

MICHIGAN LIMITED LIABILITY COMPANY ACT (EXCERPT)
Act 23 of 1993

450.4709 Conversion of business organization into domestic limited liability company; requirements; effectiveness of certificate of conversion.

Sec. 709.

(1) A business organization may convert into a domestic limited liability company if all of the following requirements are satisfied:

(a) The conversion is permitted by the law that governs the internal affairs of the business organization, and the business organization complies with that law in converting.

(b) The business organization proposing to convert into a domestic limited liability company adopts a plan of conversion that includes all of the following:

(i) The name of the business organization, the type of business organization that is converting, identification of the statute that governs the internal affairs of the business organization, the name of the surviving domestic limited liability company into which the business organization is converting, the street address of the surviving domestic limited liability company, the street address of the business organization if different from the street address of the surviving domestic limited liability company, and the principal place of business of the surviving domestic limited liability company.

(ii) The terms and conditions of the proposed conversion, including the manner and basis of converting the ownership interests of the business organization into membership interests of the surviving domestic limited liability company, into cash, into other consideration that may include ownership interests or obligations of an entity that is not a party to the conversion, or into a combination of cash and other consideration.

(iii) The terms and conditions of the articles of organization that are to govern the surviving domestic limited liability company.

(iv) Any other provisions with respect to the proposed conversion that the business organization considers necessary or desirable.

(c) If a plan of conversion is adopted by the business organization under subdivision (b), the plan of conversion is submitted for approval in the manner required by the law governing the internal affairs of that business organization.

(d) If the plan of conversion is approved under subdivisions (b) and (c), the business organization executes as provided in section 103 and files a certificate of conversion with the administrator. The certificate of conversion shall include all of the following:

(i) All of the information described in subdivision (b)(i) and (ii).

(ii) A statement that the business organization has obtained approval of the plan of conversion under subdivision (c).

(iii) A statement that the surviving domestic limited liability company will furnish a copy of the plan of conversion, on request and without cost, to any owner of the business organization.

(iv) A statement specifying each assumed name of the business organization that the surviving domestic limited liability company is authorized to continue to use under section 206(9).

(v) Articles of organization for the surviving domestic limited liability company that meet all of the requirements of this act applicable to articles of organization.

(2) Section 104 applies in determining when a certificate of conversion under this section becomes effective.

(3) When a conversion under this section takes effect, all of the following apply:

(a) The business organization converts into the surviving domestic limited liability company. Except as otherwise provided in this section, the surviving domestic limited liability company is organized under and subject to this act.

(b) The surviving domestic limited liability company has all of the liabilities of the business organization. The conversion of the business organization into a domestic limited liability company under this section shall not be considered to affect any obligations or liabilities of the business organization incurred before the conversion or the personal liability of any person incurred before the conversion, and the conversion shall not be considered to affect the choice of law applicable to the business organization with respect to matters arising before the conversion.

(c) The title to all real estate and other property and rights owned by the business organization remains vested in the surviving domestic limited liability company without reversion or impairment. The rights, privileges, powers, and interests in property of the business organization, as well as the debts, liabilities, and duties of the business organization, shall not be considered, as a consequence of the conversion, to have been transferred to the surviving domestic limited liability company to which the business organization has converted for any purpose of the laws of this state.

(d) The surviving domestic limited liability company may use the name and the assumed names of the business organization if the filings required under section 206(9) or any other applicable statute are made and the laws

regarding use and form of names are followed.

(e) A proceeding pending against the business organization may be continued as if the conversion had not occurred, or the surviving domestic limited liability company may be substituted in the proceeding for the business organization.

(f) The surviving domestic limited liability company is considered to be the same entity that existed before the conversion and is considered to be organized on the date that the business organization was originally organized.

(g) The ownership interests of the business organization that were to be converted into membership interests or obligations of the surviving domestic limited liability company or into cash or other property are converted.

(h) Unless otherwise provided in a plan of conversion adopted in accordance with this section, the business organization is not required to wind up its affairs or pay its liabilities and distribute its assets on account of the conversion, and the conversion does not constitute a dissolution of the business organization.

History: Add. 2010, Act 290, Imd. Eff. Dec. 16, 2010