

THE STATE SENATE
Monday, February 26, 2007

Committee Substitute for
Senate Bill No. 1043

COMMITTEE SUBSTITUTE FOR SENATE BILL NO. 1043 - By: CRAIN of the Senate and TERRILL of the House.

[corporations - General Corporation Act - limited liability companies - limited partnerships - effective date]

BE IT ENACTED BY THE PEOPLE OF THE STATE OF OKLAHOMA:

SECTION 1. AMENDATORY 18 O.S. 2001, Section 1006, as amended by Section 2, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006, Section 1006), is amended to read as follows:

Section 1006.

CERTIFICATE OF INCORPORATION; CONTENTS

A. The certificate of incorporation shall set forth:

1. The name of the corporation which shall contain one of the words "association", "company", "corporation", "club", "foundation", "fund", "incorporated", "institute", "society", "union", "syndicate", or "limited" or abbreviations thereof, with or without punctuation, or words or abbreviations thereof, with or without punctuation, of like import of foreign countries or jurisdictions; provided that such abbreviations are written in Roman characters or letters, and which shall be such as to distinguish it upon the records in the Office of the Secretary of State from:

- 1 a. names of other corporations, whether domestic or
2 foreign, then existing or which existed at any time
3 during the preceding three (3) years,
4 b. names of partnerships whether general or limited, or
5 domestic or foreign, then ~~existing~~ in good standing or
6 registered or which ~~existed~~ were in good standing or
7 registered at any time during the preceding three (3)
8 years,
9 c. names of limited liability companies, whether domestic
10 or foreign, then ~~existing~~ in good standing or
11 registered or which ~~existed~~ were in good standing or
12 registered at any time during the preceding three (3)
13 years,
14 d. trade names or fictitious names filed with the
15 Secretary of State, or
16 e. corporate, limited liability company or limited
17 partnership names reserved with the Secretary of
18 State;

19 2. The address, including the street, number, city and county,
20 of the corporation's registered office in this state, and the name
21 of the corporation's registered agent at such address;

22 3. The nature of the business or purposes to be conducted or
23 promoted. It shall be sufficient to state, either alone or with

1 other businesses or purposes, that the purpose of the corporation is
2 to engage in any lawful act or activity for which corporations may
3 be organized under the general corporation law of Oklahoma, and by
4 such statement all lawful acts and activities shall be within the
5 purposes of the corporation, except for express limitations, if any;

6 4. If the corporation is to be authorized to issue only one
7 class of stock, the total number of shares of stock which the
8 corporation shall have authority to issue and the par value of each
9 of such shares, or a statement that all such shares are to be
10 without par value. If the corporation is to be authorized to issue
11 more than one class of stock, the certificate of incorporation shall
12 set forth the total number of shares of all classes of stock which
13 the corporation shall have authority to issue and the number of
14 shares of each class, and shall specify each class the shares of
15 which are to be without par value and each class the shares of which
16 are to have par value and the par value of the shares of each such
17 class. The provisions of this paragraph shall not apply to
18 corporations which are not organized for profit and which are not to
19 have authority to issue capital stock. In the case of such
20 corporations, the fact that they are not to have authority to issue
21 capital stock shall be stated in the certificate of incorporation;

22 5. The name and mailing address of the incorporator or
23 incorporators;

1 6. If the powers of the incorporator or incorporators are to
2 terminate upon the filing of the certificate of incorporation, the
3 names and mailing addresses of the persons who are to serve as
4 directors until the first annual meeting of shareholders or until
5 their successors are elected and qualify; and

6 7. If the corporation is not for profit:

7 a. that the corporation does not afford pecuniary gain,
8 incidentally or otherwise, to its members as such,

9 b. the name and mailing address of each trustee or
10 director,

11 c. the number of trustees or directors to be elected at
12 the first meeting, and

13 d. in the event the corporation is a church, the street
14 address of the location of the church.

15 The restriction on affording pecuniary gain to members shall not
16 prevent a not-for-profit corporation operating as a cooperative from
17 rebating excess revenues to patrons who may also be members.

18 B. In addition to the matters required to be set forth in the
19 certificate of incorporation pursuant to the provisions of
20 subsection A of this section, the certificate of incorporation may
21 also contain any or all of the following matters:

22 1. Any provision for the management of the business and for the
23 conduct of the affairs of the corporation, and any provision

1 creating, defining, limiting and regulating the powers of the
2 corporation, the directors, and the shareholders, or any class of
3 the shareholders, or the members of a nonstock corporation, if such
4 provisions are not contrary to the laws of this state. Any
5 provision which is required or permitted by any provision of the
6 Oklahoma General Corporation Act to be stated in the bylaws may
7 instead be stated in the certificate of incorporation;

8 2. The following provisions, in substantially the following
9 form: "Whenever a compromise or arrangement is proposed between
10 this corporation and its creditors or any class of them and/or
11 between this corporation and its shareholders or any class of them,
12 any court of equitable jurisdiction within the State of Oklahoma, on
13 the application in a summary way of this corporation or of any
14 creditor or shareholder thereof or on the application of any
15 receiver or receivers appointed for this corporation under the
16 provisions of Section 1106 of this title or on the application of
17 trustees in dissolution or of any receiver or receivers appointed
18 for this corporation under the provisions of Section 1100 of this
19 title, may order a meeting of the creditors or class of creditors,
20 and/or of the shareholders or class of shareholders of this
21 corporation, as the case may be, to be summoned in such manner as
22 the court directs. If a majority in number representing three-
23 fourths (3/4) in value of the creditors or class of creditors,

1 and/or of the shareholders or class of shareholders of this
2 corporation, as the case may be, agree to any compromise or
3 arrangement and to any reorganization of this corporation as a
4 consequence of such compromise or arrangement, the compromise or
5 arrangement and the reorganization, if sanctioned by the court to
6 which the application has been made, shall be binding on all the
7 creditors or class of creditors, and/or on all the shareholders or
8 class of shareholders, of this corporation, as the case may be, and
9 also on this corporation.”;

10 3. Such provisions as may be desired granting to the holders of
11 the stock of the corporation, or the holders of any class or series
12 of a class thereof, the preemptive right to subscribe to any or all
13 additional issues of stock of the corporation of any or all classes
14 or series thereof, or to any securities of the corporation
15 convertible into such stock. No shareholder shall have any
16 preemptive right to subscribe to an additional issue of stock or to
17 any security convertible into such stock unless, and except to the
18 extent that, such right is expressly granted to him in the
19 certificate of incorporation. Preemptive rights, if granted, shall
20 not extend to fractional shares;

21 4. Provisions requiring, for any corporate action, the vote of
22 a larger portion of the stock or of any class or series thereof, or

1 of any other securities having voting power, or a larger number of
2 the directors, than is required by the provisions of this act;

3 5. A provision limiting the duration of the corporation's
4 existence to a specified date; otherwise, the corporation shall have
5 perpetual existence;

6 6. A provision imposing personal liability for the debts of the
7 corporation on its shareholders or members to a specified extent and
8 upon specified conditions; otherwise, the shareholders or members of
9 a corporation shall not be personally liable for the payment of the
10 corporation's debts, except as they may be liable by reason of their
11 own conduct or acts;

12 7. A provision eliminating or limiting the personal liability
13 of a director to the corporation or its shareholders for monetary
14 damages for breach of fiduciary duty as a director, provided that
15 such provision shall not eliminate or limit the liability of a
16 director:

17 a. for any breach of the director's duty of loyalty to
18 the corporation or its shareholders,

19 b. for acts or omissions not in good faith or which
20 involve intentional misconduct or a knowing violation
21 of law,

22 c. under Section 1053 of this title, or

1 d. for any transaction from which the director derived an
2 improper personal benefit.

3 No such provision shall eliminate or limit the liability of a
4 director for any act or omission occurring ~~prior to~~ before the date
5 when such provision becomes effective.

6 C. It shall not be necessary to set forth in the certificate of
7 incorporation any of the powers conferred on corporations by the
8 provisions of this act.

9 D. Except for provisions included under paragraphs 1, 2, 5, 6
10 and 7 of subsection A of this section and paragraphs 2, 5 and 7 of
11 subsection B of this section, and provisions included under
12 paragraph 4 of subsection A of this section specifying the classes,
13 number of shares and par value of shares the corporation is
14 authorized to issue, any provision of the certificate of
15 incorporation may be made dependent upon facts ascertainable outside
16 the instrument, provided that the manner in which the facts shall
17 operate upon the provision is clearly and explicitly set forth
18 therein. As used in this subsection, the term "facts" includes, but
19 is not limited to, the occurrence of any event, including a
20 determination or action by any person or body, including the
21 corporation.

1 SECTION 2. AMENDATORY 18 O.S. 2001, Section 1007, as
2 amended by Section 3, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
3 Section 1007), is amended to read as follows:

4 Section 1007.

5 EXECUTION, ACKNOWLEDGMENT, FILING AND EFFECTIVE
6 DATE OF ORIGINAL CERTIFICATE OF INCORPORATION
7 AND OTHER INSTRUMENTS; EXCEPTIONS

8 A. Whenever any provision of the Oklahoma General Corporation
9 Act requires any instrument to be filed in accordance with the
10 provisions of this section or with the provisions of this act, the
11 instrument shall be executed as follows:

12 1. The certificate of incorporation and any other instrument to
13 be filed before the election of the initial board of directors, if
14 the initial directors were not named in the certificate of
15 incorporation, shall be signed by the incorporator or incorporators,
16 or in case of any other instrument, the incorporator's or
17 incorporators' successors and assigns. If any incorporator is not
18 available by reason of death, incapacity, unknown address, or
19 refusal or neglect to act, then any other instrument may be signed,
20 with the same effect as if the incorporator had signed it, by any
21 person for whom or on whose behalf the incorporator, in executing
22 the certificate of incorporation, was acting directly or indirectly
23 as employee or agent; provided that the other instrument shall state

1 that the incorporator is not available and the reason therefor, that
2 the incorporator in executing the certificate of incorporation was
3 acting directly or indirectly as employee or agent for or on behalf
4 of the person, and that the person's signature on the instrument is
5 otherwise authorized and not wrongful;

6 2. All other instruments shall be executed:

- 7 a. by the chair or vice-chair of the board of directors,
8 or by the president, or by a vice-president, and
9 attested by the secretary or an assistant secretary;
10 or by officers as may be duly authorized to exercise
11 the duties, respectively, ordinarily exercised by the
12 president or vice-president and by the secretary or an
13 assistant secretary of a corporation,
- 14 b. if it appears from the instrument that there are no
15 such officers, then by a majority of the directors or
16 by those directors designated by the board,
- 17 c. if it appears from the instrument that there are no
18 such officers or directors, then by the holders of
19 record, or those designated by the holders of record,
20 of a majority of all outstanding shares of stock, or
21 d. by the holders of record of all outstanding shares of
22 stock.

1 B. Whenever any provision of this act requires any instrument
2 to be acknowledged, that requirement is satisfied by either:

3 1. The formal acknowledgment by the person or one of the
4 persons signing the instrument that it is his or her act and deed or
5 the act and deed of the corporation, as the case may be, and that
6 the facts stated therein are true. The acknowledgment shall be made
7 before a person who is authorized by the law of the place of
8 execution to take acknowledgments of deeds and who shall affix a
9 seal of office, if any, to the instrument; or

10 2. The signature, without more, of the person or persons
11 signing the instrument, in which case the signature or signatures
12 shall constitute the affirmation or acknowledgment of the signatory,
13 under penalty of perjury, that the instrument is his or her act and
14 deed or the act and deed of the corporation, as the case may be, and
15 that the facts stated therein are true.

16 C. Whenever any provision of this act requires any instrument
17 to be filed in accordance with the provisions of this section or
18 with the provisions of this act, the requirement means that:

19 1. ~~Two One signed instruments, one of which may be a conformed~~
20 ~~copy, instrument~~ shall be delivered to the Office of the Secretary
21 of State;

22 2. All delinquent franchise taxes authorized by law to be
23 collected by the Oklahoma Tax Commission shall be tendered to the

1 Oklahoma Tax Commission as prescribed by Sections 1201 through 1214
2 of Title 68 of the Oklahoma Statutes;

3 3. All fees authorized by law to be collected by the Secretary
4 of State in connection with the filing of the instrument shall be
5 tendered to the Secretary of State; and

6 4. Upon delivery of the instrument, and upon tender of the
7 required taxes and fees, the Secretary of State shall certify that
8 the instrument has been filed in the Secretary of State's office by
9 endorsing upon the signed instrument the word "Filed", and the date
10 of its filing. This endorsement is the "filing date" of the
11 instrument, and is conclusive of the date of its filing in the
12 absence of actual fraud. Upon request, the Secretary of State shall
13 also endorse the hour that the instrument was filed, which
14 endorsement shall be conclusive of the hour of its filing in the
15 absence of actual fraud. The Secretary of State shall thereupon
16 file and index the endorsed instrument.

17 D. Any instrument filed in accordance with the provisions of
18 subsection C of this section shall be effective upon its filing
19 date. Any instrument may provide that it is not to become effective
20 until a specified time subsequent to the time it is filed, but that
21 date shall not be later than a time on the ninetieth day after the
22 date of its filing. If any instrument filed in accordance with
23 subsection C of this section provides for a future effective date or

1 time and if the transaction is terminated or its terms are amended
2 to change the future effective date or time prior to the future
3 effective date or time, the instrument shall be terminated or
4 amended by the filing, prior to the future effective date or time
5 set forth in the instrument, of a certificate of termination or
6 amendment of the original instrument, executed in accordance with
7 subsection A of this section, which shall identify the instrument
8 which has been terminated or amended and shall state that the
9 instrument has been terminated or the manner in which it has been
10 amended.

11 E. If another section of this act specifically prescribes a
12 manner of executing, acknowledging, or filing a specified instrument
13 or a time when an instrument shall become effective which differs
14 from the corresponding provisions of this section, then the
15 provisions of the other section shall govern.

16 F. Whenever any instrument authorized to be filed with the
17 Secretary of State under any provision of this title has been so
18 filed and is an inaccurate record of the corporate action therein
19 referred to, or was defectively or erroneously executed, sealed, or
20 acknowledged, the instrument may be corrected by filing with the
21 Secretary of State a certificate of correction of the instrument
22 which shall be executed, acknowledged and filed in accordance with
23 the provisions of this section. The certificate of correction shall

1 specify the inaccuracy or defect to be corrected and shall set forth
2 the portion of the instrument in corrected form. The corrected
3 instrument shall be effective as of the date the original instrument
4 was filed, except as to those persons who are substantially and
5 adversely affected by the correction and as to those persons the
6 corrected instrument shall be effective from the filing date of the
7 corrected instrument.

8 G. If any instrument authorized to be filed with the Secretary
9 of State pursuant to any provision of this title is filed
10 inaccurately or defectively, or is erroneously executed, sealed, or
11 acknowledged, or is otherwise defective in any respect, the
12 Secretary of State shall have no liability to any person for the
13 preclearance for filing, the acceptance for filing, or the filing
14 and indexing of such instrument.

15 H. When authorized by the rules of the Secretary of State, any
16 signature on any instrument authorized to be filed with the
17 Secretary of State under any provision of this title may be a
18 facsimile signature, a conformed signature, or an electronically
19 transmitted signature.

20 I. 1. If:

21 a. (1) together with the actual delivery of an
22 instrument and tender of the required taxes and
23 fees, there is delivered to the Secretary of

1 State a separate affidavit, which in its heading
2 shall be designated as an affidavit of
3 extraordinary condition, attesting, on the basis
4 of personal knowledge of the affiant or a
5 reliable source of knowledge identified in the
6 affidavit, that an earlier effort to deliver the
7 instrument and tender taxes and fees was made in
8 good faith, specifying the nature, date and time
9 of the good faith effort and requesting that the
10 Secretary of State establish the date and time as
11 the filing date of the instrument, or

12 (2) upon the actual delivery of an instrument and
13 tender of the required taxes and fees, the
14 Secretary of State in his or her discretion
15 provides a written waiver of the requirement for
16 an affidavit stating that it appears to the
17 Secretary of State that an earlier effort to
18 deliver the instrument and tender the taxes and
19 fees was made in good faith and specifying the
20 date and time of the effort, and

21 b. the Secretary of State determines that an
22 extraordinary condition existed at that date and time,
23 that the earlier effort was unsuccessful as a result

1 of the existence of an extraordinary condition, and
2 that the actual delivery and tender were made within a
3 reasonable period, not to exceed two (2) business
4 days, after the cessation of the extraordinary
5 condition,

6 then the Secretary of State may establish the date and time as
7 the filing date of the instrument. No fee shall be paid to the
8 Secretary of State for receiving an affidavit of extraordinary
9 condition.

10 2. For purposes of this subsection, an extraordinary condition
11 means: any emergency resulting from an attack on, invasion or
12 occupation by foreign military forces of, or disaster, catastrophe,
13 war or other armed conflict, revolution or insurrection, or rioting
14 or civil commotion in, the United States or a locality in which the
15 Secretary of State conducts its business or in which the good faith
16 effort to deliver the instrument and tender the required taxes and
17 fees is made, or the immediate threat of any of the foregoing; or
18 any malfunction or outage of the electrical or telephone service to
19 the Secretary of State's office, or weather or other condition in or
20 about a locality in which the Secretary of State conducts its
21 business, as a result of which the Secretary of State's office is
22 not open for the purpose of the filing of instruments under this act
23 or the filing cannot be effected without extraordinary effort. The

1 Secretary of State may require such proof as it deems necessary to
2 make the determination required under subparagraph b of paragraph 1
3 of this subsection, and any determination shall be conclusive in the
4 absence of actual fraud.

5 3. If the Secretary of State establishes the filing date of an
6 instrument pursuant to this subsection, the date and time of
7 delivery of the affidavit of extraordinary condition or the date and
8 time of the Secretary of State's written waiver of the affidavit
9 shall be endorsed on the affidavit or waiver and the affidavit or
10 waiver, so endorsed, shall be attached to the filed instrument to
11 which it relates. The filed instrument shall be effective as of the
12 date and time established as the filing date by the Secretary of
13 State pursuant to this subsection, except as to those persons who
14 are substantially and adversely affected by the establishment and,
15 as to those persons, the instrument shall be effective from the date
16 and time endorsed on the affidavit of extraordinary condition or
17 written waiver attached thereto.

18 SECTION 3. AMENDATORY 18 O.S. 2001, Section 1024, is
19 amended to read as follows:

20 Section 1024.

21 CHANGE OF ADDRESS OR NAME OF REGISTERED AGENT

22 A. A registered agent may change the address of the registered
23 office of the corporation or corporations for which he or she is the

1 registered agent to another address in this state by filing with the
2 Secretary of State a certificate in the name of each affected
3 corporation, executed and acknowledged by the registered agent,
4 setting forth the ~~name of the corporation represented by the~~
5 ~~registered agent, the new address to which the registered office~~
6 ~~will be changed at which the registered agent will maintain the~~
7 ~~registered office for the corporation recited in the certificate~~
8 address at which the registered agent has maintained the registered
9 office, and further certifying to the new address to which the
10 registered office will be changed on a given day, and at which new
11 address the registered agent will thereafter maintain the registered
12 office. Thereafter, or until further change of address, as
13 authorized by law, the registered office in this state shall be
14 located at the new address of the registered agent thereof as given
15 in the certificate.

16 B. In the event of a change of name of any person or
17 corporation acting as registered agent in this state, the registered
18 agent shall file with the Secretary of State a certificate in the
19 name of each affected ~~corporation~~, executed and acknowledged by the
20 registered agent, setting forth the new name of the registered
21 agent, the name of the registered agent before it was changed, ~~the~~
22 ~~name of the corporation represented by the registered agent, and the~~
23 ~~address of the registered office for the corporation~~ and the address

1 at which the registered agent has maintained the registered office
2 for the affected corporation. A change of name of any person or
3 corporation acting as registered agent as a result of a merger or
4 consolidation of the registered agent, with or into another person
5 or corporation which succeeds to its assets by operation of law,
6 shall be deemed a change of name for purposes of this section.

7 SECTION 4. AMENDATORY 18 O.S. 2001, Section 1027, as
8 amended by Section 7, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
9 Section 1027), is amended to read as follows:

10 Section 1027.

11 BOARD OF DIRECTORS; POWERS; NUMBER; QUALIFICATIONS; TERMS
12 AND QUORUM; COMMITTEES; CLASSES OF DIRECTORS; NOT FOR PROFIT
13 CORPORATIONS; RELIANCE UPON BOOKS; ACTION WITHOUT MEETING; ETC.

14 A. The business and affairs of every corporation organized in
15 accordance with the provisions of the Oklahoma General Corporation
16 Act shall be managed by or under the direction of a board of
17 directors, except as may be otherwise provided for in this act or in
18 the corporation's certificate of incorporation. If any provision is
19 made in the certificate of incorporation, the powers and duties
20 conferred or imposed upon the board of directors by the provisions
21 of this act shall be exercised or performed to the extent and by the
22 person or persons stated in the certificate of incorporation.

1 B. The board of directors of a corporation shall consist of one
2 or more members, each of whom shall be a natural person. The number
3 of directors shall be fixed by or in the manner provided for in the
4 bylaws, unless the certificate of incorporation fixes the number of
5 directors, in which case a change in the number of directors shall
6 be made only by amendment of the certificate. Directors need not be
7 shareholders unless so required by the certificate of incorporation
8 or the bylaws. The certificate of incorporation or bylaws may
9 prescribe other qualifications for directors. Each director shall
10 hold office until a successor is elected and qualified or until his
11 or her earlier resignation or removal. Any director may resign at
12 any time upon notice given in writing or by electronic transmission
13 to the corporation. A resignation is effective when the resignation
14 is delivered unless the resignation specifies a later effective date
15 or an effective date determined upon the happening of an event or
16 events. A resignation that is conditioned upon the director failing
17 to receive a specified vote for reelection as a director may provide
18 that it is irrevocable. A majority of the total number of directors
19 shall constitute a quorum for the transaction of business unless the
20 certificate of incorporation or the bylaws require a greater number.
21 Except as provided in subsection G of this section, neither the
22 certificate of incorporation nor the bylaws may provide that a
23 quorum may be less than one-third (1/3) of the total number of

1 directors. The vote of the majority of the directors present at a
2 meeting at which a quorum is present shall be the act of the board
3 of directors unless the certificate of incorporation or the bylaws
4 shall require a vote of a greater number.

5 C. 1. The board of directors may designate one or more
6 committees consisting of one or more of the directors of the
7 corporation. The board may designate one or more directors as
8 alternate members of any committee, who may replace any absent or
9 disqualified member at any meeting of the committee. The bylaws may
10 provide that in the absence or disqualification of a member of a
11 committee, the member or members present at a meeting and not
12 disqualified from voting, whether or not the member or members
13 constitute a quorum, may unanimously appoint another member of the
14 board of directors to act at the meeting in the place of any absent
15 or disqualified member. Any committee, to the extent provided in
16 the resolution of the board of directors, or in the bylaws of the
17 corporation, shall have and may exercise all the powers and
18 authority of the board of directors in the management of the
19 business and affairs of the corporation, and may authorize the seal
20 of the corporation to be affixed to all papers which may require it;
21 but no committee shall have the power or authority to:

22 a. approve, adopt, or recommend to the shareholders any
23 action or matter, other than the election or removal

1 of directors, expressly required by this act to be
2 submitted to shareholders for approval, or
3 b. adopt, amend, or repeal any bylaw of the corporation.

4 2. Unless otherwise provided in the certificate of
5 incorporation, the bylaws or the resolution of the board of
6 directors designating the committee, a committee may create one or
7 more subcommittees, each subcommittee to consist of one or more
8 members of the committee, and delegate to a subcommittee any or all
9 of the powers and authority of the committee.

10 D. The directors of any corporation organized ~~in accordance~~
11 ~~with the provisions of~~ under this act, by the certificate of
12 incorporation or by an initial bylaw, or by a bylaw adopted by the
13 board of directors and approved by a vote of the shareholders, may
14 be divided into one, two, or three classes; the term of office of
15 those of the first class to expire at the first annual meeting ~~next~~
16 ~~ensuing~~ held after the classification becomes effective; of the
17 second class one (1) year thereafter; of the third class two (2)
18 years thereafter; and at each annual election held after the
19 classification ~~and election~~ becomes effective, directors shall be
20 chosen for a full term, as the case may be, to succeed those whose
21 terms expire. The certificate of incorporation or bylaw provision
22 dividing the directors into classes may authorize the board of
23 directors to assign members of the board then in office to such

1 classes when the classification becomes effective. The certificate
2 of incorporation may confer upon holders of any class or series of
3 stock the right to elect one or more directors who shall serve for
4 the term, and have voting powers as shall be stated in the
5 certificate of incorporation. The terms of office and voting powers
6 of the directors elected in the manner so provided in the
7 certificate of incorporation may be greater than or less than those
8 of any other director or class of directors. In addition, the
9 certificate of incorporation may confer upon one or more directors,
10 whether or not elected separately by the holders of any class or
11 series of stock, voting powers greater than or less than those of
12 other directors. If the certificate of incorporation provides that
13 directors elected by the holders of a class or series of stock shall
14 have more or less than one vote per director on any matter, every
15 reference in this act to a majority or other proportion of directors
16 shall refer to a majority or other proportion of the votes of the
17 directors.

18 E. A member of the board of directors, or a member of any
19 committee designated by the board of directors, in the performance
20 of the member's duties, shall be fully protected in relying in good
21 faith upon the records of the corporation and upon information,
22 opinions, reports, or statements presented to the corporation by any
23 of the corporation's officers or employees, or committees of the

1 board of directors, or by any other person as to matters the member
2 reasonably believes are within the officer's, employee's,
3 committee's or other person's competence and who have been selected
4 with reasonable care by or on behalf of the corporation.

5 F. Unless otherwise restricted by the certificate of
6 incorporation or bylaws:

7 1. Any action required or permitted to be taken at any meeting
8 of the board of directors, or of any committee thereof may be taken
9 without a meeting if all members of the board or committee, as the
10 case may be, consent thereto in writing or by electronic
11 transmission, and the writing or writings or electronic transmission
12 or transmissions are filed with the minutes of proceedings of the
13 board or committee; and the filing shall be in paper form if the
14 minutes are maintained in paper form and shall be in electronic form
15 if the minutes are maintained in electronic form;

16 2. The board of directors of any corporation organized in
17 accordance with the provisions of this act may hold its meetings,
18 and have an office or offices, outside of this state;

19 3. The board of directors shall have the authority to fix the
20 compensation of directors; and

21 4. Members of the board of directors of any corporation, or any
22 committee designated by the board, may participate in a meeting of
23 the board or committee by means of conference telephone or other

1 communications equipment by means of which all persons participating
2 in the meeting can hear or otherwise communicate with each other.
3 Participation in a meeting pursuant to the provisions of this
4 subsection shall constitute presence in person at the meeting.

5 G. 1. The certificate of incorporation of any corporation
6 organized in accordance with the provisions of this act which is not
7 authorized to issue capital stock may provide that less than
8 one-third (1/3) of the members of the governing body may constitute
9 a quorum thereof and may otherwise provide that the business and
10 affairs of the corporation shall be managed in a manner different
11 from that provided for in this section.

12 2. Except as may be otherwise provided by the certificate of
13 incorporation, the provisions of this section shall apply to such a
14 corporation, and when so applied, all references to the board of
15 directors, to members thereof, and to shareholders shall be deemed
16 to refer to the governing body of the corporation, the members
17 thereof and the members of the corporation, respectively.

18 H. 1. Any director or the entire board of directors may be
19 removed, with or without cause, by the holders of a majority of the
20 shares then entitled to vote at an election of directors, except as
21 follows:

22 a. unless the certificate of incorporation otherwise
23 provides, in the case of a corporation whose board is

1 classified as provided for in subsection D of this
2 section, shareholders may effect such removal only for
3 cause, or

4 b. in the case of a corporation having cumulative voting,
5 if less than the entire board is to be removed, no
6 director may be removed without cause if the votes
7 cast against the director's removal would be
8 sufficient to elect the director if then cumulatively
9 voted at an election of the entire board of directors,
10 or, if there are classes of directors, at an election
11 of the class of directors of which the director is a
12 part.

13 2. Whenever the holders of any class or series are entitled to
14 elect one or more directors by the provisions of the certificate of
15 incorporation, the provisions of this subsection shall apply, in
16 respect to the removal without cause of a director or directors so
17 elected, to the vote of the holders of the outstanding shares of
18 that class or series and not to the vote of the outstanding shares
19 as a whole.

20 I. A corporation may agree to submit a matter to a vote of its
21 shareholders regardless of whether the board of directors determines
22 at any time subsequent to approving the matter that the matter is no

1 longer advisable and recommends that the shareholders reject or vote
2 against the matter.

3 SECTION 5. AMENDATORY 18 O.S. 2001, Section 1033, is
4 amended to read as follows:

5 Section 1033.

6 ISSUANCE OF STOCK, LAWFUL CONSIDERATION; FULLY PAID STOCK

7 A. The consideration, as determined pursuant to the provisions
8 of subsections A and B of Section ~~34~~ 1034 of this ~~act~~ title, for
9 subscriptions to, or the purchase of, the capital stock to be issued
10 by a corporation shall be paid in such form and in such manner as
11 the board of directors shall determine. The board of directors may
12 authorize capital stock to be issued for consideration consisting of
13 cash, any tangible or intangible property or any benefit to the
14 corporation, or any combination thereof, except for services to be
15 performed. In the absence of actual fraud in the transaction, the
16 judgment of the directors as to the value of such consideration
17 shall be conclusive. The capital stock so issued shall be deemed to
18 be fully paid and nonassessable stock, ~~if:~~

19 ~~1. the entire amount of such consideration has been received by~~
20 ~~the corporation in the form of cash, services rendered, personal~~
21 ~~property, real property, leases of real property, or a combination~~
22 ~~thereof; or~~

1 ~~2. not less than the amount of the consideration determined to~~
2 ~~be capital pursuant to the provisions of Section 35 of this act has~~
3 ~~been received by the corporation in such form and the corporation~~
4 ~~has received a binding obligation of the subscriber or purchaser to~~
5 ~~pay the balance of the subscription or purchase price~~ upon receipt
6 by the corporation of the authorized consideration.

7 B. The provisions of subsection A of this section shall not be
8 construed to prevent the board of directors from issuing partly paid
9 shares in accordance with the provisions of Section ~~37~~ 1037 of this
10 ~~act~~ title.

11 SECTION 6. AMENDATORY 18 O.S. 2001, Section 1035, is
12 amended to read as follows:

13 Section 1035.

14 DETERMINATION OF AMOUNT OF CAPITAL; CAPITAL,
15 SURPLUS AND NET ASSETS DEFINED

16 Any corporation, by resolution of its board of directors, may
17 determine that only a part of the consideration which shall be
18 received by the corporation for any of the shares of its capital
19 stock which it shall issue from time to time shall be capital; but,
20 in case any of the shares issued shall be shares having a par value,
21 the amount of the part of such consideration so determined to be
22 capital shall be in excess of the aggregate par value of the shares
23 issued for such consideration having a par value, unless all the

1 shares issued shall be shares having a par value, in which case the
2 amount of the part of such consideration so determined to be capital
3 need be only equal to the aggregate par value of such shares. In
4 each such case the board of directors shall specify in dollars the
5 part of such consideration which shall be capital. If the board of
6 directors shall not have determined, at the time of issue of any
7 shares of the capital stock of the corporation issued for cash or
8 within sixty (60) days after the issue of any shares of the capital
9 stock of the corporation issued for ~~property~~ consideration other
10 than cash, what part of the consideration for such shares shall be
11 capital, the capital of the corporation in respect of such shares
12 shall be an amount equal to the aggregate par value of such shares
13 having a par value, plus the amount of the consideration for such
14 shares without par value. The amount of the consideration so
15 determined to be capital in respect of any shares without par value
16 shall be the stated capital of such shares. The capital of the
17 corporation may be increased from time to time by resolution of the
18 board of directors directing that a portion of the net assets of the
19 corporation in excess of the amount so determined to be capital be
20 transferred to the capital account. The board of directors may
21 direct that the portion of such net assets so transferred shall be
22 treated as capital in respect of any shares of the corporation of
23 any designated class or classes. The excess, if any, at any given

1 time, of the net assets of the corporation over the amount so
2 determined to be capital shall be surplus. "Net assets" means the
3 amount by which total assets exceed total liabilities. Capital and
4 surplus are not liabilities for this purpose.

5 SECTION 7. AMENDATORY 18 O.S. 2001, Section 1038, as
6 amended by Section 8, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
7 Section 1038), is amended to read as follows:

8 Section 1038.

9 RIGHTS AND OPTIONS RESPECTING STOCK

10 A. Subject to any provisions in the certificate of
11 incorporation, every corporation may create and issue, whether or
12 not in connection with the issue and sale of any shares of stock or
13 other securities of the corporation, rights or options entitling the
14 holders thereof to ~~purchase~~ acquire from the corporation any shares
15 of its capital stock of any class or classes, such rights or options
16 to be evidenced by or in such instrument or instruments as shall be
17 approved by the board of directors.

18 B. The terms upon which, including the time or times, which may
19 be limited or unlimited in duration, at or within which, and the
20 ~~price or prices~~ consideration, including any formula by which such
21 ~~price or prices~~ consideration may be determined, ~~at~~ for which any
22 such shares may be ~~purchased~~ acquired from the corporation upon the
23 exercise of any such right or option, shall be such as shall be

1 stated in the certificate of incorporation, or in a resolution
2 adopted by the board of directors providing for the creation and
3 issue of such rights or options, and, in every case, shall be set
4 forth or incorporated by reference in the instrument or instruments
5 evidencing such rights or options. In the absence of actual fraud
6 in the transaction, the judgment of the directors as to the
7 consideration for the issuance of such rights or options and the
8 sufficiency thereof shall be conclusive.

9 C. The board of directors may, by a resolution adopted by the
10 board, authorize one or more officers of the corporation to do one
11 or both of the following:

12 1. Designate officers and employees of the corporation or of
13 any of its subsidiaries to be recipients of such rights or options
14 created by the corporation; and

15 2. Determine the number of such rights or options to be
16 received by such officers and employees;

17 provided, however, that the resolution so authorizing such
18 officer or officers shall specify the total number of rights or
19 options such officer or officers may so award. The board of
20 directors may not authorize an officer to designate himself or
21 herself as a recipient of any such rights or options.

22 D. In case the shares of stock of the corporation to be issued
23 upon the exercise of such rights or options shall be shares having a

1 par value, the ~~price or prices~~ consideration so to be received
2 therefor shall have a value not ~~be~~ less than the par value thereof.
3 In case the shares of stock so to be issued shall be shares of stock
4 without par value, the consideration therefor shall be determined in
5 the manner provided for in Section 1034 of this title.

6 SECTION 8. AMENDATORY 18 O.S. 2001, Section 1039, as
7 amended by Section 9, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
8 Section 1039), is amended to read as follows:

9 Section 1039.

10 STOCK CERTIFICATES, UNCERTIFICATED SHARES

11 The shares of a corporation shall be represented by
12 certificates, provided that the board of directors of the
13 corporation may provide by resolution or resolutions that some or
14 all of any or all classes or series of its stock shall be
15 uncertificated shares. ~~Notwithstanding the adoption of any such~~
16 ~~resolution,~~ Any such resolution shall not apply to shares
17 ~~represented by a certificate shall not become uncertificated shares~~
18 until ~~such~~ the certificate is surrendered to the corporation. Every
19 holder of stock ~~in a corporation~~ represented by certificates shall
20 be entitled to have a certificate signed by, or in the name of, the
21 corporation by the chairman or vice-chairman of the board of
22 directors, or the president or vice-president, and by the treasurer
23 or an assistant treasurer or the secretary or an assistant secretary

1 of ~~such~~ the corporation ~~certifying and~~ representing the number of
2 shares ~~owned by him in such corporation~~ registered in certificate
3 form. ~~Subject to applicable provisions of the Uniform Commercial~~
4 ~~Code Investment Securities, such entitlement shall apply equally~~
5 ~~to a holder of uncertificated shares, notwithstanding the adoption~~
6 ~~of a resolution by the board of directors providing for the issuance~~
7 ~~of uncertificated shares, who makes written request of the~~
8 ~~corporation.~~ Any or all the signatures on the certificate may be a
9 facsimile. In case any officer, transfer agent, or registrar who
10 has signed or whose facsimile signature has been placed upon a
11 certificate shall have ceased to be such officer, transfer agent, or
12 registrar before ~~such~~ the certificate is issued, it may be issued by
13 the corporation with the same effect as if he were such officer,
14 transfer agent or registrar at the date of issue. A corporation
15 shall not have the power to issue a certificate in bearer form.

16 SECTION 9. AMENDATORY 18 O.S. 2001, Section 1081, as
17 amended by Section 20, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
18 Section 1081), is amended to read as follows:

19 Section 1081.

20 MERGER OR CONSOLIDATION OF DOMESTIC CORPORATIONS

21 A. Any two or more corporations existing under the laws of this
22 state may merge into a single corporation, which may be any one of
23 the constituent corporations or may consolidate into a new

1 corporation formed by the consolidation, pursuant to an agreement of
2 merger or consolidation, as the case may be, complying and approved
3 in accordance with the provisions of this section.

4 B. The board of directors of each corporation which desires to
5 merge or consolidate shall adopt a resolution approving an agreement
6 of merger or consolidation and declaring its advisability. The
7 agreement shall state:

8 1. The terms and conditions of the merger or consolidation;

9 2. The mode of carrying the same into effect;

10 3. In the case of a merger, the amendments or changes in the
11 certificate of incorporation of the surviving corporation as are
12 desired to be effected by the merger, or, if no amendments or
13 changes are desired, a statement that the certificate of
14 incorporation of the surviving corporation shall be its certificate
15 of incorporation of the surviving or resulting corporation;

16 4. In the case of a consolidation, that the certificate of
17 incorporation of the resulting corporation shall be as is set forth
18 in an attachment to the agreement;

19 5. The manner, if any, of converting the shares of each of the
20 constituent corporations into shares or other securities of the
21 corporation surviving or resulting from the merger or consolidation,
22 or of canceling some or all of the shares, and, if any shares of any
23 of the constituent corporations are not to remain outstanding, to be

1 converted solely into shares or other securities of the surviving or
2 resulting corporation or to be canceled, the cash, property, rights,
3 or securities of any other corporation or entity which the holders
4 of the shares are to receive in exchange for or upon conversion of
5 the shares and the surrender of any certificates evidencing them,
6 which cash, property, rights, or securities of any other corporation
7 or entity may be in addition to or in lieu of shares or other
8 securities of the surviving or resulting corporation; and

9 6. Other details or provisions as are deemed desirable,
10 including without limiting the generality of the foregoing, a
11 provision for the payment of cash in lieu of the issuance or
12 recognition of fractional shares, interests or rights, or for any
13 other arrangement with respect thereto, consistent with the
14 provisions of Section 1036 of this title. The agreement so adopted
15 shall be executed and acknowledged in accordance with the provisions
16 of Section 1007 of this title. Any of the terms of the agreement of
17 merger or consolidation may be made dependent upon facts
18 ascertainable outside of the agreement; provided, that the manner in
19 which these facts shall operate upon the terms of the agreement is
20 clearly and expressly set forth in the agreement of merger or
21 consolidation. The term "facts" as used in this paragraph,
22 includes, but is not limited to, the occurrence of any event,

1 including a determination or action by any person or body, including
2 the corporation.

3 C. The agreement required by the provisions of subsection B of
4 this section shall be submitted to the shareholders of each
5 constituent corporation at an annual or special meeting thereof for
6 the purpose of acting on the agreement. Due notice of the time,
7 place, and purpose of the meeting shall be mailed to each holder of
8 stock whether voting or nonvoting, of the corporation at the address
9 which appears on the records of the corporation, at least twenty
10 (20) days ~~prior to~~ before the date of the meeting. The notice shall
11 contain a copy of the agreement or a brief summary thereof, as the
12 directors shall deem advisable; provided, however, the notice shall
13 be effective only with respect to mergers or consolidations for
14 which the notice of the shareholders meeting to vote thereon has
15 been mailed after November 1, 1988. At the meeting the agreement
16 shall be considered and a vote taken for its adoption or rejection.
17 If a majority of the outstanding stock of the corporation entitled
18 to vote thereon shall be voted for the adoption of the agreement,
19 that fact shall be certified on the agreement by the secretary or
20 the assistant secretary of the corporation. If the agreement shall
21 be so adopted and certified by each constituent corporation, it
22 shall then be filed and shall become effective in accordance with
23 the provisions of Section 1007 of this title. In lieu of filing an

1 agreement of merger or consolidation required by this section, the
2 surviving or resulting corporation may file a certificate of merger
3 or consolidation executed in accordance with the provisions of
4 Section 1007 of this title and which states:

5 1. The name and state of incorporation of each of the
6 constituent corporations;

7 2. That an agreement of merger or consolidation has been
8 approved, adopted, certified, executed, and acknowledged by each of
9 the constituent corporations in accordance with the provisions of
10 this section;

11 3. The name of the surviving or resulting corporation;

12 4. In the case of a merger, the amendments or changes in the
13 certificate of incorporation of the surviving corporation, which may
14 be amended and restated, that ~~as~~ are desired to be effected by the
15 merger, or, if no amendments or changes are desired, a statement
16 that the certificate of incorporation of the surviving corporation
17 shall be its certificate of incorporation;

18 5. In the case of a consolidation, that the certificate of
19 incorporation of the resulting corporation shall be as is set forth
20 in an attachment to the certificate;

21 6. That the executed agreement of consolidation or merger is on
22 file at the principal place of business of the surviving
23 corporation, stating the address thereof; and

1 7. That a copy of the agreement of consolidation or merger will
2 be furnished by the surviving corporation, on request and without
3 cost, to any shareholder of any constituent corporation. For
4 purposes of Sections 1084 and 1086 of this title, the term
5 "shareholder" shall be deemed to include "member".

6 D. Any agreement of merger or consolidation may contain a
7 provision that at any time prior to the time that the agreement, or
8 a certificate filed with the Secretary of State in lieu thereof,
9 becomes effective in accordance with Section 1007 of this title, the
10 agreement may be terminated by the board of directors of any
11 constituent corporation notwithstanding approval of the agreement by
12 the shareholders of all or any of the constituent corporations;
13 provided, if the agreement of merger or consolidation is terminated
14 after the filing of the agreement, or a certificate filed with the
15 Secretary of State in lieu thereof, but before the agreement or
16 certificate has become effective, a certificate of termination of
17 merger or consolidation shall be filed in accordance with Section
18 1007 of this title. Any agreement of merger or consolidation may
19 contain a provision that the boards of directors of the constituent
20 corporations may amend the agreement at any time prior to the time
21 that the agreement, or a certificate filed with the Secretary of
22 State in lieu thereof, becomes effective in accordance with Section
23 1007 of this title; provided, that an amendment made subsequent to

1 the adoption of the agreement by the shareholders of any constituent
2 corporation shall not:

3 1. Alter or change the amount or kind of shares, securities,
4 cash, property, or rights to be received in exchange for or on
5 conversion of all or any of the shares of any class or series
6 thereof of the constituent corporation;

7 2. Alter or change any term of the certificate of incorporation
8 of the surviving corporation to be effected by the merger or
9 consolidation; or

10 3. Alter or change any of the terms and conditions of the
11 agreement if an alteration or change would adversely affect the
12 holders of any class or series thereof of the constituent
13 corporation.

14 If the agreement of merger or consolidation is amended after the
15 filing of the agreement, or a certificate in lieu thereof, with the
16 Secretary of State, but before the agreement or certificate has
17 become effective, a certificate of amendment of merger or
18 consolidation shall be filed in accordance with Section 1007 of this
19 title.

20 E. In the case of a merger, the certificate of incorporation of
21 the surviving corporation shall automatically be amended to the
22 extent, if any, that changes in the certificate of incorporation are
23 set forth in the certificate of merger.

1 F. Notwithstanding the requirements of subsection C of this
2 section, unless required by its certificate of incorporation, no
3 vote of shareholders of a constituent corporation surviving a merger
4 shall be necessary to authorize a merger if:

5 1. The agreement of merger does not amend in any respect the
6 certificate of incorporation of the constituent corporation;

7 2. Each share of stock of the constituent corporation
8 outstanding immediately prior to the effective date of the merger is
9 to be an identical outstanding or treasury share of the surviving
10 corporation after the effective date of the merger; and

11 3. Either no shares of common stock of the surviving
12 corporation and no shares, securities, or obligations convertible
13 into such stock are to be issued or delivered under the plan of
14 merger, or the authorized unissued shares or the treasury shares of
15 common stock of the surviving corporation to be issued or delivered
16 under the plan of merger plus those initially issuable upon
17 conversion of any other shares, securities, or obligations to be
18 issued or delivered under the plan do not exceed twenty percent
19 (20%) of the shares of common stock of the constituent corporation
20 outstanding immediately prior to the effective date of the merger.
21 No vote of shareholders of a constituent corporation shall be
22 necessary to authorize a merger or consolidation if no shares of the
23 stock of the corporation shall have been issued prior to the

1 adoption by the board of directors of the resolution approving the
2 agreement of merger or consolidation. If an agreement of merger is
3 adopted by the constituent corporation surviving the merger, by
4 action of its board of directors and without any vote of its
5 shareholders pursuant to the provisions of this subsection, the
6 secretary or assistant secretary of that corporation shall certify
7 on the agreement that the agreement has been adopted pursuant to the
8 provisions of this subsection and:

- 9 a. if it has been adopted pursuant to paragraph 1 of this
10 subsection, that the conditions specified have been
11 satisfied, or
12 b. if it has been adopted pursuant to paragraph 2 of this
13 subsection, that no shares of stock of the corporation
14 were issued prior to the adoption by the board of
15 directors of the resolution approving the agreement of
16 merger or consolidation.

17 The agreement so adopted and certified shall then be filed and
18 shall become effective in accordance with the provisions of Section
19 1007 of this title. Filing shall constitute a representation by the
20 person who executes the certificate that the facts stated in the
21 certificate remain true immediately prior to filing.

22 G. 1. Notwithstanding the requirements of subsection C of this
23 section, unless expressly required by its certificate of

1 incorporation, no vote of shareholders of a constituent corporation
2 shall be necessary to authorize a merger with or into a single
3 direct or indirect wholly owned subsidiary of the constituent
4 corporation if:

- 5 a. the constituent corporation and the direct or indirect
6 wholly owned subsidiary of the constituent corporation
7 are the only constituent entities to the merger,
8 b. each share or fraction of a share of the capital stock
9 of the constituent corporation outstanding immediately
10 ~~prior to~~ before the effective time of the merger is
11 converted in the merger into a share or equal fraction
12 of share of capital stock of a holding company having
13 the same designations, rights, powers, and
14 preferences, and the qualifications, limitations, and
15 restrictions thereof, as the share of stock of the
16 constituent corporation being converted in the merger,
17 c. the holding company and the constituent corporation
18 are corporations of this state and the direct or
19 indirect wholly owned subsidiary that is the other
20 constituent entity to the merger is a corporation or
21 limited liability company of this state,
22 d. the certificate of incorporation and bylaws of the
23 holding company immediately following the effective

1 time of the merger contain provisions identical to the
2 certificate of incorporation and bylaws of the
3 constituent corporation immediately ~~prior to~~ before
4 the effective time of the merger, other than
5 provisions, if any, regarding the incorporator or
6 incorporators, the corporate name, the registered
7 office and agent, the initial board of directors, and
8 the initial subscribers of shares and provisions
9 contained in any amendment to the certificate of
10 incorporation as were necessary to effect a change,
11 exchange, reclassification, subdivision, combination
12 or cancellation of stock, if a change, exchange,
13 reclassification, or cancellation has become
14 effective,

15 e. as a result of the merger, the constituent corporation
16 or its successor corporation becomes or remains a
17 direct or indirect wholly owned subsidiary of the
18 holding company,

19 f. the directors of the constituent corporation become or
20 remain the directors of the holding company upon the
21 effective time of the merger,

22 g. the organizational documents of the surviving entity
23 immediately following the effective time of the merger

1 contain provisions identical to the certificate of
2 incorporation of the constituent corporation
3 immediately ~~prior to~~ before the effective time of the
4 merger, other than provisions, if any, regarding the
5 incorporator or incorporators, the corporate or entity
6 name, the registered office and agent, the initial
7 board of directors and the initial subscribers for
8 shares, references to members rather than shareholders
9 ~~or shareholders~~, references to interests, units or the
10 like rather than stock or shares, references to
11 managers, managing members or other members of the
12 governing body rather than directors and such
13 provisions contained in any amendment to the
14 certificate of incorporation as were necessary to
15 effect a change, exchange, reclassification,
16 subdivision, combination or cancellation of stock, if
17 such change, exchange, reclassification, subdivision,
18 combination or cancellation has become effective;
19 provided, however, that:

20 (1) if the organizational documents of the surviving
21 entity do not contain the following provisions,
22 they shall be amended in the merger to contain
23 provisions requiring that:

1 (a) any act or transaction by or involving the
2 surviving entity, other than the election or
3 removal of directors or managers, managing
4 members or other members of the governing
5 body of the surviving entity, that requires
6 for its adoption under this act or its
7 organizational documents the approval of the
8 shareholders or members of the surviving
9 entity shall, by specific reference to this
10 subsection, require, in addition, the
11 approval of the shareholders of the holding
12 company (or any successor by merger), by the
13 same vote as is required by this act and/or
14 by the organizational documents of the
15 surviving entity; provided, however, that
16 for purposes of this subdivision, any
17 surviving entity that is not a corporation
18 shall include in such amendment a
19 requirement that the approval of the
20 shareholders of the holding company be
21 obtained for any act or transaction by or
22 involving the surviving entity, other than
23 the election or removal of directors or

1 managers, managing members or other members
2 of the governing body of the surviving
3 entity, which would require the approval of
4 the shareholders of the surviving entity if
5 the surviving entity were a corporation
6 subject to this act,

7 (b) any amendment of the organizational
8 documents of a surviving entity that is not
9 a corporation, which amendment would, if
10 adopted by a corporation subject to this
11 act, be required to be included in the
12 certificate of incorporation of such
13 corporation, shall, by specific reference to
14 this subsection, require, in addition, the
15 approval of the shareholders of the holding
16 company, or any successor by merger, by the
17 same vote as is required by this act and/or
18 by the organizational documents of the
19 surviving entity, and

20 (c) the business and affairs of a surviving
21 entity that is not a corporation shall be
22 managed by or under the direction of a board
23 of directors, board of managers or other

1 governing body consisting of individuals who
2 are subject to the same fiduciary duties
3 applicable to, and who are liable for breach
4 of such duties to the same extent as,
5 directors of a corporation subject to this
6 act, and

7 (2) the organizational documents of the surviving
8 entity may be amended in the merger:

9 (a) to reduce the number of classes and shares
10 of capital stock or other equity interests
11 or units that the surviving entity is
12 authorized to issue, and

13 (b) to eliminate any provision authorized by
14 subsection D of Section 1027 of this title;
15 and

16 h. the shareholders of the constituent corporation do not
17 recognize gain or loss for federal income tax purposes
18 as determined by the board of directors of the
19 constituent corporation.

20 Neither division (1) of subparagraph g of paragraph 1 of this
21 subsection nor any provision of a surviving entity's organizational
22 documents required by division (1) of subparagraph g of paragraph 1
23 of this subsection shall be deemed or construed to require approval

1 of the shareholders of the holding company to elect or remove
2 directors or managers, managing members or other members of the
3 governing body of the surviving entity.

4 2. As used in this subsection, the term "holding company" means
5 a corporation which, from its incorporation until consummation of a
6 merger governed by this subsection, was at all times a direct or
7 indirect wholly owned subsidiary of the constituent corporation and
8 whose capital stock is issued in a merger.

9 3. As used in this subsection, the term "organizational
10 documents" means, when used in reference to a corporation, the
11 certificate of incorporation of the corporation and, when used in
12 reference to a limited liability company, the articles of
13 organization and the operating agreement of the limited liability
14 company.

15 4. From and after the effective time of a merger adopted by a
16 constituent corporation by action of its board of directors and
17 without any vote of shareholders pursuant to this subsection:

18 a. to the extent the restriction of Section 1090.3 of
19 this title applied to the constituent corporation and
20 its shareholders at the effective time of the merger,
21 restrictions shall apply to the holding company and
22 its shareholders immediately after the effective time
23 of the merger as though it were the constituent

1 corporation, and all shareholders of stock of the
2 holding company acquired in the merger shall for
3 purposes of Section 1090.3 of this title be deemed to
4 have been acquired at the time that the shares of
5 stock of the constituent corporation converted in the
6 merger were acquired; provided, that any shareholder
7 who immediately ~~prior to~~ before the effective time of
8 the merger was not an interested shareholder within
9 the meaning of Section 1090.3 of this title shall not
10 solely by reason of the merger become an interested
11 shareholder of the holding company,

12 b. if the corporate name of the holding company
13 immediately following the effective time of the merger
14 is the same as the corporate name of the constituent
15 corporation immediately ~~prior to~~ before the effective
16 time of the merger, the shares of capital stock of the
17 holding company into which the shares of capital stock
18 of the constituent corporation are converted in the
19 merger shall be represented by the stock certificates
20 that previously represented the shares of capital
21 stock of the constituent corporation, and

22 c. to the extent a shareholder of the constituent
23 corporation immediately ~~prior to~~ before the merger had

1 standing to institute or maintain derivative
2 litigation on behalf of the constituent corporation,
3 nothing in this section shall be deemed to limit or
4 extinguish such standing.

5 5. If any agreement of merger is adopted by a constituent
6 corporation by action of its board of directors and without any vote
7 of shareholders pursuant to this subsection, the secretary or
8 assistant secretary of the constituent corporation shall certify on
9 the agreement that the agreement has been adopted pursuant to this
10 subsection and that the conditions specified in paragraph 1 of this
11 subsection have been satisfied. The agreement so adopted and
12 certified shall then be filed and become effective in accordance
13 with Section 1007 of this title. Filing shall constitute a
14 representation by the person who executes the agreement that the
15 facts stated in the certificate remain true immediately ~~prior to~~
16 before the filing.

17 SECTION 10. AMENDATORY 18 O.S. 2001, Section 1082, as
18 amended by Section 21, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
19 Section 1082), is amended to read as follows:

20 Section 1082.

21 MERGER OR CONSOLIDATION OF DOMESTIC AND FOREIGN CORPORATIONS;

22 SERVICE OF PROCESS UPON SURVIVING OR RESULTING CORPORATION

1 A. Any one or more corporations of this state may merge or
2 consolidate with one or more other corporations of any other state
3 or states of the United States, or of the District of Columbia, if
4 the laws of the other state or states or of the District permit a
5 corporation of the jurisdiction to merge or consolidate with a
6 corporation of another jurisdiction. The constituent corporations
7 may merge into a single corporation, which may be any one of the
8 constituent corporations, or they may consolidate into a new
9 corporation formed by the consolidation, which may be a corporation
10 of the state of incorporation of any one of the constituent
11 corporations, pursuant to an agreement of merger or consolidation,
12 as the case may be, complying and approved in accordance with the
13 provisions of this section. In addition, any one or more
14 corporations organized under the laws of any jurisdiction other than
15 one of the United States may merge or consolidate with one or more
16 corporations existing under the laws of this state if the surviving
17 or resulting corporation will be a corporation of this state, and if
18 the laws under which the other corporation or corporations are
19 formed permit a corporation of that jurisdiction to merge or
20 consolidate with a corporation of another jurisdiction.

21 B. All the constituent corporations shall enter into an
22 agreement of merger or consolidation. The agreement shall state:

23 1. The terms and conditions of the merger or consolidation;

1 2. The mode of carrying the same into effect;

2 3. The manner, if any, of converting the shares of each of the
3 constituent corporations into shares or other securities of the
4 corporation surviving or resulting from the merger or consolidation,
5 or of canceling some or all of the shares, and, if any shares of any
6 of the constituent corporations are not to remain outstanding, to be
7 converted solely into shares or other securities of the surviving or
8 resulting corporation or to be canceled, the cash, property, rights,
9 or securities of any other corporation or entity which the holder of
10 the shares are to receive in exchange for, or upon conversion of,
11 the shares and the surrender of any certificates evidencing them,
12 which cash, property, rights, or securities of any other corporation
13 or entity may be in addition to or in lieu of the shares or other
14 securities of the surviving or resulting corporation;

15 4. Other details or provisions as are deemed desirable,
16 including, without limiting the generality of the foregoing, a
17 provision for the payment of cash in lieu of the issuance or
18 recognition of fractional shares of the surviving or resulting
19 corporation or of any other corporation the securities of which are
20 to be received in the merger or consolidation, or for some other
21 arrangement with respect thereto consistent with the provisions of
22 Section 1036 of this title; and

1 5. Other provisions or facts as shall be required to be set
2 forth in the certificate of incorporation by the laws of the state
3 which are stated in the agreement to be the laws that shall govern
4 the surviving or resulting corporation and that can be stated in the
5 case of a merger or consolidation. Any of the terms of the
6 agreement of merger or consolidation may be made dependent upon
7 facts ascertainable outside of the agreement; provided, that the
8 manner in which the facts shall operate upon the terms of the
9 agreement is clearly and expressly set forth in the agreement of
10 merger or consolidation. The term "facts" as used in this
11 paragraph, includes, but is not limited to, the occurrence of any
12 event, including a determination or action by any person or body,
13 including the corporation.

14 C. The agreement shall be adopted, approved, executed, and
15 acknowledged by each of the constituent corporations in accordance
16 with the laws under which it is formed, and, in the case of an
17 Oklahoma corporation, in the same manner as is provided for in
18 Section 1081 of this title. The agreement shall be filed and shall
19 become effective for all purposes of the laws of this state when and
20 as provided for in Section 1081 of this title with respect to the
21 merger or consolidation of corporations of this state. In lieu of
22 filing the agreement of merger or consolidation, the surviving or
23 resulting corporation may file a certificate of merger or

1 consolidation executed in accordance with the provisions of Section
2 1007 of this title, which states:

3 1. The name and state of incorporation of each of the
4 constituent corporations;

5 2. That an agreement of merger or consolidation has been
6 approved, adopted, executed, and acknowledged by each of the
7 constituent corporations in accordance with the provisions of this
8 subsection;

9 3. The name of the surviving or resulting corporation;

10 4. In the case of a merger, the amendments or changes in the
11 certificate of incorporation of the surviving corporation, which may
12 be amended and restated, that are effected by the merger, or, if no
13 amendments or changes are desired, a statement that the certificate
14 of incorporation of the surviving corporation shall be its
15 certificate of incorporation;

16 5. In the case of a consolidation, that the certificate of
17 incorporation of the resulting corporation shall be as is set forth
18 in an attachment to the certificate;

19 6. That the executed agreement of consolidation or merger is on
20 file at the principal place of business of the surviving
21 corporation, and the address thereof;

1 7. That a copy of the agreement of consolidation or merger will
2 be furnished by the surviving corporation, on request and without
3 cost, to any shareholder of any constituent corporation;

4 8. If the corporation surviving or resulting from the merger or
5 consolidation is to be a domestic corporation ~~of this state~~, the
6 authorized capital stock of each constituent corporation which is
7 not a domestic corporation ~~of this state~~; and

8 9. The agreement, if any, required by the provisions of
9 subsection D of this section. For purposes of Section 1085 of this
10 title, the term "shareholder" in subsection D of this section shall
11 be deemed to include "member".

12 D. If the corporation surviving or resulting from the merger or
13 consolidation is to be governed by the laws of the District of
14 Columbia or any state other than this state, it shall agree that it
15 may be served with process in this state in any proceeding for
16 enforcement of any obligation of any constituent corporation of this
17 state, as well as for enforcement of any obligation of the surviving
18 or resulting corporation arising from the merger or consolidation,
19 including any suit or other proceeding to enforce the right of any
20 shareholders as determined in appraisal proceedings pursuant to the
21 provisions of Section 1091 of this title, and shall irrevocably
22 appoint the Secretary of State as its agent to accept service of
23 process in any suit or other proceedings and shall specify the

1 address to which a copy of process shall be mailed by the Secretary
2 of State. In the event of service upon the Secretary of State in
3 accordance with the provisions of this subsection, the Secretary of
4 State shall immediately notify the surviving or resulting
5 corporation thereof by letter, certified mail, return receipt
6 requested, directed to the surviving or resulting corporation at the
7 address specified unless the surviving or resulting corporation
8 shall have designated in writing to the Secretary of State a
9 different address for this purpose, in which case it shall be mailed
10 to the last address so designated. The notice shall include a copy
11 of the process and any other papers served on the Secretary of State
12 pursuant to the provisions of this subsection. It shall be the duty
13 of the plaintiff in the event of such service to serve process and
14 any other papers in duplicate, to notify the Secretary of State that
15 service is being effected pursuant to the provisions of this
16 subsection, and to pay the Secretary of State the fee provided for
17 in paragraph 7 of Section 1142 of this title, which fee shall be
18 taxed as part of the costs in the proceeding. The Secretary of
19 State shall maintain an alphabetical record of any such service
20 setting forth the name of the plaintiff and the defendant, the
21 title, docket number, and nature of the proceeding in which process
22 has been served upon the Secretary of State, the fact that service
23 has been effected pursuant to the provisions of this subsection, the

1 return date thereof, and the date service was made. The Secretary
2 of State shall not be required to retain such information longer
3 than five (5) years from receipt of the service of process by the
4 Secretary of State.

5 E. The provisions of subsections C and D of Section 1081 of
6 this title shall apply to any merger or consolidation pursuant to
7 the provisions of this section. The provisions of subsection E of
8 Section 1081 of this title shall apply to a merger pursuant to the
9 provisions of this section in which the surviving corporation is a
10 corporation of this state. The provisions of subsection F of
11 Section 1081 of this title shall apply to any merger pursuant to the
12 provisions of this section.

13 SECTION 11. AMENDATORY 18 O.S. 2001, Section 1090.2, as
14 amended by Section 26, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
15 Section 1090.2), is amended to read as follows:

16 Section 1090.2

17 MERGER OR CONSOLIDATION OF

18 DOMESTIC CORPORATION AND BUSINESS ENTITY

19 A. Any one or more corporations of this state may merge or
20 consolidate with one or more business entities, of this state or of
21 any other state or states of the United States, or of the District
22 of Columbia, unless the laws of the other state or states or the
23 District of Columbia forbid the merger or consolidation. A

1 corporation or corporations and one or more business entities may
2 merge with or into a corporation, which may be any one of the
3 corporations, or they may merge with or into a business entity,
4 which may be any one of the business entities, or they may
5 consolidate into a new corporation or business entity formed by the
6 consolidation, which shall be a corporation or business entity of
7 this state or any other state of the United States, or the District
8 of Columbia, which permits the merger or consolidation, pursuant to
9 an agreement of merger or consolidation, as the case may be,
10 complying and approved in accordance with this section. In
11 addition, any one or more business entities formed under the laws of
12 any jurisdiction other than one of the United States may merge or
13 consolidate with one or more corporations existing under the laws of
14 this state if the surviving or resulting corporation will be a
15 corporation of this state and the laws under which the business
16 entity or entities are formed permit a business entity of such
17 jurisdiction to merge or consolidate with a corporation of another
18 jurisdiction. As used in this section, "business entity" means a
19 domestic or foreign partnership whether general or limited, limited
20 liability company, business trust, common law trust, or other
21 unincorporated business.

1 B. Each corporation and business entity merging or
2 consolidating shall enter into a written agreement of merger or
3 consolidation. The agreement shall state:

- 4 1. The terms and conditions of the merger or consolidation;
- 5 2. The mode of carrying the consolidation into effect;
- 6 3. The manner, if any, of converting the shares of stock of
7 each such corporation and the ownership interests of each business
8 entity into shares, ownership interests, or other securities of the
9 entity surviving or resulting from the merger or consolidation, or
10 of canceling some or all of the shares or interests, and if any
11 shares of any corporation or any ownership interests of any business
12 entity are not to remain outstanding, to be converted solely into
13 shares, ownership interests, or other securities of the entity
14 surviving or resulting from the merger or consolidation or to be
15 canceled, the cash, property, rights, or securities of any other
16 rights or securities of any other corporation or entity which the
17 holders of such shares or ownership interests are to receive in
18 exchange for, or upon conversion of, the shares or ownership
19 interests and the surrender of any certificates evidencing them,
20 which cash, property, rights, or securities of any other corporation
21 or entity may be in addition to or in lieu of shares, ownership
22 interests or other securities of the entity surviving or resulting
23 from the merger or consolidation; and

1 4. Other details or provisions as are deemed desirable
2 including, but not limited to, a provision for the payment of cash
3 in lieu of the issuance of fractional shares or interests of the
4 surviving or resulting corporation or business entity. Any of the
5 terms of the agreement of merger or consolidation may be made
6 dependent upon facts ascertainable outside of the agreement;
7 provided, that the manner in which such facts shall operate upon the
8 terms of the agreement is clearly and expressly set forth in the
9 agreement of merger or consolidation. The term "facts" as used in
10 this paragraph, includes, but is not limited to, the occurrence of
11 any event, including a determination or action by any person or
12 body, including the corporation.

13 C. The agreement required by subsection B of this section shall
14 be adopted, approved, certified, executed, and acknowledged by each
15 of the corporations in the same manner as is provided in Section
16 1081 of this title and, in the case of the business entities, in
17 accordance with their constituent agreements and in accordance with
18 the laws of the jurisdiction under which they are formed, as the
19 case may be; provided that no holder of securities or an interest in
20 a constituent entity who has not voted for or consented to the
21 merger or consolidation shall be required to accept an interest in
22 the surviving or resulting business entity if acceptance would
23 expose the holder to personal liability for the debts of the

1 surviving business entity. The agreement shall be filed and
2 recorded and shall become effective for all purposes of the laws of
3 this state when and as provided in Section 1081 of this title with
4 respect to the merger or consolidation of corporations of this
5 state. In lieu of filing and recording the agreement of merger or
6 consolidation, the surviving or resulting corporation or business
7 entity may file a certificate of merger or consolidation, executed
8 in accordance with Section 1007 of this title if the surviving or
9 resulting entity is a corporation, or by a person authorized to act
10 for the business entity, if the surviving or resulting entity is a
11 business entity, which states:

12 1. The name and jurisdiction of formation of each of the
13 constituent entities;

14 2. That an agreement of merger or consolidation has been
15 approved, adopted, certified, executed, and acknowledged by each of
16 the constituent entities in accordance with this subsection;

17 3. The name of the surviving or resulting corporation or
18 business entity;

19 4. In the case of a merger in which a corporation is the
20 surviving entity, any amendments or changes in the certificate of
21 incorporation of the surviving corporation, which may be amended and
22 restated, that ~~as~~ are desired to be effected by the merger, or, if
23 no amendments or changes are desired, a statement that the

1 certificate of incorporation of the surviving corporation shall be
2 its certificate of incorporation;

3 5. In the case of a consolidation in which a corporation is the
4 resulting entity, that the certificate of incorporation of the
5 resulting corporation shall be as set forth in an attachment to the
6 certificate;

7 6. In the case of a consolidation in which a business entity
8 other than a corporation is the resulting entity, that the charter
9 of the resulting entity shall be as set forth in an attachment to
10 the certificate;

11 7. That the executed agreement of consolidation or merger is on
12 file at the principal place of business of the surviving corporation
13 or business entity and the address thereof;

14 8. That a copy of the agreement of consolidation or merger
15 shall be furnished by the surviving or resulting entity, on request
16 and without cost, to any shareholder of any constituent corporation
17 or any partner of any constituent business entity; and

18 9. The agreement, if any, required by subsection D of this
19 section.

20 D. If the entity surviving or resulting from the merger or
21 consolidation is to be governed by the laws of the District of
22 Columbia or any state other than this state, the entity shall agree
23 that it may be served with process in this state in any proceeding

1 for enforcement of any obligation of any constituent corporation or
2 business entity of this state, as well as for enforcement of any
3 obligation of the surviving or resulting corporation or business
4 entity arising from the merger or consolidation, including any suit
5 or other proceeding to enforce the right of any shareholders as
6 determined in appraisal proceedings pursuant to the provisions of
7 Section 1091 of this title, and shall irrevocably appoint the
8 Secretary of State as its agent to accept service of process in any
9 such suit or other proceedings and shall specify the address to
10 which a copy of any process shall be mailed by the Secretary of
11 State. In the event of service upon the Secretary of State pursuant
12 to this subsection, the Secretary of State shall forthwith notify
13 the surviving or resulting corporation or business entity by a
14 letter, sent by certified mail with return receipt requested,
15 directed to the surviving or resulting corporation or business
16 entity at its specified address, unless the surviving or resulting
17 corporation or business entity shall have designated in writing to
18 the Secretary of State a different address for that purpose, in
19 which case it shall be mailed to the last address designated. Such
20 letter shall enclose a copy of the process and any other papers
21 served on the Secretary of State pursuant to this subsection. It
22 shall be the duty of the plaintiff in the event of any service to
23 serve process and any other papers in duplicate, to notify the

1 Secretary of State that service is being effected pursuant to this
2 subsection and to pay the Secretary of State the fee provided for in
3 paragraph 7 of subsection A of Section 1142 of this title, which fee
4 shall be taxed as part of the costs in the proceeding, if the
5 plaintiff shall prevail therein. The Secretary of State shall
6 maintain an alphabetical record of any such service, setting forth
7 the name of the plaintiff and the defendant, the title, docket
8 number, and nature of the proceeding in which process has been
9 served upon the Secretary of State, the fact that service has been
10 served upon the Secretary of State, the fact that service has been
11 effected pursuant to this subsection, the return date thereof, and
12 the date service was made. The Secretary of State shall not be
13 required to retain this information longer than five (5) years from
14 the date of receipt of the service of process by the Secretary of
15 State.

16 E. Subsections C, D, E, F and G of Section 1081 of this title
17 and Sections 1088 through 1090 and 1127 of this title, insofar as
18 they are applicable, shall apply to mergers or consolidations
19 between corporations and business entities.

20 SECTION 12. AMENDATORY 18 O.S. 2001, Section 1090.4, is
21 amended to read as follows:

22 Section 1090.4

23 CONVERSION OF A DOMESTIC BUSINESS

1 ENTITY TO A DOMESTIC CORPORATION

2 A. As used in this section, the term "business entity" means a
3 domestic or foreign partnership, whether general or limited, limited
4 liability company, business trust, common law trust, or other
5 unincorporated association.

6 B. Any business entity may convert to a corporation
7 incorporated under the laws of this state by complying with
8 subsection G of this section and filing in the office of the
9 Secretary of State a certificate of conversion that has been
10 executed in accordance with subsection H of this section and filed
11 in accordance with Section 1007 of this title, to which shall be
12 attached, a certificate of incorporation that has been prepared,
13 executed and acknowledged in accordance with Section 1007 of this
14 title.

15 C. The certificate of conversion to a corporation shall state:

16 1. The date on which the business entity was first formed;

17 2. The name and jurisdiction of formation of the business
18 entity when formed and, if changed, its name and jurisdiction
19 immediately ~~prior to~~ before the filing of the certificate of
20 conversion;

21 3. The name of the corporation as set forth in its certificate
22 of incorporation filed in accordance with subsection B of this
23 section; and

1 4. The future effective date or time, which shall be a date or
2 time certain not later than ninety (90) days after the filing, of
3 the conversion to a corporation if the conversion is not to be
4 effective upon the filing of the certificate of conversion and the
5 certificate of incorporation provides for the same future effective
6 date as authorized in subsection D of Section 1007 of this title.

7 D. Upon the effective date or time of the certificate of
8 conversion and the certificate of incorporation, the business entity
9 shall be converted ~~into~~ to a domestic corporation ~~of this state~~ and
10 the corporation shall thereafter be subject to all of the provisions
11 of this title, except that notwithstanding Section 1007 of this
12 title, the existence of the corporation shall be deemed to have
13 commenced on the date the business entity commenced its existence.

14 E. The conversion of any business entity ~~into~~ to a domestic
15 corporation ~~of this state~~ shall not be deemed to affect any
16 obligations or liabilities of the business entity incurred ~~prior to~~
17 before its conversion to a domestic corporation ~~of this state~~ or the
18 personal liability of any person incurred ~~prior to~~ before such
19 conversion.

20 F. When a business entity has converted to a domestic
21 corporation under this section, the domestic corporation shall be
22 deemed to be the same entity as the converting business entity. All
23 of the rights, privileges and powers of the business entity that has

1 converted, and all property, real, personal and mixed, and all debts
2 due to the business entity, as well as all other things and causes
3 of action belonging to the business entity, shall remain vested in
4 the domestic corporation to which the business entity has converted
5 and shall be the property of the domestic corporation and the title
6 to any real property vested by deed or otherwise in the business
7 entity shall not revert or be in any way impaired by reason of the
8 conversion; but all rights of creditors and all liens upon any
9 property of the business entity shall be preserved unimpaired, and
10 all debts, liabilities and duties of the business entity that has
11 converted shall remain attached to the domestic corporation to which
12 the business entity has converted, and may be enforced against it to
13 the same extent as if said debts, liabilities and duties had
14 originally been incurred or contracted by it in its capacity as a
15 domestic corporation. The rights, privileges, powers and interests
16 in property of the business entity, as well as the debts,
17 liabilities and duties of the business entity, shall not be deemed,
18 as a consequence of the conversion, to have been transferred to the
19 domestic corporation to which the business entity has converted for
20 any purpose of the laws of this state.

21 G. Unless otherwise agreed or otherwise provided by any laws of
22 this state applicable to the converting business entity, the
23 converting business entity shall not be required to wind up its

1 affairs or pay its liabilities and distribute its assets, and the
2 conversion shall not be deemed to constitute a dissolution of such
3 business entity and shall constitute a continuation of the existence
4 of the converting business entity in the form of a domestic
5 corporation ~~of this state~~.

6 ~~G. Prior to~~ H. Before filing a certificate of conversion with
7 the Secretary of State, the conversion shall be approved in the
8 manner provided for by the document, instrument, agreement or other
9 writing, as the case may be, governing the internal affairs of the
10 business entity and the conduct of its business or by applicable
11 law, as appropriate, and a certificate of incorporation shall be
12 approved by the same authorization required to approve the
13 conversion.

14 ~~H. I.~~ I. The certificate of conversion to a corporation shall be
15 signed by an officer, director, trustee, manager, partner, or other
16 person performing functions equivalent to those of an officer or
17 director of a domestic corporation ~~of this state~~, however named or
18 described, and who is authorized to sign the certificate of
19 conversion on behalf of the business entity.

20 J. In a conversion of a business entity to a domestic
21 corporation under this section, rights or securities of, or
22 interests in, the business entity which is to be converted to a
23 domestic corporation may be exchanged for or converted into cash,

1 property, or shares of stock, rights or securities of the domestic
2 corporation or, in addition to or in lieu thereof, may be exchanged
3 for or converted into cash, property, or shares of stock, rights or
4 securities of or interests in another domestic corporation or
5 business entity or may be canceled.

6 SECTION 13. AMENDATORY 18 O.S. 2001, Section 1090.5, as
7 amended by Section 28, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
8 Section 1090.5), is amended to read as follows:

9 Section 1090.5

10 CONVERSION OF DOMESTIC CORPORATION
11 TO A ~~DOMESTIC~~ BUSINESS ENTITY

12 A. A domestic corporation ~~of this state~~ may, upon the
13 authorization of such conversion in accordance with this section,
14 convert to a business entity. As used in this section, the term
15 "business entity" means a domestic or foreign partnership, whether
16 general or limited, limited liability company, business trust,
17 common law trust, or other unincorporated association.

18 B. The board of directors of the corporation which desires to
19 convert under this section shall adopt a resolution approving such
20 conversion, specifying the type of business entity into which the
21 corporation shall be converted and recommending the approval of the
22 conversion by the shareholders of the corporation. The resolution
23 shall be submitted to the shareholders of the corporation at an

1 annual or special meeting. Due notice of the time, and purpose of
2 the meeting shall be mailed to each holder of shares, whether voting
3 or nonvoting, of the corporation at the address of the shareholder
4 as it appears on the records of the corporation, at least twenty
5 (20) days prior to the date of the meeting. At the meeting, the
6 resolution shall be considered and a vote taken for its adoption or
7 rejection. The corporation adopts the conversion if all outstanding
8 shares of stock of the corporation, whether voting or nonvoting, are
9 voted for the resolution.

10 C. If the governing act of the domestic business entity ~~into~~ to
11 which the corporation is converting does not provide for the filing
12 of a conversion notice with the Secretary of State or the
13 corporation is converting to a foreign business entity, the
14 corporation shall file with the Secretary of State a certificate of
15 conversion executed in accordance with Section 1007 of this title
16 which certifies:

17 1. The name of the corporation, ~~and~~, if it has been changed,
18 the name under which it was originally incorporated;

19 2. The date of filing of its original certificate of
20 incorporation with the Secretary of State;

21 3. The name of the business entity ~~into~~ to which the
22 corporation shall be converted and its jurisdiction of formation, if
23 a foreign business entity;

1 4. That the conversion has been approved in accordance with the
2 provisions of this section; and

3 5. The future effective date or time of the conversion to a
4 business entity, which shall be a date or time certain not later
5 than 90 days after the filing, if it is not to be effective upon the
6 filing of the certificate of conversion;

7 6. The agreement of the foreign business entity that it may be
8 served with process in this state in any action, suit or proceeding
9 for enforcement of any obligation of the foreign business entity
10 arising while it was a domestic corporation and that it irrevocably
11 appoints the Secretary of State as its agent to accept service of
12 process in any such action, suit or proceeding, and its address to
13 which a copy of the process shall be mailed to it by the Secretary
14 of State; and

15 7. If the business entity ~~into~~ to which the corporation is
16 converting was required to make a filing with the Secretary of State
17 as a condition of its ~~information~~ formation, the type and date of
18 such filing.

19 D. Upon the filing of a conversion notice with the Secretary of
20 State, whether under subsection C of this section or under the
21 governing act of the domestic business entity ~~into~~ to which the
22 corporation is converting, the filing of any formation document
23 required by the governing act of the domestic business entity ~~into~~

1 to which the corporation is converting, and payment to the Secretary
2 of State of all prescribed fees, the Secretary of State shall
3 certify that the corporation has filed all documents and paid all
4 required fees, and thereupon the corporation shall cease to exist as
5 a corporation of this state at the time the certificate of
6 conversion becomes effective in accordance with Section 1007 of this
7 title. The certificate of the Secretary of State shall be prima
8 facie evidence of the conversion by the corporation.

9 E. The conversion of a corporation ~~pursuant to a certificate of~~
10 ~~conversion~~ under this section and the resulting cessation of its
11 existence as a domestic corporation shall not be deemed to affect
12 any obligations or liabilities of the corporation incurred ~~prior to~~
13 before such conversion or the personal liability of any person
14 incurred ~~prior to~~ before the conversion, nor shall it be deemed to
15 affect the choice of law applicable to the corporation with respect
16 to matters arising before the conversion.

17 F. ~~After the time the certificate of conversion becomes~~
18 ~~effective the corporation shall continue to exist as a business~~
19 ~~entity of this state, and the laws of this state shall apply to the~~
20 ~~entity to the same extent as prior to the time.~~

21 G. Unless otherwise provided in a resolution of conversion
22 adopted in accordance with this section, the converting corporation
23 shall not be required to wind up its affairs or pay its liabilities

1 and distribute its assets, and the conversion shall not constitute a
2 dissolution of such corporation ~~and shall constitute a continuation~~
3 ~~of the existence of the converting corporation in the form of the~~
4 ~~applicable business entity of this state.~~

5 G. In a conversion of a domestic corporation to a business
6 entity under this section, shares of stock of the converting
7 domestic corporation may be exchanged for or converted into cash,
8 property, rights or securities of, or interests in, the business
9 entity to which the domestic corporation is being converted or, in
10 addition to or in lieu thereof, may be exchanged for or converted
11 into cash, property, shares of stock, rights or securities of, or
12 interests in, another corporation or business entity or may be
13 canceled.

14 H. When a corporation has converted to a business entity under
15 this section, the business entity shall be deemed to be the same
16 entity as the corporation. All of the rights, privileges and powers
17 of the corporation that has converted, and all property, real,
18 personal and mixed, and all debts due to the corporation, as well as
19 all other things and causes of action belonging to the corporation,
20 shall remain vested in the business entity to which the corporation
21 has converted and shall be the property of the business entity, and
22 the title to any real property vested by deed or otherwise in the
23 corporation shall not revert or be in any way impaired by reason of

1 the conversion; but all rights of creditors and all liens upon any
2 property of the corporation shall be preserved unimpaired, and all
3 debts, liabilities and duties of the corporation that has converted
4 shall remain attached to the business entity to which the
5 corporation has converted, and may be enforced against it to the
6 same extent as if said debts, liabilities and duties had originally
7 been incurred or contracted by it in its capacity as the business
8 entity. The rights, privileges, powers and interest in property of
9 the corporation that has converted, as well as the debts,
10 liabilities and duties of the corporation, shall not be deemed, as a
11 consequence of the conversion, to have been transferred to the
12 business entity to which the corporation has converted for any
13 purpose of the laws of this state.

14 I. No vote of shareholders of a corporation shall be necessary
15 to authorize a conversion if no shares of the stock of the
16 corporation shall have been issued before the adoption by the board
17 of directors of the resolution approving the conversion.

18 SECTION 14. AMENDATORY 18 O.S. 2001, Section 1092, is
19 amended to read as follows:

20 Section 1092.

21 SALE, LEASE OR EXCHANGE OF ASSETS; CONSIDERATION; PROCEDURE

22 A. Every corporation, at any meeting of its board of directors
23 or governing body, may sell, lease, or exchange all or substantially

1 all of its property and assets, including its goodwill and its
2 corporate franchises, upon such terms and conditions and for such
3 consideration, which may consist in whole or in part of money or
4 other property, including shares of stock in, and/or other
5 securities of, any other corporation or corporations, as its board
6 of directors or governing body deems expedient and for the best
7 interests of the corporation, when and as authorized by a resolution
8 adopted by the holders of a majority of the outstanding stock of the
9 corporation entitled to vote thereon or, if the corporation is a
10 nonstock corporation, by a majority of the members having the right
11 to vote for the election of the members of the governing body, at a
12 meeting duly called upon at least twenty (20) days' notice. The
13 notice of the meeting shall state that such a resolution will be
14 considered.

15 B. Notwithstanding authorization or consent to a proposed sale,
16 lease or exchange of a corporation's property and assets by the
17 shareholders or members, the board of directors or governing body
18 may abandon such proposed sale, lease or exchange without further
19 action by the shareholders or members, subject to the rights, if
20 any, of third parties under any contract relating thereto.

21 C. For purposes of this section only, the property and assets
22 of the corporation include the property and assets of any subsidiary
23 of the corporation. As used in this subsection, "subsidiary" means

1 any entity wholly-owned and controlled, directly or indirectly, by
2 the corporation and includes, without limitation, corporations,
3 partnerships, limited partnerships, limited liability partnerships,
4 limited liability companies, and statutory trusts. Notwithstanding
5 subsection A of this section, except to the extent the certificate
6 of incorporation otherwise provides, no resolution by shareholders
7 or members shall be required for a sale, lease or exchange of
8 property and assets of the corporation to a subsidiary.

9 SECTION 15. AMENDATORY 18 O.S. 2001, Section 1118, is
10 amended to read as follows:

11 Section 1118.

12 ~~BANKRUPTCY PROCEEDINGS UNDER A STATUTE~~

13 ~~OF THE UNITED STATES~~ FEDERAL BANKRUPTCY CODE; EFFECTUATION

14 A. Any domestic corporation ~~of this state, a plan of~~
15 ~~reorganization of which, pursuant to the provisions of any~~
16 ~~applicable statute of the United States relating to the bankruptcy~~
17 ~~of corporations, has been or shall be confirmed by the decree or~~
18 ~~order of a court of competent jurisdiction, an order for relief with~~
19 respect to which has been entered under the Federal Bankruptcy Code,
20 11 U.S.C. Section 101 et seq., or any successor statute, may put
21 into effect and carry out the plan and the any decrees and orders of
22 the court or judge relative thereto and may take any proceedings and
23 do any act provided in the plan in the bankruptcy proceeding and may

1 take any corporate action provided or directed by such decrees and
2 orders, without further action by its directors or shareholders.
3 Such power and authority may be exercised, and such ~~proceedings and~~
4 ~~acts~~ corporate action may be taken, as may be directed by such
5 decrees or orders, by the trustee or trustees of such corporation
6 appointed or elected in the bankruptcy proceedings, or a majority
7 thereof, or if none be appointed or elected and acting, by
8 designated officers of the corporation, or by a ~~master or other~~
9 representative appointed by the court or judge, with like effect as
10 if exercised and taken by unanimous action of the directors and
11 shareholders of the corporation.

12 B. Such corporation, in the manner provided for in subsection A
13 of this section, but without limiting the generality or effect of
14 the foregoing, may alter, amend, or repeal its bylaws; constitute or
15 reconstitute and classify or reclassify its board of directors, and
16 name, constitute or appoint directors and officers in place of or in
17 addition to all or some of the directors or officers then in office;
18 amend its certificate of incorporation, and make any change in its
19 capital or capital stock, or any other amendment, change, or
20 alteration, or provision, authorized by the provisions of ~~the~~
21 ~~Oklahoma General Corporation Act~~ this act; be dissolved, transfer
22 all or part of its assets, merge, ~~or~~ consolidate or convert as
23 permitted by the provisions of ~~the Oklahoma General Corporation Act~~

1 this act, in which case, however, no shareholder shall have any
2 statutory right of appraisal of his stock; change the location of
3 its registered office, change its registered agent, and remove or
4 appoint any agent to receive service of process; authorize and fix
5 the terms, manner and conditions of, the issuance of bonds,
6 debentures or other obligations, whether or not convertible into
7 stock of any class, or bearing warrants or other evidences of
8 optional rights to purchase or subscribe for stock of any class; or
9 lease its property and franchises to any corporation, if permitted
10 by law.

11 C. A certificate of any amendment, change or alteration, or of
12 dissolution, or any agreement of merger, ~~or consolidation,~~ or
13 conversion made by such corporation pursuant to the provisions of
14 this section, shall be filed with the Secretary of State in
15 accordance with the provisions of Section 7 1007 of this ~~act~~ title,
16 and, subject to the provisions of subsection D of Section 7 1007 of
17 this ~~act~~ title, shall thereupon become effective in accordance with
18 its terms and the provisions of this section. Such certificate,
19 agreement of merger or other instrument shall be made, executed and
20 acknowledged, as may be directed by such decrees or orders, by the
21 trustee or trustees appointed or elected in the reorganization or
22 debtor in possession in the bankruptcy proceedings, or a majority
23 thereof, or, if none be appointed or elected and acting, by the

1 officers of the corporation, or by a ~~master or other~~ representative
2 appointed by the court or judge, and shall certify that provision
3 for the making of such certificate, agreement or instrument is
4 contained in a decree or order of a court or judge having
5 jurisdiction of a proceeding under such ~~applicable statute of the~~
6 ~~United States for the reorganization of such corporation~~ Federal
7 Bankruptcy Code or successor statute.

8 D. The provisions of this section shall cease to apply to such
9 corporation upon ~~consummation of a plan of reorganization or the~~
10 entry of a final decree in the bankruptcy proceedings closing the
11 case and discharging the trustee or trustees, if any, ~~or the debtor~~
12 ~~in possession~~; provided, however, that the closing of a case and
13 discharge of trustee or trustees, if any, will not affect the
14 validity of any act previously performed under subsections A through
15 C of this section.

16 E. On filing any certificate, agreement, report or other paper
17 made or executed pursuant to ~~the provisions of~~ this section, there
18 shall be paid to the Secretary of State, for the use of the state,
19 the same fees as are payable by corporations not in bankruptcy
20 proceedings upon the filing of like certificates, agreements,
21 reports or other papers.

22 SECTION 16. AMENDATORY 18 O.S. 2001, Section 2001, is
23 amended to read as follows:

1 Section 2001. As used in this act, unless the context otherwise
2 requires:

3 1. "Articles of organization" means documents filed under
4 Section 2019 of this title for the purpose of forming a limited
5 liability company;

6 2. "Bankrupt" means bankrupt under the United States Bankruptcy
7 Code, as amended, or insolvent under any state insolvency act;

8 3. "Business" means any trade, occupation, profession or other
9 activity regardless of whether engaged in for gain, profit or
10 livelihood;

11 4. "Capital contribution" means anything of value that a person
12 contributes to the limited liability company as a prerequisite for,
13 or in connection with, membership, including cash, property,
14 services rendered, or a promissory note or other binding obligation
15 to contribute cash or property or to perform services;

16 5. "Capital interest" means the fair market value as of the
17 date contributed of a member's capital contribution as adjusted for
18 any additional capital contributions or withdrawals;

19 6. "Corporation" means a corporation formed under the laws of
20 this state or a foreign corporation as defined in this section;

21 7. "Court" includes every court and judge having jurisdiction
22 in the case;

1 8. "Foreign corporation" means a corporation formed under the
2 laws of any state other than this state, or under the laws of the
3 District of Columbia or any foreign country;

4 9. "Foreign limited liability company" means an entity that is:

5 a. an unincorporated association,

6 b. organized under the laws of a state other than the
7 laws of this state or organized under the laws of any
8 foreign country,

9 c. organized under a statute pursuant to which an
10 association may be formed that affords to each of its
11 members limited liability with respect to the
12 liabilities of the entity, and

13 d. not required to be registered or organized under any
14 statute of this state other than this act;

15 10. "Foreign limited partnership" means a limited partnership
16 formed under the laws of any state other than this state, or under
17 the laws of the District of Columbia or any foreign country;

18 11. "Limited liability company" or "domestic limited liability
19 company" means an entity that is an unincorporated association or
20 proprietorship having one or more members that is organized and
21 existing under the laws of this state;

1 12. "Limited partnership" means a limited partnership formed
2 under the laws of this state or a foreign limited partnership as
3 defined in this section;

4 13. "Manager" or "managers" means a person or persons
5 designated by the members of a limited liability company to manage
6 the limited liability company as provided in the articles of
7 organization or an operating agreement;

8 14. "Member" means a person with an ownership interest in a
9 limited liability company, with the rights and obligations specified
10 under this act;

11 15. "Membership interest" or "interest" means a member's rights
12 in the limited liability company, collectively, including the
13 member's share of the profits and losses of the limited liability
14 company, the right to receive distributions of the limited liability
15 company's assets, and any right to vote or participate in
16 management;

17 16. "Operating agreement", regardless of whether referred to as
18 an operating agreement and whether oral, in a record, implied, or in
19 any combination thereof, means any agreement of the members,
20 including a sole member, as to the affairs of a limited liability
21 company and the conduct of its business, including the agreement as
22 amended or restated;

1 17. "Person" means an individual, a general partnership, a
2 limited partnership, a limited liability company, a trust, an
3 estate, an association, a corporation or any other legal or
4 commercial entity; and

5 18. "State" means a state, territory or possession of the
6 United States, the District of Columbia, or the Commonwealth of
7 Puerto Rico.

8 SECTION 17. AMENDATORY 18 O.S. 2001, Section 2002, as
9 amended by Section 10, Chapter 180, O.S.L. 2003 (18 O.S. Supp. 2006,
10 Section 2002), is amended to read as follows:

11 Section 2002. A limited liability company may be ~~organized~~
12 formed under ~~the Oklahoma General Corporation Act~~ this act for the
13 purpose of carrying on any lawful business, purpose or activity,
14 whether or not for profit, except that a limited liability company
15 may not conduct business as a domestic insurer.

16 SECTION 18. AMENDATORY 18 O.S. 2001, Section 2004, as
17 amended by Section 33, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
18 Section 2004), is amended to read as follows:

19 Section 2004. A. One or more persons may form a limited
20 liability company upon the filing of executed articles of
21 organization with the Office of the Secretary of State.

22 B. 1. When the articles of organization become effective, the
23 proposed organization becomes a limited liability company under the

1 name and subject to the purposes, conditions, and provisions stated
2 in the articles. A limited liability company formed under this act
3 is a separate legal entity, the existence of which as a separate
4 legal entity continues until cancellation of the limited liability
5 company's articles of organization and completion of its winding up,
6 if any.

7 2. Filing of the articles by the Office of the Secretary of
8 State is conclusive evidence of the formation of the limited
9 liability company.

10 SECTION 19. AMENDATORY 18 O.S. 2001, Section 2005, as
11 amended by Section 34, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
12 Section 2005), is amended to read as follows:

13 Section 2005. A. The articles of organization shall set forth:

14 1. The name of the limited liability company;

15 2. The term of the existence of the limited liability company
16 which may be perpetual; and

17 3. The street address of its principal place of business,
18 wherever located, and the name and street address of its ~~resident~~
19 registered agent which shall be identical to its registered office
20 in this state.

21 B. If the limited liability company is to establish two or more
22 series of members, managers or membership interests having separate
23 rights, powers or duties as provided under Section ~~50~~ 2054.4 of this

1 ~~act~~ title and the debts, liabilities and obligations incurred,
2 contracted for or otherwise existing with respect to a particular
3 series are to be enforceable against the assets of the series only,
4 the articles of organization shall set forth a notice of the
5 limitation on liabilities of the series.

6 C. The articles of organization may set forth any other matters
7 the members determine to include. It is not necessary to set out in
8 the articles of organization any of the powers enumerated in this
9 act.

10 SECTION 20. AMENDATORY 18 O.S. 2001, Section 2007, as
11 amended by Section 36, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
12 Section 2007), is amended to read as follows:

13 Section 2007. A. One signed copy of the articles of
14 organization or any other articles authorized by this act shall be
15 delivered to the Secretary of State. Unless the Secretary of State
16 finds that any articles do not conform to law, upon receipt of all
17 filing and other fees required by law, he or she shall:

18 1. Endorse on each copy the word "filed" and the day, month and
19 year, and the time, if applicable, of the filing thereof;

20 2. File one copy in his or her office; and

21 3. Return ~~the other~~ a file-stamped copy to the person who filed
22 it or his or her representative.

1 B. Unless a ~~later~~ future effective date or time, which shall be
2 a specified date or time not later than ~~a time on the nineteenth day~~
3 ninety (90) days after the filing, is provided in the articles,
4 articles of organization are effective, and the limited liability
5 company is formed, at the time of the filing of the articles of
6 organization with the Secretary of State.

7 C. Unless a ~~later~~ future effective date or time, which shall be
8 a specified date or time not later than ~~a time on the nineteenth day~~
9 ninety (90) days after the filing, is provided in the articles,
10 articles of amendment, merger, consolidation, conversion or
11 dissolution are effective at the time of their filing with the
12 Secretary of State.

13 SECTION 21. AMENDATORY 18 O.S. 2001, Section 2008, is
14 amended to read as follows:

15 Section 2008. The name of each limited liability company as set
16 forth in its articles of organization:

17 1. Shall contain either the words "limited liability company"
18 or "limited company" or the abbreviations "LLC", "LC", "L.L.C.", or
19 "L.C." The word "limited" may be abbreviated as "LTD." and the word
20 "Company" may be abbreviated as "CO."; and

21 2. a. May not be the same as or indistinguishable from:
22 (1) names upon the records in the Office of the
23 Secretary of State of ~~then-existing~~ limited

1 liability companies, whether organized pursuant
2 to the laws of this state or licensed or
3 registered as foreign limited liability
4 companies, then in good standing or registered or
5 which were in good standing or registered at any
6 time during the preceding three (3) years, or

7 (2) names upon the records in the Office of the
8 Secretary of State of corporations organized
9 under the laws of this state or of foreign
10 corporations registered in accordance with the
11 laws of this state then existing or which existed
12 at any time during the preceding three (3) years,
13 or

14 (3) names upon the records in the Office of the
15 Secretary of State of general or limited
16 partnerships, whether formed under the laws of
17 this state or ~~of~~ registered as foreign general or
18 limited partnerships registered in accordance
19 with the laws of this state, then in good
20 standing or registered or which were in good
21 standing or registered at any time during the
22 preceding three (3) years, or

1 (4) trade names, fictitious names, or other names
2 reserved with the Secretary of State.

3 b. The provisions of subparagraph a of this paragraph
4 shall not apply if one of the following is filed with
5 the Secretary of State:

6 (1) the written consent of the other limited
7 liability company, corporation, limited
8 partnership, or holder of the trade name,
9 fictitious name or other reserved name to use the
10 same or indistinguishable name with the addition
11 of one or more words, numerals, numbers or
12 letters to make that name distinguishable upon
13 the records of the Secretary of State, except
14 that the addition of words, numerals, numbers or
15 letters to make the name distinguishable shall
16 not be required where such written consent states
17 that the consenting entity is about to change its
18 name, cease to do business, withdraw from the
19 state or be wound up, or

20 (2) a certified copy of a final decree of a court of
21 competent jurisdiction establishing the prior
22 right of such limited liability company or holder

1 of a limited liability company name to the use of
2 such name in this state.

3 SECTION 22. AMENDATORY 18 O.S. 2001, Section 2010, as
4 amended by Section 37, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
5 Section 2010), is amended to read as follows:

6 Section 2010. A. Every domestic limited liability company
7 shall continuously maintain in this state:

8 1. A registered office which may be, but need not be, the same
9 as its principal place of business; and

10 2. A ~~resident~~ registered agent for service of process on the
11 limited liability company that may be the domestic limited liability
12 company itself, an individual resident of this state, or a domestic
13 or qualified foreign corporation, limited liability company, or
14 limited partnership. Each registered agent shall maintain a
15 business office identical with the registered office which is open
16 during regular business hours to accept service of process and
17 otherwise perform the functions of a registered agent.

18 B. 1. A limited liability company may designate or change its
19 ~~resident~~ registered agent, registered office, or principal office by
20 filing with the Office of the Secretary of State a statement
21 authorizing the designation or change and signed by any manager.

1 2. A limited liability company may change the street address of
2 its registered office by filing with the Office of the Secretary of
3 State a statement of the change signed by any manager.

4 3. A designation or change of a principal office or ~~resident~~
5 registered agent or street address of the registered office for a
6 limited liability company under this subsection is effective when
7 the Office of the Secretary of State files the statement, unless a
8 later effective date or time, which shall be a specified date or
9 time not later than a time on the ~~nineteenth~~ ninetieth day after the
10 filing, is provided in the statement.

11 C. 1. A ~~resident~~ registered agent who changes his or her
12 street address in the state may notify the Office of the Secretary
13 of State of the change by filing with the Office of the Secretary of
14 State a statement of the change signed by the agent or on the
15 agent's behalf.

16 2. The statement shall include:

- 17 a. the name of the limited liability company for which
18 the change is effective,
19 b. the new street address of the ~~resident~~ registered
20 agent, and
21 c. the date on which the change is effective, if to be
22 effective after the filing date.

1 3. If the new address of the ~~resident~~ registered agent is the
2 same as the new address of the principal office of the limited
3 liability company, the statement may include a change of address of
4 the principal office if:

5 a. the ~~resident~~ registered agent notifies the limited
6 liability company of the change in writing, and

7 b. the statement recites that the ~~resident~~ registered
8 agent has done so.

9 4. The change of address of the ~~resident~~ registered agent or
10 principal office is effective when the Office of the Secretary of
11 State files the statement, unless a later effective date or time,
12 which shall be a specified date or time not later than a time on the
13 ~~nineteenth~~ ninetieth day after the filing, is provided in the
14 statement.

15 D. 1. A ~~resident~~ registered agent may resign by filing with
16 the Office of the Secretary of State a copy of the resignation,
17 signed and acknowledged by the registered agent, which contains a
18 statement that notice of the resignation was given to the limited
19 liability company at least thirty (30) days ~~prior to~~ before the
20 filing of the resignation by mailing or delivering the notice to the
21 limited liability company at its address last known to the
22 registered agent and specifying the address therein.

1 2. The resignation is effective thirty (30) days after it is
2 filed, unless a later effective date or time, which shall be a
3 specified date or time not later than a time on the ~~nineteenth~~
4 ninetieth day after the filing, is provided in the resignation.

5 3. If a domestic limited liability company fails to obtain and
6 designate a new registered agent before the resignation is
7 effective, the Secretary of State shall be deemed to be the
8 registered agent of the limited liability company until a new
9 registered agent is designated.

10 E. If a limited liability company has no registered agent or
11 the registered agent cannot be found, then service of process on the
12 limited liability company may be made by serving the Secretary of
13 State as its agent as provided in Section 2004 of Title 12 of the
14 Oklahoma Statutes.

15 SECTION 23. AMENDATORY 18 O.S. 2001, Section 2012.1, as
16 amended by Section 38, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
17 Section 2012.1), is amended to read as follows:

18 Section 2012.1

19 CANCELLATION OF ARTICLES OF ORGANIZATION

20 A. The articles of organization shall be canceled upon the
21 dissolution and the completion of winding up of a limited liability
22 company, or as provided in subsection B of this section, or upon the
23 filing of a certificate of merger or consolidation if the limited

1 liability company is not the surviving or resulting entity in a
2 merger or consolidation, or upon the conversion of a domestic
3 limited liability company approved in accordance with Section 2054.2
4 of this title.

5 B. The articles of organization of a domestic limited liability
6 company shall be deemed to be canceled if the domestic limited
7 liability company ~~shall fail~~ fails to file the annual certificate
8 and pay the annual fee provided in Section 2055.2 of this title or a
9 pay the registered agent fee to the Secretary of State due under
10 Section 2055 of this title ~~for a period of~~ within three (3) years
11 from the date ~~it~~ the certificate or fee is due, the cancellation to
12 be effective on the third anniversary of the due date.

13 C. ~~On or before October 31 of each calendar year, the Secretary~~
14 ~~of State shall publish a list of those domestic limited liability~~
15 ~~companies whose articles of organization were canceled on July 1 of~~
16 ~~the calendar year pursuant to this section. The Secretary of State~~
17 ~~may publish the list either once in at least one newspaper of~~
18 ~~general circulation of this state or on its website for at least~~
19 ~~thirty (30) days or both. If the Secretary of State publishes the~~
20 ~~list on its web site, the list shall be accessible without charge~~ A
21 limited liability company whose articles of organization have been
22 canceled under subsection B of this section may apply for
23 reinstatement under subsection G of Section 2055.2 of this title.

1 SECTION 24. NEW LAW A new section of law to be codified
2 in the Oklahoma Statutes as Section 2012.2 of Title 18, unless there
3 is created a duplication in numbering, reads as follows:

4 Section 2012.2 A. The operating agreement of the limited
5 liability company governs generally:

6 1. Relations among the members as members and between the
7 members and the limited liability company;

8 2. The rights and duties under this act of a person in the
9 capacity of manager;

10 3. The activities of the company and the conduct of those
11 activities; and

12 4. The means and conditions for amending the operating
13 agreement.

14 If the operating agreement does not otherwise provide, this act
15 governs the matter. The operating agreement may not vary the
16 rights, privileges, duties and obligations imposed specifically
17 under this act.

18 B. A limited liability company is bound by its operating
19 agreement regardless of whether it executes the operating agreement.
20 A member or manager of a limited liability company or an assignee of
21 a membership interest is bound by the operating agreement regardless
22 of whether the member, manager or assignee executes the operating
23 agreement.

1 C. An operating agreement of a limited liability company having
2 only one member is not unenforceable because there is only one
3 person who is a party to the operating agreement.

4 D. The obligations of a limited liability company and its
5 members to an assignee or dissociated member are governed by the
6 operating agreement. Subject only to any court order to effectuate
7 a charging order, an amendment to the operating agreement made after
8 a person becomes an assignee or dissociated member is effective with
9 regard to any debt, obligation, or other liability of the limited
10 liability company or its members to the assignee or dissociated
11 member.

12 SECTION 25. AMENDATORY 18 O.S. 2001, Section 2015, is
13 amended to read as follows:

14 Section 2015.

15 MANAGEMENT OF COMPANY WITHOUT DESIGNATED
16 MANAGERS; RESIGNATION OF MEMBER

17 A. The articles of organization or operating agreement may
18 provide that the business of the limited liability company shall be
19 managed without designated managers. So long as such provision
20 continues in effect:

21 1. The members shall be deemed to be managers for purposes of
22 applying provisions of the ~~Oklahoma General Corporation Act~~ this
23 act, unless the context clearly requires otherwise;

1 2. The members shall have and be subject to all duties and
2 liabilities of managers; and

3 3. A member signing on behalf of the limited liability company
4 shall sign as a manager.

5 B. A member of a member-managed limited liability company may
6 resign as a member in accordance with the operating agreement or, if
7 the operating agreement does not provide for the member's
8 resignation, upon notice to the limited liability company. When a
9 member of a member-managed limited liability company resigns, the
10 member shall cease to have the rights and duties of a member and
11 shall become an assignee; provided that the profits and losses of
12 the limited liability company shall continue to be allocated to the
13 member and any binding commitments for contributions shall continue
14 as if the member had not resigned. If the resignation violates the
15 operating agreement, in addition to any remedies otherwise available
16 under applicable law, a limited liability company may recover from
17 the resigning member damages for breach of the operating agreement
18 and offset the damages against the amount otherwise distributable to
19 the resigning member. The member's resignation shall not constitute
20 a withdrawal from the limited liability company.

21 SECTION 26. AMENDATORY 18 O.S. 2001, Section 2037, as
22 amended by Section 48, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
23 Section 2037), is amended to read as follows:

1 Section 2037. A. A limited liability company is dissolved ~~and~~
2 ~~its affairs shall be wound up~~ upon the earlier of:

3 1. The occurrence of the latest date on which the limited
4 liability company is to dissolve set forth in the articles of
5 organization;

6 2. The occurrence of events specified in writing in the
7 operating agreement;

8 3. The written consent of all of the members or, if there is
9 more than one class or group of members, then by the written consent
10 of all of the members of each class or group;

11 4. At any time there are no members; provided, that the limited
12 liability company is not dissolved and is not required to be wound
13 up if:

14 a. unless otherwise provided in an operating agreement,
15 within ninety (90) days or such other period as is
16 provided for in the operating agreement after the
17 occurrence of the event that terminated the continued
18 membership of the last remaining member, the personal
19 representative of the last remaining member agrees in
20 writing to continue the limited liability company and
21 to the admission of the personal representative of the
22 member or its nominee or designee to the limited
23 liability company as a member, effective as of the

1 occurrence of the event that terminated the continued
2 membership of the last remaining member; provided,
3 that an operating agreement may provide that the
4 personal representative of the last remaining member
5 shall be obligated to agree in writing to continue the
6 limited liability company and to the admission of the
7 personal representative of the member or its nominee
8 or designee to the limited liability company as a
9 member, effective as of the occurrence of the event
10 that terminated the continued membership of the last
11 remaining member, or

12 b. a member is admitted to the limited liability company
13 in the manner provided for in the operating agreement,
14 effective as of the occurrence of the event that
15 terminated the continued membership of the last
16 remaining member, within ninety (90) days or such
17 other period as is provided for in the operating
18 agreement after the occurrence of the event that
19 terminated the continued membership of the last
20 remaining member, pursuant to a provision of the
21 operating agreement that specifically provides for the
22 admission of a member to the limited liability company

1 after there is no longer a remaining member of the
2 limited liability company; or

3 5. Entry of a decree of judicial dissolution under Section 2038
4 of this title.

5 B. A limited liability company continues in existence after
6 dissolution, regardless of whether articles of dissolution are
7 filed, but may carry on only activities necessary to wind up its
8 business or affairs and liquidate its assets under Sections 2039 and
9 2040 of this title.

10 SECTION 27. AMENDATORY 18 O.S. 2001, Section 2044, is
11 amended to read as follows:

12 Section 2044. A. If the Office of the Secretary of State finds
13 that an application for registration conforms to the provisions of
14 this act and all requisite fees have been paid, it shall:

- 15 1. Endorse on the applications the word "filed", and the month,
16 day, and year of the filing;
- 17 2. File in its office one copy of the application;
- 18 3. Issue a certificate of registration to transact business in
19 this state; and
- 20 4. Return the certificate of registration, together with a copy
21 of the application to the person who filed the application or his
22 representative.

1 B. The Secretary of State will not accept an application for
2 registration from a foreign limited liability company whose
3 registration was administratively withdrawn. Any such foreign
4 limited liability company may only register by filing an application
5 for reinstatement.

6 SECTION 28. AMENDATORY 18 O.S. 2001, Section 2047, is
7 amended to read as follows:

8 Section 2047. A. A foreign limited liability company
9 authorized to transact business in this state may withdraw from the
10 state upon procuring from the Office of the Secretary of State a
11 certificate of withdrawal. In order to procure such certificate,
12 the foreign limited liability company shall file with the Office of
13 the Secretary of State an application for withdrawal and pay the fee
14 provided for in Section ~~56~~ 2055 of this ~~act~~ title. The application
15 for withdrawal shall set forth:

16 1. The name of the foreign limited liability company and the
17 state or other jurisdiction under the laws of which it is organized;

18 2. That the foreign limited liability company is not
19 transacting business in this state;

20 3. That the foreign limited liability company surrenders its
21 certificate of registration to transact business in this state;

22 4. That the foreign limited liability company revokes the
23 authority of its registered agent for service of process in this

1 state and consents that service of process in any action, suit, or
2 proceeding based upon any cause of action arising in this state
3 during the time the foreign limited liability company was authorized
4 to transact business in this state may thereafter be made on such
5 foreign limited liability company by service thereof upon the Office
6 of the Secretary of State; and

7 5. An address to which a person may mail a copy of any process
8 against the foreign limited liability company.

9 B. The application for withdrawal shall be executed by the
10 foreign limited liability company by one of its managers, members,
11 or other persons, or, if the foreign limited liability company is in
12 the hands of a receiver or trustee, by such receiver or trustee on
13 behalf of the foreign limited liability company.

14 C. The registration of a foreign limited liability company
15 shall be deemed withdrawn if the foreign limited liability company
16 fails to file the annual certificate and pay the annual fee provided
17 in Section 2055.2 of this title or pay a registered agent fee to the
18 Secretary of State due under Section 2055 of this title within sixty
19 (60) days after the due date, the withdrawal to be effective on the
20 sixty-first day after the due date.

21 SECTION 29. AMENDATORY 18 O.S. 2001, Section 2054.1, as
22 amended by Section 52, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
23 Section 2054.1), is amended to read as follows:

1 Section 2054.1

2 CONVERSION OF ~~CERTAIN ENTITIES~~ A BUSINESS ENTITY

3 TO A LIMITED LIABILITY COMPANY

4 A. As used in this section, the term "business entity" means a
5 domestic or foreign corporation, partnership, whether general or
6 limited, business trust, common law trust, or other unincorporated
7 association.

8 B. Any business entity may convert to a domestic limited
9 liability company by complying with subsection H of this section and
10 filing with the Secretary of State in accordance with Section 2007
11 of this title articles of conversion to a limited liability company
12 that have been executed in accordance with Section 2006 of this
13 title, to which shall be attached articles of organization that
14 comply with Sections 2005 and 2008 of this title and have been
15 executed by one or more authorized persons in accordance with
16 Section 2006 of this title.

17 C. The articles of conversion to a limited liability company
18 shall state:

19 1. The date on which the business entity was first formed;

20 2. The name and jurisdiction of formation of the business
21 entity ~~immediately prior to the~~ when formed and, if changed, its
22 name and jurisdiction immediately before filing of the articles of
23 conversion to limited liability company;

1 3. The name of the limited liability company as set forth in
2 its articles of organization filed in accordance with subsection B
3 of this section; and

4 4. The future effective date or time, ~~which shall be a~~
5 ~~specified date or time not later than a time on the nineteenth day~~
6 ~~after the filing,~~ of the conversion to a limited liability company,
7 which shall be a date or time certain not later than ninety (90)
8 days after the filing, if it is not to be effective upon the filing
9 of the articles of conversion to a limited liability company and the
10 articles of organization.

11 D. ~~Upon the filing in the Office of the Secretary of State of~~
12 ~~the articles of conversion to a limited liability company and the~~
13 ~~articles of organization or upon the future effective date or time~~
14 of the articles of conversion to limited liability company and the
15 articles of organization, the business entity shall be converted
16 ~~into~~ to a domestic limited liability company and the limited
17 liability company shall thereafter be subject to all of the
18 provisions of this act, except that notwithstanding Section 2004 of
19 this title, the existence of the limited liability company shall be
20 deemed to have commenced on the date the business entity was formed.

21 E. The conversion of any business entity into a domestic
22 limited liability company shall not be deemed to affect any
23 obligations or liabilities of the business entity incurred ~~prior to~~

1 before its conversion to a domestic limited liability company or the
2 personal liability of any person incurred ~~prior to~~ before the
3 conversion.

4 F. ~~When any conversion shall have become effective under this~~
5 ~~section, for all purposes of the laws of this state, all~~ When a
6 business entity has converted to a domestic limited liability
7 company under this section, the domestic limited liability company
8 shall be deemed to be the same entity as the converting business
9 entity. All of the rights, privileges and powers of the business
10 entity that has converted, and all property, real, personal and
11 mixed, and all debts due to the business entity, as well as all
12 other things and causes of action belonging to the business entity,
13 shall ~~be~~ remain vested in the domestic limited liability company and
14 shall ~~thereafter~~ be the property of the domestic limited liability
15 company ~~as they were of the business entity that has converted,~~ and
16 the title to any real property vested by deed or otherwise in the
17 business entity shall not revert or be in any way impaired by reason
18 of ~~this act~~ the conversion, but all rights of creditors and all
19 liens upon any property of the business entity shall be preserved
20 unimpaired, and all debts, liabilities and duties of the business
21 entity that has converted shall ~~thenceforth attach~~ remain attached
22 to the domestic limited liability company and may be enforced
23 against it to the same extent as if the debts, liabilities and

1 duties had been incurred or contracted by it in its capacity as a
2 domestic limited liability company. The rights, privileges, powers
3 and interests in property of the business entity, as well as the
4 debts, liabilities and duties of the business entity, shall not be
5 deemed, as a consequence of the conversion, to have been transferred
6 to the domestic limited liability company to which the business
7 entity has converted for any purpose of the laws of this state.

8 G. Unless otherwise agreed or otherwise provided by any laws of
9 this state applicable to the converting business entity, the
10 converting business entity shall not be required to wind up its
11 affairs or pay its liabilities and distribute its assets, and the
12 conversion shall not be deemed to constitute a dissolution of the
13 business entity and shall constitute a continuation of the existence
14 of the converting business entity in the form of a domestic limited
15 liability company. ~~When a business entity has been converted to a~~
16 ~~limited liability company pursuant to this section, the limited~~
17 ~~liability company shall, for all purposes of the laws of this state,~~
18 ~~be deemed to be a continuation of the converting business entity.~~

19 H. Before filing the articles of conversion ~~of a business~~
20 ~~entity~~ to a limited liability company with the Office of the
21 Secretary of State, the conversion shall be approved in the manner
22 provided for by the document, instrument, agreement or other
23 writing, as the case may be, governing the internal affairs of the

1 business entity and the conduct of its business or by applicable
2 law, as appropriate, and ~~an operating agreement~~ articles of
3 organization shall be approved by the same authorization required to
4 approve the conversion.

5 I. In ~~connection with~~ a conversion ~~hereunder~~ of a business
6 entity to a domestic limited liability company under this section,
7 rights or securities of or interests in the business entity that is
8 to be converted to a domestic limited liability company may be
9 exchanged for or converted into cash, property, or rights or
10 securities of or interests in the domestic limited liability company
11 or, in addition to or in lieu thereof, may be exchanged for or
12 converted into cash, property, or rights or securities of or
13 interests in another domestic limited liability company or other
14 business entity.

15 J. The provisions of this section shall not be construed to
16 limit the accomplishment of a change in the law governing, or the
17 domicile of, a business entity to this state by any other means
18 provided for in an operating agreement or other agreement or as
19 otherwise permitted by law, including by the amendment of an
20 operating agreement or other agreement.

21 SECTION 30. AMENDATORY 18 O.S. 2001, Section 2054.2, as
22 amended by Section 53, Chapter 255, O.S.L. 2004 (18 O.S. Supp. 2006,
23 Section 2054.2), is amended to read as follows:

1 Section 2054.2

2 ~~APPROVAL OF CONVERSION OF~~

3 A LIMITED LIABILITY COMPANY TO A BUSINESS ENTITY

4 A. A domestic limited liability company may convert to a
5 business entity upon the authorization of such conversion in
6 accordance with this section. As used in this section, the term
7 "business entity" means a domestic or foreign corporation,
8 partnership, whether general or limited, business trust, common law
9 trust, or other unincorporated association.

10 B. If the operating agreement specifies the manner of
11 authorizing a conversion of the limited liability company, the
12 conversion shall be authorized as specified in the operating
13 agreement.

14 C. If the operating agreement does not specify the manner of
15 authorizing a conversion of the limited liability company and does
16 not prohibit a conversion of the limited liability company, the
17 conversion shall be authorized in the same manner as is specified in
18 the operating agreement for authorizing a merger or consolidation
19 that involves the limited liability company as a constituent party
20 to a merger or consolidation.

21 D. If the operating agreement does not specify the manner of
22 authorizing a conversion of the limited liability company or a
23 merger or consolidation that involves the limited liability company

1 as a constituent party and does not prohibit a conversion of the
2 limited liability company, the conversion shall be authorized by the
3 approval of a majority of the membership interest or, if there is
4 more than one class or group of members, then by a majority of the
5 membership interest in each class or group of members.

6 Notwithstanding the foregoing, in addition to any other
7 authorization required by this section, if the business entity into
8 which the limited liability company is to convert does not afford
9 all of its interest holders protection against personal liability
10 for the debts of the business entity, the conversion must be
11 authorized by any and all members who would be exposed to personal
12 liability.

13 E. Unless otherwise agreed, the conversion of a domestic
14 limited liability company to another business entity pursuant to
15 this section shall not require the limited liability company to wind
16 up its affairs or pay its liabilities and distribute its assets, and
17 the conversion shall not constitute a dissolution of the limited
18 liability company.

19 F. In ~~connection with~~ a conversion of a domestic limited
20 liability company to ~~another~~ a business entity ~~pursuant to~~ under
21 this section, rights or securities of or interests in the domestic
22 limited liability company which are to be converted may be exchanged
23 for or converted into cash, property, rights or securities of or

1 interests in the business entity ~~into~~ to which the domestic limited
2 liability company is being converted or, in addition to or in lieu
3 thereof, may be exchanged for or converted into cash, property,
4 rights or securities of or interests in another business entity or
5 may be canceled.

6 G. If the governing act of the domestic business entity ~~into~~ to
7 which the limited liability company is converting does not provide
8 for the filing of a conversion notice with the Secretary of State or
9 the limited liability company is converting to a foreign business
10 entity, articles of conversion executed in accordance with Section
11 2006 of this title, shall be filed in the ~~office~~ Office of the
12 Secretary of State in accordance with Section 2007 of this title.
13 The articles of conversion shall state:

14 1. The name of the limited liability company and, if it has
15 been changed, the name under which its articles of organization were
16 originally filed;

17 2. The date of filing of its original articles of organization
18 with the Secretary of State;

19 3. The name the business entity to which the limited liability
20 company is converting and its jurisdiction of formation, if a
21 foreign business entity;

22 4. The future effective date or time, ~~which shall be a date or~~
23 ~~time not later than the nineteenth day after the time of the filing,~~

1 of the conversion, which shall be a date or time certain not later
2 than 90 days after the filing, if it is not to be effective upon the
3 filing of the articles of conversion; ~~and~~

4 ~~4.~~ 5. That the conversion has been approved in accordance with
5 this section;

6 6. The agreement of the foreign business entity that it may be
7 served with process in this state in any action, suit or proceeding
8 for enforcement of any obligation of the foreign business entity
9 arising while it was a domestic limited liability company, and that
10 it irrevocably appoints the Secretary of State as its agent to
11 accept service of process in any such action, suit or proceeding,
12 and its address to which a copy of the process shall be mailed to it
13 by the Secretary of State; and

14 7. If the domestic business entity to which the domestic
15 limited liability company is converting was required to make a
16 filing with the Secretary of State as a condition of its formation,
17 the type and date of such filing.

18 H. Upon the filing of a conversion notice with the Secretary of
19 State, whether under subsection G of this section or under the
20 governing act of the domestic business entity ~~into~~ to which the
21 limited liability company is converting, the filing of any formation
22 document required by the governing act of the domestic business
23 entity ~~into~~ to which the limited liability company is converting,

1 and payment to the Secretary of State of all prescribed fees, the
2 Secretary of State shall certify that the limited liability company
3 has filed all documents and paid all required fees, and thereupon
4 the limited liability company shall cease to exist as a limited
5 liability company of this state. The Secretary of State's
6 certificate shall be prima facie evidence of the conversion by the
7 limited liability company.

8 I. The conversion of a limited liability company to a business
9 entity under this section and the resulting cessation of its
10 existence as a domestic limited liability company shall not be
11 deemed to affect any obligations or liabilities of the limited
12 liability company incurred before the conversion or the personal
13 liability of any person incurred before the conversion, nor shall it
14 be deemed to affect the choice of law applicable to the limited
15 liability company with respect to matters arising before the
16 conversion.

17 J. When a limited liability company has converted to a business
18 entity under this section, the business entity shall be deemed to be
19 the same entity as the limited liability company. All of the
20 rights, privileges and powers of the limited liability company that
21 has converted, and all property, real, personal and mixed, and all
22 debts due to the limited liability company, as well as all other
23 things and causes of action belonging to the limited liability

1 company, shall remain vested in the business entity to which the
2 limited liability company has converted and shall be the property of
3 the business entity, and the title to any real property vested by
4 deed or otherwise in the limited liability company shall not revert
5 or be in any way impaired by reason of the conversion; but all
6 rights of creditors and all liens upon any property of the limited
7 liability company shall be preserved unimpaired, and all debts,
8 liabilities and duties of the limited liability company that has
9 converted shall remain attached to the business entity to which the
10 limited liability company has converted, and may be enforced against
11 it to the same extent as if said debts, liabilities and duties had
12 originally been incurred or contracted by it in its capacity as the
13 business entity. The rights, privileges, powers and interests in
14 property of the limited liability company that has converted, as
15 well as the debts, liabilities and duties of the limited liability
16 company, shall not be deemed, as a consequence of the conversion, to
17 have been transferred to the business entity to which the limited
18 liability company has converted for any purpose of the laws of this
19 state.

20 SECTION 31. AMENDATORY 18 O.S. 2001, Section 2055, as
21 amended by Section 3, Chapter 22, O.S.L. 2002 (18 O.S. Supp. 2006,
22 Section 2055), is amended to read as follows:

1 Section 2055. The Secretary of State shall charge and collect
2 the following fees:

3 1. For filing the original articles of organization, a fee of
4 One Hundred Dollars (\$100.00);

5 2. For filing amended, corrected or restated articles of
6 organization, or filing an application for reinstatement, a fee of
7 Fifty Dollars (\$50.00);

8 3. For filing articles of merger or consolidation and issuing a
9 certificate of merger or consolidation or filing articles of
10 conversion, a fee of One Hundred Dollars (\$100.00);

11 4. For filing articles of dissolution and issuing a certificate
12 of cancellation, a fee of Fifty Dollars (\$50.00);

13 5. For filing a certificate of correction of statements in an
14 application for registration of a foreign limited liability company,
15 a fee of One Hundred Dollars (\$100.00);

16 6. For issuing a certificate for any purpose whatsoever, a fee
17 of Ten Dollars (\$10.00);

18 7. For filing an application for reservation of a name, or for
19 filing a notice of the transfer or cancellation of any name
20 reservation, a fee of Ten Dollars (\$10.00);

21 8. For filing a statement of change of address of the principal
22 office or resident agent, or both, or the resignation of a resident
23 agent, a fee of Twenty-five Dollars (\$25.00);

1 9. For filing an application for registration as a foreign
2 limited liability company, a fee of Three Hundred Dollars (\$300.00);
3 10. For filing an application of withdrawal as provided in
4 Section 2047 of this title, a fee of One Hundred Dollars (\$100.00);
5 11. For any service of notice, demand, or process upon the
6 Secretary of State as resident agent of a limited liability company,
7 a fee of Twenty-five Dollars (\$25.00), which amount may be recovered
8 as taxable costs by the party to be sued, action, or proceeding
9 causing such service to be made if such party prevails therein; and
10 12. For acting as the registered agent, a fee of Forty Dollars
11 (\$40.00) shall be paid on July 1 each year to the Office of the
12 Secretary of State.

13 All fees shall be properly accounted for and shall be paid into
14 the State Treasury monthly. All fees received by the Secretary of
15 State pursuant to the provisions of this section shall be paid to
16 the credit of the Revolving Fund for the Office of the Secretary of
17 State created pursuant to Section 276.1 of Title 62 of the Oklahoma
18 Statutes.

19 SECTION 32. AMENDATORY 18 O.S. 2001, Section 2055.2, as
20 amended by Section 1, Chapter 22, O.S.L. 2006 (18 O.S. Supp. 2006,
21 Section 2055.2), is amended to read as follows:

22 Section 2055.2

23 ANNUAL CERTIFICATE FOR DOMESTIC LIMITED LIABILITY

1 COMPANY AND FOREIGN LIMITED LIABILITY COMPANY

2 A. Every domestic limited liability company and every foreign
3 limited liability company registered to do business in this state
4 shall file a certificate each year in the Office of the Secretary of
5 State, ~~which shall confirm~~ confirms it is an active business and
6 ~~include~~ includes its principal place of business address.

7 B. The annual certificate shall be due on the anniversary date
8 of filing the ~~certificate following the close of the calendar year~~
9 articles of organization or registration, as the case may be, until
10 ~~the dissolution~~ cancellation of the articles of organization or ~~the~~
11 withdrawal of the ~~foreign limited liability company has been filed~~
12 ~~with the Secretary of State~~ registration.

13 C. The Secretary of State shall, at least sixty (60) days ~~prior~~
14 ~~to~~ before the anniversary date ~~of filing the certificate,~~ of each
15 year, cause to be mailed a notice of the annual certificate to each
16 domestic limited liability company and each foreign limited
17 liability company required to comply with the provisions of this
18 section to ~~the~~ its last known principal place of business address of
19 ~~the limited liability company~~ record with the Secretary of State.

20 D. A domestic limited liability company or foreign limited
21 liability company that ~~neglects, refuses or~~ fails to file the annual
22 certificate and pay the annual certificate fee within sixty (60)
23 days after the date due shall cease to be in good standing as a

1 domestic limited liability company or registered as a foreign
2 limited liability company in this state.

3 E. ~~Until dissolution or withdrawal, a domestic limited~~
4 ~~liability company that has ceased to be in good standing or a~~
5 ~~foreign limited liability company that has ceased to be registered~~
6 ~~by reason of the failure to file the annual certificate with the~~
7 ~~Secretary of State may be restored to and have the status of a~~
8 ~~domestic limited liability company in good standing or a foreign~~
9 ~~limited liability company that is registered in this state upon the~~
10 ~~filing of the annual certificate for each year for which the~~
11 ~~domestic limited liability company or foreign limited liability~~
12 ~~company neglected, refused or failed to file the annual certificate~~
13 ~~within three (3) years from the date it is due.~~

14 F. ~~A domestic limited liability company that has ceased to be~~
15 ~~in good standing by reason of its neglect, refusal or failure to~~
16 ~~file an annual certificate with the Secretary of State or pay the~~
17 ~~registered agent fee to the Secretary of State shall remain a~~
18 ~~domestic limited liability company formed under this act until~~
19 ~~dissolution of its articles of organization. The Except for~~
20 ~~accepting a resignation of a registered agent when a successor~~
21 ~~registered agent is not being appointed or an application for~~
22 ~~reinstatement, the Secretary of State shall not accept for filing~~
23 ~~any certificate or articles, ~~except a resignation of a registered~~~~

1 ~~agent when a successor registered agent is not being appointed,~~
2 ~~required or permitted by this act to be filed or issue any~~
3 certificate of good standing, in respect to any domestic limited
4 liability company that has ceased to be in good standing or foreign
5 limited liability company ~~which has neglected, refused or failed to~~
6 ~~file an annual certificate, and shall not issue any certificate of~~
7 ~~good standing with respect to the domestic limited liability company~~
8 ~~or foreign limited liability company~~ that has ceased to be
9 registered, unless or until the domestic limited liability company
10 ~~or foreign limited liability company shall have~~ has been restored to
11 ~~and have the status of~~ reinstated as a domestic limited liability
12 company in good standing or the foreign limited liability company
13 has been reinstated as a foreign limited liability company duly
14 registered in this state.

15 G. F. A domestic limited liability company that has ceased to
16 be in good standing or a foreign limited liability company that has
17 ceased to be registered in this state ~~by reason of its neglect,~~
18 ~~refusal or failure to file an annual certificate or pay an annual~~
19 ~~registered agent fee to the Secretary of State~~ may not maintain any
20 action, suit or proceeding in any court of this state until ~~such~~ the
21 domestic limited liability company ~~or foreign limited liability~~
22 ~~company has been restored to and has the status of~~ reinstated as a
23 domestic limited liability company ~~or foreign limited liability~~

1 ~~company~~ in good standing or the foreign limited liability company
2 has been reinstated as a foreign limited liability company duly
3 registered in this state. An action, suit or proceeding may not be
4 maintained in any court of this state by any successor or assignee
5 of the domestic limited liability company or foreign limited
6 liability company on any right, claim or demand arising out of the
7 transaction of business by the domestic limited liability company
8 after it has ceased to be in good standing or a foreign limited
9 liability company that has ceased to be registered in this state
10 until the domestic limited liability company or foreign limited
11 liability company, or any person that has acquired all or
12 substantially all of its assets, has ~~filed its annual certificate~~
13 ~~with the Secretary of State or paid its registered agent fee to the~~
14 ~~Secretary of State then due and payable, together with penalties~~
15 caused the limited liability company to be reinstated as a domestic
16 limited liability company in good standing or as a foreign limited
17 liability company duly registered in this state, as applicable.

18 G. A domestic limited liability company not in good standing
19 for failure to file an annual certificate and pay the annual
20 certificate fees or registered agent fees, including a domestic
21 limited liability company whose articles of organization have been
22 canceled under subsection B of Section 2012.1 of this title, or a
23 foreign limited liability company whose registration was withdrawn

1 for failure to file an annual certificate and pay the annual
2 certificate fees or registered agent fees may apply to the Secretary
3 of State for reinstatement by:

4 1. Filing all delinquent annual certificates with the Secretary
5 of State and paying all delinquent annual certificate fees or paying
6 all delinquent registered agent fees to the Secretary of State,
7 together with any interest and penalties;

8 2. Filing an application for reinstatement with the Secretary
9 of State stating its name at the time it ceased to be in good
10 standing or was withdrawn, the date it ceased to be in good standing
11 or was withdrawn, and its current name, if its name at the time it
12 ceased to be in good standing or was withdrawn is no longer
13 available under Section 2008 or 2045 of this title; and

14 3. Paying to the Secretary of State the fee required by Section
15 2055 of this title for the application for reinstatement.

16 If the Secretary of State determines that the application
17 contains the required information, the information is correct, all
18 delinquent certificates or other filings are submitted, all
19 delinquent fees, penalties and interest, if any, are paid, and the
20 name satisfies the requirements of Section 2008 or 2045 of this
21 title, the Secretary of State shall accept the application for
22 reinstatement and issue a certificate of reinstatement in the manner
23 provided in Section 2007 of this title for domestic limited

1 liability companies or Section 2044 of this title for foreign
2 limited liability companies. If the limited liability company is
3 required to change its name because its name at the time it ceased
4 to be in good standing or was withdrawn is no longer available,
5 acceptance of the reinstatement shall constitute an amendment to the
6 domestic limited liability company's articles of organization to
7 change its name or the adoption of a fictitious name by the foreign
8 limited liability company, as applicable. The application for
9 reinstatement may amend the articles of organization of the domestic
10 limited liability company or the application for registration of the
11 foreign limited liability company, subject in either case to the
12 payment of the additional fee required in Section 2055 of this title
13 for amendments; provided that the application may not extend the
14 term of a limited liability company that had expired before the
15 application for reinstatement. For purposes of this section, a
16 foreign limited liability company applying for reinstatement is
17 deemed to have done business continually in the State following the
18 administrative withdrawal.

19 H. The ~~neglect, refusal or~~ failure of a domestic limited
20 liability company or foreign limited liability company to file an
21 annual certificate ~~or~~ and pay an annual certificate fee or a
22 registered agent fee to the Secretary of State shall not impair the
23 validity on any contract, deed, mortgage, security interest, lien or

1 act of the domestic limited liability company or foreign limited
2 liability company or prevent the domestic limited liability company
3 or foreign limited liability company from defending any action, suit
4 or proceeding with any court of this state.

5 I. A member or manager of a domestic limited liability company
6 or foreign limited liability company is not liable for the debts,
7 obligations or liabilities of the domestic limited liability company
8 or foreign limited liability company solely by reason of the
9 ~~neglect, refusal or~~ failure of the domestic limited liability
10 company or foreign limited liability company to file an annual
11 certificate ~~or~~ and pay an annual certificate fee or a registered
12 agent fee to the Secretary of State or by reason of the domestic
13 limited liability company or foreign limited liability company
14 ceasing to be in good standing or duly registered.

15 SECTION 33. AMENDATORY 54 O.S. 2001, Section 1-101, is
16 amended to read as follows:

17 Section 1-101. Definitions. As used in this act:

18 (1) "Business" includes every trade, occupation, and
19 profession.

20 (2) "Debtor in bankruptcy" means a person who is the subject
21 of:

1 (i) an order for relief under Title 11 of the United
2 States Code or a comparable order under a successor
3 statute of general application; or

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

6 (3) "Distribution" means a transfer of money or other property
7 from a partnership to a partner in the partner's capacity as a
8 partner or to the partner's transferee.

9 (4) "Foreign limited liability partnership" means a partnership
10 that:

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

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

15 (5) "Limited liability partnership" means a partnership that
16 has filed a statement of qualification under Section 55 of this act
17 and does not have a similar statement in effect in any other
18 jurisdiction.

19 (6) "Partnership" means an association of two or more persons
20 to carry on as co-owners a business for profit formed under Section
21 10 of this act, predecessor law, or comparable law of another
22 jurisdiction.

1 (7) "Partnership agreement" means the agreement, whether
2 written, oral, or implied, among the partners concerning the
3 partnership, including amendments to the partnership agreement; and
4 a partnership agreement binds a partner of a partnership or a
5 transferee of an economic interest regardless of whether the partner
6 or transferee executes the partnership agreement.

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

10 (9) "Partnership interest" or "partner's interest in the
11 partnership" means all of a partner's interests in the partnership,
12 including the partner's transferable interest and all management and
13 other rights.

14 (10) "Person" means an individual, corporation, business trust,
15 estate, trust, partnership, association, joint venture, limited
16 liability company, government, governmental subdivision, agency, or
17 instrumentality, or any other legal or commercial entity.

18 (11) "Property" means all property, real, personal, or mixed,
19 tangible or intangible, or any interest therein.

20 (12) "State" means a state of the United States, the District
21 of Columbia, the Commonwealth of Puerto Rico, or any territory or
22 insular possession subject to the jurisdiction of the United States.

1 (13) "Statement" means a statement of partnership authority
2 under Section 15 of this act, a statement of denial under Section 16
3 of this act, a statement of dissociation under Section 38 of this
4 act, a statement of dissolution under Section 44 of this act, a
5 statement of merger under Section 53 of this act, a statement of
6 qualification under Section 55 of this act, a statement of foreign
7 qualification under Section 58 of this act, or an amendment or
8 cancellation of any of the foregoing.

9 (14) "Transfer" includes an assignment, conveyance, lease,
10 mortgage, deed, and encumbrance.

11 SECTION 34. AMENDATORY 54 O.S. 2001, Section 1-105, is
12 amended to read as follows:

13 Section 1-105. Execution, Filing, and Recording of Statements.

14 (a) A statement may be filed in the office of the Secretary of
15 State. A certified copy of a statement that is filed in an office
16 in another state may be filed in the office of the Secretary of
17 State. Either filing has the effect provided in this act with
18 respect to partnership property located in or transactions that
19 occur in this state.

20 (b) A certified copy of a statement that has been filed in the
21 office of the Secretary of State and recorded in the office for
22 recording transfers of real property has the effect provided for
23 recorded statements in this act. A recorded statement that is not a

1 certified copy of a statement filed in the office of the Secretary
2 of State does not have the effect provided for recorded statements
3 in this act.

4 (c) A statement filed by a partnership must be executed by at
5 least two partners. Other statements must be executed by a partner
6 or other person authorized by this act. An individual who executes
7 a statement as, or on behalf of, a partner or other person named as
8 a partner in a statement shall personally declare under penalty of
9 perjury that the contents of the statement are accurate.

10 (d) A person authorized by this act to file a statement may
11 amend or cancel the statement by filing an amendment or cancellation
12 that names the partnership, identifies the statement, and states the
13 substance of the amendment or cancellation.

14 (e) A person who files a statement pursuant to this section
15 shall promptly send a copy of the statement to every nonfiling
16 partner and to any other person named as a partner in the statement.
17 Failure to send a copy of a statement to a partner or other person
18 does not limit the effectiveness of the statement as to a person not
19 a partner.

20 (f) The county clerk recording transfers of real property may
21 collect a fee for recording a statement.

22 (g) The Secretary of State shall charge and collect the
23 following fees:

- 1 (1) for filing a statement, a fee of One Hundred Dollars
2 (\$100.00);
- 3 (2) for filing an amendment, cancellation, or dissolution, a
4 fee of Fifty Dollars (\$50.00);
- 5 (3) for filing a statement of denial, a fee of Twenty-five
6 Dollars (\$25.00);
- 7 (4) for filing a statement of disassociation, a fee of Twenty-
8 five Dollars (\$25.00);
- 9 (5) for filing a statement of change of agent or office,
10 resignation of agent, or change of chief executive office, a fee of
11 Twenty-five Dollars (\$25.00);
- 12 (6) for filing a statement of conversion, a fee of One Hundred
13 Dollars (\$100.00);
- 14 (7) for filing a statement of merger, a fee of ~~Fifty Dollars~~
15 ~~(\$50.00)~~ One Hundred Dollars (\$100.00); and
- 16 (8) for filing a fictitious name certificate, a fee of Fifty
17 Dollars (\$50.00), and for an amendment to the certificate, a fee of
18 Twenty-five Dollars (\$25.00), ~~and~~
- 19 ~~(9) for reinstatement after revocation, a fee of Twenty-five~~
20 ~~Dollars (\$25.00).~~
- 21 (h) A partnership name filed in a statement pursuant to this
22 act may not be the same as or indistinguishable from the name of any
23 other partnership, corporation, limited liability company or limited

1 partnership, trade name or fictitious name, or other name reserved
2 with or on file with the Secretary of State.

3 (i) The provisions of subparagraph h of this paragraph shall
4 not apply if one of the following is filed with the Secretary of
5 State:

6 (1) the written consent of the other partnership, corporation,
7 limited liability company, limited partnership, or holder of the
8 trade name, fictitious name or other reserved name to use the same
9 or indistinguishable name with the addition of one or more words,
10 numerals, numbers or letters to make that name distinguishable upon
11 the records of the Secretary of State, except that the addition of
12 words, numerals, numbers or letters to make the name distinguishable
13 shall not be required where such written consent states that the
14 consenting entity is about to change its name, cease to do business,
15 withdraw from the state or be wound up, or

16 (2) a certified copy of a final decree of a court of competent
17 jurisdiction establishing the prior right of such partnership or
18 holder of partnership name to the use of such name in this state.

19 (j) Any signature on any instrument authorized to be filed with
20 the Secretary of State under any provision of this act may be by
21 facsimile.

1 SECTION 35. AMENDATORY 54 O.S. 2001, Section 1-901, as
2 amended by Section 56, Chapter 255, O.S.L. 2004 (54 O.S. Supp. 2006,
3 Section 1-901), is amended to read as follows:

4 Section 1-901. Definitions. In this article:

5 (1) "Constituent partnership" means a constituent organization
6 that is a partnership;

7 (2) "Constituent organization" means an organization that is
8 party to a merger;

9 (3) "Converted organization" means the organization into which
10 a converting organization converts pursuant to Sections 1-902
11 through 1-905 of this title;

12 (4) "Converting partnership" means a converting organization
13 that is a partnership;

14 (5) "Converting organization" means an organization that
15 converts into another organization pursuant to Section 1-902 of this
16 title;

17 (6) "Governing statute" of an organization means the statute
18 that governs the organization's internal affairs;

19 (7) "Organization" means a ~~domestic~~ general partnership,
20 including a limited liability partnership; limited partnership;
21 limited liability company; business trust; corporation; or any other
22 unincorporated association. The term includes domestic and foreign
23 organizations regardless of whether organized for profit;

1 (8) "Organizational documents" means:

2 (i) for a domestic or foreign general partnership, its
3 partnership agreement;

4 (ii) for a domestic or foreign limited partnership, its
5 certificate of limited partnership and partnership
6 agreement;

7 (iii) for a domestic or foreign limited liability company,
8 its articles of organization and operating agreement,
9 or comparable records as provided in its governing
10 statute;

11 (iv) for a business trust, its agreement of trust and
12 declaration of trust;

13 (v) for a domestic or foreign corporation for profit, its
14 certificate of incorporation, bylaws, and other
15 agreements among its shareholders which are authorized
16 by its governing statute, or comparable records as
17 provided in its governing statute; and

18 (vi) for any other organization, the basic records that
19 create the organization and determine its internal
20 governance and the relations among the persons that
21 own it, have an interest in it, or are members of it;

22 (9) "Personal liability" means personal liability for a debt,
23 liability, or other obligation of an organization, which is imposed

1 on a person that co-owns, has an interest in, or is a member of the
2 organization:

- 3 (i) by the organization's governing statute solely by
4 reason of the person co-owning, having an interest in,
5 or being a member of the organization; or
6 (ii) by the organization's organizational documents under a
7 provision of the organization's governing statute
8 authorizing those documents to make one or more
9 specified persons liable for all or specified debts,
10 liabilities, and other obligations of the organization
11 solely by reason of the person or persons co-owning,
12 having an interest in, or being a member of the
13 organization.

14 SECTION 36. AMENDATORY 54 O.S. 2001, Section 1-903, as
15 amended by Section 58, Chapter 255, O.S.L. 2004 (54 O.S. Supp. 2006,
16 Section 1-903), is amended to read as follows:

17 Section 1-903. Filings Required for Conversion of Limited
18 Partnership to Partnership; Effective Date.

19 (a) After a plan of conversion is approved, if (i) the
20 converted organization is a domestic converted partnership, or (ii)
21 the governing statute of the converted organization does not provide
22 for the filing of a conversion notice with the Secretary of State,
23 or (iii) the converted organization is a foreign organization:

1 (1) a converting partnership shall deliver to the Secretary of
2 State for filing a certificate of conversion, which must include:

3 (i) a statement that the partnership was converted
4 from, or has been converted ~~into~~ to, another
5 organization, as the case may be;

6 (ii) the name and form of the converting organization
7 and the jurisdiction of its governing statute;

8 (iii) the date the conversion is effective under the
9 governing statute of the converted organization;

10 (iv) a statement that the conversion was approved as
11 required by Section 1-902 of this title, if the
12 converted organization is not a converted
13 partnership; ~~and~~

14 (v) a statement that the conversion was approved as
15 required by the governing statute of the
16 converted organization, if the converted
17 organization is a converted partnership; and

18 (vi) if the converted organization is a foreign
19 organization not authorized to transact business
20 in this state, the street and mailing address of
21 an office which the Secretary of State may use
22 for the purposes of subsection (c) of Section 1-
23 904 of this title.

1 (2) if the governing statute of the converted organization
2 requires the filing of an organizational document with the Secretary
3 of State, the converted organization shall deliver to the Secretary
4 of State for filing the required organizational document.

5 (b) A conversion becomes effective, ~~when the certificate of~~
6 ~~conversion takes effect~~ upon the future effective date or time set
7 forth in the certificate of conversion, which shall be a date or
8 time certain not later than ninety (90) days after the filing. If
9 the certificate of conversion does not set forth a future effective
10 date or time, the conversion becomes effective:

11 (1) if the converted organization is a domestic organization,
12 when the certificate of conversion takes effect; and

13 (2) if the converted organization is a foreign organization, as
14 provided by the governing act of the converted organization.

15 SECTION 37. AMENDATORY 54 O.S. 2001, Section 1-904, as
16 amended by Section 59, Chapter 255, O.S.L. 2004 (54 O.S. Supp. 2006,
17 Section 1-904), is amended to read as follows:

18 Section 1-904. Effect of Conversion; Entity Unchanged.

19 (a) An organization that has been converted pursuant to this
20 article is for all purposes the same entity that existed before the
21 conversion.

22 (b) When a conversion takes effect:

1 (1) all property owned by the converting organization remains
2 vested in the converted organization;

3 (2) all debts, liabilities and other obligations of the
4 converting organization continue as obligations of the converted
5 organization;

6 (3) an action or proceeding pending against the converting
7 organization may be continued as if the conversion had not occurred;

8 (4) except as prohibited by other law, all of the rights,
9 privileges, immunities, powers, and purposes of the converting
10 organization remain vested in the converted organization;

11 (5) except as otherwise provided in the plan of conversion, the
12 terms and conditions of the plan of conversion take effect; and

13 (6) except as otherwise agreed, the conversion does not
14 dissolve a converting partnership for the purposes of Article 8.

15 (c) A converted organization that is a foreign organization
16 consents to the jurisdiction of the courts of this state to enforce
17 any obligation owed by the converting partnership, if before the
18 conversion the converting partnership was subject to suit in this
19 state on the obligation. A converted organization that is a foreign
20 organization and not authorized to transact business in this state
21 appoints the Secretary of State as its agent for service of process
22 for purposes of enforcing an obligation under this subsection.

1 SECTION 38. AMENDATORY 54 O.S. 2001, Section 1-1001, is
2 amended to read as follows:

3 Section 1-1001. Nature and Purpose; Statement Of Qualification.

4 (a) A limited liability partnership is a partnership under the
5 laws of this state and may engage in any business in this state in
6 which a partnership may engage including, but not limited to, the
7 rendering of professional services as defined in paragraph 6 of
8 subsection A of Section 803 of Title 18 of the Oklahoma Statutes or
9 the rendering of related professional services as defined in
10 paragraph 7 of subsection A of Section 803 of Title 18 of the
11 Oklahoma Statutes.

12 (b) A partnership may become a limited liability partnership
13 pursuant to this section.

14 (c) The terms and conditions on which a partnership becomes a
15 limited liability partnership must be approved by the vote necessary
16 to amend the partnership agreement except, in the case of a
17 partnership agreement that expressly considers obligations to
18 contribute to the partnership, by the vote necessary to amend those
19 provisions.

20 (d) After the approval required by subsection (c) of this
21 section, a partnership may become a limited liability partnership by
22 filing a statement of qualification with the Secretary of State.
23 The statement must contain:

1 (1) the name of the partnership;

2 (2) the street address of the partnership's chief executive
3 office and, if different, the street address of an office of the
4 partnership in this state, if any;

5 (3) if the partnership does not have an office in this state,
6 the name and street address of the partnership's agent for service
7 of process;

8 (4) a statement that the partnership elects to be a limited
9 liability partnership; and

10 (5) a deferred effective date, if any.

11 (e) The agent of a limited liability partnership for service of
12 process must be an individual resident of this state, a domestic
13 corporation, limited liability company, limited partnership, or
14 limited liability partnership; or a foreign corporation, limited
15 liability company, limited partnership, or limited liability
16 partnership having a place of business and authorized to do business
17 in this state.

18 (f) The status of a partnership as a limited liability
19 partnership is effective on the later of the filing of the statement
20 or a date specified in the statement. The status remains effective,
21 regardless of changes in the partnership, until it is canceled
22 pursuant to subsection (d) of Section ~~6 of this act~~ 1-105 of this
23 title. A statement of dissolution filed under Section 1-805 of this

1 title effects a cancellation upon completion of the partnership's
2 winding up. For purposes of this subsection (f) of this section
3 only, the winding up is presumed to be complete on the first
4 anniversary of the filing of the statement of dissolution, which may
5 be rebutted by the prior filing of a statement indicating that the
6 partnership is continuing.

7 (g) The status of a partnership as a limited liability
8 partnership and the liability of its partners is not affected by
9 errors or later changes in the information required to be contained
10 in the statement of qualification under subsection (c) of this
11 section.

12 (h) The filing of a statement of qualification establishes that
13 a partnership has satisfied all conditions precedent to the
14 qualification of the partnership as a limited liability partnership.

15 (i) An amendment or cancellation of a statement of
16 qualification is effective when it is filed or on a deferred
17 effective date specified in the amendment or cancellation.

18 SECTION 39. AMENDATORY 54 O.S. 2001, Section 302, is
19 amended to read as follows:

20 Section 302.

21 DEFINITIONS

22 As used in the Oklahoma Revised Uniform Limited Partnership Act,
23 unless the context otherwise requires:

1 1. "Business entity" means a domestic or foreign corporation,
2 limited liability company, business trust, common law trust, or
3 other unincorporated association, including a partnership, whether
4 general or limited, but excluding a domestic limited partnership;

5 2. "Certificate of limited partnership" means the certificate
6 referred to in Section 309 of this title and the certificate as
7 amended or restated;

8 ~~2.~~ 3. "Contribution" means any cash, property, services
9 rendered or promissory note or other binding obligation to
10 contribute cash or property or to perform services, which a partner
11 contributes to a limited partnership in his capacity as a partner;

12 ~~3.~~ 4. "Event of withdrawal of a general partner" means an event
13 that causes a person to cease to be a general partner as provided in
14 Section 324 of this title;

15 ~~4.~~ 5. "Foreign limited partnership" means a partnership other
16 than a domestic limited partnership and having as partners one or
17 more general partners and one or more limited partners;

18 ~~5.~~ 6. "General partner" means a person who has been admitted to
19 a limited partnership as a general partner in accordance with the
20 partnership agreement and named in the certificate of limited
21 partnership as a general partner;

1 ~~6.~~ 7. "Limited partner" means a person who has been admitted to
2 a limited partnership as a limited partner in accordance with the
3 partnership agreement;

4 ~~7.~~ 8. "Limited partnership" and "domestic limited partnership"
5 means a partnership formed by two or more persons under the laws of
6 this state and having one or more general partners and one or more
7 limited partners;

8 ~~8.~~ 9. "Partner" means a limited or general partner;

9 ~~9.~~ 10. "Partnership agreement" means any valid written or oral
10 agreement of the partners as to the affairs of a limited partnership
11 and the conduct of its business; and the partnership agreement binds
12 a partner of a limited partnership or an assignee of a partnership
13 interest regardless of whether the partner or assignee executes the
14 partnership agreement;

15 ~~10.~~ 11. "Partnership interest" means a partner's share of the
16 profits and losses of a limited partnership and the right to receive
17 distributions of partnership assets;

18 ~~11.~~ 12. "Person" means a natural person, partnership, domestic
19 or foreign limited partnership, trust, estate, association or
20 corporation; and

21 ~~12.~~ 13. "State" means a state, territory or possession of the
22 United States, the District of Columbia or the Commonwealth of
23 Puerto Rico.

1 SECTION 40. AMENDATORY 54 O.S. 2001, Section 303, is
2 amended to read as follows:

3 Section 303.

4 NAME

5 The name of each limited partnership as set forth in its
6 certificate of limited partnership:

7 1. Shall contain the words "limited partnership" or the
8 abbreviations "L.P." or "LP";

9 2. May not contain the name of a limited partner unless:

10 a. it is also the name of a general partner or the

11 corporate name of a corporate general partner, or

12 b. the business of the limited partnership had been

13 carried on under that name before the admission of

14 that limited partner; and

15 3. a. May not be the same as or indistinguishable from:

16 (1) names upon the records in the Office of the

17 Secretary of State of ~~then-existing~~ limited

18 partnerships, whether organized pursuant to the

19 laws of this state or registered as foreign

20 limited partnerships in this state, then in good

21 standing or registered or which were in good

22 standing or registered at any time during the

23 preceding three (3) years, or

- 1 (2) names upon the records in the Office of the
2 Secretary of State of corporations organized
3 under the laws of this state then existing or
4 which existed at any time during the preceding
5 three (3) years, or
- 6 (3) names upon the records in the Office of the
7 Secretary of State of foreign corporations
8 registered in accordance with the laws of this
9 state then existing or which existed at any time
10 during the preceding three (3) years, or
- 11 (4) trade names or fictitious names filed with the
12 Secretary of State, or
- 13 (5) corporate, limited liability company or limited
14 partnership names reserved with the Secretary of
15 State, or
- 16 (6) names upon the records in the Office of the
17 Secretary of State of ~~then existing~~ limited
18 liability companies, whether organized pursuant
19 to the laws of this state or registered as
20 foreign limited liability companies in this
21 state, then in good standing or registered or
22 which were in good standing or registered at any
23 time during the preceding three (3) years.

1 b. The provisions of subparagraph a of this paragraph
2 shall not apply if one of the following is filed with
3 the Secretary of State:

4 (1) The written consent of the other limited
5 partnership, corporation, limited liability
6 company or holder of the trade name, fictitious
7 name or reserved corporate, limited liability
8 company or limited partnership name to use the
9 same or indistinguishable name with the addition
10 of one or more words, numerals, numbers or
11 letters to make that name distinguishable upon
12 the records of the Secretary of State, except
13 that the addition of words, numerals, numbers or
14 letters to make the name distinguishable shall
15 not be required where such written consent states
16 that the consenting entity is about to change its
17 name, cease to do business, withdraw from the
18 state or be wound up, or

19 (2) A certified copy of a final decree of a court of
20 competent jurisdiction establishing the prior
21 right of such limited partnership or holder of a
22 limited partnership name to the use of such name
23 in this state.

1 SECTION 41. AMENDATORY 54 O.S. 2001, Section 309, is
2 amended to read as follows:

3 Section 309.

4 CERTIFICATE OF LIMITED PARTNERSHIP

5 A. In order to form a limited partnership, a certificate of
6 limited partnership must be executed and filed in the Office of the
7 Secretary of State. The certificate shall set forth:

8 1. The name of the limited partnership;

9 2. The street address of the office and the name and street
10 address of the agent for service of process as required pursuant to
11 Section 305 of this title;

12 3. The name and the business address of each general partner;

13 4. The term of the existence of the limited partnership which
14 may be perpetual; and

15 5. Any other matters the general partners determine to include
16 therein.

17 B. A limited partnership is formed at the time of the filing of
18 the certificate of limited partnership in the Office of the
19 Secretary of State or at ~~any~~ a later date or time specified in the
20 certificate of limited partnership that is within ninety (90) days
21 after the date of filing and if, in either case, there has been
22 substantial compliance with the requirements of this section.

1 SECTION 42. AMENDATORY 54 O.S. 2001, Section 310.1, is
2 amended to read as follows:

3 Section 310.1 A. Pursuant to an agreement of merger or
4 consolidation, a domestic limited partnership may merge or
5 consolidate with or into one or more domestic limited partnerships
6 or other business entities, ~~formed or organized under the laws of~~
7 ~~this state, any other state, or the District of Columbia,~~ with such
8 domestic limited partnership or other business entity as the
9 agreement shall provide being the surviving or resulting domestic
10 limited partnership or other business entity. ~~As used in this~~
11 ~~section, "other business entity" means a corporation, a business~~
12 ~~trust, a common law trust, or an unincorporated business including a~~
13 ~~partnership, whether general or limited, but excluding a domestic~~
14 ~~limited partnership.~~

15 B. Unless otherwise provided in the partnership agreement, a
16 merger or consolidation shall be approved by each domestic limited
17 partnership which is to merge or consolidate (1) by all general
18 partners, and (2) by the limited partners or, if there is more than
19 one class or group of limited partners, then by each class or group
20 of limited partners, in either case, by limited partners who own
21 more than fifty percent (50%) of the then current percentage or
22 other interest in the profits of the domestic limited partnership
23 owned by all of the limited partners or by the limited partners in

1 each class or group, as appropriate. Notwithstanding prior
2 approval, an agreement of merger or consolidation may be terminated
3 or amended pursuant to a provision for such termination or amendment
4 contained in the agreement of merger or consolidation.

5 C. If a domestic limited partnership is merging or
6 consolidating pursuant to this section, the domestic limited
7 partnership or other business entity surviving or resulting in or
8 from the merger or consolidation shall file a certificate of merger
9 or consolidation with the Secretary of State. The certificate of
10 merger or consolidation shall state:

11 1. The name and jurisdiction of formation or organization of
12 each of the domestic limited partnerships or other business entities
13 which is to merge or consolidate;

14 2. That an agreement of merger or consolidation has been
15 approved and executed by each of the domestic limited partnerships
16 or other business entities which is to merge or consolidate;

17 3. The name of the surviving or resulting domestic limited
18 partnership or other business entity;

19 4. The future effective date or time, which shall be a date or
20 time certain, of the merger or consolidation if it is not to be
21 effective upon the filing of the certificate of merger or
22 consolidation;

1 5. That the agreement of merger or consolidation is on file at
2 a place of business of the surviving or resulting domestic limited
3 partnership or other business entity, and shall state the address
4 thereof;

5 6. That a copy of the agreement of merger or consolidation
6 shall be furnished by the surviving or resulting domestic limited
7 partnership or other business entity, upon request and without cost,
8 to any partner of any domestic limited partnership or any person
9 holding an interest in any other business entity which is to merge
10 or consolidate; and

11 7. If the surviving or resulting entity is not a domestic
12 limited partnership or corporation organized pursuant to the laws of
13 this state, a statement that such surviving or resulting other
14 business entity agrees it may be served with process in this state
15 in any action, suit or proceeding for the enforcement of any
16 obligation of any domestic limited partnership which is to merge or
17 consolidate, irrevocably appointing the Secretary of State as its
18 agent to accept service of process in any such action, suit or
19 proceeding, and specifying the address to which a copy of such
20 process shall be mailed to the entity by the Secretary of State.

21 D. Any failure to file a certificate of merger or consolidation
22 in connection with a merger or consolidation which was effective

1 prior to September 1, 1990, shall not affect the validity or
2 effectiveness of any such merger or consolidation.

3 E. Unless a future effective date or time is provided in a
4 certificate of merger or consolidation, in which event a merger or
5 consolidation shall be effective at any such future effective date
6 or time, a merger or consolidation shall be effective upon the
7 filing with the Secretary of State of a certificate of merger or
8 consolidation.

9 F. A certificate of merger or consolidation shall act as a
10 certificate of cancellation for a domestic limited partnership which
11 is not the surviving or resulting entity in the merger or
12 consolidation.

13 G. When any merger or consolidation shall have become effective
14 pursuant to this section for all purposes of the laws of this state,
15 all of the rights, privileges and powers of each of the domestic
16 limited partnerships and other business entities that have merged or
17 consolidated, and all property, real, personal and mixed, and all
18 debts due to any of said domestic limited partnerships and other
19 business entities, as well as all other things and causes of action
20 belonging to each of such domestic limited partnerships and other
21 business entities shall be vested in the surviving or resulting
22 domestic limited partnership or other business entity, and shall
23 thereafter be the property of the surviving or resulting domestic

1 limited partnership or other business entity as they were of each of
2 the domestic limited partnerships and other business entities that
3 have merged or consolidated, and the title to any real property
4 vested by deed or otherwise, under the laws of this state, in any of
5 such domestic limited partnerships and other business entities shall
6 not revert or be in any way impaired by reason of this section, but
7 all rights of creditors and all liens upon any property of any said
8 domestic limited partnerships and other business entities shall be
9 preserved unimpaired. All debts, liabilities and duties of each of
10 the domestic limited partnerships and other business entities that
11 have merged or consolidated shall thenceforth attach to the
12 surviving or resulting domestic limited partnership or other
13 business entity, and may be enforced against the limited partnership
14 or other entity to the same extent as if said debts, liabilities and
15 duties had been incurred or contracted by the limited partnership or
16 other entity. Unless otherwise agreed, a merger or consolidation of
17 a domestic limited partnership, including a domestic limited
18 partnership which is not the surviving or resulting entity in the
19 merger or consolidation, shall not require such domestic limited
20 partnership to wind up its affairs pursuant to Section 347 of Title
21 54 of the Oklahoma Statutes or pay its liabilities and distribute
22 its assets pursuant to Section 348 of Title 54 of the Oklahoma
23 Statutes.

1 ~~H. At the time of filing a merger or consolidation, a fee in~~
2 ~~the amount of One Hundred Dollars (\$100.00) shall be paid to the~~
3 ~~Secretary of State for deposit in the General Revenue Fund of the~~
4 ~~State Treasury.~~

5 SECTION 43. AMENDATORY 54 O.S. 2001, Section 310.2, as
6 amended by Section 61, Chapter 255, O.S.L. 2004 (54 O.S. Supp. 2006,
7 Section 310.2), is amended to read as follows:

8 Section 310.2

9 CONVERSION OF ~~CERTAIN ENTITIES~~ A BUSINESS ENTITY
10 TO A LIMITED PARTNERSHIP

11 A. ~~As used in this section, the term "business entity" means a~~
12 ~~domestic corporation, general partnership, limited liability~~
13 ~~company, business trust, common law trust, or other unincorporated~~
14 ~~association.~~

15 ~~B.~~ Any business entity may convert to a domestic limited
16 partnership by complying with subsection ~~H~~ G of this section and
17 filing with the Secretary of State in accordance with Section 314 of
18 this title a certificate of conversion to limited partnership that
19 has been executed in accordance with Section 312 of this title, to
20 which shall be attached a certificate of limited partnership that
21 complies with Section 309 of this title and has been executed in
22 accordance with Section 312 of this title.

1 ~~C.~~ B. The certificate of conversion to limited partnership
2 shall state:

3 1. The date on which the business entity was first formed;

4 2. The name and jurisdiction of formation of the business
5 entity when formed and, if changed, its name and jurisdiction
6 immediately ~~prior to~~ before the filing of the certificate of
7 conversion to limited partnership;

8 3. The name of the limited partnership as set forth in its
9 certificate of limited partnership filed in accordance with
10 subsection ~~B~~ A of this section; and

11 4. The future effective date or time, ~~which shall be a date or~~
12 ~~time certain,~~ of the conversion to a limited partnership, which
13 shall be a date or time certain not later than ninety (90) days
14 after the filing, if it is not to be effective upon the filing of
15 the certificate of conversion to limited partnership and the
16 certificate of limited partnership.

17 ~~D.~~ C. Upon the ~~filing with the Secretary of State the~~
18 ~~certificate of conversion to limited partnership and the certificate~~
19 ~~of limited partnership or upon the future effective date or time of~~
20 the certificate of conversion to limited partnership and the
21 certificate of limited partnership, the business entity shall be
22 converted ~~into~~ to a domestic limited partnership and the limited
23 partnership shall thereafter be subject to all of the provisions of

1 this act, except that notwithstanding Section 309 of this title, the
2 existence of the limited partnership shall be deemed to have
3 commenced on the date the business entity was formed.

4 ~~E. D.~~ D. The conversion of any business entity ~~into~~ to a domestic
5 limited partnership shall not be deemed to affect any obligations or
6 liabilities of the business entity incurred ~~prior to~~ before its
7 conversion to a domestic limited partnership, or the personal
8 liability of any person incurred prior to such conversion.

9 ~~F. E.~~ E. ~~When any conversion shall have become effective under~~
10 ~~this section, for all purposes of the laws of this state, all~~ When a
11 business entity has converted to a domestic limited partnership
12 under this section, the domestic limited partnership shall be deemed
13 to be the same entity as the converting business entity. All of the
14 rights, privileges and powers of the business entity that has
15 converted, and all property, real, personal and mixed, and all debts
16 due to the business entity, as well as all other things and causes
17 of action belonging to the business entity, shall ~~be~~ remain vested
18 in the domestic limited partnership and shall ~~thereafter~~ be the
19 property of the domestic limited partnership ~~as they were of the~~
20 ~~business entity that has converted~~, and the title to any real
21 property vested by deed or otherwise in the business entity shall
22 not revert or be in any way impaired by reason of ~~this act~~ the
23 conversion; but all rights of creditors and all liens upon any

1 property of the business entity shall be preserved unimpaired, and
2 all debts, liabilities and duties of the business entity that has
3 converted shall ~~thenceforth attach~~ remain attached to the domestic
4 limited partnership, and may be enforced against it to the same
5 extent as if the debts, liabilities and duties had been incurred or
6 contracted by it in its capacity as a domestic limited partnership.
7 The rights, privileges, powers and interests in property of the
8 business entity, as well as the debts, liabilities and duties of the
9 business entity, shall not be deemed, as a consequence of the
10 conversion, to have been transferred to the domestic limited
11 partnership to which the business entity has converted for any
12 purpose of the laws of this state.

13 G. F. Unless otherwise agreed or otherwise provided by any laws
14 of this state applicable to the converting business entity, the
15 converting business entity shall not be required to wind up its
16 affairs or pay its liabilities and distribute its assets, and the
17 conversion shall not be deemed to constitute a dissolution of the
18 business entity and shall constitute a continuation of the existence
19 of the converting business entity in the form of a domestic limited
20 partnership. ~~When a business entity has been converted to a limited~~
21 ~~partnership pursuant to this section, the limited partnership shall,~~
22 ~~for all purposes of the laws of this state, be deemed to be a~~
23 ~~continuation of the converting business entity.~~

1 ~~H.~~ G. Before filing a certificate of conversion to limited
2 partnership with the Secretary of State, the conversion shall be
3 approved in the manner provided for by the document, instrument,
4 agreement or other writing, as the case may be, governing the
5 internal affairs of the business entity and the conduct of its
6 business or by applicable law, as appropriate, and a partnership
7 agreement shall be approved by the same authorization required to
8 approve the conversion; provided that in any event, such approval
9 shall include the approval of any person who, at the effective date
10 or time of the conversion, shall be a general partner of the limited
11 partnership.

12 ~~F.~~ H. In ~~connection with~~ a conversion ~~hereunder~~ of a business
13 entity to a domestic limited partnership under this section, rights
14 or securities of or interests in the business entity that is to be
15 converted to a domestic limited partnership may be exchanged for or
16 converted into cash, property, or rights or securities of or
17 interests in the domestic limited partnership or, in addition to or
18 in lieu thereof, may be exchanged for or converted into cash,
19 property, or rights or securities of or interests in another
20 domestic limited partnership or other business entity or may be
21 canceled.

22 ~~J.~~ I. The provisions of this section shall not be construed to
23 limit the accomplishment of a change in the law governing, or the

1 domicile of, a business entity to this state by any other means
2 provided for in a partnership agreement or other agreement or as
3 otherwise permitted by law, including by the amendment of a
4 partnership agreement or other agreement.

5 SECTION 44. AMENDATORY 54 O.S. 2001, Section 310.3, as
6 amended by Section 62, Chapter 255, O.S.L. 2004 (54 O.S. Supp. 2006,
7 Section 310.3), is amended to read as follows:

8 Section 310.3

9 ~~APPROVAL OF~~ CONVERSION

10 OF A LIMITED PARTNERSHIP TO A BUSINESS ENTITY

11 A. A domestic limited partnership may convert to a business
12 entity upon the authorization of the conversion in accordance with
13 this section.

14 B. If the partnership agreement specifies the manner of
15 authorizing a conversion of the limited partnership, the conversion
16 shall be authorized as specified in the partnership agreement.

17 C. If the partnership agreement does not specify the manner of
18 authorizing a conversion of the limited partnership and does not
19 prohibit a conversion of the limited partnership, the conversion
20 shall be authorized in the same manner as is specified in the
21 partnership agreement for authorizing a merger or consolidation that
22 involves the limited partnership as a constituent party to the
23 merger or consolidation.

1 D. If the partnership agreement does not specify the manner of
2 authorizing a conversion of the limited partnership or a merger or
3 consolidation that involves the limited partnership as a constituent
4 party and does not prohibit a conversion of the limited partnership,
5 the conversion shall be authorized by the approval:

6 1. By all general partners; and

7 2. By the limited partners or, if there is more than one class
8 or group of limited partners, then by each class or group of limited
9 partners, in either case, by limited partners who own more than
10 fifty percent (50%) of the then current percentage or other interest
11 in the profits of the domestic limited partnership owned by all of
12 the limited partners or by the limited partners in each class or
13 group, as appropriate.

14 Notwithstanding the foregoing, in addition to any other
15 authorization required by this section, if the business entity ~~into~~
16 to which the limited partnership is to convert does not afford all
17 of its interest holders protection against personal liability for
18 the debts of the entity, the conversion must be authorized by any
19 and all partners who would be exposed to personal liability.

20 E. Unless otherwise agreed, the conversion of a domestic
21 limited partnership to ~~another~~ a business entity pursuant to this
22 section shall not require the limited partnership to wind up its
23 affairs or pay its liabilities and distribute its assets, and the

1 conversion shall not constitute a dissolution of the limited
2 partnership.

3 F. In ~~connection with~~ a conversion of a domestic limited
4 partnership to ~~another~~ a business entity ~~pursuant to~~ under this
5 section, rights or securities of or interests in the domestic
6 limited partnership that are to be converted may be exchanged for or
7 converted into cash, property, rights or securities of or interests
8 in the business entity ~~into~~ to which the domestic limited
9 partnership is being converted or, in addition to or in lieu
10 thereof, may be exchanged for or converted into cash, property,
11 rights or securities of or interests in another business entity or
12 may be canceled.

13 G. If the governing act of the domestic business entity ~~into~~ to
14 which the limited partnership is converting does not provide for the
15 filing of a conversion notice with the Secretary of State or the
16 limited partnership is converting to a foreign business entity, the
17 certificate of conversion executed in accordance with Section 312 of
18 this title shall be filed in the office of the Secretary of State in
19 accordance with Section 314 of this title. The certificate of
20 conversion shall state:

21 1. The name of the limited partnership and, if it has been
22 changed, the name under which its certificate of limited partnership
23 were originally filed;

1 2. The date of filing of its original certificate of limited
2 partnership with the Secretary of State;

3 3. The name the business entity to which the limited
4 partnership is converting and its jurisdiction of formation, if a
5 foreign business entity;

6 4. The future effective date or time, ~~which shall be a~~
7 ~~specified date or time not later than a time on the nineteenth day~~
8 ~~after filing,~~ of the conversion, which shall be a date or time
9 certain not later than ninety (90) days after the filing, if it is
10 not to be effective upon the filing of the certificate of
11 conversion; ~~and~~

12 ~~4.~~ 5. That the conversion has been approved in accordance with
13 this section;

14 6. The agreement of the foreign business entity that it may be
15 served with process in this state in any action, suit or proceeding
16 for enforcement of any obligation of the foreign business entity
17 arising while it was a domestic limited partnership, and that it
18 irrevocably appoints the Secretary of State as its agent to accept
19 service of process in any such action, suit or proceeding, and its
20 address to which a copy of the process shall be mailed to it by the
21 Secretary of State; and

22 7. If the domestic business entity to which the domestic
23 limited partnership is converting was required to make a filing with

1 the Secretary of State as a condition of its formation, the type and
2 date of such filing.

3 H. Upon the filing of a conversion notice with the Secretary of
4 State, whether under subsection G of this section or under the
5 governing act of the domestic business entity ~~into~~ to which the
6 limited partnership is converting, the filing of any formation
7 document required by the governing act of the domestic business
8 entity ~~into~~ to which the limited partnership is converting, and
9 payment to the Secretary of State of all prescribed fees, the
10 Secretary of State shall certify that the limited partnership has
11 filed all documents and paid all required fees, and thereupon the
12 limited partnership shall cease to exist as a limited partnership of
13 this state. The Secretary of State's certificate shall be prima
14 facie evidence of the conversion by the limited partnership.

15 I. ~~Notwithstanding the foregoing, in addition to any other~~
16 ~~authorization required by this section, if the entity into which the~~
17 ~~limited partnership is to convert does not afford all of its~~
18 ~~interest holders protection against personal liability for the debts~~
19 ~~of the entity, the conversion must be authorized by any and all~~
20 ~~members who would be exposed to personal liability~~ The conversion of
21 a limited partnership to a business entity under this section and
22 the resulting cessation of its existence as a domestic limited
23 partnership under a certificate of conversion to a foreign business

1 entity shall not be deemed to affect any obligations or liabilities
2 of the limited partnership incurred before the conversion or the
3 personal liability of any person incurred before the conversion, nor
4 shall it be deemed to affect the choice of law applicable to the
5 limited partnership with respect to matters arising before the
6 conversion.

7 J. When a limited partnership has converted to a business
8 entity under this section, the business entity shall be deemed to be
9 the same entity as the limited partnership. All of the rights,
10 privileges and powers of the limited partnership that has converted,
11 and all property, real, personal and mixed, and all debts due to the
12 limited partnership, as well as all other things and causes of
13 action belonging to the limited partnership, shall remain vested in
14 the business entity to which the limited partnership has converted
15 and shall be the property of the business entity, and the title to
16 any real property vested by deed or otherwise in the limited
17 partnership shall not revert or be in any way impaired by reason of
18 the conversion; but all rights of creditors and all liens upon any
19 property of the limited partnership shall be preserved unimpaired,
20 and all debts, liabilities and duties of the limited partnership
21 that has converted shall remain attached to the business entity to
22 which the limited partnership has converted, and may be enforced
23 against it to the same extent as if the debts, liabilities and

1 duties had originally been incurred or contracted by it in its
2 capacity as the business entity. The rights, privileges, powers and
3 interests in property of the limited partnership that has converted,
4 as well as the debts, liabilities and duties of the limited
5 partnership, shall not be deemed, as a consequence of the
6 conversion, to have been transferred to the business entity to which
7 the limited partnership has converted for any purpose of the laws of
8 this state.

9 SECTION 45. AMENDATORY 54 O.S. 2001, Section 311, is
10 amended to read as follows:

11 Section 311.

12 CANCELLATION OF CERTIFICATE

13 A. A certificate of limited partnership shall be canceled upon
14 the dissolution and the commencement of winding up of the
15 partnership or at any time there are no limited partners, or ~~as~~
16 ~~provided in subsection B of this section,~~ or upon the filing of a
17 certificate of merger or consolidation if the limited partnership is
18 not the surviving or resulting entity in a merger or consolidation,
19 or upon the conversion of a domestic limited partnership approved in
20 accordance with Section 310.3 of this title. The cancellation of
21 the certificate of limited partnership shall not affect the limited
22 liability of the limited partners nor the rights and
23 responsibilities of the partners as set forth in this act, in the

1 certificate of limited partnership or in the partnership agreement
2 during the period of winding up and ~~prior to~~ before termination of
3 the partnership.

4 B. A certificate of cancellation shall be filed in the Office
5 of the Secretary of State to accomplish the cancellation of a
6 certificate of limited partnership upon the dissolution of a limited
7 partnership or upon the conversion of a domestic limited partnership
8 approved in accordance with Section ~~42 of this act~~ 310.3 of this
9 title and shall set forth:

10 1. The name of the limited partnership;

11 2. The date of filing of its certificate of limited
12 partnership;

13 3. The reason for filing the certificate of cancellation;

14 4. The effective date of cancellation, which shall be a future
15 date or time certain, of cancellation not later than ninety (90)
16 days after the filing, if ~~it~~ the effective date is not to be
17 effective upon the filing of the certificate;

18 5. In the case of the conversion of a domestic limited
19 partnership, the name of the entity to which the domestic limited
20 partnership has been converted; and

21 6. Any other information the general partners filing the
22 certificate determine.

1 PARTNERSHIP AND FOREIGN LIMITED PARTNERSHIP; REINSTATEMENT

2 A. Every domestic limited partnership and every foreign limited
3 partnership registered to do business in this state shall file a
4 certificate each year in the Office of the Secretary of State which
5 shall confirm it is an active business and include its current
6 principal office address, where the records of the partnership are
7 kept.

8 B. The annual certificate shall be due on the anniversary date
9 of filing the certificate ~~following the close of the calendar year~~
10 of limited partnership or registration as a foreign limited
11 partnership, as the case may be, until ~~the~~ cancellation of the
12 ~~articles of organization~~ certificate of limited partnership or the
13 registration.

14 C. The Secretary of State shall, at least sixty (60) days ~~prior~~
15 ~~to~~ before the anniversary date of ~~filing the certificate~~ of each
16 year, cause to be mailed a notice of the annual certificate to each
17 domestic limited partnership and each foreign limited partnership
18 required to comply with the provisions of this section to the last
19 known office address of ~~the limited partnership~~ record with the
20 Secretary of State.

21 D. A domestic limited partnership or foreign limited
22 partnership that ~~neglects, refuses or~~ fails to file the annual
23 certificate and pay the annual certificate fee within sixty (60)

1 days after the date due shall cease to be in good standing as a
2 domestic limited partnership or registered as a foreign limited
3 partnership in this state.

4 ~~E. Until cancellation, a domestic limited partnership that has~~
5 ~~ceased to be in good standing or a foreign limited partnership that~~
6 ~~has ceased to be registered by reason of the failure to file the~~
7 ~~annual certificate with the Secretary of State may be restored to~~
8 ~~and have the status of a domestic limited partnership in good~~
9 ~~standing or a foreign limited partnership that is registered in this~~
10 ~~state upon the filing of the annual certificate for each year for~~
11 ~~which the domestic limited partnership or foreign limited~~
12 ~~partnership neglected, refused or failed to file the annual~~
13 ~~certificate within three (3) years from the date it is due.~~

14 ~~F. A domestic limited partnership that has ceased to be in good~~
15 ~~standing by reason of its neglect, refusal or failure to file an~~
16 ~~annual certificate with the Secretary of State or pay the registered~~
17 ~~agent fee to the Secretary of State shall remain a domestic limited~~
18 ~~partnership formed under this act until cancellation of its articles~~
19 ~~of organization. The Except for accepting a certificate of~~
20 ~~resignation of a registered agent when a successor registered agent~~
21 ~~is not being appointed or an application for reinstatement, the~~
22 ~~Secretary of State shall not accept for filing any certificate or~~
23 ~~articles, except a certificate of resignation of a registered agent~~

1 ~~when a successor registered agent is not being appointed, required~~
2 ~~or permitted by this act to be filed in~~ or issue any certificate of
3 good standing, respect to any domestic limited partnership that has
4 ceased to be in good standing or foreign limited partnership which
5 ~~has neglected, refused or failed to file an annual certificate, and~~
6 ~~shall not issue any certificate of good standing with respect to the~~
7 ~~domestic limited partnership or foreign limited partnership~~ that has
8 ceased to be registered, unless or until the domestic limited
9 partnership ~~or foreign limited partnership shall have~~ has been
10 ~~restored to and have the status of~~ reinstated as a domestic limited
11 partnership in good standing or the foreign limited partnership has
12 been reinstated as a foreign limited partnership duly registered in
13 this state.

14 ~~G. F.~~ G. F. A domestic limited partnership that has ceased to be in
15 good standing or a foreign limited partnership that has ceased to be
16 registered in this state ~~by reason of its neglect, refusal or~~
17 ~~failure to file an annual certificate or pay an annual registered~~
18 ~~agent fee to the Secretary of State~~ may not maintain any action,
19 suit or proceeding in any court of this state until ~~such~~ the
20 domestic limited partnership ~~or foreign limited partnership~~ has been
21 ~~restored to and has the status of~~ reinstated as a domestic limited
22 partnership in good standing or the foreign limited partnership has
23 been reinstated as a foreign limited partnership ~~in good standing or~~

1 duly registered in this state. An action, suit or proceeding may
2 not be maintained in any court of this state by any successor or
3 assignee of the domestic limited partnership or foreign limited
4 partnership on any right, claim or demand arising out of the
5 transaction of business by the domestic limited partnership after it
6 has ceased to be in good standing or a foreign limited partnership
7 that has ceased to be registered in this state until the domestic
8 limited partnership or foreign limited partnership, or any person
9 that has acquired all or substantially all of its assets, has ~~filed~~
10 ~~its annual certificate with the Secretary of State or paid its~~
11 ~~registered agent fee to the Secretary of State then due and payable,~~
12 ~~together with penalties~~ caused the limited partnership to be
13 reinstated as a domestic limited partnership in good standing or as
14 a foreign limited partnership duly registered in this state, as
15 applicable.

16 G. A domestic limited partnership not in good standing for
17 failure to file an annual certificate and pay the annual certificate
18 fees or registered agent fees, including a domestic limited
19 partnership whose certificate of limited partnership has been
20 canceled under subsection C of Section 311 of this title, or a
21 foreign limited partnership whose registration was canceled for
22 failure to file an annual certificate and pay the annual certificate

1 fees or registered agent fees may apply to the Secretary of State
2 for reinstatement by:

3 1. Filing all delinquent annual certificates with the Secretary
4 of State and paying all delinquent annual certificate fees or paying
5 all delinquent registered agent fees to the Secretary of State,
6 together with any interest and penalties;

7 2. Filing an application for reinstatement with the Secretary
8 of State stating its name at the time it ceased to be in good
9 standing or registered, the date that it ceased to be in good
10 standing or registered, and its current name, if its name at date
11 that it ceased to be in good standing or registered is no longer
12 available under Section 303 or 352 of this title; and

13 3. Paying to the Secretary of State the fee required by Section
14 314 of this title for the application for reinstatement.

15 If the Secretary of State determines that the application
16 contains the required information, the information is correct, all
17 delinquent certificates or other filings are submitted, all
18 delinquent fees, penalties and interest, if any, are paid, and the
19 name satisfies the requirements of Section 303 or 352 of this title,
20 the Secretary of State shall accept the application for
21 reinstatement and issue a certificate of reinstatement in the manner
22 provided in Section 314 of this title for domestic limited
23 partnerships or Section 351 of this title for foreign limited

1 partnerships. If the limited partnership is required to change its
2 name because its name at the time it ceased to be in good standing
3 or registered is no longer available, acceptance of the
4 reinstatement shall constitute an amendment to the domestic limited
5 partnership's certificate of limited partnership to change its name
6 or the adoption of a fictitious name by the foreign limited
7 partnership, as applicable. The application for reinstatement may
8 amend a limited partnership's certificate of limited partnership or
9 certificate of registration, as the case may be, subject to the
10 payment of the additional fee required in Section 314 for
11 amendments; provided that the application may not extend the term of
12 a limited partnership that had expired before the application for
13 reinstatement.

14 H. The ~~neglect, refusal or~~ failure of a domestic limited
15 partnership or foreign limited partnership to file an annual
16 certificate ~~or~~ and pay an annual certificate fee or a registered
17 agent fee to the Secretary of State shall not impair the validity on
18 any contract, deed, mortgage, security interest, lien or act of the
19 domestic limited partnership or foreign limited partnership or
20 prevent the domestic limited partnership or foreign limited
21 partnership from defending any action, suit or proceeding with any
22 court of this state.

1 I. A limited partner of a domestic limited partnership or
2 foreign limited partnership is not liable as a general partner of
3 the domestic limited partnership or foreign limited partnership
4 solely by reason of the ~~neglect, refusal or~~ failure of the domestic
5 limited partnership or foreign limited partnership to file an annual
6 certificate ~~or~~ and pay an annual certificate fee or a registered
7 agent fee to the Secretary of State or by reason of the domestic
8 limited partnership or foreign limited partnership ceasing to be in
9 good standing or duly registered.

10 SECTION 47. AMENDATORY 54 O.S. 2001, Section 314, is
11 amended to read as follows:

12 Section 314.

13 FILING IN OFFICE OF SECRETARY OF STATE

14 A. ~~Two~~ One signed ~~copies~~ copy of the certificate of limited
15 partnership of any certificates of amendment, correction, or
16 cancellation or of any judicial decree of amendment or cancellation,
17 and of any certificate of merger or consolidation, any restated
18 certificate, and any certificate of conversion to limited
19 partnership shall be delivered to the Secretary of State. A person
20 who executes a certificate as an agent or fiduciary need not exhibit
21 evidence of his authority as a prerequisite to filing. Unless the
22 Secretary of State finds that any certificate does not conform to

1 law, upon receipt of all filing fees required by law the Secretary
2 of State shall:

3 1. Endorse on each ~~duplicate original~~ copy the word "Filed" and
4 the day, month and year of the filing thereof;

5 2. File one ~~duplicate original~~ copy in his or her office; and

6 3. Return ~~the other duplicate original~~ a file-stamped copy to
7 the person who filed it or his or her representative.

8 B. ~~Upon~~ Unless a future effective date or time is set forth,
9 which shall be a specified date or time not later than ninety (90)
10 days after the filing, upon the filing of a certificate of amendment
11 or judicial decree of amendment in the Office of the Secretary of
12 State, the certificate of limited partnership shall be amended as
13 set forth therein and upon the effective date of a certificate of
14 cancellation or a judicial decree of amendment, the certificate of
15 limited partnership is canceled.

16 C. The following fees shall be paid to the Secretary of State:

17 1. For filing a certificate of limited partnership, a fee of
18 One Hundred Dollars (\$100.00); ~~and~~

19 2. For filing an amendment to a certificate of limited
20 partnership or a certificate of cancellation, ~~merger, consolidation~~
21 ~~or conversion~~ an application for reinstatement, or any other
22 certificate or document for which a fee is not otherwise specified

1 under the Revised Uniform Limited Partnership Act a fee of Fifty
2 Dollars (\$50.00); and

3 3. For filing a certificate of merger, consolidation or
4 conversion, a fee of One Hundred Dollars (\$100.00).

5 SECTION 48. AMENDATORY 54 O.S. 2001, Section 354, is
6 amended to read as follows:

7 Section 354.

8 CANCELLATION OF REGISTRATION

9 A foreign limited partnership may cancel its registration by
10 filing with the Secretary of State a certificate of cancellation
11 signed by a general partner and paying a cancellation fee in the
12 amount of One Hundred Dollars (\$100.00). A cancellation does not
13 terminate the authority of the Secretary of State to accept service
14 of process on the foreign limited partnership with respect to causes
15 of action arising out of the transactions of business in this state,
16 and must include the address to which the Secretary of State may
17 mail any service of process against the limited partnership that may
18 be served upon the Secretary of State, but the cancellation does
19 terminate the authority of any other agent for service of process
20 previously designated by the foreign limited partnership.

21 SECTION 49. This act shall become effective November 1, 2007.

22 COMMITTEE REPORT BY: COMMITTEE ON JUDICIARY, dated 2-20-07 - DO
23 PASS, As Amended and Coauthored.