

An Act

ENROLLED SENATE
BILL NO. 649

By: Montgomery of the Senate

and

Echols and McDugle of the
House

An Act relating to limited liability companies; amending 18 O.S. 2021, Section 1006, which relates to certificates of incorporation; clarifying requirements for designation of corporate names in certificate of incorporation; amending 18 O.S. 2021, Sections 2001, 2005, 2006, 2008, 2010, 2012, 2012.1, 2012.2, 2054.1, 2054.2, 2054.3, and 2054.4, which relate to the Oklahoma Limited Liability Company Act; modifying and adding definitions; conforming language; clarifying execution requirements for certain articles; clarifying requirements for designation of names of limited liability companies in articles of organization; requiring registered series to maintain registered office and agent for service of process; establishing procedures for filing of corrected documents; requiring cancellation of articles of registered series under certain circumstances; authorizing amendment to certain operating agreements; authorizing entity to convert to a protected or registered series; modifying definition; authorizing conversion of certain entities to a limited liability company; authorizing contractual appraisal rights for conversions to certain entities; authorizing establishment of protected series by contract; clarifying requirements for operating agreement or articles of organization of protected series; establishing requirements applicable to protected series; authorizing establishment of registered series; clarifying requirements for operating agreement or articles of organization or registered series; establishing

requirements applicable to registered series;
authorizing certain actions by registered series;
requiring filing of articles of organization of
registered series with the Secretary of State;
requiring inclusion of certain information in
articles of registered series; providing for articles
of dissolution of articles of registered series;
authorizing conversion of protected series to
registered series; establishing procedures for
conversion of protected series to registered series;
authorizing conversion of registered series to
protected series; establishing procedures for
conversion of registered series to protected series;
authorizing merger or consolidation of one or more
registered series; establishing procedures for merger
or consolidation of one or more registered series;
defining terms; authorizing division of limited
liability companies; establishing procedures for
division of limited liability companies; requiring
filing of articles of division; amending 18 O.S.
2021, Sections 2055, 2055.1, 2055.2, and 2055.3,
which relate to fees, annual certificate, and
reinstatement of limited liability company; imposing
certain filing fees on registered series and dividing
limited liability companies; requiring annual fee by
registered series to Secretary of State for certain
purposes; requiring registered series to file certain
annual certificate; requiring payment of certain
annual fee by registered series; providing for
reinstatement of registered series under certain
circumstances; authorizing manual or electronic
signature and delivery of certain documents;
providing exceptions to applicability of certain
provisions; updating statutory references; providing
for codification; and providing an effective date.

SUBJECT: Oklahoma Limited Liability Company Act

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

SECTION 1. AMENDATORY 18 O.S. 2021, 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:

- a. names of other corporations, whether domestic or foreign, then existing or which existed at any time during the preceding three (3) years,
- b. names of partnerships whether general or limited, or domestic or foreign, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years,
- c. names of limited liability companies, whether domestic or foreign, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years,
- d. names of registered series of a limited liability company,
- e. trade names or fictitious names filed with the Secretary of State, or
- ~~e. corporate, limited liability company or limited partnership names~~

f. names of corporations, limited liability companies, limited partnerships, or registered series of limited liability companies reserved with the Secretary of State;

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

3. The nature of the business or purposes to be conducted or promoted. It shall be sufficient to state, either alone or with other businesses or purposes, that the purpose of the corporation is to engage in any lawful act or activity for which corporations may be organized under the general corporation law of Oklahoma, and by such statement all lawful acts and activities shall be within the purposes of the corporation, except for express limitations, if any;

4. If the corporation is to be authorized to issue only one class of stock, the total number of shares of stock which the corporation shall have authority to issue and the par value of each of such shares, or a statement that all such shares are to be without par value. If the corporation is to be authorized to issue more than one class of stock, the certificate of incorporation shall set forth the total number of shares of all classes of stock which the corporation shall have authority to issue and the number of shares of each class, and shall specify each class the shares of which are to be without par value and each class the shares of which are to have par value and the par value of the shares of each such class. The provisions of this paragraph shall not apply to corporations which are not organized for profit and which are not to have authority to issue capital stock. In the case of such corporations, the fact that they are not to have authority to issue capital stock shall be stated in the certificate of incorporation. The provisions of this paragraph shall not apply to nonstock corporations. In the case of nonstock corporations, the fact that they are not authorized to issue capital stock shall be stated in the certificate of incorporation. The conditions of membership, or other criteria for identifying members, of nonstock corporations shall likewise be stated in the certificate of incorporation or the bylaws. Nonstock corporations shall have members, but the failure to have members shall not affect otherwise valid corporate acts or

work a forfeiture or dissolution of the corporation. Nonstock corporations may provide for classes or groups of members having relative rights, powers and duties, and may make provision for the future creation of additional classes or groups of members having such relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members. Except as otherwise provided in the Oklahoma General Corporation Act, nonstock corporations may also provide that any member or class or group of members shall have full, limited, or no voting rights or powers, including that any member or class or group of members shall have the right to vote on a specified transaction even if that member or class or group of members does not have the right to vote for the election of members of the governing body of the corporation. Voting by members of a nonstock corporation may be on a per capita, number, financial interest, class, group, or any other basis set forth. The provisions referred to in the three preceding sentences may be set forth in the certificate of incorporation or the bylaws. If neither the certificate of incorporation nor the bylaws of a nonstock corporation state the conditions of membership, or other criteria for identifying members, the members of the corporation shall be deemed to be those entitled to vote for the election of the members of the governing body pursuant to the certificate of incorporation or bylaws of such corporation or otherwise until thereafter otherwise provided by the certificate of incorporation or the bylaws;

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

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

7. If the corporation is not for profit:

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

- b. the name and mailing address of each member of the governing body,
- c. the number of members of the governing body to be elected at the first meeting, and
- d. in the event the corporation is a church, the street address of the location of the church.

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

8. If the corporation is a charitable nonstock and does not otherwise provide in its certificate of incorporation:

- a. that the corporation is organized exclusively for charitable, religious, educational, and scientific purposes including, for such purposes, the making of distributions to organizations that qualify as exempt organizations under ~~section~~ Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code,
- b. that upon the dissolution of the corporation, its assets shall be distributed for one or more exempt purposes within the meaning of ~~section~~ Section 501(c)(3) of the Internal Revenue Code, or the corresponding section of any future federal tax code, for a public purpose, and
- c. that the corporation complies with the requirements in paragraph 7 of this subsection.

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

1. Any provision for the management of the business and for the conduct of the affairs of the corporation, and any provision creating, defining, limiting and regulating the powers of the

corporation, the directors, and the shareholders, or any class of the shareholders, or the governing body, the members, or any class or group of the members of a nonstock corporation, if such provisions are not contrary to the laws of this state. Any provision which is required or permitted by any provision of the Oklahoma General Corporation Act to be stated in the bylaws may instead be stated in the certificate of incorporation;

2. The following provisions, in substantially the following form:

- a. for a corporation, other than a nonstock corporation:
"Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its shareholders or any class of them, any court of equitable jurisdiction within the State of Oklahoma, on the application in a summary way of this corporation or of any creditor or shareholder thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 1106 of this title or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 1100 of this title, may order a meeting of the creditors or class of creditors, and/or of the shareholders or class of shareholders of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the shareholders or class of shareholders of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, and/or on all the shareholders or class of shareholders, of this corporation, as the case may be, and also on this corporation", and

b. for a nonstock corporation:

"Whenever a compromise or arrangement is proposed between this corporation and its creditors or any class of them and/or between this corporation and its members or any class of them, any court of equitable jurisdiction within the State of Oklahoma may, on the application in a summary way of this corporation or of any creditor or member thereof or on the application of any receiver or receivers appointed for this corporation under the provisions of Section 1106 of this title or on the application of trustees in dissolution or of any receiver or receivers appointed for this corporation under the provisions of Section 1100 of this title, order a meeting of the creditors or class of creditors, and/or of the members or class of members of this corporation, as the case may be, to be summoned in such manner as the court directs. If a majority in number representing three-fourths (3/4) in value of the creditors or class of creditors, and/or of the members or class of members of this corporation, as the case may be, agree to any compromise or arrangement and to any reorganization of this corporation as a consequence of such compromise or arrangement, the compromise or arrangement and the reorganization, if sanctioned by the court to which the application has been made, shall be binding on all the creditors or class of creditors, and/or on all the members or class of members, of this corporation, as the case may be, and also on this corporation";

3. Such provisions as may be desired granting to the holders of the stock of the corporation, or the holders of any class or series of a class thereof, the preemptive right to subscribe to any or all additional issues of stock of the corporation of any or all classes or series thereof, or to any securities of the corporation convertible into such stock. No shareholder shall have any preemptive right to subscribe to an additional issue of stock or to any security convertible into such stock unless, and except to the extent that, such right is expressly granted to him in the

certificate of incorporation. Preemptive rights, if granted, shall not extend to fractional shares;

4. Provisions requiring, for any corporate action, the vote of a larger portion of the stock or of any class or series thereof, or of any other securities having voting power, or a larger number of the directors, than is required by the provisions of the Oklahoma General Corporation Act;

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

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

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

- a. for any breach of the director's duty of loyalty to the corporation or its shareholders,
- b. for acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law,
- c. under Section 1053 of this title, or
- d. for any transaction from which the director derived an improper personal benefit.

No such provision shall eliminate or limit the liability of a director for any act or omission occurring before the date when such provision becomes effective.

C. It shall not be necessary to set forth in the certificate of incorporation any of the powers conferred on corporations by the provisions of the Oklahoma General Corporation Act.

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

SECTION 2. AMENDATORY 18 O.S. 2021, Section 2001, is amended to read as follows:

Section 2001.

DEFINITIONS

As used in the Oklahoma Limited Liability Company Act, unless the context otherwise requires:

1. "Articles of organization" means documents filed for the purpose of forming a limited liability company, and the articles as amended;

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

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

4. "Capital contribution" means anything of value that a person contributes to the limited liability company as a prerequisite for, or in connection with, membership including cash, property, services

rendered or a promissory note or other binding obligation to contribute cash or property or to perform services;

5. "Capital interest" means the fair market value as of the date contributed of a member's capital contribution as adjusted for any additional capital contributions or withdrawals, a person's share of the profits and losses of a limited liability company and a person's right to receive distributions of the limited liability company's assets;

6. "Charitable entity" means any nonprofit limited liability company or other entity that is exempt from taxation under Section 501(c)(3) of the United States Internal Revenue Code, 26 U.S.C., Section 501(c)(3), or any successor provisions;

7. "Corporation" means a corporation organized under the laws of this state or the laws of any jurisdiction other than this state;

~~7.~~ 8. "Court" includes every court and judge having jurisdiction in the case;

~~8.~~ 9. "Document" means:

- a. any tangible medium on which information is inscribed including handwritten, typed, printed, or similar instruments and copies of such instruments, and
- b. an electronic transmission;

10. "Electronic transmission" means any form of communication not directly involving the physical transmission of paper including the use of or participation in one or more electronic networks or databases, including one or more distributed electronic networks or databases, that creates a record that may be retained, retrieved, and reviewed by a recipient thereof and that may be directly reproduced in paper form by such a recipient through an automated process;

11. "Foreign corporation" means a corporation organized under the laws of any jurisdiction other than this state;

~~9.~~ 12. "Foreign limited liability company" means:

- a. an unincorporated association,
- b. formed under the laws of any jurisdiction other than this state, and
- c. formed under a statute pursuant to which an association may be formed that affords to each of its members limited liability with respect to the liabilities of the entity;

~~10.~~ 13. "Foreign limited partnership" means a limited partnership formed under the laws of any jurisdiction other than this state;

~~11.~~ 14. "Jurisdiction", when used to refer to a political entity, means the United States, a state, a tribal government, a foreign country or a political subdivision of a foreign country;

~~12.~~ 15. "Limited liability company" or "domestic limited liability company" means an entity formed under the Oklahoma Limited Liability Company Act and existing under the laws of this state;

~~13.~~ 16. "Limited partnership" means a limited partnership formed under the laws of this state or a foreign limited partnership as defined in this section;

~~14.~~ 17. "Manager" or "managers" means a person or persons designated by the members of a limited liability company to manage the limited liability company as provided in the articles of organization or an operating agreement and includes a manager of the limited liability company generally and a manager associated with a series of the limited liability company. Unless the context otherwise requires, references in this act to a manager shall be deemed to be references to a manager of the limited liability company generally and to a manager associated with a series with respect to such series;

~~15.~~ 18. "Member" means a person with an ownership interest in a limited liability company, with the rights and obligations specified under the Oklahoma Limited Liability Company Act and includes a member of the limited liability company generally and a member

associated with a series of the limited liability company. Unless the context otherwise requires, references in this act to a member shall be deemed to be references to a member of the limited liability company generally and to a member associated with a series with respect to such series;

~~16.~~ 19. "Membership interest" or "interest" means a member's rights in the limited liability company, collectively including the member's share of the profits and losses of the limited liability company, the right to receive distributions of the limited liability company's assets and capital interest, any right to vote or participate in management and such other rights accorded to members under the articles of organization, operating agreement or the Oklahoma Limited Liability Company Act;

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

~~18.~~ 21. "Person" means an individual, a general partnership, a limited partnership, a limited liability company, a trust, an estate, an association, a corporation or any other legal or commercial entity;

~~19.~~ 22. "Protected series" means a designated series of members, managers, membership interests, or assets that is established in accordance with Section 2054.4 of this title;

23. "Registered series" means a designated series of members, managers, membership interests, or assets that is formed in accordance with Section 14 of this act; and

24. "State" means a state, territory or possession of the United States, the District of Columbia or the Commonwealth of Puerto Rico; and

~~20. "Charitable entity" means any nonprofit limited liability company or other entity that is exempt from taxation under Section~~

~~501(c)(3) of the United States Internal Revenue Code (26 U.S.C., Section 501(c)(3)), or any successor provisions.~~

SECTION 3. AMENDATORY 18 O.S. 2021, Section 2005, is amended to read as follows:

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

1. The name of the limited liability company;
2. The term of the existence of the limited liability company which may be perpetual; and
3. The street address of its principal place of business, wherever located, and the name and street address of its registered agent which shall be identical to its registered office in this state.

B. If the limited liability company is to establish two or more series of members, managers or membership interests having separate rights, powers or duties as provided under Section 2054.4 of this title or Section 14 of this act and the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series are to be enforceable against the assets of the series only, the articles of organization shall set forth a notice of the limitation on liabilities of the series.

C. The articles of organization may set forth any other matters the members determine to include. It is not necessary to set out in the articles of organization any of the powers enumerated in ~~this act~~ Section 2000 et seq. of this title.

SECTION 4. AMENDATORY 18 O.S. 2021, Section 2006, is amended to read as follows:

Section 2006. A. Articles required by ~~this act~~ Section 2000 et seq. of this title to be filed with the Office of the Secretary of State shall be executed in the following manner:

1. Articles of organization must be signed by at least one person who need not be a member of the limited liability company; and

2. Articles of amendment, registered series, merger, consolidation, conversion, division, or dissolution must be signed by a manager.

B. Any person may sign any articles by an attorney in fact. A person who executes articles as an attorney-in-fact, agent or fiduciary is not required to exhibit evidence of his or her authority as a prerequisite to filing.

C. The execution of any articles under ~~this act~~ the Oklahoma Limited Liability Company Act constitutes an affirmation under the penalties of perjury that the facts stated therein are true.

D. Any signature on articles or any other instrument authorized by ~~this act~~ the Oklahoma Limited Liability Company Act may be a facsimile signature, a conformed signature or an electronically transmitted signature.

SECTION 5. AMENDATORY 18 O.S. 2021, Section 2008, is amended to read as follows:

Section 2008. A. The name of each limited liability company as set forth in its articles of organization÷

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

~~2. a. May.~~

B. The name of each registered series as set forth in its articles of registered series shall set forth the name of the limited liability company including any word, abbreviation, or designation required by subsection A of this section, and the name of the registered series.

C. The name of the limited liability company or registered series may not be the same as or indistinguishable from:

~~(1) names~~

1. Names upon the records in the Office of the Secretary of State of limited liability companies, whether organized pursuant to the laws of this state or licensed or registered as foreign limited liability companies, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years,~~—or~~

~~(2) —names;~~

2. Names upon the records in the Office of the Secretary of State of corporations organized under the laws of this state or of foreign corporations registered in accordance with the laws of this state then existing or which existed at any time during the preceding three (3) years,~~—or~~

~~(3) —names;~~

3. Names upon the records in the Office of the Secretary of State of general or limited partnerships, whether formed under the laws of this state or registered as foreign general or limited partnerships, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years,~~—or~~

~~(4) —trade;~~

4. Names upon the records in the Office of the Secretary of State of registered series, whether formed under the laws of this state or registered as foreign registered series, then in good standing or registered or which were in good standing or registered at any time during the preceding three (3) years; or

5. Trade names, fictitious names, or other names reserved with the Secretary of State.

~~b. D.~~ The provisions of ~~subparagraph a~~ subsection C of this ~~paragraph~~ section shall not apply if one of the following is filed with the Secretary of State:

~~(1) —the~~

1. The written consent of the other limited liability company, registered series, corporation, limited partnership, or holder of the trade name, fictitious name or other reserved name to use the same or indistinguishable name with the addition of one or more words, numerals, numbers or letters to make that name distinguishable upon the records of the Secretary of State, except that the addition of words, numerals, numbers or letters to make the name distinguishable shall not be required where such written consent states that the consenting entity is about to change its name, cease to do business, withdraw from the state or be wound up~~;~~ or

~~(2)~~—a

2. A certified copy of a final decree of a court of competent jurisdiction establishing the prior right of such limited liability company or holder of a limited liability company name to the use of such name in this state.

SECTION 6. AMENDATORY 18 O.S. 2021, Section 2010, is amended to read as follows:

Section 2010. A. Every domestic limited liability company and registered series shall continuously maintain in this state:

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

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

B. 1. A limited liability company or registered series may designate or change its registered agent, registered office or principal office by filing with the Office of the Secretary of State

a statement authorizing the designation or change and signed by any manager.

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

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

C. 1. A registered agent who changes its, his or her name or street address in the state may notify the Office of the Secretary of State of the change by filing with the Office of the Secretary of State a statement of the change signed by the agent or on the agent's behalf.

2. The statement shall include:

- a. the name of the limited liability company or registered series for which the change is effective,
- b. the new name or street address, or both, of the registered agent, and
- c. the date on which the change is effective, if to be effective after the filing date.

3. If the new address of the registered agent is the same as the new address of the principal office of the limited liability company or registered series, the statement may include a change of address of the principal office if:

- a. the registered agent notifies the limited liability company or registered series of the change in writing, and

- b. the statement recites that the registered agent has done so.

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

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

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

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

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

SECTION 7. AMENDATORY 18 O.S. 2021, Section 2012, is amended to read as follows:

Section 2012. A. If any document filed with the Office of the Secretary of State under ~~this act contains any typographical error, error of transcription, or other technical error or has been defectively executed~~ Section 2000 et seq. of this title is an

inaccurate record of the action referred to or was defectively or erroneously executed, the document may be corrected by the filing of articles of correction.

B. Articles of correction shall set forth:

1. The title of the document being corrected;

2. The date that the document being corrected was filed; and

3. The provision in the document as previously filed and as corrected and, if execution of the document was defective, the manner in which it was defective.

C. Articles of correction may not make any other change or amendment which would not have complied in all respects with the requirements of ~~this act~~ the Oklahoma Limited Liability Company Act at the time the document being corrected was filed.

D. Articles of correction shall be executed in the same manner in which the document being corrected was required to be executed.

E. Articles of correction may not:

1. Change the effective date of the document being corrected;
or

2. Affect any right or liability accrued or incurred before its filing, except that any right or liability accrued or incurred by reason of the error or defect being corrected shall be extinguished by the filing if the person having the right has not detrimentally relied on the original document.

F. Notwithstanding that any instrument authorized to be filed with the Secretary of State pursuant to the provisions of ~~this act~~ the Oklahoma Limited Liability Company Act is, when filed inaccurately, defectively, or erroneously executed, sealed or acknowledged, or otherwise defective in any respect, the Secretary of State shall not be liable to any person for the preclearance for filing, or the filing and indexing of the instrument by the Secretary of State.

G. In lieu of filing articles of correction, a document may be corrected by filing with the Secretary of State a corrected document which shall be executed and filed as if the corrected document were the document being corrected, and a fee equal to the fee payable to the Secretary of State for articles of correction as prescribed by Section 2055 of this title shall be paid to the Secretary of State. The corrected document shall be specifically designated as such in its heading, shall specify the inaccuracy or defect to be corrected, and shall set forth the entire document in corrected form. A document corrected in accordance with this section shall be effective as of the date the original document was filed, except as to those persons who are substantially and adversely affected by the correction and as to those persons the document as corrected shall be effective from the filing date.

SECTION 8. AMENDATORY 18 O.S. 2021, Section 2012.1, is amended to read as follows:

Section 2012.1.

CANCELLATION OF ARTICLES OF ORGANIZATION

A. The articles of organization or registered series shall be canceled ~~upon~~:

1. Upon the dissolution and the completion of winding up of a limited liability company, ~~or as~~ or registered series;

2. As provided in subsection B of this section, ~~or upon~~;

3. Upon the filing of a certificate of merger or consolidation if the domestic limited liability company or registered series is not the surviving or resulting entity in a merger or consolidation, ~~or upon~~;

4. Upon the conversion of a domestic limited liability company approved in accordance with Section 2054.2 of this title;

5. Upon the filing of articles of division if the limited liability company is a dividing company that is not a surviving company; or

6. Upon the future effective date or time of the articles of division if the limited liability company is a dividing company that is not a surviving company.

B. The articles of organization of a domestic limited liability company or articles of registered series of a registered series shall be deemed to be canceled if the domestic limited liability company or registered series fails to file the annual certificate and pay the annual fee provided in Section 2055.2 of this title or pay the registered agent fee to the Secretary of State due under Section 2055 of this title within three (3) years from the date the certificate or fee is due, the cancellation to be effective on the third anniversary of the due date.

C. A limited liability company whose articles of organization or registered series whose articles of registered series have been canceled under subsection B of this section may apply for reinstatement under subsection ~~G~~ A of Section ~~2055.2~~ 2055.3 of this title.

SECTION 9. AMENDATORY 18 O.S. 2021, Section 2012.2, is amended to read as follows:

Section 2012.2.

OPERATING AGREEMENT OF LLC

A. The operating agreement of the limited liability company governs generally:

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

2. The rights and duties under the Oklahoma Limited Liability Company Act of a person in the capacity of manager;

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

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

If the operating agreement does not otherwise provide, the Oklahoma Limited Liability Company Act governs the matter. The operating agreement may not vary the rights, privileges, duties and obligations imposed specifically under the Oklahoma Limited Liability Company Act.

B. A limited liability company, including any protected series or registered series thereof, is bound by its operating agreement regardless of whether it executes the operating agreement. A member or manager of a limited liability company, or any protected series or registered series thereof, or an assignee of a capital interest is bound by the operating agreement regardless of whether the member, manager or assignee executes the operating agreement.

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

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

E. If an operating agreement does not provide for the manner in which it may be amended, the operating agreement may be amended with the approval of members holding a majority of the membership interest entitled to vote.

SECTION 10. AMENDATORY 18 O.S. 2021, Section 2054.1, is amended to read as follows:

Section 2054.1.

CONVERSION OF AN ENTITY TO A LIMITED LIABILITY COMPANY

A. As used in this section, the term "entity" means a foreign limited liability company, a domestic or foreign public benefit limited liability company, a domestic or foreign corporation, a

domestic or foreign partnership whether general or limited, and including a limited liability partnership and a limited liability limited partnership, and any domestic or foreign unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise.

B. Any entity may convert to a domestic limited liability company, including a protected or registered series of a limited liability company, by complying with subsection H of this section and filing with the Secretary of State in accordance with ~~Section 2007 of this title~~ the statutes applicable to the converting entity articles of conversion to a limited liability company that have been executed in accordance with ~~Section 2006 of this title~~ the statutes applicable to the converting entity, to which shall be attached articles of organization that comply with Sections 2005 and 2008 of this title and have been executed by one or more authorized persons in accordance with Section 2006 of this title.

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

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

2. The name, jurisdiction of formation of the entity, and type of entity when formed and, if changed, its name, jurisdiction and type of entity immediately before filing of the articles of conversion to limited liability company;

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

4. The future effective date or time of the conversion to a limited liability company, which shall be a date or time certain not later than ninety (90) days after the filing, if it is not to be effective upon the filing of the articles of conversion to a limited liability company and the articles of organization.

D. Upon the effective date or time of the articles of conversion to limited liability company and the articles of

organization, the entity shall be converted to a domestic limited liability company and the limited liability company shall thereafter be subject to all of the provisions of the Oklahoma Limited Liability Company Act, except that notwithstanding Section 2004 of this title, the existence of the limited liability company shall be deemed to have commenced on the date the entity was formed.

E. The conversion of any entity into a domestic limited liability company shall not be deemed to affect any obligations or liabilities of the entity incurred before its conversion to a domestic limited liability company or the personal liability of any person incurred before the conversion.

F. When an entity has converted to a domestic limited liability company under this section, the domestic limited liability company shall be deemed to be the same entity as the converting entity. All of the rights, privileges and powers of the entity that has converted, and all property, real, personal and mixed, and all debts due to the entity, as well as all other things and causes of action belonging to the entity, shall remain vested in the domestic limited liability company and shall be the property of the domestic limited liability company, and the title to any real property vested by deed or otherwise in the entity shall not revert or be in any way impaired by reason of the conversion, but all rights of creditors and all liens upon any property of the entity shall be preserved unimpaired, and all debts, liabilities and duties of the entity that has converted shall remain attached to the domestic limited liability company and may be enforced against it to the same extent as if the debts, liabilities and duties had been incurred or contracted by it in its capacity as a domestic limited liability company. The rights, privileges, powers and interests in property of the entity, as well as the debts, liabilities and duties of the entity, shall not be deemed, as a consequence of the conversion, to have been transferred to the domestic limited liability company to which the entity has converted for any purpose of the laws of this state.

G. Unless otherwise agreed or otherwise provided by any laws of this state applicable to the converting entity, the converting entity shall not be required to wind up its affairs or pay its liabilities and distribute its assets, and the conversion shall not be deemed to constitute a dissolution of the entity and shall

constitute a continuation of the existence of the converting entity in the form of a domestic limited liability company.

H. Before filing the articles of conversion to a domestic limited liability company with the Office of the Secretary of State, the conversion shall be approved in the manner provided for by the document, instrument, agreement or other writing, as the case may be, governing the internal affairs of the entity and the conduct of its business or by applicable law, as appropriate, and articles of organization shall be approved by the same authorization required to approve the conversion.

I. In a conversion of an entity to a domestic limited liability company under this section, rights or securities of or memberships or membership, economic or ownership interests in the entity that is to be converted to a domestic limited liability company may be exchanged for or converted into cash, property, or rights or securities of or interests in the domestic limited liability company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property or rights or securities of or memberships or membership, economic or ownership interests in another domestic limited liability company or other entity.

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

K. Nothing in this section shall be deemed to authorize the conversion of a charitable entity into a domestic limited liability company, if the charitable status of such entity would thereby be lost or impaired.

SECTION 11. AMENDATORY 18 O.S. 2021, Section 2054.2, is amended to read as follows:

Section 2054.2.

CONVERSION OF A LIMITED LIABILITY COMPANY TO AN ENTITY

A. A domestic limited liability company may convert to an entity upon the authorization of such conversion in accordance with this section. As used in this section, the term "entity" means a domestic or foreign protected or registered series of a limited liability company, a foreign limited liability company, a domestic or foreign public benefit limited liability company, a domestic or foreign corporation including a public benefit corporation, a domestic or foreign partnership whether general or limited, and including a limited liability partnership and a limited liability limited partnership, and any domestic or foreign unincorporated nonprofit or for-profit association, trust or enterprise having members or having outstanding shares of stock or other evidences of financial, beneficial or membership interest therein, whether formed by agreement or under statutory authority or otherwise.

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

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

D. If the operating agreement does not specify the manner of authorizing a conversion of the limited liability company or a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a conversion of the limited liability company, the conversion shall be authorized by the approval of a majority of the membership interest or, if there is more than one class or group of members, then by a majority of the membership interest in each class or group of members. Notwithstanding the foregoing, in addition to any other authorization required by this section, if the entity into which the limited liability company is to convert does not afford all of its interest holders protection against personal liability for the debts of the entity, the conversion must be authorized by any and all members who would be exposed to personal liability.

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

F. In a conversion of a domestic limited liability company to an entity under this section, rights or securities of or interests in the domestic limited liability company which are to be converted may be exchanged for or converted into cash, property, rights or securities of or memberships or membership, economic or ownership interests in the entity to which the domestic limited liability company is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights or securities of or memberships or membership, economic or ownership interests in another entity or may be canceled.

G. If the governing act of a domestic entity to which the limited liability company is converting does not provide for the filing of a conversion notice with the Secretary of State or the limited liability company is converting to a foreign entity, articles of conversion executed in accordance with Section 2006 of this title, shall be filed in the Office of the Secretary of State in accordance with Section 2007 of this title. The articles of conversion shall state:

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

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

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

4. The future effective date or time of the conversion, which shall be a date or time certain not later than ninety (90) days

after the filing, if it is not to be effective upon the filing of the articles of conversion;

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

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

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

H. Upon the filing of a conversion notice with the Secretary of State, whether under subsection G of this section or under the governing act of the domestic entity to which the limited liability company is converting, the filing of any formation document required by the governing act of the domestic entity to which the limited liability company is converting, and payment to the Secretary of State of all prescribed fees, the Secretary of State shall certify that the limited liability company has filed all documents and paid all required fees, and thereupon the domestic limited liability company shall cease to exist as a limited liability company of this state. The Secretary of State's certificate shall be prima facie evidence of the conversion by the domestic limited liability company.

I. The conversion of a domestic limited liability company to an entity under this section and the resulting cessation of its existence as a domestic limited liability company shall not be deemed to affect any obligations or liabilities of the limited liability company incurred before the conversion or the personal liability of any person incurred before the conversion, nor shall it be deemed to affect the choice of law applicable to the limited

liability company with respect to matters arising before the conversion.

J. When a domestic limited liability company has converted to an entity under this section, the entity shall be deemed to be the same entity as the limited liability company. All of the rights, privileges and powers of the domestic limited liability company that has converted, and all property, real, personal and mixed, and all debts due to the limited liability company, as well as all other things and causes of action belonging to the limited liability company, shall remain vested in the entity to which the domestic limited liability company has converted and shall be the property of the entity, and the title to any real property vested by deed or otherwise in the domestic limited liability company shall not revert or be in any way impaired by reason of the conversion; but all rights of creditors and all liens upon any property of the limited liability company shall be preserved unimpaired, and all debts, liabilities and duties of the limited liability company that has converted shall remain attached to the entity to which the domestic limited liability company has converted, and may be enforced against it to the same extent as if the debts, liabilities and duties had originally been incurred or contracted by it in its capacity as the entity. The rights, privileges, powers and interests in property of the domestic limited liability company that has converted, as well as the debts, liabilities and duties of the limited liability company, shall not be deemed, as a consequence of the conversion, to have been transferred to the entity to which the limited liability company has converted for any purpose of the laws of this state.

K. Nothing in this section shall be deemed to authorize the conversion of a charitable domestic limited liability company into another entity, if the charitable status of such domestic limited liability company would thereby be lost or impaired.

SECTION 12. AMENDATORY 18 O.S. 2021, Section 2054.3, is amended to read as follows:

Section 2054.3. An operating agreement or other agreement may provide that contractual appraisal rights with respect to a membership interest or another interest in a limited liability company shall be available for any class or group of members or membership interests in connection with any amendment of an

operating agreement, any merger or consolidation to which the limited liability company is a constituent party, any conversion of the limited liability company to another business entity, any conversion of a protected series to a registered series or a registered series to a protected series, any division of the limited liability company, any plan of division, any transfer to or domestication in any jurisdiction by the limited liability company, or the sale of all or substantially all of the limited liability company's assets. The district court shall have jurisdiction to hear and determine any matter relating to any ~~such~~ contractual appraisal rights.

SECTION 13. AMENDATORY 18 O.S. 2021, Section 2054.4, is amended to read as follows:

Section 2054.4.

SERIES OF MEMBERS, MANAGERS, OR MEMBERSHIP INTERESTS HAVING SEPARATE RIGHTS - PERSONAL OBLIGATION OF MEMBER OR MANAGER

A. An operating agreement may establish or provide for the establishment of one or more designated series of members, managers, membership interests or assets. Any such series may have separate rights, powers or duties with respect to specified property or obligations of the limited liability company or profits and losses associated with specified property or obligations, and any such series may have a separate business purpose or investment objective. No provision of subsection B of this section or Section 14 of this act shall be construed to limit the application of the principle of freedom of contract to a series that is not a protected or registered series. Other than under Sections 15, 16, and 17 of this act, a series may not merge, consolidate, or convert under any section of this title or any other statute of this state.

B. A series established in accordance with this subsection is a protected series. Notwithstanding anything to the contrary set forth in the Oklahoma Limited Liability Company Act or under other applicable law, if an operating agreement establishes or provides for the establishment of one or more series, and if to the extent the records maintained for any such series account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof, and if the

operating agreement so provides, and if notice of the limitation on liabilities of a series as referenced in this subsection is set forth in the articles of organization of the limited liability company, then the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to ~~a particular~~ such series shall be enforceable against the assets of such series only, and not against the assets of the limited liability company generally or any other series thereof, and, unless otherwise provided in the operating agreement, none of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of the series. Neither the provisions of this subsection nor any provision pursuant thereto in an operating agreement or articles of organization shall (i) restrict a protected series or limited liability company on behalf of a protected series from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of such protected series; or (ii) restrict a limited liability company from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a protected series shall be enforceable against the assets of the limited liability company generally. Assets associated with a protected series may be held directly or indirectly, including in the name of such series, in the name of the limited liability company, through a nominee or otherwise. Records maintained for a protected series that reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure, including a percentage or share of any asset or assets, or by any other method where the identity of such assets is objectively determinable, will be deemed to account for the assets associated with such series separately from the other assets of the limited liability company, or any other series thereof. Notice in articles of organization of the limitation on liabilities of a protected series as referenced in this subsection shall be sufficient for all purposes regardless of whether the limited liability company has established any protected series when the notice is included in the articles of organization, and there shall be no requirement that any specific protected series

of the limited liability company be referenced in the notice or that the notice use the term "protected". The fact that articles of organization containing the foregoing notice of the limitation on liabilities of a protected series are on file in the ~~office~~ Office of the Secretary of State shall constitute notice of the limitation on liabilities of a protected series. As used in this act, a reference to assets of a protected series includes assets associated with such series, and a reference to assets associated with a protected series includes assets of such series. A reference to members or managers of a protected series includes members or managers associated with such series, and a reference to members or managers associated with a protected series includes members or managers of such series. The following shall apply to a protected series:

~~C. 1.~~ A protected series established in accordance with subsection B of this section may carry on any lawful business, purpose or activity, regardless of whether or not for profit, with the exception of the business of a domestic insurer that a limited liability company may conduct in this state. Unless otherwise provided in the an operating agreement, a protected series established in accordance with subsection B of this section shall have the power and capacity to, in its own name, contract, hold title to assets, including real, personal and intangible property, grant liens and security interests, and sue and be sued;

~~D. 2.~~ Except as otherwise provided by this act, no member or manager of a protected series shall be obligated personally for any debt, obligation, or liability of such series, whether arising in contract, tort, or otherwise, solely by reason of being a member or acting as manager of such series. Notwithstanding Section 2022 of this title paragraph, under an operating agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations and liabilities of one or more protected series;

~~E. 3.~~ An operating agreement may provide for classes or groups of members or managers associated with a protected series having such relative rights, powers and duties as the operating agreement may provide, and may make provision for the future creation in the manner provided in the operating agreement of additional classes or groups of members or managers associated with the series having such

relative rights, powers and duties as may from time to time be established, including rights, powers and duties senior to existing classes and groups of members or managers associated with the series. An operating agreement may provide for the taking of an action, including the amendment of the operating agreement, without the vote or approval of any member or manager or class or group of members or managers, including an action to create under the provisions of the operating agreement a class or group of ~~the a~~ protected series of membership interests that was not previously outstanding. An operating agreement may provide that any member or class or group of members associated with a protected series shall have no voting rights-;

~~F.~~ 4. An operating agreement may grant to all or certain identified members or managers or a specified class or group of the members or managers associated with a protected series the right to vote separately or with all or any class or group of the members or managers associated with the series, on any matter. Voting by members or managers associated with a protected series may be on a per capita, number, financial interest, class, group or any other basis-;

~~G.~~ 5. Unless otherwise provided in an operating agreement, the management of a protected series shall be vested in the members associated with the series in proportion to their membership interest, with the decision of members owning a majority of the membership interest controlling; provided, however, that if an operating agreement provides for the management of ~~the a~~ protected series, in whole or in part, by a manager, the management of the series, to the extent so provided, shall be vested in the manager who shall be chosen in the manner provided in the operating agreement. The manager of ~~the a~~ protected series shall also hold the offices and have the responsibilities accorded to the manager as set forth in an operating agreement. A protected series may have more than one manager. Subject to paragraph 3 of Section 2014 of this title, a manager shall cease to be a manager with respect to a protected series as provided in an operating agreement. Except as otherwise provided in an operating agreement, any event under this chapter or in an operating agreement that causes a manager to cease to be a manager with respect to a protected series shall not, in itself, cause the manager to cease to be a manager of the limited liability company or with respect to any other series thereof-;

~~H.~~ 6. Subject to ~~subsections I and L~~ paragraphs 7 and 10 of this ~~section~~ subsection, and unless otherwise provided in an operating agreement, at the time a member ~~associated with a series that has been established in accordance with subsection B of this section~~ of a protected series becomes entitled to receive a distribution with respect to the series, the member has the status of, and is entitled to all remedies available to, a creditor of the series, with respect to the distribution. An operating agreement may provide for the establishment of a record date with respect to allocations and distributions with respect to a protected series.;

~~I.~~ 7. Notwithstanding Section 2040 of this title, a limited liability company may make a distribution with respect to a protected series ~~that has been established in accordance with subsection B of this section~~. A limited liability company shall not make a distribution with respect to a protected series ~~that has been established in accordance with subsection B of this section~~ to a member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the series, other than liabilities to members on account of their membership interests with respect to the series and liabilities for which the recourse of creditors is limited to specified property of the series, exceed the fair value of the assets associated with the series, except that the fair value of property of the series that is subject to a liability for which the recourse of creditors is limited shall be included in the assets associated with the series only to the extent that the fair value of that property exceeds that liability. For purposes of the immediately preceding sentence, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of this ~~subsection~~ paragraph, and who knew or should have known at the time of the distribution that the distribution violated this ~~subsection~~ paragraph, shall be liable to ~~a~~ the protected series for the amount of the distribution. A member who receives a distribution in violation of this ~~subsection~~ paragraph, and who did not know and had no reason to know at the time of the distribution that the distribution violated this ~~subsection~~ paragraph, shall not be liable for the amount of the distribution. Subject to subsection C of Section 2040 of this

title, which shall apply to any distribution made with respect to a protected series under this ~~subsection~~ paragraph, this ~~subsection~~ paragraph shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution~~;~~;

~~J.~~ 8. Unless otherwise provided in the operating agreement, a member shall cease to be associated with a protected series and to have the power to exercise any rights or powers of a member with respect to the series upon the assignment of all of the member's capital interest with respect to the series. Except as otherwise provided in an operating agreement, any event under this chapter or an operating agreement that causes a member to cease to be associated with a protected series shall not, in itself, cause the member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company or cause the termination of the protected series, regardless of whether the member was the last remaining member associated with the series~~;~~;

~~K.~~ 9. Subject to Section 2037 of this title, except to the extent otherwise provided in the operating agreement, a protected series may be terminated and its affairs wound up without causing the dissolution of the limited liability company. The termination of a protected series ~~established in accordance with subsection B of this section~~ shall not affect the limitation on liabilities of the series ~~provided by subsection B of this section~~. A protected series is terminated and its affairs shall be wound up upon the dissolution of the limited liability company under Section 2037 of this title or otherwise upon the first to occur of the following:

~~1. At~~

a. at the time specified in the operating agreement~~;~~;

~~2. Upon~~

b. upon the happening of events specified in the operating agreement~~;~~;

~~3. Unless~~

- c. unless otherwise provided in the operating agreement, upon the affirmative vote or written consent of the members of the limited liability company associated with the series or, if there is more than one class or group of members associated with the series, then by each class or group of members associated with the series, in either case, by members associated with the series who own more than two-thirds (2/3) of the then-current membership interest owned by all of the members associated with the series or by the members in each class or group of the series, as appropriate~~+~~, or

4. ~~The~~

- d. the termination of the series under subsection M paragraph 11 of this section. subsection;

~~10.~~ 10. Unless otherwise provided in the operating agreement, a manager associated with a protected series who has not wrongfully terminated the series or, if none, the members associated with the series or a person approved by the members associated with the series or, if there is more than one class or group of members associated with the series, then by each class or group of members associated with the series, in either case, by a majority of the membership interest owned by all of the members associated with the series or by the members in each class or group associated with the series, as appropriate, may wind up the affairs of the series; but~~7~~, ~~if the series has been established in accordance with subsection B of this section,~~ the district court, upon cause shown, may wind up the affairs of ~~the~~ a protected series upon application of any member or manager associated with the series, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee. The persons winding up the affairs of a protected series may, in the name of the limited liability company and for and on behalf of the limited liability company and the series, take all actions with respect to the series as are permitted under subsection A of Section 2039 of this title. The persons winding up the affairs of a protected series shall provide for the claims and obligations of the series and distribute the assets of the series as provided in Section 2040 of this title, which section shall apply to the winding up and distribution of assets of a

protected series. Actions taken in accordance with this subsection shall not affect the liability of members and shall not impose liability on a liquidating trustee-;

~~M.~~ 11. On application by or for a member or manager associated with a protected series ~~established in accordance with subsection B of this section,~~ the district court may decree termination of the series whenever it is not reasonably practicable to carry on the business of the series in conformity with an operating agreement;
and

12. For all purposes of the laws of this state, a protected series is an association, regardless of the number of members or managers, if any, of such series. An operating agreement does not need to use the term "protected" when referencing series or to refer to this section.

~~N.~~ C. If a foreign limited liability company that is registering to do business in this state in accordance with Section 2043 of this title is governed by an operating agreement that establishes or provides for the establishment of designated series of members, managers, membership interests or assets having separate rights, powers or duties with respect to specified property or obligations of the foreign limited liability company or profits and losses associated with specified property or obligations, that fact shall be so stated on the application for registration as a foreign limited liability company. In addition, the foreign limited liability company shall state on the application whether the debts, liabilities and obligations incurred, contracted for or otherwise existing with respect to a particular series, if any, shall be enforceable against the assets of the series only, and not against the assets of the foreign limited liability company generally or any other series thereof, and whether any of the debts, liabilities, obligations and expenses incurred, contracted for or otherwise existing with respect to the foreign limited liability company generally or any other series thereof shall be enforceable against the assets of the series.

SECTION 14. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2054.5 of Title 18, unless there is created a duplication in numbering, reads as follows:

REGISTERED SERIES OF MEMBERS, MANAGERS, MEMBERSHIP INTERESTS, OR
ASSETS

A. If an operating agreement provides for the establishment or formation of one or more series, then a registered series may be formed by complying with this section. An operating agreement does not need to use the term "registered" when referencing series or to refer to this section, and a reference in an operating agreement for a registered series, including a registered series resulting from the conversion of a protected series to a registered series, may continue to refer to Section 2054.4 of Title 18 of the Oklahoma Statutes, which reference is deemed a reference to this section with respect to the registered series. A registered series is formed by the filing of articles of registered series in the Office of the Secretary of State.

B. Notice of the limitation on liabilities of a registered series as referenced in subsection C of this section shall be set forth in the articles of organization of the limited liability company. Notice in articles of organization of the limitation on liabilities of a registered series as referenced in subsection C of this section shall be sufficient for all purposes of this subsection whether or not the limited liability company has formed any registered series when the notice is included in the articles of organization, and there shall be no requirement that (i) any specific registered series of the limited liability company be referenced in the notice, (ii) the notice use the term "registered" when referencing series or include a reference to this section, or (iii) the articles of organization be amended if it includes a reference to Section 2054.4 of Title 18 of the Oklahoma Statutes. Any reference to Section 2054.4 of Title 18 of the Oklahoma Statutes in the articles of organization of a limited liability company that has one or more registered series is deemed a reference to this section with respect to the registered series. The fact that articles of organization that contain the foregoing notice of the limitation on liabilities of a series is on file in the Office of the Secretary of State shall constitute notice of the limitation on liabilities of a registered series.

C. Notwithstanding anything to the contrary set forth in this act or under other applicable law, to the extent the records maintained for a registered series account for the assets associated

with the series separately from the other assets of the limited liability company, or any other series thereof, then the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the series shall be enforceable against the assets of the series only, and not against the assets of the limited liability company generally or any other series thereof, and, unless otherwise provided in the operating agreement, none of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of the series. Neither the provisions of this subsection nor any provision pursuant thereto in an operating agreement, articles of organization, or articles of registered series shall (i) restrict a registered series or limited liability company on behalf of a registered series from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to the limited liability company generally or any other series thereof shall be enforceable against the assets of the registered series; or (ii) restrict a limited liability company from agreeing in the operating agreement or otherwise that any or all of the debts, liabilities, obligations, and expenses incurred, contracted for, or otherwise existing with respect to a registered series shall be enforceable against the assets of the limited liability company generally. Assets associated with a registered series may be held directly or indirectly, including in the name of the series, in the name of the limited liability company, through a nominee, or otherwise. Records maintained for a registered series that reasonably identify its assets, including by specific listing, category, type, quantity, computational or allocational formula or procedure including a percentage or share of any asset or assets, or by any other method where the identity of the assets is objectively determinable, will be deemed to account for the assets associated with the series separately from the other assets of the limited liability company, or any other series thereof. As used in this act, a reference to assets of a registered series includes assets associated with the series, a reference to assets associated with a registered series includes assets of the series, a reference to members or managers of a registered series includes members or managers associated with the series, and a reference to members or managers associated with a

registered series includes members or managers of the series. The following shall apply to a registered series:

1. A registered series may carry on any lawful business, purpose, or activity, regardless of whether for profit, that a limited liability company may conduct in this state. Unless otherwise provided in an operating agreement, a registered series shall have the power and capacity to, in its own name, contract, hold title to assets, including real, personal, and intangible property, grant liens and security interests, and sue and be sued;

2. Except as otherwise provided by this act, no member or manager of a registered series shall be obligated personally for any debt, obligation, or liability of the series, whether arising in contract, tort, or otherwise, solely by reason of being a member or acting as manager of the series. Notwithstanding the preceding sentence, under an operating agreement or under another agreement, a member or manager may agree to be obligated personally for any or all of the debts, obligations, and liabilities of one or more registered series;

3. An operating agreement may provide for classes or groups of members or managers associated with a registered series having the relative rights, powers, and duties as the operating agreement may provide, and may make a provision for the future creation, in the manner provided in the operating agreement, of additional classes or groups of members or managers associated with the series having the relative rights, powers, and duties as may from time to time be established, including rights, powers, and duties senior to existing classes and groups of members or managers associated with the series. An operating agreement may provide for the taking of an action, including the amendment of the operating agreement, without the vote or approval of any member, manager, or class or group of members or managers, including an action to create under the provisions of the operating agreement a class or group of a registered series of membership interests that was not previously outstanding. An operating agreement may provide that any member or class or group of members associated with a registered series shall have no voting rights;

4. An operating agreement may grant to all or certain identified members or managers or a specified class or group of the

members or managers associated with a registered series the right to vote separately or with all or any class or group of the members or managers associated with the series, on any matter. Voting by members or managers associated with a registered series may be on a per capita, number, financial interest, class, group, or any other basis;

5. Unless otherwise provided in an operating agreement, the management of a registered series shall be vested in the members associated with the series in proportion to the then current percentage or other interest of members in the profits of the series owned by all of the members associated with the series, the decision of members owning a majority of the percentage or other interest in the profits controlling; provided, however, that if an operating agreement provides for the management of a registered series, in whole or in part, by a manager, the management of the series, to the extent so provided, shall be vested in the manager who shall be chosen in the manner provided in the operating agreement. The manager of a registered series shall also hold the offices and have the responsibilities accorded to the manager as set forth in an operating agreement. A registered series may have more than one manager. Subject to Section 2014 of Title 18 of the Oklahoma Statutes, a manager shall cease to be a manager with respect to a registered series as provided in an operating agreement. Except as otherwise provided in an operating agreement, any event under this act or in an operating agreement that causes a manager to cease to be a manager with respect to a registered series shall not, in itself, cause the manager to cease to be a manager of the limited liability company or with respect to any other series thereof;

6. Notwithstanding Section 2029 of Title 18 of the Oklahoma Statutes, but subject to paragraphs 7 and 10 of this subsection, and unless otherwise provided in an operating agreement, at the time a member of a registered series becomes entitled to receive a distribution with respect to the series, the member has the status of, and is entitled to all remedies available to, a creditor of the series, with respect to the distribution. An operating agreement may provide for the establishment of a record date with respect to allocations and distributions with respect to a registered series;

7. Notwithstanding subsection A of Section 2030 of Title 18 of the Oklahoma Statutes, a limited liability company may make a

distribution with respect to a registered series. A limited liability company shall not make a distribution with respect to a registered series to a member to the extent that at the time of the distribution, after giving effect to the distribution, all liabilities of the series, other than liabilities to members on account of their membership interests with respect to the series and liabilities for which the recourse of creditors is limited to specified property of the series, exceed the fair value of the assets associated with the series, except that the fair value of property of the series that is subject to a liability for which the recourse of creditors is limited shall be included in the assets associated with the series only to the extent that the fair value of that property exceeds that liability. For purposes of the immediately preceding sentence, the term "distribution" shall not include amounts constituting reasonable compensation for present or past services or reasonable payments made in the ordinary course of business pursuant to a bona fide retirement plan or other benefits program. A member who receives a distribution in violation of this paragraph, and who knew at the time of the distribution that the distribution violated this paragraph, shall be liable to the registered series for the amount of the distribution. A member who receives a distribution in violation of this paragraph, and who did not know at the time of the distribution that the distribution violated this paragraph, shall not be liable for the amount of the distribution. Subject to Section 2031 of Title 18 of the Oklahoma Statutes, which shall apply to any distribution made with respect to a registered series under this paragraph, this paragraph shall not affect any obligation or liability of a member under an agreement or other applicable law for the amount of a distribution;

8. Unless otherwise provided in the operating agreement, a member shall cease to be associated with a registered series and to have the power to exercise any rights or powers of a member with respect to the series upon the assignment of all of the member's membership interest with respect to the series. Except as otherwise provided in an operating agreement, any event under this act or an operating agreement that causes a member to cease to be associated with a registered series shall not, in itself, cause the member to cease to be associated with any other series or terminate the continued membership of a member in the limited liability company or cause the dissolution of the registered series, regardless of

whether the member was the last remaining member associated with the series;

9. Subject to Section 2037 of Title 18 of the Oklahoma Statutes, except to the extent otherwise provided in the operating agreement, a registered series may be dissolved and its affairs wound up without causing the dissolution of the limited liability company. The dissolution of a registered series shall not affect the limitation on liabilities of the series provided by this subsection. A registered series is dissolved and its affairs shall be wound up upon the dissolution of the limited liability company under Section 2037 of Title 18 of the Oklahoma Statutes or otherwise upon the first to occur of the following:

- a. at the time specified in the operating agreement,
- b. upon the happening of events specified in the operating agreement,
- c. unless otherwise provided in the operating agreement, upon the vote or consent of members associated with the series who own more than two-thirds of the then-current percentage or other interest in the profits of the series of the limited liability company owned by all of the members associated with the series, or
- d. the dissolution of the series under paragraph 11 of this subsection;

10. Notwithstanding Section 2039 of Title 18 of the Oklahoma Statutes, unless otherwise provided in the operating agreement, a manager associated with a registered series who has not wrongfully dissolved the series or, if none, the members associated with the series or a person approved by the members associated with the series, in either case, by members who own a majority of the then-current percentage or other interest in the profits of the series owned by all of the members associated with the series, may wind up the affairs of the series; but the district court, upon cause shown, may wind up the affairs of a registered series upon application of any member or manager associated with the series, or the member's personal representative or assignee, and in connection therewith, may appoint a liquidating trustee. The persons winding up the

affairs of a registered series may, in the name of the limited liability company and for and on behalf of the limited liability company and the series, take all actions with respect to the series as are permitted under subsection A of Section 2039 of Title 18 of the Oklahoma Statutes. The persons winding up the affairs of a registered series shall provide for the claims and obligations of the series and distribute the assets of the series as provided in Section 2039 of Title 18 of the Oklahoma Statutes, which section shall apply to the winding up and distribution of assets of a registered series. Actions taken in accordance with this paragraph shall not affect the liability of members and shall not impose liability on a liquidating trustee;

11. On application by or for a member or manager associated with a registered series, the district court may decree dissolution of the series whenever it is not reasonably practicable to carry on the business of the series in conformity with an operating agreement; and

12. For all purposes of the laws of this state, a registered series is an association, regardless of the number of members or managers, if any, of the series.

D. To form a registered series of a limited liability company, articles of registered series must be filed in accordance with this subsection.

1. The articles of registered series:

a. shall set forth:

- (1) the name of the limited liability company,
- (2) the name of the registered series, and
- (3) the street address of its principal place of business, wherever located, and the name and street address of its registered agent which shall be identical to its registered office in this state, and

- b. may include any other matter that the members of the registered series determine to include therein.

2. Articles of registered series shall be executed in accordance with Section 2006 of Title 18 of the Oklahoma Statutes and shall be filed in the Office of the Secretary of State in accordance with Section 2007 of Title 18 of the Oklahoma Statutes. Articles of registered series shall be effective as of the effective time of the filing unless a later effective date or time, which shall be a date or time certain, is provided for in the articles of registered series. The articles of registered series are not an amendment to the articles of organization of the limited liability company. The filing of articles of registered series in the office of the Secretary of State shall make it unnecessary to file any other documents under this act.

3. The articles of registered series are amended by filing articles of amendment in the Office of the Secretary of State. The articles of amendment of the articles of registered series shall set forth:

- a. the name of the limited liability company,
- b. the name of the registered series, and
- c. the amendment to the articles of registered series.

4. A manager of a registered series or, if there is no manager, then any member of a registered series who becomes aware that any statement in the articles of registered series filed with respect to the registered series was false when made, or that any matter described therein has changed making the articles of registered series false in any material respect, shall promptly amend the articles of registered series.

5. The articles of registered series may be amended at any time for any other proper purpose.

6. Unless otherwise provided in this act or unless a later effective date or time, which shall be a date or time certain, is provided for in the articles of amendment of the articles of

registered series, the articles of amendment shall be effective at the time of filing with the Secretary of State.

7. The articles of registered series shall be canceled upon the cancellation of the articles of organization of the limited liability company named in the articles of registered series, or upon the filing of articles of dissolution of the articles of registered series or upon the future effective date or time of the articles of dissolution of the articles of registered series, or as provided in subsection B of Section 2012.1 of Title 18 of the Oklahoma Statutes, or upon the filing of articles of merger or consolidation of the registered series if the registered series is not the surviving or resulting registered series in a merger or consolidation, or upon the future effective date or time of the articles of merger or consolidation of the registered series if the registered series is not the surviving or resulting registered series in a merger or consolidation, or upon the filing of the articles of conversion of the registered series to a protected series, or upon the future effective date or time of the articles of conversion of the registered series to a protected series. Articles of dissolution of the articles of registered series may be filed at any time, and shall be filed, in the Office of the Secretary of State to accomplish the cancellation of the articles of registered series upon the dissolution of a registered series for which the articles of registered series were filed and completion of the winding up of the registered series. Articles of dissolution of the articles of registered series shall set forth:

- a. the name of the limited liability company,
- b. the name of the registered series,
- c. the date of filing of the articles of registered series,
- d. the future effective date or time, which shall be a date or time certain, of cancellation if it is not to be effective upon the filing of the articles of dissolution, and

- e. any other information the person filing the articles of dissolution of the articles of registered series determines.

8. Articles of dissolution that are filed in the Office of the Secretary of State before the dissolution or the completion of winding up of a registered series may be corrected as an erroneously executed articles of dissolution by filing with the Office of the Secretary of State articles of correction of the articles of dissolution of the articles of registered series in accordance with Section 2012 of Title 18 of the Oklahoma Statutes.

9. The Secretary of State shall not issue articles of good standing with respect to a registered series if its articles of registered series are canceled or the limited liability company has ceased to be in good standing.

SECTION 15. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2054.6 of Title 18, unless there is created a duplication in numbering, reads as follows:

CONVERSION OF A PROTECTED SERIES TO A REGISTERED SERIES

A. A protected series of a domestic limited liability company may convert to a registered series of the domestic limited liability company by complying with this section and filing in the Office of the Secretary of State in accordance with Section 2007 of Title 18 of the Oklahoma Statutes:

1. Articles of conversion of protected series to registered series that have been executed in accordance with Section 2006 of Title 18 of the Oklahoma Statutes; and

2. Articles of registered series that comply with subsection D of Section 14 of this act and have been executed by one or more authorized persons in accordance with Section 2006 of Title 18 of the Oklahoma Statutes. Each of the articles required by this subsection shall be filed simultaneously in the Office of the Secretary of State and, if the articles are not to become effective upon their filing as permitted by subsection C of Section 2007 of Title 18 of the Oklahoma Statutes, then each of the articles shall provide for the same effective date or time in accordance with

subsection C of Section 2007 of Title 18 of the Oklahoma Statutes. Upon the filing of a certificate of conversion of protected series to registered series, or upon the future effective date or time of a certificate of conversion of protected series to registered series, the protected series with respect to which such filing is made is converted to a registered series with the effect provided in this section. An existing series may not become a registered series other than under this section.

B. If the operating agreement specifies the manner of authorizing a conversion of a protected series of the limited liability company to a registered series of the limited liability company, the conversion of a protected series to a registered series shall be authorized as specified in the operating agreement. If the operating agreement does not specify the manner of authorizing a conversion of a protected series of the limited liability company to a registered series of the limited liability company and does not prohibit a conversion of a protected series to a registered series, the conversion shall be authorized by members of the protected series who own a majority of the then current percentage or other interest in the profits of the protected series owned by all of the members of the protected series.

C. Unless otherwise agreed, the conversion of a protected series of a limited liability company to a registered series of the limited liability company under this section shall not require the limited liability company or the protected series of the limited liability company to wind up its affairs under Section 2039 or Section 2054.4 of Title 18 of the Oklahoma Statutes or pay its liabilities and distribute its assets under Section 2040 or Section 2054.4 of Title 18 of the Oklahoma Statutes, and the conversion of a protected series of a limited liability company to a registered series of the limited liability company shall not constitute a dissolution of the limited liability company or a termination of the protected series. When a protected series of a limited liability company has converted to a registered series of the limited liability company under this section, for all purposes of the laws of this state, the registered series is deemed to be the same series as the converting protected series and the conversion shall constitute a continuation of the existence of the protected series in the form of the registered series.

D. In connection with a conversion of a protected series of a limited liability company to a registered series of the limited liability company under this section, rights or securities of or interests in the protected series which is to be converted may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the registered series into which the protected series is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, any other business entity, may remain outstanding, or may be canceled.

E. If a protected series shall convert to a registered series in accordance with this section, articles of conversion of a protected series to a registered series executed in accordance with Section 2006 of Title 18 of the Oklahoma Statutes shall be filed in the Office of the Secretary of State in accordance with Section 2007 of Title 18 of the Oklahoma Statutes. The articles of conversion of a protected series to a registered series shall state:

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

2. The name of the protected series and, if it has been changed, the name of the protected series as originally established;

3. The name of the registered series as set forth in its articles of registered series filed in accordance with subsection A of this section;

4. The date of filing of the original articles of organization of the limited liability company with the Secretary of State;

5. The date on which the protected series was established;

6. The future effective date or time, which shall be a date or time certain, of the conversion if it is not to be effective upon the filing of the articles of conversion of a protected series to a registered series; and

7. That the conversion has been approved in accordance with this section.

F. A copy of the articles of conversion of a protected series to a registered series certified by the Secretary of State shall be prima facie evidence of the conversion by the protected series to a registered series of the limited liability company.

G. When any conversion shall have become effective under this section, for all purposes of the laws of this state, all of the rights, privileges, and powers of the protected series that has converted, and all property, real, personal, and mixed, and all debts due to the protected series, as well as all other things and causes of action belonging to the protected series, shall remain vested in the registered series to which the protected series has converted and shall be the property of the registered series. The title to any real property vested by deed or otherwise in the protected series shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of the protected series shall be preserved unimpaired, and all debts, liabilities, and duties of the protected series that has converted shall remain attached to the registered series to which the protected series has converted, and may be enforced against it to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by it in its capacity as the registered series. The rights, privileges, powers, and interests in property of the protected series that has converted, as well as the debts, liabilities, and duties of the protected series, shall not be deemed, as a consequence of the conversion, to have been transferred to the registered series to which the protected series of the limited liability company has converted for any purpose of the laws of this state.

H. An operating agreement may provide that a protected series of a limited liability company shall not have the power to convert to a registered series of the limited liability company as set forth in this section.

SECTION 16. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2054.7 of Title 18, unless there is created a duplication in numbering, reads as follows:

CONVERSION OF A REGISTERED SERIES TO A PROTECTED SERIES

A. Upon compliance with this section, a registered series of a domestic limited liability company may convert to a protected series of the domestic limited liability company. An existing registered series may not become a protected series other than under this section.

B. If the operating agreement specifies the manner of authorizing a conversion of a registered series of the limited liability company to a protected series of the limited liability company, the conversion of a registered series to a protected series shall be authorized as specified in the operating agreement. If the operating agreement does not specify the manner of authorizing a conversion of a registered series of the limited liability company to a protected series of the limited liability company and does not prohibit a conversion of a registered series to a protected series, the conversion shall be authorized by members of the registered series who own a majority of the then current percentage or other interest in the profits of the registered series owned by all of the members of the registered series.

C. Unless otherwise agreed, the conversion of a registered series of a limited liability company to a protected series of the limited liability company under this section shall not require the limited liability company or the registered series of the limited liability company to wind up its affairs under Section 2039 of Title 18 of the Oklahoma Statutes or Section 14 of this act or pay its liabilities and distribute its assets under Section 2040 of Title 18 of the Oklahoma Statutes or Section 14 of this act, and the conversion of a registered series of a limited liability company to a protected series of the limited liability company shall not constitute a dissolution of the limited liability company or of the registered series. When a registered series of a limited liability company has converted to a protected series of the limited liability company under this section, for all purposes of the laws of this state, the protected series is deemed to be the same series as the converting registered series and the conversion shall constitute a continuation of the existence of the registered series in the form of the protected series.

D. In connection with a conversion of a registered series of a limited liability company to protected series of the limited liability company under this section, rights or securities of or

interests in the registered series which is to be converted may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the protected series into which the registered series is being converted or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, any other business entity, may remain outstanding or may be canceled.

E. If a registered series shall convert to a protected series in accordance with this section, articles of conversion of registered series to protected series executed in accordance with Section 2006 of Title 18 of the Oklahoma Statutes shall be filed in the Office of the Secretary of State in accordance with Section 2007 of Title 18 of the Oklahoma Statutes. The articles of conversion of registered series to protected series shall state:

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

2. The date of filing of the original articles of organization of the limited liability company with the Secretary of State;

3. The name of the registered series and, if it has been changed, the name under which its articles of registered series were originally filed;

4. The date of filing of its original articles of registered series with the Secretary of State;

5. The future effective date or time, which shall be a date or time certain, of the conversion if it is not to be effective upon the filing of the articles of conversion of registered series to protected series; and

6. That the conversion has been approved in accordance with this section.

F. Upon the filing of a certificate of conversion of registered series to protected series, or upon the future effective date or time of a certificate of conversion of registered series to protected series, the registered series filing the certificate is

converted to a protected series with the effect provided in this section. A copy of the articles of conversion of registered series to protected series certified by the Secretary of State shall be prima facie evidence of the conversion by the registered series to a protected series of the limited liability company.

G. When any conversion shall have become effective under this section, for all purposes of the laws of this state, all of the rights, privileges, and powers of the registered series that has converted, and all property, real, personal, and mixed, and all debts due to the registered series, as well as all other things and causes of action belonging to the registered series, shall remain vested in the protected series to which the registered series has converted and shall be the property of the protected series. The title to any real property vested by deed or otherwise in the registered series shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of the registered series shall be preserved unimpaired, and all debts, liabilities, and duties of the registered series that has converted shall remain attached to the protected series to which the registered series has converted, and may be enforced against it to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by it in its capacity as the protected series. The rights, privileges, powers, and interests in property of the registered series that has converted, as well as the debts, liabilities, and duties of the registered series, shall not be deemed, as a consequence of the conversion, to have been transferred to the protected series to which the registered series of the limited liability company has converted for any purpose of the laws of this state.

H. An operating agreement may provide that a registered series of a limited liability company shall not have the power to convert to a protected series of the limited liability company as set forth in this section.

SECTION 17. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2054.8 of Title 18, unless there is created a duplication in numbering, reads as follows:

MERGER AND CONSOLIDATION OF REGISTERED SERIES

A. Under an agreement of merger or consolidation, one or more registered series may merge or consolidate with or into one or more other registered series of the same limited liability company with such registered series as the agreement shall provide being the surviving or resulting registered series. Unless otherwise provided in the operating agreement, an agreement of merger or consolidation shall be approved by each registered series which is to merge or consolidate by members of the registered series who own a majority of the then current percentage or other interest in the profits of the registered series owned by all of the members of the registered series. In connection with a merger or consolidation hereunder, rights or securities of, or interests in, a registered series which is a constituent party to the merger or consolidation may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the surviving or resulting registered series or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, a domestic limited liability company or other business entity which is not the surviving or resulting registered series in the merger or consolidation, may remain outstanding, or may be canceled. Notwithstanding prior approval, an agreement of merger or consolidation may be terminated or amended under a provision for such termination or amendment contained in the agreement of merger or consolidation.

B. If a registered series is merging or consolidating under this section, the registered series surviving or resulting in or from the merger or consolidation shall file articles of merger or consolidation of registered series executed by one or more authorized persons on behalf of the registered series when it is the surviving or resulting registered series in the Office of the Secretary of State. The articles of merger or consolidation of registered series shall state:

1. The name of each registered series which is to merge or consolidate and the name of the limited liability company that formed the registered series;

2. That an agreement of merger or consolidation has been approved and executed by or on behalf of each registered series which is to merge or consolidate;

3. The name of the surviving or resulting registered series;

4. Such amendment, if any, to the articles of registered series of the registered series that is the surviving registered series to change the name of the surviving registered series, as is desired to be effected by the merger;

5. The future effective date or time, which shall be a date or time certain, of the merger or consolidation if it is not to be effective upon the filing of the articles of merger or consolidation of registered series;

6. That the agreement of merger or consolidation is on file at a place of business of the surviving or resulting registered series or the limited liability company that formed such registered series, and shall state the address thereof; and

7. That a copy of the agreement of merger or consolidation will be furnished by the surviving or resulting registered series, on request and without cost, to any member of any registered series which is to merge or consolidate.

C. Unless a future effective date or time is provided in articles of merger or consolidation of registered series, a merger or consolidation under this section shall be effective upon the filing in the Office of the Secretary of State of articles of merger or consolidation of registered series.

D. Articles of merger or consolidation of registered series cancel the articles of registered series of the registered series which is not the surviving or resulting registered series in the merger or consolidation. Articles of merger or consolidation of registered series that set forth any amendment in accordance with paragraph 4 of subsection B of this section is deemed to be an amendment to the articles of registered series of the surviving registered series, and no further action shall be required to amend the articles of registered series of the surviving registered series under Section 14 of this act with respect to such amendments set forth in such articles of merger or consolidation. Whenever this section requires the filing of articles of merger or consolidation of registered series, such requirement is deemed satisfied by the filing of an agreement of merger or consolidation containing the

information required by this section to be set forth in such articles of merger or consolidation.

E. An agreement of merger or consolidation approved in accordance with subsection A of this section may effect any amendment to the operating agreement relating solely to the registered series that are constituent parties to the merger or consolidation. Any amendment to an operating agreement relating solely to the registered series that are constituent parties to the merger or consolidation made under this subsection shall be effective at the effective time or date of the merger or consolidation and shall be effective notwithstanding any provision of the operating agreement relating to amendment of the operating agreement, other than a provision that by its terms applies to an amendment to the operating agreement in connection with a merger or consolidation. The provisions of this subsection shall not be construed to limit the accomplishment of a merger or of any of the matters referred to herein by any other means provided for in an operating agreement or other agreement or as otherwise permitted by law, including that the operating agreement relating to any constituent registered series to the merger or consolidation, including a registered series formed for the purpose of consummating a merger or consolidation, shall be the operating agreement of the surviving or resulting registered series.

F. When any merger or consolidation shall have become effective under this section, for all purposes of the laws of this state, all of the rights, privileges, and powers of each of the registered series that have merged or consolidated, and all property, real, personal, and mixed, and all debts due to any of the registered series, as well as all other things and causes of action belonging to each of the registered series, shall be vested in the surviving or resulting registered series, and shall thereafter be the property of the surviving or resulting registered series as they were of each of the registered series that have merged or consolidated. The title to any real property vested by deed or otherwise, under the laws of this state, in any of the registered series, shall not revert or be in any way impaired by reason of this act; but all rights of creditors and all liens upon any property of any of the registered series shall be preserved unimpaired, and all debts, liabilities, and duties of each of the registered series that have merged or consolidated shall remain attached to the surviving or

resulting registered series, and may be enforced against it to the same extent as if the debts, liabilities, and duties had been incurred or contracted by it. Unless otherwise agreed, a merger or consolidation of a registered series of a limited liability company, including a registered series which is not the surviving or resulting registered series in the merger or consolidation, shall not require the registered series to wind up its affairs under Section 14 of this act, or pay its liabilities and distribute its assets under Section 14 of this act, and the merger or consolidation shall not constitute a dissolution of the registered series.

G. An operating agreement may provide that a registered series of a limited liability company shall not have the power to merge or consolidate as set forth in this section.

SECTION 18. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2054.9 of Title 18, unless there is created a duplication in numbering, reads as follows:

DIVISION OF A LIMITED LIABILITY COMPANY

A. As used in this act:

1. "Dividing company" means the domestic limited liability company that is effecting a division in the manner provided in this section;

2. "Division" means the division of a dividing company into two or more domestic limited liability companies in accordance with this section;

3. "Division company" means a surviving company, if any, and each resulting company;

4. "Division contact" means, in connection with any division, a natural person who is a resident of this state, any division company in the division or any other domestic limited liability company, or other entity as defined in Section 2054 of Title 18 of the Oklahoma Statutes formed or organized under the laws of this state, which division contact shall maintain a copy of the plan of division for a period of six (6) years from the effective date of the division and shall comply with paragraph 3 of subsection G of this section;

5. "Organizational documents" means the articles of organization and operating agreement of a domestic limited liability company;

6. "Resulting company" means a domestic limited liability company formed as a consequence of a division; and

7. "Surviving company" means a dividing company that survives the division.

B. Under a plan of division, any domestic limited liability company may, in the manner provided in this section, be divided into two or more domestic limited liability companies. The division of a domestic limited liability company in accordance with this section and, if applicable, the resulting cessation of the existence of the dividing company under articles of division shall not be deemed to affect the personal liability of any person incurred before the division with respect to matters arising before the division, nor shall it be deemed to affect the validity or enforceability of any obligations or liabilities of the dividing company incurred before the division; provided, that the obligations and liabilities of the dividing company shall be allocated to and vested in, and valid and enforceable obligations of, the division company or companies to which the obligations and liabilities have been allocated under the plan of division, as provided in subsection H of this section. Each resulting company in a division shall be formed in compliance with the requirements of this act and subsection H of this section.

C. If the operating agreement of the dividing company specifies the manner of adopting a plan of division, the plan of division shall be adopted as specified in the operating agreement. If the operating agreement of the dividing company does not specify the manner of adopting a plan of division and does not prohibit a division of the limited liability company, the plan of division shall be adopted in the same manner as is specified in the operating agreement for authorizing a merger or consolidation that involves the limited liability company as a constituent party to the merger or consolidation. If the operating agreement of the dividing company does not specify the manner of adopting a plan of division or authorizing a merger or consolidation that involves the limited liability company as a constituent party and does not prohibit a

division of the limited liability company, the adoption of a plan of division shall be authorized by the approval of members who own a majority of the then current percentage or other interest in the profits of the dividing company owned by all of the members. Notwithstanding prior approval, a plan of division may be terminated or amended under a provision for the termination or amendment contained in the plan of division.

D. Unless otherwise provided in a plan of division, the division of a domestic limited liability company under this section shall not require the limited liability company to wind up its affairs under Section 2039 of Title 18 of the Oklahoma Statutes or pay its liabilities and distribute its assets under Section 2040 of Title 18 of the Oklahoma Statutes, and the division shall not constitute a dissolution of the limited liability company.

E. In connection with a division under this section, rights or securities of, or interests in, the dividing company may be exchanged for or converted into cash, property, rights, or securities of, or interests in, the surviving company or any resulting company or, in addition to or in lieu thereof, may be exchanged for or converted into cash, property, rights, or securities of, or interests in, a domestic limited liability company or any other business entity which is not a division company or may be canceled or remain outstanding, if the dividing company is a surviving company.

F. A plan of division adopted in accordance with subsection C of this section:

1. May effect any amendment to the operating agreement of the dividing company if it is a surviving company in the division; or

2. May effect the adoption of a new operating agreement for the dividing company if it is a surviving company in the division; and

3. Shall effect the adoption of an operating agreement for each resulting company. Any amendment to an operating agreement or adoption of a new operating agreement for the dividing company, if it is a surviving company in the division, or adoption of an operating agreement for each resulting company made under the foregoing sentence shall be effective at the effective time or date

of the division. Any amendment to an operating agreement or adoption of an operating agreement for the dividing company, if it is a surviving company in the division, shall be effective notwithstanding any provision in the operating agreement of the dividing company relating to amendment or adoption of a new operating agreement, other than a provision that by its terms applies to an amendment to the operating agreement or the adoption of a new operating agreement, in either case, in connection with a division, merger, or consolidation.

G. If a domestic limited liability company is dividing under this section, the dividing company shall adopt a plan of division which shall set forth:

1. The terms and conditions of the division, including:

- a. any conversion or exchange of the membership interests of the dividing company into or for membership interests or other securities or obligations of any division company or cash, property, or rights or securities or obligations of or interests in any other business entity or domestic limited liability company which is not a division company, or that the membership interests of the dividing company shall remain outstanding or be canceled, or any combination of the foregoing, and
- b. the allocation of assets, property, rights, series, debts, liabilities, and duties of the dividing company among the division companies;

2. The name of each resulting company and, if the dividing company will survive the division, the name of the surviving company;

3. The name and business address of a division contact which shall have custody of a copy of the plan of division. The division contact, or any successor division contact, shall serve for a period of six (6) years following the effective date of the division. During the six-year period the division contact shall provide, without cost, to any creditor of the dividing company, within thirty (30) days following the division contact's receipt of a written

request from any creditor of the dividing company, the name and business address of the division company to which the claim of the creditor was allocated under the plan of division; and

4. Any other matters that the dividing company determines to include therein.

H. If a domestic limited liability company divides under this section, the dividing company shall file articles of division executed by one or more authorized persons on behalf of the dividing company in the Office of the Secretary of State in accordance with Section 2006 of Title 18 of the Oklahoma Statutes and articles of organization that comply with Section 2005 of Title 18 of the Oklahoma Statutes for each resulting company executed by one or more authorized persons in accordance with Section 2006 of Title 18 of the Oklahoma Statutes. The articles of division shall state:

1. The name of the dividing company and, if it has been changed, the name under which its articles of organization were originally filed and whether the dividing company is a surviving company;

2. The date of filing of the dividing company's original articles of organization with the Secretary of State;

3. The name of each division company;

4. The name and business address of the division contact required by paragraph 3 of subsection G of this section;

5. The future effective date or time, which shall be a date or time certain, of the division if it is not to be effective upon the filing of the articles of division;

6. That the division has been approved in accordance with this section;

7. That the plan of division is on file at a place of business of the division company as is specified therein, and shall state the address thereof;

8. That a copy of the plan of division will be furnished by the division company as is specified therein, on request and without cost, to any member of the dividing company; and

9. Any other information the dividing company determines to include therein.

I. The articles of division and each of the articles of organization for each resulting company required by subsection H of this section shall be filed simultaneously in the Office of the Secretary of State and, if the articles are not to become effective upon their filing as permitted by subsection C of Section 2007 of Title 18 of the Oklahoma Statutes, then each of the articles shall provide for the same effective date or time in accordance with subsection C of Section 2007 of Title 18 of the Oklahoma Statutes. Concurrently with the effective date or time of a division, the operating agreement of each resulting company shall become effective.

J. The articles of division shall act as a cancellation of the articles of organization for a dividing company which is not a surviving company.

K. An operating agreement may provide that a domestic limited liability company shall not have the power to divide as set forth in this section.

L. Upon the division of a domestic limited liability company becoming effective:

1. The dividing company shall be divided into the distinct and independent resulting companies named in the plan of division, and, if the dividing company is not a surviving company, the existence of the dividing company shall cease;

2. For all purposes of the laws of this state, all of the rights, privileges, and powers, and all the property, real, personal, and mixed, of the dividing company and all debts due on whatever account to it, and all other things and other causes of action belonging to it, shall without further action be allocated to and vested in the applicable division company in the manner and basis and with the effect as is specified in the plan of division,

and the title to any real property or interest therein allocated to and vested in any division company shall not revert or be in any way impaired by reason of the division;

3. Each division company shall, from and after effectiveness of the articles of division, be liable as a separate and distinct domestic limited liability company for the debts, liabilities, and duties of the dividing company as are allocated to the division company under the plan of division in the manner and on the basis provided in subparagraph b of paragraph 1 of subsection G of this section;

4. Each of the debts, liabilities, and duties of the dividing company shall without further action be allocated to and be the debts, liabilities, and duties of the division company as is specified in the plan of division as having the debts, liabilities, and duties allocated to it, in the manner and basis and with the effect as is specified in the plan of division, and no other division company shall be liable therefor, so long as the plan of division does not constitute a fraudulent transfer under applicable law, and all liens upon any property of the dividing company shall be preserved unimpaired, and all debts, liabilities, and duties of the dividing company shall remain attached to the division company to which the debts, liabilities, and duties have been allocated in the plan of division, and may be enforced against the division company to the same extent as if the debts, liabilities, and duties had originally been incurred or contracted by it in its capacity as a domestic limited liability company;

5. In the event that any allocation of assets, debts, liabilities, and duties to division companies in accordance with a plan of division is determined by a court of competent jurisdiction to constitute a fraudulent transfer, each division company shall be jointly and severally liable on account of the fraudulent transfer notwithstanding the allocations made in the plan of division; provided, however, the validity and effectiveness of the division are not otherwise affected thereby;

6. Debts and liabilities of the dividing company that are not allocated by the plan of division shall be the joint and several debts and liabilities of all of the division companies;

7. It shall not be necessary for a plan of division to list each individual asset, property, right, series, debt, liability, or duty of the dividing company to be allocated to a division company so long as the assets, property, rights, series, debts, liabilities, or duties so allocated are reasonably identified by any method where the identity of the assets, property, rights, series, debts, liabilities, or duties is objectively determinable;

8. The rights, privileges, powers, and interests in property of the dividing company that have been allocated to a division company, as well as the debts, liabilities, and duties of the dividing company that have been allocated to the division company under a plan of division, shall remain vested in the division company and shall not be deemed, as a result of the division, to have been assigned or transferred to the division company for any purpose of the laws of this state; and

9. Any action or proceeding pending against a dividing company may be continued against the surviving company as if the division did not occur, but subject to paragraph 4 of subsection L of this section and against any resulting company to which the asset, property, right, series, debt, liability, or duty associated with the action or proceeding was allocated under the plan of division by adding or substituting the resulting company as a party in the action or proceeding.

M. In applying the provisions of this act on distributions, a direct or indirect allocation of property or liabilities in a division is not deemed a distribution for purposes of this act.

N. The provisions of this section shall not be construed to limit the means of accomplishing a division by any other means provided for in an operating agreement or other agreement or as otherwise permitted by this act or as otherwise permitted by law.

O. All limited liability companies formed on or after November 1, 2023, shall be governed by this section. All limited liability companies formed before November 1, 2023, shall be governed by this section; provided, that if the dividing company is a party to any written contract, indenture, or other agreement entered into before November 1, 2023, that, by its terms, restricts, conditions, or prohibits the consummation of a merger or consolidation by the

dividing company with or into another party, or the transfer of assets by the dividing company to another party, then the restriction, condition, or prohibition is deemed to apply to a division as if it were a merger, consolidation, or transfer of assets, as applicable.

SECTION 19. AMENDATORY 18 O.S. 2021, Section 2055, is amended to read as follows:

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

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

2. For filing ~~amended, corrected or~~ restated articles of organization, including amended and restated articles of organization, a fee of Fifty Dollars (\$50.00);

3. For filing articles of correction, amendment, merger or consolidation, registered series, conversion, or division and issuing a certificate of correction, amendment, merger or consolidation ~~or filing articles of, registered series, conversion, or division,~~ a fee of One Hundred Dollars (\$100.00);

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

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

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

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

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

9. For filing a change of address for an individual, corporation, limited liability company or limited partnership designated by a limited liability company as its registered agent for service of process, for change of name of registered agent or for the resignation of a registered agent, a fee of Twenty-five Dollars (\$25.00) for the first forty corporations and Five Dollars (\$5.00) for each additional corporation within any bulk filing;

10. For filing an application for registration as a foreign limited liability company, a fee of Three Hundred Dollars (\$300.00);

11. For filing an application of withdrawal as provided in Section 2047 of this title, a fee of One Hundred Dollars (\$100.00);

12. For any service of notice, demand, or process upon the Secretary of State as resident agent of a limited liability company or registered series, a fee of Twenty-five Dollars (\$25.00), which amount may be recovered as taxable costs by the party to be sued, action, or proceeding causing such service to be made if such party prevails therein; and

13. For acting as the registered agent of a limited liability company or registered series, a fee of Forty Dollars (\$40.00) shall be paid on July 1 each year to the Office of the Secretary of State.

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

SECTION 20. AMENDATORY 18 O.S. 2021, Section 2055.1, is amended to read as follows:

Section 2055.1.

FAILURE TO PAY REGISTERED AGENT FEES

A domestic or foreign limited liability company or registered series for which the Secretary of State acts as the registered agent

that fails to pay the registered agent fee by the due date as provided in paragraph 12 of Section 2055 of this title shall be subject to the provisions of Sections ~~29~~ 2012.1 and ~~39~~ 2055.2 of this ~~act~~ title.

SECTION 21. AMENDATORY 18 O.S. 2021, Section 2055.2, is amended to read as follows:

Section 2055.2.

ANNUAL CERTIFICATE FOR DOMESTIC LIMITED LIABILITY COMPANY AND REGISTERED SERIES AND FOREIGN LIMITED LIABILITY COMPANY

A. Every domestic limited liability company and every foreign limited liability company registered to do business in this state shall file a certificate each year in the Office of the Secretary of State, which confirms it is an active business and includes its principal place of business address, and shall pay an annual certificate fee of Twenty-five Dollars (\$25.00).

B. The annual certificate shall be due on the anniversary date of filing the articles of organization, articles of registered series, or registration, as the case may be, until cancellation of the articles of organization or articles of registered series or withdrawal of the registration.

C. The Secretary of State shall, at least sixty (60) days before the anniversary date of each year, cause a notice of the annual certificate to be sent to each domestic limited liability company and registered series and each foreign limited liability company and registered series required to comply with the provisions of this section to its last known electronic mail address of record with the Secretary of State.

D. A domestic limited liability company or registered series or foreign limited liability company or registered series that fails to file the annual certificate and pay the annual certificate fee within sixty (60) days after the date due shall cease to be in good standing as a domestic limited liability company or registered series or registered as a foreign limited liability company or registered series in this state.

E. Except for accepting a resignation of a registered agent when a successor registered agent is not being appointed or an application for reinstatement, the Secretary of State shall not accept for filing any certificate or articles, or issue any certificate of good standing, in respect to any domestic limited liability company or registered series that has ceased to be in good standing or foreign limited liability company or registered series that has ceased to be registered, unless or until the domestic limited liability company or registered series has been reinstated ~~as a domestic limited liability company~~ in good standing or the foreign limited liability company or registered series has been reinstated as a foreign limited liability company or registered series duly registered in this state.

F. A domestic limited liability company or registered series that has ceased to be in good standing or a foreign limited liability company or registered series that has ceased to be registered in this state may not maintain any action, suit or proceeding in any court of this state until the domestic limited liability company or registered series has been reinstated ~~as a domestic limited liability company~~ in good standing or the foreign limited liability company or registered series has been reinstated as a foreign limited liability company or registered series duly registered in this state. An action, suit or proceeding may not be maintained in any court of this state by any successor or assignee of the domestic limited liability company or registered series or foreign limited liability company or registered series on any right, claim or demand arising out of the transaction of business by the domestic limited liability company or registered series after it has ceased to be in good standing or a foreign limited liability company or registered series that has ceased to be registered in this state until the domestic limited liability company or registered series or foreign limited liability company or registered series, or any person that has acquired all or substantially all of its assets, has caused the limited liability company or registered series to be reinstated ~~as a domestic limited liability company~~ in good standing or as a foreign limited liability company or registered series duly registered in this state, as applicable.

SECTION 22. AMENDATORY 18 O.S. 2021, Section 2055.3, is amended to read as follows:

Section 2055.3.

REINSTATEMENT OF A LIMITED LIABILITY COMPANY OR REGISTERED SERIES

A. A domestic limited liability company or registered series not in good standing for failure to file an annual certificate and pay the annual certificate fees or registered agent fees, including a domestic limited liability company or registered series whose articles of organization or registered series have been canceled under subsection B of Section 2012.1 of ~~Title 18 of the Oklahoma Statutes~~ this title, or a foreign limited liability company or registered series whose registration was withdrawn for failure to file an annual certificate and pay the annual certificate fees or registered agent fees may apply to the Secretary of State for reinstatement by:

1. Filing all delinquent annual certificates with the Secretary of State and paying all delinquent annual certificate fees or paying all delinquent registered agent fees to the Secretary of State; and

2. Filing an application for reinstatement with the Secretary of State stating its name at the time it ceased to be in good standing or was withdrawn, the date it ceased to be in good standing or was withdrawn, and its current name, if its name at the time it ceased to be in good standing or was withdrawn is no longer available under Section 2008 or 2045 of ~~Title 18 of the Oklahoma Statutes~~ this title.

If the Secretary of State determines that the application contains the required information, the information is correct, all delinquent certificates or other filings are submitted, all delinquent fees are paid, and the name satisfies the requirements of Section 2008 or 2045 of ~~Title 18 of the Oklahoma Statutes~~ this title, the Secretary of State shall accept the application for reinstatement and issue a certificate of reinstatement in the manner provided in Section 2007 of ~~Title 18 of the Oklahoma Statutes~~ this title for domestic limited liability companies, Section 14 of this act for domestic registered series, or Section 2044 of ~~Title 18 of the Oklahoma Statutes~~ this title for foreign limited liability companies or foreign registered series. If the limited liability company or registered series is required to change its name because its name at the time it ceased to be in good standing or was

withdrawn is no longer available, acceptance of the reinstatement shall constitute an amendment to the domestic limited liability company's articles of organization or the domestic registered series' articles of registered series to change its name or the adoption of a fictitious name by the foreign limited liability company or registered series, as applicable. The application for reinstatement may amend the articles of organization of the domestic limited liability company or the articles of registered series of the registered series or the application for registration of the foreign limited liability company or registered series, subject in either case to the payment of the additional fee required in Section 2055 of ~~Title 18 of the Oklahoma Statutes~~ this title for amendments; provided, that the application may not extend the term of a limited liability company or registered series that had expired before the application for reinstatement. For purposes of this section, a foreign limited liability company or registered series applying for reinstatement is deemed to have done business continually in the state following the administrative withdrawal.

B. When reinstatement under this section has become effective, the reinstatement relates back to and takes effect as if the domestic limited liability company or registered series had never ceased to be in good standing and as if its articles of organization or articles of registered series, as the case may be, had never been canceled, or as if the foreign limited liability ~~company's~~ or registered series registration was never withdrawn.

C. The failure of a domestic limited liability company or registered series or foreign limited liability company or registered series to file an annual certificate and pay an annual certificate fee or a registered agent fee to the Secretary of State shall not impair the validity on any contract, deed, mortgage, security interest, lien or act of the domestic limited liability company or registered series or foreign limited liability company or registered series or prevent the domestic limited liability company or registered series or foreign limited liability company or registered series from defending any action, suit or proceeding with any court of this state.

D. All real and personal property, and all rights and interests, which belonged to the domestic limited liability company or registered series at the time its articles of organization or

articles of registered series, as the case may be, were canceled or which were acquired by the limited liability company or registered series after cancellation, and which were not disposed of before its reinstatement, shall be vested in the limited liability company or registered series after its reinstatement as fully as they were held by the limited liability company or registered series at, and after, as the case may be, the time its articles of organization or articles of registered series were canceled.

E. A member or manager of a domestic limited liability company or registered series or foreign limited liability company or registered series is not liable for the debts, obligations or liabilities of the domestic limited liability company or registered series or foreign limited liability company or registered series solely by reason of the failure of the domestic limited liability company or registered series or foreign limited liability company or registered series to file an annual certificate and pay an annual certificate fee or a registered agent fee to the Secretary of State or by reason of the domestic limited liability company or registered series ceasing to be in good standing or its articles of organization or articles of registered series being canceled or the foreign limited liability company or registered series ceasing to be duly registered.

SECTION 23. NEW LAW A new section of law to be codified in the Oklahoma Statutes as Section 2058.1 of Title 18, unless there is created a duplication in numbering, reads as follows:

DOCUMENT FORM, SIGNATURE, AND DELIVERY.

A. Except as provided in subsection B of this section, without limiting the manner in which any act or transaction may be documented, or the manner in which a document may be signed or delivered:

1. Any act or transaction contemplated or governed by the Oklahoma Limited Liability Company Act or an operating agreement may be provided for in a document, and an electronic transmission is the equivalent of a written document;

2. Whenever the Oklahoma Limited Liability Company Act or an operating agreement requires or permits a signature, the signature

may be a manual, facsimile, conformed, or electronic signature.

"Electronic signature" means an electronic symbol or process that is attached to, or logically associated with, a document and executed or adopted by a person with an intent to execute, authenticate, or adopt the document. A person may execute a document with such person's signature;

3. Unless otherwise provided in an operating agreement or agreed upon between the sender and recipient, an electronic transmission is delivered to a person for purposes of this title and an operating agreement when it enters an information processing system that the person has designated for the purpose of receiving electronic transmissions of the type delivered, so long as the electronic transmission is in a form capable of being processed by that system and such person is able to retrieve the electronic transmission. Whether a person has so designated an information processing system is determined by the operating agreement or from the context and surrounding circumstances, including the party's conduct. An electronic transmission is delivered under this section even if no person is aware of its receipt. Receipt of an electronic acknowledgement from an information processing system establishes that an electronic transmission was received but, by itself, does not establish that the content sent corresponds to the content received.

This section shall not prohibit one or more persons from conducting a transaction in accordance with the Uniform Electronic Transactions Act so long as the part or parts of the transaction that are governed by the Oklahoma Limited Liability Company Act or an operating agreement are documented, signed, and delivered in accordance with this subsection or otherwise in accordance with this section. This subsection shall apply solely for purposes of determining whether an act or transaction has been documented, and the document has been signed and delivered, in accordance with the Oklahoma Limited Liability Company Act or an operating agreement.

B. Subsection A of this section shall not apply to a document filed with or submitted to the Secretary of State, a county clerk, or a court or other judicial or governmental body of this state. This subsection shall not create any presumption about the lawful means to document a matter addressed by this subsection, or the lawful means to sign or deliver a document addressed by this

subsection. A provision of an operating agreement shall not limit the application of subsection A of this section unless the provision expressly restricts one or more of the means of documenting an act or transaction, or of signing or delivering a document, permitted by subsection A of this section.

C. If any provision of this section is deemed to modify, limit, or supersede the Electronic Signatures in Global and National Commerce Act, 15 U.S.C. Section 7001 et. seq., the provisions of this section shall control to the fullest extent permitted by Section 7002(a)(2) of such act.

SECTION 24. This act shall become effective November 1, 2024.

Passed the Senate the 8th day of March, 2023.

Presiding Officer of the Senate

Passed the House of Representatives the 17th day of April, 2024.

Presiding Officer of the House
of Representatives

OFFICE OF THE GOVERNOR

Received by the Office of the Governor this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____

Approved by the Governor of the State of Oklahoma this _____

day of _____, 20_____, at _____ o'clock _____ M.

Governor of the State of Oklahoma

OFFICE OF THE SECRETARY OF STATE

Received by the Office of the Secretary of State this _____

day of _____, 20_____, at _____ o'clock _____ M.

By: _____