

DISTRICT OF COLUMBIA
OFFICIAL CODE

TITLE 29.
BUSINESS ORGANIZATIONS.

CHAPTER 2.
ENTITY TRANSACTIONS.

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CHAPTER 2. ENTITY TRANSACTIONS.

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CHAPTER 2. ENTITY TRANSACTIONS.

SUBCHAPTER I. GENERAL PROVISIONS.

§ 29-201.01. SHORT TITLE.

This chapter may be cited as the "Entity Transactions Act of 2010".
(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.01 has been recodified as § 29A-201.01.

§ 29-201.02. DEFINITIONS.

For the purpose of this chapter, the term:

- (1) "Acquired entity" means the entity, all of one or more classes or series of interests in which are acquired in an interest exchange.
- (2) "Acquiring entity" means the entity that acquires all of one or more classes or series of interests of the acquired entity in an interest exchange.
- (3) "Approve" means, in the case of an entity, for its governors and interest holders to take whatever steps are necessary under its organic rules, organic law, and other law to:
 - (A) Propose a transaction subject to this chapter;
 - (B) Adopt and approve the terms and conditions of the transaction; and
 - (C) Conduct any required proceedings or otherwise obtain any required votes or consents of the governors or interest holders.
- (4) "Conversion" means a transaction authorized by subchapter IV of this chapter.
- (5) "Converted entity" means the converting entity as it continues in existence after a conversion.
- (6) "Converting entity" means the domestic entity that approves a plan of conversion pursuant to § 29-204.03 or the foreign entity that approves a conversion pursuant to the law of its jurisdiction of organization.
- (7) "Domestic entity" means an entity whose internal affairs are governed by the law of the District.
- (8) "Domesticated entity" means the domesticating entity as it continues in existence after a domestication.
- (9) "Domesticating entity" means the domestic entity that approves a plan of domestication pursuant to § 29-205.03 or the foreign entity that approves a domestication pursuant to the law of its jurisdiction of organization.
- (10) "Domestication" means a transaction authorized by subchapter V of this chapter.
- (11) "Interest exchange" means a transaction authorized by subchapter III of this chapter.
- (12) "Interest holder liability" means:
 - (A) Personal liability for a liability of an entity that is imposed on a person:
 - (i) Solely by reason of the status of the person as an interest holder; or
 - (ii) By the organic rules of the entity pursuant to a provision of the organic law authorizing the

organic rules to make one or more specified interest holders or categories of interest holders liable in their capacity as interest holders for all or specified liabilities of the entity; or

(B) An obligation of an interest holder under the organic rules of an entity to contribute to the entity.

(13) "Liability" means a debt, obligation, or any other liability arising in any manner, regardless of whether it is secured or whether it is contingent.

(14) "Merger" means a transaction in which 2 or more merging entities are combined into a surviving entity pursuant to a filing with the Mayor.

(15) "Merging entity" means an entity that is a party to a merger and exists immediately before the merger becomes effective.

(16) "Plan" means a plan of merger, interest exchange, conversion, or domestication.

(17) "Protected agreement" means:

(A) A record evidencing indebtedness and any related agreement in effect on the effective date of this chapter;

(B) An agreement that is binding on an entity on the effective date of this chapter;

(C) The organic rules of an entity in effect on the effective date of this chapter; or

(D) An agreement that is binding on any of the governors or interest holders of an entity on the effective date of this chapter.

(18) "Surviving entity" means the entity that continues in existence after, or is created by, a merger.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.02 has been recodified as § 29A-201.02.

§ 29-201.03. RELATIONSHIP OF CHAPTER TO OTHER LAWS.

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

(b) This chapter shall not authorize an act prohibited by, and does not affect the application or requirements of, law other than this chapter.

(c) A transaction effected under this chapter shall not create or impair any right or obligation on the part of a person under a provision of the law of the District other than this chapter relating to a change in control, takeover, business combination, control-share acquisition, or similar transaction involving a domestic merging, acquired, converting, or domesticating corporation unless:

(1) If the corporation does not survive the transaction, the transaction satisfies any requirements of the provision; or

(2) If the corporation survives the transaction, the approval of the plan is by a vote of the shareholders or directors which would be sufficient to create or impair the right or obligation directly under the provision.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.03 has been recodified as § 29A-201.03.

§ 29-201.04. REQUIRED NOTICE OR APPROVAL.

(a) A domestic or foreign entity that is required to give notice to, or obtain the approval of, a governmental agency or officer to be a party to a merger shall give the notice, or obtain the approval, to be a party to an interest exchange, conversion, or domestication.

(b) Property held for a charitable purpose under the law of the District by a domestic or foreign entity immediately before a transaction under this chapter becomes effective shall not, as a result of the transaction, be diverted from the objects for which it was donated, granted, or devised, unless, to the extent required by or pursuant to the law of the District concerning cy pres or other law dealing with nondiversion of charitable assets, the entity obtains an appropriate order of the Superior Court specifying the disposition of the property.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.04 has been recodified as § 29A-201.04.

§ 29-201.05. STATUS OF FILINGS.

A filing under this chapter signed by a domestic entity shall become part of the public organic document of the entity if the entity's organic law provides that similar filings under that law become part of the public organic document of the entity.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.05 has been recodified as § 29A-201.05.

§ 29-201.06. NONEXCLUSIVITY.

The fact that a transaction under this chapter produces a certain result shall not preclude the same result from being accomplished in any other manner permitted by law other than this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.06 has been recodified as § 29A-201.06.

§ 29-201.07. REFERENCE TO EXTERNAL FACTS.

A plan may refer to facts ascertainable outside of the plan if the manner in which the facts will operate upon the plan is specified in the plan. The facts may include the occurrence of an event or a determination or action by a person, whether or not the event, determination, or action is within the control of a party to the transaction.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.07 has been recodified as § 29A-201.07.

§ 29-201.08. ALTERNATIVE MEANS OF APPROVAL OF TRANSACTIONS.

Except as otherwise provided in the organic law or organic rules of a domestic entity, approval of a transaction under this chapter by the unanimous vote or consent of its interest holders shall satisfy this chapter for approval of the transaction.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.08 has been recodified as § 29A-201.08.

§ 29-201.09. APPRAISAL RIGHTS.

(a) An interest holder of a domestic merging, acquired, converting, or domesticating entity shall be entitled to appraisal rights in connection with the transaction if the interest holder would have been entitled to appraisal rights under the entity's organic law in connection with a merger in which the interest of the interest holder was changed, converted, or exchanged unless:

- (1) The organic law permits the organic rules to limit the availability of appraisal rights; and
- (2) The organic rules provide such limit.

(b) An interest holder of a domestic merging, acquired, converting, or domesticating entity shall be entitled to contractual appraisal rights in connection with a transaction under this chapter to the extent provided:

- (1) In the entity's organic rules;
- (2) In the plan; or
- (3) In the case of a business corporation, by action of its governors.

(c) If an interest holder is entitled to contractual appraisal rights under subsection (b) of this section and the entity's organic law does not provide procedures for the conduct of an appraisal rights proceeding, subchapter XI of Chapter 3 of this title shall apply to the extent practicable or as otherwise provided in the entity's organic rules or the plan.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

Editor's Notes

Former § 29-201.09 has been recodified as § 29A-201.09.

SUBCHAPTER II. MERGER.

§ 29-202.01. MERGER AUTHORIZED.

(a) Except as otherwise provided in this section, by complying with this subchapter:

- (1) One or more domestic entities may merge with one or more domestic or foreign entities into a domestic or foreign surviving entity; and
- (2) Two or more foreign entities may merge into a domestic entity.

(b) Except as otherwise provided in this section, by complying with the provisions of this subchapter applicable to foreign entities a foreign entity may be a party to a merger under this subchapter or may be the surviving entity in such merger if the merger is authorized by the law of the foreign entity's jurisdiction of organization.

(c) This subchapter shall not apply to a transaction under:

- (1) Subchapter IX of Chapter 3 of this title;
- (2) Subchapter IX of Chapter 4 of this title;
- (3) Section 29-512;
- (4) Subchapter IX of Chapter 6 of this title;

- (5) Subchapter X of Chapter 7 of this title;
- (6) Subchapter IX of Chapter 8 of this title;
- (7) Subchapter XV Chapter 10 of this title;
- (8) Section 29-1126; or
- (9) Subchapter XII of Chapter 12 of this title.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-202.02. PLAN OF MERGER.

(a) A domestic entity may become a party to a merger under this subchapter by approving a plan of merger. The plan shall be in a record and contain:

- (1) As to each merging entity, its name, jurisdiction of organization, and type;
- (2) If the surviving entity is to be created in the merger, a statement to that effect and its name, jurisdiction of organization, and type;
- (3) The manner of converting the interests in each party to the merger into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;
- (4) If the surviving entity exists before the merger, any proposed amendments to its public organic document or to its private organic rules that are, or are proposed to be, in a record;
- (5) If the surviving entity is to be created in the merger, its proposed public organic document, if any, and the full text of its private organic rules that are proposed to be in a record;
- (6) The other terms and conditions of the merger; and
- (7) Any other provision required by the law of a merging entity's jurisdiction of organization or the organic rules of a merging entity.

(b) A plan of merger may contain any other provision not prohibited by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-202.03. APPROVAL OF MERGER.

(a) A plan of merger shall not be effective unless it has been approved:

- (1) By a domestic merging entity:
 - (A) In accordance with the requirements, if any, in its organic law and organic rules for approval of:
 - (i) In the case of an entity that is not a business corporation, a merger; or
 - (ii) In the case of a business corporation, a merger requiring approval by a vote of the interest holders of the business corporation; or
 - (B) If its organic law or organic rules do not provide for approval of a merger described in subparagraph (A)(ii) of this paragraph, by all of the interest holders of the entity entitled to vote on or consent to any matter; and
- (2) In a record, by each interest holder of a domestic merging entity that will have interest holder liability for liabilities that arise after the merger becomes effective, unless, in the case of an entity that is not a business corporation or nonprofit corporation:
 - (A) The organic rules of the entity provide in a record for the approval of a merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of less than all of the interest holders; and
 - (B) The interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the adoption of that provision.

(b) A merger involving a foreign merging entity shall not be effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of organization.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-202.04. AMENDMENT OR ABANDONMENT OF PLAN OF MERGER.

(a) A plan of merger of a domestic merging entity may be amended:

(1) In the same manner as the plan was approved, if the plan does not provide for the manner in which it may be amended; or

(2) By the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the merger shall be entitled to vote on or consent to any amendment of the plan that will change:

(A) The amount or kind of interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing, to be received by the interest holders of any party to the plan;

(B) The public organic document or private organic rules of the surviving entity that will be in effect immediately after the merger becomes effective, except for changes that do not require approval of the interest holders of the surviving entity under its organic law or organic rules; or

(C) Any other terms or conditions of the plan, if the change would adversely affect the interest holder in any material respect.

(b) After a plan of merger has been approved by a domestic merging entity and before a statement of merger becomes effective, the plan may be abandoned:

(1) As provided in the plan; or

(2) Unless prohibited by the plan, in the same manner as the plan was approved.

(c) If a plan of merger is abandoned after a statement of merger has been filed with the Mayor and before the filing becomes effective, a statement of abandonment, signed on behalf of a merging entity, shall be filed with the Mayor before the time the statement of merger becomes effective. The statement of abandonment shall be effective upon filing, and the merger shall be abandoned and shall not become effective. The statement of abandonment shall contain:

(1) The name of each merging or surviving entity that is a domestic entity or a qualified foreign entity;

(2) The date on which the statement of merger was filed; and

(3) A statement that the merger has been abandoned in accordance with this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-202.05. STATEMENT OF MERGER; EFFECTIVE DATE.

(a) A statement of merger shall be signed on behalf of each merging entity and filed with the Mayor.

(b) A statement of merger shall contain:

(1) The name, jurisdiction of organization, and type of each merging entity that is not the surviving entity;

(2) The name, jurisdiction of organization, and type of the surviving entity;

(3) If the statement of merger is not to be effective upon filing, the later date and time on which it will become effective, which may not be more than 90 days after the date of filing;

(4) A statement that the merger was approved by each domestic merging entity, if any, in accordance with this subchapter and by each foreign merging entity, if any, in accordance with the law of its jurisdiction of organization;

(5) If the surviving entity exists before the merger and is a domestic filing entity, any amendment to its

public organic document approved as part of the plan of merger;

(6) If the surviving entity is created by the merger and is a domestic filing entity, its public organic document as an attachment;

(7) If the surviving entity is created by the merger and is a domestic limited liability partnership, its statement of qualification as an attachment; and

(8) If the surviving entity is a foreign entity that is not a qualified foreign entity, a mailing address to which process may be served pursuant to § 29- 202.06(e).

(c) In addition to the requirements of subsection (b) of this section, a statement of merger may contain any other provision not prohibited by law.

(d) If the surviving entity is a domestic entity, its public organic document, if any, shall satisfy the requirements of the law of the District, except that it does not need to be signed and may omit any provision that is not required to be included in a restatement of the public organic document.

(e) A plan of merger that is signed on behalf of all of the merging entities and meets all of the requirements of subsection (b) of this section may be filed with the Mayor instead of a statement of merger and, upon filing, shall have the same effect. If a plan of merger is filed as provided in this subsection, references in this chapter to a statement of merger refer to the plan of merger filed under this subsection.

(f) A statement of merger shall be effective upon the date and time of filing or the later date and time specified in the statement of merger.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-202.06. EFFECT OF MERGER.

(a) When a merger becomes effective:

(1) The surviving entity shall continue or come into existence;

(2) Each merging entity that is not the surviving entity shall cease to exist;

(3) All property of each merging entity shall vest in the surviving entity without assignment, reversion, or impairment;

(4) All liabilities of each merging entity shall be liabilities of the surviving entity;

(5) Except as otherwise provided in law other than this chapter or the plan of merger, all of the rights, privileges, immunities, powers, and purposes of each merging entity shall vest in the surviving entity;

(6) If the surviving entity exists before the merger:

(A) All of its property shall continue to be vested in it without reversion or impairment;

(B) It shall remain subject to all of its liabilities; and

(C) All of its rights, privileges, immunities, powers, and purposes shall continue to be vested in it;

(7) The name of the surviving entity may be substituted for the name of any merging entity that is a party to any pending action or proceeding;

(8) If the surviving entity exists before the merger:

(A) Its public organic document, if any, shall be amended as provided in the statement of merger and is binding on its interest holders; and

(B) Its private organic rules that are to be in a record, if any, shall be amended to the extent provided in the plan of merger and are binding on and enforceable by:

(i) Its interest holders; and

(ii) In the case of a surviving entity that is not a business corporation or a nonprofit corporation, any other person that is a party to an agreement that is part of the surviving entity's private organic rules;

(9) If the surviving entity is created by the merger:

(A) Its public organic document, if any, shall be effective and shall be binding on its interest holders; and

(B) Its private organic rules shall be effective and shall be binding on and enforceable by:

(i) Its interest holders; and

(ii) In the case of a surviving entity that is not a business corporation or a nonprofit corporation, any other person that was a party to an agreement that was part of the organic rules of a merging entity if that person has agreed to be a party to an agreement that is part of the surviving entity's private organic rules; and

(10) The interests in each merging entity that are to be converted in the merger shall be converted, and the interest holders of those interests shall be entitled only to the rights provided to them under the plan of merger and to any appraisal rights they have under § 29-201.09 and the merging entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of a merging entity, the merger shall not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the merging entity.

(c) When a merger becomes effective, a person that did not have interest holder liability with respect to any of the merging entities and that becomes subject to interest holder liability with respect to a domestic entity as a result of a merger has interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the merger becomes effective.

(d) When a merger becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic merging entity with respect to which the person had interest holder liability shall be as follows:

(1) The merger shall not discharge any interest holder liability under the organic law of the domestic merging entity to the extent the interest holder liability arose before the merger became effective;

(2) The person shall have not have interest holder liability under the organic law of the domestic merging entity for any liability that arises after the merger becomes effective;

(3) The organic law of the domestic merging entity shall continue to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) of this subsection as if the merger had not occurred and the surviving entity were the domestic merging entity; and

(4) The person shall have whatever rights of contribution from any other person as are provided by the organic law or organic rules of the domestic merging entity with respect to any interest holder liability preserved under paragraph (1) of this subsection as if the merger had not occurred.

(e) When a merger becomes effective, a foreign entity that is the surviving entity may be served with process in the District for the collection and enforcement of any liabilities of a domestic merging entity in the manner provided in § 29-104.12.

(f) When a merger becomes effective, the certificate of registration or other foreign qualification of any foreign merging entity that is not the surviving entity is canceled.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

SUBCHAPTER III. INTEREST EXCHANGE.

§ 29-203.01. INTEREST EXCHANGE AUTHORIZED.

(a) Except as otherwise provided in this section, by complying with this subchapter:

(1) A domestic entity may acquire all of one or more classes or series of interests of another domestic or foreign entity in exchange for interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing; or

(2) All of one or more classes or series of interests of a domestic entity may be acquired by another domestic or foreign entity in exchange for interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing.

(b) Except as otherwise provided in this section, by complying with the provisions of this subchapter applicable to foreign entities a foreign entity may be the acquiring or acquired entity in an interest exchange under this subchapter if the interest exchange is authorized by the law of the foreign entity's jurisdiction of organization.

(c) If a protected agreement contains a provision that applies to a merger of a domestic entity, but does not refer to an interest exchange, the provision shall apply to an interest exchange in which the domestic entity is the acquired entity as if the interest exchange were a merger until the provision is amended after the effective date of this chapter.

(d) This subchapter shall not apply to a transaction under:

(1) Subchapter IX of Chapter 3 of this title; or

(2) Section 29-609.05, to the extent inconsistent with that section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-203.02. PLAN OF INTEREST EXCHANGE.

(a) A domestic entity may be the acquired entity in an interest exchange under this subchapter by approving a plan of interest exchange. The plan shall be in a record and contain:

(1) The name and type of the acquired entity;

(2) The name, jurisdiction of organization, and type of the acquiring entity;

(3) The manner of converting the interests in the acquired entity into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;

(4) Any proposed amendments to the public organic document or private organic rules that are, or are proposed to be, in a record of the acquired entity;

(5) The other terms and conditions of the interest exchange; and

(6) Any other provision required by the law of the District or the organic rules of the acquired entity.

(b) A plan of interest exchange may contain any other provision not prohibited by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-203.03. APPROVAL OF INTEREST EXCHANGE.

(a) A plan of interest exchange shall not be effective unless it has been approved:

(1) By a domestic acquired entity:

(A) In accordance with the requirements, if any, in its organic law and organic rules for approval of an interest exchange;

(B) Except as otherwise provided in subsection (d) of this section, if its organic law or organic rules do not provide for approval of an interest exchange in accordance with the requirements, if any, in its organic law and organic rules for approval of:

(i) In the case of an entity that is not a business corporation, a merger, as if the interest exchange were a merger; or

(ii) In the case of a business corporation, a merger requiring approval by a vote of the interest holders of the business corporation, as if the interest exchange were that type of merger; or

(C) If its organic law or organic rules do not provide for approval of an interest exchange or a merger described in subparagraph (B)(ii) of this paragraph, by all of the interest holders of the entity entitled to vote on or consent to any matter; and

(2) In a record, by each interest holder of a domestic acquired entity that will have interest holder liability for liabilities that arise after the interest exchange becomes effective, unless, in the case of an entity that is not a business corporation or nonprofit corporation:

(A) The organic rules of the entity provide in a record for the approval of an interest exchange or a merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of less than all of the interest holders; and

(B) The interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the adoption of that provision.

(b) An interest exchange involving a foreign acquired entity shall not be effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of organization.

(c) Except as otherwise provided in its organic law or organic rules, the interest holders of the acquiring entity shall not be required to approve the interest exchange.

(d) A provision of the organic law of a domestic acquired entity that would permit a merger between the acquired entity and the acquiring entity to be approved without the vote or consent of the interest holders of the acquired entity because of the percentage of interests in the acquired entity held by the acquiring entity shall not apply to approval of an interest exchange under subsection (a)(1)(B) of this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-203.04. AMENDMENT OR ABANDONMENT OF PLAN OF INTEREST EXCHANGE.

(a) A plan of interest exchange of a domestic acquired entity may be amended:

(1) In the same manner as the plan was approved if the plan does not provide for the manner in which it may be amended; or

(2) By the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the interest exchange shall be entitled to vote on or consent to any amendment of the plan that will change:

(A) The amount or kind of interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing, to be received by any of the interest holders of the acquired entity under the plan;

(B) The public organic document or private organic rules of the acquired entity that will be in effect immediately after the interest exchange becomes effective, except for changes that do not require approval of the interest holders of the acquired entity under its organic law or organic rules; or

(C) Any other terms or conditions of the plan if the change would adversely affect the interest holder in any material respect.

(b) After a plan of interest exchange has been approved by a domestic acquired entity and before a statement of interest exchange becomes effective, the plan may be abandoned:

(1) As provided in the plan; or

(2) Unless prohibited by the plan, in the same manner as the plan was approved.

(c) If a plan of interest exchange is abandoned after a statement of interest exchange has been filed with the Mayor and before the filing becomes effective, a statement of abandonment, signed on behalf of the acquired entity, shall be filed with the Mayor before the time the statement of interest exchange becomes effective. The statement of abandonment shall be effective upon filing, and the interest exchange shall be abandoned and shall not become effective. The statement of abandonment shall contain:

(1) The name of the acquired entity;

(2) The date on which the statement of interest exchange was filed; and

(3) A statement that the interest exchange has been abandoned in accordance with this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-203.05. STATEMENT OF INTEREST EXCHANGE; EFFECTIVE DATE.

(a) A statement of interest exchange shall be signed on behalf of a domestic acquired entity and filed with the Mayor.

(b) A statement of interest exchange shall contain:

(1) The name and type of the acquired entity;

(2) The name, jurisdiction of organization, and type of the acquiring entity;

(3) If the statement of interest exchange is not to be effective upon filing, the later date and time on which it will become effective, which shall not be more than 90 days after the date of filing;

(4) A statement that the plan of interest exchange was approved by the acquired entity in accordance with this subchapter; and

(5) Any amendments to the acquired entity's public organic document approved as part of the plan of interest exchange.

(c) In addition to the requirements of subsection (b) of this section, a statement of interest exchange may contain any other provision not prohibited by law.

(d) A plan of interest exchange that is signed on behalf of a domestic acquired entity and meets all of the requirements of subsection (b) of this section may be filed with the Mayor instead of a statement of interest exchange and upon filing has the same effect. If a plan of interest exchange is filed as provided in this subsection, references in this chapter to a statement of interest exchange shall refer to the plan of interest exchange filed under this subsection.

(e) A statement of interest exchange shall be effective upon the date and time of filing or the later date and time specified in the statement of interest exchange.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-203.06. EFFECT OF INTEREST EXCHANGE.

(a) When an interest exchange becomes effective:

(1) The interests in the acquired entity that are the subject of the interest exchange shall cease to exist or are converted or exchanged, and the interest holders of those interests shall be entitled only to the rights provided to them under the plan of interest exchange and to any appraisal rights they have under § 29-201.09 and the acquired entity's organic law;

(2) The acquiring entity shall be the interest holder of the interests in the acquired entity stated in the plan of interest exchange to be acquired by the acquiring entity;

(3) The public organic document, if any, of the acquired entity shall be amended as provided in the statement of interest exchange and shall be binding on its interest holders; and

(4) The private organic rules of the acquired entity that are to be in a record, if any, shall be amended to the extent provided in the plan of interest exchange and shall be binding on and enforceable by:

(A) Its interest holders; and

(B) In the case of an acquired entity that is not a business corporation or nonprofit corporation, any other person that is a party to an agreement that is part of the acquired entity's private organic rules.

(b) Except as otherwise provided in the organic law or organic rules of the acquired entity, the interest exchange shall not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the acquired entity.

(c) When an interest exchange becomes effective, a person that did not have interest holder liability with respect to the acquired entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of the interest exchange shall have interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the interest exchange becomes effective.

(d) When an interest exchange becomes effective, the interest holder liability of a person that ceases to hold an interest in a domestic acquired entity with respect to which the person had interest holder liability shall be as follows:

(1) The interest exchange shall not discharge any interest holder liability under the organic law of the domestic acquired entity to the extent the interest holder liability arose before the interest exchange became effective;

(2) The person shall not have interest holder liability under the organic law of the domestic acquired entity for any liability that arises after the interest exchange becomes effective;

(3) The organic law of the domestic acquired entity shall continue to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) of this subsection as if the interest exchange had not occurred; and

(4) The person has whatever rights of contribution from any other person as are provided by the organic law or organic rules of the domestic acquired entity with respect to any interest holder liability

preserved under paragraph (1) of this subsection as if the interest exchange had not occurred.
(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

SUBCHAPTER IV. CONVERSION.

§ 29-204.01. CONVERSION AUTHORIZED.

(a) Except as otherwise provided in this section, by complying with this subchapter, a domestic entity may become:

- (1) A domestic entity of a different type; or
- (2) A foreign entity of a different type if the conversion is authorized by the law of the foreign jurisdiction.

(b) Except as otherwise provided in this section, by complying with the provisions of this subchapter applicable to foreign entities, a foreign entity may become a domestic entity of a different type if the conversion is authorized by the law of the foreign entity's jurisdiction of organization.

(c) If a protected agreement contains a provision that applies to a merger of a domestic entity but does not refer to a conversion, the provision shall apply to a conversion of the entity as if the conversion were a merger until the provision is amended after the effective date of this chapter.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-204.02. PLAN OF CONVERSION.

(a) A domestic entity may convert to a different type of entity under this subchapter by approving a plan of conversion. The plan shall be in a record and contain:

- (1) The name and type of the converting entity;
- (2) The name, jurisdiction of organization, and type of the converted entity;
- (3) The manner of converting the interests in the converting entity into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;
- (4) The proposed public organic document of the converted entity if it will be a filing entity;
- (5) The full text of the private organic rules of the converted entity that are proposed to be in a record;
- (6) The other terms and conditions of the conversion; and
- (7) Any other provision required by the law of the District or the organic rules of the converting entity.

(b) A plan of conversion may contain any other provision not prohibited by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-204.03. APPROVAL OF CONVERSION.

(a) A plan of conversion shall not be effective unless it has been approved:

- (1) By a domestic converting entity:
 - (A) In accordance with the requirements, if any, in its organic rules for approval of a conversion;
 - (B) If its organic rules do not provide for approval of a conversion, in accordance with the

requirements, if any, in its organic law and organic rules for approval of:

(i) In the case of an entity that is not a business corporation, a merger, as if the conversion were a merger; or

(ii) In the case of a business corporation, a merger requiring approval by a vote of the interest holders of the business corporation as if the conversion were that type of merger; or

(C) If its organic law or organic rules do not provide for approval of a conversion or a merger described in subparagraph (B)(ii) of this paragraph, by all of the interest holders of the entity entitled to vote on or consent to any matter; and

(2) In a record, by each interest holder of a domestic converting entity that will have interest holder liability for liabilities that arise after the conversion becomes effective, unless, in the case of an entity that is not a business or nonprofit corporation:

(A) The organic rules of the entity provide in a record for the approval of a conversion or a merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of less than all of the interest holders; and

(B) The interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the adoption of that provision.

(b) A conversion of a foreign converting entity shall not be effective unless it is approved by the foreign entity in accordance with the law of the foreign entity's jurisdiction of organization.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-204.04. AMENDMENT OR ABANDONMENT OF PLAN OF CONVERSION.

(a) A plan of conversion of a domestic converting entity may be amended:

(1) In the same manner as the plan was approved if the plan does not provide for the manner in which it may be amended; or

(2) By the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the conversion is entitled to vote on or consent to any amendment of the plan that will change:

(A) The amount or kind of interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing, to be received by any of the interest holders of the converting entity under the plan;

(B) The public organic document or private organic rules of the converted entity that will be in effect immediately after the conversion becomes effective, except for changes that do not require approval of the interest holders of the converted entity under its organic law or organic rules; or

(C) Any other terms or conditions of the plan if the change would adversely affect the interest holder in any material respect.

(b) After a plan of conversion has been approved by a domestic converting entity and before a statement of conversion becomes effective, the plan may be abandoned:

(1) As provided in the plan; or

(2) Unless prohibited by the plan, in the same manner as the plan was approved.

(c) If a plan of conversion is abandoned after a statement of conversion has been filed with the Mayor and before the filing becomes effective, a statement of abandonment, signed on behalf of the entity, shall be filed with the Mayor before the time the statement of conversion becomes effective. The statement of abandonment shall be effective upon filing, and the conversion shall be abandoned and shall not become effective. The statement of abandonment shall contain:

(1) The name of the converting entity;

(2) The date on which the statement of conversion was filed; and

(3) A statement that the conversion has been abandoned in accordance with this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

For history of Law 18-378, see notes under § 29-101.01.

§ 29-204.05. STATEMENT OF CONVERSION; EFFECTIVE DATE.

- (a) A statement of conversion shall be signed on behalf of the converting entity and filed with the Mayor.
- (b) A statement of conversion shall contain:
 - (1) The name, jurisdiction of organization, and type of the converting entity;
 - (2) The name, jurisdiction of organization, and type of the converted entity;
 - (3) If the statement of conversion is not to be effective upon filing, the later date and time on which it will become effective, which shall not be more than 90 days after the date of filing;
 - (4) If the converting entity is a domestic entity, a statement that the plan of conversion was approved in accordance with this subchapter or, if the converting entity is a foreign entity, a statement that the conversion was approved by the foreign converting entity in accordance with the law of its jurisdiction of organization;
 - (5) If the converted entity is a domestic filing entity, the text of its public organic document as an attachment; and
 - (6) If the converted entity is a domestic limited liability partnership, the text of its statement of qualification as an attachment; and
 - (7) If the converted entity is a foreign entity that is not a qualified foreign entity, a mailing address to which process may be served pursuant to § 29- 204.06(e).
- (c) In addition to the requirements of subsection (b) of this section, a statement of conversion may contain any other provision not prohibited by law.
- (d) If the converted entity is a domestic entity, its public organic document, if any, shall satisfy the requirements of the law of the District, except that it does not need to be signed and may omit any provision that is not required to be included in a restatement of the public organic document.
- (e) A plan of conversion that is signed on behalf of a domestic converting entity and meets all of the requirements of subsection (b) of this section may be filed with the Mayor instead of a statement of conversion and, upon filing, shall have the same effect. If a plan of conversion is filed as provided in this subsection, references in this chapter to a statement of conversion shall refer to the plan of conversion filed under this subsection.
- (f) A statement of conversion shall be effective upon the date and time of filing or the later date and time specified in the statement of conversion.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-204.06. EFFECT OF CONVERSION.

- (a) When a conversion becomes effective:
 - (1) The converted entity shall be:
 - (A) Organized under and subject to the organic law of the converted entity; and
 - (B) The same entity without interruption as the converting entity;
 - (2) All property of the converting entity shall continue to be vested in the converted entity without assignment, reversion, or impairment;
 - (3) All liabilities of the converting entity shall continue as liabilities of the converted entity;
 - (4) Except as otherwise provided by law other than this chapter or the plan of conversion, all of the rights, privileges, immunities, powers, and purposes of the converting entity shall remain in the converted entity;
 - (5) The name of the converted entity may be substituted for the name of the converting entity in any pending action or proceeding;
 - (6) If a converted entity is a filing entity, its public organic document shall be effective and shall be binding on its interest holders;

(7) If the converted entity is a limited liability partnership, its statement of qualification shall be effective simultaneously;

(8) The private organic rules of the converted entity that are to be in a record, if any, approved as part of the plan of conversion shall be effective and shall be binding on and enforceable by:

(A) Its interest holders; and

(B) In the case of a converted entity that is not a business corporation or nonprofit corporation, any other person that is a party to an agreement that is part of the entity's private organic rules; and

(9) The interests in the converting entity shall be converted, and the interest holders of the converting entity shall be entitled only to the rights provided to them under the plan of conversion, and to any appraisal rights they have under § 29-201.09 and the converting entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of the converting entity, the conversion shall not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the converting entity.

(c) When a conversion becomes effective, a person that did not have interest holder liability with respect to the converting entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of a conversion shall have interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the conversion becomes effective.

(d) When a conversion becomes effective:

(1) The conversion shall not discharge any interest holder liability under the organic law of a domestic converting entity to the extent the interest holder liability arose before the conversion became effective;

(2) A person shall not have interest holder liability under the organic law of a domestic converting entity for any liability that arises after the conversion becomes effective;

(3) The organic law of a domestic converting entity shall continue to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) of this subsection as if the conversion had not occurred; and

(4) A person has whatever rights of contribution from any other person as are provided by the organic law or organic rules of the domestic converting entity with respect to any interest holder liability preserved under paragraph (1) of this subsection as if the conversion had not occurred.

(e) When a conversion becomes effective, a foreign entity that is the converted entity may be served with process in the District for the collection and enforcement of any of its liabilities in the manner provided in § 29-104.12.

(f) If the converting entity is a qualified foreign entity, the certificate of registration or other foreign qualification of the converting entity shall be canceled when the conversion becomes effective.

(g) A conversion shall not require the entity to wind up its affairs and shall not constitute or cause the dissolution of the entity.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

SUBCHAPTER V. DOMESTICATION.

§ 29-205.01. DOMESTICATION AUTHORIZED.

(a) Except as otherwise provided in this section, by complying with this subchapter, a domestic entity may become a domestic entity of the same type in a foreign jurisdiction if the domestication is authorized by the law of the foreign jurisdiction.

(b) Except as otherwise provided in this section, by complying with the provisions of this subchapter applicable to foreign entities, a foreign entity may become a domestic entity of the same type in the District if the domestication is authorized by the law of the foreign entity's jurisdiction of organization.

(c) When the term "domestic entity" is used in this subchapter with reference to a foreign jurisdiction, it means an entity whose internal affairs are governed by the law of the foreign jurisdiction.

(d) If a protected agreement contains a provision that applies to a merger of a domestic entity but does not refer to a domestication, the provision shall apply to a domestication of the entity as if the domestication were a merger until the provision is amended after the effective date of this chapter.

(e) The following entities shall not engage in a domestication under this subchapter:

- (1) A business corporation subject to subchapter VII of Chapter 3 of this title;
 - (2) A nonprofit corporation subject to subchapter VII of Chapter 4 of this title; or
 - (3) A limited liability company subject to subchapter IX of Chapter 8 of this title.
- (July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-205.02. PLAN OF DOMESTICATION.

(a) A domestic entity may become a foreign entity in a domestication by approving a plan of domestication. The plan shall be in a record and contain:

- (1) The name and type of the domesticating entity;
- (2) The name and jurisdiction of organization of the domesticated entity;
- (3) The manner of converting the interests in the domesticating entity into interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing;
- (4) The proposed public organic document of the domesticated entity if it is a filing entity;
- (5) The full text of the private organic rules of the domesticated entity that are proposed to be in a record;
- (6) The other terms and conditions of the domestication; and
- (7) Any other provision required by the law of the District or the organic rules of the domesticating entity.

(b) A plan of domestication may contain any other provision not prohibited by law.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-205.03. APPROVAL OF DOMESTICATION.

(a) A plan of domestication shall not be effective unless it has been approved:

- (1) By a domestic domesticating entity:
 - (A) In accordance with the requirements, if any, in its organic rules for approval of a domestication;
 - (B) If its organic rules do not provide for approval of a domestication, in accordance with the requirements, if any, in its organic law and organic rules for approval of:
 - (i) In the case of an entity that is not a business corporation, a merger as if the domestication were a merger; or
 - (ii) In the case of a business corporation, a merger requiring approval by a vote of the interest holders of the business corporation as if the domestication were that type of merger; or
 - (C) If its organic law or organic rules do not provide for approval of a domestication or a merger described in subparagraph (B)(ii) of this paragraph, by all of the interest holders of the entity entitled to vote on or consent to any matter; and
- (2) In a record, by each interest holder of a domestic domesticating entity that will have interest holder liability for liabilities that arise after the domestication becomes effective, unless, in the case of an entity that is not a business corporation or nonprofit corporation:
 - (A) The organic rules of the entity in a record provide for the approval of a domestication or merger in which some or all of its interest holders become subject to interest holder liability by the vote or consent of less than all of the interest holders; and
 - (B) The interest holder voted for or consented in a record to that provision of the organic rules or became an interest holder after the adoption of that provision.

(b) A domestication of a foreign domesticating entity shall not be effective unless it is approved in

accordance with the law of the foreign entity's jurisdiction of organization.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-205.04. AMENDMENT OR ABANDONMENT OF PLAN OF DOMESTICATION.

(a) A plan of domestication of a domestic domesticating entity may be amended:

(1) In the same manner as the plan was approved if the plan does not provide for the manner in which it may be amended; or

(2) By the governors or interest holders of the entity in the manner provided in the plan, but an interest holder that was entitled to vote on or consent to approval of the domestication shall be entitled to vote on or consent to any amendment of the plan that will change:

(A) The amount or kind of interests, securities, obligations, rights to acquire interests or securities, cash, or other property, or any combination of the foregoing, to be received by any of the interest holders of the domesticating entity under the plan;

(B) The public organic document or private organic rules of the domesticated entity that will be in effect immediately after the domestication becomes effective, except for changes that do not require approval of the interest holders of the domesticated entity under its organic law or organic rules; or

(C) Any other terms or conditions of the plan if the change would adversely affect the interest holder in any material respect.

(b) After a plan of domestication has been approved by a domestic domesticating entity and before a statement of domestication becomes effective, the plan may be abandoned:

(1) As provided in the plan; or

(2) Unless prohibited by the plan, in the same manner as the plan was approved.

(c) If a plan of domestication is abandoned after a statement of domestication has been filed with the Mayor and before the filing becomes effective, a statement of abandonment, signed on behalf of the entity, shall be filed with the Mayor before the time the statement of domestication becomes effective. The statement of abandonment shall be effective upon filing, and the domestication shall be abandoned and shall not become effective. The statement of abandonment shall contain:

(1) The name of the domesticating entity;

(2) The date on which the statement of domestication was filed; and

(3) A statement that the domestication has been abandoned in accordance with this section.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-205.05. STATEMENT OF DOMESTICATION; EFFECTIVE DATE.

(a) A statement of domestication shall be signed on behalf of the domesticating entity and filed with the Mayor.

(b) A statement of domestication shall contain:

(1) The name, jurisdiction of organization, and type of the domesticating entity;

(2) The name and jurisdiction of organization of the domesticated entity;

(3) If the statement of domestication is not to be effective upon filing, the later date and time on which it will become effective, which shall not be more than 90 days after the date of filing;

(4) If the domesticating entity is a domestic entity, a statement that the plan of domestication was approved in accordance with this subchapter or, if the domesticating entity is a foreign entity, a statement that the domestication was approved in accordance with the law of its jurisdiction of organization;

(5) If the domesticated entity is a domestic filing entity, its public organic document as an attachment; and

(6) If the domesticated entity is a domestic limited liability partnership, its statement of qualification as an attachment; and

(7) If the domesticated entity is a foreign entity that is not a qualified foreign entity, a mailing address to which the process may be served pursuant to § 29-205.06(e).

(c) In addition to the requirements of subsection (b) of this section, a statement of domestication may contain any other provision not prohibited by law.

(d) If the domesticated entity is a domestic entity, its public organic document, if any, shall satisfy the requirements of the law of the District, except that it does not need to be signed and may omit any provision that is not required to be included in a restatement of the public organic document.

(e) A plan of domestication that is signed on behalf of a domesticating domestic entity and meets all of the requirements of subsection (b) of this section may be filed with the Mayor instead of a statement of domestication and, upon filing, shall have the same effect. If a plan of domestication is filed as provided in this subsection, references in this chapter to a statement of domestication shall refer to the plan of domestication filed under this subsection.

(f) A statement of domestication shall be effective upon the date and time of filing or the later date and time specified in the statement of domestication.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.

§ 29-205.06. EFFECT OF DOMESTICATION.

(a) When a domestication becomes effective:

(1) The domesticated entity shall be:

(A) Organized under and subject to the organic law of the domesticated entity; and

(B) The same entity without interruption as the domesticating entity;

(2) All property of the domesticating entity shall continue to be vested in the domesticated entity without assignment, reversion, or impairment;

(3) All liabilities of the domesticating entity shall continue as liabilities of the domesticated entity;

(4) Except as otherwise provided by law other than this chapter or the plan of domestication, all of the rights, privileges, immunities, powers, and purposes of the domesticating entity shall remain in the domesticated entity;

(5) The name of the domesticated entity may be substituted for the name of the domesticating entity in any pending action or proceeding;

(6) If the domesticated entity is a filing entity, its public organic document shall be effective and shall be binding on its interest holders;

(7) If the domesticated entity is a limited liability partnership, its statement of qualification shall be effective simultaneously;

(8) The private organic rules of the domesticated entity that are to be in a record, if any, approved as part of the plan of domestication shall be effective and shall be binding on and enforceable by:

(A) Its interest holders; and

(B) In the case of a domesticated entity that is not a business corporation or nonprofit corporation, any other person that is a party to an agreement that is part of the domesticated entity's private organic rules; and

(9) The interests in the domesticating entity shall be converted to the extent and as approved in connection with the domestication, and the interest holders of the domesticating entity shall be entitled only to the rights provided to them under the plan of domestication, and to any appraisal rights they have under § 29-201.09 and the domesticating entity's organic law.

(b) Except as otherwise provided in the organic law or organic rules of the domesticating entity, the domestication shall not give rise to any rights that an interest holder, governor, or third party would otherwise have upon a dissolution, liquidation, or winding-up of the domesticating entity.

(c) When a domestication becomes effective, a person that did not have interest holder liability with respect to the domesticating entity and that becomes subject to interest holder liability with respect to a domestic entity as a result of the domestication shall have interest holder liability only to the extent provided by the organic law of the entity and only for those liabilities that arise after the domestication becomes effective.

(d) When a domestication becomes effective:

(1) The domestication shall not discharge any interest holder liability under the organic law of a domesticating domestic entity to the extent the interest holder liability arose before the domestication became effective;

(2) A person shall not have interest holder liability under the organic law of a domestic domesticating entity for any liability that arises after the domestication becomes effective;

(3) The organic law of a domestic domesticating entity shall continue to apply to the release, collection, or discharge of any interest holder liability preserved under paragraph (1) of this subsection as if the domestication had not occurred; and

(4) A person shall have whatever rights of contribution from any other person as are provided by the organic law or organic rules of a domestic domesticating entity with respect to any interest holder liability preserved under paragraph (1) of this subsection as if the domestication had not occurred.

(e) When a domestication becomes effective, a foreign entity that is the domesticated entity may be served with process in the District for the collection and enforcement of any of its liabilities in the manner provided in § 29-104.12.

(f) If the domesticating entity is a qualified foreign entity, the certificate of registration or other foreign qualification of the domesticating entity shall be canceled when the domestication becomes effective.

(g) A domestication shall not require the entity to wind up its affairs and shall not constitute or cause the dissolution of the entity.

(July 2, 2011, D.C. Law 18-378, § 2, 58 DCR 1720.)

HISTORICAL AND STATUTORY NOTES

Legislative History of Laws

For history of Law 18-378, see notes under § 29-101.01.