules of an
1269 entity.

1270 (19) "Person" means an individual, corporation, estate, trust, partnership, limited
1271 liability company, business or similar trust, association, joint venture, public corporation,
1272 government or governmental subdivision, agency, or instrumentality, or any other legal or
1273 commercial entity.

1274 (20) "Private organic rules" mean the rules, whether or not in a record, that govern the
1275 internal affairs of an entity, are binding on all of its interest holders, and are not part of its
1276 public organic document, if any.

1277 (21) "Public organic document" means the public record the filing of which creates an
1278 entity, and any amendment to or restatement of that record.

1279 (22) "Qualified foreign entity" means a foreign entity that is authorized to transact
1280 business in this state pursuant to a filing with the division.

1281 (23) "Record" means information that is inscribed on a tangible medium or that is
1282 stored in an electronic or other medium and is retrievable in perceivable form.

1283 (24) "Registered agent" means a commercial registered agent or a noncommercial
1284 registered agent.

1285 (25) "Registered agent filing" means:

1286 (a) the public organic document of a domestic filing entity;

1287 (b) a nonresident LLP statement;

1288 (c) a foreign qualification document; or

1289 (d) an appointment of agent.

- 1290 (26) "Represented entity" means:
- 1291 (a) a domestic filing entity;
- 1292 (b) a domestic or qualified foreign limited liability partnership that does not have an
- 1293 office in this state;
- 1294 (c) a qualified foreign entity;
- 1295 (d) a domestic or foreign unincorporated nonprofit association for which an
- 1296 appointment of agent has been filed;
- 1297 (e) a domestic entity that is not a filing entity for which an appointment of agent has
- 1298 been filed; or
- 1299 (f) a nonqualified foreign entity for which an appointment of agent has been filed.
- 1300 (27) "Sign" means, with present intent to authenticate or adopt a record:
- 1301 (a) to execute or adopt a tangible symbol; or
- 1302 (b) to attach to or logically associate with the record an electronic sound, symbol, or
- 1303 process.
- 1304 (28) "Transferable interest" means the right under an entity's organic law to receive
- 1305 distributions from the entity.
- 1306 (29) "Type," with respect to an entity, means a generic form of entity:
- 1307 (a) recognized at common law; or
- 1308 (b) organized under an organic law, whether or not some entities organized under that
- 1309 organic law are subject to provisions of that law that create different categories of the form of
- 1310 entity.
- 1311 Section 11. Section **31A-37a-102** is amended to read:
- 1312 **31A-37a-102. Definitions.**
- 1313 (1) For purposes of this chapter:
- 1314 (a) "Ceding insurer" means an insurer that:
- 1315 (i) is approved by the commissioner;
- 1316 (ii) is licensed or otherwise authorized to transact the business of insurance or
- 1317 reinsurance in the insurer's state or country of domicile; and

1318 (iii) cedes risk to a special purpose financial captive insurance company pursuant to a
1319 reinsurance contract.

1320 (b) Notwithstanding Section 31A-27a-102, "insolvency" or "insolvent" for purposes of
1321 applying Chapter 27a, Insurer Receivership Act, to a special purpose financial captive
1322 insurance company, means that a special purpose financial captive insurance company:

1323 (i) is unable to pay an obligation when the obligation is due, unless the obligation is the
1324 subject of a bona fide dispute; or

1325 (ii) fails to meet the criteria and conditions for solvency of the special purpose financial
1326 captive insurance company established by the commissioner by rule or order.

1327 (c) (i) "Insurance securitization" means a transaction or a group of related transactions:

1328 (A) that may include a capital market offering;

1329 (B) that is effected through one or more related risk transfer instruments and
1330 facilitating administrative agreements;

1331 (C) where all or part of the result of the transaction or group of related transactions is
1332 used to fund the special purpose financial captive insurance company's obligations under a
1333 reinsurance contract with a ceding insurer;

1334 (D) by which:

1335 (I) proceeds are obtained by a special purpose financial captive insurance company,
1336 directly or indirectly, through the issuance of one or more securities by the special purpose
1337 financial captive insurance company or another person; or

1338 (II) a person provides one or more letters of credit or other assets for the benefit of the
1339 special purpose financial captive insurance company if the commissioner authorizes the special
1340 purpose financial captive insurance company to treat the letter of credit or asset as an admitted
1341 asset for purposes of the special purpose financial captive insurance company's annual report;
1342 and

1343 (E) if all or a part of the proceeds, a letter of credit, or asset described in this
1344 Subsection (1)(c) is used to fund the special purpose financial captive insurance company's
1345 obligations under a reinsurance contract with a ceding insurer.

1346 (ii) "Insurance securitization" does not include the issuance of a letter of credit for the
1347 benefit of the commissioner to satisfy all or part of the special purpose financial captive
1348 insurance company's capital and surplus requirements under Section 31A-37a-302.

1349 (d) "Management" means:

1350 (i) a board of directors of a special purpose financial captive insurance company;

1351 (ii) a managing board of a special purpose financial captive insurance company; or

1352 (iii) one or more individuals with the overall responsibility for the management of the
1353 affairs of the special purpose financial captive insurance company, including:

1354 (A) an officer elected or appointed to act on behalf of the special purpose financial
1355 captive insurance company; or

1356 (B) an agent elected or appointed to act on behalf of the special purpose financial
1357 captive insurance company.

1358 (e) "Organizational document" means:

1359 (i) in the case of a special purpose financial captive insurance company formed as a
1360 stock corporation, the special purpose financial captive insurance company's:

1361 (A) articles of incorporation; and

1362 (B) bylaws; and

1363 (ii) in the case of a special purpose financial captive insurance company formed as a
1364 limited liability company, the special purpose financial captive insurance company's:

1365 (A) [~~articles~~] certificate of organization; and

1366 (B) operating agreement.

1367 (f) "Reinsurance contract" means a contract between a special purpose financial captive
1368 insurance company and a ceding insurer pursuant to which the special purpose financial captive
1369 insurance company agrees to provide reinsurance to the ceding insurer for risks associated with
1370 the ceding insurer's insurance or reinsurance business.

1371 (g) "Security" means:

1372 (i) a security as defined in Section 31A-1-301; or

1373 (ii) one or more of the following that the commissioner designates, by rule or order, as

1374 a "security" for purposes of this chapter:

1375 (A) a debt obligation;

1376 (B) equity;

1377 (C) a surplus certificate;

1378 (D) a surplus note;

1379 (E) a funding agreement;

1380 (F) a derivative; or

1381 (G) another financial instrument.

1382 (h) "Special purpose financial captive insurance company" means a captive insurance

1383 company has a certificate of authority under this chapter from the commissioner to operate as a

1384 special purpose financial captive insurance company pursuant to this chapter.

1385 (i) "Special purpose financial captive insurance company security" means:

1386 (i) a security issued by a special purpose financial captive insurance company; or

1387 (ii) a security issued by a third party, the proceeds of which are obtained directly or

1388 indirectly by a special purpose financial captive insurance company.

1389 (j) "Surplus note" means an unsecured subordinated debt obligation that has one or

1390 more characteristics that are consistent with paragraph 3 of the National Association of

1391 Insurance Commissioners Statement of Statutory Accounting Principals No. 41, as amended

1392 from time to time and as modified or supplemented by rule or order of the commissioner.

1393 (2) The terms defined in Section 31A-37-102 shall have the same meaning for

1394 purposes of this chapter.

1395 Section 12. Section **46-4-503** is amended to read:

1396 **46-4-503. Government products and services provided electronically.**

1397 (1) Notwithstanding Section 46-4-501, a state governmental agency that administers

1398 one or more of the following transactions shall allow those transactions to be conducted

1399 electronically:

1400 (a) an application for or renewal of a professional or occupational license issued under

1401 Title 58, Occupations and Professions;

- 1402 (b) the renewal of a drivers license;
- 1403 (c) an application for a hunting or fishing license;
- 1404 (d) the filing of:
 - 1405 (i) a return under Title 59, Chapter 10, Individual Income Tax Act or 12, Sales and Use
 - 1406 Tax Act;
 - 1407 (ii) a court document, as defined by the Judicial Council; or
 - 1408 (iii) a document under Title 70A, Uniform Commercial Code;
- 1409 (e) a registration for:
 - 1410 (i) a product; or
 - 1411 (ii) a brand;
- 1412 (f) a renewal of a registration of a motor vehicle;
- 1413 (g) a registration under:
 - 1414 (i) Title 16, Corporations;
 - 1415 (ii) Title 42, Names; or
 - 1416 (iii) Title 48, [~~Partnership~~] Unincorporated Business Entities Act; or
- 1417 (h) submission of an application for benefits:
 - 1418 (i) under Title 35A, Chapter 3, Employment Support Act;
 - 1419 (ii) under Title 35A, Chapter 4, Employment Security Act; or
 - 1420 (iii) related to accident and health insurance.
- 1421 (2) The state system of public education, in coordination with the Utah Education
- 1422 Network, shall make reasonable progress toward making the following services available
- 1423 electronically:
 - 1424 (a) secure access by parents and students to student grades and progress reports;
 - 1425 (b) email communications with:
 - 1426 (i) teachers;
 - 1427 (ii) parent-teacher associations; and
 - 1428 (iii) school administrators;
 - 1429 (c) access to school calendars and schedules; and

- 1430 (d) teaching resources that may include:
- 1431 (i) teaching plans;
- 1432 (ii) curriculum guides; and
- 1433 (iii) media resources.
- 1434 (3) A state governmental agency shall:
- 1435 (a) in carrying out the requirements of this section, take reasonable steps to ensure the
- 1436 security and privacy of records that are private or controlled as defined by Title 63G, Chapter 2,
- 1437 Government Records Access and Management Act;
- 1438 (b) in addition to those transactions listed in Subsections (1) and (2), determine any
- 1439 additional services that may be made available to the public through electronic means; and
- 1440 (c) as part of the agency's information technology plan required by Section 63F-1-204,
- 1441 report on the progress of compliance with Subsections (1) through (3).
- 1442 (4) Notwithstanding the other provisions of this part, a state governmental agency is
- 1443 not required by this part to conduct a transaction electronically if:
- 1444 (a) conducting the transaction electronically is not required by federal law; and
- 1445 (b) conducting the transaction electronically is:
- 1446 (i) impractical;
- 1447 (ii) unreasonable; or
- 1448 (iii) not permitted by laws pertaining to privacy or security.
- 1449 (5) (a) For purposes of this Subsection (5), "one-stop shop" means the consolidation of
- 1450 access to diverse services and agencies at one location including virtual colocation.
- 1451 (b) State agencies that provide services or offer direct assistance to the business
- 1452 community shall participate in the establishment, maintenance, and enhancement of an
- 1453 integrated Utah business web portal known as Business.utah.gov. The purpose of the business
- 1454 web portal is to provide "one-stop shop" assistance to businesses.
- 1455 (c) State agencies shall partner with other governmental and nonprofit agencies whose
- 1456 primary mission is to provide services or offer direct assistance to the business community in
- 1457 Utah in fulfilling the requirements of this section.

1458 (d) The following state entities shall comply with the provisions of this Subsection (5):

1459 (i) Governor's Office of Economic Development, which shall serve as the managing
1460 partner for the website;

1461 (ii) Department of Workforce Services;

1462 (iii) Department of Commerce;

1463 (iv) Tax Commission;

1464 (v) Department of Administrative Services - Division of Purchasing and General
1465 Services, including other state agencies operating under a grant of authority from the division
1466 to procure goods and services in excess of \$5,000;

1467 (vi) Department of Agriculture;

1468 (vii) Department of Natural Resources; and

1469 (viii) other state agencies that provide services or offer direct assistance to the business
1470 sector.

1471 (e) The business services available on the business web portal may include:

1472 (i) business life cycle information;

1473 (ii) business searches;

1474 (iii) employment needs and opportunities;

1475 (iv) motor vehicle registration;

1476 (v) permit applications and renewal;

1477 (vi) tax information;

1478 (vii) government procurement bid notifications;

1479 (viii) general business information;

1480 (ix) business directories; and

1481 (x) business news.

1482 Section 13. Section **48-1a-101** is enacted to read:

1483 **TITLE 48. UNINCORPORATED BUSINESS ENTITIES ACT**

1484 **CHAPTER 1a. GENERAL PROVISIONS**

1485 **Part 1. General Provisions**

1486 **48-1a-101. Title.**

1487 (1) This title is known as the "Unincorporated Business Entities Act."

1488 (2) This chapter is known as "General Provisions."

1489 Section 14. Section **48-1a-102** is enacted to read:

1490 **48-1a-102. Definitions.**

1491 As used in this title, "division" means the Division of Corporations and Commercial
1492 Code within the Department of Commerce.

1493 Section 15. Section **48-1b-101** is enacted to read:

1494 **CHAPTER 1b. UTAH UNIFORM PARTNERSHIP ACT**

1495 **Part 1. General Provisions**

1496 **48-1b-101. Title -- Definitions.**

1497 (1) This chapter may be cited as the "Utah Uniform Partnership Act."

1498 (2) As used in this chapter:

1499 (a) "Business" includes every trade, occupation, and profession.

1500 (b) "Debtor in bankruptcy" means a person who is the subject of:

1501 (i) an order for relief under United States Code, Title 11, or a comparable order under a
1502 successor statute of general application; or

1503 (ii) a comparable order under federal, state, or foreign law governing insolvency.

1504 (c) "Distribution" means a transfer of money or other property from a partnership to a
1505 partner in the partner's capacity as a partner or to the partner's transferee.

1506 (d) "Foreign limited liability partnership" means a partnership that:

1507 (i) is formed under laws other than the laws of this state; and

1508 (ii) has the status of a limited liability partnership under those laws.

1509 (e) "Limited liability partnership" means a partnership that has filed with the division a
1510 statement of qualification under Section 48-1b-1001 and does not have a similar statement in
1511 effect in any other jurisdiction.

1512 (f) "Partnership" means an association of two or more persons to carry on as co-owners
1513 a business for profit formed under Section 48-1b-202, predecessor law, or comparable law of

1514 another jurisdiction.

1515 (g) "Partnership agreement" means the agreement, whether written, oral, or implied,
1516 among the partners concerning the partnership, including amendments to the partnership
1517 agreement.

1518 (h) "Partnership at will" means a partnership in which the partners have not agreed to
1519 remain partners until the expiration of a definite term or the completion of a particular
1520 undertaking.

1521 (i) "Partnership interest" or "partner's interest in the partnership" means all of a
1522 partner's interests in the partnership, including the partner's transferable interest and all
1523 management and other rights.

1524 (j) "Person" means:

1525 (i) an individual;

1526 (ii) a corporation;

1527 (iii) a business trust;

1528 (iv) an estate;

1529 (v) a trust;

1530 (vi) a partnership;

1531 (vii) an association;

1532 (viii) a joint venture;

1533 (ix) government;

1534 (x) a governmental subdivision, agency, or instrumentality; or

1535 (xi) any other legal or commercial entity.

1536 (k) "Property" means all property, real, personal, or mixed, tangible or intangible, or
1537 any interest therein.

1538 (l) "State" means a state of the United States, the District of Columbia, the
1539 Commonwealth of Puerto Rico, or any territory or insular possession subject to the jurisdiction
1540 of the United States.

1541 (m) "Statement" means:

- 1542 (i) a statement of partnership authority under Section 48-1b-303;
- 1543 (ii) a statement of denial under Section 48-1b-304;
- 1544 (iii) a statement of dissociation under Section 48-1b-704;
- 1545 (iv) a statement of dissolution under Section 48-1b-805;
- 1546 (v) articles of merger under Section 48-1b-904;
- 1547 (vi) a statement of qualification under Section 48-1b-1001;
- 1548 (vii) a statement of foreign qualification under Section 48-1b-1102; or
- 1549 (viii) an amendment or cancellation of any of the foregoing.
- 1550 (n) "Transfer" includes an assignment, conveyance, lease, mortgage, deed, and
- 1551 encumbrance.
- 1552 (o) "Tribe" means a tribe, band, nation, pueblo, or other organized group or community
- 1553 of Indians, including an Alaska Native village, that is legally recognized as eligible for and is
- 1554 consistent with a special program, service, or entitlement provided by the United States to
- 1555 Indians because of their status as Indians.
- 1556 (p) "Tribal limited liability partnership" means a limited liability partnership:
- 1557 (i) formed under the law of a tribe; and
- 1558 (ii) that is at least 51% owned or controlled by the tribe.
- 1559 Section 16. Section **48-1b-102** is enacted to read:
- 1560 **48-1b-102. Knowledge and notice.**
- 1561 (1) A person knows a fact if the person has actual knowledge of it.
- 1562 (2) A person has notice of a fact if the person:
- 1563 (a) knows of it;
- 1564 (b) has received a notification of it; or
- 1565 (c) has reason to know it exists from all of the facts known to the person at the time in
- 1566 question.
- 1567 (3) A person notifies or gives a notification to another by taking steps reasonably
- 1568 required to inform the other person in ordinary course, whether or not the other person learns of
- 1569 it.

- 1570 (4) A person receives a notification when the notification:
1571 (a) comes to the person's attention; or
1572 (b) is duly delivered at the person's place of business or at any other place held out by
1573 the person as a place for receiving communications.
- 1574 (5) Except as otherwise provided in Subsection (6), a person other than an individual
1575 knows, has notice, or receives a notification of a fact for purposes of a particular transaction
1576 when the individual conducting the transaction knows, has notice, or receives a notification of
1577 the fact, or in any event when the fact would have been brought to the individual's attention if
1578 the person had exercised reasonable diligence. The person exercises reasonable diligence if it
1579 maintains reasonable routines for communicating significant information to the individual
1580 conducting the transaction and there is reasonable compliance with the routines. Reasonable
1581 diligence does not require an individual acting for the person to communicate information
1582 unless the communication is part of the individual's regular duties or the individual has reason
1583 to know of the transaction and that the transaction would be materially affected by the
1584 information.
- 1585 (6) A partner's knowledge, notice, or receipt of a notification of a fact relating to the
1586 partnership is effective immediately as knowledge by, notice to, or receipt of a notification by
1587 the partnership, except in the case of a fraud on the partnership committed by or with the
1588 consent of that partner.
- 1589 Section 17. Section **48-1b-103** is enacted to read:
- 1590 **48-1b-103. Effect of partnership agreement -- Nonwaivable provisions.**
- 1591 (1) Except as otherwise provided in Subsection (2), relations among the partners and
1592 between the partners and the partnership are governed by the partnership agreement. To the
1593 extent the partnership agreement does not otherwise provide, this chapter governs relations
1594 among the partners and between the partners and the partnership.
- 1595 (2) The partnership agreement may not:
- 1596 (a) vary the rights and duties under Section 48-1b-105 except to eliminate the duty to
1597 provide copies of statements to all of the partners;

1598 (b) unreasonably restrict the right of access to books and records under Subsection
1599 48-1b-403(2);

1600 (c) eliminate the duty of loyalty under Subsection 48-1b-404(2) or 48-1b-603(2)(c).
1601 but:

1602 (i) the partnership agreement may identify specific types or categories of activities that
1603 do not violate the duty of loyalty, if not unconscionable or against public policy; or

1604 (ii) all of the partners or a number or percentage specified in the partnership agreement
1605 may authorize or ratify, after full disclosure of all material facts, a specific act or transaction
1606 that otherwise would violate the duty of loyalty;

1607 (d) unreasonably reduce the duty of care under Subsection 48-1b-404(3) or
1608 48-1b-603(2)(c);

1609 (e) eliminate the obligation of good faith and fair dealing under Subsection
1610 48-1b-404(4), but the partnership agreement may prescribe the standards by which the
1611 performance of the obligation is to be measured, if the standards are not manifestly
1612 unreasonable;

1613 (f) vary the power to dissociate as a partner under Subsection 48-1b-602(1), except to
1614 require the notice under Subsection 48-1b-601(1) to be in writing;

1615 (g) vary the right of a court to expel a partner in the events specified in Subsection
1616 48-1b-601(5);

1617 (h) vary the requirement to wind up the partnership business in cases specified in
1618 Subsection 48-1b-801(4), (5), or (6);

1619 (i) vary the law applicable to a limited liability partnership under Subsection
1620 48-1b-106(2); or

1621 (j) restrict rights of third parties under this chapter.

1622 Section 18. Section **48-1b-104** is enacted to read:

1623 **48-1b-104. Supplemental principles of law.**

1624 (1) Unless displaced by particular provisions of this chapter, the principles of law and
1625 equity supplement this chapter.

1626 (2) If an obligation to pay interest arises under this chapter and the rate is not specified,
1627 the rate is that specified in Section 15-1-1.

1628 Section 19. Section **48-1b-105** is enacted to read:

1629 **48-1b-105. Execution, filing, and recording of statements.**

1630 (1) A statement may be filed with the division. A certified copy of a statement that is
1631 filed in an office in another state may be filed with the division. Either filing has the effect
1632 provided in this chapter with respect to partnership property located in or transactions that
1633 occur in this state.

1634 (2) A certified copy of a statement that is filed with the division and recorded in the
1635 office for recording transfers of real property has the effect provided for recorded statements in
1636 this chapter. A recorded statement that is not a certified copy of a statement filed with the
1637 division does not have the effect provided for recorded statements in this chapter.

1638 (3) A statement filed with the division by a partnership must be executed by at least
1639 two partners. Other statements must be executed by a partner or other person authorized by
1640 this chapter. An individual who executes a statement as, or on behalf of, a partner or other
1641 person named as a partner in a statement shall personally declare under penalty of perjury that
1642 the contents of the statement are accurate.

1643 (4) A person authorized by this chapter to file a statement with the division may amend
1644 or cancel the statement by filing an amendment or cancellation that names the partnership,
1645 identifies the statement, and states the substance of the amendment or cancellation.

1646 (5) A person who files a statement with the division pursuant to this section shall
1647 promptly send a copy of the statement to every nonfiling partner and to any other person named
1648 as a partner in the statement. Failure to send a copy of a statement to a partner or other person
1649 does not limit the effectiveness of the statement as to a person not a partner.

1650 (6) The division may collect a fee, established in accordance with Section 63J-1-504,
1651 for filing or providing a certified copy of a statement. The county recorder may in accordance
1652 with Section 17-21-18.5 collect a fee for recording a statement.

1653 (7) A statement filed with the division pursuant to this section and in accordance with

1654 Section 48-1b-303, is effective for a period of five years from the date of filing. At the
1655 expiration of that period, if no new filing is made by or on behalf of the person who made the
1656 original filing, the division shall send a notice by regular mail, postage prepaid, to the address
1657 shown in the filing indicating that it has expired. If no new filing is made within 30 days after
1658 the date of mailing the notice, the division shall remove the filing from the division's active
1659 file.

1660 Section 20. Section **48-1b-106** is enacted to read:

1661 **48-1b-106. Governing law.**

1662 (1) Except as otherwise provided in Subsection (2), the law of the jurisdiction in which
1663 a partnership has its chief executive office governs relations among the partners and between
1664 the partners and the partnership.

1665 (2) The law of this state governs relations among the partners and between the partners
1666 and the partnership and the liability of partners for an obligation of a limited liability
1667 partnership.

1668 Section 21. Section **48-1b-107** is enacted to read:

1669 **48-1b-107. Partnership subject to amendment or repeal of chapter.**

1670 A partnership governed by this chapter is subject to any amendment to or repeal of this
1671 chapter.

1672 Section 22. Section **48-1b-201** is enacted to read:

1673 **Part 2. Nature of Partnership**

1674 **48-1b-201. Partnership as entity.**

1675 (1) A partnership is an entity distinct from its partners.

1676 (2) A limited liability partnership continues to be the same entity that existed before the
1677 filing of a statement of qualification with the division under Section 48-1b-1001.

1678 Section 23. Section **48-1b-202** is enacted to read:

1679 **48-1b-202. Formation of partnership.**

1680 (1) Except as otherwise provided in Subsection (2), the association of two or more
1681 persons to carry on as co-owners a business for profit forms a partnership, whether or not the

1682 persons intend to form a partnership.

1683 (2) An association formed under a statute other than this chapter, a predecessor statute,
1684 or a comparable statute of another jurisdiction is not a partnership under this chapter.

1685 (3) In determining whether a partnership is formed, the following rules apply:

1686 (a) Joint tenancy, tenancy in common, tenancy by the entireties, joint property,
1687 common property, or part ownership does not by itself establish a partnership, even if the
1688 co-owners share profits made by the use of the property.

1689 (b) The sharing of gross returns does not by itself establish a partnership, even if the
1690 persons sharing them have a joint or common right or interest in property from which the
1691 returns are derived.

1692 (c) A person who receives a share of the profits of a business is presumed to be a
1693 partner in the business, unless the profits were received in payment:

1694 (i) of a debt by installments or otherwise;

1695 (ii) for services as an independent contractor or of wages or other compensation to an
1696 employee;

1697 (iii) of rent;

1698 (iv) of an annuity or other retirement or health benefit to a beneficiary, representative,
1699 or designee of a deceased or retired partner;

1700 (v) of interest or other charge on a loan, even if the amount of payment varies with the
1701 profits of the business, including a direct or indirect present or future ownership of the
1702 collateral, or rights to income, proceeds, or increase in value derived from the collateral; or

1703 (vi) for the sale of the goodwill of a business or other property by installments or
1704 otherwise.

1705 Section 24. Section **48-1b-203** is enacted to read:

1706 **48-1b-203. Partnership property.**

1707 Property acquired by a partnership is property of the partnership and not of the partners
1708 individually.

1709 Section 25. Section **48-1b-204** is enacted to read:

1710 **48-1b-204. When property is partnership property.**

1711 (1) Property is partnership property if acquired in the name of:

1712 (a) the partnership; or

1713 (b) one or more partners with an indication in the instrument transferring title to the
1714 property of the person's capacity as a partner or of the existence of a partnership but without an
1715 indication of the name of the partnership.

1716 (2) Property is acquired in the name of the partnership by a transfer to:

1717 (a) the partnership in its name; or

1718 (b) one or more partners in their capacity as partners in the partnership, if the name of
1719 the partnership is indicated in the instrument transferring title to the property.

1720 (3) Property is presumed to be partnership property if purchased with partnership
1721 assets, even if not acquired in the name of the partnership or of one or more partners with an
1722 indication in the instrument transferring title to the property of the person's capacity as a
1723 partner or of the existence of a partnership.

1724 (4) Property acquired in the name of one or more of the partners, without an indication
1725 in the instrument transferring title to the property of the person's capacity as a partner or of the
1726 existence of a partnership and without use of partnership assets, is presumed to be separate
1727 property, even if used for partnership purposes.

1728 Section 26. Section **48-1b-301** is enacted to read:

1729 **Part 3. Relations of Partners to Persons Dealing with Partnership**

1730 **48-1b-301. Partner agent of partnership.**

1731 Subject to the effect of a statement of partnership authority under Section 48-1b-303:

1732 (1) Each partner is an agent of the partnership for the purpose of its business. An act of
1733 a partner, including the execution of an instrument in the partnership name, for apparently
1734 carrying on in the ordinary course the partnership business or business of the kind carried on by
1735 the partnership binds the partnership, unless the partner had no authority to act for the
1736 partnership in the particular matter and the person with whom the partner was dealing knew or
1737 had received a notification that the partner lacked authority.

1738 (2) An act of a partner which is not apparently for carrying on in the ordinary course
1739 the partnership business or business of the kind carried on by the partnership binds the
1740 partnership only if the act was authorized by the other partners.

1741 Section 27. Section **48-1b-302** is enacted to read:

1742 **48-1b-302. Transfer of partnership property.**

1743 (1) Partnership property may be transferred as follows:

1744 (a) Subject to the effect of a statement of partnership authority under Section
1745 48-1b-303, partnership property held in the name of the partnership may be transferred by an
1746 instrument of transfer executed by a partner in the partnership name.

1747 (b) Partnership property held in the name of one or more partners with an indication in
1748 the instrument transferring the property to them of their capacity as partners or of the existence
1749 of a partnership, but without an indication of the name of the partnership, may be transferred by
1750 an instrument of transfer executed by the persons in whose name the property is held.

1751 (c) Partnership property held in the name of one or more persons other than the
1752 partnership, without an indication in the instrument transferring the property to them of their
1753 capacity as partners or of the existence of a partnership, may be transferred by an instrument of
1754 transfer executed by the persons in whose name the property is held.

1755 (2) A partnership may recover partnership property from a transferee only if it proves
1756 that execution of the instrument of initial transfer did not bind the partnership under Section
1757 48-1b-301 and:

1758 (a) as to a subsequent transferee who gave value for property transferred under
1759 Subsection (1)(a) and (b), proves that the subsequent transferee knew or had received a
1760 notification that the person who executed the instrument of initial transfer lacked authority to
1761 bind the partnership; or

1762 (b) as to a transferee who gave value for property transferred under Subsection (1)(c),
1763 proves that the transferee knew or had received a notification that the property was partnership
1764 property and that the person who executed the instrument of initial transfer lacked authority to
1765 bind the partnership.

1766 (3) A partnership may not recover partnership property from a subsequent transferee if
1767 the partnership would not have been entitled to recover the property, under Subsection (2),
1768 from any earlier transferee of the property.

1769 (4) If a person holds all of the partners' interests in the partnership, all of the
1770 partnership property vests in that person. The person may execute a document in the name of
1771 the partnership to evidence vesting of the property in that person and may file or record the
1772 document.

1773 Section 28. Section **48-1b-303** is enacted to read:

1774 **48-1b-303. Statement of partnership authority.**

1775 (1) A partnership may file with the division a statement of partnership authority,
1776 which:

1777 (a) must include:

1778 (i) the name of the partnership;

1779 (ii) the street address of its chief executive office and of one office in this state, if there
1780 is one;

1781 (iii) the names and mailing addresses of all of the partners or of an agent appointed and
1782 maintained by the partnership for the purpose of Subsection (2); and

1783 (iv) the names of the partners authorized to execute an instrument transferring real
1784 property held in the name of the partnership; and

1785 (b) may state the authority, or limitations on the authority, of some or all of the partners
1786 to enter into other transactions on behalf of the partnership and any other matter.

1787 (2) If a statement of partnership authority names an agent, the agent shall maintain a
1788 list of the names and mailing addresses of all of the partners and make it available to any
1789 person on request for good cause shown.

1790 (3) If a filed statement of partnership authority is executed pursuant to Subsection
1791 48-1b-105(3) and states the name of the partnership but does not contain all of the other
1792 information required by Subsection (1), the statement nevertheless operates with respect to a
1793 person not a partner as provided in Subsections (4) and (5).

1794 (4) Except as otherwise provided in Subsection (7), a filed statement of partnership
1795 authority supplements the authority of a partner to enter into transactions on behalf of the
1796 partnership as follows:

1797 (a) Except for transfers of real property, a grant of authority contained in a filed
1798 statement of partnership authority is conclusive in favor of a person who gives value without
1799 knowledge to the contrary, so long as and to the extent that a limitation on that authority is not
1800 then contained in another filed statement. A filed cancellation of a limitation on authority
1801 revives the previous grant of authority.

1802 (b) A grant of authority to transfer real property held in the name of the partnership
1803 contained in a certified copy of a filed statement of partnership authority recorded in the office
1804 for recording transfers of that real property is conclusive in favor of a person who gives value
1805 without knowledge to the contrary, so long as and to the extent that a certified copy of a filed
1806 statement containing a limitation on that authority is not then of record in the office for
1807 recording transfers of that real property. The recording in the office for recording transfers of
1808 that real property of a certified copy of a filed cancellation of a limitation on authority revives
1809 the previous grant of authority.

1810 (5) A person not a partner is deemed to know of a limitation on the authority of a
1811 partner to transfer real property held in the name of the partnership if a certified copy of the
1812 filed statement containing the limitation on authority is of record in the office for recording
1813 transfers of that real property.

1814 (6) Except as otherwise provided in Subsections (4) and (5) and Sections 48-1b-704
1815 and 48-1b-805, a person not a partner is not deemed to know of a limitation on the authority of
1816 a partner merely because the limitation is contained in a filed statement.

1817 (7) Unless earlier canceled and if not renewed, a filed statement of partnership
1818 authority is canceled by operation of law five years after the date on which the statement, or the
1819 most recent amendment, was filed with the division.

1820 (8) (a) If a partnership files a statement of partnership authority with the division under
1821 this section, the partnership is not required to file a certificate with the division under Title 42,

1822 Chapter 2, Conducting Business Under Assumed Name.

1823 (b) A filing with the division under Title 42, Chapter 2, Conducting Business Under
1824 Assumed Name:

1825 (i) is not subject to Subsection (7); and

1826 (ii) is subject to Section 42-2-8.

1827 Section 29. Section **48-1b-304** is enacted to read:

1828 **48-1b-304. Statement of denial.**

1829 A partner or other person named as a partner in a filed statement of partnership
1830 authority or in a list maintained by an agent pursuant to Subsection 48-1b-303(2) may file a
1831 statement of denial with the division stating the name of the partnership and the fact that is
1832 being denied, which may include denial of a person's authority or status as a partner. A
1833 statement of denial is a limitation on authority as provided in Subsections 48-1b-303(4) and
1834 (5).

1835 Section 30. Section **48-1b-305** is enacted to read:

1836 **48-1b-305. Partnership liable for partner's actionable conduct.**

1837 (1) A partnership is liable for loss or injury caused to a person, or for a penalty
1838 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a partner
1839 acting in the ordinary course of business of the partnership or with authority of the partnership.

1840 (2) If, in the course of the partnership's business or while acting with authority of the
1841 partnership, a partner receives or causes the partnership to receive money or property of a
1842 person not a partner, and the money or property is misapplied by a partner, the partnership is
1843 liable for the loss.

1844 Section 31. Section **48-1b-306** is enacted to read:

1845 **48-1b-306. Partner's liability.**

1846 (1) Except as otherwise provided in Subsections (2) and (3), all partners are liable
1847 jointly and severally for all obligations of the partnership unless otherwise agreed by the
1848 claimant or provided by law.

1849 (2) A person admitted as a partner into an existing partnership is not personally liable

1850 for any partnership obligation incurred before the person's admission as a partner.

1851 (3) (a) An obligation of a partnership incurred while the partnership is a limited
1852 liability partnership, whether arising in contract, tort, or otherwise, is solely the obligation of
1853 the partnership. A partner is not personally liable, directly or indirectly, by way of contribution
1854 or otherwise, for such an obligation solely by reason of being or so acting as a partner.

1855 (b) This Subsection (3) applies notwithstanding anything inconsistent in the
1856 partnership agreement that existed immediately before the vote required to become a limited
1857 liability partnership under Subsection 48-1b-1001(2).

1858 (c) This Subsection (3) and Part 10, Limited Liability Partnerships, do not alter any law
1859 applicable to the relationship between a person providing a professional service and a person
1860 receiving the professional service, including liability arising out of those professional services.
1861 A person providing a professional service remains personally liable for a result of that person's
1862 act or omission.

1863 Section 32. Section **48-1b-307** is enacted to read:

1864 **48-1b-307. Actions by and against partnership and partners.**

1865 (1) A partnership may sue and be sued in the name of the partnership.

1866 (2) An action may be brought against the partnership and, to the extent not inconsistent
1867 with Section 48-1b-306, any or all of the partners in the same action or in separate actions.

1868 (3) A judgment against a partnership is not by itself a judgment against a partner. A
1869 judgment against a partnership may not be satisfied from a partner's assets unless there is also a
1870 judgment against the partner.

1871 (4) A judgment creditor of a partner may not levy execution against the assets of the
1872 partner to satisfy a judgment based on a claim against the partnership unless the partner is
1873 personally liable for the claim under Section 48-1b-306 and:

1874 (a) a judgment based on the same claim has been obtained against the partnership and a
1875 writ of execution on the judgment has been returned unsatisfied in whole or in part;

1876 (b) the partnership is a debtor in bankruptcy;

1877 (c) the partner has agreed that the creditor need not exhaust partnership assets;

1878 (d) a court grants permission to the judgment creditor to levy execution against the
1879 assets of a partner based on a finding that partnership assets subject to execution are clearly
1880 insufficient to satisfy the judgment, that exhaustion of partnership assets is excessively
1881 burdensome, or that the grant of permission is an appropriate exercise of the court's equitable
1882 powers; or

1883 (e) liability is imposed on the partner by law or contract independent of the existence of
1884 the partnership.

1885 (5) This section applies to any partnership liability or obligation resulting from a
1886 representation by a partner or purported partner under Section 48-1b-308.

1887 Section 33. Section **48-1b-308** is enacted to read:

1888 **48-1b-308. Liability of purported partner.**

1889 (1) If a person, by words or conduct, purports to be a partner, or consents to being
1890 represented by another as a partner, in a partnership or with one or more persons not partners,
1891 the purported partner is liable to a person to whom the representation is made, if that person,
1892 relying on the representation, enters into a transaction with the actual or purported partnership.
1893 If the representation, either by the purported partner or by a person with the purported partner's
1894 consent, is made in a public manner, the purported partner is liable to a person who relies upon
1895 the purported partnership even if the purported partner is not aware of being held out as a
1896 partner to the claimant. If partnership liability results, the purported partner is liable with
1897 respect to that liability as if the purported partner were a partner. If no partnership liability
1898 results, the purported partner is liable with respect to that liability jointly and severally with any
1899 other person consenting to the representation.

1900 (2) If a person is thus represented to be a partner in an existing partnership, or with one
1901 or more persons not partners, the purported partner is an agent of persons consenting to the
1902 representation to bind them to the same extent and in the same manner as if the purported
1903 partner were a partner, with respect to persons who enter into transactions in reliance upon the
1904 representation. If all of the partners of the existing partnership consent to the representation, a
1905 partnership act or obligation results. If fewer than all of the partners of the existing partnership

1906 consent to the representation, the person acting and the partners consenting to the
1907 representation are jointly and severally liable.

1908 (3) A person is not liable as a partner merely because the person is named by another in
1909 a statement of partnership authority.

1910 (4) A person does not continue to be liable as a partner merely because of a failure to
1911 file a statement of dissociation or to amend a statement of partnership authority with the
1912 division to indicate the partner's dissociation from the partnership.

1913 (5) Except as otherwise provided in Subsections (1) and (2), persons who are not
1914 partners as to each other are not liable as partners to other persons.

1915 Section 34. Section **48-1b-401** is enacted to read:

1916 **Part 4. Relations of Partners to Each Other and to Partnership**

1917 **48-1b-401. Partner's rights and duties.**

1918 (1) Each partner is deemed to have an account that is:

1919 (a) credited with an amount equal to the money plus the value of any other property,
1920 net of the amount of any liabilities, the partner contributes to the partnership and the partner's
1921 share of the partnership profits; and

1922 (b) charged with an amount equal to the money plus the value of any other property,
1923 net of the amount of any liabilities, distributed by the partnership to the partner and the
1924 partner's share of the partnership losses.

1925 (2) Each partner is entitled to an equal share of the partnership profits and is chargeable
1926 with a share of the partnership losses in proportion to the partner's share of the profits.

1927 (3) A partnership shall reimburse a partner for payments made and indemnify a partner
1928 for liabilities incurred by the partner in the ordinary course of the business of the partnership or
1929 for the preservation of its business or property.

1930 (4) A partnership shall reimburse a partner for an advance to the partnership beyond
1931 the amount of capital the partner agreed to contribute.

1932 (5) A payment or advance made by a partner which gives rise to a partnership
1933 obligation under Subsection (3) or (4) constitutes a loan to the partnership which accrues

1934 interest from the date of the payment or advance.

1935 (6) Each partner has equal rights in the management and conduct of the partnership
1936 business.

1937 (7) A partner may use or possess partnership property only on behalf of the partnership.

1938 (8) A partner is not entitled to remuneration for services performed for the partnership,
1939 except for reasonable compensation for services rendered in winding up the business of the
1940 partnership.

1941 (9) A person may become a partner only with the consent of all of the partners.

1942 (10) A difference arising as to a matter in the ordinary course of business of a
1943 partnership may be decided by a majority of the partners. An act outside the ordinary course of
1944 business of a partnership and an amendment to the partnership agreement may be undertaken
1945 only with the consent of all of the partners.

1946 (11) This section does not affect the obligations of a partnership to other persons under
1947 Section 48-1b-301.

1948 Section 35. Section **48-1b-402** is enacted to read:

1949 **48-1b-402. Distributions in kind.**

1950 A partner has no right to receive, and may not be required to accept, a distribution in
1951 kind.

1952 Section 36. Section **48-1b-403** is enacted to read:

1953 **48-1b-403. Partner's rights and duties with respect to information.**

1954 (1) A partnership shall keep its books and records, if any, at its chief executive office.

1955 (2) A partnership shall provide partners and their agents and attorneys access to its
1956 books and records. It shall provide former partners and their agents and attorneys access to
1957 books and records pertaining to the period during which they were partners. The right of
1958 access provides the opportunity to inspect and copy books and records during ordinary business
1959 hours. A partnership may impose a reasonable charge, covering the costs of labor and material,
1960 for copies of documents furnished.

1961 (3) Each partner and the partnership shall furnish to a partner, and to the legal

1962 representative of a deceased partner or partner under legal disability:

1963 (a) without demand, any information concerning the partnership's business and affairs

1964 reasonably required for the proper exercise of the partner's rights and duties under the

1965 partnership agreement or this chapter; and

1966 (b) on demand, any other information concerning the partnership's business and affairs,

1967 except to the extent the demand or the information demanded is unreasonable or otherwise

1968 improper under the circumstances.

1969 Section 37. Section **48-1b-404** is enacted to read:

1970 **48-1b-404. General standards of partner's conduct.**

1971 (1) The only fiduciary duties a partner owes to the partnership and the other partners

1972 are the duty of loyalty and the duty of care set forth in Subsections (2) and (3).

1973 (2) A partner's duty of loyalty to the partnership and the other partners is limited to the

1974 following:

1975 (a) to account to the partnership and hold as trustee for it any property, profit, or

1976 benefit derived by the partner in the conduct and winding up of the partnership business or

1977 derived from a use by the partner of partnership property, including the appropriation of a

1978 partnership opportunity;

1979 (b) to refrain from dealing with the partnership in the conduct or winding up of the

1980 partnership business as or on behalf of a party having an interest adverse to the partnership; and

1981 (c) to refrain from competing with the partnership in the conduct of the partnership

1982 business before the dissolution of the partnership.

1983 (3) A partner's duty of care to the partnership and the other partners in the conduct and

1984 winding up of the partnership business is limited to refraining from engaging in grossly

1985 negligent or reckless conduct, intentional misconduct, or a knowing violation of law.

1986 (4) A partner shall discharge the duties to the partnership and the other partners under

1987 this chapter or under the partnership agreement and exercise any rights consistently with the

1988 obligation of good faith and fair dealing.

1989 (5) A partner does not violate a duty or obligation under this chapter or under the

1990 partnership agreement merely because the partner's conduct furthers the partner's own interest.

1991 (6) A partner may lend money to and transact other business with the partnership, and
1992 as to each loan or transaction the rights and obligations of the partner are the same as those of a
1993 person who is not a partner, subject to other applicable law.

1994 (7) This section applies to a person winding up the partnership business as the personal
1995 or legal representative of the last surviving partner as if the person were a partner.

1996 Section 38. Section **48-1b-405** is enacted to read:

1997 **48-1b-405. Actions by partnership and partners.**

1998 (1) A partnership may maintain an action against a partner for a breach of the
1999 partnership agreement, or for the violation of a duty to the partnership, causing harm to the
2000 partnership.

2001 (2) A partner may maintain an action against the partnership or another partner for
2002 legal or equitable relief, with or without an accounting as to partnership business, to:

2003 (a) enforce the partner's rights under the partnership agreement;

2004 (b) enforce the partner's rights under this chapter, including:

2005 (i) the partner's rights under Section 48-1b-401, 48-1b-403, or 48-1b-404;

2006 (ii) the partner's right on dissociation to have the partner's interest in the partnership
2007 purchased pursuant to Section 48-1b-701 or enforce any other right under Part 6, Partner's
2008 Dissociation, or Part 7, Partner's Dissociation When Business Not Wound Up; or

2009 (iii) the partner's right to compel a dissolution and winding up of the partnership
2010 business under Section 48-1b-801 or enforce any other right under Part 8, Winding Up
2011 Partnership Business; or

2012 (c) enforce the rights and otherwise protect the interests of the partner, including rights
2013 and interests arising independently of the partnership relationship.

2014 (3) The accrual of, and any time limitation on, a right of action for a remedy under this
2015 section is governed by other law. A right to an accounting upon a dissolution and winding up
2016 does not revive a claim barred by law.

2017 Section 39. Section **48-1b-406** is enacted to read:

2018 **48-1b-406. Continuation of partnership beyond definite term or particular**
2019 **undertaking.**

2020 (1) If a partnership for a definite term or particular undertaking is continued, without
2021 an express agreement, after the expiration of the term or completion of the undertaking, the
2022 rights and duties of the partners remain the same as they were at the expiration or completion,
2023 so far as is consistent with a partnership at will.

2024 (2) If the partners, or those of them who habitually acted in the business during the
2025 term or undertaking, continue the business without any settlement or liquidation of the
2026 partnership, they are presumed to have agreed that the partnership will continue.

2027 Section 40. Section **48-1b-501** is enacted to read:

2028 **Part 5. Transferees and Creditors of Partner**

2029 **48-1b-501. Partner not co-owner of partnership property.**

2030 A partner is not a co-owner of partnership property and has no interest in partnership
2031 property which can be transferred, either voluntarily or involuntarily.

2032 Section 41. Section **48-1b-502** is enacted to read:

2033 **48-1b-502. Partner's transferable interest in partnership.**

2034 The only transferable interest of a partner in the partnership is the partner's share of the
2035 profits and losses of the partnership and the partner's right to receive distributions. The interest
2036 is personal property.

2037 Section 42. Section **48-1b-503** is enacted to read:

2038 **48-1b-503. Transfer of partner's transferable interest.**

2039 (1) A transfer, in whole or in part, of a partner's transferable interest in the partnership:

2040 (a) is permissible;

2041 (b) does not by itself cause the partner's dissociation or a dissolution and winding up of
2042 the partnership business; and

2043 (c) does not, as against the other partners or the partnership, entitle the transferee,
2044 during the continuance of the partnership, to participate in the management or conduct of the
2045 partnership business, to require access to information concerning partnership transactions, or to

2046 inspect or copy the partnership books or records.

2047 (2) A transferee of a partner's transferable interest in the partnership has a right:

2048 (a) to receive, in accordance with the transfer, distributions to which the transferor
2049 would otherwise be entitled; and

2050 (b) to receive upon the dissolution and winding up of the partnership business, in
2051 accordance with the transfer, the net amount otherwise distributable to the transferor.

2052 (3) In a dissolution and winding up, a transferee is entitled to an account of partnership
2053 transactions only from the date of the latest account agreed to by all of the partners.

2054 (4) Upon transfer, the transferor retains the rights and duties of a partner other than the
2055 interest in distributions transferred.

2056 (5) A partnership need not give effect to a transferee's rights under this section until it
2057 has notice of the transfer.

2058 (6) A transfer of a partner's transferable interest in the partnership in violation of a
2059 restriction on transfer contained in the partnership agreement is ineffective as to a person
2060 having notice of the restriction at the time of transfer.

2061 Section 43. Section **48-1b-504** is enacted to read:

2062 **48-1b-504. Partner's transferable interest subject to charging order.**

2063 (1) On application by a judgment creditor of a partner or of a partner's transferee, a
2064 court having jurisdiction may charge the transferable interest of the judgment debtor to satisfy
2065 the judgment. The court may appoint a receiver of the share of the distributions due or to
2066 become due to the judgment debtor in respect of the partnership and make all other orders,
2067 directions, accounts, and inquiries the judgment debtor might have made or which the
2068 circumstances of the case may require.

2069 (2) A charging order constitutes a lien on the judgment debtor's transferable interest in
2070 the partnership. The court may order a foreclosure of the interest subject to the charging order
2071 at any time. The purchaser at the foreclosure sale has the rights of a transferee.

2072 (3) At any time before foreclosure, an interest charged may be redeemed:

2073 (a) by the judgment debtor;

2074 (b) with property other than partnership property, by one or more of the other partners;

2075 or

2076 (c) with partnership property, by one or more of the other partners with the consent of

2077 all of the partners whose interests are not so charged.

2078 (4) This chapter does not deprive a partner of a right under exemption laws with

2079 respect to the partner's interest in the partnership.

2080 (5) This section provides the exclusive remedy by which a judgment creditor of a

2081 partner or partner's transferee may satisfy a judgment out of the judgment debtor's transferable

2082 interest in the partnership.

2083 Section 44. Section **48-1b-601** is enacted to read:

2084 **Part 6. Partner's Dissociation**

2085 **48-1b-601. Events causing partner's dissociation.**

2086 A partner is dissociated from a partnership upon the occurrence of any of the following

2087 events:

2088 (1) the partnership's having notice of the partner's express will to withdraw as a partner
2089 or on a later date specified by the partner;

2090 (2) an event agreed to in the partnership agreement as causing the partner's
2091 dissociation;

2092 (3) the partner's expulsion pursuant to the partnership agreement;

2093 (4) the partner's expulsion by the unanimous vote of the other partners if:

2094 (a) it is unlawful to carry on the partnership business with that partner;

2095 (b) there has been a transfer of all or substantially all of that partner's transferable
2096 interest in the partnership, other than a transfer for security purposes, or a court order charging
2097 the partner's interest, which has not been foreclosed;

2098 (c) within 90 days after the partnership notifies a corporate partner that it will be
2099 expelled because it has filed a certificate of dissolution or the equivalent, its charter has been
2100 revoked, or its right to conduct business has been suspended by the jurisdiction of its
2101 incorporation, there is no revocation of the certificate of dissolution or no reinstatement of its

2102 charter or its right to conduct business; or

2103 (d) a partnership that is a partner has been dissolved and its business is being wound
2104 up;

2105 (5) on application by the partnership or another partner, the partner's expulsion by
2106 judicial determination because:

2107 (a) the partner engaged in wrongful conduct that adversely and materially affected the
2108 partnership business;

2109 (b) the partner willfully or persistently committed a material breach of the partnership
2110 agreement or of a duty owed to the partnership or the other partners under Section 48-1b-404;

2111 or

2112 (c) the partner engaged in conduct relating to the partnership business which makes it
2113 not reasonably practicable to carry on the business in partnership with the partner;

2114 (6) the partner's:

2115 (a) becoming a debtor in bankruptcy;

2116 (b) executing an assignment for the benefit of creditors;

2117 (c) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or
2118 liquidator of that partner or of all or substantially all of that partner's property; or

2119 (d) failing, within 90 days after the appointment, to have vacated or stayed the
2120 appointment of a trustee, receiver, or liquidator of the partner or of all or substantially all of the
2121 partner's property obtained without the partner's consent or acquiescence, or failing within 90
2122 days after the expiration of a stay to have the appointment vacated;

2123 (7) in the case of a partner who is an individual:

2124 (a) the partner's death;

2125 (b) the appointment of a guardian or general conservator for the partner; or

2126 (c) a judicial determination that the partner has otherwise become incapable of
2127 performing the partner's duties under the partnership agreement;

2128 (8) in the case of a partner that is a trust or is acting as a partner by virtue of being a
2129 trustee of a trust, distribution of the trust's entire transferable interest in the partnership, but not

2130 merely by reason of the substitution of a successor trustee;

2131 (9) in the case of a partner that is an estate or is acting as a partner by virtue of being a
2132 personal representative of an estate, distribution of the estate's entire transferable interest in the
2133 partnership, but not merely by reason of the substitution of a successor personal representative;

2134 or

2135 (10) termination of a partner who is not an individual, partnership, corporation, trust,
2136 or estate.

2137 Section 45. Section **48-1b-602** is enacted to read:

2138 **48-1b-602. Partner's power to dissociate -- Wrongful dissociation.**

2139 (1) A partner has the power to dissociate at any time, rightfully or wrongfully, by
2140 express will pursuant to Subsection 48-1b-601(1).

2141 (2) A partner's dissociation is wrongful only if:

2142 (a) it is in breach of an express provision of the partnership agreement; or

2143 (b) in the case of a partnership for a definite term or particular undertaking, before the
2144 expiration of the term or the completion of the undertaking:

2145 (i) the partner withdraws by express will, unless the withdrawal follows within 90 days
2146 after another partner's dissociation by death or otherwise under Subsection 48-1b-601(6)
2147 through (10) or wrongful dissociation under this Subsection (2);

2148 (ii) the partner is expelled by judicial determination under Subsection 48-1b-601(5);

2149 (iii) the partner is dissociated by becoming a debtor in bankruptcy; or

2150 (iv) in the case of a partner who is not an individual, trust other than a business trust, or
2151 estate, the partner is expelled or otherwise dissociated because it willfully dissolved or
2152 terminated.

2153 (3) A partner who wrongfully dissociates is liable to the partnership and to the other
2154 partners for damages caused by the dissociation. The liability is in addition to any other
2155 obligation of the partner to the partnership or to the other partners.

2156 Section 46. Section **48-1b-603** is enacted to read:

2157 **48-1b-603. Effect of partner's dissociation.**

2158 (1) (a) If a partner's dissociation results in a dissolution and winding up of the
2159 partnership business, Part 8, Winding Up Partnership Business, applies.

2160 (b) Except as provided in Subsection (1)(a), Part 7, Partner's Dissociation When
2161 Business Not Wound Up, applies.

2162 (2) Upon a partner's dissociation:

2163 (a) the partner's right to participate in the management and conduct of the partnership
2164 business terminates, except as otherwise provided in Section 48-1b-803;

2165 (b) the partner's duty of loyalty under Subsection 48-1b-404(2)(c) terminates; and

2166 (c) the partner's duty of loyalty under Subsections 48-1b-404(2)(a) and (b) and duty of
2167 care under Subsection 48-1b-404(3) continue only with regard to matters arising and events
2168 occurring before the partner's dissociation, unless the partner participates in winding up the
2169 partnership's business pursuant to Section 48-1b-803.

2170 Section 47. Section **48-1b-701** is enacted to read:

2171 **Part 7. Partner's Dissociation When Business Not Wound Up**

2172 **48-1b-701. Purchase of dissociated partner's interest.**

2173 (1) If a partner is dissociated from a partnership without resulting in a dissolution and
2174 winding up of the partnership business under Section 48-1b-801, the partnership shall cause the
2175 dissociated partner's interest in the partnership to be purchased for a buyout price determined
2176 pursuant to Subsection (2).

2177 (2) The buyout price of a dissociated partner's interest is the amount that would have
2178 been distributable to the dissociating partner under Subsection 48-1b-807(2) if, on the date of
2179 dissociation, the assets of the partnership were sold at a price equal to the greater of the
2180 liquidation value or the value based on a sale of the entire business as a going concern without
2181 the dissociated partner and the partnership were wound up as of that date. Interest must be paid
2182 from the date of dissociation to the date of payment.

2183 (3) Damages for wrongful dissociation under Subsection 48-1b-602(2), and all other
2184 amounts owing, whether or not presently due, from the dissociated partner to the partnership,
2185 must be offset against the buyout price. Interest must be paid from the date the amount owed

2186 becomes due to the date of payment.

2187 (4) A partnership shall indemnify a dissociated partner whose interest is being
2188 purchased against all partnership liabilities, whether incurred before or after the dissociation,
2189 except liabilities incurred by an act of the dissociated partner under Section 48-1b-702.

2190 (5) If no agreement for the purchase of a dissociated partner's interest is reached within
2191 120 days after a written demand for payment, the partnership shall pay, or cause to be paid, in
2192 cash to the dissociated partner the amount the partnership estimates to be the buyout price and
2193 accrued interest, reduced by any offsets and accrued interest under Subsection (3).

2194 (6) If a deferred payment is authorized under Subsection (8), the partnership may
2195 tender a written offer to pay the amount it estimates to be the buyout price and accrued interest,
2196 reduced by any offsets under Subsection (3), stating the time of payment, the amount and type
2197 of security for payment, and the other terms and conditions of the obligation.

2198 (7) The payment or tender required by Subsection (5) or (6) must be accompanied by
2199 the following:

2200 (a) a statement of partnership assets and liabilities as of the date of dissociation;

2201 (b) the latest available partnership balance sheet and income statement, if any;

2202 (c) an explanation of how the estimated amount of the payment was calculated; and

2203 (d) written notice that the payment is in full satisfaction of the obligation to purchase
2204 unless, within 120 days after the written notice, the dissociated partner commences an action to
2205 determine the buyout price, any offsets under Subsection (3), or other terms of the obligation to
2206 purchase.

2207 (8) A partner who wrongfully dissociates before the expiration of a definite term or the
2208 completion of a particular undertaking is not entitled to payment of any portion of the buyout
2209 price until the expiration of the term or completion of the undertaking, unless the partner
2210 establishes to the satisfaction of the court that earlier payment will not cause undue hardship to
2211 the business of the partnership. A deferred payment must be adequately secured and bear
2212 interest.

2213 (9) A dissociated partner may maintain an action against the partnership, pursuant to

2214 Subsection 48-1b-405(2)(b)(ii), to determine the buyout price of that partner's interest, any
2215 offsets under Subsection (3), or other terms of the obligation to purchase. The action must be
2216 commenced within 120 days after the partnership has tendered payment or an offer to pay or
2217 within one year after written demand for payment if no payment or offer to pay is tendered.
2218 The court shall determine the buyout price of the dissociated partner's interest, any offset due
2219 under Subsection (3), and accrued interest, and enter judgment for any additional payment or
2220 refund. If deferred payment is authorized under Subsection (8), the court shall also determine
2221 the security for payment and other terms of the obligation to purchase. The court may assess
2222 reasonable attorney fees and the fees and expenses of appraisers or other experts for a party to
2223 the action, in amounts the court finds equitable, against a party that the court finds acted
2224 arbitrarily, vexatiously, or not in good faith. The finding may be based on the partnership's
2225 failure to tender payment or an offer to pay or to comply with Subsection (7).

2226 Section 48. Section **48-1b-702** is enacted to read:

2227 **48-1b-702. Dissociated partner's power to bind and liability to partnership.**

2228 (1) For two years after a partner dissociates without resulting in a dissolution and
2229 winding up of the partnership business, the partnership, including a surviving partnership under
2230 Part 9, Merger, Conversion, and Domestication, is bound by an act of the dissociated partner
2231 which would have bound the partnership under Section 48-1b-301 before dissociation only if at
2232 the time of entering into the transaction the other party:

2233 (a) reasonably believed that the dissociated partner was then a partner;

2234 (b) did not have notice of the partner's dissociation; and

2235 (c) is not deemed to have had knowledge under Subsection 48-1b-303(5) or notice
2236 under Subsection 48-1b-704(3).

2237 (2) A dissociated partner is liable to the partnership for any damage caused to the
2238 partnership arising from an obligation incurred by the dissociated partner after dissociation for
2239 which the partnership is liable under Subsection (1).

2240 Section 49. Section **48-1b-703** is enacted to read:

2241 **48-1b-703. Dissociated partner's liability to other persons.**

2242 (1) A partner's dissociation does not of itself discharge the partner's liability for a
2243 partnership obligation incurred before dissociation. A dissociated partner is not liable for a
2244 partnership obligation incurred after dissociation, except as otherwise provided in Subsection
2245 (2).

2246 (2) A partner who dissociates without resulting in a dissolution and winding up of the
2247 partnership business is liable as a partner to the other party in a transaction entered into by the
2248 partnership, or a surviving partnership under Part 9, Merger, Conversion, and Domestication,
2249 within two years after the partner's dissociation, only if the partner is liable for the obligation
2250 under Section 48-1b-306 and at the time of entering into the transaction the other party:

2251 (a) reasonably believed that the dissociated partner was then a partner;

2252 (b) did not have notice of the partner's dissociation; and

2253 (c) is not deemed to have had knowledge under Subsection 48-1b-303(5) or notice
2254 under Subsection 48-1b-704(3).

2255 (3) By agreement with the partnership creditor and the partners continuing the
2256 business, a dissociated partner may be released from liability for a partnership obligation.

2257 (4) A dissociated partner is released from liability for a partnership obligation if a
2258 partnership creditor, with notice of the partner's dissociation but without the partner's consent,
2259 agrees to a material alteration in the nature or time of payment of a partnership obligation.

2260 Section 50. Section **48-1b-704** is enacted to read:

2261 **48-1b-704. Statement of dissociation.**

2262 (1) A dissociated partner or the partnership may file a statement of dissociation with
2263 the division stating the name of the partnership and that the partner is dissociated from the
2264 partnership.

2265 (2) A statement of dissociation is a limitation on the authority of a dissociated partner
2266 for the purposes of Subsections 48-1b-303(4) and (5).

2267 (3) For the purposes of Subsections 48-1b-702(1)(c) and 48-1b-703(2)(c), a person not
2268 a partner is deemed to have notice of the dissociation 90 days after the statement of
2269 dissociation is filed.

2270 Section 51. Section **48-1b-705** is enacted to read:

2271 **48-1b-705. Continued use of partnership name.**

2272 Continued use of a partnership name, or a dissociated partner's name as part thereof, by
2273 partners continuing the business does not of itself make the dissociated partner liable for an
2274 obligation of the partners or the partnership continuing the business.

2275 Section 52. Section **48-1b-801** is enacted to read:

2276 **Part 8. Winding Up Partnership Business**

2277 **48-1b-801. Events causing dissolution and winding up of partnership business.**

2278 A partnership is dissolved, and its business must be wound up, only upon the
2279 occurrence of any of the following events:

2280 (1) in a partnership at will, the partnership's having notice from a partner, other than a
2281 partner who is dissociated under Subsections 48-1b-601(2) through (10), of that partner's
2282 express will to withdraw as a partner, or on a later date specified by the partner;

2283 (2) in a partnership for a definite term or particular undertaking:

2284 (a) within 90 days after a partner's dissociation by death or otherwise under
2285 Subsections 48-1b-601(6) through (10) or wrongful dissociation under Subsection
2286 48-1b-602(2), the express will of at least half of the remaining partners to wind up the
2287 partnership business, for which purpose a partner's rightful dissociation pursuant to Subsection
2288 48-1b-602(2)(b)(i) constitutes the expression of that partner's will to wind up the partnership
2289 business;

2290 (b) the express will of all of the partners to wind up the partnership business; or

2291 (c) the expiration of the term or the completion of the undertaking;

2292 (3) an event agreed to in the partnership agreement resulting in the winding up of the
2293 partnership business;

2294 (4) an event that makes it unlawful for all or substantially all of the business of the
2295 partnership to be continued, but a cure of illegality within 90 days after notice to the
2296 partnership of the event is effective retroactively to the date of the event for purposes of this
2297 section;

- 2298 (5) on application by a partner, a judicial determination that:
2299 (a) the economic purpose of the partnership is likely to be unreasonably frustrated;
2300 (b) another partner has engaged in conduct relating to the partnership business which
2301 makes it not reasonably practicable to carry on the business in partnership with that partner; or
2302 (c) it is not otherwise reasonably practicable to carry on the partnership business in
2303 conformity with the partnership agreement; or
2304 (6) on application by a transferee of a partner's transferable interest, a judicial
2305 determination that it is equitable to wind up the partnership business:
2306 (a) after the expiration of the term or completion of the undertaking, if the partnership
2307 was for a definite term or particular undertaking at the time of the transfer or entry of the
2308 charging order that gave rise to the transfer; or
2309 (b) at any time, if the partnership was a partnership at will at the time of the transfer or
2310 entry of the charging order that gave rise to the transfer.
- 2311 Section 53. Section **48-1b-802** is enacted to read:
2312 **48-1b-802. Partnership continues after dissolution.**
2313 (1) Subject to Subsection (2), a partnership continues after dissolution only for the
2314 purpose of winding up its business. The partnership is terminated when the winding up of its
2315 business is completed.
2316 (2) At any time after the dissolution of a partnership and before the winding up of its
2317 business is completed, all of the partners, including any dissociating partner other than a
2318 wrongfully dissociating partner, may waive the right to have the partnership's business wound
2319 up and the partnership terminated. In that event:
2320 (a) the partnership resumes carrying on its business as if dissolution had never
2321 occurred, and any liability incurred by the partnership or a partner after the dissolution and
2322 before the waiver is determined as if dissolution had never occurred; and
2323 (b) the rights of a third party accruing under Subsection 48-1b-804(1) or arising out of
2324 conduct in reliance on the dissolution before the third party knew or received a notification of
2325 the waiver may not be adversely affected.

2326 Section 54. Section **48-1b-803** is enacted to read:

2327 **48-1b-803. Right to wind up partnership business.**

2328 (1) After dissolution, a partner who has not wrongfully dissociated may participate in
2329 winding up the partnership's business, but on application of any partner, partner's legal
2330 representative, or transferee, the district court, for good cause shown, may order judicial
2331 supervision of the winding up.

2332 (2) The legal representative of the last surviving partner may wind up a partnership's
2333 business.

2334 (3) A person winding up a partnership's business may preserve the partnership business
2335 or property as a going concern for a reasonable time, prosecute and defend actions and
2336 proceedings, whether civil, criminal, or administrative, settle and close the partnership's
2337 business, dispose of and transfer the partnership's property, discharge the partnership's
2338 liabilities, distribute the assets of the partnership pursuant to Section 48-1b-807, settle disputes
2339 by mediation or arbitration, and perform other necessary acts.

2340 Section 55. Section **48-1b-804** is enacted to read:

2341 **48-1b-804. Partner's power to bind partnership after dissolution.**

2342 Subject to Section 48-1b-805, a partnership is bound by a partner's act after dissolution
2343 that:

2344 (1) is appropriate for winding up the partnership business; or

2345 (2) would have bound the partnership under Section 48-1b-301 before dissolution, if
2346 the other party to the transaction did not have notice of the dissolution.

2347 Section 56. Section **48-1b-805** is enacted to read:

2348 **48-1b-805. Statement of dissolution.**

2349 (1) After dissolution, a partner who has not wrongfully dissociated may file a statement
2350 of dissolution with the division stating the name of the partnership and that the partnership has
2351 dissolved and is winding up its business.

2352 (2) A statement of dissolution cancels a filed statement of partnership authority for the
2353 purposes of Subsection 48-1b-303(4) and is a limitation on authority for the purposes of

2354 Subsection 48-1b-303(5).

2355 (3) For the purposes of Sections 48-1b-301 and 48-1b-804, a person not a partner is
2356 deemed to have notice of the dissolution and the limitation on the partner's authority as a result
2357 of the statement of dissolution 90 days after it is filed.

2358 (4) After filing and, if appropriate, recording a statement of dissolution, a dissolved
2359 partnership may file and, if appropriate, record a statement of partnership authority which will
2360 operate with respect to a person not a partner as provided in Subsections 48-1b-303(4) and (5)
2361 in any transaction, whether or not the transaction is appropriate for winding up the partnership
2362 business.

2363 Section 57. Section **48-1b-806** is enacted to read:

2364 **48-1b-806. Partner's liability to other partners after dissolution.**

2365 (1) Except as otherwise provided in Subsection (2) and Section 48-1b-306, after
2366 dissolution a partner is liable to the other partners for the partner's share of any partnership
2367 liability incurred under Section 48-1b-804.

2368 (2) A partner who, with knowledge of the dissolution, incurs a partnership liability
2369 under Subsection 48-1b-804(2) by an act that is not appropriate for winding up the partnership
2370 business is liable to the partnership for any damage caused to the partnership arising from the
2371 liability.

2372 Section 58. Section **48-1b-807** is enacted to read:

2373 **48-1b-807. Settlement of accounts and contributions among partners.**

2374 (1) In winding up a partnership's business, the assets of the partnership, including the
2375 contributions of the partners required by this section, must be applied to discharge its
2376 obligations to creditors, including, to the extent permitted by law, partners who are creditors.
2377 Any surplus must be applied to pay in cash the net amount distributable to partners in
2378 accordance with their right to distributions under Subsection (2).

2379 (2) Each partner is entitled to a settlement of all partnership accounts upon winding up
2380 the partnership business. In settling accounts among the partners, profits and losses that result
2381 from the liquidation of the partnership assets must be credited and charged to the partners'

2382 accounts. The partnership shall make a distribution to a partner in an amount equal to any
2383 excess of the credits over the charges in the partner's account. A partner shall contribute to the
2384 partnership an amount equal to any excess of the charges over the credits in the partner's
2385 account but excluding from the calculation charges attributable to an obligation for which the
2386 partner is not personally liable under Section 48-1b-306.

2387 (3) If a partner fails to contribute the full amount required under Subsection (2), all of
2388 the other partners shall contribute, in the proportions in which those partners share partnership
2389 losses, the additional amount necessary to satisfy the partnership obligations for which they are
2390 personally liable under Section 48-1b-306. A partner or partner's legal representative may
2391 recover from the other partners any contributions the partner makes to the extent the amount
2392 contributed exceeds that partner's share of the partnership obligations for which the partner is
2393 personally liable under Section 48-1b-306.

2394 (4) After the settlement of accounts, each partner shall contribute, in the proportion in
2395 which the partner shares partnership losses, the amount necessary to satisfy partnership
2396 obligations that were not known at the time of the settlement and for which the partner is
2397 personally liable under Section 48-1b-306.

2398 (5) The estate of a deceased partner is liable for the partner's obligation to contribute to
2399 the partnership.

2400 (6) An assignee for the benefit of creditors of a partnership or a partner, or a person
2401 appointed by a court to represent creditors of a partnership or a partner, may enforce a partner's
2402 obligation to contribute to the partnership.

2403 Section 59. Section **48-1b-901** is enacted to read:

2404 **Part 9. Merger, Conversion, and Domestication**

2405 **48-1b-901. Definitions.**

2406 In this part:

2407 (1) "Constituent organization" means an organization that is party to a merger.

2408 (2) "Constituent partnership" means a constituent organization that is a partnership.

2409 (3) "Converted organization" means the organization into which a converting

2410 organization converts pursuant to Sections 48-1b-906 through 48-1b-909.

2411 (4) "Converting organization" means an organization that converts into another
2412 organization pursuant to Section 48-1b-906.

2413 (5) "Converting partnership" means a converting organization that is a partnership.

2414 (6) "Domesticated limited liability partnership" means a limited liability partnership
2415 that exists after a domesticating foreign limited liability partnership or limited liability
2416 partnership effects a domestication pursuant to Sections 48-1b-910 through 48-1b-913.

2417 (7) "Domesticating limited liability partnership" means a limited liability partnership
2418 that effects a domestication pursuant to Sections 48-1b-910 through 48-1b-913.

2419 (8) "Foreign partnership" means a partnership that has:

2420 (a) its chief executive office in a jurisdiction other than this state; or

2421 (b) specified in its partnership agreement that relations among the partners and between
2422 the partners and the partnership will be governed by the law of a jurisdiction other than this
2423 state.

2424 (9) "Governing statute" means the statute that governs an organization's internal affairs.

2425 (10) (a) "Organization" means:

2426 (i) a general partnership, including a limited liability partnership;

2427 (ii) a limited partnership, including a limited liability limited partnership;

2428 (iii) a limited liability company;

2429 (iv) a business trust;

2430 (v) a corporation; or

2431 (vi) any other person having a governing statute.

2432 (b) "Organization" includes a domestic or foreign organization regardless of whether
2433 organized for profit.

2434 (11) "Organizational documents" means:

2435 (a) for a domestic or foreign general partnership, its partnership agreement;

2436 (b) for a limited partnership or foreign limited partnership, its certificate of limited
2437 partnership and partnership agreement;

2438 (c) for a domestic or foreign limited liability company, its certificate or articles of
2439 organization and operating agreement, or comparable records as provided in its governing
2440 statute;

2441 (d) for a business trust, its agreement of trust and declaration of trust;

2442 (e) for a domestic or foreign corporation for profit, its articles of incorporation, bylaws,
2443 and other agreements among its shareholders which are authorized by its governing statute, or
2444 comparable records as provided in its governing statute; and

2445 (f) for any other organization, the basic records that create the organization and
2446 determine its internal governance and the relations among the persons that own it, have an
2447 interest in it, or are members of it.

2448 (12) "Personal liability" means liability for a debt, obligation, or other liability of an
2449 organization which is imposed on a person that co-owns, has an interest in, or is a member of
2450 the organization:

2451 (a) by the governing statute solely by reason of the person co-owning, having an
2452 interest in, or being a member of the organization; or

2453 (b) by the organization's organizational documents under a provision of the governing
2454 statute authorizing those documents to make one or more specified persons liable for all or
2455 specified debts, obligations, or other liabilities of the organization solely by reason of the
2456 person or persons co-owning, having an interest in, or being a member of the organization.

2457 (13) "Surviving organization" means an organization into which one or more other
2458 organizations are merged whether the organization preexisted the merger or was created by the
2459 merger.

2460 Section 60. Section **48-1b-902** is enacted to read:

2461 **48-1b-902. Merger.**

2462 (1) A partnership may merge with one or more other constituent organizations pursuant
2463 to this section, Sections 48-1b-903 through 48-1b-905, and a plan of merger, if:

2464 (a) the governing statute of each of the other organizations authorizes the merger;

2465 (b) the merger is not prohibited by the law of a jurisdiction that enacted any of the

2466 governing statutes; and

2467 (c) each of the other organizations complies with its governing statute in effecting the
2468 merger.

2469 (2) Unless each constituent organization and the surviving organization are
2470 partnerships other than limited liability partnerships, a plan of merger must be in a record and
2471 must include:

2472 (a) the name and form of each constituent organization;

2473 (b) the name and form of the surviving organization and, if the surviving organization
2474 is to be created by the merger, a statement to that effect;

2475 (c) the terms and conditions of the merger, including the manner and basis for
2476 converting the interests in each constituent organization into any combination of money,
2477 interests in the surviving organization, and other consideration;

2478 (d) if the surviving organization is to be created by the merger, the surviving
2479 organization's organizational documents that are proposed to be in a record; and

2480 (e) if the surviving organization is not to be created by the merger, any amendments to
2481 be made by the merger to the surviving organization's organizational documents that are, or are
2482 proposed to be, in a record.

2483 Section 61. Section **48-1b-903** is enacted to read:

2484 **48-1b-903. Action on plan of merger by constituent partnership.**

2485 (1) Subject to Section 48-1b-914, a plan of merger must be consented to by all the
2486 partners of a constituent partnership.

2487 (2) Subject to Section 48-1b-914 and any contractual rights, after a merger is approved,
2488 and at any time before articles of merger are delivered to the division for filing under Section
2489 48-1b-904, a constituent partnership may amend the plan or abandon the merger:

2490 (a) as provided in the plan; or

2491 (b) except as otherwise prohibited in the plan, with the same consent as was required to
2492 approve the plan.

2493 Section 62. Section **48-1b-904** is enacted to read:

2494 **48-1b-904. Filings required and permitted for merger -- Effective date.**

2495 (1) After each constituent organization has approved a merger, articles of merger must
2496 be signed on behalf of:

2497 (a) each constituent partnership, as provided in Section 48-1b-105, unless the merger is
2498 only between or among general partnerships, none of which is a limited liability partnership,
2499 and the surviving organization will be a general partnership other than a limited liability
2500 partnership; and

2501 (b) each other constituent organization, as provided in its governing statute.

2502 (2) Articles of merger under this section must include:

2503 (a) the name and form of each constituent organization and the jurisdiction of its
2504 governing statute;

2505 (b) the name and form of the surviving organization, the jurisdiction of its governing
2506 statute, and, if the surviving organization is created by the merger, a statement to that effect;

2507 (c) the date the merger is effective under the governing statute of the surviving
2508 organization;

2509 (d) if the surviving organization is to be created by the merger:

2510 (i) if it will be a limited liability partnership, the limited liability partnership's
2511 statement of qualification; or

2512 (ii) if it will be an organization other than a limited liability partnership, the
2513 organizational document that creates the organization that is in a public record;

2514 (e) if the surviving organization preexists the merger, any amendments provided for in
2515 the plan of merger for the organizational document that created the organization that are in a
2516 public record;

2517 (f) a statement as to each constituent organization that the merger was approved as
2518 required by the organization's governing statute;

2519 (g) if the surviving organization is a foreign organization not authorized to transact
2520 business in this state, the street and mailing addresses of an office that may be used for service
2521 of process under Subsection 48-1b-905(2); and

2522 (h) any additional information required by the governing statute of any constituent
2523 organization.

2524 (3) Each constituent partnership that is a limited liability partnership shall, and each
2525 constituent partnership that is not a limited liability partnership may, deliver the articles of
2526 merger for filing in the division.

2527 (4) A merger becomes effective under this part:

2528 (a) if the surviving organization is a partnership, upon the later of:

2529 (i) compliance with Subsection (3); or

2530 (ii) as specified in the articles of merger; or

2531 (b) if the surviving organization is not a partnership, as provided by the governing
2532 statute of the surviving organization.

2533 Section 63. Section **48-1b-905** is enacted to read:

2534 **48-1b-905. Effect of merger.**

2535 (1) When a merger becomes effective:

2536 (a) the surviving organization continues or comes into existence;

2537 (b) each constituent organization that merges into the surviving organization ceases to
2538 exist as a separate entity;

2539 (c) all property owned by each constituent organization that ceases to exist vests in the
2540 surviving organization;

2541 (d) all debts, obligations, or other liabilities of each constituent organization that ceases
2542 to exist continue as debts, obligations, or other liabilities of the surviving organization;

2543 (e) an action or proceeding pending by or against any constituent organization that
2544 ceases to exist may be continued as if the merger had not occurred;

2545 (f) except as prohibited by other law, all of the rights, privileges, immunities, powers,
2546 and purposes of each constituent organization that ceases to exist vest in the surviving
2547 organization;

2548 (g) except as otherwise provided in the plan of merger, the terms and conditions of the
2549 plan of merger take effect; and

2550 (h) except as otherwise agreed, if a constituent partnership ceases to exist, the merger
2551 does not dissolve the partnership for the purposes of Part 8, Winding Up Partnership Business;

2552 (i) if the surviving organization is created by the merger:

2553 (i) if it is a partnership, the partnership is formed upon approval of and on the date
2554 specified in the plan of merger;

2555 (ii) if it is a limited liability partnership, the limited liability partnership is formed and
2556 the statement of qualification takes effect on the later of:

2557 (A) the day after the day on which the division has received for filing both the articles
2558 of merger and the statement of qualification pursuant to Section 48-1b-1001; or

2559 (B) the date provided in the statement of qualification; or

2560 (iii) if it is an organization other than a partnership, the organizational document that
2561 creates the organization becomes effective; and

2562 (j) if the surviving organization preexisted the merger, any amendments provided for in
2563 the articles of merger for the organizational document that created the organization become
2564 effective.

2565 (2) A surviving organization that is a foreign organization consents to the jurisdiction
2566 of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent
2567 organization, if before the merger the constituent organization was subject to suit in this state
2568 on the debt, obligation, or other liability. A surviving organization that is a foreign
2569 organization and not authorized to transact business in this state may be served with process at
2570 the address required in the articles of merger under Subsection 48-1b-904(2)(g).

2571 Section 64. Section **48-1b-906** is enacted to read:

2572 **48-1b-906. Conversion.**

2573 (1) An organization other than a partnership or a foreign partnership may convert to a
2574 partnership, and a partnership may convert to an organization other than a foreign partnership
2575 pursuant to this section, Sections 48-1b-907 through 48-1b-909, and a plan of conversion, if:

2576 (a) the other organization's governing statute authorizes the conversion;

2577 (b) the conversion is not prohibited by the law of the jurisdiction that enacted the other

2578 organization's governing statute; and

2579 (c) the other organization complies with its governing statute in effecting the
2580 conversion.

2581 (2) A plan of conversion must be in a record and must include:

2582 (a) the name and form of the organization before conversion;

2583 (b) the name and form of the organization after conversion;

2584 (c) the terms and conditions of the conversion, including the manner and basis for
2585 converting interests in the converting organization into any combination of money, interests in
2586 the converted organization, and other consideration; and

2587 (d) the organizational documents of the converted organization that are, or are
2588 proposed to be, in a record.

2589 Section 65. Section **48-1b-907** is enacted to read:

2590 **48-1b-907. Action on plan of conversion by converting partnership.**

2591 (1) Subject to Section 48-1b-914, a plan of conversion must be consented to by all the
2592 partners of a converting partnership.

2593 (2) Subject to Section 48-1b-914 and any contractual rights, after a conversion is
2594 approved, and at any time before articles of conversion are delivered to the division for filing
2595 under Section 48-1b-908, a converting partnership may amend the plan or abandon the
2596 conversion:

2597 (a) as provided in the plan; or

2598 (b) except as otherwise prohibited in the plan, by the same consent as was required to
2599 approve the plan.

2600 Section 66. Section **48-1b-908** is enacted to read:

2601 **48-1b-908. Filings required for conversion -- Effective date.**

2602 (1) After a plan of conversion is approved:

2603 (a) a converting limited liability partnership shall deliver to the division for filing
2604 articles of conversion, which must be signed as provided in Section 48-1b-105 and must
2605 include:

2606 (i) a statement that the limited liability partnership has been converted into another
2607 organization;

2608 (ii) the name and form of the converted organization and the jurisdiction of its
2609 governing statute;

2610 (iii) the date the conversion is effective under the governing statute of the converted
2611 organization;

2612 (iv) a statement that the conversion was approved as required by this chapter;

2613 (v) a statement that the conversion is authorized by the governing statute of the
2614 converted organization; and

2615 (vi) if the converted organization is a foreign organization not authorized to transact
2616 business in this state, the street and mailing addresses of an office that may be used for
2617 purposes of Subsection 48-1b-909(3); and

2618 (b) if the converting organization is not a converting partnership or limited liability
2619 partnership, the converting organization shall deliver to the division for filing articles of
2620 conversion, which must include:

2621 (i) a statement that the converted organization was converted from another
2622 organization, and whether the converted organization is a partnership or a limited liability
2623 partnership;

2624 (ii) the name and form of that converting organization and the jurisdiction of its
2625 governing statute; and

2626 (iii) a statement that the conversion was approved in a manner that complied with the
2627 converting organization's governing statute.

2628 (2) A conversion becomes effective:

2629 (a) if the converted organization is a partnership, as provided in the plan or articles of
2630 conversion;

2631 (b) if the converted organization is a limited liability partnership, the later of:

2632 (i) the day after the day on which the division has received for filing both the articles of
2633 conversion and the statement of qualification pursuant to Section 48-1b-1001; or

2634 (ii) the date provided in the statement of qualification; or
2635 (c) if the converted organization is not a partnership or limited liability partnership, as
2636 provided by the governing statute of the converted organization.
2637 Section 67. Section **48-1b-909** is enacted to read:
2638 **48-1b-909. Effect of conversion.**
2639 (1) An organization that has been converted pursuant to this part is for all purposes the
2640 same entity that existed before the conversion.
2641 (2) When a conversion takes effect:
2642 (a) all property owned by the converting organization remains vested in the converted
2643 organization;
2644 (b) all debts, obligations, or other liabilities of the converting organization continue as
2645 debts, obligations, or other liabilities of the converted organization;
2646 (c) an action or proceeding pending by or against the converting organization may be
2647 continued as if the conversion had not occurred;
2648 (d) except as prohibited by law other than this chapter, all of the rights, privileges,
2649 immunities, powers, and purposes of the converting organization remain vested in the
2650 converted organization;
2651 (e) except as otherwise provided in the plan of conversion, the terms and conditions of
2652 the plan of conversion take effect; and
2653 (f) except as otherwise agreed, the conversion does not dissolve a converting
2654 partnership for the purposes of Part 8, Winding Up Partnership Business.
2655 (3) A converted organization that is a foreign organization consents to the jurisdiction
2656 of the courts of this state to enforce any debt, obligation, or other liability for which the
2657 converting partnership or limited liability partnership is liable if, before the conversion, the
2658 converting partnership or limited liability partnership was subject to suit in this state on the
2659 debt, obligation, or other liability. A converted organization that is a foreign organization and
2660 not authorized to transact business in this state may be served with process at the address
2661 required in the articles of conversion under Subsection 48-1b-908(1)(a)(vi).

2662 Section 68. Section **48-1b-910** is enacted to read:

2663 **48-1b-910. Domestication.**

2664 (1) A foreign limited liability partnership may become a limited liability partnership
2665 pursuant to this section, Sections 48-1b-911 through 48-1b-913, and a plan of domestication,
2666 if:

2667 (a) the foreign limited liability partnership's governing statute authorizes the
2668 domestication;

2669 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
2670 governing statute; and

2671 (c) the foreign limited liability partnership complies with its governing statute in
2672 effecting the domestication.

2673 (2) A limited liability partnership may become a foreign limited liability partnership
2674 pursuant to this section, Sections 48-1b-911 through 48-1b-913, and a plan of domestication,
2675 if:

2676 (a) the foreign limited liability partnership's governing statute authorizes the
2677 domestication;

2678 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
2679 governing statute; and

2680 (c) the foreign limited liability partnership complies with its governing statute in
2681 effecting the domestication.

2682 (3) A plan of domestication must be in a record and must include:

2683 (a) the name of the domesticating limited liability partnership before domestication and
2684 the jurisdiction of its governing statute;

2685 (b) the name of the domesticated limited liability partnership after domestication and
2686 the jurisdiction of its governing statute;

2687 (c) the terms and conditions of the domestication, including the manner and basis for
2688 converting interests in the domesticating limited liability partnership into any combination of
2689 money, interests in the domesticated limited liability partnership, and other consideration; and

2690 (d) the organizational documents of the domesticated limited liability partnership that
2691 are, or are proposed to be, in a record.

2692 Section 69. Section **48-1b-911** is enacted to read:

2693 **48-1b-911. Action on plan of domestication by domesticating partnership.**

2694 (1) A plan of domestication must be consented to:

2695 (a) by all the partners, subject to Section 48-1b-914, if the domesticating limited
2696 liability partnership is a limited liability partnership; and

2697 (b) as provided in the domesticating limited liability partnership's governing statute, if
2698 the limited liability partnership is a foreign limited liability partnership.

2699 (2) Subject to any contractual rights, after a domestication is approved, and at any time
2700 before articles of domestication are delivered to the division for filing under Section
2701 48-1b-912, a domesticating limited liability partnership may amend the plan or abandon the
2702 domestication:

2703 (a) as provided in the plan; or

2704 (b) except as otherwise prohibited in the plan, by the same consent as was required to
2705 approve the plan.

2706 Section 70. Section **48-1b-912** is enacted to read:

2707 **48-1b-912. Filings required for domestication -- Effective date.**

2708 (1) After a plan of domestication is approved, a domesticating limited liability
2709 partnership shall deliver to the division for filing articles of domestication, which must include:

2710 (a) a statement, as the case may be, that the limited liability partnership has been
2711 domesticated from or into another jurisdiction;

2712 (b) the name of the domesticating limited liability partnership and the jurisdiction of its
2713 governing statute;

2714 (c) the name of the domesticated limited liability partnership and the jurisdiction of its
2715 governing statute;

2716 (d) the date the domestication is effective under the governing statute of the
2717 domesticated limited liability partnership;

2718 (e) if the domesticating limited liability partnership was a limited liability partnership,
2719 a statement that the domestication was approved as required by this chapter;

2720 (f) if the domesticating limited liability partnership was a foreign limited liability
2721 partnership, a statement that the domestication was approved as required by the governing
2722 statute of the other jurisdiction; and

2723 (g) if the domesticated limited liability partnership is a foreign limited liability
2724 partnership not authorized to transact business in this state, the street and mailing addresses of
2725 an office that the division may use for the purposes of Subsection 48-1b-913(2).

2726 (2) A domestication becomes effective:

2727 (a) if the domesticated limited liability partnership is a limited liability partnership, the
2728 later of:

2729 (i) the day after the day on which the division has received for filing both the articles of
2730 domestication and the statement of qualification pursuant to Section 48-1b-1001; and

2731 (ii) the date provided in the statement of qualification; or

2732 (b) if it is a foreign limited liability partnership, according to the governing statute of
2733 the domesticated limited liability partnership.

2734 Section 71. Section **48-1b-913** is enacted to read:

2735 **48-1b-913. Effect of domestication.**

2736 (1) When a domestication takes effect:

2737 (a) the domesticated limited liability partnership is for all purposes the limited liability
2738 partnership that existed before the domestication;

2739 (b) all property owned by the domesticating limited liability partnership remains vested
2740 in the domesticated limited liability partnership;

2741 (c) all debts, obligations, or other liabilities of the domesticating limited liability
2742 partnership continue as debts, obligations, or other liabilities of the domesticated limited
2743 liability partnership;

2744 (d) an action or proceeding pending by or against a domesticating limited liability
2745 partnership may be continued as if the domestication had not occurred;

2746 (e) except as prohibited by other law, all of the rights, privileges, immunities, powers,
2747 and purposes of the domesticating limited liability partnership remain vested in the
2748 domesticated limited liability partnership;

2749 (f) except as otherwise provided in the plan of domestication, the terms and conditions
2750 of the plan of domestication take effect; and

2751 (g) except as otherwise agreed, the domestication does not dissolve a domesticating
2752 limited liability partnership for the purposes of Part 8, Winding Up Partnership Business.

2753 (2) A domesticated limited liability partnership that is a foreign limited liability
2754 partnership consents to the jurisdiction of the courts of this state to enforce any debt,
2755 obligation, or other liability owed by the domesticating limited liability partnership, if, before
2756 the domestication, the domesticating limited liability partnership was subject to suit in this
2757 state on the debt, obligation, or other liability. A domesticated limited liability partnership that
2758 is a foreign limited liability partnership and not authorized to transact business in this state may
2759 be served with process at the address required in the articles of domestication under Subsection
2760 48-1b-912(1)(g).

2761 (3) If a limited liability partnership has adopted and approved a plan of domestication
2762 under Section 48-1b-910 providing for the limited liability partnership to be domesticated in a
2763 foreign jurisdiction, a statement pursuant to Subsection 48-1b-1001(4) cancelling the limited
2764 liability partnership's statement of qualification must be delivered to the division for filing
2765 setting forth:

2766 (a) the name of the limited liability partnership;

2767 (b) a statement that the limited liability partnership's statement of qualification is being
2768 cancelled in connection with the domestication of the limited liability partnership in a foreign
2769 jurisdiction;

2770 (c) a statement the domestication was approved as required by this chapter; and

2771 (d) the jurisdiction of formation of the domesticated foreign limited liability
2772 partnership.

2773 Section 72. Section **48-1b-914** is enacted to read:

2774 **48-1b-914. Restrictions on approval of mergers, conversions, and domestications.**

2775 (1) If a partner of a constituent or converting partnership, or a partner of a
2776 domesticating limited liability partnership will have personal liability with respect to a
2777 surviving, converted, or domesticated organization, approval or amendment of a plan of
2778 merger, conversion, or domestication are ineffective without the consent of the partner, unless:

2779 (a) the partnership's partnership agreement provides for approval of a merger,
2780 conversion, or domestication with the consent of fewer than all the partners; and

2781 (b) the partner has consented to the provision of the partnership agreement.

2782 (2) A partner does not give the consent required by Subsection (1) merely by
2783 consenting to a provision of the partnership agreement that permits the partnership agreement
2784 to be amended with the consent of fewer than all the partners.

2785 Section 73. Section **48-1b-915** is enacted to read:

2786 **48-1b-915. Part not exclusive.**

2787 This part does not preclude an entity from being merged, converted, or domesticated
2788 under law other than this chapter.

2789 Section 74. Section **48-1b-1001** is enacted to read:

2790 **Part 10. Limited Liability Partnership**

2791 **48-1b-1001. Statement of qualification.**

2792 (1) A partnership may become a limited liability partnership pursuant to this section.

2793 (2) The terms and conditions on which a partnership becomes a limited liability
2794 partnership must be approved by the vote necessary to amend the partnership agreement
2795 except, in the case of a partnership agreement that expressly considers obligations to contribute
2796 to the partnership, the vote necessary to amend those provisions.

2797 (3) After the approval required by Subsection (2), a partnership may become a limited
2798 liability partnership by filing a statement of qualification with the division. The statement must
2799 contain:

2800 (a) the name of the partnership;

2801 (b) the street address of the partnership's chief executive office and, if different, the

2802 street address of an office in this state, if any:

2803 (c) if the partnership does not have an office in this state, the information required by

2804 Subsection 16-17-203(1):

2805 (d) a statement that the partnership elects to be a limited liability partnership; and

2806 (e) a deferred effective date, if any.

2807 (4) The status of a partnership as a limited liability partnership is effective on the later

2808 of the filing of the statement or a date specified in the statement. The status remains effective,

2809 regardless of changes in the partnership, until it is canceled pursuant to Subsection

2810 48-1b-105(4) or revoked pursuant to Section 48-1b-1003.

2811 (5) The status of a partnership as a limited liability partnership and the liability of its

2812 partners is not affected by errors or later changes in the information required to be contained in

2813 the statement of qualification under Subsection (3).

2814 (6) The filing of a statement of qualification establishes that a partnership has satisfied

2815 all conditions precedent to the qualification of the partnership as a limited liability partnership.

2816 (7) An amendment or cancellation of a statement of qualification is effective when it is

2817 filed or on a deferred effective date specified in the amendment or cancellation.

2818 Section 75. Section **48-1b-1002** is enacted to read:

2819 **48-1b-1002. Name.**

2820 (1) The name of a limited liability partnership must end with "Registered Limited

2821 Liability Partnership," "Limited Liability Partnership," "R.L.L.P.," "L.L.P.," "RLLP," or "LLP".

2822 (2) The name of a limited liability partnership may not contain:

2823 (a) without the written consent of the United States Olympic Committee, the words:

2824 (i) "Olympic";

2825 (ii) "Olympiad"; or

2826 (iii) "Citius Altius Fortius"; and

2827 (b) without the written consent of the Division of Consumer Protection issued in

2828 accordance with Section 13-34-114, the words:

2829 (i) "university";

2830 (ii) "college"; or
2831 (iii) "institute" or "institution".
2832 (3) Unless authorized by Subsection (4), the name of a limited liability partnership
2833 must be distinguishable in the records of the division from:
2834 (a) the name of each person other than an individual incorporated, organized, or
2835 authorized to transact business in this state; and
2836 (b) each name reserved under:
2837 (i) Section 16-6a-401 or 16-6a-402;
2838 (ii) Section 16-10a-401 or 16-10a-402;
2839 (iii) Section 16-11-16;
2840 (iv) Section 42-2-6.6;
2841 (v) Section 48-2d-108 or 48-2d-109; or
2842 (vi) Section 48-3-108 or 48-3-109.
2843 (4) A limited liability partnership may apply to the division for authorization to use a
2844 name that does not comply with Subsection (3). The division shall authorize use of the name
2845 applied for if, as to each conflicting name:
2846 (a) the present user, registrant, or owner of the conflicting name consents in a signed
2847 record to the use and submits an undertaking in a form satisfactory to the division to change the
2848 conflicting name to a name that complies with Subsection (3) and is distinguishable in the
2849 records of the division from the name applied for;
2850 (b) the applicant delivers to the division a certified copy of the final judgment of a
2851 district court establishing the applicant's right to use in this state the name applied for; or
2852 (c) the applicant delivers to the division proof satisfactory to the division that the
2853 present user, registrant, or owner of the conflicting name:
2854 (i) has merged into the applicant;
2855 (ii) has been converted into the applicant; or
2856 (iii) has transferred substantially all of its assets, including the conflicting name, to the
2857 applicant.

2858 (5) Subject to Section 48-1b-1102.1, this section applies to any foreign limited
2859 partnership transacting business in this state, having a certificate of authority to transact
2860 business in this state, or applying for a certificate of authority.

2861 (6) The division may not approve for filing a name that implies that a limited liability
2862 partnership is an agency of this state or any of its political subdivisions, if it is not actually such
2863 a legally established agency or subdivision.

2864 (7) The authorization to file a certificate under or to reserve or register a limited
2865 liability partnership name as granted by the division does not:

2866 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

2867 (b) derogate from the common law, the principles of equity, or the statutes of this state
2868 or of the United States with respect to the right to acquire and protect names and trademarks; or

2869 (c) create an exclusive right in geographic or generic terms contained within a name.

2870 Section 76. Section **48-1b-1003** is enacted to read:

2871 **48-1b-1003. Annual report.**

2872 (1) A limited liability partnership, and a foreign limited liability partnership authorized
2873 to transact business in this state, shall file an annual report with the division which contains:

2874 (a) the name of the limited liability partnership and the state or other jurisdiction under
2875 whose laws the foreign limited liability partnership is formed;

2876 (b) the street address of the partnership's chief executive office and, if different, the
2877 street address of an office of the partnership in this state, if any; and

2878 (c) if the partnership does not have an office in this state, the information required by
2879 Subsection 16-17-203(1).

2880 (2) Following the calendar year in which a partnership files a statement of qualification
2881 or a foreign partnership becomes authorized to transact business in this state, the partnership
2882 shall file an annual report:

2883 (a) during the month of its anniversary date of formation, in the case of a domestic
2884 partnership; or

2885 (b) during the month of the anniversary date of being granted authority to transact

2886 business in this state, in the case of a foreign partnership authorized to transact business in this
2887 state.

2888 (3) (a) The division may revoke the statement of qualification of a partnership that fails
2889 to:

2890 (i) file an annual report when due; or

2891 (ii) pay the required filing fee, established in accordance with Section 63J-1-504.

2892 (b) To take an action under this Subsection (3), the division shall provide the
2893 partnership at least 60 days' written notice of intent to revoke the statement. The notice must
2894 be mailed to the partnership at its chief executive office set forth in the last filed statement of
2895 qualification or annual report. The notice must specify the annual report that has not been
2896 filed, the fee that has not been paid, and the effective date of the revocation. The revocation is
2897 not effective if the annual report is filed and the fee is paid before the effective date of the
2898 revocation.

2899 (4) A revocation under Subsection (3) only affects a partnership's status as a limited
2900 liability partnership and is not an event of dissolution of the partnership.

2901 (5) A partnership whose statement of qualification has been revoked may apply to the
2902 division for reinstatement within two years after the effective date of the revocation. The
2903 application must state:

2904 (a) the name of the partnership and the effective date of the revocation; and

2905 (b) that the ground for revocation either did not exist or has been corrected.

2906 (6) A reinstatement under Subsection (5) relates back to and takes effect as of the
2907 effective date of the revocation, and the partnership's status as a limited liability partnership
2908 continues as if the revocation had never occurred.

2909 Section 77. Section **48-1b-1004** is enacted to read:

2910 **48-1b-1004. Limited liability partnership providing professional services.**

2911 (1) A limited liability partnership organized under this part to provide a professional
2912 service:

2913 (a) may provide:

2914 (i) only one specific type of professional service; and
2915 (ii) services ancillary to the professional service described in Subsection (1)(a)(i); and
2916 (b) may not engage in a business other than providing the professional service that it is
2917 organized to provide and services ancillary to the professional service.

2918 (2) A limited liability partnership organized to provide a professional service:

2919 (a) may include a partner or employee authorized under the laws of the jurisdiction
2920 where the partner or employee reside to provide similar professional service;

2921 (b) may include a partner who is not licensed or registered by the state to provide the
2922 professional service to the extent allowed by the applicable licensing act relating to the
2923 professional service; and

2924 (c) may render a professional service in Utah only through a partner or employee who
2925 is licensed or registered by the state to render the professional service.

2926 (3) A limited liability partnership organized to provide a professional service has the
2927 powers provided a limited liability partnership under this chapter.

2928 (4) (a) This part does not restrict or limit the authority or duty of a regulatory entity to
2929 license an individual who provides a professional service or practices the profession that is
2930 within the jurisdiction of the regulatory entity, notwithstanding that the individual:

2931 (i) is a partner or employee of a limited liability partnership; or

2932 (ii) provides a professional service or engaging in the practice of the profession through
2933 a limited liability partnership.

2934 (b) A limited liability partnership may not do anything an individual licensed to
2935 practice the profession that the limited liability partnership is organized to provide may not do.

2936 Section 78. Section **48-1b-1101** is enacted to read:

2937 **Part 11. Foreign Limited Liability Partnership**

2938 **48-1b-1101. Law governing foreign limited liability partnership.**

2939 (1) The law under which a foreign limited liability partnership is formed governs
2940 relations among the partners and between the partners and the partnership and the liability of
2941 partners for obligations of the partnership.

2942 (2) A foreign limited liability partnership may not be denied a statement of foreign
2943 qualification by reason of any difference between the law under which the partnership was
2944 formed and the law of this state.

2945 (3) A statement of foreign qualification does not authorize a foreign limited liability
2946 partnership to engage in any business or exercise any power that a partnership may not engage
2947 in or exercise in this state as a limited liability partnership.

2948 (4) (a) The division may permit a tribal limited liability partnership to register with the
2949 division in the same manner as a foreign limited liability partnership formed in another state.

2950 (b) If a tribal limited liability partnership elects to register with the division, for
2951 purposes of this chapter, the tribal limited liability partnership shall be treated in the same
2952 manner as a foreign limited liability partnership formed under the laws of another state.

2953 Section 79. Section **48-1b-1102** is enacted to read:

2954 **48-1b-1102. Statement of foreign qualification.**

2955 (1) Before transacting business in this state, a foreign limited liability partnership must
2956 file a statement of foreign qualification with the division. The statement must contain:

2957 (a) the name of the foreign limited liability partnership which satisfies the requirements
2958 of the state or other jurisdiction under whose law it is formed;

2959 (b) the street address of the partnership's chief executive office;

2960 (c) the information required by Subsection 16-17-203(1); and

2961 (d) a deferred effective date, if any.

2962 (2) The status of a partnership as a foreign limited liability partnership is effective on
2963 the later of the filing of the statement of foreign qualification or a date specified in the
2964 statement. The status remains effective, regardless of changes in the partnership, until it is
2965 canceled pursuant to Subsection 48-1b-105(4) or revoked pursuant to Section 48-1b-1003.

2966 (3) An amendment or cancellation of a statement of foreign qualification is effective
2967 when it is filed or on a deferred effective date specified in the amendment or cancellation.

2968 Section 80. Section **48-1b-1102.1** is enacted to read:

2969 **48-1b-1102.1. Noncomplying name of foreign limited liability partnership.**

2970 (1) A foreign limited liability partnership whose name does not comply with Section
2971 48-1b-1002 may not obtain a certificate of authority until it adopts, for the purpose of
2972 transacting business in this state, an alternate name that complies with Section 48-1b-1002. A
2973 foreign limited liability partnership that adopts an alternate name under this Subsection (1) and
2974 then obtains a certificate of authority with the name need not comply with Title 42, Chapter 2,
2975 Conducting Business Under Assumed Name. After obtaining a certificate of authority with an
2976 alternate name, a foreign limited liability partnership shall transact business in this state under
2977 the name unless the foreign limited liability partnership is authorized under Title 42, Chapter 2,
2978 Conducting Business Under Assumed Name, to transact business in this state under another
2979 name.

2980 (2) If a foreign limited liability partnership authorized to transact business in this state
2981 changes its name to one that does not comply with Section 48-1b-1002, it may not thereafter
2982 transact business in this state until it complies with Subsection (1) and obtains an amended
2983 certificate of authority.

2984 Section 81. Section **48-1b-1103** is enacted to read:

2985 **48-1b-1103. Effect of failure to qualify.**

2986 (1) A foreign limited liability partnership transacting business in this state may not
2987 maintain an action or proceeding in this state unless it has in effect a statement of foreign
2988 qualification.

2989 (2) The failure of a foreign limited liability partnership to have in effect a statement of
2990 foreign qualification does not impair the validity of a contract or act of the foreign limited
2991 liability partnership or preclude it from defending an action or proceeding in this state.

2992 (3) A limitation on personal liability of a partner is not waived solely by transacting
2993 business in this state without a statement of foreign qualification.

2994 (4) If a foreign limited liability partnership transacts business in this state without a
2995 statement of foreign qualification, service of process with respect to a right of action arising out
2996 of the transaction of business in this state shall be served in accordance with Section
2997 16-17-301.

2998 Section 82. Section **48-1b-1104** is enacted to read:

2999 **48-1b-1104. Activities not constituting transacting business.**

3000 (1) Activities of a foreign limited liability partnership which do not constitute
3001 transacting business for the purpose of this part include:

3002 (a) maintaining, defending, or settling an action or proceeding;

3003 (b) holding meetings of its partners or carrying on any other activity concerning its
3004 internal affairs;

3005 (c) maintaining bank accounts;

3006 (d) maintaining offices or agencies for the transfer, exchange, and registration of the
3007 partnership's own securities or maintaining trustees or depositories with respect to those
3008 securities;

3009 (e) selling through independent contractors;

3010 (f) soliciting or obtaining orders, whether by mail or through employees or agents or
3011 otherwise, if the orders require acceptance outside this state before they become contracts;

3012 (g) creating or acquiring indebtedness, with or without a mortgage, or other security
3013 interest in property;

3014 (h) collecting debts or foreclosing mortgages or other security interests in property
3015 securing the debts, and holding, protecting, and maintaining property so acquired;

3016 (i) conducting an isolated transaction that is completed within 30 days and is not one in
3017 the course of similar transactions; and

3018 (j) transacting business in interstate commerce.

3019 (2) For purposes of this part, the ownership in this state of income-producing real
3020 property or tangible personal property, other than property excluded under Subsection (1),
3021 constitutes transacting business in this state.

3022 (3) This section does not apply in determining the contacts or activities that may
3023 subject a foreign limited liability partnership to service of process, taxation, or regulation under
3024 any other law of this state.

3025 Section 83. Section **48-1b-1105** is enacted to read:

3026 **48-1b-1105. Action by attorney general.**

3027 The attorney general may maintain an action to restrain a foreign limited liability
3028 partnership from transacting business in this state in violation of this part.

3029 Section 84. Section **48-1b-1201** is enacted to read:

3030 **Part 12. Miscellaneous Provisions**

3031 **48-1b-1201. Uniformity of application and construction.**

3032 This chapter shall be applied and construed to effectuate its general purpose to make
3033 uniform the law with respect to the subject of this chapter among states enacting it.

3034 Section 85. Section **48-1b-1202** is enacted to read:

3035 **48-1b-1202. Relation to electronic signatures in global and national commerce act.**

3036 This chapter modifies, limits, and supersedes the federal Electronic Signatures in
3037 Global and National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or
3038 supersede Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of
3039 any of the notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

3040 Section 86. Section **48-1b-1203** is enacted to read:

3041 **48-1b-1203. Severability clause.**

3042 If any provision of this chapter or its application to any person or circumstance is held
3043 invalid, the invalidity does not affect other provisions or applications of this chapter which can
3044 be given effect without the invalid provision or application, and to this end the provisions of
3045 this chapter are severable.

3046 Section 87. Section **48-1b-1204** is enacted to read:

3047 **48-1b-1204. Savings clause.**

3048 This chapter does not affect an action or proceeding commenced or right accrued before
3049 July 1, 2012.

3050 Section 88. Section **48-1b-1205** is enacted to read:

3051 **48-1b-1205. Applicability.**

3052 (1) Before January 1, 2014, this chapter governs only a partnership formed:

3053 (a) after July 1, 2012, except a partnership that is continuing the business of a dissolved

3054 partnership; and

3055 (b) before July 1, 2012, that elects, as provided by Subsection (3), to be governed by
3056 this chapter.

3057 (2) On and after January 1, 2014, this chapter governs all partnerships.

3058 (3) Before January 1, 2014, a partnership voluntarily may elect, in the manner provided
3059 in its partnership agreement or by law for amending the partnership agreement, to be governed
3060 by this chapter. The provisions of this chapter relating to the liability of the partnership's
3061 partners to third parties apply to limit those partners' liability to a third party who had done
3062 business with the partnership within one year before the partnership's election to be governed
3063 by this chapter only if the third party knows or has received a notification of the partnership's
3064 election to be governed by this chapter.

3065 Section 89. Section **48-2d-101** is enacted to read:

3066 **CHAPTER 2d. UTAH UNIFORM LIMITED PARTNERSHIP ACT**

3067 **Part 1. General Provisions**

3068 **48-2d-101. Title.**

3069 This chapter is known as the "Utah Uniform Limited Partnership Act."

3070 Section 90. Section **48-2d-102** is enacted to read:

3071 **48-2d-102. Definitions.**

3072 As used in this chapter:

3073 (1) (a) "Certificate of limited partnership" means the certificate required by Section
3074 48-2d-201.

3075 (b) "Certificate of limited partnership" includes the certificate as amended or restated.

3076 (2) "Contribution," except in the phrase "right of contribution," means any benefit
3077 provided by a person to a limited partnership in order to become a partner or in the person's
3078 capacity as a partner.

3079 (3) "Debtor in bankruptcy" means a person that is the subject of:

3080 (a) an order for relief under United States Code, Title 11, or a comparable order under
3081 a successor statute of general application; or

3082 (b) a comparable order under federal, state, or foreign law governing insolvency.

3083 (4) "Distribution" means a transfer of money or other property from a limited
3084 partnership to a partner in the partner's capacity as a partner or to a transferee on account of a
3085 transferable interest owned by the transferee.

3086 (5) "Foreign limited liability limited partnership" means a foreign limited partnership
3087 whose general partners have limited liability for the obligations of the foreign limited
3088 partnership under a provision similar to Subsection 48-2d-404(3).

3089 (6) (a) "Foreign limited partnership" means a partnership formed under the laws of a
3090 jurisdiction other than this state and required by those laws to have one or more general
3091 partners and one or more limited partners.

3092 (b) "Foreign limited partnership" includes a foreign limited liability limited
3093 partnership.

3094 (7) "General partner" means:

3095 (a) with respect to a limited partnership, a person that:

3096 (i) becomes a general partner under Section 48-2d-401; or

3097 (ii) was a general partner in a limited partnership when the limited partnership became
3098 subject to this chapter under Subsection 48-2d-1205(1) or (2); and

3099 (b) with respect to a foreign limited partnership, a person that has rights, powers, and
3100 obligations similar to those of a general partner in a limited partnership.

3101 (8) "Limited liability limited partnership," except in the phrase "foreign limited liability
3102 limited partnership," means a limited partnership whose certificate of limited partnership states
3103 that the limited partnership is a limited liability limited partnership.

3104 (9) "Limited partner" means:

3105 (a) with respect to a limited partnership, a person that:

3106 (i) becomes a limited partner under Section 48-2d-301; or

3107 (ii) was a limited partner in a limited partnership when the limited partnership became
3108 subject to this chapter under Subsection 48-2d-1205(1) or (2); and

3109 (b) with respect to a foreign limited partnership, a person that has rights, powers, and

3110 obligations similar to those of a limited partner in a limited partnership.

3111 (10) (a) "Limited partnership," except in the phrases "foreign limited partnership" and
3112 "foreign limited liability limited partnership," means an entity, having one or more general
3113 partners and one or more limited partners, which is formed under this chapter by two or more
3114 persons or becomes subject to this chapter under Part 11, Merger, Conversion, and
3115 Domestication, or Subsection 48-2d-1205(1) or (2).

3116 (b) "Limited partnership" includes a limited liability limited partnership.

3117 (11) "Partner" means a limited partner or general partner.

3118 (12) (a) "Partnership agreement" means the partners' agreement, whether oral, implied,
3119 in a record, or in any combination, concerning the limited partnership.

3120 (b) "Partnership agreement" includes the agreement as amended.

3121 (13) "Person" means:

3122 (a) an individual;

3123 (b) a corporation;

3124 (c) a business trust;

3125 (d) an estate;

3126 (e) a trust;

3127 (f) a partnership;

3128 (g) a limited liability company;

3129 (h) an association;

3130 (i) a joint venture;

3131 (j) government;

3132 (k) a governmental subdivision, agency, or instrumentality;

3133 (l) a public corporation; or

3134 (m) any other legal or commercial entity.

3135 (14) "Person dissociated as a general partner" means a person dissociated as a general
3136 partner of a limited partnership.

3137 (15) "Principal office" means the office where the principal executive office of a

3138 limited partnership or foreign limited partnership is located, whether or not the office is located
3139 in this state.

3140 (16) "Record" means information that is inscribed on a tangible medium or that is
3141 stored in an electronic or other medium and is retrievable in perceivable form.

3142 (17) "Required information" means the information that a limited partnership is
3143 required to maintain under Section 48-2d-111.

3144 (18) "Sign" means:

3145 (a) to execute or adopt a tangible symbol with the present intent to authenticate a
3146 record; or

3147 (b) to attach or logically associate an electronic symbol, sound, or process to or with a
3148 record with the present intent to authenticate the record.

3149 (19) "State" means a state of the United States, the District of Columbia, Puerto Rico,
3150 the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction
3151 of the United States.

3152 (20) "Transfer" includes an assignment, conveyance, deed, bill of sale, lease, mortgage,
3153 security interest, encumbrance, gift, and transfer by operation of law.

3154 (21) "Transferable interest" means a partner's right to receive distributions.

3155 (22) "Transferee" means a person to which all or part of a transferable interest has been
3156 transferred, whether or not the transferor is a partner.

3157 (23) "Tribal limited partnership" means a limited partnership:

3158 (a) formed under the law of a tribe; and

3159 (b) that is at least 51% owned or controlled by the tribe.

3160 (24) "Tribe" means a tribe, band, nation, pueblo, or other organized group or
3161 community of Indians, including an Alaska Native village, that is legally recognized as eligible
3162 for and is consistent with a special program, service, or entitlement provided by the United
3163 States to Indians because of their status as Indians.

3164 Section 91. Section **48-2d-103** is enacted to read:

3165 **48-2d-103. Knowledge and notice.**

- 3166 (1) A person knows a fact if the person has actual knowledge of it.
- 3167 (2) A person has notice of a fact if the person:
- 3168 (a) knows of it;
- 3169 (b) has received a notification of it;
- 3170 (c) has reason to know it exists from all of the facts known to the person at the time in
- 3171 question; or
- 3172 (d) has notice of it under Subsection (3) or (4).
- 3173 (3) A certificate of limited partnership on file in the division is notice that the
- 3174 partnership is a limited partnership and the persons designated in the certificate as general
- 3175 partners are general partners. Except as otherwise provided in Subsection (4), the certificate is
- 3176 not notice of any other fact.
- 3177 (4) A person has notice of:
- 3178 (a) another person's dissociation as a general partner, 90 days after the effective date of
- 3179 an amendment to the certificate of limited partnership which states that the other person has
- 3180 dissociated or 90 days after the effective date of a statement of dissociation pertaining to the
- 3181 other person, whichever occurs first;
- 3182 (b) a limited partnership's dissolution, 90 days after the effective date of an amendment
- 3183 to the certificate of limited partnership stating that the limited partnership is dissolved;
- 3184 (c) a limited partnership's termination, 90 days after the effective date of a statement of
- 3185 termination;
- 3186 (d) a limited partnership's conversion under Part 11, Merger, Conversion, and
- 3187 Domestication, 90 days after the effective date of the articles of conversion; or
- 3188 (e) a merger under Part 11, Merger, Conversion, and Domestication, 90 days after the
- 3189 effective date of the articles of merger.
- 3190 (5) A person notifies or gives a notification to another person by taking steps
- 3191 reasonably required to inform the other person in ordinary course, whether or not the other
- 3192 person learns of it.
- 3193 (6) A person receives a notification when the notification:

3194 (a) comes to the person's attention; or

3195 (b) is delivered at the person's place of business or at any other place held out by the
3196 person as a place for receiving communications.

3197 (7) (a) Except as otherwise provided in Subsection (8), a person other than an
3198 individual knows, has notice, or receives a notification of a fact for purposes of a particular
3199 transaction when the individual conducting the transaction for the person knows, has notice, or
3200 receives a notification of the fact, or in any event when the fact would have been brought to the
3201 individual's attention if the person had exercised reasonable diligence.

3202 (b) A person other than an individual exercises reasonable diligence if it maintains
3203 reasonable routines for communicating significant information to the individual conducting the
3204 transaction for the person and there is reasonable compliance with the routines. Reasonable
3205 diligence does not require an individual acting for the person to communicate information
3206 unless the communication is part of the individual's regular duties or the individual has reason
3207 to know of the transaction and that the transaction would be materially affected by the
3208 information.

3209 (8) A general partner's knowledge, notice, or receipt of a notification of a fact relating
3210 to the limited partnership is effective immediately as knowledge of, notice to, or receipt of a
3211 notification by the limited partnership, except in the case of a fraud on the limited partnership
3212 committed by or with the consent of the general partner. A limited partner's knowledge, notice,
3213 or receipt of a notification of a fact relating to the limited partnership is not effective as
3214 knowledge of, notice to, or receipt of a notification by the limited partnership.

3215 Section 92. Section **48-2d-104** is enacted to read:

3216 **48-2d-104. Nature, purpose, and duration of entity.**

3217 (1) (a) A limited partnership is an entity distinct from its partners.

3218 (b) A limited partnership is the same entity regardless of whether its certificate states
3219 that the limited partnership is a limited liability limited partnership.

3220 (2) A limited partnership may be organized under this chapter for any lawful purpose.

3221 (3) A limited partnership has a perpetual duration.

3222 Section 93. Section **48-2d-105** is enacted to read:

3223 **48-2d-105. Powers.**

3224 A limited partnership has the powers to do all things necessary or convenient to carry
3225 on its activities, including the power to sue, be sued, and defend in its own name and to
3226 maintain an action against a partner for harm caused to the limited partnership by a breach of
3227 the partnership agreement or violation of a duty to the partnership.

3228 Section 94. Section **48-2d-106** is enacted to read:

3229 **48-2d-106. Governing law.**

3230 The law of this state governs relations among the partners of a limited partnership and
3231 between the partners and the limited partnership and the liability of partners as partners for an
3232 obligation of the limited partnership.

3233 Section 95. Section **48-2d-107** is enacted to read:

3234 **48-2d-107. Supplemental principles of law-- Rate of interest.**

3235 (1) Unless displaced by particular provisions of this chapter, the principles of law and
3236 equity supplement this chapter.

3237 (2) If an obligation to pay interest arises under this chapter and the rate is not specified,
3238 the rate is that specified in Section 15-1-1.

3239 Section 96. Section **48-2d-108** is enacted to read:

3240 **48-2d-108. Name.**

3241 (1) The name of a limited partnership may contain the name of any partner.

3242 (2) (a) The name of a limited partnership that is not a limited liability limited
3243 partnership must contain the phrase "limited partnership" or the abbreviation "L.P." or "LP".

3244 (b) The name of a limited partnership that is not a limited liability partnership may not
3245 contain the phrase "limited liability limited partnership" or the abbreviation "LLLP" or
3246 "L.L.L.P.".

3247 (c) The name of a limited partnership may not contain:

3248 (i) without the written consent of the United States Olympic Committee, the words:

3249 (A) "Olympic";

3250 (B) "Olympiad"; or
3251 (C) "Citius Altius Fortius"; and
3252 (ii) without the written consent of the Division of Consumer Protection issued in
3253 accordance with Section 13-34-114, the words:
3254 (A) "university";
3255 (B) "college"; or
3256 (C) "institute" or "institution".
3257 (3) (a) The name of a limited liability limited partnership must contain the phrase
3258 "limited liability limited partnership" or the abbreviation "LLLP" or "L.L.L.P."
3259 (b) The name of a limited liability limited partnership may not contain the abbreviation
3260 "L.P." or "LP".
3261 (4) Unless authorized by Subsection (5), the name of a limited partnership must be
3262 distinguishable in the records of the division from:
3263 (a) the name of each person other than an individual incorporated, organized, or
3264 authorized to transact business in this state; and
3265 (b) each name reserved under:
3266 (i) Section 16-6a-401 or 16-6a-402;
3267 (ii) Section 16-10a-401 or 16-10a-402;
3268 (iii) Section 16-11-16;
3269 (iv) Section 42-2-6.6;
3270 (v) Section 48-1b-1002; or
3271 (vi) Section 48-3-108 or 48-3-109.
3272 (5) A limited partnership may apply to the division for authorization to use a name that
3273 does not comply with Subsection (4). The division shall authorize use of the name applied for
3274 if, as to each conflicting name:
3275 (a) the present user, registrant, or owner of the conflicting name consents in a signed
3276 record to the use and submits an undertaking in a form satisfactory to the division to change the
3277 conflicting name to a name that complies with Subsection (4) and is distinguishable in the

3278 records of the division from the name applied for;

3279 (b) the applicant delivers to the division a certified copy of the final judgment of a
3280 district court establishing the applicant's right to use in this state the name applied for; or

3281 (c) the applicant delivers to the division proof satisfactory to the division that the
3282 present user, registrant, or owner of the conflicting name:

3283 (i) has merged into the applicant;

3284 (ii) has been converted into the applicant; or

3285 (iii) has transferred substantially all of its assets, including the conflicting name, to the
3286 applicant.

3287 (6) Subject to Section 48-2d-905, this section applies to any foreign limited partnership
3288 transacting business in this state, having a certificate of authority to transact business in this
3289 state, or applying for a certificate of authority.

3290 (7) The division may not approve for filing a name that implies that a limited
3291 partnership is an agency of this state or any of its political subdivisions, if it is not actually such
3292 a legally established agency or subdivision.

3293 (8) The authorization to file a certificate under or to reserve or register a limited
3294 partnership name as granted by the division does not:

3295 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

3296 (b) derogate from the common law, the principles of equity, or the statutes of this state
3297 or of the United States with respect to the right to acquire and protect names and trademarks; or

3298 (c) create an exclusive right in geographic or generic terms contained within a name.

3299 Section 97. Section **48-2d-109** is enacted to read:

3300 **48-2d-109. Reservation of name.**

3301 (1) The exclusive right to the use of a name that complies with Section 48-2d-108 may
3302 be reserved by:

3303 (a) a person intending to organize a limited partnership under this chapter and to adopt
3304 the name;

3305 (b) a limited partnership or a foreign limited partnership authorized to transact business

3306 in this state intending to adopt the name;

3307 (c) a foreign limited partnership intending to obtain a certificate of authority to transact
3308 business in this state and adopt the name;

3309 (d) a person intending to organize a foreign limited partnership and intending to have it
3310 obtain a certificate of authority to transact business in this state and adopt the name;

3311 (e) a foreign limited partnership formed under the name; or

3312 (f) a foreign limited partnership formed under a name that does not comply with
3313 Subsection 48-2d-108(2) or (3), but the name reserved under this Subsection (1)(f) may differ
3314 from the foreign limited partnership's name only to the extent necessary to comply with
3315 Subsections 48-2d-108(2) and (3).

3316 (2) (a) A person may apply to reserve a name under Subsection (1) by delivering to the
3317 division for filing an application that states the name to be reserved and the provision of
3318 Subsection (1) which applies.

3319 (b) If the division finds that the name is available for use by the applicant, the division
3320 shall file a statement of name reservation and thereby reserve the name for the exclusive use of
3321 the applicant for 120 days.

3322 (3) An applicant that has reserved a name pursuant to Subsection (2) may reserve the
3323 same name for additional 120-day periods. A person having a current reservation for a name
3324 may not apply for another 120-day period for the same name until 90 days have elapsed in the
3325 current reservation.

3326 (4) A person that has reserved a name under this section may deliver to the division for
3327 filing a notice of transfer that states the reserved name, the name, and street and mailing
3328 address of some other person to which the reservation is to be transferred, and the provision of
3329 Subsection (1) which applies to the other person. Subject to Subsection 48-2d-206(3), the
3330 transfer is effective when the division files the notice of transfer.

3331 Section 98. Section **48-2d-110** is enacted to read:

3332 **48-2d-110. Effect of partnership agreement -- Nonwaivable provisions.**

3333 (1) Except as otherwise provided in Subsection (2), the partnership agreement governs

3334 relations among the partners and between the partners and the partnership. To the extent the
3335 partnership agreement does not otherwise provide, this chapter governs relations among the
3336 partners and between the partners and the partnership.

3337 (2) A partnership agreement may not:

3338 (a) vary a limited partnership's power under Section 48-2d-105 to sue, be sued, and
3339 defend in its own name;

3340 (b) vary the law applicable to a limited partnership under Section 48-2d-106;

3341 (c) vary the requirements of Section 48-2d-204;

3342 (d) vary the information required under Section 48-2d-111 or unreasonably restrict the
3343 right to information under Section 48-2d-304 or 48-2d-407, but the partnership agreement may
3344 impose reasonable restrictions on the availability and use of information obtained under those
3345 sections and may define appropriate remedies, including liquidated damages, for a breach of
3346 any reasonable restriction on use;

3347 (e) eliminate the duty of loyalty under Section 48-2d-408, but the partnership
3348 agreement may:

3349 (i) identify specific types or categories of activities that do not violate the duty of
3350 loyalty, if not unconscionable or against public policy; and

3351 (ii) specify the number or percentage of partners which may authorize or ratify, after
3352 full disclosure to all partners of all material facts, a specific act or transaction that otherwise
3353 would violate the duty of loyalty;

3354 (f) unreasonably reduce the duty of care under Subsection 48-2d-408(3);

3355 (g) eliminate the obligation of good faith and fair dealing under Subsections
3356 48-2d-305(2) and 48-2d-408(4), but the partnership agreement may prescribe the standards by
3357 which the performance of the obligation is to be measured, if the standards are not manifestly
3358 unreasonable;

3359 (h) vary the power of a person to dissociate as a general partner under Subsection
3360 48-2d-604(1) except to require that the notice under Subsection 48-2d-603(1) be in a record;

3361 (i) vary the power of a court to decree dissolution in the circumstances specified in

3362 Section 48-2d-802;

3363 (j) vary the requirement to wind up the partnership's business as specified in Section
3364 48-2d-803;

3365 (k) unreasonably restrict the right to maintain an action under Part 10, Actions by
3366 Partners;

3367 (l) restrict the right of a partner under Subsection 48-2d-1114(1) to approve a
3368 conversion or merger or the right of a general partner under Subsection 48-2d-1114(2) to
3369 consent to an amendment to the certificate of limited partnership which deletes a statement that
3370 the limited partnership is a limited liability limited partnership; or

3371 (m) restrict rights under this chapter of a person other than a partner or a transferee.

3372 Section 99. Section **48-2d-111** is enacted to read:

3373 **48-2d-111. Required information.**

3374 A limited partnership shall maintain at its designated office the following information:

3375 (1) a current list showing the full name and last known street and mailing address of
3376 each partner, separately identifying the general partners, in alphabetical order, and the limited
3377 partners, in alphabetical order;

3378 (2) a copy of the initial certificate of limited partnership and all amendments to and
3379 restatements of the certificate, together with signed copies of any powers of attorney under
3380 which any certificate, amendment, or restatement has been signed;

3381 (3) a copy of any filed articles of conversion or merger;

3382 (4) a copy of the limited partnership's federal, state, and local income tax returns and
3383 reports, if any, for the three most recent years;

3384 (5) a copy of any partnership agreement made in a record and any amendment made in
3385 a record to any partnership agreement;

3386 (6) a copy of any financial statement of the limited partnership for the three most recent
3387 years;

3388 (7) a copy of the three most recent annual reports delivered by the limited partnership
3389 to the division pursuant to Section 48-2d-210;

3390 (8) a copy of any record made by the limited partnership during the past three years of
3391 any consent given by or vote taken of any partner pursuant to this chapter or the partnership
3392 agreement; and

3393 (9) unless contained in a partnership agreement made in a record, a record stating:

3394 (a) the amount of cash, and a description and statement of the agreed value of the other
3395 benefits, contributed and agreed to be contributed by each partner;

3396 (b) the times at which, or events on the happening of which, any additional
3397 contributions agreed to be made by each partner are to be made;

3398 (c) for any person that is both a general partner and a limited partner, a specification of
3399 what transferable interest the person owns in each capacity; and

3400 (d) any events upon the happening of which the limited partnership is to be dissolved
3401 and its activities wound up.

3402 Section 100. Section **48-2d-112** is enacted to read:

3403 **48-2d-112. Business transactions of partner with partnership.**

3404 A partner may lend money to and transact other business with the limited partnership
3405 and has the same rights and obligations with respect to the loan or other transaction as a person
3406 that is not a partner.

3407 Section 101. Section **48-2d-113** is enacted to read:

3408 **48-2d-113. Dual capacity.**

3409 (1) A person may be both a general partner and a limited partner.

3410 (2) A person that is both a general and limited partner has the rights, powers, duties,
3411 and obligations provided by this chapter and the partnership agreement in each of those
3412 capacities. When the person acts as a general partner, the person is subject to the obligations,
3413 duties, and restrictions under this chapter and the partnership agreement for general partners.
3414 When the person acts as a limited partner, the person is subject to the obligations, duties, and
3415 restrictions under this chapter and the partnership agreement for limited partners.

3416 Section 102. Section **48-2d-114** is enacted to read:

3417 **48-2d-114. Consent and proxies of partners.**

3418 Action requiring the consent of partners under this chapter may be taken without a
3419 meeting, and a partner may appoint a proxy to consent or otherwise act for the partner by
3420 signing an appointment record, either personally or by the partner's attorney-in-fact.

3421 Section 103. Section **48-2d-201** is enacted to read:

3422 **Part 2. Formation and Certificate of Limited Partnership and Other Filings**

3423 **48-2d-201. Formation of limited partnership -- Certificate of limited partnership.**

3424 (1) In order for a limited partnership to be formed, a certificate of limited partnership
3425 must be delivered to the division for filing. The certificate must state:

3426 (a) the name of the limited partnership, which must comply with Section 48-2d-108;

3427 (b) the information required by Subsection 16-17-203(1);

3428 (c) the name and the street and mailing address of each general partner;

3429 (d) whether the limited partnership is a limited liability limited partnership; and

3430 (e) any additional information required by Part 11, Merger, Conversion, and

3431 Domestication.

3432 (2) A certificate of limited partnership may also contain any other matters but may not
3433 vary or otherwise affect the provisions specified in Subsection 48-2d-110(2) in a manner
3434 inconsistent with that section.

3435 (3) If there has been substantial compliance with Subsection (1), subject to Subsection
3436 48-2d-206(3) a limited partnership is formed when the division files the certificate of limited
3437 partnership.

3438 (4) Subject to Subsection (2), if any provision of a partnership agreement is
3439 inconsistent with the filed certificate of limited partnership or with a filed statement of
3440 dissociation, termination, or change or filed articles of conversion or merger:

3441 (a) the partnership agreement prevails as to partners and transferees; and

3442 (b) the filed certificate of limited partnership, statement of dissociation, termination, or
3443 change, or articles of conversion or merger prevail as to persons, other than partners and
3444 transferees, that reasonably rely on the filed record to their detriment.

3445 Section 104. Section **48-2d-202** is enacted to read:

3446 **48-2d-202. Amendment or restatement of certificate.**

3447 (1) To amend its certificate of limited partnership, a limited partnership must deliver to
3448 the division for filing an amendment or, pursuant to Part 11, Merger, Conversion, and
3449 Domestication, articles of merger stating:

3450 (a) the name of the limited partnership;

3451 (b) the date of filing of its initial certificate; and

3452 (c) the changes the amendment makes to the certificate as most recently amended or
3453 restated.

3454 (2) By no later than 60 days from the day on which one of the following occurs, a
3455 limited partnership shall deliver to the division for filing an amendment to a certificate of
3456 limited partnership to reflect:

3457 (a) the admission of a new general partner;

3458 (b) the dissociation of a person as a general partner; or

3459 (c) the appointment of a person to wind up the limited partnership's activities under
3460 Subsection 48-2d-803(3) or (4).

3461 (3) A general partner that knows that any information in a filed certificate of limited
3462 partnership was false when the certificate was filed or has become false due to changed
3463 circumstances shall promptly:

3464 (a) cause the certificate to be amended; or

3465 (b) if appropriate, deliver to the division for filing a statement of change pursuant to
3466 Section 16-17-206 or a statement of correction pursuant to Section 16-17-206 or 48-2d-207.

3467 (4) A certificate of limited partnership may be amended at any time for any other
3468 proper purpose as determined by the limited partnership.

3469 (5) A restated certificate of limited partnership may be delivered to the division for
3470 filing in the same manner as an amendment.

3471 (6) Subject to Subsection 48-2d-206(3), an amendment or restated certificate is
3472 effective when filed by the division.

3473 Section 105. Section **48-2d-203** is enacted to read:

3474 **48-2d-203. Statement of termination.**

3475 A dissolved limited partnership that has completed winding up may deliver to the
3476 division for filing a statement of termination that states:

3477 (1) the name of the limited partnership;

3478 (2) the date of filing of its initial certificate of limited partnership; and

3479 (3) any other information as determined by the general partners filing the statement or
3480 by a person appointed pursuant to Subsection 48-2d-803(3) or (4).

3481 Section 106. Section **48-2d-204** is enacted to read:

3482 **48-2d-204. Signing of records.**

3483 (1) Each record delivered to the division for filing pursuant to this chapter must be
3484 signed in the following manner:

3485 (a) An initial certificate of limited partnership must be signed by all general partners
3486 listed in the certificate.

3487 (b) An amendment adding or deleting a statement that the limited partnership is a
3488 limited liability limited partnership must be signed by all general partners listed in the
3489 certificate.

3490 (c) An amendment designating as general partner a person admitted under Subsection
3491 48-2d-801(3)(b) following the dissociation of a limited partnership's last general partner must
3492 be signed by that person.

3493 (d) An amendment required by Subsection 48-2d-803(3) following the appointment of
3494 a person to wind up the dissolved limited partnership's activities must be signed by that person.

3495 (e) Any other amendment must be signed by:

3496 (i) at least one general partner listed in the certificate;

3497 (ii) each other person designated in the amendment as a new general partner; and

3498 (iii) each person that the amendment indicates has dissociated as a general partner,

3499 unless:

3500 (A) the person is deceased or a guardian or a general conservator has been appointed
3501 for the person and the amendment so states; or

3502 (B) the person has previously delivered to the division for filing a statement of
3503 dissociation.

3504 (f) A restated certificate of limited partnership must be signed by at least one general
3505 partner listed in the certificate, and, to the extent the restated certificate effects a change under
3506 any other subsection of this Subsection (1), the certificate must be signed in a manner that
3507 satisfies that subsection.

3508 (g) A statement of termination must be signed by all general partners listed in the
3509 certificate or, if the certificate of a dissolved limited partnership lists no general partners, by the
3510 person appointed pursuant to Subsection 48-2d-803(3) or (4) to wind up the dissolved limited
3511 partnership's activities.

3512 (h) Articles of conversion must be signed by each general partner listed in the
3513 certificate of limited partnership.

3514 (i) Articles of merger must be signed as provided in Subsection 48-2d-1108(1).

3515 (j) Any other record delivered on behalf of a limited partnership to the division for
3516 filing must be signed by at least one general partner listed in the certificate.

3517 (k) A statement by a person pursuant to Subsection 48-2d-605(1)(d) stating that the
3518 person has dissociated as a general partner must be signed by that person.

3519 (l) A statement of withdrawal by a person pursuant to Section 48-2d-306 must be
3520 signed by that person.

3521 (m) A record delivered on behalf of a foreign limited partnership to the division for
3522 filing must be signed by at least one general partner of the foreign limited partnership.

3523 (n) Any other record delivered on behalf of any person to the division for filing must
3524 be signed by that person.

3525 (2) Any person may sign by an attorney-in-fact any record to be filed pursuant to this
3526 chapter.

3527 Section 107. Section **48-2d-205** is enacted to read:

3528 **48-2d-205. Signing and filing pursuant to judicial order.**

3529 (1) If a person required by this chapter to sign a record or deliver a record to the

3530 division for filing does not do so, any other person that is aggrieved may petition a district
 3531 court to order:

- 3532 (a) the person to sign the record;
- 3533 (b) the person to deliver the record to the division for filing; or
- 3534 (c) the division to file the record unsigned, which will have the same effect as if signed
 3535 by the person required by this chapter to sign the record.

3536 (2) If the person aggrieved under Subsection (1) is not the limited partnership or
 3537 foreign limited partnership to which the record pertains, the aggrieved person shall make the
 3538 limited partnership or foreign limited partnership a party to the action. A person aggrieved
 3539 under Subsection (1) may seek the remedies provided in Subsection (1) in the same action in
 3540 combination or in the alternative.

3541 (3) A record filed unsigned pursuant to this section is effective without being signed.

3542 Section 108. Section **48-2d-206** is enacted to read:

3543 **48-2d-206. Delivery to and filing of records by division -- Effective time and date.**

3544 (1) A record authorized or required to be delivered to the division for filing under this
 3545 chapter must be captioned to describe the record's purpose, be in a medium permitted by the
 3546 division, and be delivered to the division. Unless the division determines that a record does not
 3547 comply with the filing requirements of this chapter, and if all filing fees have been paid, the
 3548 division shall file the record and:

- 3549 (a) for a statement of dissociation, send:
- 3550 (i) a copy of the filed statement and a receipt for the fees to the person which the
 3551 statement indicates has dissociated as a general partner; and

- 3552 (ii) a copy of the filed statement and receipt to the limited partnership;

- 3553 (b) for a statement of withdrawal, send:

- 3554 (i) a copy of the filed statement and a receipt for the fees to the person on whose behalf
 3555 the record was filed; and

- 3556 (ii) if the statement refers to an existing limited partnership, a copy of the filed
 3557 statement and receipt to the limited partnership; and

3558 (c) for all other records, send a copy of the filed record and a receipt for the fees to the
3559 person on whose behalf the record was filed.

3560 (2) Upon request and payment of a fee, established in accordance with Section
3561 63J-1-504, the division shall send to the requester a certified copy of the requested record.

3562 (3) Except as otherwise provided in Section 48-2d-207, a record delivered to the
3563 division for filing under this chapter may specify an effective time and a delayed effective date.

3564 Except as otherwise provided in this chapter, a record filed by the division is effective:

3565 (a) if the record does not specify an effective time and does not specify a delayed
3566 effective date, on the date and at the time the record is filed as evidenced by the division's
3567 endorsement of the date and time on the record;

3568 (b) if the record specifies an effective time but not a delayed effective date, on the date
3569 the record is filed at the time specified in the record;

3570 (c) if the record specifies a delayed effective date but not an effective time, at 12:01
3571 a.m. on the earlier of:

3572 (i) the specified date; or

3573 (ii) the 90th day after the record is filed; or

3574 (d) if the record specifies an effective time and a delayed effective date, at the specified
3575 time on the earlier of:

3576 (i) the specified date; or

3577 (ii) the 90th day after the record is filed.

3578 Section 109. Section **48-2d-207** is enacted to read:

3579 **48-2d-207. Correcting filed record.**

3580 (1) A limited partnership or foreign limited partnership may deliver to the division for
3581 filing a statement of correction to correct a record previously delivered by the limited
3582 partnership or foreign limited partnership to the division and filed by the division, if at the time
3583 of filing the record contained false or erroneous information or was defectively signed.

3584 (2) A statement of correction may not state a delayed effective date and must:

3585 (a) describe the record to be corrected, including its filing date, or attach a copy of the

3586 record as filed;

3587 (b) specify the incorrect information and the reason it is incorrect or the manner in
3588 which the signing was defective; and

3589 (c) correct the incorrect information or defective signature.

3590 (3) When filed by the division, a statement of correction is effective retroactively as of
3591 the effective date of the record the statement corrects, but the statement is effective when filed:

3592 (a) for the purposes of Subsections 48-2d-103(3) and (4); and

3593 (b) as to persons relying on the uncorrected record and adversely affected by the
3594 correction.

3595 Section 110. Section **48-2d-208** is enacted to read:

3596 **48-2d-208. Liability for false information in filed record.**

3597 (1) If a record delivered to the division for filing under this chapter and filed by the
3598 division contains false information, a person that suffers loss by reliance on the information
3599 may recover damages for the loss from:

3600 (a) a person that signed the record, or caused another to sign it on the person's behalf,
3601 and knew the information to be false at the time the record was signed; and

3602 (b) a general partner that has notice that the information was false when the record was
3603 filed or has become false because of changed circumstances, if the general partner has notice
3604 for a reasonably sufficient time before the information is relied upon to enable the general
3605 partner to effect an amendment under Section 48-2d-202, file a petition pursuant to Section
3606 48-2d-205, or deliver to the division for filing a statement of change pursuant to Section
3607 16-17-206 or a statement of correction pursuant to Section 48-2d-207.

3608 (2) Signing a record authorized or required to be filed under this chapter constitutes an
3609 affirmation under the penalties of perjury that the facts stated in the record are true.

3610 Section 111. Section **48-2d-209** is enacted to read:

3611 **48-2d-209. Certificate of existence or authorization.**

3612 (1) The division, upon request and payment of the requisite fee, shall furnish a
3613 certificate of existence for a limited partnership if the records filed in the division show that the

3614 division has filed a certificate of limited partnership and has not filed a statement of
3615 termination. A certificate of existence must state:

3616 (a) the limited partnership's name;
3617 (b) that it was duly formed under the laws of this state and the date of formation;
3618 (c) whether all fees, taxes, and penalties due to the division under this chapter or other
3619 law have been paid;

3620 (d) whether the limited partnership's most recent annual report required by Section
3621 48-2d-210 has been filed by the division;

3622 (e) whether the division has administratively dissolved the limited partnership;
3623 (f) whether the limited partnership's certificate of limited partnership has been
3624 amended to state that the limited partnership is dissolved;

3625 (g) that a statement of termination has not been filed by the division; and
3626 (h) other facts of record in the division which may be requested by the applicant.

3627 (2) The division, upon request and payment of the requisite fee, shall furnish a
3628 certificate of authorization for a foreign limited partnership if the records filed in the division
3629 show that the division has filed a certificate of authority, has not revoked the certificate of
3630 authority, and has not filed a notice of cancellation. A certificate of authorization must state:

3631 (a) the foreign limited partnership's name and any alternate name adopted under
3632 Subsection 48-2d-905(1) for use in this state;

3633 (b) that it is authorized to transact business in this state;
3634 (c) whether all fees, taxes, and penalties due to the division under this chapter or other
3635 law have been paid;

3636 (d) whether the foreign limited partnership's most recent annual report required by
3637 Section 48-2d-210 has been filed by the division;

3638 (e) that the division has not revoked its certificate of authority and has not filed a notice
3639 of cancellation; and

3640 (f) other facts of record in the division which may be requested by the applicant.

3641 (3) Subject to any qualification stated in the certificate, a certificate of existence or

3642 authorization issued by the division may be relied upon as conclusive evidence that the limited
3643 partnership or foreign limited partnership is in existence or is authorized to transact business in
3644 this state.

3645 Section 112. Section **48-2d-210** is enacted to read:

3646 **48-2d-210. Annual report for division.**

3647 (1) A limited partnership or a foreign limited partnership authorized to transact
3648 business in this state shall deliver to the division for filing an annual report that states:

3649 (a) the name of the limited partnership or foreign limited partnership;

3650 (b) the information required by Subsection 16-17-203(1);

3651 (c) in the case of a limited partnership, the street and mailing address of its principal
3652 office; and

3653 (d) in the case of a foreign limited partnership, the state or other jurisdiction under
3654 whose law the foreign limited partnership is formed and any alternate name adopted under
3655 Subsection 48-2d-905(1).

3656 (2) Information in an annual report must be current as of the date the annual report is
3657 delivered to the division for filing.

3658 (3) An annual report must be delivered to the division:

3659 (a) during the month of its anniversary date of formation, in the case of domestic
3660 limited partnerships; or

3661 (b) during the month of the anniversary date of being granted authority to transact
3662 business in this state, in the case of foreign limited partnerships authorized to transact business
3663 in this state.

3664 (4) If an annual report does not contain the information required in Subsection (1), the
3665 division shall promptly notify the reporting limited partnership or foreign limited partnership
3666 and return the report to it for correction. If the report is corrected to contain the information
3667 required in Subsection (1) and delivered to the division within 30 days after the effective date
3668 of the notice, it is timely delivered.

3669 (5) If a filed annual report contains information provided under Subsection (1)(b)

3670 which differs from the information shown in the records of the division immediately before the
3671 filing, the differing information in the annual report is considered a statement of change under
3672 Section 16-17-206.

3673 Section 113. Section **48-2d-301** is enacted to read:

3674 **Part 3. Limited Partners**

3675 **48-2d-301. Becoming limited partner.**

3676 A person becomes a limited partner:

3677 (1) as provided in the partnership agreement;

3678 (2) as the result of a conversion or merger under Part 11, Merger, Conversion, and

3679 Domestication; or

3680 (3) with the consent of all the partners.

3681 Section 114. Section **48-2d-302** is enacted to read:

3682 **48-2d-302. No right or power as limited partner to bind limited partnership.**

3683 A limited partner does not have the right or the power as a limited partner to act for or
3684 bind the limited partnership.

3685 Section 115. Section **48-2d-303** is enacted to read:

3686 **48-2d-303. No liability as limited partner for limited partnership obligations.**

3687 (1) An obligation of a limited partnership, whether arising in contract, tort, or
3688 otherwise, is not the obligation of a limited partner.

3689 (2) A limited partner is not personally liable, directly or indirectly, by way of
3690 contribution or otherwise, for an obligation of the limited partnership solely by reason of being
3691 a limited partner, even if the limited partner participates in the management and control of the
3692 limited partnership.

3693 Section 116. Section **48-2d-304** is enacted to read:

3694 **48-2d-304. Right of limited partner and former limited partner to information.**

3695 (1) On 10 days' demand, made in a record received by the limited partnership, a limited
3696 partner may inspect and copy required information during regular business hours in the limited
3697 partnership's principal office. The limited partner need not have any particular purpose for

3698 seeking the information.

3699 (2) During regular business hours and at a reasonable location specified by the limited
3700 partnership, a limited partner may obtain from the limited partnership and inspect and copy true
3701 and full information regarding the state of the activities and financial condition of the limited
3702 partnership and other information regarding the activities of the limited partnership as is just
3703 and reasonable if:

3704 (a) the limited partner seeks the information for a purpose reasonably related to the
3705 partner's interest as a limited partner;

3706 (b) the limited partner makes a demand in a record received by the limited partnership,
3707 describing with reasonable particularity the information sought and the purpose for seeking the
3708 information; and

3709 (c) the information sought is directly connected to the limited partner's purpose.

3710 (3) Within 10 days after receiving a demand pursuant to Subsection (2), the limited
3711 partnership in a record shall inform the limited partner that made the demand:

3712 (a) what information the limited partnership will provide in response to the demand;

3713 (b) when and where the limited partnership will provide the information; and

3714 (c) if the limited partnership declines to provide any demanded information, the limited
3715 partnership's reasons for declining.

3716 (4) Subject to Subsection (6), a person dissociated as a limited partner may inspect and
3717 copy required information during regular business hours in the limited partnership's principle
3718 office if:

3719 (a) the information pertains to the period during which the person was a limited
3720 partner;

3721 (b) the person seeks the information in good faith; and

3722 (c) the person meets the requirements of Subsection (2).

3723 (5) The limited partnership shall respond to a demand made pursuant to Subsection (4)
3724 in the same manner as provided in Subsection (3).

3725 (6) If a limited partner dies, Section 48-2d-704 applies.

3726 (7) The limited partnership may impose reasonable restrictions on the use of
3727 information obtained under this section. In a dispute concerning the reasonableness of a
3728 restriction under this Subsection (7), the limited partnership has the burden of proving
3729 reasonableness.

3730 (8) A limited partnership may charge a person that makes a demand under this section
3731 reasonable costs of copying, limited to the costs of labor and material.

3732 (9) Whenever this chapter or a partnership agreement provides for a limited partner to
3733 give or withhold consent to a matter, before the consent is given or withheld, the limited
3734 partnership shall, without demand, provide the limited partner with all information material to
3735 the limited partner's decision that the limited partnership knows.

3736 (10) A limited partner or person dissociated as a limited partner may exercise the rights
3737 under this section through an attorney or other agent. Any restriction imposed under
3738 Subsection (7) or by the partnership agreement applies both to the attorney or other agent and
3739 to the limited partner or person dissociated as a limited partner.

3740 (11) The rights stated in this section do not extend to a person as transferee, but may be
3741 exercised by the legal representative of an individual under legal disability who is a limited
3742 partner or person dissociated as a limited partner.

3743 Section 117. Section **48-2d-305** is enacted to read:

3744 **48-2d-305. Limited duties of limited partners.**

3745 (1) (a) A limited partner does not have any fiduciary duty to the limited partnership or
3746 to any other partner solely by reason of being a limited partner.

3747 (b) Notwithstanding Subsection (1)(a), a limited partner has a duty of loyalty to the
3748 limited partnership and the other partners to refrain from competing with the limited
3749 partnership in the conduct or winding up of the limited partnership's activities.

3750 (2) A limited partner shall discharge the duties to the partnership and the other partners
3751 under this chapter or under the partnership agreement and exercise any rights consistently with
3752 the obligation of good faith and fair dealing.

3753 (3) A limited partner does not violate a duty or obligation under this chapter or under

3754 the partnership agreement merely because the limited partner's conduct furthers the limited
3755 partner's own interest.

3756 Section 118. Section **48-2d-306** is enacted to read:

3757 **48-2d-306. Person erroneously believing self to be limited partner.**

3758 (1) Except as otherwise provided in Subsection (2), a person that makes an investment
3759 in a business enterprise and erroneously but in good faith believes that the person has become a
3760 limited partner in the enterprise is not liable for the enterprise's obligations by reason of making
3761 the investment, receiving distributions from the enterprise, or exercising any rights of or
3762 appropriate to a limited partner, if, on ascertaining the mistake, the person:

3763 (a) causes an appropriate certificate of limited partnership, amendment, or statement of
3764 correction to be signed and delivered to the division for filing; or

3765 (b) withdraws from future participation as an owner in the enterprise by signing and
3766 delivering to the division for filing a statement of withdrawal under this section.

3767 (2) A person that makes an investment described in Subsection (1) is liable to the same
3768 extent as a general partner to any third party that enters into a transaction with the enterprise,
3769 believing in good faith that the person is a general partner, before the division files a statement
3770 of withdrawal, certificate of limited partnership, amendment, or statement of correction to
3771 show that the person is not a general partner.

3772 (3) If a person makes a diligent effort in good faith to comply with Subsection (1)(a)
3773 and is unable to cause the appropriate certificate of limited partnership, amendment, or
3774 statement of correction to be signed and delivered to the division for filing, the person has the
3775 right to withdraw from the enterprise pursuant to Subsection (1)(b) even if the withdrawal
3776 would otherwise breach an agreement with others that are or have agreed to become co-owners
3777 of the enterprise.

3778 Section 119. Section **48-2d-401** is enacted to read:

3779 **Part 4. General Partners**

3780 **48-2d-401. Becoming general partner.**

3781 A person becomes a general partner:

3782 (1) as provided in the partnership agreement;

3783 (2) under Subsection 48-2d-801(3)(b) following the dissociation of a limited
3784 partnership's last general partner;

3785 (3) as the result of a conversion or merger under Part 11, Merger, Conversion, and
3786 Domestication; or

3787 (4) with the consent of all the partners.

3788 Section 120. Section **48-2d-402** is enacted to read:

3789 **48-2d-402. General partner agent of limited partnership.**

3790 (1) (a) Each general partner is an agent of the limited partnership for the purposes of its
3791 activities.

3792 (b) An act of a general partner, including the signing of a record in the partnership's
3793 name, for apparently carrying on in the ordinary course the limited partnership's activities or
3794 activities of the kind carried on by the limited partnership binds the limited partnership, unless
3795 the general partner did not have authority to act for the limited partnership in the particular
3796 matter and the person with which the general partner was dealing knew, had received a
3797 notification, or had notice under Subsection 48-2d-103(4) that the general partner lacked
3798 authority.

3799 (2) An act of a general partner which is not apparently for carrying on in the ordinary
3800 course the limited partnership's activities or activities of the kind carried on by the limited
3801 partnership binds the limited partnership only if the act was actually authorized by all the other
3802 partners.

3803 Section 121. Section **48-2d-403** is enacted to read:

3804 **48-2d-403. Limited partnership liable for general partner's actionable conduct.**

3805 (1) A limited partnership is liable for loss or injury caused to a person, or for a penalty
3806 incurred, as a result of a wrongful act or omission, or other actionable conduct, of a general
3807 partner acting in the ordinary course of activities of the limited partnership or with authority of
3808 the limited partnership.

3809 (2) If, in the course of the limited partnership's activities or while acting with authority

3810 of the limited partnership, a general partner receives or causes the limited partnership to receive
3811 money or property of a person not a partner, and the money or property is misapplied by a
3812 general partner, the limited partnership is liable for the loss.

3813 Section 122. Section **48-2d-404** is enacted to read:

3814 **48-2d-404. General partner's liability.**

3815 (1) Except as otherwise provided in Subsections (2) and (3), all general partners are
3816 liable jointly and severally for all obligations of the limited partnership unless otherwise agreed
3817 by the claimant or provided by law.

3818 (2) A person that becomes a general partner of an existing limited partnership is not
3819 personally liable for an obligation of a limited partnership incurred before the person became a
3820 general partner.

3821 (3) (a) An obligation of a limited partnership incurred while the limited partnership is a
3822 limited liability limited partnership, whether arising in contract, tort, or otherwise, is solely the
3823 obligation of the limited partnership.

3824 (b) A general partner is not personally liable, directly or indirectly, by way of
3825 contribution or otherwise, for such an obligation solely by reason of being or acting as a
3826 general partner.

3827 (c) This Subsection (3) applies despite anything inconsistent in the partnership
3828 agreement that existed immediately before the consent required to become a limited liability
3829 limited partnership under Subsection 48-2d-406(2)(b).

3830 Section 123. Section **48-2d-405** is enacted to read:

3831 **48-2d-405. Actions by and against partnership and partners.**

3832 (1) To the extent not inconsistent with Section 48-2d-404, a general partner may be
3833 joined in an action against the limited partnership or named in a separate action.

3834 (2) A judgment against a limited partnership is not by itself a judgment against a
3835 general partner. A judgment against a limited partnership may not be satisfied from a general
3836 partner's assets unless there is also a judgment against the general partner.

3837 (3) A judgment creditor of a general partner may not levy execution against the assets

3838 of the general partner to satisfy a judgment based on a claim against the limited partnership,
3839 unless the partner is personally liable for the claim under Section 48-2d-404 and:

3840 (a) a judgment based on the same claim has been obtained against the limited
3841 partnership and a writ of execution on the judgment has been returned unsatisfied in whole or
3842 in part;

3843 (b) the limited partnership is a debtor in bankruptcy;

3844 (c) the general partner has agreed that the creditor need not exhaust limited partnership
3845 assets;

3846 (d) a court grants permission to the judgment creditor to levy execution against the
3847 assets of a general partner based on a finding that limited partnership assets subject to
3848 execution are clearly insufficient to satisfy the judgment, that exhaustion of limited partnership
3849 assets is excessively burdensome, or that the grant of permission is an appropriate exercise of
3850 the court's equitable powers; or

3851 (e) liability is imposed on the general partner by law or contract independent of the
3852 existence of the limited partnership.

3853 Section 124. Section **48-2d-406** is enacted to read:

3854 **48-2d-406. Management rights of general partner.**

3855 (1) Each general partner has equal rights in the management and conduct of the limited
3856 partnership's activities. Except as expressly provided in this chapter, any matter relating to the
3857 activities of the limited partnership may be exclusively decided by the general partner or, if
3858 there is more than one general partner, by a majority of the general partners.

3859 (2) The consent of each partner is necessary to:

3860 (a) amend the partnership agreement;

3861 (b) amend the certificate of limited partnership to add or, subject to Section
3862 48-2d-1114, delete a statement that the limited partnership is a limited liability limited
3863 partnership; and

3864 (c) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited
3865 partnership's property, with or without the good will, other than in the usual and regular course

3866 of the limited partnership's activities.

3867 (3) A limited partnership shall reimburse a general partner for payments made and
3868 indemnify a general partner for liabilities incurred by the general partner in the ordinary course
3869 of the activities of the partnership or for the preservation of its activities or property.

3870 (4) A limited partnership shall reimburse a general partner for an advance to the limited
3871 partnership beyond the amount of capital the general partner agreed to contribute.

3872 (5) A payment or advance made by a general partner which gives rise to an obligation
3873 of the limited partnership under Subsection (3) or (4) constitutes a loan to the limited
3874 partnership which accrues interest from the date of the payment or advance.

3875 (6) A general partner is not entitled to remuneration for services performed for the
3876 partnership.

3877 Section 125. Section **48-2d-407** is enacted to read:

3878 **48-2d-407. Right of general partner and former general partner to information.**

3879 (1) A general partner, without having any particular purpose for seeking the
3880 information, may inspect and copy during regular business hours:

3881 (a) in the limited partnership's principal office, required information; and

3882 (b) at a reasonable location specified by the limited partnership, any other records
3883 maintained by the limited partnership regarding the limited partnership's activities and financial
3884 condition.

3885 (2) Each general partner and the limited partnership shall furnish to a general partner:

3886 (a) without demand, any information concerning the limited partnership's activities and
3887 activities reasonably required for the proper exercise of the general partner's rights and duties
3888 under the partnership agreement or this chapter; and

3889 (b) on demand, any other information concerning the limited partnership's activities,
3890 except to the extent the demand or the information demanded is unreasonable or otherwise
3891 improper under the circumstances.

3892 (3) Subject to Subsection (5), on 10 days' demand made in a record received by the
3893 limited partnership, a person dissociated as a general partner may have access to the

3894 information and records described in Subsection (1) at the location specified in Subsection (1)
3895 if:

3896 (a) the information or record pertains to the period during which the person was a
3897 general partner;

3898 (b) the person seeks the information or record in good faith; and

3899 (c) the person satisfies the requirements imposed on a limited partner by Subsection
3900 48-2d-304(2).

3901 (4) The limited partnership shall respond to a demand made pursuant to Subsection (3)
3902 in the same manner as provided in Subsection 48-2d-304(3).

3903 (5) If a general partner dies, Section 48-2d-704 applies.

3904 (6) The limited partnership may impose reasonable restrictions on the use of
3905 information under this section. In any dispute concerning the reasonableness of a restriction
3906 under this Subsection (6), the limited partnership has the burden of proving reasonableness.

3907 (7) A limited partnership may charge a person dissociated as a general partner that
3908 makes a demand under this section reasonable costs of copying, limited to the costs of labor
3909 and material.

3910 (8) A general partner or person dissociated as a general partner may exercise the rights
3911 under this section through an attorney or other agent. Any restriction imposed under
3912 Subsection (6) or by the partnership agreement applies both to the attorney or other agent and
3913 to the general partner or person dissociated as a general partner.

3914 (9) The rights under this section do not extend to a person as transferee, but the rights
3915 under Subsection (3) of a person dissociated as a general may be exercised by the legal
3916 representative of an individual who dissociated as a general partner under Subsection
3917 48-2d-603(7)(b) or (c).

3918 Section 126. Section **48-2d-408** is enacted to read:

3919 **48-2d-408. General standards of general partner's conduct.**

3920 (1) The only fiduciary duties that a general partner has to the limited partnership and
3921 the other partners are the duties of loyalty and care under Subsections (2) and (3).

3950 other agreements to contribute cash or property, and contracts for services to be performed.

3951 Section 128. Section **48-2d-502** is enacted to read:

3952 **48-2d-502. Liability for contribution.**

3953 (1) (a) A partner's obligation to contribute money or other property or other benefit to,
3954 or to perform services for, a limited partnership is not excused by the partner's death, disability,
3955 or other inability to perform personally.

3956 (b) Notwithstanding Subsection (1)(a), a limited partnership's partnership agreement
3957 may provide for a partner's obligation to contribute to be excused by the death of the partner.

3958 (2) If a partner does not make a promised non-monetary contribution, the partner is
3959 obligated at the option of the limited partnership to contribute money equal to that portion of
3960 the value, as stated in the required information, of the stated contribution which has not been
3961 made.

3962 (3) The obligation of a partner to make a contribution or return money or other
3963 property paid or distributed in violation of this chapter may be compromised only by consent of
3964 all partners. A creditor of a limited partnership which extends credit or otherwise acts in
3965 reliance on an obligation described in Subsection (2), without notice of any compromise under
3966 this Subsection (3), may enforce the original obligation.

3967 Section 129. Section **48-2d-503** is enacted to read:

3968 **48-2d-503. Sharing of distributions.**

3969 A distribution by a limited partnership must be shared among the partners on the basis
3970 of the value, as stated in the required records when the limited partnership decides to make the
3971 distribution, of the contributions the limited partnership has received from each partner.

3972 Section 130. Section **48-2d-504** is enacted to read:

3973 **48-2d-504. Interim distributions.**

3974 A partner does not have a right to any distribution before the dissolution and winding
3975 up of the limited partnership unless the limited partnership decides to make an interim
3976 distribution.

3977 Section 131. Section **48-2d-505** is enacted to read:

3978 **48-2d-505. No distribution on account of dissociation.**

3979 A person does not have a right to receive a distribution on account of dissociation.

3980 Section 132. Section **48-2d-506** is enacted to read:

3981 **48-2d-506. Distribution in kind.**

3982 A partner does not have a right to demand or receive any distribution from a limited

3983 partnership in any form other than cash. Subject to Subsection 48-2d-812(2), a limited

3984 partnership may distribute an asset in kind to the extent each partner receives a percentage of

3985 the asset equal to the partner's share of distributions.

3986 Section 133. Section **48-2d-507** is enacted to read:

3987 **48-2d-507. Right to distribution.**

3988 When a partner or transferee becomes entitled to receive a distribution, the partner or

3989 transferee has the status of, and is entitled to all remedies available to, a creditor of the limited

3990 partnership with respect to the distribution. However, the limited partnership's obligation to

3991 make a distribution is subject to offset for any amount owed to the limited partnership by the

3992 partner or dissociated partner on whose account the distribution is made.

3993 Section 134. Section **48-2d-508** is enacted to read:

3994 **48-2d-508. Limitations on distribution.**

3995 (1) A limited partnership may not make a distribution in violation of the partnership
3996 agreement.

3997 (2) A limited partnership may not make a distribution if after the distribution:

3998 (a) the limited partnership would not be able to pay its debts as they become due in the
3999 ordinary course of the limited partnership's activities; or

4000 (b) the limited partnership's total assets would be less than the sum of its total liabilities
4001 plus the amount that would be needed, if the limited partnership were to be dissolved, wound
4002 up, and terminated at the time of the distribution, to satisfy the preferential rights upon
4003 dissolution, winding up, and termination of partners whose preferential rights are superior to
4004 those of persons receiving the distribution.

4005 (3) A limited partnership may base a determination that a distribution is not prohibited

4006 under Subsection (2) on financial statements prepared on the basis of accounting practices and
4007 principles that are reasonable in the circumstances or on a fair valuation or other method that is
4008 reasonable in the circumstances.

4009 (4) Except as otherwise provided in Subsection (7), the effect of a distribution under
4010 Subsection (2) is measured:

4011 (a) in the case of distribution by purchase, redemption, or other acquisition of a
4012 transferable interest in the limited partnership, as of the date money or other property is
4013 transferred or debt incurred by the limited partnership; and

4014 (b) in all other cases, as of the date:

4015 (i) the distribution is authorized, if the payment occurs within 120 days after that date;

4016 or

4017 (ii) the payment is made, if payment occurs more than 120 days after the distribution is
4018 authorized.

4019 (5) A limited partnership's indebtedness to a partner incurred by reason of a
4020 distribution made in accordance with this section is at parity with the limited partnership's
4021 indebtedness to its general, unsecured creditors.

4022 (6) A limited partnership's indebtedness, including indebtedness issued in connection
4023 with or as part of a distribution, is not considered a liability for purposes of Subsection (2) if
4024 the terms of the indebtedness provide that payment of principal and interest are made only to
4025 the extent that a distribution could then be made to partners under this section.

4026 (7) If indebtedness is issued as a distribution, each payment of principal or interest on
4027 the indebtedness is treated as a distribution, the effect of which is measured on the date the
4028 payment is made.

4029 Section 135. Section **48-2d-509** is enacted to read:

4030 **48-2d-509. Liability for improper distributions.**

4031 (1) A general partner that consents to a distribution made in violation of Section
4032 48-2d-508 is personally liable to the limited partnership for the amount of the distribution
4033 which exceeds the amount that could have been distributed without the violation if it is

4034 established that in consenting to the distribution the general partner failed to comply with
4035 Section 48-2d-408.

4036 (2) A partner or transferee that received a distribution knowing that the distribution to
4037 that partner or transferee was made in violation of Section 48-2d-508 is personally liable to the
4038 limited partnership but only to the extent that the distribution received by the partner or
4039 transferee exceeded the amount that could have been properly paid under Section 48-2d-508.

4040 (3) A general partner against which an action is commenced under Subsection (1) may:

4041 (a) implead in the action any other person that is liable under Subsection (1) and
4042 compel contribution from the person; and

4043 (b) implead in the action any person that received a distribution in violation of
4044 Subsection (2) and compel contribution from the person in the amount the person received in
4045 violation of Subsection (2).

4046 (4) An action under this section is barred if it is not commenced within two years after
4047 the distribution.

4048 Section 136. Section **48-2d-601** is enacted to read:

4049 **Part 6. Dissociation**

4050 **48-2d-601. Dissociation as limited partner.**

4051 (1) A person does not have a right to dissociate as a limited partner before the
4052 termination of the limited partnership.

4053 (2) A person is dissociated from a limited partnership as a limited partner upon the
4054 occurrence of any of the following events:

4055 (a) the limited partnership's having notice of the person's express will to withdraw as a
4056 limited partner or on a later date specified by the person;

4057 (b) an event agreed to in the partnership agreement as causing the person's dissociation
4058 as a limited partner;

4059 (c) the person's expulsion as a limited partner pursuant to the partnership agreement;

4060 (d) the person's expulsion as a limited partner by the unanimous consent of the other
4061 partners if:

4062 (i) it is unlawful to carry on the limited partnership's activities with the person as a
4063 limited partner;

4064 (ii) there has been a transfer of all of the person's transferable interest in the limited
4065 partnership, other than a transfer for security purposes, or a court order charging the person's
4066 interest, which has not been foreclosed;

4067 (iii) the person is a corporation and, within 90 days after the limited partnership
4068 notifies the person that it will be expelled as a limited partner because it has filed a certificate
4069 of dissolution or the equivalent, its charter has been revoked, or its right to conduct business
4070 has been suspended by the jurisdiction of its incorporation, there is no revocation of the
4071 certificate of dissolution or no reinstatement of its charter or its right to conduct business; or

4072 (iv) the person is a limited liability company or partnership that has been dissolved and
4073 whose business is being wound up;

4074 (e) on application by the limited partnership, the person's expulsion as a limited partner
4075 by judicial order because:

4076 (i) the person engaged in wrongful conduct that adversely and materially affected the
4077 limited partnership's activities;

4078 (ii) the person willfully or persistently committed a material breach of the partnership
4079 agreement or of the obligation of good faith and fair dealing under Subsection 48-2d-305(2); or

4080 (iii) the person engaged in conduct relating to the limited partnership's activities which
4081 makes it not reasonably practicable to carry on the activities with the person as limited partner;

4082 (f) in the case of a person who is an individual, the person's death;

4083 (g) in the case of a person that is a trust or is acting as a limited partner by virtue of
4084 being a trustee of a trust, distribution of the trust's entire transferable interest in the limited
4085 partnership, but not merely by reason of the substitution of a successor trustee;

4086 (h) in the case of a person that is an estate or is acting as a limited partner by virtue of
4087 being a personal representative of an estate, distribution of the estate's entire transferable
4088 interest in the limited partnership, but not merely by reason of the substitution of a successor
4089 personal representative;

4090 (i) termination of a limited partner that is not an individual, partnership, limited
4091 liability company, corporation, trust, or estate;
4092 (j) the limited partnership's participation in a conversion or merger under Part 11,
4093 Merger, Conversion, and Domestication, if the limited partnership:
4094 (i) is not the converted or surviving entity; or
4095 (ii) is the converted or surviving entity but, as a result of the conversion or merger, the
4096 person ceases to be a limited partner.

4097 Section 137. Section **48-2d-602** is enacted to read:

4098 **48-2d-602. Effect of dissociation as limited partner.**

4099 (1) Upon a person's dissociation as a limited partner:

4100 (a) subject to Section 48-2d-704, the person does not have further rights as a limited
4101 partner;

4102 (b) the person's obligation of good faith and fair dealing as a limited partner under
4103 Subsection 48-2d-305(2) continues only as to matters arising and events occurring before the
4104 dissociation; and

4105 (c) subject to Section 48-2d-704 and Part 11, Merger, Conversion, and Domestication,
4106 any transferable interest owned by the person in the person's capacity as a limited partner
4107 immediately before dissociation is owned by the person as a mere transferee.

4108 (2) A person's dissociation as a limited partner does not of itself discharge the person
4109 from any obligation to the limited partnership or the other partners which the person incurred
4110 while a limited partner.

4111 Section 138. Section **48-2d-603** is enacted to read:

4112 **48-2d-603. Dissociation as general partner.**

4113 A person is dissociated from a limited partnership as a general partner upon the
4114 occurrence of any of the following events:

4115 (1) the limited partnership's having notice of the person's express will to withdraw as a
4116 general partner or on a later date specified by the person;

4117 (2) an event agreed to in the partnership agreement as causing the person's dissociation

4118 as a general partner;

4119 (3) the person's expulsion as a general partner pursuant to the partnership agreement;

4120 (4) the person's expulsion as a general partner by the unanimous consent of the other

4121 partners if:

4122 (a) it is unlawful to carry on the limited partnership's activities with the person as a

4123 general partner;

4124 (b) there has been a transfer of all or substantially all of the person's transferable

4125 interest in the limited partnership, other than a transfer for security purposes, or a court order

4126 charging the person's interest, which has not been foreclosed;

4127 (c) the person is a corporation and, within 90 days after the limited partnership notifies

4128 the person that it will be expelled as a general partner because it has filed a certificate of

4129 dissolution or the equivalent, its charter has been revoked, or its right to conduct business has

4130 been suspended by the jurisdiction of its incorporation, there is no revocation of the certificate

4131 of dissolution or no reinstatement of its charter or its right to conduct business; or

4132 (d) the person is a limited liability company or partnership that has been dissolved and

4133 whose business is being wound up;

4134 (5) on application by the limited partnership, the person's expulsion as a general partner

4135 by judicial determination because:

4136 (a) the person engaged in wrongful conduct that adversely and materially affected the

4137 limited partnership activities;

4138 (b) the person willfully or persistently committed a material breach of the partnership

4139 agreement or of a duty owed to the partnership or the other partners under Section 48-2d-408;

4140 or

4141 (c) the person engaged in conduct relating to the limited partnership's activities which

4142 makes it not reasonably practicable to carry on the activities of the limited partnership with the

4143 person as a general partner;

4144 (6) the person's:

4145 (a) becoming a debtor in bankruptcy;

- 4146 (b) execution of an assignment for the benefit of creditors;
4147 (c) seeking, consenting to, or acquiescing in the appointment of a trustee, receiver, or
4148 liquidator of the person or of all or substantially all of the person's property; or
4149 (d) failure, within 90 days after the appointment, to have vacated or stayed the
4150 appointment of a trustee, receiver, or liquidator of the general partner or of all or substantially
4151 all of the person's property obtained without the person's consent or acquiescence, or failing
4152 within 90 days after the expiration of a stay to have the appointment vacated;
4153 (7) in the case of a person who is an individual:
4154 (a) the person's death;
4155 (b) the appointment of a guardian or general conservator for the person; or
4156 (c) a judicial determination that the person has otherwise become incapable of
4157 performing the person's duties as a general partner under the partnership agreement;
4158 (8) in the case of a person that is a trust or is acting as a general partner by virtue of
4159 being a trustee of a trust, distribution of the trust's entire transferable interest in the limited
4160 partnership, but not merely by reason of the substitution of a successor trustee;
4161 (9) in the case of a person that is an estate or is acting as a general partner by virtue of
4162 being a personal representative of an estate, distribution of the estate's entire transferable
4163 interest in the limited partnership, but not merely by reason of the substitution of a successor
4164 personal representative;
4165 (10) termination of a general partner that is not an individual, partnership, limited
4166 liability company, corporation, trust, or estate; or
4167 (11) the limited partnership's participation in a conversion or merger under Part 11,
4168 Merger, Conversion, and Domestication, if the limited partnership:
4169 (a) is not the converted or surviving entity; or
4170 (b) is the converted or surviving entity but, as a result of the conversion or merger, the
4171 person ceases to be a general partner.

4172 Section 139. Section **48-2d-604** is enacted to read:

4173 **48-2d-604. Person's power to dissociate as general partner -- Wrongful**

4174 **dissociation.**

4175 (1) A person has the power to dissociate as a general partner at any time, rightfully or
4176 wrongfully, by express will pursuant to Subsection 48-2d-603(1).

4177 (2) A person's dissociation as a general partner is wrongful only if:

4178 (a) it is in breach of an express provision of the partnership agreement; or

4179 (b) it occurs before the termination of the limited partnership, and:

4180 (i) the person withdraws as a general partner by express will;

4181 (ii) the person is expelled as a general partner by judicial determination under

4182 Subsection 48-2d-603(5);

4183 (iii) the person is dissociated as a general partner by becoming a debtor in bankruptcy;

4184 or

4185 (iv) in the case of a person that is not an individual, trust other than a business trust, or

4186 estate, the person is expelled or otherwise dissociated as a general partner because it willfully

4187 dissolved or terminated.

4188 (3) A person that wrongfully dissociates as a general partner is liable to the limited
4189 partnership and, subject to Section 48-2d-1001, to the other partners for damages caused by the
4190 dissociation. The liability is in addition to any other obligation of the general partner to the
4191 limited partnership or to the other partners.

4192 Section 140. Section **48-2d-605** is enacted to read:

4193 **48-2d-605. Effect of dissociation as general partner.**

4194 (1) Upon a person's dissociation as a general partner:

4195 (a) the person's right to participate as a general partner in the management and conduct
4196 of the partnership's activities terminates;

4197 (b) the person's duty of loyalty as a general partner under Subsection 48-2d-408(2)(c)
4198 terminates;

4199 (c) the person's duty of loyalty as a general partner under Subsections 48-2d-408(2)(a)
4200 and (b) and duty of care under Subsection 48-2d-408(3) continue only with regard to matters
4201 arising and events occurring before the person's dissociation as a general partner;

4202 (d) the person may sign and deliver to the division for filing a statement of dissociation
4203 pertaining to the person and, at the request of the limited partnership, shall sign an amendment
4204 to the certificate of limited partnership which states that the person has dissociated; and

4205 (e) subject to Section 48-2d-704 and Part 11, Merger, Conversion, and Domestication,
4206 any transferable interest owned by the person immediately before dissociation in the person's
4207 capacity as a general partner is owned by the person as a mere transferee.

4208 (2) A person's dissociation as a general partner does not of itself discharge the person
4209 from any obligation to the limited partnership or the other partners which the person incurred
4210 while a general partner.

4211 Section 141. Section **48-2d-606** is enacted to read:

4212 **48-2d-606. Power to bind and liability to limited partnership before dissolution of**
4213 **partnership of person dissociated as general partner.**

4214 (1) After a person is dissociated as a general partner and before the limited partnership
4215 is dissolved, converted under Part 11, Merger, Conversion, and Domestication, or merged out
4216 of existence under Part 11, the limited partnership is bound by an act of the person only if:

4217 (a) the act would have bound the limited partnership under Section 48-2d-402 before
4218 the dissociation; and

4219 (b) at the time the other party enters into the transaction:

4220 (i) less than two years have passed since the dissociation; and

4221 (ii) the other party does not have notice of the dissociation and reasonably believes that
4222 the person is a general partner.

4223 (2) If a limited partnership is bound under Subsection (1), the person dissociated as a
4224 general partner which caused the limited partnership to be bound is liable:

4225 (a) to the limited partnership for any damage caused to the limited partnership arising
4226 from the obligation incurred under Subsection (1); and

4227 (b) if a general partner or another person dissociated as a general partner is liable for
4228 the obligation, to the general partner or other person for any damage caused to the general
4229 partner or other person arising from the liability.

4230 Section 142. Section **48-2d-607** is enacted to read:

4231 **48-2d-607. Liability to other persons of person dissociated as general partner.**

4232 (1) A person's dissociation as a general partner does not of itself discharge the person's
4233 liability as a general partner for an obligation of the limited partnership incurred before
4234 dissociation. Except as otherwise provided in Subsections (2) and (3), the person is not liable
4235 for a limited partnership's obligation incurred after dissociation.

4236 (2) A person whose dissociation as a general partner resulted in a dissolution and
4237 winding up of the limited partnership's activities is liable to the same extent as a general partner
4238 under Section 48-2d-404 on an obligation incurred by the limited partnership under Section
4239 48-2d-804.

4240 (3) A person that has dissociated as a general partner but whose dissociation did not
4241 result in a dissolution and winding up of the limited partnership's activities is liable on a
4242 transaction entered into by the limited partnership after the dissociation only if:

4243 (a) a general partner would be liable on the transaction; and

4244 (b) at the time the other party enters into the transaction:

4245 (i) less than two years have passed since the dissociation; and

4246 (ii) the other party does not have notice of the dissociation and reasonably believes that
4247 the person is a general partner.

4248 (4) By agreement with a creditor of a limited partnership and the limited partnership, a
4249 person dissociated as a general partner may be released from liability for an obligation of the
4250 limited partnership.

4251 (5) A person dissociated as a general partner is released from liability for an obligation
4252 of the limited partnership if the limited partnership's creditor, with notice of the person's
4253 dissociation as a general partner but without the person's consent, agrees to a material alteration
4254 in the nature or time of payment of the obligation.

4255 Section 143. Section **48-2d-701** is enacted to read:

4256 **Part 7. Transferable Interests and Rights of Transferees and Creditors**

4257 **48-2d-701. Partner's transferable interest.**

4258 The only interest of a partner which is transferable is the partner's transferable interest.
4259 A transferable interest is personal property.
4260 Section 144. Section **48-2d-702** is enacted to read:
4261 **48-2d-702. Transfer of partner's transferable interest.**
4262 (1) A transfer, in whole or in part, of a partner's transferable interest:
4263 (a) is permissible;
4264 (b) does not by itself cause the partner's dissociation or a dissolution and winding up of
4265 the limited partnership's activities; and
4266 (c) does not, as against the other partners or the limited partnership, entitle the
4267 transferee to participate in the management or conduct of the limited partnership's activities, to
4268 require access to information concerning the limited partnership's transactions except as
4269 otherwise provided in Subsection (3), or to inspect or copy the required information or the
4270 limited partnership's other records.
4271 (2) A transferee has a right to receive, in accordance with the transfer:
4272 (a) distributions to which the transferor would otherwise be entitled; and
4273 (b) upon the dissolution and winding up of the limited partnership's activities the net
4274 amount otherwise distributable to the transferor.
4275 (3) In a dissolution and winding up, a transferee is entitled to an account of the limited
4276 partnership's transactions only from the date of dissolution.
4277 (4) Upon transfer, the transferor retains the rights of a partner other than the interest in
4278 distributions transferred and retains all duties and obligations of a partner.
4279 (5) A limited partnership need not give effect to a transferee's rights under this section
4280 until the limited partnership has notice of the transfer.
4281 (6) A transfer of a partner's transferable interest in the limited partnership in violation
4282 of a restriction on transfer contained in the partnership agreement is ineffective as to a person
4283 having notice of the restriction at the time of transfer.
4284 (7) A transferee that becomes a partner with respect to a transferable interest is liable
4285 for the transferor's obligations under Sections 48-2d-502 and 48-2d-509. However, the

4286 transferee is not obligated for liabilities unknown to the transferee at the time the transferee
4287 became a partner.

4288 Section 145. Section **48-2d-703** is enacted to read:

4289 **48-2d-703. Rights of creditor of partner or transferee.**

4290 (1) (a) On application to a district court by any judgment creditor of a partner or
4291 transferee, the court may charge the transferable interest of the judgment debtor with payment
4292 of the unsatisfied amount of the judgment with interest. To the extent so charged, the judgment
4293 creditor has only the rights of a transferee.

4294 (b) The court may appoint a receiver of the share of the distributions due or to become
4295 due to the judgment debtor in respect of the partnership and make all other orders, directions,
4296 accounts, and inquiries the judgment debtor might have made or which the circumstances of
4297 the case may require to give effect to the charging order.

4298 (2) A charging order constitutes a lien on the judgment debtor's transferable interest.
4299 The court may order a foreclosure upon the interest subject to the charging order at any time.
4300 The purchaser at the foreclosure sale has the rights of a transferee.

4301 (3) At any time before foreclosure, an interest charged may be redeemed:

4302 (a) by the judgment debtor;

4303 (b) with property other than limited partnership property, by one or more of the other
4304 partners; or

4305 (c) with limited partnership property, by the limited partnership with the consent of all
4306 partners whose interests are not so charged.

4307 (4) This chapter does not deprive any partner or transferee of the benefit of any
4308 exemption laws applicable to the partner's or transferee's transferable interest.

4309 (5) This section provides the exclusive remedy by which a judgment creditor of a
4310 partner or transferee may satisfy a judgment out of the judgment debtor's transferable interest.

4311 Section 146. Section **48-2d-704** is enacted to read:

4312 **48-2d-704. Power of estate of deceased partner.**

4313 If a partner dies, the deceased partner's personal representative or other legal

4314 representative may exercise the rights of a transferee as provided in Section 48-2d-702 and, for
4315 the purposes of settling the estate, may exercise the rights of a current limited partner under
4316 Section 48-2d-304.

4317 Section 147. Section **48-2d-801** is enacted to read:

4318 **Part 8. Dissolution**

4319 **48-2d-801. Nonjudicial dissolution.**

4320 Except as otherwise provided in Section 48-2d-802, a limited partnership is dissolved,
4321 and its activities must be wound up, only upon the occurrence of any of the following:

4322 (1) the happening of an event specified in the partnership agreement;

4323 (2) the consent of all general partners and of limited partners owning a majority of the
4324 rights to receive distributions as limited partners at the time the consent is to be effective;

4325 (3) after the dissociation of a person as a general partner:

4326 (a) if the limited partnership has at least one remaining general partner, the consent to
4327 dissolve the limited partnership given within 90 days after the dissociation by partners owning
4328 a majority of the rights to receive distributions as partners at the time the consent is to be
4329 effective; or

4330 (b) if the limited partnership does not have a remaining general partner, the passage of
4331 90 days after the dissociation, unless before the end of the period:

4332 (i) consent to continue the activities of the limited partnership and admit at least one
4333 general partner is given by limited partners owning a majority of the rights to receive
4334 distributions as limited partners at the time the consent is to be effective; and

4335 (ii) at least one person is admitted as a general partner in accordance with the consent
4336 effective as of the last date the last person to have been a general partner ceases to be a general
4337 partner;

4338 (4) the passage of 90 days after the dissociation of the limited partnership's last limited
4339 partner, unless before the end of the period the limited partnership admits at least one limited
4340 partner; or

4341 (5) the signing and filing of a declaration of dissolution by the division under

4342 Subsection 48-2d-809(3).

4343 Section 148. Section **48-2d-802** is enacted to read:

4344 **48-2d-802. Judicial dissolution.**

4345 On application by a partner the court of appropriate jurisdiction may order dissolution
4346 of a limited partnership if it is not reasonably practicable to carry on the activities of the limited
4347 partnership in conformity with the partnership agreement.

4348 Section 149. Section **48-2d-803** is enacted to read:

4349 **48-2d-803. Winding up.**

4350 (1) A limited partnership continues after dissolution only for the purpose of winding up
4351 its activities.

4352 (2) In winding up its activities, the limited partnership:

4353 (a) may amend its certificate of limited partnership to state that the limited partnership
4354 is dissolved, preserve the limited partnership business or property as a going concern for a
4355 reasonable time, prosecute and defend actions and proceedings, whether civil, criminal, or
4356 administrative, transfer the limited partnership's property, settle disputes by mediation or
4357 arbitration, file a statement of termination as provided in Section 48-2d-203, and perform other
4358 necessary acts; and

4359 (b) shall discharge the limited partnership's liabilities, settle and close the limited
4360 partnership's activities, and marshal and distribute the assets of the partnership.

4361 (3) If a dissolved limited partnership does not have a general partner, a person to wind
4362 up the dissolved limited partnership's activities may be appointed by the consent of limited
4363 partners owning a majority of the rights to receive distributions as limited partners at the time
4364 the consent is to be effective. A person appointed under this Subsection (3):

4365 (a) has the powers of a general partner under Section 48-2d-804; and

4366 (b) shall promptly amend the certificate of limited partnership to state:

4367 (i) that the limited partnership does not have a general partner;

4368 (ii) the name of the person that has been appointed to wind up the limited partnership;

4369 and

4370 (iii) the street and mailing address of the person.

4371 (4) On the application of any partner, a district court may order judicial supervision of
4372 the winding up, including the appointment of a person to wind up the dissolved limited
4373 partnership's activities, if:

4374 (a) a limited partnership does not have a general partner and within a reasonable time
4375 following the dissolution no person has been appointed pursuant to Subsection (3); or

4376 (b) the applicant establishes other good cause.

4377 Section 150. Section **48-2d-804** is enacted to read:

4378 **48-2d-804. Power of general partner and person dissociated as general partner to**
4379 **bind partnership after dissolution.**

4380 (1) A limited partnership is bound by a general partner's act after dissolution which:

4381 (a) is appropriate for winding up the limited partnership's activities; or

4382 (b) would have bound the limited partnership under Section 48-2d-402 before
4383 dissolution, if, at the time the other party enters into the transaction, the other party does not
4384 have notice of the dissolution.

4385 (2) A person dissociated as a general partner binds a limited partnership through an act
4386 occurring after dissolution if:

4387 (a) at the time the other party enters into the transaction:

4388 (i) less than two years have passed since the dissociation; and

4389 (ii) the other party does not have notice of the dissociation and reasonably believes that
4390 the person is a general partner; and

4391 (b) the act:

4392 (i) is appropriate for winding up the limited partnership's activities; or

4393 (ii) would have bound the limited partnership under Section 48-2d-402 before
4394 dissolution and at the time the other party enters into the transaction the other party does not
4395 have notice of the dissolution.

4396 Section 151. Section **48-2d-805** is enacted to read:

4397 **48-2d-805. Liability after dissolution of general partner and person dissociated as**

4398 **general partner to limited partnership, other general partners, and persons dissociated as**
4399 **general partner.**

4400 (1) If a general partner having knowledge of the dissolution causes a limited
4401 partnership to incur an obligation under Subsection 48-2d-804(1) by an act that is not
4402 appropriate for winding up the partnership's activities, the general partner is liable:

4403 (a) to the limited partnership for any damage caused to the limited partnership arising
4404 from the obligation; and

4405 (b) if another general partner or a person dissociated as a general partner is liable for
4406 the obligation, to that other general partner or person for any damage caused to that other
4407 general partner or person arising from the liability.

4408 (2) If a person dissociated as a general partner causes a limited partnership to incur an
4409 obligation under Subsection 48-2d-804(2), the person is liable:

4410 (a) to the limited partnership for any damage caused to the limited partnership arising
4411 from the obligation; and

4412 (b) if a general partner or another person dissociated as a general partner is liable for
4413 the obligation, to the general partner or other person for any damage caused to the general
4414 partner or other person arising from the liability.

4415 Section 152. Section **48-2d-806** is enacted to read:

4416 **48-2d-806. Known claims against dissolved limited partnership.**

4417 (1) A dissolved limited partnership in winding up may dispose of the known claims
4418 against it by following the procedures described in this section.

4419 (2) A limited partnership in winding up that elects to dispose of known claims pursuant
4420 to this section may give written notice of the limited partnership's dissolution to known
4421 claimants at any time after the effective date of the dissolution. The written notice must:

4422 (a) describe the information that must be included in a claim;

4423 (b) provide an address to which written notice of any claim must be given to the
4424 limited partnership;

4425 (c) state the deadline, which may not be fewer than 120 days after the effective date of

4426 the notice, by which the dissolved limited partnership must receive the claim; and

4427 (d) state that, unless sooner barred by another state statute limiting actions, the claim
4428 will be barred if not received by the deadline.

4429 (3) Unless sooner barred by another statute limiting actions, a claim against the
4430 dissolved limited partnership is barred if:

4431 (a) a claimant was given notice under Subsection (2) and the claim is not received by
4432 the dissolved limited partnership by the deadline; or

4433 (b) the dissolved limited partnership delivers to the claimant written notice of rejection
4434 of the claim within 90 days after receipt of the claim and the claimant whose claim was
4435 rejected by the dissolved limited partnership does not commence a proceeding to enforce the
4436 claim within 90 days after the effective date of the rejection notice.

4437 (4) Claims that are not rejected by the dissolved limited partnership in writing within
4438 90 days after receipt of the claim by the dissolved limited partnership are considered approved.

4439 (5) The failure of the dissolved limited partnership to give notice to any known
4440 claimant pursuant to Subsection (2) does not affect the disposition under this section of any
4441 claim held by any other known claimant.

4442 (6) This section does not apply to a claim based on an event occurring after the
4443 effective date of dissolution or a liability that is contingent on that date.

4444 Section 153. Section **48-2d-807** is enacted to read:

4445 **48-2d-807. Other claims against dissolved limited partnership.**

4446 (1) A dissolved limited partnership may publish notice of its dissolution and request
4447 persons having claims against the limited partnership to present them in accordance with the
4448 notice.

4449 (2) The notice must:

4450 (a) be published:

4451 (i) at least once in a newspaper of general circulation in the county in which the
4452 dissolved limited partnership's principal office is located or, if it has none in this state, in Salt
4453 Lake County; and

4454 (ii) in accordance with Section 45-1-101;

4455 (b) describe the information required to be contained in a claim and provide a mailing
4456 address to which the claim is to be sent;

4457 (c) state that a claim against the limited partnership is barred unless an action to
4458 enforce the claim is commenced within five years after publication of the notice; and

4459 (d) unless the limited partnership has been throughout its existence a limited liability
4460 limited partnership, state that the barring of a claim against the limited partnership will also bar
4461 any corresponding claim against any general partner or person dissociated as a general partner
4462 which is based on Section 48-2d-404.

4463 (3) If a dissolved limited partnership publishes a notice in accordance with Subsection
4464 (2), the claim of each of the following claimants is barred unless the claimant commences an
4465 action to enforce the claim against the dissolved limited partnership within five years after the
4466 publication date of the notice:

4467 (a) a claimant that did not receive notice in a record under Section 48-2d-806;

4468 (b) a claimant whose claim was timely sent to the dissolved limited partnership but not
4469 acted on; and

4470 (c) a claimant whose claim is contingent or based on an event occurring after the
4471 effective date of dissolution.

4472 (4) A claim not barred under this section may be enforced:

4473 (a) against the dissolved limited partnership, to the extent of its undistributed assets;

4474 (b) if the assets have been distributed in liquidation, against a partner or transferee to
4475 the extent of that person's proportionate share of the claim or the limited partnership's assets
4476 distributed to the partner or transferee in liquidation, whichever is less, but a person's total
4477 liability for all claims under this Subsection (4)(b) does not exceed the total amount of assets
4478 distributed to the person as part of the winding up of the dissolved limited partnership; or

4479 (c) against any person liable on the claim under Section 48-2d-404.

4480 Section 154. Section **48-2d-808** is enacted to read:

4481 **48-2d-808. Liability of general partner and person dissociated as general partner**

4482 **when claim against limited partnership barred.**

4483 If a claim against a dissolved limited partnership is barred under Section 48-2d-806 or
4484 48-2d-807, any corresponding claim under Section 48-2d-404 is also barred.

4485 Section 155. Section **48-2d-809** is enacted to read:

4486 **48-2d-809. Administrative dissolution.**

4487 (1) The division may dissolve a limited partnership administratively if the limited
4488 partnership does not, within 60 days after the due date:

4489 (a) pay any fee, tax, or penalty due to the division under this chapter or other law; or

4490 (b) deliver its annual report to the division.

4491 (2) If the division determines that a ground exists for administratively dissolving a
4492 limited partnership, the division shall file a record of the determination and serve the limited
4493 partnership with a copy of the filed record.

4494 (3) If within 60 days after service of the copy the limited partnership does not correct
4495 each ground for dissolution or demonstrate to the reasonable satisfaction of the division that
4496 each ground determined by the division does not exist, the division shall administratively
4497 dissolve the limited partnership by preparing, signing, and filing a declaration of dissolution
4498 that states the grounds for dissolution. The division shall serve the limited partnership with a
4499 copy of the filed declaration.

4500 (4) A limited partnership administratively dissolved continues its existence but may
4501 carry on only activities necessary to wind up its activities and liquidate its assets under Sections
4502 48-2d-803 and 48-2d-812 and to notify claimants under Sections 48-2d-806 and 48-2d-807.

4503 (5) The administrative dissolution of a limited partnership does not terminate the
4504 authority of its agent for service of process.

4505 Section 156. Section **48-2d-810** is enacted to read:

4506 **48-2d-810. Reinstatement following administrative dissolution.**

4507 (1) A limited partnership that has been administratively dissolved may apply to the
4508 division for reinstatement within two years after the effective date of dissolution. The
4509 application must be delivered to the division for filing and state:

4510 (a) the name of the limited partnership and the effective date of its administrative
4511 dissolution;

4512 (b) that the grounds for dissolution either did not exist or have been eliminated; and

4513 (c) that the limited partnership's name satisfies the requirements of Section 48-2d-108.

4514 (2) If the division determines that an application contains the information required by
4515 Subsection (1) and that the information is correct, the division shall prepare a declaration of
4516 reinstatement that states this determination, sign and file the original of the declaration of
4517 reinstatement, and serve the limited partnership with a copy.

4518 (3) When reinstatement becomes effective, it relates back to and takes effect as of the
4519 effective date of the administrative dissolution and the limited partnership may resume its
4520 activities as if the administrative dissolution had never occurred.

4521 Section 157. Section **48-2d-811** is enacted to read:

4522 **48-2d-811. Appeal from denial of reinstatement.**

4523 (1) If the division denies a limited partnership's application for reinstatement following
4524 administrative dissolution, the division shall prepare, sign and file a notice that explains the
4525 reason or reasons for denial and serve the limited partnership with a copy of the notice.

4526 (2) Within 30 days after service of the notice of denial, the limited partnership may
4527 appeal from the denial of reinstatement by petitioning a district court to set aside the
4528 dissolution. The petition must be served on the division and contain a copy of the division's
4529 declaration of dissolution, the limited partnership's application for reinstatement, and the
4530 division's notice of denial.

4531 (3) The court may summarily order the division to reinstate the dissolved limited
4532 partnership or may take other action the court considers appropriate.

4533 Section 158. Section **48-2d-812** is enacted to read:

4534 **48-2d-812. Disposition of assets -- When contributions required.**

4535 (1) In winding up a limited partnership's activities, the assets of the limited partnership,
4536 including the contributions required by this section, must be applied to satisfy the limited
4537 partnership's obligations to creditors, including, to the extent permitted by law, partners that are

4538 creditors.

4539 (2) Any surplus remaining after the limited partnership complies with Subsection (1)
4540 must be paid in cash as a distribution.

4541 (3) If a limited partnership's assets are insufficient to satisfy all of its obligations under
4542 Subsection (1), with respect to each unsatisfied obligation incurred when the limited
4543 partnership was not a limited liability limited partnership, the following rules apply:

4544 (a) Each person that was a general partner when the obligation was incurred and that
4545 has not been released from the obligation under Section 48-2d-607 shall contribute to the
4546 limited partnership for the purpose of enabling the limited partnership to satisfy the obligation.
4547 The contribution due from each of those persons is in proportion to the right to receive
4548 distributions in the capacity of general partner in effect for each of those persons when the
4549 obligation was incurred.

4550 (b) If a person does not contribute the full amount required under Subsection (3)(a)
4551 with respect to an unsatisfied obligation of the limited partnership, the other persons required
4552 to contribute by Subsection (3)(a) on account of the obligation shall contribute the additional
4553 amount necessary to discharge the obligation. The additional contribution due from each of
4554 those other persons is in proportion to the right to receive distributions in the capacity of
4555 general partner in effect for each of those other persons when the obligation was incurred.

4556 (c) If a person does not make the additional contribution required by Subsection (3)(b),
4557 further additional contributions are determined and due in the same manner as provided in
4558 Subsection (3)(b).

4559 (4) A person that makes an additional contribution under Subsection (3)(b) or (c) may
4560 recover from any person whose failure to contribute under Subsection (3)(a) or (b) necessitated
4561 the additional contribution. A person may not recover under this Subsection (4) more than the
4562 amount additionally contributed. A person's liability under this Subsection (4) may not exceed
4563 the amount the person failed to contribute.

4564 (5) The estate of a deceased individual is liable for the person's obligations under this
4565 section.

4594 (b) the name of the state or other jurisdiction under whose law the foreign limited
4595 partnership is organized;

4596 (c) the street and mailing address of the foreign limited partnership's principal office
4597 and, if the laws of the jurisdiction under which the foreign limited partnership is organized
4598 require the foreign limited partnership to maintain an office in that jurisdiction, the street and
4599 mailing address of the required office;

4600 (d) the information required by Subsection 16-17-203(1);

4601 (e) the name and street and mailing address of each of the foreign limited partnership's
4602 general partners; and

4603 (f) whether the foreign limited partnership is a foreign limited liability limited
4604 partnership.

4605 (2) A foreign limited partnership shall deliver with the completed application a
4606 certificate of existence or a record of similar import signed by the division or other official
4607 having custody of the foreign limited partnership's publicly filed records in the state or other
4608 jurisdiction under whose law the foreign limited partnership is organized.

4609 Section 161. Section **48-2d-903** is enacted to read:

4610 **48-2d-903. Activities not constituting transacting business.**

4611 (1) Activities of a foreign limited partnership which do not constitute transacting
4612 business in this state within the meaning of this part include:

4613 (a) maintaining, defending, and settling an action or proceeding;

4614 (b) holding meetings of its partners or carrying on any other activity concerning its
4615 internal affairs;

4616 (c) maintaining accounts in financial institutions;

4617 (d) maintaining offices or agencies for the transfer, exchange, and registration of the
4618 foreign limited partnership's own securities or maintaining trustees or depositories with respect
4619 to those securities;

4620 (e) selling through independent contractors;

4621 (f) soliciting or obtaining orders, whether by mail or electronic means or through

4622 employees or agents or otherwise, if the orders require acceptance outside this state before they
4623 become contracts;

4624 (g) creating or acquiring indebtedness, mortgages, or security interests in real or
4625 personal property;

4626 (h) securing or collecting debts or enforcing mortgages or other security interests in
4627 property securing the debts, and holding, protecting, and maintaining property so acquired;

4628 (i) conducting an isolated transaction that is completed within 30 days and is not one in
4629 the course of similar transactions of a like manner; and

4630 (j) transacting business in interstate commerce.

4631 (2) For purposes of this part, the ownership in this state of income-producing real
4632 property or tangible personal property, other than property excluded under Subsection (1),
4633 constitutes transacting business in this state.

4634 (3) This section does not apply in determining the contacts or activities that may
4635 subject a foreign limited partnership to service of process, taxation, or regulation under any
4636 other law of this state.

4637 Section 162. Section **48-2d-904** is enacted to read:

4638 **48-2d-904. Filing of certificate of authority.**

4639 Unless the division determines that an application for a certificate of authority does not
4640 comply with the filing requirements of this chapter, the division, upon payment of all filing
4641 fees, shall file the application, prepare, sign and file a certificate of authority to transact
4642 business in this state, and send a copy of the filed certificate, together with a receipt for the
4643 fees, to the foreign limited partnership or its representative.

4644 Section 163. Section **48-2d-905** is enacted to read:

4645 **48-2d-905. Noncomplying name of foreign limited partnership.**

4646 (1) A foreign limited partnership whose name does not comply with Section 48-2d-108
4647 may not obtain a certificate of authority until it adopts, for the purpose of transacting business
4648 in this state, an alternate name that complies with Section 48-2d-108. A foreign limited
4649 partnership that adopts an alternate name under this Subsection (1) and then obtains a

4650 certificate of authority with the name need not comply with Title 42, Chapter 2, Conducting
4651 Business Under Assumed Name. After obtaining a certificate of authority with an alternate
4652 name, a foreign limited partnership shall transact business in this state under the name unless
4653 the foreign limited partnership is authorized under Title 42, Chapter 2, Conducting Business
4654 Under Assumed Name, to transact business in this state under another name.

4655 (2) If a foreign limited partnership authorized to transact business in this state changes
4656 its name to one that does not comply with Section 48-2d-108, it may not thereafter transact
4657 business in this state until it complies with Subsection (1) and obtains an amended certificate of
4658 authority.

4659 Section 164. Section **48-2d-906** is enacted to read:

4660 **48-2d-906. Revocation of certificate of authority.**

4661 (1) A certificate of authority of a foreign limited partnership to transact business in this
4662 state may be revoked by the division in the manner provided in Subsections (2) and (3) if the
4663 foreign limited partnership does not:

4664 (a) pay, within 60 days after the due date, any fee, tax, or penalty due to the division
4665 under this chapter or other law;

4666 (b) deliver to the division, within 60 days after the due date, its annual report required
4667 under Section 48-2d-210;

4668 (c) appoint and maintain an agent for service of process as required by Subsection
4669 16-17-203(1); or

4670 (d) deliver to the division for filing a statement of a change under Section 16-17-206
4671 within 30 days after a change has occurred in the name or address of the agent.

4672 (2) To revoke a certificate of authority, the division must prepare, sign, and file a
4673 notice of revocation and send a copy to the foreign limited partnership's agent for service of
4674 process in this state, or if the foreign limited partnership does not appoint and maintain a
4675 proper agent in this state, to the foreign limited partnership's principal office. The notice must
4676 state:

4677 (a) the revocation's effective date, which must be at least 60 days after the date the

4678 division sends the copy; and

4679 (b) the foreign limited partnership's failures to comply with Subsection (1) which are
4680 the reason for the revocation.

4681 (3) The authority of the foreign limited partnership to transact business in this state
4682 ceases on the effective date of the notice of revocation unless before that date the foreign
4683 limited partnership cures each failure to comply with Subsection (1) stated in the notice. If the
4684 foreign limited partnership cures the failures, the division shall so indicate on the filed notice.

4685 Section 165. Section **48-2d-907** is enacted to read:

4686 **48-2d-907. Cancellation of certificate of authority -- Effect of failure to have**
4687 **certificate.**

4688 (1) In order to cancel its certificate of authority to transact business in this state, a
4689 foreign limited partnership must deliver to the division for filing a notice of cancellation. The
4690 certificate is canceled when the notice becomes effective under Section 48-2d-206.

4691 (2) A foreign limited partnership transacting business in this state may not maintain an
4692 action or proceeding in this state unless it has a certificate of authority to transact business in
4693 this state.

4694 (3) The failure of a foreign limited partnership to have a certificate of authority to
4695 transact business in this state does not impair the validity of a contract or act of the foreign
4696 limited partnership or prevent the foreign limited partnership from defending an action or
4697 proceeding in this state.

4698 (4) A partner of a foreign limited partnership is not liable for the obligations of the
4699 foreign limited partnership solely by reason of the foreign limited partnership's having
4700 transacted business in this state without a certificate of authority.

4701 (5) If a foreign limited partnership transacts business in this state without a certificate
4702 of authority or cancels its certificate of authority, service of process for rights of action arising
4703 out of the transaction of business in this state shall be served in accordance with Section
4704 16-17-301.

4705 Section 166. Section **48-2d-908** is enacted to read:

4706 **48-2d-908. Action by attorney general.**

4707 The attorney general may maintain an action to restrain a foreign limited partnership
4708 from transacting business in this state in violation of this part.

4709 Section 167. Section **48-2d-1001** is enacted to read:

4710 **Part 10. Actions by Partners**

4711 **48-2d-1001. Direct action by partner.**

4712 (1) Subject to Subsection (2), a partner may maintain a direct action against the limited
4713 partnership or another partner for legal or equitable relief, with or without an accounting as to
4714 the partnership's activities, to enforce the rights and otherwise protect the interests of the
4715 partner, including rights and interests under the partnership agreement or this chapter or arising
4716 independently of the partnership relationship.

4717 (2) A partner commencing a direct action under this section is required to plead and
4718 prove an actual or threatened injury that is not solely the result of an injury suffered or
4719 threatened to be suffered by the limited partnership.

4720 (3) The accrual of, and any time limitation on, a right of action for a remedy under this
4721 section is governed by other law. A right to an accounting upon a dissolution and winding up
4722 does not revive a claim barred by law.

4723 Section 168. Section **48-2d-1002** is enacted to read:

4724 **48-2d-1002. Derivative action.**

4725 A partner may maintain a derivative action to enforce a right of a limited partnership if:

4726 (1) the partner first makes a demand on the general partners, requesting that they cause
4727 the limited partnership to bring an action to enforce the right, and the general partners do not
4728 bring the action within a reasonable time; or

4729 (2) a demand would be futile.

4730 Section 169. Section **48-2d-1003** is enacted to read:

4731 **48-2d-1003. Proper plaintiff.**

4732 A derivative action may be maintained only by a person that is a partner at the time the
4733 action is commenced and:

4734 (1) that was a partner when the conduct giving rise to the action occurred; or
4735 (2) whose status as a partner devolved upon the person by operation of law or pursuant
4736 to the terms of the partnership agreement from a person that was a partner at the time of the
4737 conduct.

4738 Section 170. Section **48-2d-1004** is enacted to read:

4739 **48-2d-1004. Pleading.**

4740 In a derivative action, the complaint must state with particularity:

4741 (1) the date and content of plaintiff's demand and the general partners' response to the
4742 demand; or

4743 (2) why demand should be excused as futile.

4744 Section 171. Section **48-2d-1005** is enacted to read:

4745 **48-2d-1005. Proceeds and expenses.**

4746 (1) Except as otherwise provided in Subsection (2):

4747 (a) any proceeds or other benefits of a derivative action, whether by judgment,
4748 compromise, or settlement, belong to the limited partnership and not to the derivative plaintiff;
4749 and

4750 (b) if the derivative plaintiff receives any proceeds, the derivative plaintiff shall
4751 immediately remit them to the limited partnership.

4752 (2) If a derivative action is successful in whole or in part, the court may award the
4753 plaintiff reasonable expenses, including reasonable attorney fees, from the recovery of the
4754 limited partnership.

4755 Section 172. Section **48-2d-1101** is enacted to read:

4756 **Part 11. Merger, Conversion, and Domestication**

4757 **48-2d-1101. Definitions.**

4758 In this part:

4759 (1) "Constituent limited partnership" means a constituent organization that is a limited
4760 partnership.

4761 (2) "Constituent organization" means an organization that is party to a merger.

- 4762 (3) "Converted organization" means the organization into which a converting
4763 organization converts pursuant to Sections 48-2d-1106 through 48-2d-1109.
- 4764 (4) "Converting limited partnership" means a converting organization that is a limited
4765 partnership.
- 4766 (5) "Converting organization" means an organization that converts into another
4767 organization pursuant to Section 48-2d-1106.
- 4768 (6) "Domesticated limited partnership" means a limited partnership that exists after a
4769 domesticating foreign limited partnership or limited partnership effects a domestication
4770 pursuant to Sections 48-2d-1110 through 48-2d-1113.
- 4771 (7) "Domesticating limited partnership" means a limited partnership that effects a
4772 domestication pursuant to Sections 48-2d-1110 through 48-2d-1113.
- 4773 (8) "Foreign limited partnership" means a limited partnership that:
4774 (a) has its chief executive office in a jurisdiction other than this state; or
4775 (b) specified in its partnership agreement that relations among the partners and between
4776 the partners and the limited partnership will be governed by the law of a jurisdiction other than
4777 this state.
- 4778 (9) "Governing statute" means the statute that governs an organization's internal affairs.
- 4779 (10) (a) "Organization" means:
4780 (i) a general partnership, including a limited liability partnership;
4781 (ii) a limited partnership, including a limited liability limited partnership;
4782 (iii) a limited liability company;
4783 (iv) a business trust;
4784 (v) a corporation; or
4785 (vi) any other person having a governing statute.
- 4786 (b) "Organization" includes a domestic or foreign organization regardless of whether
4787 organized for profit.
- 4788 (11) "Organizational documents" means:
4789 (a) for a domestic or foreign general partnership, its partnership agreement;

4790 (b) for a limited partnership or foreign limited partnership, its certificate of limited
4791 partnership and partnership agreement;

4792 (c) for a domestic or foreign limited liability company, its certificate or articles of
4793 organization and operating agreement, or comparable records as provided in its governing
4794 statute;

4795 (d) for a business trust, its agreement of trust and declaration of trust;

4796 (e) for a domestic or foreign corporation for profit, its articles of incorporation, bylaws,
4797 and other agreements among its shareholders which are authorized by its governing statute, or
4798 comparable records as provided in its governing statute; and

4799 (f) for any other organization, the basic records that create the organization and
4800 determine its internal governance and the relations among the persons that own it, have an
4801 interest in it, or are members of it.

4802 (12) "Personal liability" means liability for a debt, obligation, or other liability of an
4803 organization which is imposed on a person that co-owns, has an interest in, or is a member of
4804 the organization:

4805 (a) by the governing statute solely by reason of the person co-owning, having an
4806 interest in, or being a member of the organization; or

4807 (b) by the organization's organizational documents under a provision of the governing
4808 statute authorizing those documents to make one or more specified persons liable for all or
4809 specified debts, obligations, or other liabilities of the organization solely by reason of the
4810 person or persons co-owning, having an interest in, or being a member of the organization.

4811 (13) "Surviving organization" means an organization into which one or more other
4812 organizations are merged whether the organization preexisted the merger or was created by the
4813 merger.

4814 Section 173. Section **48-2d-1102** is enacted to read:

4815 **48-2d-1102. Merger.**

4816 (1) A limited partnership may merge with one or more other constituent organizations
4817 pursuant to this section, Sections 48-2d-1103 through 48-2d-1105, and a plan of merger, if:

4818 (a) the governing statute of each of the other organizations authorizes the merger;

4819 (b) the merger is not prohibited by the law of a jurisdiction that enacted any of the
4820 governing statutes; and

4821 (c) each of the other organizations complies with its governing statute in effecting the
4822 merger.

4823 (2) A plan of merger must be in a record and must include:

4824 (a) the name and form of each constituent organization;

4825 (b) the name and form of the surviving organization and, if the surviving organization
4826 is to be created by the merger, a statement to that effect;

4827 (c) the terms and conditions of the merger, including the manner and basis for
4828 converting the interests in each constituent organization into any combination of money,
4829 interests in the surviving organization, and other consideration;

4830 (d) if the surviving organization is to be created by the merger, the surviving
4831 organization's organizational documents that are proposed to be in a record; and

4832 (e) if the surviving organization is not to be created by the merger, any amendments to
4833 be made by the merger to the surviving organization's organizational documents that are, or are
4834 proposed to be, in a record.

4835 Section 174. Section **48-2d-1103** is enacted to read:

4836 **48-2d-1103. Action on plan of merger by constituent partnership.**

4837 (1) Subject to Section 48-2d-1114, a plan of merger must be consented to by all the
4838 partners of a constituent limited partnership.

4839 (2) Subject to Section 48-2d-1114 and any contractual rights, after a merger is
4840 approved, and at any time before articles of merger are delivered to the division for filing under
4841 Section 48-2d-1104, a constituent limited partnership may amend the plan or abandon the
4842 merger:

4843 (a) as provided in the plan; or

4844 (b) except as otherwise prohibited in the plan, with the same consent as was required to
4845 approve the plan.

4846 Section 175. Section **48-2d-1104** is enacted to read:

4847 **48-2d-1104. Filings required and permitted for merger -- Effective date.**

4848 (1) After each constituent organization has approved a merger, articles of merger must
4849 be signed on behalf of:

4850 (a) each constituent limited partnership, by each general partner listed in the certificate
4851 of limited partnership; and

4852 (b) each other constituent organization, as provided in its governing statute.

4853 (2) Articles of merger under this section must include:

4854 (a) the name and form of each constituent organization and the jurisdiction of its
4855 governing statute;

4856 (b) the name and form of the surviving organization, the jurisdiction of its governing
4857 statute, and, if the surviving organization is created by the merger, a statement to that effect;

4858 (c) the date the merger is effective under the governing statute of the surviving
4859 organization;

4860 (d) if the surviving organization is to be created by the merger:

4861 (i) if it will be a limited partnership, the limited partnership's certificate of limited
4862 partnership; or

4863 (ii) if it will be an organization other than a limited partnership, the organizational
4864 document that creates the organization that is in a public record;

4865 (e) if the surviving organization preexists the merger, any amendments provided for in
4866 the plan of merger for the organizational document that created the organization that are in a
4867 public record;

4868 (f) a statement as to each constituent organization that the merger was approved as
4869 required by the organization's governing statute;

4870 (g) if the surviving organization is a foreign organization not authorized to transact
4871 business in this state, the street and mailing addresses of an office that may be used for service
4872 of process under Subsection 48-2d-1105(2); and

4873 (h) any additional information required by the governing statute of any constituent

4874 organization.

4875 (3) Each constituent limited partnership shall deliver the articles of merger for filing in
4876 the division.

4877 (4) A merger becomes effective under this part:

4878 (a) if the surviving organization is a limited partnership, upon the later of:

4879 (i) compliance with Subsection (3); or

4880 (ii) subject to Subsection 48-2d-206(3), as specified in the articles of merger; or

4881 (b) if the surviving organization is not a limited partnership, as provided by the
4882 governing statute of the surviving organization.

4883 Section 176. Section **48-2d-1105** is enacted to read:

4884 **48-2d-1105. Effect of merger.**

4885 (1) When a merger becomes effective:

4886 (a) the surviving organization continues or comes into existence;

4887 (b) each constituent organization that merges into the surviving organization ceases to
4888 exist as a separate entity;

4889 (c) all property owned by each constituent organization that ceases to exist vests in the
4890 surviving organization;

4891 (d) all debts, obligations, or other liabilities of each constituent organization that ceases
4892 to exist continue as debts, obligations, or other liabilities of the surviving organization;

4893 (e) an action or proceeding pending by or against any constituent organization that
4894 ceases to exist may be continued as if the merger had not occurred;

4895 (f) except as prohibited by other law, all of the rights, privileges, immunities, powers,
4896 and purposes of each constituent organization that ceases to exist vest in the surviving
4897 organization;

4898 (g) except as otherwise provided in the plan of merger, the terms and conditions of the
4899 plan of merger take effect;

4900 (h) except as otherwise agreed, if a constituent limited partnership ceases to exist, the
4901 merger does not dissolve the limited partnership for the purposes of Part 8, Dissolution;

- 4902 (i) if the surviving organization is created by the merger;
4903 (i) if it is a limited partnership, the certificate of limited partnership becomes effective;
4904 or
4905 (ii) if it is an organization other than a limited partnership, the organizational document
4906 that creates the organization becomes effective; and
4907 (j) if the surviving organization preexisted the merger, any amendments provided for in
4908 the articles of merger for the organizational document that created the organization become
4909 effective.
- 4910 (2) A surviving organization that is a foreign organization consents to the jurisdiction
4911 of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent
4912 organization, if before the merger the constituent organization was subject to suit in this state
4913 on the debt, obligation, or other liability. A surviving organization that is a foreign
4914 organization and not authorized to transact business in this state may be served with process at
4915 the address required in the articles of merger under Subsection 48-2d-1104(2)(g).
- 4916 Section 177. Section **48-2d-1106** is enacted to read:
4917 **48-2d-1106. Conversion.**
- 4918 (1) An organization other than a partnership or a foreign partnership may convert to a
4919 limited partnership, and a limited partnership may convert to an organization other than a
4920 foreign partnership pursuant to this section, Sections 48-2d-1107 through 48-2d-1109, and a
4921 plan of conversion, if:
- 4922 (a) the other organization's governing statute authorizes the conversion;
4923 (b) the conversion is not prohibited by the law of the jurisdiction that enacted the other
4924 organization's governing statute; and
4925 (c) the other organization complies with its governing statute in effecting the
4926 conversion.
- 4927 (2) A plan of conversion must be in a record and must include:
4928 (a) the name and form of the organization before conversion;
4929 (b) the name and form of the organization after conversion;

4930 (c) the terms and conditions of the conversion, including the manner and basis for
4931 converting interests in the converting organization into any combination of money, interests in
4932 the converted organization, and other consideration; and

4933 (d) the organizational documents of the converted organization that are, or are
4934 proposed to be, in a record.

4935 Section 178. Section **48-2d-1107** is enacted to read:

4936 **48-2d-1107. Action on plan of conversion by converting partnership.**

4937 (1) Subject to Section 48-2d-1114, a plan of conversion must be consented to by all the
4938 partners of a converting limited partnership.

4939 (2) Subject to Section 48-2d-1114 and any contractual rights, after a conversion is
4940 approved, and at any time before articles of conversion are delivered to the division for filing
4941 under Section 48-2d-1108, a converting limited partnership may amend the plan or abandon the
4942 conversion:

4943 (a) as provided in the plan; or

4944 (b) except as otherwise prohibited in the plan, by the same consent as was required to
4945 approve the plan.

4946 Section 179. Section **48-2d-1108** is enacted to read:

4947 **48-2d-1108. Filings required for conversion -- Effective date.**

4948 (1) After a plan of conversion is approved:

4949 (a) a converting limited partnership shall deliver to the division for filing articles of
4950 conversion and must include:

4951 (i) a statement that the limited partnership has been converted into another
4952 organization;

4953 (ii) the name and form of the converted organization and the jurisdiction of its
4954 governing statute;

4955 (iii) the date the conversion is effective under the governing statute of the converted
4956 organization;

4957 (iv) a statement that the conversion was approved as required by this chapter;

4958 (v) a statement that the conversion is authorized by the governing statute of the
4959 converted organization; and

4960 (vi) if the converted organization is a foreign organization not authorized to transact
4961 business in this state, the street and mailing addresses of an office that may be used for
4962 purposes of Subsection 48-2d-1109(3); and

4963 (b) if the converting organization is not a converting limited partnership, the converting
4964 organization shall deliver to the division for filing articles of conversion, which must include:

4965 (i) a statement that the converted organization was converted from another
4966 organization, and whether the converted organization is a partnership or a limited liability
4967 partnership;

4968 (ii) the name and form of that converting organization and the jurisdiction of its
4969 governing statute; and

4970 (iii) a statement that the conversion was approved in a manner that complied with the
4971 converting organization's governing statute.

4972 (2) A conversion becomes effective:

4973 (a) if the converted organization is a limited partnership, when the certificate of limited
4974 partnership takes effect; or

4975 (b) if the converted organization is not a limited partnership, as provided by the
4976 governing statute of the converted organization.

4977 Section 180. Section **48-2d-1109** is enacted to read:

4978 **48-2d-1109. Effect of conversion.**

4979 (1) An organization that has been converted pursuant to this part is for all purposes the
4980 same entity that existed before the conversion.

4981 (2) When a conversion takes effect:

4982 (a) all property owned by the converting organization remains vested in the converted
4983 organization;

4984 (b) all debts, obligations, or other liabilities of the converting organization continue as
4985 debts, obligations, or other liabilities of the converted organization;

4986 (c) an action or proceeding pending by or against the converting organization may be
4987 continued as if the conversion had not occurred;

4988 (d) except as prohibited by law other than this chapter, all of the rights, privileges,
4989 immunities, powers, and purposes of the converting organization remain vested in the
4990 converted organization;

4991 (e) except as otherwise provided in the plan of conversion, the terms and conditions of
4992 the plan of conversion take effect; and

4993 (f) except as otherwise agreed, the conversion does not dissolve a converting limited
4994 partnership for the purposes of Part 8, Dissolution.

4995 (3) A converted organization that is a foreign organization consents to the jurisdiction
4996 of the courts of this state to enforce any debt, obligation, or other liability for which the
4997 converting limited partnership is liable if, before the conversion, the converting limited
4998 partnership was subject to suit in this state on the debt, obligation, or other liability. A
4999 converted organization that is a foreign organization and not authorized to transact business in
5000 this state may be served with process at the address required in the articles of conversion under
5001 Subsection 48-2d-1108(1)(a)(vi).

5002 Section 181. Section **48-2d-1110** is enacted to read:

5003 **48-2d-1110. Domestication.**

5004 (1) A foreign limited partnership may become a limited partnership pursuant to this
5005 section, Sections 48-2d-1111 through 48-2d-1113, and a plan of domestication, if:

5006 (a) the foreign limited partnership's governing statute authorizes the domestication;

5007 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
5008 governing statute; and

5009 (c) the foreign limited partnership complies with its governing statute in effecting the
5010 domestication.

5011 (2) A limited partnership may become a foreign limited partnership pursuant to this
5012 section, Sections 48-2d-1111 through 48-2d-1113, and a plan of domestication, if:

5013 (a) the foreign limited partnership's governing statute authorizes the domestication;

5014 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
5015 governing statute; and

5016 (c) the foreign limited partnership complies with its governing statute in effecting the
5017 domestication.

5018 (3) A plan of domestication must be in a record and must include:

5019 (a) the name of the domesticating limited partnership before domestication and the
5020 jurisdiction of its governing statute;

5021 (b) the name of the domesticated limited partnership after domestication and the
5022 jurisdiction of its governing statute;

5023 (c) the terms and conditions of the domestication, including the manner and basis for
5024 converting interests in the domesticating limited partnership into any combination of money,
5025 interests in the domesticated limited partnership, and other consideration; and

5026 (d) the organizational documents of the domesticated limited partnership that are, or
5027 are proposed to be, in a record.

5028 Section 182. Section **48-2d-1111** is enacted to read:

5029 **48-2d-1111. Action on plan of domestication by domesticating partnership.**

5030 (1) A plan of domestication must be consented to:

5031 (a) by all the partners, subject to Section 48-2d-1114, if the domesticating limited
5032 partnership is a limited partnership; and

5033 (b) as provided in the domesticating limited partnership's governing statute, if the
5034 limited partnership is a foreign limited partnership.

5035 (2) Subject to any contractual rights, after a domestication is approved, and at any time
5036 before articles of domestication are delivered to the division for filing under Section
5037 48-2d-1112, a domesticating limited partnership may amend the plan or abandon the
5038 domestication:

5039 (a) as provided in the plan; or

5040 (b) except as otherwise prohibited in the plan, by the same consent as was required to
5041 approve the plan.

5042 Section 183. Section **48-2d-1112** is enacted to read:

5043 **48-2d-1112. Filings required for domestication -- Effective date.**

5044 (1) After a plan of domestication is approved, a domesticating limited partnership shall
5045 deliver to the division for filing articles of domestication, which must include:

5046 (a) a statement, as the case may be, that the limited partnership has been domesticated
5047 from or into another jurisdiction;

5048 (b) the name of the domesticating limited partnership and the jurisdiction of its
5049 governing statute;

5050 (c) the name of the domesticated limited partnership and the jurisdiction of its
5051 governing statute;

5052 (d) the date the domestication is effective under the governing statute of the
5053 domesticated limited partnership;

5054 (e) if the domesticating limited partnership was a limited partnership, a statement that
5055 the domestication was approved as required by this chapter;

5056 (f) if the domesticating limited partnership was a foreign limited partnership, a
5057 statement that the domestication was approved as required by the governing statute of the other
5058 jurisdiction; and

5059 (g) if the domesticated limited partnership is a foreign limited partnership not
5060 authorized to transact business in this state, the street and mailing addresses of an office that
5061 the division may use for the purposes of Subsection 48-2d-1113(2).

5062 (2) A domestication becomes effective:

5063 (a) upon the filing of the statement of qualification pursuant to Section 48-2d-1001 or
5064 on the date provided therein, whichever is later, if the domesticated limited partnership is a
5065 limited partnership; and

5066 (b) according to the governing statute of the domesticated limited partnership, if it is a
5067 foreign limited partnership.

5068 Section 184. Section **48-2d-1113** is enacted to read:

5069 **48-2d-1113. Effect of domestication.**

5070 (1) When a domestication takes effect:
5071 (a) the domesticated limited partnership is for all purposes the limited partnership that
5072 existed before the domestication;
5073 (b) all property owned by the domesticating limited partnership remains vested in the
5074 domesticated limited partnership;
5075 (c) all debts, obligations, or other liabilities of the domesticating limited partnership
5076 continue as debts, obligations, or other liabilities of the domesticated limited partnership;
5077 (d) an action or proceeding pending by or against a domesticating limited partnership
5078 may be continued as if the domestication had not occurred;
5079 (e) except as prohibited by other law, all of the rights, privileges, immunities, powers,
5080 and purposes of the domesticating limited partnership remain vested in the domesticated
5081 limited partnership;
5082 (f) except as otherwise provided in the plan of domestication, the terms and conditions
5083 of the plan of domestication take effect; and
5084 (g) except as otherwise agreed, the domestication does not dissolve a domesticating
5085 limited partnership for the purposes of Part 8, Dissolution.
5086 (2) A domesticated limited partnership that is a foreign limited partnership consents to
5087 the jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed
5088 by the domesticating limited partnership, if, before the domestication, the domesticating
5089 limited partnership was subject to suit in this state on the debt, obligation, or other liability. A
5090 domesticated limited partnership that is a foreign limited partnership and not authorized to
5091 transact business in this state may be served with process at the address required in the articles
5092 of domestication under Subsection 48-2d-1112(1)(g).
5093 (3) If a limited partnership has adopted and approved a plan of domestication under
5094 Section 48-2d-1110 providing for the limited partnership to be domesticated in a foreign
5095 jurisdiction, a statement pursuant to Section 48-2d-907 cancelling the limited partnership's
5096 certificate of authority must be delivered to the division for filing setting forth:
5097 (a) the name of the limited partnership;

5098 (b) a statement that the limited partnership's certificate of authority is being cancelled
5099 in connection with the domestication of the limited partnership in a foreign jurisdiction;

5100 (c) a statement the domestication was approved as required by this chapter; and

5101 (d) the jurisdiction of formation of the domesticated foreign limited partnership.

5102 Section 185. Section **48-2d-1114** is enacted to read:

5103 **48-2d-1114. Restrictions on approval of mergers, conversions, and domestications**

5104 **-- Relinquishing limited liability partnership status.**

5105 (1) If a partner of a constituent, converting, or domesticating limited partnership will
5106 have personal liability with respect to a surviving, converted, or domesticated organization,
5107 approval or amendment of a plan of merger, conversion, or domestication is ineffective without
5108 the consent of the partner, unless:

5109 (a) the limited partnership's partnership agreement provides for approval of a merger,
5110 conversion, or domestication with the consent of fewer than all the partners; and

5111 (b) the partner has consented to the provision of the partnership agreement.

5112 (2) An amendment to a certificate of limited partnership which deletes a statement that
5113 the limited partnership is a limited liability limited partnership is ineffective without the
5114 consent of each general partner unless:

5115 (a) the limited partnership's partnership agreement provides for the amendment with
5116 the consent of less than all the general partners; and

5117 (b) each general partner that does not consent to the amendment has consented to the
5118 provision of the partnership agreement.

5119 (3) A partner does not give the consent required by Subsection (1) or (2) merely by
5120 consenting to a provision of the partnership agreement that permits the partnership agreement
5121 to be amended with the consent of fewer than all the partners.

5122 Section 186. Section **48-2d-1115** is enacted to read:

5123 **48-2d-1115. Liability of general partner after conversion or merger.**

5124 (1) A conversion or merger under this part does not discharge any liability under
5125 Sections 48-2d-404 and 48-2d-607 of a person that was a general partner in or dissociated as a

5126 general partner from a converting or constituent limited partnership, but:

5127 (a) the provisions of this chapter pertaining to the collection or discharge of the liability
5128 continue to apply to the liability;

5129 (b) for the purposes of applying those provisions, the converted or surviving
5130 organization is deemed to be the converting or constituent limited partnership; and

5131 (c) if a person is required to pay any amount under this Subsection (1):

5132 (i) the person has a right of contribution from each other person that was liable as a
5133 general partner under Section 48-2d-404 when the obligation was incurred and has not been
5134 released from the obligation under Section 48-2d-607; and

5135 (ii) the contribution due from each of those persons is in proportion to the right to
5136 receive distributions in the capacity of general partner in effect for each of those persons when
5137 the obligation was incurred.

5138 (2) In addition to any other liability provided by law:

5139 (a) a person that immediately before a conversion or merger became effective was a
5140 general partner in a converting or constituent limited partnership that was not a limited liability
5141 limited partnership is personally liable for each obligation of the converted or surviving
5142 organization arising from a transaction with a third party after the conversion or merger
5143 becomes effective, if, at the time the third party enters into the transaction, the third party:

5144 (i) does not have notice of the conversion or merger; and

5145 (ii) reasonably believes that:

5146 (A) the converted or surviving business is the converting or constituent limited
5147 partnership;

5148 (B) the converting or constituent limited partnership is not a limited liability limited
5149 partnership; and

5150 (C) the person is a general partner in the converting or constituent limited partnership;
5151 and

5152 (b) a person that was dissociated as a general partner from a converting or constituent
5153 limited partnership before the conversion or merger became effective is personally liable for

5154 each obligation of the converted or surviving organization arising from a transaction with a
5155 third party after the conversion or merger becomes effective, if:

5156 (i) immediately before the conversion or merger became effective the converting or
5157 surviving limited partnership was not a limited liability limited partnership; and

5158 (ii) at the time the third party enters into the transaction less than two years have passed
5159 since the person dissociated as a general partner and the third party:

5160 (A) does not have notice of the dissociation;

5161 (B) does not have notice of the conversion or merger; and

5162 (C) reasonably believes that the converted or surviving organization is the converting
5163 or constituent limited partnership, the converting or constituent limited partnership is not a
5164 limited liability limited partnership, and the person is a general partner in the converting or
5165 constituent limited partnership.

5166 Section 187. Section **48-2d-1116** is enacted to read:

5167 **48-2d-1116. Power of general partners and persons dissociated as general**
5168 **partners to bind organization after conversion or merger.**

5169 (1) An act of a person that immediately before a conversion or merger became effective
5170 was a general partner in a converting or constituent limited partnership binds the converted or
5171 surviving organization after the conversion or merger becomes effective, if:

5172 (a) before the conversion or merger became effective, the act would have bound the
5173 converting or constituent limited partnership under Section 48-2d-402; and

5174 (b) at the time the third party enters into the transaction, the third party:

5175 (i) does not have notice of the conversion or merger; and

5176 (ii) reasonably believes that the converted or surviving business is the converting or
5177 constituent limited partnership and that the person is a general partner in the converting or
5178 constituent limited partnership.

5179 (2) An act of a person that before a conversion or merger became effective was
5180 dissociated as a general partner from a converting or constituent limited partnership binds the
5181 converted or surviving organization after the conversion or merger becomes effective, if:

5182 (a) before the conversion or merger became effective, the act would have bound the
5183 converting or constituent limited partnership under Section 48-2d-402 if the person had been a
5184 general partner; and

5185 (b) at the time the third party enters into the transaction, less than two years have
5186 passed since the person dissociated as a general partner and the third party:

5187 (i) does not have notice of the dissociation;

5188 (ii) does not have notice of the conversion or merger; and

5189 (iii) reasonably believes that the converted or surviving organization is the converting
5190 or constituent limited partnership and that the person is a general partner in the converting or
5191 constituent limited partnership.

5192 (3) If a person having knowledge of the conversion or merger causes a converted or
5193 surviving organization to incur an obligation under Subsection (1) or (2), the person is liable:

5194 (a) to the converted or surviving organization for any damage caused to the
5195 organization arising from the obligation; and

5196 (b) if another person is liable for the obligation, to that other person for any damage
5197 caused to that other person arising from the liability.

5198 Section 188. Section **48-2d-1117** is enacted to read:

5199 **48-2d-1117. Part not exclusive.**

5200 This part does not preclude an entity from being merged, converted, or domesticated
5201 under law other than this chapter.

5202 Section 189. Section **48-2d-1201** is enacted to read:

5203 **Part 12. Miscellaneous Provisions**

5204 **48-2d-1201. Uniformity of application and construction.**

5205 In applying and construing this chapter, consideration must be given to the need to
5206 promote uniformity of the law with respect to its subject matter among states that enact this
5207 uniform act.

5208 Section 190. Section **48-2d-1202** is enacted to read:

5209 **48-2d-1202. Relation to electronic signatures in global and national commerce act.**

5210 This chapter modifies, limits, and supersedes the federal Electronic Signatures in
5211 Global and National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or
5212 supersede Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of
5213 any of the notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

5214 Section 191. Section **48-2d-1203** is enacted to read:

5215 **48-2d-1203. Severability clause.**

5216 If any provision of this chapter or its application to any person or circumstance is held
5217 invalid, the invalidity does not affect other provisions or applications of this chapter which can
5218 be given effect without the invalid provision or application, and to this end the provisions of
5219 this chapter are severable.

5220 Section 192. Section **48-2d-1204** is enacted to read:

5221 **48-2d-1204. Savings clause.**

5222 This chapter does not affect an action commenced, proceeding brought, or right accrued
5223 before July 1, 2012.

5224 Section 193. Section **48-2d-1205** is enacted to read:

5225 **48-2d-1205. Application to existing relationships.**

5226 (1) Before January 1, 2014, this chapter governs only:

5227 (a) a limited partnership formed on or after July 1, 2012; and

5228 (b) subject to Subsections (3) and (4), a limited partnership formed before July 1, 2012,
5229 which elects, in the manner provided in its partnership agreement or by law for amending the
5230 partnership agreement, to be subject to this chapter.

5231 (2) Subject to Subsection (3), on and after January 1, 2014, this chapter governs all
5232 limited partnerships.

5233 (3) With respect to a limited partnership formed before July 1, 2012, the following
5234 rules apply except as the partners otherwise elect in the manner provided in the partnership
5235 agreement or by law for amending the partnership agreement:

5236 (a) Subsection 48-2d-104(3) does not apply and the limited partnership has whatever
5237 duration it had under the law applicable immediately before July 1, 2012.

5238 (b) The limited partnership is not required to amend its certificate of limited
5239 partnership to comply with Subsection 48-2d-201(1)(d).

5240 (c) Sections 48-2d-601 and 48-2d-602 do not apply and a limited partner has the same
5241 right and power to dissociate from the limited partnership, with the same consequences, as
5242 existed immediately before July 1, 2012.

5243 (d) Subsection 48-2d-603(4) does not apply.

5244 (e) Subsection 48-2d-603(5) does not apply and a court has the same power to expel a
5245 general partner as the court had immediately before July 1, 2012.

5246 (f) Subsection 48-2d-801(3) does not apply and the connection between a person's
5247 dissociation as a general partner and the dissolution of the limited partnership is the same as
5248 existed immediately before July 1, 2012.

5249 (4) With respect to a limited partnership that elects pursuant to Subsection (1)(b) to be
5250 subject to this chapter, after the election takes effect the provisions of this chapter relating to
5251 the liability of the limited partnership's general partners to third parties apply:

5252 (a) before July 1, 2012, to:

5253 (i) a third party that had not done business with the limited partnership in the year
5254 before the election took effect; and

5255 (ii) a third party that had done business with the limited partnership in the year before
5256 the election took effect only if the third party knows or has received a notification of the
5257 election; and

5258 (b) on and after July 1, 2012, to all third parties, but those provisions remain
5259 inapplicable to any obligation incurred while those provisions were inapplicable under
5260 Subsection (4)(a)(ii).

5261 Section 194. Section **48-3-101** is enacted to read:

5262 **CHAPTER 3. UTAH REVISED UNIFORM LIMITED LIABILITY**

5263 **COMPANY ACT**

5264 **Part 1. General Provisions**

5265 **48-3-101. Title.**

5266 This chapter may be cited as the "Utah Revised Uniform Limited Liability Company
5267 Act."

5268 Section 195. Section **48-3-102** is enacted to read:

5269 **48-3-102. Definitions.**

5270 As used in this chapter:

5271 (1) (a) "Certificate of organization" means the certificate required by Section 48-3-201.

5272 (b) "Certificate of organization" includes the certificate as amended or restated.

5273 (2) "Contribution" means any benefit provided by a person to a limited liability
5274 company:

5275 (a) in order to become a member upon formation of the limited liability company and
5276 in accordance with an agreement between or among the persons that have agreed to become the
5277 initial members of the limited liability company;

5278 (b) in order to become a member after formation of the limited liability company and in
5279 accordance with an agreement between the person and the limited liability company; or

5280 (c) in the person's capacity as a member and in accordance with the operating
5281 agreement or an agreement between the member and the limited liability company.

5282 (3) "Debtor in bankruptcy" means a person that is the subject of:

5283 (a) an order for relief under United States Code, Title 11, or a successor statute of
5284 general application; or

5285 (b) a comparable order under federal, state, or foreign law governing insolvency.

5286 (4) "Distribution," except as otherwise provided in Subsection 48-3-405(7), means a
5287 transfer of money or other property from a limited liability company to another person on
5288 account of a transferable interest.

5289 (5) "Effective," with respect to a record required or permitted to be delivered to the
5290 division for filing under this chapter, means effective under Subsection 48-3-205(3).

5291 (6) "Foreign limited liability company" means an unincorporated entity formed under
5292 the law of a jurisdiction other than this state and denominated by that law as a limited liability
5293 company, including a low-profit limited liability company.

5294 (7) "Limited liability company," except in the phrase "foreign limited liability
5295 company," means an entity formed under this chapter, including a low-profit limited liability
5296 company formed under this chapter.

5297 (8) "Low-profit limited liability company" means a limited liability company meeting
5298 the requirements of Part 13, Low-profit Limited Liability Companies.

5299 (9) "Manager" means a person that under the operating agreement of a
5300 manager-managed limited liability company is responsible, alone or in concert with others, for
5301 performing the management functions stated in Subsection 48-3-407(3).

5302 (10) "Manager-managed limited liability company" means a limited liability company
5303 that qualifies under Subsection 48-3-407(1).

5304 (11) "Member" means a person that has become a member of a limited liability
5305 company under Section 48-3-401 and has not dissociated under Section 48-3-602.

5306 (12) "Member-managed limited liability company" means a limited liability company
5307 that is not a manager-managed limited liability company.

5308 (13) (a) "Operating agreement" means the agreement, whether or not referred to as an
5309 operating agreement and whether oral, in a record, implied, or in any combination thereof, of
5310 all the members of a limited liability company, including a sole member, concerning the
5311 matters described in Subsection 48-3-110(1).

5312 (b) "Operating agreement" includes the agreement as amended or restated.

5313 (14) "Organizer" means a person that acts under Section 48-3-201 to form a limited
5314 liability company.

5315 (15) "Person" means:

5316 (a) an individual;

5317 (b) a corporation;

5318 (c) a business trust;

5319 (d) an estate;

5320 (e) a trust;

5321 (f) a partnership;

- 5322 (g) a limited liability company;
5323 (h) an association;
5324 (i) a joint venture;
5325 (j) a public corporation;
5326 (k) government;
5327 (l) a governmental subdivision, agency, or instrumentality; or
5328 (m) any other legal or commercial entity.
5329 (16) "Principal office" means the principal executive office of a limited liability
5330 company or foreign limited liability company, whether or not the office is located in this state.
5331 (17) "Professional services company" means a limited liability company meeting the
5332 requirements of Part 11, Professional Services Companies.
5333 (18) "Record" means information that is inscribed on a tangible medium or that is
5334 stored in an electronic or other medium and is retrievable in perceivable form.
5335 (19) "Series" means a series created in accordance with Part 12, Series Limited
5336 Liability Companies.
5337 (20) "Sign" means, with the present intent to authenticate or adopt a record:
5338 (a) to execute or adopt a tangible symbol; or
5339 (b) to attach to or logically associate with the record an electronic symbol, sound, or
5340 process.
5341 (21) "State" means a state of the United States, the District of Columbia, Puerto Rico,
5342 the United States Virgin Islands, or any territory or insular possession subject to the jurisdiction
5343 of the United States.
5344 (22) "Transfer" includes an assignment, conveyance, deed, bill of sale, lease, mortgage,
5345 security interest, encumbrance, gift, and transfer by operation of law.
5346 (23) "Transferable interest" means the right, as originally associated with a person's
5347 capacity as a member, to receive distributions from a limited liability company in accordance
5348 with the operating agreement, whether or not the person remains a member or continues to own
5349 any part of the right.

5350 (24) "Transferee" means a person to which all or part of a transferable interest has been
5351 transferred, whether or not the transferor is a member.

5352 (25) "Tribal limited liability company" means a limited liability company:

5353 (a) formed under the law of a tribe; and

5354 (b) that is at least 51% owned or controlled by the tribe.

5355 (26) "Tribe" means a tribe, band, nation, pueblo, or other organized group or
5356 community of Indians, including an Alaska Native village, that is legally recognized as eligible
5357 for and is consistent with a special program, service, or entitlement provided by the United
5358 States to Indians because of their status as Indians.

5359 Section 196. Section **48-3-103** is enacted to read:

5360 **48-3-103. Knowledge -- Notice.**

5361 (1) A person knows a fact when the person:

5362 (a) has actual knowledge of it; or

5363 (b) is deemed to know it under Subsection (4)(a) or law other than this chapter.

5364 (2) A person has notice of a fact when the person:

5365 (a) has reason to know the fact from all of the facts known to the person at the time in
5366 question; or

5367 (b) is deemed to have notice of the fact under Subsection (4)(b).

5368 (3) A person notifies another of a fact by taking steps reasonably required to inform the
5369 other person in ordinary course, whether or not the other person knows the fact.

5370 (4) A person that is not a member is deemed:

5371 (a) to know of a limitation on authority to transfer real property as provided in
5372 Subsection 48-3-302(7);

5373 (b) to have notice of a limited liability company's:

5374 (i) dissolution, 90 days after a statement of dissolution under Subsection

5375 48-3-703(2)(b)(i) becomes effective;

5376 (ii) termination, 90 days after a statement of termination Subsection 48-3-703(2)(b)(vi)
5377 becomes effective; and

5378 (iii) merger, conversion, or domestication, 90 days after articles of merger, conversion,
5379 or domestication under Part 10, Merger, Conversion, and Domestication, become effective; and
5380 (c) for a filing not described in Subsection (4)(b), to have constructive notice of an
5381 action taken by a filing that is filed with the division.

5382 Section 197. Section **48-3-104** is enacted to read:

5383 **48-3-104. Nature, purpose, and duration of limited liability company.**

5384 (1) A limited liability company is an entity distinct from its members.

5385 (2) A limited liability company may have any lawful purpose, regardless of whether for
5386 profit.

5387 (3) A limited liability company has perpetual duration.

5388 Section 198. Section **48-3-105** is enacted to read:

5389 **48-3-105. Powers.**

5390 A limited liability company has the capacity to sue and be sued in its own name and the
5391 power to do all things necessary or convenient to carry on its activities.

5392 Section 199. Section **48-3-106** is enacted to read:

5393 **48-3-106. Governing law.**

5394 The law of this state governs:

5395 (1) the internal affairs of a limited liability company; and

5396 (2) the liability of a member as member and a manager as manager for the debts,
5397 obligations, or other liabilities of a limited liability company.

5398 Section 200. Section **48-3-107** is enacted to read:

5399 **48-3-107. Supplemental principles of law.**

5400 Unless displaced by particular provisions of this chapter, the principles of law and
5401 equity supplement this chapter.

5402 Section 201. Section **48-3-108** is enacted to read:

5403 **48-3-108. Name.**

5404 (1) (a) Except as provided in Section 48-3-1104 or 48-3-1302, the name of a limited
5405 liability company must contain the words "limited liability company" or "limited company" or

- 5406 the abbreviation "L.L.C.," "LLC," "L.C.," or "LC".
- 5407 (b) "Company" may be abbreviated as "Co.".
- 5408 (c) The name of a limited liability company may not contain:
- 5409 (i) without the written consent of the United States Olympic Committee, the words:
- 5410 (A) "Olympic";
- 5411 (B) "Olympiad"; or
- 5412 (C) "Citius Altius Fortius"; and
- 5413 (ii) without the written consent of the Division of Consumer Protection issued in
- 5414 accordance with Section 13-34-114, the words:
- 5415 (A) "university";
- 5416 (B) "college"; or
- 5417 (C) "institute" or "institution".
- 5418 (2) Unless authorized by Subsection (3), the name of a limited liability company must
- 5419 be distinguishable in the records of the division from:
- 5420 (a) the name of each person that is not an individual and that is incorporated,
- 5421 organized, or authorized to transact business in this state; and
- 5422 (b) each name reserved under Section 48-3-109 and:
- 5423 (i) Section 16-6a-401 or 16-6a-402;
- 5424 (ii) Section 16-10a-401 or 16-10a-402;
- 5425 (iii) Section 16-11-16;
- 5426 (iv) Section 42-2-6.6;
- 5427 (v) Section 48-1b-1002; or
- 5428 (vi) Section 48-2d-108 or 48-2d-109.
- 5429 (3) A limited liability company may apply to the division for authorization to use a
- 5430 name that does not comply with Subsection (2). The division shall authorize use of the name
- 5431 applied for if, as to each noncomplying name:
- 5432 (a) the present user, registrant, or owner of the noncomplying name consents in a
- 5433 signed record to the use and submits an undertaking in a form satisfactory to the division to

5434 change the noncomplying name to a name that complies with Subsection (2) and is
5435 distinguishable in the records of the division from the name applied for; or

5436 (b) the applicant delivers to the division a certified copy of the final judgment of a
5437 court establishing the applicant's right to use in this state the name applied for.

5438 (4) Subject to Section 48-3-805, this section applies to a foreign limited liability
5439 company transacting business in this state which has a certificate of authority to transact
5440 business in this state or which has applied for a certificate of authority.

5441 (5) The division may not approve for filing a name that implies that a limited liability
5442 company is an agency of this state or any of its political subdivisions, if it is not actually such a
5443 legally established agency or subdivision.

5444 (6) The authorization to file a certificate under or to reserve or register a limited
5445 liability company name as granted by the division does not:

5446 (a) abrogate or limit the law governing unfair competition or unfair trade practices;

5447 (b) derogate from the common law, the principles of equity, or the statutes of this state
5448 or of the United States with respect to the right to acquire and protect names and trademarks; or

5449 (c) create an exclusive right in geographic or generic terms contained within a name.

5450 Section 202. Section **48-3-109** is enacted to read:

5451 **48-3-109. Reservation of name.**

5452 (1) A person may reserve the exclusive use of the name of a limited liability company,
5453 including a fictitious or assumed name for a foreign limited liability company whose name is
5454 not available, by delivering an application to the division for filing. The application must state
5455 the name and address of the applicant and the name proposed to be reserved. If the division
5456 finds that the name applied for is available, it must be reserved for the applicant's exclusive use
5457 for a 120-day period.

5458 (2) The owner of a name reserved for a limited liability company may transfer the
5459 reservation to another person by delivering to the division for filing a signed notice of the
5460 transfer which states the name and address of the transferee.

5461 Section 203. Section **48-3-110** is enacted to read:

- 5462 **48-3-110. Operating agreement -- Scope, function, and limitations.**
- 5463 (1) Except as otherwise provided in Subsections (2) and (3), the operating agreement
5464 governs:
- 5465 (a) relations among the members as members and between the members and the
5466 limited liability company;
- 5467 (b) the rights and duties under this chapter of a person in the capacity of manager;
5468 (c) the activities of the limited liability company and the conduct of those activities;
5469 and
- 5470 (d) the means and conditions for amending the operating agreement.
- 5471 (2) To the extent the operating agreement does not otherwise provide for a matter
5472 described in Subsection (1), this chapter governs the matter.
- 5473 (3) An operating agreement may not:
- 5474 (a) vary a limited liability company's capacity under Section 48-3-105 to sue and be
5475 sued in its own name;
- 5476 (b) vary the law applicable under Section 48-3-106;
5477 (c) vary the power of the court under Section 48-3-204;
5478 (d) subject to Subsections (4) through (7), eliminate the duty of loyalty, the duty of
5479 care, or any other fiduciary duty;
- 5480 (e) subject to Subsections (4) through (7), eliminate the contractual obligation of good
5481 faith and fair dealing under Subsection 48-3-409(4);
- 5482 (f) unreasonably restrict the duties and rights stated in Section 48-3-410;
5483 (g) vary the power of a court to decree dissolution in the circumstances specified in
5484 Subsections 48-3-701(4) and (5);
- 5485 (h) vary the requirement to wind up a limited liability company's business as specified
5486 in Subsections 48-3-703(1) and (2)(a);
- 5487 (i) unreasonably restrict the right of a member to maintain an action under Part 9,
5488 Actions By Members;
- 5489 (j) restrict the right to approve a merger, conversion, or domestication under Section

5490 48-3-1014 to a member that will have personal liability with respect to a surviving, converted,
5491 or domesticated organization; or

5492 (k) except as otherwise provided in Subsection 48-3-112(2), restrict the rights under
5493 this chapter of a person other than a member or manager.

5494 (4) If not unconscionable or against public policy, the operating agreement may:

5495 (a) restrict or eliminate the duty:

5496 (i) as required in Subsections 48-3-409(2)(a) and (7), to account to the limited liability
5497 company and to hold as trustee for it any property, profit, or benefit derived by the member in
5498 the conduct or winding up of the limited liability company's business, from a use by the
5499 member of the limited liability company's property, or from the appropriation of a limited
5500 liability company opportunity;

5501 (ii) as required in Subsections 48-3-409(2)(b) and (7), to refrain from dealing with the
5502 limited liability company in the conduct or winding up of the limited liability company's
5503 business as or on behalf of a party having an interest adverse to the limited liability company;
5504 and

5505 (iii) as required by Subsections 48-3-409(2)(c) and (7), to refrain from competing with
5506 the limited liability company in the conduct of the limited liability company's business before
5507 the dissolution of the limited liability company;

5508 (b) identify specific types or categories of activities that do not violate the duty of
5509 loyalty;

5510 (c) alter the duty of care, except to authorize intentional misconduct or knowing
5511 violation of law;

5512 (d) alter or eliminate any other fiduciary duty; and

5513 (e) prescribe the standards by which to measure the performance of the contractual
5514 obligation of good faith and fair dealing under Subsection 48-3-409(4), if the standards are not
5515 manifestly unreasonable.

5516 (5) The operating agreement may specify the method by which a specific act or
5517 transaction that would otherwise violate the duty of loyalty may be authorized or ratified by one

5518 or more disinterested and independent persons after full disclosure of all material facts.

5519 (6) To the extent the operating agreement of a member-managed limited liability
5520 company expressly relieves a member of a responsibility that the member would otherwise
5521 have under this chapter and imposes the responsibility on one or more other members, the
5522 operating agreement may, to the benefit of the member that the operating agreement relieves of
5523 the responsibility, also eliminate or limit any fiduciary duty that would have pertained to the
5524 responsibility.

5525 (7) The operating agreement may alter or eliminate the indemnification for a member
5526 or manager provided by Subsection 48-3-408(1) and may eliminate or limit a member or
5527 manager's liability to the limited liability company and members for money damages, except
5528 for:

5529 (a) breach of the duty of loyalty;

5530 (b) a financial benefit received by the member or manager to which the member or
5531 manager is not entitled;

5532 (c) a breach of a duty under Section 48-3-406; or

5533 (d) an intentional violation of criminal law.

5534 (8) The court shall decide any claim under Subsection (4) that a term of an operating
5535 agreement is unconscionable or against public policy. The court:

5536 (a) shall make its determination as of the time the challenged term became part of the
5537 operating agreement and by considering only circumstances existing at that time; and

5538 (b) may invalidate the term only if, in light of the purposes and activities of the limited
5539 liability company, it is readily apparent that:

5540 (i) the objective of the term is unconscionable or against public policy; or

5541 (ii) the means to achieve the term's objective is unconscionable or against public
5542 policy.

5543 Section 204. Section **48-3-111** is enacted to read:

5544 **48-3-111. Operating agreement -- Effect on limited liability company and persons**
5545 **becoming members -- Preformation agreement.**

5546 (1) A limited liability company is bound by and may enforce the operating agreement,
5547 whether or not the limited liability company has itself manifested assent to the operating
5548 agreement.

5549 (2) A person that becomes a member of a limited liability company is deemed to assent
5550 to the operating agreement.

5551 (3) Two or more persons intending to become the initial members of a limited liability
5552 company may make an agreement providing that upon the formation of the limited liability
5553 company the agreement will become the operating agreement. One person intending to
5554 become the initial member of a limited liability company may assent to terms providing that
5555 upon the formation of the limited liability company the terms will become the operating
5556 agreement.

5557 Section 205. Section **48-3-112** is enacted to read:

5558 **48-3-112. Operating agreement -- Effect on third parties and relationship to**
5559 **records effective on behalf of limited liability company.**

5560 (1) An operating agreement may specify that its amendment requires the approval of a
5561 person that is not a party to the operating agreement or the satisfaction of a condition. An
5562 amendment is ineffective if its adoption does not include the required approval or satisfy the
5563 specified condition.

5564 (2) The obligations of a limited liability company and its members to a person in the
5565 person's capacity as a transferee or dissociated member are governed by the operating
5566 agreement. Subject only to any court order issued under Subsection 48-3-503(2)(b) to
5567 effectuate a charging order, an amendment to the operating agreement made after a person
5568 becomes a transferee or dissociated member is effective with regard to any debt, obligation, or
5569 other liability of the limited liability company or its members to the person in the person's
5570 capacity as a transferee or dissociated member.

5571 (3) If a record that has been delivered by a limited liability company to the division for
5572 filing and has become effective under this chapter contains a provision that would be
5573 ineffective under Subsection 48-3-110(3) if contained in the operating agreement, the provision

5574 is likewise ineffective in the record.

5575 (4) Subject to Subsection (3), if a record that has been delivered by a limited liability
5576 company to the division for filing and has become effective under this chapter conflicts with a
5577 provision of the operating agreement:

5578 (a) the operating agreement prevails as to members, dissociated members, transferees,
5579 and managers; and

5580 (b) the record prevails as to other persons to the extent they reasonably rely on the
5581 record.

5582 Section 206. Section **48-3-201** is enacted to read:

5583 **Part 2. Formation -- Certificate of Organization and Other Filings**

5584 **48-3-201. Formation of limited liability company -- Certificate of organization.**

5585 (1) One or more persons may act as organizers to form a limited liability company by
5586 signing and delivering to the division for filing a certificate of organization.

5587 (2) A certificate of organization must state:

5588 (a) the name of the limited liability company, which must comply with Section
5589 48-3-108;

5590 (b) the information required by Subsection 16-17-203(1); and

5591 (c) (i) if the limited liability company is a low-profit limited liability company, that the
5592 limited liability company is a low-profit limited liability company; and

5593 (ii) if the limited liability company is a professional services company, the information
5594 required by Section 48-3-1103.

5595 (3) (a) Subject to Subsection 48-3-112(3), a certificate of organization may also
5596 contain statements as to matters other than those required by Subsection (2). However, a
5597 statement in a certificate of organization is not effective as a statement of authority.

5598 (b) A certificate of organization may also contain a notice of a series in accordance
5599 with Section 48-3-1203.

5600 (4) (a) A limited liability company is formed when the division has filed the certificate
5601 of organization, unless the certificate states a delayed effective date pursuant to Subsection

5602 48-3-205(3).

5603 (b) If the certificate states a delayed effective date, a limited liability company is not
5604 formed if, before the certificate takes effect, a statement of cancellation is signed and delivered
5605 to the division for filing and the division files the certificate.

5606 (c) Subject to any delayed effective date and except in a proceeding by this state to
5607 dissolve a limited liability company, the filing of the certificate of organization by the division
5608 is conclusive proof that the organizer satisfied all conditions to the formation of a limited
5609 liability company.

5610 Section 207. Section **48-3-202** is enacted to read:

5611 **48-3-202. Amendment or restatement of certificate of organization.**

5612 (1) A certificate of organization may be amended or restated at any time, except that in
5613 accordance with Section 48-3-1303, a low-profit limited liability company shall amend its
5614 certificate of organization if the limited liability company ceases to be a low-profit limited
5615 liability company.

5616 (2) To amend its certificate of organization, a limited liability company must deliver to
5617 the division for filing an amendment stating:

5618 (a) the name of the limited liability company;

5619 (b) the date of filing of its certificate of organization; and

5620 (c) the changes the amendment makes to the certificate as most recently amended or
5621 restated.

5622 (3) To restate its certificate of organization, a limited liability company must deliver to
5623 the division for filing a restatement, designated as such in its heading, stating:

5624 (a) in the heading or an introductory paragraph, the limited liability company's present
5625 name and the date of the filing of the limited liability company's initial certificate of
5626 organization;

5627 (b) if the limited liability company's name has been changed at any time since the
5628 limited liability company's formation, each of the limited liability company's former names;
5629 and

5630 (c) the changes the restatement makes to the certificate as most recently amended or
5631 restated.

5632 (4) Subject to Subsections 48-3-112(3) and 48-3-205(3), an amendment to or
5633 restatement of a certificate of organization is effective when filed by the division.

5634 (5) If a member of a member-managed limited liability company, or a manager of a
5635 manager-managed limited liability company, knows that any information in a filed certificate
5636 of organization was inaccurate when the certificate was filed or has become inaccurate owing
5637 to changed circumstances, the member or manager shall promptly:

5638 (a) cause the certificate to be amended; or

5639 (b) if appropriate, deliver to the division for filing a statement of change under Section
5640 16-17-206 or a statement of correction under Section 48-3-206.

5641 Section 208. Section **48-3-203** is enacted to read:

5642 **48-3-203. Signing of records to be delivered for filing to division.**

5643 (1) A record delivered to the division for filing pursuant to this chapter must be signed
5644 as follows:

5645 (a) Except as otherwise provided in Subsections (1)(b) through (d), a record signed on
5646 behalf of a limited liability company must be signed by a person authorized by the limited
5647 liability company.

5648 (b) A limited liability company's initial certificate of organization must be signed by at
5649 least one person acting as an organizer.

5650 (c) A record filed on behalf of a dissolved limited liability company that has no
5651 members must be signed by the person winding up the limited liability company's activities
5652 under Subsection 48-3-703(3) or a person appointed under Subsection 48-3-703(4) to wind up
5653 those activities.

5654 (d) A statement of cancellation under Subsection 48-3-201(4)(b) must be signed by
5655 each organizer that signed the initial certificate of organization, but a personal representative of
5656 a deceased or incompetent organizer may sign in the place of the decedent or incompetent.

5657 (e) A statement of denial by a person under Section 48-3-303 must be signed by that

5658 person.

5659 (f) Any other record must be signed by the person on whose behalf the record is
5660 delivered to the division.

5661 (2) Any record filed under this chapter may be signed by an agent.

5662 Section 209. Section **48-3-204** is enacted to read:

5663 **48-3-204. Signing and filing pursuant to judicial order.**

5664 (1) If a person required by this chapter to sign a record or deliver a record to the
5665 division for filing under this chapter does not do so, any other person that is aggrieved may
5666 petition a district court to order:

5667 (a) the person to sign the record;

5668 (b) the person to deliver the record to the division for filing; or

5669 (c) the division to file the record unsigned, which will have the same effect as if signed
5670 by the person required by this chapter to sign the record.

5671 (2) If a petitioner under Subsection (1) is not the limited liability company or foreign
5672 limited liability company to which the record pertains, the petitioner shall make the limited
5673 liability company a party to the action.

5674 Section 210. Section **48-3-205** is enacted to read:

5675 **48-3-205. Delivery to and filing of records by division -- Effective time and date.**

5676 (1) A record authorized or required to be delivered to the division for filing under this
5677 chapter must be captioned to describe the record's purpose, be in a medium permitted by the
5678 division, and be delivered to the division. If the filing fees have been paid, unless the division
5679 determines that a record does not comply with the filing requirements of this chapter, the
5680 division shall file the record and:

5681 (a) for a statement of denial under Section 48-3-303, send a copy of the filed statement
5682 and a receipt for the fees to the person on whose behalf the statement was delivered for filing
5683 and to the limited liability company; and

5684 (b) for all other records, send a copy of the filed record and a receipt for the fees to the
5685 person on whose behalf the record was filed.

5686 (2) Upon request and payment of the requisite fee, the division shall send to the
5687 requester a certified copy of a requested record.

5688 (3) Except as otherwise provided in Section 48-3-206, a record delivered to the
5689 division for filing under this chapter may specify an effective time and a delayed effective date.
5690 Subject to Subsection 48-3-201(4)(a) and Section 48-3-206, a record filed by the division is
5691 effective:

5692 (a) if the record does not specify either an effective time or a delayed effective date, on
5693 the date and at the time the record is filed as evidenced by the division's endorsement of the
5694 date and time on the record;

5695 (b) if the record specifies an effective time but not a delayed effective date, on the date
5696 the record is filed at the time specified in the record;

5697 (c) if the record specifies a delayed effective date but not an effective time, at 12:01
5698 a.m. on the earlier of:

5699 (i) the specified date; or

5700 (ii) the 90th day after the record is filed; or

5701 (d) if the record specifies an effective time and a delayed effective date, at the specified
5702 time on the earlier of:

5703 (i) the specified date; or

5704 (ii) the 90th day after the record is filed.

5705 Section 211. Section **48-3-206** is enacted to read:

5706 **48-3-206. Correcting filed record.**

5707 (1) A limited liability company or foreign limited liability company may deliver to the
5708 division for filing a statement of correction to correct a record previously delivered by the
5709 limited liability company to the division and filed by the division, if at the time of filing the
5710 record contained inaccurate information or was defectively signed.

5711 (2) A statement of correction under Subsection (1) may not state a delayed effective
5712 date and must:

5713 (a) describe the record to be corrected, including its filing date, or attach a copy of the

5714 record as filed;

5715 (b) specify the inaccurate information and the reason it is inaccurate or the manner in
5716 which the signing was defective; and

5717 (c) correct the defective signature or inaccurate information.

5718 (3) When filed by the division, a statement of correction under Subsection (1) is
5719 effective retroactively as of the effective date of the record the statement corrects, but the
5720 statement is effective when filed:

5721 (a) for the purposes of Subsection 48-3-103(4); and

5722 (b) as to persons that previously relied on the uncorrected record and would be
5723 adversely affected by the retroactive effect.

5724 Section 212. Section **48-3-207** is enacted to read:

5725 **48-3-207. Liability for inaccurate information in filed record.**

5726 (1) If a record delivered to the division for filing under this chapter and filed by the
5727 division contains inaccurate information, a person that suffers a loss by reliance on the
5728 information may recover damages for the loss from:

5729 (a) a person that signed the record, or caused another to sign it on the person's behalf,
5730 and knew the information to be inaccurate at the time the record was signed; and

5731 (b) subject to Subsection (2), a member of a member-managed limited liability
5732 company or the manager of a manager-managed limited liability company, if:

5733 (i) the record was delivered for filing on behalf of the limited liability company; and

5734 (ii) the member or manager had notice of the inaccuracy for a reasonably sufficient
5735 time before the information was relied upon so that, before the reliance, the member or
5736 manager reasonably could have:

5737 (A) effected an amendment under Section 48-3-202;

5738 (B) filed a petition under Section 48-3-204; or

5739 (C) delivered to the division for filing a statement of change pursuant to Section
5740 16-17-206 or a statement of correction under Section 48-3-206.

5741 (2) To the extent that the operating agreement of a member-managed limited liability

5742 company expressly relieves a member of responsibility for maintaining the accuracy of
5743 information contained in records delivered on behalf of the limited liability company to the
5744 division for filing under this chapter and imposes that responsibility on one or more other
5745 members, the liability stated in Subsection (1)(b) applies to those other members and not to the
5746 member that the operating agreement relieves of the responsibility.

5747 (3) An individual who signs a record authorized or required to be filed under this
5748 chapter affirms under penalty of perjury that the information stated in the record is accurate.

5749 Section 213. Section **48-3-208** is enacted to read:

5750 **48-3-208. Certificate of existence or authorization.**

5751 (1) The division, upon request and payment of the requisite fee, shall furnish to any
5752 person a certificate of existence for a limited liability company if the records filed in the
5753 division show that the limited liability company has been formed under Section 48-3-201 and
5754 the division has not filed a statement of termination pertaining to the limited liability company.

5755 A certificate of existence must state:

5756 (a) the limited liability company's name;

5757 (b) that the limited liability company was duly formed under the laws of this state and
5758 the date of formation;

5759 (c) whether all fees, taxes, and penalties due under this chapter or other law to the
5760 division have been paid;

5761 (d) whether the limited liability company's most recent annual report required by
5762 Section 48-3-209 has been filed by the division;

5763 (e) whether the division has administratively dissolved the limited liability company;

5764 (f) whether the limited liability company has delivered to the division for filing a
5765 statement of dissolution;

5766 (g) that a statement of termination has not been filed by the division; and

5767 (h) other facts of record in the division which are specified by the person requesting the
5768 certificate.

5769 (2) The division, upon request and payment of the requisite fee, shall furnish to any

5770 person a certificate of authorization for a foreign limited liability company if the records filed
5771 in the division show that the division has filed a certificate of authority, has not revoked the
5772 certificate of authority, and has not filed a notice of cancellation. A certificate of authorization
5773 must state:

5774 (a) the limited liability company's name and any alternate name adopted under
5775 Subsection 48-3-805(1) for use in this state;

5776 (b) that the limited liability company is authorized to transact business in this state;

5777 (c) whether all fees, taxes, and penalties due under this chapter or other law to the
5778 division have been paid;

5779 (d) whether the limited liability company's most recent annual report required by
5780 Section 48-3-209 has been filed by the division;

5781 (e) that the division has not revoked the limited liability company's certificate of
5782 authority and has not filed a notice of cancellation; and

5783 (f) other facts of record in the division which are specified by the person requesting the
5784 certificate.

5785 (3) Subject to any qualification stated in the certificate, a certificate of existence or
5786 certificate of authorization issued by the division is conclusive evidence that the limited
5787 liability company is in existence or the foreign limited liability company is authorized to
5788 transact business in this state.

5789 Section 214. Section **48-3-209** is enacted to read:

5790 **48-3-209. Annual report for division.**

5791 (1) Each year, a limited liability company or a foreign limited liability company
5792 authorized to transact business in this state shall deliver to the division for filing a report that
5793 states:

5794 (a) the name of the limited liability company;

5795 (b) the information required by Subsection 16-17-203(1);

5796 (c) the street and mailing addresses of its principal office; and

5797 (d) in the case of a foreign limited liability company, the state or other jurisdiction

5798 under whose law the limited liability company is formed and any alternate name adopted under
5799 Subsection 48-3-805(1).

5800 (2) Information in an annual report under this section must be current as of the date the
5801 report is delivered to the division for filing.

5802 (3) A report must be delivered to the division:

5803 (a) during the month of its anniversary date of formation, in the case of a domestic
5804 limited liability company; or

5805 (b) during the month of the anniversary date of being granted authority to transact
5806 business in this state, in the case of a foreign limited liability company authorized to transact
5807 business in this state.

5808 (4) If an annual report under this section does not contain the information required in
5809 Subsection (1), the division shall promptly notify the reporting limited liability company or
5810 foreign limited liability company and return the report to it for correction. If the report is
5811 corrected to contain the information required in Subsection (1) and delivered to the division
5812 within 30 days after the effective date of the notice, it is timely delivered.

5813 (5) If an annual report under this section contains information provided under
5814 Subsection (1)(b) that differs from the information shown in the records of the division
5815 immediately before the annual report becomes effective, the differing information in the annual
5816 report is considered a statement of change under Section 16-17-206.

5817 Section 215. Section **48-3-301** is enacted to read:

5818 **Part 3. Relations of Members and Managers to Persons Dealing with Limited Liability**
5819 **Company**

5820 **48-3-301. No agency power of member as member.**

5821 (1) A member is not an agent of a limited liability company solely by reason of being a
5822 member.

5823 (2) A person's status as a member does not prevent or restrict law other than this
5824 chapter from imposing liability on a limited liability company because of the person's conduct.

5825 Section 216. Section **48-3-302** is enacted to read:

5826 48-3-302. Statement of authority.

5827 (1) A limited liability company may deliver to the division for filing a statement of
5828 authority. The statement:

5829 (a) must include the name of the limited liability company and the street and mailing
5830 addresses of its principal office;

5831 (b) with respect to any position that exists in or with respect to the limited liability
5832 company, may state the authority, or limitations on the authority, of all persons holding the
5833 position to:

5834 (i) execute an instrument transferring real property held in the name of the limited
5835 liability company; or

5836 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the limited
5837 liability company; and

5838 (c) may state the authority, or limitations on the authority, of a specific person to:

5839 (i) execute an instrument transferring real property held in the name of the limited
5840 liability company; or

5841 (ii) enter into other transactions on behalf of, or otherwise act for or bind, the limited
5842 liability company.

5843 (2) To amend or cancel a statement of authority filed by the division under Subsection
5844 48-3-205(1), a limited liability company must deliver to the division for filing an amendment
5845 or cancellation stating:

5846 (a) the name of the limited liability company;

5847 (b) the street and mailing addresses of the limited liability company's principal office;

5848 (c) the caption of the statement being amended or canceled and the date the statement
5849 being affected became effective; and

5850 (d) the contents of the amendment or a declaration that the statement being affected is
5851 canceled.

5852 (3) A statement of authority affects only the power of a person to bind a limited
5853 liability company to persons that are not members.

5854 (4) Subject to Subsection (3) and Subsection 48-3-103(4) and except as otherwise
5855 provided in Subsections (6), (7), and (8), a limitation on the authority of a person or a position
5856 contained in an effective statement of authority is not by itself evidence of knowledge or notice
5857 of the limitation by any person.

5858 (5) Subject to Subsection (3), a grant of authority not pertaining to transfers of real
5859 property and contained in an effective statement of authority is conclusive in favor of a person
5860 that gives value in reliance on the grant, except to the extent that when the person gives value:

5861 (a) the person has knowledge to the contrary;

5862 (b) the statement has been canceled or restrictively amended under Subsection (2); or

5863 (c) a limitation on the grant is contained in another statement of authority that became
5864 effective after the statement containing the grant became effective.

5865 (6) Subject to Subsection (3), an effective statement of authority that grants authority to
5866 transfer real property held in the name of the limited liability company and that is recorded by
5867 certified copy in the office for recording transfers of the real property is conclusive in favor of a
5868 person that gives value in reliance on the grant without knowledge to the contrary, except to the
5869 extent that when the person gives value:

5870 (a) the statement has been canceled or restrictively amended under Subsection (2) and a
5871 certified copy of the cancellation or restrictive amendment has been recorded in the office for
5872 recording transfers of the real property; or

5873 (b) a limitation on the grant is contained in another statement of authority that became
5874 effective after the statement containing the grant became effective and a certified copy of the
5875 later-effective statement is recorded in the office for recording transfers of the real property.

5876 (7) Subject to Subsection (3), if a certified copy of an effective statement containing a
5877 limitation on the authority to transfer real property held in the name of a limited liability
5878 company is recorded in the office for recording transfers of that real property, all persons are
5879 deemed to know of the limitation.

5880 (8) Subject to Subsection (9), an effective statement of dissolution or termination is a
5881 cancellation of any filed statement of authority for the purposes of Subsection (6) and is a

5882 limitation on authority for the purposes of Subsection (7).

5883 (9) After a statement of dissolution becomes effective, a limited liability company may
5884 deliver to the division for filing and, if appropriate, may record a statement of authority that is
5885 designated as a post-dissolution statement of authority. The statement operates as provided in
5886 Subsections (6) and (7).

5887 (10) Unless earlier canceled, an effective statement of authority is canceled by
5888 operation of law five years after the date on which the statement, or its most recent amendment,
5889 becomes effective. This cancellation operates without need for any recording under Subsection
5890 (6) or (7).

5891 (11) An effective statement of denial operates as a restrictive amendment under this
5892 section and may be recorded by certified copy for the purposes of Subsection (6)(a).

5893 Section 217. Section **48-3-303** is enacted to read:

5894 **48-3-303. Statement of denial.**

5895 A person named in a filed statement of authority granting that person authority may
5896 deliver to the division for filing a statement of denial that:

5897 (1) provides the name of the limited liability company and the caption of the statement
5898 of authority to which the statement of denial pertains; and

5899 (2) denies the grant of authority.

5900 Section 218. Section **48-3-304** is enacted to read:

5901 **48-3-304. Liability of members and managers.**

5902 (1) The debts, obligations, or other liabilities of a limited liability company, whether
5903 arising in contract, tort, or otherwise:

5904 (a) are solely the debts, obligations, or other liabilities of the limited liability company;
5905 and

5906 (b) do not become the debts, obligations, or other liabilities of a member or manager
5907 solely by reason of the member acting as a member or manager acting as a manager.

5908 (2) The failure of a limited liability company to observe any particular formalities
5909 relating to the exercise of its powers or management of its activities is not a ground for

5910 imposing liability on the members or managers for the debts, obligations, or other liabilities of
5911 the limited liability company.

5912 Section 219. Section **48-3-401** is enacted to read:

5913 **Part 4. Relations of Members to Each Other and to Limited Liability Company**

5914 **48-3-401. Becoming a member.**

5915 (1) If a limited liability company is to have only one member upon formation, the
5916 person becomes a member as agreed by that person and the organizer of the limited liability
5917 company. That person and the organizer may be, but need not be, different persons. If
5918 different, the organizer acts on behalf of the initial member.

5919 (2) If a limited liability company is to have more than one member upon formation,
5920 those persons become members as agreed by the persons before the formation of the limited
5921 liability company. The organizer acts on behalf of the persons in forming the limited liability
5922 company and may be, but need not be, one of the persons.

5923 (3) After formation of a limited liability company, a person becomes a member:

5924 (a) as provided in the operating agreement;

5925 (b) as the result of a transaction effective under Part 10, Merger, Conversion, and
5926 Domestication;

5927 (c) with the consent of all the members; or

5928 (d) if, within 90 consecutive days after the limited liability company ceases to have any
5929 members:

5930 (i) the last person to have been a member, or the legal representative of that person,
5931 designates a person to become a member; and

5932 (ii) the designated person consents to become a member effective as of the date the last
5933 person to have been a member ceased to be a member.

5934 (4) A person may become a member without acquiring a transferable interest and
5935 without making or being obligated to make a contribution to the limited liability company.

5936 Section 220. Section **48-3-402** is enacted to read:

5937 **48-3-402. Form of contribution.**

5938 A contribution may consist of tangible or intangible property or other benefit to a
5939 limited liability company, including money, services performed, promissory notes, other
5940 agreements to contribute money or property, and contracts for services to be performed.

5941 Section 221. Section **48-3-403** is enacted to read:

5942 **48-3-403. Liability for contributions.**

5943 (1) (a) A person's obligation to make a contribution to a limited liability company is
5944 not excused by the person's death, disability, or other inability to perform personally.

5945 (b) If a person does not make a required contribution, the person or the person's estate
5946 is obligated to contribute money equal to the value of the part of the contribution which has not
5947 been made, at the option of the limited liability company.

5948 (c) Notwithstanding the other provisions of this Subsection (1), the operating
5949 agreement of a limited liability company may allow a person's obligation to make a
5950 contribution to be excused by the person's death.

5951 (2) A creditor of a limited liability company which extends credit or otherwise acts in
5952 reliance on an obligation described in Subsection (1) may enforce the obligation.

5953 Section 222. Section **48-3-404** is enacted to read:

5954 **48-3-404. Sharing of and right to distributions before dissolution.**

5955 (1) Except as otherwise provided in the operating agreement, any distributions made by
5956 a limited liability company before its dissolution and winding up must be in equal shares
5957 among members and dissociated members, except to the extent necessary to comply with any
5958 transfer effective under Section 48-3-502 and any charging order in effect under Section
5959 48-3-503.

5960 (2) A person has a right to a distribution before the dissolution and winding up of a
5961 limited liability company only if the limited liability company decides to make an interim
5962 distribution. A person's dissociation does not entitle the person to a distribution.

5963 (3) A person does not have a right to demand or receive a distribution from a limited
5964 liability company in any form other than money. Except as otherwise provided in Subsection
5965 48-3-709(3), a limited liability company may distribute an asset in kind if each part of the asset

5966 is fungible with each other part and each person receives a percentage of the asset equal in
5967 value to the person's share of distributions.

5968 (4) If a member or transferee becomes entitled to receive a distribution, the member or
5969 transferee has the status of, and is entitled to all remedies available to, a creditor of the limited
5970 liability company with respect to the distribution.

5971 Section 223. Section **48-3-405** is enacted to read:

5972 **48-3-405. Limitations on distribution.**

5973 (1) A limited liability company may not make a distribution if after the distribution:

5974 (a) the limited liability company would not be able to pay its debts as they become due
5975 in the ordinary course of the limited liability company's activities; or

5976 (b) the limited liability company's total assets would be less than the sum of its total
5977 liabilities plus the amount that would be needed, if the limited liability company were to be
5978 dissolved, wound up, and terminated at the time of the distribution, to satisfy the preferential
5979 rights upon dissolution, winding up, and termination of members whose preferential rights are
5980 superior to those of persons receiving the distribution.

5981 (2) A limited liability company may base a determination that a distribution is not
5982 prohibited under Subsection (1) on financial statements prepared on the basis of accounting
5983 practices and principles that are reasonable in the circumstances or on a fair valuation or other
5984 method that is reasonable under the circumstances.

5985 (3) Except as otherwise provided in Subsection (6), the effect of a distribution under
5986 Subsection (1) is measured:

5987 (a) in the case of a distribution by purchase, redemption, or other acquisition of a
5988 transferable interest in the limited liability company, as of the date money or other property is
5989 transferred or debt incurred by the limited liability company; and

5990 (b) in all other cases, as of the date:

5991 (i) the distribution is authorized, if the payment occurs within 120 days after that date;

5992 or

5993 (ii) the payment is made, if the payment occurs more than 120 days after the

5994 distribution is authorized.

5995 (4) A limited liability company's indebtedness to a member incurred by reason of a
5996 distribution made in accordance with this section is at parity with the limited liability
5997 company's indebtedness to its general, unsecured creditors.

5998 (5) A limited liability company's indebtedness, including indebtedness issued in
5999 connection with or as part of a distribution, is not a liability for purposes of Subsection (1) if
6000 the terms of the indebtedness provide that payment of principal and interest are made only to
6001 the extent that a distribution could be made to members under this section.

6002 (6) If indebtedness is issued as a distribution, each payment of principal or interest on
6003 the indebtedness is treated as a distribution, the effect of which is measured on the date the
6004 payment is made.

6005 (7) In Subsection (1), "distribution" does not include amounts constituting reasonable
6006 compensation for present or past services or reasonable payments made in the ordinary course
6007 of business under a bona fide retirement plan or other benefits program.

6008 Section 224. Section **48-3-406** is enacted to read:

6009 **48-3-406. Liability for improper distributions.**

6010 (1) Except as otherwise provided in Subsection (2), if a member of a member-managed
6011 limited liability company or manager of a manager-managed limited liability company consents
6012 to a distribution made in violation of Section 48-3-405 and in consenting to the distribution
6013 fails to comply with Section 48-3-409, the member or manager is personally liable to the
6014 limited liability company for the amount of the distribution that exceeds the amount that could
6015 have been distributed without the violation of Section 48-3-405.

6016 (2) To the extent the operating agreement of a member-managed limited liability
6017 company expressly relieves a member of the authority and responsibility to consent to
6018 distributions and imposes that authority and responsibility on one or more other members, the
6019 liability stated in Subsection (1) applies to the other members and not the member that the
6020 operating agreement relieves of authority and responsibility.

6021 (3) A person that receives a distribution knowing that the distribution to that person

6022 was made in violation of Section 48-3-405 is personally liable to the limited liability company
6023 but only to the extent that the distribution received by the person exceeded the amount that
6024 could have been properly paid under Section 48-3-405.

6025 (4) A person against which an action is commenced because the person is liable under
6026 Subsection (1) may:

6027 (a) implead any other person that is subject to liability under Subsection (1) and seek to
6028 compel contribution from the person; and

6029 (b) implead any person that received a distribution in violation of Subsection (3) and
6030 seek to compel contribution from the person in the amount the person received in violation of
6031 Subsection (3).

6032 (5) An action under this section is barred if not commenced within two years after the
6033 distribution.

6034 Section 225. Section **48-3-407** is enacted to read:

6035 **48-3-407. Management of limited liability company.**

6036 (1) A limited liability company is a member-managed limited liability company unless
6037 the operating agreement:

6038 (a) expressly provides that:

6039 (i) the limited liability company is or will be "manager-managed";

6040 (ii) the limited liability company is or will be "managed by managers"; or

6041 (iii) management of the limited liability company is or will be "vested in managers"; or

6042 (b) includes words of similar import.

6043 (2) In a member-managed limited liability company, the following rules apply:

6044 (a) The management and conduct of the limited liability company are vested in the
6045 members.

6046 (b) Each member has equal rights in the management and conduct of the limited
6047 liability company's activities.

6048 (c) A difference arising among members as to a matter in the ordinary course of the
6049 activities of the limited liability company shall be decided by a majority of the members.

6050 (d) An act outside the ordinary course of the activities of the limited liability company
6051 may be undertaken only with the consent of all members.

6052 (e) The operating agreement may be amended only with the consent of all members.

6053 (3) In a manager-managed limited liability company, the following rules apply:

6054 (a) Except as otherwise expressly provided in this chapter, any matter relating to the
6055 activities of the limited liability company is decided exclusively by the managers.

6056 (b) Each manager has equal rights in the management and conduct of the activities of
6057 the limited liability company.

6058 (c) A difference arising among managers as to a matter in the ordinary course of the
6059 activities of the limited liability company shall be decided by a majority of the managers.

6060 (d) The consent of all members is required to:

6061 (i) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the limited
6062 liability company's property, with or without the good will, outside the ordinary course of the
6063 limited liability company's activities;

6064 (ii) approve a merger, conversion, or domestication under Part 10, Merger, Conversion,
6065 and Domestication;

6066 (iii) undertake any other act outside the ordinary course of the limited liability
6067 company's activities; and

6068 (iv) amend the operating agreement.

6069 (e) A manager may be chosen at any time by the consent of a majority of the members
6070 and remains a manager until a successor has been chosen, unless the manager at an earlier time

6071 resigns, is removed, or dies, or, in the case of a manager that is not an individual, terminates.

6072 A manager may be removed at any time by the consent of a majority of the members without
6073 notice or cause.

6074 (f) A person need not be a member to be a manager, but the dissociation of a member
6075 that is also a manager removes the person as a manager. If a person that is both a manager and
6076 a member ceases to be a manager, that cessation does not by itself dissociate the person as a
6077 member.

6078 (g) A person's ceasing to be a manager does not discharge any debt, obligation, or other
6079 liability to the limited liability company or members which the person incurred while a
6080 manager.

6081 (4) An action requiring the consent of members under this chapter may be taken
6082 without a meeting, and a member may appoint a proxy or other agent to consent or otherwise
6083 act for the member by signing an appointing record, personally or by the member's agent.

6084 (5) The dissolution of a limited liability company does not affect the applicability of
6085 this section. However, a person that wrongfully causes dissolution of the limited liability
6086 company loses the right to participate in management as a member and a manager.

6087 (6) This chapter does not entitle a member to remuneration for services performed for a
6088 member-managed limited liability company, except for reasonable compensation for services
6089 rendered in winding up the activities of the limited liability company.

6090 Section 226. Section **48-3-408** is enacted to read:

6091 **48-3-408. Indemnification and insurance.**

6092 (1) A limited liability company shall reimburse for any payment made and indemnify
6093 for any debt, obligation, or other liability incurred by a member of a member-managed
6094 company or the manager of a manager-managed company in the course of the member's or
6095 manager's activities on behalf of the limited liability company, if, in making the payment or
6096 incurring the debt, obligation, or other liability, the member or manager complied with the
6097 duties stated in Sections 48-3-405 and 48-3-409.

6098 (2) A limited liability company may purchase and maintain insurance on behalf of a
6099 member or manager of the limited liability company against liability asserted against or
6100 incurred by the member or manager in that capacity or arising from that status even if, under
6101 Subsection 48-3-110(7), the operating agreement could not eliminate or limit the person's
6102 liability to the limited liability company for the conduct giving rise to the liability.

6103 Section 227. Section **48-3-409** is enacted to read:

6104 **48-3-409. Standards of conduct for members and managers.**

6105 (1) A member of a member-managed limited liability company owes to the limited

6106 liability company and, subject to Subsection 48-3-901(2), the other members the fiduciary
6107 duties of loyalty and care stated in Subsections (2) and (3).

6108 (2) The duty of loyalty of a member in a member-managed limited liability company
6109 includes the duties:

6110 (a) to account to the limited liability company and to hold as trustee for it any property,
6111 profit, or benefit derived by the member:

6112 (i) in the conduct or winding up of the limited liability company's activities;

6113 (ii) from a use by the member of the limited liability company's property; or

6114 (iii) from the appropriation of a limited liability company opportunity;

6115 (b) to refrain from dealing with the limited liability company in the conduct or winding
6116 up of the limited liability company's activities as or on behalf of a person having an interest
6117 adverse to the limited liability company; and

6118 (c) to refrain from competing with the limited liability company in the conduct of the
6119 limited liability company's activities before the dissolution of the limited liability company.

6120 (3) The duty of care of a member in a member-managed limited liability company in
6121 the conduct and winding up of the limited liability company's activities is to refrain from
6122 conduct or inaction that constitutes:

6123 (a) gross negligence;

6124 (b) intentional misconduct; or

6125 (c) an intentional violation of law.

6126 (4) A member in a member-managed limited liability company or a manager-managed
6127 limited liability company shall discharge the duties under this chapter or under the operating
6128 agreement and exercise any rights consistently with the contractual obligation of good faith and
6129 fair dealing.

6130 (5) It is a defense to a claim under Subsection (2)(b) and any comparable claim in
6131 equity or at common law that the transaction was fair to the limited liability company.

6132 (6) All of the members of a member-managed limited liability company or a
6133 manager-managed limited liability company may authorize or ratify, after full disclosure of all

6134 material facts, a specific act or transaction that otherwise would violate the duty of loyalty.

6135 (7) In a manager-managed limited liability company, the following rules apply:

6136 (a) Subsections (1), (2), (3), and (5) apply to the manager or managers and not the
6137 members, except that the operating agreement of a limited liability company may apply the
6138 duty stated in Subsection (2)(c) to a member.

6139 (b) The duty stated under Subsection (2)(c) continues until winding up is completed.

6140 (c) Subsection (4) applies to the members and managers.

6141 (d) Subsection (6) applies only to the members.

6142 (e) A member does not have any fiduciary duty to the limited liability company or to
6143 any other member solely by reason of being a member.

6144 Section 228. Section **48-3-410** is enacted to read:

6145 **48-3-410. Right of members, managers, and dissociated members to information.**

6146 (1) In a member-managed limited liability company, the following rules apply:

6147 (a) On reasonable notice, a member may inspect and copy during regular business
6148 hours, at a reasonable location specified by the limited liability company, any record
6149 maintained by the limited liability company regarding the limited liability company's activities,
6150 financial condition, and other circumstances, to the extent the information is material to the
6151 member's rights and duties under the operating agreement or this chapter.

6152 (b) The limited liability company shall furnish to each member:

6153 (i) without demand, any information concerning the limited liability company's
6154 activities, financial condition, and other circumstances which the limited liability company
6155 knows and is material to the proper exercise of the member's rights and duties under the
6156 operating agreement or this chapter, except to the extent the limited liability company can
6157 establish that it reasonably believes the member already knows the information; and

6158 (ii) on demand, any other information concerning the limited liability company's
6159 activities, financial condition, and other circumstances, except to the extent the demand or
6160 information demanded is unreasonable or otherwise improper under the circumstances.

6161 (c) The duty to furnish information under Subsection (1)(b) also applies to each

6162 member to the extent the member knows any of the information described in Subsection (1)(b).

6163 (2) In a manager-managed limited liability company, the following rules apply:

6164 (a) The informational rights stated in Subsection (1) and the duty stated in Subsection
6165 (1)(c) apply to the managers and not the members.

6166 (b) During regular business hours and at a reasonable location specified by the limited
6167 liability company, a member may obtain from the limited liability company and inspect and
6168 copy full information regarding the activities, financial condition, and other circumstances of
6169 the limited liability company as is just and reasonable if:

6170 (i) the member seeks the information for a purpose material to the member's interest as
6171 a member;

6172 (ii) the member makes a demand in a record received by the limited liability company,
6173 describing with reasonable particularity the information sought and the purpose for seeking the
6174 information; and

6175 (iii) the information sought is directly connected to the member's purpose.

6176 (c) Within 10 days after receiving a demand pursuant to Subsection (2)(b)(ii), the
6177 limited liability company shall in a record inform the member that made the demand:

6178 (i) of the information that the limited liability company will provide in response to the
6179 demand and when and where the limited liability company will provide the information; and

6180 (ii) if the limited liability company declines to provide any demanded information, the
6181 limited liability company's reasons for declining.

6182 (d) Whenever this chapter or an operating agreement provides for a member to give or
6183 withhold consent to a matter, before the consent is given or withheld, the limited liability
6184 company shall, without demand, provide the member with all information that is known to the
6185 limited liability company and is material to the member's decision.

6186 (3) On 10 days' demand made in a record received by a limited liability company, a
6187 dissociated member may have access to information to which the person was entitled while a
6188 member if the information pertains to the period during which the person was a member, the
6189 person seeks the information in good faith, and the person satisfies the requirements imposed

6190 on a member by Subsection (2)(b). The limited liability company shall respond to a demand
6191 made pursuant to this Subsection (3) in the manner provided in Subsection (2)(c).

6192 (4) A limited liability company may charge a person that makes a demand under this
6193 section the reasonable costs of copying, limited to the costs of labor and material.

6194 (5) A member or dissociated member may exercise rights under this section through an
6195 agent or, in the case of an individual under legal disability, a legal representative. Any
6196 restriction or condition imposed by the operating agreement or under Subsection (7) applies
6197 both to the agent or legal representative and the member or dissociated member.

6198 (6) The rights under this section do not extend to a person as transferee.

6199 (7) In addition to any restriction or condition stated in its operating agreement, a
6200 limited liability company, as a matter within the ordinary course of its activities, may impose
6201 reasonable restrictions and conditions on access to and use of information to be furnished under
6202 this section, including designating information confidential and imposing nondisclosure and
6203 safeguarding obligations on the recipient. In a dispute concerning the reasonableness of a
6204 restriction under this Subsection (7), the limited liability company has the burden of proving
6205 reasonableness.

6206 Section 229. Section **48-3-501** is enacted to read:

6207 **Part 5. Transferable Interests and Rights of Transferees and Creditors**

6208 **48-3-501. Nature of transferable interest.**

6209 A transferable interest is personal property.

6210 Section 230. Section **48-3-502** is enacted to read:

6211 **48-3-502. Transfer of transferable interest.**

6212 (1) A transfer, in whole or in part, of a transferable interest:

6213 (a) is permissible;

6214 (b) does not by itself cause a member's dissociation or a dissolution and winding up of
6215 the limited liability company's activities; and

6216 (c) subject to Section 48-3-504, does not entitle the transferee to:

6217 (i) participate in the management or conduct of the limited liability company's

6218 activities; or

6219 (ii) except as otherwise provided in Subsection (3), have access to records or other
6220 information concerning the limited liability company's activities.

6221 (2) A transferee has the right to receive, in accordance with the transfer, distributions to
6222 which the transferor would otherwise be entitled.

6223 (3) In a dissolution and winding up of a limited liability company, a transferee is
6224 entitled to an account of the limited liability company's transactions only from the date of
6225 dissolution.

6226 (4) A transferable interest may be evidenced by a certificate of the interest issued by
6227 the limited liability company in a record, and, subject to this section, the interest represented by
6228 the certificate may be transferred by a transfer of the certificate.

6229 (5) A limited liability company need not give effect to a transferee's rights under this
6230 section until the limited liability company has notice of the transfer.

6231 (6) A transfer of a transferable interest in violation of a restriction on transfer contained
6232 in the operating agreement is ineffective as to a person having notice of the restriction at the
6233 time of transfer.

6234 (7) Except as otherwise provided in Subsection 48-3-602(4)(b), when a member
6235 transfers a transferable interest, the transferor retains the rights of a member other than the
6236 interest in distributions transferred and retains all duties and obligations of a member.

6237 (8) When a member transfers a transferable interest to a person that becomes a member
6238 with respect to the transferred interest, the transferee is liable for the member's obligations
6239 under Section 48-3-403 and Subsection 48-3-406(3) known to the transferee when the
6240 transferee becomes a member.

6241 Section 231. Section **48-3-503** is enacted to read:

6242 **48-3-503. Charging order.**

6243 (1) On application by a judgment creditor of a member or transferee, a court may enter
6244 a charging order against the transferable interest of the judgment debtor for the unsatisfied
6245 amount of the judgment. A charging order constitutes a lien on a judgment debtor's

6246 transferable interest and, after the limited liability company has been served with the charging
6247 order, requires the limited liability company to pay over to the person to which the charging
6248 order was issued any distribution that would otherwise be paid to the judgment debtor.

6249 (2) To the extent necessary to effectuate the collection of distributions pursuant to a
6250 charging order in effect under Subsection (1), the court may:

6251 (a) appoint a receiver of the distributions subject to the charging order, with the power
6252 to make all inquiries the judgment debtor might have made; and

6253 (b) make all other orders necessary to give effect to the charging order.

6254 (3) Upon a showing that distributions under a charging order will not pay the judgment
6255 debt within a reasonable time, the court may foreclose the lien and order the sale of the
6256 transferable interest. The purchaser at the foreclosure sale only obtains the transferable
6257 interest, does not thereby become a member, and is subject to Section 48-3-502.

6258 (4) Notwithstanding Subsection (3), if the member whose interest is charged under this
6259 section is the sole member of the company when the charging order is entered:

6260 (a) the purchaser at a foreclosure sale acquires all rights of the member, including
6261 voting rights; and

6262 (b) the member is considered to have consented to the admission of the purchaser as a
6263 member of the company.

6264 (5) At any time before foreclosure under Subsection (3), the member or transferee
6265 whose transferable interest is subject to a charging order under Subsection (1) may extinguish
6266 the charging order by satisfying the judgment and filing a certified copy of the satisfaction with
6267 the court that issued the charging order.

6268 (6) At any time before foreclosure under Subsection (3), a limited liability company or
6269 one or more members whose transferable interests are not subject to the charging order may
6270 pay to the judgment creditor the full amount due under the judgment and thereby succeed to the
6271 rights of the judgment creditor, including the charging order.

6272 (7) This chapter does not deprive any member or transferee of the benefit of any
6273 exemption laws applicable to the member's or transferee's transferable interest.

6302 Section 234. Section **48-3-602** is enacted to read:

6303 **48-3-602. Events causing dissociation.**

6304 A person is dissociated as a member from a limited liability company when:

6305 (1) the limited liability company has notice of the person's express will to withdraw as
6306 a member, but, if the person specified a withdrawal date later than the date the limited liability
6307 company had notice, on that later date;

6308 (2) an event stated in the operating agreement as causing the person's dissociation
6309 occurs;

6310 (3) the person is expelled as a member pursuant to the operating agreement;

6311 (4) the person is expelled as a member by the unanimous consent of the other members

6312 if:

6313 (a) it is unlawful to carry on the limited liability company's activities with the person as
6314 a member;

6315 (b) there has been a transfer of all of the person's transferable interest in the limited
6316 liability company, other than:

6317 (i) a transfer for security purposes; or

6318 (ii) a charging order in effect under Section 48-3-503 which has not been foreclosed;

6319 (c) the person is a corporation and, within 90 days after the limited liability company
6320 notifies the person that it will be expelled as a member because the person has filed a
6321 certificate of dissolution or the equivalent, its charter has been revoked, or its right to conduct
6322 business has been suspended by the jurisdiction of its incorporation, the certificate of
6323 dissolution has not been revoked or its charter or right to conduct business has not been
6324 reinstated; or

6325 (d) the person is a limited liability company or partnership that has been dissolved and
6326 whose business is being wound up;

6327 (5) on application by the limited liability company, the person is expelled as a member
6328 by judicial order because the person:

6329 (a) has engaged, or is engaging, in wrongful conduct that has adversely and materially

6330 affected, or will adversely and materially affect, the limited liability company's activities;

6331 (b) has willfully or persistently committed, or is willfully and persistently committing,
6332 a material breach of the operating agreement or the person's duties or obligations under Section
6333 48-3-409; or

6334 (c) has engaged in, or is engaging, in conduct relating to the limited liability company's
6335 activities which makes it not reasonably practicable to carry on the activities with the person as
6336 a member;

6337 (6) in the case of a person who is an individual:

6338 (a) the person dies; or

6339 (b) in a member-managed limited liability company:

6340 (i) a guardian or general conservator for the person is appointed; or

6341 (ii) there is a judicial order that the person has otherwise become incapable of
6342 performing the person's duties as a member under this chapter or the operating agreement;

6343 (7) in a member-managed limited liability company, the person:

6344 (a) becomes a debtor in bankruptcy;

6345 (b) executes an assignment for the benefit of creditors; or

6346 (c) seeks, consents to, or acquiesces in the appointment of a trustee, receiver, or
6347 liquidator of the person or of all or substantially all of the person's property;

6348 (8) in the case of a person that is a trust or is acting as a member by virtue of being a
6349 trustee of a trust, the trust's entire transferable interest in the limited liability company is
6350 distributed;

6351 (9) in the case of a person that is an estate or is acting as a member by virtue of being a
6352 personal representative of an estate, the estate's entire transferable interest in the limited
6353 liability company is distributed;

6354 (10) in the case of a member that is not an individual, partnership, limited liability
6355 company, corporation, trust, or estate, the termination of the member;

6356 (11) the limited liability company participates in a merger under Part 10, Merger,
6357 Conversion, and Domestication, if:

- 6358 (a) the limited liability company is not the surviving entity; or
- 6359 (b) otherwise as a result of the merger, the person ceases to be a member;
- 6360 (12) the limited liability company participates in a conversion under Part 10, Merger,
- 6361 Conversion, and Domestication;
- 6362 (13) the limited liability company participates in a domestication under Part 10,
- 6363 Merger, Conversion, and Domestication, if, as a result of the domestication, the person ceases
- 6364 to be a member; or
- 6365 (14) the limited liability company terminates.

6366 Section 235. Section **48-3-603** is enacted to read:

6367 **48-3-603. Effect of person's dissociation as member.**

- 6368 (1) When a person is dissociated as a member of a limited liability company:
- 6369 (a) the person's right to participate as a member in the management and conduct of the
- 6370 limited liability company's activities terminates;
- 6371 (b) if the limited liability company is member-managed, the person's fiduciary duties as
- 6372 a member end with regard to matters arising and events occurring after the person's
- 6373 dissociation; and
- 6374 (c) subject to Section 48-3-504 and Part 10, Merger, Conversion, and Domestication,
- 6375 any transferable interest owned by the person immediately before dissociation in the person's
- 6376 capacity as a member is owned by the person solely as a transferee.
- 6377 (2) A person's dissociation as a member of a limited liability company does not of itself
- 6378 discharge the person from any debt, obligation, or other liability to the limited liability
- 6379 company or the other members which the person incurred while a member.

6380 Section 236. Section **48-3-701** is enacted to read:

6381 **Part 7. Dissolution and Winding Up**

6382 **48-3-701. Events causing dissolution.**

- 6383 A limited liability company is dissolved, and its activities must be wound up, upon the
- 6384 occurrence of any of the following:
- 6385 (1) an event or circumstance that the operating agreement states causes dissolution;

- 6386 (2) the consent of all the members;
- 6387 (3) the passage of 90 consecutive days during which the limited liability company has
- 6388 no members;
- 6389 (4) on application by a member, the entry by a district court of an order dissolving the
- 6390 limited liability company on the grounds that:
- 6391 (a) the conduct of all or substantially all of the limited liability company's activities is
- 6392 unlawful; or
- 6393 (b) it is not reasonably practicable to carry on the limited liability company's activities
- 6394 in conformity with the certificate of organization and the operating agreement; or
- 6395 (5) on application by a member, the entry by a district court of an order dissolving the
- 6396 limited liability company on the grounds that the managers or those in control of the limited
- 6397 liability company have acted, are acting, or will act in a manner that is illegal, oppressive, or
- 6398 fraudulent.

6399 Section 237. Section **48-3-702** is enacted to read:

6400 **48-3-702. Election to purchase in lieu of dissolution.**

6401 (1) In a proceeding under Subsection 48-3-701(5) to dissolve a limited liability

6402 company, the limited liability company may elect or, if it fails to elect, one or more members

6403 may elect to purchase the interest in the limited liability company owned by the petitioning

6404 member at the fair market value of the interest, determined as provided in this section. An

6405 election pursuant to this section is irrevocable unless the court determines that it is equitable to

6406 set aside or modify the election.

6407 (2) (a) An election to purchase pursuant to this section may be filed with the court at

6408 any time within 90 days after the filing of the petition in a proceeding under Subsection

6409 48-3-701(5) or at any later time as the court in its discretion may allow. If the limited liability

6410 company files an election with the court within the 90-day period, or at any later time allowed

6411 by the court, to purchase the interest in the limited liability company owned by the petitioning

6412 member, the limited liability company shall purchase the interest in the manner provided in this

6413 section.

6414 (b) If the limited liability company does not file an election with the court within the
6415 time period, but an election to purchase the interest in the limited liability company owned by
6416 the petitioning member is filed by one or more members within the time period, the limited
6417 liability company shall, within 10 days after the later of the end of the time period allowed for
6418 the filing of elections to purchase under this section or notification from the court of an election
6419 by members to purchase the interest in the limited liability company owned by the petitioning
6420 member as provided in this section, give written notice of the election to purchase to all
6421 members of the limited liability company, other than the petitioning member. The notice shall
6422 state the name and the percentage interest in the limited liability company owned by the
6423 petitioning member and the name and the percentage interest in the limited liability company
6424 owned by each electing member. The notice shall advise any recipients who have not
6425 participated in the election of their right to join in the election to purchase the interest in the
6426 limited liability company in accordance with this section and of the date by which any notice of
6427 intent to participate must be filed with the court.

6428 (c) Members who wish to participate in the purchase of the interest in the limited
6429 liability company of the petitioning member must file notice of their intention to join in the
6430 purchase by electing members no later than 30 days after the effective date of the limited
6431 liability company's notice of their right to join in the election to purchase.

6432 (d) All members who have filed with the court an election or notice of their intention to
6433 participate in the election to purchase the interest in the limited liability company of the
6434 petitioning member thereby become irrevocably obligated to participate in the purchase of the
6435 interest from the petitioning member upon the terms and conditions of this section, unless the
6436 court otherwise directs.

6437 (e) After an election has been filed by the limited liability company or one or more
6438 members, the proceedings under Subsection 48-3-701(5) may not be discontinued or settled,
6439 nor may the petitioning member sell or otherwise dispose of the petitioning member's interest
6440 in the limited liability company, unless the court determines that it would be equitable to the
6441 limited liability company and the members, other than the petitioning member, to permit any

6442 discontinuance, settlement, sale, or other disposition.

6443 (3) If, within 60 days after the earlier of the limited liability company filing of an
6444 election to purchase the interest in the limited liability company of the petitioning member or
6445 the limited liability company's mailing of a notice to its members of the filing of an election by
6446 the members to purchase the interest in the limited liability company of the petitioning
6447 member, the petitioning member and electing limited liability company or members reach
6448 agreement as to the fair market value and terms of the purchase of the petitioning member's
6449 interest, the court shall enter an order directing the purchase of the petitioning member's
6450 interest, upon the terms and conditions agreed to by the parties.

6451 (4) If the parties are unable to reach an agreement as provided for in Subsection (3),
6452 upon application of any party, the court shall stay the proceedings under Subsection
6453 48-3-701(5) and determine the fair market value of the petitioning member's interest in the
6454 limited liability company as of the day before the date on which the petition under Subsection
6455 48-3-701(5) was filed or as of any other date the court determines to be appropriate under the
6456 circumstances and based on the factors the court determines to be appropriate.

6457 (5) (a) Upon determining the fair market value of the interest in the limited liability
6458 company of the petitioning member, the court shall enter an order directing the purchase of the
6459 interest in the limited liability company upon terms and conditions the court determines to be
6460 appropriate. The terms and conditions may include payment of the purchase price in
6461 installments, where necessary in the interest of equity, provision for security to assure payment
6462 of the purchase price and any additional costs, fees, and expenses awarded by the court, and an
6463 allocation of the interest in the limited liability company among members if the interest in the
6464 limited liability company is to be purchased by members.

6465 (b) In allocating the petitioning member's interest in the limited liability company
6466 among holders of different classes of members, the court shall attempt to preserve the existing
6467 distribution of voting rights among member classes to the extent practicable. The court may
6468 direct that holders of a specific class or classes may not participate in the purchase. The court
6469 may not require any electing member to purchase more of the interest in the limited liability

6470 company owned by the petitioning member than the percentage interest that the purchasing
6471 member may have set forth in the purchasing member's election or notice of intent to
6472 participate filed with the court.

6473 (c) Interest may be allowed at the rate and from the date determined by the court to be
6474 equitable. However, if the court finds that the refusal of the petitioning member to accept an
6475 offer of payment was arbitrary or otherwise not in good faith, interest may not be allowed.

6476 (d) If the court finds that the petitioning member had probable ground for relief under
6477 Subsection 48-3-701(5), the court may award to the petitioning member reasonable fees and
6478 expenses of counsel and experts employed by the petitioning member.

6479 (6) Upon entry of an order under Subsection (3) or (5), the court shall dismiss the
6480 petition to dissolve the limited liability company under Subsection 48-3-701(5) and the
6481 petitioning member shall no longer have any rights or status as a member of the limited liability
6482 company, except the right to receive the amounts awarded to him by the court. The award is
6483 enforceable in the same manner as any other judgment.

6484 (7) (a) The purchase ordered pursuant to Subsection (5) shall be made within 10 days
6485 after the date the order becomes final, unless before that time the limited liability company files
6486 with the court a notice of its intention to file a certificate of dissolution. The certificate of
6487 dissolution must then be adopted and filed within 60 days after notice.

6488 (b) Upon filing of articles of dissolution, the limited liability company is dissolved and
6489 shall be wound up pursuant to Section 48-3-703, and the order entered pursuant to Subsection
6490 (5) is no longer of any force or effect. However, the court may award the petitioning member
6491 reasonable fees and expenses in accordance with Subsection (5)(d). The petitioning member
6492 may continue to pursue any claims previously asserted on behalf of the limited liability
6493 company.

6494 (8) Any payment by the limited liability company pursuant to an order under
6495 Subsection (3) or (5), other than an award of fees and expenses pursuant to Subsection (5)(d),
6496 is subject to the provisions of Sections 48-3-405 and 48-3-406.

6497 Section 238. Section **48-3-703** is enacted to read:

6498 **48-3-703. Winding up.**

6499 (1) A dissolved limited liability company shall wind up its activities, and the limited
6500 liability company continues after dissolution only for the purpose of winding up.

6501 (2) In winding up its activities, a limited liability company:

6502 (a) shall discharge the limited liability company's debts, obligations, or other liabilities,
6503 settle and close the limited liability company's activities, and marshal and distribute the assets
6504 of the limited liability company; and

6505 (b) may:

6506 (i) deliver to the division for filing a statement of dissolution stating the name of the
6507 limited liability company and that the limited liability company is dissolved;

6508 (ii) preserve the limited liability company activities and property as a going concern for
6509 a reasonable time;

6510 (iii) prosecute and defend actions and proceedings, whether civil, criminal, or
6511 administrative;

6512 (iv) transfer the limited liability company's property;

6513 (v) settle disputes by mediation or arbitration;

6514 (vi) deliver to the division for filing a statement of termination stating the name of the
6515 limited liability company and that the limited liability company is terminated; and

6516 (vii) perform other acts necessary or appropriate to the winding up.

6517 (3) If a dissolved limited liability company has no members, the legal representative of
6518 the last person to have been a member may wind up the activities of the limited liability
6519 company. If the person does so, the person has the powers of a sole manager under Subsection
6520 48-3-407(3) and is deemed to be a manager for the purposes of Subsection 48-3-304(1)(b).

6521 (4) If the legal representative under Subsection (3) declines or fails to wind up the
6522 limited liability company's activities, a person may be appointed to do so by the consent of
6523 transferees owning a majority of the rights to receive distributions as transferees at the time the
6524 consent is to be effective. A person appointed under this Subsection (4):

6525 (a) has the powers of a sole manager under Subsection 48-3-407(3) and is deemed to

6526 be a manager for the purposes of Subsection 48-3-304(1)(b); and
6527 (b) shall promptly deliver to the division for filing an amendment to the limited
6528 liability company's certificate of organization to:
6529 (i) state that the limited liability company has no members;
6530 (ii) state that the person has been appointed pursuant to this Subsection (4) to wind up
6531 the limited liability company; and
6532 (c) provide the street and mailing addresses of the person.
6533 (5) A district court may order judicial supervision of the winding up of a dissolved
6534 limited liability company, including the appointment of a person to wind up the limited liability
6535 company's activities:
6536 (a) on application of a member, if the applicant establishes good cause;
6537 (b) on the application of a transferee, if:
6538 (i) the limited liability company does not have any members;
6539 (ii) the legal representative of the last person to have been a member declines or fails to
6540 wind up the limited liability company's activities; and
6541 (iii) within a reasonable time following the dissolution a person has not been appointed
6542 pursuant to Subsection (4); or
6543 (c) in connection with a proceeding under Subsection 48-3-701(4) or (5).
6544 Section 239. Section **48-3-704** is enacted to read:
6545 **48-3-704. Known claims against dissolved limited liability company.**
6546 (1) A dissolved limited liability company in winding up may dispose of the known
6547 claims against it by following the procedures described in this section.
6548 (2) A limited liability company in winding up electing to dispose of known claims
6549 pursuant to this section may give written notice of the limited liability company's dissolution to
6550 known claimants at any time after the effective date of the dissolution. The written notice
6551 must:
6552 (a) describe the information that must be included in a claim;
6553 (b) provide an address to which written notice of any claim must be given to the

6554 limited liability company;

6555 (c) state the deadline, which may not be fewer than 120 days after the effective date of
6556 the notice, by which the dissolved limited liability company must receive the claim; and

6557 (d) state that, unless sooner barred by another state statute limiting actions, the claim
6558 will be barred if not received by the deadline.

6559 (3) Unless sooner barred by another statute limiting actions, a claim against the
6560 dissolved limited liability company is barred if:

6561 (a) a claimant was given notice under Subsection (2) and the claim is not received by
6562 the dissolved limited liability company by the deadline; or

6563 (b) the dissolved limited liability company delivers to the claimant written notice of
6564 rejection of the claim within 90 days after receipt of the claim and the claimant whose claim
6565 was rejected by the dissolved limited liability company does not commence a proceeding to
6566 enforce the claim within 90 days after the effective date of the rejection notice.

6567 (4) Claims which are not rejected by the dissolved limited liability company in writing
6568 within 90 days after receipt of the claim by the dissolved limited liability company shall be
6569 considered approved.

6570 (5) The failure of the dissolved limited liability company to give notice to any known
6571 claimant pursuant to Subsection (2) does not affect the disposition under this section of any
6572 claim held by any other known claimant.

6573 (6) This section does not apply to a claim based on an event occurring after the
6574 effective date of dissolution or a liability that on that date is contingent.

6575 Section 240. Section **48-3-705** is enacted to read:

6576 **48-3-705. Other claims against dissolved limited liability company.**

6577 (1) A dissolved limited liability company may publish notice of its dissolution and
6578 request persons having claims against the limited liability company to present them in
6579 accordance with the notice.

6580 (2) The notice authorized by Subsection (1) must:

6581 (a) be published:

6582 (i) at least once in a newspaper of general circulation in the county in this state in
6583 which the dissolved limited liability company's principal office is located or, if it has none in
6584 this state, in Salt Lake County; and

6585 (ii) in accordance with Section 45-1-101;

6586 (b) describe the information required to be contained in a claim and provide a mailing
6587 address to which the claim is to be sent; and

6588 (c) state that a claim against the limited liability company is barred unless an action to
6589 enforce the claim is commenced within five years after publication of the notice.

6590 (3) If a dissolved limited liability company publishes a notice in accordance with
6591 Subsection (2), unless the claimant commences an action to enforce the claim against the
6592 limited liability company within five years after the publication date of the notice, the claim of
6593 each of the following claimants is barred:

6594 (a) a claimant that did not receive notice in a record under Section 48-3-704;

6595 (b) a claimant whose claim was timely sent to the limited liability company but not
6596 acted on; and

6597 (c) a claimant whose claim is contingent at, or based on an event occurring after, the
6598 effective date of dissolution.

6599 (4) A claim not barred under this section may be enforced:

6600 (a) against a dissolved limited liability company, to the extent of its undistributed
6601 assets; and

6602 (b) if assets of the limited liability company have been distributed after dissolution,
6603 against a member or transferee to the extent of that person's proportionate share of the claim or
6604 of the assets distributed to the member or transferee after dissolution, whichever is less, but a
6605 person's total liability for all claims under this Subsection (4)(b) does not exceed the total
6606 amount of assets distributed to the person after dissolution.

6607 Section 241. Section **48-3-706** is enacted to read:

6608 **48-3-706. Administrative dissolution.**

6609 (1) The division may dissolve a limited liability company administratively if the

6610 limited liability company does not:

6611 (a) pay, within 60 days after the due date, any fee, tax, or penalty due to the division
6612 under this chapter or law other than this chapter; or

6613 (b) deliver, within 60 days after the due date, its annual report to the division.

6614 (2) If the division determines that a ground exists for administratively dissolving a
6615 limited liability company, the division shall file a record of the determination and serve the
6616 limited liability company with a copy of the filed record.

6617 (3) If within 60 days after service of the copy pursuant to Subsection (2) a limited
6618 liability company does not correct each ground for dissolution or demonstrate to the reasonable
6619 satisfaction of the division that each ground determined by the division does not exist, the
6620 division shall dissolve the limited liability company administratively by preparing, signing, and
6621 filing a declaration of dissolution that states the grounds for dissolution. The division shall
6622 serve the limited liability company with a copy of the filed declaration.

6623 (4) A limited liability company that has been administratively dissolved continues in
6624 existence but, subject to Section 48-3-707, may carry on only activities necessary to wind up its
6625 activities and liquidate its assets under Sections 48-3-703 and 48-3-709 and to notify claimants
6626 under Sections 48-3-704 and 48-3-705.

6627 (5) The administrative dissolution of a limited liability company does not terminate the
6628 authority of its agent for service of process.

6629 Section 242. Section **48-3-707** is enacted to read:

6630 **48-3-707. Reinstatement following administrative dissolution.**

6631 (1) A limited liability company that has been administratively dissolved may apply to
6632 the division for reinstatement within two years after the effective date of dissolution. The
6633 application must be delivered to the division for filing and state:

6634 (a) the name of the limited liability company and the effective date of its dissolution;

6635 (b) that the grounds for dissolution did not exist or have been eliminated; and

6636 (c) that the limited liability company's name satisfies the requirements of Section
6637 48-3-108.

6638 (2) If the division determines that an application under Subsection (1) contains the
6639 required information and that the information is correct, the division shall prepare a declaration
6640 of reinstatement that states this determination, sign and file the original of the declaration of
6641 reinstatement, and serve the limited liability company with a copy.

6642 (3) When a reinstatement becomes effective, it relates back to and takes effect as of the
6643 effective date of the administrative dissolution and the limited liability company may resume
6644 its activities as if the dissolution had not occurred.

6645 Section 243. Section **48-3-708** is enacted to read:

6646 **48-3-708. Appeal from rejection of reinstatement.**

6647 (1) If the division rejects a limited liability company's application for reinstatement
6648 following administrative dissolution, the division shall prepare, sign, and file a notice that
6649 explains the reason for rejection and serve the limited liability company with a copy of the
6650 notice.

6651 (2) Within 30 days after service of a notice of rejection of reinstatement under
6652 Subsection (1), a limited liability company may appeal from the rejection by petitioning a court
6653 of appropriate jurisdiction to set aside the dissolution. The petition must be served on the
6654 division and contain a copy of the division's declaration of dissolution, the limited liability
6655 company's application for reinstatement, and the division's notice of rejection.

6656 (3) The court may order the division to reinstate a dissolved limited liability company
6657 or take other action the court considers appropriate.

6658 Section 244. Section **48-3-709** is enacted to read:

6659 **48-3-709. Distribution of assets in winding up limited liability company's**
6660 **activities.**

6661 (1) In winding up its activities, a limited liability company must apply its assets to
6662 discharge its obligations to creditors, including members that are creditors.

6663 (2) After a limited liability company complies with Subsection (1), any surplus must be
6664 distributed in the following order, subject to any charging order in effect under Section
6665 48-3-503:

6666 (a) to each person owning a transferable interest that reflects contributions made by a
6667 member and not previously returned, an amount equal to the value of the unreturned
6668 contributions; and

6669 (b) in equal shares among members and dissociated members, except to the extent
6670 necessary to comply with any transfer effective under Section 48-3-502.

6671 (3) If a limited liability company does not have sufficient surplus to comply with
6672 Subsection (2)(a), any surplus must be distributed among the owners of transferable interests in
6673 proportion to the value of their respective unreturned contributions.

6674 (4) All distributions made under Subsections (2) and (3) must be paid in money.
6675 Section 245. Section **48-3-801** is enacted to read:

6676 **Part 8. Foreign Limited Liability Companies**

6677 **48-3-801. Governing law.**

6678 (1) The law of the state or other jurisdiction under which a foreign limited liability
6679 company is formed governs:

6680 (a) the internal affairs of the limited liability company; and

6681 (b) the liability of a member as member and a manager as manager for the debts,
6682 obligations, or other liabilities of the limited liability company.

6683 (2) A foreign limited liability company may not be denied a certificate of authority by
6684 reason of any difference between the law of the jurisdiction under which the limited liability
6685 company is formed and the law of this state.

6686 (3) A certificate of authority does not authorize a foreign limited liability company to
6687 engage in any business or exercise any power that a limited liability company may not engage
6688 in or exercise in this state.

6689 (4) (a) The division may permit a tribal limited liability company to apply for authority
6690 to transact business in the state in the same manner as a foreign company formed in another
6691 state.

6692 (b) If a tribal limited liability company elects to apply for authority to transact business
6693 in the state, for purposes of this chapter, the tribal limited liability company shall be treated in

6694 the same manner as a foreign company formed under the laws of another state.

6695 Section 246. Section **48-3-802** is enacted to read:

6696 **48-3-802. Application for certificate of authority.**

6697 (1) A foreign limited liability company may apply for a certificate of authority to
6698 transact business in this state by delivering an application to the division for filing. The
6699 application must state:

6700 (a) the name of the limited liability company and, if the name does not comply with
6701 Section 48-3-108, an alternate name adopted pursuant to Subsection 48-3-805(1);

6702 (b) the name of the state or other jurisdiction under whose law the limited liability
6703 company is formed;

6704 (c) the street and mailing addresses of the limited liability company's principal office
6705 and, if the law of the jurisdiction under which the limited liability company is formed requires
6706 the limited liability company to maintain an office in that jurisdiction, the street and mailing
6707 addresses of the required office; and

6708 (d) the information required by Subsection 16-17-203(1).

6709 (2) A foreign limited liability company shall deliver with a completed application
6710 under Subsection (1) a certificate of existence or a record of similar import signed by the
6711 division or other official having custody of the limited liability company's publicly filed records
6712 in the state or other jurisdiction under whose law the limited liability company is formed.

6713 Section 247. Section **48-3-803** is enacted to read:

6714 **48-3-803. Activities not constituting transacting business.**

6715 (1) Activities of a foreign limited liability company which do not constitute transacting
6716 business in this state within the meaning of this part include:

6717 (a) maintaining, defending, or settling an action or proceeding;

6718 (b) carrying on any activity concerning its internal affairs, including holding meetings
6719 of its members or managers;

6720 (c) maintaining accounts in financial institutions;

6721 (d) maintaining offices or agencies for the transfer, exchange, and registration of the

6722 limited liability company's own securities or maintaining trustees or depositories with respect
6723 to those securities;

6724 (e) selling through independent contractors;

6725 (f) soliciting or obtaining orders, whether by mail or electronic means or through
6726 employees or agents or otherwise, if the orders require acceptance outside this state before they
6727 become contracts;

6728 (g) creating or acquiring indebtedness, mortgages, or security interests in real or
6729 personal property;

6730 (h) securing or collecting debts or enforcing mortgages or other security interests in
6731 property securing the debts and holding, protecting, or maintaining property so acquired;

6732 (i) conducting an isolated transaction that is completed within 30 days and is not in the
6733 course of similar transactions; and

6734 (j) transacting business in interstate commerce.

6735 (2) For purposes of this part, the ownership in this state of income-producing real
6736 property or tangible personal property, other than property excluded under Subsection (1),
6737 constitutes transacting business in this state.

6738 (3) This section does not apply in determining the contacts or activities that may
6739 subject a foreign limited liability company to service of process, taxation, or regulation under
6740 law of this state other than this chapter.

6741 Section 248. Section **48-3-804** is enacted to read:

6742 **48-3-804. Filing of certificate of authority.**

6743 Unless the division determines that an application for a certificate of authority does not
6744 comply with the filing requirements of this chapter, the division, upon payment of all filing
6745 fees, shall file the application of a foreign limited liability company, prepare, sign, and file a
6746 certificate of authority to transact business in this state, and send a copy of the filed certificate,
6747 together with a receipt for the fees, to the limited liability company or its representative.

6748 Section 249. Section **48-3-805** is enacted to read:

6749 **48-3-805. Noncomplying name of foreign limited liability company.**

6750 (1) A foreign limited liability company whose name does not comply with Section
6751 48-3-108 may not obtain a certificate of authority until it adopts, for the purpose of transacting
6752 business in this state, an alternate name that complies with Section 48-3-108. A foreign limited
6753 liability company that adopts an alternate name under this Subsection (1) and obtains a
6754 certificate of authority with the alternate name need not comply with Title 42, Chapter 2,
6755 Conducting Business Under Assumed Name. After obtaining a certificate of authority with an
6756 alternate name, a foreign limited liability company shall transact business in this state under the
6757 alternate name unless the limited liability company is authorized under Title 42, Chapter 2,
6758 Conducting Business Under Assumed Name, to transact business in this state under another
6759 name.

6760 (2) If a foreign limited liability company authorized to transact business in this state
6761 changes its name to one that does not comply with Section 48-3-108, it may not thereafter
6762 transact business in this state until it complies with Subsection (1) and obtains an amended
6763 certificate of authority.

6764 Section 250. Section **48-3-806** is enacted to read:

6765 **48-3-806. Revocation of certificate of authority.**

6766 (1) A certificate of authority of a foreign limited liability company to transact business
6767 in this state may be revoked by the division in the manner provided in Subsections (2) and (3)
6768 if the limited liability company does not:

6769 (a) pay, within 60 days after the due date, any fee, tax, or penalty due to the division
6770 under this chapter or law other than this chapter;

6771 (b) deliver, within 60 days after the due date, its annual report required under Section
6772 48-3-209;

6773 (c) appoint and maintain an agent for service of process as required by Subsection
6774 16-17-203(1); or

6775 (d) deliver for filing a statement of a change under Section 16-17-206 within 30 days
6776 after a change has occurred in the name or address of the agent.

6777 (2) To revoke a certificate of authority of a foreign limited liability company, the

6778 division must prepare, sign, and file a notice of revocation and send a copy to the limited
6779 liability company's agent for service of process in this state, or if the limited liability company
6780 does not appoint and maintain a proper agent in this state, to the limited liability company's
6781 principal office. The notice must state:

6782 (a) the revocation's effective date, which must be at least 60 days after the date the
6783 division sends the copy; and

6784 (b) the grounds for revocation under Subsection (1).

6785 (3) The authority of a foreign limited liability company to transact business in this state
6786 ceases on the effective date of the notice of revocation unless before that date the limited
6787 liability company cures each ground for revocation stated in the notice filed under Subsection
6788 (2). If the limited liability company cures each ground, the division shall file a record so
6789 stating.

6790 Section 251. Section **48-3-807** is enacted to read:

6791 **48-3-807. Cancellation of certificate of authority.**

6792 To cancel its certificate of authority to transact business in this state, a foreign limited
6793 liability company must deliver to the division for filing a notice of cancellation stating the
6794 name of the limited liability company and that the limited liability company desires to cancel
6795 its certificate of authority. The certificate is canceled when the notice becomes effective.

6796 Section 252. Section **48-3-808** is enacted to read:

6797 **48-3-808. Effect of failure to have certificate of authority.**

6798 (1) A foreign limited liability company transacting business in this state may not
6799 maintain an action or proceeding in this state unless it has a certificate of authority to transact
6800 business in this state.

6801 (2) The failure of a foreign limited liability company to have a certificate of authority
6802 to transact business in this state does not impair the validity of a contract or act of the limited
6803 liability company or prevent the limited liability company from defending an action or
6804 proceeding in this state.

6805 (3) A member or manager of a foreign limited liability company is not liable for the

6806 debts, obligations, or other liabilities of the limited liability company solely because the limited
6807 liability company transacted business in this state without a certificate of authority.

6808 (4) If a foreign limited liability company transacts business in this state without a
6809 certificate of authority or cancels its certificate of authority, service of process for rights of
6810 action arising out of the transaction of business in this state shall be served in accordance with
6811 Section 16-17-301.

6812 Section 253. Section **48-3-809** is enacted to read:

6813 **48-3-809. Action by attorney general.**

6814 The attorney general may maintain an action to enjoin a foreign limited liability
6815 company from transacting business in this state in violation of this part.

6816 Section 254. Section **48-3-901** is enacted to read:

6817 **Part 9. Actions by Members**

6818 **48-3-901. Direct action by member.**

6819 (1) Subject to Subsection (2), a member may maintain a direct action against another
6820 member, a manager, or the limited liability company to enforce the member's rights and
6821 otherwise protect the member's interests, including rights and interests under the operating
6822 agreement or this chapter or arising independently of the membership relationship.

6823 (2) A member maintaining a direct action under this section must plead and prove an
6824 actual or threatened injury that is not solely the result of an injury suffered or threatened to be
6825 suffered by the limited liability company.

6826 Section 255. Section **48-3-902** is enacted to read:

6827 **48-3-902. Derivative action.**

6828 A member may maintain a derivative action to enforce a right of a limited liability
6829 company if:

6830 (1) the member first makes a demand on the other members in a member-managed
6831 limited liability company, or the managers of a manager-managed limited liability company,
6832 requesting that they cause the limited liability company to bring an action to enforce the right,
6833 and the managers or other members do not bring the action within a reasonable time; or

6834 (2) a demand under Subsection (1) would be futile.

6835 Section 256. Section **48-3-903** is enacted to read:

6836 **48-3-903. Proper plaintiff.**

6837 (1) Except as otherwise provided in Subsection (2), a derivative action under Section
6838 48-3-902 may be maintained only by a person that is a member at the time the action is
6839 commenced and remains a member while the action continues.

6840 (2) If the sole plaintiff in a derivative action dies while the action is pending, the court
6841 may permit another member of the limited liability company to be substituted as plaintiff.

6842 Section 257. Section **48-3-904** is enacted to read:

6843 **48-3-904. Pleading.**

6844 In a derivative action under Section 48-3-902, the complaint must state with
6845 particularity:

6846 (1) the date and content of plaintiff's demand and the response to the demand by the
6847 managers or other members; or

6848 (2) if a demand has not been made, the reasons a demand under Subsection
6849 48-3-902(1) would be futile.

6850 Section 258. Section **48-3-905** is enacted to read:

6851 **48-3-905. Special litigation committee.**

6852 (1) If a limited liability company is named as or made a party in a derivative
6853 proceeding, the limited liability company may appoint a special litigation committee to
6854 investigate the claims asserted in the proceeding and determine whether pursuing the action is
6855 in the best interests of the limited liability company. If the limited liability company appoints a
6856 special litigation committee, on motion by the committee made in the name of the limited
6857 liability company, except for good cause shown, the court shall stay discovery for the time
6858 reasonably necessary to permit the committee to make its investigation. This Subsection (1)
6859 does not prevent the court from enforcing a person's right to information under Section
6860 48-3-410 or, for good cause shown, granting extraordinary relief in the form of a temporary
6861 restraining order or preliminary injunction.

6862 (2) A special litigation committee may be composed of one or more disinterested and
6863 independent individuals, who may be members.

6864 (3) A special litigation committee may be appointed:

6865 (a) in a member-managed limited liability company:

6866 (i) by the consent of a majority of the members not named as defendants or plaintiffs in
6867 the proceeding; and

6868 (ii) if all members are named as defendants or plaintiffs in the proceeding, by a
6869 majority of the members named as defendants; or

6870 (b) in a manager-managed limited liability company:

6871 (i) by a majority of the managers not named as defendants or plaintiffs in the
6872 proceeding; and

6873 (ii) if all managers are named as defendants or plaintiffs in the proceeding, by a
6874 majority of the managers named as defendants.

6875 (4) After appropriate investigation, a special litigation committee may determine that it
6876 is in the best interests of the limited liability company that the proceeding:

6877 (a) continue under the control of the plaintiff;

6878 (b) continue under the control of the committee;

6879 (c) be settled on terms approved by the committee; or

6880 (d) be dismissed.

6881 (5) After making a determination under Subsection (4), a special litigation committee
6882 shall file with the court a statement of its determination and its report supporting its
6883 determination, giving notice to the plaintiff. The court shall determine whether the members of
6884 the committee were disinterested and independent and whether the committee conducted its
6885 investigation and made its recommendation in good faith, independently, and with reasonable
6886 care, with the committee having the burden of proof. If the court finds that the members of the
6887 committee were disinterested and independent and that the committee acted in good faith,
6888 independently, and with reasonable care, the court shall enforce the determination of the
6889 committee. Otherwise, the court shall dissolve the stay of discovery entered under Subsection

6890 (1) and allow the action to proceed under the direction of the plaintiff.

6891 Section 259. Section **48-3-906** is enacted to read:

6892 **48-3-906. Proceeds and expenses.**

6893 (1) Except as otherwise provided in Subsection (2):

6894 (a) any proceeds or other benefits of a derivative action under Section 48-3-902,
6895 whether by judgment, compromise, or settlement, belong to the limited liability company and
6896 not to the plaintiff; and

6897 (b) if the plaintiff receives any proceeds, the plaintiff shall remit them immediately to
6898 the limited liability company.

6899 (2) If a derivative action under Section 48-3-902 is successful in whole or in part, the
6900 court may award the plaintiff reasonable expenses, including reasonable attorney fees and
6901 costs, from the recovery of the limited liability company.

6902 Section 260. Section **48-3-1001** is enacted to read:

6903 **Part 10. Merger, Conversion, and Domestication**

6904 **48-3-1001. Definitions.**

6905 As used in this part:

6906 (1) "Constituent limited liability company" means a constituent organization that is a
6907 limited liability company.

6908 (2) "Constituent organization" means an organization that is party to a merger.

6909 (3) "Converted organization" means the organization into which a converting
6910 organization converts pursuant to Sections 48-3-1006 through 48-3-1009.

6911 (4) "Converting limited liability company" means a converting organization that is a
6912 limited liability company.

6913 (5) "Converting organization" means an organization that converts into another
6914 organization pursuant to Section 48-3-1006.

6915 (6) "Domesticated company" means the limited liability company that exists after a
6916 domesticating foreign limited liability company or limited liability company effects a
6917 domestication pursuant to Sections 48-3-1010 through 48-3-1013.

- 6918 (7) "Domesticating company" means the limited liability company that effects a
6919 domestication pursuant to Sections 48-3-1010 through 48-3-1013.
- 6920 (8) "Governing statute" means the statute that governs an organization's internal affairs.
- 6921 (9) (a) "Organization" means:
- 6922 (i) a general partnership, including a limited liability partnership;
6923 (ii) a limited partnership, including a limited liability limited partnership;
6924 (iii) a limited liability company;
6925 (iv) a business trust;
6926 (v) a corporation; or
6927 (vi) any other person having a governing statute.
- 6928 (b) "Organization" includes a domestic or foreign organization regardless of whether
6929 organized for profit.
- 6930 (10) "Organizational documents" means:
- 6931 (a) for a domestic or foreign general partnership, its partnership agreement;
6932 (b) for a limited partnership or foreign limited partnership, its certificate of limited
6933 partnership and partnership agreement;
- 6934 (c) for a domestic or foreign limited liability company, its certificate or articles of
6935 organization and operating agreement, or comparable records as provided in its governing
6936 statute;
- 6937 (d) for a business trust, its agreement of trust and declaration of trust;
- 6938 (e) for a domestic or foreign corporation for profit, its articles of incorporation, bylaws,
6939 and other agreements among its shareholders which are authorized by its governing statute, or
6940 comparable records as provided in its governing statute; and
- 6941 (f) for any other organization, the basic records that create the organization and
6942 determine its internal governance and the relations among the persons that own it, have an
6943 interest in it, or are members of it.
- 6944 (11) "Personal liability" means liability for a debt, obligation, or other liability of an
6945 organization which is imposed on a person that co-owns, has an interest in, or is a member of

6946 the organization:

6947 (a) by the governing statute solely by reason of the person co-owning, having an
6948 interest in, or being a member of the organization; or

6949 (b) by the organization's organizational documents under a provision of the governing
6950 statute authorizing those documents to make one or more specified persons liable for all or
6951 specified debts, obligations, or other liabilities of the organization solely by reason of the
6952 person or persons co-owning, having an interest in, or being a member of the organization.

6953 (12) "Surviving organization" means an organization into which one or more other
6954 organizations are merged whether the organization preexisted the merger or was created by the
6955 merger.

6956 Section 261. Section **48-3-1002** is enacted to read:

6957 **48-3-1002. Merger.**

6958 (1) A limited liability company may merge with one or more other constituent
6959 organizations pursuant to this section, Sections 48-3-1003 through 48-3-1005, and a plan of
6960 merger, if:

6961 (a) the governing statute of each of the other organizations authorizes the merger;

6962 (b) the merger is not prohibited by the law of a jurisdiction that enacted any of the
6963 governing statutes; and

6964 (c) each of the other organizations complies with its governing statute in effecting the
6965 merger.

6966 (2) A plan of merger must be in a record and must include:

6967 (a) the name and form of each constituent organization;

6968 (b) the name and form of the surviving organization and, if the surviving organization
6969 is to be created by the merger, a statement to that effect;

6970 (c) the terms and conditions of the merger, including the manner and basis for
6971 converting the interests in each constituent organization into any combination of money,
6972 interests in the surviving organization, and other consideration;

6973 (d) if the surviving organization is to be created by the merger, the surviving

6974 organization's organizational documents that are proposed to be in a record; and

6975 (e) if the surviving organization is not to be created by the merger, any amendments to
6976 be made by the merger to the surviving organization's organizational documents that are, or are
6977 proposed to be, in a record.

6978 Section 262. Section **48-3-1003** is enacted to read:

6979 **48-3-1003. Action on plan of merger by constituent limited liability company.**

6980 (1) Subject to Section 48-3-1014, a plan of merger must be consented to by all the
6981 members of a constituent limited liability company.

6982 (2) Subject to Section 48-3-1014 and any contractual rights, after a merger is approved,
6983 and at any time before articles of merger are delivered to the division for filing under Section
6984 48-3-1004, a constituent limited liability company may amend the plan or abandon the merger:

6985 (a) as provided in the plan; or

6986 (b) except as otherwise prohibited in the plan, with the same consent as was required to
6987 approve the plan.

6988 Section 263. Section **48-3-1004** is enacted to read:

6989 **48-3-1004. Filings required for merger -- Effective date.**

6990 (1) After each constituent organization has approved a merger, articles of merger must
6991 be signed on behalf of:

6992 (a) each constituent limited liability company, as provided in Subsection 48-3-203(1);

6993 and

6994 (b) each other constituent organization, as provided in its governing statute.

6995 (2) Articles of merger under this section must include:

6996 (a) the name and form of each constituent organization and the jurisdiction of its
6997 governing statute;

6998 (b) the name and form of the surviving organization, the jurisdiction of its governing
6999 statute, and, if the surviving organization is created by the merger, a statement to that effect;

7000 (c) the date the merger is effective under the governing statute of the surviving
7001 organization;

- 7002 (d) if the surviving organization is to be created by the merger:
- 7003 (i) if it will be a limited liability company, the limited liability company's certificate of
- 7004 organization; or
- 7005 (ii) if it will be an organization other than a limited liability company, the
- 7006 organizational document that creates the organization that is in a public record;
- 7007 (e) if the surviving organization preexists the merger, any amendments provided for in
- 7008 the plan of merger for the organizational document that created the organization that are in a
- 7009 public record;
- 7010 (f) a statement as to each constituent organization that the merger was approved as
- 7011 required by the organization's governing statute;
- 7012 (g) if the surviving organization is a foreign organization not authorized to transact
- 7013 business in this state, the street and mailing addresses of an office that may be used for service
- 7014 of process under Subsection 48-3-1005(2); and
- 7015 (h) any additional information required by the governing statute of any constituent
- 7016 organization.
- 7017 (3) Each constituent limited liability company shall deliver the articles of merger for
- 7018 filing in the division.
- 7019 (4) A merger becomes effective under this part:
- 7020 (a) if the surviving organization is a limited liability company, upon the later of:
- 7021 (i) compliance with Subsection (3); or
- 7022 (ii) subject to Subsection 48-3-205(3), as specified in the articles of merger; or
- 7023 (b) if the surviving organization is not a limited liability company, as provided by the
- 7024 governing statute of the surviving organization.
- 7025 Section 264. Section **48-3-1005** is enacted to read:
- 7026 **48-3-1005. Effect of merger.**
- 7027 (1) When a merger becomes effective:
- 7028 (a) the surviving organization continues or comes into existence;
- 7029 (b) each constituent organization that merges into the surviving organization ceases to

7030 exist as a separate entity;

7031 (c) all property owned by each constituent organization that ceases to exist vests in the
7032 surviving organization;

7033 (d) all debts, obligations, or other liabilities of each constituent organization that ceases
7034 to exist continue as debts, obligations, or other liabilities of the surviving organization;

7035 (e) an action or proceeding pending by or against any constituent organization that
7036 ceases to exist may be continued as if the merger had not occurred;

7037 (f) except as prohibited by other law, all of the rights, privileges, immunities, powers,
7038 and purposes of each constituent organization that ceases to exist vest in the surviving
7039 organization;

7040 (g) except as otherwise provided in the plan of merger, the terms and conditions of the
7041 plan of merger take effect; and

7042 (h) except as otherwise agreed, if a constituent limited liability company ceases to
7043 exist, the merger does not dissolve the limited liability company for the purposes of Part 7,
7044 Dissolution and Winding Up;

7045 (i) if the surviving organization is created by the merger:

7046 (A) if it is a limited liability company, the certificate of organization becomes
7047 effective; or

7048 (B) if it is an organization other than a limited liability company, the organizational
7049 document that creates the organization becomes effective; and

7050 (j) if the surviving organization preexisted the merger, any amendments provided for in
7051 the articles of merger for the organizational document that created the organization become
7052 effective.

7053 (2) A surviving organization that is a foreign organization consents to the jurisdiction
7054 of the courts of this state to enforce any debt, obligation, or other liability owed by a constituent
7055 organization, if before the merger the constituent organization was subject to suit in this state
7056 on the debt, obligation, or other liability. A surviving organization that is a foreign
7057 organization and not authorized to transact business in this state may be served with process at

7058 the address required in the articles of merger under Subsection 48-3-1004(2)(g).

7059 Section 265. Section **48-3-1006** is enacted to read:

7060 **48-3-1006. Conversion.**

7061 (1) An organization other than a limited liability company or a foreign limited liability
7062 company may convert to a limited liability company, and a limited liability company may
7063 convert to an organization other than a foreign limited liability company pursuant to this
7064 section, Sections 48-3-1007 through 48-3-1009, and a plan of conversion, if:

7065 (a) the other organization's governing statute authorizes the conversion;

7066 (b) the conversion is not prohibited by the law of the jurisdiction that enacted the other
7067 organization's governing statute; and

7068 (c) the other organization complies with its governing statute in effecting the
7069 conversion.

7070 (2) A plan of conversion must be in a record and must include:

7071 (a) the name and form of the organization before conversion;

7072 (b) the name and form of the organization after conversion;

7073 (c) the terms and conditions of the conversion, including the manner and basis for
7074 converting interests in the converting organization into any combination of money, interests in
7075 the converted organization, and other consideration; and

7076 (d) the organizational documents of the converted organization that are, or are
7077 proposed to be, in a record.

7078 Section 266. Section **48-3-1007** is enacted to read:

7079 **48-3-1007. Action on plan of conversion by converting limited liability company.**

7080 (1) Subject to Section 48-3-1014, a plan of conversion must be consented to by all the
7081 members of a converting limited liability company.

7082 (2) Subject to Section 48-3-1014 and any contractual rights, after a conversion is
7083 approved, and at any time before articles of conversion are delivered to the division for filing
7084 under Section 48-3-1008, a converting limited liability company may amend the plan or
7085 abandon the conversion:

7086 (a) as provided in the plan; or
7087 (b) except as otherwise prohibited in the plan, by the same consent as was required to
7088 approve the plan.

7089 Section 267. Section **48-3-1008** is enacted to read:

7090 **48-3-1008. Filings required for conversion -- Effective date.**

7091 (1) After a plan of conversion is approved:

7092 (a) a converting limited liability company shall deliver to the division for filing articles
7093 of conversion, which must be signed as provided in Subsection 48-3-203(1) and must include:

7094 (i) a statement that the limited liability company has been converted into another
7095 organization;

7096 (ii) the name and form of the organization and the jurisdiction of its governing statute;
7097 (iii) the date the conversion is effective under the governing statute of the converted
7098 organization;

7099 (iv) a statement that the conversion was approved as required by this chapter;
7100 (v) a statement that the conversion was approved as required by the governing statute
7101 of the converted organization; and

7102 (vi) if the converted organization is a foreign organization not authorized to transact
7103 business in this state, the street and mailing addresses of an office that may be used for service
7104 of process under Subsection 48-3-1009(3); and

7105 (b) if the converting organization is not a converting limited liability company, the
7106 converting organization shall deliver to the division for filing a certificate of organization,
7107 which must include, in addition to the information required by Subsection 48-3-201(2):

7108 (i) a statement that the converted organization was converted from another
7109 organization;

7110 (ii) the name and form of that converting organization and the jurisdiction of its
7111 governing statute; and

7112 (iii) a statement that the conversion was approved in a manner that complied with the
7113 converting organization's governing statute.

7114 (2) A conversion becomes effective:
7115 (a) if the converted organization is a limited liability company, when the certificate of
7116 organization takes effect; and
7117 (b) if the converted organization is not a limited liability company, as provided by the
7118 governing statute of the converted organization.
7119 Section 268. Section **48-3-1009** is enacted to read:
7120 **48-3-1009. Effect of conversion.**
7121 (1) An organization that has been converted pursuant to this part is for all purposes the
7122 same entity that existed before the conversion.
7123 (2) When a conversion takes effect:
7124 (a) all property owned by the converting organization remains vested in the converted
7125 organization;
7126 (b) all debts, obligations, or other liabilities of the converting organization continue as
7127 debts, obligations, or other liabilities of the converted organization;
7128 (c) an action or proceeding pending by or against the converting organization may be
7129 continued as if the conversion had not occurred;
7130 (d) except as prohibited by law other than this chapter, all of the rights, privileges,
7131 immunities, powers, and purposes of the converting organization remain vested in the
7132 converted organization;
7133 (e) except as otherwise provided in the plan of conversion, the terms and conditions of
7134 the plan of conversion take effect; and
7135 (f) except as otherwise agreed, the conversion does not dissolve a converting limited
7136 liability company for the purposes of Part 7, Dissolution and Winding Up.
7137 (3) A converted organization that is a foreign organization consents to the jurisdiction
7138 of the courts of this state to enforce any debt, obligation, or other liability for which the
7139 converting limited liability company is liable if, before the conversion, the converting limited
7140 liability company was subject to suit in this state on the debt, obligation, or other liability. A
7141 converted organization that is a foreign organization and not authorized to transact business in

7142 this state may be served with process at the address required in the articles of conversion under
7143 Subsection 48-3-1008(1)(a)(vi).

7144 Section 269. Section **48-3-1010** is enacted to read:

7145 **48-3-1010. Domestication.**

7146 (1) A foreign limited liability company may become a limited liability company
7147 pursuant to this section, Sections 48-3-1011 through 48-3-1013, and a plan of domestication,
7148 if:

7149 (a) the foreign limited liability company's governing statute authorizes the
7150 domestication;

7151 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
7152 governing statute; and

7153 (c) the foreign limited liability company complies with its governing statute in
7154 effecting the domestication.

7155 (2) A limited liability company may become a foreign limited liability company
7156 pursuant to this section, Sections 48-3-1011 through 48-3-1013, and a plan of domestication,
7157 if:

7158 (a) the foreign limited liability company's governing statute authorizes the
7159 domestication;

7160 (b) the domestication is not prohibited by the law of the jurisdiction that enacted the
7161 governing statute; and

7162 (c) the foreign limited liability company complies with its governing statute in
7163 effecting the domestication.

7164 (3) A plan of domestication must be in a record and must include:

7165 (a) the name of the domesticating company before domestication and the jurisdiction of
7166 its governing statute;

7167 (b) the name of the domesticated company after domestication and the jurisdiction of
7168 its governing statute;

7169 (c) the terms and conditions of the domestication, including the manner and basis for

7170 converting interests in the domesticating company into any combination of money, interests in
7171 the domesticated company, and other consideration; and

7172 (d) the organizational documents of the domesticated company that are, or are
7173 proposed to be, in a record.

7174 Section 270. Section **48-3-1011** is enacted to read:

7175 **48-3-1011. Action on plan of domestication by domesticating limited liability**
7176 **company.**

7177 (1) A plan of domestication must be consented to:

7178 (a) by all the members, subject to Section 48-3-1014, if the domesticating company is a
7179 limited liability company; and

7180 (b) as provided in the domesticating company's governing statute, if the limited
7181 liability company is a foreign limited liability company.

7182 (2) Subject to any contractual rights, after a domestication is approved, and at any time
7183 before articles of domestication are delivered to the division for filing under Section
7184 48-3-1012, a domesticating company may amend the plan or abandon the domestication:

7185 (a) as provided in the plan; or

7186 (b) except as otherwise prohibited in the plan, by the same consent as was required to
7187 approve the plan.

7188 Section 271. Section **48-3-1012** is enacted to read:

7189 **48-3-1012. Filings required for domestication -- Effective date.**

7190 (1) After a plan of domestication is approved, a domesticating company shall deliver to
7191 the division for filing articles of domestication, which must include:

7192 (a) a statement, as the case may be, that the limited liability company has been
7193 domesticated from or into another jurisdiction;

7194 (b) the name of the domesticating company and the jurisdiction of its governing
7195 statute;

7196 (c) the name of the domesticated company and the jurisdiction of its governing statute;

7197 (d) the date the domestication is effective under the governing statute of the

7198 domesticated company;

7199 (e) if the domesticating company was a limited liability company, a statement that the
7200 domestication was approved as required by this chapter;

7201 (f) if the domesticating company was a foreign limited liability company, a statement
7202 that the domestication was approved as required by the governing statute of the other
7203 jurisdiction; and

7204 (g) if the domesticated company was a foreign limited liability company not authorized
7205 to transact business in this state, the street and mailing addresses of an office that may be used
7206 for service of process under Subsection 48-3-1013(2).

7207 (2) A domestication becomes effective:

7208 (a) when the certificate of organization takes effect, if the domesticated company is a
7209 limited liability company; and

7210 (b) according to the governing statute of the domesticated company, if the
7211 domesticated organization is a foreign limited liability company.

7212 Section 272. Section **48-3-1013** is enacted to read:

7213 **48-3-1013. Effect of domestication.**

7214 (1) When a domestication takes effect:

7215 (a) the domesticated company is for all purposes the limited liability company that
7216 existed before the domestication;

7217 (b) all property owned by the domesticating company remains vested in the
7218 domesticated company;

7219 (c) all debts, obligations, or other liabilities of the domesticating company continue as
7220 debts, obligations, or other liabilities of the domesticated company;

7221 (d) an action or proceeding pending by or against a domesticating company may be
7222 continued as if the domestication had not occurred;

7223 (e) except as prohibited by other law, all of the rights, privileges, immunities, powers,
7224 and purposes of the domesticating company remain vested in the domesticated company;

7225 (f) except as otherwise provided in the plan of domestication, the terms and conditions

7226 of the plan of domestication take effect; and

7227 (g) except as otherwise agreed, the domestication does not dissolve a domesticating
7228 company for the purposes of Part 7, Dissolution and Winding Up.

7229 (2) A domesticated company that is a foreign limited liability company consents to the
7230 jurisdiction of the courts of this state to enforce any debt, obligation, or other liability owed by
7231 the domesticating company, if, before the domestication, the domesticating company was
7232 subject to suit in this state on the debt, obligation, or other liability. A domesticated company
7233 that is a foreign limited liability company and not authorized to transact business in this state
7234 may be served with process at the address required in the articles of domestication under
7235 Subsection 48-3-1012(1)(g).

7236 (3) If a limited liability company has adopted and approved a plan of domestication
7237 under Section 48-3-1010 providing for the limited liability company to be domesticated in a
7238 foreign jurisdiction, a statement surrendering the limited liability company's certificate of
7239 organization must be delivered to the division for filing setting forth:

7240 (a) the name of the limited liability company;

7241 (b) a statement that the certificate of organization is being surrendered in connection
7242 with the domestication of the limited liability company in a foreign jurisdiction;

7243 (c) a statement that the domestication was approved as required by this chapter; and

7244 (d) the jurisdiction of formation of the domesticated foreign limited liability company.

7245 Section 273. Section **48-3-1014** is enacted to read:

7246 **48-3-1014. Restrictions on approval of mergers, conversions, and domestications.**

7247 (1) If a member of a constituent, converting, or domesticating limited liability company
7248 will have personal liability with respect to a surviving, converted, or domesticated
7249 organization, approval or amendment of a plan of merger, conversion, or domestication are
7250 ineffective without the consent of the member, unless:

7251 (a) the limited liability company's operating agreement provides for approval of a
7252 merger, conversion, or domestication with the consent of fewer than all the members; and

7253 (b) the member has consented to the provision of the operating agreement.

- 7282 Dental Hygienist Practice Act, or a subsequent law, regulating the practice of dentistry;
7283 (f) a professional engineer registered under Title 58, Chapter 22, Professional
7284 Engineers and Professional Land Surveyors Licensing Act;
7285 (g) a naturopath holding a license under Title 58, Chapter 71, Naturopathic Physician
7286 Practice Act, or a subsequent law regulating the practice of naturopathy;
7287 (h) a nurse licensed under Title 58, Chapter 31b, Nurse Practice Act, or Title 58,
7288 Chapter 44a, Nurse Midwife Practice Act;
7289 (i) an optometrist holding a license under Title 58, Chapter 16a, Utah Optometry
7290 Practice Act, or a subsequent law regulating the practice of optometry;
7291 (j) an osteopathic physician or surgeon holding a license under Title 58, Chapter 68,
7292 Utah Osteopathic Medical Practice Act, or a subsequent law regulating the practice of
7293 osteopathy;
7294 (k) a pharmacist holding a license under Title 58, Chapter 17b, Pharmacy Practice Act,
7295 or a subsequent law regulating the practice of pharmacy;
7296 (l) a physician, surgeon, or doctor of medicine holding a license under Title 58,
7297 Chapter 67, Utah Medical Practice Act, or a subsequent law regulating the practice of
7298 medicine;
7299 (m) a physical therapist holding a license under Title 58, Chapter 24b, Physical
7300 Therapy Practice Act, or a subsequent law regulating the practice of physical therapy;
7301 (n) a podiatric physician holding a license under Title 58, Chapter 5a, Podiatric
7302 Physician Licensing Act, or a subsequent law regulating the practice of podiatry;
7303 (o) a psychologist holding a license under Title 58, Chapter 61, Psychologist Licensing
7304 Act, or any subsequent law regulating the practice of psychology;
7305 (p) a principal broker, associate broker, or sales agent holding a license under Title 61,
7306 Chapter 2f, Real Estate Licensing and Practices Act, or a subsequent law regulating the sale,
7307 exchange, purchase, rental, or leasing of real estate;
7308 (q) a clinical or certified social worker holding a license under Title 58, Chapter 60,
7309 Part 2, Social Worker Licensing Act, or a subsequent law regulating the practice of social

7310 work;

7311 (r) a mental health therapist holding a license under Title 58, Chapter 60, Mental
7312 Health Professional Practice Act, or a subsequent law regulating the practice of mental health
7313 therapy;

7314 (s) a veterinarian holding a license under Title 58, Chapter 28, Veterinary Practice Act,
7315 or a subsequent law regulating the practice of veterinary medicine; or

7316 (t) an individual licensed, certified, or registered under Title 61, Chapter 2b, Real
7317 Estate Appraiser Licensing and Certification Act, or a subsequent law regulating the practice of
7318 appraising real estate.

7319 (2) "Professional services company" means a limited liability company organized
7320 under this part to provide professional services.

7321 (3) "Regulating board" means the entity organized pursuant to state law that licenses
7322 and regulates the practice of the profession that a limited liability company is organized to
7323 provide.

7324 Section 276. Section **48-3-1102** is enacted to read:

7325 **48-3-1102. Application of this part.**

7326 (1) If a conflict arises between this part and another provision of this chapter, this part
7327 controls.

7328 (2) Notwithstanding the other provisions of this part, on and after January 1, 2014:

7329 (a) a professional services company may not designate series of transferable interests;
7330 and

7331 (b) a limited liability company may not form a professional services company as a
7332 series of the limited liability company.

7333 Section 277. Section **48-3-1103** is enacted to read:

7334 **48-3-1103. Additional requirements for certificate of organization.**

7335 The certificate of organization of a professional services company shall:

7336 (1) comply with Section 48-3-201; and

7337 (2) contain the following:

- 7338 (a) a name consistent with Section 48-3-1104;
- 7339 (b) a description of the profession to be practiced through the professional services
- 7340 company; and
- 7341 (c) notwithstanding Section 48-3-201, the name and street address of each member or
- 7342 manager of the professional services company.

7343 Section 278. Section **48-3-1104** is enacted to read:

7344 **48-3-1104. Name limitations.**

- 7345 (1) The name of a domestic professional services company and of a foreign
- 7346 professional services company authorized to transact business in this state, in addition to
- 7347 complying with Sections 48-3-108, 48-3-802, and 48-3-805:

- 7348 (a) may not contain language stating or implying that it is formed for a purpose other
- 7349 than that authorized by:

- 7350 (i) its certificate of organization; or

- 7351 (ii) Section 48-3-1105;

- 7352 (b) must conform with any rule made by the regulating board having jurisdiction over a
- 7353 professional service described in the professional services company's certificate of
- 7354 organization; and

- 7355 (c) in lieu of the requirement of Subsection 48-3-108(1), must contain the words
- 7356 "professional limited liability company" or the abbreviations "P.L.L.C." or "PLLC" in:

- 7357 (i) its certificate of organization; and

- 7358 (ii) a report or document filed with the division.

- 7359 (2) Notwithstanding Subsection (1)(c), a professional services company may hold itself
- 7360 out to the public under a name that does not contain the words "professional limited liability
- 7361 company" or the abbreviations "P.L.L.C." or "PLLC" if that name complies with Subsection
- 7362 48-3-108(1).

- 7363 (3) Sections 48-3-108, 48-3-802, and 48-3-805 do not prevent the use of a name
- 7364 otherwise prohibited by those sections if the name is:

- 7365 (a) the personal name of an individual member or individual former member of the

7366 professional services company; or

7367 (b) the name of an individual who was associated with a predecessor of the
7368 professional services company.

7369 Section 279. Section **48-3-1105** is enacted to read:

7370 **48-3-1105. Providing a professional service.**

7371 (1) A professional services company may provide a professional service in this state
7372 only through an individual licensed or otherwise authorized in this state to provide the
7373 professional service.

7374 (2) Subsection (1) does not:

7375 (a) require an individual employed by a professional services company to be licensed
7376 to perform a service for the professional services company if a license is not otherwise
7377 required;

7378 (b) prohibit a licensed individual from providing a professional service in the
7379 individual's professional capacity although the individual is a member, manager, employee, or
7380 agent of a professional services company; or

7381 (c) prohibit an individual licensed in another state from providing a professional
7382 service for a professional services company in this state if not prohibited by the regulating
7383 board.

7384 (3) A professional services company may not provide a professional service other than
7385 the professional service authorized by its certificate of organization.

7386 Section 280. Section **48-3-1106** is enacted to read:

7387 **48-3-1106. Limit of one profession.**

7388 (1) A professional services company organized to provide a professional service under
7389 this chapter may provide only:

7390 (a) one specific type of professional service; and

7391 (b) a service ancillary to the professional service described in Subsection (1)(a).

7392 (2) A professional services company organized to provide a professional service under
7393 this chapter may not engage in a business other than to provide:

- 7394 (a) the professional service that it was organized to provide; and
- 7395 (b) services ancillary to the professional service described in Subsection (2)(a).
- 7396 (3) Notwithstanding Subsection (1) or (2), a professional services company may:
- 7397 (a) own real and personal property necessary or appropriate for providing the type of
- 7398 professional service it was organized to provide; and
- 7399 (b) invest the professional services company's money in one or more of the following:
- 7400 (i) real estate;
- 7401 (ii) mortgages;
- 7402 (iii) stocks;
- 7403 (iv) bonds; or
- 7404 (v) another type of investment.

7405 Section 281. Section **48-3-1107** is enacted to read:

7406 **48-3-1107. Activity limitations.**

7407 A professional services company may not do anything that an individual licensed to
7408 practice the profession that the professional services company is organized to provide is
7409 prohibited from doing.

7410 Section 282. Section **48-3-1108** is enacted to read:

7411 **48-3-1108. Part does not limit regulating board.**

7412 This chapter does not restrict the authority or duty of a regulating board to license an
7413 individual providing a professional service or the practice of the profession that is within the
7414 jurisdiction of the regulating board, notwithstanding that the individual:

- 7415 (1) is a member, manager, or employee of a professional services company; and
- 7416 (2) provides the professional service or engages in the practice of the profession
- 7417 through a professional services company.

7418 Section 283. Section **48-3-1109** is enacted to read:

7419 **48-3-1109. Member or manager of a professional services company.**

7420 A professional services company organized to provide a professional service:

- 7421 (1) may include a member, manager, or employee who is authorized under the laws of

7422 the jurisdiction where the member, manager, or employee resides to provide a similar
7423 professional service;

7424 (2) may include a member who is not licensed or registered by the state to provide the
7425 professional service to the extent allowed by the applicable licensing or registration act relating
7426 to the professional service;

7427 (3) may render a professional service in this state only through a member, manager, or
7428 employee who is licensed or registered by this state to render the professional service; and

7429 (4) has a power provided under Section 48-3-105.

7430 Section 284. Section **48-3-1110** is enacted to read:

7431 **48-3-1110. Restriction on transfer by member.**

7432 (1) Except as provided in Subsection (2), a member of a professional services company
7433 may sell or transfer the member's interest in the professional services company only to:

7434 (a) the professional services company; or

7435 (b) an individual who is licensed or registered by this state to provide the same type of
7436 professional service as the professional service for which the professional services company is
7437 organized.

7438 (2) (a) Upon the death or incapacity of a member of a professional services company,
7439 the member's interest in the professional services company may be transferred to the personal
7440 representative or estate of the deceased or incapacitated member.

7441 (b) The person to whom an interest is transferred under Subsection (2)(a) may continue
7442 to hold the interest for a reasonable period, but may not participate in a decision concerning the
7443 providing of a professional service.

7444 Section 285. Section **48-3-1111** is enacted to read:

7445 **48-3-1111. Purchase of interest upon death, incapacity, or disqualification of**
7446 **member.**

7447 (1) Subject to this part, one or more of the following may provide for the purchase of a
7448 member's interest in a professional services company upon the death, incapacity, or
7449 disqualification of the member:

7450 (a) the certificate of organization;

7451 (b) the operating agreement; or

7452 (c) a private agreement.

7453 (2) (a) In the absence of a provision described in Subsection (1), a professional services
 7454 company shall purchase the interest of a member who is deceased, incapacitated, or no longer
 7455 qualified to own an interest in the professional services company within 90 days after the day
 7456 on which the professional services company is notified of the death, incapacity, or
 7457 disqualification.

7458 (b) If a professional services company purchases a member's interest under this
 7459 Subsection (2), the professional services company shall purchase the interest at a price that is
 7460 the reasonable fair market value as of the date of death, incapacity, or disqualification.

7461 (3) (a) If a professional services company fails to purchase a member's interest as
 7462 required by Subsection (2)(a) at the end of the 90-day period described in Subsection (2)(a),
 7463 one of the following may bring an action in the district court of the county in which the
 7464 principal office or place of practice of the professional services company is located to enforce
 7465 Subsection (2):

7466 (i) the personal representative of a deceased member;

7467 (ii) the guardian or conservator of an incapacitated member; or

7468 (iii) the disqualified member.

7469 (b) A court in which an action is brought under this Subsection (3) may:

7470 (i) award the person bringing the action the reasonable fair market value of the interest;

7471 or

7472 (ii) within its jurisdiction, order the liquidation of the professional services company.

7473 (c) If a person described in Subsection (3)(a)(i) through (iii) is successful in an action
 7474 under this Subsection (3), the court shall award the person reasonable attorney fees and costs.

7475 Section 286. Section **48-3-1112** is enacted to read:

7476 **48-3-1112. Conversion to nonprofessional company.**

7477 (1) A professional services company subject to this part converts into a limited liability

7478 company subject to this chapter, but not subject to this part on the day on which:

7479 (a) no member of the professional services company is licensed or registered for the
7480 professional service for which the professional services company is organized; or

7481 (b) members holding at least two-thirds interest in the profits of the professional
7482 services company vote to not be subject to this part.

7483 (2) A professional services company converted as provided in Subsection (1) shall
7484 upon the event described in Subsection (1) operate as and be treated as a limited liability
7485 company subject to this chapter, but not subject to this part.

7486 (3) A limited liability company converted under this section may reconvert to a
7487 professional services company:

7488 (a) upon a member of the professional services company being licensed or registered
7489 for the professional service for which the professional services company is organized; or

7490 (b) by the vote of members holding at least two-thirds interests in the profits of the
7491 professional services company, if at least one member of the professional services company is
7492 licensed or registered for the professional service for which the professional services company
7493 is organized.

7494 (4) If a professional services company is converted or reconverted under this section,
7495 the professional services company shall file a certificate of amendment to the certificate of
7496 organization with the division within a reasonable time after the conversion or reconversion to
7497 reflect the changes.

7498 Section 287. Section **48-3-1201** is enacted to read:

7499 **Part 12. Series Limited Liability Companies**

7500 **48-3-1201. Application of this part.**

7501 If a conflict arises between this part and another provision of this chapter, this part
7502 controls.

7503 Section 288. Section **48-3-1202** is enacted to read:

7504 **48-3-1202. Series of transferable interests.**

7505 (1) (a) An operating agreement may establish or provide for the establishment of a

7506 designated series of transferable interests having separate rights, powers, or duties with respect
7507 to specified property or obligations of the limited liability company or profits and losses
7508 associated with specified property or obligations, and, to the extent provided in the operating
7509 agreement, any such series may have a separate business purpose or investment objective. The
7510 name of each series must contain the name of the limited liability company and be
7511 distinguishable from the name of any other series set forth in the certificate of organization.

7512 (b) An operating agreement shall identify a separate right, power, or duty of a series
7513 described in Subsection (1)(a).

7514 (c) Notwithstanding the other provisions of this part, on and after January 1, 2014:

7515 (i) a professional services company may not designate series of transferable interests;
7516 and

7517 (ii) a limited liability company may not form a professional services company as a
7518 series of the limited liability company.

7519 (2) A series may have a business purpose or investment objective different from the
7520 limited liability company.

7521 (3) Notwithstanding contrary provisions of this chapter, a series' debts, liabilities,
7522 obligations, and expenses are enforceable against the assets of that series only and may not be
7523 enforced against the assets of the limited liability company generally or another series if:

7524 (a) the operating agreement provides for separate treatment of the series;

7525 (b) separate and distinct records are maintained concerning the series;

7526 (c) the assets associated with the series are held and accounted for separately from the
7527 other assets of the limited liability company and any other series; and

7528 (d) notice of the limitation on liability of a series is included in the limited liability
7529 company's certificate of organization in accordance with Section 48-3-1203.

7530 (4) A debt, liability, obligation, or expense incurred, contracted for, or otherwise
7531 existing with respect to the limited liability company generally or another series may not be
7532 enforced against the assets of a series if:

7533 (a) the operating agreement provides for separate treatment of the series;

7534 (b) separate and distinct records are maintained concerning the series;

7535 (c) the assets associated with the series are held and accounted for separately from the
7536 other assets of the limited liability company and any other series; and

7537 (d) notice of the limitation on liability of a series is included in the limited liability
7538 company's certificate of organization in accordance with Section 48-3-1203.

7539 (5) A series may contract on its own behalf and in its own name, including through a
7540 manager.

7541 (6) Notwithstanding other provisions of this section:

7542 (a) property and assets of a series may not be transferred to the limited liability
7543 company generally or another series if the transfer impairs the ability of the series releasing the
7544 property or assets to pay its debts existing at the time of the transfer unless fair value is given to
7545 the transferring series for the property or assets transferred; and

7546 (b) a tax or other liability of the limited liability company generally or of a series may
7547 not be assigned by the series against which the tax or other liability is imposed to the limited
7548 liability company generally or to another series within the limited liability company if the
7549 assignment impairs a creditor's right and ability to fully collect an amount due when owed.

7550 Section 289. Section **48-3-1203** is enacted to read:

7551 **48-3-1203. Notice of series -- Certificate of organization.**

7552 (1) Notice in a limited liability company's certificate of organization of the limitation
7553 on liabilities of a series, as required by Section 48-3-1202, is sufficient whether or not the
7554 limited liability company has established a series at the time the notice is included in the
7555 certificate of organization.

7556 (2) The notice required by Section 48-3-1202:

7557 (a) is not required to reference a specific series; and

7558 (b) for a certificate of organization or an amendment to a certificate of organization
7559 made to include notice of series that is filed on or after May 11, 2010, notice in a company's
7560 certificate of organization is sufficient for purposes of Subsection (1) only if the notice of series
7561 appears immediately following the provision stating the name of the company.

7562 (3) The filing of the notice required by Section 48-3-1202 with the division constitutes
7563 notice of the limitation on liability of a series.

7564 Section 290. Section **48-3-1204** is enacted to read:

7565 **48-3-1204. Agreement to be liable.**

7566 Notwithstanding Section 48-3-304, a member or manager may agree to be obligated
7567 personally for any or all of the debts, obligations, and liabilities of one or more series.

7568 Section 291. Section **48-3-1205** is enacted to read:

7569 **48-3-1205. Series related provisions in operating agreement.**

7570 (1) An operating agreement may provide for classes or groups of members or managers
7571 associated with a series with separate rights, powers, or duties as provided in Subsection
7572 48-3-1202(1).

7573 (2) An operating agreement may provide for the future creation of one or more
7574 additional classes or groups of members or managers associated with a series that have the
7575 rights, powers, and duties that as may from time to time be established, including a right,
7576 power, or duty that is senior to an existing class or group of members or managers associated
7577 with the series.

7578 (3) An operating agreement may provide for the taking of an action without the vote or
7579 approval of any member or manager, or class or group of members or managers, including:

7580 (a) an action to create a class or group of a series of interests in the limited liability
7581 company that was not previously outstanding; and

7582 (b) amending the operating agreement.

7583 (4) An operating agreement may provide that a member or class or group of members
7584 associated with a series has no voting rights.

7585 (5) (a) An operating agreement may on any matter grant to all members or managers, a
7586 specific member or manager, or a specific class or group of members or managers associated
7587 with a series, the right to vote separately or with all or any class or group of the members or
7588 managers associated with the series.

7589 (b) Voting by members or managers associated with a series may be on any basis

- 7590 including:
- 7591 (i) a per capita basis;
- 7592 (ii) a number basis;
- 7593 (iii) on the basis of a financial interest; or
- 7594 (iv) by class or group.
- 7595 (6) Except to the extent modified by this part, the provisions of this chapter that are
- 7596 generally applicable to a limited liability company, and its managers, members, and transferees,
- 7597 are applicable to each series with respect to the operations of the series.
- 7598 Section 292. Section **48-3-1206** is enacted to read:
- 7599 **48-3-1206. Management of a series.**
- 7600 (1) A series is member-managed unless the operating agreement:
- 7601 (a) expressly provides that:
- 7602 (i) the series is or will be "manager-managed";
- 7603 (ii) the series is or will be "managed by managers"; or
- 7604 (iii) management of the series is or will be "vested in managers"; or
- 7605 (b) includes words of similar import.
- 7606 (2) In a member-managed series, unless modified pursuant to Section 48-3-1205, the
- 7607 following rules apply:
- 7608 (a) The management and conduct of the series are vested in the members of the series.
- 7609 (b) Each series member has equal rights in the management and conduct of the series'
- 7610 activities.
- 7611 (c) A difference arising among series members as to a matter in the ordinary course of
- 7612 the activities of the series shall be decided by a majority of the series members.
- 7613 (d) An act outside the ordinary course of the activities of the series may be undertaken
- 7614 only with the consent of all members of the series.
- 7615 (e) The operating agreement may be amended only with the consent of all members of
- 7616 the series.
- 7617 (3) In a manager-managed series, the following rules apply:

7618 (a) Except as otherwise expressly provided in this chapter, any matter relating to the
7619 activities of the series is decided exclusively by the managers of the series.

7620 (b) Each series manager has equal rights in the management and conduct of the
7621 activities of the series.

7622 (c) A difference arising among managers of a series as to a matter in the ordinary
7623 course of the activities of the series shall be decided by a majority of the managers of the series.

7624 (d) Unless modified pursuant to Section 48-3-1205, the consent of all members of the
7625 series is required to:

7626 (i) sell, lease, exchange, or otherwise dispose of all, or substantially all, of the series'
7627 property, with or without the goodwill, outside the ordinary course of the series' activities;

7628 (ii) approve a merger, conversion, or domestication under Part 10, Merger, Conversion,
7629 and Domestication;

7630 (iii) undertake any other act outside the ordinary course of the series' activities; and

7631 (iv) amend the operating agreement.

7632 (e) A manager of the series may be chosen at any time by the consent of a majority of
7633 the members of the series and remains a manager of the series until a successor has been
7634 chosen, unless the series manager at an earlier time resigns, is removed, or dies, or, in the case
7635 of a series manager that is not an individual, terminates. A series manager may be removed at
7636 any time by the consent of a majority of the members without notice or cause.

7637 (f) A person need not be a series member to be a manager of a series, but the
7638 dissociation of a series member that is also a series manager removes the person as a manager
7639 of the series. If a person that is both a series manager and a series member ceases to be a
7640 manager of the series, that cessation does not by itself dissociate the person as a member of the
7641 series.

7642 (g) A person's ceasing to be a series manager does not discharge any debt, obligation,
7643 or other liability to the series or members of the series which the person incurred while a
7644 manager of the series.

7645 (4) An action requiring the consent of members of a series under this chapter may be

7646 taken without a meeting, and a member of a series may appoint a proxy or other agent to
7647 consent or otherwise act for the series member by signing an appointing record, personally or
7648 by the series member's agent.

7649 (5) The dissolution of a series does not affect the applicability of this section.
7650 However, a person that wrongfully causes dissolution of the series loses the right to participate
7651 in management as a series member and a series manager.

7652 (6) This chapter does not entitle a series member of a series to remuneration for
7653 services performed for a member-managed series, except for reasonable compensation for
7654 services rendered in winding up the activities of the series.

7655 Section 293. Section **48-3-1207** is enacted to read:

7656 **48-3-1207. Distribution concerning a series.**

7657 (1) Except as otherwise provided in the operating agreement, any distribution made by
7658 a series before its dissolution and winding up must be in equal shares among the series
7659 members and dissociated series members, except to the extent necessary to comply with any
7660 transfer effective under Section 48-3-502 and any charging order in effect under Section
7661 48-3-503.

7662 (2) A person has a right to a distribution before the dissolution and winding up of a
7663 series only if the series decides to make an interim distribution. A person's dissociation does
7664 not entitle the person to a distribution.

7665 (3) A person does not have a right to demand or receive a distribution from a series in
7666 any form other than money. Except as otherwise provided in Subsection 48-3-709(3), a series
7667 may distribute an asset in kind if each part of the asset is fungible with each other part and each
7668 person receives a percentage of the asset equal in value to the person's share of distributions.

7669 (4) If a series member or transferee becomes entitled to receive a distribution, the series
7670 member or transferee has the status of, and is entitled to all remedies available to, a creditor of
7671 the series with respect to the distribution.

7672 (5) A series may not make a distribution if after the distribution:

7673 (a) the series would not be able to pay its debts as they become due in the ordinary

7674 course of the series' activities; or

7675 (b) the series' total assets would be less than the sum of its total liabilities plus the
7676 amount that would be needed, if the series were to be dissolved, wound up, and terminated at
7677 the time of the distribution, to satisfy the preferential rights upon dissolution, winding up, and
7678 termination of members whose preferential rights are superior to those of persons receiving the
7679 distribution.

7680 (6) A series may base a determination that a distribution is not prohibited under
7681 Subsection (5) on financial statements prepared on the basis of accounting practices and
7682 principles that are reasonable in the circumstances or on a fair valuation or other method that is
7683 reasonable under the circumstances.

7684 (7) Except as otherwise provided in Subsection (9), the effect of a distribution under
7685 Subsection (5) is measured:

7686 (a) in the case of a distribution by purchase, redemption, or other acquisition of a
7687 transferable interest in the series, as of the date money or other property is transferred or debt
7688 incurred by the series; or

7689 (b) in all other cases, as of the date:

7690 (i) the distribution is authorized, if the payment occurs within 120 days after that date;

7691 or

7692 (ii) the payment is made, if the payment occurs more than 120 days after the
7693 distribution is authorized.

7694 (8) A series' indebtedness to a series member incurred by reason of a distribution made
7695 in accordance with this section is at parity with the series' indebtedness to its general,
7696 unsecured creditors.

7697 (9) A series' indebtedness, including indebtedness issued in connection with or as part
7698 of a distribution, is not a liability for purposes of Subsection (5) if the terms of the indebtedness
7699 provide that payment of principal and interest are made only to the extent that a distribution
7700 could be made to members of the series under this section. If such indebtedness is issued as a
7701 distribution, each payment of principal or interest on the indebtedness is treated as a

7702 distribution, the effect of which is measured on the date the payment is made.

7703 (10) As used in Subsection (5) "distribution" does not include amounts constituting
7704 reasonable compensation for present or past services or reasonable payments made in the
7705 ordinary course of business under a bona fide retirement plan or other benefits program.

7706 (11) (a) Except as otherwise provided in Subsection (11)(b), if a member of a
7707 member-managed series or manager of a manager-managed series consents to a distribution
7708 made in violation of this section and in consenting to the distribution fails to comply with
7709 Section 48-3-409, the member or manager is personally liable to the series for the amount of
7710 the distribution that exceeds the amount that could have been distributed without the violation
7711 of Section 48-3-405.

7712 (b) To the extent the operating agreement of a member-managed series expressly
7713 relieves a series member of the authority and responsibility to consent to distributions and
7714 imposes that authority and responsibility on one or more other members of the series, the
7715 liability stated in Subsection (11)(a) applies to the other members of the series and not the
7716 member of the series that the operating agreement relieves of authority and responsibility.

7717 (12) A person that receives a distribution knowing that the distribution to that person
7718 was made in violation of Section 48-3-405 is personally liable to the limited liability company
7719 but only to the extent that the distribution received by the person exceeded the amount that
7720 could have been properly paid under Section 48-3-405.

7721 (13) A person against which an action is commenced because the person is liable under
7722 Subsection (11) may:

7723 (a) implead any other person that is subject to liability under Subsection (11) and seek
7724 to compel contribution from the person; and

7725 (b) implead any person that received a distribution in violation of Subsection (12) and
7726 seek to compel contribution from the person in the amount the person received in violation of
7727 Subsection (12).

7728 (14) An action under this section is barred if not commenced within two years after the
7729 distribution.

7730 Section 294. Section **48-3-1208** is enacted to read:

7731 **48-3-1208. Events causing dissociation from a series.**

7732 (1) Unless otherwise provided in the operating agreement, a member ceases to be
7733 associated with a series and to have the power to exercise a right or power of a member with
7734 respect to the series upon the assignment of all of the member's interest in the limited liability
7735 company with respect to the series.

7736 (2) Unless otherwise provided in an operating agreement, an event under this chapter
7737 or the operating agreement that causes a member to cease to be associated with a series does
7738 not, by itself:

7739 (a) cause the member to cease to be associated with another series;

7740 (b) terminate the continued membership of a member in the limited liability company;

7741 or

7742 (c) cause the termination of the series, regardless of whether the member is the last
7743 remaining member associated with the series.

7744 Section 295. Section **48-3-1209** is enacted to read:

7745 **48-3-1209. Termination of a series.**

7746 (1) Except to the extent otherwise provided in the operating agreement, a series may be
7747 terminated and its affairs wound up without causing the dissolution of the limited liability
7748 company.

7749 (2) The termination of a series does not affect the limitation on liabilities of the series
7750 under Section 48-3-1202.

7751 (3) A series is terminated and its affairs shall be wound up upon the dissolution of the
7752 limited liability company under Section 48-3-701 or upon the occurrence of any of the events
7753 described in Section 48-3-701, as applied to the series.

7754 (4) Notwithstanding Section 48-3-703, unless otherwise provided in the operating
7755 agreement, any of the following persons may wind up the affairs of a series:

7756 (a) a manager associated with a series who has not wrongfully terminated the series;

7757 (b) if there is no manager of a series, the members associated with the series or a

7758 person approved by the members associated with the series; or

7759 (c) if there is more than one class or group of members associated with the series, then
7760 by each class or group of members associated with the series, in either case, by members who
7761 own more than 50% of the transferable interests of the series owned by all of the members
7762 associated with the series or by the members of each class or group associated with the series.

7763 (5) The persons winding up the affairs of a series, in the name of the series and for and
7764 on behalf of the series, may take all actions with respect to the series as are permitted under
7765 Section 48-3-703 for a limited liability company. The persons winding up the affairs of a
7766 series shall provide for the claims and obligations of the series as provided in Section 48-3-709
7767 for a limited liability company and distribute the assets of the series as provided in Section
7768 48-3-709 for a limited liability company. An action taken pursuant to this Subsection (5) may
7769 not affect the liability of a member and may not impose liability on a liquidating trustee.

7770 Section 296. Section **48-3-1210** is enacted to read:

7771 **48-3-1210. Foreign limited liability company -- Series.**

7772 (1) A foreign limited liability company that is authorized to do business in this state
7773 that is governed by an operating agreement that establishes or provides for the establishment of
7774 a series, shall indicate that fact on the application for a certificate of authority as a foreign
7775 limited liability company.

7776 (2) (a) A foreign limited liability company shall state on the application for a certificate
7777 of authority as a foreign limited liability company which of the protections for the series and
7778 foreign limited liability company found in Section 48-3-1202 apply to a series.

7779 (b) If different protections found in Section 48-3-1202 apply to different series of a
7780 foreign limited liability company, the application for authority to transact business in the state
7781 shall state:

7782 (i) the protections that apply to each existing series; and

7783 (ii) the protections that will apply to any series after registering to do business.

7784 Section 297. Section **48-3-1301** is enacted to read:

7785 **Part 13. Low-profit Limited Liability Companies**

7786 **48-3-1301. Application of this part.**

7787 If a conflict arises between this part and another provision of this chapter, this part
7788 controls.

7789 Section 298. Section **48-3-1302** is enacted to read:

7790 **48-3-1302. Requirements.**

7791 (1) To be a low-profit limited liability company, a limited liability company shall:

7792 (a) contain in its name the abbreviation "L3C" or "l3c";

7793 (b) state in its certificate of organization that it is a low-profit limited liability
7794 company;

7795 (c) organize under this chapter; and

7796 (d) be organized for a business purpose that satisfies, and at all times operates to satisfy
7797 each of the requirements under Subsection (2).

7798 (2) A low-profit limited liability company:

7799 (a) shall significantly further the accomplishment of one or more charitable or
7800 educational purposes within the meaning of Section 170(c)(2)(B), Internal Revenue Code;

7801 (b) shall demonstrate that it would not be formed but for the limited liability company's
7802 relationship to the accomplishment of a charitable or educational purpose;

7803 (c) subject to Subsection (3), may not have as a significant purpose the production of
7804 income or the appreciation of property; and

7805 (d) may not have as a purpose to accomplish one or more political or legislative
7806 purposes within the meaning of Section 170(c)(2)(D), Internal Revenue Code.

7807 (3) Notwithstanding Subsection (2), if a low-profit limited liability company produces
7808 significant income or capital appreciation, in the absence of other factors, the fact that the
7809 low-profit limited liability company produces significant income or capital appreciation is not
7810 conclusive evidence of a significant purpose involving the production of income or the
7811 appreciation of property.

7812 Section 299. Section **48-3-1303** is enacted to read:

7813 **48-3-1303. Ceasing to be a low-profit limited liability company.**

7814 (1) If a company that is a low-profit limited liability company at its formation at any
7815 time ceases to meet a requirement to be a low-profit limited liability company under Section
7816 48-3-1302, the limited liability company:

7817 (a) ceases to be a low-profit limited liability company on the day on which the limited
7818 liability company no longer meets the requirement; and

7819 (b) if it continues to meet the requirements of this chapter to be a limited liability
7820 company, continues to exist as a limited liability company that is not a low-profit limited
7821 liability company.

7822 (2) A low-profit limited liability company's failure to meet a requirement of Section
7823 48-3-1302 may be:

7824 (a) voluntary, in order to convert to a limited liability company that is not a low-profit
7825 limited liability company; or

7826 (b) involuntary.

7827 (3) If a low-profit limited liability company ceases to be a low-profit limited liability
7828 company in accordance with this section, the limited liability company shall:

7829 (a) change its name to conform with Section 48-3-108; and

7830 (b) amend its articles of organization in accordance with Section 48-3-202.

7831 Section 300. Section **48-3-1304** is enacted to read:

7832 **48-3-1304. Conversion or merger of a low-profit limited liability company.**

7833 A low-profit limited liability company may engage in the following to the same extent
7834 as a limited liability company that is not a low-profit limited liability company may do so under
7835 Part 10, Merger, Conversion, and Domestication:

7836 (1) convert to another subject entity;

7837 (2) convert from another subject entity; or

7838 (3) participate in a merger.

7839 Section 301. Section **48-3-1401** is enacted to read:

7840 **Part 14. Miscellaneous Provisions**

7841 **48-3-1401. Uniformity of application and construction.**

7842 In applying and construing this chapter, consideration must be given to the need to
7843 promote uniformity of the law with respect to its subject matter among states that enact the
7844 uniform act.

7845 Section 302. Section **48-3-1402** is enacted to read:

7846 **48-3-1402. Relation to Electronic Signatures in Global and National Commerce**
7847 **Act.**

7848 This chapter modifies, limits, and supersedes the federal Electronic Signatures in
7849 Global and National Commerce Act, 15 U.S.C. Sec. 7001 et seq., but does not modify, limit, or
7850 supersede Section 101(c) of that act, 15 U.S.C. Sec. 7001(c), or authorize electronic delivery of
7851 any of the notices described in Section 103(b) of that act, 15 U.S.C. Sec. 7003(b).

7852 Section 303. Section **48-3-1403** is enacted to read:

7853 **48-3-1403. Severability clause.**

7854 If any provision of this chapter or its application to any person or circumstance is held
7855 invalid, the invalidity does not affect other provisions or applications of this chapter which can
7856 be given effect without the invalid provision or application, and to this end the provisions of
7857 this chapter are severable.

7858 Section 304. Section **48-3-1404** is enacted to read:

7859 **48-3-1404. Savings clause.**

7860 This chapter does not affect an action commenced, proceeding brought, or right accrued
7861 before this chapter takes effect.

7862 Section 305. Section **48-3-1405** is enacted to read:

7863 **48-3-1405. Application to existing relationships.**

7864 (1) Before January 1, 2014, this chapter governs only:

7865 (a) a limited liability company formed on or after July 1, 2012; and

7866 (b) subject to Subsection (3), a limited liability company formed before July 1, 2012,

7867 which elects, in the manner provided in its operating agreement or by law for amending the

7868 operating agreement, to be subject to this chapter.

7869 (2) Subject to Subsection (3), on and after January 1, 2014, this chapter governs all

7870 limited liability companies.

7871 (3) For the purposes of applying this chapter to a limited liability company formed
7872 before July 1, 2012:

7873 (a) the limited liability company's articles of organization are deemed to be the
7874 company's certificate of organization;

7875 (b) for the purposes of applying Subsection 48-3-102(10) and subject to Subsection
7876 48-3-112(4), language in the company's certificates of organization designating the limited
7877 liability company's management structure operates as if that language were in the operating
7878 agreement; and

7879 (c) the limited liability company has a perpetual duration unless otherwise stated in the
7880 limited liability company's articles of organization.

7881 Section 306. Section **53C-1-201** is amended to read:

7882 **53C-1-201. Creation of administration -- Purpose -- Director.**

7883 (1) (a) There is established within state government the School and Institutional Trust
7884 Lands Administration.

7885 (b) The administration shall manage all school and institutional trust lands and assets
7886 within the state, except as otherwise provided in Title 53C, Chapter 3, Deposit and Allocation
7887 of Revenue from Trust Lands, and Sections 51-7a-201 and 51-7a-202.

7888 (2) The administration is an independent state agency and not a division of any other
7889 department.

7890 (3) (a) It is subject to the usual legislative and executive department controls except as
7891 provided in this Subsection (3).

7892 (b) (i) The director may make rules as approved by the board that allow the
7893 administration to classify a business proposal submitted to the administration as protected
7894 under Section 63G-2-305, for as long as is necessary to evaluate the proposal.

7895 (ii) The administration shall return the proposal to the party who submitted the
7896 proposal, and incur no further duties under Title 63G, Chapter 2, Government Records Access
7897 and Management Act, if the administration determines not to proceed with the proposal.

7898 (iii) The administration shall classify the proposal pursuant to law if it decides to
7899 proceed with the proposal.

7900 (iv) Section 63G-2-403 does not apply during the review period.

7901 (c) The director shall make rules in compliance with Title 63G, Chapter 3, Utah
7902 Administrative Rulemaking Act, except that the administration is not subject to Subsections
7903 63G-3-301(6) and (7), and the director, with the board's approval, may establish a procedure
7904 for the expedited approval of rules, based on written findings by the director showing:

7905 (i) the changes in business opportunities affecting the assets of the trust;

7906 (ii) the specific business opportunity arising out of those changes which may be lost
7907 without the rule or changes to the rule;

7908 (iii) the reasons the normal procedures under Section 63G-3-301 cannot be met without
7909 causing the loss of the specific opportunity;

7910 (iv) approval by at least five board members; and

7911 (v) that the director has filed a copy of the rule and a rule analysis, stating the specific
7912 reasons and justifications for its findings, with the Division of Administrative Rules and
7913 notified interested parties as provided in Subsection 63G-3-301(10).

7914 (d) (i) The administration shall comply with Title 67, Chapter 19, Utah State Personnel
7915 Management Act, except as provided in this Subsection (3)(d).

7916 (ii) The board may approve, upon recommendation of the director, that exemption for
7917 specific positions under Subsections 67-19-12(2) and 67-19-15(1) is required in order to enable
7918 the administration to efficiently fulfill its responsibilities under the law. The director shall
7919 consult with the executive director of the Department of Human Resource Management prior
7920 to making such a recommendation.

7921 (iii) The positions of director, deputy director, associate director, assistant director,
7922 legal counsel appointed under Section 53C-1-305, administrative assistant, and public affairs
7923 officer are exempt under Subsections 67-19-12(2) and 67-19-15(1).

7924 (iv) Salaries for exempted positions, except for the director, shall be set by the director,
7925 after consultation with the executive director of the Department of Human Resource

7926 Management, within ranges approved by the board. The board and director shall consider
7927 salaries for similar positions in private enterprise and other public employment when setting
7928 salary ranges.

7929 (v) The board may create an annual incentive and bonus plan for the director and other
7930 administration employees designated by the board, based upon the attainment of financial
7931 performance goals and other measurable criteria defined and budgeted in advance by the board.

7932 (e) The administration shall comply with Title 63G, Chapter 6, Utah Procurement
7933 Code, except where the board approves, upon recommendation of the director, exemption from
7934 the Utah Procurement Code, and simultaneous adoption of rules under Title 63G, Chapter 3,
7935 Utah Administrative Rulemaking Act, for procurement, which enable the administration to
7936 efficiently fulfill its responsibilities under the law.

7937 (f) (i) The board and director shall review the exceptions under this Subsection (3) and
7938 make recommendations for any modification, if required, which the Legislature would be asked
7939 to consider during its annual general session.

7940 (ii) The board and director may include in their recommendations any other proposed
7941 exceptions from the usual executive and legislative controls the board and director consider
7942 necessary to accomplish the purpose of this title.

7943 (4) The administration is managed by a director of school and institutional trust lands
7944 appointed by a majority vote of the board of trustees with the consent of the governor.

7945 (5) (a) The board of trustees shall provide policies for the management of the
7946 administration and for the management of trust lands and assets.

7947 (b) The board shall provide policies for the ownership and control of Native American
7948 remains that are discovered or excavated on school and institutional trust lands in consultation
7949 with the Division of Indian Affairs and giving due consideration to Title 9, Chapter 9, Part 4,
7950 Native American Grave Protection and Repatriation Act. The director may make rules in
7951 accordance with Title 63G, Chapter 3, Utah Administrative Rulemaking Act, to implement
7952 policies provided by the board regarding Native American remains.

7953 (6) In connection with joint ventures for the development of trust lands and minerals

7954 approved by the board under Sections 53C-1-303 and 53C-2-401, the administration may
7955 become a member of a limited liability company under Title 48, Chapter [2c] 3, Utah Revised
7956 Uniform Limited Liability Company Act, and is considered a person under Section [48-2c-102]
7957 48-3-102.

7958 Section 307. Section **61-2b-25** is amended to read:

7959 **61-2b-25. Other law unaffected.**

7960 This chapter may not be considered to prohibit a person approved, licensed, certified, or
7961 registered under this chapter from engaging in the practice of real estate appraising as a
7962 professional corporation or a limited liability company in accordance with:

7963 (1) Title 16, Chapter 11, Professional Corporation Act; or

7964 (2) Title 48, Chapter [2c] 3, Utah Revised Uniform Limited Liability Company Act.

7965 Section 308. Section **61-2f-401** is amended to read:

7966 **61-2f-401. Grounds for disciplinary action.**

7967 The following acts are unlawful for a person required to be licensed under this chapter:

7968 (1) (a) making a substantial misrepresentation;

7969 (b) making an intentional misrepresentation;

7970 (c) pursuing a continued and flagrant course of misrepresentation;

7971 (d) making a false representation or promise through an agent, sales agent, advertising,
7972 or otherwise; or

7973 (e) making a false representation or promise of a character likely to influence,
7974 persuade, or induce;

7975 (2) acting for more than one party in a transaction without the informed consent of all
7976 parties;

7977 (3) (a) acting as an associate broker or sales agent while not affiliated with a principal
7978 broker;

7979 (b) representing or attempting to represent a principal broker other than the principal
7980 broker with whom the person is affiliated; or

7981 (c) representing as sales agent or having a contractual relationship similar to that of

7982 sales agent with a person other than a principal broker;
7983 (4) (a) failing, within a reasonable time, to account for or to remit money that belongs
7984 to another and comes into the person's possession;
7985 (b) commingling money described in Subsection (4)(a) with the person's own money;
7986 or
7987 (c) diverting money described in Subsection (4)(a) from the purpose for which the
7988 money is received;
7989 (5) paying or offering to pay valuable consideration, as defined by the commission, to a
7990 person not licensed under this chapter, except that valuable consideration may be shared:
7991 (a) with a principal broker of another jurisdiction; or
7992 (b) as provided under:
7993 (i) Title 16, Chapter 10a, Utah Revised Business Corporation Act;
7994 (ii) Title 16, Chapter 11, Professional Corporation Act; or
7995 (iii) Title 48, Chapter [2c] 3, Utah Revised Uniform Limited Liability Company Act;
7996 (6) being incompetent to act as a principal broker, associate broker, or sales agent in
7997 such manner as to safeguard the interests of the public;
7998 (7) failing to voluntarily furnish a copy of a document to all parties before and after the
7999 execution of a document;
8000 (8) failing to keep and make available for inspection by the division a record of each
8001 transaction, including:
8002 (a) the names of buyers and sellers or lessees and lessors;
8003 (b) the identification of real estate;
8004 (c) the sale or rental price;
8005 (d) money received in trust;
8006 (e) agreements or instructions from buyers and sellers or lessees and lessors; and
8007 (f) any other information required by rule;
8008 (9) failing to disclose, in writing, in the purchase, sale, or rental of real estate, whether
8009 the purchase, sale, or rental is made for that person or for an undisclosed principal;

- 8010 (10) being convicted of a criminal offense involving moral turpitude within five years
8011 of the most recent application:
- 8012 (a) regardless of whether the criminal offense is related to real estate; and
 - 8013 (b) including:
 - 8014 (i) a conviction based upon a plea of nolo contendere; or
 - 8015 (ii) a plea held in abeyance to a criminal offense involving moral turpitude;
 - 8016 (11) advertising the availability of real estate or the services of a licensee in a false,
8017 misleading, or deceptive manner;
 - 8018 (12) in the case of a principal broker or a licensee who is a branch manager, failing to
8019 exercise reasonable supervision over the activities of the principal broker's or branch manager's
8020 licensed or unlicensed staff;
 - 8021 (13) violating or disregarding:
 - 8022 (a) this chapter;
 - 8023 (b) an order of the commission; or
 - 8024 (c) the rules adopted by the commission and the division;
 - 8025 (14) breaching a fiduciary duty owed by a licensee to the licensee's principal in a real
8026 estate transaction;
 - 8027 (15) any other conduct which constitutes dishonest dealing;
 - 8028 (16) unprofessional conduct as defined by statute or rule;
 - 8029 (17) having one of the following suspended, revoked, surrendered, or cancelled on the
8030 basis of misconduct in a professional capacity that relates to character, honesty, integrity, or
8031 truthfulness:
 - 8032 (a) a real estate license, registration, or certificate issued by another jurisdiction; or
 - 8033 (b) another license, registration, or certificate to engage in an occupation or profession
8034 issued by this state or another jurisdiction;
 - 8035 (18) failing to respond to a request by the division in an investigation authorized under
8036 this chapter, including:
 - 8037 (a) failing to respond to a subpoena;

- 8038 (b) withholding evidence; or
- 8039 (c) failing to produce documents or records;
- 8040 (19) in the case of a dual licensed title licensee as defined in Section 31A-2-402:
- 8041 (a) providing a title insurance product or service without the approval required by
- 8042 Section 31A-2-405; or
- 8043 (b) knowingly providing false or misleading information in the statement required by
- 8044 Subsection 31A-2-405(2);
- 8045 (20) violating an independent contractor agreement between a principal broker and a
- 8046 sales agent or associate broker as evidenced by a final judgment of a court;
- 8047 (21) (a) engaging in a foreclosure rescue if not licensed under this chapter;
- 8048 (b) engaging in an act of loan modification assistance that requires licensure as a
- 8049 mortgage officer under Chapter 2c, Utah Residential Mortgage Practices and Licensing Act,
- 8050 without being licensed under that chapter;
- 8051 (c) requesting or requiring a person to pay a fee if:
- 8052 (i) the person is required to pay the fee before entering into a written agreement
- 8053 specifying what one or more acts of foreclosure rescue will be completed if the fee is paid; or
- 8054 (ii) in a case when the financing that is the subject of the foreclosure rescue is
- 8055 foreclosed within one year from the day on which the person enters into a written agreement,
- 8056 the person is required to forfeit the fee for any reason;
- 8057 (d) inducing a person who is at risk of foreclosure to hire the licensee to engage in an
- 8058 act of foreclosure rescue by:
- 8059 (i) suggesting to the person that the licensee has a special relationship with the person's
- 8060 lender or loan servicer; or
- 8061 (ii) falsely representing or advertising that the licensee is acting on behalf of:
- 8062 (A) a government agency;
- 8063 (B) the person's lender or loan servicer; or
- 8064 (C) a nonprofit or charitable institution; or
- 8065 (e) recommending or participating in a foreclosure rescue that requires a person to:

- 8066 (i) transfer title to real property to the licensee or to a third party with whom the
- 8067 licensee has a business relationship or financial interest;
- 8068 (ii) make a mortgage payment to a person other than the person's loan servicer; or
- 8069 (iii) refrain from contacting the person's:
- 8070 (A) lender;
- 8071 (B) loan servicer;
- 8072 (C) attorney;
- 8073 (D) credit counselor; or
- 8074 (E) housing counselor; or
- 8075 (22) for an agreement for foreclosure rescue entered into on or after May 11, 2010,
- 8076 engaging in an act of foreclosure rescue without offering in writing to the person entering into
- 8077 the agreement for foreclosure rescue a right to cancel the agreement within three business days
- 8078 after the day on which the person enters the agreement.

8079 Section 309. Section **75-7-1011** is amended to read:

8080 **75-7-1011. Interest as general partner.**

8081 (1) Except as otherwise provided in Subsection (3) or unless personal liability is

8082 imposed in the contract, a trustee who holds an interest as a general partner in a general or

8083 limited partnership is not personally liable on a contract entered into by the partnership after

8084 the trust's acquisition of the interest if the fiduciary capacity was disclosed in the contract or in

8085 a statement previously filed pursuant to Title 48, Chapter [~~2a, Utah Revised~~] 2d, Utah Uniform

8086 Limited Partnership Act.

8087 (2) Except as otherwise provided in Subsection (3), a trustee who holds an interest as a

8088 general partner is not personally liable for torts committed by the partnership or for obligations

8089 arising from ownership or control of the interest unless the trustee is personally at fault.

8090 (3) The immunity provided by this section does not apply if an interest in the

8091 partnership is held by the trustee in a capacity other than that of trustee or is held by the

8092 trustee's spouse or one or more of the trustee's descendants, siblings, or parents, or the spouse

8093 of any of them.

8094 (4) If the trustee of a revocable trust holds an interest as a general partner, the settlor is
8095 personally liable for contracts and other obligations of the partnership as if the settlor were a
8096 general partner.

8097 Section 310. **Repealer.**

8098 This bill repeals:

8099 Section **48-1-1, Definition of terms.**

8100 Section **48-1-2, Interpretation of knowledge and notice.**

8101 Section **48-1-3, "Partnership" defined.**

8102 Section **48-1-3.1, Joint venture defined -- Application of chapter.**

8103 Section **48-1-4, Rules for determining the existence of a partnership.**

8104 Section **48-1-5, Partnership property.**

8105 Section **48-1-6, Partner agent of partnership as to partnership business.**

8106 Section **48-1-7, Conveyance of real property of partnership.**

8107 Section **48-1-8, Partnership bound by admission of partner.**

8108 Section **48-1-9, Partnership charged with knowledge of or notice to partner.**

8109 Section **48-1-10, Partnership bound by partner's wrongful act.**

8110 Section **48-1-11, Partnership bound by partner's breach of trust.**

8111 Section **48-1-12, Nature of partner's liability.**

8112 Section **48-1-13, Partner by estoppel.**

8113 Section **48-1-14, Liability of incoming partner.**

8114 Section **48-1-15, Rules determining rights and duties of partners.**

8115 Section **48-1-16, Partnership books.**

8116 Section **48-1-17, Duty of partners to render information.**

8117 Section **48-1-18, Partner accountable as a fiduciary.**

8118 Section **48-1-19, Right to an account.**

8119 Section **48-1-20, Continuation of partnership beyond fixed term.**

8120 Section **48-1-21, Extent of property rights of a partner.**

8121 Section **48-1-22, Nature of a partner's right in specific partnership property.**

- 8122 Section **48-1-23, Nature of partner's interest in the partnership.**
- 8123 Section **48-1-24, Assignment of partner's interest.**
- 8124 Section **48-1-25, Partner's interest subject to charging order.**
- 8125 Section **48-1-26, "Dissolution" defined.**
- 8126 Section **48-1-27, Partnership not terminated by dissolution.**
- 8127 Section **48-1-28, Causes of dissolution.**
- 8128 Section **48-1-29, Dissolution by decree of court.**
- 8129 Section **48-1-30, General effect of dissolution on authority of partner.**
- 8130 Section **48-1-31, Right of partner to contribution from copartners after dissolution.**
- 8131 Section **48-1-32, Power of partner to bind partnership to third persons after**
- 8132 **dissolution.**
- 8133 Section **48-1-33, Effect of dissolution on partner's existing liability.**
- 8134 Section **48-1-34, Right to wind up.**
- 8135 Section **48-1-35, Rights of partners to application of partnership property.**
- 8136 Section **48-1-36, Rights where partnership is dissolved for fraud or**
- 8137 **misrepresentation.**
- 8138 Section **48-1-37, Rules for distribution.**
- 8139 Section **48-1-38, Liability of persons continuing the business in certain cases.**
- 8140 Section **48-1-39, Rights of retiring or estate of deceased partner when the business**
- 8141 **is continued.**
- 8142 Section **48-1-40, Accrual of actions.**
- 8143 Section **48-1-41, Title.**
- 8144 Section **48-1-42, Registration of limited liability partnerships.**
- 8145 Section **48-1-43, Scope of chapter -- Choice of law.**
- 8146 Section **48-1-44, Foreign limited liability partnerships.**
- 8147 Section **48-1-45, Name of registered limited liability partnership.**
- 8148 Section **48-1-46, Professional relationship -- Personal liability.**
- 8149 Section **48-1-47, Regulatory agency or board authority -- Prohibitions on**

- 8150 **individuals apply.**
- 8151 Section **48-1-48, Limited liability partnerships providing professional services.**
- 8152 Section **48-2a-101, Definitions.**
- 8153 Section **48-2a-102, Name.**
- 8154 Section **48-2a-103, Reservation of name.**
- 8155 Section **48-2a-103.5, Limited partnership name -- Limited rights.**
- 8156 Section **48-2a-105, Records to be kept.**
- 8157 Section **48-2a-106, Nature of business.**
- 8158 Section **48-2a-107, Business transactions of partner with partnership.**
- 8159 Section **48-2a-108, Conversion of certain entities to a limited partnership.**
- 8160 Section **48-2a-109, Articles of conversion.**
- 8161 Section **48-2a-110, Effect of conversion.**
- 8162 Section **48-2a-111, Approval of conversion.**
- 8163 Section **48-2a-112, No limitation on other changes.**
- 8164 Section **48-2a-113, Approval of limited partnership conversion to subject entity.**
- 8165 Section **48-2a-201, Certificate of limited partnerships.**
- 8166 Section **48-2a-202, Amendment to certificate.**
- 8167 Section **48-2a-202.5, Actions not requiring amendment.**
- 8168 Section **48-2a-203, Voluntary cancellation of certificate.**
- 8169 Section **48-2a-203.5, Involuntary dissolution of certificate.**
- 8170 Section **48-2a-204, Execution of certificates.**
- 8171 Section **48-2a-205, Execution by judicial act.**
- 8172 Section **48-2a-206, Filing with the division.**
- 8173 Section **48-2a-207, Liability for false statement in certificate.**
- 8174 Section **48-2a-208, Scope of notice.**
- 8175 Section **48-2a-209, Delivery of certificates to limited partners.**
- 8176 Section **48-2a-210, Annual report.**
- 8177 Section **48-2a-301, Admission of additional limited partners.**

- 8178 Section **48-2a-302, Voting.**
- 8179 Section **48-2a-303, Liability to third parties.**
- 8180 Section **48-2a-304, Person erroneously believing himself to be a limited partner.**
- 8181 Section **48-2a-305, Inspection of records -- Right to information.**
- 8182 Section **48-2a-401, Admission of additional general partners.**
- 8183 Section **48-2a-402, Events of withdrawal.**
- 8184 Section **48-2a-403, General powers and liabilities.**
- 8185 Section **48-2a-404, Contributions by general partners.**
- 8186 Section **48-2a-405, Voting.**
- 8187 Section **48-2a-501, Form of contribution.**
- 8188 Section **48-2a-502, Liability for contribution.**
- 8189 Section **48-2a-503, Sharing of profits and losses.**
- 8190 Section **48-2a-504, Sharing of distributions.**
- 8191 Section **48-2a-601, Interim distributions.**
- 8192 Section **48-2a-602, Withdrawal of general partner.**
- 8193 Section **48-2a-603, Withdrawal of limited partners.**
- 8194 Section **48-2a-604, Distribution upon withdrawal.**
- 8195 Section **48-2a-605, Distribution in kind.**
- 8196 Section **48-2a-606, Right to distribution.**
- 8197 Section **48-2a-607, Limitations on distributions.**
- 8198 Section **48-2a-608, Liability upon return of contribution.**
- 8199 Section **48-2a-701, Nature of partnership interest.**
- 8200 Section **48-2a-702, Assignment of partnership interest.**
- 8201 Section **48-2a-703, Rights of creditor.**
- 8202 Section **48-2a-704, Right of assignee to become limited partner.**
- 8203 Section **48-2a-705, Power of estate of deceased or incompetent partner.**
- 8204 Section **48-2a-801, Nonjudicial dissolution.**
- 8205 Section **48-2a-802, Judicial dissolution.**

- 8206 Section **48-2a-803, Winding up.**
- 8207 Section **48-2a-804, Distribution of assets.**
- 8208 Section **48-2a-901, Law governing.**
- 8209 Section **48-2a-902, Registration.**
- 8210 Section **48-2a-903, Issuance of registration.**
- 8211 Section **48-2a-904, Name.**
- 8212 Section **48-2a-905, Changes and amendments.**
- 8213 Section **48-2a-906, Cancellation of registration.**
- 8214 Section **48-2a-907, Transaction of business without registration.**
- 8215 Section **48-2a-908, Action by director of division.**
- 8216 Section **48-2a-1001, Right of action.**
- 8217 Section **48-2a-1002, Proper plaintiff.**
- 8218 Section **48-2a-1003, Pleading.**
- 8219 Section **48-2a-1004, Expenses.**
- 8220 Section **48-2a-1005, Security and costs.**
- 8221 Section **48-2a-1006, Indemnification of a general partner.**
- 8222 Section **48-2a-1101, Construction and application.**
- 8223 Section **48-2a-1102, Short title.**
- 8224 Section **48-2a-1103, Severability.**
- 8225 Section **48-2a-1104, Effective date -- Extended effective date -- Applicability of**
- 8226 **former law.**
- 8227 Section **48-2a-1105, Rules for cases not provided for in this chapter.**
- 8228 Section **48-2a-1106, Savings clause.**
- 8229 Section **48-2a-1107, Fees.**
- 8230 Section **48-2c-101, Title.**
- 8231 Section **48-2c-102, Definitions.**
- 8232 Section **48-2c-103, Application of partnership provisions.**
- 8233 Section **48-2c-104, Separate legal entity.**

- 8234 Section **48-2c-105, Purpose.**
- 8235 Section **48-2c-106, Name -- Exclusive right.**
- 8236 Section **48-2c-107, Limited liability company name -- Limited rights.**
- 8237 Section **48-2c-108, Reservation of name.**
- 8238 Section **48-2c-109, Transaction of business outside state.**
- 8239 Section **48-2c-110, Powers.**
- 8240 Section **48-2c-113, Inspection of records by members and managers.**
- 8241 Section **48-2c-114, Scope of inspection right.**
- 8242 Section **48-2c-115, Court-ordered inspection.**
- 8243 Section **48-2c-116, Member or manager as a party to proceedings.**
- 8244 Section **48-2c-118, Waiver of notice.**
- 8245 Section **48-2c-119, Transaction of members or managers with company.**
- 8246 Section **48-2c-120, Articles of organization and operating agreement.**
- 8247 Section **48-2c-121, Scope of notice.**
- 8248 Section **48-2c-122, Statement of person named as manager or member.**
- 8249 Section **48-2c-201, Place for filings.**
- 8250 Section **48-2c-202, Record of filings.**
- 8251 Section **48-2c-203, Annual report.**
- 8252 Section **48-2c-204, Signing of documents filed with division.**
- 8253 Section **48-2c-205, Penalty for signing false documents.**
- 8254 Section **48-2c-206, Powers of the division.**
- 8255 Section **48-2c-207, Filing requirements.**
- 8256 Section **48-2c-208, Effective time and date of filed documents.**
- 8257 Section **48-2c-209, Correcting filed documents.**
- 8258 Section **48-2c-210, Filing duty of division.**
- 8259 Section **48-2c-211, Appeal from division's refusal to file document.**
- 8260 Section **48-2c-212, Evidentiary effect of copy of filed document.**
- 8261 Section **48-2c-213, Certificates issued by the division.**

- 8262 Section **48-2c-214, Fees.**
- 8263 Section **48-2c-305, Director of division as agent for service of process -- Records of**
- 8264 **process served.**
- 8265 Section **48-2c-309, Service on withdrawn foreign company.**
- 8266 Section **48-2c-311, Venue for action against foreign company.**
- 8267 Section **48-2c-401, Organizer.**
- 8268 Section **48-2c-402, Formation of company.**
- 8269 Section **48-2c-403, Articles of organization.**
- 8270 Section **48-2c-404, Prefiling activities.**
- 8271 Section **48-2c-405, When amendment to articles of organization required.**
- 8272 Section **48-2c-406, Actions not requiring amendment.**
- 8273 Section **48-2c-407, Authority to amend articles of organization.**
- 8274 Section **48-2c-408, Certificate of amendment to articles of organization.**
- 8275 Section **48-2c-409, Restated articles of organization.**
- 8276 Section **48-2c-410, Transfer to other jurisdiction.**
- 8277 Section **48-2c-411, Domestication of foreign company.**
- 8278 Section **48-2c-412, Low-profit limited liability company.**
- 8279 Section **48-2c-501, Initial agreement.**
- 8280 Section **48-2c-502, General rules for operating agreements.**
- 8281 Section **48-2c-503, Timing.**
- 8282 Section **48-2c-504, Operating agreement for a one-member company.**
- 8283 Section **48-2c-505, Interpretation and enforcement.**
- 8284 Section **48-2c-506, Amendment.**
- 8285 Section **48-2c-601, General rule.**
- 8286 Section **48-2c-602, Exceptions to limited liability.**
- 8287 Section **48-2c-603, Waiver of exceptions to limited liability.**
- 8288 Section **48-2c-604, Waiver of protection of limited liability.**
- 8289 Section **48-2c-605, No formalities required to maintain limited liability.**

- 8290 Section **48-2c-606, Series of members, managers, or limited liability company**
- 8291 **interests.**
- 8292 Section **48-2c-607, Notice of series -- Articles of organization.**
- 8293 Section **48-2c-608, Agreement to be liable.**
- 8294 Section **48-2c-609, Series related provisions in operating agreement.**
- 8295 Section **48-2c-610, Management of a series.**
- 8296 Section **48-2c-611, Distributions concerning a series.**
- 8297 Section **48-2c-612, Member removal from a series -- Effect.**
- 8298 Section **48-2c-613, Termination of series.**
- 8299 Section **48-2c-614, Court-decreed termination of series.**
- 8300 Section **48-2c-615, Participation in winding up.**
- 8301 Section **48-2c-616, Foreign limited liability company -- Series.**
- 8302 Section **48-2c-701, Nature of member interest.**
- 8303 Section **48-2c-702, Initial members.**
- 8304 Section **48-2c-703, Additional members.**
- 8305 Section **48-2c-704, Meetings of members.**
- 8306 Section **48-2c-705, Voting.**
- 8307 Section **48-2c-706, Action by members without a meeting.**
- 8308 Section **48-2c-707, Classes of members.**
- 8309 Section **48-2c-708, Cessation of membership.**
- 8310 Section **48-2c-709, Withdrawal of a member.**
- 8311 Section **48-2c-710, Expulsion of a member.**
- 8312 Section **48-2c-801, Management structure.**
- 8313 Section **48-2c-802, Agency authority of members and managers.**
- 8314 Section **48-2c-803, Management by members.**
- 8315 Section **48-2c-803.1, Individual profits interest.**
- 8316 Section **48-2c-804, Management by managers.**
- 8317 Section **48-2c-805, Delegation of authority and power to manage.**

- 8318 Section **48-2c-806, Reliance by member or manager on reports and information.**
- 8319 Section **48-2c-807, Duties of managers and members.**
- 8320 Section **48-2c-808, Actions by multiple managers.**
- 8321 Section **48-2c-809, Removal by judicial proceeding.**
- 8322 Section **48-2c-901, Form of contribution.**
- 8323 Section **48-2c-902, Assessments for additional contributions.**
- 8324 Section **48-2c-903, Capital accounts.**
- 8325 Section **48-2c-904, Valuation of member's interest in the company.**
- 8326 Section **48-2c-905, Redemption of interest.**
- 8327 Section **48-2c-906, Allocation of profits and losses.**
- 8328 Section **48-2c-1001, Allocation of current distributions.**
- 8329 Section **48-2c-1002, Timing of distributions.**
- 8330 Section **48-2c-1003, Liquidating distributions.**
- 8331 Section **48-2c-1004, Right to distributions.**
- 8332 Section **48-2c-1005, Limitations on distributions.**
- 8333 Section **48-2c-1006, Duty to return wrongful distributions.**
- 8334 Section **48-2c-1007, Distribution in kind.**
- 8335 Section **48-2c-1008, Unclaimed distributions.**
- 8336 Section **48-2c-1101, Assignment of interests.**
- 8337 Section **48-2c-1102, Rights of assignee.**
- 8338 Section **48-2c-1103, Rights of creditor of member.**
- 8339 Section **48-2c-1104, Right of assignee to become member.**
- 8340 Section **48-2c-1105, Liability of assignor continues.**
- 8341 Section **48-2c-1106, Invalid transfers.**
- 8342 Section **48-2c-1201, Events of dissolution.**
- 8343 Section **48-2c-1202, Voluntary cancellation of certificate.**
- 8344 Section **48-2c-1203, Effect of dissolution.**
- 8345 Section **48-2c-1204, Articles of dissolution.**

- 8346 Section **48-2c-1205, Revocation of voluntary dissolution.**
- 8347 Section **48-2c-1206, Grounds for administrative dissolution.**
- 8348 Section **48-2c-1207, Procedure for and effect of administrative dissolution.**
- 8349 Section **48-2c-1208, Reinstatement following administrative dissolution.**
- 8350 Section **48-2c-1209, Appeal from denial of reinstatement.**
- 8351 Section **48-2c-1210, Grounds for judicial dissolution.**
- 8352 Section **48-2c-1211, Procedure for judicial dissolution.**
- 8353 Section **48-2c-1212, Receivership or custodianship.**
- 8354 Section **48-2c-1213, Decree of dissolution.**
- 8355 Section **48-2c-1214, Election to purchase in lieu of dissolution.**
- 8356 Section **48-2c-1301, Winding up defined.**
- 8357 Section **48-2c-1302, Powers of company in winding up.**
- 8358 Section **48-2c-1303, Persons authorized to wind up.**
- 8359 Section **48-2c-1304, Payment of claims and obligations.**
- 8360 Section **48-2c-1305, Disposition of known claims by notification.**
- 8361 Section **48-2c-1306, Disposition of claims by publication.**
- 8362 Section **48-2c-1307, Enforcement of claims against dissolved company in winding**
- 8363 **up.**
- 8364 Section **48-2c-1308, Distribution of assets on winding up.**
- 8365 Section **48-2c-1309, Deposit with state treasurer.**
- 8366 Section **48-2c-1401, Conversion of certain entities to a domestic company.**
- 8367 Section **48-2c-1402, Articles of conversion.**
- 8368 Section **48-2c-1403, Effect of conversion.**
- 8369 Section **48-2c-1404, Approval of conversion.**
- 8370 Section **48-2c-1405, No limitation on other changes.**
- 8371 Section **48-2c-1406, Approval of company conversion to other entity.**
- 8372 Section **48-2c-1407, Merger.**
- 8373 Section **48-2c-1408, Approval of merger.**

- 8374 Section **48-2c-1409, Articles of merger.**
- 8375 Section **48-2c-1410, Effect of merger.**
- 8376 Section **48-2c-1411, Conversion or merger of a low-profit limited liability**
- 8377 **company.**
- 8378 Section **48-2c-1501, Purpose of Part 15.**
- 8379 Section **48-2c-1502, Definitions.**
- 8380 Section **48-2c-1503, Rendering professional services.**
- 8381 Section **48-2c-1504, No limits on regulating board.**
- 8382 Section **48-2c-1505, Name limitations.**
- 8383 Section **48-2c-1506, Activity limitations.**
- 8384 Section **48-2c-1507, Limit of one profession.**
- 8385 Section **48-2c-1508, Members and managers restricted to professionals.**
- 8386 Section **48-2c-1509, Additional requirements for articles of organization.**
- 8387 Section **48-2c-1510, Restrictions on transfers by members.**
- 8388 Section **48-2c-1511, Purchase of interest upon death, incapacity, or disqualification**
- 8389 **of members.**
- 8390 Section **48-2c-1512, Conversion to nonprofessional company.**
- 8391 Section **48-2c-1513, Application of Part 15.**
- 8392 Section **48-2c-1601, Law governing foreign companies.**
- 8393 Section **48-2c-1602, Authority to transact business required.**
- 8394 Section **48-2c-1603, Consequences of transacting business without authority.**
- 8395 Section **48-2c-1604, Application for authority to transact business.**
- 8396 Section **48-2c-1605, Amended application for authority to transact business.**
- 8397 Section **48-2c-1606, Effect of filing an application for authority to transact**
- 8398 **business.**
- 8399 Section **48-2c-1607, Company name and assumed company name of foreign**
- 8400 **company.**
- 8401 Section **48-2c-1608, Registered name of foreign company.**

- 8402 Section **48-2c-1609, Amendment of articles of organization of foreign company.**
- 8403 Section **48-2c-1610, Merger of foreign company authorized to transact business in**
- 8404 **this state.**
- 8405 Section **48-2c-1611, Withdrawal of foreign company.**
- 8406 Section **48-2c-1612, Grounds for revocation.**
- 8407 Section **48-2c-1613, Procedure for and effect of revocation.**
- 8408 Section **48-2c-1614, Appeal from revocation.**
- 8409 Section **48-2c-1615, Actions to restrain transaction of business in state.**
- 8410 Section **48-2c-1701, Right of action.**
- 8411 Section **48-2c-1702, Proper plaintiff.**
- 8412 Section **48-2c-1703, Pleading.**
- 8413 Section **48-2c-1704, Stay of proceedings.**
- 8414 Section **48-2c-1705, Expenses.**
- 8415 Section **48-2c-1706, Security and costs.**
- 8416 Section **48-2c-1801, Definitions.**
- 8417 Section **48-2c-1802, Authority to indemnify.**
- 8418 Section **48-2c-1803, Mandatory indemnification of managers.**
- 8419 Section **48-2c-1804, Advancement of expenses.**
- 8420 Section **48-2c-1805, Court-ordered indemnification.**
- 8421 Section **48-2c-1806, Determination and authorization of indemnification.**
- 8422 Section **48-2c-1807, Indemnification of members, employees, fiduciaries, and**
- 8423 **agents.**
- 8424 Section **48-2c-1808, Insurance.**
- 8425 Section **48-2c-1809, Limitations on indemnification.**
- 8426 Section **48-2c-1901, Legislative intent -- Freedom of contract.**
- 8427 Section **48-2c-1902, Transitional provisions.**
- 8428 Section 311. **Effective date.**
- 8429 This bill takes effect on July 1, 2012.

8430