

(LIMITED RUN SHOWING ALL ADDITIONAL SPONSORSHIPS)

CS FOR HOUSE BILL NO. 57(JUD)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-EIGHTH LEGISLATURE - FIRST SESSION

BY THE HOUSE JUDICIARY COMMITTEE

Offered: 4/9/13
Referred: Rules

Sponsor(s): REPRESENTATIVES HOLMES AND OLSON, Hawker, Peggy Wilson, Hughes, Gruenberg, Pruitt, Josephson, Tuck, Kerttula

SENATORS McGuire, Coghill

A BILL

FOR AN ACT ENTITLED

1 **"An Act adopting the Alaska Entity Transactions Act; relating to changing the form of**
2 **entities, including corporations, partnerships, limited liability companies, business**
3 **trusts, and other organizations; amending Rule 79, Alaska Rules of Civil Procedure, and**
4 **Rules 602(b)(2), 602(c), and 605.5, Alaska Rules of Appellate Procedure; and providing**
5 **for an effective date."**

6 **BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

7 *** Section 1.** AS 10.06 is amended by adding new sections to article 8 to read:

8 **Sec. 10.06.595. Application of provisions.** Except as provided by AS
9 10.55.201(c)(1)(A) and 10.55.301(d), a corporation may enter into a merger, interest
10 exchange, conversion, or domestication under AS 10.55. AS 10.06.566 and 10.06.568
11 do not apply to mergers, interest exchanges, conversions, and domestications that are
12 covered by AS 10.55.

13 **Sec. 10.06.600. Definitions.** In AS 10.06.530 - 10.06.590,

1 (1) "consolidation" means a consolidation authorized by AS 10.06.534
2 or 10.06.562;

3 (2) "merger" means a merger authorized by AS 10.06.530 or
4 10.06.562;

5 (3) "share exchange" means a share exchange authorized by AS
6 10.06.538 or an exchange of shares covered by AS 10.06.562.

7 * **Sec. 2.** AS 10.15.455 is amended to read:

8 **Sec. 10.15.455. Definitions.** In AS 10.15.400 - 10.15.455 [AS 10.15.400 -
9 10.15.450],

10 (1) "new cooperative" means the new cooperative provided for in the
11 plan of consolidation;

12 (2) "surviving cooperative" means the cooperative designated in the
13 plan of merger as the surviving cooperative.

14 * **Sec. 3.** AS 10.20 is amended by adding a new section to article 4 to read:

15 **Sec. 10.20.285. Other transactions.** Under AS 10.55 (Alaska Entity
16 Transactions Act), a corporation may enter into mergers, interest exchanges,
17 conversions, and domestications that are not covered by AS 10.20.216 - 10.20.280.

18 * **Sec. 4.** AS 10.30 is amended by adding a new section to read:

19 **Sec. 10.30.058. Other transactions.** A cemetery association and a nonprofit
20 cemetery corporation may enter into mergers, interest exchanges, conversions, and
21 domestications under AS 10.55 (Alaska Entity Transactions Act).

22 * **Sec. 5.** AS 10.40 is amended by adding a new section to read:

23 **Sec. 10.40.125. Other transactions.** A corporation formed under this chapter
24 may enter into mergers, interest exchanges, conversions, and domestications under AS
25 10.55 (Alaska Entity Transactions Act).

26 * **Sec. 6.** AS 10.45.240 is amended to read:

27 **Sec. 10.45.240. Applicability of Alaska Corporations Code and Alaska**
28 **Entity Transactions Act.** The Alaska Corporations Code, **including the provision in**
29 **AS 10.06.595 that allows, with exceptions, corporations to enter into mergers,**
30 **interest exchanges, conversions, and domestications under AS 10.55 (Alaska**
31 **Entity Transactions Act),** is applicable to professional corporations, and they enjoy

1 the powers and privileges and are subject to the duties, restrictions, and liabilities of
 2 other corporations, except when inconsistent with this chapter. This chapter takes
 3 precedence in the event of a conflict with provisions of the Alaska Corporations Code
 4 or other laws.

5 * **Sec. 7.** AS 10.50 is amended by adding a new section to read:

6 **Sec. 10.50.580. Other transactions.** Under AS 10.55 (Alaska Entity
 7 Transactions Act), a limited liability company may enter into mergers, interest
 8 exchanges, conversions, and domestications that are not covered by AS 10.50.500 -
 9 10.50.565.

10 * **Sec. 8.** AS 10.50.990(1) is amended to read:

11 (1) "articles of organization" means the articles of organization filed
 12 under AS 10.50.070 [OR 10.50.570] and the articles as amended or restated;

13 * **Sec. 9.** AS 10.50.990 is amended by adding new paragraphs to read:

14 (19) "consolidation" means a consolidation authorized by AS
 15 10.50.500;

16 (20) "merger" means a merger authorized by AS 10.50.500.

17 * **Sec. 10.** AS 10 is amended by adding a new chapter to read:

18 **Chapter 55. Alaska Entity Transactions Act.**

19 **Article 1. General Provisions.**

20 **Sec. 10.55.103. Relationship of this chapter to other laws.** (a) Unless
 21 displaced by particular provisions of this chapter, the principles of law and equity
 22 supplement this chapter.

23 (b) Except as expressly provided in this chapter, this chapter does not
 24 authorize an act prohibited by, and does not affect the application or requirements of,
 25 law other than this chapter.

26 (c) A transaction accomplished under this chapter may not create or impair
 27 any right or obligation of a person under a provision of the law of this state other than
 28 this chapter relating to a change in control, takeover, business combination, control-
 29 share acquisition, or similar transaction involving a domestic merging, acquired,
 30 converting, or domesticating corporation unless,

31 (1) if the corporation does not survive the transaction, the transaction

1 satisfies any requirements of the provision; or

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

5 **Sec. 10.55.104. Required notice or approval.** (a) A domestic or foreign entity
6 that is required to give notice to, or obtain the approval of, a governmental agency or
7 officer in order to be a party to a merger shall give the notice or obtain the approval in
8 order to be a party to an interest exchange, conversion, or domestication.

9 (b) Property held for a charitable purpose under the law of this state by a
10 domestic or foreign entity immediately before a transaction under this chapter
11 becomes effective may not, as a result of the transaction, be diverted from the objects
12 for which it was donated, granted, or devised unless, to the extent required by or under
13 the law of this state concerning the nondiversion of charitable assets, the entity obtains
14 an appropriate order of the superior court specifying the disposition of the property.

15 **Sec. 10.55.105. Status of filings.** A filing under this chapter becomes part of
16 the public organic document of the entity.

17 **Sec. 10.55.106. Nonexclusivity.** The fact that a transaction under this chapter
18 produces a certain result does not preclude the same result from being accomplished in
19 any other manner permitted by law other than this chapter.

20 **Sec. 10.55.107. Reference to external facts.** A plan may refer to facts
21 ascertainable outside of the plan if the manner in which the facts will operate on the
22 plan is specified in the plan. The facts may include the occurrence of an event or a
23 determination or action by a person, whether or not the event, determination, or action
24 is within the control of a party to the transaction.

25 **Sec. 10.55.108. Alternative means of approval of transactions.** Except as
26 otherwise provided in the organic law or organic rules of a domestic entity, approval
27 of a transaction under this chapter by the unanimous vote or consent of its interest
28 holders satisfies the requirements of this chapter for approval of the transaction.

29 **Sec. 10.55.109. Dissenters' rights.** (a) An interest holder of a domestic
30 merging, acquired, converting, or domesticating entity is entitled to dissenters' rights
31 in connection with the transaction if the interest holder would have been entitled to

1 dissenters' rights under the entity's organic law in connection with a merger in which
2 the interest of the interest holder was changed, converted, or exchanged unless

3 (1) the organic law permits the organic rules to limit the availability of
4 dissenters' rights; and

5 (2) the organic rules provide the limit described in (1) of this
6 subsection.

7 (b) An interest holder of a domestic merging, acquired, converting, or
8 domesticating entity is entitled to contractual dissenters' rights in connection with a
9 transaction under this chapter to the extent provided

10 (1) in the entity's organic rules;

11 (2) in the plan; or

12 (3) in the case of a business corporation, by action of its governors.

13 (c) If an interest holder is entitled to contractual dissenters' rights under (b) of
14 this section and the entity's organic law does not provide procedures for the conduct of
15 a dissenters' rights proceeding, the interest holder is entitled to use the procedures
16 established under AS 10.06.576 as if the interest holder were a dissenting shareholder
17 of a corporation under AS 10.06.

18 **Sec. 10.55.110. Excluded entities and transactions.** The following entities
19 may not participate in a transaction under this chapter:

20 (1) a financial institution; in this paragraph, "financial institution" has
21 the meaning given in AS 06.01.050;

22 (2) an insurer regulated by AS 21, including a fraternal benefit society
23 regulated under AS 21.84;

24 (3) a business and industrial development corporation under AS 10.10;

25 (4) a BIDCO under AS 10.13;

26 (5) a cooperative under AS 10.15;

27 (6) a cooperative under AS 10.25 (Electric and Telephone Cooperative
28 Act);

29 (7) a public corporation; or

30 (8) a municipality.

31 **Sec. 10.55.120. Names.** Notwithstanding the other provisions of this chapter, if

1 a domestic entity is created under this chapter or if the name of a domestic entity is
 2 changed under this chapter, the name of the domestic entity may not be a name that is
 3 reserved or registered to another entity under AS 10.35 and must comply with the
 4 name requirements of any organic law that applies to the domestic entity.

5 **Article 2. Merger.**

6 **Sec. 10.55.201. Merger authorized.** (a) Except as otherwise provided in AS
 7 10.55.201 - 10.55.206, by complying with AS 10.55.201 - 10.55.206,

8 (1) one or more domestic entities may merge with one or more
 9 domestic or foreign entities into a domestic or foreign surviving entity; and

10 (2) two or more foreign entities may merge into a domestic entity.

11 (b) Except as otherwise provided in this section, by complying with the
 12 provisions of AS 10.55.201 - 10.55.206 applicable to foreign entities, a foreign entity
 13 may be a party to a merger under AS 10.55.201 - 10.55.206 or may be the surviving
 14 entity in a merger if the merger is authorized by the law of the foreign entity's
 15 jurisdiction of organization.

16 (c) The provisions of AS 10.55.201 - 10.55.206 do not apply to

17 (1) a merger or consolidation under

18 (A) AS 10.06.530 - 10.06.562 or 10.06.960 (Alaska
 19 Corporations Code); or

20 (B) AS 10.50.500 - 10.50.565 (Alaska Revised Limited
 21 Liability Company Act); or

22 (2) a merger under

23 (A) AS 10.20.216 - 10.20.280 (Alaska Nonprofit Corporation
 24 Act); or

25 (B) AS 32.06.905 - 32.06.907 (Uniform Partnership Act).

26 **Sec. 10.55.202. Plan of merger.** (a) A domestic entity may become a party to
 27 a merger under AS 10.55.201 - 10.55.206 by approving a plan of merger. The plan
 28 must be in a record and contain

29 (1) as to each merging entity, the merging entity's name, jurisdiction of
 30 organization, and type;

31 (2) if the surviving entity is to be created in the merger, a statement to

1 that effect and the surviving entity's name, jurisdiction of organization, and type;

2 (3) the manner of converting the interests in each party to the merger
3 into interests, securities, obligations, rights to acquire interests or securities, cash, or
4 other property, or any combination of interests, securities, obligations, rights to
5 acquire interests or securities, cash, or other property;

6 (4) if the surviving entity exists before the merger, any proposed
7 amendments to the surviving entity's public organic document or private organic rules
8 that are, or are proposed to be, in a record;

9 (5) if the surviving entity is to be created in the merger, the surviving
10 entity's proposed public organic document, if any, and the full text of the surviving
11 entity's private organic rules that are proposed to be in a record;

12 (6) the other terms and conditions of the merger; and

13 (7) any other provision required by the law of a merging entity's
14 jurisdiction of organization or the organic rules of a merging entity.

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

16 **Sec. 10.55.203. Approval of merger.** (a) A plan of merger is not effective
17 unless it has been approved

18 (1) by a domestic merging entity

19 (A) in accordance with the requirements, if any, in the merging
20 entity's organic law and organic rules for approval of,

21 (i) in the case of an entity that is not a business
22 corporation, a merger; or

23 (ii) in the case of a business corporation, a merger
24 requiring approval by a vote of the interest holders of the business
25 corporation; or

26 (B) if neither the merging entity's organic law nor organic rules
27 provide for approval of a merger described in (A)(ii) of this paragraph, by all
28 of the interest holders of the entity entitled to vote on or consent to any matter;
29 and

30 (2) in a record, by each interest holder of a domestic merging entity
31 that will have interest-holder liability for liabilities that arise after the merger becomes

1 effective, unless, in the case of an entity that is not a business corporation or nonprofit
2 corporation,

3 (A) the organic rules of the entity provide in a record for the
4 approval of a merger in which some or all of the entity's interest holders
5 become subject to interest-holder liability by the vote or consent of fewer than
6 all of the interest holders; and

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

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

13 **Sec. 10.55.204. Amendment or abandonment of plan of merger.** (a) A plan
14 of merger of a domestic merging entity may be amended

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

17 (2) by the governors or interest holders of the entity in the manner
18 provided in the plan; however, an interest holder that was entitled to vote on or
19 consent to approval of the merger is entitled to vote on or consent to any amendment
20 of the plan that will change

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

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

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

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

3 (1) as provided in the plan; or

4 (2) unless prohibited by the plan, in the same manner as the plan was
5 approved.

6 (c) If a plan of merger is abandoned after a statement of merger has been filed
7 with the department and before the filing becomes effective, a statement of
8 abandonment, signed on behalf of a merging entity, must be filed with the department
9 before the time the statement of merger becomes effective. The statement of
10 abandonment takes effect on filing, and the merger is abandoned and does not become
11 effective. The statement of abandonment must contain

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

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

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

17 **Sec. 10.55.205. Statement of merger; effective date.** (a) A statement of
18 merger shall be signed on behalf of each merging entity and filed with the department.

19 (b) A statement of merger must contain

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

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

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

27 (4) a statement that the merger was approved by each domestic
28 merging entity, if any, in accordance with AS 10.55.201 - 10.55.206 and by each
29 foreign merging entity, if any, in accordance with the law of the foreign merging
30 entity's jurisdiction of organization;

31 (5) if the surviving entity exists before the merger and is a domestic

1 filing entity, any amendment to the surviving entity's public organic document
2 approved as part of the plan of merger;

3 (6) if the surviving entity is created by the merger and is a domestic
4 filing entity, the surviving entity's public organic document, as an attachment;

5 (7) if the surviving entity is created by the merger and is a domestic
6 limited liability partnership, the surviving entity's statement of qualification, as an
7 attachment; and

8 (8) if the surviving entity is a foreign entity that is not a qualified
9 foreign entity, a mailing address to which the department may send any process served
10 on the commissioner under AS 10.55.206(e).

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

13 (d) If the surviving entity is a domestic entity, the surviving entity's public
14 organic document, if any, must satisfy the requirements of the law of this state, except
15 that it does not need to be signed and may omit any provision that is not required to be
16 included in a restatement of the public organic document.

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

22 (f) A statement of merger becomes effective on the date and time of filing or
23 the later date and time specified in the statement of merger under (b)(3) of this section.

24 **Sec. 10.55.206. Effect of merger.** (a) When a merger becomes effective,

25 (1) the surviving entity continues or comes into existence;

26 (2) each merging entity that is not the surviving entity ceases to exist;

27 (3) all property of each merging entity vests in the surviving entity
28 without assignment, reversion, or impairment;

29 (4) all liabilities of each merging entity are liabilities of the surviving
30 entity;

31 (5) except as otherwise provided by law other than this chapter or the

1 plan of merger, all of the rights, privileges, immunities, powers, and purposes of each
2 merging entity vest in the surviving entity;

3 (6) if the surviving entity exists before the merger,

4 (A) all of the surviving entity's property continues to be vested
5 in it without reversion or impairment;

6 (B) the surviving entity remains subject to all of its liabilities;
7 and

8 (C) all of the surviving entity's rights, privileges, immunities,
9 powers, and purposes continue to be vested in it;

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

12 (8) if the surviving entity exists before the merger,

13 (A) the surviving entity's public organic document, if any, is
14 amended as provided in the statement of merger and is binding on its interest
15 holders; and

16 (B) the surviving entity's private organic rules that are to be in
17 a record, if any, are amended to the extent provided in the plan of merger and
18 are binding on and enforceable by

19 (i) the surviving entity's interest holders; and

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

24 (9) if the surviving entity is created by the merger,

25 (A) and if the surviving entity is a domestic entity, the
26 surviving entity is subject to the organic law in this state that governs the
27 internal affairs of the type of entity of the surviving entity;

28 (B) the surviving entity's public organic document, if any, is
29 effective and is binding on its interest holders; and

30 (C) the surviving entity's private organic rules are effective and
31 are binding on and enforceable by

1 (i) the surviving entity's interest holders; and

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

7 (10) the interests in each merging entity that are to be converted in the
8 merger are converted, and the interest holders of those interests are entitled only to the
9 rights provided to them under the plan of merger and to any dissenters' rights they
10 have under AS 10.55.109 and the merging entity's organic law.

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

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

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

23 (1) the merger does not discharge any interest-holder liability under the
24 organic law of the domestic merging entity to the extent the interest-holder liability
25 arose before the merger became effective;

26 (2) the person does not have interest-holder liability under the organic
27 law of the domestic merging entity for any liability that arises after the merger
28 becomes effective;

29 (3) the organic law of the domestic merging entity continues to apply
30 to the release, collection, or discharge of any interest-holder liability preserved under
31 (1) of this subsection as if the merger had not occurred and the surviving entity were

1 the domestic merging entity; and

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

6 (e) When a merger becomes effective, a foreign entity that is the surviving
7 entity

8 (1) may be served with process in this state for the collection and
9 enforcement of any liabilities of a domestic merging entity; and

10 (2) appoints the commissioner as the foreign entity's agent for service
11 of process for collecting or enforcing those liabilities.

12 (f) When a merger becomes effective, the certificate of authority or other
13 foreign qualification of any foreign merging entity that is not the surviving entity is
14 cancelled.

15 **Article 3. Interest Exchange.**

16 **Sec. 10.55.301. Interest exchange authorized.** (a) Except as otherwise
17 provided in this section, by complying with AS 10.55.301 - 10.55.306,

18 (1) a domestic entity may acquire all of one or more classes or series of
19 interests of another domestic or foreign entity in exchange for interests, securities,
20 obligations, rights to acquire interests or securities, cash, or other property, or any
21 combination of interests, securities, obligations, rights to acquire interests or
22 securities, cash, or other property; or

23 (2) all of one or more classes or series of interests of a domestic entity
24 may be acquired by another domestic or foreign entity in exchange for interests,
25 securities, obligations, rights to acquire interests or securities, cash, or other property,
26 or any combination of interests, securities, obligations, rights to acquire interests or
27 securities, cash, or other property.

28 (b) Except as otherwise provided in this section, by complying with the
29 provisions of AS 10.55.301 - 10.55.306 applicable to foreign entities, a foreign entity
30 may be the acquiring or acquired entity in an interest exchange under AS 10.55.301 -
31 10.55.306 if the interest exchange is authorized by the law of the foreign entity's

1 jurisdiction of organization.

2 (c) Unless the provision is amended after July 1, 2014, if a protected
3 agreement contains a provision that applies to a merger of a domestic entity but does
4 not refer to an interest exchange, the provision applies to an interest exchange in
5 which the domestic entity is the acquired entity as if the interest exchange were a
6 merger.

7 (d) The provisions of AS 10.55.301 - 10.55.306 do not apply to a share
8 exchange under AS 10.06.530 - 10.06.582 or 10.06.960; in this subsection, "share
9 exchange" means a share exchange authorized by AS 10.06.538 or an exchange
10 regulated by AS 10.06.960.

11 **Sec. 10.55.302. Plan of interest exchange.** (a) A domestic entity may be the
12 acquired entity in an interest exchange under AS 10.55.301 - 10.55.306 by approving a
13 plan of interest exchange. The plan must be in a record and contain

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

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

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

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

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

24 (6) any other provision required by the law of this state or the organic
25 rules of the acquired entity.

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

28 **Sec. 10.55.303. Approval of interest exchange.** (a) A plan of interest
29 exchange is not effective unless it has been approved

30 (1) by a domestic acquired entity

31 (A) in accordance with the requirements, if any, in the acquired

1 entity's organic law and organic rules for approval of an interest exchange;

2 (B) except as otherwise provided in (d) of this section, if
3 neither the acquired entity's organic law nor organic rules provide for approval
4 of an interest exchange, in accordance with the requirements, if any, in the
5 acquired entity's organic law and organic rules for approval of,

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

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

11 (C) if neither its organic law nor organic rules provide for
12 approval of an interest exchange or a merger described in (B)(ii) of this
13 paragraph, by all of the interest holders of the entity entitled to vote on or
14 consent to any matter; and

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

19 (A) the organic rules of the entity provide in a record for the
20 approval of an interest exchange or a merger in which some or all of the
21 entity's interest holders become subject to interest-holder liability by the vote
22 or consent of fewer than all of the interest holders; and

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

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

29 (c) Except as otherwise provided in the acquiring entity's organic law or
30 organic rules, the interest holders of the acquiring entity are not required to approve
31 the interest exchange.

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

6 **Sec. 10.55.304. Amendment or abandonment of plan of interest exchange.**

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

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

10 (2) by the governors or interest holders of the entity in the manner
 11 provided in the plan; however, an interest holder that was entitled to vote on or
 12 consent to approval of the interest exchange is entitled to vote on or consent to any
 13 amendment of the plan that will change

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

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

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

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

28 (1) as provided in the plan; or

29 (2) unless prohibited by the plan, in the same manner as the plan was
 30 approved.

31 (c) If a plan of interest exchange is abandoned after a statement of interest

1 exchange has been filed with the department and before the filing becomes effective, a
2 statement of abandonment, signed on behalf of the acquired entity, must be filed with
3 the department before the time the statement of interest exchange becomes effective.
4 The statement of abandonment takes effect on filing, and the interest exchange is
5 abandoned and does not become effective. The statement of abandonment must
6 contain

7 (1) the name of the acquired entity;

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

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

11 **Sec. 10.55.305. Statement of interest exchange; effective date.** (a) A
12 statement of interest exchange shall be signed on behalf of a domestic acquired entity
13 and filed with the department.

14 (b) A statement of interest exchange must contain

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

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

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

21 (4) a statement that the plan of interest exchange was approved by the
22 acquired entity in accordance with AS 10.55.301 - 10.55.306; and

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

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

27 (d) A plan of interest exchange that is signed on behalf of a domestic acquired
28 entity and meets all of the requirements of (b) of this section may be filed with the
29 department instead of a statement of interest exchange and, on filing, has the same
30 effect as a statement of interest or exchange. If a plan of interest exchange is filed as
31 provided in this subsection, references in this chapter to a statement of interest

1 exchange refer to the plan of interest exchange filed under this subsection.

2 (e) A statement of interest exchange becomes effective on the date and time of
3 filing or the later date and time specified in the statement of interest exchange.

4 **Sec. 10.55.306. Effect of interest exchange.** (a) When an interest exchange
5 becomes effective,

6 (1) the interests in the acquired entity that are the subject of the interest
7 exchange cease to exist or are converted or exchanged, and the interest holders of
8 those interests are entitled only to the rights provided to them under the plan of interest
9 exchange and to any dissenters' rights they have under AS 10.55.109 and the acquired
10 entity's organic law;

11 (2) the acquiring entity becomes the interest holder of the interests in
12 the acquired entity stated in the plan of interest exchange to be acquired by the
13 acquiring entity;

14 (3) the public organic document, if any, of the acquired entity is
15 amended as provided in the statement of interest exchange and is binding on the
16 acquired entity's interest holders; and

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

20 (A) the acquired entity's interest holders; and

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

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

28 (c) When an interest exchange becomes effective, a person that did not have
29 interest-holder liability with respect to the acquired entity and that becomes subject to
30 interest-holder liability with respect to a domestic entity as a result of the interest
31 exchange has interest-holder liability only to the extent provided by the organic law of

1 the entity and only for those liabilities that arise after the interest exchange becomes
2 effective.

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

6 (1) the interest exchange does not discharge any interest-holder
7 liability under the organic law of the domestic acquired entity to the extent the
8 interest-holder liability arose before the interest exchange became effective;

9 (2) the person does not have interest-holder liability under the organic
10 law of the domestic acquired entity for any liability that arises after the interest
11 exchange becomes effective;

12 (3) the organic law of the domestic acquired entity continues to apply
13 to the release, collection, or discharge of any interest-holder liability preserved under
14 (1) of this subsection as if the interest exchange had not occurred; and

15 (4) the person has whatever rights of contribution from any other
16 person as are provided by the organic law or organic rules of the domestic acquired
17 entity with respect to any interest-holder liability preserved under (1) of this
18 subsection as if the interest exchange had not occurred.

19 **Article 4. Conversion.**

20 **Sec. 10.55.401. Conversion authorized.** (a) Except as otherwise provided in
21 this section, by complying with AS 10.55.401 - 10.55.406, a domestic entity may
22 become

23 (1) a domestic entity of a different type; or

24 (2) a foreign entity of a different type, if the conversion is authorized
25 by the law of the foreign jurisdiction.

26 (b) Except as otherwise provided in this section, by complying with the
27 provisions of AS 10.55.401 - 10.55.406 applicable to foreign entities, a foreign entity
28 may become a domestic entity of a different type if the conversion is authorized by the
29 law of the foreign entity's jurisdiction of organization.

30 (c) Unless the provision is amended after July 1, 2014, if a protected
31 agreement contains a provision that applies to a merger of a domestic entity but does

1 not refer to a conversion, the provision applies to a conversion of the entity as if the
2 conversion were a merger.

3 **Sec. 10.55.402. Plan of conversion.** (a) A domestic entity may convert to a
4 different type of entity under AS 10.55.401 - 10.55.406 by approving a plan of
5 conversion. The plan must be in a record and contain

6 (1) the name and type of the converting entity;

7 (2) the name, jurisdiction of organization, and type of the converted
8 entity;

9 (3) the manner of converting the interests in the converting entity into
10 interests, securities, obligations, rights to acquire interests or securities, cash, or other
11 property, or any combination of interests, securities, obligations, rights to acquire
12 interests or securities, cash, or other property;

13 (4) the proposed public organic document of the converted entity, if
14 the converted entity will be a filing entity;

15 (5) the full text of the private organic rules of the converted entity that
16 are proposed to be in a record;

17 (6) the other terms and conditions of the conversion; and

18 (7) any other provision required by the law of this state or the organic
19 rules of the converting entity.

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

22 **Sec. 10.55.403. Approval of conversion.** (a) A plan of conversion is not
23 effective unless it has been approved

24 (1) by a domestic converting entity

25 (A) in accordance with the requirements, if any, in the
26 converted entity's organic rules for approval of a conversion;

27 (B) if the converted entity's organic rules do not provide for
28 approval of a conversion, in accordance with the requirements, if any, in the
29 converted entity's organic law and organic rules for approval of,

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

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

4 (C) if neither its organic law nor organic rules provide for
 5 approval of a conversion or a merger described in (B)(ii) of this paragraph, by
 6 all of the interest holders of the entity entitled to vote on or consent to any
 7 matter; and

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

12 (A) the organic rules of the entity provide in a record for the
 13 approval of a conversion or a merger in which some or all of the entity's
 14 interest holders become subject to interest-holder liability by the vote or
 15 consent of fewer than all of the interest holders; and

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

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

22 **Sec. 10.55.404. Amendment or abandonment of plan of conversion.** (a) A
 23 plan of conversion of a domestic converting entity may be amended

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

26 (2) by the governors or interest holders of the entity in the manner
 27 provided in the plan; however, an interest holder that was entitled to vote on or
 28 consent to approval of the conversion is entitled to vote on or consent to any
 29 amendment of the plan that will change

30 (A) the amount or kind of interests, securities, obligations,
 31 rights to acquire interests or securities, cash, or other property, or any

1 combination of interests, securities, cash, or other property, to be received by
2 any of the interest holders of the converting entity under the plan;

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

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

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

13 (1) as provided in the plan; or

14 (2) unless prohibited by the plan, in the same manner as the plan was
15 approved.

16 (c) If a plan of conversion is abandoned after a statement of conversion has
17 been filed with the department and before the filing becomes effective, a statement of
18 abandonment, signed on behalf of the entity, must be filed with the department before
19 the time the statement of conversion becomes effective. The statement of
20 abandonment takes effect on filing, and the conversion is abandoned and does not
21 become effective. The statement of abandonment must contain

22 (1) the name of the converting entity;

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

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

26 **Sec. 10.55.405. Statement of conversion; effective date.** (a) A statement of
27 conversion shall be signed on behalf of the converting entity and filed with the
28 department.

29 (b) A statement of conversion must contain

30 (1) the name, jurisdiction of organization, and type of the converting
31 entity;

1 (2) the name, jurisdiction of organization, and type of the converted
2 entity;

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

6 (4) if the converting entity is a

7 (A) domestic entity, a statement that the plan of conversion was
8 approved in accordance with AS 10.55.401 - 10.55.406; or

9 (B) foreign entity, a statement that the conversion was
10 approved by the foreign converting entity in accordance with the law of its
11 jurisdiction of organization;

12 (5) if the converted entity is a domestic filing entity, the text of the
13 converted entity's public organic document, as an attachment;

14 (6) if the converted entity is a domestic limited liability partnership,
15 the text of the converted entity's statement of qualification, as an attachment; and

16 (7) if the converted entity is a foreign entity that is not a qualified
17 foreign entity, a mailing address to which the department may send any process served
18 on the commissioner under AS 10.55.406(e).

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

21 (d) If the converted entity is a domestic entity, the converted entity's public
22 organic document, if any, must satisfy the requirements of the law of this state, except
23 that it does not need to be signed and may omit any provision that is not required to be
24 included in a restatement of the public organic document.

25 (e) A plan of conversion that is signed on behalf of a domestic converting
26 entity and meets all of the requirements of (b) of this section may be filed with the
27 department instead of a statement of conversion and, on filing, has the same effect as a
28 statement of conversion. If a plan of conversion is filed as provided in this subsection,
29 references in this chapter to a statement of conversion refer to the plan of conversion
30 filed under this subsection.

31 (f) A statement of conversion becomes effective on the date and time of filing

1 or the later date and time specified in the statement of conversion under (b)(3) of this
2 section.

3 **Sec. 10.55.406. Effect of conversion.** (a) When a conversion becomes
4 effective,

5 (1) the converted entity is

6 (A) organized under and subject to the organic law of the
7 converted entity; and

8 (B) the same entity without interruption as the converting
9 entity;

10 (2) all property of the converting entity continues to be vested in the
11 converted entity without assignment, reversion, or impairment;

12 (3) all liabilities of the converting entity continue as liabilities of the
13 converted entity;

14 (4) except as provided by law other than this chapter or the plan of
15 conversion, all of the rights, privileges, immunities, powers, and purposes of the
16 converting entity remain in the converted entity;

17 (5) the name of the converted entity may be substituted for the name of
18 the converting entity in any pending action or proceeding;

19 (6) if a converted entity is a filing entity, the converted entity's public
20 organic document is effective and is binding on its interest holders;

21 (7) if the converted entity is a limited liability partnership, the
22 converted entity's statement of qualification is effective simultaneously;

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

26 (A) the converted entity's interest holders; and

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

30 (9) the interests in the converting entity are converted, and the interest
31 holders of the converting entity are entitled only to the rights provided to them under

1 the plan of conversion and to any dissenters' rights they have under AS 10.55.109 and
2 the converting entity's organic law.

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

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

12 (d) When a conversion becomes effective,

13 (1) the conversion does not discharge any interest-holder liability
14 under the organic law of a domestic converting entity to the extent the interest-holder
15 liability arose before the conversion became effective;

16 (2) a person does not have interest-holder liability under the organic
17 law of a domestic converting entity for any liability that arises after the conversion
18 becomes effective;

19 (3) the organic law of a domestic converting entity continues to apply
20 to the release, collection, or discharge of any interest-holder liability preserved under
21 (1) of this subsection as if the conversion had not occurred; and

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

26 (e) When a conversion becomes effective, a foreign entity that is the converted
27 entity

28 (1) may be served with process in this state for the collection and
29 enforcement of any of the foreign entity's liabilities; and

30 (2) appoints the commissioner as the foreign entity's agent for service
31 of process for collecting or enforcing those liabilities.

1 (f) If the converting entity is a qualified foreign entity, the certificate of
2 authority or other foreign qualification of the converting entity is cancelled when the
3 conversion becomes effective.

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

6 **Article 5. Domestication.**

7 **Sec. 10.55.501. Domestication authorized.** (a) Except as otherwise provided
8 in this section, by complying with AS 10.55.501 - 10.55.506, a domestic entity may
9 become a domestic entity of the same type in a foreign jurisdiction if the
10 domestication is authorized by the law of the foreign jurisdiction.

11 (b) Except as otherwise provided in this section, by complying with the
12 provisions of AS 10.55.501 - 10.55.506 applicable to foreign entities a foreign entity
13 may become a domestic entity of the same type in this state if the domestication is
14 authorized by the law of the foreign entity's jurisdiction of organization.

15 (c) Unless the provision is amended after July 1, 2014, if a protected
16 agreement contains a provision that applies to a merger of a domestic entity but does
17 not refer to a domestication, the provision applies to a domestication of the entity as if
18 the domestication were a merger.

19 **Sec. 10.55.502. Plan of domestication.** (a) A domestic entity may become a
20 foreign entity in a domestication by approving a plan of domestication. The plan must
21 be in a record and contain

22 (1) the name and type of the domesticating entity;

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

25 (3) the manner of converting the interests in the domesticating entity
26 into interests, securities, obligations, rights to acquire interests or securities, cash, or
27 other property, or any combination of interests, securities, obligations, rights to
28 acquire interests or securities, cash, or other property;

29 (4) the proposed public organic document of the domesticated entity, if
30 the domesticated entity is a filing entity;

31 (5) the full text of the private organic rules of the domesticated entity

1 that are proposed to be in a record;

2 (6) the other terms and conditions of the domestication; and

3 (7) any other provision required by the law of this state or the organic
4 rules of the domesticating entity.

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

7 **Sec. 10.55.503. Approval of domestication.** (a) A plan of domestication is not
8 effective unless it has been approved

9 (1) by a domestic domesticating entity

10 (A) in accordance with the requirements, if any, in the domestic
11 domesticating entity's organic rules for approval of a domestication;

12 (B) if the domestic domesticating entity's organic rules do not
13 provide for approval of a domestication, in accordance with the requirements,
14 if any, in its organic law and organic rules for approval of

15 (i) in the case of an entity that is not a business
16 corporation, a merger, as if the domestication were a merger; or

17 (ii) in the case of a business corporation, a merger
18 requiring approval by a vote of the interest holders of the business
19 corporation, as if the domestication were that type of merger; or

20 (C) if neither the domestic domesticating entity's organic law
21 nor organic rules provide for approval of a domestication or a merger
22 described in (B)(ii) of this paragraph, by all of the interest holders of the entity
23 entitled to vote on or consent to any matter; and

24 (2) in a record, by each interest holder of a domestic domesticating
25 entity that will have interest-holder liability for liabilities that arise after the
26 domestication becomes effective, unless, in the case of an entity that is not a business
27 corporation or nonprofit corporation,

28 (A) the organic rules of the entity in a record provide for the
29 approval of a domestication or merger in which some or all of the entity's
30 interest holders become subject to interest-holder liability by the vote or
31 consent of fewer than all of the interest holders; and

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

4 (b) A domestication of a foreign domesticating entity is not effective unless it
 5 is approved in accordance with the law of the foreign entity's jurisdiction of
 6 organization.

7 **Sec. 10.55.504. Amendment or abandonment of plan of domestication.** (a)

8 A plan of domestication of a domestic domesticating entity may be amended

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

11 (2) by the governors or interest holders of the entity in the manner
 12 provided in the plan; however, but an interest holder that was entitled to vote on or
 13 consent to approval of the domestication is entitled to vote on or consent to any
 14 amendment of the plan that will change

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

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

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

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

30 (1) as provided in the plan; or

31 (2) unless prohibited by the plan, in the same manner as the plan was

1 approved.

2 (c) If a plan of domestication is abandoned after a statement of domestication
3 has been filed with the department and before the filing becomes effective, a statement
4 of abandonment, signed on behalf of the entity, shall be filed with the department
5 before the time the statement of domestication becomes effective. The statement of
6 abandonment takes effect upon filing, and the domestication is abandoned and does
7 not become effective. The statement of abandonment must contain

8 (1) the name of the domesticating entity;

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

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

12 **Sec. 10.55.505. Statement of domestication; effective date.** (a) A statement
13 of domestication shall be signed on behalf of the domesticating entity and filed with
14 the department.

15 (b) A statement of domestication must contain

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

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

20 (3) if the statement of domestication is not to be effective upon filing,
21 the later date and time on which it will become effective, which may not be more than
22 90 days after the date of filing;

23 (4) if the domesticating entity is a

24 (A) domestic entity, a statement that the plan of domestication
25 was approved in accordance with AS 10.55.501 - 10.55.506; or

26 (B) foreign entity, a statement that the domestication was
27 approved in accordance with the law of its jurisdiction of organization;

28 (5) if the domesticated entity is a domestic filing entity, the
29 domesticated entity's public organic document, as an attachment;

30 (6) if the domesticated entity is a domestic limited liability partnership,
31 the domesticated entity's statement of qualification, as an attachment; and

1 (7) if the domesticated entity is a foreign entity that is not a qualified
2 foreign entity, a mailing address to which the department may send any process served
3 on the commissioner under AS 10.55.506(e).

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

6 (d) If the domesticated entity is a domestic entity, the domesticated entity's
7 public organic document, if any, must satisfy the requirements of the law of this state,
8 except that it does not need to be signed and may omit any provision that is not
9 required to be included in a restatement of the public organic document.

10 (e) A plan of domestication that is signed on behalf of a domestic
11 domesticating entity and meets all of the requirements of (b) of this section may be
12 filed with the department instead of a statement of domestication and, on filing, has
13 the same effect as a statement of domestication. If a plan of domestication is filed as
14 provided in this subsection, references in this chapter to a statement of domestication
15 refer to the plan of domestication filed under this subsection.

16 (f) A statement of domestication becomes effective on the date and time of
17 filing or the later date and time specified in the statement of domestication.

18 **Sec. 10.55.506. Effect of domestication.** (a) When a domestication becomes
19 effective,

20 (1) the domesticated entity is

21 (A) organized under and subject to the organic law of the
22 domesticated entity; and

23 (B) the same entity without interruption as the domesticating
24 entity;

25 (2) all property of the domesticating entity continues to be vested in
26 the domesticated entity without assignment, reversion, or impairment;

27 (3) all liabilities of the domesticating entity continue as liabilities of
28 the domesticated entity;

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

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

3 (6) if the domesticated entity is a filing entity, the domesticated entity's
4 public organic document is effective and is binding on its interest holders;

5 (7) if the domesticated entity is a limited liability partnership, the
6 domesticated entity's statement of qualification is effective simultaneously;

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

10 (A) the domesticated entity's interest holders; and

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

14 (9) the interests in the domesticating entity are converted to the extent
15 and as approved in connection with the domestication, and the interest holders of the
16 domesticating entity are entitled only to the rights provided to them under the plan of
17 domestication and to any dissenters' rights they have under AS 10.55.109 and the
18 domesticating entity's organic law.

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

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

29 (d) When a domestication becomes effective,

30 (1) the domestication does not discharge any interest-holder liability
31 under the organic law of a domestic domesticating entity to the extent the interest-

1 holder liability arose before the domestication became effective;

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

5 (3) the organic law of a domestic domesticating entity continues to
6 apply to the release, collection, or discharge of any interest-holder liability preserved
7 under (1) of this subsection as if the domestication had not occurred; and

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

12 (e) When a domestication becomes effective, a foreign entity that is the
13 domesticated entity

14 (1) may be served with process in this state for the collection and
15 enforcement of any of the foreign entity's liabilities; and

16 (2) appoints the commissioner as the foreign entity's agent for service
17 of process for collecting or enforcing those liabilities.

18 (f) If the domesticating entity is a qualified foreign entity, the certificate of
19 authority or other foreign qualification of the domesticating entity is cancelled when
20 the domestication becomes effective.

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

23 **Article 6. Filings.**

24 **Sec. 10.55.601. Requirements for documents.** (a) To be entitled to filing by
25 the department under this chapter, a document must satisfy the following requirements
26 and the requirements of any other provision of this chapter that adds to or varies these
27 requirements:

28 (1) this chapter must require or permit filing the document with the
29 department;

30 (2) the document must contain the information required by this chapter
31 and may contain other information;

1 (3) the document must be in a record;
2 (4) the document must be in the English language; however, the name
3 of an entity need not be in English if written in English letters or Arabic or Roman
4 numerals;

5 (5) the document must be signed
6 (A) by an officer of a domestic or foreign corporation;
7 (B) by a person authorized by a domestic or foreign entity that
8 is not a corporation; or
9 (C) if the entity is in the hands of a receiver, trustee, or other
10 court-appointed fiduciary, by that fiduciary;

11 (6) the document must state the name and capacity of the person that
12 signed it; the document may contain a corporate seal, attestation, acknowledgment, or
13 verification; and

14 (7) the document must be delivered to the department for filing;
15 delivery may be made by electronic transmission if and to the extent permitted by the
16 department; if a document is filed in typewritten or printed form and not transmitted
17 electronically, the department may require one exact or conformed copy to be
18 delivered with the document.

19 (b) When a document is delivered to the department for filing, the correct
20 filing fee and any franchise tax, license fee, or penalty required to be paid for the filing
21 by this chapter or other law must be paid or provision for payment made in a manner
22 permitted by the department.

23 **Sec. 10.55.602. Forms.** The department may prescribe and furnish on request
24 forms for documents required or permitted to be filed by this chapter, but their use is
25 not mandatory.

26 **Sec. 10.55.603. Filing, service, and copying fees.** (a) The department shall
27 collect a fee each time process is served on the commissioner under this chapter. The
28 party to a proceeding causing service of process may recover this fee as costs if the
29 party prevails in the proceeding.

30 (b) The department shall collect the fees for copying and certifying the copy
31 of any document filed under this chapter for copying and for the certificate.

1 (c) The department shall collect fees when the following documents are
2 delivered for filing:

- 3 (1) statement of merger;
- 4 (2) statement of abandonment of merger;
- 5 (3) statement of interest exchange;
- 6 (4) statement of abandonment of interest exchange;
- 7 (5) statement of conversion;
- 8 (6) statement of abandonment of conversion;
- 9 (7) statement of domestication;
- 10 (8) statement of abandonment of domestication.

11 (d) The department shall establish by regulation under AS 44.62
12 (Administrative Procedure Code) the amount of the fees to be collected under this
13 section.

14 **Sec. 10.55.604. Effective time and date of document.** Except as provided in
15 AS 10.55.605, a document accepted for filing is effective

- 16 (1) at the date and time of filing, as evidenced by the means used by
17 the department for recording the date and time of filing;
- 18 (2) at the time specified in the document as its effective time on the
19 date it is filed;
- 20 (3) at a specified delayed effective time and date, if permitted by this
21 chapter; or
- 22 (4) if a delayed effective date but no time is specified, at the close of
23 business on the date specified.

24 **Sec. 10.55.605. Correcting filed document.** (a) A domestic or foreign entity
25 may correct a document filed by the department if

- 26 (1) the document contains an inaccuracy;
- 27 (2) the document was defectively signed; or
- 28 (3) the electronic transmission of the document to the department was
29 defective.

30 (b) A document is corrected by filing with the department a statement of
31 correction that

1 (1) describes the document to be corrected and states the filing date of
2 the document to be corrected or has attached a copy of the document;

3 (2) specifies the inaccuracy or defect to be corrected; and

4 (3) corrects the inaccuracy or defect.

5 (c) A statement of correction is effective on the effective date of the document
6 it corrects except as to persons relying on the uncorrected document and adversely
7 affected by the correction. As to those persons, a statement of correction is effective
8 when filed.

9 **Sec. 10.55.606. Filing duty of department.** (a) A document delivered to the
10 department for filing that satisfies the requirements of AS 10.55.601 shall be filed by
11 the department.

12 (b) The department files a document by recording it as filed on the date and
13 time of receipt. After filing a document, the department shall deliver to the domestic
14 or foreign entity or its representative a copy of the document with an acknowledgment
15 of the date and time of filing.

16 (c) If the department refuses to file a document, the department shall return the
17 document to the domestic or foreign entity or its representative within 10 days after
18 the document was delivered, together with a brief, written explanation of the reason
19 for the refusal.

20 (d) The duty of the department to file documents under this section is
21 ministerial. The filing or refusal to file a document does not

22 (1) affect the validity or invalidity of the document in whole or in part;

23 (2) relate to the correctness or incorrectness of information contained
24 in the document; or

25 (3) create a presumption that the document is valid or invalid or that
26 information contained in the document is correct or incorrect.

27 **Sec. 10.55.607. Appeal from refusal to file a document.** (a) If the department
28 refuses to file a document delivered for filing, the domestic or foreign entity that
29 submitted the document for filing may, within 30 days after the return of the
30 document, appeal the refusal to the superior court of the judicial district where the
31 entity's principal office, or, if the entity does not have a principal office in this state,

1 where its registered office is or will be located. The appeal is begun by petitioning the
2 court to compel filing the document and by attaching to the petition the document and
3 the explanation of the department for the refusal to file.

4 (b) The court may summarily order the department to file the document or
5 take other action the court considers appropriate.

6 (c) The court's final decision may be appealed as in other civil proceedings.

7 **Sec. 10.55.608. Evidentiary effect of copy of filed document.** A certificate
8 from the department, delivered with a copy of a document filed by the department,
9 conclusively establishes that the original document is on file with the department.

10 **Sec. 10.55.609. Penalty for signing false document.** A person who signs a
11 document the person knows is false in any material respect with intent that the
12 document be delivered to the department for filing under this chapter is guilty of a
13 class A misdemeanor.

14 **Sec. 10.55.610. Interrogatories by department; judicial review.** (a) The
15 department may propound to a domestic or foreign entity that is a party to a
16 transaction under this chapter interrogatories reasonably necessary and proper to
17 enable the department to ascertain whether the entity has complied with the provisions
18 of this chapter.

19 (b) Interrogatories shall be answered within 30 days or within the additional
20 time fixed by the department. Answers shall be full and complete, in writing and under
21 oath. If the interrogatories are directed to an individual, the interrogatories shall be
22 answered by that person, and, if directed to an entity, the interrogatories shall be
23 answered by the president, vice-president, secretary, or assistant secretary of the
24 corporation or, in the instance of a foreign corporation, the person or persons
25 functioning as comparable officers in accordance with the laws of the state of
26 incorporation.

27 (c) A petition stating good cause to extend the date to answer, modify, or set
28 aside the interrogatories propounded by the department, or to enforce compliance with
29 AS 10.55.620 may be filed in the superior court before the expiration of the 30 days
30 fixed in this section for answer.

31 **Sec. 10.55.615. Confidentiality of information disclosed by interrogatories.**

1 Interrogatories and answers propounded and obtained under AS 10.55.610 are not
 2 open to public inspection and the department may not disclose facts or information
 3 obtained from the interrogatories except as the official duty of the department requires
 4 or unless the interrogatories or the answers are required for evidence in criminal
 5 proceedings or other action by the state.

6 **Sec. 10.55.620. Failure or refusal to answer interrogatories.** Unless
 7 otherwise provided by an order of court issued in response to a petition filed under AS
 8 10.55.610,

9 (1) an entity that fails or refuses to answer truthfully and fully
 10 interrogatories propounded by the department within the time prescribed by AS
 11 10.55.610(b) is guilty of a class A misdemeanor; and

12 (2) the department need not file a document to which the
 13 interrogatories relate until the interrogatories are properly answered and need not file a
 14 document to which the interrogatories relate if the answers disclose that the document
 15 does not conform to the provisions of this chapter.

16 **Sec. 10.55.625. Powers of department.** The department has the power
 17 reasonably necessary to perform the duties required by this chapter.

18 **Article 7. Miscellaneous Provisions.**

19 **Sec. 10.55.701. Consistency of application.** In applying and construing this
 20 chapter, consideration shall be given to the need to promote consistency of the law
 21 with respect to its subject matter among states that enact it.

22 **Sec. 10.55.702. Relation to Electronic Signatures in Global and National**
 23 **Commerce Act.** This chapter modifies, limits, and supersedes 15 U.S.C. 7001 - 7031
 24 (Electronic Signatures in Global and National Commerce Act), but does not modify,
 25 limit, or supersede 15 U.S.C. 7001(c), or authorize electronic delivery of any of the
 26 notices described in 15 U.S.C. 7003(b).

27 **Article 8. Definitions and Title.**

28 **Sec. 10.55.901. Definitions.** In this chapter,

29 (1) "acquired entity" means the entity, all of one or more classes or
 30 series of interests in which are acquired in an interest exchange;

31 (2) "acquiring entity" means the entity that acquires all of one or more

1 classes or series of interests of the acquired entity in an interest exchange;

2 (3) "approve" means, in the case of an entity, for its governors and
3 interest holders to take whatever steps are necessary under its organic rules, organic
4 law, and other law to

5 (A) propose a transaction subject to this chapter;

6 (B) adopt and approve the terms and conditions of the
7 transaction; and

8 (C) conduct any required proceedings or otherwise obtain any
9 required votes or consents of the governors or interest holders;

10 (4) "business corporation" means a corporation whose internal affairs
11 are governed by AS 10.06;

12 (5) "commissioner" means the commissioner of commerce,
13 community, and economic development;

14 (6) "conversion" means a transaction authorized by AS 10.55.401 -
15 10.55.406;

16 (7) "converted entity" means the converting entity as it continues in
17 existence after a conversion;

18 (8) "converting entity" means the domestic entity that approves a plan
19 of conversion under AS 10.55.403 or the foreign entity that approves a conversion
20 under the law of its jurisdiction of organization;

21 (9) "department" means the Department of Commerce, Community,
22 and Economic Development;

23 (10) "domesticated entity" means the domesticating entity as it
24 continues in existence after a domestication;

25 (11) "domesticating entity" means the domestic entity that approves a
26 plan of domestication under AS 10.55.503 or the foreign entity that approves a
27 domestication under the law of its jurisdiction of organization;

28 (12) "domestication" means a transaction authorized by AS 10.55.501
29 - 10.55.506;

30 (13) "domestic entity" means an entity whose internal affairs are
31 governed by the law of this state;

- 1 (14) "entity" means
- 2 (A) a business corporation;
- 3 (B) a nonprofit corporation;
- 4 (C) a general partnership, including a limited liability
- 5 partnership;
- 6 (D) a limited partnership, including a limited liability limited
- 7 partnership;
- 8 (E) a limited liability company;
- 9 (F) a business trust or statutory trust entity;
- 10 (G) an unincorporated nonprofit association;
- 11 (H) a cooperative; or
- 12 (I) any other person that has a separate legal existence or has
- 13 the power to acquire an interest in real property in its own name, other than
- 14 (i) an individual;
- 15 (ii) a testamentary, inter vivos, or charitable trust, with
- 16 the exception of a trust that carries on a business;
- 17 (iii) an association or relationship that is not a
- 18 partnership solely by reason of AS 32.06.202(c) (Uniform Partnership
- 19 Act) or a similar provision of the law of any other jurisdiction;
- 20 (iv) a decedent's estate; or
- 21 (v) a government, a governmental subdivision, agency,
- 22 or instrumentality, or a quasi-governmental instrumentality;
- 23 (15) "filing entity" means an entity that is created by the filing of a
- 24 public organic document;
- 25 (16) "foreign entity" means an entity other than a domestic entity;
- 26 (17) "governance interest" means the right under the organic law or
- 27 organic rules of an entity, other than as a governor, agent, assignee, or proxy, to
- 28 (A) receive or demand access to information concerning, or the
- 29 books and records of, the entity;
- 30 (B) vote for the election of the governors of the entity; or
- 31 (C) receive notice of or vote on any or all issues involving the

1 internal affairs of the entity;

2 (18) "governor" means a person by or under whose authority the
3 powers of an entity are exercised and under whose direction the business and affairs of
4 the entity are managed under the organic law and organic rules of the entity;

5 (19) "interest" means

6 (A) a governance interest in an unincorporated entity;

7 (B) a transferable interest in an unincorporated entity; or

8 (C) a share or membership in a corporation;

9 (20) "interest exchange" means a transaction authorized by AS
10 10.55.301 - 10.55.306;

11 (21) "interest holder" means a direct holder of an interest;

12 (22) "interest-holder liability" means

13 (A) personal liability for a liability of an entity that is imposed
14 on a person

15 (i) solely by reason of the status of the person as an
16 interest holder; or

17 (ii) by the organic rules of the entity under a provision
18 of the organic law authorizing the organic rules to make one or more
19 specified interest holders or categories of interest holders liable in their
20 capacity as interest holders for all or specified liabilities of the entity;
21 or

22 (B) an obligation of an interest holder under the organic rules
23 of an entity to contribute to the entity;

24 (23) "jurisdiction of organization" of an entity means the jurisdiction
25 whose law includes the organic law of the entity;

26 (24) "liability" means a debt, obligation, or any other liability arising
27 in any manner, regardless of whether it is secured or whether it is contingent;

28 (25) "merger" means a transaction in which two or more merging
29 entities are combined into a surviving entity under a filing with the department;

30 (26) "merging entity" means an entity that is a party to a merger and
31 exists immediately before the merger becomes effective;

1 (27) "nonprofit corporation" means a corporation whose internal
2 affairs are governed by AS 10.20 (Alaska Nonprofit Corporation Act);

3 (28) "organic law" means the statutes, if any, other than this chapter,
4 governing the internal affairs of an entity;

5 (29) "organic rules" means the public organic document and private
6 organic rules of an entity;

7 (30) "person" means an individual, corporation, estate, trust,
8 partnership, limited liability company, business or similar trust, association, joint
9 venture, public corporation, government or governmental subdivision, agency, or
10 instrumentality, or any other legal or commercial entity;

11 (31) "plan" means a plan of merger, interest exchange, conversion, or
12 domestication;

13 (32) "private organic rules" means the rules, whether or not in a record,
14 that govern the internal affairs of an entity, are binding on all of its interest holders,
15 and are not part of its public organic document, if any;

16 (33) "protected agreement" means

17 (A) a record evidencing indebtedness and any related
18 agreement in effect on July 1, 2014;

19 (B) an agreement that is binding on an entity on July 1, 2014;

20 (C) the organic rules of an entity in effect on July 1, 2014; or

21 (D) an agreement that is binding on any of the governors or
22 interest holders of an entity on July 1, 2014;

23 (34) "public organic document" means the public record, the filing of
24 which creates an entity, and any amendment to or restatement of that record;

25 (35) "qualified foreign entity" means a foreign entity that is authorized
26 to transact business in this state under a filing with the department;

27 (36) "record" means information that is inscribed on a tangible
28 medium or that is stored in an electronic or other medium and is retrievable in
29 perceivable form;

30 (37) "sign" means, with present intent to authenticate or adopt a
31 record,

1 (A) to execute or adopt a tangible symbol; or

2 (B) to attach to or logically associate with the record an
3 electronic sound, symbol, or process;

4 (38) "surviving entity" means the entity that continues in existence
5 after or is created by a merger;

6 (39) "transferable interest" means the right under an entity's organic
7 law to receive distributions from the entity;

8 (40) "type," with regard to an entity, means a generic form of entity

9 (A) recognized at common law; or

10 (B) organized under an organic law, whether or not some
11 entities organized under that organic law are subject to provisions of that law
12 that create different categories of the form of entity.

13 **Sec. 10.55.902. Short title.** This chapter may be cited as the Alaska Entity
14 Transactions Act.

15 * **Sec. 11.** AS 32.06.401(i) is amended to read:

16 (i) **Except as provided in AS 10.55 (Alaska Entity Transactions Act), a** [A]
17 person may become a partner only with the consent of all the partners.

18 * **Sec. 12.** AS 32.06.502 is amended to read:

19 **Sec. 32.06.502. Partner's transferable interest in partnership. Except as**
20 **provided in AS 10.55 (Alaska Entity Transactions Act), the** [THE] only
21 transferable interest of a partner in the partnership is the partner's share of the profits
22 and losses of the partnership and the partner's right to receive distributions. The
23 interest **of a partner, whether or not transferable,** is personal property.

24 * **Sec. 13.** AS 32.06.702(a) is amended to read:

25 (a) For two years after a partner dissociates without the dissociation resulting
26 in a dissolution and winding up of the partnership business, the partnership, including
27 a surviving partnership under **AS 32.06.905 - 32.06.908** [AS 32.06.902 - 32.06.908],
28 is bound by an act of the dissociated partner that would have bound the partnership
29 under AS 32.06.301 before dissociation only if, at the time of entering into the
30 transaction, the other party

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

1 (2) did not have notice of the partner's dissociation; and

2 (3) is not considered to have had knowledge under AS 32.06.303(e) or
3 notice under AS 32.06.704(c).

4 * **Sec. 14.** AS 32.06.703(b) is amended to read:

5 (b) A partner who dissociates without the dissociation resulting in a
6 dissolution and winding up of the partnership business is liable as a partner to the
7 other party in a transaction entered into by the partnership, or a surviving partnership
8 under AS 32.06.905 - 32.06.908 [AS 32.06.902 - 32.06.908], within two years after
9 the partner's dissociation only if the partner is liable for the obligation under AS
10 32.06.306 and, at the time of entering into the transaction, the other party

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

12 (2) did not have notice of the partner's dissociation; and

13 (3) is not considered to have had knowledge under AS 32.06.303(e) or
14 notice under AS 32.06.704(c).

15 * **Sec. 15.** AS 32.06.905(a) is amended to read:

16 (a) Under a plan of merger approved under (c) of this section, a partnership
17 may be merged with one or more partnerships [OR LIMITED PARTNERSHIPS].

18 * **Sec. 16.** AS 32.06.905(b) is amended to read:

19 (b) The plan of merger must state

20 (1) the name of each partnership [OR LIMITED PARTNERSHIP] that
21 is a party to the merger;

22 (2) the name of the surviving entity into which the other partnerships
23 [OR LIMITED PARTNERSHIPS] will merge;

24 (3) [WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP
25 OR A LIMITED PARTNERSHIP AND THE STATUS OF EACH PARTNER;

26 (4)] the terms and conditions of the merger;

27 (4) [(5)] the manner and basis of converting all or part of the interests
28 of each party to the merger into interests or obligations of the surviving entity or into
29 money or other property; and

30 (5) [(6)] the street address of the surviving entity's chief executive
31 office.

1 * **Sec. 17.** AS 32.06.905(c) is amended to read:

2 (c) The plan of merger must be approved

3 [(1) IN THE CASE OF A PARTNERSHIP THAT IS A PARTY TO
4 THE MERGER,] by all of the partners or a number or percentage specified for merger
5 in the partnership agreement [; AND

6 (2) IN THE CASE OF A LIMITED PARTNERSHIP THAT IS A
7 PARTY TO THE MERGER, BY THE VOTE REQUIRED FOR APPROVAL OF A
8 MERGER BY THE LAW OF THE STATE OR FOREIGN JURISDICTION WHERE
9 THE LIMITED PARTNERSHIP IS ORGANIZED AND, IN THE ABSENCE OF
10 SUCH A SPECIFICALLY APPLICABLE LAW, BY ALL OF THE PARTNERS,
11 NOTWITHSTANDING A PROVISION TO THE CONTRARY IN THE
12 PARTNERSHIP AGREEMENT].

13 * **Sec. 18.** AS 32.06.905 is amended by adding a new subsection to read:

14 (f) A merger in which a partnership and another form of entity are parties is
15 governed by AS 10.55 (Alaska Entity Transactions Act).

16 * **Sec. 19.** AS 32.06.906 is amended to read:

17 **Sec. 32.06.906. Effect of merger.** (a) When a merger takes effect,

18 (1) the separate existence of every partnership [OR LIMITED
19 PARTNERSHIP] that is a party to the merger, other than the surviving **partnership**
20 [ENTITY], ceases;

21 (2) all property owned by each of the merged partnerships [OR
22 LIMITED PARTNERSHIPS] vests in the surviving **partnership** [ENTITY];

23 (3) all obligations of every partnership [OR LIMITED
24 PARTNERSHIP] that is a party to the merger become the obligations of the surviving
25 **partnership** [ENTITY]; and

26 (4) an action or proceeding pending against a partnership [OR
27 LIMITED PARTNERSHIP] that is a party to the merger may be continued as if the
28 merger had not occurred, or the surviving **partnership** [ENTITY] may be substituted
29 as a party to the action or proceeding.

30 (b) The commissioner is the agent for service of process in an action or
31 proceeding against a surviving foreign partnership [OR LIMITED PARTNERSHIP] to

1 enforce an obligation of a domestic partnership [OR LIMITED PARTNERSHIP] that
 2 is a party to a merger. The surviving **partnership** [ENTITY] shall promptly notify the
 3 department of the mailing address of its chief executive office and of any change of
 4 address. Upon receipt of process, the department shall mail a copy of the process to
 5 the surviving foreign partnership [OR LIMITED PARTNERSHIP].

6 (c) A partner of the surviving partnership [OR LIMITED PARTNERSHIP] is
 7 liable for

8 (1) all obligations of a party to the merger for which the partner was
 9 personally liable before the merger;

10 (2) all obligations of the surviving **partnership** [ENTITY] incurred
 11 before the merger by a party to the merger and not covered by (1) of this subsection,
 12 but the obligations under this paragraph may be satisfied only out of property of the
 13 **surviving partnership** [ENTITY]; and

14 (3) except as otherwise provided in AS 32.06.306, all obligations of
 15 the surviving **partnership** [ENTITY] incurred after the merger takes effect [, BUT
 16 THE OBLIGATIONS UNDER THIS PARAGRAPH MAY BE SATISFIED ONLY
 17 OUT OF PROPERTY OF THE ENTITY IF THE PARTNER IS A LIMITED
 18 PARTNER].

19 (d) If the obligations incurred before the merger by a party to the merger are
 20 not satisfied out of the property of the surviving partnership [OR LIMITED
 21 PARTNERSHIP], the general partners of the party to the merger immediately before
 22 the effective date of the merger shall contribute the amount necessary to satisfy the
 23 party's obligations to the surviving **partnership** [ENTITY,] in the manner provided in
 24 AS 32.06.807 [, IN AS 32.11, OR IN THE LIMITED PARTNERSHIP LAW OF THE
 25 JURISDICTION WHERE THE PARTY WAS FORMED, AS THE CASE MAY BE,]
 26 as if the merged party were dissolved.

27 (e) As of the date the merger takes effect, a partner of a party to a merger who
 28 does not become a partner of the surviving partnership [OR LIMITED
 29 PARTNERSHIP] is dissociated from the entity of which that partner was a partner. **A**
 30 [THE] surviving **partnership** [ENTITY SHALL CAUSE THE PARTNER'S
 31 INTEREST IN THE ENTITY TO BE PURCHASED UNDER AS 32.06.701 OR

1 ANOTHER STATUTE SPECIFICALLY APPLICABLE TO THAT PARTNER'S
 2 INTEREST WITH RESPECT TO A MERGER. THE SURVIVING ENTITY] is
 3 bound under AS 32.06.702 by an act of a general partner dissociated under this
 4 subsection, and the partner is liable under AS 32.06.703 for transactions entered into
 5 by the surviving **partnership** [ENTITY] after the merger takes effect.

6 * **Sec. 20.** AS 32.06.907 is amended to read:

7 **Sec. 32.06.907. Statement of merger.** (a) After a merger, the surviving
 8 partnership [OR LIMITED PARTNERSHIP] may file a statement that **the parties to**
 9 **the merger** [ONE OR MORE PARTNERSHIPS OR LIMITED PARTNERSHIPS]
 10 have merged into the surviving **partnership** [ENTITY].

11 (b) A statement of merger must contain

12 (1) the name of each partnership or limited partnership that is a party
 13 to the merger;

14 (2) the name of the surviving **partnership** [ENTITY] into which the
 15 other partnerships [OR LIMITED PARTNERSHIP] are merged; **and**

16 (3) the street address of the surviving **partnership's** [ENTITY'S] chief
 17 executive office and of any office in this state [; AND

18 (4) WHETHER THE SURVIVING ENTITY IS A PARTNERSHIP
 19 OR A LIMITED PARTNERSHIP].

20 (c) Except as otherwise provided in (d) of this section, in AS 32.06.302,
 21 property of the surviving partnership [OR LIMITED PARTNERSHIP] that, before the
 22 merger, was held in the name of another party to the merger is property held in the
 23 name of the surviving **partnership** [ENTITY] upon filing a statement of merger.

24 (d) In AS 32.06.302, real property of the surviving partnership [OR LIMITED
 25 PARTNERSHIP] that, before the merger, was held in the name of another party to the
 26 merger is property held in the name of the surviving **partnership** [ENTITY] upon
 27 recording a certified copy of the statement of merger in the office for recording
 28 transfers of the real property.

29 (e) A filed and, if appropriate, recorded statement of merger, executed and
 30 declared to be accurate under AS 32.06.970(c), stating the name of a partnership [OR
 31 LIMITED PARTNERSHIP] that is a party to the merger in whose name property was

1 held before the merger and the name of the surviving **partnership** [ENTITY], but not
 2 containing all of the other information required by (b) of this section, operates with
 3 respect to the partnerships [OR LIMITED PARTNERSHIPS] named to the extent
 4 provided in (c) and (d) of this section.

5 * **Sec. 21.** AS 32.06.908 is amended to read:

6 **Sec. 32.06.908. Nonexclusivity.** AS 32.06.905 - 32.06.907 [AS 32.06.902 -
 7 32.06.908] are not exclusive. Partnerships or limited partnerships may **enter into**
 8 **mergers, interest exchanges, conversions, and domestications under AS 10.55**
 9 **(Alaska Entity Transactions Act)** [BE CONVERTED] or [MERGED] in any other
 10 manner provided by law.

11 * **Sec. 22.** AS 32.06.995(7) is amended to read:

12 (7) "limited liability partnership" **or "domestic limited liability**
 13 **partnership"** means a partnership that has filed a statement of qualification under AS
 14 32.06.911 and does not have a similar statement in effect in another jurisdiction;

15 * **Sec. 23.** AS 32.06.995 is amended by adding new paragraphs to read:

16 (17) "domestic partnership" means a partnership whose internal
 17 relations are governed by the laws of this state;

18 (18) "foreign partnership" means a partnership other than a domestic
 19 partnership;

20 (19) "surviving partnership" means a domestic or foreign partnership
 21 into which one or more domestic or foreign partnerships are merged, whether or not
 22 preexisting the merger or created by the merger.

23 * **Sec. 24.** AS 32.11.020 is amended by adding a new subsection to read:

24 (g) A certificate of limited partnership may also be amended by filing a plan
 25 of merger, interest exchange, conversion, or domestication under AS 10.55 (Alaska
 26 Entity Transactions Act).

27 * **Sec. 25.** AS 32.11.320 is amended to read:

28 **Sec. 32.11.320. Nature of partnership interest.** **The** [A PARTNERSHIP]
 29 interest **of a partner, whether or not transferable,** is personal property.

30 * **Sec. 26.** AS 32.11.840(a) is amended to read:

31 (a) A limited partnership shall keep at the office referred to in AS

1 32.11.830(a)(1) the following:

2 (1) a current list of the full name and last known business address of
3 each partner, separately identifying the general partners in alphabetical order and the
4 limited partners in alphabetical order;

5 (2) a copy of the certificate of limited partnership and all certificates of
6 amendment to it, together with executed copies of a power of attorney under which a
7 certificate has been executed;

8 (3) copies of the limited partnership's federal, state, and local income
9 tax returns and reports, if any, for the three most recent years;

10 (4) copies of a then effective written partnership agreement and of a
11 financial statement of the limited partnership for the three most recent years; [AND]

12 (5) unless contained in a written partnership agreement, a writing
13 setting out

14 (A) the amount of cash and a description and statement of the
15 agreed value of the other property or services contributed by each partner and
16 that each partner has agreed to contribute;

17 (B) the times at which or events on the happening of which
18 additional contributions agreed to be made by each partner are to be made;

19 (C) the right of a partner to receive, or of a general partner to
20 make, distributions to a partner that include a return of all or a part of the
21 partner's contribution; [AND]

22 (D) events upon the happening of which the limited partnership
23 is to be dissolved and its affairs wound up; **and**

24 **(6) a copy of any statement of merger, interest exchange,**
25 **conversion, or domestication filed under AS 10.55 (Alaska Entity Transactions**
26 **Act).**

27 * **Sec. 27.** AS 32.11.890 is amended to read:

28 **Sec. 32.11.890. Rules for [CONVERSIONS AND OTHER] cases not**
29 **covered by chapter.** In a case not provided for in this chapter, [INCLUDING
30 CONVERSION OF A LIMITED PARTNERSHIP TO A PARTNERSHIP,] the
31 provisions of AS 32.06 govern, **except as provided by AS 10.55 (Alaska Entity**

1 **Transactions Act).**

2 * **Sec. 28.** AS 32.11.900(9) is amended to read:

3 (9) "limited partnership," **except when used in the phrases "foreign**
 4 **limited partnership" and "foreign limited liability limited partnership,"** and
 5 "domestic limited partnership" mean a partnership formed by two or more persons
 6 under **this chapter, or that becomes subject to this chapter,** [THE LAWS OF THIS
 7 STATE] and having one or more general partners and one or more limited partners;

8 * **Sec. 29.** AS 10.06.590; AS 10.15.450; AS 10.50.505, 10.50.570; AS 32.06.902,
 9 32.06.903, 32.06.904, 32.06.909; and AS 32.11.095 are repealed.

10 * **Sec. 30.** The uncodified law of the State of Alaska is amended by adding a new section to
 11 read:

12 INDIRECT COURT RULE AMENDMENTS. (a) AS 10.55.603(a), added by sec. 10
 13 of this Act, amends Rule 79, Alaska Rules of Civil Procedure, by directing that the process
 14 service fee be allowed to a prevailing party, whether or not the fee amount exceeds the
 15 amount allowed by Rule 11, Alaska Rules of Administration.

16 (b) AS 10.55.607(a), added by sec. 10 of this Act, amends Rule 602(b)(2), Alaska
 17 Rules of Appellate Procedure, by establishing special venue rules for appealing the refusal of
 18 the Department of Commerce, Community, and Economic Development to file a document.

19 (c) AS 10.55.607(a), added by sec. 10 of this Act, amends Rule 602(c), Alaska Rules
 20 of Appellate Procedure, by requiring that certain documents be filed with a petition appealing
 21 the refusal of the Department of Commerce, Community, and Economic Development to file
 22 a document.

23 (d) AS 10.55.607(b), added by sec. 10 of this Act, amends Rule 605.5, Alaska Rules
 24 of Appellate Procedure, by allowing the superior court to summarily order the filing, because
 25 a summary order may not allow for oral argument.

26 * **Sec. 31.** The uncodified law of the State of Alaska is amended by adding a new section to
 27 read:

28 TRANSITION: REGULATIONS. The Department of Commerce, Community, and
 29 Economic Development may adopt regulations necessary to implement the changes made by
 30 this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not
 31 before July 1, 2014.

1 * **Sec. 32.** The uncodified law of the State of Alaska is amended by adding a new section to
2 read:

3 **SAVING CLAUSE.** This Act does not affect an action or proceeding begun or a right
4 accrued before July 1, 2014.

5 * **Sec. 33.** Section 31 of this Act takes effect immediately under AS 01.10.070(c).

6 * **Sec. 34.** Except as provided in sec. 33 of this Act, this Act takes effect July 1, 2014.