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2001 - 2002 LEGISLATURE

LRB-3724/E1 P2
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WED

PRELIMINARY DRAFT - NOT READY FOR INTRODUCTION

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1 AN ACT *to renumber* 178.43 (intro.) and 551.02 (1); *to amend* 178.51 (1), 179.03
2 (2), 179.04 (1) (b), subchapter VIII (title) of chapter 179 [precedes 179.70],
3 179.82 (4), 179.88, 180.0125 (1), 180.0402 (1), 180.0501 (2) and (3), subchapter
4 XI (title) of chapter 180 [precedes 180.1100], 180.1421 (1) and (2), 180.1504 (1)
5 (intro.) and (b), 180.1507 (2), 180.1507 (3), 180.1530 (1m) and (2), 180.1531 (1)
6 and (2) (a) and (b), 180.1532 (1), 181.0402 (1), 181.0501 (2), 181.0501 (3),
7 subchapter XI (title) of chapter 181 [precedes 181.1100], 181.1421 (1), 181.1421
8 (4) (b), 181.1422 (2) (a) (intro.), 181.1423 (2), 181.1504 (1) (b), 181.1507 (2),
9 181.1507 (3), 181.1531 (1), 181.1531 (2) (a), (b) and (c) 1. (intro.), 181.1531 (3),
10 181.1532 (1), 183.0104 (1), 183.0105 (1) (b), 183.0105 (1) (c), 183.0110 (1),
11 183.0802 (3), 183.0901 (4) (intro.), 183.1001 (1), 183.1006 (1) (a), 183.1006 (1)
12 (b), 183.1020 (2), 183.1020 (3), 183.1021 (1) and (2), 183.1021 (3), 183.1022 (1),
13 subchapter XII (title) of chapter 183 [precedes 183.1200], 551.23 (8) (g), 551.23
14 (10) and 551.23 (11) (a); *to repeal and recreate* 181.1403 (1) (e), 181.1421 (2)
15 and 183.0204; and *to create* 71.80 (21), 73.03 (57), 77.26 (9), 77.61 (15), 178.43

1 (2) and (3), 179.045, 179.70, 179.76, 180.0121 (1) (a) 4., 180.0122 (1) (yr),
 2 180.1100, 180.1161, 180.1302 (1) (cm), 180.1421 (2m), 180.1531 (2m), 181.0121
 3 (1) (a) 4., 181.0122 (1) (yr), 181.1100, 181.1161, 181.1531 (2g), 181.1531 (2r),
 4 183.0109 (1) (a) 5., 183.0114 (1) (mp), 183.0404 (2) (fm), 183.0504, 183.1021 (2g),
 5 183.1021 (2r), 183.1200, 183.1207, 551.02 (1g) and 551.31 (1) (d) of the statutes;
 6 **relating to:** ^{merger and} conversion of business entities, exemptions from securities
 7 registration requirements and licensing requirements for securities
 8 broker-dealers and securities agents, registered agents for business entities,
 9 administrative dissolution of business entities, and amended certificates of
 10 authority for foreign business entities. *and making an appropriation*

Analysis by the Legislative Reference Bureau

This is a preliminary draft. An analysis will be provided in a later version.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

11 SECTION 1. 71.80 (21) of the statutes is created to read:

12 71.80 (21) BUSINESS ENTITY CONVERSION. Notwithstanding any provision of ss.
 13 179.76, 180.1161, 181.1161, and 183.1207, a business entity that converts to another
 14 business entity under s. 179.76, 180.1161, 181.1161, or 183.1207 shall be subject to
 15 the provisions under this chapter applicable to liquidations, reorganizations, and
 16 business entity formations. (58)

17 SECTION 2. 73.03 (57) of the statutes is created to read:

18 73.03 (57) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
 19 and 183.1207, to subject a business entity that converts to another business entity
 20 under s. 179.76, 180.1161, 181.1161, or 183.1207 to the provisions under ch. 71 and
 (58) (B)

1 subchs. II and III of ch. 77 applicable to liquidations, reorganizations, and business
2 entity formations.

3 **SECTION 3.** 77.26 (9) of the statutes is created to read:

4 77.26 (9) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161, and
5 183.1207, a business entity that converts to another business entity under s. 179.76,
6 180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this
7 subchapter applicable to liquidations, reorganizations, and business entity
8 formations.

9 **SECTION 4.** 77.61 (15) of the statutes is created to read:

10 77.61 (15) Notwithstanding any provision of ss. 179.76, 180.1161, 181.1161,
11 and 183.1207, a business entity that converts to another business entity under s.
12 179.76, 180.1161, 181.1161, or 183.1207 shall be subject to the provisions under this
13 subchapter applicable to liquidations, reorganizations, and business entity
14 formations.

15 **SECTION 5.** 178.43 (intro.) of the statutes is renumbered 178.43 (1) (intro.).

16 **SECTION 6.** 178.43 (2) and (3) of the statutes are created to read:

17 178.43 (2) The registered agent of a registered limited liability partnership or
18 a foreign limited liability partnership may resign as registered agent by executing
19 and filing with the department a written statement that includes all of the following
20 information, as applicable:

21 (a) The name of the registered limited liability partnership or foreign
22 registered limited liability partnership for which the registered agent is acting.

23 (b) The name of the registered agent.

24 (c) If the registered agent is acting for a registered limited liability partnership,
25 the street address of the registered limited liability partnership.

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1 (d) If the registered agent is acting for a foreign registered limited liability
2 partnership, the foreign registered limited liability partnership's current registered
3 office and the mailing address of the foreign registered limited liability partnership's
4 current principal office.

5 (e) A statement that the registered agent resigns.

6 (f) If the registered office is also discontinued, a statement to that effect.

7 (3) After the filing of a statement under sub. (2), the department shall mail a
8 copy of the statement to the registered limited liability partnership or foreign
9 registered limited liability partnership at the address provided under sub. (2) (c) or
10 (d).

11 **SECTION 7.** 178.51 (1) of the statutes is amended to read:

12 178.51 (1) Upon receipt of a document by the department for filing, the
13 department shall stamp or otherwise endorse the date ~~and time~~ of receipt on the
14 original document copy and, upon request, any additional document copy received.
15 The department shall return any additional document copy to the person delivering
16 it, as confirmation of the date ~~and time~~ of receipt.

17 **SECTION 8.** 179.03 (2) of the statutes is amended to read:

18 179.03 (2) The reservation shall be made by filing with the department an
19 application executed by the applicant to reserve a specified name together with a fee
20 of \$10, or making a telephone application to reserve a specified name. The fee for a
21 telephone application to reserve a specified name for 60 days is \$20. If the
22 department finds that the name is available for use by a domestic limited
23 partnership or foreign limited partnership, the department shall reserve the name
24 for the exclusive use of the applicant for a period of 60 days. ~~The department shall~~
25 ~~cancel the telephone application to reserve a specified name if the department does~~

1 not receive the proper fee within 15 business days after the application. Once having
2 reserved a name, the same applicant may not again reserve the same name until
3 more than 60 days after the expiration of the last 60 day period for which that
4 applicant reserved that name. The right to the exclusive use of a reserved name may
5 be transferred to any other person by filing with the department, together with a fee
6 of \$10, a notice of the transfer executed by the applicant for whom the name was
7 reserved and specifying the name and address of the transferee.

8 SECTION 9. 179.04 (1) (b) of the statutes is amended to read:

9 179.04 (1) (b) An agent for service of process on the limited partnership, which
10 agent must be an individual resident of this state, a domestic corporation, nonstock
11 corporation, limited partnership, registered limited liability partnership, or limited
12 liability company, or a foreign corporation, nonstock corporation, limited
13 partnership, registered limited liability partnership, or limited liability company
14 authorized to do business in this state whose ^{scored comma} address ^{business office} is identical with the ~~address~~
15 ~~of the business office of the agent.~~ registered

16 SECTION 10. 179.045 of the statutes is created to read:

17 179.045 Resignation of agent for service of process. (1) An agent for
18 service of process may resign by executing and filing with the department a
19 statement, in duplicate, containing all of the following information, as applicable:

20 (a) The name of the domestic or foreign limited partnership for which the agent
21 is acting.

22 (b) The name and current street address of the agent.

23 (c) If the agent is acting for a domestic limited partnership, the address of the
24 domestic limited partnership's record office.

(d) If the agent is acting for a foreign limited partnership, the address of the foreign limited partnership's office in its state of organization.

(e) A statement that the agent resigns.

(2) The department shall note on one of the duplicates filed under sub. (1) the date of filing and shall mail that duplicate to the limited partnership at the address provided under sub. (1) (c) or (d).

(3) A resignation under this section is effective on the earlier of the following:

(a) Thirty days after the date on which the statement is filed under sub. (1).

(b) The date on which the appointment of a successor agent is effective.

SECTION 11. Subchapter VIII (title) of chapter 179 [precedes 179.70] of the statutes is amended to read:

CHAPTER 179

SUBCHAPTER VIII

DISSOLUTION; CONVERSION; MERGER

same
↓
all caps
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SECTION 12. 179.70 of the statutes is created to read:

179.70 Definitions. In this subchapter:

(1) "Business entity" means a domestic business entity and a foreign business entity.

(2) "Domestic business entity" includes a corporation, as defined in s. 180.0103 (5), a limited liability company, as defined in s. 183.0102 (10), a limited partnership, or a corporation, as defined in s. 181.0103 (5).

(3) "Foreign business entity" includes a foreign limited liability company, as defined in s. 183.0102 (8), a foreign limited partnership, a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as defined in s. 181.0103 (13).

SECTION 13. 179.76 of the statutes is created to read:

1 **179.76 Conversion.** (1) A domestic limited partnership may convert to
2 another form of business entity if it satisfies the requirements under this section and
3 if the conversion is permitted under the applicable law of the jurisdiction that
4 governs the organization of the business entity into which the domestic limited
5 partnership is converting.

6 (2) (a) A business entity other than a domestic limited partnership may convert
7 to a domestic limited partnership if it satisfies the requirements under this section
8 and if the conversion is permitted under the applicable law of the jurisdiction that
9 governs the business entity.

10 (b) A business entity converting into a domestic limited partnership shall
11 comply with the procedures that govern the submission and approval of a plan of
12 conversion of the jurisdiction that governs the business entity.

13 (3) A plan of conversion shall set forth all of the following:

14 (a) The name, form of business entity, and the identity of the jurisdiction
15 governing the business entity that is to be converted.

16 (b) The name, form of business entity, and the identity of the jurisdiction that
17 will govern the business entity after conversion.

18 (c) The terms and conditions of the conversion.

19 (d) The manner and basis of converting the shares or other ownership interests
20 of the business entity that ~~are~~^{is} to be converted into the shares or other ownership
21 interests of the new ~~business~~^{form of} entity.

22 (e) The ~~delayed~~^{at} effective date and time of the conversion, if the conversion is
23 to be effective ~~at a time~~^{at} other than ~~the time of filing the certificate of limited~~
24 ~~partnership~~^{conversion}, as provided under s. 179.11 (2) ~~or otherwise~~

*Articles of incorporation,
articles of organization,*

*or other similar
governing document*

1 (f) ~~If a business entity other than a domestic limited partnership is converting~~
2 ~~to a domestic limited partnership,~~ a copy of the certificate of limited partnership of
3 the ~~new domestic limited partnership,~~ *business entity after conversion*

4 (g) Other provisions relating to the conversion, as determined by the business
5 entity.

6 (4) When a conversion is effective, all of the following ~~shall occur.~~ *apply*

7 (a) Except with respect to taxation laws of each jurisdiction that are applicable
8 upon the conversion of the business entity, the business entity that is converted is
9 no longer subject to the applicable law of the jurisdiction that governed the
10 organization of the prior form of business entity and is subject to the applicable law
11 of the jurisdiction that governs the new form of business entity. *INSERT A*

12 (b) The ~~new~~ business entity ~~has~~ *continues to have* all liabilities of the business entity that was
13 converted.

14 (c) The ~~new~~ business entity ~~is~~ *continues to be* vested with title to all property owned by the
15 business entity that was converted without reversion or impairment.

16 (d) The articles of incorporation, articles of organization, certificate of limited
17 partnership, or other similar governing document, whichever is applicable, of the
18 new business entity are as provided in the plan of conversion.

19 (e) All other provisions of the plan of conversion apply.

20 (5) After a plan of conversion is submitted and approved, the business entity
21 that is to be converted shall deliver to the department for filing a certificate of
22 conversion that includes all of the following together with a fee of \$150:

23 (a) The plan of conversion.

1 (b) A statement that the plan of conversion was approved in accordance with
2 the applicable law of the jurisdiction that governs the organization of the business
3 entity. (c)

4 ~~(c)~~ The registered agent and registered office, record agent and record office,
5 or other similar agent and office of the business entity before and after conversion.

6 (d) If a business entity other than a domestic limited partnership is converting
7 to a domestic limited partnership, a copy of the certificate of limited partnership of
8 the new domestic limited partnership.

9 (e) If a domestic limited partnership is to be converted to another form of
10 business entity, a copy of the articles of incorporation, articles of organization,
11 certificate of limited partnership or other similar governing document, whichever is
12 applicable, of the new business entity.

13 (6) Any civil, criminal, administrative, or investigatory proceeding that is
14 pending by or against a business entity that is converted may be continued by or
15 against the business entity after the effective date of conversion.

16 SECTION 14. 179.82 (4) of the statutes is amended to read:

17 179.82 (4) The name and address of an agent for service of process on the
18 foreign limited partnership, who must be an individual resident of this state, a
19 domestic corporation, nonstock corporation, limited partnership, registered limited
20 liability partnership, or limited liability company, or a foreign corporation, nonstock
21 corporation, limited partnership, registered limited liability partnership, or limited
22 liability company having a place of business and authorized to do business in this
23 state whose address is identical with the address of the business office of the agent.
24 *(Business office) (registered)*

25 SECTION 15. 179.88 of the statutes, as affected by 2001 Wisconsin Act 16, is
amended to read:

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1 **179.88 Substituted service.** Service of process on the department under this
2 subchapter shall be made by serving of duplicate copies of the process on the
3 department, together with the fee established under s. 182.01 (4) (c). The
4 department shall mail notice of the service and a copy of the process within 10 days
5 addressed to the foreign limited partnership at its office in the state of its
6 organization or its principal office, as appearing on the records of the department
7 from information supplied under s. 179.82 (6). The time within which the foreign
8 limited partnership may answer or move to dismiss under s. 802.06 (2) does not start
9 to run until 10 days after the date of the mailing. The department shall keep a record
10 of service of process under this section showing the day and hour of service and the
11 date of mailing.

12 **SECTION 16.** 180.0121 (1) (a) 4. of the statutes is created to read:

13 180.0121 (1) (a) 4. An application for a certificate of conversion under s.
14 180.1161 (5).

15 **SECTION 17.** 180.0122 (1) (yr) of the statutes is created to read:

16 180.0122 (1) (yr) A certificate of conversion, \$150.

17 **SECTION 18.** 180.0125 (1) of the statutes is amended to read:

18 180.0125 (1) Upon receipt of a document by the department for filing, the
19 department shall stamp or otherwise endorse the date ~~and time~~ of receipt on the
20 original, the document copy and, upon request, any additional document copy
21 received. The department shall return any additional document copy to the person
22 delivering it, as confirmation of the date ~~and time~~ of receipt.

23 **SECTION 19.** 180.0402 (1) of the statutes is amended to read:

24 180.0402 (1) A person may reserve the exclusive use of a corporate name,
25 including a fictitious name for a foreign corporation whose corporate name is not

1 available, by delivering an application to the department for filing or by making a
2 telephone application. The application shall include the name and address of the
3 applicant and the name proposed to be reserved. If the department finds that the
4 corporate name applied for under this subsection is available, the department shall
5 reserve the name for the applicant's exclusive use for a 120-day period, which may
6 be renewed by the applicant or a transferee under sub. (2) from time to time. ~~If an~~
7 ~~application to reserve a name or to renew a reserved name is made by telephone, the~~
8 ~~department shall cancel the reservation or renewal if the department does not~~
9 ~~receive the fee required under s. 180.0122 (1) (e) or (f) within 15 business days after~~
10 ~~the application is made.~~

11 SECTION 20. 180.0501 (2) and (3) of the statutes are amended to read:

12 180.0501 (2) A domestic corporation, a nonstock corporation, a limited
13 partnership, a registered limited liability partnership, or a limited liability company
14 incorporated, registered, or organized in this state, whose business office is identical
15 with the registered office.

16 (3) A foreign corporation, nonstock corporation, limited partnership,
17 registered limited liability partnership, or limited liability company authorized to
18 transact business in this state whose business office is identical with the registered
19 office.

20 SECTION 21. Subchapter XI (title) of chapter 180 [precedes 180.1100] of the
21 statutes is amended to read:

22 CHAPTER 180

23 SUBCHAPTER XI

24 MERGER AND, SHARE

25 EXCHANGE, AND CONVERSION

1 SECTION 22. 180.1100 of the statutes is created to read:

2 180.1100 Definitions. In this subchapter:

3 (1) "Business entity" means a domestic business entity and a foreign business
4 entity.

5 (2) "Domestic business entity" includes a corporation, a limited liability
6 company, as defined in s. 183.0102 (10), a limited partnership, as defined in s. 179.01
7 (7), or a corporation, as defined in s. 181.0103 (5).

8 (3) "Foreign business entity" includes a foreign limited liability company, as
9 defined in s. 183.0102 (8), a foreign limited partnership, as defined in s. 179.01 (4),
10 a foreign corporation, as defined in s. 180.0103 (9), or a foreign corporation, as
11 defined in s. 181.0103 (13).

Handwritten notes: A checkmark above line 8, a circled '11' with an arrow pointing to line 12, and a scribble '2-11' on the left margin.

12 SECTION 23. 180.1161 of the statutes is created to read:

13 180.1161 Conversion. (1) (a) A domestic corporation may convert to another
14 form of business entity if it satisfies the requirements under this section and if the
15 conversion is permitted under the applicable law of the jurisdiction that governs the
16 organization of the business entity into which the domestic corporation is converting.

17 (b) In addition to satisfying any applicable legal requirements of the
18 jurisdiction that governs the organization of the business entity into which the
19 domestic corporation is converting and that relate to the submission and approval
20 of a plan of conversion, the domestic corporation shall comply with the procedures
21 that govern a plan of merger under s. 180.1103 for the submission and approval of
22 a plan of conversion.

23 (2) (a) A business entity other than a domestic corporation may convert to a
24 domestic corporation if it satisfies the requirements under this section and if the

1 conversion is permitted under the applicable law of the jurisdiction that governs the
2 business entity.

3 (b) A business entity converting into a domestic corporation shall comply with
4 the procedures that govern the submission and approval of a plan of conversion of
5 the jurisdiction that governs the business entity.

6 (3) A plan of conversion shall set forth all of the following:

7 (a) The name, form of business entity, and the identity of the jurisdiction
8 governing the business entity that is to be converted.

9 (b) The name, form of business entity, and the identity of the jurisdiction that
10 will govern the business entity after conversion.

11 (c) The terms and conditions of the conversion.

12 (d) The manner and basis of converting the shares or other ownership interests
13 of the business entity that is to be converted into the shares or other ownership
14 interests of the new business entity. *form of*

15 (e) The *delayed* effective date and time of the conversion, if the conversion is
16 to be effective *at a time* other than *the time* of filing the *articles of incorporation*, as
17 provided under s. 180.0123 (2). *at the close of business on the date*
articles of organization, certificate of limited partnership,
or other similar governing document.

18 (f) ~~If a business entity other than a domestic corporation is converting to a~~
19 ~~domestic corporation,~~ a copy of the articles of incorporation of the ~~new domestic~~
20 ~~corporation~~. *business entity after conversion*

21 (g) Other provisions relating to the conversion, as determined by the business
22 entity.

23 (4) When a conversion is effective, all of the following shall occur:

24 (a) Except with respect to taxation laws of each jurisdiction that are applicable
25 upon the conversion of the business entity, the business entity that was converted

1 is no longer subject to the applicable law of the jurisdiction that governed the
2 organization of the prior form of business entity and is subject to the applicable law
3 of the jurisdiction that governs the new form of business entity.

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4 (b) The ~~new~~ business entity ^{continues to have} has all liabilities of the business entity that was
5 converted.

6 (c) The ~~new~~ business entity ^{continues to be} is vested with title to all property owned by the
7 business entity that was converted without reversion or impairment.

8 (d) The articles of incorporation, articles of organization, certificate of limited
9 partnership, or other similar governing document, whichever is applicable, of the
10 ~~new~~ business entity are as provided in the plan of conversion.

11 (e) All other provisions of the plan of conversion apply.

12 (5) After a plan of conversion is submitted and approved, the business entity
13 that is to be converted shall deliver to the department for filing a certificate of
14 conversion that includes all of the following:

15 (a) The plan of conversion.

16 (b) A statement that the plan of conversion was approved in accordance with
17 the applicable law of the jurisdiction that governs the organization of the business
18 entity.

19 (c) ~~(c)~~ The registered agent and registered office, record agent and record office,
20 or other similar agent and office of the business entity before and after conversion.

21 (d) If a business entity other than a domestic corporation is converting to a
22 domestic corporation, a copy of the articles of incorporation of the new domestic
23 corporation.

24 (e) If a domestic corporation is to be converted to another form of business
25 entity, a copy of the articles of incorporation, articles of organization, certificate of

1 ~~limited partnership or other similar governing document, whichever is applicable,~~
2 ~~of the new business entity.~~

3 (6) Any civil, criminal, administrative, or investigatory proceeding that is
4 pending by or against a business entity that is converted may be continued by or
5 against the business entity after the effective date of conversion.

6 SECTION 24. 180.1302 (1) (cm) of the statutes is created to read:

7 180.1302 (1) (cm) Consummation of a plan of conversion.

8 SECTION 25. 180.1421 (1) and (2) of the statutes are amended to read:

9 180.1421 (1) If the department determines that one or more grounds exist
10 under s. 180.1420 for dissolving a corporation, the department shall ~~serve~~ give the
11 corporation under s. ~~180.0504 with written~~ 180.0141 notice of the determination.
12 Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing and
13 addressed to the registered office of the corporation.

14 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
15 s. ~~180.0504~~ 180.0141 (5) (a), the corporation shall correct each ground for dissolution
16 or demonstrate to the reasonable satisfaction of the department that each ground
17 determined by the department does not exist.

18 (b) If the corporation fails to satisfy par. (a), the department shall
19 administratively dissolve the corporation ~~by issuing a certificate of dissolution that~~
20 ~~recites each ground for dissolution and its effective date.~~ The department shall file
21 ~~the original of the certificate and serve a copy on the corporation under s. 180.0504~~
22 enter a notation in its records to reflect each ground for dissolution and the effective
23 date of dissolution and shall give the corporation under s. 180.0141 notice of those
24 facts. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in writing
25 and addressed to the registered office of the corporation.

1 **SECTION 26.** 180.1421 (2m) of the statutes is created to read:

2 180.1421 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
3 department as undeliverable, the department shall again give notice to the
4 corporation under s. 180.0141. Notwithstanding s. 180.0141 (2) (b), (3), and (4) and
5 except as provided under par. (b), the notice under this paragraph shall be in writing
6 and addressed to the principal office of the corporation.

7 (b) If the notice under par. (a) is returned to the department as undeliverable
8 or if the corporation's principal office cannot be determined from the records of the
9 department, the department shall give the notice by publishing a class 2 notice under
10 ch. 985 in the official state newspaper.

11 **SECTION 27.** 180.1504 (1) (intro.) and (b) of the statutes are amended to read:

12 180.1504 (1) (intro.) A foreign corporation authorized to transact business in
13 this state shall obtain an amended certificate of authority from the department if ~~it~~
14 the foreign corporation changes any of the following:

15 (b) ~~The~~ its date of incorporation or the period of its duration.

16 **SECTION 28.** 180.1507 (2) of the statutes is amended to read:

17 180.1507 (2) A domestic corporation, a nonstock corporation, a limited
18 partnership, a registered limited liability partnership, or a limited liability company
19 incorporated, registered, or organized in this state, whose business office is identical
20 with the registered office.

21 **SECTION 29.** 180.1507 (3) of the statutes is amended to read:

22 180.1507 (3) A foreign corporation, nonstock corporation, limited partnership,
23 registered limited liability partnership, or limited liability company authorized to
24 transact business in this state, whose business office is identical with the registered
25 office.

1 **SECTION 30.** 180.1530 (1m) and (2) of the statutes are amended to read:

2 180.1530 (1m) If the department receives a certificate under sub. (1) (f) and a
3 statement by the foreign corporation that the certificate is submitted by the foreign
4 corporation to terminate its authority to transact business in this state, the
5 department shall ~~issue a certificate of revocation~~ revoke the foreign corporation's
6 certificate of authority under s. 180.1531 (2) (b).

7 (2) A court may revoke under s. 946.87 the certificate of authority of a foreign
8 corporation authorized to transact business in this state. The court shall notify the
9 department of the action, and the department shall ~~issue a certificate of revocation~~
10 revoke the foreign corporation's certificate of authority under s. 180.1531 (2) (b).

11 **SECTION 31.** 180.1531 (1) and (2) (a) and (b) of the statutes are amended to read:

12 180.1531 (1) If the department determines that one or more grounds exist
13 under s. 180.1530 (1) for revocation of a certificate of authority, the department shall
14 ~~serve~~ give the foreign corporation under s. ~~180.1510 with written~~ 180.0141 notice of
15 the determination. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall
16 be in writing and addressed to the registered office of the foreign corporation.

17 (2) (a) Within 60 days after ~~service of the notice is perfected~~ takes effect under
18 s. ~~180.1510~~ 180.0141 (5) (a), the foreign corporation shall correct each ground for
19 revocation or demonstrate to the reasonable satisfaction of the department that each
20 ground determined by the department does not exist.

21 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
22 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
23 that recites entering a notation in the department's records to reflect each ground for
24 revocation and ~~its~~ the effective date of the revocation. The department shall ~~file the~~
25 ~~original of the certificate and serve a copy on~~ give the foreign corporation under s.

1 180.1510 180.0141 notice of each ground for revocation and the effective date of the
2 revocation. Notwithstanding s. 180.0141 (2) (b), (3), and (4), the notice shall be in
3 writing and addressed to the registered office of the foreign corporation.

4 **SECTION 32.** 180.1531 (2m) of the statutes is created to read:

5 180.1531 (2m) (a) If a notice under sub. (1) or (2) (b) is returned to the
6 department as undeliverable, the department shall again give notice to the
7 corporation under s. 180.0141. Notwithstanding s. 180.0141 (2) (b), (3), and (4) and
8 except as provided under par. (b), the notice under this paragraph shall be in writing
9 and addressed to the principal office of the foreign corporation.

10 (b) If the notice under par. (a) is returned to the department as undeliverable
11 or if the corporation's principal office cannot be determined from the records of the
12 department, the department shall give the notice by publishing a class 2 notice under
13 ch. 985 in the official state newspaper.

14 **SECTION 33.** 180.1532 (1) of the statutes is amended to read:

15 180.1532 (1) A foreign corporation may appeal the department's revocation of
16 its certificate of authority under s. 180.1530 (1) to the circuit court for the county
17 where the foreign corporation's principal office or, if none in this state, its registered
18 office is located, within 30 days after ~~service of the certificate~~ the notice of revocation
19 ~~is perfected takes effect~~ under s. ~~180.1510~~ 180.0141 (5) (a). The foreign corporation
20 shall appeal by petitioning the court to set aside the revocation and attaching to the
21 petition copies of its certificate of authority and the department's ~~certificate~~ notice
22 of revocation.

23 **SECTION 34.** 181.0121 (1) (a) 4. of the statutes is created to read:

24 181.0121 (1) (a) 4. An application for a certificate of conversion under s.
25 181.1161 (5).

1 **SECTION 35.** 181.0122 (1) (yr) of the statutes is created to read:

2 181.0122 (1) (yr) A certificate of conversion, \$150.

3 **SECTION 36.** 181.0402 (1) of the statutes is amended to read:

4 181.0402 (1) RESERVATION OF NAMES. A person may reserve the exclusive use
5 of a corporate name, including a fictitious name for a foreign corporation whose
6 corporate name is not available, by delivering an application to the department for
7 filing or by making a telephone application. The application shall include the name
8 and address of the applicant and the name proposed to be reserved. If the
9 department finds that the corporate name applied for under this subsection is
10 available, the department shall reserve the name for the applicant's exclusive use for
11 a 120-day period, which may be renewed by the applicant or a transferee under sub.
12 (2) from time to time. ~~If an application to reserve a name or to renew a reserved name~~
13 ~~is made by telephone, the department shall cancel the reservation or renewal if the~~
14 ~~department does not receive the fee required under s. 181.0122 (1) (e) or (f) within~~
15 ~~15 business days after the application is made.~~

16 **SECTION 37.** 181.0501 (2) of the statutes is amended to read:

17 181.0501 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
18 limited partnership, registered limited liability partnership, or limited liability
19 company, incorporated, registered, or organized in this state, whose business office
20 is identical with the registered office.

21 **SECTION 38.** 181.0501 (3) of the statutes is amended to read:

22 181.0501 (3) FOREIGN ENTITIES. A foreign corporation, stock corporation,
23 limited partnership, registered limited liability partnership, or limited liability
24 company, authorized to transact business in this state, whose business office is
25 identical with the registered office.

1 that govern a plan of merger under s. 181.1103 for the submission and approval of
2 a plan of conversion.

3 (2) (a) A business entity other than a domestic corporation may convert to a
4 domestic corporation if it satisfies the requirements under this section and if the
5 conversion is permitted under the applicable law of the jurisdiction that governs the
6 business entity.

7 (b) A business entity converting into a domestic corporation shall comply with
8 the procedures that govern the submission and approval of a plan of conversion of
9 the jurisdiction that governs the business entity.

10 (3) A plan of conversion shall set forth all of the following:

11 (a) The name, form of business entity, and the identity of the jurisdiction
12 governing the business entity that is to be converted.

13 (b) The name, form of business entity, and the identity of the jurisdiction that
14 will govern the new business entity.

15 (c) The terms and conditions of the conversion.

16 (d) The manner and basis of converting the shares or other ownership interests
17 of the business entity that is to be converted into the shares or other ownership
18 interests of the new business entity. *form of* *Certificate of conversion*

19 (e) The ~~delayed~~ effective date and time of the conversion if the conversion is to
20 be effective at a time other than the time of filing the articles of incorporation, as
21 provided under s. 181.0123 (2). *at the close of business on the date*
articles of organization, certificate of limited partnership,
or other similar governing document

22 (f) If a business entity other than a domestic corporation is converting to a
23 domestic corporation, a copy of the articles of incorporation of the new domestic
24 corporation. *business entity after conversion*

1 (g) Other provisions relating to the conversion, as determined by the business
2 entity.

3 (4) When a conversion is effective, all of the following shall occur:

4 (a) Except with respect to taxation laws of each jurisdiction that are applicable
5 upon the conversion of the business entity, the business entity that was converted
6 is no longer subject to the applicable law of the jurisdiction that governed the
7 organization of the prior form of business entity and is subject to the applicable law
8 of the jurisdiction that governs the new form of business entity. INSET e

9 (b) The business entity ~~has~~ continues to have all liabilities of the business entity that was
10 converted.

11 (c) The business entity ~~is~~ continues to be vested with title to all property owned by the business
12 entity that was converted without reversion or impairment.

13 (d) The articles of incorporation, articles of organization, certificate of limited
14 partnership, or other similar governing document, whichever is applicable, of the
15 ~~the~~ business entity are as provided in the plan of conversion.

16 (e) All other provisions of the plan of conversion apply.

17 (5) After a plan of conversion is submitted and approved, the business entity
18 that is to be converted shall deliver to the department for filing a certificate of
19 conversion that includes all of the following:

20 (a) The plan of conversion.

21 (b) A statement that the plan of conversion was approved in accordance with
22 the applicable law of the jurisdiction that governs the organization of the business
23 entity.

(c)
3
1 (cm) The registered agent and registered office, the record agent and record
2 office, or other similar agent and office of the business entity before and after
3 conversion.

4 (d) If a business entity other than a domestic corporation is converting to a
5 domestic corporation, a copy of the articles of incorporation of the new domestic
6 corporation.

7 (e) If a domestic corporation is to be converted to another form of business
8 entity, a copy of the article of incorporation, articles of organization, certificate of
9 limited partnership, or other similar governing document, whichever is applicable,
10 of the new business entity.

11 (6) Any civil, criminal, administrative, or investigatory proceeding that is
12 pending by or against a business entity that is converted may be continued by or
13 against the business entity after the effective date of conversion.

14 SECTION 42. 181.1403 (1) (e) of the statutes is repealed and recreated to read:

15 181.1403 (1) (e) If approval by members is required, a statement that
16 dissolution was approved by a sufficient vote of the members of each class entitled
17 to vote on dissolution.

18 SECTION 43. 181.1421 (1) of the statutes is amended to read:

19 181.1421 (1) NOTICE OF DETERMINATION. If the department determines that one
20 or more grounds exist under s. 181.1420 for dissolving a corporation, the department
21 shall give the corporation written notice of the department's determination by
22 certified first-class mail, ~~return receipt requested~~, addressed to the corporation's
23 registered agent and to the corporation's principal office, as most recently designated
24 on the records of the department.

25 SECTION 44. 181.1421 (2) of the statutes is repealed and recreated to read:

1 181.1421 (2) SECONDARY NOTICES. (a) If a notice under sub. (1) is returned to
2 the department as undeliverable, the department shall again give the corporation
3 notice by first-class mail, addressed to the principal office of the corporation, as most
4 recently designated in the records of the department.

5 (b) If the notice under par. (a) is returned to the department as undeliverable
6 or if the corporation's principal office cannot be determined from the records of the
7 department, the department shall give the notice by publishing a class 2 notice under
8 ch. 985 in the official state newspaper.

9 **SECTION 45.** 181.1421 (4) (b) of the statutes is amended to read:

10 181.1421 (4) (b) If the corporation fails to satisfy par. (a), the department shall
11 administratively dissolve the corporation ~~by issuing a certificate of dissolution that~~
12 ~~recites each ground for dissolution and its effective date.~~ The department shall file
13 ~~the original of the certificate and shall provide notice to~~ enter a notation in the
14 department's records to reflect each ground for dissolution and the effective date of
15 dissolution and shall give the corporation of the certificate notice of those facts in the
16 same manner as a notice of determination under subs. (1) and (2).

17 **SECTION 46.** 181.1422 (2) (a) (intro.) of the statutes is amended to read:

18 181.1422 (2) (a) (intro.) The department shall cancel the ~~certificate~~ notice of
19 dissolution and issue a certificate of reinstatement that complies with par. (b) if the
20 department determines all of the following:

21 **SECTION 47.** 181.1423 (2) of the statutes is amended to read:

22 181.1423 (2) TIME FOR APPEAL OF DENIAL. The corporation may appeal the denial
23 of reinstatement to the circuit court for the county where the corporation's principal
24 office or, if none in this state, its registered office is located, within 30 days after
25 service of the notice of denial is perfected. The corporation shall appeal by

1 petitioning the court to set aside the dissolution and attaching to the petition copies
2 of the department's ~~certificate~~ notice of dissolution, the corporation's application for
3 reinstatement, and the department's notice of denial.

4 **SECTION 48.** 181.1504 (1) (b) of the statutes is amended to read:

5 181.1504 (1) (b) ~~The~~ Its date of incorporation or the period of its duration.

6 **SECTION 49.** 181.1507 (2) of the statutes is amended to read:

7 181.1507 (2) DOMESTIC ENTITIES. A domestic corporation, stock corporation,
8 limited partnership, registered limited liability partnership, or limited liability
9 company, incorporated, registered, or organized in this state, whose business office
10 is identical with the registered office.

11 **SECTION 50.** 181.1507 (3) of the statutes is amended to read:

12 181.1507 (3) FOREIGN ENTITIES. A foreign corporation, stock corporation,
13 limited partnership, registered limited liability partnership, or limited liability
14 company, authorized to transact business in this state, whose business office is
15 identical with the registered office.

16 **SECTION 51.** 181.1531 (1) of the statutes is amended to read:

17 181.1531 (1) NOTICE OF PROCEEDING BY DEPARTMENT. If the department
18 determines that one or more grounds exist under s. 181.1530 (1) for revocation of a
19 certificate of authority, the department shall ~~serve~~ give the foreign corporation under
20 s. 181.1510 ~~with~~ written notice of the determination, addressed to the foreign
21 corporation's registered agent.

22 **SECTION 52.** 181.1531 (2) (a), (b) and (c) 1. (intro.) of the statutes are amended
23 to read:

24 181.1531 (2) (a) Within 60 days after ~~service of the notice is perfected under~~
25 ~~s. 181.1510~~ takes effect, the foreign corporation shall correct each ground for

1 revocation or demonstrate to the reasonable satisfaction of the department that each
2 ground determined by the department does not exist.

3 (b) If the foreign corporation fails to satisfy par. (a), the department may revoke
4 the foreign corporation's certificate of authority by ~~issuing a certificate of revocation~~
5 ~~that recites~~ entering a notation in the department's records to reflect each ground for
6 revocation and the ~~certificate's~~ effective date of revocation. The department shall ~~file~~
7 ~~the original certificate and serve a copy on~~ give notice of those facts to the foreign
8 corporation in the same manner as a notice of determination under s. 181.1510 subs.
9 (1) and (2).

10 (c) 1. (intro.) If a foreign corporation's certificate of authority is revoked, the
11 department shall reinstate the certificate of authority if the foreign corporation does
12 all of the following within 6 months after the effective date of ~~the certificate of~~
13 revocation:

14 **SECTION 53.** 181.1531 (2g) of the statutes is created to read:

15 181.1531 (2g) SECONDARY NOTICES. (a) If a notice under sub. (1) or (2) (b) is
16 returned to the department as undeliverable, the department shall again give
17 written notice to the foreign corporation, addressed to the principal office of the
18 foreign corporation, as most recently designated in the records of the department.

19 (b) If the notice under par. (a) is returned to the department as undeliverable
20 or if the corporation's principal office cannot be determined from the records of the
21 department, the department shall give the notice by publishing a class 2 notice under
22 ch. 985 in the official state newspaper.

23 **SECTION 54.** 181.1531 (2r) of the statutes is created to read:

24 181.1531 (2r) EFFECTIVE DATE OF NOTICE. A notice under sub. (1), (2) (b), or (2g)
25 (a) takes effect at the earliest of the following:

1 (a) When received.

2 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
3 addressed.

4 (c) On the date shown on the return receipt, if sent by registered or certified
5 mail, return receipt requested, and the receipt is signed by or on behalf of the
6 addressee.

7 **SECTION 55.** 181.1531 (3) of the statutes is amended to read:

8 181.1531 (3) **EFFECT OF REVOCATION.** The authority of a foreign corporation to
9 transact business in this state, ends on the effective date shown on the certificate
10 revoking of revocation of its certificate of authority, as reflected in the records of the
11 department.

12 **SECTION 56.** 181.1532 (1) of the statutes is amended to read:

13 181.1532 (1) **RIGHT TO APPEAL.** A foreign corporation may appeal the
14 department's revocation of its certificate of authority under s. 181.1530 (1) to the
15 circuit court for the county where the foreign corporation's principal office or, if none
16 exists in this state, its registered office is located, within 30 days after ~~service of the~~
17 certificate the effective date of the notice of revocation is perfected under s. 181.1510.
18 The foreign corporation shall appeal by petitioning the court to set aside the
19 revocation and attaching to the petition copies of its certificate of authority and the
20 department's ~~certificate~~ notice of revocation.

21 **SECTION 57.** 183.0104 (1) of the statutes is amended to read:

22 183.0104 (1) A person may reserve the exclusive use of a limited liability
23 company name, including a fictitious name for a foreign limited liability company
24 whose name is not available, by delivering an application to the department for filing
25 or by making a telephone application. The application shall include the applicant's

1 name and address and the name proposed to be reserved. If the department finds
2 that the name applied for under this subsection is available, the department shall
3 reserve the name for the applicant's exclusive use for a 120-day period, which may
4 be renewed by the applicant or a transferee under sub. (2) from time to time. ~~If an~~
5 ~~application to reserve a name or to renew a reserved name is made by telephone, the~~
6 ~~department shall cancel the reservation or renewal if the department does not~~
7 ~~receive the fee required under s. 183.0114 (1) (e) or (f) within 10 business days after~~
8 ~~the day on which the application is made.~~

9 SECTION 58. 183.0105 (1) (b) of the statutes is amended to read:

10 183.0105 (1) (b) A domestic corporation, ~~a domestic~~ limited liability company,
11 limited partnership, registered limited liability partnership, or a nonstock
12 corporation organized or registered in this state, whose business office is identical
13 with the registered office.

14 SECTION 59. 183.0105 (1) (c) of the statutes is amended to read:

15 183.0105 (1) (c) A foreign corporation, nonstock corporation, limited
16 partnership, registered limited liability partnership, or a foreign limited liability
17 company, ~~that is~~ authorized to transact business in this state ~~and,~~ whose business
18 office is identical with the registered office.

19 SECTION 60. 183.0109 (1) (a) 5. of the statutes is created to read:

20 183.0109 (1) (a) 5. An application for a certificate of conversion under s.
21 183.1207 (5).

22 SECTION 61. 183.0110 (1) of the statutes is amended to read:

23 183.0110 (1) Upon receipt of a document by the department for filing under this
24 chapter, the department shall stamp or otherwise endorse the date ~~and time~~ of
25 receipt on the original, the document copy and, upon request, any additional

1 document copy received. The department shall return any additional document copy
2 to the person delivering it, as confirmation of the date and time of receipt.

3 **SECTION 62.** 183.0114 (1) (mp) of the statutes is created to read:

4 183.0114 (1) (mp) A certificate of conversion filed under s. 183.1207 (5), \$150.

5 **SECTION 63.** 183.0204 of the statutes is repealed and recreated to read:

6 **183.0204 Effect of delivery or filing of articles of organization and**
7 **other documents.** (1) (a) A limited liability company is formed when the articles
8 of organization become effective under s. 183.0111.

9 (b) The department's filing of the articles of organization is conclusive proof
10 that the limited liability company is organized and formed under this chapter.

11 (c) The status of a limited liability company as a limited liability company or
12 as a foreign limited liability company registered to transact business in this state and
13 the liability of any member of any such limited liability company is not adversely
14 affected by errors or subsequent changes in any information stated in any filing
15 made under this chapter.

16 (2) The department's filing of the articles of organization of a foreign limited
17 liability company under s. 183.1004 shall be considered the certificate of authority
18 for that foreign limited liability company to transact business in this state and is
19 notice of all other facts set forth in the registration statement.

20 (3) (a) If a limited liability company or a foreign limited liability company that
21 is registered to transact business in this state dissolves, but its business continues
22 without winding up and without liquidating the company, the status of the limited
23 liability company or foreign limited liability company before dissolution shall
24 continue to be applicable to the company as it continues its business, and the
25 company shall not be required to make any new filings under this chapter. Any

1 filings made by such a limited liability company or foreign limited liability company
2 before dissolution shall be considered to have been filed by the company while it
3 continues its business.

4 (b) If a limited liability company or a foreign limited liability company that is
5 registered to transact business in this state dissolves, any filings made by the
6 company before dissolution remain in effect as to the company and its members
7 during the period of winding up and to the members during the period after the
8 company's liquidation or termination with respect to the liabilities of the company.

9 **SECTION 64.** 183.0404 (2) (fm) of the statutes is created to read:

10 183.0404 (2) (fm) Convert to a new form of business entity under s. 183.1207.

11 **SECTION 65.** 183.0504 of the statutes is created to read:

12 **183.0504 Series of members, managers, or limited liability company**
13 **interests.** An operating agreement may establish, or provide for the establishment
14 of, designated series or classes of members, managers, or limited liability company
15 interests that have separate or different preferences, limitations, rights, or duties,
16 with respect to profits, losses, distributions, voting, property, or other incidents
17 associated with the limited liability company.

18 **SECTION 66.** 183.0802 (3) of the statutes is amended to read:

19 183.0802 (3) (a) Except as provided in par. (b), ~~unless an operating agreement~~
20 ~~provides that a member does not have the power to withdraw by voluntary act from~~
21 ~~a limited liability company, the a member may do so~~ voluntarily withdraw from a
22 limited liability company at any time by giving written notice to the other members,
23 or on any other terms as are provided in an operating agreement. ~~If the member has~~
24 ~~the power to withdraw but the withdrawal is a breach of an operating agreement or~~
25 the withdrawal occurs as a result of otherwise wrongful conduct of the member, the

1 limited liability company may recover from the withdrawing member damages for
2 ~~breach of the operating agreement or~~ as a result of the wrongful conduct and may
3 offset the damages against the amount otherwise distributable to the member, in
4 addition to pursuing any remedies provided for in an operating agreement or
5 otherwise available under applicable law. ~~Unless otherwise provided in an operating~~
6 ~~agreement, in the case of a limited liability company for a definite term or particular~~
7 ~~undertaking, a withdrawal by a member before the expiration of that term or~~
8 ~~completion of that undertaking is a breach of the operating agreement.~~

9 (b) If a member acquired an interest in a limited liability company for no or
10 nominal consideration or owns an interest as to which the power to withdraw is
11 ~~restricted in the operating agreement,~~ ^{prohibited or otherwise} ← score the member may withdraw from the limited
12 liability company with respect to that interest only in accordance with the operating
13 agreement and only at the time or upon the occurrence of an event specified in the
14 operating agreement. If the operating agreement does not specify the time or the
15 event upon the occurrence of which the member may withdraw, a member who
16 acquired an interest in the limited liability company for no or nominal consideration
17 may not withdraw prior to the time for the dissolution and commencement of
18 winding up of the limited liability company without the written consent of all
19 members of the limited liability company. Unless otherwise provided in an operating
20 agreement, in the case of a limited liability company that is organized for a definite
21 term or particular undertaking, the operating agreement shall be considered to
22 provide that a member may not withdraw before the expiration of that term or
23 completion of that undertaking.

24 SECTION 67. 183.0901 (4) (intro.) of the statutes is amended to read:

1 183.0901 (4) (intro.) ~~An~~ For a limited liability company organized before the
2 effective date of this subsection ... [revisor inserts date], an event of dissociation of
3 a member, unless any of the following applies:

4 **SECTION 68.** 183.1001 (1) of the statutes is amended to read:

5 183.1001 (1) The laws of the state or other jurisdiction under which a foreign
6 limited liability company is organized shall govern its organization and internal
7 affairs and the liability and authority of its managers and members, regardless of
8 whether the foreign limited liability company obtained or should have obtained a
9 certificate of registration under this chapter, except that a foreign limited liability
10 company that has filed a certificate of conversion under s. 183.1207 (5) to become a
11 domestic limited liability company shall be subject to the requirements of this
12 chapter governing domestic limited liability companies on the effective date of the
13 conversion and shall not be subject to the requirements of this chapter governing
14 foreign limited liability companies.

15 **SECTION 69.** 183.1006 (1) (a) of the statutes is amended to read:

16 183.1006 (1) (a) Its name or the fictitious name under which it has been issued
17 a certificate of registration.

18 **SECTION 70.** 183.1006 (1) (b) of the statutes is amended to read:

19 183.1006 (1) (b) The state or jurisdiction under whose laws it is organized or
20 its date of organization.

21 **SECTION 71.** 183.1020 (2) of the statutes is amended to read:

22 183.1020 (2) If the department receives a certificate under sub. (1) (f) and a
23 statement by the foreign limited liability company that the certificate is submitted
24 by the foreign limited liability company to terminate its registration to transact
25 business in this state, the department shall ~~issue a certificate of revocation~~ revoke

1 the foreign limited liability company's certificate of registration under s. 183.1021
2 (2) (b).

3 **SECTION 72.** 183.1020 (3) of the statutes is amended to read:

4 183.1020 (3) A court may revoke under s. 946.87 the certificate of registration
5 of a foreign limited liability company registered to transact business in this state.
6 The court shall notify the department of the action, and the department shall issue
7 ~~a certificate of revocation~~ revoke the foreign limited liability company's certificate of
8 registration under s. 183.1021 (2) (b).

9 **SECTION 73.** 183.1021 (1) and (2) of the statutes are amended to read:

10 183.1021 (1) If the department determines that one or more grounds exist
11 under s. 183.1020 (1) for revocation of a certificate of registration, the department
12 shall ~~serve~~ give the foreign limited liability company under s. 183.1010 with written
13 notice of the determination by first class mail, addressed to the foreign limited
14 liability company's registered office.

15 (2) (a) Within 60 days after ~~service of the notice is perfected under s. 183.1010~~
16 takes effect, the foreign limited liability company shall correct each ground for
17 revocation or demonstrate to the reasonable satisfaction of the department that each
18 ground determined by the department does not exist.

19 (b) If the foreign limited liability company fails to satisfy par. (a), the
20 department may revoke the foreign limited liability company's certificate of
21 registration by ~~signing a certificate of revocation that recites~~ entering a notation in
22 the department's records to reflect each ground for revocation and its the effective
23 date of the revocation. The department shall ~~file the original of the certificate and~~
24 ~~serve a copy on~~ give written notice of those facts to the foreign limited liability

1 company under ~~s. 183.1010~~ by first class mail, addressed to the foreign limited
2 liability company's registered office.

3 SECTION 74. 183.1021 (2g) of the statutes is created to read:

4 183.1021 (2g) (a) If a notice under sub. (1) or (2) (b) is returned to the
5 department as undeliverable, the department shall again give written notice to the
6 foreign limited liability company, addressed to the principal office of the foreign
7 limited liability company.

8 (b) If the notice under par. (a) is returned to the department as undeliverable
9 or if the foreign limited liability company's principal office cannot be determined
10 from the records of the department, the department shall give the notice by
11 publishing a class 2 notice under ch. 985 in the official state newspaper.

12 SECTION 75. 183.1021 (2r) of the statutes is created to read:

13 183.1021 (2r) A notice under sub. (1), (2) (b), or (2g) (a) takes effect at the
14 earliest of the following:

15 (a) When received.

16 (b) Five days after its deposit in the U.S. mail, if mailed postpaid and correctly
17 addressed.

18 (c) On the date shown on the return receipt, if sent by registered or certified
19 mail, return receipt requested, and the receipt is signed by or on behalf of the
20 addressee.

21 SECTION 76. 183.1021 (3) of the statutes is amended to read:

22 183.1021 (3) The authority of a foreign limited liability company to transact
23 business in this state, other than as provided in s. 183.1002 (2), ends on the effective
24 date shown on the certificate revoking of revocation of its certificate of registration
25 as reflected in the records of the department.

1 **183.1207 Conversion.** (1) (a) A domestic limited liability company may
2 convert to another form of business entity if it satisfies the requirements under this
3 section and if the conversion is permitted under the applicable law of the jurisdiction
4 that governs the organization of the business entity into which the domestic limited
5 liability company is converting.

6 (b) In addition to satisfying any applicable legal requirements of the
7 jurisdiction that governs the organization of the business entity into which the
8 domestic limited liability company is converting and that relate to the submission
9 and approval of a plan of conversion, the domestic limited liability company shall
10 comply with the procedures that govern a plan of merger under s. 183.1202 for the
11 submission and approval of a plan of conversion.

12 (2) (a) A business entity other than a domestic limited liability company may
13 convert to a domestic limited liability company if it satisfies the requirements under
14 this section and if the conversion is permitted under the applicable law of the
15 jurisdiction that governs the business entity.

16 (b) A business entity converting into a domestic limited liability company shall
17 comply with the procedures that govern the submission and approval of a plan of
18 conversion of the jurisdiction that governs the business entity.

19 (3) A plan of conversion shall set forth all of the following:

20 (a) The name, form of business entity, and the identity of the jurisdiction
21 governing the business entity that is to be converted.

22 (b) The name, form of business entity, and the identity of the jurisdiction that
23 will govern the business entity after conversion.

24 (c) The terms and conditions of the conversion.

1 (d) The manner and basis of converting the shares or other ownership interests
2 of the business entity that is to be converted into the shares or other ownership
3 interests of the new business entity. *form of* *certificate of conversion*

4 (e) The ~~effective~~ effective date and time of the conversion, if the conversion is
5 to be effective *at the close of business on the date* at a time other than the time of filing the articles of organization, as
6 provided under s. 183.0111 (2). *incorporation, article of*

7 (f) ~~If a business entity other than a domestic limited liability company is~~
8 ~~converting to a domestic limited liability company,~~ a copy of the articles of
9 organization ~~of the new domestic limited liability company.~~ *certificate of limited partnership or other governing document of the business entity*

10 (g) Other provisions relating to the conversion, as determined by the business
11 entity. *after conversion.*

12 (4) When a conversion is effective, all of the following shall occur:

13 (a) Except with respect to taxation laws of each jurisdiction that are applicable
14 upon the conversion of the business entity, the business entity that was converted
15 is no longer subject to the applicable law of the jurisdiction that governed the
16 organization of the prior form of business entity and is subject to the applicable law
17 of the jurisdiction that governs the new form of business entity. *INSERT D*

18 (b) The ~~new~~ business entity *continues to have* has all liabilities of the business entity that was
19 converted.

20 (c) The ~~new~~ business entity *continues to be* is vested with title to all property owned by the
21 business entity that was converted without reversion or impairment.

22 (d) The articles of incorporation, articles of organization, certificate of limited
23 partnership, or other similar governing document, whichever is applicable, of the
24 ~~new~~ business entity are as provided in the plan of conversion.

25 (e) All other provisions of the plan of conversion apply.

1 (5) After a plan of conversion is submitted and approved, the business entity
2 that is to be converted shall deliver to the department for filing a certificate of
3 conversion that includes all of the following:

4 (a) The plan of conversion.

5 (b) A statement that the plan of conversion was approved in accordance with
6 the applicable law of the jurisdiction that governs the organization of the business
7 entity.

8 (c) The registered agent and registered office, record agent and record office,
9 or other similar agent and office of the business entity before and after conversion.

10 (d) If a business entity other than a domestic limited liability company is
11 converting to a domestic limited liability company, a copy of the articles of
12 organization of the new domestic limited liability company.

13 (e) If a domestic limited liability company is to be converted to another form of
14 business entity, a copy of the articles of incorporation, articles of organization,
15 certificate of limited partnership, or other similar governing document, whichever
16 is applicable, of the new business entity.

17 (6) Any civil, criminal, administrative, or investigatory proceeding that is
18 pending by or against a business entity that is converted may be continued by or
19 against the business entity after the effective date of conversion.

20 **SECTION 81.** 551.02 (1) of the statutes is renumbered 551.02 (1r).

21 **SECTION 82.** 551.02 (1g) of the statutes is created to read:

22 551.02 (1g) "Accredited investor" has the meaning given in 17 CFR 230.501(a).

23 **SECTION 83.** 551.23 (8) (g) of the statutes is amended to read:

24 551.23 (8) (g) An individual accredited investor, as defined by rule of the
25 division, if the issuer reasonably believes immediately before the sale that the

1 ~~individual accredited investor, either alone or with the individual accredited~~
2 ~~investor's representative, has such knowledge and experience in financial and~~
3 ~~business matters as to be capable of evaluating the merits and risks of the~~
4 ~~prospective investment.~~

5 **SECTION 84.** 551.23 (10) of the statutes is amended to read:

6 551.23 (10) Any offer or sale of its securities by an issuer having its principal
7 office in this state, if the aggregate number of persons holding directly or indirectly
8 all of the issuer's securities, after the securities to be issued are sold, does not exceed
9 ~~15~~ 25, exclusive of persons under sub. (8), if no commission or other remuneration
10 is paid or given directly or indirectly for soliciting any person in this state, except to
11 broker-dealers and agents licensed in this state, and if no advertising is published
12 unless it has been permitted by the division.

13 **SECTION 85.** 551.23 (11) (a) of the statutes is amended to read:

14 551.23 (11) (a) Any transaction pursuant to an offer directed by the offeror to
15 not more than ~~10~~ 25 persons in this state, excluding persons exempt under sub. (8)
16 but including persons exempt under sub. (10), during any period of 12 consecutive
17 months, whether or not the offeror or any of the offerees is then present in this state,
18 if the offeror reasonably believes that all the persons in this state are purchasing for
19 investment, and no commission or other remuneration is paid or given directly or
20 indirectly for soliciting any person in this state other than those exempt by sub. (8).

21 **SECTION 86.** 551.31 (1) (d) of the statutes is created to read:

22 551.31 (1) (d) An agent who is acting exclusively as an agent representing an
23 issuer of securities and who makes offers and sales of the issuer's securities in
24 transactions that are exempt under s. 551.23 (8) (g) or under a rule of the division
25 promulgated under s. 551.23 (18) that specifically exempts transactions involving

1 accredited investors and that is based on a model accredited investor exemption
2 adopted by the North American Securities Administrators Association.

3

(END)

Insert
40-3

2001-2002 DRAFTING INSERT
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/lins
RAC:.....

Insert 3-2:

SECTION 1. 77.21 (1e) of the statutes is amended to read:

77.21 (1e) "Mergers of corporations" means the merger, combination, or conversion of 2 one or more corporations, nonstock corporations, limited liability companies, or limited partnerships, or any combination thereof, under a plan of merger ~~or, a plan of consolidation or the combination of 2 or more limited liability companies under a plan of merger, or a plan of conversion permitted by the laws that~~ govern the entities.

History: 1971 c. 150; 1989 a. 31; 1991 a. 39; 1993 a. 112; 1999 a. 9.

Insert 9-15:

SECTION 2. 179.77 of the statutes is created to read:

179.77 Merger. (1) One or more domestic limited partnerships may merge with or into one or more other business entities if the merger is permitted under the applicable laws of the jurisdiction that governs each other business entity that is a party to the merger and each business entity approves the plan of merger in the manner required by the laws applicable to the business entity.

(2) The plan of merger shall set forth all of the following:

(a) The name, form of business entity, and ~~the~~ identity of the jurisdiction governing each business entity that is a party to the merger and the name, form of business entity and ~~the~~ identity of the jurisdiction of the surviving business entity with, or into, which each other business entity proposes to merge.

(b) The manner and basis of converting the interests in each business entity that is a party to the merger into shares, interests obligations, or other securities of

the surviving business entity or any other business entity or into cash or other property in whole or in part.

(3) The plan of merger may set forth any of the following:

(a) Amendments to the certificate of limited partnership or other similar governing document of the surviving business entity.

(b) Other provisions relating to the merger.

(4) After a merger is authorized, and at any time before the articles of merger are filed with the department, the planned merger may be abandoned, subject to any contractual rights, without further action on the part of the shareholders or other owners, in accordance with the procedure set forth in the plan of merger or, if none is set forth, in the manner determined by the governing body of any business entity that is a party to the merger.

(5) After a plan of merger is approved by each business entity that is a party to the merger in the manner required by the laws applicable to each business entity, the surviving business entity shall deliver to the department articles of merger that include all of the following:

(a) The plan of merger.

(b) A statement that the plan was approved by each business entity that is a party to the merger in the manner required by the laws applicable to each business entity.

(c) The effective date and time of the merger, if the merger is to take effect at a time other than the close of business on the date of filing the articles of merger under s. 179.11 (2).

(d) Other provisions relating to the merger, as determined by the surviving business entity.

(6) A merger has the following effects:

(a) Every other business entity that is a party to the merger merges into the surviving business entity, and the separate existence of every business entity, except the surviving business entity, ceases.

(b) If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

(c) The title to all property owned by each business entity that is a party to the merger is vested in the surviving business entity without reversion or impairment.

(d) The surviving business entity has all liabilities of each business entity that is party to the merger. ✓

(e) A civil, criminal, administrative, or investigatory proceeding pending by or against any business entity that is a party to the merger may be continued as if the merger did not occur, or the surviving business entity may be substituted in the proceeding for the business entity whose existence ceased. ✓

(f) The articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the surviving business entity shall be amended to the extent provided in the plan of merger. ✓

(g) The shares or other interests of each business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled

only to the rights provided in the articles of merger or to their rights under the laws applicable to each business entity that is a party to the merger.

(h) If the surviving business entity is a foreign business entity, the department is the agent of the surviving foreign business entity for service of process in a proceeding to enforce any obligation of any business entity that is a party to the merger, or the rights of the dissenting members or other owners of each business entity that is a party to the merger.

(i) When a merger takes effect, any surviving foreign business entity of the merger shall promptly pay to the dissenting shareholders of each domestic corporation or dissenting owners of each other domestic business entity that is a party to the merger the amount, if any, to which they are entitled under ss. 180.1301 to 180.1331 or under any law applicable to the other domestic business entity.

Insert 12-11:

SECTION 3. 180.1101 (1) of the statutes is amended to read:

180.1101 (1) One or more corporations may merge into another corporation with or into one or more business entities if the board of directors of each corporation, by resolution adopted by each board, approves a plan of merger and, if required by s. 180.1103, its shareholders also approve the plan of merger, and if the merger is permitted under the applicable law of the jurisdiction that governs each other business entity that is a party to the merger and each such business entity approves the plan of merger in the manner required by the laws applicable to the business entity.

History: 1989 a. 303.

SECTION 4. 180.1101 (2) (a) of the statutes is amended to read:

180.1101 (2) (a) ~~The name of each corporation, form of business entity, and the identity of the jurisdiction governing each business entity~~ planning to merge and the name, form of business entity, and ~~the identity of the jurisdiction of the surviving corporation~~ business entity into which each other ~~corporation~~ business entity plans to merge.

History: 1989 a. 303.

SECTION 5. 180.1101 (2) (c) of the statutes is amended to read:

180.1101 (2) (c) The manner and basis of converting the ~~shares of each corporation into shares~~ or other interests in each business entity that is a party to the merger into shares or interests, obligations, or other securities of the surviving ~~corporation~~ business entity or any other ~~corporation~~ business entity or into cash or other property in whole or part.

History: 1989 a. 303.

SECTION 6. 180.1101 (3) (a) of the statutes is amended to read:

180.1101 (3) (a) Amendments to the articles of incorporation or other similar governing document of the surviving corporation business entity.

History: 1989 a. 303.

SECTION 7. 180.1102 (1) of the statutes is amended to read:

180.1102 (1) A corporation may acquire all of the outstanding shares of one or more classes or series of another ~~corporation~~ business entity if the board of directors of each corporation, by resolution adopted by each board, approves a plan of share exchange and, if required by s. 180.1103, its shareholders also approve the plan of share exchange, and if the share exchange is permitted under the applicable law of the jurisdiction that governs the other business entity and the other business entity approves the plan of share exchange in the manner required by the laws of the jurisdiction that governs the business entity.

History: 1989 a. 303.

other



SECTION 8. 180.1102 (2) (a) of the statutes is amended to read:

180.1102 (2) (a) The name of ~~the corporation~~, form of business entity, and ~~the~~ identity of the jurisdiction governing the business entity whose shares will be acquired and the name of the acquiring ~~corporation~~ business entity.

History: 1989 a. 303.

SECTION 9. 180.1102 (2) (c) of the statutes is amended to read:

180.1102 (2) (c) The manner and basis of exchanging the shares or other ownership interests to be acquired for shares, obligations or other securities of the acquiring or any other ~~corporation~~ business or for cash or other property in whole or part.



↑
plain

History: 1989 a. 303.

SECTION 10. 180.1103 (6) of the statutes is amended to read:

180.1103 (6) **MERGER OR SHARE EXCHANGE ABANDONED.** After a merger or share exchange is authorized, and at any time before articles of merger or share exchange are filed, the planned merger or share exchange may be abandoned, subject to any contractual rights, without further shareholder action on the part of shareholders or other owners, in accordance with the procedure set forth in the plan of merger or share exchange or, if none is set forth, in the manner determined by the board of directors or other similar governing body of any other business entity that is a party to the merger.

History: 1989 a. 303; 1991 a. 16.

SECTION 11. 180.1104 (title) of the statutes is amended to read:

180.1104 (title) **Merger of subsidiary or parent.**

History: 1989 a. 303; 1995 a. 27.

SECTION 12. 180.1104 (1) of the statutes is amended to read:

180.1104 (1) A parent corporation owning at least 90% of the outstanding shares of each class of a subsidiary corporation or at least 90% of the outstanding

interests of each class of any other subsidiary business entity may merge the subsidiary into itself the parent or the parent into the subsidiary without approval of the shareholders of the parent or the shareholders or other owners of the subsidiary.

History: 1989 a. 303; 1995 a. 27.

SECTION 13. 180.1104 (2) (b) of the statutes is amended to read:

180.1104 (2) (b) The manner and basis of converting the shares or other interests of the subsidiary or parent into shares, interests, obligations, or other securities of the ~~parent~~ surviving business entity or any other ~~corporation~~ business entity or into cash or other property in whole or part.

History: 1989 a. 303; 1995 a. 27.

SECTION 14. 180.1104 (3) of the statutes is amended to read:

180.1104 (3) The parent shall mail a copy or summary of the plan of merger to each shareholder or other owner of the ~~subsidiary~~ merging business entity who does not waive the mailing requirement in writing.

History: 1989 a. 303; 1995 a. 27.

SECTION 15. 180.1104 (4) of the statutes is amended to read:

180.1104 (4) The parent may not deliver articles of merger to the department for filing until at least ~~30~~ 10 days after the date on which it mailed a copy of the plan of merger to each shareholder or other owner of the ~~subsidiary~~ merging business entity who did not waive the mailing requirement.

History: 1989 a. 303; 1995 a. 27.

SECTION 16. 180.1104 (5) of the statutes is amended to read:

180.1104 (5) Articles of merger under this section may not contain amendments to the articles of incorporation of the ~~parent corporation~~ surviving business entity, except for amendments enumerated in s. 180.1002 or otherwise not requiring the approval of the shareholders or other owners of the entity.

History: 1989 a. 303; 1995 a. 27.



SECTION 17. 180.1105 (1) (intro.) of the statutes is amended to read:

180.1105 (1) (intro.) Except as provided in s. 180.1104 (4), after a plan of merger or share exchange is approved by the shareholders of the corporation, or adopted by the board of directors if shareholder approval is not required, and by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity, the surviving or acquiring ~~corporation~~ business entity shall deliver to the department for filing articles of merger or share exchange setting forth all of the following:

History: 1989 a. 303; 1995 a. 27.

SECTION 18. 180.1105 (1) (b) of the statutes is amended to read:

180.1105 (1) (b) A statement that the plan was approved by each domestic corporation that is a party to the merger in accordance with s. 180.1103 or 180.1104, whichever is applicable, and by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity.



History: 1989 a. 303; 1995 a. 27.

SECTION 19. 180.1105 (1) (c) of the statutes is created to read:

180.1105 (1) (c) The effective date and time of the merger or share exchange, if the merger or share exchange is ^{to} take effect at a time other than the close of business on the date of filing the articles of merger, as provided under s. 180.0123.

SECTION 20. 180.1105 (1) (d) of the statutes is created to read:

180.1105 (1) (d) Other provisions relating to the merger, as determined by the surviving business entity.

SECTION 21. 180.1106 (1) (a) of the statutes is amended to read:

180.1106 (1) (a) Every other ~~corporation~~ business entity that is party to the merger merges into the surviving ~~corporation~~ business entity, and the separate

existence of every ~~corporation~~ business entity that is a party to the merger, except the surviving ~~corporation~~ business entity, ceases.

History: 1989 a. 303.

SECTION 22. 180.1106 (1) (am) of the statutes is created to read:

180.1106 (1) (am) If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

SECTION 23. 180.1106 (1) (b) of the statutes is amended to read:

180.1106 (1) (b) The title to all property owned by each ~~corporation~~ business entity that is party to the merger is vested in the surviving ~~corporation~~ business entity without reversion or impairment.

History: 1989 a. 303.

SECTION 24. 180.1106 (1) (c) of the statutes is amended to read:

180.1106 (1) (c) The surviving ~~corporation~~ business entity has all liabilities of each ~~corporation~~ business entity that is party to the merger.

History: 1989 a. 303.

SECTION 25. 180.1106 (1) (d) of the statutes is amended to read:

180.1106 (1) (d) A civil, criminal, administrative, or investigatory proceeding pending by or against any ~~corporation~~ business entity that is a party to the merger may be continued as if the merger did not occur, or the surviving ~~corporation~~ business entity may be substituted in the proceeding for the ~~corporation~~ business entity whose existence ceased.

History: 1989 a. 303.

SECTION 26. 180.1106 (1) (e) of the statutes is repealed and recreated to read:

180.1106 (1) (e) The articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document, whichever is applicable, of the surviving business entity shall be amended to the extent provided in the plan of merger.

SECTION 27. 180.1106 (1) (f) of the statutes is amended to read:

180.1106 (1) (f) The shares or other interests of each ~~corporation~~ business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving ~~corporation~~ business entity or any other ~~corporation~~ business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled only to the rights provided in the articles of merger or to their rights under ss. 180.1301 to 180.1331 or otherwise under the laws applicable to each business entity that is party to the merger.

History: 1989 a. 303.

SECTION 28. 180.1106 (3) of the statutes is created to read:

180.1106 (3) (a) When a merger or share exchange under this section takes effect, the department is the agent of any surviving foreign business entity of a merger or any acquiring foreign business entity in a share exchange, for service of process in a proceeding to enforce any obligation or the rights of dissenting shareholders or other owners of each domestic business entity that is a party to the merger or share exchange.

(b) When a merger or share exchange under this section takes effect, any surviving foreign business entity of a merger or any acquiring foreign business entity in a share exchange shall promptly pay to the dissenting shareholders of each domestic corporation or dissenting owners of each other domestic business entity that is a party to the merger or share exchange the amount, if any, to which they are

entitled under ss. 180.1301 to 180.1331 or under any law applicable to such other domestic business entity.

SECTION 29. 180.1107 of the statutes is repealed.

SECTION 30. 180.1150 (3) (e) of the statutes is amended to read:

180.1150 (3) (e) Shares acquired under s. 180.1101, 180.1102, or 180.1104 or 180.1107 if the resident domestic corporation is a party to the merger or share exchange.

History: 1989 a. 303; 1995 a. 336; 1997 a. 27.

Insert 20-16:

SECTION 31. 181.1101 (1) of the statutes is amended to read:

181.1101 (1) **IN GENERAL.** One or more corporations may merge ~~into a corporation or a stock corporation,~~ with or into one or more other business entities if the plan of merger is approved as provided in s. 181.1103 and if the merger is permitted under the applicable law of the jurisdiction that governs each other business entity that is a party to the merger and each business entity approves the plan of merger in the manner required by the laws applicable to the business entity.

History: 1997 a. 79.

SECTION 32. 181.1101 (2) (a) of the statutes is amended to read:

181.1101 (2) (a) ~~The name of each corporation, form of business entity, and the identity of the jurisdiction governing each business entity planning to merge and the name, form of business entity, and the identity of the jurisdiction of the surviving corporation~~ business entity into which each other corporation business entity plans to merge.

History: 1997 a. 79.

SECTION 33. 181.1101 (2) (d) of the statutes is amended to read:

181.1101 (2) (d) The manner and basis, if any, of converting ~~memberships of each merging corporation into memberships, obligations or~~ the shares or other

interests in each business entity that is a party to the merger into shares, interests, obligations, or other securities of the surviving business entity or any other corporation business entity or into cash or other property in whole or part.

History: 1997 a. 79.

SECTION 34. 181.1101 (3) (a) of the statutes is amended to read:

181.1101 (3) (a) ~~If the surviving corporation is a domestic corporation, amendments~~ Amendments to the articles of incorporation or ~~bylaws~~ other similar governing document of the surviving corporation ~~to be effected by the planned merger business entity.~~

History: 1997 a. 79.

SECTION 35. 181.1103 (6) of the statutes is amended to read:

181.1103 (6) ABANDONMENT OF PLANNED MERGER. After a merger is adopted, and at any time before articles of merger are filed, the planned merger may be abandoned, subject to any contractual rights, without further action by members or other persons who approved the plan, in accordance with the procedure set forth in the plan of merger or, if none is set forth, in the manner determined by the board or other similar governing body of any other business entity that is a party to the merger.

History: 1997 a. 79.

SECTION 36. 181.1104 (title) of the statutes is amended to read:

181.1104 (title) **Merger of subsidiary or parent.**

History: 1997 a. 79.

SECTION 37. 181.1104 (1) of the statutes is amended to read:

181.1104 (1) MEMBER APPROVAL NOT REQUIRED. A parent corporation that is a member with at least 90% of the voting rights in a subsidiary corporation may merge the subsidiary into itself the parent or the parent into the subsidiary without

approval of the members of the parent or the members or other owners of the subsidiary.

History: 1997 a. 79.

SECTION 38. 181.1104 (2) (b) of the statutes is amended to read:

181.1104 (2) (b) The manner and basis of converting the memberships of the subsidiary or parent into memberships or other interests of the parent surviving business entity or any other ~~corporation~~ business entity or into cash or other property in whole or part.

History: 1997 a. 79.

SECTION 39. 181.1104 (3) of the statutes is amended to read:

181.1104 (3) NOTICE REQUIREMENT. The parent shall mail a copy or summary of the plan of merger to each member or other owner of the subsidiary merging business entity who does not waive the mailing requirement in writing.

History: 1997 a. 79.

SECTION 40. 181.1104 (4) of the statutes is amended to read:

181.1104 (4) FILING WITH DEPARTMENT. The parent may not deliver articles of merger to the department for filing until at least ~~30~~ 10 days after the date on which it mailed a copy of the plan of merger to each member or other owner of the ~~subsidiary merging business entity~~ who did not waive the mailing requirement.

History: 1997 a. 79.

SECTION 41. 181.1105 (intro.) of the statutes is amended to read:

181.1105 Articles of merger. (intro.) After a plan of merger is approved by the board, and, if required under s. 181.1103, by the members and any other persons, and by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity, the surviving or acquiring ~~corporation~~ business entity shall deliver to the department for filing articles of merger that include all of the following information:

History: 1997 a. 79.

SECTION 42. 181.1105 (2) of the statutes is amended to read:

181.1105 (2) **IF MEMBER APPROVAL NOT REQUIRED.** If approval of members was not required, a statement to that effect and a statement that the plan was approved by a sufficient vote of the board and by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity.

History: 1997 a. 79.

SECTION 43. 181.1105 (3) (c) of the statutes is created to read:

181.1105 (3) (c) A statement that the plan was approved by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity.

SECTION 44. 181.1105 (5) of the statutes is created to read:

181.1105 (5) **EFFECTIVE DATE AND TIME.** The effective date and time of the merger, if the merger takes effect at a time other than the close of business on the date of filing the articles of merger, as provided under s. 181.0123.

SECTION 45. 181.1105 (6) of the statutes is created to read:

181.1105 (6) **OTHER MATTERS.** Any other provisions relating to the merger, as determined by the surviving business entity.

SECTION 46. 181.1106 (1) of the statutes is amended to read:

181.1106 (1) **TERMINATION OF SEPARATE EXISTENCE.** Every other ~~corporation~~ business entity that is a party to the merger merges into the surviving corporation business entity, and the separate existence of every ~~corporation~~ business entity, except the surviving ~~corporation~~ business entity, ceases.

History: 1997 a. 79.

SECTION 47. 181.1106 (1m) of the statutes is created to read:

181.1106 (1m) **DEBTS AND OBLIGATIONS.** If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business

entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

SECTION 48. 181.1106 (2) of the statutes is amended to read:


181.1106 (2) **TITLE TO PROPERTY.** The title to all real estate and other property owned by each ~~corporation~~ business entity that is a party to the merger is vested in the surviving ~~corporation~~ business entity without reversion or impairment subject to any conditions to which the property was subject before the merger.

History: 1997 a. 79.

SECTION 49. 181.1106 (3) of the statutes is repealed and recreated to read:

181.1106 (3) **LIABILITIES.** The surviving business entity has all liabilities of each business entity that is a party to the merger.

SECTION 50. 181.1106 (4) of the statutes is amended to read:

181.1106 (4) **PENDING PROCEEDINGS.** A civil, criminal, administrative² or  investigatory proceeding pending by or against any corporation business entity that is a party to the merger may be continued as if the merger did not occur, or the surviving ~~corporation~~ business entity may be substituted in the proceeding for the ~~corporation~~ business entity whose existence ceased. ✓

History: 1997 a. 79.

SECTION 51. 181.1106 (5) of the statutes is repealed and recreated to read:

181.1106 (5) **ARTICLES OF INCORPORATION OR OTHER SIMILAR GOVERNING DOCUMENT.** The articles of incorporation, articles of organization, certificate of limited partnership, or other similar governing document shall be amended to the extent provided in the plan of merger.

SECTION 52. 181.1106 (6) of the statutes is created to read:

181.1106 (6) OWNERSHIP INTERESTS. The shares or other interests of each business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled only to the rights provided in the articles of merger or under laws applicable to each business entity that is party to the merger.

SECTION 53. 181.1107 (2) of the statutes is amended to read:

181.1107 (2) EFFECT OF MERGER. Upon the merger taking effect, the any surviving foreign corporation or foreign stock corporation business entity is deemed to have irrevocably appointed the department as its agent for service of process in any proceeding brought against it.

History: 1997 a. 79.

SECTION 54. 181.1108 of the statutes is amended to read:

181.1108 Bequests, devises, and gifts. Any bequest, devise, gift, grant, or promise contained in a will or other instrument of donation, subscription, or conveyance, that is made to a constituent ~~corporation~~ business entity and that takes effect or remains payable after the merger, inures to the surviving ~~corporation~~ business entity unless the will or other instrument otherwise specifically provides.

History: 1997 a. 79.

Insert 35-24:

SECTION 55. 183.1201 (2) of the statutes is amended to read:

183.1201 (2) Unless otherwise provided in an operating agreement, one or more limited liability companies may merge with or into one or more other ~~limited liability companies or one or more other foreign limited liability companies,~~ with the surviving ~~limited liability company~~ being the limited liability company provided in the plan of merger business entities if the merger is permitted under the applicable

laws of the jurisdiction that governs each such other business entity and each business entity approves the plan of merger in the manner required by the laws applicable to the business entity.

History: 1993 a. 112.

SECTION 56. 183.1201 (3) of the statutes is amended to read:

183.1201 (3) Interests in a limited liability company that is a party to a merger may be exchanged for or converted into cash, property, shares, obligations of or interest interests in the surviving ~~limited liability company~~ business entity, or of any other ~~limited liability company~~ business entity.

History: 1993 a. 112.

SECTION 57. 183.1202 (3) of the statutes is amended to read:

183.1202 (3) Each ~~foreign~~ business entity, other than a domestic limited liability company, that is a party to a proposed merger shall approve the merger in the manner and ~~by the vote~~ required by the laws applicable to the ~~foreign limited liability company~~ business entity.

History: 1993 a. 112; 1995 a. 400.

SECTION 58. 183.1202 (4) of the statutes is amended to read:

183.1202 (4) Each ~~limited liability company~~ business entity that is a party to the merger shall have any rights to abandon the merger that are provided for in the plan of merger or in the laws applicable to the ~~limited liability company~~ business entity.

History: 1993 a. 112; 1995 a. 400.

SECTION 59. 183.1202 (6) of the statutes is created to read:

183.1202 (6) After a merger is authorized, and at any time before the articles of merger are filed with the department, the planned merger may be abandoned, subject to any contractual rights, without further action on the part of the shareholders or other owners, in accordance with the procedure set forth in the plan

renumbered 183.1203 and ¹⁸ 183.1203 (1) as renumbered ^{RAC:.....} is

of merger or, if none is set forth, in the manner determined by the governing body of any business entity that is a party to the merger.

FIX COMPONENT →

SECTION 60. 183.1203 (1) of the statutes is repealed.

SECTION 61. 183.1203 (2) (a) of the statutes is amended to read:

183.1203 (2) (a) The name of, form of business entity, and the identity of the jurisdiction governing each limited liability company business entity that is a party to the merger and the name, form of business entity, and the identity of the jurisdiction of the surviving limited liability company business entity with, or into, which each other limited liability company business entity proposes to merge.

History: 1993 a. 112; 1995 a. 400.

SECTION 62. 183.1203 (2) (c) of the statutes is amended to read:

183.1203 (2) (c) The manner and basis of converting the interests in each limited liability company business entity that is a party to the merger into limited liability company shares, interests or, obligations, or other securities of the surviving limited liability company business entity or any other business entity or into cash or other property in whole or in part.

History: 1993 a. 112; 1995 a. 400.

SECTION 63. 183.1203 (2) (d) of the statutes is amended to read:

183.1203 (2) (d) Amendments to the articles of organization or other similar governing document of the surviving limited liability company that will be effected by the merger business entity.

History: 1993 a. 112; 1995 a. 400.

SECTION 64. 183.1204 (1) of the statutes is repealed and recreated to read:

183.1204 (1) The surviving business entity shall deliver to the department articles of merger that include all of the following:

- (a) The plan of merger.

(b) The effective date and time of the merger, if the merger is to take effect at a time other than the close of business on the date of filing the articles of merger under s. 183.0111.

(c) A statement that the plan was approved by each domestic limited liability company that is a party to the merger in accordance with s. 183.1202, and by each other business entity that is a party to the merger in the manner required by the laws applicable to the business entity.

(e) Other provisions relating to the merger, as determined by the surviving business entity.

SECTION 65. 183.1205 of the statutes is repealed and recreated to read:

183.1205 Effects of merger. A merger has the following effects:

(1) Every other business entity that is a party to the merger merges into the surviving business entity, and the separate existence of every business entity, except the surviving business entity, ceases.

(1m) If the merger is with or into a business entity under the laws applicable to which one or more of the owners of the business entity is liable for the debts and obligations of the business entity, the owner or owners are so liable only for the debts and obligations accrued during the period or periods in which such laws are applicable.

(2) The title to all property owned by each business entity that is a party to the merger is vested in the surviving business entity without reversion or impairment.

(3) The surviving business entity has all liabilities of each business entity that is party to the merger.

(4) A civil, criminal, administrative, or investigatory proceeding pending by or against any business entity that is a party to the merger may be continued as if the

merger did not occur, or the surviving business entity may be substituted in the proceeding for the business entity whose existence ceased.

(5) The articles of organization, certificate of limited partnership, or similar governing document, whichever is applicable, of the surviving business entity shall be amended to the extent provided in the plan of merger.

(6) The shares or other interests of each business entity that is party to the merger that are to be converted into shares, interests, obligations, or other securities of the surviving business entity or any other business entity or into cash or other property are converted, and the former holders of the shares or interests are entitled only to the rights provided in the articles of merger or to their rights under the laws applicable to each business entity that is a party to the merger.

(7) If the surviving business entity is a foreign business entity, the department is the agent of the surviving foreign business entity for service of process in a proceeding to enforce any obligation of any business entity that is a party to the merger, or the rights of the dissenting members or other owners of each business entity that is a party to the merger.

(8) When a merger takes effect, any surviving foreign business entity of the merger shall promptly pay to the dissenting shareholders of each domestic corporation or dissenting owners of each other domestic business entity that is a party to the merger the amount, if any, to which they are entitled under ss. 180.1301 to 180.1331 or under any law applicable to the other domestic business entity.

SECTION 66. 183.1206 of the statutes is amended to read:

183.1206 Right to object. Unless otherwise provided in an operating agreement, upon receipt of the notice required by s. 183.1202 (5), a member of a limited liability company who did not vote in favor of the merger may, within 20 days

after the date of the notice, voluntarily dissociate from the limited liability company under s. 183.0802 (3) and receive fair value for the member's limited liability company interest under s. 183.0604. The rights afforded to shareholders, partners, or other owners of other business entities shall be as required or provided by the laws applicable to the other business entities.

History: 1993 a. 112.

Insert 40-3:

SECTION 67. 611.72 (2) of the statutes is amended to read:

611.72 (2) APPROVAL REQUIRED. No proposed plan of merger under s. 180.1101, or 180.1104 or 180.1107 or other plan for acquisition of control may be submitted to the shareholders of any domestic stock insurance corporation or its parent insurance holding corporation participating in the transaction or executed unless it has been approved by the commissioner.

History: 1971 c. 260; 1973 c. 184; 1979 c. 94; 1989 a. 303; 1995 a. 27; 1999 a. 30.

SECTION 68. Appropriation changes.

(1) In the schedule under section 20.005 (3) of the statutes for the appropriation to the department of financial institutions under section 20.144 (1) (g) of the statutes, as affected by the acts of 2001, the dollar amount is increased by \$821,600 for fiscal year 2002-03 to carry out the purpose for which the appropriation is made.

SECTION 69. Effective date.

(1) This act takes effect on the first day of the 6th month beginning after publication.

INSERT NO. A

no 9
If the conversion is from or to a business entity under the laws applicable to which one or more of the owners thereof is liable for the debts and obligations of such business entity, such owner or owners shall be so liable only for debts and obligations accrued during the period or periods in which such laws are applicable.

INSERT NO. B

If the conversion is from or to a business entity under the laws applicable to which one or more of the owners thereof is liable for the debts and obligations of such business entity, such owner or owners shall be so liable only for debts and obligations accrued during the period or periods in which such laws are applicable.

INSERT NO. C

If the conversion is from or to a business entity under the laws applicable to which one or more of the owners thereof is liable for the debts and obligations of such business entity, such owner or owners shall be so liable only for debts and obligations accrued during the period or periods in which such laws are applicable.

INSERT NO. D

If the conversion is from or to a business entity under the laws applicable to which one or more of the owners thereof is liable for the debts and obligations of such business entity, such owner or owners shall be so liable only for debts and obligations accrued during the period or periods in which such laws are applicable.

BNM8922.WPD:1

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/P2dn

RAC:.....

gjs

I pretty much have completed reviewing and incorporating the revisions and new insertions provided by Atty. Thomas Nichols into the Next Economy Package. At this juncture, I would like to give you the next version of the draft as a "preliminary" draft, so that all parties involved can look at the clean text and see the changes across the chapters. Rob and I have yet to write an analysis and we have not yet begun a close examination of which possible parts of chs. 179 to 183 may need to be harmonized with the changes made in the draft. I thought that I could get you the draft this week for another review to make certain that all of the changes that are being made to the merger and conversion laws are consistent in each chapter. While the draft is under review, I can write the analysis and do what needs to be done in terms of harmonization of the draft with current law. The draft is pretty close to being ready for introduction, but given the potential sweep of the changes in the draft another review seems warranted.

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Emery, Lynn

From: Emery, Lynn
Sent: Wednesday, October 17, 2001 3:59 PM
To: Lisa Roys
Subject: LRB-3724/P2 & P2dn (attached)

Lynn Emery

Lynn Emery - Program Asst. (PH. 608-266-3561)
(E-Mail: lynn.emery@legis.state.wi.us) (FAX: 608-264-6948)

Legislative Reference Bureau - Legal Section - Front Office
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Madison, WI 53703

10/17/2001

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FROM THE
LEGISLATIVE REFERENCE BUREAU

LRB-3724/P2dn

RAC:cjs:pg

October 17, 2001

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